



IRUUA

B I O S C I E N C E

Interim Financial Report

Rua Bioscience Limited
For the six months ended 31 December 2020

Rua Bioscience Limited

Contents

Company Directory	3
Independent Auditor's Report	4 - 5
Interim Statement of Profit or Loss and Other Comprehensive Income	6
Interim Statement of Changes in Equity	7 - 8
Interim Statement of Financial Position	9
Interim Statement of Cash Flows	10
Notes forming part of the Interim Financial Statements	11 - 23

Company Directory
For the six months ended 31 December 2020

Registered office address:	1 Commerce Place Awapuni Gisborne 4071
Contact phone number:	0800 782 246
Contact email address:	info@ruabio.com
Country of incorporation of company:	New Zealand
Company Number:	6484092
ISIN:	NZRUA0004S1
Legal form:	NZ Limited Company
Principal activities:	Pharmaceutical manufacturer
Directors:	Trevor BURT Panapa EHAU Brett GAMBLE Martin SMITH Anna Kate STOVE
Auditor:	PricewaterhouseCoopers 6 Albion Street Napier 4110
Share registrar:	Computershare Investor Services Limited Level 1, 159 Hurstmere Road Takapuna, Auckland 0622
Bankers:	Kiwibank
Solicitors:	Lowndes Jordan



Independent auditor's review report

To the Shareholders of Rua Bioscience Limited

Report on the interim financial statements

Our conclusion

We have reviewed the interim financial statements of Rua Bioscience Limited (the Company), which comprise the interim statement of financial position as at 31 December 2020, and the interim statement of profit or loss and other comprehensive income, the interim statement of changes in equity and the interim statement of cash flows for the six months ended on that date, and notes forming part of the interim financial statements which include significant accounting policies and other explanatory information.

Based on our review, nothing has come to our attention that causes us to believe that these accompanying interim financial statements of the Company do not present fairly, in all material respects, the financial position of the Company as at 31 December 2020, and its financial performance and cash flows for the six months then ended, in accordance with International Accounting Standard 34 Interim Financial Reporting (IAS 34) and New Zealand Equivalent to International Accounting Standard 34 Interim Financial Reporting (NZ IAS 34).

Basis for conclusion

We conducted our review in accordance with the New Zealand Standard on Review Engagements 2410 (Revised) Review of Financial Statements Performed by the Independent Auditor of the Entity (NZ SRE 2410 (Revised)). Our responsibility is further described in the Auditor's responsibility for the review of the financial statements section of our report.

We are independent of the Company in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual financial statements, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements. Other than in our capacity as auditor we have no relationship with, or interests in, the Company.

Directors' responsibility for the financial statements

The Directors of the Company are responsible on behalf of the Company for the preparation and fair presentation of these interim financial statements in accordance with IAS 34 and NZ IAS 34 and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial statements

Our responsibility is to express a conclusion on the interim financial statements based on our review. NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements, taken as a whole, are not prepared in all material respects, in accordance with IAS 34 and NZ IAS 34. A review of interim financial statements in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. We perform procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and International Standards on Auditing and consequently does not enable us to obtain assurance that we might identify in an audit. Accordingly, we do not express an audit opinion on these interim financial statements.



Who we report to

This report is made solely to the Company's Shareholders, as a body. Our review work has been undertaken so that we might state to the Company's Shareholders those matters which we are required to state to them in our review 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 Shareholders, as a body, for our review procedures, for this report, or for the conclusion we have formed.

The engagement partner on the review resulting in this independent auditor's review report is Maxwell John Dixon.

For and on behalf of:

A handwritten signature in black ink that reads 'Private House Coopers' in a cursive script.

Chartered Accountants
25 February 2021

Napier

Rua Bioscience Limited

Interim statement of profit or loss and other
comprehensive income
For the six months ended 31 December 2020

	Note	For the six months ended 31 December 2020 (unaudited) \$	For the six months ended 31 December 2019 (unaudited) \$
Research and development expenses		(881,637)	(730,539)
Other expenses		(2,593,596)	(1,317,443)
Operating loss before net financing costs		(3,475,233)	(2,047,982)
Other income	5	268,860	313,854
Interest income		2,416	24,828
Interest expense		(8,480)	(1,756)
Interest expense - leases		(8,948)	(6,196)
Net finance (expense)/income		(15,012)	16,876
Loss before tax		(3,221,385)	(1,717,252)
Income tax credit/(expense)	6	888,107	352,388
Loss after tax		(2,333,278)	(1,364,864)
Other comprehensive income		-	-
Total comprehensive loss for the period attributable to shareholders		(2,333,278)	(1,364,864)
Earnings per share attributable to the ordinary equity holders of the parent			
Loss from operations			
Basic (\$)		(0.02)*	(0.01)**
Diluted (\$)		(0.02)*	(0.01)**

*On 15 September 2020, the Company completed a 5.882:1 share split.

**Share and per share amounts have been retrospectively restated for the prior period to reflect the 5.882:1 share split completed on 15 September 2020

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

Rua Bioscience Limited

Interim statement of changes in equity
For the six months ended 31 December 2020

	Note	Share capital	Share option reserve	Accumulated losses	Total equity
		\$	\$	\$	\$
Opening balance at 1 July 2020 (audited)		18,922,913	336,108	(4,868,243)	14,390,778
Correction of prior period error	13	-	(75,800)	86,983	11,183
Restated opening balance at 1 July 2020 (unaudited)		18,922,913	260,308	(4,781,260)	14,401,961
Total comprehensive loss for the period					
- Loss for the period		-	-	(2,333,278)	(2,333,278)
- Other comprehensive income		-	-	-	-
Total comprehensive loss for the period		-	-	(2,333,278)	(2,333,278)
Transactions with owners of the Company					
- Issue of share capital		20,000,000	-	-	20,000,000
- Costs of issuing share capital		(1,504,414)	-	-	(1,504,414)
- Employee share options expense		-	303,354	-	303,354
Total transactions with owners of the Company		18,495,586	303,354	-	18,798,940
Balance at 31 December 2020 (unaudited)		37,418,499	563,662	(7,114,538)	30,867,623

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

Rua Bioscience Limited

Interim statement of changes in equity
For the six months ended 31 December 2019

	Note	Share capital	Share option reserve	Un-issued share capital	Accumulated Losses	Total equity
		\$	\$	\$	\$	\$
Opening balance at 1 July 2019 (audited)		12,480,242	-	-	(1,968,208)	10,512,034
Total comprehensive loss for the period						
- Loss for the period		-	-	-	(1,364,863)	(1,364,863)
- Other comprehensive income		-	-	-	-	-
Total comprehensive loss for the period		-	-	-	(1,364,863)	(1,364,863)
Transactions with owners of the Company						
- Funds received for share capital (to be issued)		-	-	2,732,046	-	2,732,046
- Costs of issuing future share capital		-	-	(210,286)	-	(210,286)
- Issue of employee share options		-	55,888	-	-	55,888
Total transactions with owners of the Company		-	55,888	2,521,760	-	2,577,648
Balance at 31 December 2019 (unaudited)		12,480,242	55,888	2,521,760	(3,333,071)	11,724,819

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

Rua Bioscience Limited

Interim statement of financial position
As at 31 December 2020

	Note	As at 31 December 2020 \$ (unaudited)	As at 30 June 2020 \$ (unaudited*)
Current assets			
Cash and cash equivalents		19,207,844	3,937,501
Other receivables		499,409	800,837
Prepayments		158,211	81,998
Total current assets		19,865,464	4,820,336
Non-current assets			
Property, plant and equipment	7	6,233,938	5,658,360
Goodwill		4,000,000	4,000,000
Right-of-use lease assets	7	267,819	252,955
Other receivables		75,000	197,256
Deferred tax asset	13	1,686,312	798,205
Total non-current assets		12,263,069	10,906,776
Total assets		32,128,533	15,727,112
Current liabilities			
Trade and other payables		402,777	578,182
Employee benefit liabilities		216,312	169,406
Lease liabilities	8	89,488	68,935
Borrowings	8	31,976	78,169
Deferred grant income		-	91,636
Share-based payment liability	13	304,994	12,277
Total current liabilities		1,045,547	998,605
Non-current liabilities			
Lease liabilities	8	188,253	190,928
Borrowings	8	-	10,762
Share-based payment liability	13	27,110	124,856
Total non-current liabilities		215,363	326,546
Total liabilities		1,260,910	1,325,151
Net assets		30,867,623	14,401,961
Equity			
Accumulated losses		(7,114,538)	(4,781,260)
Share capital	12	37,418,499	18,922,913
Share option reserve		563,662	260,308
Total equity		30,867,623	14,401,961

The interim financial statements on pages 6 to 23 were approved and authorised for issue by the Board of Directors on 25 February 2021 and were signed on its behalf by:

(Director)

(Director)

* The 30 June 2020 comparative figures were audited with the exception of the restated figures as disclosed in note 13.

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

Rua Bioscience Limited

Interim statement of cash flows
For the six months ended 31 December 2020

	Note	For the 6 months to 31 Dec 2020 (unaudited) \$	For the 6 months to 31 Dec 2019 (unaudited) \$
Cash flows from operating activities			
Grant income received		646,305	2,761
Payments to suppliers and employees		(2,620,705)	(2,969,249)
Net cash inflows/(outflows) from operating activities		(1,974,400)	(2,966,488)
Cash flows from investing activities			
Interest income		25,139	36,524
Investment deposits maturity		-	2,000,000
Proceeds from the sale of property, plant and equipment		15,739	2,400
Purchase of property, plant and equipment		(1,098,780)	(1,752,982)
Payment in relation to listing bond		(75,000)	-
Net cash inflows/(outflows) from investing activities		(1,132,902)	285,942
Cash flows from financing activities			
Issue of ordinary shares		20,000,000	-
Proceeds for shares to be issued		-	2,732,046
Repayment of borrowings		(56,955)	(20,005)
Repayment of lease liabilities		(39,784)	(19,114)
Interest paid		(17,428)	(4,492)
Share issue costs paid		(1,508,188)	(157,614)
Net cash inflows/(outflows) from financing activities		18,377,645	2,530,821
Net increase/(decrease) in cash and cash equivalents		15,270,343	(149,725)
Cash and cash equivalents at beginning of the period		3,937,501	4,173,122
Exchange (losses)/gains on cash and cash equivalents		-	-
Cash and cash equivalents at end of the period		19,207,844	4,023,397

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

Rua Bioscience Limited
Notes forming part of the interim financial statements
For the six months ended 31 December 2020

1. Reporting Entity

Rua Bioscience Limited (formerly Hikurangi Cannabis Company Ltd) (“the Company”) is a company incorporated and domiciled in New Zealand and registered under the Companies Act 1993.

The Company is principally engaged in the business of pharmaceuticals manufacturing.

Hikurangi Hemp Company Ltd was incorporated on 26 October 2017 and changed its name to Hikurangi Cannabis Company Ltd on 26 January 2018, and to Rua Bioscience on 7 October 2019.

2. Basis of preparation

(a) Statement of compliance

These unaudited condensed interim financial statements have been prepared for the six months ended 31 December 2020. The Company is designated as a profit-oriented entity for financial reporting. These financial statements provide an update on the interim performance of the Company, and should be read in conjunction with the full year financial statements presented for the year ended 30 June 2020 from which the same accounting policies and methods of computation have been followed.

The interim financial statements are prepared in accordance with:

- NZ IAS 34 Interim Financial Reporting and IAS 34 Interim Financial Reporting.
- Generally Accepted Accounting Practice in New Zealand (NZ GAAP).
- The accounting policies and methods of computation in the most recent annual financial statements.
- The Financial Markets Conduct Act 2013, and NZX equity listing rules.

The Company is a for-profit entity for the purposes of complying with NZ GAAP.

The 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) Significant accounting policies

The accounting policies and computation methods used in the preparation of the interim financial statements are consistent with those used as at 30 June 2020 and 31 December 2019.

(c) Basis of measurement

The interim financial statements have been prepared on a historical cost basis, except for the following items (refer to individual accounting policies for details):

- Borrowings (fair value disclosed) - note 4
- Financial assets and liabilities at amortised cost (fair value disclosed) - note 4
- Liabilities for cash-settled share-based payments - (presented as share based payment liability in the statement of financial position)

2. Basis of preparation (continued)

(d) New standards, interpretations and amendments effective for the first time

The Company has not adopted any significant new standards, interpretations and amendments in the interim period with a material impact on the financial statements.

(e) Accounting estimates and judgements made

There have been no material revisions to the nature and amount of estimates of, and judgements in relation to, amounts reported in prior periods.

(f) Going concern

In October 2020, the Company successfully completed the listing of the Company on the New Zealand Stock Exchange (NZX) raising \$20 million in capital. The Company has significant cash reserves that allow it to continue as a going concern until at least the end of FY2022. Before the end of FY2022 revenue from the sales of products (flower & oils) is expected to have commenced. Its forecast that the sales of products will climb and the income generated from these will fund the operations of the company to the point where the Company is financially sustainable. Currently there are no indications that the Company will not be able to continue as a going concern. There are risks related to the assumptions being made, particularly around obtaining GMP certification, the timing of supplying product to market and product volumes and the sales price of these products. The Company is monitoring and managing these risks, however there is no indications at this point in time that they will affect the Company's ability to continue as a going concern.

(g) Impact of COVID-19

The Company has considered the potential impact of COVID-19 as part of its preparation of these accounts and in relation to the operations. Pharmaceutical manufacturing is considered an essential service and, as such, Rua has and plans to continue trading throughout all alert levels. This has limited the impact of COVID-19 and the Government's response on the Company. The Company has experienced delays in receiving goods and services from international suppliers and market partners who have been affected from Covid-19.

Rua Bioscience Limited
Notes forming part of the interim financial statements
For the six months ended 31 December 2020

3. Segment Reporting

The Company operates predominantly in one segment, its primary business being pharmaceutical manufacturing in New Zealand.

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 Company's segment.

4. Financial instruments and Financial Risk Management, and Capital Management

Categories and fair values of the Company's financial instruments

	Financial Assets at Amortised Cost	Financial Liabilities at Amortised Cost	Total Carrying Amount	Fair Value
31 December 2020 (unaudited)	\$	\$	\$	\$
Cash and cash equivalents	19,207,844	-	19,207,844	(a)
Other receivables	75,000		75,000	(a)
Trade and other payables	-	(402,777)	(402,777)	(a)
Borrowings	-	(31,976)	(31,976)	(b)
Lease liabilities	-	(277,741)	(277,141)	(b)
Total	19,282,844	(712,494)		
30 June 2020 (audited)				
Cash and cash equivalents	3,937,501		3,937,501	(a)
Trade and other payables		(578,182)	(578,182)	(a)
Borrowings		(88,931)	(88,931)	(b)
Lease liabilities		(259,863)	(259,863)	(b)
	3,937,501	(926,976)		

(a) Due to their short-term nature, the carrying value of these financial instruments approximates their fair value. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty and own credit risk.

(b) Due to the market rate of lending for the remaining term and outstanding balance not being materially different from the current effective interest rate, the carrying value of these financial instruments approximates their fair value. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own credit risk.

Rua Bioscience Limited
Notes forming part of the interim financial statements
For the six months ended 31 December 2020

5. Revenue and other income

Revenue and other income streams recognised by the Company include:

	6 months to 31 Dec 2020 (unaudited) \$	6 months to 31 Dec 2019 (unaudited) \$
Revenue (from contracts with customers)	-	-
Research and development grant income	268,860	313,128
Gain on sale of Property, plant and equipment	-	726
Total	268,860	313,854

Since listing on the NZX, the Company is no longer eligible for research and development tax loss cash out and therefore no income has been recognised for the six months ended 31 December 2020 (Six months ended 31 December 2019: \$204,551).

6. Income tax

Tax is charged at 28% for the six months ended 31 December 2020 (2019: 28%) representing the best estimate of the average annual effective tax rate expected to apply for the full year, applied to the pre-tax income of the six month period.

The Company has assessed the realisation of the deferred tax asset at the reporting date and considers that it is probable that future taxable profits will be available to realise the deferred tax asset. Key factors supporting the assessment include:

- Securing an export agreement with German distributor, Nimbus Health
- Progress towards obtaining the required licenses to commence commercial production and sales to target markets
- Forecasted taxable profits in the foreseeable future that are sufficient to utilise the deferred tax asset
- Intention from the NZ Government to replace the shareholder continuity rules with the “same or similar business test” for the 2021 income year

7. Property, plant and equipment and Right-of-use lease assets

Significant transactions during the 6 months to 31 December 2020

- The Company has incurred an additional \$570,831 on the construction of its new Ruatoria Plant and Extraction facilities.
- The Company has entered into two additional vehicle leases, resulting in an additional \$57,662 of right-of-use lease assets.

Rua Bioscience Limited
Notes forming part of the interim financial statements
For the six months ended 31 December 2020

8. Borrowings and Lease liabilities

Significant movements in the Company's debt balances (Borrowings and Lease liabilities) during the period are detailed in the tables below:

6 months to 31 Dec 2020
(unaudited)

	Opening \$	NON-CASH New leases \$	CASH Drawdown \$	CASH Payment \$	Closing \$
Borrowings	88,931	-	-	(56,955)	31,976
Lease liabilities	259,863	57,662	-	(39,784)	277,741
	348,794	57,662	-	(96,739)	309,717

6 months to 31 Dec 2019
(unaudited)

	Opening \$	NON-CASH New leases \$	NON-CASH Unpaid accrued interest \$	CASH Drawdown \$	CASH Payment \$	Closing \$
Borrowings	93,182	-	-	-	(20,005)	73,177
Lease liabilities	123,618	145,192	3,459	-	(19,114)	253,155
	216,800	145,192	3,459	0	(39,119)	326,332

Rua Bioscience Limited
Notes forming part of the interim financial statements
For the six months ended 31 December 2020

9. Related party transactions

6 Months to 31 December 2019

The Company has no ultimate parent entity. Individual shareholders of the Company include:

- Hikurangi Hemp Holdings Limited
- Biocann Investments Limited
- Fang Group Investment Limited

6 Months to 31 December 2020

The Company listed on the NZX on 22 October 2020.

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

During the period the Company entered into the below transactions with entities related to shareholders and key management personnel.

	Nature of transactions	Transaction amount	Amounts receivable (payable)
		6 Months to 31 Dec 2020 (unaudited)	31 December 2020 (unaudited)
		\$	\$
Digital Accounting Limited	Purchases	-	-
EECOMS	Purchases	5,416	-
Mitchel Family Trust	Purchases	3,450	-

Rua Bioscience Limited
Notes forming part of the interim financial statements
For the six months ended 31 December 2020

9. Related party transactions (continued)

	Nature of transactions	Transaction amount	Amounts receivable (payable)
		6 Months to 31 Dec 2019 (unaudited)	30 June 2020 (audited)
		\$	\$
Digital Accounting Limited	Purchases	627	-
EECOMS	Purchases	11,179	1,940
Mitchel Family Trust	Purchases	-	220

As detailed in note 11 of the 30 June 2020 Annual Financial Statements, in the 2019 year, a business combination transaction was entered into with Hikurangi Bioactives Limited Partnership (HBLP), a shareholder of Hikurangi Hemp Holdings Limited.

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 Company, including the directors) was as follows:

	6 months to 31 Dec 2020 (unaudited)	6 months to 31 December 2019 (unaudited)
	\$	\$
Directors fees	106,010	113,784
Short-term employee benefits	441,611	261,144
Defined contribution plan payments	12,727	8,514
Share-based payment expense	448,549	51,507
Total key management personnel compensation	1,008,897	434,949

10. Contingent liabilities

There were no contingent liabilities at the end of the period (2019: nil).

11. Biological assets

The Company remains in a research and development phase and as such the plants and produce resulting from current operations are not being developed for sale, or for transformation into agricultural produce or additional biological assets.

Accordingly, related costs are recognised in profit or loss rather than in the recognition of a biological asset in accordance with NZ IAS 41 *Agriculture*, until such time as the Company moves past the research and development phase.

Rua Bioscience Limited
Notes forming part of the interim financial statements
For the six months ended 31 December 2020

12. Share Capital

	31 December 2020 (unaudited) Number	30 June 2020 (audited) Number
Opening shares	17,003,096	12,990,000
Shares issued	-	4,013,096
Total pre-share split*	17,003,096	17,003,096
Effect of share split*	83,009,129	N/A
Shares issued**	40,250,366	-
Total share capital	140,262,591	17,003,096

**On 15 September 2020, the Company completed a 5.882:1 share split.*

***On 22 October 2020, the Company issued 40,000,000 shares by way of listing on the NZX. They also issued a further 250,366 shares through the vesting of the ESOP issue 3.*

13. Share-based payments

Correction of prior period error

During the second half of the 30 June 2020 financial reporting period, the Company modified certain non-market vesting conditions related to Issue #1 and Issue #2 of its employee share option plans (ESOP), such that a portion (55,750) were denoted as having “vested automatically”. Accordingly, the unamortised and incremental value associated with these share options were recognised in full, and disclosed as having vested but remaining unexercised as at 30 June 2020.

However, subsequent review and legal advice has identified and confirmed that while certain non-market vesting conditions were removed for these share options, they were still subject to the general vesting conditions which included a requirement of continued employment (service condition) over the original vesting period. Consequently, this expense should have continued to be recognised over the remaining service period. This error affected both the equity-settled and cash-settled components of these share options.

Rua Bioscience Limited
Notes forming part of the interim financial statements
For the six months ended 31 December 2020

13. Share-based payments (continued)

The impact of the error and relevant restated information is presented below:

(i) Impact to statement of financial position as at 30 June 2020

	2020 As reported \$	Adjustment \$	2020 Restated \$
Non-current assets			
Deferred tax asset	832,033	(33,828)	798,205
Current liabilities			
Share-based payment liability	(70,492)	58,215	(12,277)
Non-current liabilities			
Share-based payment liability	(111,653)	(13,203)	(124,856)
Equity			
Accumulated losses	(4,868,243)	86,983	(4,781,260)
Share option reserve	336,108	(75,800)	260,308

(ii) Impact to share option balances

	Issue #1 No.	Issue #2 No.	Issue #3 No.	Total No.
Opening (1 July 2019)	-	-	-	-
- Options issued	408,000	75,000	42,564	525,564
- Options vested (<i>As reported</i>)	(51,000)	(4,750)	-	(55,750)
<i>Adjustment</i>	51,000	4,750	-	55,750
Options vested (<i>Restated</i>)	-	-	-	-
- Options forfeit	(51,000)	(4,750)	-	(55,750)
Closing (30 June 2020) (<i>Restated</i>)	357,000	70,250	42,564	469,814

Rua Bioscience Limited
Notes forming part of the interim financial statements
For the six months ended 31 December 2020

13. Share-based payments (continued)

Confirmation of vesting conditions

During the period, the previously yet to be determined vesting conditions applicable to Tranche 2 of Issue #1 (1,141,108 options), and Tranche 2 of Issue #2 (164,696 options) were confirmed, resulting in four separate tranches (25% each) with unique vesting conditions as at 31 December 2020

Tranche	Vesting conditions	Issue #1 Number	Issue #2 Number
Tranche 2A (Issue #1) Tranche 2A (Issue #2)	Non-market performance conditions relating to the Company receiving NZ Medsafe “Good Manufacturing Practice” (GMP) within a prescribed time frame.	285,277	41,174
Tranche 2B (Issue #1) Tranche 2B (Issue #2)	Non-market performance conditions relating to the Company completing its first commercial harvest in relation to sales agreement with a specified customer within a prescribed timeframe.	285,277	41,174
Tranche 2C (Issue #1) Tranche 2C (Issue #2)	Non-market performance conditions relating to the Company achieving EU GMP certification within a prescribed timeframe.	285,277	41,174
Tranche 2D (Issue #1) Tranche 2D (Issue #2)	Non-market performance conditions relating to the Company achieving sales into the German market within a prescribed timeframe.	285,277	41,174

Rua Bioscience Limited
Notes forming part of the interim financial statements
For the six months ended 31 December 2020

13. Share-based payments (continued)

The following information is relevant in the determination of the fair value of share options of the new Tranches, as at the date of vesting condition confirmation.

	Equity Settled		Cash-settled	
	31 December 2020	30 June 2020	31 December 2020	30 June 2020
ESOP Issue #1: Tranche 2A - 2D (30 June 2020: Tranche 2)				
Weighted average share price	\$0.50	\$2.12	\$0.60	\$2.12
Exercise price	\$nil	\$nil	\$nil	\$nil
Weighted average remaining contractual life (in days)	274	458	274	458
	Equity Settled		Cash-settled	
	31 December 2020	30 June 2020	31 December 2020	30 June 2020
ESOP Issue #2: Tranche 2A - 2B (30 June 2020: Tranche 2)				
Weighted average share price	\$0.50	\$2.12	\$0.60	\$2.12
Exercise price	\$nil	\$nil	\$nil	\$nil
Weighted average remaining contractual life (in days)	639	823	639	823

Rua Bioscience Limited
Notes forming part of the interim financial statements
For the six months ended 31 December 2020

13. Share-based payments (continued)

Impact of share split

On 15 September 2020, the Company completed a 5.882:1 share split, resulting in a pro-rata increase in the number of share options.

At reporting date, the number of unvested options was 2,410,150.

Remeasurement of the grant-date fair value Tranche 3 of Issue #2

The vesting conditions associated with Tranche 3 of Issue #2 remain unconfirmed as at reporting date.

Accordingly, and until such time as the vesting conditions are confirmed, the grant-date fair value of the options is re-estimated.

As at reporting date the fair value of these options was \$0.60 (30 June 2020: \$0.36 - being the \$2.12 previously reported, adjusted for the 5.882:1 share split).

The increase in the estimated grant-date fair value has resulted in an additional \$12,043 being recognised in profit or loss in the period.

Remeasurement of cash settled share-based payments

Cash-settled share-based payments are remeasured at reporting date

As at reporting date the fair value of these options was \$0.60 (30 June 2020: \$0.36 - being the \$2.12 previously reported, adjusted for the 5.882:1 share split).

The expense recognised in profit or loss during the period associated with the increase in carrying value of cash-settled share-based payments was \$194,970.

Rua Bioscience Limited
Notes forming part of the interim financial statements
For the six months ended 31 December 2020

14. Events after the reporting date

There have been no material events subsequent to 31 December 2020.