INNATURE BERHAD
QUESTIONS AND ANSWERS ON EXTRAORDINARY GENERAL MEETING HELD ON 11 JULY 2024

Note: Some questions and answers have been edited for brevity and clarity. Administrative, duplicate or irrelevant questions are omitted.

<table>
<tr><th></th><th>QUESTIONS</th><th>ANSWERS</th></tr>
<tr><td>1</td><td>MSWG:
In relation to the comparable companies selected by the Independent Adviser for evaluating the fairness of the Purchase Consideration (Section 7.2 of the Circular), we wish to highlight the following:

i. Three (3) out of the five (5) comparable companies selected were loss-making, which the evaluation only left with two (2) remaining companies on the list to form the highest and lowest range as well as a median for the evaluation.
ii. Berjaya Food Berhad (“Berjaya Food”) owns many brands under their stable, namely Starbucks Coffee, Kenny Rogers Roasters and others which Starbucks Coffee is its main revenue and profit contributor, while
iii. Pan Malaysia Corporation Berhad (“Pan Malaysia”) owns A & W Malaysia Sdn Bhd, a fast-food chain.

Both Berjaya Food and Pan Malaysia cater to very different categories of customers as compared to Burger & Lobster. The food and drink offerings, as well as menu pricing, are far removed from Burger & Lobster's offerings, which fall under the luxury high-end restaurant category.

(a) Given that Blu Restaurant Sdn Bhd (“Blu Restaurant”) can only open two (2) outlets of “Burger & Lobster” restaurants each in Malaysia, Indonesia and Vietnam, how are the comparable companies selected for the evaluation come close to being reflective evaluation that the Non-Interested Shareholders can rely on?
(b) What are the challenges faced by the Independent Adviser to select a more similar and closer comparable company in terms of size and category for its evaluation?</td><td>Reply by cfSolutions Sdn Bhd:

We wish to clarify the following:

i. that 4 of the 5 Comparable Companies are EBITDA positive with only one being EBITDA negative; and

ii. The EV/EBITDA multiple of Focus Dynamics Group Berhad and Overseas Enterprise Berhad are significantly higher than that the other Comparable Companies.

Accordingly, these two companies were considered outliers and were disregarded to ensure the comparable EV/EBITDA multiples are not skewed towards the high side.

Consequently, the remaining two Comparable Companies, namely Berjaya Food Berhad and Pan Malaysia Corporation Berhad were considered in our evaluation.

Question (a) and (b) relate to the selection of Comparable Companies. As such, our replies are applicable for both questions.
A. The methodology for selection of comparable companies and arriving at a suitable benchmark are detailed herein:

i. Our population of Comparable Companies were derived from listed companies on Bursa Malaysia Securities Berhad because these companies publish their financial statements regularly and their share prices are readily available;
ii. We applied a selection criterion of at least 70% of revenue contribution from the provision of F&B related services to ensure that the companies are principally involved in the F&B business similar to Blu Restaurant;
iii. EBITDA of comparable companies were adjusted by excluding non-recurring income/expense to enhance comparability with Blu Restaurant;</td></tr>
</table>

Note: Some questions and answers have been edited for brevity and clarity. Administrative, duplicate or irrelevant questions are omitted.

QUESTIONS	ANSWERS
	iv. Outliers with EV/EBITDA multiples that deviate significantly were excluded to arrive at a range of valuation for benchmarking; v. Illiquidity discount of 30% was applied to EV/EBITDA multiples of Comparable Companies prior to comparison to the Purchase Consideration in view that publicly listed asset is expected to be more freely traded than a similar but unlisted asset such as Blu Restaurant; and vi. There would not be an exact or directly comparable company to Blu Restaurant in view that every company would have its own uniqueness in terms of size, activities, scale of operation, geographical and market coverage. B. The comparable companies' approach was used to establish an indicative value for the business of Blu Restaurant against the valuation benchmark exhibited by comparable companies which are involved in the F&B industry in general. The following aspects should also be noted about the Comparable Companies: i. Save for Dolphin International which is loss-making, 4 out of 5 comparable companies are EBITDA positive; ii. Focus Dynamics, Berjaya Food, Dolphin International (operator of Uncle Don's F&B chain) and Oversea Enterprise (chinese restaurant operator) are involved in the business of full-service restaurants; iii. Berjaya Food and Pan Malaysia operate under franchise models as Berjaya Food is a franchisee of F&B brands including Kenny Rogers and Starbucks whilst

INNATURE BERHAD
QUESTIONS AND ANSWERS ON EXTRAORDINARY GENERAL MEETING HELD ON 11 JULY 2024

Note: Some questions and answers have been edited for brevity and clarity. Administrative, duplicate or irrelevant questions are omitted.

	QUESTIONS	ANSWERS
		Pan Malaysia is a franchisee of A&W fast-food chain; and iv. In order to arrive at a prudent benchmarking, Focus Dynamics and Oversea Enterprise were considered as outliers as their EV/EBITDA multiples are significantly higher than the population. Accordingly, EV/EBITDA multiples of Berjaya Food Berhad and Pan Malaysia form a reasonable valuation range.
2	**MSWG:** In terms of the outlook of the F&B industry for Malaysia, Indonesia and Vietnam, how many full-service luxury high-end restaurants in a similar category as "Burger & Lobster" were open and closed in 2022 and 2023?	The opening and closure of outlets is part and parcel of a business. For closure of restaurant, this may be due to many reasons which may not be related to business performance. There are fine-dining restaurants that have been in operation in Malaysia for decades.
3	**MSWG:** In relation to business risk, labour shortages may arise due to various reasons such as high attrition rate, competition for skilled labour and skill gap of employees. (Section 5.4, page 24 of the Circular) What was the staff turnover rate for the "Burger & Lobster" restaurant outlet at Suria KLCC mall since its operation in October 2022? What is the staff composition in terms of percentage between local and foreign employees?	The staff turnover rate for the 15-month full period ending 31 December 2023 was 67%, vs F&B industry's average churn rate of 75%. 28% of Blu Restaurant's employees are foreign workers.
4	**MSWG:** Based on Note 20 of the audited financial statements of Blu Restaurant for the 15M-FPE 31 December 2023, employees' salaries, wages, bonuses and allowances amounted to RM3.34 million. (Appendix IV, page 124 of the Circular) There was no remuneration paid to the directors of the company during the financial period. Remuneration paid to other key management personnel of the company during the financial period for salaries, wages, bonuses and allowances amounted to RM0.19 million (Appendix IV, page 125 of the Circular),	(a) The average employee headcount for the 15M-FPE 31 December 2023 was 55. (b) Blu Restaurant's total staff costs for the 15M-FPE 31 December 2023 was 16.6% of revenue, which is actually within range among sample F&B companies.

INNATURE BERHAD
QUESTIONS AND ANSWERS ON EXTRAORDINARY GENERAL MEETING HELD ON 11 JULY 2024

Note: Some questions and answers have been edited for brevity and clarity. Administrative, duplicate or irrelevant questions are omitted.

	QUESTIONS	ANSWERS
	(a) The salaries, wages, bonuses and allowances of RM3.34 million were paid to how many employees? Please provide the necessary key breakdowns. (b) Given that there is only 1 “Burger & Lobster” restaurant outlet, why are the salaries, wages, bonuses and allowances rather high?	
5	What is the outlet expansion plan for Burger & Lobster (“B&L”)? Estimated capex per outlet and payback period?	The target is to open 5 outlets in Malaysia (1), Indonesia (2) and Vietnam (2). Estimated capex per outlet of RM6.90 million, as disclosed in the Circular to the Shareholders dated 19 June 2024. Estimated payback period of 3 years.
6	Why can’t the purchase consideration be satisfied via share issuance, and preserve the cash for InNature?	The major shareholders currently hold close to 71% equity interest in InNature. Issuing shares will only further dilute minority shareholding.
7	The trailing 12 months' profit after tax for Blu Restaurant is RM2.55 million, which is significantly lower than FY2023's (15 months) profit of RM3.79 million, or its annualized profit of around RM3.00 million. (a) Does this suggest that Blu Restaurant experienced a significant drop in revenue and profit in Q1 2024? If so, please explain the reasons. (b) Can you provide the profit and revenue trends for the past 6 quarters and explain the results?	It is common for a new restaurant to experience novelty effect in its first year of operation with high visitation, followed by the normalisation of revenue relative to the first year. We understand that for 2024 year-to-date, B&L Suria KLCC is the top performer in the F&B category of this premier shopping mall.
8	The Company plans to acquire Blu Restaurant for RM21.25 million. Blu Restaurant's profit for the past 12 months was RM2.55 million, with a book value of around RM11 million and the vendor's total investment cost at RM11.95 million since 2022. This indicates that while the P/E valuation is reasonable at around 8x, the P/B valuation appears high at around 2x. (a) Is there a profit guarantee provided by the Vendors? (b) Do the major shareholders and management have confidence in maintaining or increasing this profit level?	At group level, InNature’s net cash outflow for the acquisition of Blu Restaurant would be lower at RM16.25 million, as the Vendors undertake to leave cash balance of minimum RM5.0 million with Blu Restaurant on completion of the acquisition. At RM16.25 million, the effective P/E and P/B valuation would therefore be lower. (a) There is no profit guarantee provided by the Vendors. (b) With the expansion plan in place, we are confident that the profitability of Blu Restaurant will grow.
9	What are the details of the franchise fee arrangement with the franchisor?	The franchisor charges a royalty fee at 4% of revenue.

INNATURE BERHAD
QUESTIONS AND ANSWERS ON EXTRAORDINARY GENERAL MEETING HELD ON 11 JULY 2024

Note: Some questions and answers have been edited for brevity and clarity. Administrative, duplicate or irrelevant questions are omitted.

	QUESTIONS	ANSWERS
10	Rationale of the Proposed Acquisition and Proposed Diversification?	The rationales are detailed in Section 3 of the Circular to Shareholders dated 19 June 2024.
11	Whether InNature should proceed with the Proposed Acquisition given the news on the bankruptcy of Red Lobster restaurants and the uncertain economic environment?	Regardless of the economic environment or the performance of other F&B players, we are confident that there is strong growth potential for B&L, given the outlet expansion plan across Malaysia, Indonesia and Vietnam, as well as the industry outlook in these countries as outlined in the Independent Market Researcher's Report.
12	Why is the B&L outlet at Genting Highland not part of the Proposed Acquisition?	The franchise of the B&L outlet at Genting Highland was awarded to a different franchisee prior to Blu Restaurant's acquisition of the master franchise rights in Malaysia, Indonesia and Vietnam.
13	Market research on lobster restaurant in Malaysia?	We have engaged Providence Strategic Partners Sdn Bhd as the Independent Market Researcher to provide an overview and outlookf of the F&B industry in Malaysia, Indonesia and Vietnam. Please refer to Section 4.2 of the Circular to Shareholders dated 19 June 2024 for further details.
14	Source of funding for B&L expansion plan	Internally generated fund. The Group also has existing banking facilities ready to be drawn down, if required.
15	Whether will the Proposed Acquisition affect InNature's syariah compliance status?	No, it will not.
16	(a) Would the B&L franchise support the Jewish Israel Fund? Given the current Anti-Israel campaign against F&B such as Starbuck, McDonald and even KFC, has this affected the restaurant's performance? (b) Who actually benefits the most from the Proposed Acquisition?	(a) The franchise does not support any political or sectarian funds.We have not seen any impact relating to Anti-Israel campaign on the restaurant's performance. (b) InNature's shareholders.
17	Higher dividend post-acquisition?	InNature's policy is to distribute a minimum of 30% of our attributable net profit as dividend to shareholders. We have been declaring dividends above our dividend policy since the IPO. For 2023, the dividend pay-out rate was 67%. You may expect a higher dividend amount in line with the improvement in InNature's profitability.
18	EGM door gifts	There is no door gift for EGM.