



Rua Annual Shareholders Meeting

04 November 2024

Address by Anna Stove, Chair

Tena koutou tena koutou, tena koutou katoa.

Ko Anna Stove ahau, Chair of Rua Bioscience.

Welcome to our Annual Shareholders Meeting. Thank you for joining us online from across Aotearoa, NZ. It's a pleasure to be able to deliver an update on our operations over FY24.

Supporting Rua is a very capable Board of Directors who possess a wealth of domestic and international business, pharmaceutical and strategic expertise. I would like to thank them all for their steadfast mahi during the year. I feel very grateful to be part of this incredible group of people who this year have all shown enormous strength & no matter what has been thrown at them, have steadfastly focused on the best interests of the company.

Rua's co-founder Panapa E hau was appointed to the Board in October 2017 and is pivotal to our important links with the Tairāwhiti community.

Teresa Ciprian joined the Board August 2022 and has a wealth of experience in international marketing and business development.

Tony Barclay was appointed as a Director in May 2023. Tony brings significant financial acumen having been the previous CFO for Fisher & Paykel Healthcare and now holds a number of Med Tech Directorships.

Kale Panoho joined Rua at the beginning of this year as a Board Observer. This is part of a programme for aspiring Māori Directors. Kale is an entrepreneur at heart having started successful multiple technology businesses out of the US and NZ. It's a win: win. Kale's learning all about governance and we are getting amazing input for our international marketing strategies.

We ensure that Directors collectively have the appropriate skills required to oversee the company through key phases of business growth. The Board also reflects Rua's principles of diversity and inclusion.

We follow Maramataka, the Māori lunar calendar, and we set our Board meeting dates accordingly. The lunar calendar highlights the connection between the phases of the moon and our wellbeing and gives us the best days to ensure high energy & decision making.

Our journey has not been easy due to the NZ medicinal cannabis regulatory environment preventing us exporting from New Zealand. We knew as a company that our goal of being export led was critical to our success, we just needed to find a different way to deliver it. Last year I spoke about refocusing our strategic direction and identifying where the true value was in the medicinal cannabis industry. Now with our strategy solely focused on genetics and distribution, we have made great progress in key markets over the past 12 months.

FY24 was a year of delivering on the new strategic direction and building upon the experience we have in international markets. The year was dedicated to establishing international supply channels and ensuring a

strong platform for sales growth. This has been achieved (it's no longer proof of concept) and we have delivered more sales revenue in the first quarter of FY25 than in the whole of last year.

We need to remind ourselves that this company is still a 'start up' - we are only 6 years old in a sunrise industry. While the trajectory has been slower than expected and somewhat outside of our control, we are delivering on revenue growth. By the end of 2025 Rua will have revenue in 4 markets: Australia, Germany, UK and NZ.

Achievements at a glance

- Established short-term revenue channels, which now proven we will ultimately fill with our unique legacy genetics.
- Extended the distribution contract with Nimbus Health in Germany for an additional three years-expanding to include other European countries.
- Achieved first revenues in Australia and developed strong sales and distribution channels for a comprehensive product range.
- Signed a distribution agreement with Target Healthcare in the United Kingdom.
- Received approval from the Ministry of Health NZ for two new products for the New Zealand market.
- Secured agreements to undertake cultivation trials in Portugal to supply the European market.
- Signed an offtake agreement with a New Zealand cultivator to export Rua's legacy genetics to Australia.
- In July 2024, Rua launched new dried flower products for the German and New Zealand markets.

It's incredibly encouraging to see we are no longer at proof of concept and just filling the pipeline. We are delivering significant revenue growth – The first quarter of FY25 sales are double that of 2024.

A key challenge has been our share price. The New Zealand economy has been slow, narrowly escaping a technical recession with higher interest rates weighing on cost of living and undermining purchasing power and consumption.

Legally, we cannot give you any guidance. In general, strong earnings result in stock price moving up. This is obviously challenging for a start-up company. But what I can tell you is that I am confident that with our unique strategy already delivering significant revenue growth, that we will establish ourselves as a sustainable global company. This will hopefully be reflected in investor expectations that the company is heading towards profitability.

As outlined in the 2024 Annual Report, Rua's net liquidity position and ongoing cash operating losses are challenging if we are to meet the company's ongoing liabilities and fund anticipated growth opportunities.

I am announcing today that we will imminently be going out to the market – seeking to raise \$3.1m of new equity.

Rua has taken critical actions to support its immediate cash flow needs.

- We have been laser focused on conserving cash.
- We raised a small equity placement of \$150k to existing shareholders in September 2024.
- We have an unconditional offer from Awa Ora Genesis Kaitiaki Harakeke Trust of Te Araroa of \$1.3 million on the Gisborne manufacturing facility which was due to settle last week (30th October).

The Board have received assurances from the Trust that they intend to complete the purchase of the property and have requested further time before settlement. The Board is now considering our legal options in this situation.

We are also in parallel working with other credible parties on an alternate purchase plan in case it is needed.

Managing cash flow this year has been an extraordinary journey. Because of the challenging financial climate in the last 12 months, we haven't been able to go out to the market any earlier to raise cash.

Due to the delay in settlement of the manufacturing facility last week, we have agreed a term sheet for bridging finance to support critical business commitments.

I want to thank all our creditors for working with us and also our Director's for deferring their fees. Everyone has done their bit to get us through this challenging time.

Rua intends to use the cash raised through the Offer to meet its ongoing cash flow requirements as well as funding working capital and marketing activities to support our growth opportunities. This includes introducing new products into Germany and Australia and launching into the United Kingdom.

The cash raised, both from the facility sale and capital raise, is intended (if fully subscribed) to fund the business to a self-sustaining position.

There will be a resolution later in the meeting on the issue of new ordinary shares that will allow Director's flexibility should it be needed.

On behalf of the Board, thank you to our shareholders and partners for all your support throughout FY24.

I'd especially like to recognize how extremely hard the Rua team have worked, led by our very capable & resilient CEO Paul Naske. You have all delivered significant commercial milestones.

It's incredibly encouraging to see we are no longer at proof of concept and just filling the pipeline. We are delivering significant revenue growth. Our focus is now to accelerate our sales growth and increase our market share as fast as possible.