



Rua annual shareholders meeting

11 October 2023

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 FY 2023, in what has been a pivotal year for the company.

Supporting Rua is a very capable Board of Directors who possess a wealth of domestic and international business, pharmaceutical and strategic expertise.

I joined Rua as Director in 2019 and was appointed Chair in May 2023. I am also retiring by rotation and seek reappointment today.

Rua co-founder Panapa Ehau was appointed to the Board in October 2017. Panapa also retires by rotation and seeks reappointment today.

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

Tony Barclay was appointed as a Director in May this year, and seeks election today. He has a wealth of healthcare and publicly listed company experience, and holds a number of Directorships, all in MedTech.

Bronson Marshall, who was raised in Gisborne and has whakapapa to Ruatorea, brings both personal and professional purpose to his Board Observer role. This is part of a programme for aspiring Directors. We have taken the opportunity to use it to help develop the skills of individuals with links to Te Tairāwhiti.

The Board's succession plan is designed to align with Rua's commercial pathway. 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 Maori 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 and decision making.

On behalf of the Board and the whole Rua team I'd like to thank and acknowledge Chair Trevor Burt and Directors Brett Gamble and Martin Smith, who retired in FY23. Trevor, Brett and Martin guided this company with vision and integrity. They were instrumental in Rua's listing on the NZX, and overseeing its development into a company with global ambitions.

On a personal note, it was a privilege for me to sit alongside them on the Board.

While we were right sizing the business over the last 12 months, we also made the decision to reduce the number of Board Directors and now just have four. Due to the reduced number of Directors (to help carry the workload) we had also decided to include everyone on the Board in both Audit and Risk & Remuneration sub-committees, which included Co-Founder and Executive Director Panapa Ehau.

The decision to include Executive Director Panapa Ehau on these sub-committees has now been reversed, as I realised that it may compromise the independent oversight these committees should have.

The year has also seen core changes to Rua's Management, as the company moves into the next stage of its expansion.

In July 2022 Chief Executive Officer Rob Mitchell announced his retirement, after building a world-class team.

I had previously led a pharmaceutical company, so had the right leadership experience to step in and be Managing Director for seven months. My remit was to right size the business, deliver a new capital light strategy that had genetics and export as the focus, and recruit a new Chief Executive Officer.

Following a thorough recruitment process, Paul Naske - who was recruited by Rua's co-founders in 2019 - was promoted to CEO in February 2023. Paul has hit the ground running and is doing an exceptional job of taking Rua into new global markets.

We have also appointed a new Virtual Chief Financial Officer, Liam Walker from BDO Auckland, to provide independent oversight and advice.

On behalf of the Board I would like to thank past CEO Rob Mitchell and CFO Hamish White.

FY23 was a year of pivotal change for Rua. Together with the Board and the rest of the Rua team, we have been identifying where true value lies in the medicinal cannabis industry.

We have honed our strategic direction, prepared for our next stage of growth and achieved long-held ambitions to sell products internationally. At the same time we have held fast to our roots, our connections to the whenua and the whanau of Te Tairāwhiti.

We have a fundamental belief in making our unique cultivars and medicinal cannabis products available across the world to change people's lives. To accelerate growth and deliver a positive return to shareholders, over FY23 we have refined and crystallised our export-led strategy.

Today, we are a nimble operator focused at both ends of the value chain, with a capital-light approach. We are continuing R&D and genetic discovery in Ruatōrea while developing distribution channels in export markets around the world.

A key challenge has been our share price.

The New Zealand economy has been sluggish as businesses have grappled with the challenges of a tight labour market, high labour costs, inflationary pressures and, of course, destructive weather.

Legally, we cannot give you any guidance. But what I can tell you is our trajectory compared to that of others in the industry reflects the wider market sentiment to medicinal cannabis companies, with ourselves and others down similar percentages. However, I am confident that, with our unique strategy that sets us apart and is enabling us to deliver scalable value, we will establish ourselves as a sustainable global company.

Notable successes in FY23 include launching Rua's first GMP-quality medicines in Germany, with distribution partner Nimbus Health. We are one of the first medicinal cannabis companies in New Zealand to introduce a branded product in this market.

Generating our first international sales was a critical commercial milestone and a highlight of the year for us all.

We see significant value in other European markets, and have signed a five-year supply agreement with Motagon, targeting Poland and Czechia.

We're also focusing on the growth market of Australia. In FY23 we exported our first cannabis genetics, and signed supply and distribution agreements. In August of this year we made our first products available for sale in Australia – another momentous step forward in progressing our export-led strategy.

In closing, I'd like to recognise what a challenging year it has been and how extremely hard the Rua team have worked to achieve some significant commercial milestones.

On behalf of the Board, thank you to our staff, shareholders and partners for all your support throughout FY23.

While the year was, overall, a very positive one for Rua, there have been many challenges for the communities of Tairāwhiti. The team at Rua wish to acknowledge the people of the East Coast, who have shown such resilience and fortitude in the face of multiple severe weather events.

I would like to end by saying that, three years post IPO, Rua has the strategy, the people and the product pathways firmly in place for this exciting new phase of the company's development. We look forward to another year of meeting positive milestones and driving revenue growth.