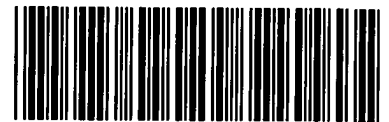

RAPID NUTRITION PLC

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
(RE-ISSUED)

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RAPID NUTRITION PLC

COMPANY INFORMATION

Directors	Simon ST Ledger (appointed 1 January 2012) Jeffrey David Reingold (appointed 9 November 2022) Shayne Anthony Kellow (appointed 13 October 2017)
Company secretary	Elemental Company Secretary Limited
Registered number	07905640
Registered office	124 City Road, London, United Kingdom, EC1V 2NX
Independent auditors	HGA Chartered Accountants 310 Friern Barnet Lane London, N20 0LD
Stock Exchange Code	ALRPD

RAPID NUTRITION PLC

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RAPID NUTRITION PLC

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Dear Shareholder,

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 2022.

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://rnpplc.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)

- Revenue for the period reached \$2.95 million (FY2022) remaining consistent with FY2021;
- Gross profit \$2.11 million (FY2022) increased, compared to the same previous financial period;
- 95% decrease in liabilities for the period, compared to the previous year, during an inflation period placed the company in good stead moving forward into FY2023;
- 200% Increase in cash position as at period end (FY2022), compared to FY2021

Upfront capital raising expenses, in addition to regulatory listing and professional services expenses incurred during the period of \$1.1million as well as brand acquisition cost, which were significantly higher than previous year and most of which were one-time expenses during the period which are unrelated to the underlying core operational business.

The Group's long-term objective is to build a market-leading 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 Rapids growth strategy are:

- Expand distribution** into neighbouring countries where the Company is not already present. UK, Europe, China, Australia, and US are focus markets for 2023.
- Product innovation and extension** - to leverage successful flagship brand SystemLS™ by continuing to expand its innovative the brand, with a particular focus on plant-based vegan formulas. Rapid has also 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 expected to come to market in 2023
- Synergistic acquisitions** the Company will explore acquisitions of assets that produce sound cash flow or are complementary to the Company's operations.

RAPID NUTRITION PLC

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Annual 2022 Financial Highlights

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

- Expanding global geographical reach: Distribution deals have recently been secured in the South Korea, in addition to the Company has successfully been approved for trademark registration for its flagship SystemLS™ brand in Korean and China.
- Further investments support from institutional investors to capitalise on strategic objectives.
- Notable growth of ecommerce assets, particularly through the Company's ecommerce platforms systemls.com and rapid-nutrition.com, in addition Amazon and a growing online influencer base.
- Successfully completed the acquisition of The Plant-Based Bundle, a vegan influencer business which is already adding additional revenue and synergies to the group. Successfully completed the first launch since acquiring the company in July 2022 with more than 144 world-renowned influencers, generating more than 3,494 sales in just the first 10 days. The full benefit of this strategic acquisition will flow through the group in FY2023.
- Continued Investor support has allowed the Company to reduce its long-term debt commitments during the year while diversifying revenue streams and expanding its product portfolio to significantly strengthen its position in the market.
- Continued to attract experienced talent and enhance leadership to the Rapid Nutrition team with the appointment of Jeff Reingold, who offers extensive experience in media and marketing for international businesses and organisations. He excels at reaching broad audiences, promoting brands and filming with a focus on health and wellness, which will be an "excellent asset to provide shareholders and customers greater insight into our brands and activities.
- The Company made notable progress on its Azurene™ formula, designed to help relieve symptoms of colds and the flu, which was granted an Innovation Patent in 2016. The final product is expected to be commercialized this year.
- While the stock market, in general offered a roller coaster ride in 2022 for listed companies with more lows than highs, Rapid Nutrition anticipates a strong rebound in the year to come based on a variety of underlying opportunities. The company will continue to enhance its investor relations communications to ensure that investors and shareholders are regularly informed and updated of the company's latest developments.

Management Commentary

Our diligent management team has continued to expand and is successfully executing on its growth strategy by continuing to progress into new markets while strengthening the core fundamentals of the business by distinguishing long-term debt and adding additional revenue streams. We know that market fluctuations have been challenging but are very optimistic about the opportunities in front of us.

Azurene™ was anticipated to hit the market late Q4 2022, however, due to manufacturing capacities, it is anticipated to reach the market in the first half of 2023 in time for the northern hemisphere winter. This timeline provided the company the opportunity to finalise branding and packaging for this unique formula, and SystemLS™ is in production with its long-term manufacturer with a new look and line extensions, capitalising on the latest consumer trends, are expected to be available in the first or second quarter.

Company management is collaborating with current and potential partners to expand market presence in focus markets, chiefly the UK, Europe and China in 2023. China's health and wellness industry, valued at \$683 billion, continues to explode while Europe and the UK are seeing expansions in overall health and wellness, making these locations an ideal trifecta for growth this year and beyond.

RAPID NUTRITION PLC

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

The Year In Review

Simon St Ledger, Executive Chairman said:

Introduction

In 2022, the company bolstered the foundations of the business by securing strong investor support to pay down its long-term debts, in addition to successfully completing the strategic acquisition of The Plant-Based Bundle – with more than 100,000 customers. Continued expansion of its IP portfolio included the acceptance of its flagship brand trademark in China, a key focus market for the company in 2023; further, Rapid Nutrition made notable progress on its new Azurene™ formula and updated the flagship SystemLS™ weight loss brand, which is currently being manufactured.

As we continue to ramp up our growth plans, the Company has a lot to celebrate and even more to look forward to in the days and months to come. With a focus on the core business fundamentals, which will no doubt ultimately reflect on market and a vibrant industry, we believe we are in a great position for growth and success.

We look forward to 2023 and continued expansion into key markets, growth in the health and wellness industry, and our dedicated focus on science-driven product innovation.

Operation Review

Rapid Nutrition, continues to expand its life sciences products with growing worldwide distribution, is parlaying growing global interest in the supplement market into new product offerings and continued growth in distribution, now sharing its organic health and wellness products throughout Australia, Asia, Europe, North America as well as through its ecommerce channels.

The supplement industry is stronger than ever as more consumers and businesses alike recognise the importance of health and wellness. We are proud to serve as a market leader in delivering innovative wellness products to more people across the globe while expanding the options for eating and living well.

The company's flagship SystemLS™ product range includes a variety of high-protein shakes, organic superfoods, vegan powders, natural metabolism boosters and high-protein bars, all backed with evidenced-based health benefits.

Recent brand extensions include:

- **New mocha flavor** for the popular high-protein meal replacements, which are also available in vanilla and chocolate. Coffee flavors continue to grow in popularity worldwide, and we are thrilled that everyone who tested this new flavor said it tasted just like a Starbucks latte.
- **P.M. Protein Powder** to curb late-night snacking urges while also supporting a better night's sleep. With 26 grams of protein per serving and a decadent Black Forest Cake flavor, this excellent source of protein and calcium caseinate includes enzymatically treated whey concentrate which results in a larger protein molecule that takes six hours longer to metabolize than typical whey protein. This allows for a slower release of aminos to support satiety and sleep. It also includes rutaecarpine, a botanical extract known as the anti-caffeine, to promote a sense of calm as well as tart cherry, a source of naturally occurring melatonin, and L-Theanine and L- Glutamine, amino acids that play an important role in sleep as precursors to sleep-inducing hormones.
- **Two new bars added to the SystemLS range: Keto Cookie Dough Delight Whey Protein Bar and Keto Vegan Peanut Butter Brownie Plant Protein Bar.** Both bars, formulated for Keto and high-protein diets, include high quality protein and are 100 percent natural with no artificial flavors or ingredients. The vegan bar and whey-based bar are designed to capture consumers interested in vegan products as well as those who prefer more traditional whey-based protein bars.

RAPID NUTRITION PLC

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

- **New ingredients for the popular vegan proteins.** Designed to further enhance the company's popular vegan protein powders, include a new form of pea protein which has been fermented with mushrooms to enhance bioavailability and absorption and improve flavor while reducing GI disturbances. A customized blend of digestive enzymes eliminates the bloat that can accompany some high-protein products currently available on the market.

In addition, these product updates and innovations all come with new-look packaging and sustainable, cleanly sourced ingredients as part of Rapid Nutrition's Corporate Social Responsibility commitments.

With a balance of sustainable growth and a focused consolidation strategy, Rapid Nutrition's strategic priorities are:

- Continued expansion of its flagship brand into new markets as well as increasing its market share in current markets by diversifying distribution channels to generate new growth.
- Leveraging unique manufacturing and partnership capabilities to optimise the supply chain by enhancing operational cost efficiencies.
- Product innovation, with a specific focus on in-demand formulas such as the company's patented herbal formula to help boost the immune system and recently announced line extensions for its flagship brand SystemLS™.
- Continue to attract best-in-class management and experts in their field to its growing team.
- Strengthening the balance sheet with continued execution of the consolidation strategy, increasing its capital position while also reducing its liabilities.
- Proactively reducing its carbon footprint by enhancing its Corporate Social Responsibility policy.

Business Strategy

With a clear strategy to grow organically, supplemented by selective acquisitions, the group's long-term objective is to build a market leading company with a unique position in the life sciences and nutraceutical space. Management believes that this strategy enables the organisation 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's growth strategy are:

- **Expand distribution** into neighbouring countries where the company is not already present. UK, Europe, China, Australia, and the United States continue to be key focus markets for the group.
- **Product innovation and extensions** to leverage the successful flagship brand SystemLS™. Rapid Nutrition has recently developed new brand extensions to be rolled out this year to capture the increasingly growing vegan and wellness markets, other new products in development include the group's highly anticipated patented immune formula coming to market this year.
- **Enhanced Supply** through strategic partnerships with state-of-the-art contract manufacturers, who lead the way in sustainable, responsible and clean ingredient sourcing and renewable energy manufacturing practices.
- **Building new revenue streams** with a focus on several new distribution agreements entered into over the past year, anticipated to flow through the business and translate into additional revenues for the group.
- **Synergistic acquisitions** wherein the company will explore acquisitions of assets that produce sound cash flow and are complementary to its operations.

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.

RAPID NUTRITION PLC

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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.

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.

In November 2022 we welcomed Jeff Reingold to the board, replacing Vesta Vanderbeken who we thank for her four years of dedicated service to the board as a non-executive director.

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. We continue to scale this model throughout focus markets which include: UK, Europe, Australia, China and the US during the next 12 months.

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 will continue to engage with Analysts to provide capital markets coverage.

The groups corporate website, provides access to important information while maximising corporate transparency and other valuable resources for investors, analysts, media and stakeholders.

To further support this and to offer an independent insight into Rapid Nutrition PLC, we have partnered with respected Analysts to provide capital markets coverage. The quarterly reports coverage will be available in English, French and Chinese to increase circulation in key markets to accredited investors.

As we continue to grow our investor relations function and offer greater communication and transparency for investors, we look forward to offering more information and insight to our shareholders, stakeholders and team from the view of a well-respected research firms and Analysts.

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 corporate website conveys the Rapid Nutrition story, our long-term strategic objective and strong value proposition, as we continue to work toward maximising value for our shareholders.

The company's primary listing is on Euronext Growth (ALRPD) after voluntarily delisting from the SIX Exchange in the previous year, which the company incurred one-off settlement fees during the reporting period as a result of delisting, reporting and disclosure process. 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 company further bolstered its balance sheet by securing further funding in January 2022, allowing the group to eliminate long-term debt on its balance sheet and ensure it is well-capitalised over the next 12 months of the heels of the ever-changing Covid-19 environment.

RAPID NUTRITION PLC

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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 mitigate risk and optimise 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

This 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 inventory manufacturing facilities are predominately based in the US, so the risk of any adverse movement in the foreign currency exchange rates is borne by the Group.

As at 31 December 2022, if the US dollar had strengthened by 6.4% against the Australian dollar (calculated on RBA exchange rate) with all other variables held constant, comprehensive income for the period and assets would have been adjusted 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.

Brexit/Regulatory changes

Regulatory changes, such as Brexit could have an adverse impact upon the Group. The Group monitors legislative and regulatory changes and alters its business practices where appropriate to mitigate risk. Given the groups underlying business predominately operates out of its Australian subsidiary the risk is limited as to the potential impact (if any) of Brexit.

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 avenues available in digital channel markets.

RAPID NUTRITION PLC

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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. The Group continuously monitors its environmental profile and implemented a new sustainability strategy. The Groups is currently developing and intend to implement a new-look sustainable packaging for its products as part of Rapid Nutrition's Corporate Social Responsibility commitments.

Employees

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

Role	Number of Men	Number of Women
Directors	3	0
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

We continue make significant investments in our outstanding team, intellectual property and product innovation through our flagship brand, which has further sparked international interest in conjunction with the ongoing demand for organic, science-based health and wellness products. In 2023, we will continue to generate growth in current markets by diversifying distribution channels while leveraging unique manufacturing capabilities and partnerships to optimise the supply chain, all with an eye towards additional growth, while continuing to enhance the groups Environmental, Social and Governance (ESG) practices.

In 2022, the company bolstered the foundations of the business by securing strong investor support to pay down its long-term debts, in addition to successfully completing the strategic acquisition of The Plant-Based Bundle – with more than 100,000 customers. Continued expansion of its IP portfolio included the acceptance of its flagship brand trademark in China, a key focus market for the company in 2023; further, Rapid Nutrition made notable progress on its new Azurene™ formula and updated the flagship SystemLS™ weight loss brand, which is currently being manufactured.

"Our diligent management team has continued to expand and is successfully executing on its growth strategy by continuing to progress into new markets while strengthening the core fundamentals of the business by distinguishing long-term debt and adding additional revenue streams," said Rapid Nutrition CEO Simon St. Ledger. "We know that market fluctuations have been challenging but are very optimistic about the opportunities in front of us."

Cash and net debt

The Group has preserved cash well during and post the pandemic and continues to manage external debt. Cash and equivalents balance were \$236,120 as at 31 December 2022 (FY2021: \$77,510). Trade and other receivables decreased considerably to \$6,943 (FY2021: \$1.92m) with a significant investment successfully secured during the reporting period, positioning the company well for the current period and beyond.

Taxation

The Group has unrecognised deferred tax assets in respect of reversal of unrealised gain recognised on financial assets of \$912,340 (2021: \$912,340). 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.

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Dividends

The Board has elected not to declare a dividend at this time for the period. Post balance sheet close the Group held a General Meeting on the 9th December 2022 where all resolutions were approved. The approval of the share authorities by shareholders of the Company will provide the board with scope and option to consider the introduction of a scrip dividend policy in the future to shareholders.

Going concern

This report has been prepared on the going concern basis, which contemplates the continuation of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business. The 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 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 December 2022, the Group had cash balances of \$236,120 (FY2021: \$77,510) and receivables of \$6,943. Furthermore, during the reporting period the Group signed a financing commitment of up to EUR 30 million as disclosed on the company's corporate website, with the goal of strengthening its balance sheet and supporting corporate growth initiatives and expansion of Rapid Nutrition globally.

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.....

Simon St Ledger
Managing Director

RAPID NUTRITION PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, Directors' Report and the consolidated financial statements, in accordance with applicable law.

Company law requires the directors to prepare consolidated financial statements for each financial year. Under that law they have elected to prepare the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the UK.

Under company law the directors must not approve the consolidated financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. In preparing the consolidated financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the UK, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

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.

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.

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.

RAPID NUTRITION PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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. As a result of the approval of increased share authorities by the shareholders at the General Meeting held on the 9th of December 2022 provides the board with the scope and option to consider the introduction of a scrip dividend policy in the future.

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 until they arrive to market. Given that, it is not possible to capitalise these expenditures as development.

Financial Instruments

Negma Group Limited held several convertible note as disclosed, during the reporting period. Information regarding the Group's subsidiaries financial risk management objectives and policies, including exposure to market, credit and liquidity risks, are presented in Note 26 to these financial statements.

Post Balance Sheet Date Events

On the 30th of January 2023, the group removed itself from the OTQB Markets in the US to focus on its primary listing on Euronext.

On the 17th & 19th of January 2023, the group announced the conversion of convertible notes and a capital increase respectively

On the 2nd, 14th & 17th of March 2023, the group announced the conversion of convertible notes and a capital increase respectively

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

Dividends and transfers to reserves

No dividend has been paid or proposed for the year.

Capital Structure

At 31 December 2022, the ordinary share capital of Rapid Nutrition PLC consisted of 534,872,610 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.

Directors

The directors who served during the year were:

- Simon ST Ledger (appointed 1 January 2012)
- Jeffrey David Reingold (appointed 9 November 2022)
- Shayne Anthony Kellow (appointed 13 October 2017)

RAPID NUTRITION PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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.

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.

Jeffrey Riengold

Nationality: Australian

Jeffrey Reingold, Non-Executive Director, appointed 9 November 2022

Jeffrey Reingold boasts extensive experience in media and marketing for international businesses and organisations. He excels at reaching broad audiences, promoting brands and filming with a focus on health and wellness. Reingold launched his career in North America, a key market for Rapid Nutrition, working for Metro-Goldwyn-Mayer/United Artists. Jeff's outstanding experience in working with corporations of all sizes and using marketing to expand reach and networking make him the perfect addition to the board.

RAPID NUTRITION PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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 31 December 2022, the directors attended the following meetings of the board of directors.

	Meetings eligible to attend	Meetings attended
Simon St Ledger	14	14
Shayne Kellow	14	14
Vesta Vanderbeken	8	8
Jeffrey Reingold	6	6

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 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.

RAPID NUTRITION PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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 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.

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.

RAPID NUTRITION PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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.

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 Jan 2022 ¹	Shares acquired during year	Shares disposed during the year	Shares held on 31 Dec 2022
Simon St Ledger	6,115,050 ²	-	-	6,115,050
Shayne Kellow	272,022	-	-	272,022
Vesta Vanderbeken	100,000	-	-	100,000
Jeff Reingold	-	-	-	-

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 2022.

2 held directly and indirectly 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 2022, 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 increasing by at least 10% in each calendar year. A car allowance up to AUD\$1000 per month and the required Super/pension payments at 10.5% 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 is 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 revisited by either party. Thus, there has been no specification of termination benefits for directors at this time.

RAPID NUTRITION PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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.

2022	Salary (\$)	Superannuation (\$)	Consultancy Fees (\$)	Total (\$)
Simon St Ledger ¹	225,615	23,060		248,675
Shayne Kellow ²	-	-	-	-
Vesta Vanderken ³	16,000	-	-	16,000
Jeff Reingold ⁴	1,000	-	-	1,000

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 increasing by at least 10% per calendar year. A car allowance up to \$1000 per month and the required Super/pension payments at 10.5% 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 \$20,000.

⁴ – Jeff Reingold's was provided with relevant contract that has been executed prior to the appointment. The fee payable for carrying out her duties is \$1,000 for each AGM and \$200 for each board meeting.

2021	Salary (\$)	Superannuation (\$)	Consultancy Fees (\$)	Total (\$)
Simon St Ledger ¹	202,575	19,058	-	221,633
Shayne Kellow	-	-	-	-
Vesta Vanderbeken	20,000	-	-	20,000

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.mplc.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 FOR THE YEAR ENDED 31 DECEMBER 2022

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;
- Key person influence;
- 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.

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 unless otherwise mutually agreed.

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

RAPID NUTRITION PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual 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. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) 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 situation and profit or loss of the company and group for that year. In preparing these financial statements, the Directors are required to:

1. select suitable accounting policies and then apply them consistently;
2. make judgments and accounting estimates that are reasonable and prudent;
3. state whether applicable IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements;

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Auditors

The auditors, HGA Chartered Accountants, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 16 May 2023 and signed on its behalf.

Simon St Ledger.....

S St Ledger
Managing Director

RAPID NUTRITION PLC

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RAPID NUTRITION PLC

Qualified opinion

We have audited the financial statements of Rapid Nutrition Plc (the parent Company) and its subsidiaries (the 'Group') for the year ended 31 December 2022 which comprise the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies set out on pages 30 - 42. The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom.

In our opinion, except for the possible effects of the matters described in the basis for qualified opinion paragraph:

- the financial statements give a true and fair view of the state of the Rapid Nutrition Plc ("the Company") and its subsidiaries (collectively referred to as "the Group") affairs as at 31 December 2022 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- the Group financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for qualified opinion

The Group has signed investment agreement with Negma Group Ltd for the subscription of convertible notes. During the period convertible notes were subscribed and converted to shares under this agreement. In the absence of sufficient and appropriate evidence, we are unable to comment on the closing balance of Convertible notes amounting to \$822,000 reported under note 25 and the consequent impact thereof on finance costs of \$ 1,180,583 reported in Comprehensive Income. Moreover, during the year entity issued 5,480,500 number of shares in lieu of services and conversion of convertible notes to different third parties. We were unable to obtain sufficient appropriate evidence to verify valuations of those shares. We were unable to confirm or verify by alternative audit procedures the share capital and convertible notes included in the balance sheet and finance costs in the statement of profit and loss. As a result of these matters, we were unable to determine whether any adjustments might have been determined to be necessary in respect of share capital, convertible notes and the related elements included in the statement of profit and loss, statement of changes in equity and statement of cash flows.

Material uncertainty related to going concern

We draw attention to Note 2.2 to the financial report, which describes that the ability of the Group to continue as a going concern is dependent on successful strategic plans, and further equity issues. 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

REVENUE RECOGNITION

Refer to accounting policy Note 2(5) and Note 7 for the disclosures in relation to revenue (\$2,956,610) as at 31 December 2022.

RAPID NUTRITION PLC

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RAPID NUTRITION PLC

Key Audit Matter	How our audit addressed the matter
Rapid Nutrition, as a Group, generates revenues from sales and licensing of various health food and sports nutrition products, including the new Azurene™ formula and updated the flagship SystemLS™ weight loss brand. The method for recognising revenue varies depending on the type of sale being made: - Retail sales 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. - Licensing sales These arrangements are established via contract, with clauses that specify what periods payments relate to, and subsequent royalty percentages payable by the licensee. 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.	Our audit work assessed the design and implementation of controls over the recognition of revenue. We tested, in detail, a sample of completed orders around 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 dates of 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 focus on the period the contracts were active for. Key Observations: We noted no material instances of inappropriate revenue recognition arising in our testing.

Issuance of share capital against acquisition of assets, conversion of note and finance cost

Refer to Note 25 & 26 for the disclosures in relation to the issuance of share capital against acquisition of assets, conversion of note and finance cost.

Key Audit Matter	How our audit addressed the matter
During the year, the Group issued certain number of shares against the - Acquisition of "The Plant-Based Bundle" a vegan influencer business. The acquisition consideration of \$1,173,970 was paid partly through cash and partly through issue of 34,420,689 shares. - Conversion of notes amounting to \$2,292,238, and - Finance costs amounting to \$8,552,806. The accounting for issuance of shares was a key audit matter because these were the significant transactions for the year given the financial impact on the Group.	Our procedures included the following, amongst others: - For each issuance other than cash, we evaluated the Group's accounting against the requirements of International Financial Reporting Standards, key transaction agreements and minutes of the board of directors' meetings. - Assessed the appropriateness of the valuation methodologies and key assumptions used by the Group in getting the fair value of shares against acquisition and conversion. - We have verified the number of shares issued from the share register and UK Companies House filing and cross verified from agreements. Key Observations: We noted no material instances of inappropriateness arising in our testing.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

RAPID NUTRITION PLC

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RAPID NUTRITION PLC

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company's financial statements 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

RAPID NUTRITION PLC

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RAPID NUTRITION PLC

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Emphasis of a matter

We draw attention to Note 1 to the financial report, which describes that the financial statements for the year ended 31 December 2022 were revised and reissued.



MR NAVEED AHMAD (Senior Statutory Auditor)

For and on behalf of

HGA Accountants & Financial Consultants Limited, Statutory Auditor

1 Mountview Court
310 Friern Barnet Lane
London
N20 0LD

Date: 16 May 2023

RAPID NUTRITION PLC

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

		2022	2021
	Note	\$	\$
Turnover	7	2,956,610	3,001,763
Cost of sales		<u>(843,414)</u>	<u>(747,248)</u>
Gross profit		2,113,196	2,254,515
Provision for doubtful debts		-	(220,439)
Administrative expenses		(3,296,899)	(1,594,947)
Share based payment		(8,552,806)	-
Branding acquisition cost	11	<u>(1,173,970)</u>	<u>-</u>
Operating profit/(loss)		(9,971,253)	439,129
Changes in fair value of financial assets		-	(201,059)
(Loss)/Profit before tax		(9,971,253)	238,070
Tax expense	12	-	-
(Loss)/Profit for the period attributable to members of the Company		(9,971,253)	238,070
Other comprehensive income			
Exchange gains arising on translation on foreign operations		76,180	-
Other comprehensive income for the year		<u>76,180</u>	<u>-</u>
Total comprehensive income for the period attributable to members of the Company		<u>(9,895,073)</u>	<u>238,070</u>
Basic & diluted earnings per share	13	<u>(0.0018)</u>	<u>0.0053</u>

The notes on pages 30 to 56 form part of these financial statements.

RAPID NUTRITION PLC
REGISTERED NUMBER: 07905640

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 \$	2021 \$
Assets			
Non-current assets			
Investments	17	101	101
Property, plant and equipment	14	202,914	313,594
Intangible assets	15	<u>2,105</u>	<u>2,105</u>
Total non-current assets		205,120	315,800
Current assets			
Trade and other receivables	18	12,260	1,928,316
Inventory	19	134,803	298,248
Cash and cash equivalents	20	<u>236,120</u>	<u>77,510</u>
Total current assets		383,183	2,304,074
Total assets		<u>588,303</u>	<u>2,619,874</u>
Non-current liabilities			
Tax and other related	23	6,212	301,991
Borrowings	24	<u>241,877</u>	<u>718,143</u>
Total non-current liabilities		248,089	1,020,134
Current liabilities			
Trade and other payables	21	118,121	1,108,437
Borrowings	22	<u>114,154</u>	<u>1,401,090</u>
Total current liabilities		232,275	2,509,527
Total liabilities		<u>480,364</u>	<u>3,529,661</u>
Net assets		<u>107,939</u>	<u>(909,787)</u>
Issued capital and reserves			
Shares	26	36,953,242	29,272,688
Share premium		4,012,237	898,369
Merger reserve		(26,061,971)	(26,061,971)
Convertible notes	25	822,000	779,803
Retained earnings		2,696,742	2,458,672
Current year earning		(9,895,073)	238,070
Foreign exchange		(4,675)	(80,855)
Asset reserve		<u>(8,414,563)</u>	<u>(8,414,563)</u>
Total equity and reserves		<u>107,939</u>	<u>(909,787)</u>

RAPID NUTRITION PLC
REGISTERED NUMBER: 07905640

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

The financial statements on pages 6 to 56 were approved and authorised for issue by the board of directors on 16 May 2023 and were signed on its behalf by:

Simon St Ledger

S St Ledger
Managing Director

The notes on pages 30 to 56 form part of these financial statements.

RAPID NUTRITION PLC
REGISTERED NUMBER: 07905640

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 \$	2021 \$
Assets			
Current assets			
Intercompany loan	20	997,605	302,981
Other assets		2,105	2,105
Total current assets		<u>999,710</u>	<u>305,086</u>
Total assets		<u>999,710</u>	<u>305,086</u>
Non-current liabilities			
Deferred tax		-	228,378
Convertible Note		-	-
Total non-current liabilities		<u>-</u>	<u>228,378</u>
Total liabilities		<u>-</u>	<u>228,378</u>
Net assets		<u>999,710</u>	<u>76,708</u>
Issued capital and reserves			
Issued Capital	26	36,953,242	29,272,688
Share Premium		4,012,237	898,369
Reserves		(3,676,911)	(2,993,275)
Accumulated Losses		(36,288,858)	(27,101,074)
Total issued capital and reserves		<u>999,710</u>	<u>76,708</u>

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 \$9,187,784. The Company had no cashflow in the period, and therefore no cashflow statement has been prepared.

The financial statements on pages 6 to 56 were approved and authorised for issue by the board of directors on 16 May 2023 and were signed on its behalf by:

Simon St Ledger

S St Ledger
Managing Director

The notes on pages 30 to 56 form part of these financial statements.

RAPID NUTRITION PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Ordinary Share Capital	Share premium	Merger Reserve	Convertible Notes	Retain Earnings	Assets Reserve	Foreign Exchange	Total Equity
	\$	\$	\$	\$	\$	\$	\$	\$
Balance as at 31 Dec 2020	29,548,450	564,803	(26,061,971)	857,270	2,458,672	(8,414,563)	(80,855)	(1,128,194)
Ordinary share capital, net of transaction costs	57,266	333,566	-	(116,022)	-	-	-	274,810
Ordinary shares buy back	(333,028)	-	-	-	-	-	-	(333,028)
Profit for the year	-	-	-	-	238,070	-	-	238,070
Asset Reserve	-	-	-	38,555	-	-	-	38,555
Balance as at 31 Dec 2021	29,272,688	898,369	(26,061,971)	779,803	2,696,742	(8,414,563)	(80,855)	(909,787)
Ordinary share capital, net of transaction costs	7,680,554	3,113,868	-	-	-	-	-	10,794,422
Loss for the year	-	-	-	-	(9,895,073)	-	-	(9,895,073)
Notes issued during the year	-	-	-	2,334,435	-	-	-	2,334,435
Transferred to equity	-	-	-	(2,292,238)	-	-	-	(2,292,238)
Foreign Exchange	-	-	-	-	-	-	76,180	76,180
Balance as at 31 Dec 2022	36,953,242	4,012,237	(26,061,971)	822,000	(7,198,331)	(8,414,563)	(4,675)	107,939

The notes on pages 30 to 56 form part of these financial statements.

RAPID NUTRITION PLC

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from customers		3,283,158	2,099,149
Payments to suppliers and employees		(4,584,385)	-2,371,561
Interest paid		-	-
Net cash used by operating activities	29	(1,301,227)	(272,412)
Cash flows from investing activities			
Purchase of plant and equipment		-	11,161
Net cash used by investing activities		-	11,161
Cash flows from financing activities			
Proceeds from issue of shares		3,223,039	333,566
Lease liability payments		-	(275,596)
Proceeds from related party borrowings		(1,763,202)	(175,208)
Net cash used by financing activities		1,459,837	(117,238)
Increase/(decrease)in cash and cash equivalents		158,610	(378,489)
Cash and cash equivalents at the beginning of the year		77,510	456,000
Cash and cash equivalents at the end of the year	20	236,120	77,511

The notes on pages 30 to 56 form part of these financial statements.

RAPID NUTRITION PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. Reissue of financial statements and of audit report

The financial statements of the Company and its subsidiaries for the year ended 31 December 2022 are reissued on 16 May 2023. The previous financial statements were authorised and issued by the Board of Directors on 30 April 2023. Those financial statements had a disclaimer of opinion based on insufficient and inappropriate audit evidence to verify the movement in the share capital and merger reserve amounting to \$7,199,080 during the year ended 31 December 2022 and not providing the general ledger or supporting documents to verify the professional fee amounting to \$634,978 in the parent Company. Management has provided further information regarding the issuance of share capital and share based payments which has led to revision of the financial statements. The auditor has also revised his opinion on financial statements and has reissued the audit report.

The financial statements were signed on the Board's behalf by S St Ledger, Managing Director. The Company is a public limited company registered in England and Wales.

2. Accounting policies

2.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at this time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.1 Basis of consolidation (continued)

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and its calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent account under IAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

2.2 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 2021, the Group had a cash balance of \$236,120 as at the reporting date while it incurred administration expenses during the period of \$12,084,449, representing significant increase compared to the previous year due to share based payments, one-off costs incurred during the reporting period for capital funding of the group and the acquisition of the Plant-Based Bundle. The Directors believe there are sufficient funds to meet the Group's working capital requirements for the coming year.

The Directors also recognise in the current and post 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

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.

2.3 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. 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 that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.4 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IAS 39. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassified the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.5 Investments in associates and joint ventures (continued)

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in the other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint ventures are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

2.5 Revenue

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.6 Leases

At inception of a contract, the Company assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Company where the Company is a lessee. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.7 Foreign currency

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see for hedging accounting policies); and
- exchange differences on monetary items receivable from or payable to foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into pounds using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.9 Employee benefits

(i) Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

(ii) Contributions from employees to third parties to defined benefit plans

Discretionary contributions made by employees or third parties reduce service cost upon payment of these contributions to the plan.

When the formal terms of the plans specify that there will be contributions from employees or third parties, the accounting depends on whether the contributions are linked to service, as follows:

- If the contributions are not linked to services (e.g. contributions are required to reduce a deficit arising from losses on plan assets or from actuarial losses), they are reflected in the remeasurement of the net defined benefit liability (asset).
- If contributions are linked to services, they reduce service costs. For the amount of contribution that is dependent on the number of years of service, the entity reduces service cost by attributing the contributions to periods of service using the attribution method required by IAS 19 paragraph 70 for the gross benefits. For the amount of contribution that is independent of the number of years of service, the entity reduces service cost by attributing contributions to the employees' periods of service in accordance with IAS 19 paragraph 70.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.10 Share-based payments

(i) Share-based payment transactions of the Company

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

(ii) Share-based payment transactions of the acquiree in a business combination

When the share-based payment awards held by the employees of an acquiree (acquiree awards) are replaced by the Group's share-based payment awards (replacement awards), both the acquiree awards and the replacement awards are measured in accordance with IFRS 2 ("market-based measure") at the acquisition date. The portion of the replacement awards that is included in measuring the consideration transferred in a business combination equals the market-based measure of the acquiree awards multiplied by the ratio of the portion of the vesting period completed to the greater of the total vesting period or the original vesting period of the acquiree award. The excess of the market-based measure of the replacement awards over the market-based measure of the acquiree awards included in measuring the consideration transferred is recognised as remuneration cost for post-combination service.

However, when the acquiree awards expire as a consequence of a business combination and the Group replaces those awards when it does not have an obligation to do so, the replacement awards are measured at their market-based measure in accordance with IFRS 2. All of the market-based measure of the replacement awards is recognised as remuneration cost for post-combination service.

At the acquisition date, when the outstanding equity-settled share-based payment transactions held by the employees of an acquiree are not exchanged by the Group for its share-based payment transactions, the acquiree share-based payment transactions are measured at their market-based measure at the acquisition date. If the share-based payment transactions have vested by the acquisition date, they are included as part of the non-controlling interest in the acquiree. However, if the share-based payment transactions have not vested by the acquisition date, the market-based measure of the unvested share-based payment transactions is allocated to the non-controlling interest in the acquiree based on the ratio of the portion of the vesting period completed to the greater of the total vesting period or the original vesting period of the share-based payment transaction. The balance is recognised as remuneration cost for post-combination service.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.11 Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

1. where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither the accounting nor taxable profit or loss;
2. in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
3. deferred income tax assets are recognised only to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised, or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Tax is charged or credited directly to equity if it relates to items that are credited or charged to equity. Otherwise tax is recognised in the income statement.

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.12 Property, plant and equipment

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

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.13 Intangible assets

Trademarks and licenses

Separately acquired trademarks and licenses are shown at historical cost. Trademarks and licenses acquired in a business combination are recognised at fair value at the acquisition date. Once utilisation commences, trademarks and licenses 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 licenses over their estimated useful lives of 15 to 20 years.

2.14 Impairment of tangible and intangible assets other than goodwill

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.

2.15 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

RAPID NUTRITION PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

3. Reporting entity

Rapid Nutrition Plc (the 'Company') is a limited company incorporated in England and Wales. The Company's registered office is at 124 City Road, London, United Kingdom, EC1V 2NX. These consolidated financial statements comprise the Company and its subsidiaries (collectively the 'Group' and individually 'Group companies'). The Group is primarily involved in development and distribution of premium, science-based health and wellness brands across the globe.

4. Basis of preparation

The Group's consolidated and the Company's individual financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations as adopted by the UK (collectively IFRSs). They were authorised for issue by the Company's board of directors on 16 May 2023.

Details of the Group's accounting policies, including changes during the year, are included in note 2.

The Company has taken advantage of the exemption available under section 408 of the Companies Act 2006 and elected not to present its own Statement of Comprehensive Income in these financial statements.

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Group accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

i) New standards, interpretations and amendments effective from 1 Jan 2021

Amendments to IFRS 3: Reference to the Conceptual Framework

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

RAPID NUTRITION PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

4. Basis of preparation (continued)

i) New standards, interpretations and amendments effective from 1 July 2021 (continued)

In accordance with the transitional provisions, the Group applies the amendments prospectively, i.e., to business combinations occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

These amendments had no impact on the consolidated financial statements of the Group as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.

5. Functional and presentation currency

The Company's functional currency is Australian dollar. This differs from the presentational currency which is Australian Dollar. All amounts have been rounded to the nearest dollar, unless otherwise indicated.

6. Segment information

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.

7. Disaggregation of Revenue

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 2022, there were two main segments, with revenue (the financial variable they evaluate performance via) as follows:

Location	Revenue – year to 31 Dec 2022	Revenue – period from 1 July 2019 to 31 Dec 2021
	\$	\$
Australia	797,719	1,386,326
USA	481,734	583
Rest of World	1,640,551	1,614,854
Total	2,920,004	3,001,763

RAPID NUTRITION PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

By Services and Products	Revenue – year to 31 Dec 2022 \$
Health & Supplement Products	797,719
Plant Based Bundle	481,734
Licencing and Royalty	1,640,551
Total	2,920,004

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.

Timing of the revenue is recognized withing the same year.

	2022 \$	2021 \$
Direct Sales	1,242,847	1,173,940
License/Royalty Income	1,677,157	1,614,854
Government Grant	36,600	212,199
Interest Income	6	770
	<u>2,956,610</u>	<u>3,001,763</u>

8. Operating profit/loss

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

	2022 \$	2021 \$
Gains on foreign exchange	76,180	36,135
<i>Expenses:</i>		
Depreciation on property, plant and equipment	-	154,580
Directors' remuneration	225,615	202,575
Superannuation contributions (directors)	23,060	19,058
Auditor's remuneration		
As auditors (for group and subsidiary)	25,000	25,000
As tax agents (for tax compliance)	2,500	2,500

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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

9. Auditors' remuneration

During the year, the Group obtained the following services from the Group's auditors:

	2022 \$	2021 \$
Fees payable to the Group's auditors for the audit of the Group's financial statements	25,000	25,000

10. Employee benefit expenses

Group

	2022 \$	2021 \$
Staff costs for the group during the period:		
Wages and salaries	327,567	290,942
Other pension costs	34,130	30,467
	<u>361,697</u>	<u>321,409</u>

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

	2022	2021
Management staff	<u>9</u>	<u>13</u>

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.

The Parent company has no employees other than the Directors, who did not receive any remuneration.

11. Brand acquisition expenses

During the year entity acquired "The Plant-Based Bundle" a vegan influencer business. The acquisition consideration of \$1,173,970 was paid partly through cash and partly through issue of 34,420,689 shares. Due to complexity over the measurability of the Intellectual rights, these expenses have not been capitalized.

RAPID NUTRITION PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. Taxation

	2022 \$	2021 \$
Current Tax		
Current tax on profits in the period	-	-
Deferred Tax		
Origination of temporary timing differences	-	-
Total Tax Expense	-	-

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%.

	2022 \$	2021 \$
Profit/(loss) before taxation	(2,515,260)	238,070
Profit on ordinary activities multiplied by the standard rate of tax in the Australia of 30%	-	71,421
Non-deductible expenses		66,131
Movement on deferred tax balances not recognised	-	-
Brought forward losses utilised	-	(37,553)
Total current tax	-	-

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

RAPID NUTRITION PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

13. Earnings per share

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

	2022 \$	2021 \$
(Loss)/Profit for the year	(9,895,073)	238,070
Number of shares	534,872,610	44,576,096

Effective Date	Amount	Balance
16-Dec-22	64,516,129	534,872,610
13-Dec-22	34,420,689	470,356,481
18-Nov-22	575,000	435,935,792
18-Nov-22	4,318,000	435,360,792
18-Nov-22	587,500	431,042,792
18-Nov-22	90,000,000	430,455,292
22-Aug-22	93,750,000	340,455,292
6-Jul-22	35,842,293	246,705,292
4-Jul-22	48,309,176	210,862,999
5-May-22	2,781,065	162,553,823
3-May-22	29,585,798	159,772,758
12-Apr-22	31,645,569	130,186,960
1-Apr-22	3,030,303	98,541,391
8-Mar-22	7,886,597	95,511,088
3-Mar-22	20,618,556	87,624,491
17-Feb-22	17,429,839	67,005,935
17-Feb-22	5,000,000	49,576,096

The total shares for the period was 534,872,610, resulting in a weighted average price of EUR 0.0067 per share.

There were convertible instruments on issue as at 31 December 2022 that have been converted outside the reporting period post balance sheet close as disclosed. Valid conversion notices have been received in respect of 348,044,730 new shares. Following the conversion, the total number of shares on issue as at the 11 April 2023 is 882,917,340.

RAPID NUTRITION PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

14. Property, plant and equipment

Group	Motor Vehicles	Computer Equipment	Fixtures, fittings and equipment	Right-of- use- premises	Total
	\$	\$	\$	\$	\$
Cost					
At 1 January 2022	176,927	29,681	10,860	332,043	549,511
Additions					-
At 31 December 2022	<u>176,927</u>	<u>29,681</u>	<u>10,860</u>	<u>332,043</u>	<u>549,511</u>
Accumulated depreciation and impairment					
At 1 January 2022	176,927	29,681	10,860	18,449	235,917
Charge for the period				110,680	110,680
At 31 December 2022	<u>176,927</u>	<u>29,681</u>	<u>10,860</u>	<u>129,129</u>	<u>346,597</u>
Net book amount at 31 December 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>202,914</u>	<u>202,914</u>
Net book amount at 31 December 2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>313,594</u>	<u>313,594</u>

15. Intangible Assets

Group

	2022 \$	2021 \$
Intellectual property	<u>2,105</u>	<u>2,105</u>

RAPID NUTRITION PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

16. Subsidiaries

Details of the Group's material subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group (%) 2022
1) Rapid Nutrition Pty Limited	Development and distribution of premium, science-based health and wellness brands	Australia	100
2) Plant-Based Bundle Pty Ltd (formerly, Rapid Nutrition Australia Pty Ltd)	Development and distribution of premium, science-based health and wellness brands	Australia	100
3) Rapid Nutrition Canada Inc.	Development and distribution of premium, science-based health and wellness brands	Canada	100

17. Investments

Group

	2022	2021
	\$	\$
Investment in Vibe Life	<u>2,105</u>	<u>2,105</u>

Company

Value of investment in subsidiary

	2022	2021
	\$	\$
Value of shares held	36,953,242	26,061,971
Provision for impairment	<u>(36,953,242)</u>	<u>(26,061,971)</u>
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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

18. Trade and other receivables

Group	2022 \$	2021 \$
Trade receivables	12,261	2,684,423
Allowance for expected credit losses	-	(764,970)
Prepayments	-	8,863
	<u>12,261</u>	<u>1,928,316</u>
Company		
Loans to subsidiary companies	<u>997,605</u>	<u>302,981</u>

Loans to subsidiary companies

Rapid Nutrition Plc advanced funds to its various subsidiaries to finance ongoing operations.

19. Inventory

Group

	2022 \$	2021 \$
Finished goods	<u>134,803</u>	<u>298,248</u>

20. Cash and cash equivalents

Group

	2022 \$	2021 \$
Cash at bank	<u>236,120</u>	<u>77,510</u>

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.

RAPID NUTRITION PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

21. Trade and other payables

Group	2022 \$	2021 \$
Trade Payables	118,121	180,918
Other	-	226,293
Accrued wages	-	701,325
	<u>118,121</u>	<u>1,180,437</u>

The carrying value of trade and other payables classified as financial liabilities measured at amortised cost approximates fair value.

22. Borrowings

Group	2022 \$	2021 \$
Bank overdraft	-	112,471
Lease liability	114,154	82,229
Other short-term loans	-	1,206,391
	<u>114,154</u>	<u>1,401,090</u>

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.

23. Tax and other related

	2022 \$	2021 \$
Tax payable	6,212	301,991
	<u>6,212</u>	<u>301,991</u>

RAPID NUTRITION PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

24. Non-current borrowings

Group

	2022	2021
	\$	\$
Loans from related parties	121,208	93,793
Other Loans	-	14,225
Convertible Notes	-	375,302
Lease Liability	120,669	234,823
	<u>241,877</u>	<u>718,143</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 recognise all expenses paid on the Company's behalf by the lender. Principal and interest repayments are made on a monthly basis.

25. Convertible notes

Convertible notes (classified to equity)	<u>822,000</u>	<u>779,803</u>
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The notes are convertible into ordinary shares of the Company at a variable conversion rate (means the higher of the par value of a Share and ninety percent (90%) of the lowest Daily VWAP over the Pricing Period). All notes from 2021 were converted on the 23 February 2022.

Opening Balance:	779,803
Conversion during the period:	(2,292,238)
Addition During:	<u>2,334,435</u>
Closing Balance:	<u>\$ 822,000</u>

RAPID NUTRITION PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

26. Contributed equity – group and parent company

	2022 Securities	2021 Securities	2022 \$	2021 \$
Fully paid shares of \$0.01 each	534,872,610	38,849,541	36,953,242	29,272,688

Equity movement for the period:

<u>Effective Date</u>	<u>Amount</u>	<u>Balance</u>
16-Dec-22	64,516,129	534,872,610
13-Dec-22	34,420,689	470,356,481
18-Nov-22	575,000	435,935,792
18-Nov-22	4,318,000	435,360,792
18-Nov-22	587,500	431,042,792
18-Nov-22	90,000,000	430,455,292
22-Aug-22	93,750,000	340,455,292
6-Jul-22	35,842,293	246,705,292
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1-Apr-22	3,030,303	98,541,391
8-Mar-22	7,886,597	95,511,088
3-Mar-22	20,618,556	87,624,491
17-Feb-22	17,429,839	67,005,935
17-Feb-22	5,000,000	49,576,096

The total share on issue for the end of the period was 534,872,610. Total paid-up capital movement for the period was \$7,680,554, resulting in a weighted average price of EUR 0.0067 per share.

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.

RAPID NUTRITION PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

27. Contingencies and commitments

Contingent liabilities

At 31 December 2022, Rapid Nutrition PLC did not have any contingent liabilities.

Contractual Commitments

At 31 December 2022, Rapid Nutrition PLC had not entered into any contractual commitments for the acquisition of property, plant or equipment.

28. Related party transactions

Name (relationship)	Transaction	Amount		Amount due from/(to) related party	
		2022 \$	2021 \$	2022 \$	2021 \$
	Consulting Fees	-	-	-	-
Grynn Pty Ltd	Loan funds		456,120		(355,324)

Nature of related parties

Grynn Pty Ltd is a company controlled by Simon 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 2022 are disclosed below:

2022	Salary (\$)	Superannuation (\$)	Consultancy Fees (\$)	Total (\$)
Simon St Ledger ¹	225,615	23,060	-	248,675
Vesta Vanderken ³	16,000	-	-	16,000
Jeff Reingold ⁴	1,000	-	-	1,000

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 increasing by at least 10% per calendar year.. A car allowance up to AUD\$1000 per month and the required Super/pension payments at 10.5% 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).

⁴ – Jeff Reingold's was provided with relevant contract that has been executed prior to the appointment. The fee payable for carrying out her duties is \$1,000 for each AGM and \$200 for each board meeting.

RAPID NUTRITION PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

	2022 \$	2021 \$
Profit/(Loss) after tax	(9,971,253)	238,070
<i>Adjustments for:</i>		
Depreciation	-	154,579
Unrealised gains/(loss)	-	36,135
Provision for bad debt	-	220,439
Impairment of investment	-	201,059
Share based payments	7,689,762	-
Decrease/(increase) in Receivables	1,916,055	(902,614)
(Increase)/decrease in Inventory	163,445	49,179
(Decrease)/increase in Payables (excluding tax)	(1,099,235)	(102,571)
(Decrease)/increase in Deposits	-	(8,862)
Increase in Other borrowings	-	(157,825)
Net cash outflow from operations	(1,301,226)	(272,412)

30. 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 2022 were classified as follows:

	Note	2022 \$	2021 \$
Financial assets			
Cash and cash equivalents	20	236,120	77,510
Trade and other receivables	18	6,943	1,919,454
Financial assets		-	-
Total financial assets		243,063	1,996,964
Financial liabilities			
- Trade and other payables	21	118,121	1,108,437
- Borrowings – Current	22	114,154	2,119,234
- Borrowing – Non Current	24	241,877	-
		474,152	3,227,671

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.

RAPID NUTRITION PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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 inventory manufacturing facilities are based in the US, so the risk of any adverse movement in the foreign currency exchange rates is borne by the Group.

As at 31 December 2022, if the US dollar had strengthened by 6.4% against the Australian dollar (calculated on RBA exchange rate) 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 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 2022. 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 counterparties 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 14 & 16 – 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.

31. Share Based Payments

No share options have been granted to employees or directors.

RAPID NUTRITION PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

32. Post Balance Sheet Date Events

On the 30th of January 2023, the group removed itself from the OTQB Markets in the US to focus on its primary listing on Euronext.

On the 17th & 19th of January 2023, the group announced the conversion of convertible notes and a capital increase respectively.

On the 2nd, 14th & 17th of March 2023, the group announced the conversion of convertible notes and a capital increase respectively.

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