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Rua Bioscience Limited

Consolidated Financial Statements
Unaudited

For the year ended
30 June 2026

Rua Bioscience Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2026
Unaudited

	Note	2026 $	2025 $
Revenue from contracts with customers	2	2,581,533	1,511,282
Other income		342,769	388,451
Total revenue and other income		**2,924,302**	**1,899,733**
Changes in inventories of finished goods		(1,760,486)	(976,501)
Research and development costs		(848,321)	(944,808)
Impairment of assets held for sale		(23,896)	(36,260)
Other expenses		(3,340,188)	(3,239,970)
Total expenses before operating loss		**(5,972,891)**	**(5,197,539)**
Operating loss before net financing income		**(3,048,589)**	**(3,297,806)**
Interest income		5,874	2,247
Interest expense		(312,709)	(145,916)
Interest expense - leases		(4,236)	(14,187)
Net finance costs		**(311,071)**	**(157,856)**
Loss before tax		**(3,359,660)**	**(3,455,662)**
Income tax expense		-	-
Loss after tax		**(3,359,660)**	**(3,455,662)**
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
Exchange (losses)/gains arising on translation of foreign operations		(66,599)	8,929
Other comprehensive (loss)/income for the year, net of tax		**(66,599)**	**8,929**
Total comprehensive loss for the year attributable to shareholders		**(3,426,259)**	**(3,446,733)**
Earnings per share attributable to the ordinary equity holders of the Company			
Loss from operations			
Basic ($)		(0.01)	(0.02)
Diluted ($)		(0.01)	(0.02)

Rua Bioscience Limited
Consolidated Statement of Changes in Equity
For the year ended 30 June 2026
Unaudited

	Note	Share capital	Foreign currency translation reserve	Warrant Reserve	Share option reserve	Accumulated losses	Total equity
		$	$	$	$	$	$
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		-	-	-	-	(3,455,662)	(3,455,662)
- Other comprehensive income		-	8,929	-	-	-	8,929
Total comprehensive loss for the year		**-**	**8,929**	**-**	**-**	**(3,455,662)**	**(3,446,733)**
Transactions with owners							
- Issue of share capital		1,648,229	-	-	-	-	1,648,229
- Costs of issuing share capital		(147,703)	-	-	-	-	(147,703)
- Warrants issued		-	-	28,479	-	-	28,479
- Employee share options expense		-	-	-	41,782	-	41,782
Total transactions with owners		**1,500,526**	**-**	**28,479**	**41,782**	**-**	**1,570,787**
Balance at 30 June 2025		**45,453,462**	**2,633**	**28,479**	**375,106**	**(40,968,968)**	**4,890,712**
Opening balance at 1 July 2025		**45,453,462**	**2,633**	**28,479**	**375,106**	**(40,968,968)**	**4,890,712**
Total comprehensive loss for the year							
- Loss for the year		-	-	-	-	(3,359,660)	(3,359,660)
- Other comprehensive loss		-	(66,599)	-	-	-	(66,599)
Total comprehensive loss for the year		**-**	**(66,599)**	**-**	**-**	**(3,359,660)**	**(3,426,259)**
Transactions with owners							
- Issue of share capital		3,016,246	-	-	-	-	3,016,246
- Costs of issuing share capital		(303,669)	-	-	-	-	(303,669)
- Warrants issued		-	-	69,081	-	-	69,081
- Employee share options expense		-	-	-	8,780	-	8,780
- Share options: exercised[1]; forfeited[2]		242,200[1]	-	-	(383,886)	141,686[2]	-
Total transactions with owners		**2,954,777**	**-**	**69,081**	**(375,106)**	**141,686**	**2,790,438**
Balance at 30 June 2026		**48,408,239**	**(63,966)**	**97,560**	**-**	**(44,186,942)**	**4,254,891**

Rua Bioscience Limited
Consolidated Statement of Financial Position
As at 30 June 2026
Unaudited

	Note	2026 $	2025 $
Current assets			
Cash and cash equivalents		533,698	241,421
Trade and other receivables		524,544	366,552
Prepayments		616,270	401,741
Inventory		588,391	405,106
Assets in disposal groups held for sale		866,766	890,662
Total current assets		**3,129,669**	**2,305,481**
Non-current assets			
Property, plant and equipment		1,742,407	2,144,010
Goodwill		2,194,947	2,194,947
Right-of-use lease assets		30,854	62,167
Other receivables		75,000	75,000
Total non-current assets		**4,043,208**	**4,476,124**
Total assets		**7,172,877**	**6,781,605**
Current liabilities			
Trade and other payables		993,025	864,442
Employee benefit liabilities		163,297	192,301
Lease liabilities		13,080	40,749
Borrowings		1,717,467	725,307
Liabilities in disposal groups held for sale		6,258	30,155
Total current liabilities		**2,893,127**	**1,852,954**
Non-current liabilities			
Lease liabilities		24,859	37,939
Total non-current liabilities		**24,859**	**37,939**
Total liabilities		**2,917,986**	**1,890,893**
Net assets		**4,254,891**	**4,890,712**
Equity			
Share capital		48,408,239	45,453,462
Accumulated losses		(44,186,942)	(40,968,968)
Foreign currency translation reserve		(63,966)	2,633
Warrant reserve		97,560	28,479
Share option reserve		-	375,106
Total equity		**4,254,891**	**4,890,712**

Rua Bioscience Limited
Consolidated Statement of Cash Flows
For the year ended 30 June 2026
Unaudited

	Note	2026 $	2025 $
Cash flows from operating activities			
Receipts from customers		2,463,192	1,353,961
Grant income received		217,600	169,876
Sundry income received		26,050	97,847
Payments to suppliers and employees		(5,668,142)	(4,409,123)
Net cash outflows from operating activities	**3**	**(2,961,300)**	**(2,787,439)**
Cash flows from Investing activities			
Interest income		5,874	2,247
Proceeds from sale of plant and equipment		1,213	106,940
Purchase of property, plant and equipment		(1,515)	(3,431)
Net cash inflows from investing activities		**5,572**	**105,756**
Cash flows from financing activities			
Issue of ordinary shares		2,819,678	1,648,229
Warrants issued		69,081	28,479
Proceeds received from borrowings		2,339,381	1,285,631
Repayment of borrowings		(1,569,815)	(692,667)
Share issue costs paid		(303,669)	(147,703)
Principal elements of lease payments		(44,569)	(78,674)
Interest paid		(68,060)	(27,757)
Net cash inflows from financing activities		**3,242,027**	**2,015,538**
Net increase/(decrease) in cash and cash equivalents		**286,299**	**(666,145)**
Cash and cash equivalents at beginning of year		**241,421**	**895,131**
Exchange gains on cash and cash equivalents		5,978	12,435
Cash and cash equivalents at end of year		**533,698**	**241,421**

1. Going concern

These preliminary unaudited results for the year ended 30 June 2026 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 after tax of $3,359,660 (2025: $3,455,662) and net operating cash outflow of $2,961,300 (2025: $2,787,439) for the year ended 30 June 2026, 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.

The Group's liquid net assets position has been improved by the receipt of $150,000 under the company's Convertible Note Facility announced on 10 August 2026. The Group remains committed to raising further equity to meet the business requirements to reach profitability and become self-sustaining only if the operating cash flow forecast growth is insufficient.

Accordingly, the Directors are focussed on plans to increase the cash flow of the business and have also evaluated the following factors in determining that the going concern assumption is appropriate:

(i) *Sales and operational improvements*: The Group's operational forecasts include assumptions regarding a number of opportunities in key markets. As at the date of signing these consolidated financial statements, the Group has achieved the following:

- Increased sales and market share in Australia year-on-year by partnering with key clinic chains.
- Increased sales and market share in New Zealand year-on-year as well as recently receiving five new product approvals for the market which will be introduced in the coming months.
- Confirmed a new sales and distribution agreement with one of the United Kingdom's largest clinic and distribution chains for the supply and sale of New Zealand sourced medicinal cannabis.
- Established key genetic material in Canada in FY26 with our partners Apollo Green thus creating an emerging opportunity in one of the world's largest adult use and medicinal cannabis markets.
- Achieved first sales revenue in the new emerging market of Czech Republic.

(ii) *Debt facility*: Management and the Board were successful with the Group's existing shareholders and secured additional debt funding to meet operational cashflow requirements. As at 30 June 2026, $1,060,000 had been provided to the group under this debt facility. Of this amount $756,000 had been received during the year ended 30 June 2026 and $304,000 had been received in the prior financial year. At the time of this report $48,000 had been repaid upon maturity and $592,000 had been rolled over for a further year.

(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 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.

1. Going concern (*continued*)

The Group has also seen a significant increase in operating revenue in the year ended 30 June 2026 giving further confidence in the Group's operating model. The Group also forecasts a number of material operating milestones over the coming 12 months including:

- Continued expansion of product offerings in Australia, Germany, United Kingdom, Czechia and New Zealand;
- Secured a significant sales and distribution agreement with a leading clinic chain in the United Kingdom; and
- Establishment of Rua genetics in several countries including:
    - In Canada under license with Apollo Green; and
    - Trial crops in New Zealand and Australia.

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.

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 distributer, 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.

Distributors are considered to be the Group's agents.

	2026 **$**	**2025** **$**
Performance obligations satisfied at a point-in-time:		
Sale of goods – New Zealand	1,295,805	439,720
Sale of goods – Australia	1,025,174	584,648
Sale of goods - Europe	260,554	486,914
Total Revenue from Contracts with Customers	**2,581,533**	**1,511,282**

3. Notes supporting statement of cash flows

Reconciliation of net operating cash flows to profit/loss

	2026 $	2025 $
Net loss for the year	**(3,359,660)**	**(3,455,662)**
Adjustments for non-cash and non-operating activity items:		
- *Add back*: Depreciation – Property, Plant & Equipment	396,637	338,845
- *Add back*: Depreciation – RoU lease asset	12,033	64,110
- *Add back*: Impairment expense	23,896	36,260
- *Add back*: Inventory written off	180,622	58,234
- *Add back*: Loss on sale of Property, Plant & Equipment	5,551	-
- *Deduct*: Gain on sale of Property, Plant & Equipment	(283)	(68,665)
- *Deduct*: Gain from lease modifications	-	(4,493)
- *Deduct*: Gain from loan modifications	(26,290)	-
- *(Deduct)/Add back*: Unrealised foreign exchange gains/(losses)	(98,130)	14,423[a]
- *Add back:* Share-based payment expense	205,347	41,782
- *Add back*: Interest expense	316,945	160,100
- *Deduct*: Interest income	(5,874)	(2,247)
	1,010,454	**638,349**
Movements in working capital:		
- (Increase)/decrease in other receivables	(183,719)	(52,723)
- (Increase)/decrease in prepayments	(200,066)	85,518
- (Increase)/decrease in inventories	(421,154)	(105,501)
- Increase/(decrease) in trade and other payables	221,848	175,427[a]
- Increase/(decrease) in employee benefit liabilities	(29,003)	(3,629)
- Increase/(decrease) in deferred grant income	-	(69,218)
	(612,094)	**29,874**
Net cash outflows from operating activities	**(2,961,300)**	**(2,787,439)**

[a] Certain comparative amounts have been reclassified to conform with the presentation adopted in the current period. This has had no impact on previously reported profit, total comprehensive income, net assets, equity or cash flows.

4. Events after the reporting date

Subsequent to reporting date, the Group:

- has signing a major sales and distribution agreement with one of the UK's largest medicinal cannabis clinic and distribution businesses. This marks a significant expansion of Rua's international commercial footprint through the supply of New Zealand-grown medical cannabis flower into the United Kingdom market;

- has approved a convertible note facility offered to wholesale lenders for the purchase of inventory to accelerate sales growth. This facility provides for up to a maximum of $600,000 in additional capital for the purchase of inventory to support sales growth. To date $150,000 has been received under this facility.

- has rolled over and extended $592,000 of its existing debt facility with respective lenders. A further $48,000 has been repaid on contractual maturity. The Group is in ongoing discussions with the remaining lenders where the facilities have matured subsequent to reporting date; and

- has negotiated to extend other short-term lending arrangements.

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:

	2026	2025
	$	$
Total assets	7,172,877	6,781,605
(less): Intangible assets	(2,194,947)	(2,194,947)
(less): total liabilities	(2,917,987)	(1,890,893)
Net tangible assets	**2,059,943**	**2,695,765**
Number of shares issued at balance date	339,441,705	223,648,012
Net tangible assets per share	**0.01**	**0.01**