RUA

Te Ripoata a Tau

Rua Bioscience
Annual Report 2025

Front Cover Koru Design from Rau Hiwa Brand Identity.
Designed by Maia Gibbs.

Tolaga Bay - Aotearoa

Rua Bioscience Limited, he kaupapa i timatahia e te Maori, i whakapumau i te Tairawhiti, kei te whakapakari i ta matou tunga hei kaiarahi i nga makete Rautini i te ao whanui.

He pono matou ki nga ture, e toia ana matou i nga taha e rua o te taura whai hua. Kei te kokiri i nga rangahau, te whakahura i nga momo ira ki Ruatorea, me te whakawhanui i nga hononga i nga makete o te ao.

I te tau piuta FY25 i tutuki nga ahuatanga o ta matou rautaki, a, kei te kite i nga hua o a matou mahi auaha hei painga ma nga turoro, iwi whanui, me nga kaipupuri hea.

Maori founded and based in Tairawhiti, Rua Bioscience Limited strengthened its position as a leader in the global medicinal cannabis market.

We made significant gains at both ends of the value chain - advancing R&D and genetic discovery in Ruatorea, while expanding distribution partnerships in key international markets.

In FY25, we executed on our strategy and converted innovation into measurable results that delivered value for patients, communities, and shareholders.

Germany

Local

Global

Nau mai haere mai e nga Iwi katoa, anei nga korero mo Rua Bioscience
Welcome to Rua Bioscience

We are proud to share Rua Bioscience's FY25 Annual Report.

Within this report, we provide a progress update on the key milestones achieved over the past 12 months, outline our financial performance and highlight the developments within our key global markets.

We demonstrate how we are delivering on our strategy and creating tangible commercial results as we continue to work towards sustainable revenue under our highly scalable, export-led approach.

We will also provide insight into our local initiatives, including our impact and sustainability programmes, showing how we continue to prioritise our people and our rohe (region).

Rua is committed to reporting openly and honestly on our performance, providing information that is clear and easily understood. If you have any feedback on this Annual Report, please email info@ruabio.com

Sunrise over Mangaoporo
Photo credit: Eruera Walker

Nga korero a nga Ringatohu
Directors' statement

The Directors are pleased to present Rua Bioscience Limited's Annual Report and consolidated financial statements for the year ended 30 June 2025.

The Directors are not aware of any circumstances since the end of the year that have significantly affected or may significantly affect the operations of Rua Bioscience. This Annual Report is dated 29 September 2025 and is signed on behalf of the Board by:

Anna Stove
Chair

Tony Barclay
Chair Audit, Finance and Risk

Sunrise over Hikurangi
Photo credit: Josie McClutchie

Rarangi korero
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Mawhiti mai ki nga whakatutukitanga
Achievements at a glance

Delivered strong revenue growth across three key markets.

Expanded the German product portfolio at a pivotal point in the market.

Secured alignment with leading clinic chains in Australia to drive revenue.

Broadened the approved product range in Aotearoa, New Zealand.

Established a new UK sales pipeline in partnership with Target Healthcare.

Launched a new product in Australia leveraging New Zealand legacy genetics.

Successfully raise $1.5m from shareholders to accelerate growth.

Subsequent activity

Entry into the Czech market in early FY26 with the launch of Rua's first product.

Mawhiti mai ki nga hua nui
Results at a glance

Net assets
$4.9m

Cash and investments
$241K

Revenue from customers
$1.5m ↑ **1,661% on FY24**

Total revenue and other income
$1.9m ↑ **492% on FY24**

Loss before tax
$3.5m ↓ **75% on FY24**

Te ripoata a te Heamana
Chair & CEO's Report

Ka mau te wehi o te autaia! He kōrero ēnei e whakaatu ana i te māia, i te kaha, me te werawera kua heke i te tau kua hipa mō tā tātou kamupene. Kua puta te ihu o te waka ki ngā wai mārino, kei te pupuhi te hau kia hiki i ngā rā o tō tātou waka.

The extraordinary is in our grasp – the prow of the waka has entered calm waters and the wind is blowing, filling the sails of our waka.

To our shareholders, partners, patients, and whānau – tena koutou katoa.

Delivering on our strategy

FY25 marked a pivotal shift for Rua Bioscience. With focus, determination and the unwavering support of our people, we moved from setting the right strategy to executing it: growing revenues, expanding into new markets and staying true to our unique purpose.

Our highly scalable operating model, which is anchored in genetics and distribution, translated into tangible results. Customer revenue rose to $1.51m (FY24: $86,000) and total revenue and other income reached $1.9m (FY24: $322,000). For the first time, Rua generated meaningful sales across Germany, Australia and Aotearoa New Zealand, and established distribution pipelines in the United Kingdom.

At the same time, our financial performance strengthened. Loss before tax was reduced significantly to $3.46m (FY24: $13.72m), driven by increasing revenue and disciplined cost management. These results demonstrate the effectiveness of our strategy and a sharp focus on commercial delivery.

Strengthening our Commercial Momentum

To sustain our growth trajectory, we successfully raised $1.5m from shareholders and approved a debt facility, of which $304,000 was drawn at balance date. These capital initiatives were strongly supported by both existing and new investors, reinforcing confidence in Rua's direction and leadership.

In response to cash challenges, the Board and management applied disciplined cost control and proactively managed capital needs. Our capital-raising approach was deliberate, directing funds to areas with the greatest commercial impact. With strong oversight and a clear focus on revenue-generating activity, the funds raised are now accelerating sales and supporting sustained momentum in market.

FY25 also marked a year of expanded product offerings across all our key markets:

- Germany: Regulatory changes reclassified medicinal cannabis, broadening access for prescribers and patients. Rua responded by expanding its product portfolio in partnership with Nimbus Health.
- Australia: We launched a new product, leveraging legacy genetics, which has seen strong uptake. We also partnered with major clinic chains to secure robust market pathways.
- Aotearoa New Zealand: We now have three approved medicinal cannabis products and continue to broaden patient access. While smaller in scale, our domestic market remains central to Rua's identity and purpose.
- United Kingdom: We established a sales pipeline in partnership with Target Healthcare and launched three products, laying the foundation for future revenue growth.
- Czechia: We capitalised on regulatory reform, launching our first product in early FY26 via distribution partner Motagon.

These milestones highlight the strength of our partnerships, regulatory expertise, execution and team capability.

Commitment to Impact

Rua is more than a commercial enterprise. We remain one of the few companies in our sector with an authentic founding story and an unwavering focus on intergenerational impact.

In FY25, Rua's Compassionate Access Programme supported 52 patients per month (up from 30), with dedicated places for palliative care. The Scholarship Programme continued to expand, with 53 rangatahi supported since inception and $80,150 awarded in collaboration with Trust Tairawhiti and external partners. Our Internship Programme is also building capability and creating employment pathways in this emerging industry.

These initiatives reflect Rua's long-term commitment to equity, opportunity and wellbeing for the people and communities of our rohe.

Looking Ahead

FY25 has laid a strong foundation for what we believe will be a transformative period. With established sales in Germany, Australia and Aotearoa New Zealand – and early entry into the United Kingdom and Czechia – Rua is focused on accelerating revenue growth, broadening its product portfolio and international footprint and strengthening its position as a leading global medicinal cannabis company.

Rua's waka is built for the journey ahead. With the team, partnerships and strategy in place, we are ready to navigate with confidence.

To our shareholders - thank you for your continued belief in our vision. To our team - thank you for your dedication, adaptability and mahi. The path ahead is rich with opportunity.

Ka tere te waka o Rua ki ngā taumata whakahirahira, he mārakerake te kite i ngā hua kei mua i a mātou, ko tā mātou, kia kapo i aua hua hei painga mā tātou katoa.

Rua's waka will aim for the greatest heights; it is clear to see the abundance before us, and our job is to grasp it to benefit us all.

Nga manaakitanga,

Anna Stove
Chair

Paul Naske
Chief Executive

Te Poari Ringatohu
Board of Directors

Rua Bioscience's Board of Directors are deeply invested in the Rua kaupapa. They possess a wealth of domestic and international business, pharmaceutical and strategic expertise.

Anna Stove
Chair

Heamana

Anna has been a Director of Rua since 2019 and was elected Board Chair in April 2023. She began her career as a Registered Nurse and built a successful 25+ year career leading transformational change within Healthcare, both in New Zealand and internationally. Anna's executive background includes senior leadership roles across Asia Pacific and Europe, culminating in her position as New Zealand General Manager for GlaxoSmithKline. Anna is an experienced Director bringing a disciplined, independent and inquisitive mindset to the Board table, along with high energy and clear strategic focus. Anna is also a Director of Pacific Edge Ltd. Her previous governance roles include Chair of TAB NZ, Chair of Global Women NZ, Director of Medicines NZ, Vice-Chair of Pukekohe Park and Vice Chair of Shooting Star Children's Hospice London, UK.

Panapa Ehau
Executive Director, Co-Founder

Kaiwhakau / Ringatohu
Ngati Uepohatu, Ngati Porou

Co-founder of Rua, Panapa established New Zealand's first tertiary training course for cannabis cultivation via the Eastern Institute of Technology. From Ruatorea, with a degree in management, Panapa is a co-founder of numerous social enterprises and holds governance roles across a wide range of for-profit and charitable organisations. Panapa lives in Tairawhiti and focuses on developing economic opportunities alongside his people. He has been a Director of Rua since its inception in October 2017.

Teresa Ciprian
Non-Executive Director
Ringatohu Whakatu Pu

Teresa brings extensive governance and senior management experience across listed companies, state-owned entities, family enterprises and privately held businesses, spanning consumer packaged goods, agriculture, horticulture, IT, regulatory bodies and agri-research. Teresa's prior boards inlcude Zespri, Food Standards Australia and New Zealand, Firstlight Foods and AgResearch. On the boards she serves, Teresa is recognised for her role in elevating business strategy, marketing and the consumer as a driver of business transformation, refreshing innovation pipelines and embedding high standards of compliance and governance. She has chaired People & Remuneration Committees as well as Audit & Risk Committees, served as a member of Innovation Committees, contributed to CEO succession and worked collaboratively with colleagues to sharpen strategic clarity and prioritise major initiatives. Teresa joined the Board in August 2022.

Tony Barclay
Non-Executive Director
Ringatohu Whakatu Pu

Tony brings over 30 years' experience in business and 22 years of healthcare experience. Tony was CFO at medical device company Fisher & Paykel Healthcare from the time of separation from Fisher & Paykel Appliances in 2001 until retiring from full-time employment in 2018. Prior to Fisher & Paykel Healthcare, Tony worked for Price Waterhouse and Arnott & Biscuits in finance roles. Tony holds a number of Directorships in private companies, all in MedTech. Tony holds a BCom from the University of Otago and is a Chartered Accountant and a member of the New Zealand Institute of Directors and INFINZ. Tony joined the Board in May 2023.

Kale Panoho
Board Observer
Kaimatakitaki Poari
Ngāpuhi

Kale is the managing director of K&J Growth and Rugby Bricks. K&J Growth operates out of US and NZ-based offices, working from Los Angeles and Dunedin. They have built scalable ROI-focused digital marketing campaigns for over 100+ companies globally from TikTok to the New Zealand government. Kale was the 2022 winner of the Matariki Waitā Business & Innovation Award, the winner of the 2023 Matahiko Whiua ki te Ao & Pakihi awards and is the only New Zealand member of the Forbes Agency Council. Kale sponsors multiple programmes that are focused on helping more Māori into entrepreneurship.

Nga pou Matua
Senior Management

Our Senior Management Team is charged with delivering operational excellence, executing Rua's strategy, and leading Rua's expansion into global medicinal cannabis markets.

Paul Naske
Chief Executive Officer

Kaiwhakahaere Matua

Paul has held a range of leadership positions in business strategy and development, including roles as General Manager of Corson Grain and as a Business Unit Manager at Fletcher Building. Paul has been overseeing Rua's topline business operations since the beginning of 2019 and has been vital to the design and efficient execution of Rua's global strategy. His knowledge of the commercial environment ensures Rua's alignment with the business needs of our global clients. Paul was promoted to the role of Chief Executive Officer in February 2023.

Liam Walker
Virtual Chief Financial Officer

Apiha Kaiwhakahaere Putea Mai Tawhiti

Liam is a BDO Partner based in Auckland. He joined BDO in 2007. Liam provides proactive financial advice to a wide range of clients in the healthcare, construction, freight and logistics industries. He delivers a blend of commercial, financial and strategic knowledge to identify a business' impediments, and solutions to help them grow. A strong believer in innovation, he aims to help clients spend more time on their business, rather than in it. Liam plays an active role as vCFO with a number of his clients, including Rua.

Emma McIldowie
Quality and Corporate Affairs

Kaiwhakahaere Kounga Me Nga Take Rangatopu

Emma has been with Rua since October 2019 and was instrumental in establishing the GMP standards and agreements necessary for Rua to operate. Emma holds a Masters of Science (MSc) in Forensic Chemistry from the University of Strathclyde, Scotland as well as a Bachelor of Science (BSc) majoring in Medicinal Chemistry from the University of Auckland. Emma came to Rua from ESR where she was part of the Forensic Drug Chemistry Team.

Te tira o Rua
Our people

We're a unique collection of dual forces; science and nature, land and people, commerce and community, modern innovation and ancestral wisdom. These connections bring balance and integrity to our team and business.

Our vision, to create cannabis-based medicines that make a difference, inspires and guides the work of our team every day.







Te pakihi o Rua
Who we are

Rua is a pioneering medicinal cannabis business with global ambitions. Maori-founded in Ruatorea, we provide medicinal cannabis products for local and export markets. We remain focused on creating intergenerational social impact in Te Tairawhiti.

Pete Sollitt - Ngati Porou
Grower Technician

Our purpose

To deliver cannabis-based medicines that change people's lives.

How we will achieve our purpose

Build a financially sustainable business that inspires the next generation, creates intergenerational social impact for our people, and supplies cannabis-based medicines around the world.

Nga uara
Our values

Since the beginning, Rua has been guided by our four key values that shape our identity and purpose. They are the foundation of of how we operate, the measure of our integrity and the compass that guides us for our people, communities and the world.

Ponotanga

We respect diversity. We have integrity in all relationships.

Oranga

We work for healthy whanau and healthy whenua. We prioritise the wellbeing of our customers, staff, family and the wider industry.

Mauitanga

We do "business as unusual". We celebrate learning and curiosity, innovation and courage. We have hope for the future.

Whakawhanaungatanga

We collaborate for success.

—
Kevin Pewhairangi
Pharmacist

Te rautaki o Rua hei whakaaweawe i te ao
Rua's Strategy for Global Impact

Rua is doing medicinal cannabis differently.

With the right differentiated, capital-light strategy secured in FY24, Rua has spent FY25 proving that the model works. We are now delivering on our plan and building a sustainable medicinal cannabis business that is resilient and capable of creating long-term value for our shareholders, our community and our people.

Rua's high-value, low-cost model is strategic and sustainable. By removing capital-intensive activities, we have focused our resources on genetics and distribution. Cultivation and manufacturing are outsourced to trusted, best-in-class partners close to key markets, allowing Rua to scale without significant capital requirements.

In FY25, this strategy translated into tangible outcomes. Rua now has products available in four key markets - New Zealand, Australia, Germany, and the United Kingdom - while also actively assessing entry into further emerging markets. We are one of the only medicinal cannabis companies in New Zealand operating at this scale internationally, providing significant opportunity for continued growth and commercial success.

Sourced under New Zealand's unique regulatory framework, which permits the inclusion of legacy genetics in the medicinal cannabis sector, Rau Hiwa T23 pays homage to the safekeepers of distinctive cannabis genetics in our community and Aotearoa New Zealand.

Rua Flower

Nga korero mo nga putea
FY25 financial commentary

In FY25 Rua achieved significant growth, demonstrating clear momentum toward building a sustainable business.

Income
Revenue was recorded as $1.90m (FY24 $0.32m). Revenue from customers grew significantly to $1.51m (FY24 $86k), reflecting sales momentum in Germany, Australia and Aotearoa New Zealand. The increase highlights Rua's ability to convert its strategy into tangible commercial outcomes and build a diversified revenue base across multiple markets. Other income was $0.39m (FY24 $0.24m).

Loss for the year
Rua's loss before tax for the year to 30 June 2025 was $3.46m (FY24 $13.72m). This result is in line with expectations and demonstrates a marked improvement from the prior year. The reduction is primarily due to significant revenue growth and lower impairment charges. Excluding impairments, the loss reduced from $4.50m in FY24 to $3.42m in FY25, reflecting both operational progress and disciplined cost control.

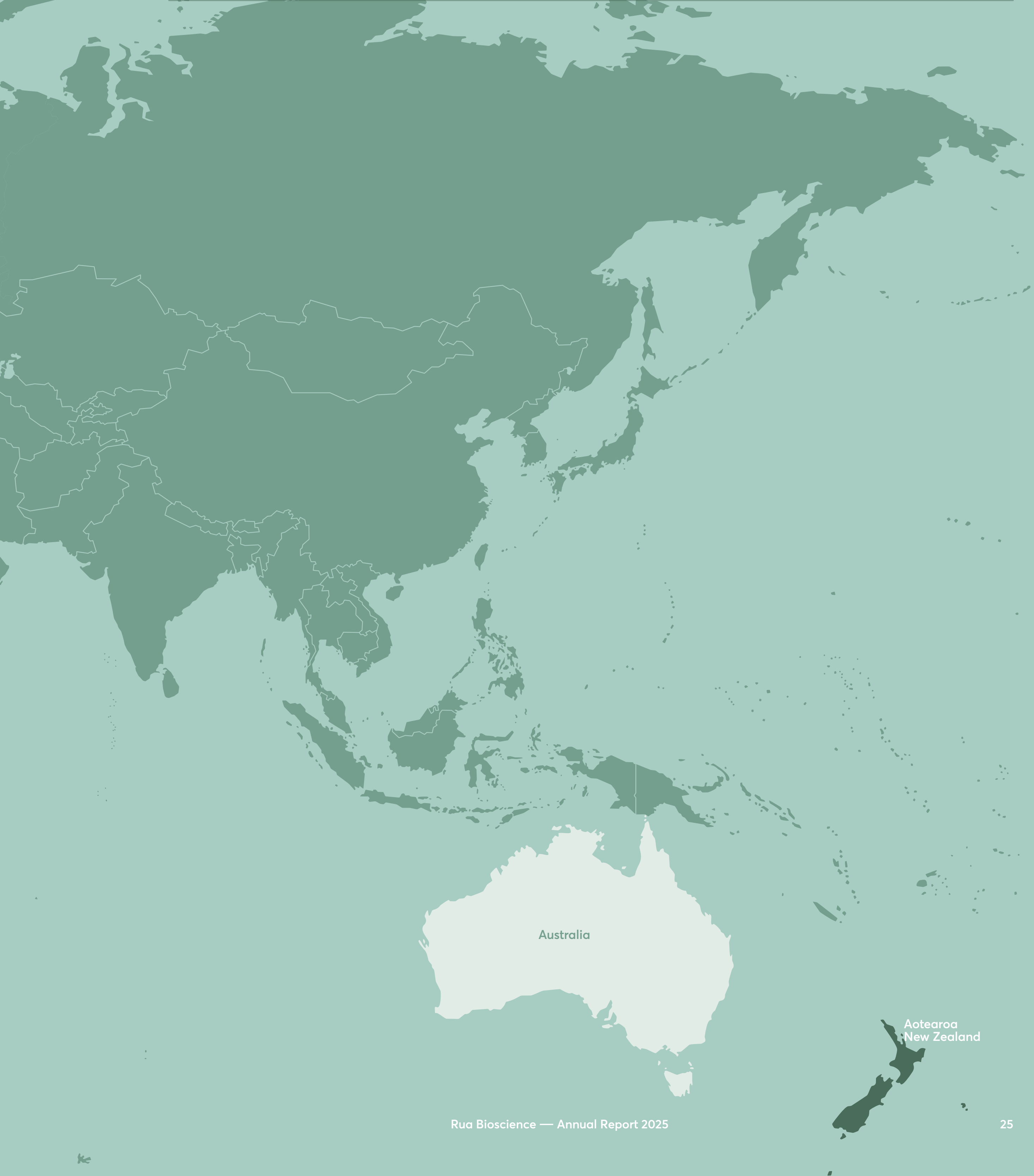
Balance sheet
At the end of FY25, the business reported continued improvement in its financial position. Rua successfully completed a capital raise of $1.50m from shareholders to accelerate growth and strengthen working capital. This support has underpinned sales growth across core markets and provides flexibility as the business scales further. Rua's balance sheet remains aligned with its capital-light model, and the company is well positioned to pursue additional market opportunities in FY26.

Following the balance date of June 30 2025 Rua has raised an additional $1.26m in a combination of debt and equity to further support our market growth.

Kokiri ki te ao
Global progress

From the beginning, Rua has believed that global growth is essential to creating local impact. FY25 marked a pivotal shift in our journey – moving from early-stage expansion to established sales pipelines across four key international markets. Over the year, we turned strategy into execution by strengthening distribution channels, launching products leveraging legacy genetics and expanding our product portfolio in each market. These milestones create powerful momentum as we enter FY26, focused on continued expansion and sustainable growth.

United Kingdom	Launched three products and established a sales pipeline with Target Healthcare.
Germany	Expanded product portfolio and extended distribution agreement with Nimbus Health, capitalising on regulatory reform.
Czechia	Secured early market entry through agreement with Motagon; first products launched in early FY26.
Australia	Strengthened presence with new distributor and clinic partnerships. Launched first product leveraging New Zealand legacy genetics.
Aotearoa New Zealand	Broadened domestic product range to three approved products.



Nga makete
Rua's key markets

Australia

Australia remains one of the world's largest medicinal cannabis markets, with an estimated value of A$650 million and an active base of over 300 prescribers. The country prescribed 4.5 million units of medicinal cannabis in 2024, with market growth continuing at pace in FY25.

Rua solidified its presence in FY25 by strengthening partnerships with key distributors and aligning with leading clinic chains to drive revenue. Its comprehensive product portfolio has been strongly received by prescribers and patients, offering clear differentiation in a very competitive market.

The launch of Rua Rau Hiwa T23, a dried flower product derived from legacy New Zealand genetics, marked a strategic milestone and was the first step in Rua's vision to commercialise unique New Zealand genetics internationally. The successful uptake of this product has validated Rua's strategy to introduce these products to other international markets.

Rua also announced a positive resolution in its legal proceedings with Cann Group in June 2025. The companies executed new supply agreements to support their respective operations across both the Australian and New Zealand markets.

Sydney Harbour

Brandenburg Gate in Berlin, Germany

Germany

Germany retained its position as Europe's largest medicinal cannabis market, with FY25 estimates exceeding €500 million. Regulatory reform in April 2024 removed medicinal cannabis from narcotic scheduling, significantly expanding prescribing freedoms, especially with the recent development allowing doctors to prescribe cannabis without prior health insurer approval.

Rua capitalised on this environment by expanding its product profiolio, with the launch of two new products, and extending its distribution agreement with partner Nimbus Health for another three years. Sales grew strongly throughout FY25, supported by consistent repeat orders, and demand remains strong. The consignment delivered to Germany in December 2024 was the company's largest to date, reinforcing the strong growth in this key market.

Germany remains a central pillar of Rua's international strategy, with further product launches - including New Zealand grown products - planned for FY26 to support increasing demand.

United Kingdom

The United Kingdom is now one of Europe's fastest growing medicinal cannabis markets, valued at around £50 million (NZD $110 million) and growing at over 100% per year. With over 50,000 patients currently accessing treatment, the UK represents a key opportunity for Rua's differentiated product range.

In December 2024, Rua launched three medicinal cannabis oil products into the UK market via exclusive distributor Target Healthcare.

Rua has actively engaged with clinics and healthcare providers ahead of the launch and will continue to build brand recognition throughout FY26. The expansion into the UK market is a targeted execution of Rua's strategy.

Czechia

Rua retained its exclusive distribution agreement with Motagon for the Czech and Polish markets.

In April 2025, Czechia allowed medicinal cannabis to be prescribed by general practitioners, which is expected to significantly expand prescriptions. Rua is well positioned as an early entrant in this market, with its first products becoming available for sale in September 2025.

While progress in Poland remains slower due to regulatory clarification, Rua continues to pursue this as a longer-term opportunity within its broader European strategy.

Prague

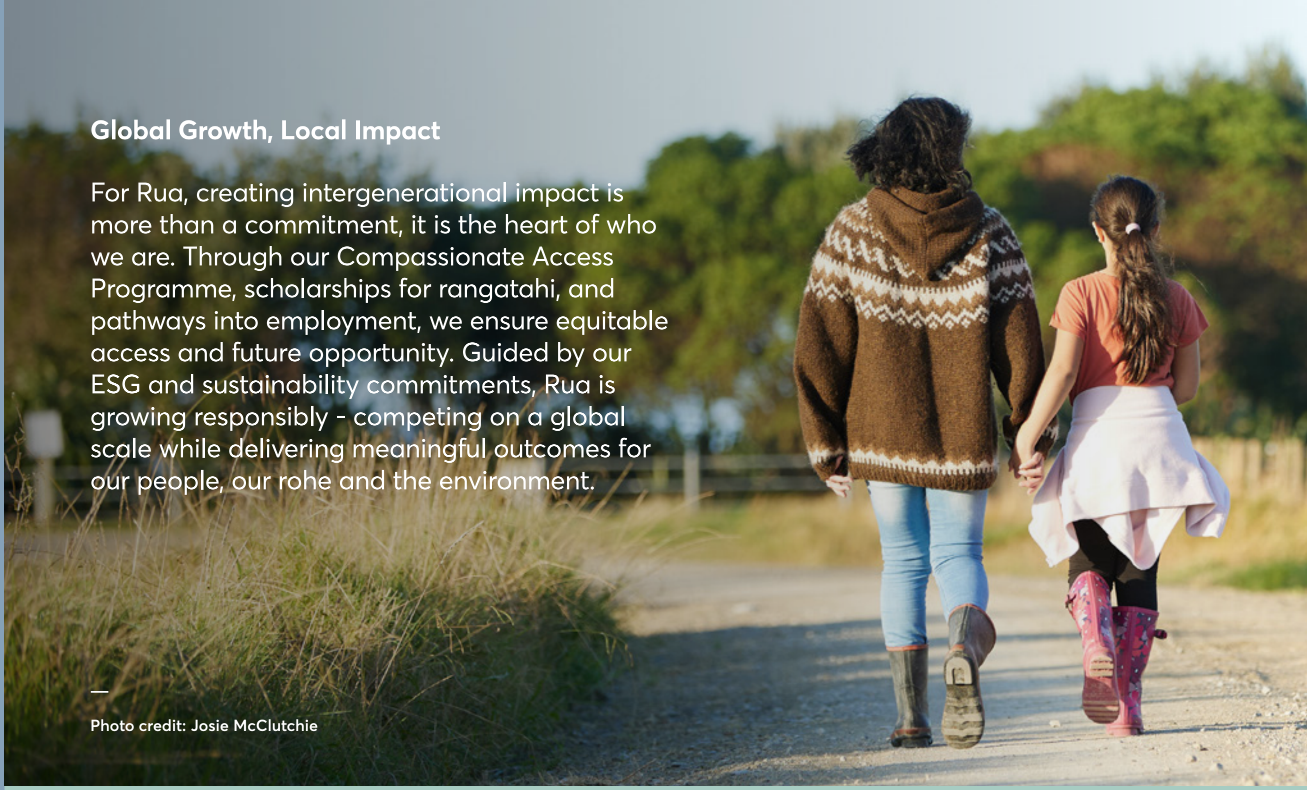
East Cape Lighthouse

Aotearoa New Zealand

Aotearoa New Zealand remains Rua's home market and a vital part of our long-term strategy and identity. As the first Maori-founded medicinal cannabis company in the country, Rua's connection to its rohe continues to shape both purpose and practice. While our commercial growth is accelerating offshore, our roots in Tairawhiti ground us – making the wellbeing of our people and our community a priority.

Rua achieved significant momentum in Aotearoa New Zealand, securing approval for a new medicinal cannabis product and broadening our domestic portfolio to three approved products. This expansion strengthens patient choice and contributes to a growing share of our revenue. With prescriptions rising sharply since the launch of the Medicinal Cannabis Scheme in 2020 and industry forecasts pointing to strong growth through to 2030, Rua is well positioned to meet increasing local demand.

Nga hotaka whakaawe
Impact programmes



Global Growth, Local Impact

For Rua, creating intergenerational impact is more than a commitment, it is the heart of who we are. Through our Compassionate Access Programme, scholarships for rangatahi, and pathways into employment, we ensure equitable access and future opportunity. Guided by our ESG and sustainability commitments, Rua is growing responsibly - competing on a global scale while delivering meaningful outcomes for our people, our rohe and the environment.

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Photo credit: Josie McClutchie

Impact areas	Target
Environmental	Identify ways to mitigate our emissions, with a particular focus on travel emissions.
	Set emissions reduction targets and work towards achieving them.
	Complete our fourth annual GHG emissions report.
	Continue to improve the quality of data captured for GHG emissions reporting while simplyfying data collection.
	Investigation into renewable energy utilisation.
Social	Continue providing scholarships, further education and training opportunities to local rangatahi, aligned with Rua's kaupapa
	Expand Rua's Compassionate Access Programme, which provides fully funded medicinal cannabis products to those in Te Tairawhiti who are most in need.
	Monitor worker health and wellbeing, and support staff in managing their health and wellness.
	Continue to contribute to cannabis law and regulations reform.
	Continue developing opportunities for NZ cannabis genetics.
Governance	Conduct an annual review of the Board to ensure alignment of capabilities with the skills matrix.
	Further strengthen the Board's approach to ethical governance and set objectives for diversity in the management team and Board.
	Continue commitment to Aspiring Maori Directors Development Programme.

E tautoko, e whakaawe ana i nga tauira
Supporting and inspiring students

Scholarships

Investing in the next generation

The Rua Scholarship Programme is a grassroots initiative that invests in the education of young people - to inspire hope and ambition, empower personal growth and encourage the return of talent to the region. The programme remains steadfast in its dedication to enhancing economic development, building community capability and fostering skill diversity across our rohe.

The programme supports study across a wide range of fields, including health, science, education, commerce and the creative arts. Each scholarship represents more than financial support, it is an investment in the future leadership, innovation and resilience of the next generation in Tairawhiti.

Since its inception in 2020, and in collaboration with Trust Tairāwhiti and external partners, the programme has awarded more than $80,150 in scholarship funding to 53 recipients.

Nga toa whiwhi karahipi o te tau
FY25 Rua Bioscience Scholarship Recipients

Maumahara Walker Paringatai – *Otago University | TKKM o Kawakawa mai Tawhiti* – Pursuing a future in surveying, contributing to the shaping and mapping of Aotearoa's landscapes.

Hunta Collins – *EIT | TKKM o Te Waiu o Ngati Porou* – Studying nursing to support the health and wellbeing of others.

Manaia Mill – *Otago University | Lytton High School* – Engaged in sports science with a focus on performance and human wellbeing.

Phoebe Cook – *University of Auckland | GGHS* – Studying biomedical science with aspirations in health and medical innovation.

Kyra Langford – *University of Canterbury | GGHS* – Exploring the sciences with a drive to expand understanding and discovery.

Lena Keenan – *University of Auckland | Tolaga Bay Area School / Kuranui* – Studying health science with a focus on community wellbeing.

Saint Morgan – *AUT | Tolaga Bay Area School / Kuranui* – Pursuing a Bachelor of Design, bringing creativity and innovation to the fore.

Phillip Du Preez – *Otago University | Campion College* – Focusing on ecology and genetics through a science degree.

Alice Sparks – *University of Waikato | Campion College* – Majoring in accounting, building expertise in commerce and finance.

Arohea Pewhairangi – *University of Waikato | TKKM o Horouta Wananga* – Combining business and Indigenous studies to support entrepreneurship and cultural identity.

Ethan Wong – *University of Canterbury | GBHS* – Studying mechanical engineering, bridging innovation with practical application.

Aidan Watson – *University of Waikato | GBHS* – Focused on social science and environmental planning for sustainable futures.

Maraea Harding – *Victoria University | TKKM Nga Uri a Maui* – Studying communication and te reo Maori to strengthen language and storytelling.

External Industry Exposure

Broadening Horizons for Rangatahi

The External Industry Exposure Programme, supported by Trust Tairawhiti, provides secondary students with first-hand experience of career pathways across health, science, environmental, and creative industries. By connecting students directly with scientists, professionals and universities, the programme aims to spark curiosity, build aspirations, and inspire rangatahi to return to Tairāwhiti equipped with knowledge and skills to support their communities.

In June 2024, Rua supported ten students from Ngata Memorial College on a trip to Te Whanganui-a-Tara (Wellington). The group visited institutions including GNS Science, where they explored environmental research, nanotechnology, and earthquake and volcanic monitoring; Parliament, hosted by local MP Cushla Tangaere-Manuel; Te Papa for a Māori-informed tour; Zealandia for ecological restoration education; and Victoria University of Wellington, Te Herenga Waka, for a broad overview of tertiary study options.

In November 2024, Rua partnered with Te Kura Kaupapa Māori o Te Waiu o Ngati Porou to support a further 15 students on an industry exposure trip designed for those with strengths in practical, creative or sporting fields. Highlights included the "All Blacks Experience" a creative design workshop at Weta Workshop; an aviation and hospitality day at Auckland Airport hosted by Flying Natis, a collective of Ngati Porou-affiliated flight attendants; and a visit to an engineering firm led by Waipiro Bay's Sean Rasmussen, who shared insights into trades, engineering, and manufacturing careers.

Rua remains committed to this programme and is actively planning for further exposure trips throughout FY26.

Community Engagement Programme

Fostering Connection, Inspiring Futures

The Community Engagement Programme provides local students, community members, and stakeholders with direct exposure to the medicinal cannabis industry. Since its inception in 2021, Rua has hosted more than 80 students and 180 community members through guided tours of the Ruatorea facility and information sessions, offering insights into the science, technology and operations that drive Rua's business.

In 2025, multiple groups visited the Ruatorea facility gaining first-hand knowledge of local innovation and the opportunities the industry presents. Rua also participated in the Ngata Memorial College Careers Expo, introducing rangatahi from across the East Coast to potential career pathways within Rua and the wider medicinal cannabis sector.

Internship Programme

Cultivating Knowledge, Fostering Growth

The Internship Programme, supported by Trust Tairāwhiti, continues to provide valuable industry experience to emerging talent from the region. In September 2024, Rua welcomed its second intern, Mahuta Morice of Ruatorea. Mahuta demonstrated exceptional commitment and potential throughout his internship, and upon completion was invited to join Rua's Capability and Advancement Programme — a pathway designed to further deepen learning and build industry expertise.

He Putanga Aroha
Compassionate Access Programme

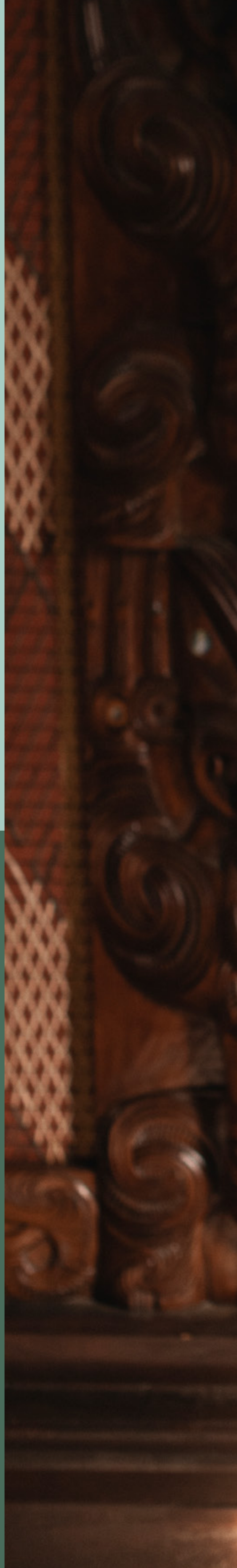
Closing Equity Gaps, Transforming Lives

Rua's Compassionate Access Programme is focused on closing equity gaps and transforming lives by offering accessible medicinal cannabis options to individuals in Tairawhiti facing financial challenges. This initiative reflects our commitment to healing and equality, striving to eliminate health disparities and create a more inclusive and compassionate healthcare environment.

Since May 2022, Rua has supported 30 patients each month who would otherwise be unable to afford medicinal cannabis prescriptions. This year, with the generous support of Trust Tairawhiti, an anonymous donor, and our supply partner's Alphafarma and Schroll Medical, we are proud to have expanded the programme's capacity to support up to 52 patients.

In addition, this year we introduced designated places in the programme for patients receiving palliative care, ensuring that we can extend our support to the most vulnerable members of our community.

Our ultimate goal is to support 300 patients per month, and we are determined to achieve this as we continue to advocate for accessible and equitable healthcare for all.



—
Karanga Te Ataahaea Marsh
Compassionate Access Recipient

Whai hua mo apopo
Towards sustainability

As a business with a deep sense of kaitiakitanga, we believe Rua has a responsibility to protect and nurture the environment, and share the benefits of a successful business with our community.

We have developed a bespoke Rua Sustainability Framework that aligns with the United Nations Global Compact Sustainable Development Goals. It underpins our dedication to being an ethical and sustainable medicinal cannabis business.

This Framework informs business strategy, shapes how we engage with stakeholders, supports sustainable decision-making processes and creates value.

Since FY22 we have now undertaken four years of carbon audits to set an underlying knowledge base from which to continue to improve.

In FY25, our fourth year of GHG measuring and reporting, we have further improved our reporting by obtaining more precise data on GHG emissions from Purchased Goods and Services.

Whilst our total reported emissions have increased from FY24 in line with increased sales, our emissions from internal activities has reduced year on year.

This is another important step for us in our journey to become a sustainable business.

Te ripoata GHG o Rua mo FY25
Rua's FY25 GHG report

GHG emissions are a key contributor to climate change. The New Zealand Government has set a 2050 target of net zero emissions of all GHGs other than biogenic methane.

The first step in taking impactful climate action is to understand the amount and type of GHG emissions a business generates. Informed decisions can then be made to implement effective reductions.

For this purpose, we measured our emissions inventory for FY25, and have committed to managing and reducing our GHGs.

Scope ①

Direct GHG emissions from sources owned or controlled by Rua, or emissions released into the atmosphere as the direct result of the business's activities.

Scope ②

Indirect GHG emissions from the generation of purchased electricity, heat and steam.

Scope ③

Indirect GHG emissions that occur as a consequence of Rua's activities but from sources not owned or controlled by the business, such as air travel. This year, Scope 3 emissions include Purchased Goods and Services.

Scope ① and ② emissions reduced by 2.4%

Rua's core emissions have reduced 2.4% year on year which is a slight improvement as we consolidate and streamline operations in New Zealand. The slightly higher energy consumption in Ruatorea due to our genetics discovery program has been offset by our mobile fleet reduction.

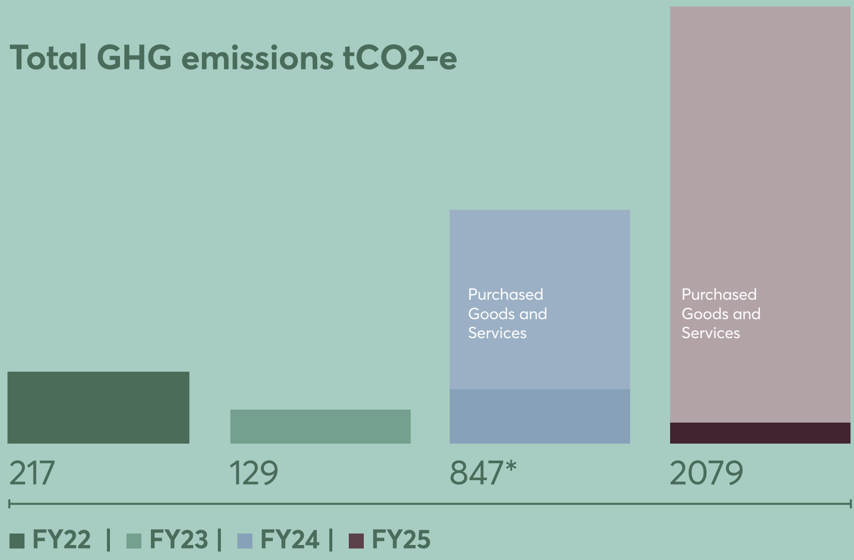
Additional Scope ③ emissions measured

Rua continues to expand its operations and business internationally and this is the main reason for the signficant contribution of Scope 3 emissions to our business.

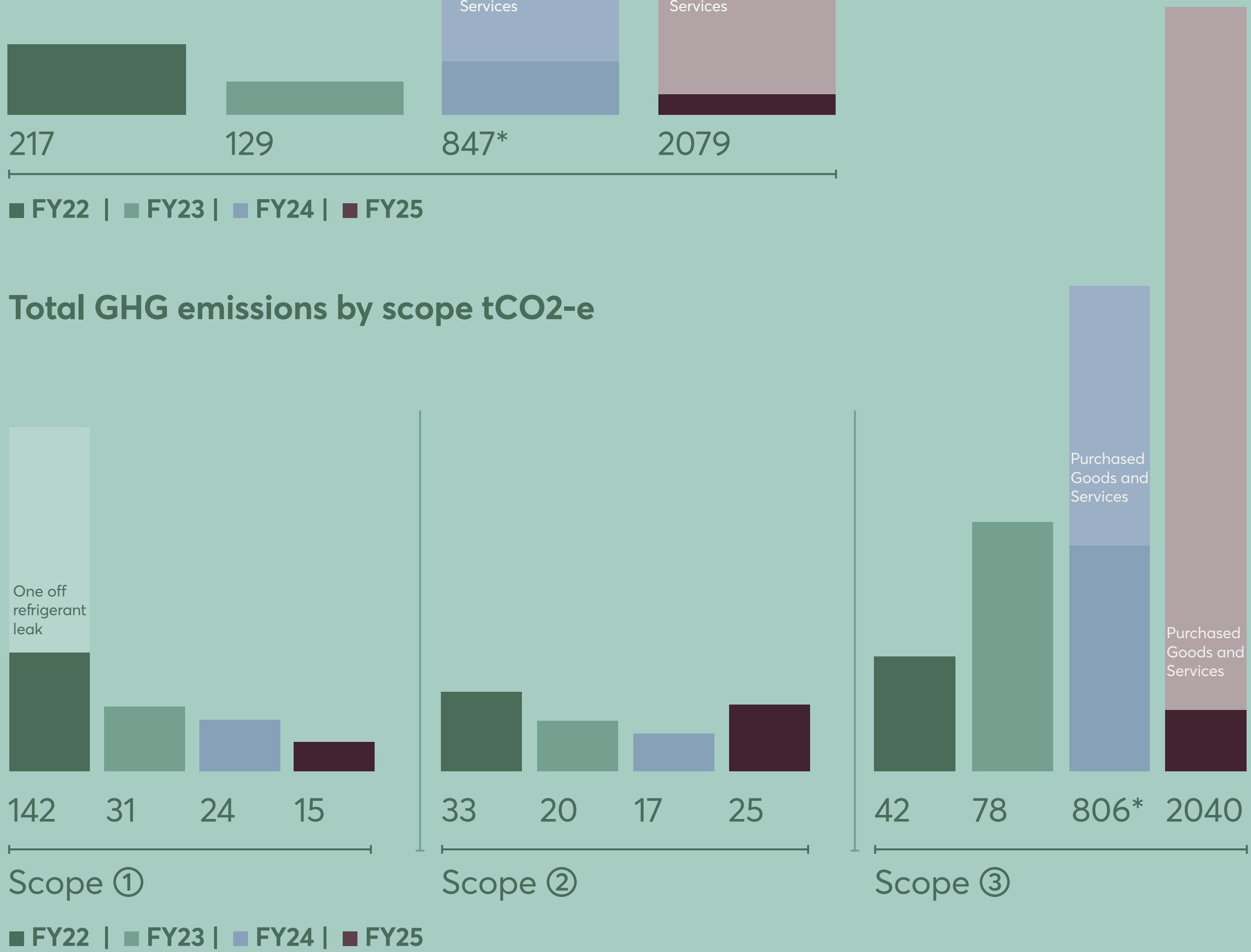
FY24 was the first year we measured Purchased Goods and Services and we have continued this for FY25. We have improved the level of accuracy in FY25 as we use more recent GHG emissions research data.

During FY26 we will work towards unit reporting of our emissions and also work with suppliers to obtain more accurate data.

Total GHG emissions tCO2-e



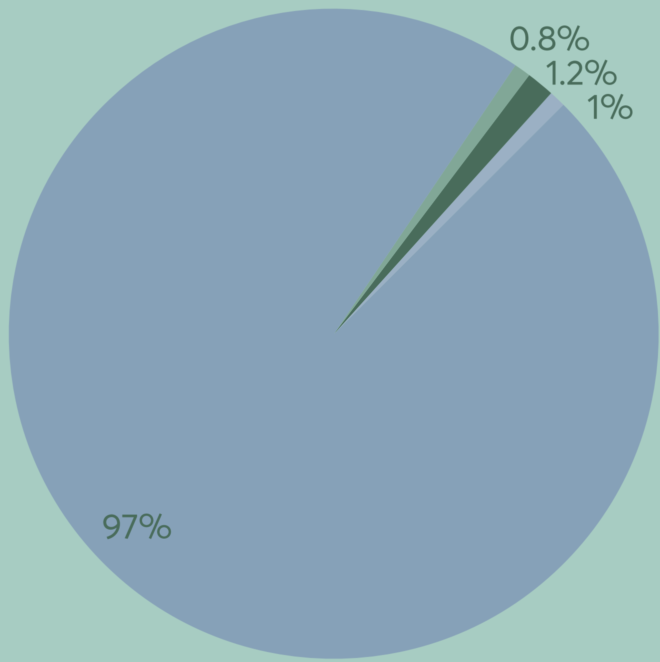
Total GHG emissions by scope tCO2-e



* Scope 3 Purchased Goods and Services has been re-evaluated using more accurate data.

GHG emissions by source (%) FY25

- Purchased Goods and Services
- Business Travel
- Electricity
- Other



Nga ripoata putea
Financial statements

Rarangi purongo putea
Index to the consolidated financial statements

OTHER INFORMATION

Independent auditor's report

To the shareholders of Rua Bioscience Limited

Disclaimer of opinion

We were engaged to audit the consolidated financial statements of Rua Bioscience Limited (the Company), including its subsidiary (the Group) which comprise:

- the consolidated statement of financial position as at 30 June 2025;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

We do not express an opinion on the accompanying consolidated financial statements of the Group. Because of the significance of the matters described in the 'Basis for disclaimer of opinion' section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements

Basis for disclaimer of opinion

As described in Note 2(f), the Group incurred a net loss of approximately $3.5m and recorded net operating cash outflows of approximately $2.8m for the year ended 30 June 2025. The Board and management prepared cash flow forecasts for the next 12 months. These indicate that, without an additional capital raise, the Group will not have sufficient cash to meet minimum expenditure commitments and support its current level of activity for at least 12 months from the date the financial statements are authorised.

In addition, the Group has recognised goodwill of $2.19m, property, plant and equipment of $2.14m, right-of-use assets of $0.06m and assets in disposal groups held for sale of $0.89m (together, the 'assets'). The Directors assessed recoverable amounts of intangible assets using a value-in-use model that involves significant judgement over future revenues and margins and all asset values assume access to sufficient funding to deliver the plan.

Given the inherent uncertainty in forecasting the Group's future cash flows and the absence of adequate committed funding to deliver the forecast, we were unable to obtain sufficient appropriate audit evidence to conclude on the appropriateness of the going concern basis. For the same reasons, we were unable to obtain sufficient appropriate audit evidence to support the assumptions used in the impairment assessment and, consequently, the carrying values of the assets. As a result, we were unable to determine whether any adjustments might be necessary to the value of the Group's assets in the consolidated statement of financial position, the impairment charge and loss after tax in the consolidated statement of profit or loss and other comprehensive income, and the related movements in the consolidated statement of changes in equity.

PricewaterhouseCoopers, PwC Centre, 109 Ward Street,
PO Box 191, Hamilton 3240, New Zealand
T: +64 7 838 3838

pwc.co.nz

Responsibilities of the Directors for the financial statements

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

In preparing the financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and International Standards on Auditing (ISAs) and issue an auditor's report. However, because of the matters described in the Basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Other than in our capacity as auditor we have no relationship with, or interests in, the Group.

Who we report to

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's 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 Company and the Company's shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.

The engagement Partner on the audit resulting in this independent auditor's report is Matthew White.

For and on behalf of:

PricewaterhouseCoopers

PricewaterhouseCoopers Hamilton
29 September 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2025

	Note	2025 $	2024 $
Revenue from contracts with customers	5	1,511,282	85,837
Other income	6	388,451	235,841
Total revenue and other income		**1,899,733**	**321,678**
Changes in inventories of finished goods	7	(976,501)	(204,143)
Research and development costs	7	(944,808)	(1,176,153)
Impairment of intangible assets	14	-	(8,533,342)
Impairment of property, plant and equipment	12	-	(153,623)
Impairment of assets held for sale	25	(36,260)	(527,010)
Other expenses	7	(3,239,970)	(3,554,710)
Total expenses before operating loss		**(5,197,539)**	**(14,148,981)**
Operating loss before net financing (costs)/income		**(3,297,806)**	**(13,827,303)**
Finance income	4	2,247	125,423
Finance expense		(160,103)	(16,874)
Net finance (costs)/income		**(157,856)**	**108,549**
Loss before tax		**(3,455,662)**	**(13,718,754)**
Income tax (expense)	8	-	-
Loss after tax		**(3,455,662)**	**(13,718,754)**
Other comprehensive income			
Items that will or may be reclassified to profit or loss: Exchange gains arising on translation of foreign operations		8,929	(6,334)
Other comprehensive income/(loss) for the year, net of tax		**8,929**	**(6,334)**
Total comprehensive loss for the year attributable to shareholders		**(3,446,733)**	**(13,725,088)**
Earnings per share for loss attributable to the ordinary equity holders of the Company			
Loss from operations			
Basic ($)	10	(0.02)	(0.09)
Diluted ($)	10	(0.02)	(0.09)

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

Consolidated Statement of Changes in Equity

For the year ended 30 June 2025

	Note	Share capital	Foreign currency translation reserve	Warrant equity reserve	Share option reserve	Accumulated losses	Total equity
		$	$	$	$	$	$
Opening balance at 1 July 2023		**43,702,717**	**38**	**-**	**212,062**	**(23,794,552)**	**20,120,265**
Total comprehensive loss for the year							
- Loss for the year		-	-	-	-	(13,718,754)	(13,718,754)
- Other comprehensive income		-	(6,334)	-	-	-	(6,334)
Total comprehensive loss for the year		**-**	**(6,334)**	**-**	**-**	**(13,718,754)**	**(13,725,088)**
Transactions with owners							
- Issue of share capital	21	-	-	-	-	-	-
- Share based payment	24	-	-	-	371,481	-	371,481
- Share options vested and exercised	24	250,219			(250,219)	-	-
Total transactions with owners		**250,219**	**-**	**-**	**121,262**	**-**	**371,481**
Balance at 30 June 2024		**43,952,936**	**(6,296)**	**-**	**333,324**	**(37,513,306)**	**6,766,658**
Opening balance at 1 July 2024		**43,952,936**	**(6,296)**	**-**	**333,324**	**(37,513,306)**	**6,766,658**
Total comprehensive loss for the year							
- Loss for the year		-	-	-	-	(3,455,662)	(3,455,662)
- Other comprehensive income		-	8,929	-	-	-	8,929
Total comprehensive loss for the year		**-**	**8,929**	**-**	**-**	**(3,455,662)**	**(3,446,733)**
Transactions with owners							
- Issue of share capital		1,648,229	-	-	-	-	1,648,229
- Costs of issuing share capital		(147,703)	-	-	-	-	(147,703)
- Warrants issued	18	-	-	28,478	-	-	28,478
- Employee share options expense	24	-	-	-	41,782	-	41,782
- Share options vested and exercised	21, 24	-	-	-	-	-	-
Total transactions with owners		**1,500,526**	**-**	**28,478**	**41,782**	**-**	**1,570,787**
Balance at 30 June 2025		**45,453,462**	**2,633**	**28,478**	**375,106**	**(40,968,968)**	**4,890,712**

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

Consolidated Statement of Financial Position

As at 30 June 2025

	Note	2025 $	2024 $
Current assets			
Cash and cash equivalents	4	241,421	895,131
Trade and other receivables	16	366,552	276,608
Prepayments	17	401,740	487,907
Inventory	11	405,106	277,534
Assets in disposal groups held for sale	25	890,662	879,781
Total current assets		**2,305,481**	**2,816,961**
Non-current assets			
Property, plant and equipment	12	2,144,010	2,517,699
Goodwill	13, 14	2,194,947	2,194,947
Right-of-use lease assets	15	62,167	135,176
Other receivables	16	75,000	75,000
Total non-current assets		**4,476,124**	**4,922,822**
Total assets		**6,781,605**	**7,739,783**
Current liabilities			
Borrowings	18	725,307	-
Trade and other payables	19	864,442	554,237
Employee benefit liabilities	20	192,301	195,902
Lease liabilities	4, 15	40,749	48,713
Deferred grant income		-	69,218
Liabilities in disposal groups held for sale	25	30,155	5,988
Total current liabilities		**1,852,954**	**874,058**
Non-current liabilities			
Lease liabilities	4, 15	37,939	99,067
Total non-current liabilities		**37,939**	**99,067**
Total liabilities		**1,890,893**	**973,125**
Net assets		**4,890,712**	**6,766,658**
Equity			
Share capital	21	45,453,462	43,952,936
Accumulated losses		(40,968,968)	(37,513,306)
Warrant equity reserve	18	28,479	-
Foreign currency translation reserve		2,633	(6,296)
Share option reserve		375,106	333,324
Total equity		**4,890,712**	**6,766,658**

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

The consolidated financial statements on pages 42 to 75 were approved and authorised for issue by the Board of Directors on 29th September 2025 and were signed on its behalf by:

(Director)

(Director)

Consolidated Statement of Cash Flows

For the year ended 30 June 2025

	Note	2025 $	2024 $
Cash flows from operating activities			
Receipts from customers		1,353,961	170,015
Grant income received		169,876	755,237
Sundry income received		97,847	-
Payments to suppliers and employees		(4,409,123)	(4,661,731)
Net cash outflows from operating activities	**9**	**(2,787,439)**	**(3,736,479)**
Cash flows from investing activities			
Interest income		2,247	157,475
Proceeds from sale of plant and equipment		106,940	51,151
Proceeds from maturing investments		-	3,500,000
Investment deposits made		-	(1,500,000)
Purchase of property, plant and equipment		(3,431)	(1,208)
Net cash inflows from investing activities		**105,756**	**2,207,418**
Cash flows from financing activities	**9**		
Issue of ordinary shares		1,648,229	-
Proceeds from borrowings	18	1,285,631	-
Repayment of borrowings	18	(692,667)	-
Warrants issued	18	28,479	-
Principal elements of lease payments		(78,674)	(77,854)
Interest paid		(27,757)	(16,925)
Share issue costs paid		(147,703)	-
Net cash inflows/(outflows) from financing activities		**2,015,538**	**(94,779)**
Net decrease in cash and cash equivalents		**(666,145)**	**(1,623,840)**
Cash and cash equivalents at beginning of year		895,131	2,529,338
Exchange gains/ (losses) on cash and cash equivalents		12,435	(10,367)
Cash and cash equivalents at end of year		**241,421**	**895,131**

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

Notes Forming Part of the Financial Statements

For the year ended 30 June 2025

1. Reporting entity

The consolidated financial statements comprise the results of Rua Bioscience Limited and its subsidiaries (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 704 Te Araroa Road, Ruatoria.

The Company is principally engaged in the business of research and development, and pharmaceutical distribution and marketing.

2. Basis of preparation

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP), being in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and other New Zealand accounting standards and authoritative notices that are applicable to entities that apply NZ IFRS and International Financial Reporting Standards Accounting Standards (IFRS Accounting Standards). They comply with interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS accounting standards.

The Company is listed on the NZX Main Board and is a Financial Markets Conduct ('FMC') reporting entity under Part 7 of the Financial Markets Conduct Act 2013. The consolidated financial statements have also been prepared in accordance with the requirements of the Companies Act 1993, the Financial Markets Conduct Act 2013 and the Main Board/Debt Market Listing Rules of NZX Limited.

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

These consolidated financial statements include non-GAAP financial measures that are not prepared in accordance with NZ IFRS. The Group presents Net Tangible Assets, in Note 26. The Group believes that this non-GAAP measure provides useful information to readers, as this is a required disclosure under the NZX Listing Rules, but it should not be viewed in isolation, nor considered as a substitute for measures reported in accordance with NZ IFRS. Non-GAAP measures as reported by the Group may not be comparable to similarly titled amounts reported by other companies.

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

(b) Material accounting policy information

Material accounting policies have been disclosed alongside the related notes in the consolidated financial statements.

(c) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for the items detailed in note 2(g).

2. Basis of preparation (continued)

(d) New standards, interpretations and amendments

(i) New standards mandatorily effective during the period

New standards that have become mandatorily effective in the annual consolidated financial statements for the year ended 30 June 2025:

- Liability in a Sale and Leaseback (Amendments to NZ IFRS 16 Leases);
- Classification of Liabilities as Current or Non-Current (Amendments to NZ IAS 1 Presentation of Financial Statements);
- Non-current Liabilities with Covenants (Amendments to NZ IAS 1 Presentation of Financial Statements);
- Supplier Finance Arrangements (Amendments to NZ IAS 7 Statement of Cash Flows and NZ IFRS 7 Financial Instruments: Disclosures); and
- Disclosure of Fees for Audit Firms' Services (Amendments to FRS 44)

Except for the standard detailed below, none of these new standards effective during the period have had a significant effect on the Group.

Supplier Finance Arrangements (Amendments to NZ IAS 7 & NZ IFRS 7)

The NZASB issued Supplier Finance Arrangements, which amended NZ IAS 7 Statement of Cash Flows and NZ IFRS 7 Financial Instruments: Disclosures. The amendments require entities to provide certain specific disclosures (qualitative and quantitative) related to supplier finance arrangements. The amendments also provide guidance on characteristics of supplier finance arrangements. Refer to note 18 for further details.

(ii) Issued, but not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued that are effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective for the periods beginning 1 January 2025 and onwards:

- Lack of Exchangeability (Amendments to NZ IAS 21 The Effects of Changes in Foreign Exchange Rates) (effective 1 January 2025)
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to NZ IFRS 9 and NZ IFRS 7) (effective 1 January 2026)
- NZ IFRS 18 Presentation and Disclosure of Financial Statements (effective 1 January 2027)

NZ IFRS 18 Presentation and Disclosure in Financial Statements supersedes NZ IAS 1 and will result in major consequential amendments to NZ IFRS Accounting Standards including NZ IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though NZ IFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

The Group is currently assessing the effect of NZ IFRS 18.

Besides the items above, the Group does not expect these new and amended standards to have a material impact on the Group.

(e) Accounting estimates and judgements made

The preparation of the consolidated financial statements, in conformity with NZ IFRS, requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis, with revisions to accounting estimates recognised in the period in which the estimates are revised and in any future periods affected.

2. Basis of preparation (continued)

*(e) Accounting estimates and judgements made **(continued)***

Details of significant judgements and estimates made by management in the current period include:

Judgements

- Recognition (or not) of deferred tax assets related to carried forward tax losses (note 8).
- Useful life of externally acquired intangible assets (note 14).
- Recognition of research and development tax credits and research and development expenses (notes 6, note 7 and note 16).
- Determination of non-current assets held for sale (note 25).
- Preparation of the financial statements on a going concern basis (note 2(f)).

Estimates

- Assessment of impairment for non-financial assets (note 12 and note 14 and note 25)

The Group assess the potential climate related risks associated with the location of its facilities and other key operations in the regions it operates in and considers that there are no material impacts on the current consolidated financial statements.

(f) Going Concern

These consolidated financial statements for the year ended 30 June 2025 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 a period of at least 12 months from the date of signing these financial statements.

Given the Group's net operating loss of $3,455,662 and net operating cash outflow of $2,787,439 for the year ended 30 June 2025, and in addition to its reduced liquid net asset position, the Board and management have prepared operating cash flow forecasts for the next 12 months. These indicated that the Group will not have sufficient cash to meet its minimum expenditure commitments and support its current levels of activity without undertaking additional action

Accordingly, the Directors have developed plans to respond to the cash flow pressures and have evaluated the following factors in determining that the going concern assumption is appropriate:

(i) Shareholder funds: Management and the Board engaged in dialogue with the Group's existing shareholders and secured additional funding to meet operational cashflow requirements, with:

a. $1,500,526 (after costs of issuing) being received under a combination of a placement offer, a 3-for-4 Rights Issue and a shortfall offer in relation to the Rights Issue during the year ended 30 June 2025; and
b. $504,000 being raised after the reporting date under a further placement offer.

The Group remains committed to raising further equity to meet the business requirements to reach profitability and become self-sustaining.

(ii) Debt facility: Management and the Board also engaged in dialogue with the Group's existing shareholders and secured additional funding (debt) to meet operational cashflow requirements. As at 30 June 2025, $304,000 had been provided to the group under this debt facility. A further $756,000 had been received or committed after the report date, giving a total of $1,060,000 at the date of these consolidated financial statements.

(iii) Facility sale: The Group remains committed to finding a buyer for its Gisborne facility which includes the leasehold buildings held as available for sale in addition to manufacturing and extraction equipment. The Group continues to expect the sale and settlement of these assets and is actively engaged with a number of interested parties. Upon settlement, the consideration will firstly be applied to the Group's loan against the building, inclusive of accrued contractual interest and additional $100,000 bullet payment (refer to note 18), with the net proceeds amount then being available to the Group.

2. Basis of preparation (continued)

(f) Going Concern (continued)

(iv) Sales and operational improvements: The Group's operational forecasts include assumptions regarding a number of opportunities in key markets. As at the date of signing these consolidated financial statements, the Group has achieved the following:

- Further expanded the product portfolio into Germany, with the launch of New Zealand cultivated products in August 2025 reinforcing the Group's position in Europe's largest medicinal cannabis market;
- Introduced New Zealand grown genetics into key clinic chains and distributors in Australia;
- Recently released an additional dried flower product into the New Zealand market expanding the portfolio to three products;
- Successfully launched oil products into the UK in December 2024 via the Group's distribution partner, Target Health.

The Group has also seen a significant increase in operating revenue in the year ended 30 June 2025 giving further confidence in the Group's operating model. The Group also forecasts a number of significant operating milestones over the coming 12 months including:

- Further product sales into the UK market under existing distribution agreements;
- Continued expansion of product offerings in Australia, Germany, Czechia and New Zealand; and
- Establishment of Rua genetics in several countries including:
  - o In Canada under license with Apollo Green; and
  - o Trial crops in New Zealand and Portugal.

These will further the Group's plans to achieve a sustainable operating model in line with its projections.

The Directors believe that the Group will be sufficiently successful in achieving the above, and on this basis, are of the view that it is appropriate to continue to adopt the going concern assumption in the preparation of these consolidated financial statements.

In the immediate term, the Group is dependent on further shareholder support, positive outcomes from engagement with other potential funders and cash proceeds from the sale of its facility. Should this additional funding be less than expected, the Group may be unable to manage its minimum cash expenditure commitments and enact on its forecasted revenue targets as outlined above.

Furthermore, should the Group be unsuccessful in achieving its revenue forecasts, or if actual revenue growth is lower than projected, the proceeds from the sale of the facility or the planned capital contributions alone may be insufficient to accommodate the Group's operational demands.

These events and conditions identified indicate that material uncertainties exist that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

These consolidated financial statements do not include any adjustments relating to the classification and recoverability of recorded asset amounts or to the amounts and classification of liabilities that may be necessary should the Group be unable to continue as a going concern.

(g) Fair value measurement

The fair value of certain assets and liabilities included in the Group's consolidated financial statements is disclosed.

Determining the fair value of these assets and liabilities utilises market observable inputs and data as far as possible.

For more detailed information in relation to the fair value measurement of the items above, please refer to the applicable notes.

- Borrowings, disclosure of fair value (note 4)
- Financial assets and liabilities at amortised cost, disclosure of fair value (note 4)
- Measurement of compound financial instruments (note 18)
- Assets in disposal groups held for sale (note 25)
- Impairment of non-financial assets (notes 12 and 25)

2. Basis of preparation (continued)

(h) Impairment of non-financial assets and Goodwill

The cash-generating unit to which Goodwill is allocated to is tested for impairment at each reporting date and, at any other time in which there are indicators of impairment (refer to note 13). For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

The carrying amounts of the Group's property, plant and equipment (note 12), intangible assets (note 14) and right-of-use assets (note 15) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount (being the higher of value-in-use and fair value less costs of disposal). Impairment losses directly reduce the carrying amount of assets and are recognised in profit or loss.

3. Segment reporting

The Group operates in one segment, its primary business being research and development and the sale of pharmaceutical products in Australia, Germany and 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 in Australia, Germany and New Zealand. The Group's revenues are analysed by geography on the basis of the jurisdiction in which the goods are sold and have been disaggregated in this way in note 5.

4. Financial instruments and financial risk management and capital management

This note describes:

- **(A)** The Group's accounting policies with respect to financial instruments recognised in the Group's consolidated financial statements, and detail of those balances.
- **(B)** The nature of the financial risk that the Group is exposed to, and the Group's objectives, policies and processes for managing those risks, the methods used to measure them, and sensitivity analysis to movements in rates (where applicable).
- **(C)** The nature of the Group's Capital Management policies.

(A) Financial instruments recognised

The Group recognises financial assets and financial liabilities when it becomes party to the contractual provisions of the financial instrument.

Financial assets

The Group classifies its financial assets depending on the purpose for which the asset was acquired (i.e. the business model) and the contractual terms of the cash flows.

Amortised cost

These comprise cash and cash equivalents, certain trade and other receivables and term deposit investments.

Cash and cash equivalents comprise of cash on hand and demand deposits, as well as highly liquid deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, with terms of 90 days or less.

These financial assets are:

- Initially measured at fair value, plus directly attributable transaction costs.
- Subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. Cash and cash equivalents and investments are held with "investment grade" financial institutions and are deemed to have no significant increase in credit risk in terms of impairment.

4. Financial instruments - risk management (continued)

- Derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred.

Financial liabilities

The Group classifies its financial liabilities depending on whether (or not) it meets the definition of a financial liability at fair value.

Other financial liabilities at amortised cost

These include trade and other payables, borrowings and lease liabilities recognised in the consolidated statement of financial position.

These financial liabilities are:
- Initially measured at fair value, plus directly attributable transaction costs.
- Subsequently measured at amortised cost using the effective interest rate method.
- Derecognised when the contractual obligation to settle the obligation is discharged, cancelled, or expires.

Categories and fair values of the Group's financial instruments

	Note	Financial assets at amortised cost	Financial liabilities at amortised cost	Total carrying amount	Fair value
FY25		**$**	**$**	**$**	**$**
Cash and cash equivalents	4	241,421	-	241,421	(a)
Trade and other receivables	16	289,065	-	289,065	(a)
Trade payables	19	-	(688,412)	(688,412)	(a)
Borrowings	18	-	(725,307)	(725,307)	(a)
Lease liabilities	15	-	(78,688)	(78,688)	(b)
Total		**530,486**	**(1,492,407)**		
		Financial assets at amortised cost	**Financial liabilities at amortised cost**	**Total carrying amount**	**Fair value**
FY24		**$**	**$**	**$**	**$**
Cash and cash equivalents	4	895,131	-	895,131	(a)
Trade and other receivables	16	101,163	-	101,163	(a)
Trade and other payables	19	-	(419,504)	(419,504)	(a)
Lease liabilities	15	-	(147,780)	(147,780)	(b)
Total		**996,294**	**(567,284)**		

(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.

4. Financial instruments - risk management (continued)

(B) Financial risk management

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Board receives monthly reports from the Chief Financial Officer through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The Group's finance team also review the risk management policies and processes and report their findings to the Audit, Finance & Risk Committee.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies as they relate to the specific financial risks that the Group is exposed to are set out below:

Through its operations, the Company is exposed to the following financial risks:

- **(a) Credit risk**
- **(b) Market risk**
  - i. Interest rate risk, and
  - ii. Foreign exchange risk
- **(c) Liquidity risk**

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a counterparty to a financial asset fails to meet their contractual obligations. The Group's exposure to credit risk is represented by the carrying amount of cash and cash equivalents, trade and other receivables and investments.

The Group only holds cash and cash equivalents and investments with financial institutions that are independently determined credit ratings of "A" or higher.

If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The compliance with credit limits by wholesale customers is regularly monitored by line management.

The Group has an Audit, Finance & Risk Committee that monitors credit risk as part of its wider duties.

Cash and cash equivalents and investments held with financial institutions are presented in the table below:

	Credit rating	Cash and cash equivalents	Investments	Total
30 June 2025		**$**	**$**	**$**
Kiwibank [(a)]	A1, AA	144,513	-	144,513
ANZ [(b)]	AA-, Aa2	96,908	-	96,908
Total		**241,421**	**-**	**241,421**
30 June 2024		**$**	**$**	**$**
Kiwibank [(a)]	A1, AA	715,905	-	715,905
ANZ [(b)]	AA-, Aa2	179,226		179,226
Total		**895,131**	**-**	**895,131**

(a) Moody's, Fitch
(b) Standard & Poor's, Moody's, Fitch

Interest rates on interest bearing cash and cash equivalents and investments range between 2.55% - 4.80% (2024: 4.80% - 5.00%).

4. Financial instruments - risk management (continued)

Cash and cash equivalents above comprise the following:

	2025	2024
	$	**$**
Cash on hand	241,421	571,208
Demand deposits	-	323,923
Total cash and cash equivalents	**241,421**	**895,131**

(b) Market risk

Market risk arises from the Group's:

- Use of interest-bearing borrowings (interest rate risk)
- Credit sales and purchases in foreign currencies (foreign currency risk), and
- Prices of key commodity inputs (price risk).

i. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group is only exposed to fixed rate interest rates on its interest-bearing liabilities (lease liabilities and borrowings).

Finance expenses recognised in profit or loss:

	2025	2024
	$	**$**
Interest expense – financial liabilities at amortised cost	145,916	-
Interest expense – lease liabilities	14,187	16,874
Total finance expense	**160,103**	**16,874**

ii. Foreign exchange risk

The Group is exposed to movements in foreign exchange rates through transactions and balances denominated in foreign currencies. The Group's exposures to foreign exchange risk are as follows:

- Sales transactions of $1,071,562 (2024: $83,588) denominated in foreign currencies, which are mainly denominated in Australian Dollar and Euro amounts (2024: Australian Dollar).
- Inventory purchase transactions of $896,360 (2024: $199,094) denominated in foreign currencies, which are mainly denominated in Australian Dollar and Euro amounts.
- Net investments in foreign operations of $(589,645) (2024: $(416,445)).

The Group has an Audit, Finance & Risk Committee that monitors foreign exchange risk as part of its wider duties.

There are no open forward exchange contracts at the end of the reporting period (2024: nil).

The net foreign exchange gain recognised for the year was $29,086 (2024: $4,556 loss) (2025: note 7, 2024: note 6).

4. Financial instruments - risk management (continued)

Sensitivity analysis

The following table presents the Group's sensitivity from a reasonably possible strengthening or weakening NZD against foreign currencies, with all other variables held constant.

	30 June 2025		30 June 2024	
	Equity $	Profit $	Equity $	Profit $
10% strengthening of the NZD	1,189	2,426	6,685	5,013
10% weakening of the NZD	(1,189)	(2,426)	(6,685)	(5,013)

(c) Liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due (refer to note 2(f)).

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this the Group maintains a monthly forecast on its future cash position to ensure it can meet financial obligations when they fall due.

The Board receives regular financial statements which include statements of financial position, performance, and cash flow, as well as budget/forecast variance reports, to ensure it holds or will hold cash equivalents to meet its obligations.

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

As at 30 June 2025	Up to 3 months	Between 3 and 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	$	$	$	$	$	$
Trade payables	715,566	-	-	-	-	715,566
Borrowings (note 18):						
- Short-term lending	376,122	-	-	-	-	376,122
- Inventory finance	-	280,788	-	-	-	280,788
- Supplier finance	68,397	-	-	-	-	68,397
Lease liabilities	38,993	30,260	21,337	26,250	-	116,840
Total	**1,199,078**	**311,048**	**21,337**	**26,250**	**-**	**1,557,713**
As at 30 June 2024						
	$	$	$	$	$	$
Trade and other payables	419,503	-	-	-	-	419,503
Lease liabilities	21,048	44,847	59,976	48,716	-	174,587
Total	**440,551**	**44,847**	**59,976**	**48,716**	**-**	**594,090**

4. Financial instruments - risk management (continued)

(C) Capital management

The Group's objectives when managing capital are to safeguard the entity's ability to continue as a going concern (refer to note 2(f)), so that it can continue to fund activities for the purposes of deriving sustainable returns to its shareholders and other stakeholders.

The Group's capital structure consists of Equity of the Group (comprising issued capital and warrant equity). The Group is not subject to any externally imposed capital requirements. The Board continually reviews the capital structure of the Group. As part of this review, the Board considers the availability and cost of capital and the risks associated therein.

5. Revenue from contracts with customers

The Group recognises revenue from the sale of pharmaceutical goods at a point-in-time when control of the goods has transferred to the customer. This is typically upon physical delivery of the goods to the customer's premise. The transaction price is set by the Group and is as per the agreed contracts in place with customers.

Where goods are sold through distributors, judgement is required to assess which party the Group passes control of the goods such that they are considered the Group's "customer" for accounting purposes (i.e., the distributer, or, the end-purchaser).

Consideration is given to which party has the substantive: (i) responsibility to fulfil the promise to provide goods (including obligations with respect to any returns); (ii) inventory risk over the goods; and, (iii) Rights to set pricing.

Typically, distributors are considered to be the Group's agents.

	2025	**2024**
Performance obligations satisfied at a point-in-time	**$**	**$**
Sale of goods – New Zealand	439,720	2,249
Sale of goods – Australia	584,648	83,588
Sale of goods – Germany	486,914	-
Total Revenue from Contracts with Customers	**1,511,282**	**85,837**

6. Other income

(i) Government grants

The Group recognises government grants as other income rather than reducing the costs that they are intended to compensate.

The Group primarily receives government grants from the following entities:
- Inland Revenue Department (IRD), in the form of R&D tax incentive credits;
- Local government grantors; and
- New Zealand Trade and Enterprise (NZTE).

R&D tax incentive credits are accounted for as government grant income as opposed to income tax credits as the benefit is independent of the taxable profit or tax liability where the Group is eligible for a cash refund; specific conditions exist for the Group, the R&D activities and the expenditure to be eligible for the tax credits; and the tax credits are not structured as an additional deduction in computing taxable profit.

The Group has reasonable assurance at the reporting date that the R&D tax incentive will be received and all attached conditions will be complied with. The Group expects to receive the tax credit when the return is filed subsequent to the end of the reporting period.

Typically, grant funding is approved and paid only upon proof of eligible expenditure.

Other income streams recognised by the Group include:

	2025	**2024**
	$	**$**
Research and development grant income	140,798	129,886
NZTE grant income	-	65,071
Other government grants	76,647	26,524
Total government grant income	**217,445**	**221,481**
Gain on sale of property, plant and equipment	68,665	772
Net foreign exchange gains	-	4,556
Gain on lease modifications	4,493	-
Other income	97,848	9,032
Total other income	**388,451**	**235,841**

7. Expenses

	Note	2025 $	2024 $
Specific expenses included in operating loss before net financing costs for the year:			
Cultivation costs		398,931	456,173
Extraction and manufacturing		23,001	25,899
Changes in inventories of finished goods and work in progress	11	976,501	204,143
Impairment expense	12, 14, 24	36,260	9,213,975
Accommodation and travel		38,991	78,296
Communications		114,668	133,557
Depreciation of property, plant and equipment	12	338,844	331,527
Depreciation of right-of-use lease assets	15	64,102	63,189
Distribution		258,386	27,123
Amortisation – intangible assets	14	-	5,106
Direct research and development expenses*		10,552	46,168
General		110,371	149,785
Professional services		1,075,155	1,207,040
Insurance		193,006	180,463
Motor vehicle expenses		20,924	40,178
Charitable expenses		44,238	48,694
Licenses		28,258	45,556
Office expenses		18,337	32,865
Selling and marketing		224,416	438,955
Employee benefit expense		1,034,679	1,420,289
Foreign exchange loss		29,085	-
Capital raising costs		158,834	-
Total expenses		**5,197,539**	**14,148,981**

* excludes cultivation, extraction and depreciation and other general overheads costs associated with research and development activities.

	Note	2025 $	2024 $
Included in the above:			
Employee benefit expense			
- Short term benefits (wages and salaries)		971,019	1,014,773
- Defined contribution plan		21,878	34,035
- Share-based payment expense	24	41,782	371,481
Total employee benefit expense		**1,034,679**	**1,420,289**
Research and development expenses			
- Direct costs		303,421	419,770
- Indirect costs		641,387	756,383
Total research and development expenses		**944,808**	**1,176,153**

7. Expenses (continued)

(i) Research and development

The Group's research and development operations are not actively in pursuit of commercial licenses and as such, the Group does not consider itself to be in the development phase. Accordingly, all research and development costs are expensed as incurred.

(ii) Fees paid to auditors

Fees paid to auditors within Professional services expenses include payments to PricewaterhouseCoopers for the following:

	2025	2024
	$	$
Audit of the financial statements		
- Audit of the financial statements – 30 June 2025	115,000	-
- Audit of the financial statements – 30 June 2024	20,024	142,633
Total fees paid to auditors	**135,024**	**142,633**

8. Income tax

Tax expense/(credit) comprises current and deferred tax.

In determining the amount of current and deferred tax the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(i) Income tax recognised in profit or loss

The income tax expense/(credit) recognised for the year includes current and deferred tax as presented below:

	2025	2024
	$	$
Current tax on profits for the year	-	-
Total current tax	**-**	**-**
Origination and reversal of temporary differences	(57,175)	(167,282)
Prior year tax losses not recognised	57,175	167,282
Total deferred tax expense	**-**	**-**
Total income tax expense	**-**	**-**

8. Income tax (continued)

(ii) Reconciliation of income tax expense

The reconciliation of income tax expense is presented below:

	2025	2024
	$	$
Loss before income tax expense	**(3,455,662)**	**(13,718,754)**
Tax expense/(income) @28%	(967,585)	(3,841,251)
Add/(less) reconciling items		
- Expenses not deductible for tax purposes	80,378	2,629,700
- Non-assessable income	(39,639)	(42,436)
- Building depreciation tax legislation changes	137,955	-
- Tax losses not recognised for deferred tax	788,891	1,253,987
Total income tax expense	**-**	**-**

(iii) Imputation credits

The Company has $nil imputation credits as at 30 June 2025 (2024: $11,789).

(iv) Deferred tax

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 28%.

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.

An amount of deferred tax asset of $8,604,612 (2024: $7,911,205) has not been recognised. The unrecognised deferred tax asset is comprised of tax losses of $8,604,612 (2024: $7,865,566) and other temporary differences of $nil (2024: $45,639).

8. Tax expense (continued)

(iv) Deferred tax (continued)

Details of the deferred tax asset and liability amounts recognised in profit or loss are as follows:

	Employee entitle-ments	Property, plant and equip-ment	Accruals	Intangible assets	Lease liabilities	Right-of-use assets	Share-based payments – equity settled	Inventory	Carried forward tax losses	Total
	$	$	$	$	$	$	$	$	$	$
As at 1 July 2023	**28,504**	**8,217**	**-**	**(79,025)**	**32,082**	**(28,162)**	**38,384**		**-**	**-**
Amounts recognised										
- In profit or loss	6,524	(3,326)	(1,927)	79,025	10,973	(15,084)	(30,546)	-	(45,639)	-
At 30 June 2024	**35,028**	**4,891**	**(1,927)**	**-**	**43,055**	**(43,246)**	**7,838**	**-**	**(45,639)**	**-**
As at 1 July 2024	**35,028**	**4,891**	**(1,927)**	**-**	**43,055**	**(43,246)**	**7,838**	**-**	**(45,639)**	**-**
Amounts recognised										
- In profit or loss	(744)	(196,854)	14,177	-	(12,579)	17,395	(7,838)	8,322	178,121	-
At 30 June 2025	**34,284**	**(191,963)**	**12,250**	**-**	**30,476**	**(25,851)**	**-**	**8,322**	**132,482**	**-**

In March 2024, the New Zealand Government enacted the Taxation (Annual Rates for 2023-24, Multinational Tax and Remedial Matters) Bill. As a result, from the 2024-25 income tax year onwards, the Group can no longer claim any tax depreciation on their buildings with estimated useful lives of 50 years or more in New Zealand. The Group assessed the accounting impact of this change, which resulted in an increased deferred tax liability recognised on property, plant, and equipment in the year ended 30 June 2025.

9. Notes Supporting Statement of Cash Flows

(i) Reconciliation of net operating cash flows to profit/(loss)

	2025 $	2024 $
Net loss for the year	**(3,455,662)**	**(13,718,754)**
Adjustments for non-cash and non-operating activity items:		
- *Add back:* Depreciation – Property, Plant & Equipment	338,845	331,526
- *Add back:* Depreciation – RoU lease asset	64,110	63,171
- *Add back:* Amortisation – Intangible asset	-	5,106
- *Add back:* Impairment expense	36,262	9,213,975
- *Deduct:* Gain on sale of Property, Plant & Equipment	(68,665)	(771)
- *Add back:* Loss on sale of Property, Plant & Equipment	-	-
- *Deduct:* Gain from lease modifications	(4,493)	-
- *Add back:* Share-based payment expense	41,782	371,481
- *Add back:* Interest expense	160,100	16,925
- *Deduct:* Interest income	(2,245)	(125,420)
- *Add back:* Inventory written off	58,234	-
	623,930	**9,875,993**
Movements in working capital:		
- (Increase)/decrease in other receivables [1]	(52,723)	589,469
- (Increase)/decrease in prepayments	85,518	(320,655)
- (Increase)/decrease in inventories	(105,501)	(260,810)
- Increase/(decrease) in trade and other payables [2]	189,846	26,598
- Increase/(decrease) in contract liabilities	-	-
- Increase/(decrease) in employee benefit liabilities	(3,629)	15,565
- Increase/(decrease) in deferred grant income	(69,218)	56,115
	44,293	**106,282**
Net cash outflows from operating activities	**(2,787,439)**	**(3,736,479)**

[1] Excludes accruals for interest income (investing activity)
[2] Excludes accruals for interest expense (financing activity), and payables related to property, plant & equipment (investing activity)

9. Notes supporting statement of cash flows (continued)

(ii) Changes in the Group's liabilities arising from financing activities (cash and non-cash)

30 June 2025		NON-CASH	NON-CASH	NON-CASH	NON-CASH	CASH	CASH	
	Opening	New leases	Lease remeasure-ments	Transferred to disposal groups	Interest accrued	Drawdown	Payment	Closing
	$	$	$	$	$	$		$
Lease liabilities	147,780	-	(13,393)	-	11,892	-	(67,591)	78,688
Borrowings - short term loans	-	-	-	-	126,121	250,000	-	376,121
Borrowings - inventory finance	-	-	-	-	6,222	274,567	-	280,789
Supplier finance arrangements - inventory	-	-	-	-	-	542,176	(473,780)	68,396
Supplier finance arrangements - insurance premiums	-	-	-	-	-	218,888	(218,888)	-
Liabilities in disposal groups held for sale	5,988	-	47,142	-	2,295	-	(25,270)	30,155
	153,768	**-**	**33,749**	**-**	**146,530**	**1,285,631**	**(785,529)**	**834,149**

30 June 2024		NON-CASH	NON-CASH	NON-CASH	NON-CASH	CASH	CASH	
	Opening	New leases	Lease remeasure-ments	Transferred to disposal groups	Interest accrued	Drawdown	Payment	Closing
	$	$	$	$	$	$		$
Lease liabilities	114,577	116,514	529	(5,988)	16,591	-	(94,443)	147,780
Liabilities in disposal groups held for sale	-	-	-	5,988	-	-	-	5,988
	114,577	**116,514**	**529**	**-**	**16,591**	**-**	**(94,443)**	**153,768**

10. Earnings per share

Earnings per share ('EPS') is based on profit or loss attributable to ordinary shareholders and excludes other comprehensive income.

In both years, the Group has not adjusted the weighted average number of shares used in diluted EPS to reflect the impact of outstanding share-options granted, because as the Group is loss-making, the impact of the outstanding share options granted is "anti-dilutive" (i.e. decreases the loss per share).

Numerator	**2025**	**2024**
	$	**$**
(Loss) for the year and earnings (basic and diluted EPS)	(3,455,662)	(13,718,754)

	2025	**2024**
Denominator	**No. shares**	**No. shares**
Weighted average number of shares (basic and diluted EPS)	194,677,774	158,264,526

11. Inventory

Inventories are recognised at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. All inventories are held at their net realisable value at reporting date.

Inventories are measured on a first-in-first-out basis to determine the cost of ordinarily interchangeable items.

	2025 $	2024 $
Finished goods	405,106	277,534
Total	**405,106**	**277,534**

Amounts recognised in profit or loss

Inventories recognised as an expense during the year amounted to $912,306 (2024: $61,350).

The Group reported write-downs of inventory to net realisable value of $64,195 (2024: $142,793) in the consolidated statement of profit or loss and other comprehensive income.

Security

The Group's inventory finance borrowings are secured over the Group's inventory balances (refer note 18).

12. Property, plant and equipment

Property, plant and equipment are stated at historical cost less any accumulated depreciation and impairment losses. Costs includes expenditure directly attributable to the acquisition of assets.

Depreciation is recognised over the estimated useful life of the asset based on estimates by management. Assets' estimated useful life are reassessed annually. The following estimated depreciation rates have been used:

- Buildings and fitout 20% per annum straight line (2024: 2% to 50% - diminishing value)
- Cultivation Containers 10% diminishing value (2024: 10% diminishing value)
- Office Equipment 13% to 67% diminishing value (2024: 13% to 67% diminishing value)
- Plant and Equipment 8% to 100% diminishing value (2024: 8% to 100% diminishing value)
- Vehicles 13% to 40% diminishing value (2024: 13% - 40% diminishing value)

During the year ended 30 June 2025, the Group revised the useful life of certain buildings and fitout assets . The effect of these changes on actual and expected depreciation expense, included within Other expenses, was as follows:

	2025	2026	2027	2028	2029	2030
Increase/(decrease) in depreciation expense	102,012	208,454	210,678	212,744	152,929	(31,166)

Impairment

There was no impairment to property, plant and equipment for the year ended 30 June 2025 (2024: $400,000).

12. Property, plant and equipment (continued)

Year ended 30 June 2025	Buildings and fitout $	Cultivation containers $	Office equipment $	Plant and equipment $	Vehicles $	Total $
Opening net book value	**1,790,756**	**94,187**	**60,793**	**544,093**	**27,870**	**2,517,699**
Additions	-	-	-	3,431	-	3,431
Depreciation charge	(235,049)	(9,419)	(9,309)	(78,369)	(6,699)	(338,845)
Impairment charge	-	-	-	-	-	-
Disposals	(4,734)	-	(4,401)	(27,810)	(1,330)	(38,275)
Closing net book value	**1,550,973**	**84,768**	**47,083**	**441,345**	**19,841**	**2,144,010**
Cost	3,429,873	159,196	126,262	1,519,860	140,473	5,375,664
Accumulated impairment	(486,230)	-	-	(509,204)	-	(995,434)
Accumulated depreciation	(1,392,670)	(74,428)	(79,179)	(569,311)	(120,632)	(2,236,220)
Net book amount	**1,550,973**	**84,768**	**47,083**	**441,345**	**19,841**	**2,144,010**

Year ended 30 June 2024	Note	Buildings and fitout $	Cultivation containers $	Office equipment $	Plant and equipment $	Vehicles $	Total $
Opening net book value		**3,358,327**	**104,652**	**77,307**	**854,953**	**43,442**	**4,438,681**
Additions		1,208	-	-	-	-	1,208
Depreciation charge		(181,262)	(10,465)	(12,654)	(116,879)	(10,267)	(331,527)
Impairment charge		-	-	-	(153,623)	-	(153,623)
Disposals		-	-	(3,860)	(40,358)	(5,305)	(49,523)
Classified as held for sale	25	(1,387,517)	-	-	-	-	(1,387,517)
Closing net book value		**1,790,756**	**94,187**	**60,793**	**544,093**	**27,870**	**2,517,699**
Cost		3,441,979	159,196	140,648	1,783,739	160,473	5,686,035
Accumulated impairment		(486,230)	-	-	(509,204)	-	(995,434)
Accumulated depreciation		(1,164,993)	(65,009)	(79,855)	(730,442)	(132,603)	(2,172,902)
Net book amount		**1,790,756**	**94,187**	**60,793**	**544,093**	**27,870**	**2,517,699**

13. Goodwill

Any impairment recognised against goodwill is not subsequently reversed in future periods where the recoverable amount of a CGU increases above its carrying amount.

(i) Impairment testing of goodwill

Goodwill is monitored at a company level, of a single cash-generating-unit (CGU).

The Group tests whether goodwill has suffered any impairment on an annual basis or where there are specific indicators of impairment in the period. For the year to 30 June 2025, goodwill was tested for impairment as at 30 June 2025 (2024: 30 June 2024).

The recoverable amount of the CGU has been determined based on its value-in-use (2024: value-in-use).

Value-in-use calculations require the use of various estimates and judgements. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period which include consideration of the following:

- The existing competitive environment in the key markets which the Group currently operates in, including the Group's existing and projected market share, and indicators of overall growth in those markets.
- The current life-cycle stage of the medicinal cannabis industry and the continued trajectory towards maturity.
- The maturation of supply chains in the industry, as well as the Group's ability to exploit these going forward.
- The Group's current loss-making position, reflecting its early commercial phase, and operating cashflow requirements as well as the steps taken to date to address these.

Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. These growth rates are consistent with forecasts in industry reports specific to the industry in which the CGU operates:

Assumptions and approach used to determine values	30 June 2025	30 June 2024
Forecasted sales and costs of sales (CAGR*)		
This is based on current market share in existing sales channels as well as industry trends as at the reporting date.	43.81%	39.04%
Pre-tax discount rate		
Reflects specific risks relating to the relevant activities of the Group.	26.84%	21.86%
Long-term growth rate		
This is the weighted average growth rate used to extrapolate cash flows beyond the budget period.	2%	2%

* Cash flows for the next five-year period are extrapolated using annual estimated growth rates comprising a compound annual growth rate ('CAGR'). The CAGR reflects the low base the business is beginning with, growth rates consistent with forecasts in industry reports specific to the industry in which the CGU operates, the supply agreements the business has in place and the markets in which the business currently has distribution agreements in place or employees in market.

No impairment was recognised as at 30 June 2025 (2024: $8,253,135).

If any one of the following changes were made to the above key assumptions, the carrying amount and recoverable amount would be equal:

Key assumption	Sensitivity
Forecasted sales and costs of sales/'CAGR'	Reduction from 43.81% to 33.88%
Pre-tax discount rate	Increase from 26.84% to 40.50%
Long-term growth rate	Reduction from 2.00% to -26.8%

The Directors and management have considered and assessed reasonably possible changes for other key assumptions and have not identified any instances that could cause the carrying amount of the CGU to exceed its recoverable amount.

14. Intangible assets

Intangible assets are stated at historical cost (being their acquisition date fair value if acquired in a business combination) less any accumulated amortisation and impairment losses.

The following estimated amortisation rates have been used:

Intangible asset	Useful economic life
Supplier contracts	Finite – based on units of production (refer below)

Supplier contracts are amortised on a units-of-supply basis, being the actual volume of units purchased for production relative to the expected volumes purchased over the life of the contract.

	Goodwill	Supplier contracts	Total
	$	$	$
(i) Cost			
At 1 July 2024	10,448,082	5,016,035	15,464,117
At 30 June 2025	**10,448,082**	**5,016,035**	**15,464,117**
At 1 July 2023	10,448,082	5,016,035	15,464,117
At 30 June 2024	**10,448,082**	**5,016,035**	**15,464,117**
(ii) Accumulated amortisation and impairment			
At 1 July 2024	(8,253,135)	(5,016,035)	(13,269,170)
Amortisation charge	-	-	-
Impairment charge	-	-	-
At 30 June 2025	**(8,253,135)**	**(5,016,035)**	**(13,269,170)**
At 1 July 2023	-	(4,729,867)	(4,729,867)
Amortisation charge	-	(5,961)	(5,961)
Impairment charge	(8,253,135)	(280,207)	(8,533,342)
At 30 June 2024	**(8,253,135)**	**(5,016,035)**	**(13,269,170)**
(iii) Net book value			
At 1 July 2023	10,448,082	286,168	10,734,250
At 30 June 2024	2,194,947	-	2,194,947
At 30 June 2025	**2,194,947**	**-**	**2,194,947**

Impairment

There was no impairment to intangible assets for the year ended 30 June 2025 (2024: $280,207).

15. Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:
- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Initial measurement

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate, however in such cases the initial present value determination assumes that the variable element will remain unchanged throughout the lease term.

Other variable lease payments are expensed in the period to which they relate.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:
- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset (typically make-good provisions on buildings)

Right-of-use assets are depreciated on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term. Right-of-use assets are also subject to impairment assessment at reporting date.

(i) Information regarding the Group's leases and leasing activity

The Group leases a number of properties including land, buildings, including commercial office premises, in the jurisdiction from which it operates.

As standard industry practice, one of the Group's property leases are subject to periodic CPI increases and/or market rent reviews. A 1% increase in these payments would result in an additional $253 cash outflow (2024: $244) compared to the current period's cash outflow.

The Group's property leases typically include renewal and termination options. The Group must assess whether it reasonably expects (or not) to exercise these when determining the lease term.

The Group has two leases (2024: has one property lease) where the Group has assessed it does not reasonably expect to exercise all available renewal options, resulting in a potential additional lease term of 10-20 years (2024: 2 - 20 years) and potential future lease payments of $150,000 - $300,000 (2024: $48,792 - $300,000) that are not currently included in measurement of the lease liability recognised for these leases.

15. Leases (continued)

(ii) Lease related balances as at period end, and amounts for the period

	Note	2025	2024
Expenses and income in the period		**$**	**$**
Depreciation			
- Leases of property (land and buildings)		62,204	50,678
- Vehicles		-	12,511
- Plant		-	-
Interest expense		14,187	16,874
Balance sheet and cash flow statements			
Carrying amount of right-of-use asset			
- Leases of property (land and buildings)		62,167	135,176
- Vehicles		-	-
- Plant		-	-
Lease liabilities	9(ii)	108,843	147,780
Additions to right-of-use assets		38,242	117,045
Total cash outflow related to leases		**92,860**	**94,740**

16. Trade and other receivables

	Note	2025 $	2024 $
Financial assets classified as amortised cost – current			
Trade receivables		214,065	26,163
Less: provision for impairment of trade receivables		-	-
Trade receivables – net		214,065	26,163
Financial assets classified as amortised cost – non-current			
Non-trade receivables – NZX Bond		75,000	75,000
Financial assets classified as amortised cost - total	**4**	**289,065**	**101,163**
GST receivable		10,766	75,287
Withholding tax receivable		-	11,789
Government grants receivable			
- Research and development tax credit		141,721	163,369
Other receivables		**152,487**	**250,445**
Total trade and other receivables		**441,552**	**351,608**

The Group applies the NZ IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. This is based on a provision matrix which measures expected credit loss on a collective basis where trade receivables are grouped based on similar credit risk and rating.

The expected loss rates are based on the Group's historical credit losses. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers. At reporting date, none of the Group's trade receivables were past 30 days due.

17. Prepayments

	2025	2024
	$	$
Prepaid inventory	340,695	333,844
Other prepayments	61,045	154,063
Total prepayments	**401,740**	**487,907**

Prepayments for future goods and services are recognised in the consolidated statement of profit or loss and comprehensive income when the Group obtains control of the associated good or service.

18. Borrowings

	2025	2024
	$	$
Inventory finance borrowings (incl. warrants).	280,788	-
Short-term lending	376,122	-
Supplier finance arrangements - inventory	68,397	-
	725,307	**-**

Inventory finance borrowings

During the year, the Group entered into a number of lending arrangements to assist in managing working capital cash flows. The loans have a 12-month maturity and accrue interest on a monthly basis. The loans are secured over the Group's inventory holdings (refer note 11).

As part of the arrangement, lenders were also issued a number of additional warrants for no additional consideration which give the holders the right to purchase ordinary shares at a fixed price 12 months after the draw-down date. The warrants expire 3 years after they become exercisable.

As the warrants give the holder the option to purchase a fixed amount of shares for a fixed amount of cash, they satisfy the 'fixed-for-fixed' criterion and, therefore, are classified as equity instruments.

The loans, with their attached warrants, comprise a compound financial instrument and thus, each component of the instrument has been measured at inception as follows:

- Financial liability: The loan component has been measured at its fair value using a market interest rate for an equivalent instrument without the attached warrants. The market interest rate applied was 25%. The loan is subsequently measured as a financial liability at amortised cost.

- Equity: The warrants have been valued on a residual basis ($28,479) and are recognised within equity, within the Warrant equity reserve.

The borrowings are secured over the general inventory holdings of the Group.

Short-term lending

The Group has entered into a new lending arrangement to assist with short-term working capital commitments. The loan has a maximum maturity date of 30 June 2025, however the loan becomes repayable earlier should certain funding events occur:

(i) In the event that the Group successfully raises a minimum amount of additional share capital.
(ii) Sale of the Group's manufacturing facility (refer note 25), within certain timeframes.
(iii) Is subject to an additional bullet payment of $100,000 based on the timeframes in which the above events occur. The inclusion of this amount has been factored into the interest expense accrued onto the loan under the effective interest method.

The loan is secured by a general security agreement over the assets of the Group.
Subsequent to reporting date, the Group has almost completed re-negotiating the terms of this loan.

18. Borrowings(continued)

Supplier finance arrangements

- ***Inventory***

The Group has a supplier finance arrangement with certain distributors in New Zealand whereby distributors provide cash advances to the Group to finance the Group's purchase of finished goods inventories which will be sold via the distributors, who are agents of the Group. Cash advances from distributors are repayable when the finished goods purchased are sold or are expire. Otherwise, the Group does not provide any collateral or guarantees to the distributor.

Trade payables subject to the supplier financing arrangement are included within trade and other payables (refer to note 19) in the consolidated statement of financial position as follows

	30 June 2025	30 June 2024	1 July 2023
	$	$	$
Trade payables subject to supplier financing arrangements	6,920	-	-

- ***Insurance premiums***

The Group also enters into supplier finance arrangements to provide the Group with extended payment terms for insurance costs where the supplier has been paid upfront in full by the financer. Supplier finance arrangements for insurance premiums are payable over 12 months in monthly instalments. The Group has no outstanding supplier finance arrangements for insurance premiums as at 30 June 2025 (2024: $nil).

19. Trade and other payables

	Note	2025	2024
		$	$
Trade payables	4	688,412	419,503
Audit fee accrual		115,000	110,783
Other payables		51,244	23,951
GST payable		9,786	-
Total trade and other payables		**864,442**	**554,237**

20. Employee benefit liabilities

	2025	2024
	$	$
Short term employee benefits payable		
- Wages and salaries	51,683	65,696
- Accrual for annual and sick leave	135,202	127,857
	186,885	**193,553**
Defined contribution plan ('Kiwisaver') payable	5,416	2,349
Total employee benefit liabilities	**192,301**	**195,902**

21. Share Capital and Reserves

	2025 No. shares	2024 No. shares
Opening shares	159,750,579	158,136,265
Shares issued*,**	63,897,433	1,614,314
Total share capital	**223,648,012**	**159,750,579**

* During the year ended 30 June 2025:
- 3,968,254 ordinary shares were issued on 20 September 2024 as bridging capital prior to the Group's capital raise;
- 47,119,179 ordinary shares were issued on 6 December 2024 as part of the Group's capital raise in the period;
- 12,810,000 ordinary shares were issued as part of the pro-rata rights offer following the Group's capital raise;

** During the year ended 30 June 2024 1,614,314 vested share options were exercised into ordinary shares.

At 30 June 2025, share capital comprised 223,648,012 authorised and issued ordinary shares (2024: 159,750,579). All issued shares are fully paid and have no par value. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Group, and rank equally with regard to the Group's residual assets. Dividends are unlikely to be declared whilst the Group is in the growth phase.

Reserves
Exchange differences arising on the retranslation of the foreign operation are accumulated in the foreign currency translation reserve.

Share-based payments (refer to note 24) are recognised as an expense, with a corresponding increase in equity (share-based payment reserve), over the vesting period of the awards.

Proceeds on the issue of warrants meeting the definition of equity are recognised in the warrant equity reserve (refer to note 18).

22. Related party transactions

(i) Company information

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

(ii) Transactions and balances with related parties

During the year the Group entered into the below transactions with entities related to key management personnel.

	Nature of transactions	Sale/ (purchase) amount $	Amounts receivable (payable) $
30 June 2025			
Zenoch Management Limited	Purchases	(49,500)	-
Teresa Ciprian	Loan*	54,000	(50,129)

*Included within the initial $54,000 advanced was $4,362 attributable to warrant equity (refer note 18).

	Nature of transactions	Sale/ (purchase) amount $	Amounts receivable (payable) $
30 June 2024			
EECOMS Limited	Sales	3,000	-
Hikurangi Enterprises Limited	Sales	209	-
Zenoch Management Limited	Purchases	(52,500)	(4,744)

22. Related party transactions (continued)

(iii) 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:

	2025	2024
	$	$
Directors fees	234,000	237,000
Short-term employee benefits	257,432	271,542
Defined contribution plan payments	7,654	7,655
Share-based payment expense	41,782	135,087
Total key management personnel compensation	**540,868**	**651,284**
Key management personnel compensation payable	4,744	21,703

23. Contingent liabilities

There were no contingent liabilities at balance date that would affect the consolidated financial statements.

24. Share-based payments

(a) Key features and balances of ESOPs

The Group grants options to certain employees under a number of employee share option schemes which are classified and accounted for as equity-settled share-based payments.

Share-based payments outstanding at the end of the reporting period have the following terms and conditions:

- ESOP **Issue #5** was issued to the CEO and is subject to the following conditions:

- Are subject to a general service vesting condition (i.e., if the party terminates their employment with the Company, the unvested share options are forfeited);
- Have a $nil exercise price; and
- Vest to the participating employees daily such that each award constitutes a separate tranche with an equal number of options and identical terms and conditions.

	2025 Number	2024 Number
Outstanding At 1 July	**775,874**	**1,244,277**
- Options issued	-	-
- Options vested	(466,851)	(468,403)
- Options forfeited	-	-
Unvested at 30 June	**309,023**	**775,874**
Exercisable at 30 June	**1,090,977**	**624,126**

24. Share-based payments (continued)

(a) Key features and balances of ESOPs (continued)

Share-based payments outstanding at the end of the reporting periods have the following expiry dates, vesting dates, exercise prices and movements for the year ended 30 June 2025:

	Equity settled	
ESOP Issue #5	**2025**	**2024**
Option pricing model used	Binomial	Binomial
Weighted average share price	$0.17	$0.17
Exercise price	$nil	$nil
Weighted average contractual life (in days)	136	319
Volatility	78%	78%

25. Assets held for sale

Non-current assets are classified as held for sale when their sale is highly probable within 12 months of meeting the criteria for that classification. Following the classification as held for sale, non-current assets are not depreciated.

As reported in the Group's 30 June 2024 consolidated financial statements, the Group had entered into an unconditional sale and purchase agreement as at 30 October 2024. To date, the Group had not yet received settlement funds from the Purchaser. The Board is considering its legal options and are also working in parallel with other credible parties on an alternative sales plan.

Management is confident that the facility will be sold despite the above and accordingly, the Group continues to present its manufacturing facility as available for sale.

The following assets and liabilities were reclassified as held for sale as at 30 June 2025:

	30 June 2025	**30 June 2024**
Assets classified as held for sale		
Property, plant and equipment	860,507	860,507
Right-of-use assets	30,155	19,274
Total assets held for sale	**890,662**	**879,781**
Liabilities classified as held for sale		
Lease liabilities	(30,155)	(5,988)
Total liabilities classified as held for sale	**(30,155)**	**(5,988)**
Total net assets held for sale	**860,507**	**873,793**

An impairment expense of $36,260 was recognised on right-of-use assets in the disposal group held for sale as the carrying value of the asset exceeded its fair value less costs to sell after the associated lease liability was remeasured in accordance with the underlying lease agreement in the year (refer note 9).

Assets classified as held for sale during the period ended 30 June 2025 were measured at the lower of their carrying value and fair value less costs to sell. The fair value of the building and right-of-use asset associated with the lease of the land upon which the building sits was derived using the sales comparison approach. The key input under this approach was the recent observable selling prices for assets of similar nature, adjusted for condition and location.

26. Events after the reporting date

Subsequent to reporting date, the Group successfully raised an additional $1,260,000 through a combination of additional share capital ($504,000) and funding from existing lending instruments ($756,000). Funding was provided by existing shareholders.

In addition, a further 3,594,037 ordinary shares were issued to employees on 19 September 2025 for nil consideration to reward staff for past performance and to incentivise future performance. The opening share price on 19 September was $0.043 and there were no restrictions or conditions imposed over the shares issued. As part of the share bonus, the Group has also agreed to settle each employee's PAYE obligations associated with the share issue, amounting to an additional liability of $75,201.

The group is also re-negotiating certain short-term lending arrangements (refer to note 18).

There were no other events subsequent to reporting date that would materially affect these consolidated financial statements.

27. Subsidiaries

The principal subsidiaries of Rua Bioscience Limited, which have been included in these consolidated financial statements, are as follows:

Name	Country of incorporation and principal place of business	Proportion of ownership interest at 30 June		Non-controlling interests ownership/ voting interest at 30 June	
		2025	2024	2025	2024
Rua Bioscience Australia Pty Ltd	Australia	100%	100%	-	-

28. Net tangible assets

Net tangible assets per share is a non-GAAP measure that is required to be disclosed by the NZX Listing Rules. The calculation of the Group's net tangible assets per share and its reconciliation to the consolidated balance sheet is presented below:

	2025	2024
	$	$
Total assets	6,781,605	7,739,783
(less): Intangible assets	(2,194,947)	(2,194,947)
(less): Total liabilities	(1,890,893)	(973,125)
Net tangible assets	**2,695,765**	**4,571,711**
Number of shares issued at balance date	223,648,012	159,750,579
Net tangible assets per share	**0.01**	**0.03**

Nga Korero mo nga kaipupuri hea
Shareholder information

Shareholder Information

Rua's Statement of Corporate Governance as at 29 September, 2025 can be found here: www.ruabio.com/investors

Spread of Shareholders

As at 31 July 2025

Range	Total Holders	Shareholding	% Shares
1 - 499	348	107,356	0.05
500 - 999	197	145,248	0.06
1,000 - 1,999	324	420,989	0.19
2,000 - 4,999	667	2,130,724	0.95
5,000 - 9,999	370	2,552,355	1.14
10,000 - 49,999	702	14,505,544	6.49
50,000 - 99,999	110	7,168,705	3.21
100,000 - 499,999	107	22,224,081	9.94
500,000 - 999,999	18	11,715,950	5.24
1,000,000 Over	29	162,677,060	72.73
Total	**2,872**	**223,648,012**	**100.00**

Top 20 Shareholders

The names and holdings of the 20 largest registered shareholders in Rua as at 31 July 2025 were:

Name	Shareholding	% Shares
NEW ZEALAND DEPOSITORY NOMINEE LIMITED <A/C 1 CASH ACCOUNT>	39,420,345	17.63
FANG GROUP INVESTMENT LIMITED	23,584,939	10.55
GOUGH INVESTMENT CAPITAL LIMITED	12,716,677	5.69
HIKURANGI ENTERPRISES LIMITED	10,532,620	4.71
ACCIDENT COMPENSATION CORPORATION - NZCSD <ACCI40>	8,449,230	3.78
BEENA HARSHAVARDHAN JOG	7,043,740	3.15
FNZ CUSTODIANS LIMITED <DTA NON RESIDENT A/C>	6,783,039	3.03
GREG ANTONY ANDERSON & NICOLA MARIE ANDERSON <THE ORANGE A/C>	6,543,456	2.93
BEVERLEY IDA EVANS	5,000,000	2.24
RIDINGS BROTHERS LIMITED	4,492,196	2.01
MICHAEL JOHN WILDING	3,650,846	1.63
SIMON SY LUO	3,559,077	1.59
CUSTODIAL SERVICES LIMITED <A/C 4>	3,362,179	1.50
MARTIN WALTER SMITH & ANETA LISA BIRD & SARA MAREE LUNAM <WAKAROMA A/C>	3,154,039	1.41
LUKE RICHARD DIXON & SARAH LYNN DIXON & SEAN ROBERT DIXON & IAN ARCHIBALD HURST <LUKE & SARAH DIXON FAMILY A/C>	2,302,133	1.03
ENQUIRE LIMITED	2,200,000	0.98
BREAKAWAY INVESTMENTS LIMITED	2,176,503	0.97
FORSYTH BARR CUSTODIANS LIMITED <1-CUSTODY>	2,033,513	0.91
FNZ CUSTODIANS LIMITED	1,996,086	0.89
PATHFINDER NOMINEES LIMITED - NZCSD	1,835,887	0.82
Top 20 holders of ORDINARY SHARES total	**150,836,505**	**67.44**
Total remaining holders balance	**72,811,507**	**32.56**

Substantial Product Holders

According to notices given under the Financial Markets Conduct Act 2013, the following were substantial product holders of Rua as at 30 June 2025. The total number of voting securities (fully paid ordinary shares) of Rua as at 30 June 2025 was 223,648,012.

Name	Shareholdings
FANG GROUP INVESTMENT LIMITED	23,584,939
GOUGH INVESTMENT CAPITAL LIMITED	12,716,677

Directors' Shareholdings Interests

As at 30 June 2025 the Directors of the Company had the following relevant interests in Rua's shares.

Name	Shareholding	Options
Anna Stove	763,896	nil
Panapa Ehau	473,498	59,800
Tony Barclay	1,739,376	nil
Teresa Ciprian	525,000	nil

Directors' Share Dealings

In accordance with the Companies Act 1993 between 1 July 2024 and 30 June 2025 the Board received the following disclosures from Directors of acquisitions and dispositions of relevant interests in shares issued by the Company and details of such dealings were entered in the Company's interests register.

Director	Transaction	Number of securities	Price per security	Date
Tony Barclay	Purchase of Shares	661,376	$0.0378	23 September 2024
Tony Barclay	Purchase of Shares	1,028,000	$0.025	06 December 2024
Teresa Ciprian	Purchase of Shares	425,000	$0.025	06 December 2024

Directors' Interests

The following are details of general disclosures of interest by Directors holding office as at 30 June 2025, pursuant to section 140(2) of the Companies Act 1993. The Director will be regarded as interested in all transactions between Rua and the disclosed entities.

Current Directors	Company	Position
Anna Stove	Pacific Edge Limited	Director and Shareholder
	Progressive Farms	Director and Shareholder
Panapa Ehau	Hikurangi Enterprises Ltd	Director
	Hikurangi Huataukina Trust	Trustee
	He Toutou mo te Ahika Trust	Trustee
	Te Papatipu O Uepohatu Charitable Trust	Trustee
Teresa Ciprian	Leaderbrand	Director
	Aspeq Ltd	Director
	Goodfood Group Ltd	Director
	Superthriller Jetsprint Ltd	Director and Shareholder
	The Elk Collective	Director
	Garden to Table Trust	Trustee
	Zenoch Management Limited	Director and Shareholder
Tony Barclay	Baymatob Pty Ltd	Chair and Shareholder
	Pacific Edge Limited	Director and Shareholder

Independent Directors

In order for a Director to be independent, the Board has determined that they must not be an employee of Rua or any of its subsidiaries and must have no disqualifying relationships. Independence is determined by the Board, in accordance with the independence requirements of the NZX Listing Rules and having regard to the factors described in the Code. Director independence is monitored by the Board on an ongoing basis.

NZX Listing Rules require that there must at all times be at least three Directors of whom two are ordinarily resident in New Zealand and at least two are independent Directors.

Rua has four Directors of whom three were considered to be independent as at 30 June 2025. Those three are: the Chair, Anna Stove; Teresa Ciprian and Tony Barclay. Panapa Ehau is a Director, employee and co-founder of Rua.

In addition, the Directors of Rua's Australian subsidiary company, Rua Bioscience Australia Pty Ltd, are, Anna Stove and Dean Steer.

Board and Officer Gender Composition

The gender composition of Directors and the Officers as at 30 June 2025 was as follows:

			30 June 2025			30 June 2024
Position	**Female**	**Male**	**Gender Diverse**	**Female**	**Male**	**Gender Diverse**
Director	2	2	0	2	2	0
Officers*	5	3	0	5	5	0

* An officer is a person who is concerned or takes part in the management of Rua's business and who reports directly to the Board or the Chief Executive Officer.

Evaluation of Performance Against Diversity Policy

Rua's approach to diversity is outlined in its Diversity and Inclusion Policy, which is available on Rua's website. Key areas of focus are:

- Attracting, selecting and retaining qualified and diverse applicants and aiming to have a focus on ethnic and gender diversity.
- Remunerating and rewarding in an equitable manner on the basis of skill, knowledge and merit.
- Maintaining a workplace that is accommodating of diverse and changing life situations and enables employees to manage their work and lives through flexible working arrangements.
- Striving for a diverse representation of different groups in society across all levels of Rua's business and based on Rua's origins and values (see the Code of Ethics for a description of Rua's values).

The Board recognises the critical nature of diversity and inclusion and has ensured this is a key consideration when making the skill-based appointments required to ensure robust governance as Rua transitions from start-up to commercialisation. The Board has reviewed Rua's diversity profile and considers that, at this time, there is good diversity on the factors that are most relevant to Rua and its employees:

- Understanding and adoption of a bi-cultural working environment is deeply embodied within Rua's culture. All recent company publications include content in English and Maori.
- The make-up of the Board is sufficiently diverse for the purposes of forming a strong team, providing specialised knowledge and expertise in relevant markets, and driving strong business performance.
- Of the 12 employees, 5 are female and 7 are male.

The Board have set a gender diversity objective for the Board of 40% men, 40% women and 20% of any gender. The Company currently meet this objective.

Meeting Attendance

	Board	**Audit, Finance and Risk Management**	**Remuneration and Nominations**	**Financial Review Meeting**
Current Directors	Attended	Attended	Attended	Attended
Tony Barclay	9 of 9	5 of 5	3 of 3	33 of 34
Teresa Ciprian	9 of 9	5 of 5	3 of 3	33 of 34
Panapa Ehau	9 of 9	N/A	N/A	30 of 34
Anna Stove	9 of 9	5 of 5	3 of 3	34 of 34

Directors' Remuneration

Director remuneration is made up of an annual base fee, an additional Chair fee (if applicable) and some Directors are participants in Rua's share option plan.

A director fee pool of $324,000 per annum has been approved by shareholders. Any increase to that pool requires shareholder approval. The base fee for the Chair is $90,000 and for a Director is $45,000. Committee Chairs are paid a fee for the additional work the role requires.

Members of Committees are not paid an additional fee. The full Director fee pool was not used.

Current Directors	Position	Directors' fees	Committee fees	Total remuneration
Tony Barclay	Chair - ARC	$45,000	$4,500	$49,500
Teresa Ciprian	Chair - Rems	$45,000	$4,500	$49,500
Panapa Ehau		$45,000		$45,000
Anna Stove	Chair - Board	$90,000		$90,000

In addition to his Director's fee, Panapa Ehau also receives a salary as an employee of Rua. In FY25, his salary was $46,678 and Director's Fee was $45,000 for a total remuneration of $91,678. There was no STI or LTI paid to Panapa in FY25.

Employee Remuneration

The number of employees of Rua (not being Directors) who received remuneration and other benefits in their capacity as employees during the year ended 30 June 2025 that exceeded $100,000 per annum is set out in the table below.

Remuneration range	Employees
100,000-110,000	0
110,001-120,000	0
120,001-130,000	1
130,001-140,000	1
140,001-150,000	0
150,001-160,000	1
160,001-170,000	0
170,001-180,000	0
180,001-190,000	0
190,001-200,000	0
200,001-210,000	0
210,001-220,000	0
220,001-230,000	1

CEO Remuneration

For the financial year ended 30 June 2025, the CEO received a total of $218,408 in fixed annual remuneration. The CEO is a participant in the Employee Share Options programme (which includes both equity and cash settled components) and received no vesting of any interests in the financial year.

CEO remuneration FY25

2025	Salary and fees*	Other benefits**	Subtotal	Pay for performance STI	LTI	Subtotal	Total remuneration
Paul Naske	$218,408	$2,513	$220,921	-	-	-	$220,921
Total CEO remuneration	**$218,408**	**$2,513**	**$220,921**	**-**	**-**	**-**	**$220,921**

Two-year summary – CEO remuneration

		Single figure remuneration	Percentage STI against maximum	Percentage LTI against maximum	Span of LTI performance period
2025	CEO	$220,921	0%	0%	N/A
2024	CEO	$232,693	0%	0%	N/A

* Salary and Fees includes Kiwisaver and Employer Superannuation Contribution Tax (ESCT).
** Other benefits include the use of a company car only.

Donations

The following donations were made by Rua and its subsidiaries in the year to 30 June 2025.

Compassionate Access Programme	$44,238
Total	**$44,238**

Auditor Fees

Fees paid to the auditors include payments to PricewaterhouseCoopers for the following:

	2025	2024
Audit and review of the financial statements		
- Audit of the financial statements	$135,024	$142,633
Total fees paid to auditors	**$135,024**	**$142,633**

There were no other fees payable by the company for other services provided by that firm for FY25.

Dividend Policy

The payment of dividends is not guaranteed, will be at the discretion of the Board, and dependent on a number of factors.

These factors include the general business environment, operating results and the financial condition of Rua, future funding requirements, any contractual, legal or regulatory restrictions on the payment of dividends by Rua and any other factors the Board may consider relevant.

NZX Disclosures

Rua has not applied for nor relied on any NZX waivers during the financial year ended 30 June 2025.

Hei konei ra mo tenei wa, tena koutou i tautoko i tenei kaupapa, i tenei kamupene.

Nga mokamoka o te kamupene
Contact directory

Website
ruabio.com

Facebook
facebook.com/ruabioscience

Instagram
instagram.com/ruabioscience

LinkedIn
linkedin.com/company/rua-bioscience

Company Number
6484092

Issued Capital
244,042,048 Ordinary Shares
at 29 September 2025

Registered Office
Rua Bioscience Limited
704 Te Araroa Road, RD3, Ruatoria 4083
Phone: 0800 RUABIO (782 246)

Share Registrar
Computershare Investor Services Limited
Level 2, 159 Hurstmere Road,
Takapuna, Auckland 0622
Phone: +64 (9) 488 8700

Directors
Anna Stove
Panapa Ehau
Teresa Ciprian
Tony Barclay

Chief Executive Officer
Paul Naske

Auditors
PricewaterhouseCoopers

Solicitors
Lowndes Jordan
Anderson Lloyd

RUA

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