



IRUA

BIOSCIENCE

Market Insights and Update

May 2024

It's all about Impact

To date, Rua remains the only NZ-based medicinal cannabis company with an explicit focus on delivering intergenerational social impact.

Rua was born to create opportunities on the East Coast and support community access to affordable medicines. As we mature, we acknowledge the role we can play more broadly:

- Encouraging our community to rethink what can be achieved in, by and for our community.
- Inspiring our rangatahi (youth) - the next generation of scientists, researchers, entrepreneurs, and business leaders.
- Supporting the health outcomes of local patients through our regionally-targeted compassionate access programme.

Entering global markets will secure meaningful revenue so we can continue prioritising sustainable, intergenerational change in Tairāwhiti.



Market insights

As a Tairawhiti-headquartered medicinal cannabis company establishing itself in multiple international markets, Rua Bioscience is uniquely positioned to provide an update on the international medicinal cannabis industry.

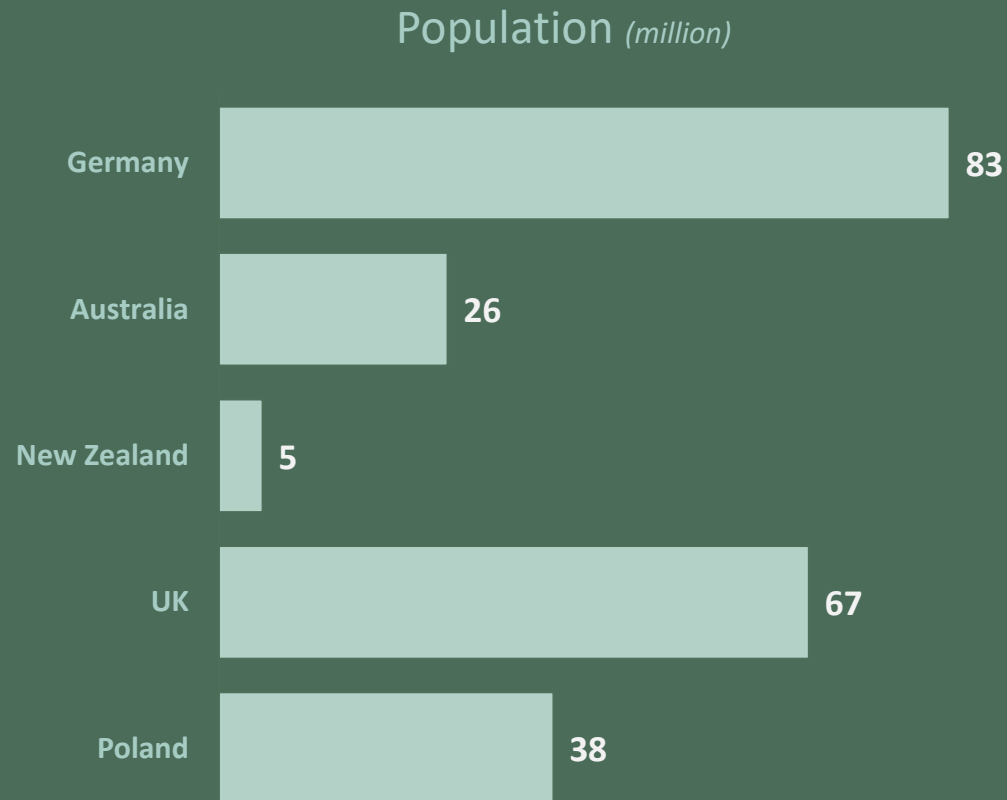
This is an informative resource for investors and others interested in the opportunities and possibilities provided by medicinal cannabis.

It includes developments in some of the largest and most rapidly growing global markets; and a summary of what's happening here in Aotearoa.

We have also provided a snapshot of Rua's progress in each of these markets.



Going global to support local



From the outset Rua has understood that it must go global to support local.

Exporting genetics and distributing Rua-branded products in high growth markets will be key to financial performance in the future.

This is the right path to revenue for the company.

The following provides detail on the potential of these key markets.

It is these markets that Rua will focus on over the next two years, to ensure sustainable revenue.

Germany

The German medical cannabis market is the largest and most developed in Europe, and often used as a benchmark for other EU countries in designing new medical cannabis programmes.

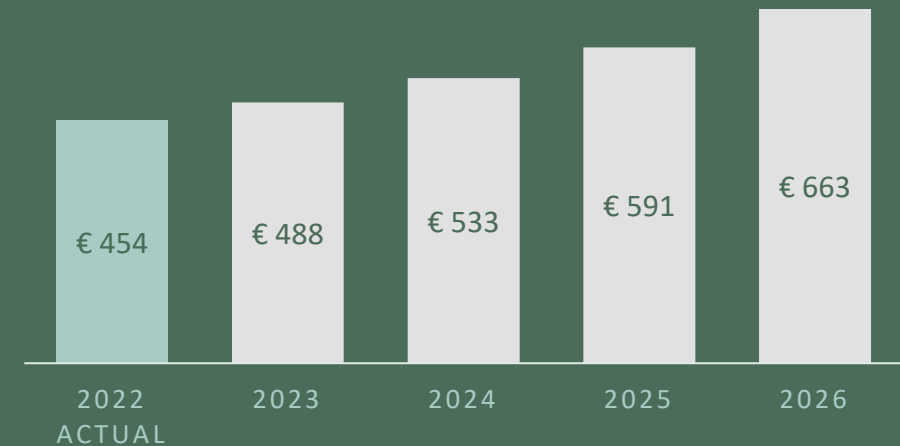
Recent legislative changes by the German government to de-schedule cannabis from the controlled narcotics list has been widely regarded as a progressive step. This change simplifies the prescribing process for physicians and has been a catalyst for further market expansion.

Currently, Germany has over 500 products registered for prescription.

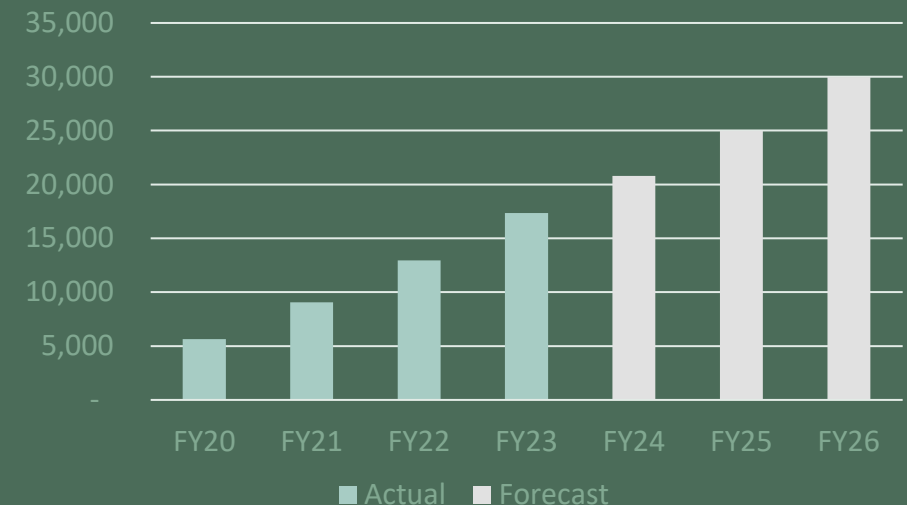
Despite the markets competitive nature, it remains in its infancy, with only about 7% of the eligible medical cannabis patients currently receiving treatment.

Following the successful extension of a contract with Nimbus Health for an additional 3-year term, Rua is poised to launch another product in the market by the end of July. This launch is strategically timed to capitalise on the significant market growth following the regulatory changes introduced on April 1st.

Retail Market (€mill)



Market size (kg product)



Rua in Germany

Rua's performance to date

- Signed distribution agreement with Nimbus Health, April 2020.
- Launched first dried flower products in April 2023 via Nimbus Health.
- Initial strong sales revenue of \$268k in 2 months.
- Following a product recall of product from Cann Group, Rua have re-established a new supply channel via Alphafarma in Malta.
- Extended Nimbus distribution agreement for an additional 3 year term, and extended the region to include other EU countries.

Upcoming

- New products expected in Germany by end of July 2024
- Products using Rua genetics expected by end of 2025.



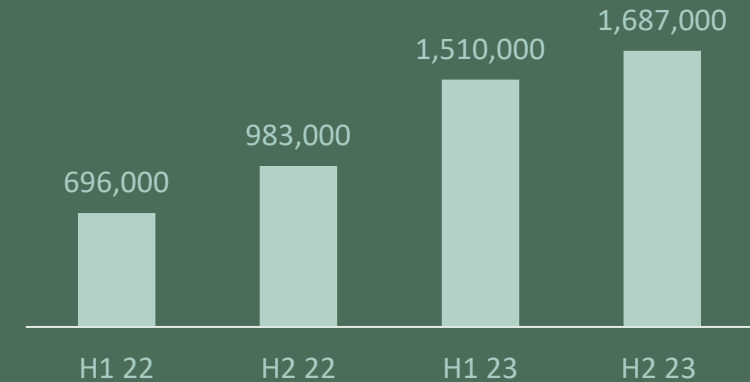
Australia

Australia is considered one of the biggest medicinal cannabis markets in the world and it continues to grow.

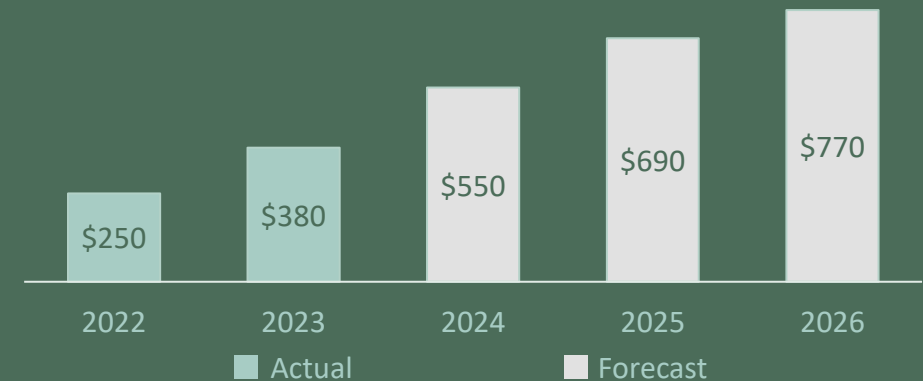
Reported sales of units of medicinal cannabis have grown at 40 - 50% per six-month period since reported data was available in 2022. It is widely accepted that these figures underestimate the true market size, as it excludes compounding pharmacies and some companies known to have not reported.

There is a trend towards legalisation in Victoria and NSW. There are Bills before State Parliaments and trials are being undertaken in Victoria to consider the impact of Random Drug Driving testing laws on legal prescription holders.

Number of prescribed units



Retail market (A\$mil)



Rua in Australia

Rua's performance to date

- In early 2023 Rua established the appropriate licences and operating facilities in Australia to be able to act as product sponsor and take branded products to market.
- Distribution agreements were signed in May and October 2023 and March 2024.
- The first products were available for sale in August 2023.
- The first Australian-based employee was appointed in January 2024.
- The product range was expanded February 2024.

Upcoming

- Launch of a new, differentiated product range showcasing our legacy genetics from Aotearoa in the next 3 months.



Aotearoa

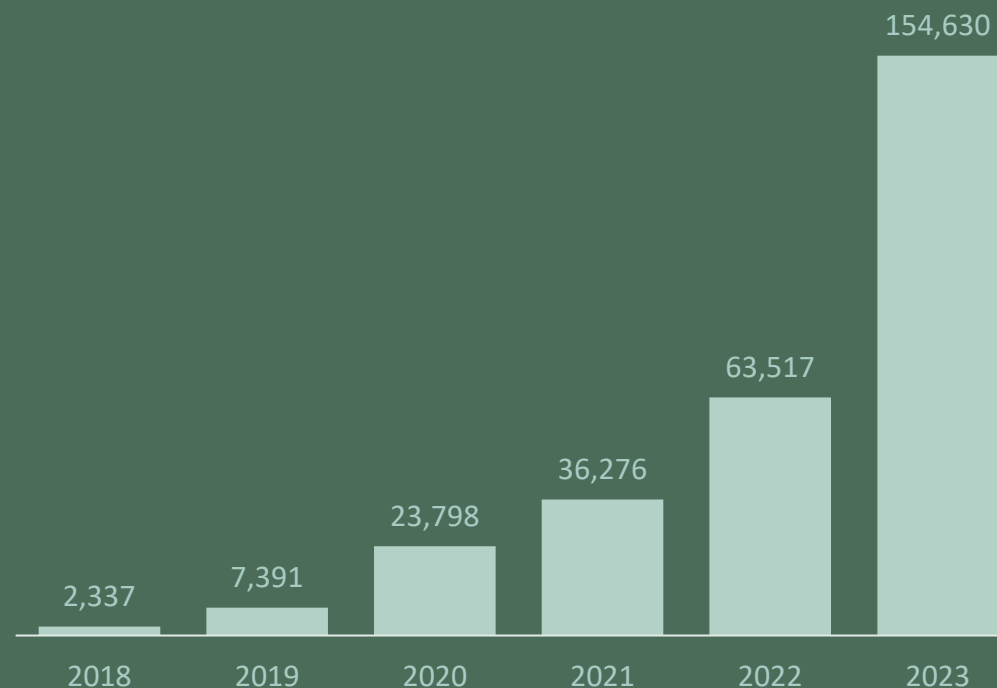
Since changes to regulations in 2018, the market in New Zealand has seen considerable growth.

Patient numbers have increased, which is evidenced by the growth in the number of units prescribed. More than half of these products are imported.

Changes to the Medicinal Cannabis Regulations are expected in the coming months which may contribute to growth in the supply of products.

Drivers of the growth in demand continues to be, as with most medicinal cannabis markets, an increase in prescriber and patient awareness and a move from black market supply to legal channels.

Number of prescribed items



Rua in Aotearoa

Rua's performance to date

- Launched first product in April 2022.
- Removed the capital-intensive cultivation and manufacturing parts of the business in March 2023.
- Continue to prioritise R&D and genetic discovery at Rua's facility in Ruatorea, breeding legacy genetics for global distribution.
- New product has been approved by NZ Medicinal Cannabis Agency.

Upcoming

- Product available for sale before the end of July 2024.



United Kingdom

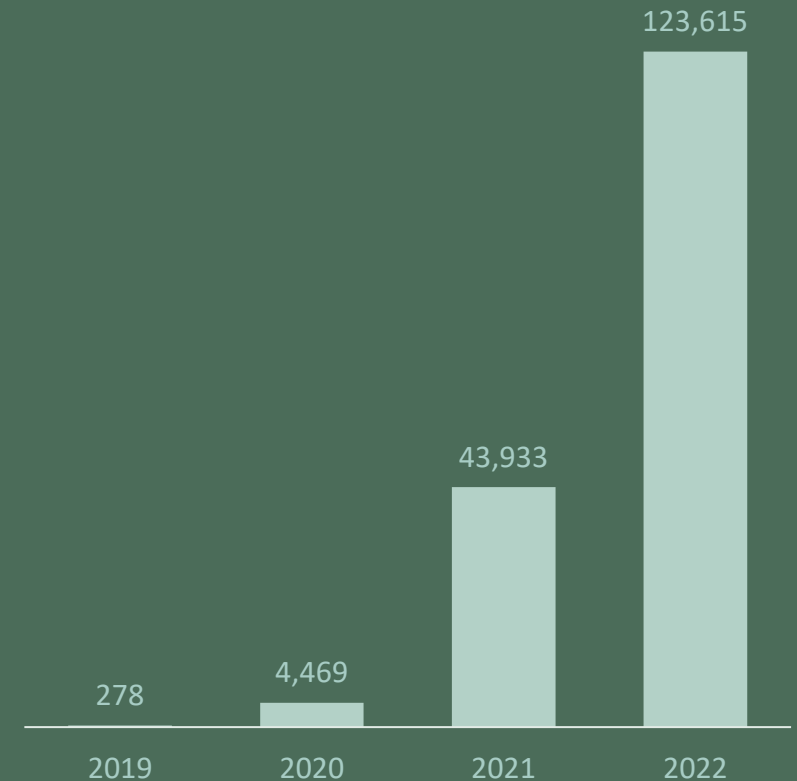
In November 2018, the United Kingdom legalised medicinal cannabis, instituting a regime wherein only a specialist physician can prescribe product, in contrast to Rua's other significant markets, which allow general physicians to prescribe. This distinctive regulatory approach initially led to a slower market uptake. However, specialist clinics are now established and market indications suggest strong growth and potential.

Currently in the UK there are around 35,000 private patients, about 400,000 annual scripts and the average spend per patient per month varies between £300 and £500.

Patient numbers in clinics are increasing by about 1000 - 1500 new patients per month and total patient numbers are expected to be roughly 40 - 45,000 by the end of 2024.

The total annual prescription spend by the end of 2024 is expected to be about £200 million.

Number of prescribed items



Rua in the United Kingdom



Rua's performance to date

- Agreement signed with Target Health in December 2023.

Upcoming

- First products expected in market by October 2024.
- Range includes dried flower and full spectrum oil products.
- Direct clinic contact via contracted Business Development.





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