

INTERIM REPORT

JUNE 30, 2022

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Company Registration Number 07905640

RAPID NUTRITION PLC

**UNAUDITED INTERIM FINANCIAL
STATEMENTS**

30 JUNE 2022



RAPID NUTRITION PLC



RESPONSIBILITY STATEMENT AS AT THE PERIOD ENDED 30 JUNE 2022

The Directors of Rapid Nutrition PLC and its controlled entity (“the Group”) confirm that, to the best of our knowledge

- a. The condensed set of consolidated financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting” and all relevant pronouncements of *the companies ACT 2006*
- b. The condensed set of consolidated financial statements give a true and fair view of the Group’s financial position as at 30 June 2022 and of its performance for the interim period ended on that date.
- c. There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

By order of the Board

A handwritten signature in black ink that reads 'Simon St Ledger'. The signature is written in a cursive, flowing style.

Simon St. Ledger
Managing Director
1 October 2022

RAPID NUTRITION PLC



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Note	Period ended 30 June 2022 (Unaudited) AU\$	Period ended 30 June 2021 (Unaudited) AU\$
Revenue	2	1,992,423	1,405,746
Cost of sales			
Opening inventory		(494,045)	(209,199)
Direct costs		(8,347)	(571,152)
Closing inventory		389,572	494,045
Gross profit		1,879,603	1,081,489
Administrative expenses		(812,093)	(759,097)
Operating profit		1,067,510	360,342
Changes in fair value of financial assets		-	-
(Loss)/Profit before tax		1,067,510	360,342
Tax expense ¹		-	-
(Loss)/Profit for the period attributable to members of the Company		1,067,510	360,342
Other comprehensive income			
Translation Gain/Loss		-	-
Changes in fair value of financial assets through other comprehensive income		-	-
Non-controlling interest		-	-
Total comprehensive income for the period attributable to members of the Company	5	1,067,510	360,342
Basic & diluted earnings per share		0.0066	0.0093

All of the activities of the Group are classed as continuing. All of the total comprehensive income for the period is attributable to the owners of the Group.

¹ All tax expenses are calculated on an annual basis in the full year audited report, no provision is accrued in this interim report.

RAPID NUTRITION PLC



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Note	30 June 22 AU\$	30 June 21 AU\$
Current assets			
Cash and cash equivalents		443,980	91,089
Trade and other receivables		1,965,062	3,888,842
Inventory		389,572	494,045
Financial assets	3	0	534,087
Total current assets		3,696,881	5,008,063
Non-current assets			
Investments	4	872,759	101
Property, plant and equipment		94,382	136,131
Intangible assets		2,105	2,105
Total non-current assets		969,246	138,337
Total assets		3,791,617	5,146,399
Current liabilities			
Trade and other payables		934,719	805,581
Other Payable		-	157,825
Borrowings		434,674	1,193,738
Total current liabilities		1,369,392	2,157,144
Non-current liabilities			
Tax and other related		301,991	228,378
Borrowings		132,129	638,788
Total non-current liabilities		434,120	867,166
Total liabilities		1,803,512	3,024,310
Net assets		1,988,105	2,122,090

RAPID NUTRITION PLC



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2022

	Ordinary Share Capital	Share Premium	Merger Reserve	Convertible notes	Retained Earnings	Asset Reserve	Foreign Exchange	Total Equity
	\$	\$	\$	\$	\$	\$	\$	\$
Balance as at 31 Dec 2020	29,548,450	564,803	(26,061,971)	857,270	4,927,892	(8,414,563)	(80,855)	1,341,027
Comprehensive Income								
Ordinary Share Capital, net of transaction costs								
Profit for the period					75,496			75,496
Transferred to equity								
Asset Reserve						420,722		420,722
Balance as at 30 June 2021	29,548,450	564,803	(26,061,971)	857,270	5,003,388	(7,993,841)	(80,855)	1,837,244
Ordinary Share Capital, net of transaction costs	(275,762)	333,566		1,406,496				1,464,300
Profit for the period					1,067,510			1,067,510
Transferred to equity								
Asset Reserve						(2,380,950)		(2,380,950)
Foreign Exchange							-	-
Balance as at 30 June 2022	29,548,450	564,803	(26,061,971)	2,263,766	6,070,898	(10,374,791)	(80,855)	1,988,105

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CONDENSED CONSOLIDATED STATEMENT OF CASHFLOW FOR THE PERIOD ENDED 30 JUNE 2022



	Note	30 Jun 2022	30 June 2021
		AU\$	AU\$
Cash flows from operating activities			
Receipts from customers		525,054	1,002,963
Payments to suppliers and employees		(689,451)	(1,176,726)
Interest paid			
Net cash used by operating activities		(164,397)	(173,764)
Cash flows from investing activities			
Purchase of plant and equipment			
Other Cash Items from investing activities		(874,510)	
Net cash used by investing activities		(874,510)	
Cash flows from financing activities			
Proceeds from issue of shares			
Lease liability payments			
Proceeds from borrowings		1,391,798	(191,148)
Net cash used by financing activities		1,391,798	(191,148)
Increase/(decrease)in cash and cash equivalents		352,891	(364,911)
Cash and cash equivalents at the beginning of the period		91,089	456,000
Cash and cash equivalents at the end of the period		443,980	91,089

RAPID NUTRITION PLC



MANAGEMENT REVIEW REPORT THE MEMBERS OF RAPID NUTRITION PLC FOR THE PERIOD ENDED 30 JUNE 2022

The consolidated financial statements and notes represent those of Rapid Nutrition PLC ('the Company') and its subsidiaries ("the consolidated group" or "group"), for the period under review to 30 June 2022. The group previously extended its accounting reference date by 6 months (in accordance with IAS 1) in 2020 (ending 31 December 2021 to coincide with the calendar year in addition to avoiding a busy trading period as a result of the global pandemic in 2020 and 2021. It should therefore be noted that the amounts presented in the financial statements are not entirely comparable.

1. General Information

The information for the period ended 30 June 2022 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that period has been delivered to the Registrar of Companies. The auditors reported on those accounts: their report was unqualified, drew attention to the Group's going concern status by way of emphasis, and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

1.1 Accounting Policy

Basis of preparation

The statutory financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of consolidated financial statements included in this interim financial report has been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting', as adopted by the European Union.

Going concern

This report has been prepared on the going concern basis, which contemplates the continuation of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Directors recognise that the ability of the Group to continue as a going concern and to pay its debts as and when they fall due may be dependent on settlement of substantial receivable balances, funding via equity and debt, continued support of shareholders through short term loans, and successful realisation of revenue growth via the company's plans for successful launch of company's new product lines. On this basis, the Directors believe there are sufficient funds to meet the Group's working capital requirements going forward.

The company's cash position has strengthened post 30 June 2022 due to a secured financing commitment to support growth and which has enabled the company to pay down all its debt commitments during the first half of the year.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that may be necessary should the Group be unable to continue as a going concern.

Changes in accounting policy

For the current, interim financial period, the Group has noted no amendments to International Accounting Standards that will be effective for the first time. As such, the same accounting policies, presentation and methods of computation are followed in the condensed set of financial statements as applied in the Group's latest statutory audited financial statements.

Functional and presentation currency

An entity's functional currency is the currency of the primary economic environment in which it operates. Due to the importance of Australia as the group's base of operations, which includes but not limited to payroll, insurance, majority of cost of sale are incurred and where the board and senior management are based, the directors of the group view Australian Dollars as the group's functional currency. The Group uses Australian bank accounts and all dealings and commercial contracts are through the Australian company.

The financial information in this consolidated interim financial statements are in Australian dollars.

RAPID NUTRITION PLC



MANAGEMENT REVIEW REPORT THE MEMBERS OF RAPID NUTRITION PLC FOR THE PERIOD ENDED 30 JUNE 2022

2. Revenue

	30 June 2022	30 June 2021
	\$	\$
Direct Sales	360,489	1,293,491
Government Grant		111,873
Other Income	1,631,900	
Interest Income	35	382
	<u>1,992,423</u>	<u>1,405,746</u>

3. Financial assets – group and parent company

Financial assets measured at fair value through profit or loss

Financial assets held for trading:

- Investments in equity instruments

	30 June 2022	30 June 2021
	\$	\$
Motivate Health Technologies, Inc.	<u>0</u>	<u>534,087</u>

As disclosed in the latest annual report the year Company had completed a cashless transaction allowing Rapid Nutrition to receive back about 1.4 million shares from a major shareholder, Motivate Technologies, inc. ("MHT"). In return, Rapid Nutrition will relinquish its shares held in MHT. The buy back shares were value at market price

Reconciliation of year-end balance:

Unrealised gains:	\$
- Brought forward	<u>534,087</u>
- Loss to 30 June 2022	<u>(534,087)</u>
Foreign exchange Gain	0
Value at period end	<u>0</u>

RAPID NUTRITION PLC



MANAGEMENT REVIEW REPORT THE MEMBERS OF RAPID NUTRITION PLC FOR THE PERIOD ENDED 30 JUNE 2022

4. Investments

- Adopted classification under IFRS 9

	30 June 2022	30 June 2021
	\$	\$
Investment in Vibe Life	100	100
The Plant-Based Bundle*	872,659	
	872,759	100

*Reference Search Path: <https://www.rnplc.com>news>2022>rapid-nutrition-acquires-the-plant-based-bundle>

5. Earnings per share

The following reflects earnings and share data used in the earnings per share calculation.

	30 June 2022	30 June 2021
	\$	\$
(Loss)/Profit for the period	1,067,510	360,342
Number of shares	162,553,823	38,849,541

There were convertible instruments and attached warrants in issue as at 30 June 2022 as disclosed on the company website where the company maintains an updated register, as well as the acquisition of the Plant-Based Bundle Brand as announced on the 30 June 2022, that if converted in full would result in the allotment of ordinary shares, calculated pursuant to the terms of the convertible instruments, which could potentially dilute earnings per share in the future.

Reference Search Path: www.rnplc.com>investors>share-structure

6. Subsequent Events

- On the 6th of July 2022, the company announced an increase of 48,309,176 newly allotted ordinary shares as a result of the partial conversion of the convertible notes outstanding.
- On the 8th of July 2022, the company announced an increase of 35,842,293 newly allotted ordinary shares as a result of the partial conversion of the convertible notes outstanding.
- On the 22nd of August 2022, the company announced an increase of 93,750,00 newly allotted ordinary shares as a result of the partial conversion of the convertible notes outstanding.
- On the 29th June 2022, the company acquired the assets and brand The Plant-Based Bundle with a combination of Cash (USD500,000 during the reporting period) and USD250,000 Cash or in Shares (at the sole discretion of Rapid Nutrition) calculated on a 30 day VWAP prior to issuance on or before the date which is six months after the Completion execution date.

RAPID NUTRITION PLC



MANAGEMENT REVIEW REPORT THE MEMBERS OF RAPID NUTRITION PLC FOR THE PERIOD ENDED 30 JUNE 2022

Dear Shareholders,

We are pleased to report that we continue to track in line with our corporate expectations for 2022, with management successfully executing on its growth strategy as outlined in our latest annual report.

In particular, we recently signed a new distribution agreement in Korea, where we have successfully been approved for trademark registration for our flagship SystemLS brand. Likewise, we continue to expand this global brand with a focus on clean, plant-based ingredients and sustainable packaging, which will be launched later this year through a partnership with Australian packaging company Grounded.

We have also secured a financing commitment to support accelerated growth and completed the acquisition of The Plant-Based Bundle, a vegan influencer business which is already adding additional revenue and synergies to the group. We completed the first launch since acquiring the company in July with more than 144 world-renowned influencers, generating more than 3,494 sales in just the first 10 days. We are incredibly excited about the potential of this business as we prepare for our next launch in October.

We are also pleased to report that Rapid Nutrition is now debt-free after paying down all debt commitments during the first half of the year while diversifying revenue streams and expanding our product portfolio to significantly strengthen our position in the market. Our robust portfolio, strategic growth and partnerships are anticipated to continue to support revenue growth, new synergies and a strong position heading towards 2023.

As we move solidly into the second half of the year, momentum continues to build and we anticipate to achieve our targets as set out for the year 2022. In summary, 2022 has already been witness to significant achievements, notable management results and continued growth, which will create new tailwinds and opportunities for the company. Thank you to our shareholders, managers and partners who bolster this success.

Directors' responsibilities

The names and functions of the Directors of the Company are as follows:

Simon St Ledger	Chief Executive Officer
Shayne Kellow	Non-Executive Director
Vesta Vanderbeken	Non-Executive Director
Michael Zhu	Chief Financial Officer

The Board confirms that to the best of its knowledge the condensed set of financial statements gives a true and fair view of the assets and liabilities, financial position and profit of the Group. The interim financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority. As disclosed in note 2, the statutory financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of consolidated financial statements included in this interim financial report has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting", as adopted by the European Union.

Thank you for your time and support.

Simon St. Ledger
Director



RAPID
NUTRITION

SETTING GOALS

*is the first step into
turning the invisible into*

VISIBLE



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