

Executive Summary

2Q FY2023 Discussion

NR Instant Produce Public Company Limited (NRF) (The “Company”) reported revenues of THB 600.9 million for 2Q FY2023, an increase of +10% YoY versus 2Q FY2022 and +18% QoQ versus 1Q FY2023. The company was encouraged by trends seen in 2Q FY2023 with QoQ growth at the revenue line led by the Own Brands Foods (+37%), Climate Action (+28%) and the OEM Foods (+20%) businesses.

For 2Q FY2023, the company reported gross profit of THB 221.6 million. This represents a contraction of -7% YoY versus 2Q FY2022; a consequence of proactive risk management measures in 4Q FY2022 as well as a change in revenue mix but an increase of +27% QoQ versus 1Q FY2023 as all divisions showed better revenue and margin trends since the start of the year. The Company also continued with its efforts to successfully manage down SG&A which totaled 30.6% in 2Q FY2023. This was stable versus 1Q FY2023 but showed marked improvement over SG&A of 37.7% in 2Q FY2022.

To sharpen the Company’s corporate structure into a vertically integrated food company, NRF acquired a 49% stake in Kairous Asia, a SPAC Sponsor, with the goal of taking our Direct to consumer (DTC) business public in the US. As part of the plan for accelerated public offering, the Company chose to recognize a one-time THB78m impairment loss as part of the restructuring of the Company’s investments resulting in the Company reporting THB 36m net loss in 2Q FY 2023. Excluding this one-time item, the adjusted net profit would be THB 42.3 million representing growth rates of +7% YoY and +65.4% QoQ. The Company views 2Q FY2023 with optimism given the emerging post-COVID growth in the core business and expectations of improvements heading into 2H FY2023. The strategic review of investments and the majority acquisition of Galalane Ltd provide the platform for a more effective execution of omni-channel distribution strategy and create growth impetus for the DTC business.

1H FY2023 Discussion

The Company reported revenues of THB 1,108.9 million, a decrease of -4% YoY versus 1H FY2022 and a net loss of THB 10.5 million after the Company chose to recognize a one-time THB 78m impairment loss on the restructuring of the company in preparation for a public offering of its subsidiary. Excluding this one-time item, the adjusted net profit would be THB 68 million, which is stable compared to the same period last year. Having implemented proactive risk management measures in 4Q FY2022 that caused revenue contraction, the Company that green shoots appear to be emerging as exemplified by the trajectory of revenue from the beginning of 2023.

Stock Information

Share price (15/05/2023)

Historical Closing Price	
52-week high	THB 7.15
52-week low	THB 4.96
No. of shares:	1,417.7 m
Par value:	THB 1.00
Market Cap.	THB 7,584.5 m
Average value trade per day (YTD)	THB 19.9 m

Major shareholders (2/05/2023)

Asian Food Corporation Limited	35.1%
DP Partners Limited	12.5%
Dan Pathomvanich	12.5%
DLN 2017 Limited (Headquarter)	5.2%

Key developments

- Investment in Kairous Asia** - Pursuant to the 27th June resolution passing, the company announced on 18th July an investment of US\$1.5m for a 49% stake in Kairous Asia Ltd. Kairous Asia operates a SPAC and NRF is seeking to combine the company’s Direct to Consumer businesses for potential listing in the US.
- Strategic restructuring to prepare key subsidiary for potential US public listing** – Proactive decision to impair investment value in the company’s subsidiary portfolio by THB 78 million in preparation for a possible public offering.
- Investment in Galalane Limited** – Pursuant to the 31st May resolution passing, the company announced on 5th July an investment of GBP5.1m for a 90% stake in Galalane Ltd which holds Chuanglee Ltd and Chuanglee Cash and Carry, a UK-based leading oriental food retailers and wholesalers
- Pet food** business has launched products in new markets such as Australia, India, Saudi Arabia, Malaysia, Philippines, and plan to increase production capacity in Q4/23 to cope with demand.
- Plant-based food** factory construction in Ayutthaya has progressed as planned. Trial production has begun as of July 23
- Sauce factory** construction progress is on track, and it is expected to complete in Q4 2023.
- Acquisition of The Very Good Food Company**
- Frontline BioEnergy announces milestone progress with world’s largest RNG plant.** Frontline, an investment of NRF under climate action division, announced its landmark project, SJR has received \$13m in funding from Southern California Gas

Post 2Q FY2023 Discussion

The Company believes operating condition has improved for 2H FY2023 as global economic uncertainties subside. Nonetheless SG&A cost reduction program will continue. Both factors are expected to lead to wider operating profit margin as positive operating leverage takes hold. The Company has also been vigilant of fixed asset capital investments; plant-based food factory has already begun trial production as of July 2023 and construction of the new sauce factory is expected to be completed in Q4 FY2023 as scheduled.

On 5th July 2023, the Company announced an investment of GBP5.1m for a 90% stake in Galalane Ltd. which holds Chuanglee Ltd. and Chuanglee Cash and Carry, a UK-based leading oriental food retailers and wholesalers. The Company expects revenue recognition from the subsidiary in the third quarter of 2023 and based on FY2023 result (fiscal year ending 31st March), Galalane could contribute as much as 16% to the Company's net profit on the proforma basis. In addition, the decision to invest in Kairous Asia Ltd. was timely. We expect to be able to report a fair value gain on the investment in Q3 FY2023 – potentially another indication that the Company's restructuring process is bearing more fruit.

Summary of Financial Performance

Operating Highlights	Q2/22	Q1/23	Q2/23	Change		6M	6M	Change
				+/-		2022	2023	+/-
Unit: THB million				%YoY	%QoQ			%YoY
Operating Revenue	546.0	508.0	600.9	10.1%	18.3%	1,149.6	1,108.9	(3.5%)
Gross Profit	239.3	174.3	221.6	(7.4%)	27.1%	512.2	396.0	(22.7%)
EBITDA	118.5	108.1	60.8	(48.7%)	(43.8%)	214.1	168.8	(21.2%)
Adjusted EBITDA	118.5	108.1	139.1	17.3%	28.7%	214.1	247.1	15.4%
Net Profit	37.1	28.0	(33.4)	(190.0%)	(219.3%)	62.7	(5.4)	(108.6%)
Net Profit Attributable to NRF's equity holders	39.5	25.6	(36.0)	(191.2%)	(241.0%)	68.4	(10.5)	(115.3%)
Adjusted Net Profit Attributable to NRF's equity holders	39.5	25.6	42.3	7.0%	65.4%	68.4	67.8	(0.8%)
Gross profit margin	43.8%	34.3%	36.9%	(7.0%)	2.6%	44.6%	35.7%	(8.8%)
EBITDA margin	21.4%	18.6%	9.3%	(12.1%)	(9.3%)	18.5%	13.7%	(4.9%)
Adjusted EBITDA margin	21.4%	18.6%	21.3%	(0.2%)	2.7%	18.5%	20.0%	1.5%
Net profit margin	6.7%	4.8%	(5.1%)	(11.8%)	(9.9%)	5.4%	(0.4%)	(5.9%)
Net Profit Attributable to NRF's equity holders margin	7.1%	4.4%	(5.5%)	(-12.7%)	(9.9%)	5.9%	(0.8%)	(6.8%)
Adjusted Net Profit Attributable to NRF's equity holders margin	7.1%	4.4%	6.5%	-0.7%	2.1%	5.9%	5.5%	(0.4%)

Key Events and Updates in 2Q 2023

As a climate-conscious food manufacturer, the Company plans to expand business through vertical integration approach by proactive marketing strategy of Asian Grocery business in the United Kingdom



In the first quarter of 2023, the Company plans to expand its business and increase distribution channels through vertical integration approach in order to increase accessibility directly and widely to consumers. The Company creates an omnichannel distribution platform for gathering, researching, and analyzing consumer database. This enables the Company to launch new products, strengthen production capabilities of the Company, and create a real-time responsiveness to new demands together with broaden opportunity for Thai food manufacturer to have direct exposure to international markets. The aforementioned strategy is anticipated to create long-term revenue and net profit to the

Company.

Strategic restructuring to consolidate the company’s direct to consumer and health food business under one umbrella for a public offering via Kairous Acquisition Corporation in the United States.



In Q2/2023, to support the goal of becoming the largest purveyor of Asian grocery and health products in the United Kingdom, the Company restructured its investments into Direct to consumer and plant-based foods under one umbrella. The rationale is to capitalize on the ability to use public company shares as a means to acquire companies through shares swaps. Comparable Asian Grocery omni-channel distributors such as Weee! with \$406m in revenue received 10x price-to-revenue valuation multiple or \$4.1bn as of February 2022.

Pet food business penetrates into new markets i.e., Australia, India, Saudi Arabia, Malaysia, Phillipines, and Russia as well as plan to expand its production capacity



Pet food business saw continually strong revenue growth from THB 18 million in Q2 2022 to THB 108 million in Q2 2023. During Q2 2023, the Company successfully penetrated into international markets such as Australia, India, Saudi Arabia, Malaysia, Phillipines, and Russia. Furthermore, the the Company plans to increase 2 production line to support growing demand in pet food market.

The construction of plant-based factory in Ayutthaya is in progress as planned and expected to commercialize in Q3 2023 in order to increase profitability of plant-based food business



Plant-based factory has been under construction since Q4 2022 which is expected to commercialize in Q3 2023. The Company sees the opportunity to achieve cost efficiency in production by moving toward local sources of raw materials in which Thailand is a country that has competitive capabilities in export and agriculture industries. The construction of plant-based manufacturing facility is under management of Nutra Regenerative Protein Company Limited, a joint venture between the Company and a subsidiary of PTT. As of August the plant has been commissioned and started trial production.

New sauce facility is under construction as planned and expected to be commissioning in Q4 2023



The Company decided to construct new sauce facility to expand production capacity of sauce due to higher demand of consumers including increase in distribution channels in Korea, Turkey, and Russia. The construction was started in Q4 2022 and is expected to be completed in Q4 2023

Frontline BioEnergy, a portfolio of NRF under the company’s climate action division, signs a milestone agreement with one of the largest energy companies in the United States.



Southern California Gas files application to develop California’s largest Renewable Natural Gas (RNG) pilot project turning agricultural waste into fuel. If approved, the project would be the largest RNG project in the state of California, producing up to 4.5 billion cubic feet of fuel each year from 4-500,000 tons of agricultural waste, which would otherwise be burned. Pursuant to California Public Utilities Commission’s direction, SoCalGas proposed funding its portion of the project – about \$13 million – with cap-and-trade funds. If approved

in May 2024, the project is planned to come online in late 2026. The \$600m development uses Frontline BioEnergy’s technology and will lead to a long term revenue for the Company. It also represents a symbol of NRF’s commitment to reduce agricultural burning around the world.

NRF Acquires the Very Good Butcher one of the leading direct to consumer plant based companies in North America



The Company acquired the assets of The Very Good Butchers in May 2023. The Very Good Butchers was the second plant-based IPO after Beyond Meat and was once valued at more than \$200m. However due to management-related issues, it was forced into administration. The Company acquired all the intellectual property, trademarks, customer database and soft assets and plans to relaunch the brand with production from the Group’s Thailand plant-based factory.

Sustainability Management

Environment

- NRF was evaluated Carbon Footprint for Head quarter of NRF and City Food Co.,Ltd by reviewing from outside our organization by compensating Carbon Credit to be certified Carbon Neutral factory by Thailand Greenhouse Gas Management Organization (Public Organization) from a meeting to consider a Carbon Footprint Certification No 3/2023 on 15 May 2023 in order to be Carbon Neutral Organization for the 4th year and being 2nd years consecutively.
- NRF prioritizes water which is a common use and limited. NRF strictly follows the related regulations, by not discharging poor-quality water to community for the whole year 2022 and evaluated risks in water management. NRF also encourages to consume water efficiently and beneficially.
- NRF has developed waste management of the Company by developing the production process to have a minimum waste products from the process create the good conscience of employees and passed through CSR activity "Lemon Grass for making fertilizer" cooperating with farmers network which was able to reduce the waste to landfill more than 5.61 tons or 33% of total waste.

Social

- NRF donated food to the ones who are disadvantaged and the ones who are fragile by Scholar of Sustenance Foundation, donated Ready To Eat products of NRF to forest guards at National Parks throughout Thailand including rice donation to Glow Home Foundation who takes care orphans which were more than 14 ,998 meals and help 71,551 fragile people in total.
- NRF concerns for variety and respect of human rights by open to show working ability of NRF employees. In 2022 ratio of employment of males to females at 1:1.57 including employing 8 disability employees.

Good Governance

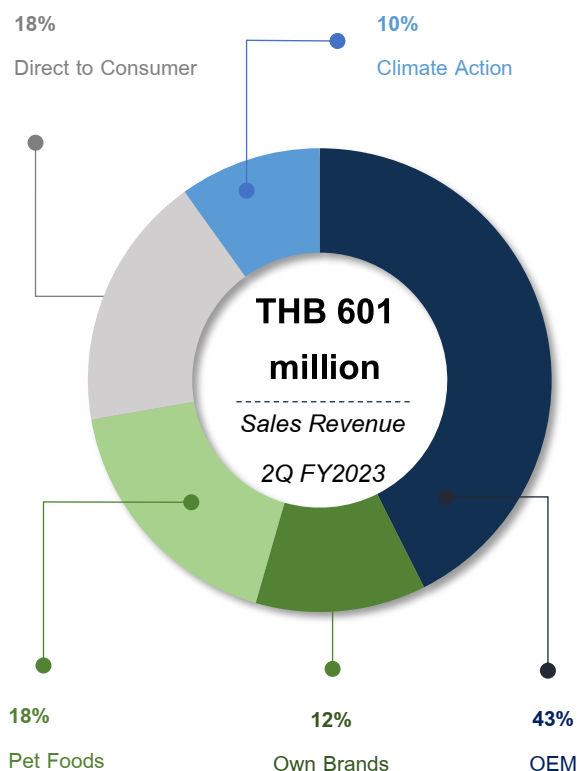
- NRF published annual report (56-1 One Report) that disclosed our performance on Environment, Social and Good Governance in 2022. The Company received a certificate of membership in the Thai Private Sector Collective Action Against Corruption (CAC) for the first time from the "CAC Certification Ceremony 2023: Success Story for Sustainability" event. In addition, the company has won Thailand's Best Managed Companies 2023 international award from Deloitte for the second consecutive year. The award indicates organizational management with transparency and good governance according to international standards and reaffirms the Company's participation in driving the industry and the country's economic system as well as reinforcing its status of being a leading organization in Thailand supporting the sustainability of the food for the future.

Operating Results

Operating Summary	Q2/22	Q1/23	Q2/23	Change		6M 2022	6M 2023	Change +/-
				%YoY	%QoQ			
Unit: THB Million				%YoY	%QoQ			%YoY
Operating Revenue	546.0	508.0	600.9	10.1%	18.3%	1,149.6	1,108.9	(3.5%)
Cost of Goods Sold	(306.7)	(333.6)	(379.3)	23.7%	13.7%	(637.4)	(712.9)	11.8%
Gross Profit	239.3	174.3	221.6	(7.4%)	27.1%	512.2	396.0	(22.7%)
Selling and distribution expenses	(98.3)	(69.7)	(77.0)	(21.7%)	10.5%	(214.6)	(146.6)	(31.7%)
Administrative expenses	(110.4)	(104.7)	(123.4)	11.8%	17.9%	(221.5)	(228.1)	3.0%
Gain / (loss) on exchange rate	(5.8)	13.6	31.6	n.a.	131.8%	(11.7)	45.2	(485.9%)
Gain / (loss) on change in value of financial assets designated at fair value through profit or loss.	47.3	(4.3)	1.8	(96.2%)	n.a.	70.0	(2.5)	(103.6%)
Gain / (loss) on sales of investments	-	(10.2)	(78.3)	n.a.	664.5%	-	(88.6)	n.a.
Other income*	12.9	59.5	21.7	68.0%	(63.5%)	16.8	81.1	384.0%
Finance income	7.2	23.0	28.3	291.4%	22.9%	11.9	51.3	331.7%
Finance costs	(18.5)	(39.3)	(40.5)	118.2%	3.0%	(36.0)	(79.8)	121.7%
Share of profit / (loss) from investment in associates and joint venture	(16.3)	(11.8)	(5.3)	(67.6%)	(55.3%)	(32.5)	(17.1)	(47.3%)
EBT	57.4	30.4	(19.5)	n.a.	n.a.	94.5	10.9	(88.5%)
Income tax expenses	(20.2)	(2.4)	(13.9)	(31.1%)	486.5%	(31.8)	(16.3)	(48.7%)
Net profit	37.1	28.0	(33.4)	n.a.	n.a.	62.7	(5.4)	(108.6%)
Net profit attributable to the company's shareholders	39.5	25.6	(36.0)	n.a.	n.a.	68.4	(10.5)	(115.3%)
Adjusted net profit attributable to NRF's equity holders	39.5	25.6	42.3	7%	65.4%	68.4	67.8	-1%

1. Operating Revenue

REVENUE STRUCTURE Q2/2023



ETHNIC AND SPECIALTY FOOD

Over 2,000 SKUs and 500 recipes for both Own brand and OEM products

- Own Brand: Por Kwan, Sabzu, Lee brand, Thai Delight, Shanggie and DeDe, and Classic Thai (City Food branded)
- OEM Business: Food Manufacturing based on customer's demand such as Thai Taste, Lee Kum Kee, and Tesco.
- Botany Petcare: markets and distributes pet food products in Thailand

DIRECT TO CONSUMER

- Revenue consolidated from BOOSTED NRF Corp., which focuses on building E-commerce platforms and acquiring product category leaders on Amazon.com
- Revenue from Indeem Group Co., Ltd.

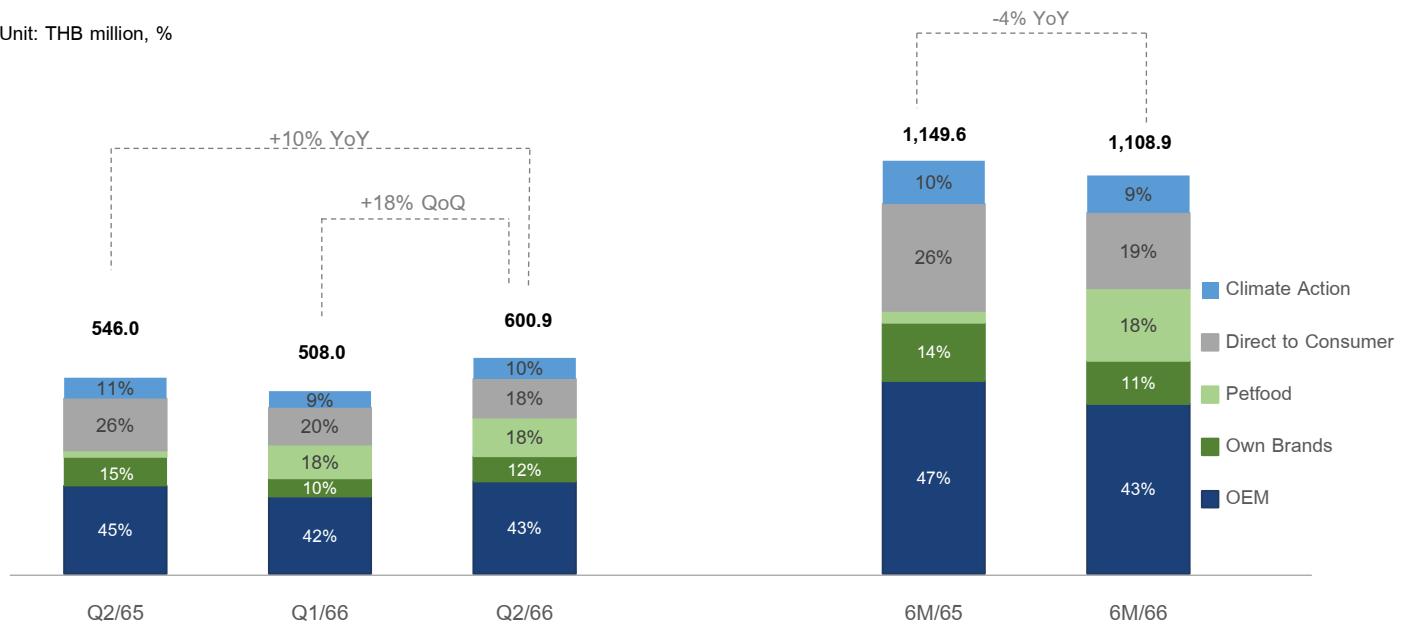
CLIMATE ACTION

- OEM Business: mainly includes young jackfruit and konjac products. Excludes results from joint ventures

BUSINESS OVERVIEW BY CATEGORY

Revenue	Q2/22	Q1/23	Q2/23	เปลี่ยนแปลง		6M 2022	6M 2023	เปลี่ยนแปลง
				+/-	+/-			
Unit: THB million				%YoY	%QoQ			%YoY
Ethnic and Specialty Food								
OEM	244.6	215.1	257.6	5.3	19.8	537.1	472.7	-12.0
Own Brand	81.4	51.0	69.7	-14.3	36.7	161.5	120.7	-25.3
Pet Food	17.6	93.2	108.2	515.2	16.1	33.5	201.4	501.0
Direct to Consumer	144.1	103.0	107.2	-25.6	4.1	297.1	210.2	-29.3
Climate Action	58.3	45.7	58.3	0.0	27.6	120.4	104.0	-13.6
Total Operating Revenue	546.0	508.0	600.9	10.1	18.3	1,149.6	1,108.9	-3.5

Unit: THB million, %



YoY Q2/2023 vs Q2/2022 In Q2/2023 the Company reported sales revenue of THB 600.9 million increasing by THB 55.0 million or 10% from Q2/2022

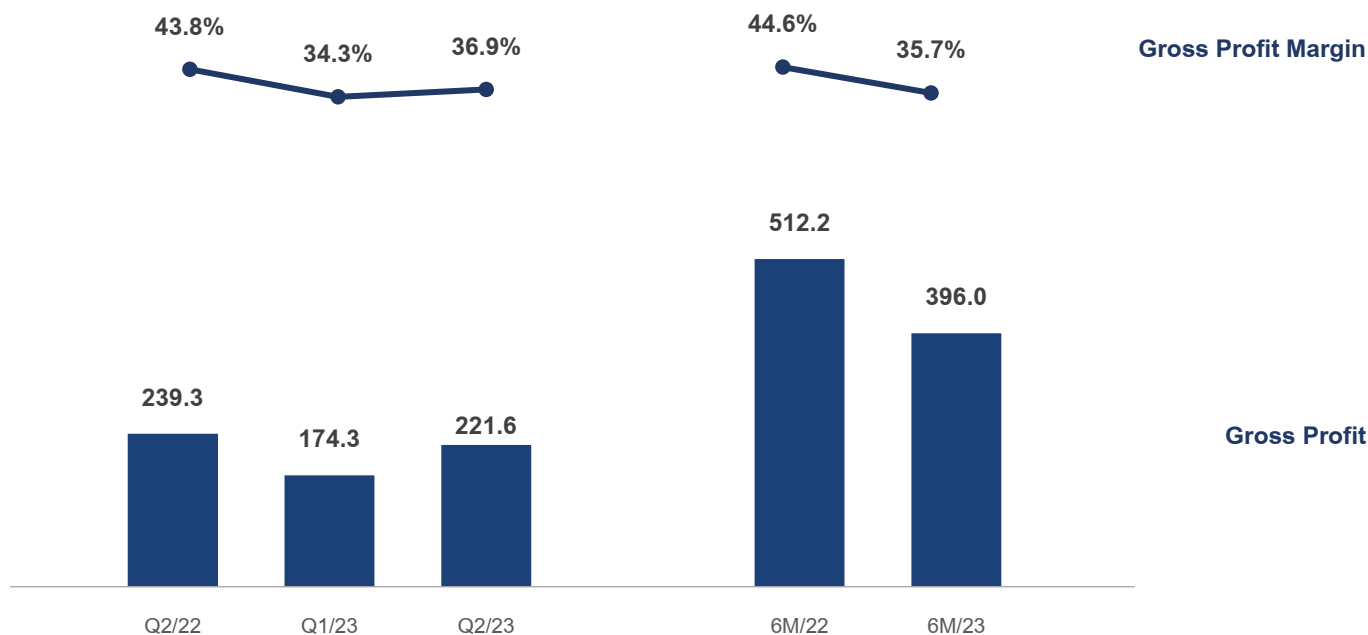
- Ethnic and Specialty Food:** Revenue increased by 27% with pet food revenue increasing by 5.2 times. Pet food factory has started commercial operation since Q4/2022 and help Botany Petcare Co., Ltd to better serve customer demands.
- Direct to Consumer:** Revenue on our Amazon brands were stable and has held up well during COVID however our subsidiary company Indeem International had some issues concerning a change in the product manufacturing location resulting the overall group to decline by 26%.
- Climate Action:** Revenue was stable for our plant-based products compared to Q2/2022

QoQ Q2/2023 vs Q1/2023 In Q2/2023 the Company reported total operating revenue of THB 600.9 million increasing by THB 93.0 million or 18% from Q1/2023 as the result of higher demand for the Company's product.

- Ethnic and Specialty Food:** Revenue increased by 21%; OEM 20% and own branded products 37% as demand for the Company's product increased in line with the company's policy to push growth.
- Direct to Consumer:** Revenue increased by 4%.
- Climate Action:** Revenue increased by 28% as volume increased by 29% from our plant-based products.

2. Gross Profit and Gross Profit Margin

Unit: THB million, %



YoY Q2/2023 vs Q2/2022

In Q2/2023, the Company reported gross profit of THB 221.6 million decreasing by THB -17.7 million or -7% mainly due to a changing revenue mix which comprised less of the own brand and direct to consumer products; both of which carry high margin. Higher material, packaging and production costs were also significant factors. The increasing proportion of pet food revenue will also change our gross profit mix overtime.

Gross profit margin declined from 43.8% in Q2/2022 to 36.9% in Q2/2023 due to the aforementioned factors.

QoQ Q2/2023 vs Q1/2023

In Q2/2023, the Company has gross profit of THB 221.6 million increasing by THB 47.3 million or 27% due mainly to an 18% increase in sales revenue and higher proportion of high margin product sales. Production and direct to consumer costs also reduced when compared to Q1/2023. Overall, the Company was pleased with the improved margins despite the inflationary pressure.

Gross profit margin increased from 34.3% in Q1/2023 to 36.9% in Q2/2023. All business segment registered higher gross margin compared to Q1/2023.

3. LOSS ON EXCHANGE RATES

YoY Q2/2023 vs Q2/2022

In Q1/2023, the Company gain on exchange rates totaled THB 31.6 million in comparison with loss on exchange rates of THB 5.8 million in Q2/2022. The gain on exchange rates was mainly due to pound sterling appreciation which increased the Thai Baht value of the Company's sterling-nominated financial assets in Thai Baht terms.

QoQ Q2/2023 vs Q1/2023

In Q1/2023, the Company recorded gain on exchange rate of THB 31.6 million increasing from THB 13.6 million in Q1/2023. The gain on exchange rates was mainly due to pound sterling appreciation which increased the Thai Baht value of the Company's sterling-nominated financial assets.

4. GAIN ON CHANGES IN VALUE OF FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

YoY Q2/2023 vs Q2/2022

In Q2/2023, the Company recorded a profit on changes in value of financial assets designated at fair value through profit or loss of THB 1.8 million decreasing by THB 45.5 million or 96% compared to Q2 2022 when there was recognition of receipt of AUSA.CN shares in which Australis Capital Inc. paid to the Company for deferred payment of GTH shares.

QoQ Q2/2023 vs Q1/2023

In Q2/2023, the Company recorded a profit on changes in value of financial assets designated at fair value through profit or loss of THB 1.8 million as the Company recorded profit from cross currency swap for long-term loan. This is a reversal from the THB 4.3 million loss recorded in Q1/2023 when the Company recorded loss from cross currency swap for long-term loan.

5. OTHER INCOME

YoY Q2/2023 vs Q2/2022

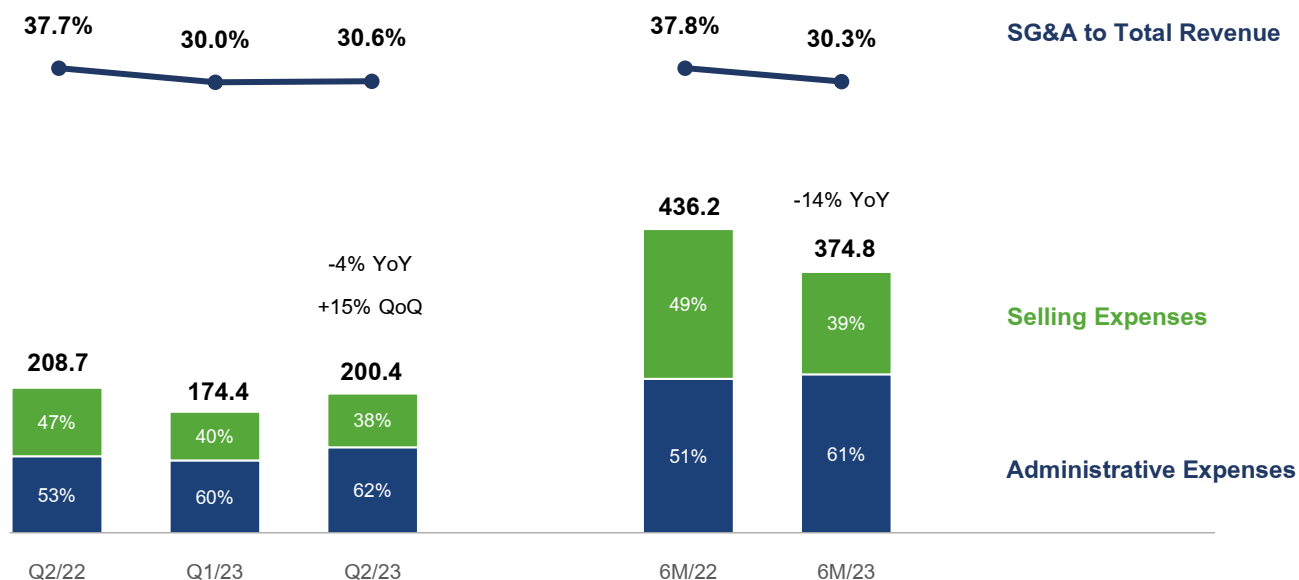
In Q2/2023, the Company reported other income of THB 21.7 million increasing by THB 8.8 million or 68% from Q2/2022 mainly because of higher service fees from other parties in Q2/2023.

QoQ Q2/2023 vs Q1/2023

In Q2/2023, the Company reported other income of THB 21.7 million decreasing by THB 37.8 million or 64% from Q1/2023 when there was revenue recognition from sale of plant-based food recipe in Q1/2023.

6. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Unit: THB million, %



YoY Q2/2023 vs Q2/2022

Selling Expenses: In Q2/2023, the Company recorded selling expenses of THB 77 million decreasing by THB 21.3 million or 22% mainly due to lower promotional expense.

Administrative Expenses: In Q2/2023, the Company recorded administrative expenses of THB 123.4 million increasing by THB 13.0 million or 12% as Botany Petcare's new production capacity incurs increased fixed asset depreciation and higher personnel costs.

SG&A to Total Revenue: SG&A expense to total revenue ratio was 30.6% in Q2/2023 decreasing from 37.7% in Q2/2022 mainly due to lower promotional expense and higher total revenue.

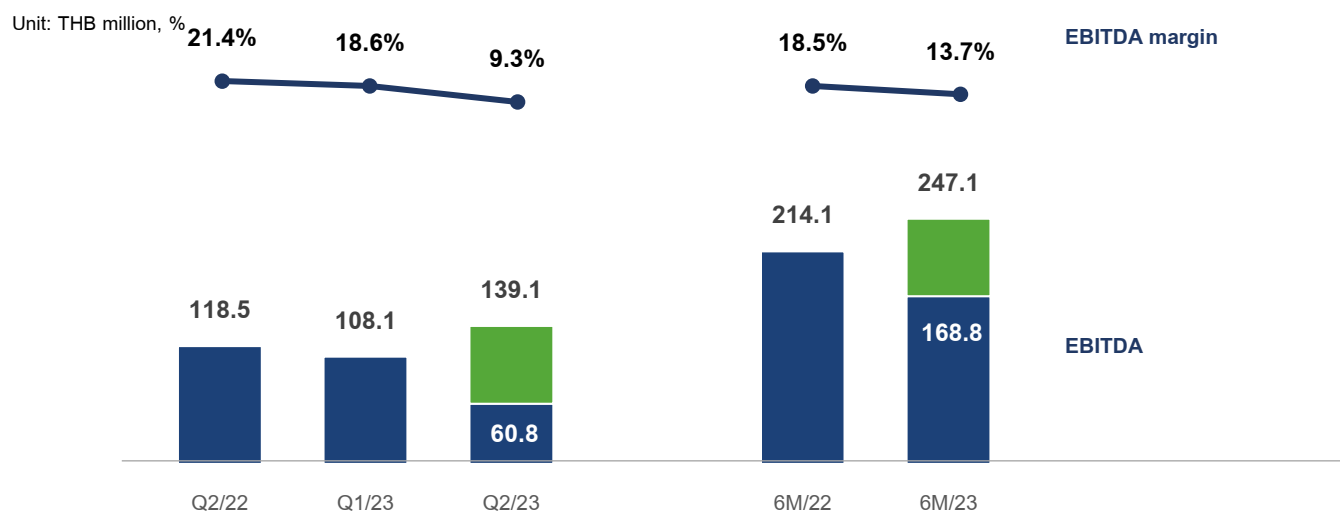
QoQ Q2/2023 vs Q1/2023

Selling Expenses: In Q2/2023, the Company recorded selling expenses of THB 77.0 million increasing by THB 7.3 million or 11% from Q1/2023 mainly due to increasing promotional expenses in line with increasing sales revenue.

Administrative Expenses: In Q2/2023, the Company recorded administrative expenses of THB 123.4 million increasing by THB 18.7 million or 18%, mainly due to increasing personnel expenses, provision for Botany Petcare doubtful accounts.

SG&A to Total Revenue: SG&A expense to Total revenue ratio was 30.6% in Q2/2023 which is stable relative to 30.0% in Q1/2023. The Company continues to put efforts to manage selling and administrative expenses efficiently.

7. EBITDA AND EBITDA MARGIN (AND NORMALIZED EBITDA)



YoY Q2/2023 vs Q2/2022

EBITDA: In Q2/2023, the Company reported EBITDA of THB 60.8 million decreasing by THB 57.8 million or 49% primarily as the Company chose to recognize THB 78 million impairment loss as the Group undergoes corporate restructuring in preparation to take a key subsidiary public.

Excluding this one-time impairment, the adjusted EBITDA would be THB 139.1 million, increasing by THB 20.5 million or 17% YoY.

EBITDA margin: In Q2/2023, EBITDA margin was 9.3% improved from 21.4% in Q2/2022. Note that adjusted EBITDA margin would be 21.3%.

QoQ Q2/2023 vs Q1/2023

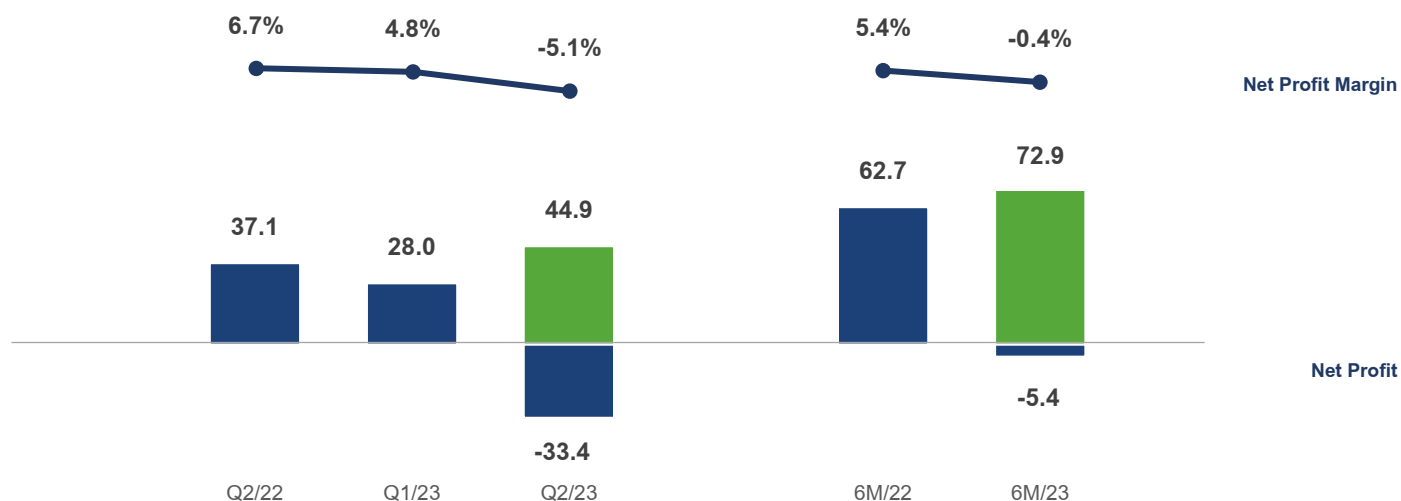
EBITDA: In Q2/2023, the Company reported EBITDA of THB 60.8 million decreased by THB 47.3 million or 44% primarily as the Company chose to recognize THB 78 million impairment loss on as the Group undergoes corporate restructuring in preparation to take a key subsidiary public.

Excluding this one-time impairment, the adjusted EBITDA would be THB 139.1 million increasing by THB 31.0 million from Q1/2023 or 29%.

EBITDA margin: In Q2/2023, EBITDA margin was 9.3% decreasing from 18.6% in Q1/2023. Note that adjusted EBITDA margin would be 21.3%.

8. NET PROFIT AND NET PROFIT MARGIN (AND NORMALIZED NET PROFIT)

Unit: THB million, %



YoY Q2/2023 vs Q2/2022

Net profit: In Q2/2023, the Company reported a net loss of THB 33.4 million versus a net profit of THB 37.1 million in Q2/2022 as the Company chose to recognize THB 78 million impairment loss as the Group undergoes corporate restructuring in preparation to take a key subsidiary public. Consequently, net profit margin decreased from 6.7% in Q2/2022 to -5.1% in Q2/2023.

Note that excluding the one-time impairment, adjusted net profit would be THB 44.9 million, increasing by THB 7.8 million from Q2/2022 or 21%. Adjusted net profit margin would be 6.9%.

Net profit attributable to NRF's equity holders: In Q2/2023, the Company reported a net loss of THB 36.0 million versus a net profit of THB 39.5 million in Q2/2022 as the share of profit attributable to non-controlling interests of the subsidiary amounted to THB 2.6 million in the Q2/2023; while, in Q2/2022, there was a share of the loss belonging to the non-controlling interests of the subsidiary totaling THB 2.4 million.

Note that excluding the one-time impairment, adjusted net profit attributable to NRF's equity holders would be THB 42.3 million increasing by THB 2.8 million from Q2/2023 or 7%. Adjusted net profit margin would be 6.5%.

QoQ Q2/2023 vs Q1/2023

Net Profit: In Q2/2023, the Company reported a net loss of THB 33.4 million versus a net profit of THB 28.0 million in Q1/2023 as the Company chose to recognize THB 78 million impairment as the Group undergoes corporate restructuring in preparation to a key subsidiary public. Consequently, net profit margin decreased from 4.8% in Q1/2023 to -5.1% in Q2/2023.

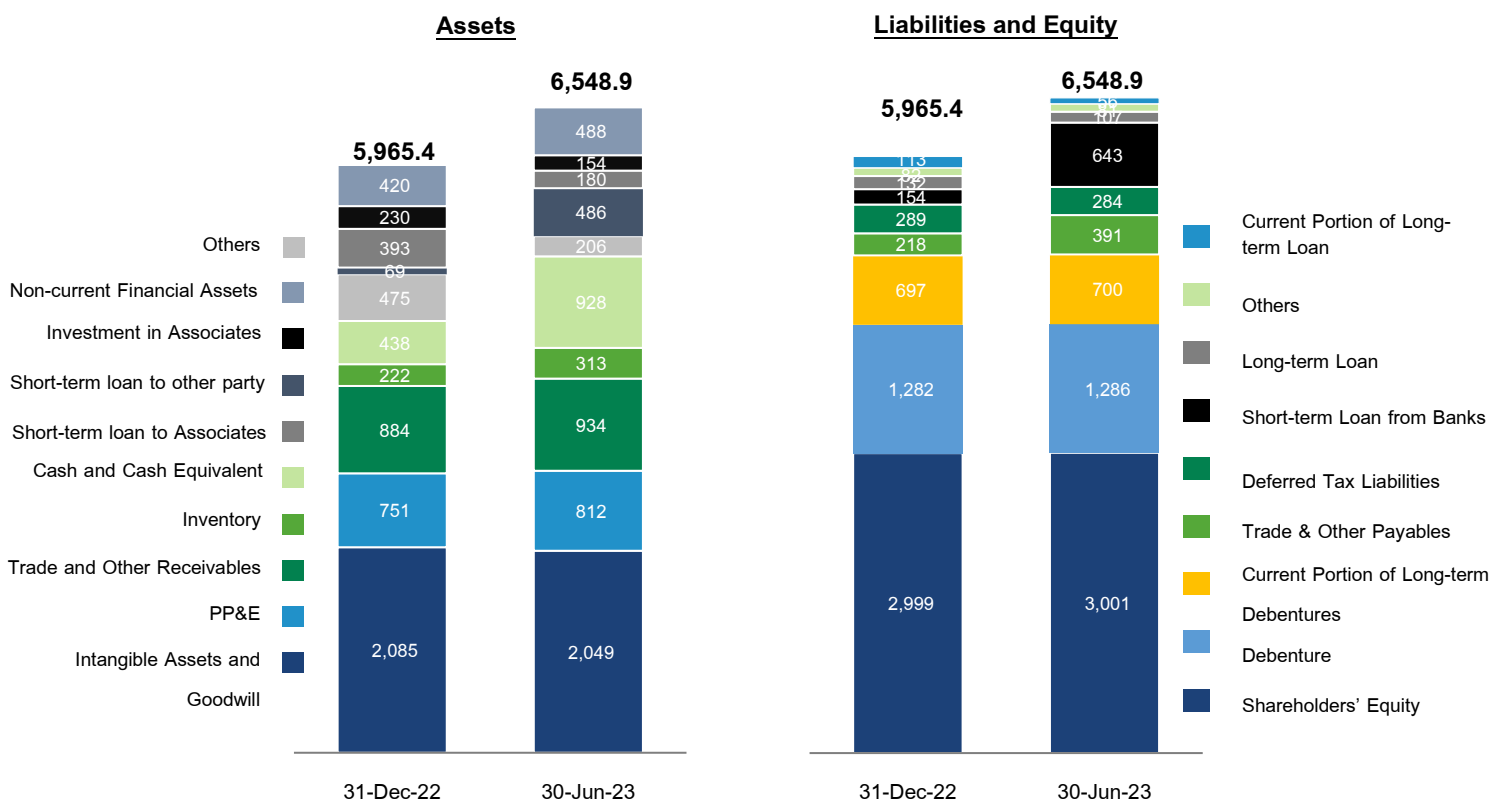
Note that excluding the one-time impairment, adjusted net profit would be THB 44.9 million increasing by THB 16.9 million from Q1/2023 or 60%. Adjusted net profit margin would be 6.9%.

Net profit attributable to NRF's equity holders: In Q2/2023, the Company reported a net loss of THB 36.0 million versus a net profit of THB 25.6 million in Q1/2023 as the share of profit attributable to non-controlling interests of the subsidiary amounted to THB 2.6 million which is an increase of THB 0.2 million compared to Q1/2023.

Note that excluding the one-time impairment, adjusted net profit would be THB 42.3 million increasing by THB 16.7 million from Q1/2023 or 65%. Adjusted net profit margin would be 6.5%

BALANCE SHEET

Unit: THB million, %



TOTAL ASSETS

As of 30 June 2023, the total asset of the Company was THB 6,548.9 million, increased by THB 583.5 million or 7% from 31 December 2022. The significant changes are as follows:

Current assets increased by THB 314.3 million or 15% mainly from

- **Cash and cash equivalent** increased by THB 490.3 million
- **Accounts receivables and other receivables** increased by THB 50.2 million.
- **Short-term Loan to Associate** increased by THB 15.7 million
- **Inventory** increase of THB 90.7 million, mainly from the ethnic and specialty food business
- **Other current financial assets** decreased by 346.4 million
- **Other current assets** increased by THB 13.8 million

Non-current assets increased by THB 269.2 million or 7% mainly from

- **Non-Current Financial Assets** increased by 67.6 million
- **Loans to Related and Other Parties** increased by THB 187.8 million
- **Property, Plant and Equipment** increased by THB 61.0 million, mostly attributed to the construction of new sauce plant and the construction and installation of the pet food factory and machinery (Botany Petcare Co., Ltd.)
- **Investment in Joint Venture** increased by THB 13.9 million
- **Investment in Associate** decreased by THB 89.6 million mostly from the Company's decision to recognize THB 78m as the Group undergoes corporate restructuring in preparation to take NRF Consumer subsidiary public.
- **Intangible Assets and Goodwill** decreased by THB 35.6 million due to amortization of intangible assets of the Company and Boosted NRF Corp.

LIABILITIES

As of 30 June 2023, the Company had total liabilities of THB 3,547.6 million, an increase of THB 580.7 million or 20% from 31 December 2022. The details of the major changes are as follows:

Current liabilities increased by THB 601.4 million or 49% mainly due to

- **Trades and Other Payables** increased by THB 489.4 million
- **Short-term Loan from Financial Institutions** increased by THB 173.2 million
- **Current Portion of Long-term Loan** decreased by THB 59.3 million due to principal repayment

Non-current liabilities decreased by THB 20.8 million or 1% mainly due to

- **Long-term Loan** decreased by THB 25 million due to principal repayment

SHAREHOLDERS' EQUITY

As of 30 June 2023, the Company had shareholders' equity of THB 3,001.3 million, an increase of THB 2.8 million or 0.1% from 31 December 2022.

STATEMENT OF COMPREHENSIVE INCOME

Unit: Million Baht	Q2/22	Q1/23	Q2/23	%YoY	%QoQ	6M 2022	6M 2023	%YoY
Sales	546.0	508.0	600.9	10.1%	18.3%	1,149.6	1,108.9	(3.5%)
Cost of sales	(306.7)	(333.6)	(379.3)	23.7%	13.7%	(637.4)	(712.9)	11.8%
Gross Profit	239.3	174.3	221.6	(7.4%)	27.1%	512.2	396.0	(22.7%)
Gain on exchange rate	-	13.6	31.6	n.a.	131.8%	-	45.2	n/a
Gain on change in value of financial assets designated at fair value through profit or loss	47.3	-	1.8	(96.2%)	n.a.	70.0	(2.5)	(103.6%)
Gain on sales of investments	-	-	-	n.a.	n.a.	-	-	-
Other income	12.9	59.5	21.7	68.0%	(63.5%)	16.8	81.1	384.0%
Selling expense	(98.3)	(69.7)	(77.0)	(21.7%)	10.5%	(214.6)	(146.6)	(31.7%)
Administrative expense	(110.4)	(104.7)	(123.4)	11.8%	17.9%	(221.5)	(228.1)	3.0%
Loss on exchange rate	(5.8)	-	-	(100.0%)	n.a.	(11.7)	-	(100.0%)
Loss on change in value of financial assets designated at fair value through profit or loss	-	(4.3)	-	n.a.	(100.0%)	-	-	n.a.
Loss on sales of investments	-	(10.2)	(78.3)	n.a.	664.5%	-	(88.6)	n.a.
EBIT	85.0	58.5	(2.0)	(102.4%)	(103.4%)	151.1	56.5	(62.6%)
Gain / (loss) from investment in associate and joint venture	(16.3)	(11.8)	(5.3)	(67.6%)	(55.3%)	(32.5)	(17.1)	(47.3%)
Finance income	7.2	23.0	28.3	291.4%	22.9%	11.9	51.3	331.7%
Finance cost	(16.3)	(39.3)	(40.5)	147.8%	3.0%	(36.0)	(79.8)	121.7%
EBT	57.4	30.4	(19.5)	(133.9%)	(164.1%)	94.5	10.9	(88.5%)
Income tax expense	(20.2)	(2.4)	(13.9)	(31.1%)	486.5%	(31.8)	(16.3)	(48.7%)
Net profit	37.1	28.0	(33.4)	(190.0%)	(219.3%)	62.7	(5.4)	(108.6%)
Net profit attributable to NRF's equity holders	39.5	25.6	(36.0)	(191.2%)	(241.0%)	68.4	(10.5)	(115.3%)
Total comprehensive income for the period	68.9	11.4	20.5	(70.2%)	79.4%	90.9	31.9	(64.9%)
Basic earnings per share (THB)	0.03	0.02	(0.02)	(190.0%)	(219.3%)	0.05	(0.01)	n.a.

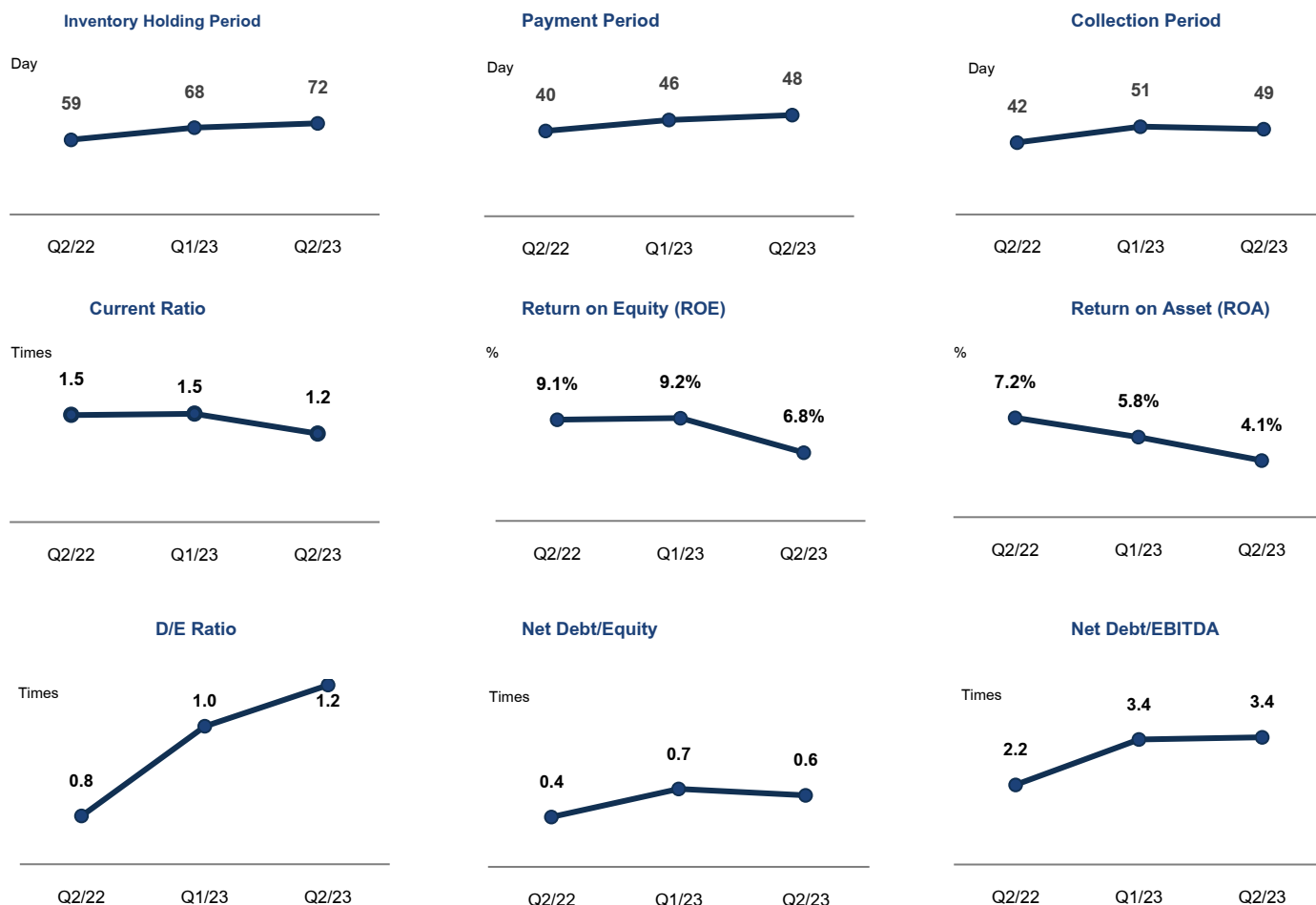
STATEMENT OF FINANCIAL POSITION

Unit: Million Baht	31 Dec 22	% to Total Assets	30 Jun 23	% to Total Assets	Change (%)
Cash and Cash Equivalents	437.7	7.3%	928.0	14.2%	112.0%
Trade and Other Receivables	883.8	14.8%	933.9	14.3%	5.7%
Inventories	222.1	3.7%	312.8	4.8%	40.8%
Short-term Loans to Other Parties	35.6	0.6%	36.6	0.6%	2.9%
Short-term Loans to Associates	164.9	2.8%	179.7	2.7%	8.9%
Other Current Financial Assets	346.4	5.8%	-	0.0%	(100.0%)
Other Current Assets	14.4	0.2%	28.2	0.4%	95.6%
Total Current Assets	2,104.9	35.3%	2,419.2	36.9%	14.9%
Non-Current Financial Asset	420.3	7.0%	487.9	7.5%	16.1%
Investment in Associates	89.6	1.5%	-	0.0%	(100.0%)
Investment in Joint Venture	140.0	2.3%	153.9	2.3%	10.0%
Property, Plant and Equipment	751.1	12.6%	812.1	12.4%	8.1%
Intangible Assets and Goodwill	2,084.9	34.9%	2,049.3	31.3%	(1.7%)
Other Non-Current Assets	374.8	6.3%	626.5	9.6%	67.2%
Total Non-Current Assets	3,860.5	64.7%	4,129.7	63.1%	7.0%
Total Asset	5,965.4	100.0%	6,548.9	100.0%	9.8%
Short-term Loans from Financial Institutions	154.0	2.6%	643.4	9.8%	317.8%
Trade and Other Payables	217.6	3.6%	390.8	6.0%	79.6%
Current portion of Long-term Loans	113.2	1.9%	55.7	0.9%	(50.8%)
Current portion of long-term debentures	696.9	11.7%	5.5	0.1%	(99.2%)
Other current liabilities	46.4	0.8%	734.1	11.2%	1481.8%
Total Current Liabilities	1,228.2	20.6%	1,829.6	27.9%	49.0%
Long-term Loans	132.3	2.2%	107.4	1.6%	(18.8%)
Debentures	1,281.7	21.5%	1,285.6	19.6%	0.3%
Other Non-Current Liabilities	324.8	5.4%	325.0	5.0%	0.1%
Total Non-Current Liabilities	1,738.7	29.1%	1,718.0	26.2%	(1.2%)
Total Liabilities	2,966.9	49.7%	3,547.6	54.2%	19.6%
Total Shareholders' Equity	2,998.5	50.3%	3,001.3	45.8%	0.1%

CASH FLOW STATEMENT

Unit: Million Baht	6M/22	6M/23	Change	
			%YoY	
Profit before Tax	94.5	10.9	(83.6)	(88.5%)
Adjustments for Depreciation and Amortization	83.6	78.1	(5.5)	(6.6%)
Other Adjustments	14.5	134.5	120.0	827.4%
Changes in Operating Assets and Liabilities	(26.4)	(60.6)	(34.2)	129.6%
Cash Flows from Operating Activities	166.2	162.9	(3.3)	(2.0%)
Cash paid for interest expenses	(34.1)	(73.1)	(39.0)	114.2%
Cash paid for corporate income tax	(62.4)	(30.3)	32.1	(51.5%)
Net Cash Flows from Operating Activities	69.8	59.7	(10.00)	(14.4%)
Net Cash Flows from Investing Activities	(465.9)	63.2	529.1	n.a.
Net Cash Flows from Financing Activities	366.6	386.5	19.9	5.4%
Unrealized Exchange Gain (Loss) on Cash and Cash Equivalents	0.0	(19.4)	(19.4)	n.a.
Increase (Decrease) in Exchange Differences on Translation of Financial Statements to Foreign Currency	3.0	0.4	(2.6)	(85.8%)
Net Increase (Decrease) in Cash and Cash Equivalents	(26.5)	490.3	516.8	n.a.
Cash and Cash Equivalents - Beginning Balance	309.5	437.7	128.2	41.4%
Cash and Cash Equivalents - Ending Balance	283.0	928.0	645.0	227.9%

KEY FINANCIAL RATIOS



Inventory Holding Period = 365 / Inventory Turnover

Payment Period = 365 / Account Payable Turnover

Collection Period = 365 / Account Receivable Turnover

Current Ratio = Current Assets / Current Liabilities

Return on Equity (ROE) = Net Profit / Shareholders' Equity (Average)

Return on Assets (ROA) = Net Profit / Total Assets (Average)

Debt-to-Equity Ratio (D/E Ratio) = Total Debt / Shareholders' Equity

Net Debt/Equity Ratio = Net Debt / Shareholders' Equity

Net Debt/EBITDA Ratio = Net Debt / EBITDA

Disclaimer:

The information contained herein is intended to represent the Company's operating and financial position at a given point in time and may also contain forward looking information which only reflects expectations based on the prevailing geo-political, economic and non-controllable factors. Such information has been obtained from sources believed to be most reliable and the means in analyzing and preparation of such information for disclosure are based on approve practices and principles in the investment industry. The views are based on assumption subject to various risks and uncertainties and no assurance is made as to whether such future events will occur. No assurance is made as to the accuracy or completeness of information presented in this document.

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