



Rua Bioscience Limited

Consolidated Financial Statements
Unaudited

For the year ended
30 June 2025

Rua Bioscience Limited
Consolidated Statement of Profit or Loss
and Other Comprehensive Income
For the year ended 30 June 2025
Unaudited

	Note	2025 \$	2024 \$
Revenue from contracts with customers	2	1,511,282	85,837
Other income		388,451	235,841
Total revenue and other income		1,899,733	321,678
Changes in inventories of finished goods		(976,501)	(204,143)
Research and development costs		(944,808)	(1,176,153)
Impairment of intangible assets		-	(8,533,342)
Impairment of property, plant and equipment		-	(153,623)
Impairment of assets held for sale		(36,260)	(527,010)
Other expenses		(3,239,970)	(3,554,710)
Total expenses before operating loss		(5,197,539)	(14,148,981)
Operating loss before net financing income		(3,297,806)	(13,827,303)
Interest income		2,247	125,423
Interest expense		(145,915)	-
Interest expense - leases		(14,187)	(16,874)
Net finance income		(157,855)	108,549
Loss before tax		(3,455,661)	(13,718,754)
Income tax expense		-	-
Loss after tax		(3,455,661)	(13,718,754)
Other comprehensive income:			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange gains arising on translation of foreign operations		8,929	(6,334)
Other comprehensive income for the year, net of tax		8,929	(6,334)
Total comprehensive loss for the year attributable to shareholders		(3,446,732)	(13,725,088)
Earnings per share attributable to the ordinary equity holders of the Company			
Loss from operations			
Basic (\$)		(0.02)	(0.09)
Diluted (\$)		(0.02)	(0.09)

Rua Bioscience Limited
Consolidated Statement of Changes in Equity
For the year ended 30 June 2025
Unaudited

	Note	Share capital \$	Foreign currency translation reserve \$	Warrant Reserve \$	Share option reserve \$	Accumulated losses \$	Total equity \$
Opening balance at 1 July 2023		43,702,717	38	-	212,062	(23,794,552)	20,120,265
Total comprehensive loss for the year							
- Loss for the year		-	-	-	-	(13,718,754)	(13,718,754)
- Other comprehensive income		-	(6,334)	-	-	-	(6,334)
Total comprehensive loss for the year		-	(6,334)	-	-	(13,718,754)	(13,725,088)
Transactions with owners							
- Issue of share capital		-	-	-	-	-	-
- Employee share options expense		-	-	-	371,481	-	371,481
- Share options vested and exercised		250,219	-	-	(250,219)	-	-
Total transactions with owners		250,219	-	-	121,262	-	371,481
Balance at 30 June 2024		43,952,936	(6,296)	-	333,324	(37,513,306)	6,766,658
Opening balance at 1 July 2024		43,952,936	(6,296)	-	333,324	(37,513,306)	6,766,658
Total comprehensive loss for the year							
- Loss for the year		-	-	-	-	(3,455,661)	(3,455,661)
- Other comprehensive income		-	8,929	-	-	-	8,929
Total comprehensive loss for the year		-	8,929	-	-	(3,455,661)	(3,446,732)
Transactions with owners							
- Issue of share capital		1,648,229	-	-	-	-	1,648,229
- Costs of issuing share capital		(147,703)	-	-	-	-	(147,703)
- Warrants issued		-	-	28,478	-	-	28,478
- Employee share options expense		-	-	-	41,782	-	41,782
- Share options vested and exercised		-	-	-	-	-	-
Total transactions with owners		1,500,526	-	28,478	41,782	-	1,570,786
Balance at 30 June 2025		45,453,462	2,633	28,478	375,106	(40,968,967)	4,890,712

Rua Bioscience Limited
Consolidated Statement of Financial Position
As at 30 June 2025
Unaudited

	Note	2025 \$	2024 \$
Current assets			
Cash and cash equivalents		241,421	895,131
Trade and other receivables		356,766	276,608
Prepayments		401,741	487,907
Investments		-	-
Inventory		405,106	277,534
Assets in disposal groups held for sale		890,662	879,781
Total current assets		2,295,696	2,816,961
Non-current assets			
Property, plant and equipment		2,144,010	2,517,699
Goodwill		2,194,947	2,194,947
Right-of-use lease assets		62,167	135,176
Other receivables		75,000	75,000
Total non-current assets		4,476,124	4,922,822
Total assets		6,771,820	7,739,783
Current liabilities			
Trade and other payables		854,657	554,237
Employee benefit liabilities		192,301	195,902
Revenue in advance		68,397	-
Lease liabilities		40,749	48,713
Deferred grant income		-	69,218
Borrowings	4	656,910	-
Liabilities in disposal groups held for sale		30,155	5,988
Total current liabilities		1,843,169	874,058
Non-current liabilities			
Lease liabilities		37,939	99,067
Total non-current liabilities		37,939	99,067
Total liabilities		1,881,108	973,125
Net assets		4,890,712	6,766,658
Equity			
Share capital	4	45,453,462	43,952,936
Accumulated losses		(40,968,967)	(37,513,306)
Foreign currency translation reserve		2,633	(6,296)
Warrant reserve		28,478	-
Share option reserve		375,106	333,324
Total equity		4,890,712	6,766,658

Rua Bioscience Limited
Consolidated Statement of Cash Flows
For the year ended 30 June 2025
Unaudited

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Receipts from customers		1,520,205	170,015
Grant income received		169,876	755,237
Payments to suppliers and employees		(4,409,122)	(4,661,731)
Net cash outflows from operating activities	3	(2,719,041)	(3,736,479)
Cash flows from Investing activities			
Interest income		2,246	157,475
Proceeds from sale of plant and equipment		106,940	51,151
Proceeds from maturing investments		-	3,500,000
Investment deposits made		-	(1,500,000)
Purchase of property, plant and equipment		(3,430)	(1,208)
Net cash inflows from investing activities		105,756	2,207,418
Cash flows from financing activities			
Principal elements of lease payments		(78,674)	(77,854)
Issue of ordinary shares		1,648,229	-
Warrants issued		28,478	-
Proceeds received from borrowings		524,567	-
Share issue costs paid		(147,703)	-
Interest paid		(27,757)	(16,925)
Net cash inflows/(outflows) from financing activities		1,947,140	(94,779)
Net decrease in cash and cash equivalents		(666,145)	(1,623,840)
Cash and cash equivalents at beginning of year		895,131	2,529,338
Exchange gains/(losses) on cash and cash equivalents		12,435	(10,367)
Cash and cash equivalents at end of year		241,421	895,131

1. Going concern

These preliminary unaudited results for the year ended 30 June 2025 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 issuing these preliminary unaudited results.

Given the Group's net operating loss of \$3,455,661 and net operating cash outflow of \$2,719,041 for the year ended 30 June 2025, 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.

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 operational cashflow requirements, with:

- a. \$1,500,526 (after costs of issuing) being received under a combination of a placement offer, a 3-for-4 Rights Issue and a shortfall offer in relation to the Rights Issue during the year ended 30 June 2025; and
- b. \$484,000 being raised after the reporting date under a further placement offer.

The Group remains committed to raising further equity to meet the business requirements to reach profitability and become self-sustaining.

- (ii) *Debt facility:* Management and the Board also engaged in dialogue with the Group's existing shareholders and secured additional funding (debt) to meet operational cashflow requirements. As at 30 June 2025, \$304,000 had been provided to the group under this debt facility. A further \$726,000 had been received or committed after the report date, giving a total of \$1,030,000 at the date of these preliminary unaudited results.

- (iii) *Facility sale:* The Group remains committed to finding a buyer for its Gisborne facility which includes the leasehold buildings held as available for sale in addition to manufacturing and extraction equipment. The Group continues to expect the sale and settlement of these assets and is actively engaged with a number of interested parties. Upon settlement, the consideration will firstly be applied to the Group's loan against the building, inclusive of accrued contractual interest and additional \$100,000 bullet payment, with the net proceeds amount then being available to the Group.

- (iv) *Sales and operational improvements:* The Group's operational forecasts include assumptions regarding a number of opportunities in key markets. As at the date of issuing these preliminary unaudited results, the Group has achieved the following:

- Further expanded the product portfolio into Germany, with the launch of New Zealand cultivated products in August 2025 reinforcing the Group's position in Europe's largest medicinal cannabis market;
- Introduced New Zealand grown genetics into key clinic chains and distributors in Australia;
- Recently released an additional dried flower product into the New Zealand market expanding the portfolio to three products;
- Successfully launched oil products into the UK in December 2024 via the Group's distribution partner, Target Health.

1. Going concern (*continued*)

The Group has also seen a significant increase in operating revenue in the year ended 30 June 2025 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, Czechia and New Zealand; and
- Establishment of Rua genetics in several countries including:
 - o In Canada under license with Apollo Green; and
 - o Trial crops in New Zealand 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 preliminary unaudited results.

In the immediate term, the Group is dependent on further shareholder support, positive outcomes from engagement with other potential funders and 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 preliminary unaudited results 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.

2. Revenue from contracts with customers

The Group recognises revenue from the sale of pharmaceutical goods at a point-in-time when control of the goods has transferred to the customer. This is typically upon physical delivery of the goods to the customer's premise. The transaction price is set by the Group and is as per the agreed contracts in place with customers.

Where goods are sold through distributors, judgement is required to assess which party the Group passes control of the goods such that they are considered the Group's "customer" for accounting purposes (i.e., the distributor, or, the end-purchaser).

Consideration is given to which party has the substantive: (i) responsibility to fulfil the promise to provide goods (including obligations with respect to any returns); (ii) inventory risk over the goods; and, (iii) Rights to set pricing.

Typically, distributors in Australia and Germany are considered to be the Group's agents. Distributors in New Zealand are considered to be the Group's customers.

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 consolidated statement of financial position represents contract liabilities arising from deposits received for goods not yet sold.

	2025 \$	2024 \$
<i>Performance obligations satisfied at a point-in-time</i>		
Sale of goods - New Zealand	439,720	2,249
Sale of goods - Australia	584,648	83,588
Sale of goods - Germany	486,914	-
Total Revenue from Contracts with Customers	1,511,282	85,837

3. Notes supporting statement of cash flows

Reconciliation of net operating cash flows to profit/loss

	2025 \$	2024 \$
Net loss for the year	(3,455,661)	(13,718,754)
Adjustments for non-cash and non-operating activity items:		
- Add back: Depreciation - Property, Plant & Equipment	338,845	331,526
- Add back: Depreciation - RoU lease asset	64,110	63,171
- Add back: Amortisation - Intangible asset	-	5,106
- Add back: Impairment expense	36,262	9,213,975
- Add back: Inventory written off	58,234	-
- Deduct: Gain on sale of Property, Plant & Equipment	(68,665)	(771)
- Deduct: Gain on lease modifications	(4,493)	-
- Add back: Share-based payment expense	41,782	371,481
- Add back: Interest expense	160,100	16,925
- Deduct: Interest income	(2,245)	(125,420)
	623,930	9,875,993
Movements in working capital:		
- (Increase)/decrease in other receivables	(52,723)	589,469
- (Increase)/decrease in prepayments	85,518	(320,655)
- (Increase)/decrease in inventories	(105,501)	(260,810)
- Increase/(decrease) in trade and other payables	189,846	26,598
- Increase/(decrease) in contract liabilities	68,397	-
- Increase/(decrease) in employee benefit liabilities	(3,629)	15,565
- Increase/(decrease) in deferred grant income	(69,218)	56,115
	112,690	106,282
Net cash outflows from operating activities	(2,719,041)	(3,736,479)

4. Events after the reporting date

Subsequent to reporting date, the Group successfully raised an additional \$1,210,000 through a combination of additional share capital (\$484,000) and funding from existing lending instruments (\$726,000). Funding was provided by existing shareholders.

There were no other events subsequent to reporting date that would materially affect these preliminary unaudited results.

5. Net Tangible Assets

Net tangible assets per share is a non-GAAP measure that is required to be disclosed by the NZX Listing Rules. The calculation of the Group's net tangible assets per share and its reconciliation to the consolidated balance sheet is presented below:

	2025	2024
	\$	\$
Total assets	6,771,820	7,739,783
(less): Intangible assets	(2,194,947)	(2,194,947)
(less): total liabilities	(1,881,108)	(973,125)
Net tangible assets	2,695,765	4,571,711
Number of shares issued at balance date	223,648,012	159,750,579
Net tangible assets per share	0.01	0.03