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 NZX Limited
 Wellington

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Shareholders Approve Zalm Therapeutics Share Issue – Set Stage to Accelerate Market Entry and Expand Patient Choice

Rua Bioscience (NZX: RUA) shareholders have overwhelmingly approved the purchase of Zalm, throwing further shareholder weight behind the company’s bid to become New Zealand’s premier medicinal cannabis company.

The purchase will be undertaken through the issue of 28,735,632 shares over three years to Zalm Therapeutics shareholders based on the achievement of agreed milestones.

As required by NZX Listing Rule 6.1, all voting was conducted by a poll. The resolution being passed by shareholders was:

To consider and, if thought fit, pass the following ordinary resolution (**Resolution**), requiring approval by a simple majority of the votes of shareholders entitled to vote and voting.

That the issue of:

- 8,140,000 new ordinary shares (**Initial Shares**); and
- 16,280,000 equity securities having the right to convert into ordinary shares on achievement of the milestones described in the explanatory notes (**Performance Shares**),

to the shareholders of Zalm Therapeutics Limited (which may together eventually result in those subscribers holding 28,735,632 fully paid ordinary shares in the Company) be approved for all purposes, including for the purposes of NZX Listing Rule 4.2.1(a).

The voting results were:

For	Against	Votes Total	Percentage of issued Capital	Abstain
73,983,205 99.97%	22,055 0.03%	74,005,260	52.21%	913,138

Rua Bioscience CEO, Rob Mitchell, says the result of today’s Special Meeting is an important moment for the company.

“We’re pleased to move forward with this acquisition and seize the meaningful opportunities we anticipate for the company, our shareholders, patients and community,” he says.

“While there is plenty of work ahead, we expect the purchase of Zalm will be transformative for Rua. Between Rua’s unique kaupapa, expertise and innovation and Zalm’s global-scale GMP capability and experienced distribution partners, we have the potential to create a powerful global brand faster.”

Rob Fyfe, Chairman of Zalm says “The team at Zalm are thrilled that Rua’s shareholders have given the green light to progress with the acquisition and integration of Zalm Therapeutics. Through the Due Diligence process, we have developed an excellent working relationship and deep respect for the kaupapa, culture and vision of the Rua team and wider stakeholder

community and we look forward to supporting the Rua team to realise the potential of this transaction."

In December, Rua asked shareholders to consider the \$10m purchase of Zalm. Rua's Board anticipates the transaction will enable the company to develop its product range more quickly, which will allow faster access into global markets and generate more revenue sooner in a way that is both capital efficient and cost effective.

Consistent with company kaupapa, the stability anticipated by this transaction will underpin Rua's local operations, the development of unique East Coast medicinal cannabis cultivars, and its commitment to job creation on the East Coast.

Rua expects to settle the transaction with the first tranche of shares being issued by January 31. A Transition Advisory Board will be established to ensure successful integration of the Zalm business into Rua and the delivery of Rua's strategic priorities over the coming 12 months.

Rua announced Medsafe's approval of its first cannabinoid product in December and anticipates its release for New Zealand patients in the coming months. Rua is also developing product for export via its distribution partner, Nimbus Health, in Germany. With the close of the Zalm deal, Rua expects to further expand its product offering for domestic and global markets in the second half of 2022.

Ends.

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About Rua Bioscience

Rua Bioscience is a New Zealand pharmaceutical company aiming to be a leading producer of cannabinoid derived medicines. The company was established in 2017 in part to support local economic development in Te Tairāwhiti and is a pioneer in the New Zealand medicinal cannabis sector. Rua holds a licence to operate in the medicinal cannabis sector commercially, has developed two commercial-scale facilities (a controlled cultivation site in Ruatorea as well as a manufacturing and extraction plant in Gisborne), and holds an exclusive contract with German distributor Nimbus Health to supply dried flower to Germany. Rua also has a well-defined strategy to identify long-term value opportunities in a number of areas including agritech. As well as being a funder, Rua brings extensive knowledge of the global market, expertise in cannabis plant chemistry and analytics, cultivation and growth optimisation, processing and pharmaceutical manufacturing. www.ruabio.com