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NZX Limited
Wellington

Friday, 24 March 2023

Rua Accelerates Export Strategy, Ceases Manufacturing

Rua Bioscience (NZX:RUA) announces the export-led company will cease local GMP manufacturing and accelerate its global brand strategy, building its international product pipeline while developing valuable points of difference in the areas of genetic discovery and novel product development. Working with manufacturing partners, Rua expects New Zealand patients will ultimately benefit from a wider range of affordable medicines.

CEO, Paul Naske, says Rua has been actively exploring where true value lies in the medicinal cannabis industry, where the company's unique strengths can propel it, and how Rua can best serve the needs of patients and investors.

"To capture value and encourage growth we will focus on our key strengths – leveraging our global-scale supply agreement and established sales and marketing partnerships across Europe to build a sustainable global company, while our world-class cultivation team in Ruatorea works on unique genetics for our established and future product pipelines."

Rua has focused on the high-growth European medicinal cannabis market, which is expected to be worth as much as NZ\$3.9b by 2026 [1]. The company has significantly advanced plans for market entry in Germany, is positioning itself as an early mover in Poland, and investigating other emerging medicinal cannabis markets with the support of its European partners Nimbus and Motagon.

Chairman, Trevor Burt, says the Board believes this refinement is consistent with Rua's founding strategy and reflects the benefit of Rua's capital-efficient approach, which allows Rua to move with relative agility at global scale.

"As an export-led company, we have advanced negotiations in high-value European markets and are now assessing commercial opportunities in Australia, an exciting market right on our doorstep; our intellectual property strategy maintains its focus on plant discovery and breeding, and the formulation of unique finished products; and we remain committed to building a sustainable business that creates intergenerational opportunity in Te Tairāwhiti," he says.

Mr Naske says, the company will retain its focus on the supply of GMP-certified medicines, and expects to do this in a more cost-effective and expedient way, particularly for New Zealand patients.

"Rua will work with manufacturing partners to build out our product portfolio while developing branded products utilising our internally developed IP."

In the meantime, Rua is planning for continuity of supply for New Zealand patients.

“There is ample stocks of Rua medicine (with the appropriate shelf life) available through Rua’s distributor, with stock ring-fenced for patients on Rua’s compassionate access programme. The company remains committed to developing a domestic product pipeline, ensuring prescribers and patients have access to medicines and will update prescribers with those details in the near future.”

The change impacts the manufacture of one product and results in the loss of two employees.

Rua recently released its Market Insights for 2023, which provides an overview of key markets Rua is focused on, both overseas and here in Aotearoa.

Ends.

The person who authorised this announcement:

Paul Naske, CEO.

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Citations

[1] The European Cannabis Report: 7th edition: Reports. Prohibition Partners. (2022, April 8).

Retrieved 25 May 2022.