Rua Bioscience Limited

Interim financial report

For the six months ended 31 December 2024

Contents

Company Directory
For the six months ended 31 December 2024

Country of incorporation of company:	New Zealand
Company Number:	6484092
Legal form:	NZ Limited Company
Principal activities:	Pharmaceutical Distribution and Marketing
Registered office:	1 Commerce Place Awapuni Gisborne
Directors:	Anna STOVE – Chair Panapa EHAU Teresa FARAC-CIPRIAN Tony BARCLAY
Auditor:	PricewaterhouseCoopers
Bankers:	Kiwibank
Solicitors:	Lowndes Jordan

Rua Bioscience Limited

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the six months ended 31 December 2024

	Note	For the six months ended 31 December 2024 (unaudited) $	For the six months ended 31 December 2023 (unaudited) $
Revenue from contracts with customers	5	693,829	16,988
Other income	6	195,383	124,418
Changes in inventories of finished goods and work in progress	10	(486,650)	(20,249)
Research and development expenses	15	(494,317)	(558,400)
Costs related to capital raise		(158,617)	-
Other expenses		(1,486,008)	(1,883,277)
Impairment expense	11,17	(24,569)	(8,609,935)
Loss before net financing costs		**(1,760,949)**	**(10,930,455)**
Interest income		1,810	87,491
Finance costs	7	(43,116)	(8,866)
Net finance (cost)/income		**(41,306)**	**78,625**
Loss before tax		**(1,802,255)**	**(10,851,830)**
Income tax expense	8	-	-
Loss after tax		**(1,802,255)**	**(10,851,830)**
Other comprehensive (loss)/income			-
Items that will or may be reclassified to profit or loss:			-
- Exchange (losses)/ gains arising on translation of foreign operations		(3,714)	1,820
Total comprehensive loss for the period attributable to shareholders		**(1,805,969)**	**(10,850,010)**
Earnings per share attributable to the ordinary equity holders of the parent			
Loss from operations			
Basic ($)		**(0.011)**	**(0.069)**
Diluted ($)		**(0.011)**	**(0.069)**

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

Rua Bioscience Limited

Condensed Consolidated Statement of Changes in Equity
For the six months ended 31 December 2024

	Note	Share capital	Foreign currency translation reserve	Share option reserve	Accumulated losses	Total equity
		$	$	$	$	$
Opening balance at 1 July 2024 (audited)*		**43,952,936**	**(6,296)**	**333,324**	**(37,513,306)**	**6,766,658**
Total comprehensive loss for the period						
- Loss for the period		-		-	(1,802,255)	(1,802,255)
- Other comprehensive income		-	(3,714)	-	-	(3,714)
Total comprehensive loss for the period		**-**	**(3,714)**	**-**	**(1,802,255)**	**(1,805,969)**
Transactions with owners						
- Issue of share capital	**16**	1,428,229	-	-	-	1,428,229
- Costs of issuing share capital		(147,703)	-	-	-	(147,703)
- Employee share option expense		-	-	26,635	-	26,635
Total transactions with owners		**1,280,526**	**-**	**26,635**		**1,307,161**
Balance at 31 December 2024 (unaudited)		**45,233,462**	**(10,010)**	**359,959**	**(39,315,561)**	**6,267,850**

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

** The 30 June 2024 consolidated financial statements were issued with a disclaimer of opinion by the Group's auditor*

Rua Bioscience Limited

Condensed Consolidated Statement of Changes in Equity
For the six months ended 31 December 2023

	Note	Share capital	Foreign currency translation reserve	Share option reserve	Accumulated losses	Total equity
		$	$	$	$	$
Opening balance at 1 July 2023 (audited)		**43,702,717**	**38**	**212,062**	**(23,794,552)**	**20,120,265**
Total comprehensive loss for the period						
- Loss for the period		-	-	-	(10,851,830)	(10,851,830)
- Other comprehensive income		-	1,820	-	-	1,820
Total comprehensive loss for the period		**-**	**1,820**	**-**	**(10,851,830)**	**(10,850,010)**
Transactions with owners						
- Issue of share capital		-	-	-	-	-
- Employee share options expense		-	-	205,853	-	205,853
- Share options vested and exercised		-	-	-	-	-
Total transactions with owners		**-**	**-**	**205,853**	**-**	**205,853**
Balance at 31 December 2023 (unaudited)		**43,702,717**	**1,858**	**417,915**	**(34,646,382)**	**9,476,108**

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

Rua Bioscience Limited

Condensed Consolidated Statement of Financial Position
As at 31 December 2024

	Note	As at 31 December 2024 (unaudited) $	As at 30 June 2024 (audited) $
Current assets			
Cash and cash equivalents	4	538,646	895,131
Trade and other receivables	4	606,360	276,608
Prepayments		503,507	487,907
Inventory	10	323,244	277,534
Assets in disposal groups classified as held for sale	17	900,403	879,781
Total current assets		**2,872,160**	**2,816,961**
Non-current assets			
Property, plant and equipment	9	2,468,743	2,517,699
Goodwill	11	2,194,947	2,194,947
Right-of-use lease assets	9	110,663	135,176
Other receivables	4	75,000	75,000
Total non-current assets		**4,849,353**	**4,922,822**
Total assets		**7,721,513**	**7,739,783**
Current liabilities			
Trade and other payables	4	462,749	554,237
Borrowings	4,12	388,709	-
Revenue received in advance	5	155,230	-
Employee benefit liabilities		250,894	195,902
Lease liabilities	4,12	51,173	48,713
Liabilities in disposal groups classified as held for sale	4,12,17	39,896	5,988
Deferred grant income		32,163	69,218
Total current liabilities		**1,380,814**	**874,058**
Non-current liabilities			
Lease liabilities	4,12	72,849	99,067
Total non-current liabilities		**72,849**	**99,067**
Total liabilities		**1,453,663**	**973,125**
Net assets		**6,267,850**	**6,766,658**
Equity			
Share capital	16	45,233,462	43,952,936
Accumulated losses		(39,315,561)	(37,513,306)
Foreign currency translation reserve		(10,010)	(6,296)
Share option reserve		359,959	333,324
Total equity		**6,267,850**	**6,766,658**

The condensed consolidated financial statements on pages 4 to 22 were approved and authorised for issue by the Board of Directors on 27th February 2025 and were signed on its behalf by:

__________ (Director) __________ (Director)

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

Rua Bioscience Limited

Condensed Consolidated Statement of Cash Flows
For the six months ended 31 December 2024

	Note	For the six months to 31 Dec 2024 (unaudited) $	For the six months to 31 Dec 2023 (unaudited) $
Cash flows from operating activities			
Receipts from customers		525,992	99,929
Grant income received		169,876	409,825
Sundry income received		77,673	2,152
Payments to suppliers and employees		(2,716,538)	(2,643,734)
Net cash outflows from operating activities		**(1,942,997)**	**(2,131,828)**
Cash flows from investing activities			
Interest income		1,809	91,658
Proceeds from maturing investments		-	2,000,000
Proceeds from the sale of property, plant and equipment		-	33,708
Purchase of property, plant and equipment		-	(1,208)
Investment deposits made		-	(1,500,000)
Net cash inflows from investing activities		**1,809**	**624,158**
Cash flows from financing activities			
Proceeds from issuance of share capital		1,428,229	-
Share issue costs		(147,703)	-
Proceed from borrowings		468,888	-
Repayment of borrowings		(107,056)	-
Repayment of lease liabilities		(35,032)	(40,957)
Interest paid		(16,238)	(8,866)
Net cash inflows/(outflows) from financing activities		**1,591,088**	**(49,823)**
Net decrease in cash and cash equivalents		**(350,100)**	**(1,557,493)**
Cash and cash equivalents at beginning of the period		895,131	2,529,338
Exchange (losses)/gains on cash and cash equivalents		(6,385)	421
Cash and cash equivalents at end of the period	**4**	**538,646**	**972,266**

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

1. Reporting Entity

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

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

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

2. Basis of preparation

(a) Statement of compliance

These unaudited interim consolidated financial statements have been prepared for the six months ended 31 December 2024. These interim consolidated financial statements provide an update on the interim performance of the Group and should be read in conjunction with the full year consolidated financial statements presented for the year ended 30 June 2024 from which the same accounting policies and methods of computation have been followed.

The interim consolidated financial statements are prepared in accordance with:

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

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

The consolidated interim financial statements are presented in New Zealand dollars ($), which is the company's functional and also the Group's presentational currency. All financial information presented has been rounded to the nearest dollar, except where otherwise indicated.

(b) Significant accounting policies

The accounting policies and computation methods used in the preparation of the consolidated interim financial statements are consistent with those used as at 30 June 2024 and 31 December 2023.

(c) Basis of measurement

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

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

2. Basis of preparation (continued)

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

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

(e) Accounting estimates and judgements made

Besides those listed below, there have been no material revisions to the nature and amount of estimates of, and judgements in relation to, amounts reported in prior periods.

- Management and the Board have applied judgements in assessing for indicators of impairment with respect to the Group's goodwill. Refer to note 11.

- To determine the cash flows in applying the effective interest method to the Group's new borrowings (refer note 12), management judgement has been applied to determine the most expected maturity event and corresponding total repayments made.

(f) Reclassifications

The Group has reported a single line of "Finance costs" in the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income, which incorporates both interest expense from leases, and interest expense from external borrowings (which were not present in the comparative 6 months to 31 December 2023). Refer to Note 7 for further details.

(g) Going concern

The consolidated condensed financial statements have been prepared on the going concern basis, which assumes that the Group will continue to be able to meet its liabilities as they fall due for a period of at least 12 months from the date of signing these consolidated financial statements.

Given the Group's net operating loss of $1,802,255 and net operating cash outflow of $1,942,997 for the six months ended 31 December 2024, 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.

2. Basis of preparation (continued)

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 immediate operational cashflow requirements, with:

a. $150,000 being received under a placement offer on 23 September 2024.
b. $1,280,526 being received under a 3 for 4 Rights Issue on 4 December 2024; and
c. $320,250 (including $220,000 after 31 December) being received under the shortfall offer in relation to the Rights Issue between the end of December 2025 and the date of this report.

The Group remains committed to placing the remaining shortfall shares per the terms of the Rights Offer, towards the target of $3,100,000.

(ii) *Facility sale*: The Group remains committed to finding a buyer for its Gisborne facility which includes the leasehold buildings held as available for sale (refer to [note 17]) in addition to manufacturing and extraction equipment. Unfortunately the unconditional sale due to settle on 30 October 2024 did not proceed. The Group continues to expect the sale and settlement of these assets in the coming months and is actively engaged with a number of interested parties. Upon settlement, the consideration will firstly be applied to the Group's loans, inclusive of accrued contractual interest and additional $100,000 bullet payment (refer to note 12), with the net proceeds amount then being available to the Group.

(iii) *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 financial statements, the Group has achieved the following:

- Successfully expanded the product portfolio into Germany, with the launch of new product in December 2024 reinforcing the Group's position in Europe's largest medicinal cannabis market;
- Introduced New Zealand grown genetics into products sold in Australia steadily growing this market, whilst also continuing to foster key partnerships;
- Recently released additional dried flower product into the New Zealand market, with solid month on month sales growth. In addition, the Group has several new products being assessed by the NZ Ministry of Health before market release; and
- Successfully launched three oil products into the UK in December 2024 via the Group's distribution partner, Target Health. Revenues in this market are expected to commence shortly.

2. Basis of preparation (continued)

The Group has also seen a significant increase in operating revenue in the six months ended 31 December 2024 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 and New Zealand; and
- Establishment of Rua genetics in several countries including:
  - In Canada under license with Apollo Green; and
  - Ongoing trial crops in both Australia 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 and on positive outcomes from engagement with other potential funders and on 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.

3. Segment Reporting

The Group operates in one segment, its primary business being research and development and the sale of pharmaceutical products in Germany, Australia 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 derives revenue from customers through the sale of goods in New Zealand, Germany and Australia. 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

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

	Financial Assets at Amortised Cost	Financial Liabilities at Amortised Cost	Total Carrying Amount	Fair Value
31 December 2024 (unaudited)	**$**	**$**	**$**	**$**
Cash and cash equivalents	538,646	-	538,646	*(a)*
Trade and other receivables	586,836	-	586,836	*(a)*
Trade and other payables	-	(431,122)	(431,122)	*(a)*
Lease liabilities	-	(124,022)	(124,022)	*(b)*
Borrowings	-	(388,709)	(388,709)	*(a)*
Liabilities in disposal groups classified as held for sale	-	(39,896)	(39,986)	*(a)*
Total	**1,125,482**	**(983,749)**		
30 June 2024 (audited)				
Cash and cash equivalents	895,131		895,131	*(a)*
Trade and other receivables	101,163		101,163	*(a)*
Trade and other payables	-	(419,504)	(419,504)	*(a)*
Lease liabilities	-	(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.

5. Revenue from contracts with customers

During the six month period ended 31 December 2024, the Group:

- Re-introduced product into Germany under contract with its in-market distributor;
- Re-entered the New Zealand market through existing distribution channels under new arrangements.

Some distributors, who are agents of the Group, will make up-front payments for goods prior to delivery to end customers. Revenue received in advance in the condensed consolidated statement of financial position represents contract liabilities arising from deposits received for goods not yet sold.

Revenue streams recognised by the Group include:

	For the six months ended 31 Dec 2024 (unaudited) $	For the six months ended 31 Dec 2023 (unaudited) $
Sale of goods – New Zealand	184,279	2,249
Sale of goods – Germany	284,641	-
Sale of goods – Australia	224,909	14,739
Total	**693,829**	**16,988**

6. Other income

Other income streams recognised by the Group include:

	For the six months ended 31 Dec 2024 (unaudited) $	For the six months ended 31 Dec 2023 (unaudited) $
Government grant income		
Research and development grant income	73,225	122,265
Other government grant income	44,484	-
	117,709	**122,265**
Sundry income	77,674	2,153
Total	**195,383**	**124,418**

Significant transactions during the six months to 31 December 2024:

Other government grant income in the period relates to grant income provided by local government funding for community and social activities undertaken by the Group.

Sundry income in the period includes reimbursement proceeds from suppliers for the recall of faulty goods.

7. Finance costs

Finance costs incurred by the Group comprise:

	Note	For the six months ended 31 Dec 2024 (unaudited)	For the six months ended 31 Dec 2023 (unaudited)
		$	$
Interest expense – leases		7,065	8,866
Interest expense – financial liabilities at amortised cost	**12**	36,051	-
Total finance costs		**43,116**	**8,866**

8. Income tax

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

The unrecognised deferred tax asset is comprised of tax losses of $8,308,856 (30 June 2024: $7,865,566) and other temporary differences of $11,849 (30 June 2024: $45,639).

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

Significant transactions during the six months to 31 December 2024

The Group has remeasured its lease for the property at 50 Commerce Place in Gisborne to account for the renewal option exercised. This has resulted in an addition of $45,182 to the right of use asset and corresponding lease liability, both of which are included within the disposal group held for sale (refer note 17).

10. Inventory

Significant transactions during the six months to 31 December 2024

The Group has reported write-downs of inventory to net realisable value of $13,150 (2023: $nil) in the consolidated statement of profit or loss and other comprehensive income.

11. Intangible assets, Goodwill and Impairment

The Group tests whether goodwill has suffered any impairment on an annual basis or where there are specific indicators of impairment in the period.

In assessing for indicators of impairment, the Board has considered the following factors:

- The Group's business performance in the period to date, and expected performance for the remaining six months of the financial year;
- The Group's progress to date with respect to its current capital raise (refer to note 2(g));
- The likelihood that the Group will successfully sell its facility (refer to note 17); and
- The Group's market capitalisation as at 31 December 2024.

The Board and Management believe these factors are substantially the same as at 30 June 2024 and are of the view that there were no indicators as at 31 December 2024 which would require goodwill to be tested at that date. As such, there was no impairment recognised in respect of the Group's goodwill.

	Note	**For the six months ended 31 Dec 2024 (unaudited) $**	**For the six months ended 31 Dec 2023 (unaudited) $**
Impairment - Goodwill		-	8,253,135
Impairment – Intangible assets		-	280,207
Impairment – property, plant and equipment		-	76,593
Impairment – Right of Use assets	**15**	24,569	-
		24,569	**8,609,935**

12. Borrowings and Lease liabilities

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

For the six months ended 31 Dec 2024 (unaudited)

		NON-CASH	NON-CASH	NON-CASH	NON-CASH	CASH	CASH	
	Opening	**New leases**	**Lease remeasurements**	**Reclassification (Note 17)**	**Interest accrued**	**Drawdown**	**Payment**	**Closing**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Lease liabilities	**147,780**	-	45,182	(45,182)	-	-	(23,758)	**124,022**
Borrowings - Short term loans	**-**	-	-	-	26,877	250,000	-	**276,877**
Borrowings - Supplier finance arrangements	**-**	-	-	-	-	218,888	(107,056)	**111,832**
Liabilities in disposal groups held for sale	**5,988**	-	-	45,182	-	-	(11,274)	**39,896**
	153,768	**-**	**45,182**	**-**	**26,877**	**468,888**	**(142,088)**	**552,627**

For the six months ended 31 Dec 2023 (unaudited)

		NON-CASH	NON-CASH	NON-CASH	NON-CASH	CASH	CASH	
	Opening	**New leases**	**Lease remeasurements**	**Reclassification**	**Interest accrued**	**Drawdown**	**Payment**	**Closing**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Lease liabilities	**114,577**	116,514	542	(22,990)	-	-	(40,957)	**167,686**
	114,577	**116,514**	**542**	**(22,990)**	**-**	**-**	**(40,957)**	**167,686**

12. Borrowings and Lease liabilities (*continued*)

Borrowings drawn down in the six-month period ended 31 December 2024 include:

- **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 are payable over 12 months in monthly instalments and attracts an effective interest rate of 11.25%.

- 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 17), 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.

13. Related party transactions

Six Months to 31 December 2024 and 31 December 2023

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

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

	Nature of transactions	Transaction amount	Amounts receivable (payable)
		For the six months ended 31 Dec 2024 (unaudited) $	31 December 2024 (unaudited) $
Bentleys (QLD) Pty Ltd	Purchases	353	-
Zenoch Management Limited	Purchases	28,875	-

	Nature of transactions	Transaction amount	Amounts receivable (payable)
		For the six months ended 31 Dec 2023 (unaudited) $	31 December 2023 (unaudited) $
Hikurangi Enterprises Limited	Asset Disposal	209	-
EECOMS	Asset Disposal	3,000	-

During the period the following key management personnel also purchased ordinary shares of the Company for cash consideration:

	For the six months ended 31 December 2024 (unaudited)	
	$	#
Tony Barclay (Director)	50,700	1,689,376
Teresa Ciprian (Director)	10,625	425,000
Paul Naske (Chief Executive Officer)	750	30,000
	62,075	**2,144,376**

13. Related party transactions (*continued*)

Key management personnel compensation

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

	For the six months ended 31 December 2024 (unaudited)	For the six months ended 31 December 2023 (unaudited)
	$	$
Directors' fees	118,419	120,000
Short-term employee benefits	130,238	131,649
Defined contribution plan payments	4,122	4,122
Share-based payment expense	26,635	81,004
Total key management personnel compensation	**279,414**	**336,775**

14. Contingent liabilities

There were no contingent liabilities at the end of the period (2023: nil).

15. Research and development costs

All research and development costs are expensed as incurred. 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.

16. Share Capital

	31 December 2024 (unaudited) Number	30 June 2024 (audited) Number
Opening shares	159,750,579	158,136,265
Shares issued*,**	55,097,433	1,614,314
Total share capital	**214,848,012**	**159,750,579**

** During the six months ended 31 December 2024:*

- *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;*
- *4,010,000 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.*

17. Assets held for sale

As reported in the Group's 30 June 2024 financial statements, the Group had entered into a sale and purchase agreement with Awa Ora Genesis Kaitiaki Harakeke Trust of Te Araroa for the sale of its Gisborne manufacturing facility for $1,300,000, and went unconditional on 30 October 2024.

Presently, the Group has 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.

17. Assets held for sale (*continued*)

As at 31 December, the disposal group is comprised of:

	Note	31 December 2024	30 June 2024 (audited)
Assets classified as held for sale			
Property, plant and equipment	9	860,507	860,507
Right-of-use assets	9	39,896	19,274
Total assets held for sale		**900,403**	**879,781**
Liabilities classified as held for sale			
Lease liabilities	12	(39,896)	(5,988)
Total liabilities classified as held for sale		**(39,896)**	**(5,988)**
Total net assets held for sale		**860,507**	**873,793**

An impairment expense of $24,569 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 (refer note 9).

Assets classified as held for sale during the period ended 31 December 2024 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.

18. Events after the reporting date

Other than the additional capital raised from the Group’s Rights Issue shortfall (refer to note 2(g)), there were no other events subsequent to reporting date that would materially affect these condensed consolidated financial statements.