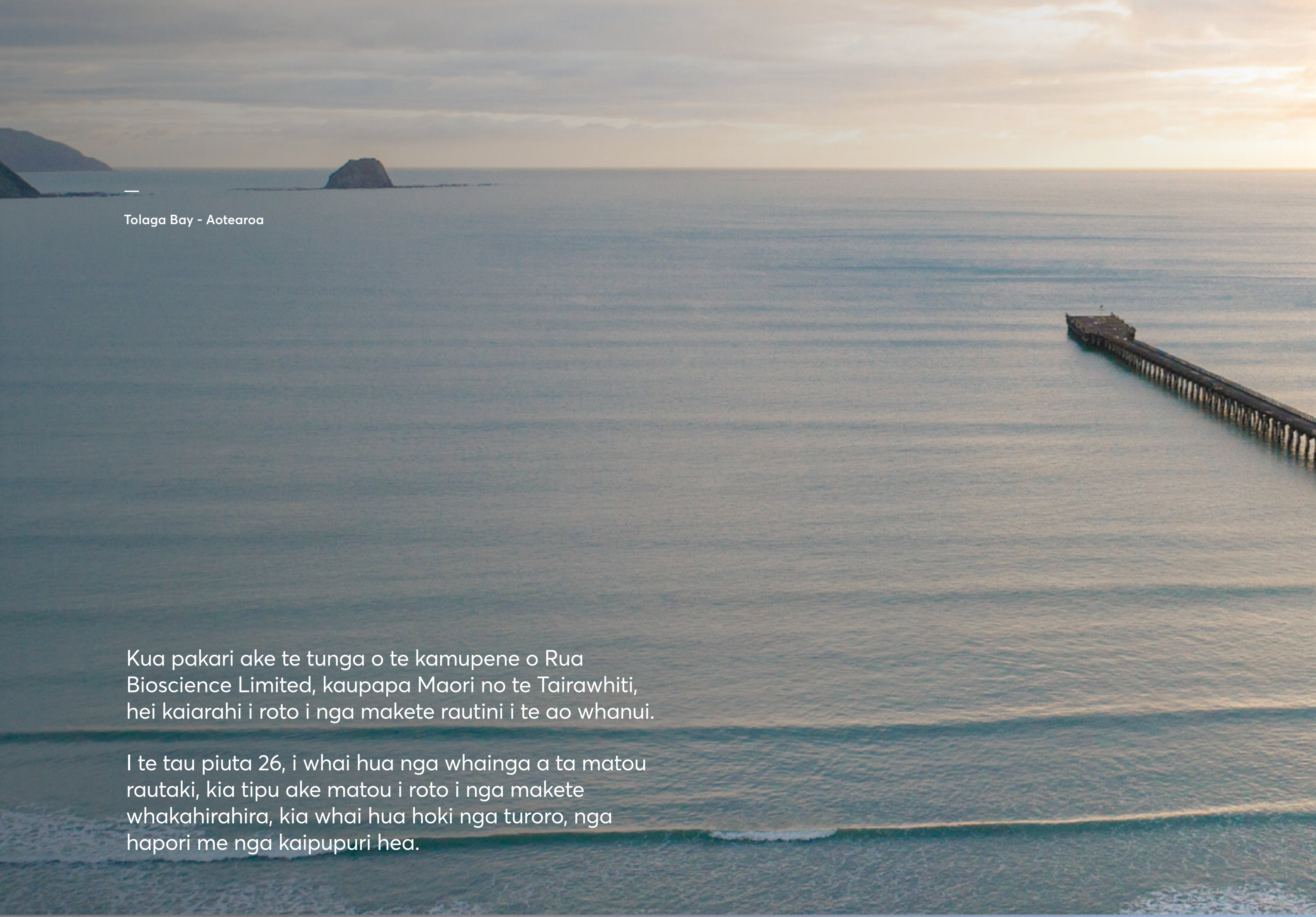
RUA

Te Ripoata a Tau

Rua Bioscience
Annual Report 2026



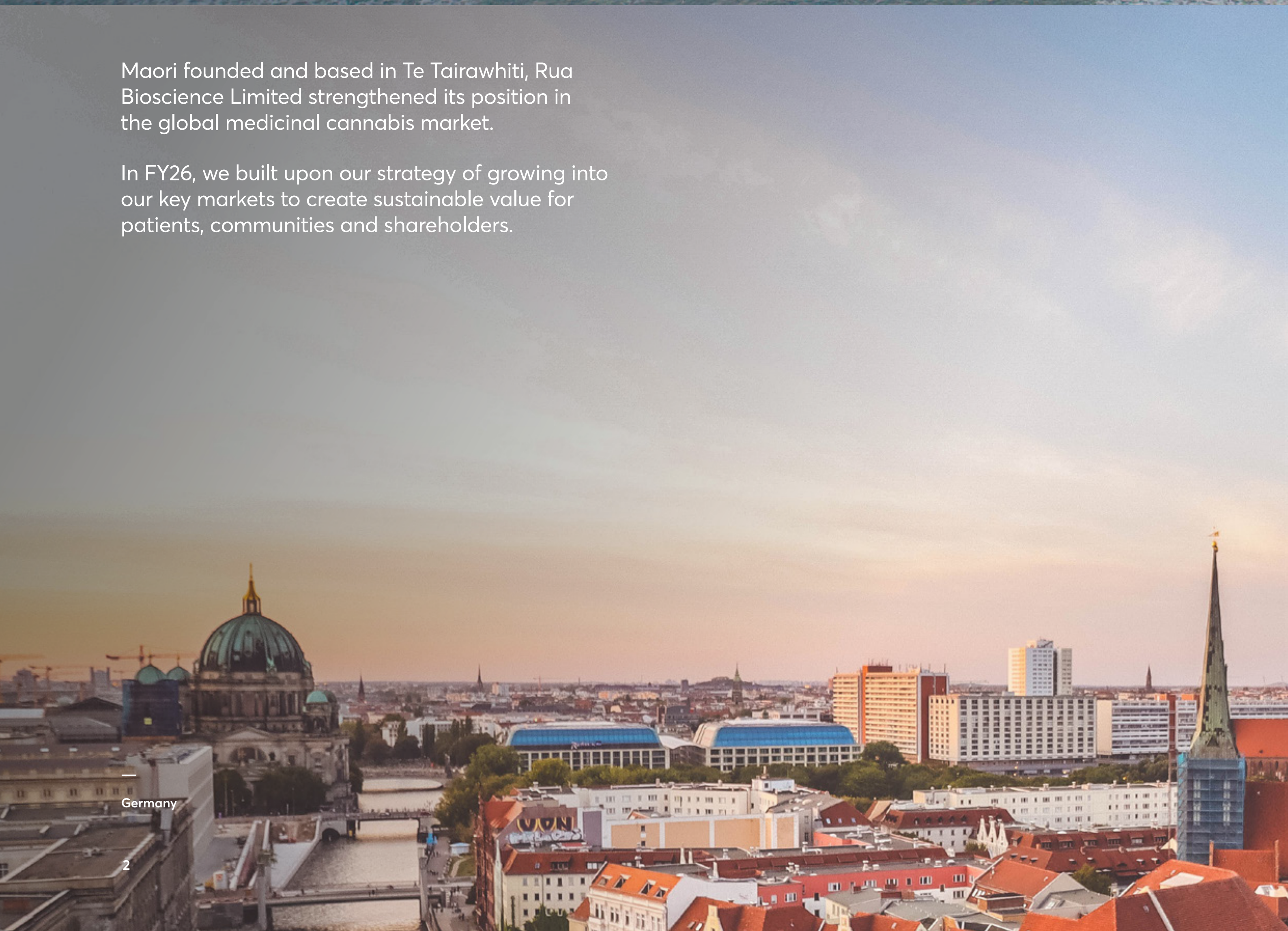
Tolaga Bay - Aotearoa

Kua pakari ake te tunga o te kamupene o Rua Bioscience Limited, kaupapa Maori no te Tairawhiti, hei kaiarahi i roto i nga makete rautini i te ao whanui.

I te tau piuta 26, i whai hua nga whainga a ta matou rautaki, kia tipu ake matou i roto i nga makete whakahirahira, kia whai hua hoki nga turoro, nga hapori me nga kaipupuri hea.

Maori founded and based in Te Tairawhiti, Rua Bioscience Limited strengthened its position in the global medicinal cannabis market.

In FY26, we built upon our strategy of growing into our key markets to create sustainable value for patients, communities and shareholders.



Germany

Local

Global

Nau mai haere mai e nga Iwi katoa, anei nga korero mo Rua Bioscience
Welcome to Rua Bioscience

We are proud to share Rua Bioscience's FY26 Annual Report.

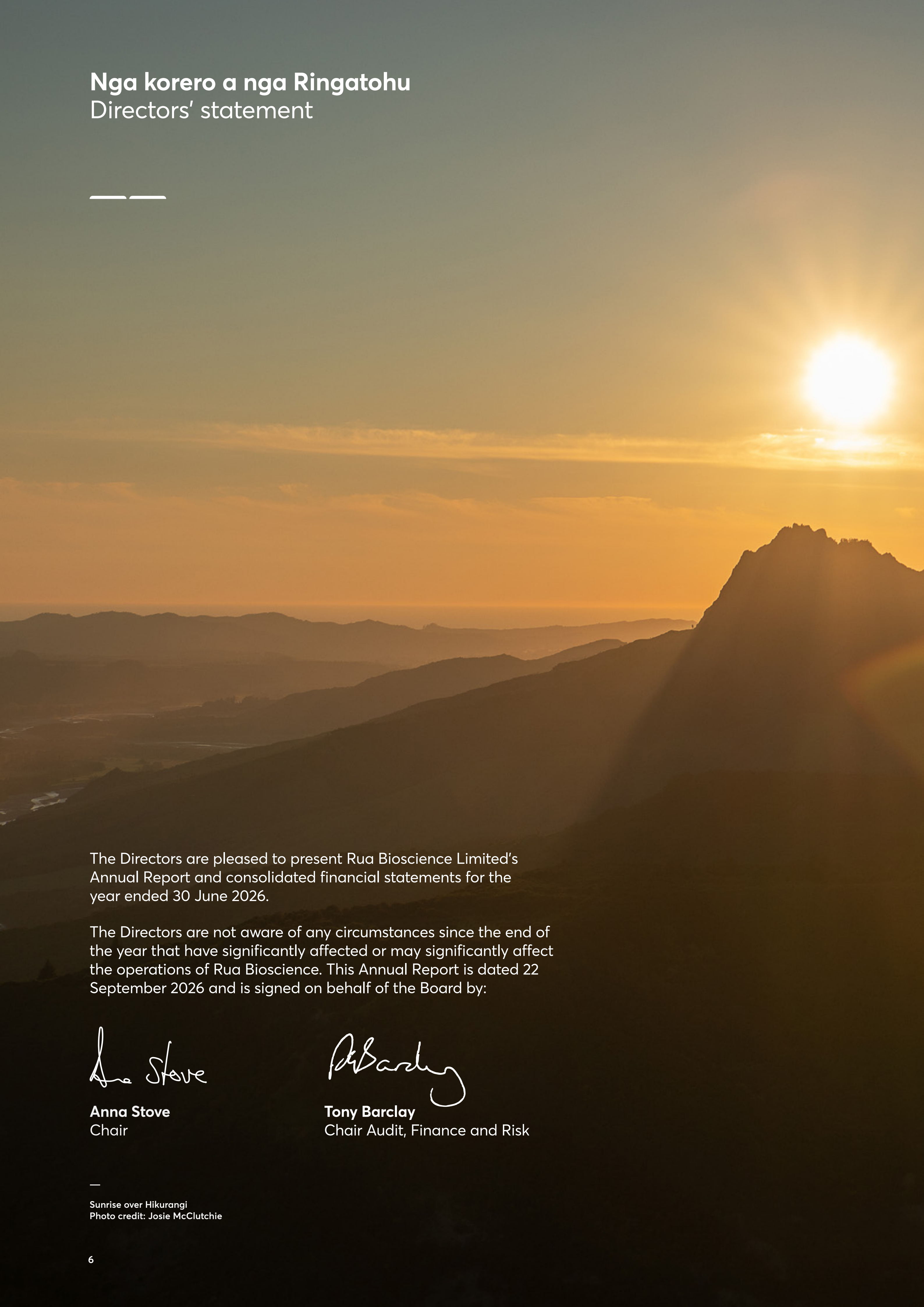
Within this report, we provide a progress update on the key milestones achieved over the past 12 months, outline our financial performance and highlight the developments within our key global markets.

We demonstrate how we are delivering on our strategy and creating tangible commercial results as we continue to work towards sustainable revenue under our highly scalable, export-led approach.

We will also provide insight into our local initiatives, including our impact and sustainability programmes, showing how we continue to prioritise our people and our rohe (region).

Rua is committed to reporting openly and honestly on our performance, providing information that is clear and easily understood. If you have any feedback on this Annual Report, please email info@ruabio.com

Sunrise over Mangaoporo
Photo credit: Eruera Walker



Nga korero a nga Ringatohu
Directors' statement

The Directors are pleased to present Rua Bioscience Limited's Annual Report and consolidated financial statements for the year ended 30 June 2026.

The Directors are not aware of any circumstances since the end of the year that have significantly affected or may significantly affect the operations of Rua Bioscience. This Annual Report is dated 22 September 2026 and is signed on behalf of the Board by:

Anna Stove
Chair

Tony Barclay
Chair Audit, Finance and Risk

—

Sunrise over Hikurangi
Photo credit: Josie McClutchie

Rarangi korero
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Mawhiti mai ki nga whakatutukitanga
Achievements at a glance

Increased revenue from customers by 71% to $2.58 million.

Strengthened commercial relationships with leading clinic chains in Australia.

Expanded Rua's product portfolio in Aotearoa New Zealand, supporting continued revenue and market-share growth.

Completed Rua's first export of live cannabis clones to Canada, establishing a platform for the future commercialisation of Rua's unique genetics in one of the world's largest cannabis markets.

Raised $2.3 million of new shareholder capital to strengthen commercial operations and support continued execution of Rua's strategy.

Subsequent activity

Secured Rua's largest export agreement to date, a United Kingdom sales and distribution agreement expected to generate more than NZ$10 million in revenue over its initial two-year term.

Mawhiti mai ki nga hua nui
Results at a glance

Net assets
$4.3m

Cash and investments
$534K

Revenue from customers
$2.6m ↑ **71% on FY25**

Total revenue and other income
$2.9m ↑ **53% on FY25**

Loss before tax
$3.4m ↓ **3% on FY25**

Te ripoata a te Heamana
Chair & CEO's Report

FY26 showed us that the foundations built in FY25 can translate into commercial traction.

We saw this in the growth of established markets, the opening of new territories, and the largest export agreement in Rua's history.

Just as importantly, we learned that international growth requires more than entering a market. It depends on strong local partnerships, reliable supply, regulatory capability and disciplined execution. These capabilities are becoming an increasingly important part of Rua's competitive advantage as we operate across multiple jurisdictions. The breadth of our market portfolio also reduces reliance on any single market and creates more pathways for future growth and resilience.

We want to thank our shareholders and investors for their continued support. Our December 2025 rights offer sought to raise $2 million and was oversubscribed, with applications of $2.3 million, 14% above target.

FY26 marked a clear shift for Rua: The foundations established in FY25 began to translate into commercial traction across our markets. Revenue and market share grew in key markets, we entered new territories and secured our largest export agreement to date. We now operate across six countries, creating a more diversified platform and reducing reliance on any single market. That breadth matters: It gives Rua more options for growth and greater resilience as individual markets move at different speeds.

Australia: We continued to grow market share and deepen our clinic partnerships in Australia this year, even as the regulator's industry-wide review weighed on prescribing volumes across the market. Gaining ground while others contracted is a strong signal of our products, our partnerships, and our team.

United Kingdom: This market is experiencing very strong growth, and subsequent to year-end, Rua signed a landmark export agreement: a sales and distribution agreement with one of the UK's largest medicinal cannabis clinic and distribution businesses. The agreement is a significant endorsement of our strategy to bring Rua's unique genetics to international markets, and is expected to generate revenues of approximately NZ$10mill over its initial term. It gives Rua immediate access to an established clinic network and pharmacy relationships, creating a strong platform to accelerate our growth across the UK.

Germany: The world's largest medicinal cannabis market saw constraints on imports in the first half of the year in addition to a review by the German government, which softened wholesale demand. We expect only modest changes to emerge from the review and see this as part of the continued maturation and development of the market rather than a change in underlying demand.

Aotearoa, New Zealand: Our domestic market remained smaller in scale but steady and stable. Our local patient base is central to Rua's identity, and we have seen a continued broadening of patient access and growth of market share. Maintaining a strong presence in our home market remains an important part of Rua's commercial and social purpose.

Czechia: Capitalising on regulatory reform, we launched our first product in September 2025 via distribution partner Motagon. Whilst this is a small, early-stage market, we expect to see revenue build through FY27. The overall market will continue to grow as prescribers and patients become familiar with the new medicinal cannabis access scheme, providing Rua with an early position in a market with significant potential for future growth.

Canada: In April 2026 Rua completed the first known legal export of live cannabis genetics from New Zealand, shipping four varieties as clones to Apollo Green in Ontario; a first for both Rua and for New Zealand, and our first foothold in Canada's regulated adult-use market estimated at $5-6 billion annually. This milestone demonstrated both the quality and commercial potential of our genetics and our ability to navigate complex cross-border regulatory requirements. It represents an important new opportunity for Rua as we continue to build a portfolio of international markets.

The year has also reinforced some important lessons for management and the Board.

Market entry alone does not create a successful business. Sustainable growth depends on strong local partnerships, reliable supply, regulatory execution and disciplined capital allocation.

Commitment to Impact

Rua's commercial progress does not change our commitment to impact. In FY26, our Compassionate Access Programme continued to support 52 patients each month, with dedicated places for palliative care. This remains an important part of our purpose.

The Scholarship Programme has continued to expand, with 67 rangatahi supported since the Programme's inception and over $90,000 awarded in collaboration with Trust Tairawhiti and external partners. Our Internship Programme is also building capability and creating employment pathways in this emerging industry. In FY26 a dedicated cultivation intern has transitioned into full time employment and now leads the mushroom cultivation programme for the Tū Wairua psilocybin collaboration.

For Rua, commercial success and impact are not competing priorities. They are complementary parts of the business we are building. These initiatives show how commercial progress can translate into greater access, capability and opportunity at home. As Rua grows, we intend the connection between business performance and local impact to strengthen.

Looking Ahead

FY27 begins from a stronger and more diversified platform, with established sales in Germany, Australia and Aotearoa New Zealand, a growing position in Czechia, a first foothold in Canada, and a landmark UK agreement.

Our focus is now on execution: converting these opportunities into recurring revenue, deepening established markets and scaling with discipline on capital and capability as we build long-term value.

Rua's waka is built for the journey ahead. With the team, partnerships, and strategy in place, we are well positioned to navigate the opportunities ahead with confidence and purpose.

To our shareholders, thank you for your continued belief in our vision. To our team, thank you for your dedication, adaptability, and mahi. We are proud of the progress Rua has made and confident in the foundations we have built for our next stage of growth.

—

Anna Stove
Chair

—

Paul Naske
Chief Executive

Te Poari Ringatohu
Board of Directors

Rua Bioscience's Board of Directors are deeply invested in the Rua kaupapa. They possess a wealth of domestic and international business, pharmaceutical and strategic expertise.

Anna Stove
Chair

Heamana

Anna has been a Director of Rua since 2019 and was elected Board Chair in April 2023. Anna is an experienced leader with more than 25 years' global executive and board experience across healthcare, biotechnology and regulated scientific sectors. She has a strong track record guiding organisations through growth, commercial transformation and complex regulatory environments, underpinned by deep commercial and scientific literacy. Her executive career spans senior leadership roles across Asia Pacific and Europe, culminating in her appointment as New Zealand General Manager for GlaxoSmithKline. Anna has held a number of significant governance roles including Chair of TAB NZ, Chair of Global Women NZ, Director of Medicines New Zealand, and Vice Chair of Shooting Star Children's Hospice in London. She is also a Director of Pacific Edge Ltd.

Panapa Ehau
Executive Director, Co-Founder

Kaiwhakau / Ringatohu
Ngati Uepohatu, Ngati Porou

Co-founder of Rua, Panapa established New Zealand's first tertiary training course for cannabis cultivation via the Eastern Institute of Technology. From Ruatorea, with a degree in management, Panapa is a co-founder of numerous social enterprises and holds governance roles across a wide range of for-profit and charitable organisations. Panapa lives in Tairawhiti and focuses on developing economic opportunities alongside his people. He has been a Director of Rua since its inception in October 2017.

Teresa Ciprian
Non-Executive Director

Ringatohu Whakatu Pu

Teresa brings extensive governance and senior management experience across listed companies, state-owned entities, family enterprises and privately held businesses, spanning consumer packaged goods, agriculture, horticulture, IT, regulatory bodies and agri-research. Teresa's prior boards include Zespri, Food Standards Australia and New Zealand, Firstlight Foods and AgResearch. On the boards she serves, Teresa is recognised for her role in elevating business strategy, marketing and the consumer as a driver of business transformation, refreshing innovation pipelines and embedding high standards of compliance and governance. She has chaired People & Remuneration Committees as well as Audit & Risk Committees, served as a member of Innovation Committees, contributed to CEO succession and worked collaboratively with colleagues to sharpen strategic clarity and prioritise major initiatives. Teresa joined the Board in August 2022.

Tony Barclay
Non-Executive Director

Ringatohu Whakatu Pu

Tony brings over 30 years' experience in business and 25 years healthcare experience. Tony was CFO at medical device company Fisher & Paykel Healthcare from the time of separation from Fisher & Paykel Appliances in 2001 until retiring from full-time employment in 2018. Prior to Fisher & Paykel Healthcare Tony worked for PriceWaterhouse and Arnott's Biscuits in finance roles. Tony is an Independent Director and Chairman of Baymatob PTY Limited and an Independent Director and Chair of the Audit and Risk Committee of Pacific Edge Ltd. Tony holds a BCom from the University of Otago and is a Chartered Accountant and a member of the New Zealand Institute of Directors and INFINZ. Tony's significant leadership experience in the healthcare sector is valued by the Board and he has proven himself to be a strong and capable contributor. Tony joined the Board in May 2023.

Kale Ponoho
Board Observer

Kaimatakitaki Poari
Ngāpuhi

Kale Ponoho joined Rua as a board observer during FY24. With his placement now complete during FY26, we look forward to welcoming a new observer as we continue supporting the development of future Maori governance leaders.

As part of our commitment to social impact, Rua reserves a board observer seat for participants of He Tukutuku Koiora, a tikanga-led governance programme that accelerates talented Maori professionals into future governance roles. The programme combines online and in-person learning, mentoring, and an 18-month placement in a governance role. Rua is pleased to support this programme.

Nga pou Matua
Senior Management

Our Senior Management Team is charged with delivering operational excellence, executing Rua's strategy, and leading Rua's expansion into global medicinal cannabis markets.

Paul Naske
Chief Executive Officer

Kaiwhakahaere Matua

Paul has held a range of leadership positions in business strategy and development, including roles as General Manager of Corson Grain and as a Business Unit Manager at Fletcher Building. Paul has been overseeing Rua's topline business operations since the beginning of 2019 and has been vital to the design and efficient execution of Rua's global strategy. His knowledge of the commercial environment ensures Rua's alignment with the business needs of our global clients. Paul was promoted to the role of Chief Executive Officer in February 2023.

Liam Walker
Virtual Chief
Financial Officer

Apiha Kaiwhakahaere Putea Mai Tawhiti

Liam is a BDO Partner based in Auckland. He joined BDO in 2007. Liam provides proactive financial advice to a wide range of clients in the healthcare, construction, freight and logistics industries. He delivers a blend of commercial, financial and strategic knowledge to identify a business' impediments, and solutions to help them grow. A strong believer in innovation, he aims to help clients spend more time on their business, rather than in it. Liam plays an active role as vCFO with a number of his clients, including Rua.

Emma McIldowie
Quality and
Corporate Affairs

Kaiwhakahaere Kounga Me Nga Take Rangatopu

Emma has been with Rua since October 2019 and was instrumental in establishing the GMP standards and agreements necessary for Rua to operate. Emma holds a Masters of Science (MSc) in Forensic Chemistry from the University of Strathclyde, Scotland as well as a Bachelor of Science (BSc) majoring in Medicinal Chemistry from the University of Auckland. Emma came to Rua from ESR where she was part of the Forensic Drug Chemistry Team.

Te tira o Rua
Our people

We're a unique collection of dual forces; science and nature, land and people, commerce and community, modern innovation and ancestral wisdom. These connections bring balance and integrity to our team and business.

Our vision, to create cannabis-based medicines that make a difference, inspires and guides the work of our team every day.








Pete Sollitt - Ngati Porou
Grower Technician

Te pakihi o Rua
Who we are

Rua is a pioneering medicinal cannabis business with a growing international presence. Maori-founded in Ruatorea, we provide medicinal cannabis products for local and export markets. We remain focused on creating intergenerational social impact in Te Tairawhiti.

Our purpose

To deliver cannabis-based medicines that change people's lives.

How we will achieve our purpose

Build a financially sustainable business that inspires the next generation, creates intergenerational social impact for our people, and supplies cannabis-based medicines around the world.

Nga uara
Our values

Since the beginning, Rua has been guided by our four key values that shape our identity and purpose. They are the foundation of how we operate, the measure of our integrity and the compass that guides us for our people, communities and the world.

Ponotanga

We respect diversity. We have integrity in all relationships.

Oranga

We work for healthy whanau and healthy whenua. We prioritise the wellbeing of our customers, staff, family and the wider industry.

Mauitanga

We do "business as unusual". We celebrate learning and curiosity, innovation and courage. We have hope for the future.

Whakawhanaungatanga

We collaborate for success.

—
Kevin Pewhairangi
Pharmacist

Te rautaki o Rua hei whakaaweawe i te ao

Rua's strategy for global impact

The strategy we set in FY24, and demonstrated through FY25, remains the foundation of Rua's approach. In FY26, our focus shifted to disciplined execution: applying the model consistently while adapting to the opportunities and challenges of each market. Our aim is to build a financially sustainable medicinal cannabis business with the longevity to create lasting value for shareholders, our community and our people.

Rua's focused, capital-efficient model continues to provide a strong foundation for sustainable growth. We concentrate our resources on the areas where Rua can create the greatest value - developing differentiated genetics, understanding and responding to customer and patient needs, and building effective routes to market. Cultivation and manufacturing are undertaken by trusted, best-in-class partners, giving Rua access to specialist capability without the need to replicate capital-intensive infrastructure. This approach keeps us agile and enables us to pursue new market opportunities as they emerge, while directing our investment to the areas that matter most.

In FY26, this approach supported continued growth across our established markets and expansion into Czechia and Canada. Subsequent to year-end, Rua signed its largest export agreement to date in the United Kingdom. We enter FY27 focused on disciplined execution, converting market access into sustainable revenue growth and continuing to expand in a capital-efficient way.

Sourced under New Zealand's unique regulatory framework, which permits the inclusion of legacy genetics in the medicinal cannabis sector, Rau Hiwa T23 pays homage to the safekeepers of distinctive cannabis genetics in our community and Aotearoa New Zealand.

Nga korero mo nga putea
FY26 Financial commentary

In FY26 Rua achieved significant growth, building on our international network and regulatory expertise.

Income
Rua's total revenue and other income was recorded as $2.90m (FY25 $1.90m). FY26 revenue was driven particularly by growth in Australia and New Zealand. The revenue from customers increased to $2.58m (FY25 $1.51m).

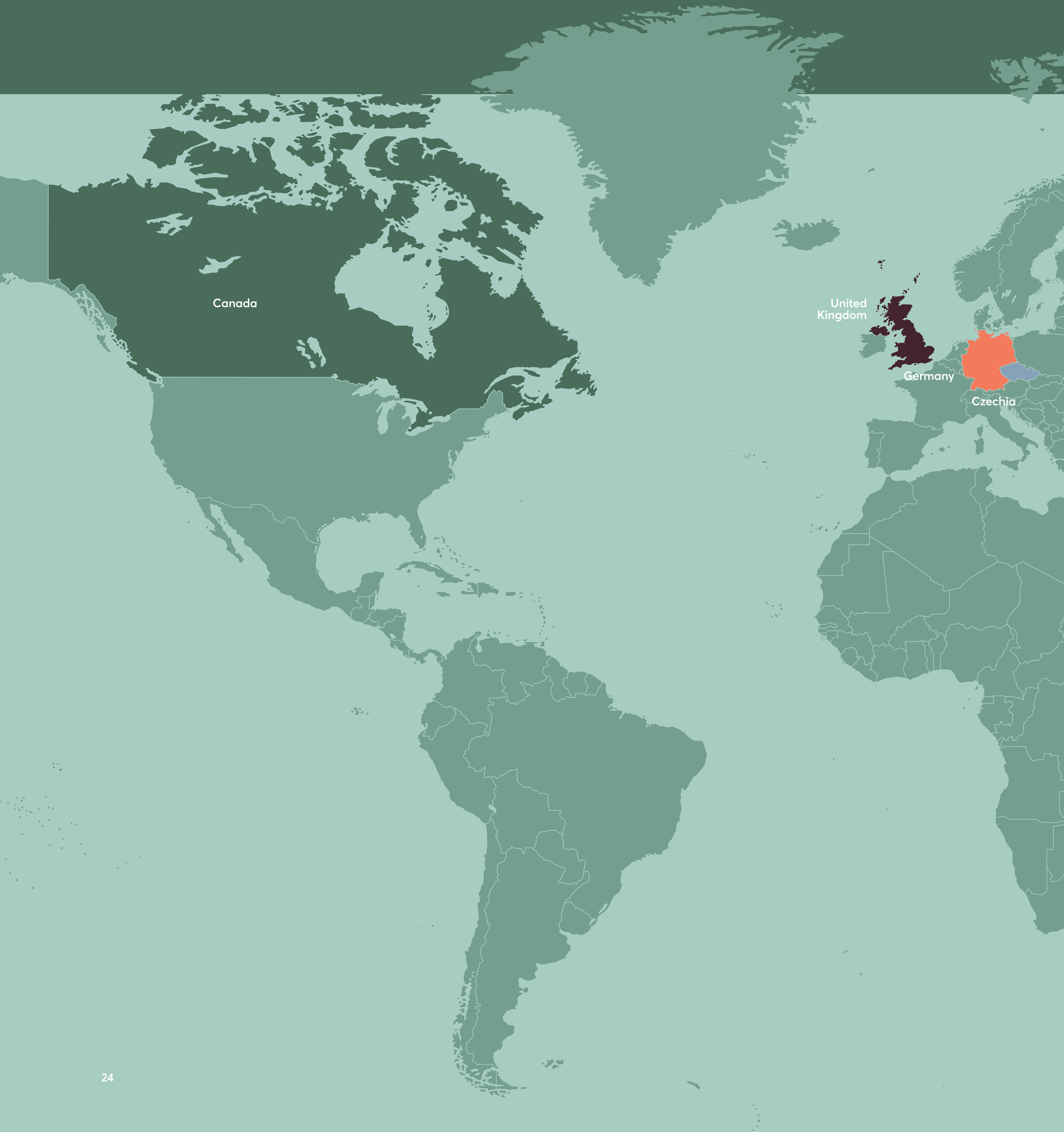
Loss for the year
Rua's loss before tax for the year to 30 June 2026 was $3.36m (FY25 $3.46m). Excluding financing costs and one-off inventory impairments, the loss narrowed from $3.30m to $3.07m.

Balance sheet
Rua's balance sheet at the end of FY26 reflects a year of deliberate investment in growth. The company's net asset position eased slightly year on year as capital raised during the period was deployed into inventory and working capital to support sales growth. During FY26, Rua raised $2.3 million of new shareholder capital through a combination of private placements and a rights offer. This shareholder support has helped fund the inventory and working capital required to support growth across multiple markets.

Rua continues to apply a disciplined, capital-efficient approach to growth. With sales momentum building across multiple markets, the company enters FY27 focused on converting that momentum into sustained revenue growth and a strengthening financial position.

Kokiri ki te ao
Global progress

From the beginning, Rua has believed that global growth is essential to creating local impact. FY26 was a year of expansion. During the year we increased our global footprint in the markets of United Kingdom, Czechia and Canada which are all markets with significant opportunity for Rua.



●	United Kingdom	Secured significant export agreement with one of the leading clinic chains subsequent to year end.
●	Germany	Expanded product portfolio and supply options, at a time of change within the industry.
●	Czechia	Secured early market entry through agreement with Motagon; first products launched in early FY26.
●	Australia	Almost doubled revenue through close relationships with key clinic chains.
●	Aotearoa New Zealand	Significantly grew market share and increased our product portfolio.
●	Canada	Exported the first live clones to Apollo Green to establish a genetic bank providing further options for distribution and revenue.

Nga makete
Rua's key markets

Australia

Australia is the world's second largest medicinal cannabis market, estimated at $1.4 billion, with telemedicine clinics continuing to dominate prescribing and a growing shift toward more developed product formats. It remains a highly competitive market and the regulator's ongoing review has created some caution among prescribers and pharmacists. There is no formal timeline for the review's conclusion. Rua delivered strong growth in Australia in FY26, with sales revenue and margin almost doubling due to the strength of consistent clinic relationships. Although the outcome of the regulatory review remains uncertain and the competitive landscape continues to drive industry consolidation, Rua's focus remains on portfolio management and improving margins.

Sydney Harbour

Brandenburg Gate in Berlin, Germany

Germany

Germany remains the world's largest medicinal cannabis market, with telemedicine clinics now dominant and the market estimated at $2 billion. A government review of medicinal cannabis regulations, combined with market oversupply of products, made for a challenging trading environment in FY26; even so, Rua expanded its product range with New Zealand grown genetics and progressed early discussions with large clinic chains. Rua expects only minor amendments to the regulations to be confirmed, with limited impact on patient demand, and anticipates growth in FY27 as these clinic relationships convert to sales. Recent supplier negotiations have also reduced delivered cost by close to 50%, which is expected to support improved margins.

— Prague

United Kingdom

The United Kingdom is currently the fastest growing medicinal cannabis market, with prescription volumes doubling over the past year and a population of 63 million pointing to considerable further growth from a market currently estimated at $400 million. FY26 was a year of relationship-building for Rua in the UK, culminating in a signed sales and distribution agreement with a leading clinic chain in July 2026, expected to deliver in the order of NZ$10 million in sales over two years. Rua expects significant growth as it builds out this new agreement and looks forward to working with New Zealand cultivators to bring Rua's unique genetics into the UK market.

Czechia

Czechia is a small, early-stage medicinal cannabis market currently estimated at $10 million, but regulatory change from April 2025 - allowing General Practitioners to prescribe medicinal cannabis - has opened considerable growth potential in a population roughly twice the size of New Zealand's. Rua entered the Czech market in FY26 through its distribution partner, Motagon, achieving first revenues in the country and establishing a foundation of clinic relationships for further growth. Rua expects further, modest revenue from Czechia in FY27 as the market continues to develop.

Aotearoa New Zealand

Aotearoa New Zealand is Rua's home market, where strong relationships with patients and shareholders continue to support our growth in a market currently estimated at $60 million. Rua increased both market share and revenue in New Zealand in FY26, introducing new products including a medical vaporising device. Rua received approval for five further products from the regulator in July 2026. With telehealth clinics becoming more prevalent, Rua expects sales revenue and margin in New Zealand to continue to grow as this expanded product range reaches more patients.

Nga hotaka whakaawe
Impact programmes

Global Growth, Local Impact

For Rua, creating intergenerational impact is more than a commitment, it is the heart of who we are. Through our Compassionate Access and Impact Programmes, we ensure equitable access and future opportunity. Guided by our ESG and sustainability commitments, Rua is growing responsibly - competing on a global scale while delivering meaningful outcomes for our people, our rohe and the environment.

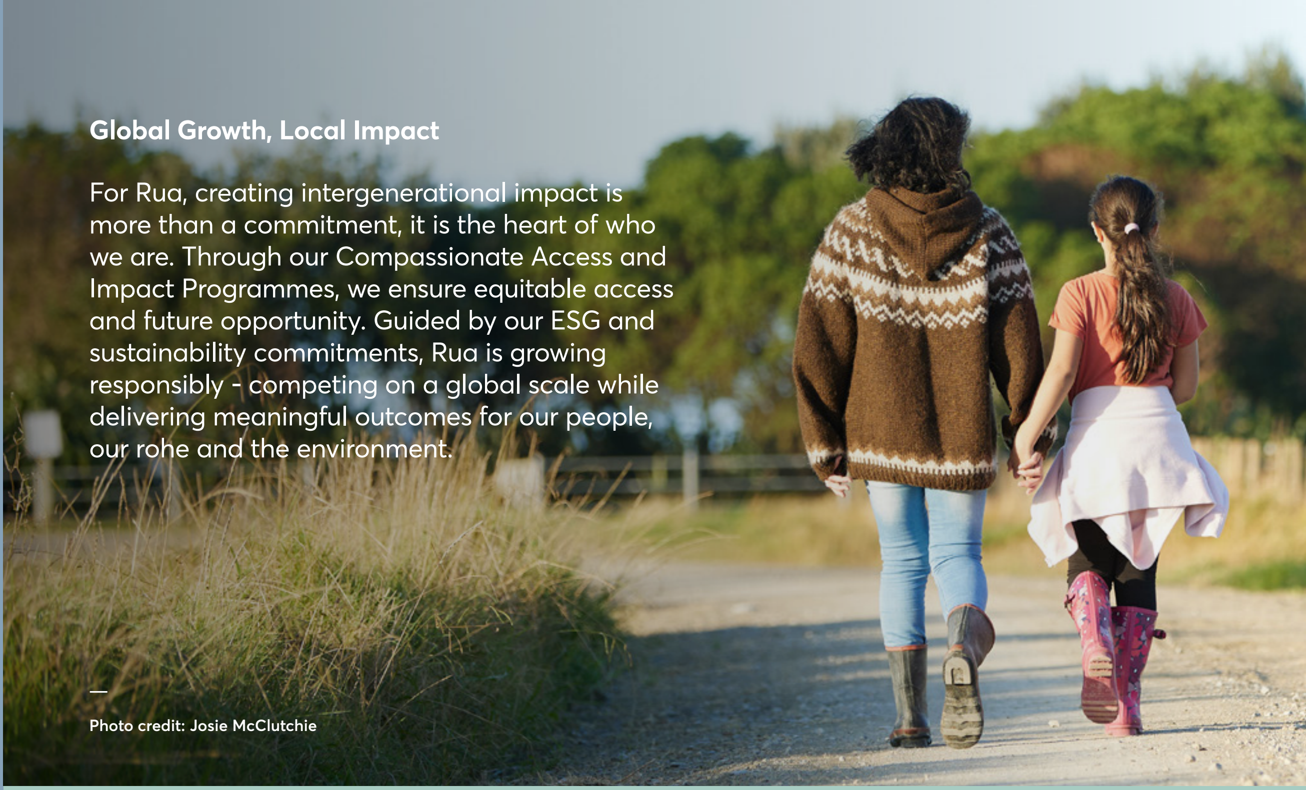


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Photo credit: Josie McClutchie

Impact areas	Target
Environmental	Identify ways to mitigate our emissions, with a particular focus on travel emissions.
	Set emissions reduction targets and work towards achieving them.
	Complete our fifth annual GHG emissions report.
	Continue to improve the quality of data captured for GHG emissions reporting while simplifying data collection.
	Investigation into renewable energy utilisation, in particular Solar at Ruatorea facility.
Social	Continue providing scholarships, further education and training opportunities to local rangatahi, aligned with Rua's kaupapa.
	Expand Rua's Compassionate Access Programme, which provides fully funded medicinal cannabis products to those in Te Tairawhiti who are most in need.
	Monitor worker health and wellbeing, and support staff in managing their health and wellness.
	Continue to contribute to cannabis law and regulations reform.
	Continue developing opportunities for NZ cannabis genetics.
Governance	Conduct an annual review of the Board to ensure alignment of capabilities with the skills matrix.
	Further strengthen the Board's approach to ethical governance and set objectives for diversity in the management team and Board.
	Continue commitment to Aspiring Maori Directors Development Programme.

E tipu e rea - Nga kaupapa whakaora a Rua
Growing our future

Rua's Impact Programmes invest in people and place; building capability, confidence and opportunity across our rohe. In a region where career and development opportunities can be limited, our science-focussed programmes help whanau and rangatahi see what is possible, connect with new opportunities and build skills that contribute to the future of Tairawhiti.

Our approach is built around four E's: ***Exposure, Education, Experience and Employment*** – creating opportunities to see, learn, do and ultimately contribute.

Exposure

This starts with giving rangatahi exposure to education and career possibilities, both close to home and further afield. Rua supports local kura to take tauira out of the rohe to connect with scientists and professionals in research organisations and tertiary institutions. Rua also hosts educational visits at our cultivation facility in Ruatorea, sparking curiosity and showing rangatahi what science and industry can look like in practice.

Education

The Rua Scholarship Programme is a grassroots investment in the education of young people from our rohe. By reducing financial barriers to tertiary study, it gives rangatahi the opportunity to step beyond the familiar, experience new places and see themselves in different careers, while building the skills and confidence to return home and contribute to their whanau and rohe.

Experience

Rua Internships give locals hands-on experience in science and biotechnology, building specialist skills and opening up opportunities in sectors that may otherwise be out of reach. Interns work alongside our team in cultivation, research support and regulatory compliance, gaining practical experience, as Rua works to strengthen the skills and capability of our people.

Employment

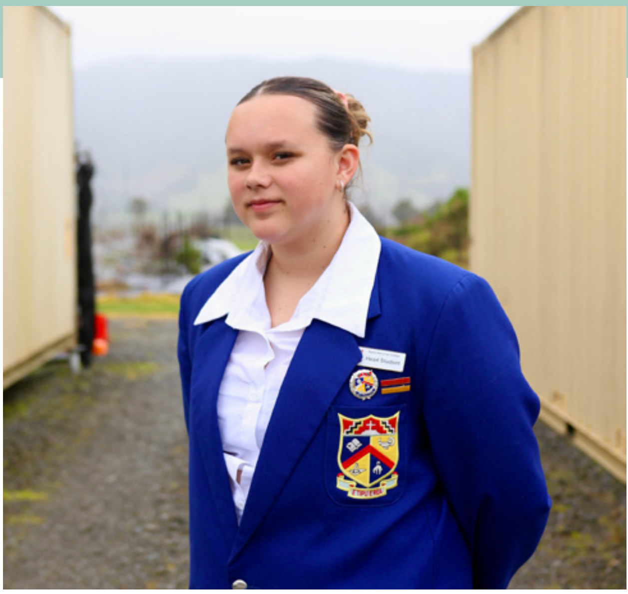
Our ultimate goal is to turn early investment in education and experience into greater employability. By building skills, confidence and real-world experience, we are helping people add value across industries in Tairawhiti and strengthening the talent, capability and future workforce of our rohe.

Our Impact Since 2020

Since the programme began in 2020, and with the support of Trust Tairawhiti and external partners from 2021, Rua has:

- **Awarded more than $90,000 in scholarship funding to 67 recipients**
- **Funded 8 school trips, giving rangatahi exposure to tertiary and research opportunities**
- **Supported 3 internships, with one progressing into full-time employment at Rua**

These opportunities are more than financial support. They are an investment in people – helping rangatahi and whanau build knowledge, confidence, skills and connections that strengthen the future of Tairawhiti.



Home Grown
– Peyton Van Der Lem

Ngata College's 2026 Head Student shows what can happen when opportunity meets aspiration.

Through Rua's Exposure programme, Peyton has taken part in careers excursions to learning institutions in Wellington and Hawke's Bay, opening her eyes to possibilities beyond the coast. She has also drawn on the knowledge of Rua's cultivators and the Ruatorea facility to support her Year 13 Biology and Physics NCEA assignments, turning local industry exposure into real academic experience.

Peyton's next step is already in view. In 2027, Rua hopes to support her into Veterinary Studies at EIT Hawke's Bay through the Education programme as a Rua Scholarship recipient – moving from exposure, to education, and towards a future she can bring home.

Home Grown
– Mahuta Morice

From intern to industry leader.

In 2024, Rua welcomed Mahuta into its Intern Programme, giving him his first experience in the biotech and cultivation sectors.

During his three-month internship, Mahuta demonstrated commitment and potential and was invited to join Rua's Capability and Advancement Programme. He took on greater responsibility and, at its completion, was offered full-time employment with Rua.

Mahuta now leads the mushroom cultivation programme for Tū Wairua – a groundbreaking kaupapa at the forefront of its field.

His story shows what can happen when local talent is given the opportunity, support and platform to grow: Exposure leads to Education, Education creates Experience, and Experience can lead to Employment and lasting contribution back to our rohe.

He Putanga Aroha
Compassionate access programme

In Aotearoa New Zealand, medicinal cannabis is not a subsidised medicine, which means it is out of reach for many.

In 2022 Rua launched its Compassionate Access Programme as a commitment to reduce barriers to healthcare and make a meaningful difference in the lives of people who could benefit from medicinal cannabis.

Since 2025, with the generous support of Trust Tairawhiti, an anonymous donor and our supply partners, Rua has filled the prescriptions for medicinal cannabis of 52 patients each month, who would otherwise be unable to afford it. We make places available specifically for people receiving palliative care, so that those who need support at this time in their lives, can access it.

Our Compassionate Access Programme reflects our commitment to healing and equality, striving to eliminate health disparities and create a more inclusive and compassionate healthcare environment.

Tū Wairua
Leading psychedelic medicine

Rua's involvement in the groundbreaking Tū Wairua initiative gives us the opportunity to advance our objectives and aspirations for our community.

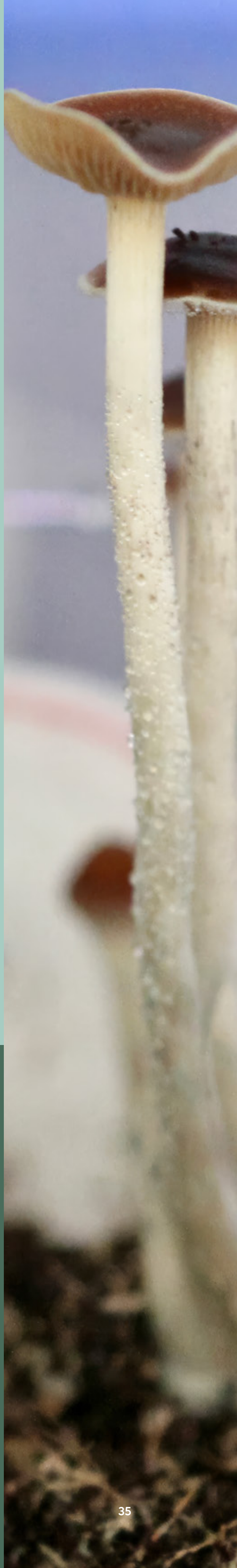
Tū Wairua is a research project that is developing a culturally-appropriate approach to the use of indigenous psilocybin-containing mushrooms in treating problematic methamphetamine use. Led by the Rangiwaho Marae community with support from an inter-disciplinary team of researchers and practitioners from around the country, Rua is responsible for the cultivation and regulatory aspects of the project.

With methamphetamine addiction at an all-time high in our local communities, this project holds particular importance for us. It has also created a local employment opportunity, with a former Rua intern now employed full-time to lead our mushroom cultivation programme through funding provided by the Tū Wairua project.

The therapeutic use of psilocybin is experiencing significant growth worldwide, and the Tū Wairua project is at the forefront of this field both in Aotearoa New Zealand and, to some degree, internationally. Tū Wairua is the world's first Indigenous-led clinical trial of psilocybin-containing mushrooms, and one of only three studies globally examining full-spectrum psilocybin mushrooms as a therapeutic product. It also marks the first time DNA sequencing has been carried out on Aotearoa's indigenous psilocybe species.

As interest in Psilocybin-Assisted Therapy continues to grow, so does the scope of Tū Wairua with another clinical trial funded to research whether it can help reduce symptoms of mild Traumatic Brain Injury for sportspeople.

The therapeutic use of psilocybin is experiencing significant growth worldwide, and the Tū Wairua project is at the forefront of this field.



Whai hua mo apopo
Towards sustainability

As a business with a deep sense of kaitiakitanga, we believe Rua has a responsibility to protect and nurture the environment, and share the benefits of a successful business with our community.

We have developed a bespoke Rua Sustainability Framework that aligns with the United Nations Global Compact Sustainable Development Goals. It underpins our dedication to being an ethical and sustainable business.

This Framework informs business strategy, shapes how we engage with stakeholders, supports sustainable decision-making processes and creates value.

Since FY22 we have undertaken carbon audits to set an underlying knowledge base from which to continue to improve.

In FY26, our fifth year of GHG measuring and reporting, we have further integrated our reporting systems and obtained more accurate data on GHG emissions from Purchased Goods and Services.

This year has seen a reduction across all emissions, primarily driven by a reduction in the use of the mobile fleet and improvements in energy efficiency at the Ruatorea cultivation site.

This reporting, alongside our internal actions, is important for us in our journey to become a sustainable business.

Te ripoata GHG o Rua mo FY26
Rua's FY26 GHG report

GHG emissions are a key contributor to climate change. The New Zealand Government has set a 2050 target of net zero emissions of all GHGs other than biogenic methane.

The first step in taking impactful climate action is to understand the amount and type of GHG emissions a business generates. Informed decisions can then be made to implement effective reductions.

For this purpose, we measured our emissions inventory for FY26, and have committed to managing and reducing our GHGs.

Scope ①

Direct GHG emissions from sources owned or controlled by Rua, or emissions released into the atmosphere as the direct result of the business's activities.

Scope ②

Indirect GHG emissions from the generation of purchased electricity, heat and steam.

Scope ③

Indirect GHG emissions that occur as a consequence of Rua's activities but from sources not owned or controlled by the business, such as air travel. This year, Scope 3 emissions include Purchased Goods and Services.

Scope ① and ② emissions reduced by 20%

Rua's core emissions have reduced 20% year on year which is a significant improvement as we continue to streamline operations in New Zealand. The key reason for this reduction has been the reduction in the use of mobile fleet and also the improvements in energy efficiency at the Ruatorea cultivation site.

Scope ③ emissions reduced by 63%

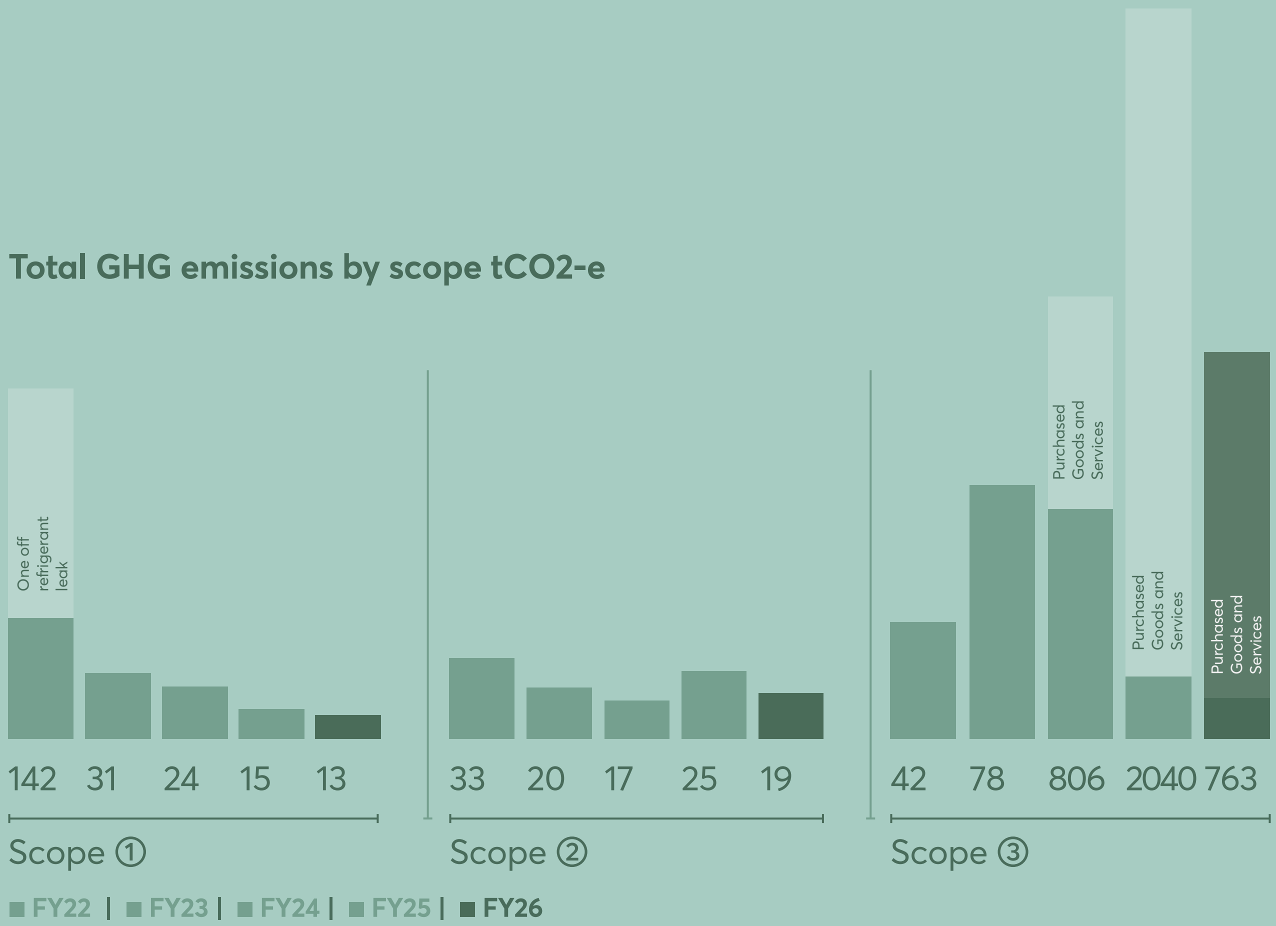
Scope 3 emission reductions are primarily the result of more accurate data being received as well as a change in the mix of higher value products that have been brought to market.

FY24 was the first year we measured Purchased Goods and Services and we have continued this for FY26. We have improved the level of accuracy in FY26 as we use more recent GHG emissions research data.

During FY27 we will continue to improve unit reporting of our emissions and also work with suppliers to obtain more accurate data.

Total GHG emissions tCO2-e

Total GHG emissions by scope tCO2-e



Carbon Productivity, $ Revenue per tCO2e

Nga ripoata putea
Financial statements

Rarangi purongo putea
Index to the consolidated financial statements

OTHER INFORMATION

Independent auditor's report

To the shareholders of Rua Bioscience Limited

Disclaimer of opinion

We were engaged to audit the consolidated financial statements of Rua Bioscience Limited (the Company), including its subsidiary (the Group) which comprise:

- the consolidated statement of financial position as at 30 June 2026;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

We do not express an opinion on the accompanying consolidated financial statements of the Group. Because of the significance of the matters described in the 'Basis for disclaimer of opinion' section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

Basis for disclaimer of opinion

As described in Note 2(f), the Group incurred a net loss of approximately $3.4m and recorded net cash operating outflows of approximately $2.96m for the year ended 30 June 2026. The Board and management prepared cash flow forecasts for the next 12 months. These indicate that, without an additional capital raise, the Group will not have sufficient cash to meet minimum expenditure commitments and support its current level of activity for at least 12 months from the date the financial statements are authorised.

In addition, the Group has recognised goodwill of $2.19m, property, plant and equipment of $1.74m, right of use assets of $0.03m and assets in disposal groups held for sale of $0.87m (together, the 'assets'). As described in note 13, the Directors assessed recoverable amounts of the intangible assets using a value in use model that involves significant judgement over future revenues and margins and all asset values assume access to sufficient funding to deliver the plan.

Given the inherent uncertainty in forecasting the Group's future cash flows and the absence of adequate committed funding to deliver the forecast, we are unable to obtain sufficient appropriate audit evidence to conclude on the appropriateness of the going concern basis. We were also unable to obtain sufficient appropriate audit evidence to support:

- the revenue and margin forecasts in the intangible assets value in use model due to the significance of the growth assumptions and the early-stage involvement with new customers, and

- the fair value assessment of the Gisborne facility due to the limited comparable properties in that market and the length of time the facility has been marketed for sale without a committed purchase eventuating.

As a result, we were unable to determine whether any adjustments might be necessary to the value of the Group's assets in the consolidated statement of financial position, the impairment charge and loss after tax in the consolidated statement of profit or loss and other comprehensive income, and the related movements in the consolidated statement of changes in equity.

Independence

We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board (PES 1) and the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with PES 1 and the IESBA Code.

Other than in our capacity as auditor we have no relationship with, or interests in, the Group. Certain partners and employees of our firm may deal with the Group on normal terms within the ordinary course of trading activities of the business.

Responsibilities of the Directors for the financial statements

The Directors are responsible, on behalf of the Company, for the preparation and fair presentation of the financial statements in accordance with NZ IFRS and IFRS Accounting Standards, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at:

https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-1-1/

This description forms part of our auditor's report.

Who we report to

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Matthew White.

For and on behalf of:

PricewaterhouseCoopers

PricewaterhouseCoopers Hamilton
22 September 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2026

	Note	2026 $	2025 $
Revenue from contracts with customers	5	2,581,533	1,511,282
Other income	6	316,477	388,451
Total revenue and other income		**2,898,010**	**1,899,733**
Inventory expense	7	(1,760,482)	(976,501)
Research and development costs	7	(877,575)	(944,808)
Impairment of assets held for sale	25	(23,896)	(36,260)
Other expenses	7	(3,310,938)	(3,239,970)
Total expenses before operating loss		**(5,972,891)**	**(5,197,539)**
Operating loss before net financing costs		**(3,074,881)**	**(3,297,806)**
Finance income		32,165	2,247
Finance expense		(316,944)	(160,103)
Net finance costs	4	**(284,779)**	**(157,856)**
Loss before tax		**(3,359,660)**	**(3,455,662)**
Income tax (expense)	8	-	-
Loss after tax		**(3,359,660)**	**(3,455,662)**
Other comprehensive income			
Items that will or 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 for loss attributable to the ordinary equity holders of the Company			
Loss attributable to ordinary equity holders of the Company			
Basic ($)	10	(0.01)	(0.02)
Diluted ($)	10	(0.01)	(0.02)

The above statements should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2026

	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	21	1,648,229	-	-	-	-	1,648,229
- Share based payment		(147,703)	-	-	-	-	(147,703)
- Warrants issued	18	-	-	28,479	-	-	28,479
- Share-based payment	24	-	-	-	41,782	-	41,782
- Share options vested and exercised	21, 24	-	-	-	-	-	-
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**
Total comprehensive loss for the year							
- Loss for the year		-	-	-	-	(3,359,660)	(3,359,660)
- Other comprehensive income		-	(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	21	3,016,245	-	-	-	-	3,016,246
- Costs of issuing share capital		(303,668)	-	-	-	-	(303,669)
- Warrants issued	18	-	-	69,081	-	-	69,081
- Employee share options expense	24	-	-	-	8,780	-	8,780
- Share options: exercised[1]; forfeited[2]	21, 24	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**

The above statements should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 30 June 2026

	Note	2026 $	2025 $
Current assets			
Cash and cash equivalents	4	533,698	241,421
Trade and other receivables	16	524,544	366,552
Prepayments	17	616,270	401,740
Inventory	11	588,391	405,106
Assets in disposal groups held for sale	25	866,765	890,662
Total current assets		**3,129,668**	**2,305,481**
Non-current assets			
Property, plant and equipment	12	1,742,407	2,144,010
Goodwill	13, 14	2,194,947	2,194,947
Right-of-use lease assets	15	30,854	62,167
Other receivables	16	75,000	75,000
Total non-current assets		**4,043,208**	**4,476,124**
Total assets		**7,172,876**	**6,781,605**
Current liabilities			
Borrowings	18	1,717,467	725,307
Trade and other payables	19	993,024	864,442
Employee benefit liabilities	20	163,297	192,301
Lease liabilities	4, 15	13,080	40,749
Liabilities in disposal groups held for sale	25	6,258	30,155
Total current liabilities		**2,893,127**	**1,852,954**
Non-current liabilities			
Lease liabilities	4, 15	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	21	48,408,239	45,453,462
Accumulated losses		(44,186,942)	(40,968,968)
Warrant equity reserve	18	97,560	28,479
Foreign currency translation reserve		(63,966)	2,633
Share option reserve		-	375,106
Total equity		**4,254,891**	**4,890,712**

The above statements should be read in conjunction with the accompanying notes.

The consolidated financial statements on pages 42 to 45 were approved and authorised for issue by the Board of Directors on 22 September 2026 and were signed on its behalf by:

_________________ (Director) _________________ (Director)

Consolidated Statement of Cash Flows

For the year ended 30 June 2026

	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		(5,668,844)	(4,409,123)
Net cash outflows from operating activities	9	**(2,962,002)**	**(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		(1,514)	(3,431)
Net cash inflows from investing activities		**5,573**	**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		(303,668)	(147,703)
Principal elements of lease payments		(43,869)	(78,674)
Interest paid		(68,060)	(27,757)
Net cash inflows from financing activities		**3,242,728**	**2,015,538**
Net 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	4	**533,698**	**241,421**

The above statements should be read in conjunction with the accompanying notes.

Notes Forming Part of the Consolidated Financial Statements

For the year ended 30 June 2026

1. Reporting entity

The consolidated financial statements comprise the results of Rua Bioscience Limited and its subsidiaries (together, "the Group").

Rua Bioscience Limited ("the Company") is a company incorporated and domiciled in New Zealand and registered under the Companies Act 1993. The address of the Company's registered office and principal place of business is 704 Te Araroa Road, Ruatoria.

The Company is principally engaged in the business of research and development, and pharmaceutical distribution and marketing.

2. Basis of preparation

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP), being in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and other New Zealand accounting standards and authoritative notices that are applicable to entities that apply NZ IFRS and International Financial Reporting Standards Accounting Standards (IFRS Accounting Standards). They comply with interpretations issued by the IFRS®Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS® Accounting Standards.

The Company is listed on the NZX Main Board and is a Financial Markets Conduct ('FMC') reporting entity under Part 7 of the Financial Markets Conduct Act 2013. The consolidated financial statements have also been prepared in accordance with the requirements of the Companies Act 1993, the Financial Markets Conduct Act 2013 and the Main Board/Debt Market Listing Rules of NZX Limited.

The Group is a Tier 1 for-profit entity for the purposes of complying with NZ GAAP.

These consolidated financial statements include non-GAAP financial measures that are not prepared in accordance with NZ IFRS. The Group presents Net Tangible Assets, in Note 26. The Group believes that this non-GAAP measure provides useful information to readers, as this is a required disclosure under the NZX Listing Rules, but it should not be viewed in isolation, nor considered as a substitute for measures reported in accordance with NZ IFRS. Non-GAAP measures as reported by the Group may not be comparable to similarly titled amounts reported by other companies.

The consolidated financial statements are presented in New Zealand dollars ($), which is also the Company's functional currency. All financial information presented has been rounded to the nearest dollar.

(b) Material accounting policy information

Material accounting policies have been disclosed alongside the related notes in the consolidated financial statements.

(c) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for the items detailed in note 2(g).

2. Basis of preparation (continued)

(d) New standards, interpretations and amendments

(i) New standards mandatorily effective during the period

There are no new disclosures, standards or interpretations material to the Group to be applied during the year.

(ii) Issued, but not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued that are effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective for the periods beginning 1 January 2026 and onwards:

NZ IFRS 18 Presentation and Disclosure of Financial Statements (effective 1 January 2027)

NZ IFRS 18 Presentation and Disclosure in Financial Statements supersedes NZ IAS 1 and will result in major consequential amendments to NZ IFRS Accounting Standards including NZ IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though NZ IFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

The Group is currently assessing the impacts of NZ IFRS 18 and at each subsequent reporting period, will provide an update on the progress towards transition to NZ IFRS 18. The Group expects to adopt its first NZ IFRS 18 compliant interim financial statements for the period ended 31 December 2027.

Besides the item above, there are no new and amended standards expected to have a material impact on the Group.

(e) Accounting estimates and judgements made

The preparation of the consolidated financial statements, in conformity with NZ IFRS, requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis, with revisions to accounting estimates recognised in the period in which the estimates are revised and in any future periods affected.

Details of significant judgements and estimates made by management in the current period include:

Judgements

- Determination of agent versus principal in respect of the Group's arrangements with distributors (note 5).
- Recognition (or not) of deferred tax assets related to carried forward tax losses (note 8).
- Recognition of research and development tax credits and research and development expenses (notes 6, note 7 and note 16).
- Determination of non-current assets held for sale (note 25).
- Preparation of the financial statements on a going concern basis (note 2(f)).

Estimates

- Assessment of impairment for non-financial assets (note 12, note 14 and note 25)

The Group assess the potential climate related risks associated with the location of its facilities and other key operations in the regions it operates in and considers that there are no material impacts on the current consolidated financial statements.

2. Basis of preparation (continued)

(f) Going Concern

These consolidated financial statements 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 consolidated financial statements.

Given the Group's net operating loss after tax of $3,359,660 (2025: $3,455,662) and net operating cash outflow of $2,962,002 (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 $300,000 under the Group'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.

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 Czechia.

(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.

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 significant 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:
  - 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.

2. Basis of preparation (continued)

(f) Going Concern (continued)

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 consolidated financial statements.

Furthermore, the Group's ability to meet its forecast cash requirements is dependent on a combination of achieving forecast revenue growth, successfully completing the planned capital raise, managing the repayment or renewal of existing debt facilities, and completing the facility. There is uncertainty as to whether the capital raise will be successfully completed and the amount of capital that will ultimately be raised, and there is also uncertainty regarding the timing and proceeds of any sale of the facility, and the extent to which existing debt facilities may need to be renewed or refinanced.

The Director's recognise that there are uncertainties regarding achieving revenue forecasts, raising sufficient capital, managing the repayment or renewal of existing debt facilities, and completing the facility sale on acceptable terms and within the required timeframe.

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 consolidated financial statements 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.

(g) Fair value measurement

The fair value of certain assets and liabilities included in the Group's consolidated financial statements is disclosed.

Determining the fair value of these assets and liabilities utilises market observable inputs and data as far as possible.

For more detailed information in relation to the fair value measurement of the items above, please refer to the applicable notes.

- Borrowings, disclosure of fair value (note 4)
- Financial assets and liabilities at amortised cost, disclosure of fair value (note 4)
- Measurement of compound financial instruments (note 18)
- Assets in disposal groups held for sale (note 25)
- Impairment of non-financial assets (notes 12 and 25)

(h) Impairment of non-financial assets and Goodwill

The cash-generating unit to which Goodwill is allocated to is tested for impairment at each reporting date and, at any other time in which there are indicators of impairment (refer to note 13). For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

The carrying amounts of the Group's property, plant and equipment (note 12), intangible assets (note 14) and right-of-use assets (note 15) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount (being the higher of value-in-use and fair value less costs of disposal). Impairment losses directly reduce the carrying amount of assets and are recognised in profit or loss.

3. Segment reporting

The Group operates in one segment, its primary business being research and development and the sale of pharmaceutical products in New Zealand, Australia, and Europe. As the Group remains in early growth phase, resource allocation decisions are made centrally to ensure capital is managed effectively and efficiently and to optimise the consolidated financial results of the Group.

The chief operating decision maker has been identified as the Chief Executive Officer (CEO), as they make all the key strategic resource allocation decisions related to the Group's segment.

The Group currently derives revenue from customers through the sale of goods in New Zealand, Australia, and Europe. The Group's revenues are analysed by geography on the basis of the jurisdiction in which the goods are sold and have been disaggregated in this way in note 5.

4. Financial instruments and financial risk management and capital management

This note describes:

- **(A)** The Group's accounting policies with respect to financial instruments recognised in the Group's consolidated financial statements, and detail of those balances.
- **(B)** The nature of the financial risk that the Group is exposed to, and the Group's objectives, policies and processes for managing those risks, the methods used to measure them, and sensitivity analysis to movements in rates (where applicable).
- **(C)** The nature of the Group's Capital Management policies.

(A) Financial instruments recognised

The Group recognises financial assets and financial liabilities when it becomes party to the contractual provisions of the financial instrument.

Financial assets

The Group classifies its financial assets depending on the purpose for which the asset was acquired (i.e. the business model) and the contractual terms of the cash flows.

Amortised cost

These comprise cash and cash equivalents, certain trade and other receivables and term deposit investments.

Cash and cash equivalents comprise of cash on hand and demand deposits, as well as highly liquid deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, with terms of 90 days or less.

These financial assets are:
- Initially measured at fair value, plus directly attributable transaction costs.
- Subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. Cash and cash equivalents and investments are held with "investment grade" financial institutions and are deemed to have no significant increase in credit risk in terms of impairment.
- Derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred.

Financial liabilities

The Group classifies its financial liabilities depending on whether (or not) it meets the definition of a financial liability at fair value.

4. Financial instruments - risk management (continued)

Other financial liabilities at amortised cost

These include trade and other payables, borrowings and lease liabilities recognised in the consolidated statement of financial position.

These financial liabilities are:
- Initially measured at fair value, plus directly attributable transaction costs.
- Subsequently measured at amortised cost using the effective interest rate method.
- Derecognised when the contractual obligation to settle the obligation is discharged, cancelled, or expires.

Categories and fair values of the Group's financial instruments

	Note	Financial assets at amortised cost	Financial liabilities at amortised cost	Total carrying amount	Fair value
FY26		**$**	**$**	**$**	**$**
Cash and cash equivalents	4	533,698	-	533,698	(a)
Trade and other receivables	16	399,460	-	399,460	(a)
Trade payables	19	-	(807,390)	(807,390)	(a)
Borrowings	18	-	(1,717,467)	(1,717,467)	(a)
Lease liabilities	15	-	(44,197)	(44,197)	(b)
Total		**933,158**	**(2,569,054)**		
		Financial assets at amortised cost	**Financial liabilities at amortised cost**	**Total carrying amount**	**Fair value**
FY25		**$**	**$**	**$**	**$**
Cash and cash equivalents	4	241,421	-	241,421	(a)
Trade and other receivables	16	289,065	-	289,065	(a)
Trade payables	19	-	(688,412)	(688,412)	(a)
Borrowings	18	-	(725,307)	(725,307)	(a)
Lease liabilities	15	-	(78,688)	(78,688)	(b)
Total		**530,486**	**(1,492,407)**		

(a) Due to their short-term nature, the carrying value of these financial instruments approximates their fair value.
(b) Not required to be disclosed per NZ IFRS 7.

__4. Financial instruments - risk management (continued)__

(B) Financial risk management

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Board receives monthly reports from the Chief Financial Officer through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The Group's finance team also review the risk management policies and processes and report their findings to the Audit, Finance & Risk Committee.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies as they relate to the specific financial risks that the Group is exposed to are set out below:

Through its operations, the Company is exposed to the following financial risks:

- **(a) Credit risk**
- **(b) Market risk**
  - i. Interest rate risk, and
  - ii. Foreign exchange risk
- **(c) Liquidity risk**

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a counterparty to a financial asset fails to meet their contractual obligations. The Group's exposure to credit risk is represented by the carrying amount of cash and cash equivalents, trade and other receivables and investments.

The Group only holds cash and cash equivalents and investments with financial institutions that are independently determined credit ratings of "A-" or higher.

If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The compliance with credit limits by wholesale customers is regularly monitored by line management.

The Group has an Audit, Finance & Risk Committee that monitors credit risk as part of its wider duties.

Cash and cash equivalents are presented in the table below:

	Credit rating	Cash and cash equivalents	Total
30 June 2026		**$**	**$**
Kiwibank [(a)]	A1, AA	419,450	419,450
ANZ [(b)]	A1, A+, AA-	113,690	113,690
PayPal [(c)]	A-	558	558
Total		**533,698**	**533,698**
30 June 2025		**$**	**$**
Kiwibank [(a)]	A1, AA	144,513	144,513
ANZ [(b)]	AA-, Aa2, AA-	96,908	96,908
Total		**241,421**	**241,421**

(a) Moody's, Fitch
(b) Standard & Poor's, Moody's, Fitch
(c) Fitch

Interest rates on interest bearing cash and cash equivalents range between 1.80% - 2.55% (2025: 2.55% - 4.80%).

4. Financial instruments - risk management (continued)

Cash and cash equivalents above comprise the following:

	2026	2025
	$	$
Cash on hand	533,698	241,421
Total cash and cash equivalents	**533,698**	**241,421**

(b) Market risk

Market risk arises from the Group's:
- Use of interest-bearing borrowings (interest rate risk)
- Credit sales and purchases in foreign currencies (foreign currency risk), and
- Prices of key commodity inputs (price risk).

i. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group is only exposed to fixed rate interest rates on its interest-bearing liabilities (lease liabilities and borrowings) and thus interest rate risk is not currently considered a significant risk.

Net Finance costs recognised in profit or loss comprise:

	Note	2026	2025
		$	$
Interest income – financial assets at amortised cost		5,874	2,247
Gain on loan modification	18	26,291	-
Total finance income		**32,165**	**2,247**
Interest expense – financial liabilities at amortised cost		312,708	145,916
Interest expense – lease liabilities		4,236	14,187
Total finance expense		**316,944**	**160,103**
Total net finance costs		**284,779**	**157,856**

ii. Foreign exchange risk

The Group is exposed to movements in foreign exchange rates through transactions and balances denominated in foreign currencies. The Group's exposures to foreign exchange risk are as follows:
- Sales transactions of $1,268,728 (2025: $1,071,562) denominated in foreign currencies, which are mainly denominated in Australian Dollar and Euro amounts (2025: Australian Dollar and Euro).
- Inventory purchase transactions of $1,801,062 (2025: $896,360) denominated in foreign currencies, which are mainly denominated in Australian Dollar and Euro amounts (2025: Australian Dollar and Euro).
- Net investments in foreign operations of $(492,725) (2025: $(589,645)).

The Group has an Audit, Finance & Risk Committee that monitors foreign exchange risk as part of its wider duties.

There are no open forward exchange contracts at the end of the reporting period (2025: nil).

The net foreign exchange gain/(loss) recognised for the year was $87,016 (2025: $(29,086)).

4. Financial instruments - risk management (continued)

ii. Foreign exchange risk (continued)

Sensitivity analysis

The following table presents the Group's sensitivity from a reasonably possible strengthening or weakening NZD against foreign currencies, with all other variables held constant.

	30 June 2026		30 June 2025	
	Equity $	**Profit $**	**Equity $**	**Profit $**
10% strengthening of the NZD	(14,502)	(19,335)	1,189	2,426
10% weakening of the NZD	14,502	19,355	(1,189)	(2,426)

(c) Liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due (refer to note 2(f)).

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this the Group maintains a monthly forecast on its future cash position to ensure it can meet financial obligations when they fall due.

The Board receives regular financial statements which include statements of financial position, performance, and cash flow, as well as budget/forecast variance reports, to ensure it holds or will hold cash equivalents to meet its obligations.

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

As at 30 June 2026	**Up to 3 months**	**Between 3 and 12 months**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Trade payables	807,390	-	-	-	-	807,390
Borrowings (note 18):						
- Short-term lending	415,297	-	-	-	-	415,297
- Inventory finance	1,082,060	-	-	-	-	1,082,060
- Distributor Finance	202,108	-	-	-	-	202,148
- Supplier finance	18,005	-	-	-	-	18,005
Lease liabilities	10,087	11,250	15,000	11,250	-	47,587
Total	**2,534,947**	**11,250**	**15,000**	**11,250**	**-**	**2,572,447**
As at 30 June 2025						
	$	**$**	**$**	**$**	**$**	**$**
Trade and other payables	715,566	-	-	-	-	715,566
Borrowings (note 18):						
- Short-term lending	376,122	-	-	-	-	376,122
- Inventory finance	-	280,788	-	-	-	280,788
- Distributor finance	68,397	-	-	-	-	68,397
- Supplier finance	-	-	-	-	-	-
Lease liabilities	38,993	30,260	21,337	26,250	-	116,840
Total	**1,199,078**	**311,048**	**21,337**	**26,250**	**-**	**1,557,713**

__4. Financial instruments - risk management (continued)__

(C) Capital management

The Group's objectives when managing capital are to safeguard the entity's ability to continue as a going concern (refer to note 2(f)), so that it can continue to fund activities for the purposes of deriving sustainable returns to its shareholders and other stakeholders.

The Group's capital structure consists of Equity of the Group (comprising issued capital and warrant equity). The Group is not subject to any externally imposed capital requirements. The Board continually reviews the capital structure of the Group. As part of this review, the Board considers the availability and cost of capital and the risks associated therein.

5. 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**

6. Other income

(i) Government grants

The Group recognises government grants as other income rather than reducing the costs that they are intended to compensate.

The Group primarily receives government grants from the following entities:

- Inland Revenue Department (IRD), in the form of R&D tax incentive credits;
- Local government grantors; and
- New Zealand Trade and Enterprise (NZTE).
- Ministry of Business Innovation and Employment (MBIE) (in conjunction with Tu Wairua, a locally led initiative.

R&D tax incentive credits are accounted for as government grant income as opposed to income tax credits as the benefit is independent of the taxable profit or tax liability where the Group is eligible for a cash refund; specific conditions exist for the Group, the R&D activities and the expenditure to be eligible for the tax credits; and the tax credits are not structured as an additional deduction in computing taxable profit.

The Group recognises R&D tax incentive grant income at its fair value where there is a reasonable assurance at the reporting date that the R&D tax incentive will be received and all attached conditions will be complied with. The Group expects to receive the tax credit when the return is filed subsequent to the end of the reporting period.

Typically, grant funding is approved and paid only upon proof of eligible expenditure.

Other grant income received for the year ended 30 June 2026 primarily relate to:

- Assistance in administering the Group's compassionate access scheme.
- Pilot research projects related to other biotherapeutic medicines in collaboration with other local parties.

There were no conditions unfulfilled at reporting date in respect of other grants received during the year.

Other income streams recognised by the Group include:

	Note	2026	2025
		$	$
Research and development grant income		124,034	140,798
Other government grants		79,093	76,647
Total government grant income		**203,127**	**217,445**
Gain on sale of property, plant and equipment		283	68,665
Net foreign exchange gains	4	87,016	-
Gain on lease modifications		-	4,493
Other income		26,051	97,848
Total other income		**316,477**	**388,451**

7. Expenses

	Note	2026 $	2025 $
Specific expenses included in operating loss before net financing costs for the year:			
Cultivation costs		452,928	398,931
Extraction and manufacturing		35,473	23,001
Inventory expense	11	1,760,482	976,501
Impairment expense	25	23,896	36,260
Accommodation and travel		29,882	38,991
Communications		66,625	114,668
Depreciation of property, plant and equipment	12	396,636	338,844
Depreciation of right-of-use lease assets	15	12,033	64,102
Distribution expenses		518,605	258,386
Direct research and development expenses*		18,389	10,552
General		145,595	110,371
Professional services		835,109	1,075,155
Insurance		183,498	193,006
Motor vehicle expenses		11,970	20,924
Charitable expenses		29,695	44,238
Licenses		40,812	28,258
Office expenses		4,300	18,337
Selling and marketing		218,070	224,416
Employee benefit expense		1,184,928	1,034,679
Foreign exchange loss		-	29,085
Capital raising costs		3,961	158,834
Total expenses		**5,972,891**	**5,197,539**

* excludes cultivation, extraction and depreciation and other general overheads costs associated with research and development activities.

Included in the above:

Employee benefit expense			
- Short term benefits (wages and salaries)		954,673	971,019
- Defined contribution plan		24,908	21,878
- Share-based payment expense	24	205,347	41,782
Total employee benefit expense		**1,184,928**	**1,034,679**

Research and development expenses		
- Direct costs	270,158	303,421
- Indirect costs	607,417	641,387
Total research and development expenses	**877,575**	**944,808**

7. Expenses (continued)

(i) Research and development

The Group's research and development operations are not actively in pursuit of commercial licenses and as such, the Group does not consider itself to be in the development phase. Accordingly, all research and development costs are expensed as incurred.

(ii) Fees paid to auditors

Fees incurred for services provided by PricewaterhouseCoopers and included within professional services expenses are as follows:

	2026 $	2025 $
Audit of the financial statements		
- Audit of the financial statements – 30 June 2026	120,750	-
- Audit of the financial statements – 30 June 2025	386	115,000
- Audit of the financial statements – 30 June 2024	-	20,024
Total fees paid to auditors	**121,136**	**135,024**

No fees were incurred for services provided by PricewaterhouseCoopers other than the audit of the financial statements during the year.

8. Income tax

Tax expense/(credit) comprises current and deferred tax.

In determining the amount of current and deferred tax the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

8. Income tax (continued)

(i) Income tax recognised in profit or loss

The income tax expense/(credit) recognised for the year includes current and deferred tax as presented below:

	2026 $	2025 $
Current tax on profits for the year	-	-
Total current tax	**-**	**-**
Origination and reversal of temporary differences	(74,788)	(57,175)
Prior year tax losses not recognised	74,788	57,175
Total deferred tax expense	**-**	**-**
Total income tax expense	**-**	**-**

(ii) Reconciliation of income tax expense

The reconciliation of income tax expense is presented below:

	2026 $	2025 $
Loss before income tax expense	**(3,359,660)**	**(3,455,662)**
Tax expense/(income) @28%	(940,705)	(967,585)
Add/(less) reconciling items		
- Expenses not deductible for tax purposes	37,301	80,378
- Non-assessable income	(34,730)	(39,639)
- Movement in temporary differences now recognised	74,788	-
- Building depreciation tax legislation changes	-	137,955
- Tax losses not recognised for deferred tax	863,346	788,891
Total income tax expense	**-**	**-**

(iii) Imputation credits

The Company has $nil imputation credits as at 30 June 2026 (2025: nil).

(iv) Deferred tax

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 28% (2025: 28%).

Significant management judgement has been exercised to determine that future taxable profits for the Group are beyond a reliable forecast horizon and that no net deferred tax asset should be recognised.

An amount of deferred tax asset of $9,559,999 (2025: $8,604,612) has not been recognised. The unrecognised deferred tax asset is comprised of tax losses of $9,559,999 (2025: $8,604,612) and other temporary differences of $nil (2025: nil).

8. Income tax (continued)

(iv) Deferred tax (continued)

Details of the deferred tax asset and liability amounts recognised in profit or loss are as follows:

	Employee entitle-ments	Property, plant and equip-ment	Accruals	Lease liabilities	Right-of-use assets	Share-based payments – equity settled	Inventory	Carried forward tax losses	Total
	$	$	$	$	$	$	$	$	$
As at 1 July 2024	**35,028**	**4,891**	**(1,927)**	**43,055**	**(43,246)**	**7,838**	**-**	**(45,639)**	**-**
Amounts recognised									
- In profit or loss	(744)	(196,854)	14,177	(12,579)	17,395	(7,838)	8,322	178,121	-
At 30 June 2025	**34,284**	**(191,963)**	**12,250**	**30,476**	**(25,851)**	**-**	**8,322**	**132,482**	**-**
As at 1 July 2025	**34,284**	**(191,963)**	**12,250**	**30,476**	**(25,851)**	**-**	**8,322**	**132,482**	**-**
Amounts recognised									
- In profit or loss	6,517	70,563	350	(19,853)	17,211	-	-	(74,788)	-
At 30 June 2026	**40,801**	**(121,400)**	**12,600**	**10,623**	**(8,640)**	**-**	**8,322**	**57,694**	**-**

9. Notes Supporting Statement of Cash Flows

(i) 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	396,636	338,845
- Add back: Depreciation – RoU lease asset	12,033	64,110
- Add back: Impairment expense	23,896	36,262
- Deduct: Gain on sale of Property, Plant & Equipment	(283)	(68,665)
- Add back: Loss on sale of Property, Plant & Equipment	5,551	-
- Deduct: Gain from loan modifications	(26,291)	-
- Deduct: Gain from lease modifications	-	(4,493)
- Deduct: Unrealised FX gain[3]	(98,130)	-
- Add back: Share-based payment expense	205,347	41,782
- Add back: Interest expense	316,944	160,100
- Deduct: Interest income	(5,874)	(2,245)
- Add back: Inventory written off	180,622	58,234
	1,010,451	**623,930**
Movements in working capital:		
- (Increase) in other receivables [1]	(183,719)	(52,723)
- (Increase)/decrease in prepayments	(200,066)	85,518
- (Increase) in inventories	(421,154)	(105,501)
- Increase in trade and other payables [2]	221,149	189,846
- (Decrease) in employee benefit liabilities	(29,003)	(3,629)
- (Decrease) in deferred grant income	-	(69,218)
	(612,791)	**44,293**
Net cash outflows from operating activities	**(2,962,002)**	**(2,787,439)**

[1] Excludes accruals for interest income (investing activity)
[2] Excludes accruals for interest expense (financing activity), and payables related to property, plant & equipment (investing activity)
[3] 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.

9. Notes supporting statement of cash flows (continued)

(ii) Changes in the Group's liabilities arising from financing activities (cash and non-cash)

30 June 2026		**NON-CASH**	**NON-CASH**	**NON-CASH**	**CASH**	**CASH**	
	Opening	**Loan modifications**	**Lease remeasurements**	**Interest accrued**	**Drawdown**	**Payment**	**Closing**
	$	**$**	**$**	**$**	**$**		**$**
Lease liabilities	78,688	-	(20,777)	2,787	-	(22,759)	37,939
Lease liabilities - disposal groups held for sale	30,155	-	-	1,449	-	(25,346)	6,258
Borrowings - short term loans	376,121	(26,291)	-	65,467	-	-	415,297
Borrowings - inventory finance	280,789	-	-	234,978	687,876	(121,586)	1,082,057
Distributor finance arrangements - inventory	68,396	-	-	-	1,445,566	(1,311,854)	202,108
Supplier finance arrangements - insurance premiums	-	-	-	12,263	205,939	(200,197)	18,005
	834,149	**(26,291)**	**(20,777)**	**316,944**	**2,339,381**	**(1,681,742)**	**1,761,664**

30 June 2025		**NON-CASH**	**NON-CASH**	**NON-CASH**	**CASH**	**CASH**	
	Opening	**Loan modifications**	**Lease remeasurements**	**Interest accrued**	**Drawdown**	**Payment**	**Closing**
	$	**$**	**$**	**$**	**$**		**$**
Lease liabilities	147,780	-	(13,393)	11,892	-	(67,591)	78,688
Lease liabilities - disposal groups held for sale	5,988	-	47,142	2,295	-	(25,270)	30,155
Borrowings - short term loans	-	-	-	126,121	250,000	-	376,121
Borrowings - inventory finance	-	-	-	6,222	274,567	-	280,789
Distributor finance arrangements - inventory	-	-	-	-	542,176	(473,780)	68,396
Supplier finance arrangements - insurance premiums	-	-	-	-	218,888	(218,888)	-
	153,768	**-**	**33,749**	**146,530**	**1,285,631**	**(785,529)**	**834,149**

10. Earnings per share

Earnings per share ('EPS') is based on profit or loss attributable to ordinary shareholders and excludes other comprehensive income.

In both years, the Group has not adjusted the weighted average number of shares used in diluted EPS to reflect the impact of outstanding share-options granted, because as the Group is loss-making, the impact of the outstanding share options granted is "anti-dilutive" (i.e. decreases the loss per share).

Numerator	**2026**	**2025**
	$	**$**
(Loss) for the year and earnings (basic and diluted EPS)	(3,359,660)	(3,455,662)

	2026	**2025**
Denominator	**No. shares**	**No. shares**
Weighted average number of shares (basic and diluted EPS)	290,525,074	194,677,774

11. Inventory

Inventories are recognised at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. All inventories are held at their net realisable value at reporting date.

Inventories are measured on a first-in-first-out basis to determine the cost of ordinarily interchangeable items.

	2026	**2025**
	$	**$**
Finished goods	588,391	405,106
Total	**588,391**	**405,106**

Amounts recognised in profit or loss

Inventories recognised as an expense during the year amounted to $1,580,088 (2025: $912,306).

The Group reported write-downs of inventory to net realisable value of $180,398 (2025: $64,195) in the consolidated statement of profit or loss and other comprehensive income.

Security

The Group's inventory finance borrowings are secured over the Group's inventory balances (refer note 18).

12. Property, plant and equipment

Property, plant and equipment are stated at historical cost less any accumulated depreciation and impairment losses. Costs includes expenditure directly attributable to the acquisition of assets.

Depreciation is recognised over the estimated useful life of the asset based on estimates by management. Assets' estimated useful life are reassessed annually. The following estimated depreciation rates have been used:

- Buildings and fitout*: 20% per annum straight line (2025: 20% straight line)
- Cultivation Containers: 10% diminishing value (2025: 10% diminishing value)
- Office Equipment: 13% to 67% diminishing value (2025: 13% to 67% diminishing value)
- Plant and Equipment: 8% to 100% diminishing value (2025: 8% to 100% diminishing value)
- Vehicles: 13% to 40% diminishing value (2025: 13% to 40% diminishing value)

* Buildings are depreciated at 20% to reflect the underlying term of the land lease to which they relate.

Impairment

There was no impairment to property, plant and equipment for the year ended 30 June 2026 (2025: nil).

12. Property, plant and equipment (continued)

Year ended 30 June 2026	Buildings and fitout $	Cultivation containers $	Office equipment $	Plant and equipment $	Vehicles $	Total $
Opening net book value	**1,550,973**	**84,768**	**47,083**	**441,345**	**19,841**	**2,144,010**
Additions	-	-	-	1,514	-	1,514
Depreciation charge	(315,286)	(8,477)	(5,786)	(63,095)	(3,992)	(396,636)
Disposals	(5,799)	-	(682)	-	-	(6,481)
Closing net book value	**1,229,888**	**76,291**	**40,615**	**379,764**	**15,849**	**1,742,407**
Cost	3,410,202	159,196	122,290	1,521,374	140,473	5,353,535
Accumulated impairment	(486,230)	-	-	(509,204)	-	(995,434)
Accumulated depreciation	(1,694,084)	(82,905)	(81,675)	(632,406)	(124,624)	(2,615,694)
Net book amount	**1,229,888**	**76,291**	**40,615**	**379,764**	**15,849**	**1,742,407**

Year ended 30 June 2025	Buildings and fitout $	Cultivation containers $	Office equipment $	Plant and equipment $	Vehicles $	Total $
Opening net book value	**1,790,756**	**94,187**	**60,793**	**544,093**	**27,870**	**2,517,699**
Additions	-	-	-	3,431	-	3,431
Depreciation charge	(235,049)	(9,419)	(9,309)	(78,369)	(6,699)	(338,845)
Disposals	(4,734)	-	(4,401)	(27,810)	(1,330)	(38,275)
Closing net book value	**1,550,973**	**84,768**	**47,083**	**441,345**	**19,841**	**2,144,010**
Cost	3,429,873	159,196	126,262	1,519,860	140,473	5,375,664
Accumulated impairment	(486,230)	-	-	(509,204)	-	(995,434)
Accumulated depreciation	(1,392,670)	(74,428)	(79,179)	(569,311)	(120,632)	(2,236,220)
Net book amount	**1,550,973**	**84,768**	**47,083**	**441,345**	**19,841**	**2,144,010**
As at 1 July 2024						
Cost	3,441,979	159,196	140,648	1,783,739	160,473	5,686,035
Accumulated impairment	(486,230)	-	-	(509,204)	-	(995,434)
Accumulated depreciation	(1,164,993)	(65,009)	(79,855)	(730,442)	(132,603)	(2,172,902)
Net book amount	**1,790,756**	**94,187**	**60,793**	**544,093**	**27,870**	**2,517,699**

13. Goodwill

Any impairment recognised against goodwill is not subsequently reversed in future periods where the recoverable amount of a CGU increases above its carrying amount.

(i) Impairment testing of goodwill

Goodwill is monitored at a company level, of a single cash-generating-unit (CGU).

The Group tests whether goodwill has suffered any impairment on an annual basis or where there are specific indicators of impairment in the period. For the year to 30 June 2026, goodwill was tested for impairment as at 30 June 2026 (2025: 30 June 2025).

The recoverable amount of the CGU has been determined based on its value-in-use (2025: value-in-use).

Value-in-use calculations require the use of various estimates and judgements. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period which include consideration of the following:

- The existing competitive environment in the key markets which the Group currently operates in, including the Group's existing and projected market share, and indicators of overall growth in those markets.
- The current life-cycle stage of the medicinal cannabis industry and the continued trajectory towards maturity.
- The maturation of supply chains in the industry, as well as the Group's ability to exploit these going forward.
- The Group's current loss-making position, reflecting its early commercial phase, and operating cashflow requirements as well as the steps taken to date to address these.

Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. These growth rates are consistent with forecasts in industry reports specific to the industry in which the CGU operates:

Assumptions and approach used to determine values	30 June 2026	30 June 2025
Forecasted sales and costs of sales (CAGR*)		
This is based on current market share in existing sales channels as well as industry trends as at the reporting date.	36.57%	43.81%
Pre-tax discount rate		
Reflects specific risks relating to the relevant activities of the Group.	25.83%	26.84%
Long-term growth rate		
This is the weighted average growth rate used to extrapolate cash flows beyond the budget period.	2%	2%

* Cash flows for the next five-year period are extrapolated using annual estimated growth rates comprising a compound annual growth rate ('CAGR'). The CAGR reflects the low base the business is beginning with, growth rates consistent with forecasts in industry reports specific to the industry in which the CGU operates, the supply agreements the business has in place and the markets in which the business currently has distribution agreements in place or employees in market.

No impairment was recognised as at 30 June 2026 (2025: nil).

If any one of the following changes were made to the above key assumptions, the carrying amount and recoverable amount would be equal (eliminating headroom of $2,962,917):

Key assumption	Sensitivity
Forecasted sales and costs of sales/'CAGR'	34.68%
Pre-tax discount rate	34.76%
Long-term growth rate	(19.19)%

The Directors and management have considered and assessed reasonably possible changes for other key assumptions and have not identified any instances that could cause the carrying amount of the CGU to exceed its recoverable amount.

14. Intangible assets

Intangible assets are stated at historical cost (being their acquisition date fair value if acquired in a business combination) less any accumulated amortisation and impairment losses.

	Goodwill	Total
	$	$
(i) Cost		
At 1 July 2025	10,448,082	10,448,082
At 30 June 2026	**10,448,082**	**10,448,082**
At 1 July 2024	10,448,082	10,448,082
At 30 June 2025	**10,448,082**	**10,448,082**
(ii) Accumulated amortisation and impairment		
At 1 July 2025	(8,253,135)	(8,253,135)
Amortisation charge	-	-
Impairment charge	-	-
At 30 June 2026	**(8,253,135)**	**(8,253,135)**
At 1 July 2024	(8,253,135)	(8,253,135)
Amortisation charge	-	-
Impairment charge	-	-
At 30 June 2025	**(8,253,135)**	**(8,253,135)**
(iii) Net book value		
At 1 July 2024	2,194,947	2,194,947
At 30 June 2025	2,194,947	2,194,947
At 30 June 2026	**2,194,947**	**2,194,947**

Impairment

There was no impairment to intangible assets for the year ended 30 June 2026 (2025: nil).

15. Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:
- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Initial measurement

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate, however in such cases the initial present value determination assumes that the variable element will remain unchanged throughout the lease term.

Other variable lease payments are expensed in the period to which they relate.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:
- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset (typically make-good provisions on buildings)

Right-of-use assets are depreciated on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term. Right-of-use assets are also subject to impairment assessment at reporting date.

(i) Information regarding the Group's leases and leasing activity

The Group leases a number of properties including land, buildings, including commercial office premises, in the jurisdiction from which it operates.

As standard industry practice, one of the Group's property leases are subject to periodic CPI increases and/or market rent reviews. A 1% increase in these payments would result in an additional $253 cash outflow (2025: $253) compared to the current period's cash outflow.

The Group's property leases typically include renewal and termination options. The Group must assess whether it reasonably expects (or not) to exercise these when determining the lease term.

The Group has one property lease (2025: two leases) where the Group has assessed it does not reasonably expect to exercise all available renewal options, resulting in a potential additional lease term of 10-20 years (2025: 10 - 20 years) and potential future lease payments of $150,000 - $300,000 (2025: $150,000 - $300,000) that are not currently included in measurement of the lease liability recognised for these leases.

15. Leases (continued)

(ii) Lease related balances as at period end, and amounts for the period

	Note	2026	2025
Expenses and income in the period		**$**	**$**
Depreciation			
- Leases of property (land and buildings)		12,033	62,204
Interest expense		4,236	14,187
Statement of financial position and statement of cash flows			
Carrying amount of right-of-use asset			
- Leases of property (land and buildings)		30,854	62,167
Total Lease liabilities	9(ii)	37,939	108,843
(Early termination adjustments)/Additions to Right-of-use assets		(44,674)	38,242
Total cash outflow related to leases		**48,105**	**92,860**

16. Trade and other receivables

	Note	2026 $	2025 $
Financial assets classified as amortised cost – current			
Trade receivables		324,460	214,065
Less: provision for impairment of trade receivables		-	-
Trade receivables – net		324,460	214,065
Financial assets classified as amortised cost – non-current			
Non-trade receivables – NZX Bond		75,000	75,000
Financial assets classified as amortised cost - total	4	**399,460**	**289,065**
GST receivable		72,836	10,766
Government grants receivable			
- Research and development tax credit		127,248	141,721
Other receivables		**200,084**	**152,487**
Total trade and other receivables		**599,544**	**441,552**

The Group applies the NZ IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. This is based on a provision matrix which measures expected credit loss on a collective basis where trade receivables are grouped based on similar credit risk and rating.

The expected loss rates are based on the Group's historical credit losses. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers. At reporting date, none of the Group's trade receivables were past 30 days due.

17. Prepayments

	2026	2025
	$	$
Prepaid inventory	523,496	340,695
Other prepayments	92,774	61,045
Total prepayments	**616,270**	**401,740**

Prepayments for future goods or services are recognised in the consolidated statement of profit or loss and comprehensive income when the Group obtains control of the associated good or service.

Prepayments for inventories are derecognised in the consolidated statement of financial position when the Group obtains control of the associated inventory items

18. Borrowings

	2026	2025
	$	$
Inventory finance borrowings (incl. warrants).	1,082,057	280,788
Short-term lending	415,297	376,122
Distributor finance arrangements - inventory	202,108	68,397
Supplier finance arrangements – insurance premiums	18,005	-
	1,717,467	**725,307**

Inventory finance borrowings

During the year, the Group entered into a number of lending arrangements to assist in managing working capital cash flows. The loans have a 12-month maturity and accrue interest on a monthly basis. The loans are secured over the Group's inventory holdings (refer note 11).

As part of the arrangement, lenders were also issued a number of additional warrants for which give the holders the right to purchase ordinary shares at a fixed price 12 months after the draw-down date. The warrants expire 3 years after they become exercisable.

As the warrants give the holder the option to purchase a fixed amount of shares for a fixed amount of cash, they satisfy the 'fixed-for-fixed' criterion and, therefore, are classified as equity instruments.

The loans, with their attached warrants, comprise a compound financial instrument and thus, each component of the instrument has been measured at inception as follows:

- Financial liability: The loan component has been measured at its fair value using a market interest rate for an equivalent instrument without the attached warrants. The market interest rate applied was 25%. The loan is subsequently measured as a financial liability at amortised cost.

- Equity: The warrants have been valued on a residual basis and are recognised within equity, within the Warrant equity reserve (refer to note 21). In the current period, $69,081 (2025: $28,479) warrants were issued in association with compound financial instruments issued.

Short-term lending

During the year, the Group renegotiated its existing short-term lending which was previously due to mature as at 30 June 2025.

The renegotiations resulted in:
- A new maturity date of 30 June 2026;
- An option to convert the loan into a variable number of ordinary shares of the company provided to the lender ('conversion feature'), with the exercise price based on the 20-day volume-weighted-average-price ('VWAP') prior to exercise.

The renegotiations were accounted for as a substantial modification requiring the derecognition of the carrying value of the original loan, and recognition of the new renegotiated loan at its fair value - resulting in a gain of $26,291, recognised within Finance income (refer note 4) in the consolidated statement of profit or loss.

18. Borrowings (continued)

The conversion feature of the new renegotiated loan represents an embedded derivative at fair value through profit and loss. Management have determined that the fair value of the conversion feature upon modification of the loan, and at reporting date, was immaterial.

The existing terms of the loan, which are as follows, remain unchanged:

The loan becomes payable earlier than the contractual maturity date should certain funding events occur:

(i) In the event that the Group successfully raises a minimum amount of additional share capital.

(ii) Sale of the Group's manufacturing facility (refer note 25), within certain timeframes.

(iii) Is subject to an additional bullet payment of $100,000 based on the timeframes in which the above events occur. The inclusion of this amount has been factored into the interest expense accrued onto the loan under the effective interest method.

The loan is secured by a general security agreement over the assets of the Group.

Subsequent to reporting date, the Group has renegotiated the terms of this loan, agreeing to extend the maturity date to 30 June 2027.

Distributor and Supplier finance arrangements

- ***Inventory***

The Group has a distributor finance arrangement with certain distributors in New Zealand whereby distributors provide cash advances to the Group to finance the Group's purchase of finished goods inventories which will be sold via the distributors, who are agents of the Group. Cash advances from distributors are repayable when the finished goods purchased are sold or expire. Otherwise, the Group does not provide any collateral or guarantees to the distributor.

- ***Insurance premiums***

The Group also enters into supplier finance arrangements to provide the Group with extended payment terms for insurance costs where the supplier has been paid upfront in full by the financer. Supplier finance arrangements for insurance premiums are payable over 12 months in monthly instalments.

19. Trade and other payables

	Note	2026 $	2025 $
Trade payables	4	807,390	688,412
Audit fee accrual		82,416	115,000
Other payables		101,325	51,244
GST payable		1,893	9,786
Total trade and other payables		**993,024**	**864,442**

20. Employee benefit liabilities

	2026 $	2025 $
Short term employee benefits payable		
- Wages and salaries	6,596	51,683
- Accrual for annual and sick leave	151,185	135,202
	157,781	**186,885**
Defined contribution plan ('Kiwisaver') payable	5,516	5,416
Total employee benefit liabilities	**163,297**	**192,301**

21. Share Capital and Reserves

	2026 No. shares	2025 No. shares
Opening shares	223,648,012	159,750,579
Shares issued*,**	115,793,693	63,897,433
Total share capital	**339,441,705**	**223,648,012**

* During the year ended 30 June 2026:
- 16,799,999 ordinary shares were issued between August and September 2025 to fund short-term working capital;
- 4,966,537 ordinary shares were issued as a share-based payment to reward the Group's staff for past performance and incentivise future performance.
- 1,400,000 vested share options were exercised by the CEO in accordance with an existing share-based payment scheme.
- 92,627,157 ordinary shares were issued on 18 December 2025 as part of a pro-rata 1-for-3 renounceable rights offer and placement of oversubscription.

** During the year ended 30 June 2025
- 3,968,254 ordinary shares were issued on 20 September 2024 as bridging capital prior to the Group's capital raise;
- 47,119,179 ordinary shares were issued on 6 December 2024 as part of the Group's capital raise in the period;
- 12,810,000 ordinary shares were issued as part of the pro-rata rights offer following the Group's capital raise;

At 30 June 2026, share capital comprised 339,441,705 authorised and issued ordinary shares (2025: 223,648,012). All issued shares are fully paid and have no par value. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Group, and rank equally with regard to the Group's residual assets. Dividends are unlikely to be declared whilst the Group is in the growth phase.

Reserves

Exchange differences arising on the retranslation of the foreign operation are accumulated in the foreign currency translation reserve.

Share-based payments (refer to note 24) are recognised as an expense, with a corresponding increase in equity (share-based payment reserve), over the vesting period of the awards.

Proceeds on the issue of warrants meeting the definition of equity are recognised in the warrant equity reserve (refer to note 18).

Relevant details in respect of Warrants issued are outlined as follows:

	FY26 Issue	FY25 Issue
Number of warrants outstanding	4,226,947	1,699,725
Exercise price	$0.015	$0.015
Exercise date	August – September 2027	May – June 2026
Expiry date	August – September 2030	May – June 2029

Warrants are exercisable from the exercise date for a period of 3 years. Exercised and paid for warrants allow the warrant holder to subscribe for ordinary shares on a 1-for-1 basis.

22. Related party transactions

(i) Company information

The Group has no parent or ultimate parent entity. There are no individual shareholders holding more than 20% of the ordinary shares of the Group at reporting date.

(ii) Transactions and balances with related parties

During the year the Group entered into the below transactions with entities related to key management personnel.

	Nature of transactions	Sale/ (purchase) amount	Interest expense	Amounts receivable (payable)
		$	$	$
30 June 2026				
Zenoch Management Limited	Purchases***	(49,500)	-	-
Teresa Ciprian	Loan	-	5,352	(59,439)
Tony Barclay	Loan*	18,000	2,315	(19,611)
30 June 2025				
Zenoch Management Limited	Purchases***	(49,500)	-	-
Teresa Ciprian	Loan**	54,000	-	(50,129)

*Included within the initial $18,000 advanced was $1,653 attributable to warrant equity (refer note 18).
**Included within the initial $54,000 advanced was $4,362 attributable to warrant equity (refer note 18).
***Zenoch Management Limited is a Company owned by Teresa Ciprian. Purchases relate to payment of Teresa's directorship fees.

Inventory finance loans

Loans payable to Directors relate to inventory finance borrowings advanced by the Directors as outlined above (refer to note 18). Loans advanced by Directors are under the same terms and conditions as all other lenders under facility.

(iii) Key Management personnel compensation

Compensation of key management personnel (being those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including the Directors) was as follows:

	Note	2026	2025
		$	$
Directors fees		234,709	234,000
Short-term employee benefits		264,964	257,432
Defined contribution plan payments		5,379	7,654
Share-based payment expense	24	71,780	41,782
Total key management personnel compensation		**576,832**	**540,868**
Key management personnel compensation payable		**3,085**	**4,744**

23. Contingent liabilities

Research and Development (R&D) Loss Tax Credit repayment

The Company claimed R&D Loss Tax Credits in the 2019 and 2020 income years under the Income Tax Act 2007. Under the Act, these credits become repayable in certain circumstances where shareholder continuity thresholds are breached. Following the Company's NZX listing, subsequent dilution of the shareholder base meant that the Company exceeded the shareholder continuity threshold. The Company obtained tax advice and lodged a disclosure with Inland Revenue (IRD) setting out its position that, under the specific provisions of the Act, no repayment was required.

In May 2026, the IRD advised that it had not accepted the Company's position. The Company, based on advice, does not agree with that determination and is continuing to communicate with the IRD about the determination.

Having previously assessed a repayment as remote, the Company now considers it possible (but not probable) and has accordingly disclosed the matter as a contingent liability.

Should the IRD's alternative interpretation ultimately be upheld, the Company estimates the potential R&D cash repayment tax exposure at up to $561,243 being the R&D claims for the 2019 and 2020 income years. Use-of-money interest may also apply to any repayment tax ultimately assessed as payable, however at this stage this cannot be reliably estimated.

24. Share-based payments

(i) Key features and balances of ESOPs

The Group grants options to certain employees under a number of employee share option schemes which are classified and accounted for as equity-settled share-based payments.

As at 30 June 2026, all of the Group's outstanding ESOP arrangements had either fully vested (and were subsequently exercised in full), lapsed or expired.

	2026 Number	**2025 Number**
Outstanding At 1 July	**309,023**	**775,874**
- Options issued	-	-
- Options vested	(309,023)	(466,851)
- Options forfeited	-	-
Unvested at 30 June	**-**	**309,023**
Exercisable at 1 July	**1,090,977**	**624,126**
- Options vested	(309,023)	466,851
- Options exercised	1,400,000	-
Exercisable at 30 June	**-**	**1,090,977**

(ii) Other share-based payment arrangements

During the period ended 30 June 2026, the Group awarded additional non-cash bonuses to employees in the form of shares for no consideration. The awards were measured at their fair value, being the share price at the grant date and were recognised immediately as part of employee benefits expenses.

25. Assets held for sale

Non-current assets are classified as held for sale when their sale is highly probable within 12 months of meeting the criteria for that classification. Following the classification as held for sale, non-current assets are not depreciated.

Although the asset has been marketed for sale for a period greater than 12 months, Management and the Board believes that the facility will be sold and are in ongoing sales dialogue with prospective buyers. Accordingly, the Group continues to present its manufacturing facility as available for sale.

The following assets and liabilities were held for sale as at 30 June 2026:

	30 June 2026	30 June 2025
Assets classified as held for sale		
Property, plant and equipment	860,507	860,507
Right-of-use assets	6,258	30,155
Total assets held for sale	**866,765**	**890,662**
Liabilities classified as held for sale		
Lease liabilities	(6,258)	(30,155)
Total liabilities classified as held for sale	**(6,258)**	**(30,155)**
Total net assets held for sale	**860,507**	**860,507**

Assets classified as held for sale during the period ended 30 June 2026 were measured at the lower of their carrying value and fair value less costs to sell. The fair value of the building and right-of-use asset associated with the lease of the land upon which the building sits was derived using the sales comparison approach. The key input under this approach was the recent observable selling prices for assets of similar nature, adjusted for condition and location.

26. Events after the reporting date

Subsequent to reporting date, the Group:

- has confirmed a new sales and distribution agreement in the United Kingdom with one of the world's largest medicinal cannabis businesses. The business's United Kingdom operation is one of the largest clinic and distribution chains in that market and 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 $300,000 has been received and an additional $150,000 has been committed 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 consolidated financial statements.

27. Subsidiaries

The principal subsidiaries of Rua Bioscience Limited, which have been included in these consolidated financial statements, are as follows:

Name	Country of incorporation and principal place of business	Proportion of ownership interest at 30 June		Non-controlling interests ownership/ voting interest at 30 June	
		2026	2025	2026	2025
Rua Bioscience Australia Pty Ltd	Australia	100%	100%	-	-

The subsidiary of the Group has a 30 June reporting date.

28. 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	7,172,876	6,781,605
(less): Intangible assets	(2,194,947)	(2,194,947)
(less): Total liabilities	(2,917,985)	(1,890,893)
Net tangible assets	**2,059,944**	**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**

Nga Korero mo nga kaipupuri hea
Shareholder information

Shareholder Information

Rua's Statement of Corporate Governance as at 21 September 2026 can be found here: www.ruabio.com/investors

Spread of Shareholders

As at 31 July 2026

Range	Total Holders	Shareholding	% Shares
1 - 499	340	104,518	0.03
500 - 999	193	142,500	0.04
1,000 - 1,999	303	391,898	0.12
2,000 - 4,999	644	2,062,633	0.61
5,000 - 9,999	356	2,465,332	0.73
10,000 - 49,999	706	14,822,648	4.37
50,000 - 99,999	120	8,023,346	2.36
100,000 - 499,999	122	25,167,427	7.41
500,000 - 999,999	22	15,734,352	4.64
1,000,000 Over	41	270,527,051	79.70
Total	**2,847**	**339,441,705**	**100.00**

Top 20 Shareholders

The names and holdings of the 20 largest registered shareholders in Rua as at 31 July 2026 were:

Name	**Shareholding**	**% Shares**
NEW ZEALAND DEPOSITORY NOMINEE LIMITED <A/C 1 CASH ACCOUNT>	66,731,273	19.66
FNZ CUSTODIANS LIMITED <DTA NON RESIDENT A/C>	26,783,039	7.89
FANG GROUP INVESTMENT LIMITED	23,584,939	6.95
GOUGH INVESTMENT CAPITAL LIMITED	17,383,344	5.12
ACCIDENT COMPENSATION CORPORATION - NZCSD <ACCI40>	16,174,714	4.77
GREG ANTONY ANDERSON & NICOLA MARIE ANDERSON <THE ORANGE A/C>	14,876,793	4.38
YUN JIANG	12,638,978	3.72
HIKURANGI ENTERPRISES LIMITED (IN LIQUIDATION)	10,532,620	3.10
BEVERLEY IDA EVANS	5,000,000	1.47
RIDINGS BROTHERS LIMITED	4,492,196	1.32
BREAKAWAY INVESTMENTS LIMITED	4,346,448	1.28
LUKE RICHARD DIXON & SARAH LYNN DIXON & SEAN ROBERT DIXON & IAN ARCHIBALD HURST <LUKE & SARAH DIXON FAMILY A/C>	3,869,493	1.14
DANTONG GU	3,860,633	1.14
MARTIN WALTER SMITH & ANETA LISA BIRD & SARA MAREE LUNAM <WAKAROMA A/C>	3,820,706	1.13
FORSYTH BARR CUSTODIANS LIMITED <1-CUSTODY>	3,758,998	1.11
SIMON SY LUO	3,729,077	1.10
MICHAEL JOHN WILDING	3,650,846	1.08
CUSTODIAL SERVICES LIMITED <A/C 4>	3,474,226	1.02
MARK CARRODUS	3,333,333	0.98
PRAKASH PANDEY	3,333,333	0.98
Top 20 holders of ORDINARY SHARES total	**235,374,989**	**69.34**
Total remaining holders balance	**104,066,716**	**30.66**

Substantial Product Holders

According to notices given under the Financial Markets Conduct Act 2013, the following were substantial product holders of Rua as at 30 June 2026. The total number of voting securities (fully paid ordinary shares) of Rua as at 30 June 2026 was 339,441,705.

Name	Shareholdings
MR JUN CHU	26,748,214
FANG GROUP INVESTMENT LIMITED	23,584,939
GOUGH INVESTMENT CAPITAL LIMITED	17,383,344

Directors' Shareholdings Interests

As at 30 June 2026 the Directors of the Company had the following relevant interests in Rua's shares.

Name	Shareholding	Warrants
Anna Stove	1,538,528	nil
Panapa Ehau	473,498	nil
Tony Barclay	2,939,376	100,642
Teresa Ciprian	875,000	301,925

Directors' Share Dealings

In accordance with the Companies Act 1993 between 1 July 2025 and 30 June 2026 the Board received the following disclosures from Directors of acquisitions and dispositions of relevant interests in shares issued by the Company and details of such dealings were entered in the Company's interests register.

Director	Transaction	Number of securities	Price per security	Date
Tony Barclay	Allocation of warrants	100,642	$0.015	15 August 2025
Tony Barclay	Purchase of Shares	400,000	$0.03	15 August 2025
Tony Barclay	Purchase of Shares	800,000	$0.025	18 December 2025
Teresa Ciprian	Purchase of Shares	350,000	$0.025	18 December 2025
Anna Stove	Purchase of Shares	774,632	$0.025	18 December 2025

Directors' Interests

The following are details of general disclosures of interest by Directors holding office as at 30 June 2026, pursuant to section 140(2) of the Companies Act 1993. The Director will be regarded as interested in all transactions between Rua and the disclosed entities.

Current Directors	Company	Position
Anna Stove	Pacific Edge Limited	Director and Shareholder
	Progressive Farms	Director and Shareholder
Panapa Ehau	Hikurangi Huataukina Trust	Trustee
	He Toutou mo te Ahika Trust	Trustee
	Te Papatipu O Uepohatu Charitable Trust	Trustee
Teresa Ciprian	Leaderbrand	Director
	Aspeq Ltd	Director
	Goodfood Group Ltd	Director
	Superthriller Jetsprint Ltd	Director and Shareholder
	The Elk Collective	Director
	Garden to Table Trust	Trustee
	Zenoch Management Limited	Director and Shareholder
Tony Barclay	Baymatob Pty Ltd	Chair and Shareholder
	Pacific Edge Limited	Director and Shareholder

Independent Directors

In order for a Director to be independent, the Board has determined that they must not be an employee of Rua or any of its subsidiaries and must have no disqualifying relationships. Independence is determined by the Board, in accordance with the independence requirements of the NZX Listing Rules and having regard to the factors described in the Code. Director independence is monitored by the Board on an ongoing basis.

NZX Listing Rules require that there must at all times be at least three Directors of whom two are ordinarily resident in New Zealand and at least two are independent Directors.

Rua has four Directors of whom three were considered to be independent as at 30 June 2026. Those three are: the Chair, Anna Stove; Teresa Ciprian and Tony Barclay. Panapa Ehau is a Director, employee and co-founder of Rua.

In addition, the Directors of Rua's Australian subsidiary company, Rua Bioscience Australia Pty Ltd, are, Paul Naske and Dean Steer.

Board and Officer Gender Composition

The gender composition of Directors and the Officers as at 30 June 2026 was as follows:

			30 June 2026			30 June 2025
Position	**Female**	**Male**	**Gender Diverse**	**Female**	**Male**	**Gender Diverse**
Director	2	2	0	2	2	0
Officers*	6	5	0	5	3	0

* An officer is a person who is concerned or takes part in the management of Rua's business and who reports directly to the Board or the Chief Executive Officer.

Evaluation of Performance Against Diversity Policy

Rua's approach to diversity is outlined in its Diversity and Inclusion Policy, which is available on Rua's website. Key areas of focus are:

- Attracting, selecting and retaining qualified and diverse applicants and aiming to have a focus on ethnic and gender diversity.
- Remunerating and rewarding in an equitable manner on the basis of skill, knowledge and merit.
- Maintaining a workplace that is accommodating of diverse and changing life situations and enables employees to manage their work and lives through flexible working arrangements.
- Striving for a diverse representation of different groups in society across all levels of Rua's business and based on Rua's origins and values (see the Code of Ethics for a description of Rua's values).

The Board recognises the critical nature of diversity and inclusion and has ensured this is a key consideration when making the skill-based appointments required to ensure robust governance as Rua transitions from start-up to commercialisation. The Board has reviewed Rua's diversity profile and considers that, at this time, there is good diversity on the factors that are most relevant to Rua and its employees:

- Understanding and adoption of a bi-cultural working environment is deeply embodied within Rua's culture. All recent company publications include content in English and Maori.
- The make-up of the Board is sufficiently diverse for the purposes of forming a strong team, providing specialised knowledge and expertise in relevant markets, and driving strong business performance.
- Of the 13 employees, 6 are female and 7 are male.

The Board has set a gender diversity objective for the Board of 40% men, 40% women and 20% of any gender. The Company currently meets this objective.

Meeting Attendance

	Board	**Audit, Finance and Risk Management**	**Remuneration and Nominations**	**Financial Review Meeting**
Current Directors	Attended	Attended	Attended	Attended
Tony Barclay	8 of 9	6 of 6	2 of 3	17 of 19
Teresa Ciprian	9 of 9	6 of 6	3 of 3	16 of 19
Panapa Ehau	8 of 9	N/A	N/A	17 of 19
Anna Stove	9 of 9	6 of 6	3 of 3	18 of 19

Remuneration Philosophy

Rua's remuneration philosophy is to provide fair, competitive and appropriate remuneration that attracts and retains the capability needed to deliver the Company's strategy and create sustainable long-term shareholder value.

Executive remuneration balances fixed remuneration with performance-related reward linked to Board-approved financial, strategic and operational objectives. In assessing performance, the Board considers both what has been achieved and how it has been delivered. It retains discretion to ensure remuneration outcomes reflect company and individual performance, affordability and shareholder interests.

The Board, supported by the Remuneration and Nominations Committee, oversees remuneration and periodically reviews the framework against Rua's circumstances and relevant market practice. Rua is committed to fair and equitable remuneration across the organisation and considers diversity as part of its remuneration oversight, with appropriate disclosures provided to shareholders. Given Rua's small workforce, percentage-based diversity measures can be significantly influenced by changes involving a small number of employees and should be considered in that context.

Directors' Remuneration

Director remuneration is made up of an annual base fee, an additional Chair fee (if applicable) and some Directors are participants in Rua's share option plan.

A director fee pool of $324,000 per annum has been approved by shareholders. Any increase to that pool requires shareholder approval. The base fee for the Chair is $90,000 and for a Director is $45,000. Committee Chairs are paid a fee for the additional work the role requires.

Members of Committees are not paid an additional fee. The full Director fee pool was not used.

Current Directors	Position	Directors' fees	Committee fees	Total
Tony Barclay	Chair - ARC	$45,000	$4,500	$49,500
Teresa Ciprian	Chair - Rems	$45,000	$4,500	$49,500
Panapa Ehau		$45,000		$45,000
Anna Stove	Chair - Board	$90,000		$90,000

In addition to his Director's fee, Panapa Ehau also receives a salary as an employee of Rua. In FY26, his salary was $46,791 and Director's Fee was $45,000 for a total remuneration of $91,791. There was no STI or LTI paid to Panapa in FY26.

Employee Remuneration

The number of employees of Rua (not being Directors) who received remuneration and other benefits in their capacity as employees during the year ended 30 June 2026 that exceeded $100,000 per annum is set out in the table below.

The table below includes the value of equity settled ESOP shares.

Remuneration range	Employees
100,000-110,000	0
110,001-120,000	1
120,001-130,000	0
130,001-140,000	0
140,001-150,000	1
150,001-160,000	1
160,001-170,000	0
170,001-180,000	0
180,001-190,000	1
190,001-200,000	0
200,001-210,000	0
210,001-220,000	0
230,001-240,000	0
240,001-250,000	1
320,001-330,000	1

CEO Remuneration

For the financial year ended 30 June 2026, the CEO received a total remuneration of $321,183. The CEO is a participant in the Employee Share Options Programme.

	Cash (Salary and fees)*	Non-Cash Equity (ESOP)**	Total remuneration
FY26	**$218,983**	**$102,200**	**$321,183**

Three-year summary	Total remuneration
FY26	$321,183
FY25	$220,921
FY24	$232,693

* Salary and Fees includes KiwiSaver and Employer Superannuation Contribution Tax (ESCT).

** ESOP included a 3-year retention agreement (valued at $39,200) and annual performance incentive (valued at $63,000).

Donations

The following donations were made by Rua and its subsidiaries in the year to 30 June 2026.

Compassionate Access Programme	$29,435
Koha	$261
Total	**$29,696**

Auditor Fees

Fees paid to the auditors include payments to PricewaterhouseCoopers for the following:

	2026	2025
Audit and review of the financial statements		
- Audit of the financial statements	$121,136	$135,024
Total fees paid to auditors	**$121,136**	**$135,024**

There were no other fees payable by the company for other services provided by that firm for FY26.

Dividend Policy

The payment of dividends is not guaranteed, will be at the discretion of the Board, and dependent on a number of factors.

These factors include the general business environment, operating results and the financial condition of Rua, future funding requirements, any contractual, legal or regulatory restrictions on the payment of dividends by Rua and any other factors the Board may consider relevant.

NZX Disclosures

Rua has not applied for nor relied on any NZX waivers during the financial year ended 30 June 2026.

Hei konei ra mo tenei wa, tena koutou i tautoko i tenei kaupapa, i tenei kamupene.

Nga mokamoka o te kamupene
Contact directory

Website
ruabio.com

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Instagram
instagram.com/ruabioscience

LinkedIn
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Phone: +64 (9) 488 8700

Directors
Anna Stove
Panapa Ehau
Teresa Ciprian
Tony Barclay

Chief Executive Officer
Paul Naske

Auditors
PricewaterhouseCoopers

Solicitors
Lowndes Jordan
Anderson Lloyd

RUA

BIOSCIENCE

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