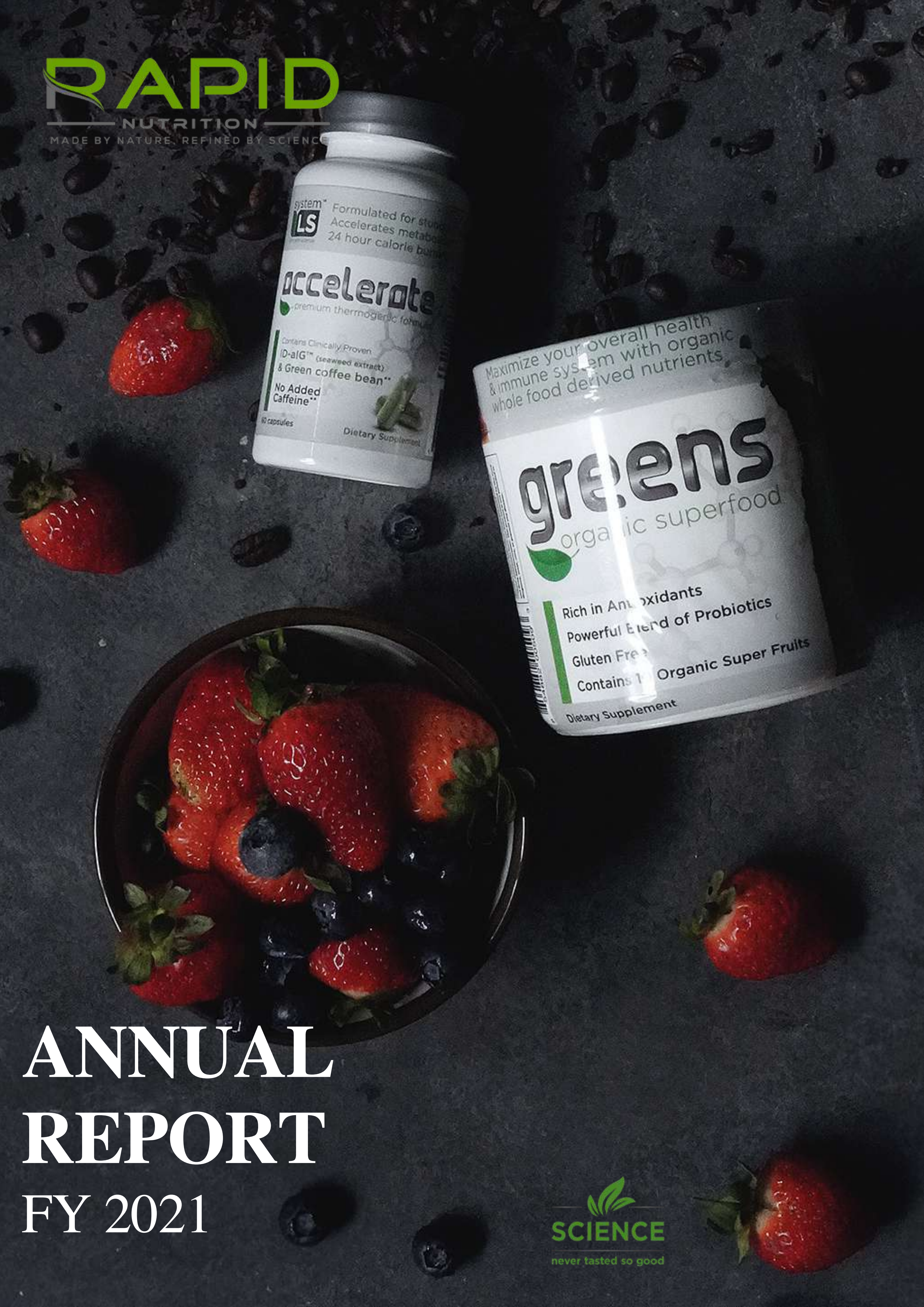
RAPID NUTRITION

MADE BY NATURE. REFINED BY SCIENCE



ANNUAL REPORT

FY 2021

SCIENCE

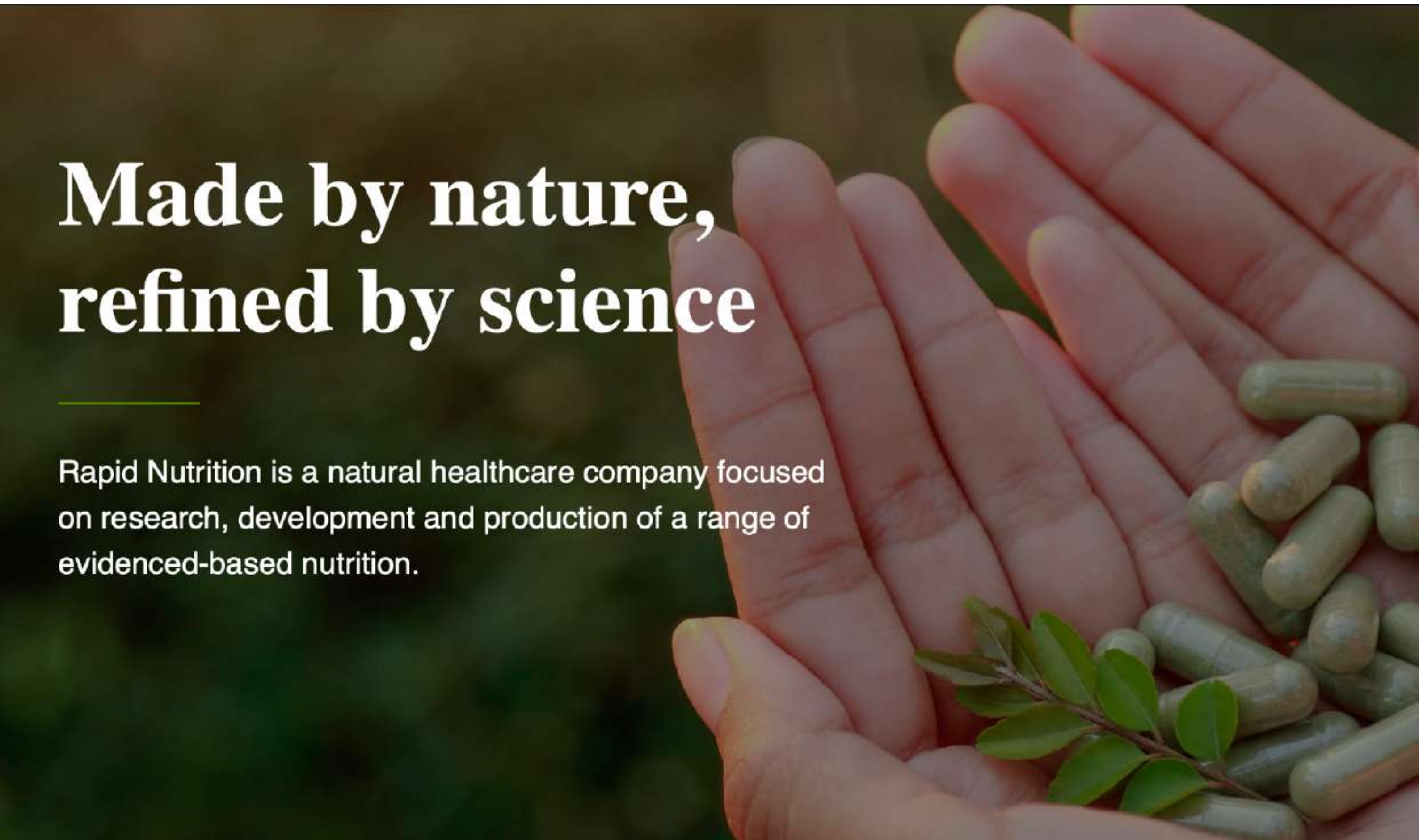
never tasted so good

Company Registration Number 07905640

RAPID NUTRITION PLC

FINANCIAL STATEMENTS

For the Year Ended
31 December 2021



RAPID NUTRITION PLC

FINANCIAL STATEMENTS

For the Year Ended 31 December 2021

CONTENTS **Page**

CORPORATE DIRECTORY

For the Year Ended 31 December 2021

Directors	S St Ledger V Vanderbeken S Kellow
Company Secretary	Elemental CoSec Limited
Company registration number	07905640
Registered office	Kemp House 152-160 City Road London England EC1V 2NX
Auditor	Elderton Audit UK Level 2 267 St Georges Terrace Perth WA 6000 Australia
Domicile of the company	United Kingdom
Country of incorporation	England and Wales
Legal form of entity	Public Limited Company
Stock Exchange Codes	ALRPD, RPNRF

The directors present their strategic report on Rapid Nutrition PLC (the “Company”) and its controlled entity (hereafter the “Group” or “Rapid Nutrition”) for the year ended 31 December 2021.

Principal activity

Rapid Nutrition is a publicly listed company, holding a substantial market share in Australia, and gaining momentum in the American market, working towards becoming a market leader in the health industry.

The company has its sights set on continuing to expand global market share with business interests not only in North America, Europe and Australia, but also South Korea, Saudi Arabia and Ghana.

New products are set to launch in 2022 and to promote the expansion of the company. This positions the groups flagship brand SystemLS™ well to turn Rapid Nutrition into a recognised name in the health and weight loss arena.

With a shift towards healthier food options and concerns around the necessity of building robust immune systems, Rapid Nutrition relies on scientific formulation and evidence-based products, and not just trends in the market. In light of this, the company is also working on an innovative herbal anti-viral (already with an Australian innovation patent behind it) aimed at launching sometime in 2022.

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.”

With a keen eye on global growth, the group remains focused on strategic partnerships, with a globally diversified distribution channels, backed with smart but focused marketing strategy and continuing to offer the best in class science-based health and wellness products. For more information, please visit http://rnplc.com

Financial Highlights (AUD)

- Revenue for the period reached $3 million (FY 2021 12-month period) remaining consistent with the previous comparable period (FY2020 extended 18-month period $3.67 million);
- Gross profit increased to $2.25 million (FY2021), compared to the previous extended financial period $1.5 million (FY 2020);
- Operating profit $0.439 million (FY2021), compared to previous year loss of $0.576 million (FY2020)
- Decrease in liabilities for the period, compared to previous year
- Substantially increased cash position (post balance sheet) in Q1 2022 positioning the company well for the proceeding year (post pandemic)

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

Key pillars of Rapids growth strategy are:

I. **Expand distribution** into neighbouring countries where the Company is not already present. UK, Europe, Asia, Australia, and US are focus markets for 2022.

II. **Product innovation and extension** – In response to increased demand for organic health and wellness offerings, Rapid Nutrition, a natural healthcare company focused on evidenced-based nutrition, diet management and life sciences products with growing worldwide distribution, is expanding its product offerings and continued growth in distribution, now sharing its organic health and wellness products throughout Australia, Asia, Europe, North America, EMEA as well as through its ecommerce channels.

III. **Synergistic acquisitions** the Company will explore acquisitions of assets that produce sound cash flow or are complementary to the Company's operations as announced in March 2022 The proposed acquisition, anticipated for next quarter, subject to final agreed-upon terms, aligns with the company's strategy of scaling globally while expanding distribution and marketing opportunities.

Annual 2021 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 Middle East, Egypt and South Korea to complement previous expansion.

- 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 a growing online influencer base.

- Continued to attract experience talent and enhance leadership to the Rapid Nutrition team with the appointment of Carl Seletz, who has led some of the world's largest retail players, to the Rapid Nutrition Advisory Board, as well as Dr. David Hunter, ranked as the world's leading expert in osteoarthritis on expertscape.com. Dr. Hunter has researched the effects of obesity on joint pain, making him an ideal addition to the wellness company's board.

- Initiated preparations to launch a significant oral anti-viral prevention therapy in 2022 designed to help relieve symptoms of colds and the flu, which was granted an Innovation Patent in 2016.

- Successfully listed on the Euronext, Europe's largest stock exchange. While the stock market offered a roller coaster ride in 2021 with more lows than highs, with the transition to Europe's most recognised stock exchange, 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

While a trying year for many as the global pandemic continued to impact individuals, businesses and markets across the globe, 2021 was also a transformational year for Rapid Nutrition and a significant step forward to achieving our key objectives and milestones.

In terms of operations, the science-based nutrition company's focused consolidation strategy continues to be successfully executed, allowing the Rapid Nutrition team to focus on its innovative flagship brand while expanding operations and distribution across the globe. In addition, the ability to optimise online direct-to-consumer channels has also bolstered the group's bottom line throughout the period while sustaining its top line revenues for the period.

The company is pleased to report bottom line growth during the pandemic and transition period due largely to its focus on making its flagship brands into leading brands worldwide. Rapid Nutrition invests heavily in its team, intellectual property and product offerings. Science-based organic products across categories continue to draw worldwide interest, supporting future growth and earnings and opportunities for increased growth in markets across the globe.

The Year In Review
Simon St Ledger, Executive Chairman said:

Introduction
As we continue to navigate and come out of the global Covid-19 pandemic, Rapid Nutrition delivered encouraging year-end results for 2021, while in parallel continuing to grow it with a continued focus on operational execution and international expansion to drive growth in 2022.

2022 has gotten off to a very strong start, a harbinger of good things to come this year and beyond. In January, the company was pleased to announce its new distribution agreement in South Korea, which followed on the heels of its previous announcement with its new EMEA distribution partner Zone Eight. Both partnerships are progressing well with product approval and are in final stages with their respective regulatory authorities in each market; anticipated opening orders should commence in the coming quarter. Both markets are experiencing significant growth in the health and wellness sector and are expected to add substantial accretive revenues to the group.

As the company continues to expand its global distribution partners and ecommerce channels, influencer marketing which will become an integral strategy to further grow the brand’s loyal customer base. This marketing strategy has proved fruitful last year in increasing the company’s bottom line and will allow the group to scale aggressively into the future.

We appreciate your interest and investment in Rapid Nutrition. Our board has always believed that shareholders are business partners and that our role is of managing partner. Likewise, we see each investment as a long-term opportunity for growth and innovation.

Our industry continues to accelerate now more than ever with health and wellness being a major priority for everyone. While many industries have experienced significant challenges with the global pandemic, consumers’ heightened interest in health, wellness and immunity has Rapid Nutrition well placed in what is arguably one of the fastest-growing sectors in the world. Thanks to our outstanding line of science-based natural and organic products, we are positioned to capitalise on many growth initiatives with our number-one priority being to enhance shareholder value.

As a company, we measure success not by month-to-month stock movements but by progress over the long term. We understand that many investors associate small companies with growth, yet they actually have a bias towards value. We believe in our company’s promise, with management also invested as owners and not just caretakers of assets. Our board of experts across the fields of health, wellness, science and innovation aims to maximise opportunities as we continue to grow our global wellness company.

We look forward to 2022 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.

New 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 urgers 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.
- **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 sustainable packaging 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 optimize 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 anti-viral 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 vertically integrated company with a unique position in the life sciences and nutraceutical space. Management believes that this strategy enables the organization 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, Asia, Australia, the United States and China 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 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 herbal anti-viral coming to market this year.
- **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.

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.

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 will then scale this model throughout the UK and Europe in the second and third quarters.

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 have engaged The Zephirin Group 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 the Zephirin Group to provide capital markets coverage. The quarterly reports coverage will be available in English, French and Chinese to increase circulation in key markets.

As we continue to grow our investor relations function and offer greater communication and transparency for investors, we were impressed by the worldwide reach and expertise that the Zephirin Group offers and look forward to offering more information and insight to our shareholders, stakeholders and team from the view of a well-respected research firm.

We continue to believe there is a compelling fundamental investment case to be made to both current and prospective shareholders. This new website should serve as an invaluable resource to keep our

shareholders well informed of our progress, and to increase market awareness for the Rapid Nutrition brand within the investment community. We believe the new website conveys the Rapid Nutrition story, our long-term strategic objective and strong value proposition, as we continue to work toward maximising value for our shareholders.

As announced in the last quarter of 2020, Rapid Nutrition made the decision to delist on the SIX Swiss Exchange to streamline efficiencies following limited after-market support. SIX approved the delisting of the shares, which took place on 23 July 2021. The last trading on SIX Swiss Exchange was on the 22 July 2021. The board's priority is to ensure it maintains a listed venue where stakeholders and investors can trade. At present this is Euronext Growth: ALRPD, OTCQB: RPNRF. The company further bolstered its balance sheet by securing further funding in January, ensuring it is well-capitalised leading into 2022 and the ever-changing Covid-19 environment.

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

Principal Risks and Uncertainties

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 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 2021, if the US dollar had weakened by 8% against the Australian dollar with all other variables held constant, comprehensive income for the period and assets would have been adjusted higher/lower, as a result of foreign exchange gains/losses on transaction of the financial asset.

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

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

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

Environmental Matters
There are no environmental issues arising from the Group's business that might affect the future strategic direction or results of our Group. 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	2	1
Senior Managers	2	2
Other Employees	1	3

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

Financial Review

Overview
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 2022, we will continue to generate growth in current markets by diversifying distribution channels while leveraging unique manufacturing capabilities and partnerships to optimize the supply chain, all with an eye towards additional growth.

In 2021 alone, Rapid Nutrition secured distribution deals in the Middle East, Egypt and South Korea in addition to notable ecommerce gains. The company successfully listed on the Euronext, Europe's largest stock exchange, while receiving second-round investments from a group of institutional investors. Rapid Nutrition also initiated preparation to launch a significant oral anti-virtual prevention therapy designed to help relieve cold and flu symptoms; the therapy was granted an Innovation Patent in 2016.

Despite another year where the global pandemic significantly impacted retail, Rapid Nutrition is proud of its compelling 2021 results and we look forward to growth driven by operational execution and international expansion this year and beyond," St. Ledger added. "We will continue to advance our work towards becoming a major player in the wellness industry and strongly believe in our company's promise, with management invested as owners.

Cash and net debt
The Group has preserved cash well during the pandemic and continues to manage external debt. Cash and equivalents balance were $77,510 as at 31 December 2021. Trade and other receivables decreased to $1.93m (FY2020: $3.48m) with a significant investment successfully secured outside the reporting period in Q1 2022, positioning the company well for the current period and beyond.

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 14th March 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
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 Dec 2021, the Group had cash balances of $77,510 and Receivables of $1,928,16. Furthermore, post balance sheet close 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
28 April 2022

The Directors present their annual report and financial statements and auditors report of the Group for the year ended 31 December 2021.

Directors

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

Mr Simon St Ledger
Mr Shayne Kellow
Ms Vesta Vanderbeken

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

Simon St Ledger
Nationality: Australian

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

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

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

Shayne Kellow
Nationality: Australian

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

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

Vesta Vanderbeken
Nationality: Australian

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

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

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

Company Secretary

The following served as Company Secretary during the period:

Elemental Company Secretary Limited, London

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

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

Meetings of the Directors

During the year to 31 December 2021, 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	14	10

Review of the Business

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

Business Model

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

Branches outside the UK

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

Environmental matters

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

Greenhouse Gas Emissions

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

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

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

Suppliers
Our supplier relationships are an important part of being able to innovate and offer trusted value to customers. In 2021, we focused on improving our supply chain; an essential facet of our strategy and one that can only be driven forwards through continuing, close engagement with our suppliers.

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

Dividends
At this stage of the Group's development, no dividends have been recommended. All monies generated by the Group's operations are to be retained for the future growth and development of the Group's offerings to market. As a result of the approval of increased share authorities by the shareholders at the General Meeting held on the 14th of March 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

Nice and Green SA held several convertible note as disclosed during the reporting period, which subsequently, have all converted as disclosed in the announcement on the Groups website dated 23 February 2022.

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.

Capital Structure

At 31 December 2021, the ordinary share capital of Rapid Nutrition PLC consisted of 44,576,096 shares, with a nominal value of GBP 0.01 each. There are no restrictions on the transfer of securities in the Company, and no restrictions on voting rights.

Post Balance Sheet Events

On the 5th of January 2022, the group announced it has expanded distribution throughout South Korea with new partner SM Trading, a division of Ilshin World Corporation.

On the 2nd of February 2022, the group announce it has engaged the Zephirin Group to provide capital markets coverage. The quarterly reports coverage will be available in English, French and Chinese.

On the 8th of February 2022, the group announced its increased product offering.

On the 25th of February 2022, the group announced it had successfully completed a funding agreement to support global growth.

On the 7th & 10th of March 2022, the group announced the conversion of convertible notes

On the 14, of March 2022, the group held a notice of general meeting where all resolutions were approved by Shareholders.

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

Corporate Governance

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

Internal Controls
The Board is responsible for the Group's system of internal control and for reviewing its effectiveness. The controls are appropriate for the Group in its current state. The Audit Committee consider each year if the current level of internal control is appropriate. On advice from the Audit Committee, the Board does not consider any additional independent verification of the system of internal control to be required, based on the size of the Company and the Group, and the non-complex nature of both its management systems and financial structure.

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

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

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

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

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

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

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

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

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

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

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

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

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

Diversity Policy

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

Indemnification of Officers

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

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

Proceedings on Behalf of the Group

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

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 January 2021[1]	Shares acquired during year	Shares disposed during the year	Shares held on 31 Dec 2021
Simon St Ledger	6,115,050[2]	-	-	6,115,050
Shayne Kellow	272,022	-	-	272,022
Vesta Vanderbeken	-	100,000	-	100,000

[1] The number of Shares and/or the number of options refers to the number of Shares and/or the number of options held as of 31 December 2021.
[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 2021, 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 AU$165, 000 per annum increasing by at least 10% in each calendar year. A car allowance up to AU$1,000 per month and the required Super/pension payments at 9.5% per annum. The director will also be entitled to an executive bonus which shall not exceed 10% of remuneration and determined at the sole discretion of the board.

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

Reference Search Path: www.rnplc.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.

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.

2021	*Salary ($)*	*Superannuation ($)*	*Consultancy Fees ($)*	***Total ($)***
Simon St Ledger [1]	202,575	19,058	-	**221,633**
Shayne Kellow [2]	-	-	-	**-**
Vesta Vanderken[3]	20,000	-		**20,000**

[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 lest 10% per calendar year. A car allowance up to $1000 per month and the required Super/pension payments at 9.5% per annum. The director will also be entitled to an executive bonus which shall not exceed 10% of remuneration and determined at the sole discretion of the board.

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

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

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

[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.rnplc.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.

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

The Committee seeks to ensure that:

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

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

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

Salaries are reviewed annually. The factors taken into account in the review include:
- Role and experience;
- Company performance;

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

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

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

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

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

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

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

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

End of audited section.

Directors' responsibilities

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

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

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

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

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

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

Directors' statement as to disclosure of information to the auditor

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

- to the best of their knowledge and belief, there is no relevant audit information of which the Group's auditor is unaware; and

- the Directors have taken all the steps that that might reasonably be expected to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

By order of the Board

Simon St Ledger

S St Ledger
Managing Director
28 April 2022

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF RAPID NUTRITION PLC

Opinion

We have audited the financial statements of Rapid Nutrition PLC ("the Company") and its subsidiaries (collectively referred to as "the Group") for the year ended 31 December 2021 which comprise Consolidated and Parent Company Statements of Financial Position as at 31 December 2021; the Consolidated Statement of Profit and Loss and comprehensive Income, the Consolidated Statements of Cash Flows and the Consolidated and Parent Company Statements of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion:

- 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 2021 and of the Group's profit 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 parent company financial statements have been properly prepared in accordance with applicable law and IFRSs as adopted by the European Union;

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below as key audit matters to be communicated in our report.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>
REVENUE RECOGNITION AND RECOVERY OF RECEIVABLES

Rapid Nutrition, as a Group, generates revenues from sales and licensing of various health food and sports nutrition products, including the Leisa's Secret® and SystemLS™ lines.

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 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, particularly focused on the contractual terms and when the performance conditions associated with it have been met. In addition, due to the volume of transactions in the period, and different types revenue can make it complex to determine the performance conditions associated with the income, giving rise to a requirement for management judgement, as such we have identified revenue recognition as a key risk for our audit.

Major Sources of Estimation Uncertainty and Judgment within the Group Accounting Policies and note 9 for Trade and Other Receivables.

An allowance of $764,970 (2020: $314,410) is recognised against customer receivables of $2,684,423 (2020: $1,331,250).

The Group's revenue recognition policy is disclosed in note 1.5.
</td><td>
Our procedures when relevant to the Group or Parent Company included, among others:
- We obtained and documented our understanding of key revenue processes and specifically how transactions from each revenue stream were initiated, processed and recorded from transaction initiation through to recording in the Financial Statements.
- We assessed the design and implementation of controls over the recognition of revenue.
- We tested a sample of revenue placed around year end which had occurred ensuring the revenue and related receivable was appropriately recorded in the correct period.
- 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 testing whether amounts recognised were accurate and recorded in the correct period, by agreeing to the contractual performance obligations in a sample of agreements.
- We also considered the adequacy of disclosures in respect of revenue recognition.
- We tested the key inputs to the provision calculated by management, which are the historical experience and expected future recoveries, as well as the stratification of the year end book by arrears position, customer indebtedness index and expected month of default.
- We tested, the appropriateness of management's assumptions, based on the Group's historical experience and expected levels of future default.
- We tested, on a sample basis, whether the current customer receivables were genuinely performing, in order to obtain evidence that receivables were appropriately recorded.
- We assessed the adequacy and clarity of the accounting policy and credit risk disclosures made in relation to customer receivables.
- We developed our own independent expectation of the allowance amount and concluded that the position taken by management was reasonable.

Key Observations: We noted no material instances of inappropriate revenue recognition arising in our testing.
</td></tr>
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Going Concern

The financial statements have been prepared on a going concern basis as discussed in note 1.2.

Group has a negative equity, negative operating cash flows and has significant borrowings to fund costs at current and prior year end.

We included the going concern assumption as a key audit matter as it relies on existing cash reserves and revenue growth generating sufficient cashflows to cover necessary expenditure.
</td><td>
In assessing the appropriateness of the going concern assumption used in preparing the financial statements, our procedures included, amongst others:
- Assessing the cash flow requirements of the Group over 14 months from 31 December 2021 based on budgets and forecasts.
- Understanding what forecast expenditure is committed and what could be considered discretionary.
- Considering the cash position at the signing date to determine sufficient cash available when require.
- Considering the terms of the loans and trade finance facilities and the amount available for drawdown.
- Considering potential downside scenarios and the resultant impact on available funds through market announcements and other available information.
</td></tr>
</table>

Our Application of Materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group financial statements as a whole to be AUD 60,035, which represents 2% of the Group's turnover for the year ended 31 December 2021.

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

Performance materiality

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these
levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and
the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment and to drive the extent of our testing, performance materiality was 75% of our planning materiality for the audit of the Group financial statements.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Board that we would report all audit differences in excess of AUD 3,000, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

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.

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.

Overview of the Scope of Our Audit

A description of the generic scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeprivate. We conducted our audit in accordance with International Standards on Auditing (ISAs) (UK). Our responsibilities under those standards are further described in the 'Responsibilities for the financial statements and the audit' section of our report.

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

The Group operates in many countries including Australia and United Kingdom. The Group audit team performed all the work necessary to issue the Group and parent company audit opinion, including undertaking all of the audit work on the risks of material misstatement.

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each entity within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements.

Responsibilities of directors

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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Nicholas Hollens

NICHOLAS HOLLENS
Senior Statutory Auditor for and on behalf of Elderton Audit UK
Statutory Auditor, Chartered Accountants
Perth, Australia
28 April 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Period from 1 January 2021 to 31 December 2021	Period from 1 July 2019 to 31 December 2020 (Restated)
		AU$	AU$
Revenue	4	**3,001,763**	**3,679,855**
Cost of sales			
Opening inventory		(347,427)	(245,804)
Direct costs		(698,069)	(2,274,618)
Closing inventory		298,248	347,427
Gross profit		**2,254,514**	**1,506,860**
Provision for doubtful debts		(220,439)	(189,410)
Administrative expenses		(1,594,947)	(2,071,505)
Other operating income		-	177,704
Operating profit		**439,128**	**(576,351)**
Changes in fair value of financial assets	11	(201,059)	(5,452,630)
(Loss)/Profit before tax		**238,070**	**(6,028,981)**
Tax expense	7	-	580,938
(Loss)/Profit for the year attributable to members of the Company		**238,070**	**(5,448,043)**
Other comprehensive income			
Changes in fair value of financial assets through other comprehensive income		**-**	**(6,329,247)**
Non-controlling interest		**-**	**-**
Total comprehensive income for the period attributable to members of the Company		**238,070**	**(11,777,290)**
Basic & diluted earnings per share	27	0.0053	0.0076

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

RAPID NUTRITION PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Note	31 Dec 21 AU$	31 Dec 2020 (Restated) AU$
Current assets			
Cash and cash equivalents	8	77,510	456,000
Trade and other receivables	9	1,928,316	1,016,840
Inventory	10	298,248	347,427
Financial assets	11	-	534,087
Total current assets		**2,304,074**	**2,354,354**
Non-current assets			
Investments	12	101	101
Property, plant and equipment	13	313,594	136,131
Intangible assets	14	2,105	2,105
Total non-current assets		**315,800**	**138,337**
Total assets		**2,619,874**	**2,492,691**
Current liabilities			
Trade and other payables	15	1,108,437	1,211,008
Provision for current tax		-	157,826
Borrowings	16	1,401,090	1,602,770
Total current liabilities		**2,509,527**	**2,971,604**
Non-current liabilities			
Tax and other related	17	301,991	228,378
Borrowings	18	718,143	420,903
Total non-current liabilities		**1,020,134**	**649,281**
Total liabilities		**3,529,661**	**3,620,885**
Net Liabilities		**(909,787)**	**(1,128,194)**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Note	31 Dec 2021	31 Dec 2020 (Restated)
		AU$	AU$
Equity			
Shares	19	29,272,688	29,548,450
Share Premium		898,369	564,803
Merger reserve		(26,061,971)	(26,061,971)
Convertible notes		779,803	857,270
Retained earnings	20	2,458,672	7,906,715
Current Year Earning	20	238,070	(5,448,043)
Foreign Exchange – Opening		(80,855)	(80,855)
Asset Reserve		(8,414,563)	(8,414,563)
Total equity and reserves		**(909,787)**	**(1,128,194)**

These financial statements were approved and authorised for release by the Directors on 28 April 2022 and are signed on its behalf by:

Simon St Ledger

S St Ledger
Managing Director

Company registration number: 07905640

RAPID NUTRITION PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Ordinary Share Capital	Share Premium	Merger Reserve	Convertible notes	Retained Earnings	Asset Reserve	Foreign Exchange	Total Equity
	$	$	$	$	$	$	$	$
Balance as at 30 June 2019	**29,503,701**	**193,023**	**(26,061,971)**	**634,416**	**9,503,620**	**(2,085,316)**	**(80,855)**	**11,606,618**
Correction of error (***Note1.17***)	-	-	-	-	(1,596,905)	-	-	**(1,596,905)**
Balance as at 1 July 2019	**29,503,701**	**193,023**	**(26,061,971)**	**634,416**	**7,906,715**	**(2,085,316)**	**(80,855)**	**10,009,713**
Ordinary share capital, net of transaction costs	44,749	371,780	-	-	-	-	-	**416,529**
Loss for the period-*Restated*	-	-	-	-	(5,448,043)	-	-	**(5,448,043)**
New notes issued	-	-	-	222,854	-	-	-	**222,854**
Asset reserve	-	-	-	-	-	(6,329,247)	-	**(6,329,247)**
Balance as at 31 Dec 2020-Restated	**29,548,450**	**564,803**	**(26,061,971)**	**857,270**	**2,458,672**	**(8,414,563)**	**(80,855)**	**(1,128,194)**
Balance as at 1 Jan 2021-Restated	**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**
Transferred to equity	-	-	-	38,555	-	-	-	**38,555**
Asset reserve	-	-	-	-	-	-	-	**-**
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)**

RAPID NUTRITION PLC

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	31 Dec 21 AU$ $	31 Dec 2020 AU$ (Restated) $
Cash flows from operating activities			
Receipts from customers		2,099,149	4,033,764
Payments to suppliers and employees		(2,371,561)	(4,250,935)
Interest paid		-	(282,502)
Net cash used by operating activities	23	**(272,412)**	**(499,673)**
Cash flows from investing activities			
Purchase of plant and equipment		11,161	(5,797)
Net cash used by investing activities		**11,161**	**(5,797)**
Cash flows from financing activities			
Proceeds from issue of shares		333,566	416,530
Lease liability		(275,596)	142,437
Proceeds from related party borrowings		(175,208)	158,927
Net cash used by financing activities		**(117,238)**	**717,894**
Increase/(decrease)in cash and cash equivalents		**(378,490)**	**212,424**
Cash and cash equivalents at the beginning of the period		456,000	243,576
Cash and cash equivalents at the end of the period	8	**77,510**	**456,000**

RAPID NUTRITION PLC

PARENT COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Note	31-Dec-21 $	31-Dec-20 $
Statement of Financial Position			
Current assets			
Intercompany loan	21	302,981	646,112
Financial assets	11	-	534,087
Other assets		2,105	2,105
Total current assets		**305,086**	**1,182,304**
Non-current assets			
Total Assets		**305,086**	**1,182,304**
Non-Current Liabilities			
Deferred tax		228,378	228,378
Convertible Note		-	257,302
Total non-current liabilities		**228,378**	**485,680**
Total Liabilities		**228,378**	**485,680**
Net Assets/(Liabilities)		**76,708**	**696,624**
Issued Capital		29,272,688	29,548,450
Share Premium		898,369	564,803
Reserves		(2,993,275)	(2,993,275)
Accumulated Losses	20b	(27,101,074)	(26,423,354)
Total Equity		**76,708**	**696,624**

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 $677,720. The Company had no cashflow in the period, and therefore no cashflow statement has been prepared.

RAPID NUTRITION PLC

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Ordinary Share Capital $	Share Premium $	Foreign Exchange Reserve $	Retained Earnings $	Total Equity $
Balance at 1 Jan 2021	**29,548,450**	**564,803**	**(2,993,275)**	**(26,423,354)**	**696,624**
Comprehensive income					
Loss for the period	-	-	-	(677,720)	**(677,720)**
Share Issued	57,266	333,566	-	-	**390,832**
Ordinary shares buy back	(333,028)	-	-	-	**(333,028)**
Balance as at 31 Dec 2021	**29,272,688**	**898,369**	**(2,993,275)**	**(27,101,074)**	**76,708**

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

1. Significant accounting policies

1.1 Basis of accounting

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

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

1.2 Going concern

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

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

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

For the year ended 31 December 2021, the Group had a cash balance of $77,510 as at the reporting date while it incurred administration expenses during the period of $1,594,947. Furthermore, post balance sheet close in early January 2022 the Group had a cash balance of $1,567,029. The Directors believe there are sufficient funds to meet the Group's working capital requirements for the coming year.

The Directors also recognize in the current Covid-19 environment that the ability of the Group to continue as a going concern and to pay its debts as and when they fall due may be dependent on the ability of the Group to secure additional funding through shareholder loans, entering into negotiations with third parties regarding the sale of assets of the Group, or successful realisation of revenue growth via their plans for successful launch of their new product lines.

1.3 Principles of Consolidation

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

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

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

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

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

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

1.4 Foreign Currencies

Functional and presentation currency
An entity's functional currency is the currency of the primary economic environment in which it operates. Due to the importance of Australia as the group's headquarters and base of operations, the directors of the group view Australian Dollars as the group's functional currency.

An entity's functional currency is the currency of the primary economic environment in which it operates. Due to the importance of Australia as the group's headquarters and base of operations, which includes but not limited to payroll, insurance, funding raised, majority of cost of sale are incurred and where the board and senior management are based, the directors of the group view Australian Dollars as the group's functional currency in accordance with IAS 21 accounting policy. The Group uses Australian bank accounts and all dealings and commercial contracts are through the Australian company.

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

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

1.5 Revenue recognition

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

Distribution

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

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

Sales of goods – wholesale

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

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

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

Internet revenue

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

1.6 Finance income

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

1.7 Property, plant and equipment

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

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

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

1.8 Intangible Assets

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

1.9 Research and Development

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

1.10 Financial Instruments

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

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

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

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

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

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

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

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

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

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

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

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

1.11 Leases

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

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

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

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

1.12 Income Tax

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

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

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

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

1.13 Post-Retirement Benefits

A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Superannuation – the Australian defined contribution pension scheme – is mandated by Australian law and presently set at 10% (9.5% till 30 June 2021) of gross salary payable to an employee.

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

1.14 Contributed Equity

Ordinary shares are classified as equity.

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

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

1.15 Merger Reserves

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

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

1.16 Segment Reporting

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

1.17 Correction of Prior Year Error

During the year, a subsidiary discovered an error in timing of revenue recognition aroused due to ambiguity in understanding contract terms. This now has been rectified.

The error has been corrected by restating each of the affected financial statement line items for the prior periods as follows:

	31 Dec 2020	Increase/ (Decrease)	31 Dec 2020 (Restated)	30 June 2019	Increase/ (Decrease)	30 June 2019 (Restated)
Balance Sheet			AU$			
Trade & other Receivables	1,889,155	(872,315)	1,016,840	2,789,950	(1,596,905)	1,193,045
Retained Earnings	3,330,987	(872,315)	2,458,672	9,503,620	(1,596,905)	7,906,715
Total						
Statement of profit or loss						
Revenue	4,552,170	(872,315)	3,679,855			
Net loss for the period	(4,575,728)	(872,315)	(5,448,043)			

2. Parent Information

Contingent Liabilities
At 31 December 2021, Rapid Nutrition PLC did not have any contingent liabilities.

Contractual Commitments
At 31 December 2021, Rapid Nutrition PLC had not entered into any contractual commitments for the acquisition of property, plant or equipment.

3. Operating Segments

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

The group's main reporting channels are its geographical distribution networks, hence the Board (the group's chief operating decision maker) believe that, at 31 December 2021, there were two main segments, with revenue (the financial variable they evaluate performance via) as follows:

Location	Revenue – year to 31 Dec 2021 $	Revenue – period from 1 July 2019 to 31 Dec 2020 $
Australia	1,386,326	3,206,232
USA	583	286,757
Rest of World	1,614,854	186,866
Total	**3,001,763**	**3,679,855**

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.

4. Revenue

	31 Dec 2021 $	31 Dec 2020 $
Direct Sales	1,173,940	3,656,498
License Income	1,614,854	-
Government Grant	212,199	22,000
Interest Income	770	1,357
	3,001,763	**3,679,855**

5. Operating profit

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

	31 Dec 2021 $	31 Dec 2020 $
Loss/(Gains) on foreign exchange	36,135	-
Expenses:		
Depreciation on property, plant and equipment	154,580	214,670
Directors' remuneration	202,575	273,750
Superannuation contributions (directors)	19,058	26,006
Directors' consulting fees	-	-
Auditor's remuneration		
- As auditors (for group and subsidiary)	25,000	25,000
- As tax agents (for tax compliance)	2500	-

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.

6. Employees

	31 Dec 2021 $	31 Dec 2020 $
Staff costs for the group during the period:		
Wages and salaries	290,942	389,436
Other pension costs	30,467	34,555
	321,409	**423,991**

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

	31 Dec 2021 $	31 Dec 2020 $
Management staff	13	11

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

7. Taxation

	31 Dec 2021 $	31 Dec 2020 $
Current Tax		
Current tax on profits in the period	-	157,825
Reverse of previous over-accrual	-	-
Deferred Tax		
Origination of temporary timing differences	-	(738,763)
Income Tax Expense	**-**	**(580,938)**

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

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

Unrecognised deferred tax assets
In 2020, the Group has unrecognised deferred tax assets in respect of reversal of unrealised gain recognised on financial assets of $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.

In 2021, no deferred tax asset recognised for the timing difference.

Factors affecting current tax charge

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

	31 Dec 2021 $	31 Dec 2020 $
Profit/(loss) before taxation	238,070	(5,156,666)
Profit on ordinary activities multiplied by the standard rate of tax in the Australia of 30% (2020: 30%)	71,421	(1,547,000)
Non-deductible expenses	66,131	53,722
Movement on deferred tax balances not recognised	-	912,340
Brought forward losses utilised	(137,553)	-
Total current tax	**-**	**(580,938)**

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

8. Cash and cash equivalents – group

	31 Dec 2021 $	31 Dec 2020 $
Cash at bank	**77,510**	**456,000**

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

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

9. Trade and other receivables - group

	31 Dec 2021 $	31 Dec 2020 $
Trade receivables	2,684,423	1,331,250
Allowance for expected credit losses	(764,970)	(314,410)
Prepayments	8,863	-
	1,928,316	**1,016,840**

In view of the Covid-19 Pandemic, the Company has put in place a trade debtors insurance policy and extended trading terms to some of its suppliers. A significant portion has been received post balance sheet close as they fall due.

10. Inventory - group

	31 Dec 2021 $	31 Dec 2020 $
Finished goods	**298,248**	**347,427**

11. Financial assets – group and parent company

Financial assets measured at fair value through profit or loss

Financial assets held for trading:

- Investments in equity instruments

	31 Dec 2021 $	31 Dec 2020 $
Motivate Health Technologies, Inc.	**-**	**534,087**

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

Reconciliation of year-end balance:

Unrealised gains:	$
- Brought forward	**534,087**
- Loss to 31 Dec 2021	(201,059)
- Adjusted against the Rapid's share capital	(333,028)
Foreign exchange Gain	-
Closing balance	**-**

12. Investments

- Adopted classification under IFRS 9

	31 Dec 2021 $	31 Dec 2020 $
Investment in Vibe Life	100	100

13. Property, plant and equipment - group

	Motor Vehicles $	Computer Equipment $	Fixtures, fittings and equipment $	Right-of-use-premises $	Total $
Cost					
As at 1 Jan 2021	**176,927**	**29,681**	**10,860**	**343,204**	**560,673**
Additions	-	-	-	332,043	**332,043**
Disposals	-	-	-	(343,204)	**(343,204)**
At 31 Dec 2021	**176,927**	**29,681**	**10,860**	**332,043**	**549,512**
Depreciation					
As at 1 Jan 2021	**176,927**	**23,730**	**10,860**	**213,023**	**424,542**
Charge for the period	-	5,951	-	148,628	154,580
Adjustment for disposal	-	-	-	(343,204)	(343,204)
At 31 Dec 2021	**176,927**	**29,681**	**10,860**	**18,447**	**235,918**
Net book amount at 31 Dec 21	**-**	**-**	**-**	**313,594**	**313,594**

14. Intangible Assets - group

	31 Dec 2021 $	31 Dec 2020 $
Intellectual property	**2,105**	**2,105**

15. Trade and other payables – current - group

	31 Dec 2021 $	31 Dec 2020 $
Trade Payables	180,819	324,382
Other	226,293	387,876
Accrued wages	701,325	498,750
	1,108,437	**1,211,008**

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

16. Borrowings - group

	31 Dec 2021 $	31 Dec 2020 $
Bank overdraft	112,471	60,700
Lease liability	82,229	142,437
Other short-term loans	1,206,391	1,399,633
	1,401,090	**1,602,770**

Bank borrowings

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

Other short-term loans

It includes a short-term loan amounting $1,206,391 (2020: $1,185,460) provided by shareholders in the Company. The loans are unsecured, subject to interest at 12% per annum and has been fully reconciled to recognize all expenses paid on the Company's behalf by the lender. Principal and interest repayments are made on a monthly basis. Post Balance sheet close a lump sum was paid to further reduce the loan.

17. Tax and other related

	31 Dec 2021 $	31 Dec 2020 $
Tax payable	301,991	228,378
	301,991	**228,378**

18. Non-current borrowings – group

	31 Dec 2021 $	31 Dec 2020 $
Loans from Related Parties	93,793	216,637
Other Loans	14,225	204,266
Convertible Notes	375,302	-
Lease Liability	234,823	-
	718,143	**420,903**

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

Convertible notes
During the year the company issued USD500,000 of convertible notes to Nice and Green Ltd. 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 three percent (93%) of the lowest Daily VWAP over the Pricing Period). All notes were converted on the 23 February 2022.

Movement in notes during the year:

Opening Balance	-
New note Issued	613,978
Converted into Shares	(274,810)
Foreign Exchange	36,134
	375,302

19. Contributed equity – group and parent company

31 Dec 2021 Securities	31 Dec 2020 Securities	31 Dec 2021 $	31 Dec 2020 $
44,576,096	**38,849,541**	**29,272,688**	**29,548,450**

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

20. Retained Earnings

a) Group

	31 Dec 2021 $	31 Dec 2020 $
Balance brought forward	2,458,672	9,503,620
Prior year adjustment	-	(1,596,905)
	2,458,672	**7,906,715**
Profit for the year	238,070	(5,448,043)
Balance carried forward	**2,696,742**	**2,458,672**

b) Parent company

	31 Dec 2021 $	31 Dec 2020 $
Balance brought forward	(26,423,354)	(21,259,405)
Loss for the year	(677,720)	(5,163,949)
Balance carried forward	**(27,101,074)**	**(26,423,354)**

21. Intercompany loan – parent company

	31 Dec 2021 $	31 Dec 2020 $
Balance brought forward	646,112	566,480
Monies received	(343,131)	-
Other movement	-	79,632
Balance carried forward	**302,981**	**646,112**

22. Investment in subsidiary

a) Group

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

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

b) Parent company

Value of investment in subsidiary

	31 Dec 2021 $	31 Dec 2020 $
Value of shares held	26,061,971	26,061,971
Provision for impairment	(26,061,971)	(26,061,971)
Balance at year end date	**-**	**-**

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

23. Related party transactions

Name (relationship)	Transaction	Amount		Amount due from/(to) related party	
		2021 $	2020 $	2021 $	2020 $
JBG Corp Pty Ltd	- Consulting Fees	-	-	-	-
	- Loan funds	459,120	471,135	(355,324)	(471,135)

Nature of related parties
JBG Corp Pty Ltd is a company connected by the wife of 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 yaer ended 31 December 2021 are disclosed below:

2021	*Salary ($)*	*Superannuation ($)*	*Consultancy Fees ($)*	***Total ($)***
Simon St Ledger [1]	202,575	19,058	-	**221,633**
Shayne Kellow	-	-	-	**-**
Vesta Vanderbeken[2]	20,000	-		**20,000**

[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$1,000 per month and the required Super/pension payments at 9.5% per annum. The director will also be entitled to an executive bonus which shall not exceed 10% of remuneration and determined at the sole discretion of the board.

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

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

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

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

	31 Dec 2021 $	31 Dec 2020 $
Profit/(loss) after tax	238,070	(5,448,043)
Adjustments for:		
Taxation	-	(580,938)
Depreciation	154,579	214,671
Unrealised gains/(loss)	36,135	-
Provision for bad debt	220,439	314,410
Impairment of investment	201,059	5,452,630
Gain on foreign exchange (non-cash)		(177,704)
Decrease/(increase) in Receivables	(902,614)	176,205
(Increase)/decrease in Inventory	49,179	(101,623)
(Decrease)/increase in Payables (excluding tax)	(102,571)	(507,106)
Decrease/(increase) in Prepayments	(8,862)	-
Increase in Other Payables	(157,825)	157,825
Net cash outflow from operations	**(272,412)**	**(499,673)**

25. Financial risk management

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

The group's financial instruments at 31 December 2021 were classified as follows:

	Note	31 Dec 2021 $	31 Dec 2020 $
Financial assets			
Cash and cash equivalents	**8**	77,510	456,000
Trade and other receivables	**9**	1,919,454	3,486,060
Financial assets	**11**	-	534,087
Total financial assets		**1,996,964**	**4,476,147**
Financial liabilities			
Trade and other payables	**15**	1,108,437	1,211,008
Borrowings	**16, 18**	2,119,234	1,602,770
		3,227,671	**2,813,778**

Fair value versus carrying amounts

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

Specific Financial Risk Exposures and Management

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

(a) Market Risk

i) Foreign exchange risk

The Group's main 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 2021, if the US dollar had weakened by 8% against the Australian dollar with all other variables held constant, comprehensive income for the year and assets would have been adjusted higher/lower, as a result of foreign exchange gains/losses on transaction of the financial asset.

As of 31 December 2020 and 31 December 2021 the Group's exposure to foreign exchange risk was not material. A sensitivity analysis for foreign exchange risk has not been prepared as the risk is immaterial.

ii) Interest rate risk

The group had interest-bearing liabilities during the year 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 2021. As such, sensitivity analysis with regard to movements in interest rates would not be meaningful.

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

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

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

26. Share Based Payments

No share options have been granted to employees or directors

27. Earnings per share

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

	31 Dec 2021 $	**31 Dec 2020** $
(Loss)/Profit for the year	238,070	295,964
Number of shares	44,576,096	38,849,541

There were convertible instruments in issue as at 31 December 2021 that have been converted outside the reporting year post balance sheet close as disclosed and announced on the Groups corporate website. Valid conversion notices have been received in respect of 22,429,839 new shares. Following the conversion, the total number of shares in issue as at the 23 February is 67,005,935.

28. Subsequent Events

On the 5th of January 2022, the group announced it has expanded distribution throughout South Korea with new partner SM Trading, a division of Ilshin World Corporation.

On the 2nd of February 2022, the group announce it has engaged the Zephirin Group to provide capital markets coverage. The quarterly reports coverage will be available in English, French and Chinese.

On the 8th of February 2022, the group announced its increased product offering.

On the 25th of February 2022, the group announced it had successfully completed a funding agreement to support global growth.

On the 7th & 10th of March 2022, the group announced the conversion of convertible notes

On the 23, of February 2022, the group held general meeting which all resolutions were approved.

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

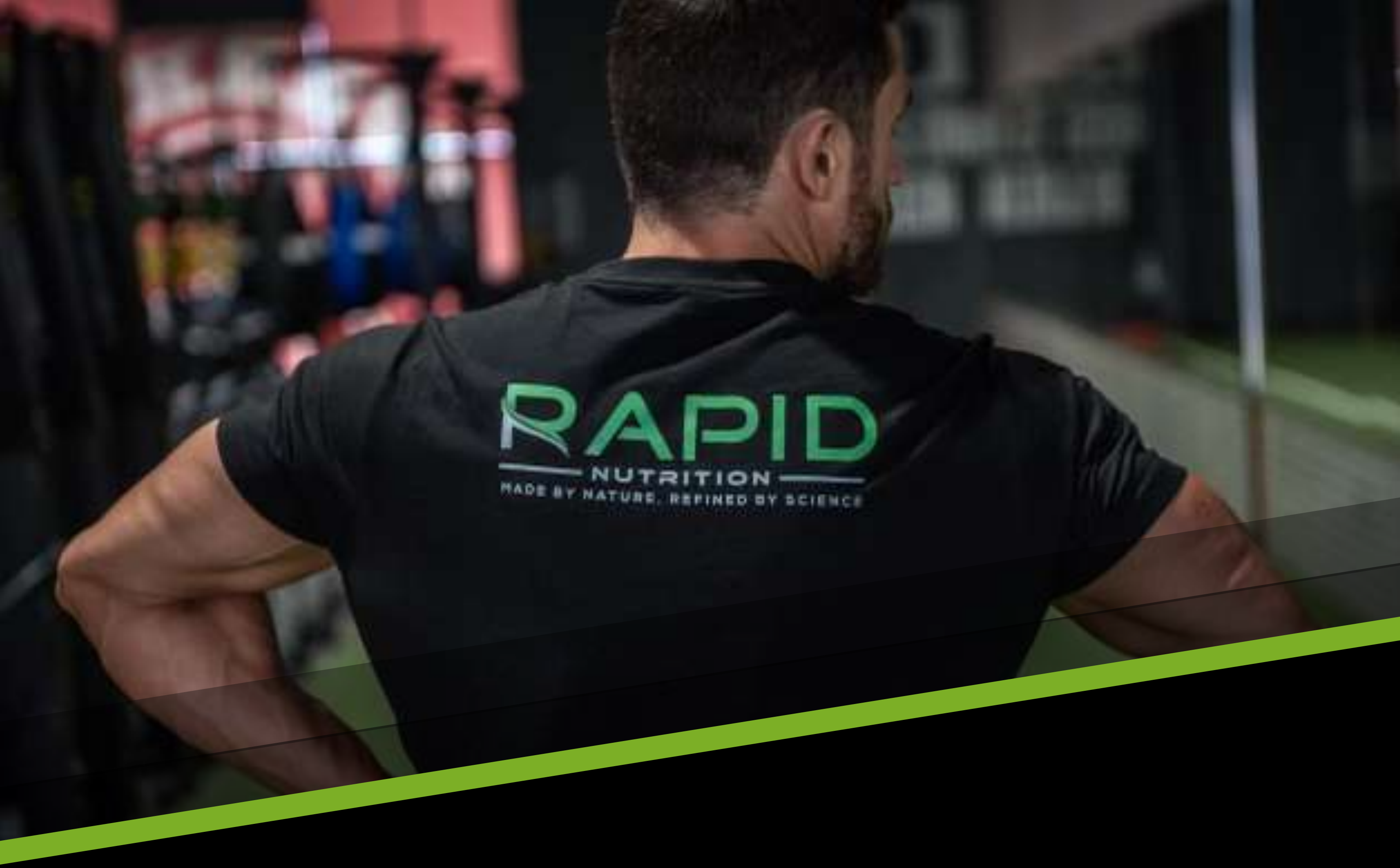
29. Company Details

The registered office of Rapid Nutrition PLC is:

Kemp House 152-160 City Road
London
England
EC1V 2NX

The principal place of business is:

40-46 Nestor Drive
Meadowbrook QLD 4131
Australia



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