

Media Release

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Sanction Proposal against Rapid Nutrition PLC

SIX Exchange Regulation AG (SER) has submitted a request for a sanction to the Sanctions Commission of SIX Group against Rapid Nutrition PLC concerning alleged violations of the applicable accounting standards IFRS in the 2017/2018 annual and 2018/2019 interim financial statements.

After completion of its investigation, SER has concluded that the 2017/2018 annual and 2018/2019 interim IFRS financial statements of Rapid Nutrition PLC contain multiple material misstatements.

The alleged deficiencies in the 2017/2018 annual financial statements refer to the incorrect recognition of revenues from direct sales and licensing fees, the erroneous determination of fair values for financial assets as well as missing disclosures about the risks and the fair value measurement of these financial assets. As a consequence, revenue and net profit as well as financial assets have been materially overstated. The risks relating to financial assets have therefore been disclosed insufficiently. In addition, Rapid Nutrition PLC failed to perform a going concern assessment as of the financial year-end and did not disclose the material uncertainties about its ability to continue as a going concern. Furthermore, SER identified a lack of governance over the financial reporting process leading to other alleged errors in the presentation and disclosures related to the 2017/2018 annual financial statements.

In the 2018/2019 interim financial statements, the alleged deficiency refers to the missing fair value re-measurement of Rapid Nutrition PLC's most significant financial assets resulting in a potentially material misstatement to the income statement and balance sheet. Furthermore, Rapid Nutrition PLC failed to present the correct comparative periods for the income statement, the statement of changes in equity and the statement of cash flows.

No information will be provided while the sanction proceedings are ongoing. SER will inform the public about the outcome of the sanction proceedings.

If you have any questions, please contact Jürg Schneider, Head Media Relations.

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SIX Exchange Regulation AG is a legally independent company of SIX Group and one of the Regulatory Bodies of the SIX trading venues. It performs the functions assigned under Swiss federal law and enforces the rules laid down by the Regulatory Board, and monitors compliance with legal and regulatory requirements. As part of its diverse remit, SIX Exchange Regulation AG submits proposals for sanctions to the Sanctions Commission or can enact sanction notices. SIX Exchange Regulation AG consists of the divisions Listing & Enforcement, responsible for regulating issuers, and Surveillance & Enforcement, which monitors trading. www.ser-ag.com

Sanctions Commission The Sanctions Commission can impose sanctions in the case of violations of the Rule Books, the Listing Rules and the Additional Rules of SIX Exchange Regulation AG. It is composed of between five and eleven members. The Chairman of the Sanctions Commission and half of its members are elected by the Regulatory Board, with the remaining members appointed by the Board of Directors of SIX

SIX operates and develops infrastructure services in the Securities & Exchanges, Banking Services and Financial Information business units with the aim of raising efficiency, quality and innovative capacity across the entire value chain of the Swiss financial centre. The company is owned by its users (122 banks). With a workforce of some 2,600 employees and a presence in 20 countries, it generated operating income of CHF 1.13 billion and Group net profit of CHF 120.5 million in 2019. www.six-group.com