

FOR PUBLIC RELEASE

NZX Limited

Wellington

Thursday, 29 August 2024

**Rua Bioscience Limited releases annual results - unaudited**

*Continuation of strategy as market pipelines established*

**Summary financials**

	FY24 \$ unaudited	FY23 \$ audited
Revenue (from customers)	85,837	357,675
Revenue (incl. fair value gains)	321,678	6,532,612
Profit/(Loss) before fair value gain and impairment	(4,504,779)	(6,240,820)
Profit/(Loss) before tax	(13,718,754)	(5,958,506)

**FY24 milestones**

- Established revenue pipelines soon to fill with unique legacy genetics.
- Achieved first revenues in Australia and developed solid sales and distribution channels for a comprehensive product range.
- Extended the distribution contract with Nimbus Health in Germany for an additional three years and additional countries in Europe.
- Signed a distribution agreement with Target Healthcare in the United Kingdom.
- Received approval from Ministry of Health NZ for two new products for the local market.
- Secured agreements with Portuguese based companies 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.

Māori founded, Tairāwhiti based Rua Bioscience Limited (NZX: RUA) today announces financial results for the year ended 30 June 2024. Within the reporting year, the business focused on the delivery of its differentiated strategy – anchored in genetics and distribution – to prepare itself for the next phase of growth and sustainable revenue generation.

In line with this export strategy, Rua also made significant progress internationally with products for sale in three high-growth markets.

As the only New Zealand-based medicinal cannabis business with a focus on delivering social impact, in FY24 Rua extended its commitment to its impact programmes for residents of Tairāwhiti.

### **Delivering on strategy**

Following changes to Rua's management and Board in FY23, including the appointment of Paul Naske as Chief Executive Officer, the business' leadership has remained stable and unchanged in FY24.

Speaking about Rua's differentiated strategy, Board Chair Anna Stove explains "In the previous reporting year, our priority was refining our new commercial model and export-led strategy. Thanks to Paul's strong leadership, the management team and Board are now fully aligned and committed to its successful execution.

"We have made significant progress in advancing Rua's genetics, expanding distribution channels, and securing key supplier partnerships in growth markets including Germany, Australia and the United Kingdom – critical milestones that have built a strong foundation to achieve sustainable revenue in FY25 and beyond," says Ms Stove.

### **Financial results**

Rua's loss before tax for the year to 30 June 2024 was \$13.72m (FY23 \$5.96m). This loss is in line with expectations and is primarily because of one-off impairments to goodwill, supplier contracts and other assets, the majority of which was reported at the 31 December 2023 half-year report. This is non-cash in nature and does not affect the groups cash flows or operational liquidity. The loss before these impairments was \$4.50m.

Revenue was recorded as \$0.32m (FY23 \$6.53m). FY23 revenue was significantly higher due to a \$5.85m non-cash fair value gain as a result of a reduction in the payment liability to ex-Zalm shareholders. Revenue from customers was \$86k (FY23 \$358k). This

reduction is a result of lack of sales in Germany for FY23 following the partial recall of product due to poor quality from suppliers, which has now been addressed.

Rua has released unaudited financial statements as the statements are still in the process of being audited. The delay in the release of audited financial statements is a result of the timing of the previously announced building sale process, the Boards review of the business' cash requirements and ongoing discussions with major shareholders in regard to further funding. For further information and context please refer to the Going Concern Disclosure (Note 2(f)) in the Financial Statements. We will release audited financial statements within the Annual Report that is expected by the end of September.

## **Germany**

During FY24, Rua further strengthened its distribution channel with experienced partner Nimbus Health by extending its contract for an additional three years and widening its scope to include other European markets.

In April 2024 new regulations in Germany were implemented that reclassified medicinal cannabis, removing its narcotic status and allowing it to be easily prescribed alongside other pharmaceuticals.

Rua Chief Executive Officer Paul Naske says, "With these significant regulatory changes and Rua's strong partnership with Nimbus Health, we anticipate an increase in revenue in the German market in the coming year."

## **Australia**

In FY24, Rua solidified its presence in the Australian market, generating its first revenues and establishing strong sales and distribution channels for a wide range of products.

"Australia is one of the world's largest medicinal cannabis markets and is estimated to be worth around \$450 million, with over 300 prescribers. We now have products available through four distributors nationwide, significantly extending our reach in this rapidly expanding market.

"With a Chief of Sales and Marketing based in Australia, our in-market presence has accelerated, enabling us to build strong relationships with both distributors and prescribers," says Mr Naske.

Rua has recently launched a new product into Australia containing legacy New Zealand genetics. This is the first market where the business has established both distribution and genetics, aligning with its strategic priorities.

## **United Kingdom**

The United Kingdom is an exciting new market for Rua to establish itself and is widely considered to be an emerging growth market for medicinal cannabis.

In December 2023, Rua signed a two-year agreement with Target Healthcare, a pharmaceutical distribution company specialising in unlicensed medicines.

“With a distribution agreement now secured, we have been focused on establishing Rua’s brand and presence in the U.K. and expect to launch a portfolio of products into the market in the latter part of 2024,” says Mr Naske.

## **Social Impact**

Rua’s Compassionate Access Programme shares the benefits of medicinal cannabis with those in the Te Tairāwhiti community who can most benefit. During FY24 the Programme has grown from 30 patients per month to 52 patients per month as a result of support from Trust Tairawhiti, suppliers and donations. The programme ensures that patients who meet specific criteria, have access to fully subsidised medicinal cannabis products.

In addition to the Compassionate Access Programme, Rua has a Scholarship Programme designed to celebrate the aspirations of local rangatahi and help drive meaningful long term social and economic impact in the communities of Tairāwhiti. With the support of Rua Bioscience and Trust Tairāwhiti, 13 students were awarded undergraduate scholarships in FY24.

“At Rua, we are deeply committed to giving back to our community by developing impactful programs like these. As Rua continues to prosper, so does our ability to make a difference. We are proud of the growth of our Compassionate Access Programme this year, which has enabled more people across Tairawhiti to benefit from medicinal cannabis.

“Our focus on supporting rangatahi—the next generation—reflects our core values, deeply rooted in enhancing the long-term prosperity of our region. We are excited to continue expanding these initiatives and to watch our young people thrive,” concluded Mr. Naske.

## **Outlook statement**

The focus of the business of FY25 will be on accelerating the revenue streams in the four key markets we have established in Germany, Australia, United Kingdom and Aotearoa New Zealand.

We expect revenue from customers in FY25 will be significantly higher than FY24 as the sales in July 2024 have already exceeded the full year revenue of FY24.

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For more information, please visit [www.ruabio.com](http://www.ruabio.com) or contact:

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