



INNATURE BERHAD

(Registration No. 199401034915 (320598-X))

INTERIM FINANCIAL REPORT
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2021

19 NOVEMBER 2021

INNATURE BERHAD

(Registration No. 199401034915 (320598-X))

INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Quarter ended		9 months ended	
		30.9.2021	30.9.2020	30.9.2021	30.9.2020
		RM'000	RM'000	RM'000	RM'000
Revenue		22,309	41,707	88,223	110,509
Operating expenses					
Changes in inventories		(8,555)	(13,689)	(30,819)	(35,309)
Rental expenses		1,397	(641)	709	(1,174)
Employee related expenses		(6,770)	(8,693)	(22,547)	(26,963)
Distribution expenses		(886)	(777)	(2,355)	(2,494)
Advertising and promotion expenses		(622)	(1,381)	(2,318)	(3,292)
Depreciation and amortisation expenses		(4,694)	(5,504)	(14,708)	(15,791)
Other operating expenses		(1,000)	(1,859)	(5,462)	(6,534)
Total operating expenses		(21,130)	(32,544)	(77,500)	(91,557)
Profit from operations		1,178	9,163	10,722	18,952
Other income/(expenses)		220	(6)	(220)	433
Finance income		318	247	973	704
Finance costs		(660)	(534)	(1,381)	(1,515)
Listing-related expenses		-	36	-	(959)
Profit before tax	20	1,056	8,906	10,094	17,615
Tax expenses	21	(334)	(2,322)	(2,833)	(5,149)
Profit for the period		722	6,584	7,261	12,466
Other comprehensive income, net of tax					
<u>Item that may be reclassified subsequently to profit or loss</u>					
Foreign currency translation differences for foreign operation		523	(486)	1,290	216
Total comprehensive income for the period		1,245	6,098	8,551	12,682

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

		Quarter ended		9 months ended	
	Note	30.9.2021	30.9.2020	30.9.2021	30.9.2020
		RM'000	RM'000	RM'000	RM'000
Profit attributable to:					
Owners of the Company		722	6,584	7,261	12,466
Total comprehensive income attributable to:					
Owners of the Company		1,245	6,098	8,551	12,682
Earnings per share attributable to Owners of the Company					
Basic (sen)	22	0.10	0.93	1.03	1.80
Other selected financial data:					
Gross profit ⁽¹⁾		13,754	28,018	57,404	75,200
Core profit after tax ("PAT") ⁽²⁾		722	6,548	7,261	13,425
Operating profit margin		5.3%	22.0%	12.2%	17.1%
Gross profit margin		61.7%	67.2%	65.1%	68.0%
Core PBT margin		4.7%	21.3%	11.4%	16.8%
Core PAT margin		3.2%	15.7%	8.2%	12.1%

⁽¹⁾ computed based on revenue less changes in inventories (cost of goods sold).

⁽²⁾ core profit excludes listing-related expenses.

The unaudited condensed consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached in this interim financial report.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	30.9.2021 RM'000	31.12.2020 RM'000
Assets			
Plant and equipment		10,231	12,896
Right-of-use assets		14,460	21,830
Intangible assets		52,628	52,651
Deferred tax assets		806	953
Receivables and deposits		6,418	6,345
Total non-current assets		<u>84,543</u>	<u>94,675</u>
Inventories		32,685	34,415
Receivables, deposits and prepayments		7,029	5,643
Current tax assets		10	9
Other investments	23	38,128	29,528
Cash and cash equivalents		11,801	23,967
Total current assets		<u>89,653</u>	<u>93,562</u>
Total assets		<u>174,196</u>	<u>188,237</u>
Liabilities			
Provision for restoration costs		1,919	2,018
Loans and borrowings	24	68	186
Lease liabilities		5,655	10,204
Total non-current liabilities		<u>7,642</u>	<u>12,408</u>
Provision for restoration costs		405	313
Loans and borrowings	24	158	153
Lease liabilities		9,529	12,447
Contract liabilities		811	1,000
Payables and accruals		18,164	14,426
Dividend payable		-	7,059
Current tax liabilities		847	1,755
Total current liabilities		<u>29,914</u>	<u>37,153</u>
Total liabilities		<u>37,556</u>	<u>49,561</u>
Net assets		<u>136,639</u>	<u>138,676</u>

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

	Note	30.9.2021 RM'000	31.12.2020 RM'000
Equity			
Share capital		50,326	50,326
Reserves		86,313	88,350
Total equity		<u>136,639</u>	<u>138,676</u>
Other selected financial data:			
Net current assets / working capital		59,739	56,409
Net assets per share (sen)		19.36	19.65
Net gearing ratio (times) *		(0.36)	(0.38)

* computed based on net borrowings (total bank borrowings less cash and cash equivalents and other investments) divided by total equity. Negative net gearing ratio denotes a net cash position.

The unaudited condensed consolidated statements of financial position should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached in this interim financial report.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Note	← Non-distributable →		Translation reserve	Distributable	
	Share capital	Business combination reserve		Retained earnings	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2020	4,388	4,636	73	78,243	87,340
Profit for the period	-	-	-	12,466	12,466
Foreign currency translation differences for foreign operation, representing other comprehensive income for the period	-	-	702	-	702
Total comprehensive income for the period	-	-	702	12,466	13,168
Issuance of shares	47,407	-	-	-	47,407
Share issuance expenses	(1,469)	-	-	-	(1,469)
Dividend declared	-	-	-	(7,059)	(7,059)
Total transaction with owners	45,938	-	-	(7,059)	38,879
At 30 September 2020	50,326	4,636	775	83,650	139,387
At 1 January 2021	50,326	4,636	(594)	84,308	138,676
Profit for the period	-	-	-	7,261	7,261
Foreign currency translation differences for foreign operation, representing other comprehensive income for the period	-	-	1,290	-	1,290
Total comprehensive income for the period	-	-	1,290	7,261	8,551
Dividend declared, representing total transaction with owners	-	-	-	(10,588)	(10,588)
At 30 September 2021	50,326	4,636	696	80,981	136,639

The unaudited condensed consolidated statements of changes in equity should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached in this interim financial report.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	9 months ended	
		30.9.2021 RM'000	30.9.2020 RM'000
Cash flows from operating activities			
Profit before tax		10,094	17,615
Adjustments for:			
Changes in lease payments arising from rent concessions		(4,463)	(2,036)
Depreciation and amortisation expenses		14,708	15,791
Unrealised foreign exchange (gain)/loss		(206)	114
Plant and equipment written off		71	173
Fair value loss/(gain) on other investments		216	(9)
Finance income		(973)	(704)
Finance costs		1,381	1,515
Listing-related expenses		-	959
Operating profit before changes in working capital		20,829	33,418
Changes in working capital:			
Inventories		2,248	(8,065)
Receivables, deposits and prepayments		(1,217)	324
Payables, accruals and contract liabilities		(3,781)	(1,671)
Provision for restoration costs		(41)	(61)
Cash generated from operations		18,037	23,945
Income tax paid		(3,594)	(3,113)
Net cash generated from operating activities		14,443	20,832
Cash flows from investing activities			
Acquisition of plant and equipment		(825)	(3,515)
Acquisition of intangible assets		(161)	(1,822)
Placement of other investments		(8,440)	(34,013)
Interest received		952	625
Net cash used in investing activities		(8,474)	(38,725)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D)

	Note	9 months ended	
		30.9.2021	30.9.2020
		RM'000	RM'000
Cash flows from financing activities			
Proceeds from issuance of shares		-	47,407
Listing-related expenses		-	(2,290)
Dividends paid	8	(10,588)	(7,059)
Repayment of revolving credit		-	(16,000)
Repayment of hire purchase		(113)	(200)
Repayment of lease liabilities		(6,511)	(9,782)
Interest paid for lease liabilities		(1,372)	(1,433)
Interest paid for loans and borrowings		(9)	(82)
Net cash (used in)/generated from financing activities		<u>(18,593)</u>	<u>10,561</u>
Net decrease in cash and cash equivalents			
Effect of exchange rate fluctuations on cash held		458	53
Cash and cash equivalents at beginning of the period		23,967	17,445
Cash and cash equivalents at end of the period		<u>11,801</u>	<u>10,166</u>
Cash and cash equivalents comprise the following:			
Cash and bank balances		11,801	9,257
Deposits placed with licensed banks		-	909
		<u>11,801</u>	<u>10,166</u>

The unaudited condensed consolidated statements of cash flows should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached in this interim financial report.

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1. BASIS OF PREPARATION

The interim financial statements (“Interim Financial Report”) of InNature Berhad (“InNature” or the “Company”) and its subsidiaries (collectively, the “Group”) is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134: *Interim Financial Reporting* issued by Malaysian Accounting Standards Board (“MASB”), International Financial Reporting Standards (“IFRS”) 134: *Interim Financial Reporting* issued by International Accounting Standards Board (“IASB”), and Paragraph 9.22 of Main Market Listing Requirements issued by Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”).

The Interim Financial Report should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes in this Interim Financial Report.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group in the Interim Financial Report are the same as those applied by the Group in its audited consolidated financial statements for the year ended 31 December 2020, except for the adoption of the new and amended MFRS and Issues Committee (“IC”) Interpretations which are relevant to the Group during the current financial period. The adoption of the new and amended MFRS and IC Interpretations did not have a material effect on the financial performance or position of the Group.

3. AUDITORS’ REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors’ report of the Group’s consolidated financial statements for the financial year ended 31 December 2020 was not subject to any qualification.

4. SEASONAL AND CYCLICAL FACTORS

Being in the retail industry, the Group’s operations are subject to peaks and troughs in revenue generation throughout the year. Generally, the Group records higher sales during major festive and school holiday seasons in the respective country of which the Group operates.

5. UNUSUAL ITEMS

Apart from the Covid-19 pandemic as discussed in Note 17 and 18, there were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial period.

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6. CHANGES IN ESTIMATES

There were no major changes in estimates that have had material effect on the results of current financial period.

7. DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current financial period.

8. DIVIDENDS

The following dividends were recognised by the Company during the respective financial period:

	RM per share RM	Total amount RM'000	Date of payment
Company			
9 months ended 30 September 2021			
In respect of the financial year ended 31 December 2020:			
- Second interim single-tier dividend	0.01	7,059	15 June 2021
In respect of the financial year ending 31 December 2021:			
- First interim single-tier dividend	0.005	<u>3,529</u>	15 June 2021
		<u>10,588</u>	
9 months ended 30 September 2020			
In respect of the financial year ended 31 December 2019:			
- Special single-tier dividend	0.01	<u>7,059</u>	30 April 2020

The Company did not declare any dividend subsequent to 30 September 2021 and up to the date of this Interim Financial Report

9. CHANGES IN COMPOSITION OF THE GROUP

There was no change to the composition of the Group during the current financial period.

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10. CONTINGENT LIABILITIES

	30.9.2021	31.12.2020
	RM'000	RM'000
Company		
Corporate guarantees granted to a subsidiary for credit facilities	1,000	1,000
Bank guarantees granted to subsidiaries for tenancy agreements	546	862
	<u>1,546</u>	<u>1,862</u>

11. CAPITAL COMMITMENTS

	30.9.2021	31.12.2020
	RM'000	RM'000
Group		
Plant and equipment		
Approved but not contracted for	26,966	28,337
Contracted but not commenced	188	227
	<u>27,154</u>	<u>28,564</u>
Leases as a leasee		
Contracted but not commenced	<u>2,500</u>	<u>2,485</u>

12. MATERIAL RELATED PARTY TRANSACTIONS

	Quarter ended		9 months ended	
	30.9.2021	30.9.2020	30.9.2021	30.9.2020
	RM'000	RM'000	RM'000	RM'000
Group				
<i>Entities in which certain Directors of the Company have interests</i>				
Rental of event space ⁽¹⁾	-	-	-	35
Rental of office and retail outlets ⁽²⁾	87	133	324	343
	<u>87</u>	<u>133</u>	<u>324</u>	<u>378</u>

⁽¹⁾ The Company rented the event space from an entity in which certain Directors of the Company have interests, for the launch event of its IPO Prospectus on 29 January 2020. The transaction was entered into in the normal course of business under normal trade terms.

⁽²⁾ The Group rented office and several retail outlets in Malaysia from an entity in which certain Directors of the Company have interests. The transaction was entered into in the normal course of business under normal trade terms.

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13. STATUS OF CORPORATE PROPOSAL

There is no corporate proposal announced but not completed as at the date of this Interim Financial Report.

14. UTILISATION OF PROCEEDS FROM IPO

The utilisation of proceeds from IPO as at 30 September 2021 is as follows:

Utilisation of proceeds	Proposed utilisation RM'000	Actual utilisation up to 30 September 2021 RM'000	Transfer RM'000	Balance unutilised RM'000	Estimated timeframe for utilisation from the date of Listing
(i) Capital expenditure	34,500	(7,346)	-	27,154	Within 48 months
(ii) Working capital	837	(900)	351	288	Within 36 months
(iii) New business development	5,700	(2,778)	-	2,922	Within 48 months
(iv) Listing-related expenses	6,370	(6,019)	(351)	-	Within 3 months
Total	47,407	(17,043)	-	30,364	

The utilisation of proceeds as disclosed above should be read in conjunction with the IPO Prospectus dated 29 January 2020, and the Company's announcement on 18 February 2020.

The unutilised balance of RM351,000 allocated for listing-related expenses had been transferred to working capital during the financial period.

15. MATERIAL LITIGATION

There is no material litigation involving the Group subsequent to 31 December 2020 and up to the date of this Interim Financial Report.

16. SEGMENT INFORMATION

The Group does not have reportable segments as the principal activities of entities within the Group are essentially relate to the marketing of The Body Shop ("TBS") and Natura products. Segment information of the Group is presented on the basis of geographical segments, based on the geographical location of customers, assets and liabilities.

Please refer to Note 17 on the Group's segment financial results and segment financial position.

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17. PERFORMANCE REVIEW

Quarter-on-Quarter Review

	Quarter ended	
	30.9.2021	30.6.2021
	RM'000	RM'000
Group		
Revenue	22,309	27,913
Profit after tax	722	1,442

Compared with the preceding quarter ended 30 June 2021 (“2Q2021”), our Group recorded lesser revenue and PAT by 20.1% and 49.9% respectively in 3Q2021. The lower quarterly result was largely due to Covid-19 headwinds impacting the Group’s operations, where lockdown measures in each country has caused significant decline in footfall during the reporting quarter.

Year-on-Year Review

3Q2021 vs 3Q2020

	3Q2021				3Q2020			
	Malaysia RM'000	Vietnam RM'000	Cambodia RM'000	Group RM'000	Malaysia RM'000	Vietnam RM'000	Cambodia RM'000	Group RM'000
Revenue from external customers								
The Body Shop	17,670	3,262	799	21,731	32,857	7,302	914	41,073
Natura	578	-	-	578	634	-	-	634
	18,248	3,262	799	22,309	33,491	7,302	914	41,707
Segment PAT								
The Body Shop	1,419	(479)	60	1,000	6,623	785	192	7,600
Natura	(310)	-	-	(310)	(983)	-	-	(983)
	1,109	(479)	60	690	5,640	785	192	6,617
Investment holding				32				(69)
Core PAT				722				6,548
Listing-related expenses				-				36
Reported PAT				722				6,584

Our Group endured the hardest Covid-19 lockdown since March 2020 in 3Q2021, where most of our stores in Malaysia and Vietnam were physically shuttered for the large part of the reporting quarter. Our Cambodia market was also subjected to the resurgence in cases. Overall, group revenue fell 46.5% year-on-year, with Malaysia, Vietnam and Cambodia recording lesser sales by 45.5%, 55.3% and 12.6% respectively in 3Q2021.

Throughout this challenging period, our Omnichannel capabilities allowed us to continue serving our customers through remote and mobile selling channels such as e-commerce, conversational commerce

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and social selling. These channels contributed 63.5% to the group revenue in 3Q2021 (6.2% for 3Q2020).

Despite the protracted lockdown, we managed to remain profitable through active cost management efforts as well as support from landlords and brand principals. We exited 3 underperforming locations in Malaysia during the reporting quarter, bringing total store count of the Group to 119 as at 30 September 2021.

Our The Body Shop operations in Malaysia and Cambodia continued to stay profitable during 3Q2021. The Body Shop Vietnam recorded a slight loss of RM0.5 million for 3Q2021, as our operation was severely restricted by the country's tough lockdown measures during the reported quarter. On the other hand, our Natura business registered reducing loss year-on-year, in part due to operational and financial support from the brand principal.

9M2021 vs 9M2020

	9M2021				9M2020			
	Malaysia RM'000	Vietnam RM'000	Cambodia RM'000	Group RM'000	Malaysia RM'000	Vietnam RM'000	Cambodia RM'000	Group RM'000
Revenue from external customers								
The Body Shop	66,371	17,836	2,434	86,641	85,361	21,593	2,301	109,255
Natura	1,582	-	-	1,582	1,254	-	-	1,254
	<u>67,953</u>	<u>17,836</u>	<u>2,434</u>	<u>88,223</u>	<u>86,615</u>	<u>21,593</u>	<u>2,301</u>	<u>110,509</u>
Segment PAT								
The Body Shop	8,117	511	232	8,860	13,117	2,312	380	15,809
Natura	(1,520)	-	-	(1,520)	(2,284)	-	-	(2,284)
	<u>6,597</u>	<u>511</u>	<u>232</u>	<u>7,340</u>	<u>10,833</u>	<u>2,312</u>	<u>380</u>	<u>13,525</u>
Investment holding				(79)				(100)
Core PAT				<u>7,261</u>				<u>13,425</u>
Listing-related expenses				-				(959)
Reported PAT				<u>7,261</u>				<u>12,466</u>

Revenue of our Group declined 20.2% year-on-year for 9M2021 as a result of Covid-19 impact. Cambodia became our only operating country registering year-on-year growth of 5.8%, owing primarily to the milder Covid-19 situation relative to Malaysia and Vietnam.

Tracking the trend in 3Q2021, our remote selling channels registered higher revenue contribution to the Group at 35.4% for 9M2021 (9.6% for 9M2020).

PAT of our Group was 41.8% lower year-on-year in line with the revenue decline. Each of our operating country remained profitable during 9M2021.

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Healthy Balance Sheet and Cash Flow

	30.9.2021				31.12.2020			
	Malaysia RM'000	Vietnam RM'000	Cambodia RM'000	Group RM'000	Malaysia RM'000	Vietnam RM'000	Cambodia RM'000	Group RM'000
Segment assets								
The Body Shop	107,941	35,385	5,132	148,458	116,055	30,830	5,037	151,922
Natura	4,607	-	-	4,607	6,089	-	-	6,089
	<u>112,548</u>	<u>35,385</u>	<u>5,132</u>	<u>153,065</u>	<u>122,144</u>	<u>30,830</u>	<u>5,037</u>	<u>158,011</u>
Investment holding				21,131				30,226
Reported total assets				<u>174,196</u>				<u>188,237</u>
Segment liabilities								
The Body Shop	21,868	13,625	627	36,120	28,245	10,725	920	39,890
Natura	1,329	-	-	1,329	2,496	-	-	2,496
	<u>23,197</u>	<u>13,625</u>	<u>627</u>	<u>37,449</u>	<u>30,741</u>	<u>10,725</u>	<u>920</u>	<u>42,386</u>
Investment holding				107				116
Dividend payable				-				7,059
Reported total liabilities				<u>37,556</u>				<u>49,561</u>

The Group's financial position remained solid with total equity of RM136.6 million as at 30 September 2021. During 9M2021, the Group generated net cash from operating activities of RM14.4 million, and continued to maintain a healthy cash balance (including fixed deposits and fixed income funds under Other Investments) of RM49.9 million as at 30 September 2021 after accounting for dividend distribution of RM10.6 million to shareholders.

18. PROSPECTS

With the reopening of the economy in Malaysia, Vietnam and Cambodia as well as year-end festivities around the corner, we expect an improving quarter-on-quarter performance in 4Q2021 and a profitable FY2021. While stores are seeing some brisk activity, we will continue to invest in our remote selling channels and build our Brands to be omnipresent. InNature's objective moving forward, is of achieving a balanced contribution between all revenue streams.

19. PROFIT FORECAST / PROFIT GUARANTEE

The Group did not issue any profit forecast or profit guarantee in any form of public documentation and/or announcement.

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20. PROFIT BEFORE TAX

Profit before tax is arrived at after crediting/(charging) the following income/(expenses):

	Quarter ended		9 months ended	
	30.9.2021	30.9.2020	30.9.2021	30.9.2020
	RM'000	RM'000	RM'000	RM'000
Group				
Revenue				
- Retailing	22,306	41,690	88,187	110,451
- Consultancy fees	3	17	36	58
	22,309	41,707	88,223	110,509
(Loss)/gain on foreign exchange				
- realised	36	122	(211)	470
- unrealised	177	(260)	206	(114)
	213	(138)	(5)	356
Rental income	-	5	-	20
Rental expenses				
- before MFRS 16 adjustments	(2,461)	(5,054)	(11,636)	(14,425)
- less: minimum lease payments (MFRS 16 adjustments)	3,858	4,413	12,345	13,251
	1,397	(641)	709	(1,174)
Depreciation and amortisation				
- plant and equipment	(1,166)	(1,359)	(3,613)	(3,936)
- intangible assets	(76)	(74)	(227)	(227)
- right-of-use assets (MFRS 16 adjustments)	(3,452)	(4,071)	(10,868)	(11,628)
	(4,694)	(5,504)	(14,708)	(15,791)
Royalty expense	(227)	(415)	(862)	(1,149)
Inventories written down	(374)	(13)	(487)	(43)
Finance income				
- interest income on				
- bank balances and fixed deposits	107	106	364	258
- fixed income funds	211	141	609	446
	318	247	973	704
Finance costs				
- interest expenses on				
- hire purchase	(3)	-	(9)	(7)
- revolving credit	-	-	-	(75)
- lease liabilities (MFRS 16 adjustments)	(657)	(534)	(1,372)	(1,433)
	(660)	(534)	(1,381)	(1,515)

Save as disclosed above and elsewhere in this Interim Financial Report, the other disclosure items pursuant to Paragraph 16, Part A of Appendix 9B of the Listing Requirements are not applicable.

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20. TAX EXPENSES

	Quarter ended		9 months ended	
	30.9.2021	30.9.2020	30.9.2021	30.9.2020
	RM'000	RM'000	RM'000	RM'000
Group				
Tax expenses				
- arising from Malaysia	490	2,270	2,808	4,706
- arising outside Malaysia	(156)	52	25	443
	<u>334</u>	<u>2,322</u>	<u>2,833</u>	<u>5,149</u>
Effective tax rate (%)	<u>33.1%</u>	<u>26.1%</u>	<u>28.2%</u>	<u>29.2%</u>

Effective tax rate ("ETR") is computed by dividing tax expenses with profit before tax for the financial period. ETR is generally higher than Malaysia's statutory tax rate due to non-deductible expenses and losses from our new business of which deferred tax benefits have yet to be recognised.

21. EARNINGS PER SHARE ("EPS")

	Quarter ended		9 months ended	
	30.9.2021	30.9.2020	30.9.2021	30.9.2020
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the Company	<u>722</u>	<u>6,584</u>	<u>7,261</u>	<u>12,466</u>
Weighted average number of ordinary shares in issue	<u>705,881</u>	<u>705,881</u>	<u>705,881</u>	<u>692,364</u>
Basic EPS (sen)	<u>0.10</u>	<u>0.93</u>	<u>1.03</u>	<u>1.80</u>

Diluted earnings per ordinary share is not presented as the Group has no shares or other instruments with potential dilutive effects as at 30 September 2020 and 30 September 2021.

22. OTHER INVESTMENT

	30.9.2021	31.12.2020
	RM'000	RM'000
Group		
Fixed deposits of more than 3 months but less than 12 months	8,695	4,743
Fixed income funds	<u>29,433</u>	<u>24,785</u>
	<u>38,128</u>	<u>29,528</u>

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23. LOANS AND BORROWINGS

	30.9.2021	31.12.2020
	RM'000	RM'000
Group		
Non-current		
RM denominated hire purchase (unsecured)	68	186
Current		
RM denominated hire purchase (unsecured)	158	153
	<u>226</u>	<u>339</u>

24. SUBSEQUENT EVENT

There is no material event impacting the Group subsequent to 30 September 2021 and up to the date of this Interim Financial Report.