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Rua concludes agreement with Medbloom, developing new opportunities

A commercial agreement between Rua Bioscience (NZX: RUA) and Medbloom Limited to supply raw biomass has been concluded by mutual understanding. Rua is now focused on progressing existing discussions with alternative grower partners to supplement the company's existing cultivation facility in Ruatorea.

The conclusion of this agreement will not delay Rua's first export revenue.

In October 2020, Medbloom (a subsidiary of Blooming Hill Flowers) signed a commercial agreement to grow and supply Rua with cannabis plant material - with production expected to begin in 2022. The agreement was contingent upon Medbloom securing adequate capital to expand its operation.

Though disappointed, Rua CEO Rob Mitchell says Rua is well-placed to fill the gap.

Rua is in advanced discussions with a number of other grower partners already producing biomass, with strong horticultural experience and the capability to deliver the volumes needed. There is significant scope for partnership opportunity in the evolving New Zealand industry. Rua understands Medsafe has issued 27 commercial licences under the medicinal cannabis scheme. Other growers will provide the geographical diversification originally offered by Medbloom, safeguarding Rua from potential environmental and other external factors that may affect production.

Ends

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About Rua Bioscience

Rua Bioscience is a New Zealand pharmaceutical company aiming to be a leading producer of cannabinoid derived medicines for both export and local markets. Rua has been an early mover in the sector and was the first private company in New Zealand to receive a licence to cultivate cannabis for research purposes. Founded in 2017 in Ruatorea as a subsidiary of charitable company Hikurangi Enterprises Limited, Rua is underpinned by its mission to heal the people and heal the land. It is committed to New Zealand's Te Tairāwhiti (East Coast) region and its connection with its local community. The company has completed facilities for cultivation and manufacturing.
www.ruabio.com