

Rapid Nutrition

Euronext Growth

22/06/2021

Developed using only
natural ingredients

nourish

high-protein shake

Chocolate Decadence

- Next generation, scientifically developed formula
- Enriched with vital probiotics, omega 3's & spirulina
- Whole food based, vitamin and mineral added

Net Wt. 590g

Rapid Nutrition

Rapid Nutrition PLC

27 Old Gloucester Street, London WC1N 3AX, United Kingdom

With company number 7905640

Hereinafter "Rapid Nutrition" or "The Company"

INFORMATION DOCUMENT EURONEXT GROWTH PARIS DIRECT ADMISSION TO TRADING

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The present Information Document does not constitute a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 of June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71.

The present Information Document has been drawn up under the responsibility of Rapid Nutrition. It has been subject to an appropriate review of its completeness, consistency and comprehensibility by Euronext.

We declare that, to the best of our knowledge, the information provided in this Information Document is accurate and that, to the best of our knowledge this Information Document is not subject to any (material) omissions, and that all relevant information is included in this Information Document.

| | |
|---|----|
| 1. GENERAL INFORMATION OF RAPID NUTRITION AND ITS BUSINESS..... | 6 |
| 1.1. Persons responsible for the information contained in the Document..... | 6 |
| 1.2. Company Auditor of Accounts | 6 |
| 1.3. Company information | 6 |
| 1.3.1 General Information..... | 6 |
| 1.3.2. Net Turnover of the Group | 8 |
| 1.3.3. Investments..... | 10 |
| 1.4. Brief exhibition on the history of the company | 11 |
| 1.4.1. History of the Company | 11 |
| 1.4.2. Most significant milestones | 11 |
| 1.5. Reasons why it has been decided to request the admission to trading on Euronext Growth ... | 13 |
| 1.6. General description of the issuer's business, referencing the activities it carries out, the characteristics of its products or services and its position in the markets in which it operates..... | 13 |
| 1.6.1 Introduction | 14 |
| 1.6.2. Research and Development / Intellectual Property..... | 14 |
| 1.6.3. Manufacturing..... | 16 |
| 1.6.4. Distribution | 17 |
| 1.6.5. Detailed description of the characteristics of its products | 19 |
| 1.6.6. Industry overview..... | 25 |
| 1.6.7. Corporate values and social commitment | 27 |
| 1.7. Strategy and Competitive Advantages..... | 28 |
| 1.7.1. Strategy | 28 |
| 1.7.2. Competitive Advantages | 28 |
| 1.8. Dependence on trademarks, patents and licenses | 29 |
| 1.10. Brief description of the group of Issuer Companies. Description of the characteristics and activity of the subsidiaries with significant effect on the valuation or Issuer status | 29 |
| 1.11. Reference to environmental aspects that may affect the Issuer activity..... | 29 |
| 1.12. Information on significant trends in production, sales and Issuer costs for the last 12 months | 29 |
| 1.13. Expectations of growth and relevance of the market..... | 30 |
| 1.14. Information of the directors and senior executives of the Company | 31 |
| 1.14.1. In General..... | 31 |
| 1.14.2. Board of Directors | 31 |
| 1.14.3. Ownership of Shares and Option Rights in the Company | 35 |
| 1.14.4. Securities and Option Rights | 36 |
| 1.14.5. Employee Participation Program | 36 |
| 1.14.6. Statutory and Group Auditor | 36 |

| | |
|--|----|
| 1.15. Information about the Management | 36 |
| 1.15.1. Number of Employees, Geographical Distribution and Profile | 38 |
| 1.15.2. Internal | 38 |
| 1.16. Other operations with related parties | 38 |
| 1.17. Financial information, adverse opinions and information of dividend distribution | 39 |
| 1.17.1. Financial Information of 2020 and 2019 | 40 |
| 1.17.2. Adverse opinions, denials of opinion, qualifications or limitations of scope by the auditors | 48 |
| 1.17.3. Description of the dividend policy | 48 |
| 1.17.4. Information on disputes that may have a significant effect on the Company | 48 |
| 1.18. Risk Factors | 48 |
| 1.18.1. Risks relating to the Group, its business and industry | 48 |
| 1.18.2. Risks relating to the Shares | 51 |
| 2. INFORMATION ABOUT THE ISSUER'S SHARES | 53 |
| 2.1. Number of shares for which incorporation is requested, their nominal value. Share capital, indication of whether there are other classes or series of shares and whether securities have been issued that give the right to subscribe or acquire shares | 53 |
| 2.2. Distribution of the shares..... | 54 |
| 2.2.1. Approvals related to the incorporation of the shares to Euronext Growth Paris | 54 |
| 2.2.2. Number of shares to be listed..... | 54 |
| 2.3. Main characteristics of the shares and their corresponding rights for shareholders. Possible limitations concerning the shareholders meeting attendance, vote and appointment of directors | 55 |
| 2.4. Description of any condition for the free transmission of the shares, statutory or extra-statutory..... | 56 |
| 2.5. Para-social agreements between shareholders or between the Company and its shareholders, that might limit the transmission of shares or affect voting rights..... | 56 |
| 2.6. Commitment vetting the sale, transmission, or new share issuance, assumed by the shareholders or by the Company in the light of..... | 57 |
| admission to trading on Euronext Growth Paris | 57 |
| 2.7. Description of the statutory provisions required by the regulations of Euronext Growth Paris regarding the obligation to communicate material participations and para-social agreements and the requirements for the exclusion of trading on Euronext Growth Paris and changes in control within the Company..... | 57 |
| 2.8. Description of the functioning of the General Meeting of Shareholders of the Company | 57 |
| 3. OTHER RELEVANT INFORMATION | 60 |
| 3.1. Main features of the stock on SIX | 60 |
| 3.2. Share price performance..... | 60 |
| 3.3. Market Disclosures..... | 62 |

4. LISTING SPONSOR AND OTHER EXPERTS OR ADVISORS 63

5. PRESS RELEASES RELATIVE OF ITS EURONEXT’S IPO 64

6. FINANCIAL INFORMATION OF RAPID NUTRITION 67

1. GENERAL INFORMATION OF RAPID NUTRITION AND ITS BUSINESS

1.1. Persons responsible for the information contained in the Document

Mr. Simon St Ledger in the name and on behalf of Rapid Nutrition PLC, (hereinafter “Rapid Nutrition”, “the Company”, “the Issuer”) in his condition of Managing Director, takes ownership of the content of this Information Document prepared as part of the application for admission to Euronext Growth (hereinafter “Information Document”).

Likewise, Mr. Simon St Ledger, as the person responsible for this Information Document, declares, in accordance with his knowledge and judgment, that the information contained is accurate and that there are no omissions that may alter its scope.

1.2. Company Auditor of Accounts

The annual accounts of the Company referred to the financial year closed in 2020 have been the subject of an auditor report issued by Greenwich & Co Audit Pty Ltd. (Renamed Elderton Audit UK), company registered in Australia with address in Level 2, 267 St George’s Terrace Perth 6000, Australia.

Elderton Audit UK was designated Rapid Nutrition’s auditor on 13 May 2021 by the General Shareholders Meeting.

The financial reporting framework that has been applied in the preparation of the Group and parent company financial statements is applicable law and IFRS as adopted by the European Union.

1.3. Company information

1.3.1 General Information

Name, Registered Office, Location

The name of the Company is Rapid Nutrition PLC. The Company's registered address is 27 Old Gloucester Street, London WC1N 3AX, United Kingdom and the Company's head office is located at 40-46 Nestor Drive, Meadowbrook QLD 4131, Australia.

The whole business of the Company is operated through its subsidiary Rapid Nutrition Pty Ltd, 40-46 Nestor Drive, Meadowbrook QLD 4131, Australia.

Incorporation, Duration

The Company was incorporated in England and Wales on 11 January 2012 under the name Rapid Nutrition PLC. The Company exists since its incorporation and its duration is not limited.

System of Law, Legal Form

The Company is a public limited company (PLC) incorporated under the laws of England and Wales and operating pursuant to the UK Companies Act 1985 (as amended) and the Companies Act 2006 (Act).

Purpose

The laws of England and Wales require companies to specify their nature of business according to the standard industrial classification of economic activities (UK SIC Code) when filing with Companies House, which is the United Kingdom's registrar of companies.

The Company business purpose and activities are included under the UK SIC Code 21100 "Manufacture of basic pharmaceutical products" which includes provitamins, vitamins and their derivatives (manufacture) as well as mineral and pharmaceutical nutritional ingredients for food and feeding stuff (manufacture).

Register

The Company is registered through Companies House, United Kingdom since its incorporation under the company number 7905640.

Group Structure

The Company is the holding company of Rapid Nutrition Pty Ltd, Australia (Rapid Nutrition Pty) and Rapid Nutrition Canada. Rapid Nutrition Canada holds 51% of the shares in Rapid Nutrition Asia Pty Ltd, and 48% of Rapid Nutrition Science Pty Ltd. Most of the business is operated through Rapid Nutrition Pty Ltd. Rapid Nutrition Pty Ltd was incorporated in 2001 in Australia. In 2012, the Company was incorporated in the United Kingdom and absorbed Rapid Nutrition Pty Ltd.

Rapid Nutrition PLC, the parent company publicly listed on SIX Swiss Exchange and OTC market in the USA, is asking for a fast-track listing on Euronext Growth Paris.

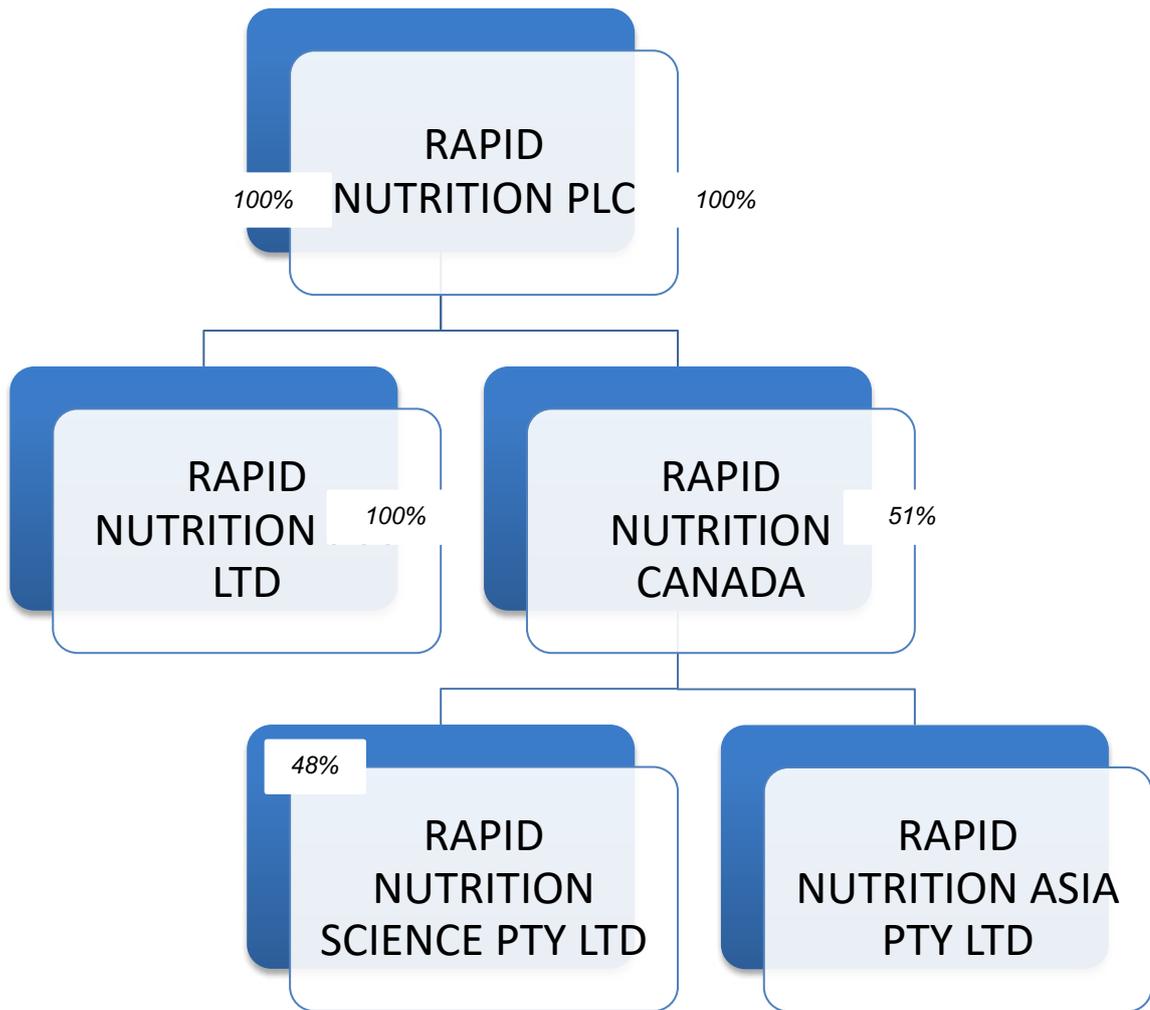
Rapid Nutrition Pty Ltd is the main operating company of the business.

Rapid Nutrition Canada Inc, incorporated on 12 June 2019, is a non-operating company which holds CDS eligibility, needed for the OTCQB listing.

48% equity in Rapid Nutrition Science, the remaining 52% are owned by the inventor.

Rapid Nutrition Asia Pty Ltd, Australia was incorporated on 17 April 2018 with the goal to focus on Asia related trading activities for the group. It is expected that this vehicle will be used specifically to source Australian-made nutritional supplements to be sold to the Chinese market. The development of business through this vehicle is part of the Group's current growth strategy.

Rapid Nutrition Science Pty Ltd, Australia was incorporated on the 28 April 2020, it holds the patents and IP for the Anti-Viral formula "Cold & Flu" which the group intends to commercialise and bring to market later in 2021.



1.3.2. Net Turnover of the Group

Net Turnover for the Financial Years 2020 – 2019

The table below sets forth the Group's net turnover. The Group changed its closing date in 2020 and went from closing on June 30th to December 31st.

| | Period from 1 July 2019 to 30 December 2020* | Period from 1 July 2019 to 30 June 2020 (Interim Financial Statement) | Period from 1 July 2018 to 30 June 2019 |
|---|---|--|--|
| | <i>18 months</i> | <i>12 months</i> | <i>12 months</i> |
| | AU\$ | AU\$ | AU\$ |
| Revenue | 4,552,170 | 3,375,668 | 3,104,879 |
| Gross profit | 2,379,175 | 2,455,429 | 2,053,041 |
| Operating profit | 295,964 | 1,264,982 | 1,019,068 |
| (Loss)/Profit for the period attributable to members of the Company* | (4,575,728) | 1,255,749 | 541,124 |
| Total comprehensive income for the period attributable to members of the Company | (10,904,975) | 1,255,749 | (1,738,280) |

* See paragraph 6 notes 11 and 12

Gross Revenues by Geographical Segments for the Financial Years 2020 – 2019

The Group also captures its revenues from four geographical areas. The below table shows the gross revenues of the Group by geographical segment for the financial years 2020-2019:

| Location | Period from 1 July 2019 to 31 December 2020 (18 months) | Period from 1 July 2019 to 31 December 2020 (12 months) |
|-----------------|--|--|
| | AU\$ | AU\$ |
| Australia | 3,206,232 | 840,886 |
| USA | 1,159,072 | 2,261,306 |
| Europe | 186,866 | - |
| Total | 4,552,170 | 3,102,192 |

Location and Real Estate

The Group's principal place of business is 40-46 Nestor Drive, Meadowbrook QLD 4131, Australia. The Group's offices and R&D locations are leased. The Group holds no real estate.

For information related to the manufacturing facilities used by the Group, see section 1.6.3. below.

Legal Proceedings

There are no pending or threatened court, arbitral or administrative proceedings which may have, or have had in the recent past material effects on the Company's assets and liabilities or profit and losses of which the Company is aware as per the date of this Information Document.

Employees and Contractors

The Company had 11 employees, 3 directors and 4 senior managers by the end of the financial year 2020 (31 December 2020).

The Company had 3 employees, 3 directors and 3 senior managers by the end of the financial year 2019 (31 December 2019).

Additionally, Rapid Nutrition Pty has engaged salespeople in the United States under contract as from July 2016. The contract is result-based on a monthly retainer and a commission basis. As per the date of this Information Document there are about 5 groups of such contractors engaged by the Subsidiary.

1.3.3. Investments

Investments

The Group has not made any major investment for the last 2 years.

Current Investments

The Group has identified multiple target acquisitions which they are currently in discussions with the goal to further increase its European presence, but no major investment is currently ongoing as per date of this Information Document.

Investments already approved

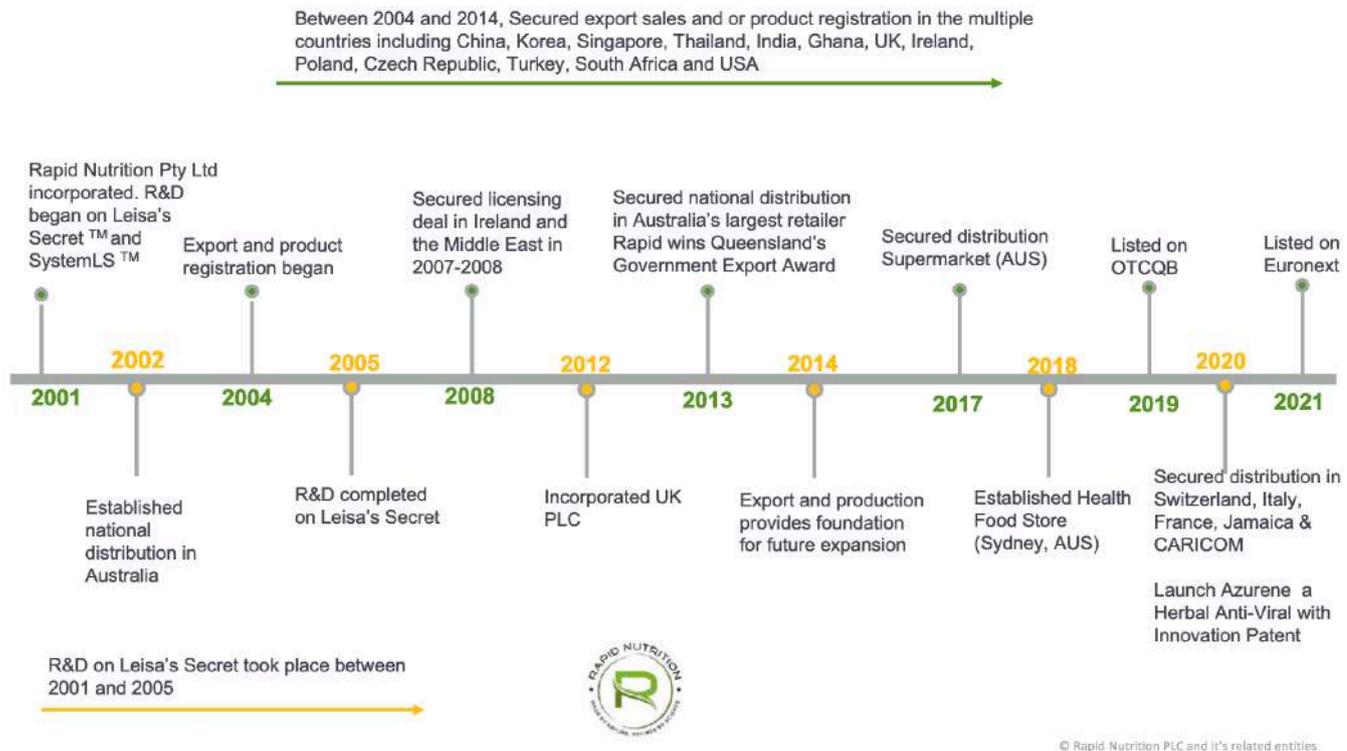
At present, there are no principle future investments that have already been firmly decided upon by the Board of Directors and for which legally binding undertakings have been entered into.

No Material Change

Other than as disclosed in this Information Document, there have been no material changes that have occurred in the Group's assets and liabilities, financial position and profits and losses since the close of the last financial year on 31 December 2020 (also see section "1.18.>").

1.4. Brief exhibition on the history of the company

1.4.1. History of the Company



Source: Rapid Nutrition

1.4.2. Most significant milestones

Since the Company inception in 2001, Rapid Nutrition has positioned itself as an innovative company specialized in the development and distribution of premium, science-based health and wellness brands. The Company's most significant milestones can be summarized as follows:

1. Recent Developments: Noteworthy milestones over the past 12 months:

- Further expansion of the company's global distribution with new partnerships in Brazil, France, Italy, Switzerland, Jamaica and the Caribbean Community (CARICOM).
- Continued growth through the company's direct-to-consumer channels with a focus on Amazon marketplace.
- Initiated preparations to launch a significant oral anti-viral prevention therapy designed to help relieve symptoms of colds and the flu, which was granted an Innovation Patent in 2016.
- Continued focus of driving science-driven product innovation - Awarded an Innovation Connections Grant from the Australian Government to further support the development of its cold and flu therapy.

- The company was also accepted into the Entrepreneurs Programme, which shares expert advice, funding and incentives to help businesses innovate, compete and grow.
 - The company continues to attract key opinion leaders with recent additions to its team with the welcome addition of global brand and operations executive Carl Seletz joining the company's advisory board.
 - Continuing to attract investment from institutions and family offices
2. **Product Innovation** - The groups product innovations have resulted in attracting prestigious awards such as:
- Finalist - Product of the Year 2017
 - Finalist - Health & Biotechnology Awards 2016
 - National Finalist - 51st Australian Export Awards 2013
 - Winner - The Premier of Queensland's Export Awards 2013 (successfully competing against 266 entrants)
 - Finalist - Health & Biotechnology Awards 2013
 - Finalist - Simon St ledger 'Brisbane Young Entrepreneur Awards 2012'
 - Finalist - The Premier of Queensland's Export Awards 2007
3. **Experienced Management Team** – The group continues to attract 'best-in-class' team members that have been hand selected for this area of expertise. As the Company continues to execute its growth strategy, the group continues to build out its management and operational team with seasoned leaders to manage the significant scope of each key market as the group further commits to building long-term shareholder value.

Recent additions:

- **Carl Seletz – (Advisor to the board)** is an accomplished global brand, retail and operations executive with over 35 years of experience as a strategic member of corporate leadership teams. Carl most recently served as Chief Global Officer for global health and nutrition provider GNC from 2019 to 2021. In that role, he led the company's retail, wholesale, distribution, digital, ecommerce and business development functions for the international division. In addition, he has led retail and wholesale ventures for prominent global retailers including Gap Inc., Abercrombie & Fitch, Victoria's Secret, and Bath & Body Works, among others. Carl is a graduate of Carnegie Mellon University with a degree in professional writing and communications.
- **Ruth Kendon – (Head Naturopath and product development)** with degrees in Botanical Medicine and Naturopathy and 30 years' experience in the industry, Ms Kendon is a practicing naturopath and herbalist based in Sydney. Ms Kendon has worked closely with patients, manufacturers and industry leaders, as well as liaising with government regulators. She recently developed the anti-viral therapy Azurene. She previously served on the board of directors of the Natural and Herbalists' Association of Australia, and in 2015 was made a Fellow.

- **Doug Kuskopf-Dallas – (Head of sales Australia)** is a twenty-five-year veteran of the retail pharmacy sector, held an executive leadership position with Sigma Healthcare, an ASX listed pharmaceutical company generating over \$4.2 billion in revenue as Australia's leading pharmacy network comprised of over 1,200 retail stores. Through his strategic guidance, Doug launches new brands into the Australian market by developing complete business strategies across all retail, wholesale and branding channels.
4. **USA OTC Markets listing** - The company was successfully admitted to the OTCQB segment of the OTC Markets and to trading on the OTCQB for listed securities of the OTC Markets which further enhances the company's profile and provides access to US equity markets to support future growth and key step in groups capital market and corporate development strategy designed to build long-term shareholder value. Trading on the OTCQB further supports and elevates the groups profile within the US investment community, resulting in improved liquidity and a broadening of its shareholder base.

1.5. Reasons why it has been decided to request the admission to trading on Euronext Growth

After 3 years listed on the SIX Swiss Exchange, Rapid Nutrition management has decided to go one step further with a Fast-Track listing of its existing shares on Euronext Growth Paris.

The main reasons that led Rapid Nutrition to request the admission to trading on Euronext Growth can be summarized as follows:

- It expects to increase the liquidity of the shares by having its shares settled in Euroclear which is more broadly accepted by investors, giving more price stability and access to a new and more varied pool of international investors.
- More visibility should imply more access to new sources of funds by being able to issue equity and debt capital in the market to fund future growth investment plans with greater access to after-market support in Europe.
- By joining Euronext, the Company expects to increase its visibility, brand image, towards institutional investors.

1.6. General description of the issuer's business, referencing the activities it carries out, the characteristics of its products or services and its position in the markets in which it operates

The Group business is based on research and development (R&D), manufacturing and distributions of weight-loss and diet management products, sports nutrition and vitamins and dietary supplements.

1.6.1 Introduction

Rapid Nutrition is a natural healthcare company dedicated to the development and distribution of premium, science-based health and wellness brands across the globe. Rapid Nutrition shares a wealth of award-winning products with consumers who are passionate about innovations that are “made by nature, refined by science.”

Rapid Nutrition’s first-class scientific team matches the experience of its management team to keep both the company and consumers on top of the latest industry trends and developments, while aligning with industry leaders worldwide to deliver effective supplements and solutions. Rapid Nutrition aims to be the supplier of choice globally by offering premium brands with the highest-quality ingredients to deliver maximum results.

The Company was established on the back of its successful and proven weight loss supplement, which is exported to multiple markets around the world, and now offers consumers a growing range of health and wellbeing solutions to meet existing and emerging health issues and concerns, as well as a providing number of wider services to the life sciences industry.

1.6.2. Research and Development / Intellectual Property

The research and development of new products is conducted by a team of dietician, naturopaths, and pharmaceutical specialists who work directly for or are engaged by Rapid Nutrition and led by Ruth Kendon, head of research and product development.

Ruth Kendon has degrees in Botanical Medicine and Naturopathy and 30 years’ experience in the industry, practicing naturopath and herbalist based in Sydney. Ms Kendon has worked closely with patients, manufacturers and industry leaders, as well as liaising with government regulators. She recently developed the anti-viral therapy Azurene. She previously served on the board of directors of the Natural and Herbalists’ Association of Australia, and in 2015 was made a Fellow.

The following table sets out the procedural steps designed by Rapid Nutrition to be taken when developing, formulating and bringing a new product to market. The procedural steps may slightly vary depending on the specific product requirements. Compliance of production procedure is not audited.

| Production | Essential Requirements |
|------------------------|--|
| Manufacturers | Every manufacturer, either directly or by an appointed contract manufacturer, whether Australian or overseas, who makes any batch of the product, must have GMP certification (for more information on GMP see 1.6.3. below). Every manufacturer of any batch of a product must be recorded on the relevant country regulatory body before commencing manufacture. Each production step must be listed as well. |
| Product Testing | Every batch of a product must undergo a number of tests, including physical, chemical and microbiological testing. These may be carried out by a manufacturer with a suitably equipped lab, or by an external contract lab. |

| | |
|------------------------------|--|
| Testing Laboratories | Every lab, whether in-house or a contract lab, must be certified with the relevant authority in each country the Group enters to ensure its test results can be accepted. |
| Active Ingredients | These must be spelt out in detail, e.g. fish oil or tuna oil or evening primrose oil. The precise doses of the actives must be entered and recorded. The amounts of relevant components may be listed on the regulatory authority register in each market. |
| Excipient ingredients | Every excipient must also be listed. The quantity of each excipient is not required, except for restricted excipients such as alcohol. |
| Packaging | Primary packaging must be detailed in the entry. |
| Labelling | Labels must carry specified information, including product name, company or distributor details, indications, directions for use, mandatory warnings, etc. |
| Product name | The product name must be present on the label. |
| Indications | Label claims and indications must be recorded with the relevant regulatory authority in each country. Not all the listed claims need to be included on the label. |
| Directions for use | These must be included, and must comply with any restrictions e.g. a maximum daily dose of zinc or vitamin B6, or e.g. a prohibition against internal use. |
| Mandatory warnings | These must be included, as specified by the relevant regulatory authority in each country. |

The Group has established two brands which are Leisa's Secret®, first introduced in Australia in 2011, and System LS™, first introduced in Australia in 2015. The product range of those two brands includes the following:

Leisa's Secret® brand:

- Leisa's Secret® Premium Meal Replacement (shake)
- Leisa's Secret® Energize (tablets)
- Leisa's Secret® Advanced Thermo (tablets)
- Leisa's Secret® Resist (powdered drink)

System LS™ brand:

- System LS™ Accelerate (capsules)
- System LS™ Nourish (high-protein shake)
- System LS™ Satisfy (high-fibre bar)
- System LS™ Zest (organic multi-vitamin)
- System LS™ Energize (revitalizing and fat burning shot)
- System LS™ Rise (super grain granola cereal)

The Group holds product registrations and trademarks for its brands Leisa's Secret® and System LS™ in Australia. Furthermore, the Systems LS™ trademark is also held in the USA, China and additionally registered through the Madrid Protocol which is a treaty that provides international registration of a trademark in all the member states, currently covering 114 countries worldwide. It is administered by the International Bureau of the World Intellectual Property Organization (WIPO) in Geneva.

The Group has initiated and concluded the following major research and development projects during the last four financial years:

- **Financial year 2017:** Exclusive Master Distribution Agreement with General Nutrition Corporation (GNC) one of the world's leading global speciality, health, wellness and performance retailers with over 6,000 stores. The groups works closely with GNC to bring select GNC product formulas to the Australian market.
- **Financial year 2018:** Developed systemls.com which includes six innovative products developed after rigorous scientific testing. Each product provides natural and organic ingredients designed to support weight loss and a modern lifestyle. Further, the products include a revolutionary patented phone app, which offers ongoing motivation for consumers.
- **Financial year 2019:** Developed and launched an organic vegan protein formula as an extension of the groups flagship range systemls.com
- **Financial year 2020:** Azurene is the result of several years of research, including in-vitro testing, scholarly literature and continuing clinical trials ahead of product launch. The antioxidant helps to reduce free radicals in the body and is traditionally used in European herbal medicine to help reduce the severity of symptoms of common colds and flu.
- Rapid Nutrition has already undergone independent testing at two laboratories for the innovative formula and an innovation patent has been successfully filed. The Company is working towards commercialising this product and bringing it to market late 2021.

1.6.3. Manufacturing

The Group contracts its manufacturing using several GMP (Good Manufacturing Practice) approved manufacturing facilities. GMP stands for Good Manufacturing Practice Regulations which are guidelines set by regulatory agencies in the relevant country that control authorization and licensing for the production and sale of food, beverages and active pharmaceutical products.

The manufacturing facilities have specific accreditation in their region to produce the Group's products. Currently the Group uses five contract manufacturers. Three are located in the United States in California, Florida and Texas and two in Australia in Queensland and New South Wales.

Before 2017 all manufacturing of Rapid Nutrition products were undertaken in Australia, however due to rising costs of production, a large portion of total manufacturing (approximately 85%) has now been relocated to the United States. The additional manufacturing allows for greater production capacities as global demand for the Group's products it expected to continue to grow. The Company is also in discussions with a well-established MHRA & GMP certified contract manufacturer to service demand in the UK and the rest of Europe.

The Group outsources manufacturing to reduce costs of production and ensure ease of compliance with applicable relevant local regions' regulatory requirements.

As the products are intended for human consumption the regulatory approvals in each region in which the Group operates are essential. The requirements and processes differ from country to country. Often the Company and/or the manufacturer are required to issue confirmations that compliance with given local rules and guidelines. The approval and/or confirmation processes have from time-to-time delayed entry into new markets but as of the date of this Information Document the Group had no knowledge of any difficulties in obtaining such approvals, and no knowledge of any regulatory authority raising any material issue about the Group's products or taking any steps which could lead to an approval being withdrawn.

1.6.4. Distribution

Distribution Agreements

Group's sales are based on a distribution model whereby the Group enters into marketing and distribution license agreements with distributors.

As per the date of this Information Document the Group has multiple distribution agreements in place. The table below summarises current distribution agreements by territory and product brand:

| Territory | Number of agreements | Product Brand |
|--------------------------|-----------------------------|--|
| Europe (France Italy) | 2 | <i>SystemLS™</i> |
| Switzerland | 1 | <i>SystemLS™</i> |
| Jamaica | 1 | <i>SystemLS™</i> |
| Australasia | 5 | <i>Leisa's Secret® & SystemLS™</i> |
| Africa | 2 | <i>SystemLS™</i> |
| North America | 4 | <i>SystemLS™</i> |

The Group has established as per the date of this Information Document the following key distribution relationships:

Sigma Healthcare is a leading Australian wholesale and distribution business to community and hospital pharmacies, generating \$3 billion in revenues across more than 1,200 stores in its growing network offering its retail brands Amcal+, Chemist King, Discount Drug Stores, Guardian and Pharma Save.

Complete Health Products has grown to become Queensland's largest and most proactive Natural Health Product Distributors supplying Health Food Stores, Pharmacies, and Supermarkets.

Cloud 9 Switzerland is a Health & Wellness company based in Switzerland with operations in France, Italy and Jamaica and has an extensive network of collaborations with Universities, Medical professionals and Patient's Associations. Cloud 9 is focused on the development and commercialization of nutraceuticals and pharmaceuticals based on aromatic and medicinal plants, notably Cannabis Sativa.

BFG Brasil Comercio de Vitaminas LTDA is a company formed by executives with vast experience on eCommerce, international brand expansion and distribution in Brazil, Argentina and Uruguay, representing global brands such as GNC and Sundown. During the pandemic when in-person sales are limited, BFG's extensive online ecommerce expertise will support the initial rollout phase.

Amazon (USA) - With the aim of becoming "earth's most customer-centric company," Amazon boasted record net revenue of about \$280 million in 2019, thanks to ongoing growth in online sales. The United States is expected to be home to 300 million online shoppers by 2023—more than 90 percent of the country's population—and nearly half of U.S. shoppers reporting buying their first online item on Amazon. Rapid Nutrition will continue its Amazon rollout throughout Europe, with the UK site slated for late 2021.

Super Health Center ("SHC") is a seasoned USA and international distributor with a strong presence in the domestic and international sports nutrition, fitness, and vitamin and supplement markets. SHC enjoys established business relationships with GNC, its franchise market of 3,100 storefronts, and Vitamin Shoppe.

The company continues to progress discussion with established international distributors and retailers as the group continues to expand globally.

Promotional Agreement

The company's internal marketing team coordinates all product launches and promotional activity through education branding & awareness to a larger market targeting active, health conscious consumer groups, while collecting live market research, with opportunities to expand to international markets.

The power of traditional media was once a major influencer in driving people’s opinions and thoughts around new products - this balance of power has shifted dramatically. The company’s flagship brands SystemLS harnesses the power of digital engagement, such as social media, influencer/bloggers and direct consumer engagement, to drive commentary around the SystemLS products and customer traffic into Stores.

Sales Team

To further enhance the Group's products commercial roll-out in the United States, the Group has contracted a national sales team consisting of about 30 members to service key retail accounts in the United States.

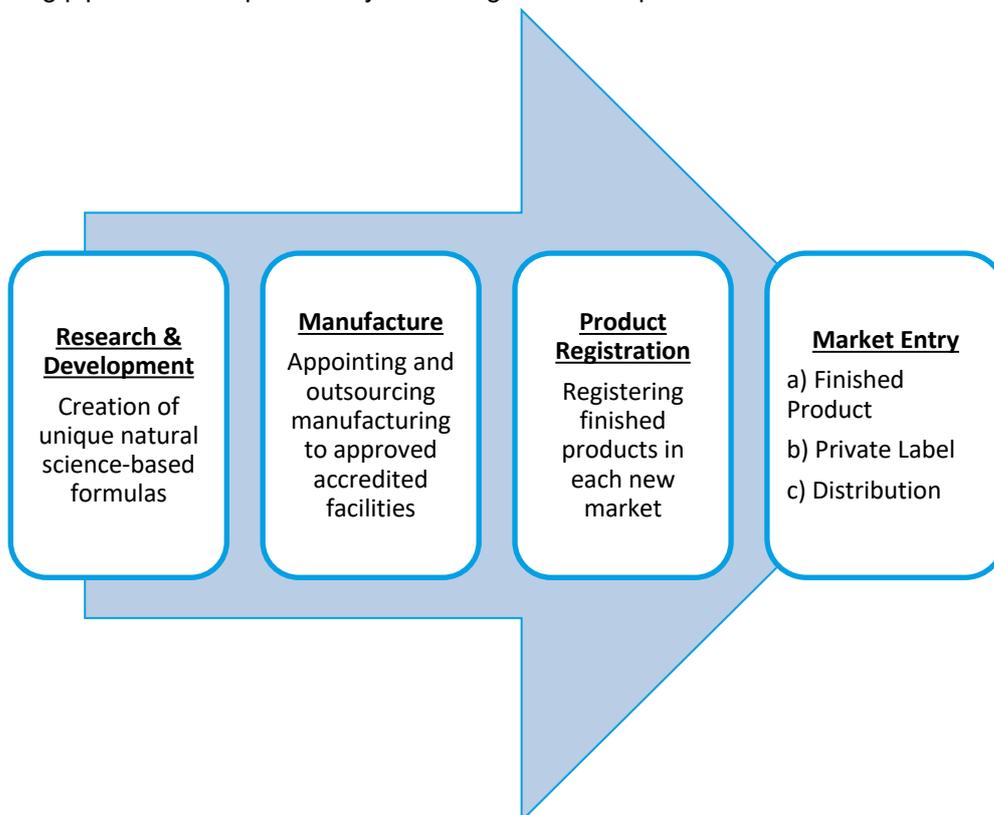
The sales team incorporates specialty brokers for each class of trade. These sales representatives shall reach the key independent stores and major retail chains in relevant markets.

Additionally, the Group has a management team in the United States to oversee and coordinate the sales management process, such as selection and training of broker teams, key accounts and market objectives by broker, tracking and reporting results, distribution management and trade show support.

1.6.5. Detailed description of the characteristics of its products

Rapid Nutrition is dedicated to the development and distribution of premium, evidence-based health and wellness brands across the globe with a focus on in-house development of cutting-edge natural science.

A key strength of the Company is that it has established products and customers, combined with a promising pipeline of complementary technologies. The Rapid Nutrition value chain is as follows:



Source: Rapid Nutrition Plc

Flagship brands

SystemLS™

systemLS

System LS™ includes six innovative products developed after rigorous scientific testing. Each product provides natural and organic ingredients designed to support weight loss and a modern lifestyle. Further, the products include a revolutionary patented phone app, which offers ongoing motivation for consumers.

Maximize your overall health & immune system with organic whole food derived nutrients

The advertisement features a collection of SystemLS products: 'accelerate' capsules, 'greens' organic superfood powder, 'nourish' high-protein shakes in various flavors (Chocolate Decadence, Vanilla), 'satisfy' protein bars, and 'nourish' protein powder tubs. A glass of green juice is shown splashing. The background includes a molecular structure graphic and the text 'systemLS slim with science'. A photo of Lisa G. Ledger is in the bottom left corner.

systemLS™
slim with science

Advanced Weight Loss System
Real Food • Real Science • Real Results

Get with the program. www.SystemLS.com

Source: Rapid Nutrition Plc

| | |
|---|---|
|  | <p>SystemLS™ is positioned as a complete nutrition and weight loss program for real people in the real world. Wherever possible, ingredients are derived from organic whole foods (i.e. unrefined or processed). The cornerstone of the range is the high protein meal replacement shake SystemLS™ Nourish, which is formulated with the highest quality, non-genetically modified, grass fed whey protein, which has an amino acid profile that is much higher than more commonly use dairy proteins. This special grass fed, hormone free whey will not upset stomachs or give that bloated feeling that normal dairy based proteins can.</p> <p>Ghrelin is a substance secreted by the stomach which sends a feeling of hunger to the brain. Grass fed whey protein slows this process by forming a greater number of peptides, essentially delaying the gastric emptying, lowering ghrelin levels, and sustaining satiety for a longer period of time.</p> |
|  | <p>SystemLS™ Nourish RAW Vegan Protein powder blend tastes great, digests easily and is made with the finest blend of organic pea protein, organic spirulina, organic chlorella, organic hemp protein, organic pumpkin protein.</p> |
|  | <p>In-between meals, snackers can enjoy the SystemLS™ Satisfy high fibre bars which are made from 100% organic antioxidant-rich whole foods like cashew nuts, oats and a hint of cinnamon, that make for a delicious snack on the go.</p> <p>Some of the features are highlighted below:</p> <p>Packed with fibre and vegan protein the Satisfy bars are reinforced with omega-3 and omega-6. They contain only 180 calories per bar and are made from 100% organic ingredients. There have zero cholesterol and no trans fats, and are fully certified: USDA Organic, Vegan and Gluten-Free.</p> |
|  | <p>SystemLS™ Accelerate is a food supplement sold in capsule form containing many ingredients shown to assist weight loss as part of a controlled diet. The main ingredient is natural brown seaweed, or ID-AIG™. ID-AIG™ is a substance which has shown to limit caloric intake by inhibiting two digestive enzymes and contains the probiotic Lactobacillus Acidophilus to improve intestinal uptake of nutrients.</p> |
|  | <p>SystemLS™ Greens is a superfood-based supplement (mixed to form a bright green cocktail) that is designed to optimise general wellbeing. It contains a powerful blend of probiotics which include Lactobacillus Casei, Lactobacillus Plantarum, Lactobacillus Acidophilus, and Lacto Rhamonosus to ease digestion. This powerful supplement enhances digestive function by cleansing the digestive system. Powered by potent antioxidants, Organic Greens Berry boosts the immune system for maximum health benefits. Greens contains ten organic superfruits.</p> |



Rapid Nutrition offers an online fitness streaming service called Diced by SystemLS with world-class trainers and classes for anytime streaming. Diced by SystemLS is one of the leading and fastest growing on demand fitness and nutrition program in the Asia Pacific region and has customers in 54 countries.

Diced by SystemLS is a simple 'press play' fitness solution where world class trainers take you through every rep and every set of your daily workouts in complete videos, explaining technique along the way.

As the entertainment industry moves more towards a streaming model for music, movies and TV shows, Diced by SystemLS is pushing for the same revolution to happen for fitness, enabling its users to have on demand, 24/7 access to their body transformation programs so they can do workouts at their own convenience.

Leisa's Secret®



Each component of Leisa's Secret® Advanced Weight Loss System has been developed as a result of extensive research and reliable evidence. Leisa's Secret Advanced Weight Loss System also recognises and combats the common pitfalls in weight loss. For example, many dieting aids make the mistake of assuming a 'one size fits all' approach. By cramming all essential ingredients into the one formula, the quality and effectiveness of individual components are compromised.

Made by nature, refined by science...

Each component of Leisa's Secret Advanced Weight Loss System has been developed as a result of extensive research and reliable evidence. Leisa's Secret Advanced Weight Loss System also recognizes and combats the common pitfalls in weight loss. For example, many dieting aids make the mistake of assuming a 'one size fits all' approach. By cramming all essential ingredients into the one formula, the quality and effectiveness of individual components are compromised.



The Leisa's Secret® product development team recognises that the most common problems experienced by people starting a diet and failing to achieve their weight loss goal, including:

- Lack of energy
- Hunger
- Craving for sweets (as the body is deprived of nutrients)
- Slow metabolism
- Endocrine hormonal imbalance
- Inefficient glucose metabolism

Leisa's Secret® Premium Meal Replacement provides the right balance of nutrition and energy in a meal replacement of the highest quality.

Leisa's Secret® Energize

A common pitfall of weight-reducing diets is their deficiency in essential vitamins and minerals. Too often we turn to common energy-boosting pills or formulas that offer little more than the B-complex vitamins. It's little wonder we still feel run-down and lacking energy.

Our busy lifestyle and the need to function fully under the stresses and challenges of work and home life, demand a high-potency, total energy formula. It must also complement our weight control regimen.

Once again, by doggedly pursuing the meticulous formulation of specific ratios of ingredients to achieve effective dosage, Leisa's Secret Energize goes beyond merely supplementing energy-boosting vitamins and minerals. This results in a complete formula that is not only a fantastic addition

to your weight loss program, it is also extremely effective by itself to combat stress and give you a welcome 'lift' when you're feeling run down or tired.

As well as sustaining a healthy body system, these essential nutrients promote energy production and fat burning, both vital to the natural body processes engaged in weight loss and weight control.

A further ingredient, Siberian Ginseng, increases stamina, endurance and physical performance, and promotes oxygen metabolism and the conversion of fat into energy.

Leisa's Secret® Advanced Thermo

Thermogenesis is the conversion of fats into heat and energy. Your body's Basal Metabolic Rate (BMR) manages this process. The Flavonoids (plant-derived antioxidants) found in Green Tea increase BMR. Muscle tissue is responsible for most thermogenesis. The selected ingredients in Leisa's Secret Advanced Thermo promote optimal BMR.

It is known that Green Tea is one of the best natural sources of suitable Flavonoids. Caffeine synergistically increases the effect of the flavonoids in Green Tea. The mineral Chromium encourages the conservation of healthy muscle tissue while it plays another very important role in the whole-body system, namely the burning of fat. Chromium is also a component of Glucose Tolerance Factor, a compound which the body produces to enhance cellular response to glucose. Glucose metabolism is an important issue in our understanding of weight gain. Any process, which can improve the body's glucose response should improve many aspects of weight loss. Insufficient chromium is one factor which can impair maintenance of correct blood sugar. Glucose Tolerances Factor (GTF) can be increased effectively through the intake of Chromium in a readily absorbable form of this mineral.

Iodine and Tyrosine are essential components of Thyroid Hormones. BMR is slowed by an imbalance of these hormones, with the resulting effect on weight loss and weight control. The addition of these components is a further example of how Leisa's Secret outstrips other weight loss formulas currently on the market.

Leisa's Secret® Resist

Just as each individual has its specific BMR, different levels of appetite can be experienced.

Guar Gum and Pectin natural fibres are bulking agents. They swell in water in the stomach and cause a sensation of fullness. This is a signal to the body that its hunger is satiated appetite is curbed.

These fibres also slow down the entry of calories, food components and sugars into the blood stream. This has an important effect on the incidence of Reactive Hypoglycaemia, or the sudden drop in blood glucose levels in response to a too-rapid rise in blood-sugar. This over-reaction forces blood-sugar levels to fall steeply, causing distress, excessive hunger, and sugar cravings. Guar Gum and Pectin act to eliminate this.

Although appetite might be 'switched off' often cravings for sweet things can't be ignored. Two neurotransmitters (hormones or biochemical messengers of the nervous system that carry nerve impulses from the brain) have been shown to play an important role in reducing such cravings. These particular neurotransmitters are GABA and PEA.

The Amino Acid Glutamine can be converted into GABA by enzyme action (i.e., it is a precursor to GABA). Research indicates that GABA may have a role in reducing cravings for carbohydrates. Tyrosine is the precursor of the neurotransmitter PEA. There is some scientific evidence that PEA may help reduce cravings for sweet things.

Growing Product Portfolio

New Oral Anti-Viral Therapy to help combat flu & Common Cold: Azurene™

- **Azurene™** is the product of several years of research, including in-vitro testing, scholarly literature and continuing clinical trials ahead of product launch.
- The antioxidant helps protect cell and tissues from the damaging effects of oxygen and free radicals providing relief for cough of colds and bronchitis.
- Innovation Patent granted since 2016.
- The Invention is a broad-spectrum prevention treatment and relief of the common cold and flu.

The company is working towards commercialising and bringing to market Azurene late 2021.

Third-party brands

MRI-Performance



Medical Research Institute specialises in evidence-based sports nutrition and immune boosting formulas.

Refer to 1.6.4 Distribution agreements in place.

1.6.6. Industry overview

General

The product range consists of weight management products, sports nutrition as well as vitamins and dietary supplements. The products fit into the category of "Neutraceuticals" being food sources that provide extra health benefits over and above the basic nutritional value found in food.

A neutraceutical is distinct from a pharmaceutical in that it is derived from recognised food sources that provide health benefits in addition to their nutritional value as food, whereas a pharmaceutical is a compound manufactured from chemicals and/or biological materials that are not recognised as food sources and typically have no nutritional value.

Industry Characteristics

The global health and wellness industry is expected to hit \$6,543.4 million by 2026 and grow at a CAGR of 4.8% from 2019 to 2026.

Consumer demand for Vitamins, Minerals and Supplements (VMS) is increasing as customers look to support their immune health, boost overall wellness and reduce anxiety in the face of the COVID-19 pandemic.

(Ref: <https://www.lek.com/insights/ei/impact-covid-19-vitamins-minerals-and-supplements>)

Rapid Nutrition is still relatively early on in its international expansion.

According to IBIS World, The vitamin and supplement industry in the UK (November 2020) has expanded over the past five years due to rising health consciousness. A surge in the number of customers seeking to improve general wellbeing and physical appearance has supported demand for vitamins and supplements, while innovative product delivery formats, including powders, chewable products, shakes and bars, have also been important factors in the industry's strong performance. The industry has also benefited from recommendations by health professionals that people should take supplements in order to alleviate the effects of certain vitamin deficiencies. Revenue is forecast to increase at a compound annual rate of 13.2% over the five years through 2020-21 to reach £1.2 billion. This includes expected growth of 13.8% in the current year.

Increased demand from North America and China has supported strong export performance over the past five years, while rising competition in the domestic market has encouraged operators, such as Vitabiotics, to further invest in the development of export markets. The number of people taking vitamins and supplements has risen over the past five years in line with increasing health consciousness. This trend is anticipated to continue in the current year despite the COVID-19 (coronavirus) pandemic. According to Kantar, after lockdown measures were implemented to stem the spread of the virus, sales of immune boosting vitamin D increased by 29.8% in the month leading up to lockdown. The average industry margin is expected to fall over the five years through 2020-21 as more firms enter the industry and price competition intensifies.

Over the next five years, the industry is expected to continue to benefit from extant trends. Anticipated growth in both health consciousness and disposable incomes is expected to boost demand for vitamins and supplements. In addition, the proportion of the population aged over 65 is expected to rise, which will further support demand for vitamins. The number of operators in the industry is expected to

increase, as firms providing products classified as food face less stringent regulations and, consequently, much lower barriers to entry. Revenue is forecast to increase at a compound annual rate of 7.5% over the five years through 2025-26 to reach £1.8 billion.

COVID-19

While every company across the globe was impacted by the pandemic in some shape or form, Rapid Nutrition is fortunate to sit in the health and wellness life science sector, which saw growth due to consumers' increasing focus on seeking and maintaining good health.

As with most companies, the theme of 2020 was how we responded to Covid-19, pivoting and evolving in the face of the unknown with an ongoing dedication to sharing health and wellness products and information with consumers and partners across the globe.

The B2B component of Rapid Nutrition business has been impacted to a certain extent by retailers that have been forced to close due to multiple lockdowns or markedly alter their operations in the wake of the pandemic. Likewise, Rapid Nutrition retail store in Sydney, located in a one-time Covid-19 hot spot, saw a significant decline in sales during the period.

Fortunately, Rapid Nutrition business model is not focused on retail and Australia in particular has handled the pandemic exceptionally well while the management team has put in place stringent distancing and cleaning protocols. The Company has also taken advantage of the governments 'job keeper program' designed to mitigate the impact of Covid-19 in order to retain key staff during this period as well as the Covid relief package to maintain the company's retail store lease.

1.6.7. Corporate values and social commitment

The group is conscious of its Environmental, Social and Governance (ESG). The aim is to create sustainable growth through their brands, reduce costs and risks and build organisational capability in order to generate long-term value for the stakeholders.

Environmental matters

There are no environmental issues arising from the group's business that might affect the future strategic direction or results of our group.

Greenhouse Gas Emissions

The group's operations are in the sale of health and wellness products, in which greenhouse gas emissions are estimated to be negligible. Our company is aware that it needs to measure its operational carbon footprint to limit and control its environmental impact. However, it has not been practical to measure carbon footprint during this period, therefore the information is not included. In the future, Rapid Nutrition will solely measure the impact of its direct activities, as the full impact of the entire supply chain of its suppliers cannot be measured practically.

Energy & Carbon Report

The group believes that it consumed less than 40MWh during this period as a low energy user, therefore further energy and carbon information has not been disclosed.

1.7. Strategy and Competitive Advantages

The Company has a long heritage of building relevant brands in the wellness sector. Rapid Nutrition continues to establish a robust foothold in its target markets, driven by product differentiation, distribution and marketing. The company's product portfolio utilizes evidenced-based science to select ingredients with health and well-being benefits. It then develops certified products that are designed to appeal to personalized market segments and that can be marketed through both brick-and-mortar and online distribution channels. Rapid's products have been recognized in Australia's Premier of Queensland and Australian Government Export Awards (in Product of the Year and Health & Biotechnology categories) for more than a decade.

1.7.1. Strategy

The Group's long-term objective is to build a vertically integrated company with a unique position in the life sciences and nutraceutical space. The Directors believe that this strategy enables the Group to impose superior standards of quality control for its products, to strengthen its value chain, and to scale up to optimum business efficacy.

Key pillars of Rapid Nutrition growth strategy are:

- **Expand distribution** into neighbouring countries where the Company is not already present. UK, Europe, Australia, and US are priority markets for 2021.
- **Product innovation and extension** - to leverage successful flagship brands Leisa's Secret® and SystemLS™. Rapid Nutrition has formulated a new treatment that may aid or assist symptoms of cold and flu in order to capture new markets. Other new products are currently under development.
- **Synergistic acquisitions** the Company will explore acquisitions of assets that produce sound cash flow or are complementary to the Company's operations.

1.7.2. Competitive Advantages

The main competitive advantages of Rapid Nutrition products are:

- **Evidenced-based Science:** formulas are tried & tested, containing proven and effective dose of each ingredient
- **Certification:** products are extensively certified (i.e. Organic, Gluten Free, Vegan and Non-GMO Verified, Eco Certified, EU/Non-EU agriculture)
- **Intellectual Property:** Brand supported by a highly interactive and unique Mobile app offering personalized one-on-one video coaching, extending the customer experience. Aftermarket excellence and sell-through is now a planned part of the total shopper experience with the retail partners

- **Personalized:** brands go beyond a great product and offer a ‘personalized story’ behind the brand, resulting in attracting significant mainstream media attention and a brand you can ‘trust’
- **Credibility:** Award winning, innovative product formulations

1.8. Dependence on trademarks, patents and licenses

The Group has developed two proprietary trademarks, which are registered in several countries as specified above under 1.6.5. and on which the Group is dependent.

Additionally, the Group has permissions and/or approvals depending on the regulatory requirements in the relevant country to distribute its products in the following countries which are important for the Group: Australia, United Kingdom, United States, China, Ireland, Czech Republic, Ghana, Thailand, Korea, Saudi Arabia.

Furthermore, the group has permissions and/or approvals for any third party brands the groups represents and sells into selected markets.

The Group is not dependent on any patent, however, has filed an innovation patent in Australia for the groups herbal antiviral formula ‘Azurene’ which is expected to go to market late 2021.

1.10. Brief description of the group of Issuer Companies. Description of the characteristics and activity of the subsidiaries with significant effect on the valuation or Issuer status

The Company is not part of any group of companies.

In 2019, Rapid Nutrition incorporated Rapid Nutrition CANADA which is a non-operating company which holds CDS eligibility, which is needed for the OTCQB listing.

Refer to 1.3.1 General Information (Group Structure) for the Groups corporate structure.

1.11. Reference to environmental aspects that may affect the Issuer activity

Due to the activity to which Rapid Nutrition is engaged, described in point 1.6, the Company is not subject to any special environmental collaboration regime.

1.12. Information on significant trends in production, sales and Issuer costs for the last 12 months

Noteworthy annual highlights for Rapid Nutrition for the period in review include:

- Further expansion of the company's global distribution with new partnerships in Brazil, France, Italy, Switzerland, Jamaica and the Caribbean Community (CARICOM). In particular, a new partnership with Cloud 9 Switzerland LLC will support widespread distribution of flagship brand, SystemLS™, as well as a new partnership with professional retail operator BFG Brazil Comercial de Vitaminas (subject to change pending Covid-19 situation in this market).
- Notable growth through the company's direct-to-consumer channels for its flagship brands, with its recent Amazon store addition, as more consumers seek organic health and wellness products and services. This model will be scaled throughout the UK and Europe in the 2021.
- Employment of Australia's "job keeper program" and Covid-19 relief package to support its Sydney retail location and retain key personnel during a difficult year for retail. Furthermore, the group implemented a Covid-19 safety plan and was officially registered as a COVID Safe business.
- Expansion of the company's ecommerce channel and online partnerships worldwide as well as preparations for a new corporate website.
- Furthered preparations to launch a significant oral anti-viral prevention therapy designed to help relieve symptoms of colds and the flu, which was granted an Innovation Patent in 2016.
- Awarded an Innovation Connections Grant from the Australian Government to support development of its cold and flu therapy. The company was also accepted into the touted Entrepreneurs Programme, which shares expert advice, funding and incentives to help businesses innovate, compete and grow.
- The group incorporated Rapid Nutrition Science, which will house the intellectual property for the herbal anti-viral and focus on in-house development of cutting-edge natural science formulas. This will provide the Group with an exclusive worldwide licensing deal in a category which is expected to witness meaningful growth. The company also strengthened its management team with key hires with expertise in life sciences.
- Bolstering the company's balance sheet with recent institutional investment to provide greater capitalization for 2021, while at the same time the Company has written down the value of its financial asset Motivate Health Technologies, Inc. (refer Note. 11 – Financial Assets) and its investment in 'Streamcast Marketing LLC' (refer note. 12 - Investments), both being difficult to assess in view of the continued Covid-19 environment.

1.13. Expectations of growth and relevance of the market

Prior to the pandemic, Rapid Nutrition announced its established ecommerce channel, expanding online partnerships and online business worldwide. While this channel was already growing, current conditions that have spurred more online shopping continue to increase interest in ecommerce. Additionally, the Covid-19 pandemic also sparked increased purchasing in health and wellness categories as consumers focused more resources on developing a strong immune system.

In particular, the company announced a new partnership to distribute its flagship brand, SystemLS™, throughout Brazil, partnering with professional retail operator BFG Brazil Comercial de Vitaminas LTDA to further develop international growth. Brazil, in particular, has been negatively impacted by the pandemic, although plans remain in place for future growth in this area.

Rapid Nutrition further expanded its global distribution through a new partnership with Cloud 9 Switzerland LLC. The agreement will support distribution of Rapid Nutrition's flagship brand, SystemLS™, throughout France, Italy, Switzerland, Jamaica and CARICOM. The partnership continues to progress well with substantial new orders in the last quarter of 2020.

1.14. Information of the directors and senior executives of the Company

1.14.1. In General

The Company is a public limited company (PLC) incorporated under the laws of England and Wales.

The corporate bodies of a PLC under the laws of England and Wales consist of a Board of Directors and any committees to which the Board of Directors choose to delegate their powers.

The respective rights and responsibilities of these bodies are set forth in the Companies Act 2006, the Company's Articles of Association and any terms of reference of the committees.

The board of directors of a PLC is responsible for the management of the company's business. Each director, and the board of directors as a whole, owes duties to the company. These duties are: To act within their powers; to promote the success of the company; to exercise independent judgment; to exercise reasonable care, skill and diligence; to avoid conflicts of interest; not to accept benefits from third parties; and to declare interests in any proposed transactions or arrangements with the Company.

English company law does not distinguish between a management board and a supervisory board. The directors can either be executive or non-executive members, but all owe the same statutory duties to the company.

1.14.2. Board of Directors

General

According to Articles 82 and 83 of the Company's Articles, Directors are appointed by ordinary resolution of the shareholders or by a decision of the directors. As a matter of best practice, the directors of the Company have stood for re-election at each Annual General Meeting of the Company, although this is not required under the Company's articles of association. The Company is required to have a minimum of two directors. There is no distinction drawn between executive and non-executive directors under the laws of England and Wales. Any person occupying the position of director, by whatever name called, will be considered to be a director.

Currently, the Company's Board of Directors consists of three members.

Members of the Board of Directors

Simon St Ledger, executive Director and CEO (appointed 11 January 2012): Simon St Ledger has been a personal trainer and dietary consultant, and an advisor to numerous health clubs and organisations. In the two decades that he has been in the industry, Simon St Ledger has amongst

other things managed national fitness equipment suppliers and was chiefly responsible for the establishment of the Australian National Weight Loss Clinic.

Simon St Ledger was named a finalist for the 2012 Brisbane Young Entrepreneur Award. Simon St Ledger also made the Subsidiary worthy of the 2013 Premier of Queensland's Export Award in the Health and Biotechnology category. This recognition earned the Subsidiary a place in the national finals of the 51st Australian Government Export Awards, representing Queensland in the small business category.

Shayne Kellow, non-executive Director (appointed 13 October 2017): Shayne Kellow has over twenty-five years of experience in institutional and business development, corporate finance and international sales. He has experience, establishing global distribution networks within the healthcare industry, in particular in South-East Asia, Middle East and the Americas. Previous roles of Shayne Kellow include Business Operations Manager of the Australian Business Development Centre which involved mentoring and advising Business Start-up for over 250 new businesses. Further, he was the Founding Director of Elmore Oil, a successful healthcare company manufacturing and distributing natural lotions with therapeutic benefits to over 12 countries.

Vesta Vanderbeken, non-executive Director (appointed 27 July 2018): Vesta Vanderbeken has had over two decades of investment banking and corporate finance experience across various industries, including diversified industrials, consumer services, infrastructure, power, utilities, telecommunications, entertainment and agriculture. Vesta has held senior roles in Investment, Institutional and Corporate Banking with the Australia and New Zealand Banking Group Limited, ANZ Investment Bank and worked on some of the largest institutional and project finance deals in Australia.

Vesta has a Bachelor of Applied Economics degree from the University of South Australia, a Graduate Diploma in Applied Finance and Investments from the Financial Services Institute of Australia and completed studies in entrepreneurship at Stanford University.

Committees

As envisaged by the UK Corporate Governance Code, which is not statutory law but a set of principles that represent good corporate governance practice and has been widely adopted by UK companies, the Board has established Audit, Remuneration, Nomination and Disclosure Committees.

Audit Committee: The Audit Committee has responsibility for, among other things, the monitoring of the financial integrity of the financial statements of the Group and the involvement of the Group's auditors in that process. It focuses in particular on compliance with accounting policies and ensuring that an effective system of internal financial controls is maintained. The ultimate responsibility for reviewing and approving the annual report and accounts and the half-yearly reports remains with the Board. The Audit Committee will normally meet at least three times a year at the appropriate times in the reporting and audit cycle.

The terms of reference of the Audit Committee cover such issues as membership and the frequency of meetings, together with requirements for quorum and notice procedure and the right to attend meetings. The responsibilities of the Audit Committee covered in the terms of reference are: external

audit, internal audit, financial reporting and internal controls and risk management. The terms of reference also set out the authority of the committee to carry out its responsibilities. The Audit Committee's terms of reference require that it comprise two or more independent non-executive Directors, and at least one person who is to have significant, recent and relevant financial experience.

The Audit Committee currently comprises two members being independent non-executive Director Shayne Kellow, and an independent non-executive adviser, Terry Richards. The committee is chaired by Terry Richards.

The ultimate responsibility for reviewing and approving the annual report and accounts and the half-yearly reports will remain with the Board.

Remuneration Committee: The Remuneration and Nomination Committee has the responsibility for considering and making recommendations to the Board in respect of appointments to the Board, the Board committees and the chairmanship of the Board committees. It is also responsible for keeping the structure, size and composition of the Board under regular review, and for making recommendations to the Board with regard to any changes necessary.

The responsibilities of the Remuneration and Nomination Committee covered in its terms of reference include: review of the Board composition; appointing new Directors; reappointment and re-election of existing Directors; succession planning, taking into account the skills and expertise that will be needed on the Board in the future; reviewing time required from non-executive directors; determining membership of other Board committees; and ensuring external facilitation of the evaluation of the Board.

The Committee is further responsible for the determination of the terms and conditions of employment, remuneration and benefits of each of the Chairman, executive Directors, members of the executive and the company secretary, including pension rights and any compensation payments, and recommending and monitoring the level and structure of remuneration for senior management and the implementation of share option or other performance-related schemes. The Remuneration and Nomination Committee will meet at least twice a year.

The terms of reference of the Remuneration and Nomination Committee also cover such issues as membership and frequency of meetings, together with the requirements for quorum and no-tice procedure and the right to attend meetings. The responsibilities of the Remuneration and Nomination Committee covered in its terms of reference are: determining and monitoring policy on and setting levels of remuneration; early termination, performance-related pay and pension arrangements; reporting and disclosure of remuneration policy; share schemes (including the annual level of awards); obtaining information on remuneration in other companies; and selecting, appointing and terminating remuneration consultants. The terms of reference also set out the reporting responsibilities and the authority of the committee to carry out its responsibilities.

The Remuneration and Nomination Committee comprises 2 members; non-executive director Shayne Kellow and an independent non-executive adviser, Terry Richards. The committee is chaired by Terry Richards.

Disclosure Committee: The Disclosure Committee is responsible for, among other things, helping the Company make timely and accurate disclosure of all information that it is required to disclose under its legal and regulatory obligations. The Disclosure Committee will meet as often as shall be necessary or appropriate.

The Disclosure Committee's terms of reference deal with such issues as membership and frequency of meetings, together with the requirements for quorum and notice procedure and the right to attend meetings. The responsibilities in the terms of reference of the Disclosure Committee relate to the following: determining the disclosure treatment of material information; identifying insider information; assisting in the design, implementation and periodic evaluation of disclosure controls and procedures; monitoring compliance with the Company's disclosure procedures and share dealing policies; resolving questions about the materiality of information; insider lists; reviewing announcements dealing with significant developments in the Company's business; and considering the requirements for announcements in case of rumors relating to the Company.

The Disclosure Committee comprises the non-executive Director Shayne Kellow, the independent non-executive corporate advisor and the independent non-executive advisor. The Committee is chaired by the corporate advisor.

Appointed Executive Officers

English law does not distinguish between a management board and a board of directors with a supervisory function. The directors are responsible for the management of the company's business. There are executive and non-executive directors. Directors may delegate certain powers and tasks to third parties.

The Company's directors have appointed Michael Zhu as Chief Financial Officer. Michael Zhu has experience working with business of all sizes and industries; he operates his own accounting practice and consulting firm where he specializes in business services and operations, policies and procedures, business planning, financial modeling and valuation, and raising capital. Likewise, Michael Zhu has a wealth of experience using cloud platforms to evolve and customize his accounting and consulting services with the latest technology.

Company Secretary

Public companies governed by the Companies Act are required to appoint a Company Secretary according to section 271 of the Companies Act 2006.

The Company Secretary of the Company is Elemental Company Secretary Limited with its business address at 27 Old Gloucester Street, London WC1N 3AX, United Kingdom.

The Company Secretary's general responsibilities are:

- annual compliance services;
- support for the general meeting of the Company;
- drafting of the notice of general meeting;

- drafting of the proxy form, board minutes calling the meeting, chairman’s script and ancillary documents;
- ad hoc advice on the proposed resolutions;
- attendance at the meeting in person or by telephone conference;
- drafting of the minutes of the meeting; and
- filing any relevant resolutions with Companies House.

Positions held by the Members of the Board of Directors in the last five years

The members of the Board of Directors of the Company have not been, during the last five years or currently are, members of the administrative, management or supervisory bodies under company law, or partners, of any other listed and major companies.

Business Address

The business address of all three members of the Board of Directors and the Chief Financial Officer is 40-46 Nester Drive, Meadowbrook Qld 4131, Australia.

Negative Statement relating to Legal Proceedings and Convictions

There have been no convictions against any members of the Board of Directors or the Chief Financial Officer, for major or minor finance or business-related crimes in the last five years. Further, there have been no legal proceedings against any members of the Board of Directors by statutory or regulatory authorities (including designated professional associations) that are ongoing or have been concluded with a sanction.

1.14.3. Ownership of Shares and Option Rights in the Company

The following table shows the number of Shares and option rights in the Company held directly or indirectly by individual members of the Board of Directors and the Chief Financial Officer of the Company or related parties. The applicable percentage ownership is based on 38,849,541 Shares outstanding.

| | No. of Shares¹ | Voting Rights (%) | Number of options¹ |
|---------------------------------------|----------------------------------|--------------------------|--------------------------------------|
| Simon St Ledger | 2,448,458 ² | 6.3% | 0 |
| Vesta Vanderbeken | 100,00 | 0.25% | 0 |
| Shayne Kellow | 272,022 | 0.7% | 0 |
| Michael Zhu (Chief Financial Officer) | 0 | 0% | 0 |
| Total | 2,820,480 | 7.25% | 0 |

¹ The number of Shares and/or the number of options refers to the number of Shares and/or the number of options held as of 31 December 2020.

² Besides 3,558,710 Shares are held by JBG Corp Pty Ltd, which is a company controlled by the wife of Simon St Ledger. 2,448,458 Shares are held directly by Simon St Ledger.

1.14.4. Securities and Option Rights

As per the date of this Information Document the Company has not implemented any stock option plans.

1.14.5. Employee Participation Program

As per the date of this Information Document the Company has no employee participation programs in place.

1.14.6. Statutory and Group Auditor

The existing auditing mandate was assumed by Elderton Audit UK Level 2, 267 St George's Terrace, Perth 6000, Australia. Elderton UK was the Company's auditor for the last 10 financial years.

1.15. Information about the Management



Simon St Ledger – Executive Director and CEO

Simon St. Ledger has been a personal trainer and dietary consultant, and has advised to numerous health clubs and organisations. In the two decades that he has been in the industry, Simon St Ledger has managed national fitness equipment suppliers, and was chiefly responsible for the establishment of the Australian National Weight Loss Clinic. Mr St Ledger was named a finalist for the 2012 Brisbane Young Entrepreneur Award. Simon St Ledger also made the Company worthy of the 2013 Premier of Queensland's Export Award in the Health and Biotechnology category. This recognition earned the Company a place in the national finals of the 51st Australian Government Export Awards, representing Queensland in the small business category.



Shayne Kellow – Non-Executive Director

Shayne Kellow brings with him more than twenty-five years of experience in institutional and business development, corporate finance and international sales. He has first-hand experience in establishing global distribution networks within the healthcare industry, in particular South-East Asia, Middle East and the Americas. Previous roles include Business Operations Manager of the Australian Business Development Centre which involved mentoring and advising Business startup for more than 250 new businesses. He was the Founding Director of Elmore Oil, a successful healthcare company manufacturing and distributing natural lotions with therapeutic benefits to more than 12 countries.



Vesta Vanderbeken – Non-Executive Director

Vesta Vanderbeken has more than two decades of investment banking and corporate finance experience across various industries, including diversified industrials, consumer services, infrastructure, power, utilities, telecommunications, entertainment and agriculture. Vesta held senior roles in investment, institutional and corporate banking with the Australia and New Zealand Banking Group Limited, ANZ Investment Bank and worked on some of the largest institutional and project finance deals in Australia. Vesta has a Bachelor of Applied Economics degree from the University of South Australia, a Graduate Diploma in Applied Finance and Investments from the Financial Services Institute of Australia and completed studies in entrepreneurship at Stanford University.



Juston Jirwander – General Manager Australia

Juston is a serial investor entrepreneur with over 20 years' experience. Juston began his career as a Chartered accountant with WHK Horwath. He was elected as Director and then Chairman of Go Vita Distributors Limited for 15 years, Australia's largest Health Food Co-op. Juston was later contracted to Healthy Life a subsidiary of Singapore Listed Company EYSI as Executive Chairman, successfully sourcing an investing partner.



Leisa St Ledger – Brand Manager

Leisa was a police officer for eight years with a vast knowledge in health and nutrition. Leisa is the founder and creator of Leisa's Secret® and SystemLS™. She is the driving force behind the significant amount of media attention the company and its products have attracted which has supported growth and created interest from large international organizations. Leisa is an integral part of the success of the company's brands and her personal involvement, educating and inspiring her customers has allowed her to connect closely with many of her customers and success stories.



Ruth Kendon – Head of Research and Product Development

With degrees in Botanical Medicine and Naturopathy and 30 years' experience in the industry, Ms Kendon is a practicing naturopath and herbalist based in Sydney. Ms Kendon has worked closely with patients, manufacturers and industry leaders, as well as liaising with government regulators. She recently developed the anti-viral therapy Azurene. She previously served on the board of directors of the Natural and Herbalists' Association of Australia , and in 2015 was made a Fellow.

Michael Zhu – Chief Financial Officer, Member of the Institute of Chartered Accountants



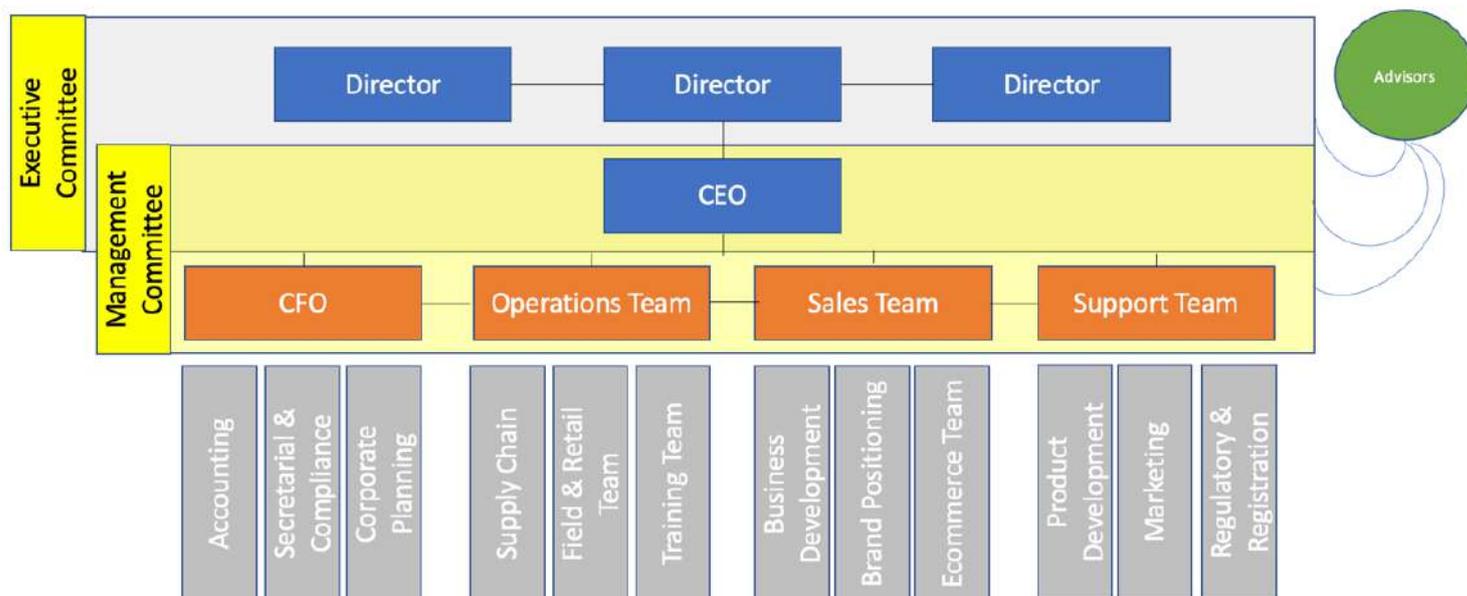
Michael Zhu has more than ten years' experience in working with small and medium sized businesses. Mr Zhu's career started with a medium size Charter Accountant firm working for clients from different industry background. He is now operating his own accounting practice and consulting firm and acts as CFO for number of his clients. His knowledge of business, especially in utilizing cloud platforms and modern technologies, has enabled him to adopt a new way of providing accounting and business consulting services, which makes his services tailored, efficient and accurate for his clients. His provision of advice ranges from business services, business operation, policies & procedure, business planning, financial modelling and valuation and capital raising.

1.15.1. Number of Employees, Geographical Distribution and Profile

Rapid Nutrition has evolved from 3 employees in 2019 to the current 11 as of the date of the Information Document . The team can be considered as being highly experienced. 10 employees are based in the company headquarters in Australia, and 1 based in the United States, and the company secretary based in the United Kingdom in addition to a senior advisor based in Switzerland.

1.15.2. Internal

Organization:



1.16. Other operations with related parties

| Name (relationship) | Transaction | Amount | Amount due from/(to) related party |
|---------------------|-------------|--------|------------------------------------|
|---------------------|-------------|--------|------------------------------------|

| | | 2020 | 2019 | 2020 | 2019 |
|------------------|-----------------|-------------|-------------|-------------|-------------|
| | | \$ | \$ | \$ | \$ |
| JBG Corp Pty Ltd | Consulting Fees | - | - | - | - |
| | Loan funds | 471,135 | 206,050 | 471,135 | 142,296 |

Nature of related parties

JBG Corp Pty Ltd is a company controlled by Leisa St Ledger who is a related party.

Transactions with related parties.

All transactions between related parties are on normal commercial terms and conditions no more favorable than those available to other parties by adopting IAS 24.

Key Management Personnel

All transactions with key management personnel (the directors) during the period ended 31 December 2020 are disclosed below:

| <i>2020</i> | <i>Salary (\$)</i> | <i>Superannuation (\$)</i> | <i>Consultancy Fees (\$)</i> | <i>Total (\$)</i> |
|--------------------------------|--------------------|----------------------------|------------------------------|--------------------------|
| Simon St Ledger ¹ | 273,500 | 26,006 | - | 299,506 |
| Shayne Kellow ² | - | - | - | - |
| Vesta Vanderbeken ³ | - | - | \$21,680 | 21,680 |

¹ – Simon St Ledger’s employment terms, as formalized by board resolution and contract, dated 1st July 2019 which specifies a salary of AUD\$165,000 per annum. A car allowance up to AUD\$1000 per month and the required Super/pension payments at 9.5% per annum. The director will also be entitled to an executive bonus which shall not exceed 10% of remuneration and determined at the sole discretion of the board.

² – Shayne Kellow has been provided with the use of a vehicle owned by the consolidated entity for their personal use. Mr Kellow’s vehicle was acquired in a prior period for AUD\$50,459.

³ – Vesta Vanderbeken’s was provided with relevant contract that has been executed prior to the appointment. The fee payable for carrying out her duties is an annual gross amount of GBP12,000 (AUD\$21,680).

During the period, there were no advances, credits or guarantees subsisting on behalf of the directors.

1.17. Financial information, adverse opinions and information of dividend distribution

This section incorporates the financial statements of the periods 2020 and 2019, the complete annual accounts, and the audited annual report corresponding to 2020 and 2019 in the Financial Information (section 6) of this Document.

1.17.1. Financial Information of 2020 and 2019

The annual accounts are composed of the Balance sheet, the Profit and Loss Account, the Report and by the Statement of Changes in Net Cash. These have been obtained from the Accounting Records of the Issuer. The legal provisions in force in accounting matters have been applied on the dates so the information reflects a faithful image of the Company.

In this section the financial information is collected from the Consolidated audited accounts 2020 (from 1 July 2019 to 31 December 2020: 18 months) and 2019 (from 1 July 2018 to 30 June 2019: 12 months), and from the Interim Financial Statements 2020 (from 1 July 2019 to 30 June 2020: 12 months).

BALANCE SHEET

| | Period from 1 July 2019 to 31 December 2020 | Period from 1 July 2019 to 30 June 2020 (Interim Financial Statement) | Period from 1 July 2018 to 30 June 2019 |
|---------------------------------|--|--|--|
| | <i>18 months</i> | <i>12 months</i> | <i>12 months</i> |
| | AU\$ | AU\$ | AU\$ |
| Current assets | | | |
| Cash and cash equivalents | 456,000 | 235,55 | 243,576 |
| Trade and other receivables | 3,486,060 | 3,840,509 | 2,789,950 |
| Inventory | 347,427 | 209,199 | 245,804 |
| Financial assets | 534,087 | 5,951,435 | 5,951,435 |
| Total current assets | 4,823,574 | 10,236,692 | 9,230,765 |
| Non-current assets | | | |
| Investments | 101 | 6,324,511 | 6,329,347 |
| Property, plant and equipment | 136,131 | 4,882 | 1,800 |
| Intangible assets | 2,105 | 2,105 | 2,105 |
| Total non-current assets | 138,337 | 6,331,499 | 6,333,252 |
| Total assets | 4,961,911 | 16,568,191 | 15,564,017 |
| Current liabilities | | | |
| Trade and other payables | 1,211,008 | 915,282 | 1,718,114 |
| Provision for current tax | 157,825 | - | - |

| | | | |
|--------------------------------------|--|--|--|
| Borrowings | 1,602,770 | 1,126,872 | 1,172,346 |
| Total current liabilities | 2,971,603 | 2,042,155 | 2,890,459 |
| Non-current liabilities | | | |
| Tax and other related | 228,378 | 971,918 | 296,014 |
| Borrowings | 420,903 | 1,257,108 | 770,925 |
| Total non-current liabilities | 649,281 | 2,229,108 | 1,066,939 |
| Total liabilities | 3,620,884 | 4,271,263 | 3,957,398 |
| Net assets | 1,341,027 | 12,296,929 | 11,606,619 |
| | Period from 1 July 2019 to 31 December 2020 | Period from 1 July 2019 to 30 June 2020 (Interim Financial Statement) | Period from 1 July 2018 to 30 June 2019 |
| | <i>18 months</i> | <i>12 months</i> | <i>12 months</i> |
| | AU\$ | AU\$ | AU\$ |
| Equity | | | |
| Shares | 29,548,450 | 29,920,232 | 29,503,701 |
| Share Premium | 564,803 | 193,022 | 193,022 |
| Merger reserve | (26,061,971) | (26,061,971) | (26,061,971) |
| Convertible notes | 857,27 | | 634,416 |
| Retained earnings | 9,503,620 | 9,503,620 | 8,962,496 |
| Current Year Earning | (4,575,728) | 1,255,749 | 541,124 |
| Foreign Exchange – Opening | (80,855) | (80,855) | 113,233 |
| Foreign Exchange – For the Year | - | (347,553) | (194,088) |
| Asset Reserve | (8,414,563) | (2,085,316) | (2,085,316) |
| Total equity and reserves | 1,341,027 | 12,296,928 | 11,606,619 |

PROFIT AND LOSS ACCOUNT

| | Period from 1 July 2019 to 31 December 2020 | Period from 1 July 2019 to 30 June 2020 (Interim Financial Statement) | Period from 1 July 2018 to 30 June 2019 |
|------------------------------|---|--|---|
| | <i>18 months</i> | <i>12 months</i> | <i>12 months</i> |
| | AU\$ | AU\$ | AU\$ |
| Revenue | 4,552,170 | 3,375,668 | 3,104,879 |
| Cost of sales | | | |
| Opening inventory | (245,804) | (245,804) | (414,007) |
| Direct costs | (2,274,618) | (883,634) | (883,634) |
| Closing inventory | 347,427 | 209,199 | 245,804 |
| Gross profit | 2,379,175 | 2,455,429 | 2,053,041 |
| Provision for doubtful debts | (189,410) | - | - |
| Administrative expenses | (2,071,505) | (1,190,448) | (1,033,973) |
| Other operating income | 177,704 | - | - |
| Operating profit | 295,964 | (1,190,448) | 1,019,068 |

| | | | |
|---|---------------------|------------------|--------------------|
| Changes in fair value of financial assets | (5,452,630) | (9,232) | (172,224) |
| (Loss)/Profit before tax | (5,156,666) | 1,255,749 | 846,844 |
| Tax expense | 580,938 | - | (305,720) |
| (Loss)/Profit for the period attributable to members of the Company | (4,575,728) | 1,255,749 | 541,124 |
| Other comprehensive income | | | |
| Translation Gain/Loss | - | | (194,088) |
| Changes in fair value of financial assets through other comprehensive income | (6,329,247) | | (2,085,316) |
| Non-controlling interest | - | | - |
| Total comprehensive income for the period attributable to members of the Company | (10,904,975) | 1,255,749 | (1,738,280) |

Evolution of the assets

The group continues to enhance the company's balance sheet with recent institutional investment (in December 2020 and January 2021) to provide greater capitalization for 2021, while at the same time the company has written down the value of its financial asset Motivate Health Technologies, Inc. and its investment in 'Streamcast Marketing LLC' both being difficult to assess in view of the continued Covid-19 environment.

Trade and other receivables - group

| | 31 Dec 2020 AU\$ | 30 June 2019 AU\$ |
|--------------------------------------|---------------------|----------------------|
| Trade receivables | 3,800,469 | 2,789,950 |
| Allowance for expected credit losses | (314,409) | - |
| | 3,486,060 | 2,789,950 |

In view of the Covid-19 Pandemic, the Company has put in place a trade debtors insurance policy and extended trading terms to some of its suppliers.

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

| | 31 Dec 2020 AU\$ | 30 June 2019 AU\$ |
|------------------------------------|----------------------------|-----------------------------|
| Motivate Health Technologies, Inc. | 534,087 | 5,951,435 |

Shares held for trading are traded for the purpose of profit taking. Changes in fair value are included in the statement of profit or loss and other comprehensive income. The Company received an independent assessment of fair value of its minority investment in Motivate Health Technologies Inc (“MHT”) as at 31st December 2020. The valuation was undertaken on a going concern basis by independent assessor, BSP Strategic Pty Ltd, a certified business valuation firm. The group has decided to write down its minority stake. Calculation of the value for the business and equity were prepared on a Market-based approach. The Company holds a 13.9% minority shareholding in Motivate Health Technologies, Inc. (4,450,000 out of 32,035,742 shares).

Reconciliation of year-end balance:

| | |
|-----------------------|----------------|
| Unrealised gains: | AU\$ |
| - Brought forward | 5,951,435 |
| - Loss to 31 Dec 2020 | (5,452,630) |
| Foreign exchange Gain | 35,282 |
| Value at period end | 534,087 |

Investments

- Adopted classification under IFRS 9

| | 31 Dec 2020 AU\$ | 30 June 2019 AU\$ |
|--|----------------------------|-----------------------------|
| Investment in Vibe Life | 100 | 100 |
| Investment in Streamcast Marketing LLC | - | 6,329,247 |
| | 100 | 6,329,347 |

As part of the group’s long-term vision, and change of business model, and under the guidance from BSP Strategic Pty Ltd, an independent certified business valuation firm, the group has decided to write off its minority stake (19% holding) in Streamcast Marketing LLC (“SCM”). Calculations of the value of the business and equity were previously prepared on a Discounted Cash Flow basis at fair value, however in view of the continued Covid-19 environment SCM is difficult to value on a going concern

basis and therefore the board has concluded that writing down the investment by applying IAS 36, 'Impairment of Assets' within the scope of IFRS 9, is the most appropriate.

Evolution of the liabilities

The company mitigates risk by optimizing the supply chain by building reliable partnerships with suppliers and manufacturers. The group further optimizes its trading terms with its key suppliers to maximize cashflow for the group.

Furthermore, the company has put into place trade debtor insurance in order to be able to offer extended trading terms to key accounts in order to maximize sales.

Borrowings - group

| | 31 Dec 2020 AU\$ | 30 June 2019 AUS\$ |
|------------------------|------------------------------|------------------------------|
| | <hr/> | <hr/> |
| Bank overdraft | 60,700 | - |
| Lease liability | 142,437 | - |
| Other short-term loans | 1,399,633 | 1,172,346 |
| | <hr/> 1,602,770 <hr/> | <hr/> 1,172,346 <hr/> |

Bank borrowings

The Group has a finance facility with the ANZ Bank of Australia that includes a trade facility of \$100,000. The facility is secured by way of personal guarantees from Simon St Ledger.

Other short-term loans

It includes a short-term loan amounting \$1,185,460 (2019: \$1,152,881) provided by J&J Smith, shareholders in the Company. The loan is unsecured, subject to interest at 12% per annum and has been fully reconciled to recognize all expenses paid on the Company's behalf by the lender. Principal and interest repayments are made on a monthly basis.

Evolution of the profit and loss account

As the company continues to grow year-on-year organically through increased distribution of its product portfolio into new markets launches the company re-invests its profits into increasing its product portfolio, inventory and marketing support. The company aim it work towards building a vertically integrated company whereby the group can ultimately bring manufacturing in-house to further increase profit margins and quality control.

Statement of Cash flows at December 31, 2020 and indicative and non-audited Cash flows from 1st January 2021 to 31st March 2021

| | Period from 1 July 2019 to 31 December 2020 | Period from 1 July 2018 to 30 June 2019 | Period from 1 January 2021 to 31 March 2021 |
|--|--|--|--|
| | AU\$ | AU\$ | AU\$ |
| Cash flows from operating activities | | | |
| Receipts from customers | 4,014,871 | 890,36 | 1,256,941 |
| Payments to suppliers and employees | (3,959,443) | (2,011,820) | (1,117,708) |
| Interest paid | (282,502) | - | (37,083) |
| Net cash used by operating activities | (227,075) | (1,121,460) | 102,150 |
| Cash flows from investing activities | | | |
| Purchase of plant and equipment | (5,797) | - | (66,148) |
| Net cash used by investing activities | (5,797) | - | (66,148) |
| Cash flows from financing activities | | | |

| | | | |
|---|----------------|------------------|----------------|
| Proceeds from issue of shares | 416,53 | 412,092 | 322,516 |
| Lease liability payments | (199,596) | | (232,861) |
| Proceeds from related party borrowings | 228,363 | 732,722 | 322,516 |
| Net cash used by financing activities | 445,296 | 1,144,814 | 412,171 |
| Increase/(decrease)in cash and cash equivalents | 212,424 | 23,355 | 448,173 |
| Cash and cash equivalents at the beginning of the period | 243,576 | 220,221 | 114,000 |
| Cash and cash equivalents at the end of the period | 456,000 | 243,576 | 562,173 |

For the period ended 31 December 2020, the Group had a cash balance of \$456,000 as at the reporting date. The Directors believe there are sufficient funds to meet the Group's working capital requirements for the coming year.

Operating Segments

Operating segments must be identified on the basis of internal reports about components of the consolidated entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The group's main reporting channels are its geographical distribution networks, hence the Board (the group's chief operating decision maker) believe that, at 31 December 2020, there were two main segments, with revenue (the financial variable they evaluate performance via) as follows:

| Location | Revenue – period from 1 July 2019 to 31 Dec 2020 | Revenue – year to 30 June 2019 |
|----------------|--|-----------------------------------|
| | AU\$ (18 months) | AU\$ (12 months) |
| Australia | 3,206,232 | 840,886 |
| USA | 1,159,072 | 2,261,306 |
| Rest of Europe | 186,866 | - |
| Total | 4,552,170 | 3,102,192 |

The remainder of the group's position and performance are considered on a collective basis by the Board; hence the main financial statements are suitable for their analysis.

As a growth company, the Board's focus is brand expansion, of which they consider revenue their key driver.

Direct costs

| | Period from 1 July 2019 to 31 December 2020 | Period from 1 July 2018 to 30 June 2019 |
|--------------|--|--|
| | AU\$ | AU\$ |
| | (18 months) | (12 months) |
| Direct costs | (2,274,618) | (883,634) |

Profit for the period is lower compared to FY2019, due to new distribution agreements secured during the period requiring initial marketing support resulting in increased expenses incurred for the period.

1.17.2. Adverse opinions, denials of opinion, qualifications or limitations of scope by the auditors

There is no adverse opinion, no denial of opinion, or exception or limitation of the audited Rapid Nutrition accounts corresponding to the year ended December 31, 2020.

1.17.3. Description of the dividend policy

The Board has elected not to declare a dividend at this time.

1.17.4. Information on disputes that may have a significant effect on the Company

The Company does not have any litigation, lawsuit, open process or dispute that may have a significant effect on it.

1.18. Risk Factors

Before investing in Rapid Nutrition, these risk factors should have been taken into account, as they might affect the progress of the Company, its financial figures, forecasts, or patrimonial situation among others.

The risk factors aforementioned are the most relevant according to the Issuer's opinion, notwithstanding that there might be others.

All risk factors can have a detrimental effect on the behaviour of the Company 'shares.

1.18.1. Risks relating to the Group, its business and industry

Regulatory Risk

If the regulations affecting our products change, the Group will need to quickly adapt its product formulations to ensure compliance and facilitate continuing sales. At this stage, because Australian regulators operate very stringent policies on all products, having passed the Australian test gives the Group a strong foundation to take its products into foreign markets and get local endorsement too.

Liquidity Risk

This is the risk that the Group does not maintain sufficient liquidity headroom to ensure it can always meet its working capital requirements as they fall due. The Group manages this risk through careful cash management policies. To meet its short-term obligations, the Group has the support of several key shareholders who are willing to provide funds to the group on an as needed basis.

The Company is in its growth phase, revenues are low vs. costs. However, the Company has support from its shareholders for funding and is anticipating sales growth in the coming year to improve cashflow substantially. Furthermore, the Company has recently secured significant institutional investments to ensure it is well capitalised to support its forward initiatives. The Company continues to re-invest profits from its trading revenues to support organic expansion of its global distribution into neighboring markets where the Company is not already present. The Company is cash positive and expects to have sufficient cashflow to enable organic growth to be sustained at current rates.

Foreign Exchange

The Group's main financial asset shares held at fair value through the profit and loss are denominated in US dollars, so the risk of any adverse movement in the foreign currency exchange rates is borne by the Group.

As at 31 December 2020, if the US dollar had strengthened/weakened by 5% against the Australian dollar with all other variables held constant, comprehensive income for the period and assets would have been adjusted higher/lower, as a result of foreign exchange gains/losses on transaction of the financial asset.

Pandemic Risk / COVID-19

The Group is exposed to the impact of the recent outbreak of COVID-19 and the risks relating to measures imposed by national governments to control the outbreak. Such risks include future lockdowns in various markets which whilst out of the groups control may impact the groups B2B business. The continuation of the pandemic could result increased logistic costs and a delay in the supply chain. The Group recognises the risk of a potential fall in revenue and profitability due to lower general economic activity.

However, Rapid Nutrition announced its established ecommerce channel, expanding online partnerships and online business worldwide. While this channel was already growing, current conditions that have spurred more online shopping continue to magnify interest in ecommerce. Additionally, the Covid-19 pandemic also sparked increased purchasing in health and wellness categories as consumers focused more resources on developing a strong immune system.

The company also announced a new partnership to distribute its flagship brand, SystemLS™, throughout Brazil, partnering with professional retail operator BFG Brazil Comercial de Vitaminas LTDA to further develop international growth.

Rapid Nutrition further expanded its global distribution through a new partnership with Cloud 9 Switzerland LLC. The agreement will support distribution of Rapid Nutrition's flagship brand, SystemLS™, throughout France, Italy, Switzerland, Jamaica and CARICOM. The partnership continues to progress well, with and our opening order fulfilled in the last quarter of 2020.

These different distribution partnerships reduce the risk according to the evolution of the pandemic in each country

Moreover, Rapid Nutrition has always used a variety of contract manufacturers to mitigate risk in meeting demand, which proved especially fruitful this year.

Brexit/Regulatory changes

Brexit remains an unknown quantity that could impact consumer confidence and suppress economic activity. Regulatory changes, whether or not connected to Brexit, could have an adverse impact upon the Group. The Group monitors legislative and regulatory changes and alters its business practices where appropriate.

The main benefits of EU membership to businesses are: Increase in market size (a greater number of potential customers) as a result of the freedom of movement of goods and services. From an operational perspective Brexit has minimal to no impact on the group given all its operations are undertaken outside the UK through the groups subsidiaries. The groups complete supply chain, from manufacturing through to export is conducted through its subsidiary thereby mitigating any risks as a result of Brexit.

Although the UK Companies Act 2006 (CA 2006) and related secondary legislation is influenced by European legislation, there are no current proposals for a significant review or amendment in the short term and the amendments to UK company law that came into effect at the end of the implementation period are intended principally to remove any provisions solely derived from European legislation which are no longer required.

On-line Marketing/Technology shifts

The Group relies on the various technology platforms to drive revenue through acquisition of new customers and the re-marketing to existing customers. The digital channel has become increasingly competitive with the major technology platforms moving to complex algorithms to determine bid costs. The Group recognises these shifts and is constantly reviewing bid costs in conjunction with using alternative venues available in digital channel markets.

Loss of Key Personnel

An unforeseen loss of key personnel would be damaging to the Group and could result in the loss of key corporate knowledge. The Group has a continuity program in place to ensure that Directors would be able to minimise the disruption caused by the potential loss of key personnel.

1.18.2. Risks relating to the Shares

Limited Market Liquidity

The Company's Shares have been listed on SIX Swiss Exchange since 29 March 2017. The Company is in discussions with several potential market makers post listing on Euronext Growth; should the Company not be able to secure the services of a market maker, the realization of a liquid and stable market for the Shares would continue to be hindered. In addition, many shareholders of the Company faced difficulties transferring their shares from CREST to the clearing systems of SIX Swiss Exchange which inhibited their ability to trade the Shares or made such trading more difficult. This continues to be an issue and can further prevent the development of an active and liquid market in the Shares on the SIX Swiss Exchange. The Company cannot predict whether these issues can be solved in the near future or if this will further prevent a liquid market in the Shares. The failure of an active and liquid market affects an investor's ability to sell his or her Shares, and/or depresses the market price of the Shares on the SIX Swiss Exchange or Euronext.

Volatility

As a result of high volatility in the securities markets in general and of the price of the Company's Shares in particular, the Share price following the Listing of the New Shares may be highly volatile. Factors that may affect the Share price include the inability to develop a liquid market in the Shares and developments that affect the Group's financial results, fluctuations in the Group's financial results, market expectations about the valuation and adequate capitalization of companies in general or in particular of those active in the nutrition business, investors' assessments as well as changes in the valuation of other companies in the same business, sales of Shares, potential litigation or regulatory action involving the Group or the nutrition sectors influencing the Group's business, securities or industry analysts' reports, speculation of the media or investment community, and investigations with respect to practices of competitors.

There can be no assurance that events in Switzerland, the United Kingdom, Australia, Europe, the United States or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of the Shares or that economic and market conditions will not have any other adverse effect.

Sales of a substantial number of Shares in the public market following the Listing of the New Shares, or the perception that these sales might occur, could adversely affect the market price for the Shares and materially impair the Company's future ability to raise capital through offers of Shares or securities relating to the Shares.

Dividend Risk

If one or more businesses operated by the Group are not profitable, or the Group is not managed effectively so that profits made in one business must be used to fund another, this may have an adverse effect on the Group and the Group may not be profitable. Consequently, the Company would not be able to pay, and shareholders may not receive, dividends.

Pursuant to the dividend policy, the Company may determine that it will not pay dividends at any time or any future time. Consequently, the shareholders would not receive dividends for the affected period or future period as the case may be.

Since its incorporation on 11 January 2012, the Company did not pay any dividends to its shareholders.

General Factors affecting the Value of the New Shares

Stock market conditions may affect the value of the New Shares regardless of the Group's operating performance. Stock market conditions are affected by many factors such as:

- general economic outlook;
- interest rates and inflation rates;
- currency fluctuations;
- changes in investor sentiment;
- the demand for, and supply of, capital;
- terrorism or other hostilities.

Inherent Currency Exchange Rate Risk

The Group is exposed to currency fluctuations in many respects. Its revenues are generally denominated in currencies of the markets in which the Group is active. The Group's costs may be denominated in other currencies and the reporting currency of the Company is the British pounds sterling. Investing in the Shares will therefore expose investors to fluctuations in these currencies.

The impact of unfavourable currency exchange rates may materially affect the Group's financial position and prospects and its ability to distribute dividends to its shareholders.

The Group implements multiple strategies to mitigate these risks. The group invoices and contracts only in the same currency of the products place of manufacture, keeping expenses and revenues in the same currency. Furthermore, the company will put in forward hedging contracts when and as needed to further mitigate this risk.

Capital Increases

Under the laws of England and Wales, shareholders usually have pre-emption rights to subscribe on a pro-rata basis for the cash issues of new shares, unless these rights are disapplied by shareholder resolution or one of certain exemptions apply. In the event that the Company was to carry out such issues in the future, certain shareholders may not be able to participate in such issue and would accordingly have their percentage interest in the Company diluted.

Research reports

The trading market for the New Shares will also depend on research reports that industry or securities analysts publish about the Company or its business. The Company does not have any control over these analysts. If one or more of the analysts who cover the Company downgrade the Shares, the price of the Shares would likely decline. If one or more of these analysts cease coverage of the

Company or fail to regularly publish reports on the Company, the Company could lose visibility in the financial markets, which in turn could cause the price of the Shares or the trading volume to decline.

2. INFORMATION ABOUT THE ISSUER'S SHARES

2.1. Number of shares for which incorporation is requested, their nominal value. Share capital, indication of whether there are other classes or series of shares and whether securities have been issued that give the right to subscribe or acquire shares

At the date of this Information Document, the share capital of RAPID NUTRITION PLC is THREE HUNDRED EIGHTY-EIGHT THOUSAND AND FOUR HUNDRED NINETY-FIVE POUNDS AND FORTY ONE CENTS (£ 388 495.41) represented by 38 849 541 ordinary shares of £0.01 nominal value each. All shares are fully subscribed and have been fully paid-up. They belong to a single class and series and confer identical political and economic rights to their holders.

The 7th of January 2021, RAPID NUTRITION has completed a placement led by Alternative Gestion S.A. of USD 300 000 convertible instruments consisting of units at market price including warrants: the number of warrants issued to the Investor will be calculated at 100% of the newly issued Ordinary Shares placed with the investor with an exercise price equal to USD 0.30 per share. The warrants will vest immediately and will have a twenty-four-month life. The Conversion in full would result in the allotment and issue of 3,000,000 shares which will increase the current share capital to a total number of shares and voting rights of 41,849,541, if fully exercised pursuant to the entry in the commercial register. As of today, none of these instruments have been converted.

The 26th of January 2021 the Company has entered into an agreement for the issuance and subscription of convertible notes, each with a 12 months conversion period with Nice & Green. Nice & green has committed to invest USD 1 million in 4 tranches over a period of 24 months. The principal amount of each convertible note is, at Rapid Nutrition's discretion, either payable by way of conversion into ordinary shares of the Company or in cash. If the notes are converted into shares, this will give rise to new shares whose amount will be a function of the conversion price.

At the Meeting of Directors held on the 1st March 2017, it was agreed to request the incorporation of all the potential new ordinary shares on the Six Swiss Exchange (SSE) in the Six segment and at the Meeting of Director held on the 5 March 2019 on the OCTQB (USA).

2.2. Distribution of the shares

2.2.1. Approvals related to the incorporation of the shares to Euronext Growth Paris

The entire issued share capital consisting in 38 849 541 ordinary shares of £0.01 nominal value each are admitted to trading, since 29th of March 2017, on the Six, Swiss Stock Exchange under the TIDM code "RAP" and since March 18th, 2019 cross-listed on the OCTQB for listed securities of the OTC Markets under TIDM code "RPNRF" (ISIN: GB00BLG2TX24).

At the Meeting of Directors held on 10th March 2021, the Rapid Nutrition board approved the incorporation of the Company shares to Euronext Growth Paris through a fast-track listing process. It was equally approved to use the Euroclear Settlement of Euronext Securities (ESES) for all the settlement related services of the shares listed on that market.

Under the power granted by the board of directors in accordance with the Company's Articles of Association, the Board of Directors approved all the relevant steps to be taken for the shares to be listed on the Euronext Growth Market in Paris.

Nevertheless, the Company has submitted a delisting application to delist its shares from the SIX Swiss Exchange on the 30th of November 2020. SIX Exchange Regulation approved its application to delist its shares and the delisting of the shares will take place on the opening of Friday, 23 July 2021. The last trading day on SIX Swiss Exchange is scheduled for Thursday, 22 July 2021. Rapid Nutrition PLC will delist its shares from SIX Swiss Exchange. The Company will continue to trade its shares on the OCTQB.

2.2.2. Number of shares to be listed

The objective of this Information Document is the incorporation of the Company shares on Euronext Growth Paris through a process of Fast Track listing and direct admission to trading of all its 38'849'541 existing shares, which will be listed on this exchange without the need to carry out an Initial Public Offering (IPO) of the Company shares as the Company is already admitted to trading on the Six Swiss Exchange for more than eighteen months prior to the date of admission to Euronext Growth.

To our understanding there are 117 identified shareholders who individually hold a stake of less than 5% of the outstanding capital. These minority shareholders own collectively 14 214 825 shares or 36.6% of the issued capital. 4 shareholders are directors or related to directors holding 1 618 553 or 4.17% of total shares.

Besides, 6 shareholders hold more than 5% of the outstanding capital. Their shareholdings represent 24 634 716 shares or 63.41% of the issued capital. The 6 shareholders are considered as free float as these are collective investment schemes or mutual funds, except for a nominee linked to a Director considered as non-free float owning 4 760 637 shares or 12.25% of total shares.

As a result, Rapid Nutrition's free float in the market is of 32 470 351 shares, ie 83.6% of total shares. Based on a € 0.1215 average share price on the last 60 days price per share (ending 26/04/2021), the free float is of € 3,945,148.

As far as the price of incorporation on Euronext Growth Paris is concerned, this will be set using the stock price prevailing on the SIX Swiss Exchange at the time of the listing of the Company shares.

See below main shareholder's detail:

| Shareholders | Number of shares | % of capital |
|------------------------------|-------------------|---------------|
| Management | 6 379 190 | 16,42% |
| <i>Leisa St Ledger*</i> | 3 558 710 | 9,16% |
| <i>Simon St Ledger</i> | 2 448 458 | 6,30% |
| <i>Shayne Anthony Kellow</i> | 272 022 | 0,70% |
| <i>Vesta Vanderbeken</i> | 100 000 | 0,26% |
| Free float | 32 470 351 | 83,58% |
| Total | 38 849 541 | 100,00% |

**Simon St Ledger wife*

2.3. Main characteristics of the shares and their corresponding rights for shareholders. Possible limitations concerning the shareholders meeting attendance, vote and appointment of directors

The legal regime applicable to the Company shares is the one contemplated by the laws of England and Wales, specifically, the one related to Public Limited companies (Companies Act 2006).

The shares traded on Euronext Growth Paris will be represented by book entries, registered on Euroclear under the name of the owner or his (her) nominee and they will be settled via cross-border links with the Central Securities Depository (CSD) under the owner's name.

The shares are to be denominated in Euro (€), as currently denominated on Six Swiss Exchange.

All the shares will be ordinary shares granting the same rights to their holders. Among the most relevant rights we should highlight the following:

- **Right to participate in dividend distributions**

The shares confer to their holders the right to participate in all dividend distributions and in their proportional part of the assets remaining under a liquidation event under the terms established in the Companies Act 2006. As all of them shall be ordinary shares, there shall be no difference among them.

Nevertheless, the future dividend policy and the distributable amount will depend on several factors, such as the Company results, its financial position, cash needs and whichever other relevant factors might occur at each point in time.

The Company has no dividend policy at the date of this Document. The Board will determine, pursuant to the Company's Articles, what, if any, dividends are to be distributed to shareholders from time to time taking into account the profitability and strategic direction of the Company, and such other matters

as the Board may consider relevant. The Board has no restrictions on its ability to determine a dividend policy and there are no restrictions in place relating to the payment of dividends.

- **Preferred subscription right in the issuance of new shares**

According to the laws of England and Wales, the owners of the shares will have a preferred right to subscribe new shares (ordinary or preferred) in all capital increases and in the issuance of convertible shares, with the only exception being the subscription rights contemplated under a disapplication of Section 561 of the Companies Act 2006 as approved in the Company's last Annual General Meeting.

Additionally, pursuant to the Companies Articles of Association, Article 125. 'Capitalization of reserve' contemplates the free assignment of shares in the case of capital increases against reserves.

- **Political rights**

The shares confer to their owners the right to assist and vote in the Shareholders General Meeting. Also, the holders of the shares shall be allowed to contest the shareholders agreements in accordance with the terms contemplated by the Companies Articles of Association.

- **Information rights**

The shares confer their holders the right to be informed under the terms of the Companies article of association.

Articles of Association are made available on the companies website:

<https://www.mplc.com/corporate/governance/>

2.4. Description of any condition for the free transmission of the shares, statutory or extra-statutory

There are no restrictions to the free transmission of the Company shares.

2.5. Para-social agreements between shareholders or between the Company and its shareholders, that might limit the transmission of shares or affect voting rights

Currently, there are neither para-social agreements among shareholders nor between the Company and its shareholders regarding the free transmission of the shares or the limitation of the voting rights.

2.6. Commitment vetting the sale, transmission, or new share issuance, assumed by the shareholders or by the Company in the light of admission to trading on Euronext Growth Paris

As the shares have been trading on an organized exchange (Swiss Stock Exchange) since March 29, 2017, and there are no statutory changes contemplated for their fast-track listing on Euronext, there shall be no lock-up restrictions for the existing shareholders of the Company, which should be allowed to trade the shares freely in the market.

2.7. Description of the statutory provisions required by the regulations of Euronext Growth Paris regarding the obligation to communicate material participations and para-social agreements and the requirements for the exclusion of trading on Euronext Growth Paris and changes in control within the Company

On 29th March 2017 at the Board Meeting of Directors of the Company new disclosure directives were approved, with the purpose of adapting them to the requirements of the Swiss Stock Exchange and, in particular, those related with the obligation to communicate material stakes in the company as well as para-social agreements, changes in control of the Company and the requirement to as for the exclusion of trading on the Swiss Stock Exchange. The directives contemplated specific disclosure obligations and thresholds under the Federal Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading Act ("FMIA"), anyone who acquires or sells shares (or acquisition respectively sale rights relating to shares) of a company with its registered office in Switzerland whose equity securities are listed in whole or in part in Switzerland – or of a company with its registered office abroad whose equity securities are mainly listed (have a primary listing) in whole or in part in Switzerland shall apply for Euronext Growth Paris as well (as long as the company maintains its SIX Swiss listing), with the main terms being as follows:

“Shareholders who reach, falls below or exceeds the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 33.33%, 50% or 66.66 % of the voting rights, whether exercisable or not, must notify this to the respective company and the stock exchanges on which the equity securities in question are listed.”

2.8. Description of the functioning of the General Meeting of Shareholders of the Company

The General Shareholders' Meeting is ruled by the provisions of the Law, in the Articles of Association in matters related to its convene, preparation, celebration and development, as well as the exercise of the rights of information, assistance, representation and vote of the shareholders.

The directors may, whenever they think fit, convene an extraordinary general meeting, and extraordinary general meetings shall also be convened on such requisition, or, in default, may be convened by such requisitionists, as provided by section 132 of the Act. If at any time there are not within the United Kingdom sufficient directors capable of acting to form a quorum, any director or any two members of the company may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be convened by the directors.

All members who are entitled to receive notice under the Articles must be given notice. The Company may give such notice by any means or combination of means permitted by the Act.

The Company's Articles of Association of the Company establishes the following in agreement with the General Meeting:

Voting Rights

Subject to limitations of electronic trading platforms and custodian arrangements, each shareholder of the Company who holds fully paid Shares has the following rights as determined by the Articles of Association and the laws of England and Wales:

- (a) Right to attend and speak at general meetings;
- (b) Right to vote at a general meeting;
- (c) Right to receive dividends.

The rights attached to the Shares only apply to the shareholders listed in the company register. For Shares in the form of uncertificated securities, the nominee will be registered in the company register and not the underlying beneficial owner. Therefore, only the nominee has the right to vote, attend meetings and receive dividends. The rights of the beneficial owners are thus derivative in nature. In practice, the underlying beneficial owners of Shares would normally be contacted by their broker or custodian bank with regard to matters communicated by the Company to its shareholders, such as with respect to shareholder meetings, dividends, etc.

According to section 41 of the Company's Articles no voting rights attached to a share may be exercised at any general meeting unless all amounts payable to the Company in respect of that share have been paid. There are no additional voting restrictions applicable to the Shares under the laws of England and Wales.

Shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the general meeting. A shareholder may appoint more than one proxy in relation to the general meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy does not need to be a shareholder of the Company.

Subject to some specific cases where notice periods may vary including provisions of the Companies Act 2006 which require "special notice", the Directors may call a general meeting to obtain a vote of the members in the following circumstances with the requisite amount of notice:

- (a) for an annual general meeting at least 21 clear days' notice;
- (b) for any other general meeting other than an adjourned meeting, the directors must give shareholders at least 14 clear days' notice.

In the case where there are less than two directors, or one or more of the directors are unable or unwilling to call a general meeting, two shareholders may call such a meeting for the purpose of appointing one or more directors.

Ordinary Resolutions require a simple voting majority to be passed and Special Resolutions a voting majority of 75%, in each case with respect to votes cast at a shareholder's meeting.

It is the shareholders responsibility, gathered at the General Meeting, to decide by legal majority about matters of the competence of the General Meeting, in accordance with article xx of the Companies Act 2006.

The quorums required in the article 49 of the Company Articles of Association are excepted.

All shareholders, including dissidents and those who have not participated in the meeting, shall be submitted to the agreements of the General Meeting, without hurting the rights and actions recognized by Law.

The provisions of the current Law will apply as to the time limits and manner of convening and constituting the Board's General Agreements, and how to adopt agreements.

The precepts of Companies Act will be directly applicable in terms of the duration and manner of convening and constituting the General Shareholders Meeting, and as to how to adopt agreements.

The General Meetings will be held at the place and day indicated by the call within the district where the Company has its legal domicile. However, when the Board of Directors deems it appropriate, may decide that the meeting shall be held at two or more locations, in accordance with Article 58 of the company articles of association, thus indicating it in the call.

The Ordinary Shareholders' Meeting will necessarily take place every year within the first six months of the year to close the Company's management, approve, where appropriate, the accounts of the previous year and decide on the application of the result.

The shareholders will be convened by the Administration of the Company, one month in advance, through an announcement published on the Company's website: <https://www.rnplc.com/investors/corporate-calendar/>

It is the responsibility of the Chairman of the Board to lead the deliberations, which will be oral, grant the floor and determine the duration of the following interventions.

Shareholders who have their shares registered in the corresponding accounting record of the securities represented by book entries five days in advance of the one in which the Meeting is to be held shall be entitled to attend the General Meeting.

3. OTHER RELEVANT INFORMATION

3.1. Main features of the stock on SIX

ISIN CODE: GB00BLG2TX24

Ticker: ALRPD

Shares: Bearer or Registered

3.2. Share price performance



Source : Bloomberg, 31/03/2021 – 5 years share performance

The high volatility of the stock responds to various reasons. Firstly, the company is a small capitalization company where the volume traded tends to be small. For this size of issuers, systemic volatility tends to be high. Secondly, Rapid Nutrition is a health-related company sharing some of the characteristics of life science stocks, which were more volatile than the market, lately, linked to the Covid context. Thirdly, despite positive news flow in terms of product range enlargement as well as the signing of new distribution contracts and the increase in sales in the last three years, the share price stayed stable.



Source : Swiss Stock Exchange, 31/03/2021

3.3. Market Disclosures

Below are all the press releases of "relevant facts" that RAPID NUTRITION has disclosed on SIX in 2019, 2020 and 2021:

| DATE | Disclosure/Announcement |
|--------------------------|--|
| Next publications | |
| 01.2022 | Shareholders meeting |
| 09.2021 | Half-year report |
| 2021 | |
| 05.13.2021 | Shareholders meeting |
| 04.12.2021 | https://www.rnplc.com/news/notice-of-annual-general-meeting |
| 03.31.2021 | Rapid Nutrition releases FY 2020 results |
| 03.14.2021 | Global Brand and Operations Executive Carl Seletz Joins Rapid Nutrition Advisory Board |
| 03.03.2021 | Rapid Nutrition Expands Global Online Distribution with New Amazon Store |
| 02.21.2021 | Rapid Nutrition Launches New Investor Relations Website |
| 02.14.2021 | Rapid Nutrition Guidance Update with Notable 2020 Year-End Results |
| 01.26.2021 | Rapid Nutrition attracts USD 1 million investment with Swiss company Nice & Green to fund its growth strategy |
| 01.24.2021 | Final Date of Trading of The Shares of Rapid Nutrition Plc on SIX Swiss Exchange Trading Platform |
| 01.07.2021 | Rapid Nutrition Attracts second round investment from Swiss Fund |
| 2020 | |
| 12.16.2020 | Rapid Nutrition Plc. (OTCQB: RPNRF) Interview |
| 11.05.2020 | Rapid Nutrition Expands Focus on Growing U.S. Market |
| 10.01.2020 | Delivering Sustainable Growth |
| 08.12.2020 | Rapid Nutrition Welcomed into Entrepreneurs Programme for Business Innovation |
| 06.10.2020 | Rapid Nutrition Awarded Innovation Connections Grant from Australian Government to Support Development of New Cold and Flu Therapy |

| | |
|-------------|--|
| 06.02.2020 | Rapid Nutrition Delivers Latest Market Update with Focus on New Innovative Products and International Growth |
| 04.28.2020 | Rapid Nutrition Expands Global Distribution with New Partnership to Reach France, Italy, Switzerland |
| 04.08.2020 | Rapid Nutrition Announces New Distribution Partnership with Brazilian BFG Brasil Comercio de Vitamin |
| 03.30.2020 | Half Year Results – Well Ahead of Expectations |
| 02.03.2020 | Rapid Nutrition Announces Capital Increase |
| 01.16.2020 | CEO Interview on OTC Markets |
| 01.14.2020 | Rapid Nutrition Plc Trading update |
| 01.09.2020 | Rapid Nutrition Announces Conversion of Convertible Instruments |
| 01.07.2020 | Rapid Nutrition PLC Director Vesta Vanderbeken Acquires 100,000 Shares |
| 2019 | |
| 12.20.2019 | Rapid Nutrition Announces Analyst Coverage Update by Argus |
| 12.05.2019 | Results of Annual General Meeting |
| 12.04.2019 | AGM Statement |
| 11.29.2019 | Rapid Nutrition Announces Swiss Fund Investment |
| 11.02.2019 | Rapid Nutrition Final results |

4. LISTING SPONSOR AND OTHER EXPERTS OR ADVISORS

Rapid Nutrition PLC has designated Banque Delubac & Cie - CIB, (hereinafter, “DELUBAC”) as Listing Sponsor in order to lead the Fast-Track listing and direct admission to trading to Euronext Growth of the Issuer.

Banque Delubac & Cie is headquartered at 16 place Saléon Terras, 07160 Le Cheylard, FRANCE and registered in the Trade and Commerce Register of Aubenas under the number 305 776 890.

5. PRESS RELEASES RELATIVE OF ITS EURONEXT'S IPO



Rapid Nutrition Plc
(“Rapid”, the “Company” or the “Group”)

Admission to trading on the Euronext Growth Paris Market

London (UK) – 18th of June 2021, 8:00 am CET - Rapid Nutrition PLC (Euronext Growth Paris: ALRPD), a natural wellness company focused on the research and development (“R&D”), including manufacturing and distribution of premium science-

based products, sports nutrition, vitamins, dietary supplements, weight-loss and diet management products, today announces that its entire issued share capital consisting of 38,849,541 ordinary shares of £0.01 each (the "Ordinary Shares") will be admitted to trading on Euronext Growth segment, on 22nd of June 2021. Trading is expected to commence at 9:00 am CET under the Ticker "**ALRPD**" (ISIN: GB00BLG2TX24). The Ordinary Shares will continue to trade under the TIDM code "RPNRF" on the OTCQB. The final date of trading on SIX Swiss Exchange is scheduled for Thursday, 22nd July 2021.

The Information Document will be published by the Company on the 21st of June 2021 before 9:00 am, followed by a Rapid Nutrition press release, in accordance with Euronext Rules. This admission to trading did require an Information Document subject to Euronext approval. Detailed regulatory information regarding the Company's Listing will be available in the Information Document, and accessible via: <https://www.rnplc.com>, including the entirety of chapter 1.18 regarding risks in connection with this Admission. Euronext will issue a market notice with the first trading price on Monday the 21st of June.

Mr. Simon St Ledger, Executive Director and CEO of Rapid Nutrition, said: *"The listing represents a new chapter for Rapid Nutrition and we now look forward to expanding our award-winning nutraceuticals product range and geographical presence particularly in Europe. We are excited by the opportunities presented to us as a listed Euronext Growth company, which we believe will enhance our profile, providing access to international investors through the Pan-European platform to support future growth."*

The admission to trading is led by Banque Delubac & Cie - CIB as the exclusive advisor and listing sponsor of Rapid Nutrition PLC.

About the Business

Well established, award-winning wellness brands which contain proven and effective dose to target the main issues relating to weight management and obesity

- **Leisa's Secret®**, a product range comprising a system of premium meal replacement shakes, high potency energy boosting tablets, weight loss tablets and an appetite suppressant powder.
- **System LS™** includes a range of high-protein shakes, organic superfoods, vegan powders, natural metabolism boosters and high-fiber bars, all backed with evidenced-based health benefits.
- **Azurene™** This natural herbal formula is the product of several years of research, including in-vitro testing, scholarly literature and continuing clinical trials ahead of product launch. The herbal ingredients are traditionally used in European herbal medicine to help reduce the severity of symptoms of common colds and flu.

Fast growing international distribution network

- International distribution channels in Europe, Middle East, Asia, Australasia, Africa and North America.
- Product range is sold online and in leading healthcare and retail as well as our ecommerce channels which include Amazon.

A highly experienced and entrepreneurial management team and Board

- Founded in 2001 by Simon St Ledger, the Chief Executive Officer of the Company, the management team and Board have extensive expertise in natural healthcare, financial, M&A and business management.

A profitable and high margin business

- The Group revenue reached \$4.55m for FY2020 period-end (18 months basis) (FY2019 \$3.1m on a 12 months basis)

Clear strategy to grow organically, supplemented by selective acquisitions

The Group's long-term objective is to build a vertically integrated company with a unique position in the life sciences and nutraceutical space. The Directors believe that this strategy enables the Group to impose superior standards of quality control for its products, to strengthen its value chain, and to scale up to optimum business efficacy.

Key pillars of Rapid's growth strategy are:

- Expand distribution into neighbouring countries where the Company is not already present. UK, Europe, Australia, US and China are focus markets for 2021.
- Product innovation and extension-to leverage successful flagship brands Leisa's Secret® and System LS™. Rapid has recently announced the development of a new cold and flu therapy it will bring to market later this year in order to capture new markets and leverage the group's current distribution channels.
- Synergistic acquisitions – the Company will explore acquisitions of assets that produce sound cash flow and are complementary to the Company's operations.

Reasons for Admission

The Admission to trading is intended to give the Group improved profile and visibility internationally to trading, while also providing increasing access to capital as and when further finance is required for further expansion and provide opportunities for the board to use the Ordinary Shares as acquisition capital.

About Rapid Nutrition

Dedicated to the development and distribution of premium, science-based health and wellness brands across the globe, Rapid Nutrition shares a wealth of award-winning products with consumers who are passionate about innovations that are “made by nature, refined by science.” Rapid Nutrition's first-class scientific team matches the experience of its management team to keep both the company and consumers on top of the latest industry trends and developments, while aligning with industry leaders worldwide to deliver effective supplements and solutions. Rapid Nutrition aims to be

the supplier of choice globally by offering premium brands with the highest-quality ingredients to deliver maximum results. For more information, please visit <http://rnplc.com>

Investor Relations Contact

ir@rnplc.com

Disclaimer

This press release contains information on the Company's development prospects and priorities. These indications are sometimes identified by the use of the future, the conditional and forward-looking terms such as "think", "aim to", "expect", "intend", "estimate", "believe", "should", "could", "wish" or, where applicable, the negative form of these terms or any other variant or similar expression. This information is not historical data and should not be interpreted as guarantees that the facts and data stated will occur. This information is based on data, assumptions and estimates considered reasonable by the Company. They are subject to change or modification due to uncertainties related in particular to the economic, financial, competitive and regulatory environment. This information contains data relating to the Company's intentions, estimates and objectives, including market, strategy, growth, results, financial position and cash flow. The forward-looking information referred to in this press release is given only as of the date of this press release. The Company does not undertake any obligation to publicly update any forward looking information contained in this press release, except as required by law or regulation. The Company operates in a competitive and rapidly changing environment; it may not be able to anticipate all the risks, uncertainties or other factors that may affect its business, their potential impact on its business or the extent to which the materialization of a risk or combination of risks could have results that are significantly different from those mentioned in any forward-looking information, it being recalled that none of these forward-looking information constitutes a guarantee of actual results.

Disclosure Requirement

This media information does not constitute an offer to sell, or a solicitation of an offer to buy, any securities. This information does not constitute an offering prospectus within the meaning of article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss or Euronext Exchange. The media release is in accordance with International Reporting Standard: Rule 12g3-2(b) under the Securities Exchange Act ('Rule 12g3-2(b)') permits non-U.S. companies with securities listed primarily on a Qualified Foreign Exchange to make publicly available to U.S investors in English the same information that is made publicly available in their home countries as an alternative to SEC reporting Exchange Act Rule 12g3-2(b).

6. FINANCIAL INFORMATION OF RAPID NUTRITION

Consolidated audited accounts of the years 2020 (18months) and 2019 (12 months)

Company Registration Number 07905640

RAPID NUTRITION PLC

FINANCIAL STATEMENTS

For the period from 1 July 2019
to 31 December 2020

RAPID NUTRITION PLC

FINANCIAL STATEMENTS

For the period from 1 July 2019 to 31 December 2020

| CONTENTS | Page |
|---|-------------|
| Corporate directory | 1 |
| Strategic report | 2 |
| Director's Report | 12 |
| Independent auditor's report to the shareholders | 23 |
| Consolidated statement of profit or loss and other comprehensive income | 29 |
| Consolidated statement of financial position | 30 |
| Consolidated statement of changes in equity | 32 |
| Consolidated statement of cash flows | 33 |
| Parent company statement of financial position | 34 |
| Parent company statement of changes in equity | 35 |
| Notes to the financial statements | 36 |

RAPID NUTRITION PLC

CORPORATE DIRECTORY

For the period from 1 July 2019 to 31 December 2020

| | |
|------------------------------------|--|
| Directors | S St Ledger V Vanderbeken S Kellow |
| Company Secretary | Elemental CoSec Limited |
| Company registration number | 07905640 |
| Registered office | 27 Old Gloucester Street London England WC1N 3AX |
| Auditor | Elderton Audit UK Level 2 267 St Georges Terrace Perth WA 6000 Australia |
| Domicile of the company | United Kingdom |
| Country of Incorporation | England and Wales |
| Legal form of entity | Public Limited Company |
| Stock Exchange Codes | RAP, RPNRF |

RAPID NUTRITION PLC

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2020

The directors present their strategic report on Rapid Nutrition PLC (the "Company") and its controlled entity (hereafter the "Group" or "Rapid Nutrition") for the months period ended 31 December 2020.

Principal activity

Rapid Nutrition is a natural healthcare company dedicated to the development and distribution of premium, science-based health and wellness brands across the globe. Rapid Nutrition shares a wealth of award-winning products with consumers who are passionate about innovations that are "made by nature, refined by science." Rapid Nutrition's first-class scientific team matches the experience of its management team to keep both the company and consumers on top of the latest industry trends and developments, while aligning with industry leaders worldwide to deliver effective supplements and solutions. Rapid Nutrition aims to be the supplier of choice globally by offering premium brands with the highest-quality ingredients to deliver maximum results. For more information, please visit <http://rnplc.com>

The Company was established on the back of its successful and proven weight loss supplement range which is exported multiple markets around the world, and now offers consumers a growing range of health and wellbeing solutions to meet existing and emerging health issues and concerns, as well as a providing number of wider services to the life sciences industry.

Financial Highlights (AUD)

| | 31 Dec 2020 ¹ FY2020 | 30 June 2020 ² Interim | 30 June 2019 FY |
|---------------------|------------------------------------|--------------------------------------|--------------------|
| Revenue | \$4,552,170 | \$3,375,668 | \$3,104,879 |
| Gross profit | \$2,379,175 | \$2,455,429 | \$2,053,041 |

- Revenue for the period reached \$4,552 million, compared to Interim 2020 period-end \$3,375 million and FY 2019 period-end \$3,104 million respectively.
- Gross profit was \$2,379 million (FY2020), compared to \$2,455 million (Interim 2020) and \$2,053 million (FY2019), due to new distribution agreements secured during the period requiring initial marketing support with continued growth anticipated for this year as the company progresses its strategy of bringing to market innovative science-based organic products across multiple categories to anchor future earnings.

The Group's long-term objective is to build a vertically integrated company with a unique position in the life sciences and nutraceutical space. The Directors believe that this strategy enables the Group to impose superior standards of quality control for its products, to strengthen its value chain, and to scale up to optimum business efficacy.

¹ For the period 1 July 2019 to 31 December 2020

² 30 June 2020 interim figures show the comparable period for 30 June 2019

RAPID NUTRITION PLC

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2020

Key pillars of Rapids growth strategy are:

- I. **Expand distribution** into neighbouring countries where the Company is not already present. UK, Europe, Australia, and US are focus markets for 2021.
- II. **Product innovation and extension** - to leverage successful flagship brands Leisa's Secret® and SystemLS™. Rapid has formulated a new treatment that may aid or assist symptoms of cold and flu in order to capture new markets, other new products in development are under development.
- III. **Synergistic acquisitions** the Company will explore acquisitions of assets that produce sound cash flow or are complementary to the Company's operations.

2020 Financial Highlights

Noteworthy annual highlights for Rapid Nutrition for the period in review include:

- Further expansion of the company's global distribution with new partnerships in Brazil, France, Italy, Switzerland, Jamaica and the Caribbean Community (CARICOM). In particular, a new partnership with Cloud 9 Switzerland LLC will support widespread distribution of flagship brand, SystemLS™, as well as a new partnership with professional retail operator BFG Brazil Comercial de Vitaminas (subject to change pending Covid-19 situation in this market).
- Profit for the period is lower compared to FY2019, largely due to the new distribution agreements secured during the period requiring initial marketing support resulting in increased expenses incurred for the period.
- Notable growth through the company's direct-to-consumer channels for its flagship brands, with its recent Amazon store addition, as more consumers seek organic health and wellness products and services. This model will be scaled throughout the UK and Europe in the 2021.
- Employment of Australia's "job keeper program" and Covid-19 relief package to support its Sydney retail location and retain key personnel during a difficult year for retail. Furthermore, the group implemented a Covid-19 safety plan and was officially registered as a COVID Safe business.
- Expansion of the company's ecommerce channel and online partnerships worldwide as well as preparations for a new corporate website.
- Furthered preparations to launch a significant oral anti-viral prevention therapy designed to help relieve symptoms of colds and the flu, which was granted an Innovation Patent in 2016.
- Awarded an Innovation Connections Grant from the Australian Government to support development of its cold and flu therapy. The company was also accepted into the touted Entrepreneurs Programme, which shares expert advice, funding and incentives to help businesses innovate, compete and grow.

RAPID NUTRITION PLC

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2020

- The group incorporated Rapid Nutrition Science, which will house the intellectual property for the herbal anti-viral and focus on in-house development of cutting-edge natural science formulas. This will provide the Group with an exclusive worldwide licensing deal in a category which is expected to witness meaningful growth. The company also strengthened its management team with key hires with expertise in life sciences.
- Bolstering the company's balance sheet with recent institutional investment to provide greater capitalization for 2021, while at the same time the Company has written down the value of its financial asset Motivate Health Technologies, Inc. (refer Note. 11 – Financial Assets) and its investment in 'Streamcast Marketing LLC' (refer note. 12 - Investments), both being difficult to assess in view of the continued Covid-19 environment.

Management Commentary

Despite a difficult year for retail and a wealth of uncertainty in global markets, Rapid Nutrition evolved with innovation and insight to deliver impressive period-end results for 2020, with an eye ahead towards 2021 expansion.

With proof that we are able to not only survive but also thrive during unprecedented conditions, our team looks forward to further growth as health and wellness remain top of mind in 2021. Management is grateful to the strength and poise showcased by our entire team and board this year, which helped Rapid Nutrition grow and continue to look ahead during these challenging times.

With a focus on delivering shareholder value and transparency, Rapid Nutrition's leadership team and board of directors continue to focus on multi-channel delivery, intellectual property and global growth, chiefly in the cold and flu category and the rapidly growing vegan market. In the year to come, Rapid Nutrition will also extend marketing initiatives into retail stores as they continue to reopen while maintaining focus on its successful direct-to-consumer initiatives.

2020 reminded everyone how important good health is to quality of life, and we are proud to be a trusted partner in delivering the best in health and wellness products. We know the best is yet to come.

With continued expansion into key markets across the globe, the company anticipates organic growth through its organic products, spearheaded by science-driven product innovation in 2021 and beyond.

RAPID NUTRITION PLC

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2020

The Year In Review

Simon St Ledger, Executive Chairman said:

Introduction

2020 was a year to remember—as well as one that many would probably rather forget—for everyone. At Rapid Nutrition, the year saw its fair share of highs and lows along with the world at large. While every company across the globe was impacted by the pandemic in some shape or form, Rapid Nutrition is fortunate to sit in the health and wellness life science sector, which saw growth due to consumers' increasing focus on seeking and maintaining good health.

On behalf of Rapid Nutrition's Board of Directors, I would like to thank our dedicated, diligent team who responded and quickly adapted to the global challenges with creativity, decisiveness and inspiration. Our international team has been and will be critical to our overall growth and success.

As with most companies, the theme of the year is how we responded to Covid-19, pivoting and evolving in the face of the unknown with an ongoing dedication to sharing health and wellness products and information with consumers and partners across the globe.

Operation Review

While our brands have flourished in the past year with meaningful interest in health and immunity, the B2B component of our business has been impacted to a certain extent by retailers that have been forced to close due to multiple lockdowns or markedly alter their operations in the wake of the pandemic. Likewise, our retail store in Sydney, located in a one-time Covid-19 hot spot, saw a significant decline in sales during the period.

Fortunately, our business model is not focused on retail and Australia in particular has handled the pandemic exceptionally well while our management team has put in place stringent distancing and cleaning protocols. We have also taken advantage of the governments 'job keeper program' designed to mitigate the impact of Covid-19 in order to retain key staff during this period as well as the Covid relief package to maintain our store lease. We remain incredibly proud of our management and staff—during challenging and changing times, they continue to show up and show a clear sense of enthusiasm and passion for health and wellness.

With more direct-to-consumer channels for flagship brands, our supply chain has functioned without interruption over the past year; Rapid Nutrition has always used a variety of contract manufacturers to mitigate risk in meeting demand, which proved especially fruitful this year.

Rapid Nutrition has written down certain assets due to the impact of the pandemic, however in our opinion, this had no impact on the underlying core business and is rather the decision of the board to reflect these assets onto our balance sheet accordingly. The group holds shares in Motivate Health Technologies, Inc ("MHT") and Streamcast Marketing LLC ("SCM"). MHT offers unique Intellectual Property for the group with exciting potential, however, to place a value on this during such uncertain times is difficult and therefore the board believes writing down the value of MHT to the assets only is more appropriate. Furthermore, SCM was to support the group's online marketing efforts primarily in the United States. As Covid-19 has severely interrupted its services, Rapid Nutrition management made

RAPID NUTRITION PLC

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2020

a decisive move to engage an established team in the United States to drive the advertising of its brands across the country and write off the SCM assets on its balance sheet.

Business Strategy

Prior to the pandemic, Rapid Nutrition announced its established ecommerce channel, expanding online partnerships and online business worldwide. While this channel was already growing, current conditions that have spurred more online shopping continue to magnify interest in ecommerce. Additionally, the Covid-19 pandemic also sparked increased purchasing in health and wellness categories as consumers focused more resources on developing a strong immune system.

In particular, the company announced a new partnership to distribute its flagship brand, SystemLS™, throughout Brazil, partnering with professional retail operator BFG Brazil Comercial de Vitaminas LTDA to further develop international growth. Brazil, in particular, has been negatively impacted by the pandemic, although plans remain in place for future growth in this area.

Rapid Nutrition further expanded its global distribution through a new partnership with Cloud 9 Switzerland LLC. The agreement will support distribution of Rapid Nutrition's flagship brand, SystemLS™, throughout France, Italy, Switzerland, Jamaica and CARICOM. The partnership continues to progress well, with our opening order fulfilled in the last quarter of 2020.

Sustainability

The group is conscious of its Environmental, Social and Governance (**ESG**) and continues to adopt sustainable practices and create positive social impact. Our aim is to create sustainable growth through our brands, reduce costs and risks and build organisational capability in order to generate long-term value for our stakeholders.

Environmental matters

There are no environmental issues arising from the group's business that might affect the future strategic direction or results of our group.

Greenhouse Gas Emissions

The group's operations are in the sale of health and wellness products, in which greenhouse gas emissions are estimated to be negligible. Our company is aware that it needs to measure its operational carbon footprint to limit and control its environmental impact. However, it has not been practical to measure carbon footprint during this period, therefore the information is not included. In the future, Rapid Nutrition will solely measure the impact of its direct activities, as the full impact of the entire supply chain of its suppliers cannot be measured practically.

Energy & Carbon Report

The group believes that it consumed less than 40MWh during this period as a low energy user, therefore further energy and carbon information has not been disclosed.

RAPID NUTRITION PLC

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2020

People

Rapid Nutrition's development team matches the experience of its management team to keep both the company and consumers on top of the latest industry trends and developments, while aligning with industry leaders worldwide to deliver effective supplements and solutions.

We will continue to develop our teams to ensure we have the skills and leadership required to make the business an ongoing success.

Outlook for the period ahead

Going forward, Rapid Nutrition will increase focus on direct-to-consumer channels, Amazon, in particular, where the group went live with its store in January. We will then scale this model throughout the UK and Europe in the second quarter.

As the group continues to build on its strong operational presence and key distribution relationships, Rapid Nutrition maintains focus on increasing shareholder value. As part of our continued efforts to enhance communications with the investment community, we're excited to launch our new corporate website, which provides access to important information while maximizing corporate transparency and other valuable resources for investors, analysts, media and stakeholders.

We continue to believe there is a compelling fundamental investment case to be made to both current and prospective shareholders. This new website should serve as an invaluable resource to keep our shareholders well informed of our progress, and to increase market awareness for the Rapid Nutrition brand within the investment community. We believe the new website conveys the Rapid Nutrition story, our long-term strategic objective and strong value proposition, as we continue to work toward maximizing value for our shareholders.

As announced in the last quarter of 2020, Rapid Nutrition made the decision to delist on the SIX Swiss Exchange to streamline efficiencies following limited after-market support and Swiss/EU challenges. SIX approved the delisting of the shares, which will take place on 23 July 2021. The last trading on SIX Swiss Exchange is scheduled for 22 July 2021. The board's priority is to ensure it maintains a listed venue where stakeholders and investors can trade. At present this is Six Swiss Exchange and OTQB. The company further bolstered its balance sheet by securing a second-round investment of \$300,000 from a Swiss family office in the fourth quarter and \$1,000,000 from a Swiss funder group in January, ensuring it is well-capitalized leading into 2021 and the ever-changing Covid-19 environment.

Additionally, Rapid Nutrition was awarded an Innovation Grant by the Australian government to further research into a new formula designed to prevent colds and flus and accepted into the touted Entrepreneurs Programme, which provides expert advice, funding and incentives to help businesses innovate, compete and grow. The anti-viral formula is the result of several years of research, including in-vitro testing, scholarship literature and clinical trials, with product launch anticipated for 2021. Rapid Nutrition further leverages government support through the Export Marketing Development Grant, which subsidizes up to fifty percent of marketing and export expenses for Australian companies.

While the ongoing impact of Covid-19 is uncertain, Rapid Nutrition is well-positioned to see further growth by ensuring a multi-channel approach within the health and wellness industry to ensure we

RAPID NUTRITION PLC

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2020

mitigate risk and optimize sales of our premium brands. Continued expansion in key markets across the globe and continued focus on the expansion of science-driven product innovation will be hallmarks of the year to come.

Principal Risks and Uncertainties

The following are the principal risk factors that the Board believe could materially affect the Group's performance and prospects.

Regulatory Risk

If the regulations affecting our products change, the Group will need to quickly adapt its product formulations to ensure compliance and facilitate continuing sales. At this stage, because Australian regulators operate very stringent policies on all products, having passed the Australian test gives the Group a strong foundation to take its products into foreign markets and get local endorsement too; nevertheless, this has been recognised as a potential risk.

Liquidity Risk

This is the risk that the Group does not maintain sufficient liquidity risk headroom to ensure it can always meet its working capital requirements as they fall due. The Group manages this risk through careful cash management policies. To meet its short-term obligations, the Group has the support of several key shareholders who are willing to provide funds to the group on an as needed basis.

The Company is in its growth phase, revenues are low vs. costs. However, the Company has support from its shareholders for funding and is anticipating sales growth in the coming year to improve cashflow substantially. Furthermore, the Company has recently secured significant institutional investments to ensure it is well capitalised to support its forward initiatives. The Company continues to re-invest profits from its trading revenues to support organic expansion of its global distribution into neighboring markets where the Company is not already present. The Company is profitable and expects to have sufficient cashflow to enable organic growth to be sustained at current rates.

Foreign Exchange

The Group's main financial asset – shares held at fair value through the profit and loss – are denominated in US dollars, so the risk of any adverse movement in the foreign currency exchange rates is borne by the Group.

As at 31 December 2020, if the US dollar had strengthened/weakened by 5% against the Australian dollar with all other variables held constant, comprehensive income for the period and assets would have been adjusted higher/lower, as a result of foreign exchange gains/losses on transaction of the financial asset.

Pandemic Risk / COVID-19

The Group is exposed to the impact of the recent outbreak of COVID-19 and the risks relating to measures imposed by national governments to control the outbreak. The Group recognises the risk of a potential fall in revenue and profitability due to lower general economic activity.

RAPID NUTRITION PLC

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2020

Brexit/Regulatory changes

Brexit remains an unknown quantity that could impact consumer confidence and suppress economic activity. Regulatory changes, whether or not connected to Brexit, could have an adverse impact upon

the Group. The Group monitors legislative and regulatory changes and alters its business practices where appropriate.

On-line Marketing/Technology shifts

The Group relies the various technology platforms to drive revenue through acquisition of new customers and the re-marketing to existing customers. The digital channel has become increasingly competitive with the major technology platforms moving to complex algorithms to determine bid costs. The Group recognises these shifts and is constantly reviewing bid costs in conjunction with using alternative avenues available in digital channel markets.

Loss of Key Personnel

An unforeseen loss of key personnel would be damaging to the Group and could result in the loss of key corporate knowledge. The Group has a continuity program in place to ensure that Directors would be able to minimise the disruption caused by the potential loss of key personnel.

Environmental Matters

There are no environmental issues arising from the Group's business that might affect the future strategic direction or results of our Group.

Employees

In line with *Companies Act 2006* requirements, we present the following breakdown of our employee structure:

| <i>Role</i> | <i>Number of Men</i> | <i>Number of Women</i> |
|-----------------|----------------------|------------------------|
| Directors | 2 | 1 |
| Senior Managers | 2 | 2 |
| Other Employees | 1 | 3 |

The Group further contracts teams to service the Groups marketing, advertising, digital & IT as well as field sales teams.

Financial Review

Overview

The Group delivered a positive revenue performance against unprecedented trading conditions. This was driven by some good overall gains with solid growth in Australian sales which was expected due

RAPID NUTRITION PLC

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2020

to the reasonable success Australia has achieved managing COVID-19. The Group revenues grew 46% to \$4.552m for 2020 period-end³, which the accounting reference date was extend by 6 months

(FY2019 year-end: \$3.104m). Underlying operating profit before tax was reduced to a profit of \$0.295m (FY2019: \$1.019m profit) as a result of new market rollouts.

Gross profit increased by 15% to \$2.379m, in FY2020 as compared to FY2019 of \$2.053m. The demand and competition grew incrementally more competitive during the lockdown period and as a consequence bundling propositions had to be more competitive. The significant lack of more stable retail revenue over the last quarter also had a substantial impact.

Direct product costs expenditure was \$2.274m, 257% higher than the previous year (FY2019: \$0.883m) driven by new distribution contracts secured throughout the period and an extending accounting reference date. Furthermore, inventory was planned and ordered in line with pre- COVID budgeted activity. Online marketing expenditure increased throughout the period in order to capitalise on the direct-to-consumer ("DTC") channels, whilst there were on-going challenges with retail marketing support through the B2B channels, resulting in a lower advertising and gate fee spend in all major retailers as stores were either closed or on restricted trading during the peak period

The Company has taken a conservative approach to valuing its assets by writing down Motivate Health Technologies Inc down 91% to \$534,087 and Streamcast Marketing LLC down 100% to Nil, both being difficult to assess in view of the continued Covid-19 environment, however, this has had zero impact on the underlying business and is rather the decision of the board to reflect these assets onto our balance sheet accordingly.

Cash and net debt

The Group has preserved cash well during the pandemic and continues to manage external debt. Cash and equivalents balance were \$456,000 as at 31 December 2020 up from \$243,576 in the previous year. Trade and other payables decreased to \$1.21m (FY2019: \$1.71m) with Receivables increased to \$3.48m (FY2019: \$2.78m) largely due to the timing of recognising the receivables that are outside the reporting period, which a portion has been received post balance sheet close.

Taxation

The Group has unrecognised deferred tax assets in respect of reversal of unrealised gain recognised on financial assets of \$912,340 (2019: NIL). These have not been recognised on the basis that there is an uncertainty regarding the availability of sufficient future taxable profits due to the inherent uncertainties, such as the impact of COVID in the relevant jurisdictions, and therefore the assets will not be realisable.

Dividends

The Board has elected not to declare a dividend at this time.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out above.

The Directors have prepared Group forecasts and projections, which show that the Group has a reasonable expectation of maintaining sufficient working capital to enable the Group to meet its liabilities

³ For the period from 1 July 2019 to 31 December 2020

RAPID NUTRITION PLC

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2020

as they fall due for the foreseeable future, being a period of not less than 12 months from the date of approval of this report. At 31 Dec 2020, the Group had cash balances of \$456,000 up 187% compared to (2019: \$243,576). Furthermore, post balance sheet close the Group has entered into an agreement for the issuance and subscription of convertible notes up to USD\$1m with Nice & Green an independent Swiss investment strategy.

After making appropriate enquiries, the Directors continue to adopt the going concern basis in preparing the annual report and accounts.

By order of the board



Simon St Ledger
Managing Director
31 March 2021

RAPID NUTRITION PLC

DIRECTORS' REPORT

AS AT 31 DECEMBER 2020

The Directors present their annual report and financial statements and auditors report of the Group for the year ended 31 December 2020.

Directors

The Directors who served the Group during the period are as follows:

Mr Simon St Ledger
Mr Shayne Kellow
Ms Vesta Vanderbeken

All directors were in office for the entire period unless otherwise disclosed.

Simon St Ledger

Nationality: Australian

Simon St Ledger, Executive Director, Chairman and CEO, appointed 11 January 2012

Simon St. Ledger has been a personal trainer and dietary consultant, and an advisor to numerous health clubs and organisations. In the two decades that he has been in the industry, Simon St Ledger has amongst other things managed national fitness equipment suppliers and was chiefly responsible for the establishment of the Australian National Weight Loss Clinic.

Mr St Ledger was named a finalist for the 2012 Brisbane Young Entrepreneur Award. Simon St Ledger also made the Subsidiary worthy of the 2013 Premier of Queensland's Export Award in the Health and Biotechnology category. This recognition earned the Subsidiary a place in the national finals of the 51st Australian Government Export Awards, representing Queensland in the small business category.

Shayne Kellow

Nationality: Australian

Shayne Kellow, Non-Executive Director, appointed 13 October 2017

Shayne Kellow brings with him over twenty-five years of experience in institutional and business development, corporate finance and international sales. He has first-hand experience, establishing global distribution networks within the healthcare industry, in particular South-East Asia, Middle East and the Americas. Previous roles include Business Operations Manager of the Australian Business Development Centre, which involved mentoring and advising Business Startup for over 250 new businesses. He was the Founding Director of Elmore Oil, a successful healthcare company manufacturing and distributing natural lotions with therapeutic benefits to over 12 countries.

Vesta Vanderbeken

Nationality: Australian

Vesta Vanderbeken, Non-Executive Director, appointed 27 July 2018

Vesta Vanderbeken has had over two decades of investment banking and corporate finance experience across various industries, including diversified industrials, consumer services, infrastructure, power, utilities, telecommunications, entertainment and agriculture. Vesta has held senior roles in Investment, Institutional and Corporate Banking with the Australia and New Zealand Banking Group Limited, ANZ Investment Bank and worked on some of the largest institutional and project finance deals in Australia.

RAPID NUTRITION PLC

DIRECTORS' REPORT

AS AT 31 DECEMBER 2020

Vesta has a Bachelor of Applied Economics degree from the University of South Australia, a Graduate Diploma in Applied Finance and Investments from the Financial Services Institute of Australia and completed studies in entrepreneurship at Stanford University.

Company Secretary

The following served as Company Secretary during the period:

Elemental Company Secretary Limited, London

The Company Secretary of the Company is Elemental Company Secretary Limited ("Elemental CoSec")
The Company Secretary's general responsibilities are:

- annual compliance services;
- support for the general meeting of the Company;
- drafting of the notice of general meeting;
- drafting of the proxy form, board minutes calling the meeting, chairman's script and ancillary documents;
- ad hoc advice on the proposed resolutions;
- attendance at the meeting in person or by telephone conference;
- drafting of the minutes of the meeting; and
- filing any relevant resolutions with Companies House.

Meetings of the Directors

During the year to 30 December 2020, the directors attended the following meetings of the board of directors.

| | Meetings eligible to attend | Meetings attended |
|-------------------|-----------------------------|-------------------|
| Simon St Ledger | 10 | 10 |
| Shayne Kellow | 10 | 10 |
| Vesta Vanderbeken | 10 | 10 |

Review of the Business

Please refer to the Strategic Report for information on the Group, its strategic direction, this year's results, and plans for the future.

Business Model

The Group's business model is the development and distribution of premium, science-based health and wellness brands, with a focus on expanding its market share by providing innovative products to its customers that meet their needs and wants, while continuing to break into new geographical locations and thus making Rapid Nutrition a truly global business.

Branches outside the UK

The Group's registered office is in London, United Kingdom. Due to the impact of COVID-19, the Group does not utilize this office whilst the pandemic is ongoing. Offices are maintained in Australia.

RAPID NUTRITION PLC

DIRECTORS' REPORT

AS AT 31 DECEMBER 2020

Environmental matters

There are no environmental issues arising from the Group's business that might affect the future strategic direction or results of our Group.

Greenhouse Gas Emissions

The Group's operations are in the sale of health and beauty products, in which greenhouse gas emissions are estimated to be negligible. The Group is aware that it needs to measure its operational carbon footprint in order to limit and control its environmental impact. However, it has not been practical to measure its carbon footprint during this period therefore the information is not included. In the future, the Group will only measure the impact of its direct activities, as the full impact of the entire supply chain of its suppliers cannot be measured practically.

Energy & Carbon Report

The Group believes that it consumes less than 40MWh during this period and a low energy user therefore further energy and carbon information has not been disclosed.

Social, Community & Human Rights issues

The Board are constantly monitoring the Group's social & community impact, both for its own staff and the wider community of end-users for its products. The Board are mindful of Human Rights issues in the jurisdictions it operates in and aims to maintain the highest standards of care and conduct in all its relations to ensure Rapid Nutrition exceeds any required standard in this area.

Suppliers

Our supplier relationships are an important part of being able to innovate and offer trusted value to customers. In 2020, we focused on improving our supply chain; an essential facet of our strategy and one that can only be driven forwards through continuing, close engagement with our suppliers.

Customers and Retailers

Ensuring the customer is at the heart of every decision is crucial to the Board's strategy. This year, we have focused on our customers by building our DTC offering and working hard to understand more about them. We engage directly with customers through social media and continue to spend time learning about what they want and how we can help them. We continue to build on our relationship with the retailers we work with and have found that COVID has presented a huge opportunity to work with them during this challenging time.

Dividends

At this stage of the Group's development, no dividends have been recommended. All monies generated by the Group's operations are to be retained for the future growth and development of the Group's offerings to market.

Research and Development

The Group undertakes a variety of research activities into potential new products and new formulations that could form part of their future offerings to customers. The Group classifies all such spending as research and expenses the costs accordingly.

It is the view of the directors at this stage that the Group is unable to confirm the potential flow of benefits from new products (other than the awarded innovations connections government grant disclosed on 10 June 2020) until they arrive to market. Given that, it is not possible to capitalise these

RAPID NUTRITION PLC

DIRECTORS' REPORT

AS AT 31 DECEMBER 2020

expenditures as development.

Financial Instruments

The Group holds shares in other companies, Motivate Health Technologies, Inc., Streamcast Marketing LLC (both have been written down as disclosed in the directors report and the annual financial statements according to IFRS accounting principles (refer Notes 11 & 12), Rapid Nutrition Asia Pty Ltd., Rapid Nutrition Australia Pty Ltd, Rapid Nutrition Canada Inc. and Rapid Nutrition Science Pty Ltd. Information regarding the Group's financial risk management objectives and policies, including exposure to market, credit and liquidity risks, are presented in Note 26 to these financial statements.

Capital Structure

At 31 December 2020, the ordinary share capital of Rapid Nutrition PLC consisted of 38,849,541 shares, with a nominal value of GBP 0.01 each. There are no restrictions on the transfer of securities in the Company, and no restrictions on voting rights.

Post Balance Sheet Events

On the 7th of January 2021, the company announced it has collectively placed convertible instruments to the value of USD\$333,983. Notably a convertible bond of USD300,000 led by Swiss Asset Manager

On the 24th of January 2021, the company's delisting application request during the last quarter was approved by SIX Exchange and final date of trading on the shares of Rapid Nutrition PLC on SIX Swiss Exchange. The delisting of the shares takes place on Friday, 23 July 2021. The last trading day on SIX Swiss Exchange is scheduled for Thursday, 22 July 2021. Rapid Nutrition PLC will delist its shares from SIX Swiss Exchange. The Company will continue to trade its shares on the OTCQB and intends to maintain some form of European listing for shareholders.

On the 26th of January 2021, the company announced it has entered into an agreement for the issuance and subscription of USD\$1,000,000 in convertible notes, each with a 12-month conversion period with Nice & Green an independent Swiss investment company. The financing will be used to accelerate the company's growth strategy.

Other than as disclosed above, the directors are not aware of any significant events since the end of the reporting period.

Corporate Governance

As envisaged by the UK Corporate Governance Code, which is not statutory law but a set of principles that represent good corporate governance practice and has been widely adopted by UK companies, the Board has established Audit, Remuneration, Nomination and Disclosure Committees.

Internal Controls

The Board is responsible for the Group's system of internal control and for reviewing its effectiveness. The controls are appropriate for the Group in its current state. The Audit Committee consider each year if the current level of internal control is appropriate. On advice from the Audit Committee, the Board does not consider any additional independent verification of the system of internal control to be

RAPID NUTRITION PLC

DIRECTORS' REPORT

AS AT 31 DECEMBER 2020

required, based on the size of the Company and the Group, and the non-complex nature of both its management systems and financial structure.

The Group operates certain controls specifically relating to the production of consolidated financial information covering operational procedures, validation and review. The above procedures reflect the Group's commitment to ensuring it has policies in place that ensure high standards of integrity and transparency throughout its operations. Further, when these procedures detect unauthorised practises, the Group is committed to correction of such events.

The Group is committed to analysing its internal controls to make them more robust and further limit the risk of such incidents. The Board believes such action properly reflects the Group's commitment to financial discipline and integrity at all levels. The Board has reviewed the effectiveness of internal control systems in operation during the financial period through the processes set out above and no weaknesses or failings were identified.

Audit Committee: The Audit Committee has responsibility for, among other things, the monitoring of the financial integrity of the financial statements of the Group and the involvement of the Group's auditors in that process. It focuses in particular on compliance with accounting policies and ensuring that an effective system of internal financial controls is maintained. The ultimate responsibility for reviewing and approving the annual report and accounts and the half-yearly reports remains with the Board. The Audit Committee will normally meet at least three times a year at the appropriate times in the reporting and audit cycle.

The terms of reference of the Audit Committee cover such issues as membership and the frequency of meetings, together with requirements for quorum and notice procedure and the right to attend meetings. The responsibilities of the Audit Committee covered in the terms of reference are: external audit, internal audit, financial reporting and internal controls and risk management. The terms of reference also set out the authority of the committee to carry out its responsibilities. The Audit Committee's terms of reference require that it comprise two or more independent non-executive Directors, and at least one person who is to have significant, recent and relevant financial experience. The Audit Committee currently comprises two members being independent non-executive Director, and independent non-executive adviser. The committee is chaired by the non-executive director.

Remuneration Committee: The Remuneration and Nomination Committee has responsibility for considering and making recommendations to the Board in respect of appointments to the Board, the Board committees and the chairmanship of the Board committees. It is also responsible for keeping the structure, size and composition of the Board under regular review, and for making recommendations to the Board with regard to any changes necessary.

The responsibilities of the Remuneration and Nomination Committee covered in its terms of reference include: review of the Board composition; appointing new Directors; reappointment and re-election of existing Directors; succession planning, taking into account the skills and expertise that will be needed on the Board in the future; reviewing time required from non-executive directors; determining membership of other Board committees; and ensuring external facilitation of the evaluation of the Board.

The Committee is further responsible for the determination of the terms and conditions of employment, remuneration and benefits of each of the Chairman, executive Directors, members of the executive and the company secretary, including pension rights and any compensation payments, and recommending and monitoring the level and structure of remuneration for senior management and the implementation of share option or other performance-related schemes. The Remuneration and Nomination Committee will meet at least twice a year.

The terms of reference of the Remuneration and Nomination Committee also cover such issues as membership and frequency of meetings, together with the requirements for quorum and notice procedure and the right to attend meetings. The responsibilities of the Remuneration and Nomination

RAPID NUTRITION PLC

DIRECTORS' REPORT

AS AT 31 DECEMBER 2020

Committee covered in its terms of reference are: determining and monitoring policy on and setting levels of remuneration; early termination, performance-related pay and pension arrangements; reporting and disclosure of remuneration policy; share schemes (including the annual level of awards); obtaining information on remuneration in other companies; and selecting, appointing and terminating remuneration consultants. The terms of reference also set out the reporting responsibilities and the authority of the committee to carry out its responsibilities.

The Remuneration and Nomination Committee comprises 2 members; non-executive director and an independent non-executive adviser. The committee is chaired by non-executive adviser.

Disclosure Committee: The Disclosure Committee is responsible for, among other things, helping the Company make timely and accurate disclosure of all information that it is required to disclose under its legal and regulatory obligations. The Disclosure Committee will meet at such times as shall be necessary or appropriate.

The Disclosure Committee's terms of reference deal with such issues as membership and frequency of meetings, together with the requirements for quorum and notice procedure and the right to attend meetings. The responsibilities in the terms of reference of the Disclosure Committee relate to the following: determining the disclosure treatment of material information; identifying insider information; assisting in the design, implementation and periodic evaluation of disclosure controls and procedures; monitoring compliance with the Company's disclosure procedures and share dealing policies; resolving questions about the materiality of information; insider lists; reviewing announcements dealing with significant developments in the Company's business; and considering the requirements for announcements in case of rumors relating to the Company.

The Disclosure Committee comprises the non-executive Director, the independent non-executive corporate advisor and the independent non-executive advisor. The Committee is chaired by non-executive corporate advisor

Information relating to the Groups Corporate Governance Code can be viewed on the Company's website: *Search Path: www.mplc.com/corporate/governance/*

Diversity Policy

The Board is satisfied that it has the appropriate balance of skills, experience and expertise necessary, and will give due regard to diversity in the event of further changes to both its own membership and/or the membership of the senior management team.

Indemnification of Officers

Insurance premiums have been paid by the Company for director's and officers' liability in relation to the Group.

No indemnities have been given, during or since the end of the financial period, for any person who is or has been an officer or auditor of the consolidated auditor of the Group.

Proceedings on Behalf of the Group

No person has applied for leave of court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

The Group was not a party to any such proceedings during the period.

RAPID NUTRITION PLC

DIRECTORS' REPORT

AS AT 31 DECEMBER 2020

Director's Interests

At the period end date, the directors of the Company had the following interests in the shares of the Company, through both direct and indirect holdings:

| Director | Shares Held on 1 July 2019 ¹ | Shares acquired during year | Shares disposed during the year | Shares held on 31 Dec 2020 |
|-------------------|---|-----------------------------|---------------------------------|----------------------------|
| Simon St Ledger | 6,115,050 ² | - | - | 6,115,050 |
| Shayne Kellow | 272,022 | - | - | 272,022 |
| Vesta Vanderbeken | - | 100,000 | - | 100,000 |

¹ The number of Shares and/or the number of options refers to the number of Shares and/or the number of options held as of 31 December 2020.

² The 3,666,592 Shares are held by JBG Corp Pty Ltd, which is a company controlled by the wife of Simon St Ledger. 2,448,458 Shares are held directly by Simon St Ledger.

Remuneration Report (audited)

Policy & Practice

The Remuneration committee review the Executive and Non-Executive Director salaries and fees each year. Adjustments were made to reflect the comparative fees paid to a band of similar sized listed companies.

The Group operates on a strictly 'capital efficient' approach and therefore director's remuneration has been based on conservative market matching rates each year in order to act in the best interest of the Company during the Company's growth phase. As at 31 December 2020, outside of existing shareholdings, Executive Director Simon St ledger is entitled to performance components included in director's remuneration.

Simon St Ledger's employment terms, as formalized by board resolution and contract, dated 1st July 2019 which specifies a salary of AUD\$165,000 per annum. A car allowance up to AUD\$1000 per month and the required Super/pension payments at 9.5% per annum. The director will also be entitled to an executive bonus which shall not exceed 10% of remuneration and determined at the sole discretion of the board.

Refer the Company's Corporate Governance Code for further details on the Remunerations Committee and its responsibilities.

Reference Search Path: www.mplc.com/corporate/governance

Contracts

Directors' remuneration in its various forms was agreed by Board resolution, and where applicable reviewed each year and formalised by contracts, and these arrangements will continue until re-visited by either party. Thus, there has been no specification of termination benefits for directors at this time.

RAPID NUTRITION PLC

DIRECTORS' REPORT

AS AT 31 DECEMBER 2020

Amount of emoluments & compensation

Directors' salaries have been agreed in Australian dollars. This means that, absent any increased salary or reward, the British pound value of director's remuneration will still fluctuate year on year due to exchange differences.

| 2020 | Salary (\$) | Superannuation (\$) | Consultancy Fees (\$) | Total (\$) |
|--------------------------------|-------------|---------------------|-----------------------|------------|
| Simon St Ledger ^{1 2} | 273,500 | 26,006 | - | 299,506 |
| Vesta Vanderken ³ | - | - | - | - |
| Shayne Kellow ² | - | - | \$21,680 | 21,680 |

¹ – Simon St Ledger's employment terms, as formalized by board resolution and contract, dated 1st July 2019 which specifies a salary of \$165, 000 per annum. A car allowance up to \$1000 per month and the required Super/pension payments at 9.5% per annum. The director will also be entitled to an executive bonus which shall not exceed 10% of remuneration and determined at the sole discretion of the board.

² – Shayne Kellow has been provided with the use of a vehicle owned by the consolidated entity for their personal use. Mr Kellow's vehicle was acquired in a prior period for \$50,459

³ – Vesta Vanderbeken's was provided with relevant contract that has been executed prior to the appointment. The fee payable for carrying out her duties is an annual gross amount of GBP 12,000 (\$21,680).

| 2019 | Salary (\$) | Superannuation (\$) | Consultancy Fees (\$) | Total (\$) |
|------------------------------|-------------|---------------------|-----------------------|------------|
| Simon St Ledger ¹ | 150,000 | 14,250 | - | 164,250 |
| Shayne Kellow | - | - | - | - |
| Vesta Vanderbeken | - | - | 16,281 | 16,281 |

¹ – Simon St Ledger's employment terms, as formalised by board resolution, specify a salary of \$150,000 per year. As of 30 June 2019, all salary owing is \$150,000

² – Vesta Vanderbeken was provided with relevant contract that has been executed prior to the appointment. The fee payable for carrying out her duties is an annual gross amount of GBP 12,000 (\$21,680).

Refer the Company's Corporate Governance Code for further details on the Remunerations Committee and its responsibilities. *Search Path: www.rnpic.com/corporate/governance/*

The Committee is responsible for the determination of the terms and conditions of employment, remuneration and benefits of each of the Chairman, executive Directors, members of the executive and the company secretary, including pension rights and any compensation payments, and recommending and monitoring the level and structure of remuneration for senior management and the implementation of share option or other performance-related schemes.

Through the implementation of the Committee, the Board seeks to align the interests of Executive Directors and other senior management with those of shareholders, within the framework set out in the UK Corporate Governance Code. Central to this Policy is the Company's commitment to long-term, performance-based incentivisation and the encouragement of share ownership, both of which are aligned to embedding an 'ownership mindset' within the Company's culture.

RAPID NUTRITION PLC

DIRECTORS' REPORT

AS AT 31 DECEMBER 2020

The primary objective of the Policy is to promote the long-term success of the business by ensuring remuneration reflects business performance and personal contribution to the delivery of the Company's strategy in a way which creates long-term shareholder value.

The Committee seeks to ensure that:

- The Company will attract, motivate and retain individuals of the highest calibre;
- Executive Directors and senior management are rewarded in a fair and balanced way which promotes the long-term success of the Company;
- Executive Directors and senior management receive a level of remuneration that is appropriate to their scale of responsibility and individual performance;
- The overall approach to remuneration has regard to the sector and geography within which the Company operates and the markets from which it draws its Executive Directors and senior management; and
- Risk is properly considered in setting the Policy and in determining remuneration packages.

The Group operates on a strictly 'capital efficient' approach and therefore director's remuneration has been based on conservative market matching rates in order to act in the best interest of the Company during the Company's growth phase.

The elements of the remuneration package for the Executive Directors and other senior management are annual salary, retirement benefits and allowances, employee annual bonus plan and participation in a share option scheme, which promotes the creation of sustainable shareholder value.

Salaries are reviewed annually. The factors taken into account in the review include:

- Role and experience;
- Company performance;
- Personal performance;
- Competitive market practice; and
- Benchmarking against an appropriate comparator group.

When setting executive director salaries, account is taken of movements in salaries generally across the Company.

The remuneration committee has undertaken a strategic review of the structure of director remuneration to ensure that the correct mix of fixed remuneration and performance-related incentives are provided, to maintain the Company's competitiveness in the corporate marketplace. There is an intent in the future to issue EMI share options to senior executives to ensure they too are incentivised in driving shareholder wealth.

A remuneration committee is in place to oversee this aspect of the Group's operations.

RAPID NUTRITION PLC

DIRECTORS' REPORT

AS AT 31 DECEMBER 2020

Service Contracts

Executive Directors' remuneration in its various forms was historically agreed by the Executive Chairman and formalised by board minutes but is now overseen exclusively by the remuneration committee. All directors are provided with relevant contracts which have been executed prior to the appointment.

Mr St Ledger's contract is continuous, until terminated by either party. Mr St Ledger may terminate the contract by giving 6 months' notice in writing. The company may terminate by giving 12 months' notice in writing.

All other director's contracts are for a fixed term of 12 months from the date of their appointments and reviewed annually thereafter.

Reference Search Path: www.mplc.com/corporate/governance

End of audited section.

RAPID NUTRITION PLC

DIRECTORS' REPORT

AS AT 31 DECEMBER 2020

Directors' responsibilities

The Directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year or period. Under that law the Directors have elected to prepare the financial statements in accordance with applicable United Kingdom law and those International Financial Reporting Standards ("IFRS") as adopted by the European Union. Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with IFRS as adopted by the European Union;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Directors' statement as to disclosure of information to the auditor

The Directors at the date of approval of this report confirm that:

- to the best of their knowledge and belief, there is no relevant audit information of which the Group's auditor is unaware; and
- the Directors have taken all the steps that that might reasonably be expected to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

By order of the Board



S St Ledger
Managing Director
31 March 2021

RAPID NUTRITION PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

For the period from 1 JULY 2019 to 31 DECEMBER 2020

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2020 and of the Group's loss for the 18-month period then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with applicable law and IFRSs as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

Whom we are reporting to

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

What we have audited

The financial report of Rapid Nutrition PLC for the period from 1 July 2019 to 31 December 2020, which comprises the following statements:

- Consolidated Statement of Profit or Loss and Other Comprehensive Income,
- Consolidated Statement of Financial Position,
- Consolidated Statement of Changes in Equity,
- Consolidated Statement of Cash Flows,
- Parent Company Statement of Financial Position,
- Parent Company Statement of Changes in Equity, and
- All related notes to the above.

The financial reporting framework that has been applied in the preparation of the Group and parent company financial statements is applicable law and IFRSs as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RAPID NUTRITION PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

For the period from 1 JULY 2019 to 31 DECEMBER 2020

Material uncertainty related to going concern

We draw attention to Note 1.2 to the financial report, which describes that the ability of the Group to continue as a going concern is dependent on being successful in raising additional funds through the equity issues to the market and successful realisation of revenue growth via their plans for successful launch of their new product lines. As a result, there is material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern, and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. Our opinion is not modified in respect of this matter.

Overview of Audit Approach

We identified the key audit risks to be revenue recognition.

We set materiality for the Group at 1.5% of revenue: \$68,300.

We performed full scope audit procedures over all Group entities.

Our Assessment of Risks of Material Misstatement

The assessed risks of material misstatement described below are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.

REVENUE RECOGNITION

| | |
|-------------------------|--|
| Risk Description | <p>Rapid Nutrition, as a Group, generates revenues from sales and licensing of various health food and sports nutrition products, including the Leisa's Secret® and SystemLS™ lines.</p> <p>The method for recognising revenue varies depending on the type of sale being made:</p> <ul style="list-style-type: none">- <i>Retail sales</i> <p>These sales are recognised at the date the stock is segregated from other inventory, ready for collection or delivery in accordance with these customers terms of trade.</p> <ul style="list-style-type: none">- <i>Licensing sales</i> <p>These arrangements are established via contract, with clauses that specify what periods payments relate to, and subsequent royalty percentages payable by the licensee.</p> <p>There are risks around the timing of revenue recognition of retail product sales, particularly focused on the contractual terms of delivery and location of sale. In addition, due to the volume of transactions in the period, and the different types of revenue, we have identified revenue recognition as a key risk for our audit.</p> <p>The Group's revenue recognition policy is disclosed in note 1.5.</p> |
|-------------------------|--|

RAPID NUTRITION PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

For the period from 1 JULY 2019 to 31 DECEMBER 2020

How the scope of our audit responded to the risk

Our audit work assessed the design and implementation of controls over the recognition of revenue. We tested, in detail, a sample of completed orders arot the period end date, with specific focus on recognition conditions for revenue.

We assessed the transfer of risk and reward to the customer by reviewing date transaction completion in the Group's financial records, and dates of stock segregation and dispatch for retail sales.

We evaluated the Group's contracts for licensing its products, with particular fo the period the contracts were active for.

Key Observations: We noted no material instances of inappropriate revenue recognition arising in our testing.

Our application of materiality and an overview of the scope of our audit

Materiality

We define materiality as the magnitude of a misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature, timing and extent of our audit work and in evaluating the results of that work. We determined materiality for the Group financial statements as a whole to be \$68,300 which represents 1.5% of the Group's revenue for the period ended 31 December 2020.

This benchmark is considered the most appropriate because this is a key performance measure used by the Board of Directors to report to investors on the financial performance of the Group.

We use a different level of materiality, performance materiality, to drive the extent of our testing and this was set at 75% of financial statement materiality for the audit of the Group financial statements. We also determine a lower level of specific materiality for certain areas such as Directors' remuneration and related party transactions.

We agreed with the Board that we would report all audit differences in excess of \$3,200, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

Overview of the scope of our audit

We conducted our audit in accordance with International Standards on Auditing (ISAs) (UK and Ireland). Our responsibilities under those standards are further described in the 'Responsibilities for the financial statements and the audit' section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. We are independent of the Group in accordance with the Auditing Practices Board's Ethical Standards for auditors, and we have fulfilled our other ethical responsibilities in accordance with those Ethical Standards.

RAPID NUTRITION PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

For the period from 1 JULY 2019 to 31 DECEMBER 2020

The Group is managed from Brisbane, Australia. Through our procedures, all Group entities were subjected to a comprehensive audit approach. Our audit approach was based on a thorough understanding of the Group's business and is risk based, and in particular included:

- undertaking procedures to evaluate the Group's internal control environment, including IT systems and controls;
- we performed an evaluation of the design effectiveness of controls over key financial statement risk identified as part of our risk assessment, reviewed the accounts production process and performed certain transactional procedures for the first fifteen months of the period in advance of the period end;
- we undertook substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the effectiveness of controls over individual systems and the management of specific risks; and
- the scope of the current period audit has remained consistent with the scope of that of the prior year.

Opinion on Other Matters prescribed by the Companies Act 2006

Our opinions on other matters prescribed by the Companies Act 2006 are unmodified. In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RAPID NUTRITION PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

For the period from 1 JULY 2019 to 31 DECEMBER 2020

Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to report to you if:

- we have identified any inconsistencies between our knowledge acquired during the audit and the Directors' statement that they consider the annual report is fair, balanced and understandable; or
- the annual report does not appropriately disclose those matters that were communicated to the Audit Committee which we consider should have been disclosed.

We have nothing to report in respect of any of the above matters.

We also confirm that we do not have anything material to add or to draw attention to in relation to:

- the Directors' confirmation in the annual report that they have carried out a robust assessment of the principal risks facing the Group including those that would threaten its business model, future performance, solvency or liquidity;
- the disclosures in the annual report that describe those risks and explain how they are being managed or mitigated;
- the Directors' statement in the financial statements about whether they have considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Group's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements; and
- the Directors' explanation in the annual report as to how they have assessed the prospects of the Group, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Responsibilities for the financial statements and the audit

What the Directors are responsible for:

As explained more fully in the Statement of Directors' Responsibilities set out on page 18 the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

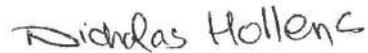
RAPID NUTRITION PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

For the period from 1 JULY 2019 to 31 DECEMBER 2020

What we are responsible for:

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.



NICHOLAS HOLLENS

Senior Statutory Auditor for and on behalf of Elderton Audit UK

Statutory Auditor, Chartered Accountants

Perth, Australia

31 March 2021

RAPID NUTRITION PLC

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period from 1 JULY 2019 to 31 DECEMBER 2020

| | Note | Period from 1 July 2019 to 31 December 2020 AUS | Year ended 30 June 2019 AUS |
|---|------|---|-----------------------------------|
| Revenue | 4 | 4,552,170 | 3,104,879 |
| Cost of sales | | | |
| Opening inventory | | (245,804) | (414,007) |
| Direct costs | | (2,274,618) | (883,634) |
| Closing inventory | | 347,427 | 245,804 |
| Gross profit | | 2,379,175 | 2,053,041 |
| Provision for doubtful debts | 9 | (189,410) | - |
| Administrative expenses | | (2,071,505) | (1,033,973) |
| Other operating income | | 177,704 | - |
| Operating profit | | 295,964 | 1,019,068 |
| Changes in fair value of financial assets | 11 | (5,452,630) | (172,224) |
| (Loss)/Profit before tax | | (5,156,666) | 846,844 |
| Tax expense | 7 | 580,938 | (305,720) |
| (Loss)/Profit for the period attributable to members of the Company | | (4,575,728) | 541,124 |
| Other comprehensive income | | | |
| Translation Gain/Loss | | - | (194,088) |
| Changes in fair value of financial assets through other comprehensive income | | (6,329,247) | (2,085,316) |
| Non-controlling interest | | - | - |
| Total comprehensive income for the period attributable to members of the Company | | (10,904,975) | (1,738,280) |
| Basic & diluted earnings per share | 26 | 0.0076 | 0.04 |

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

| | Note | 31 Dec 20 AUS | 30 June 2019 AUS |
|--------------------------------------|------|------------------|---------------------|
| Current assets | | | |
| Cash and cash equivalents | 8 | 456,000 | 243,576 |
| Trade and other receivables | 9 | 3,486,060 | 2,789,950 |
| Inventory | 10 | 347,427 | 245,804 |
| Financial assets | 11 | 534,087 | 5,951,435 |
| Total current assets | | 4,823,574 | 9,230,765 |
| Non-current assets | | | |
| Investments | 12 | 101 | 6,329,347 |
| Property, plant and equipment | 13 | 136,131 | 1,800 |
| Intangible assets | 14 | 2,105 | 2,105 |
| Total non-current assets | | 138,337 | 6,333,252 |
| Total assets | | 4,961,911 | 15,564,017 |
| Current liabilities | | | |
| Trade and other payables | 15 | 1,211,008 | 1,718,114 |
| Provision for current tax | | 157,825 | - |
| Borrowings | 16 | 1,602,770 | 1,172,346 |
| Total current liabilities | | 2,971,603 | 2,890,459 |
| Non-current liabilities | | | |
| Tax and other related | 17 | 228,378 | 296,014 |
| Borrowings | 18 | 420,903 | 770,925 |
| Total non-current liabilities | | 649,281 | 1,066,939 |
| Total liabilities | | 3,620,884 | 3,957,398 |
| Net assets | | 1,341,027 | 11,606,619 |

RAPID NUTRITION PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

| | | 31 Dec 2020 | 30 June 2019 |
|----------------------------------|-------|------------------|-------------------|
| | Note | AU\$ | AU\$ |
| Equity | | | |
| Shares | 19 | 29,548,450 | 29,503,701 |
| Share Premium | | 564,803 | 193,022 |
| Merger reserve | | (26,061,971) | (26,061,971) |
| Convertible notes | 18(a) | 857,270 | 634,416 |
| Retained earnings | 20 | 9,503,620 | 8,962,496 |
| Current Year Earning | 20 | (4,575,728) | 541,124 |
| Foreign Exchange – Opening | | (80,855) | 113,233 |
| Foreign Exchange – For the Year | | - | (194,088) |
| Asset Reserve | | (8,414,563) | (2,085,316) |
| Total equity and reserves | | 1,341,027 | 11,606,619 |

These financial statements were approved and authorised for release by the Directors on 31 March 2021 and are signed on its behalf by:



S St Ledger
Managing Director

Company registration number: 07905640

RAPID NUTRITION PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the period from 1 JULY 2019 to 31 DECEMBER 2020

| | Ordinary Share Capital | Share Premium | Merger Reserve | Convertible notes | Retained Earnings | Asset Reserve | Foreign Exchange | Total Equity |
|--|------------------------|----------------|---------------------|-------------------|-------------------|--------------------|------------------|-------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance as at 1 July 2018 | 29,091,609 | 193,023 | (26,061,971) | - | 8,962,496 | - | 113,233 | 12,298,390 |
| Comprehensive Income | | | | | | | | |
| Ordinary Share Capital, net of transaction costs | 412,092 | | | | | | | 412,092 |
| Profit for the year | | | | | 541,124 | | | 541,124 |
| Transferred to equity | | | | 634,416 | | | | 634,416 |
| Asset Reserve | | | | | | (2,085,316) | | (2,085,316) |
| Foreign Exchange | | | | | | | (194,088) | (194,088) |
| Balance as at 30 June 2019 | 29,503,701 | 193,023 | (26,061,971) | 634,416 | 9,503,620 | (2,085,316) | (80,855) | 11,606,619 |
| | | | | | | | | |
| Ordinary Share Capital, net of transaction costs | 44,749 | 371,780 | | | | | | 416,529 |
| Loss for the period | | | | | (4,575,728) | | | (4,575,728) |
| Transferred to equity | | | | 222,854 | | | | 222,854 |
| Asset Reserve | | | | | | (6,329,247) | | (6,329,247) |
| Foreign Exchange | | | | | | | - | - |
| 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 |

RAPID NUTRITION PLC

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period from 1 JULY 2019 to 31 DECEMBER 2020

| | Note | 31 Dec 20 AU\$ \$ | 30 June 2019 AU\$ \$ |
|---|------|-------------------------|-------------------------------|
| Cash flows from operating activities | | | |
| Receipts from customers | | 4,014,871 | 890,360 |
| Payments to suppliers and employees | | (3,959,443) | (2,011,820) |
| Interest paid | | (282,502) | - |
| Net cash used by operating activities | 23 | (227,075) | (1,121,460) |
| Cash flows from investing activities | | | |
| Purchase of plant and equipment | | (5,797) | - |
| Net cash used by investing activities | | (5,797) | - |
| Cash flows from financing activities | | | |
| Proceeds from issue of shares | | 416,530 | 412,092 |
| Lease liability payments | | (199,596) | |
| Proceeds from related party borrowings | | 228,363 | 732,722 |
| Net cash used by financing activities | | 445,296 | 1,144,814 |
| Increase/(decrease)in cash and cash equivalents | | 212,424 | 23,355 |
| Cash and cash equivalents at the beginning of the period | | 243,576 | 220,221 |
| Cash and cash equivalents at the end of the period | 8 | 456,000 | 243,576 |

RAPID NUTRITION PLC

PARENT COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

| | | 31-Dec-20 | 30-Jun-19 |
|--|------|------------------|------------------|
| | Note | \$ | \$ |
| Statement of Financial Position | | | |
| <i>Current assets</i> | | | |
| Intercompany loan | 20 | 646,112 | 566,480 |
| Financial assets | 11 | 534,087 | 5,951,435 |
| Other assets | | 2,105 | 53,161 |
| <i>Total current assets</i> | | 1,182,304 | 6,571,076 |
| <i>Non-current assets</i> | | | |
| Total Assets | | 1,182,304 | 6,571,076 |
| <i>Non-Current Liabilities</i> | | | |
| Deferred tax | | 228,378 | 967,141 |
| <i>Convertible Note</i> | | 257,302 | 257,302 |
| <i>Total non-current liabilities</i> | | 485,680 | 1,224,443 |
| Total Liabilities | | 485,680 | 1,224,443 |
| Net Assets | | 696,624 | 5,346,633 |
| | | | |
| Issued Capital | | 29,548,450 | 29,406,291 |
| Share Premium | | 564,803 | 193,022 |
| Reserves | | (2,993,275) | (2,993,275) |
| Accumulated Losses | 20b | (27,816,602) | (21,259,405) |
| Total Equity | | 696,624 | 5,346,633 |

In accordance with section 408 of the UK Companies Act 2006, the Company is availing itself of the exemption from presenting its individual statement of profit or loss and other comprehensive income. The Company's loss for the financial period as determined in accordance with IFRS's is AUD \$6,557,197. The Company had no cashflow in the period, and therefore no cashflow statement has been prepared.

RAPID NUTRITION PLC**PARENT COMPANY STATEMENT OF CHANGES IN EQUITY**

For the period from 1 JULY 2019 to 31 DECEMBER 2020

| | Ordinary Share Capital \$ | Share Premium \$ | Foreign Exchange Reserve \$ | Retained Earnings \$ | Total Equity \$ |
|----------------------------------|---------------------------------|---------------------|-----------------------------------|----------------------------|--------------------|
| Balance at 30 June 2019 | 29,503,701 | 193,023 | (2,993,275) | (21,259,405) | 5,444,044 |
| Comprehensive income | | | | | |
| Loss for the period | - | - | - | (6,557,197) | (6,557,197) |
| Share Issued | 44,749 | 371,780 | - | - | 416,529 |
| Foreign exchange difference | - | - | - | - | - |
| Balance as at 31 Dec 2020 | 29,548,450 | 564,803 | (2,993,275) | (27,816,602) | 696,624 |

RAPID NUTRITION PLC

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 JULY 2019 to 31 DECEMBER 2020

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 from 1 July 2019 to 31 December 2020. The group extended its accounting reference date by 6 months (in accordance with IAS 1) to coincide with the calendar year in addition to avoiding a busy trading period as a result of the global pandemic in 2020. It should therefore be noted that the amounts presented in the financial statements are not entirely comparable.

1. Significant accounting policies

1.1 Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements are drawn up under the historical cost convention, except for the revaluation of financial assets.

IFRS, issued by the International Accounting Standards Board (IASB) set out accounting policies that the IASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

Adoption of new and revised standards

The Group has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (the IASB) that are relevant to their operations and effective for the current year. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the Group and were adopted in the comparative reporting period.

IFRS 16 Leases

The group has adopted IFRS 16 from 1st July 2019. The standard has replaced IAS 17 'Leases' and for lessee eliminated the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under IFRS 16 will be higher when compared to lease expenses under IAS 17. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under IFRS 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The Company does not have any long-term lease

RAPID NUTRITION PLC

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 JULY 2019 to 31 DECEMBER 2020

agreements (of over one year) therefore, the adoption of the new leases standard will not have a material impact.

Impact of adoption

IFRS 16 is adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact of adoption on opening retained profits as on 1st July 2019.

IFRS 9 Financial Instruments

The Group has adopted IFRS 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity.

New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

IFRS 15 Revenue from Contracts with Customers

The Group has adopted IFRS 15 from 1 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

Impact of adoption

IFRS 9 and IFRS 15 were adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact of adoption on opening retained profits as at 1 July 2018.

RAPID NUTRITION PLC

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 JULY 2019 to 31 DECEMBER 2020

1.2 Going concern

This report has been prepared on the going concern basis, which contemplates the continuation of normal business activity and the realization of assets, settlement of liabilities in the normal course of business and the group's ability continue to achieve sales revenue and the successful realisation of future revenue growth via their plans to expand their product lines and distribution partnerships.

The group has also established a trade finance facility and has secured additional institutional investment during the year to further support its forward contracts.

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.

For the period ended 31 December 2020, the Group had a cash balance of \$456,000 as at the reporting date while it incurred administration expenses during the extended period of \$2,260,915. The Directors believe there are sufficient funds to meet the Group's working capital requirements for the coming year.

The Directors also recognize in the current Covid-19 environment 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 the ability of the Group to secure additional funding through shareholder loans, entering into negotiations with third parties regarding the sale of assets of the Group, or successful realisation of revenue growth via their plans for successful launch of their new product lines. In consideration of this, the Group has secured recent total investments of USD\$333,983 and up to USD\$1m in convertible notes respectively as announced to the market in January 2021.

Should the Group not achieve the matters set out above, there is significant uncertainty whether the company and the group will continue as a going concern, and therefore whether it will be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial report.

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.

1.3 Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Rapid Nutrition PLC at the end of the reporting period. A controlled entity is any entity over which Rapid Nutrition PLC has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In preparing the consolidated financial statements, all intragroup balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

In the company statement of financial position investment in subsidiaries is accounted for at the nominal value of the shares issued on acquisition.

Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

RAPID NUTRITION PLC

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 JULY 2019 to 31 DECEMBER 2020

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exceptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations are expensed to the statement of comprehensive income. The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

1.4 Foreign Currencies

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 headquarters and base of operations, the directors of the group view Australian Dollars as the group's functional 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 headquarters and base of operations, which includes but not limited to payroll, insurance, funding raised, 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 in accordance with IAS 21 accounting policy. The Group uses Australian bank accounts and all dealings and commercial contracts are through the Australian company.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the dates of the transactions.

Foreign currency monetary assets and liabilities at the reporting date are translated at the exchange rate existing at the reporting date. Exchange differences are recognised in the statement of comprehensive income in the period in which they arise.

1.5 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The group recognises revenue when the control is transferred to the customer and/or services are performed by adopting IFRS 15. The group bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

RAPID NUTRITION PLC

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 JULY 2019 to 31 DECEMBER 2020

Distribution

The sale of the Group's products is effected through a distributorship model pursuant to which the Group enters into marketing and distribution license agreements with distributors.

The Group's growth strategy, which consists of three key factors – expanded distribution, increased product offerings and strengthened integration, is intended to build a vertically integrated company with a unique position in the biotechnology and nutraceutical space. The Directors believe that this strategy enables the Group to impose superior standards of quality control for its products, to strengthen its value chain, and to scale up to optimum business efficacy.

Sales of goods – wholesale

The group manufactures and sells a range of life science nutrition products in the retail market. Sales of goods are recognised when an order is executed and stock is segregated from the group's inventory, ready for collection in accordance with that customer's terms of trade.

The life science products are often sold with volume discounts; customers have a right to return faulty products in the wholesale market. Sales are recorded based on the price specified in the sales contracts, net of the estimated volume discounts and returns at the time of sale. Accumulated experience is used to estimate and provide for the discounts and returns. The volume discounts are assessed based on anticipated annual purchases.

Sales are recorded based on the price specified in the sales contracts, net of the estimated volume discounts and returns at the time of sale. Accumulated experience is used to estimate and provide for the discounts and returns. The volume discounts are assessed based on anticipated annual purchases.

Internet revenue

Revenue from the provision of the sale of goods on the internet is recognized as at the date that payment is received, because that is the point the buyer accepts legal responsibility for the good being sold. Transactions are settled by credit or payment card.

1.6 Finance income

Interest income is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

1.7 Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, using the straight-line method, on the following bases:

| | |
|---------------------------------|-----|
| Computer equipment | 30% |
| Motor vehicles | 20% |
| Fixture, fittings and equipment | 30% |

RAPID NUTRITION PLC

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 JULY 2019 to 31 DECEMBER 2020

1.8 Intangible Assets

Trademarks and licences

Separately acquired trademarks and licences are shown at historical cost. Trademarks and licences acquired in a business combination are recognised at fair value at the acquisition date. Once utilisation commences, trademarks and licences have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives of 15 to 20 years.

1.9 Research and Development

Research costs are not viewed as separable from development costs. As such, all of these costs are expensed as incurred.

1.10 Financial Instruments

Financial assets and financial liabilities are recognised in the Group balance sheet when the Group becomes a party to the contractual provisions of the instrument. Financial assets are classified as either fair value through profit or loss, fair value through other comprehensive income, or amortised cost. Classification and subsequent remeasurement depends on the Group's business model for managing the financial asset and its cash flow characteristics. Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost.

Trade receivables

Trade receivables are non-interest bearing and are recognized initially at fair value, and subsequently at amortised cost using the effective interest rate method, less allowance for ECLs.

Investments

Debt instruments are classified at fair value through other comprehensive income. Gains and losses arising from changes in fair value are recognised directly in other comprehensive income, except for impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in the Group income statement. When the debt instrument is derecognised, cumulative amounts in other comprehensive income are reclassified to the Group income statement.

Equity investments have been irrevocably designated at fair value through other comprehensive income. Gains and losses arising from changes in fair value are recognised directly in other comprehensive income and are not subsequently reclassified to the Group income statement, including on derecognition. Impairment losses are not recognised separately from other changes in fair value. Dividends are recognised in the Group income statement when the Group's right to receive payment is established.

Loans and advances to customers and banks

Loans and advances are initially recognised at fair value plus directly related transaction costs. Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest method less any ECLs.

Impairment of financial assets

The Group assesses on a forward-looking basis the ECLs associated with its financial assets carried at amortised cost and debt instruments at fair value through other comprehensive income. The ECLs are updated at each reporting date to reflect changes in credit risk.

The three-stage model for impairment has been applied to loans and advances to customers and banks, debt

RAPID NUTRITION PLC

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 JULY 2019 to 31 DECEMBER 2020

instruments at fair value through other comprehensive income, and loan receivables from joint ventures and associates. The credit risk is determined through modelling a range of possible outcomes for different loss scenarios, using reasonable and supportable information about past events, current conditions and forecasts of future events and economic conditions and taking into account the time value of money. A 12-month ECL is recognised, unless the credit risk on the financial asset increases significantly after initial recognition, when the lifetime ECL is recognised.

For trade and other receivables, contract assets and lease receivables, the Group applies the simplified approach permitted by IFRS 9 'Financial Instruments', with lifetime ECLs recognized from initial recognition of the receivable. These assets are grouped, based on shared credit risk characteristics and days past due, with ECLs for each grouping determined based on the Group's historical credit loss experience, adjusted for factors specific to each receivable, general economic conditions and expected changes in forecast conditions.

Interest-bearing borrowings

Interest-bearing bank loans and overdrafts are initially recorded at fair value, net of attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between proceeds and redemption value being recognised in the Group income statement over the period of the borrowings on an effective interest basis.

Trade payables

Trade payables are non-interest bearing and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Equity instruments

Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount reported in the Group balance sheet when there is a current legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

1.11 Leases

The Group undertakes an assessment of whether a contract is or contains a lease at its inception. The assessment establishes whether the Group obtains substantially all the economic benefits from the use of an asset and whether it has the right to direct its use. Low-value lease payments are recognised as an expense, on a straight-line basis over the lease term. For other leases the Group recognises both a right-of-use asset and a lease liability at the commencement date of a lease contract. The right-of-use asset is initially measured at cost, comprising the initial amount of the lease liability adjusted for payments made at or before the commencement date, plus initial direct costs and an estimate of the cost of any obligation to refurbish the asset or site, less lease incentives. Subsequently, right-of-use assets are measured at cost less accumulated depreciation and impairment losses and are adjusted for any remeasurement of the lease liability. Depreciation is calculated on a straight-line basis over the lower of the estimated useful life of the right-of-use asset and the period of the lease.

The lease term comprises the non-cancellable period of a lease, plus periods covered by an extension option, if it is reasonably certain to be exercised, and periods covered by a termination option if it is reasonably certain not to be exercised.

RAPID NUTRITION PLC

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 JULY 2019 to 31 DECEMBER 2020

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted at the interest rate implicit in the lease or if that rate cannot be easily determined the Group's incremental borrowing rate. Lease payments comprise payments of fixed principal less any lease incentives.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if the Group changes its assessment of whether it will exercise an extension or termination option. When a lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in the Group profit and loss account if the asset is fully depreciated.

1.12 Income Tax

Income tax is calculated using tax rates and laws that have been enacted or substantively enacted at the period-end date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the date of the statement of financial position where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the Directors consider that it is probable that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the period-end date.

1.13 Post-Retirement Benefits

A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Superannuation – the Australian defined contribution pension scheme – is mandated by Australian law and presently set at 9.5% of gross salary payable to an employee.

The group pays contributions to publicly or privately administered pension insurance plans on a mandatory basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

1.14 Contributed Equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the Company reacquires its own equity instruments, e.g. as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

RAPID NUTRITION PLC

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 JULY 2019 to 31 DECEMBER 2020

1.15 Merger Reserves

The merger reserve account, shown within equity, relates to a historical acquisition by Rapid Nutrition PLC of Rapid Nutrition Pty Ltd. At the time of the acquisition, both entities were under common control and hence scoped out of IFRS accounting standards. The Directors chose to apply merger accounting from UK GAAP in this instance, leading to the creation of the merger reserve.

This balance effectively reduces the share capital value back to its value before the merger, as no increase in assets was achieved through the transaction.

1.16 Segment Reporting

Operating segments were reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions.

1.17 Prior year restatement

Reclassification of convertible loan

During the period ended 31 December 2020, the directors identified that convertible notes that are meeting the IFRS 9 criteria to be identified as equity had been erroneously classified as financial liability in its 2019 financial statements amounting \$634,416. Hence, non-current liabilities were overstated, and the equity were understated with the same amount. Accordingly, this has been restated in the prior period to reflect correct presentation based on the characteristics of the contractual obligation.

The adjustments made to the accounts influenced the non-current borrowings decreased in the total amount of \$634,416 and equity increased in the total amount of \$634,416.

RAPID NUTRITION PLC

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 JULY 2019 to 31 DECEMBER 2020

2. Parent Information

Contingent Liabilities

At 31 December 2020, Rapid Nutrition PLC did not have any contingent liabilities.

Contractual Commitments

At 31 December 2020, Rapid Nutrition PLC had not entered into any contractual commitments for the acquisition of property, plant or equipment.

3. Operating Segments

Operating segments must be identified on the basis of internal reports about components of the consolidated entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The group's main reporting channels are its geographical distribution networks, hence the Board (the group's chief operating decision maker) believe that, at 31 December 2020, there were two main segments, with revenue (the financial variable they evaluate performance via) as follows:

| Location | Revenue – period from 1 July 2019 to 31 Dec 2020 | Revenue – year to 30 June 2019 |
|----------------|--|-----------------------------------|
| | | \$ |
| Australia | 3,206,232 | 840,886 |
| USA | 1,159,072 | 2,261,306 |
| Rest of Europe | 186,866 | - |
| Total | 4,552,170 | 3,102,192 |

The remainder of the group's position and performance are considered on a collective basis by the Board; hence the main financial statements are suitable for their analysis.

As a growth company, the Board's focus is brand expansion, of which they consider revenue their key driver.

RAPID NUTRITION PLC

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 JULY 2019 to 31 DECEMBER 2020

| 4. Revenue | 31 Dec 2020 | 30 June 2019 |
|-------------------|--------------------|---------------------|
| | \$ | \$ |
| Direct Sales | 3,656,498 | 2,088,716 |
| Royalty Income | 872,315 | 1,972,756 |
| Government Grant | 22,000 | 85,441 |
| Interest Income | 1,357 | 133 |
| | 4,552,170 | 3,104,879 |

5. Operating profit

The following items have been included in arriving at the operating profit:

| | 31 Dec 2020 | 30 June 2019 |
|---|--------------------|---------------------|
| | \$ | \$ |
| Gains on foreign exchange | - | (172,224) |
| <i>Expenses:</i> | | |
| Depreciation on property, plant and equipment | 214,670 | |
| Directors' remuneration | 273,750 | 150,000 |
| Superannuation contributions (directors) | 26,006 | 14,250 |
| Directors' consulting fees | - | - |
| Auditor's remuneration | | |
| - As auditors (for group and subsidiary) | 25,000 | - |
| - As tax agents (for tax compliance) | - | - |

All remuneration payable to the auditors has been disclosed above. No other non-audit services have been provided. No benefits in kind are payable to the auditors.

Contributions to superannuation (money purchase pension schemes) are made on behalf of one director of the group.

RAPID NUTRITION PLC

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 JULY 2019 to 31 DECEMBER 2020

6. Employees

| | 31 Dec 2020 \$ | 30 June 2019 \$ |
|---|-------------------|--------------------|
| Staff costs for the group during the period: | | |
| Wages and salaries | 389,436 | 271,692 |
| Other pension costs | 34,555 | 25,623 |
| | 423,991 | 297,315 |

The average monthly number of staff (including executive Directors) employed by the group during the period amounted to:

| | 31 Dec 2020 \$ | 30 June 2019 \$ |
|------------------|-------------------|--------------------|
| Management staff | 11 | 3 |

The Company retains contract staff on a commission basis as needed. This enables rapid expansion of the Company's presence on the ground in new markets, to establish the sales network and facilitate rapid growth.

7. Taxation

| | 31 Dec 2020 \$ | 30 June 2019 \$ |
|---|-------------------|--------------------|
| Current Tax | | |
| Current tax on profits in the period | 157,825 | 305,720 |
| Reverse of previous over-accrual | - | - |
| Deferred Tax | | |
| Origination of temporary timing differences | (738,763) | - |
| Income Tax Expense | (580,938) | 305,720 |

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to do so. The following is the analysis of the deferred tax balances after offset:

| | | |
|--------------------------|-----------|---|
| Deferred tax assets | 738,763 | - |
| Deferred tax liabilities | (738,763) | - |
| | - | - |

Unrecognised deferred tax assets

The Group has unrecognised deferred tax assets in respect of reversal of unrealised gain recognised on financial assets of \$912,340 (2019: NIL). These have not been recognised on the basis that there is an uncertainty regarding the availability of sufficient future taxable profits due to the inherent uncertainties, such as the impact of COVID in the relevant jurisdictions, and therefore the assets will not be realisable.

RAPID NUTRITION PLC

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 JULY 2019 to 31 DECEMBER 2020

Factors affecting current tax charge

All operations are undertaken in Australia, thus 100% of the Group profit is considered taxable under Australian law. The current rate of tax in Australia is 30%.

| | 31 Dec 2020 \$ | 30 June 2019 \$ |
|--|-------------------|--------------------|
| Profit/(loss) before taxation | (5,156,666) | 846,844 |
| Profit on ordinary activities multiplied by the standard rate of tax in the Australia of 30% (2019: 30%) | (1,547,000) | 305,720 |
| Non-deductible expenses | 53,722 | - |
| Movement on deferred tax balances not recognised | 912,340 | |
| Brought forward losses utilised | - | - |
| Total current tax | (580,938) | 305,720 |

No change in the corporation tax rate has been announced by the Australian Tax Office for any upcoming period.

8. Cash and cash equivalents – group

| | 31 Dec 2020 \$ | 30 June 2019 \$ |
|--------------|-------------------|--------------------|
| Cash at bank | 456,000 | 243,576 |

Cash at bank is included as cash and cash equivalents in connection with the statement of cash flows.

When in overdraft, this balance is included in trade and other payables.

9. Trade and other receivables - group

| | 31 Dec 2020 \$ | 30 June 2019 \$ |
|--------------------------------------|-------------------|--------------------|
| Trade receivables | 3,800,469 | 2,789,950 |
| Allowance for expected credit losses | (314,409) | - |
| | 3,486,060 | 2,789,950 |

RAPID NUTRITION PLC

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 JULY 2019 to 31 DECEMBER 2020

In view of the Covid-19 Pandemic, the Company has put in place a trade debtors insurance policy and extended trading terms to some of its suppliers.

10. Inventory - group

| | 31 Dec 2020 | 30 June 2019 |
|----------------|-------------|--------------|
| | \$ | \$ |
| Finished goods | 347,427 | 245,804 |

11. 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

| | 31 Dec 2020 | 30 June 2019 |
|------------------------------------|-------------|--------------|
| | \$ | \$ |
| Motivate Health Technologies, Inc. | 534,087 | 5,951,435 |

Shares held for trading are traded for the purpose of profit taking. Changes in fair value are included in the statement of profit or loss and other comprehensive income. The Company received an independent assessment of fair value of its minority investment in Motivate Health Technologies Inc ("MHT") as at 31st December 2020. The valuation was undertaken on a going concern basis by independent assessor, BSP Strategic Pty Ltd, a certified business valuation firm. The group has decided to write down its minority stake. Calculation of the value for the business and equity were prepared on a Market-based approach. The Company holds a 13.9% minority shareholding in Motivate Health Technologies, Inc. (4,450,000 out of 32,035,742 shares).

Reconciliation of year-end balance:

| | |
|-----------------------|-------------|
| Unrealised gains: | \$ |
| - Brought forward | 5,951,435 |
| - Loss to 31 Dec 2020 | (5,452,630) |
| Foreign exchange Gain | 35,282 |
| Value at period end | 534,087 |

RAPID NUTRITION PLC

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 JULY 2019 to 31 DECEMBER 2020

12. Investments

- Adopted classification under IFRS 9

| | 31 Dec 2020 | 30 June 2019 |
|--|-------------|------------------|
| | \$ | \$ |
| Investment in Vibe Life | 100 | 100 |
| Investment in Streamcast Marketing LLC | - | 6,329,247 |
| | 100 | 6,329,347 |

As part of the group's long-term vision, and change of business model, and under the guidance from BSP Strategic Pty Ltd, an independent certified business valuation firm, the group has decided to write off its minority stake (19% holding) in Streamcast Marketing LLC ("SCM"). Calculations of the value of the business and equity were previously prepared on a Discounted Cash Flow basis at fair value, however in view of the continued Covid-19 environment SCM is difficult to value on a going concern basis and therefore the board has concluded that writing down the investment by applying IAS 36, 'Impairment of Assets' within the scope of IFRS 9, is the most appropriate

13. Property, plant and equipment - group

| | Motor Vehicles \$ | Computer Equipment \$ | Fixtures, fittings and equipment \$ | Right-of-use- premises \$ | Total \$ |
|---|-------------------------|-----------------------------|---|---------------------------------|----------------|
| Cost | | | | | |
| As at 1 July 2019 | 176,927 | 23,885 | 10,860 | - | 211,672 |
| Recognition of right-of-use asset on initial application of IFRS 16 | | | | 343,204 | 343,204 |
| Additions | - | 5,797 | - | - | 5,797 |
| At 31 Dec 2020 | 176,927 | 29,681 | 10,860 | 343,204 | 560,673 |
| Depreciation | | | | | |
| As at 1 July 2019 | 176,927 | 22,084 | 10,860 | - | 209,871 |
| Charge for the period | - | 1,647 | - | 213,024 | 214,671 |
| At 31 Dec 2020 | 176,927 | 23,731 | 10,860 | 213,023 | 424,542 |
| Net book amount at 31 Dec 20 | - | 5,951 | - | 130,180 | 136,131 |

RAPID NUTRITION PLC

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 JULY 2019 to 31 DECEMBER 2020

14. Intangible Assets - group

| | 31 Dec 2020 \$ | 30 June 2019 \$ |
|-----------------------|-------------------|--------------------|
| Intellectual property | 2,105 | 2,105 |

15. Trade and other payables – current - group

| | 31 Dec 2020 \$ | 30 June 2019 \$ |
|----------------|-------------------|--------------------|
| Trade Payables | 324,382 | 363,035 |
| Other | 387,876 | 1,130,079 |
| Accrued wages | 498,750 | 225,000 |
| | 1,211,008 | 1,718,114 |

The balance of accrued wages is owed to Mr St Ledger, the Executive Chairman, and his related parties.

16. Borrowings - group

| | 31 Dec 2020 \$ | 30 June 2019 \$ |
|------------------------|-------------------|--------------------|
| Bank overdraft | 60,700 | - |
| Lease liability | 142,437 | - |
| Other short-term loans | 1,399,633 | 1,172,346 |
| | 1,602,770 | 1,172,346 |

Bank borrowings

The Group has a finance facility with the ANZ Bank of Australia that includes a trade facility of \$100,000. The facility is secured by way of personal guarantees from Simon St Ledger.

Other short-term loans

It includes a short-term loan amounting \$1,185,460 (2019: \$1,152,881) provided by J&J Smith, shareholders in the Company. The loan is unsecured, subject to interest at 12% per annum and has been fully reconciled to recognize all expenses paid on the Company's behalf by the lender. Principal and interest repayments are made on a monthly basis.

RAPID NUTRITION PLC

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 JULY 2019 to 31 DECEMBER 2020

17. Tax and other related

| | 31 Dec 2020 \$ | 30 June 2019 \$ |
|------------------------|-------------------|--------------------|
| Deferred tax liability | - | (9,706) |
| Tax payable | 228,378 | 296,014 |
| | <u>228,378</u> | <u>234,734</u> |

18. Non-current borrowings – group

| | 31 Dec 2020 \$ | 30 June 2019 \$ |
|----------------------------|-------------------|--------------------|
| Loans from related parties | 216,637 | 280,256 |
| Other Loans | 204,266 | 490,669 |
| | <u>420,903</u> | <u>770,925</u> |

Loans from related parties

Related party loans are provided by shareholders in the Company. The loan is unsecured, subject to interest at 6.5% per annum and has been fully reconciled to recognize all expenses paid on the Company's behalf by the lender. Principal and interest repayments are made on a monthly basis.

18(a). Convertible notes

| | | |
|---|----------------|----------------|
| Convertible notes classified to equity-Refer to note 1.17 | <u>857,270</u> | <u>634,416</u> |
|---|----------------|----------------|

The notes are convertible into ordinary shares of the Company at a fixed conversion rate.

RAPID NUTRITION PLC

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 JULY 2019 to 31 DECEMBER 2020

19. Contributed equity – group and parent company

| 31 Dec 2020 | 30 June 2019 | 31 Dec 2020 | 30 June 2019 |
|-------------|--------------|-------------|--------------|
| Securities | Securities | \$ | \$ |
| 38,849,541 | 34,374,674 | 29,548,450 | 29,503,701 |

The holder of the ordinary shares is entitled to one vote per share at any meeting of the Company whether in person or by proxy. The holder is entitled to receive dividends declared from available profits and to the surplus of assets on a winding up.

20. Retained Earnings

a) Group

| | 31 Dec 2020 \$ | 30 June 2019 \$ |
|-------------------------|-------------------|--------------------|
| Balance brought forward | 9,503,620 | 8,962,496 |
| Profit for the year | (4,575,728) | 541,124 |
| Balance carried forward | <u>4,927,892</u> | <u>9,503,620</u> |

b) Parent company

| | 31 Dec 2020 \$ | 30 June 2019 \$ |
|-------------------------|---------------------|---------------------|
| Balance brought forward | (21,259,405) | (21,257,331) |
| Loss for the period | (6,557,197) | (2,074) |
| Balance carried forward | <u>(27,816,602)</u> | <u>(21,259,405)</u> |

RAPID NUTRITION PLC

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 JULY 2019 to 31 DECEMBER 2020

20. Intercompany loan – parent company

| | 31 Dec 2020 \$ | 30 June 2019 \$ |
|-------------------------|-------------------|--------------------|
| Balance brought forward | 566,480 | 790,639 |
| Monies advanced | - | - |
| Other movement | 79,632 | (224,159) |
| Balance carried forward | <u>646,112</u> | <u>566,480</u> |

21. Investment in subsidiary

a) Group

The group controlled 100% of the share capital of its direct subsidiary, Rapid Nutrition Pty Ltd in the current and prior period. The results of this subsidiary have been consolidated on a line by line basis into the consolidated financial statements.

The group also incorporated Rapid Nutrition Asia Pty Ltd, Rapid Nutrition Australia Pty Ltd and Rapid Nutrition Canada Inc, during the period which remains a subsidiary of the Company. The results of this subsidiary have been consolidated on a line by line basis into the consolidated financial statements.

b) Parent company

Value of investment in subsidiary

| | 31 Dec 2020 \$ | 30 June 2019 \$ |
|--------------------------|-------------------|--------------------|
| Value of shares held | 26,061,971 | 26,061,971 |
| Provision for impairment | (26,061,971) | (26,061,971) |
| Balance at year end date | <u>-</u> | <u>-</u> |

Please note, provisions are reversible in future years, depending on results and growth.

RAPID NUTRITION PLC

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 JULY 2019 to 31 DECEMBER 2020

22. Related party transactions

| Name (relationship) | Transaction | Amount | | Amount due from/(to) related party | |
|---------------------|-----------------|------------|------------|------------------------------------|------------|
| | | 2020 \$ | 2019 \$ | 2020 \$ | 2019 \$ |
| JBG Corp Pty Ltd | Consulting Fees | - | - | - | - |
| | Loan funds | 471,135 | 206,050 | 471,135 | 142,296 |

Nature of related parties

JBG Corp Pty Ltd is a company controlled by Leisa St Ledger who is a related party.

Transactions with related parties.

All transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties by adopting IAS 24.

Key Management Personnel

All transactions with key management personnel (the directors) during the period ended 31 December 2020 are disclosed below:

| 2020 | Salary (\$) | Superannuation (\$) | Consultancy Fees (\$) | Total (\$) |
|--------------------------------|-------------|---------------------|-----------------------|------------|
| Simon St Ledger ¹ | 273,500 | 26,006 | - | 299,506 |
| Shayne Kellow | - | - | - | - |
| Vesta Vanderbeken ² | - | - | \$21,680 | 21,680 |

¹ – Simon St Ledger's employment terms, as formalized by board resolution and contract, dated 1st July 2019 which specifies a salary of AUD\$165,000 per annum. A car allowance up to AUD\$1000 per month and the required Super/pension payments at 9.5% per annum. The director will also be entitled to an executive bonus which shall not exceed 10% of remuneration and determined at the sole discretion of the board.

² – Shayne Kellow has been provided with the use of a vehicle owned by the consolidated entity for their personal use. Mr Kellow's vehicle was acquired in a prior period for AUD\$50,459

³ – Vesta Vanderbeken's was provided with relevant contract that has been executed prior to the appointment. The fee payable for carrying out her duties is an annual gross amount of GBP12,000 (AUD\$21,680).

During the period, there were no advances, credits or guarantees subsisting on behalf of the directors.

RAPID NUTRITION PLC

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 JULY 2019 to 31 DECEMBER 2020

23. Reconciliation of operating profit to net cash outflow from operations

| | 31 December 2020 \$ | 30 June 2019 \$ |
|---|---------------------------|--------------------|
| Profit after tax | (4,575,728) | 541,124 |
| <i>Adjustments for:</i> | | |
| Taxation | (580,938) | 305,720 |
| Depreciation | 214,670 | 2,344 |
| Unrealised gains/(loss) | - | (172,224) |
| Provision for bad debt | 314,410 | |
| Impairment of investment | 5,452,630 | - |
| Gain on foreign exchange (non-cash) | (177,704) | - |
| Decrease/(increase) in Receivables | (696,110) | (2,387,909) |
| (Increase)/decrease in Inventory | (101,623) | 293,203 |
| (Decrease)/increase in Payables (excluding tax) | (507,106) | 296,281 |
| (Decrease)/increase in Deposits | - | - |
| Increase in Other borrowings | 430,424 | - |
| Net cash outflow from operations | (227,075) | (1,121,461) |

24. Financial risk management

The group's financial instruments consist mainly of shares held in other companies, deposits with banks, accounts receivable and payable & loans from related parties.

The group's financial instruments at 31 December 2020 were classified as follows:

| | Note | 31 Dec 2020 \$ | 30 June 2019 \$ |
|-------------------------------|--------|-------------------|--------------------|
| Financial assets | | | |
| Cash and cash equivalents | 8 | 456,000 | 243,576 |
| Trade and other receivables | 9 | 3,486,060 | 2,789,950 |
| Financial assets | 11 | 534,087 | 5,951,435 |
| Total financial assets | | 4,476,147 | 8,984,961 |
| Financial liabilities | | | |
| - Trade and other payables | 15 | 1,211,008 | 842,438 |
| - Borrowings | 16, 18 | 1,602,770 | 1,172,346 |
| | | 2,813,778 | 2,017,784 |

RAPID NUTRITION PLC

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 JULY 2019 to 31 DECEMBER 2020

Fair value versus carrying amounts

All items shown in the preceding table as either financial assets or financial liabilities are short term instruments whose carrying value is equivalent to the fair value. There is not considered to be a material difference between the fair value and the carrying value.

Specific Financial Risk Exposures and Management

The group's activities expose it to a number of financial risks that include market risk, credit risk and liquidity risk.

(a) Market Risk

i) Foreign exchange risk

The group's main financial asset – shares held at fair value through the profit and loss – are denominated in US dollars, so the risk of any adverse movement in the foreign currency exchange rates is borne by the group.

As at 31 December 2020, if the US dollar had strengthened/weakened by 5% against the Australian dollar with all other variables held constant, comprehensive income for the period and assets would have been adjusted higher/lower, as a result of foreign exchange gains/losses on transaction of the financial asset.

ii) Interest rate risk

The group had interest-bearing liabilities during the period but is not exposed to interest rate risk because the interest rates on their liabilities are set by private agreement, not by reference to market rates. The group does not have any liabilities to financial institutions at 31 December 2020. As such, sensitivity analysis with regard to movements in interest rates would not be meaningful.

(b) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance of counter-parties of contract obligations that could lead to financial losses to the group.

Credit risk exposures

The group had no significant concentrations of credit risk. For loans receivable and payable, please refer to Note 9 – Trade and Other Receivables & Note 16 & 18 – Borrowings. Loans are unsecured and have no fixed repayment date.

(c) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The group manages this risk through careful cash management policies. In order to meet its short-term obligations, the group has the support of several key shareholders who are willing to provide funds to the group on an as-needed basis.

25. Share Based Payments

No share options have been granted to employees or directors

RAPID NUTRITION PLC

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 JULY 2019 to 31 DECEMBER 2020

26. Earnings per share

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

| | 31 Dec 2020 | 30 June 2019 |
|------------------------------|-------------|--------------|
| | \$ | \$ |
| (Loss)/Profit for the period | 295,964 | 1,019,068 |
| Number of shares | 38,849,541 | 34,374,674 |

There were convertible instruments in issue as at 31 December 2020 that if converted in full would result in the allotment of 3,226,555 ordinary shares, calculated pursuant to the terms of the convertible instruments, resulting in a shareholding of 8.3%, which could potentially dilute earnings per share in the future.

27. Subsequent Events

On the 7th of January 2021, the company announced it has collectively placed convertible instruments to the value of USD\$333,983. Notably a convertible bond of USD300,000 led by Swiss Asset Manager

On the 24th of January 2021, the company received the final date of trading on the shares of Rapid Nutrition PLC on SIX Swiss Exchange. The delisting of the shares takes place on Friday, 23 July 2021. The last trading day on SIX Swiss Exchange is scheduled for Thursday, 22 July 2021.

On the 26th of January 2021, the company announced it has entered into an agreement for the issuance and subscription of USD\$1,000,000 in convertible notes, each with a 12-month conversion period with Nice & Green an independent Swiss investment company. The financing will be used to accelerate the company's growth strategy.

While the company's brands have flourished in the past year with meaningful interest in health and immunity, the B2B component of our business has been impacted to a certain extent by retailers that have been forced to close due to multiple lockdowns or markedly alter their operations in the wake of the pandemic. Likewise, our retail store in Sydney, located in a one-time Covid-19 hot spot, saw a significant decline in sales during the period. The Group is exposed to the impact of the recent outbreak of COVID-19 and the risks relating to measures imposed by national governments to control the outbreak. The Group recognises the risk of a potential fall in revenue and profitability due to lower general economic activity.

Further to the announcement on 30th November 2020 and 24th January 2021 respectively, the Company intends to maintain some form of European listing for shareholders prior to or in line with the last trading date on SIX Swiss Exchange being 23rd July 2021. The Company will update the markets and shareholders at the time.

Other than as disclosed above, the directors are not aware of any significant events since the end of the reporting period.



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