



Interim Financial Report
Rua Bioscience Limited
For the six months ended 31 December 2022

Rua Bioscience Limited

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Company Directory
For the six months ended 31 December 2022

Registered office address:	1 Commerce Place Awapuni Gisborne 4071
Contact phone number:	0800 782 246
Contact email address:	info@ruabio.com
Country of incorporation of company:	New Zealand
Company Number:	6484092
ISIN:	NZRUAEE000451
Legal form:	NZ Limited Company
Principal activities:	Pharmaceutical manufacturer
Directors:	Trevor BURT Panapa EHAU Brett GAMBLE Anna Kate STOVE Teresa FARAC-CIPRIAN
Auditor:	PricewaterhouseCoopers
Share registrar:	Computershare Investor Services Limited Level 1, 159 Hurstmere Road Takapuna, Auckland 0622
Bankers:	Kiwibank
Solicitors:	Lowndes Jordan



Independent auditor's review report

To the shareholders of Rua Bioscience Limited.

Report on the condensed consolidated financial statements

Our conclusion

We have reviewed the condensed consolidated financial statements of Rua Bioscience Limited (the Company), which comprise the condensed consolidated statement of financial position as at 31 December 2022, and the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six months ended on that date, and significant accounting policies and other explanatory information.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated financial statements of the Company do not present fairly, in all material respects, the financial position of the Company as at 31 December 2022, and its financial performance and cash flows for the six months then ended, in accordance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34) and New Zealand Equivalent to International Accounting Standard 34 *Interim Financial Reporting* (NZ IAS 34).

Basis for conclusion

We conducted our review in accordance with the New Zealand Standard on Review Engagements 2410 (Revised) *Review of Financial Statements Performed by the Independent Auditor of the Entity* (NZ SRE 2410 (Revised)). Our responsibilities are further described in the *Auditor's responsibilities for the review of the interim financial statements* section of our report.

We are independent of the Company in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual financial statements, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements. Other than in our capacity as auditor we have no relationship with, or interests in, the Company.

Responsibilities of Directors responsibility for the condensed consolidated financial statements

The Directors of the Company are responsible on behalf of the Company for the preparation and fair presentation of these condensed consolidated financial statements in accordance with IAS 34 and NZ IAS 34 and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of the condensed consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the condensed consolidated financial statements

Our responsibility is to express a conclusion on the condensed consolidated financial statements based on our review. NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the condensed consolidated financial statements, taken as a whole, are not prepared in all material respects, in accordance with IAS 34 and NZ IAS 34.

A review of condensed consolidated financial statements in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. We perform procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing and International Standards on Auditing (New Zealand) and consequently does not enable us to obtain assurance that we might identify in an audit. Accordingly, we do not express an audit opinion on these condensed consolidated financial statements.



Who we report to

This report is made solely to the Company's Shareholders as a body. Our review work has been undertaken so that we might state those matters which we are required to state to them in our review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Shareholders as a body, for our review procedures, for this report, or for the conclusion we have formed.

The engagement partner on the review resulting in this independent auditor's review report is Maxwell (John) Dixon.

For and on behalf of:

A handwritten signature in black ink that reads "Maxwell Dixon".

Chartered Accountants
28 February 2023

Napier

Rua Bioscience Limited
Condensed Consolidated Statement of Profit or Loss
and Other Comprehensive Income
For the six months ended 31 December 2022

	Note	For the six months ended 31 December 2022 (unaudited) \$	For the six months ended 31 December 2021 (unaudited) \$
Revenue from contracts with customers	5	62,819	-
Other income	6	191,586	360,443
Changes in inventories of finished goods and work in progress	8	(122,240)	-
Research and development expenses		(981,059)	(1,652,073)
Other expenses		(2,621,990)	(2,228,932)
Net fair value gains/(losses) on financial liabilities at fair value through profit or loss	4(ii)	4,100,932	-
Profit/(loss) before net financing costs		630,048	(3,520,562)
Interest income		101,265	63,433
Interest expense		-	-
Interest expense - leases		(12,610)	(21,333)
Net finance income		88,655	42,100
Profit/(loss) before tax		718,703	(3,478,462)
Income tax credit	7	-	1,013,596
Profit/(loss) after tax		718,703	(2,464,866)
Other comprehensive income		-	-
Total comprehensive profit/(loss) for the period attributable to shareholders		718,703	(2,464,866)
Earnings per share attributable to the ordinary equity holders of the parent			
Loss from operations			
Basic (\$)		0.005	(0.02)
Diluted (\$)		0.004	(0.02)

The above statements should be read in conjunction with the accompanying notes.

Rua Bioscience Limited
Condensed Consolidated Statement of Changes in Equity
For the six months ended 31 December 2022

	Note	Share capital	Share option reserve	Accumulated losses	Total equity
		\$	\$	\$	\$
Opening balance at 1 July 2022 (audited)		<u>41,891,677</u>	<u>141,686</u>	<u>(17,835,272)</u>	<u>24,198,091</u>
Total comprehensive loss for the period					
- Profit for the period		-	-	718,703	718,703
- Other comprehensive income		-	-	-	-
Total comprehensive income for the period		<u>-</u>	<u>-</u>	<u>718,703</u>	<u>718,703</u>
Transactions with owners of the Company					
- Issue of share capital	4(ii), 15	1,790,800	-	-	1,790,800
- Employee share options expense		-	(15,679)	-	(15,679)
- Share options vested and exercised		-	-	-	-
Total transactions with owners of the Company		<u>1,790,800</u>	<u>(15,679)</u>	<u>-</u>	<u>1,775,121</u>
Balance at 31 December 2022 (unaudited)		<u><u>43,682,477</u></u>	<u><u>126,007</u></u>	<u><u>(17,116,569)</u></u>	<u><u>26,691,915</u></u>

The above statements should be read in conjunction with the accompanying notes.

Rua Bioscience Limited
Condensed Consolidated Statement of Changes in Equity
For the six months ended 31 December 2021

	Note	Share capital	Share option reserve	Accumulated losses	Total equity
		\$	\$	\$	\$
Opening balance at 1 July 2021 (audited)		37,418,499	614,767	(9,199,220)	28,834,046
Total comprehensive loss for the period					
- Loss for the period		-	-	(2,464,866)	(2,464,866)
- Other comprehensive income		-	-	-	-
Total comprehensive loss for the period		-	-	(2,464,866)	(2,464,866)
Transactions with owners of the Company					
- Issue of share capital		-	-	-	-
- Employee share options expense		-	81,495	-	81,495
- Share options vested and exercised		652,262	(652,262)	-	-
Total transactions with owners of the Company		652,262	(570,767)	-	81,495
Balance at 31 December 2021 (unaudited)		38,070,761	44,000	(11,664,086)	26,450,675

The above statements should be read in conjunction with the accompanying notes.

Rua Bioscience Limited
Condensed Consolidated Statement of Financial Position
As at 31 December 2022

	Note	As at 31 December 2022 (unaudited) \$	As at 30 June 2022 (audited) \$
Current assets			
Cash and cash equivalents		1,708,187	1,897,285
Other receivables and current assets		691,153	1,070,323
Prepayments		185,773	166,521
Inventory	8	137,927	218,805
Investments	4	5,050,110	8,041,493
Total current assets		7,773,150	11,394,427
Non-current assets			
Property, plant and equipment	9	5,583,294	5,843,284
Goodwill	10	10,448,082	10,448,082
Intangible assets	10	5,016,035	5,016,035
Right-of-use lease assets	9	191,994	796,772
Other receivables		75,000	75,000
Total non-current assets		21,314,405	22,179,173
Total assets		29,087,555	33,573,600
Current liabilities			
Trade and other payables		305,951	438,378
Contract liability		-	2,062
Employee benefit liabilities		117,731	459,735
Lease liabilities	11	85,723	128,544
Deferred grant income		13,103	9,500
Contingent consideration payable	4	1,750,100	3,820,916
Total current liabilities		2,272,608	4,859,135
Non-current liabilities			
Contingent consideration payable	4	-	3,820,916
Lease liabilities	11	123,032	695,458
Total non-current liabilities		123,032	4,516,374
Total liabilities		2,395,640	9,375,509
Net assets		26,691,915	24,198,091
Equity			
Share capital	4(ii), 15	43,682,477	41,891,677
Accumulated losses		(17,116,569)	(17,835,272)
Share option reserve		126,007	141,686
Total equity		26,691,915	24,198,091

The condensed consolidated financial statements on pages 6 to 19 were approved and authorised for issue by the Board of Directors on 28th February 2023 and were signed on its behalf by:



(Director)



(Director)

The above statements should be read in conjunction with the accompanying notes.

Rua Bioscience Limited
Condensed Consolidated Statement of Cash Flows
For the six months ended 31 December 2022

	Note	For the 6 months to 31 Dec 2022 (unaudited) \$	For the 6 months to 31 Dec 2021 (unaudited) \$
Cash flows from operating activities			
Receipts from customers		60,756	-
Grant income received		34,378	234,516
Sundry income received		10,837	-
Payments to suppliers and employees		(3,770,172)	(3,962,823)
Net cash outflows from operating activities		(3,664,201)	(3,728,307)
Cash flows from investing activities			
Interest income		92,647	51,214
Proceeds from maturing investments		8,000,000	16,070,711
Proceeds from release of financial assets in escrow		500,000	-
Proceeds from the sale of property, plant and equipment		2,504	-
Purchase of property, plant and equipment		(46,875)	(310,947)
Investment deposits made		(5,000,000)	(13,070,711)
Net cash inflows from investing activities		3,548,276	2,740,267
Cash flows from financing activities			
Repayment of borrowings		-	(10,762)
Repayment of lease liabilities		(60,563)	(72,332)
Interest paid		(12,610)	(25,102)
Share issue costs paid		-	-
Net cash outflows from financing activities		(73,173)	(108,196)
Net decrease in cash and cash equivalents		(189,098)	(1,096,236)
Cash and cash equivalents at beginning of the period		1,897,285	3,359,479
Exchange (losses)/gains on cash and cash equivalents		-	-
Cash and cash equivalents at end of the period		1,708,187	2,263,243

The above statements should be read in conjunction with the accompanying notes.

Rua Bioscience Limited
Notes forming part of the Condensed Consolidated Financial Statements
For the six months ended 31 December 2022

1. Reporting Entity

The condensed consolidated financial statements comprise the results of Rua Bioscience Limited and its subsidiary (together, “the Group”).

Rua Bioscience Limited (“the Company”) is a company incorporated and domiciled in New Zealand and registered under the Companies Act 1993. The address of the Company’s registered office and principal place of business is 1 Commerce Place, Awapuni, Gisborne.

The Company is principally engaged in the business of research and development, pharmaceuticals manufacturing and sales.

2. Basis of preparation

(a) Statement of compliance

These unaudited interim consolidated financial statements have been prepared for the six months ended 31 December 2022. These interim consolidated financial statements provide an update on the interim performance of the Group, and should be read in conjunction with the full year consolidated financial statements presented for the year ended 30 June 2022 from which the same accounting policies and methods of computation have been followed.

The interim consolidated financial statements are prepared in accordance with:

- NZ IAS 34 Interim Financial Reporting and IAS 34 Interim Financial Reporting.
- Generally Accepted Accounting Practice in New Zealand (NZ GAAP).
- The accounting policies and methods of computation in the most recent annual financial statements.
- The Financial Markets Conduct Act 2013, and NZX equity listing rules.

The Group is a for-profit entity for the purposes of complying with NZ GAAP.

The consolidated interim financial statements are presented in New Zealand dollars (\$), which is also the Group’s functional currency. All financial information presented has been rounded to the nearest dollar.

(b) Significant accounting policies

The accounting policies and computation methods used in the preparation of the consolidated interim financial statements are consistent with those used as at 30 June 2022 and 31 December 2021.

(c) Basis of measurement

The consolidated interim financial statements have been prepared on a historical cost basis, except for the following items (refer to individual accounting policies for details):

- Borrowings (fair value disclosed) - note 4
- Financial assets and liabilities at amortised cost (fair value disclosed) - note 4
- Contingent consideration - note 4

2. Basis of preparation (continued)

(d) New standards, interpretations and amendments effective or applied for the first time

The Group has not adopted any other significant new standards, interpretations and amendments in the interim period with a material impact on the financial statements.

(e) Accounting estimates and judgements made

There have been no material revisions to the nature and amount of estimates of, and judgements in relation to, amounts reported in prior periods.

(f) Going concern

The consolidated financial statements have been prepared on the going concern basis, which assumes that the Group will continue to be able to meet its liabilities as they fall due for the foreseeable future.

The Group reported a net profit of \$718,703 for the period ended 31 December 2022. Excluding the fair value gain on contingent consideration of \$4,100,932, the Group incurred an operating loss of \$3,382,229.

The capital raised at the IPO has provided a sufficient runway for to the company to continue operating as a going concern while it focuses on global sales opportunities and continues the development of its Genetic Discovery Program and Product Development innovations.

The purchase of Zalm Therapeutics Ltd in January 2022 creates a significant opportunity for the company in terms of expansion of our product portfolio and the opportunity for scalable supply and revenue generation capability.

The Group is focusing on commercialisation of cannabinoid medicines so that the income generated from products will begin to fund the operations of the Group to the point where the Company is financially sustainable and begins to generate profits.

Over the six-month period to December 2022, the Group has progressed its commercial activity for its pipeline of products in key target markets. The Group continues to progress its research products with goal of commercialising this IP in the medium term.

Currently there are no indications that the Group will not be able to continue as a going concern. The Group has net current assets and the Directors are of the opinion that the Group is able to settle its liabilities as they fall due. There are risks related to future assumptions being made, particularly around the timeframes related to obtaining regulatory approvals for products, sales volumes and the sales price of these products. The Group is monitoring and managing these risks, however there are no indications at this point in time that they will affect the Group's ability to continue as a going concern.

Rua Bioscience Limited
Notes forming part of the Condensed Consolidated Financial Statements
For the six months ended 31 December 2022

3. Segment Reporting

The Group operates in one segment, its primary business being research and development and the sale and manufacture of pharmaceutical products in New Zealand.

The chief operating decision maker has been identified as the Chief Executive Officer (CEO), as they make all the key strategic resource allocation decisions related to the Group's segment.

The Group currently derives revenue from customers through the sale of goods to a single distributor in New Zealand. The Group currently only derives revenue from a single product line and therefore revenue is not disaggregated further.

4. Financial instruments and Financial Risk Management, and Capital Management

(i) Categories and fair values of the Group's financial instruments

	Financial Assets	Financial Liabilities	Financial Liabilities	Total Carrying Amount	Fair Value
	at Amortised Cost	at Amortised Cost	at Fair Value through Profit or Loss		
31 December 2022 (unaudited)	\$	\$	\$	\$	\$
Investments	5,050,110	-	-	5,050,110	(a)
Cash and cash equivalents	1,708,187	-	-	1,708,187	(a)
Other receivables	75,000	-	-	75,000	(a)
Trade and other payables	-	(305,951)	-	(309,951)	(a)
Lease liabilities	-	(208,755)	-	(208,755)	(b)
Contingent consideration	-	-	(1,750,100)	(1,750,100)	(c)
Total	6,833,297	(514,706)	(1,750,100)		
30 June 2022 (audited)					
Investments	8,041,493			8,041,493	(a)
Cash and cash equivalents	1,897,285			1,897,285	(a)
Other receivables	575,000			575,000	(a)
Trade and other payables		(438,378)		(438,378)	(a)
Lease liabilities		(824,002)		(824,002)	(b)
Contingent consideration			(7,641,832)	(7,641,832)	(c)
Total	10,513,778	(1,262,380)	(7,641,832)		

(a) Due to their short-term nature, the carrying value of these financial instruments approximates their fair value.

(b) Not required to be disclosed per NZ IFRS 7.

(c) Measured at fair value (i.e., carrying amount equals fair value).

Rua Bioscience Limited
Notes forming part of the interim consolidated financial statements
For the six months ended 31 December 2022

4. Financial instruments and Financial Risk Management, and Capital Management (continued)

(ii) Fair value information regarding contingent consideration

	Note	6 months to 31 Dec 2022 (unaudited) \$	30 June 2022 (audited) \$
Opening balance		7,641,832	-
Arising on business combination		-	7,641,832
Change in fair value estimate		(4,100,932)	-
Consideration settled (shares)	15	(1,790,800)	-
Closing balance		1,750,100	7,641,832

Contingent consideration comprises the Group's probability-weighted assessment of discounted amounts payable to vendors in respect of business acquisitions. During the period a fair value gain of \$4.1m was recognised through the condensed consolidated statement of profit or loss and other comprehensive income relating to the contingent consideration for the Zalm acquisition. This reflects a \$2.0m realised gain that was recognised on the completion of milestone 1 and a \$2.1m unrealised gain relating to milestone 2. The Group's weighted-average probabilities with respect to Milestone 2 have not materially changed as at 31 December 2022.

The contingent consideration balance of \$1,750,100 at 31 December 2022 is expected to be settled in shares of Rua Bioscience Limited. This is expected to become payable following the achievement of specified product revenue milestones by December 2023 (Milestone 2).

5. Revenue from contracts with customers

Revenue streams recognised by the Group include:

	6 months to 31 Dec 2022 (unaudited) \$	6 months to 31 Dec 2021 (unaudited) \$
Sale of goods	62,819	-
Total	62,819	-

6. Other income

Other income streams recognised by the Group include:

	Note	6 months to 31 Dec 2022 (unaudited) \$	6 months to 31 Dec 2021 (unaudited) \$
Research and development grant income		167,654	358,698
Gain on early termination of lease	9	13,096	-
Sundry income		10,836	1,745
Total		191,586	360,443

Rua Bioscience Limited
Notes forming part of the interim consolidated financial statements
For the six months ended 31 December 2022

7. Income tax

Significant management judgement has been exercised to determine that future taxable profits for the Group are beyond a reliable forecast horizon and that no net deferred tax asset should be recognised.

The unrecognised deferred tax asset is comprised of tax losses of \$4,466,489 (30 June 2022: \$nil).

8. Inventory

Significant transactions during the 6 months to 31 December 2022

- Due to market pressures, the carrying value of certain inventories exceeded their net realisable value, therefore, an inventory write-down was recorded related to the following classes of inventory:

	31 Dec 2022 (unaudited) \$	31 Dec 2021 (unaudited) \$
Raw materials	1,679	-
Consumables	3,625	-
Work in progress	82,324	-
Total write-down	87,628	-

9. Property, plant and equipment and Right-of-use lease assets

Significant transactions during the 6 months to 31 December 2022

- The Group purchased additional property, plant and equipment of \$37,279 primarily in relation to vehicles and additional development of its Ruatorea Plant and Extraction facilities.
- The Group ended one of its leases early at its Commerce Place site resulting in a \$486,899 reduction in Right-of-use assets and a gain of \$13,096 from early termination (refer Note 6).
- The termination of the Commerce Place lease agreement also resulted in a remeasurement of a second lease premises at Commerce Place which reduced the remaining lease term in accordance with the provisions of the Group's lease agreements. This resulted in an additional \$84,875 decrease in Right-of-use assets.

10. Intangible assets and Goodwill

Significant transactions during the 6 months to 31 December 2022

- No amortisation expense has been recognised for the period ended 31 December 2022 as the Group has not begun to purchase product from Cann Group under the supply contract intangible asset.
- There was no impairment recognised in respect of the Group's goodwill and intangible assets for the period ended 31 December 2022.

Rua Bioscience Limited
Notes forming part of the interim consolidated financial statements
For the six months ended 31 December 2022

11. Borrowings and Lease liabilities

Significant movements in the Group's debt balances (Borrowings and Lease liabilities) during the period are detailed in the tables below:

**6 months to 31 Dec 2022
(unaudited)**

	NON-CASH	NON-CASH	NON-CASH	CASH	CASH		
Opening	New leases	Lease remeasurements	Lease terminations	Payment of prior year accrued interest	Payment	Closing	
	\$	\$		\$		\$	
Lease liabilities	824,022	-	(54,689)	(499,995)	-	(60,563)	208,755
	824,022	-	(54,689)	(499,995)	-	(60,563)	208,755

**6 months to 31 Dec 2021
(unaudited)**

	NON-CASH	NON-CASH	NON-CASH	CASH	CASH	
Opening	New leases	Lease remeasurements	Lease terminations	Payment of prior year accrued interest	Payment	Closing
	\$	\$	\$	\$	\$	\$
Borrowings	10,762	-	-	-	(10,762)	-
Lease liabilities	944,078	36,977	-	(3,769)	(72,332)	904,954
	954,840	36,977	-	(3,769)	(83,094)	904,954

Rua Bioscience Limited
Notes forming part of the interim consolidated financial statements
For the six months ended 31 December 2022

12. Related party transactions

6 Months to 31 December 2022

The Group has no ultimate parent entity. There are no individual shareholders holding more than 20% of the ordinary shares of the Group at reporting date.

6 Months to 31 December 2021

The Group has no ultimate parent entity. There are no individual shareholders holding more than 20% of the ordinary shares of the Group at reporting date.

During the period the Group entered into the below transactions with entities related to shareholders and key management personnel.

	Nature of transactions	Transaction amount	Amounts receivable (payable)
		6 Months to 31 Dec 2022 (unaudited) \$	31 December 2022 (unaudited) \$
Alvarium Investments	Purchases	2,300	-
EECOMS	Purchases	-	-
Mitchel Family Trust	Purchases	1,087	-
	Nature of transactions	Transaction amount	Amounts receivable (payable)
		6 Months to 31 Dec 2021 (unaudited) \$	30 June 2022 (audited) \$
EECOMS	Purchases	361	-
Mitchel Family Trust	Purchases	1,620	-

Rua Bioscience Limited
Notes forming part of the interim consolidated financial statements
For the six months ended 31 December 2022

12. Related party transactions (continued)

Key management personnel compensation

Compensation of key management personnel (being those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including the directors) was as follows:

	6 months to 31 December 2022(unaudited) \$	6 months to 31 December 2021(unaudited) \$
Directors' fees	131,423	135,346
Short-term employee benefits	793,816	663,845
Defined contribution plan payments	29,539	20,812
Share-based payment expense	27,470	67,641
Total key management personnel compensation	982,248	887,644

13. Contingent liabilities

There were no contingent liabilities at the end of the period (2021: nil).

14. Biological assets

The Group currently still undertakes significant research and development activities and as such the plants and produce currently resulting from these operations are not being developed for sale, or for transformation into agricultural produce or additional biological assets. Under the Group's licensing requirements, plants must be destroyed and therefore hold no value at balance date. The plants are destroyed by way of being composted and as they are not able to be traded, they have no value from a product manufacturing perspective.

Accordingly, related costs are recognised in profit or loss rather than in the recognition of a biological asset in accordance with NZ IAS 41 *Agriculture*, until such time as the Group moves past the research and development phase. The agricultural assets will be recognised at fair value once the regulations allow commercial production and they are used for commercial production.

Rua Bioscience Limited
Notes forming part of the interim consolidated financial statements
For the six months ended 31 December 2022

15. Share Capital

	31 December 2022 (unaudited) Number	30 June 2022 (audited) Number
Opening shares	149,879,267	140,262,591
Shares issued ^{*,**}	8,140,000	9,616,676
Total share capital	158,019,267	149,879,267

* During the year ended 30 June 2022:

- 1,476,676 vested share options were exercised into ordinary shares.
- 8,140,000 ordinary shares were issued as part of the consideration paid for the acquisition of Zalm Therapeutics Limited.

**During the period ended 31 December 2022, the Group issued 8,140,000 shares as part of Milestone 1 consideration for the acquisition of Zalm Therapeutics Limited.

16. Events after the reporting date

In February 2023, the North Island of New Zealand, and in particular Gisborne and the Hawkes Bay, experienced a significant weather event, Cyclone Gabrielle.

The event caused major disruptions across Tairāwhiti and resulted in closures to the Group's Gisborne head office and manufacturing facility. Although no damage was sustained to either site, water and connectivity issues limit the Group's ability to operate a full capacity.

The Group's research and development facility at Ruatōrea did not sustain damage and remains operational. Research and development (both indoor and outdoor) crops were unaffected by the weather events.

The Group does not expect that there will be any material financial impact from this event.