

**RAPID NUTRITION PLC**  
**INTERIM FINANCIAL STATEMENTS**  
**31 Dec 2018**

# RAPID NUTRITION PLC

## RESPONSIBILITY STATEMENT AS AT 31 DECEMBER 2018

---

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

- a. The condensed set of consolidated financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting” and all relevant pronouncements of *the companies ACT 2006*
- b. The condensed set of consolidated financial statements give a true and fair view of the Group’s financial position as at 31 December 2018 and of its performance for the interim period ended on that date.
- c. There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

By order of the Board



Simon St. Ledger

Managing Director

29<sup>th</sup> March 2019

# RAPID NUTRITION PLC

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE PERIOD END 31 DECEMBER 2018

	Note	31-Dec-18	30-Jun-18	30-Jun-17
<b>Income</b>				
Revenue	4	780,339	4,147,046	3,227,055
<b>Total Income</b>		<b>780,339</b>	<b>4,147,046</b>	<b>3,227,055</b>
<b>Less Cost of Sales</b>				
Opening Stock			0	187,993
Direct costs		-274,634	-140,942	904,742
Closing Stock			30,383	-124,245
<b>Total Cost of Sales</b>		<b>-274,634</b>	<b>-110,559</b>	<b>968,490</b>
<b>Gross Profit / (Loss)</b>		<b>505,706</b>	<b>4,036,486</b>	<b>2,258,565</b>
<b>Less Operating Expenses</b>				
Administrative expenses		323,880	-2,124,093	1,806,246
<b>Total Operating Expenses</b>		<b>323,880</b>	<b>-2,124,093</b>	<b>1,806,246</b>
<b>Operating Profit / (Loss)</b>		<b>181,825</b>	<b>1,912,393</b>	<b>452,318</b>
Unrealised gain of financial assets		-	-146,063	-64,007
Foreign Currency Gains / (Losses)		-	-146,063	365,652
<b>Net Profit / (Loss) for the period</b>		<b>181,825</b>	<b>1,620,268</b>	<b>753,963</b>
Tax Expenses		0	-201,678	79,807
<b>Net Profit/(loss) for the period attributable to member of the company</b>		<b>181,825</b>	<b>1,418,590</b>	<b>674,156</b>
Other comprehensive income		0	0	159,032
<b>Total comprehensive income for the period attributable to member of the company</b>		<b>181,825</b>	<b>1,418,590</b>	<b>833,187</b>
<b>Basic &amp; Diluted earnings per share</b>	5	0.01	0.04	0.04

# RAPID NUTRITION PLC

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE PERIOD END 31 DECEMBER 2018

	Note	31-Dec-18	30-Jun-18	30-Jun-17
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents		264,540	220,221	71,193
Trade and other receivables		637,713	402,041	2,704,142
Prepayment		0	-	2,886,638
Inventory		378,033	539,007	124,245
Financial Assets	6	6,123,659	6,123,659	5,977,596
Other Asset		0	-	-
Loans		0	-	-
<b>Total Current Assets</b>		<b>7,403,944</b>	<b>7,284,927</b>	<b>11,763,814</b>
<b>Non-current Assets</b>				
Investments	7	8,289,662	8,289,662	100
Property, plant and equipment		3,451	2,579	3288
Intangible Assets		2,105	2,105	2,105
<b>Total Non-current Assets</b>		<b>8,295,218</b>	<b>8,294,346</b>	<b>5,493</b>
<b>Total Assets</b>		<b>15,699,164</b>	<b>15,579,273</b>	<b>11,769,307</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Trade and other payables		1,177,150	427,502	719,439
Borrowings - C		1,910,738	1,157,990	1,202,201
Other Payables		0	67,975	47,232
<b>Total Current Liabilities</b>		<b>3,087,888</b>	<b>1,653,467</b>	<b>1,968,872</b>
<b>Non-Current Liabilities</b>				
Tax and other related		5,479	940,441	967,141
Borrowings - NC		125,581	686,975	290,433
Deposit		0	-	238,459
<b>Total Non-Current Liabilities</b>		<b>131,060</b>	<b>1,627,416</b>	<b>1,496,033</b>
<b>Total Liabilities</b>		<b>3,218,948</b>	<b>3,280,883</b>	<b>3,464,905</b>
<b>Net Assets</b>		<b>12,480,216</b>	<b>12,298,390</b>	<b>8,304,402</b>
<b>Equity</b>				

# RAPID NUTRITION PLC

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE PERIOD END 31 DECEMBER 2018

---

Shares	29,091,609	29,091,609	27,084,376
Share Premium	193,022	193,022	193,023
Merger Reserve	-26,061,040	-26,061,971	-26,061,971
Retained Earnings	9,256,624	9,075,730	7,088,974
<b>Total Equity</b>	<b>12,480,215</b>	<b>12,298,390</b>	<b>8,304,402</b>

---

All of the activities of the Group are classed as continuing.

All of the total comprehensive income for the period is attributable to the owners of the Group.

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

All unrealised gains/losses in the Groups financial assets and foreign currency are calculated on an annual basis in the full year audited report.

# RAPID NUTRITION PLC

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

---

These financial statements were approved and authorised for release by the Directors on the 29<sup>th</sup> March, 2019 and are signed on its behalf by:



**Simon St Ledger**  
Director

Company registration number: 07905640

# RAPID NUTRITION PLC

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Ordinary Share Capital	Share Premium	Merger Reserve	Retained Earnings	Total Equity
		\$		\$	\$	\$
<b>Opening balance 01 July 2016</b>						
<b>Comprehensive Income</b>						
Profit for the year			-	-	833,187	833,187
<b>Total comprehensive income for the year</b>		<b>0</b>	<b>-</b>	<b>-</b>	<b>833,187</b>	<b>833,187</b>
<b>Balance as at 30 June 2017</b>		<b>27,084,376</b>	<b>193,023</b>	<b>(26,077,411)</b>	<b>7,088,974</b>	<b>8,304,402</b>
<b>Opening balance 01 July 2017</b>						
<b>Comprehensive Income</b>						
Ordinary Shares		2,007,233				2,007,233
Other Reserve					568,166	568,166
Profit for the year			-	-	1,418,590	1,418,590
<b>Total comprehensive income for the year</b>		<b>2,007,233</b>	<b>-</b>	<b>-</b>	<b>1,418,590</b>	<b>3,993,988</b>
<b>Balance as at 30 June 2018</b>		<b>29,091,609</b>	<b>193,023</b>	<b>(26,077,411)</b>	<b>9,075,730</b>	<b>12,298,390</b>
<b>Opening balance 01 July 2018</b>						
<b>Comprehensive Income</b>						
Profit for the year			-	-	181,825	181,825
<b>Total comprehensive income for the year</b>		<b>0</b>	<b>-</b>	<b>-</b>	<b>181,825</b>	<b>181,825</b>
<b>Balance as at 31 December 2018</b>		<b>29,091,609</b>	<b>193,023</b>	<b>(26,077,411)</b>	<b>9,257,555</b>	<b>12,480,215</b>

# RAPID NUTRITION PLC

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	31-Dec-18	30-Jun-18
		\$	\$
<b>Cash flows from operating activities</b>			
Receipts from customers		102,126	311,077
Payments to suppliers and employees		-248,289	-2,215,779
Cash receipts from other operating activities		0	0
Cash payments from other operating activities		0	0
<b>Net cash used by operating activities</b>		<b>-146,164</b>	<b>-1,904,702</b>
<b>Cash flows from investing activities</b>			
Purchase of plant and equipment		-872	-2,362
Payments for intangibles		0	
Other cash items from investing activities			
<b>Net cash used by investing activities</b>		<b>-872</b>	<b>-2,362</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		0	2,007,233
Costs of issue of shares		0	0
Proceeds from borrowings		0	0
Proceeds from related party borrowings		191,354	48,859
Payment for Finance Lease		0	0
Loans advanced		0	0
Other cash items from financing activities		0	
<b>Net cash used by financing activities</b>		<b>191,354</b>	<b>2,056,092</b>
<b>Increase/(decrease)in cash and cash equivalents</b>		<b>44,318</b>	<b>149,028</b>
Cash and cash equivalents at the beginning of the period		220,221	71,193
<b>Cash and cash equivalents at the end of the period</b>		<b>264,539</b>	<b>220,221</b>



# **RAPID NUTRITION PLC**

## **MANAGEMENT REVIEW REPORT THE**

### **MEMBERS OF RAPID NUTRITION PLC**

#### **AS AT 31 DECEMBER 2018**

---

The consolidated financial statements and notes represent those of Rapid Nutrition PLC and its subsidiary (“the consolidated group” or “group”), for the year to 31 December 2018.

## **1. General Information**

The information for the period ended 31 December 2018 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that period has been delivered to the Registrar of Companies. The auditors reported on those accounts: their report was unqualified, drew attention to the Group’s going concern status by way of emphasis, and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

## **2. Accounting Policy**

### *Basis of preparation*

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

### *Going concern*

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

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

The company’s cash position has strengthened post 31 December 2018 due to trade receivables being received.

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

### *Changes in accounting policy*

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

### *Functional and presentation currency*

Since the group has recently announced its dual listing in the US, the board has voluntarily decided in accordance with IAS 21 accounting policy to change the presentation currency back to Australian dollars (AUD) as of July 1, 2018 and which has been applied retrospectively. Therefore, all financial information in this consolidated interim financial statements are in Australian dollars (except if stated separately). Prior year comparative consolidated interim financial statement for the period ended December 31, 2017 has been re-presented to reflect the Group’s change in presentation currency from GBP to AUD. The Group had already changed its functional and reporting currency from Australian Dollars (“AUD”) to British Pounds Sterling (“GBP”) from 1 July 2016 when considering and working

**RAPID NUTRITION PLC**  
**MANAGEMENT REVIEW REPORT THE**  
**MEMBERS OF RAPID NUTRITION PLC**  
**AS AT 31 DECEMBER 2018**

towards a dual listing in the UK and for the benefit of future comparability with its industry peer group. The change in presentation currency represented also a voluntary change in accounting policy. The published full year consolidated financial statements as of June 30, 2018 and 2017 were presented in GBP.

The Group completed this change with reference to IAS 21 *The Effects of Changes in Foreign Exchange Rates* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, to calculate the appropriate opening balances and effects on historical balances.

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. The Group uses Australian bank accounts and all dealings and commercial contracts are through the Australian company.

**4. Revenue**

	<b>Period from 1 July 2018 to 31 December 2018</b>	<b>Period from 1 July 2017 to 30 June 2018</b>	<b>Period from 1 July 2016 to 30 June 2017</b>
Distributor/Direct Sales	780,339	2,088,716	760,052
Licensing Fee/Other		1,972,756	2,467,003
<b>Total Revenue</b>	<b>780,339</b>	<b>4,061,472</b>	<b>3,227,055</b>

**5. Earnings per share**

The following reflects earning and share data used in thee earnings per share calculation

	<b>Period from 1 July 2018 to 31 December 2018</b>	<b>Period from 1 July 2017 to 30 June 2018</b>	<b>Period from 1 July 2016 to 30 June 2017</b>
Profit for the year	181,825	1,418,590	833,187
Weighted average number of shares	32,459,824	32,459,824	23,265,104

**RAPID NUTRITION PLC**  
**MANAGEMENT REVIEW REPORT THE**  
**MEMBERS OF RAPID NUTRITION PLC**  
**AS AT 31 DECEMBER 2018**

---

**6. Financial Asset**

Financial assets measured at fair value through profit or loss

Financial assets held for trading:

- Investments in equity instruments held for trading

	<b>Period from 1 July 2018 to 31 December 2018</b>	<b>Period from 1 July 2017 to 30 June 2018</b>	<b>Period from 1 July 2016 to 30 June 2017</b>
Held for Trading Motivate health Technologies Inc (Motivideo) Shares	6,123,659	6,123,659	5,977,596

Shares held for trading are traded for the purpose of short term profit taking. Change in fair value are included in the statement of profit or loss and other comprehensive income.

Unrealized gains	-
Value to 31 December 2018	6,123,659
<b>Value at Period end</b>	<b>6,123,659</b>

**7. Investment**

	<b>Period from 1 July 2018 to 31 December 2018</b>	<b>Period from 1 July 2017 to 30 June 2018</b>
Investment in StreamCast Marketing LLC	8,289,562	8,289,562
Investment in Vibe Life Pty Ltd	100	100
<b>Total</b>	<b>8,289,662</b>	<b>8,289,662</b>

**RAPID NUTRITION PLC  
MANAGEMENT REVIEW REPORT THE  
MEMBERS OF RAPID NUTRITION PLC  
AS AT 31 DECEMBER 2018**

---

**Dear Shareholders,**

Rapid Nutrition, a natural healthcare company focused on the research and development, manufacturing and distribution of weight-loss and diet management products, sports nutrition products, vitamins and dietary supplements and a range of life science products.

The company generated revenue of \$781,000 in the period under review. The modest decline in the first six months was largely due to product regulatory challenges in Sri Lanka, which have now been addressed. The second half of the year has begun strongly with excellent progress being made across the business in support of the eventual rollout in Sri Lanka, the launch of GNC into the Australia market as well as the launch of its flagship brand SystemLS™ through GNC Stores in the US. Detailed planning is being finalised with retailer opening orders expected this coming quarter. The Company's new health food store in Sydney, NSW Australia has performed very well since its inception mid last year. The health food store continues to deliver strong revenue's and provides the Company with a well-established platform to test new product lines and obtain consumer feedback before investing in larger production runs.

The second half of the year is anticipated to be stronger, given the phasing of its wider distribution network in the US & Australia. We remain confident that that this will be a year of substantial growth across the business.

The Company recently announced this month that it has been successfully admitted to the OTCQB segment of the OTC Markets and to trading on the OTCQB for listed securities of the OTC Markets (together "Admission"). The listing represents a new chapter for Rapid Nutrition and we now look forward to expanding our award-winning nutraceuticals product range and geographical presence particularly in the US, UK, Europe, China and Australia. We are excited by the opportunities that now present themselves to us as a dual listed company, which we believe will enhance our profile and provide access to US equity markets to support future growth.

*Directors' responsibilities*

The interim financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority. This report is made solely to the Company and to the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed. As disclosed in note 2, the statutory financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of consolidated financial statements included in this interim financial report has

**RAPID NUTRITION PLC  
MANAGEMENT REVIEW REPORT THE  
MEMBERS OF RAPID NUTRITION PLC  
AS AT 31 DECEMBER 2018**

---

been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting", as adopted by the European Union.

Our responsibility is to express to the Company a conclusion on the condensed set of consolidated financial statements in the interim financial report based on our review.

Thank you for your time and support.



Sincerely,

**Simon St. Ledger**  
Director