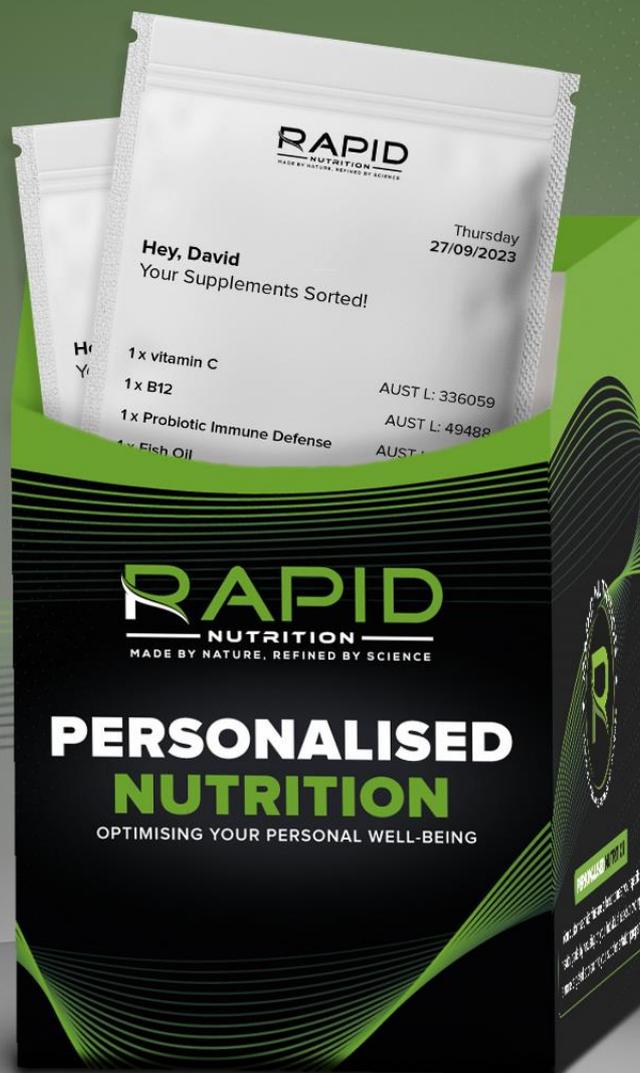


# INTERIM REPORT

JUNE 30, 2023



Company Registration Number 07905640

**RAPID NUTRITION PLC**

**UNAUDITED INTERIM FINANCIAL  
STATEMENTS**

**30 JUNE 2023**

# RAPID NUTRITION PLC



## RESPONSIBILITY STATEMENT

AS AT 30 JUNE 2023

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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 2023 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

Simon St. Ledger  
Managing Director  
11 October 2023

# RAPID NUTRITION PLC



## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30 JUNE 2023

	Note	Period ended June 2023 Unaudited AUD	Period ended June 2022 Unaudited AUD
Revenue	2	650,903	360,489
Cost of sales		(409,003)	(112,820)
<b>Gross profit</b>		<b>241,900</b>	<b>247,669</b>
Other income		(12,675)	1,631,935
Advertising and Marketing		(198,710)	(63,136)
Bank fee		(157,759)	(21,251)
Accounting and consultancy		(153,137)	(502,576)
Salaries and wages		(92,343)	(54,880)
Legal expenses		(138,578)	(62,863)
Subscription		(103,185)	(20,335)
Rent		(43,783)	(33,366)
Administration expense		(257,597)	(53,687)
<b>Operating profit/(loss)</b>		<b>(915,867)</b>	<b>1,067,510</b>
Tax expense		-	-
<b>(Loss)/Profit for the period attributable to members of the Company</b>		<b>(915,867)</b>	<b>1,067,510</b>
<b>Other comprehensive income</b>			
Exchange gains arising on translation on foreign operations		-	-
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the period attributable to members of the Company</b>		<b>(915,867)</b>	<b>1,067,510</b>
<b>Basic &amp; diluted earnings per share</b>	4	<b>(0.0024)</b>	<b>0.0066</b>

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

# RAPID NUTRITION PLC



## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

Assets	Note	June 2023 AUD Unaudited	June 2022 AUD
<b>Non-current assets</b>			
Investments	3	100	101
Property, plant and equipment		148,390	202,914
Intangible assets		125,000	2,105
<b>Total non-current assets</b>		<b>273,490</b>	<b>205,120</b>
<b>Current assets</b>			
Trade and other receivables		(34,383)	12,260
Inventory		261,943	134,803
Cash and cash equivalents		1,011,274	236,120
<b>Total current assets</b>		<b>1,238,834</b>	<b>383,183</b>
<b>Total assets</b>		<b>1,512,324</b>	<b>588,303</b>
<b>Non-current liabilities</b>			
Tax and other related		-	6,212
Borrowings		109,029	241,877
<b>Total non-current liabilities</b>		<b>109,029</b>	<b>248,089</b>
<b>Current liabilities</b>			
Trade and other payables		282,726	118,121
Borrowings		71,976	114,155
<b>Total current liabilities</b>		<b>354,702</b>	<b>232,276</b>
<b>Total liabilities</b>		<b>463,731</b>	<b>480,365</b>
<b>Net assets</b>		<b>1,048,593</b>	<b>107,938</b>
<b>Issued capital and reserves</b>			
Shares		38,274,405	36,953,242
Share premium		4,012,237	4,012,237
Merger reserve		(26,061,971)	(26,061,971)
Convertible notes		1,346,808	822,000
Retained earnings		(7,198,331)	2,696,742
Current year earning		(915,865)	(9,895,073)
Foreign exchange		5,874	(4,675)
Asset reserve		(8,414,564)	(8,414,564)
<b>Total equity and reserves</b>		<b>1,048,593</b>	<b>107,938</b>

These financial statements were approved and authorised for release by the Directors on 1st October 2023 and are signed on its behalf by:

**S St Ledger**  
Managing Director

Company registration number: 07905640

# RAPID NUTRITION PLC



## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2023

	Ordinary Share Capital AUD	Share premium AUD	Merger Reserve AUD	Convertible Notes AUD	Retain Earnings AUD	Assets Reserve AUD	Foreign Exchange AUD	Total equity AUD
<b>Balance at 31 Dec 2021</b>	<b>29,548,450</b>	<b>564,803</b>	<b>(26,061,971)</b>	<b>857,270</b>	<b>5,003,388</b>	<b>(7,993,841)</b>	<b>(80,855)</b>	<b>1,837,244</b>
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
Notes issued during the year	-	-	-	-	-	-	-	-
Transferred to equity	-	-	-	-	-	-	(2,380,950)	-
Foreign Exchange	-	-	-	-	-	-	-	(2,380,950)
<b>Balance at 30 Jun 2022</b>	<b>29,272,688</b>	<b>898,369</b>	<b>(26,061,971)</b>	<b>2,263,766</b>	<b>6,070,898</b>	<b>(7,993,841)</b>	<b>(2,461,805)</b>	<b>1,988,104</b>
	Ordinary Share Capital AUD	Share premium AUD	Merger Reserve AUD	Convertible Notes AUD	Retain Earnings AUD	Assets Reserve AUD	Foreign Exchange AUD	Total equity AUD
<b>Balance at 31 Dec 2022</b>	<b>36,953,242</b>	<b>4,012,237</b>	<b>(26,061,971)</b>	<b>822,000</b>	<b>(7,198,331)</b>	<b>(8,414,564)</b>	<b>(4,675)</b>	<b>107,938</b>
Ordinary share capital, net of transaction costs	1,321,163	-	-	-	-	-	-	1,321,163
Loss for the year	-	-	-	-	(915,865)	-	-	(915,865)
Notes issued during the year	-	-	-	1,786,160	-	-	-	1,786,160
Transferred to equity	-	-	-	(1,261,352)	-	-	-	(1,261,352)
Foreign Exchange	-	-	-	-	-	-	10,549	10,549
<b>Balance at 30 Jun 2023</b>	<b>38,274,405</b>	<b>4,012,237</b>	<b>(26,061,971)</b>	<b>1,346,808</b>	<b>(8,114,196)</b>	<b>(8,414,564)</b>	<b>5,874</b>	<b>1,048,592</b>

# RAPID NUTRITION PLC



## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 30 JUNE 2023

	30-Jun-23	30-Jun-22
	AU\$	AU\$
<b>Cash flows from operating activities</b>		
Receipts from customers	570,406	525,054
Payments to suppliers and employees	(1,406,385)	(689,451)
<b>Net cash used by operating activities</b>	<b>(835,979)</b>	<b>(164,397)</b>
<b>Cash flows from investing activities</b>		
Purchase of plant and equipment	-	-
Other Cash Items from investing activities	-	874,510
<b>Net cash used by investing activities</b>	<b>-</b>	<b>(874,510)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	-	-
Lease liability payments	(175,027)	-
Proceeds from borrowings	1,786,160	1,391,798
<b>Net cash used by financing activities</b>	<b>1,611,133</b>	<b>1,391,798</b>
<b>Increase/(decrease)in cash and cash equivalents</b>	<b>775,154</b>	<b>352,891</b>
Cash and cash equivalents at the beginning of the period	236,120	91,089
<b>Cash and cash equivalents at the end of the period</b>	<b>1,011,274</b>	<b>443,980</b>



## MANAGEMENT REVIEW REPORT THE MEMBERS OF RAPID NUTRITION PLC FOR THE PERIOD ENDED 30 JUNE 2023

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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 2023.

### 1. General Information

The information for the period ended 30 June 2023 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 consolidated financial statements and notes represent those of Rapid Nutrition PLC ('the Company') and its subsidiaries ("the consolidated group" or "group"), for the period ended 30 June 2023. With reference to the revised and re-issued annual audited Financial Statement for the year ended 31 December 2022 (in accordance with the IAS framework, in particular IFRS-IAS 9 and 18), were recognised in the second period of the financial year ended 31 December 2022. It should therefore be noted that the amounts presented in the comparable period have not been restated for these adjustments.

#### 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 2023 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 2023

### 2. Revenue

	30 June 2023	30 June 2022
	\$	\$
Direct Sales	650,903	360,489

### 3. Investments

Adopted classification under IFRS 9

	30 June 2023	30 June 2022
	\$	\$
Investment in Vibe Life	100	100
The Plant-Based Bundle	-	872,659
	<b>100</b>	<b>872,759</b>

### 4. Earnings per share

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

	30 June 2023	30 June 2022
	\$	\$
(Loss)/Profit for the period	(915,867)	1,067,510
Number of shares	385,848,782	162,553,823
	<b>(0.0024)</b>	<b>0.0066</b>

There were convertible instruments and attached warrants in issue as at 30 June 2023 as disclosed on the company website where the company maintains an updated register, 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.

### 5. Subsequent Events

- On the 27<sup>th</sup> of July 2023, 147,622,600 newly allotted ordinary shares as a result of the partial conversion of the convertible notes outstanding.
- On the 5<sup>th</sup> of September 2023, 430,144,529 newly allotted ordinary shares as a result of the partial conversion of the convertible notes outstanding.
- On the 8<sup>th</sup> of September 2023, 453,922,576 newly allotted ordinary shares as a result of the partial conversion of the convertible notes outstanding.
- On the 29<sup>th</sup> of September 2023, 152,498,000 newly allotted ordinary shares as a result of the partial conversion of the convertible notes outstanding.
- On the 6<sup>th</sup> of October 2023, 432,975,407 newly allotted ordinary shares as a result of the partial conversion of the convertible notes outstanding.



## MANAGEMENT REVIEW REPORT THE MEMBERS OF RAPID NUTRITION PLC FOR THE PERIOD ENDED 30 JUNE 2023

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### Executive Overview

In the first half of 2023, Rapid Nutrition PLC has demonstrated a commendable trajectory, achieving noteworthy milestones that align meticulously with its strategic roadmap delineated at the outset of the year. The period has been characterised by substantial strides in financial outcomes, market expansion, and product innovation, reflecting the company's unwavering commitment to delivering pioneering, top-tier nutritional products that effectively cater to evolving consumer preferences.

### Financial Prudence and Strategic Funding

In a strategic move, the company secured a financing commitment of up to EUR 3 million from Atlas Special Opportunities LLC, of which only EUR 1 million has been drawn down. This financial management has facilitated the implementation of key initiatives, including bolstering product development and market expansion. Moreover, the residual EUR 2 million, earmarked for potential acquisition activities, stands as a testament to the company's strategic financial planning and its commitment to further expanding its market presence.

### Addressing Investor Concerns: Convertible Notes

It is imperative to acknowledge the concerns regarding the potential dilutive impact of convertible notes. The company has actively worked towards reducing the convertible notes outstanding during the period, with a substantial portion being converted in the current period. This strategic financial maneuvering not only underscores the company's adept financial management but also serves to assuage investor concerns by demonstrating a tangible reduction in potential dilution.

Moreover, upon full conversion of the outstanding notes, the company will strategically pivot towards securing more long-term funding solutions. This approach is aligned with the company's commitment to ensuring a stable and sustainable financial foundation, thereby facilitating continuous investment in key initiatives and strategic ventures. The transition to long-term funding mechanisms will not only enhance financial stability but also provide a more predictable and sustainable capital structure, further solidifying the company's position and ensuring the ongoing realisation of its strategic objectives. This foresight in financial planning underscores Rapid Nutrition's dedication to safeguarding investor interests and ensuring the robustness of its financial health in the forthcoming periods.

### Product Innovation and Market Expansion

Rapid Nutrition has unveiled several innovative products, including the Azurene™ Immunity Booster, personalised vitamin packs tailored to individual health needs, and a new brand identity for its flagship SystemLS™ weight loss brand. These initiatives not only underscore the company's commitment to product innovation but also its ability to adapt to prevailing global market trends and exceed customer expectations.

### Market Size and Strategic Positioning

#### Immune Health Supplements: A Flourishing Market

According to a comprehensive analysis by Fortune Business Insights, the global immune health supplements market is poised for substantial growth, with projections indicating an increase from USD 20.18 billion in 2021 to USD 31.50 billion by 2028, exhibiting a Compound Annual Growth Rate (CAGR) of 6.6% during the 2021-2028 period.

#### Plant-Based Products: A Surge in Consumer Interest

Data from the Plant Based Foods Association reveals a significant uptick in the retail market for plant-based products in the United States, which experienced a 27% growth in 2021, culminating in a record-setting value of USD 7 billion. This growth rate is nearly double the overall market growth rate, signaling a pronounced



## MANAGEMENT REVIEW REPORT THE MEMBERS OF RAPID NUTRITION PLC FOR THE PERIOD ENDED 30 JUNE 2023

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consumer inclination towards plant-based products. Notably, plant protein has been at the forefront of this surge, with plant meat sales escalating by 45%—a rate twice that of traditional meat—and frozen plant meat sales witnessing a 75% increase. Furthermore, plant-based beverages have also demonstrated robust performance, marking a 20% increase. The global plant protein market, valued at USD 1.1 billion in 2022, is anticipated to reach USD 2.2 billion by the end of 2032, progressing at a market growth rate of 7.2%.

### **Rapid Nutrition: Strategically Aligned with Market Trends**

Rapid Nutrition has astutely positioned itself within these burgeoning market segments, leveraging its innovative product offerings and strategic initiatives. The company's patented herbal formula, Azurene™, is slated for release this quarter, aligning with the upward trajectory observed in the immune health supplements market. Furthermore, the reimagined aesthetic and focus of its flagship brand, SystemLS™, emphasize clean labeling and premium plant-based vegan protein powders, resonating with the growing consumer demand for plant-based products. Complementing these initiatives is the company's third venture, 'Personalised Nutrition,' also set to launch this quarter. This initiative not only broadens Rapid Nutrition's product portfolio by introducing an additional 40-plus vitamins and minerals but also strategically positions the company to capitalise on the increasing consumption within the vitamin supplement segment.

### **Market Growth and Diversification**

The company has made significant inroads into the flourishing Asia Pacific market, with a targeted focus on expanding its flagship products, SystemLS™ and Azurene™, into burgeoning markets. The anticipated completion of production within this quarter, aligned with the approach of the northern hemisphere winter, emphasizes the company's dedication to catering to diverse markets and its strategic market diversification.

### **Future Outlook and Strategic Initiatives**

Looking forward, the company's strategic initiatives, financial performance, and market expansions are emblematic of its unwavering dedication to excellence and innovation. With a targeted focus on entering the burgeoning Asia Pacific and European markets, and the rollout of new products such as Rapid Nutrition Personalised Nutrition and Azurene™, the company is well positioned for sustained growth and expansion.

### **Closing Remarks**

The initial half of 2023 has served as a foundational phase for Rapid Nutrition, laying down a robust framework for its strategic initiatives, financial performance, and market expansions. The company eagerly anticipates the upcoming months and its continued efforts in delivering exceptional value to both its esteemed customers and stakeholders. Rapid Nutrition remains steadfast in its commitment to enhancing long-term shareholder value and is well-positioned to capitalise on key growth initiatives in the future.

# RAPID NUTRITION PLC



## MANAGEMENT REVIEW REPORT THE MEMBERS OF RAPID NUTRITION PLC FOR THE PERIOD ENDED 30 JUNE 2023

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### *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
Jeffrey Reingold	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**  
CEO

**Experience The Benefits Of Personalised Nutrition  
And Embark On A Journey Towards Optimal  
Health And Vitality.**



## **PERSONALISED NUTRITION**

Your customised vitamins are tailored to meet your specific health goals, by focusing on your individual needs providing a more targeted approach to your supplementation program