

RUA LIFE SCIENCES PLC

UNAUDITED INTERIM RESULTS 2023

For the six months ended 30 September 2023

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CHAIRMAN'S STATEMENT

I am pleased to set out below an overview of the unaudited interim results of RUA Life Sciences Plc for the six months to 30 September 2023. The focus of the period was ensuring the Group was best positioned to undertake a capital raise to fund the commercialisation of the development divisions of the business. Much of the funding options available to the Group relied upon ensuring VCT and EIS qualification for potential investors. As a result of changes in VCT/EIS rules, the Group underwent a reorganisation to transfer the heart valve and vascular assets into the respective subsidiary companies. This reorganisation allowed advance assurance to be received and ultimately in the Company announcing the placing and retail offer which conditionally raised £4.4 million.

Unaudited interim results for the six months to 30 September 2023

The results below are the consolidated figures for the entire group and are further analysed in the relevant segmental update.

Revenue for the Group decreased from £1,104,000 last year to £794,000, a reduction of 28%. This reduction was due to delays in shipping product to a customer. The operational team at RUA Life Sciences worked exceptionally well both internally and externally with our customer during October and November, ultimately bringing orders back in line with targets by the end of November. The revenue reduction impacted gross profits adversely, and despite strong cost control, operating losses increased 20% from £1,136,000 to £1,360,000.

Post-tax losses, however, improved from £1,143,000 to £1,010,000 as a result of the timing of the receipt of R&D tax credits. Working capital continued to be tightly managed with cash reducing at less than the rate of operating losses, with the balance at the period end being £493,000, a fall of £991,000 from the start of the period. The cash position has subsequently recovered strongly due to the strong trading in October and November, which when coupled with the receipt of R&D Tax Credits allowed the cash balance to increase to £900,000 at the beginning of December. The net proceeds from the equity fundraise will materially strengthen the cash position further.

Biomaterials

The Biomaterials business segment is the part of the business that holds the Intellectual Property relating to Elast-Eon™ and related polymers, and licences that IP to other medical device companies.

The Biomaterials business witnessed further growth in royalty and license fee income and increased an additional 6% compared to the first half of last year, rising from £187,000 to £199,000. The Biomaterials business is, however, very much second half weighted as a result of the timings of when royalty fees are recognised

Net margins in Biomaterials remain high, with the contribution to the Group increasing from £154,000 (82%) last year to £166,000 (84%) in the current period.

Contract Manufacturing

Based on headline performance, the Contract Manufacturing business performed poorly with revenues down from £917,000 in the first half of last year to £579,000, a decrease of 37%. The shortfall was a result of much-reduced revenue being recognised during August and September due to delays in the completion, shipment and sterilisation testing of orders from the major customer. The issues have been resolved by RUA with record shipments during October and November, resulting in revenues from the customer now being ahead of budget.

Business development activities are now achieving results in line with the Group's growth strategy. A formal Request For Proposal (RFP) has been received from a global business seeking manufacturing services to derisk supply chain issues across a range of implantable devices. RUA proposed a phased work plan involving project scoping and reverse engineering, proof of concept manufacture and process validation followed by a long term supply contract. Phase one has now been agreed with the client and work will commence on contract signature. A successful completion of this project should result in annual revenue potential in excess of £1 million. Meeting production volumes should be achievable within current clean room facilities.

Vascular

The Group's vascular graft is now fully prepared to undergo the regulatory testing regime agreed with the FDA, following a successful pre-submission process which allows the graft to go through the less onerous 510k market clearance route. Subject to starting recruitment for the remaining clinical studies, regulatory approval is anticipated in 30 to 36 months with a required budget of approximately £6 million. However, as announced on 20 November 2023, given the current cost of capital and funding of the business, the Board elected to pursue a strategy of seeking external funding for the completion of these trials. A business plan for the regulatory pathway and business model is being prepared as the basis of attracting third-party investment for the project.

The Board believes that the Vascular project has very attractive risk-adjusted returns on the additional investment required to achieve regulatory approval. The investment in RUA Vascular will be exploited by seeking third party funding for the project whilst retaining an interest which could involve an equity interest, a Contract Manufacture development and manufacture agreement or a form of licensing of technology developed.

The Group's vascular products have already developed OEM customer interest with the first commercial sale recently achieved. Furthermore, a global distribution partnership has also been put in place with Corcym, the global medical device company, to allow a much-simplified route to market.

Structural Heart

A year ago, we discussed the development of a prototype composite combining the exceptional blood contacting and biostability properties of Elast-Eon with RUA's expertise in implantable textiles. The objectives for the Structural Heart business were to manufacture prototype valves and undertake durability testing to further evaluate this material.

An ideal heart valve leaflet material would have several qualities. The biological properties of low calcium susceptibility, low thrombogenicity and hemocompatibility are the key properties of Elast-Eon and have been demonstrated in numerous trials and devices. It is in demonstrating the mechanical properties of the RUA composite that we have seen the technological breakthrough during the period. A heart valve leaflet needs to be durable. The RUA composite has undergone both flex fatigue and accelerated wear testing as a valve. In both cases, our expectations were exceeded. In hydrodynamic testing, the RUA composite leaflet valve was as efficient as current mechanical valves and required around 50% less energy than a biological valve. The novel material itself also has interesting properties. At only 150 microns thick, it is much thinner than animal tissue material, therefore potentially delivering benefits to transcatheter valve delivery and performance. Additionally, the composite has isotropic properties in having similar strength in every direction and the strength is higher than the initial fabric substrate.

Previous attempts at polymeric heart valves have required a combination of polymer material and a valve design to work within the limitations of the original polymer. The RUA composite has been created to eliminate valve design constraints and as such, can be commercialised as a component rather than a finished product. The target for the heart valve business is now to pursue material supply and license agreements with other heart valve businesses, thus bringing time to commercialisation closer and future development budget requirements reduced dramatically.

Conclusion and Outlook

Recent priorities have been to secure a solid financial base for the Company to allow the value in each of the businesses to be demonstrated through achieving their growth potential and commercialising the investment made to date. The strategy is for the business to turn profitable in the shorter term as a result of growing contract manufacturing and commercialising the R&D undertaken within Vascular and Structural Heart. Your Board is grateful for the support demonstrated by current and new shareholders allowing the successful placing and retail offer.

Bill Brown, Chairman
15 December 2023

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

		Unaudited	Unaudited	Audited
	Note	Six months to 30 Sep 2023 GB£000	Six months to 30 Sep 2022 GB£000	Twelve months to 31 Mar 2023 GB£000
Revenue	2	794	1,104	2,179
Cost of sales		(178)	(229)	(388)
Gross profit		616	875	1,791
Other income		44	98	72
Administrative expenses		(2,020)	(2,109)	(4,169)
Operating loss		(1,360)	(1,136)	(2,306)
Net finance expense		(36)	(11)	(16)
Loss before taxation		(1,396)	(1,147)	(2,322)
Taxation		386	4	319
Loss attributable to equity holders of the parent company		(1,010)	(1,143)	(2,003)
Loss per share Basic & Diluted (GB Pence per share)		(4.55)	(5.15)	(9.03)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

		Unaudited 30 Sep 2023 GB£000	Unaudited 30 Sep 2022 GB£000	Audited 31 Mar 2023 GB£000
Assets				
Non-current assets				
Goodwill	3	301	301	301
Other intangible assets	4	445	495	470
Property, plant and equipment	5	2,621	2,543	2,739
Total non-currents assets		3,367	3,339	3,510
Current assets				
Inventories	6	139	68	81
Trade and other receivables	7	755	681	588
Cash and cash equivalents	8	493	2,509	1,484
Total current assets		1,387	3,258	2,153
Total assets		4,754	6,597	5,663
Equity				
Issued capital		1,112	1,109	1,109
Share premium		11,729	11,729	11,729
Capital redemption reserve		11,840	11,840	11,840
Other reserve		(1,389)	(1,507)	(1,450)
Profit and loss account		(19,558)	(17,685)	(18,545)
Total equity attributable to equity holders of the parent company		3,734	5,486	4,683
Liabilities				
Non-current liabilities				
Borrowings	9	150	364	165
Lease liabilities	9	169	-	200
Deferred tax		80	71	85
Other Liabilities		101	140	116
Total non-current liabilities		500	575	566
Current liabilities				
Borrowings	9	29	86	29
Lease liabilities	9	97	4	81
Trade and other payables	10	354	397	255
Other liabilities		40	49	49
Total current liabilities		520	536	414
Total liabilities		1,020	1,111	980
Total equity and liabilities		4,754	6,597	5,663

CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT

	Unaudited	Unaudited	Audited
	Six months to	Six months to	Twelve months to
	30 Sep 2023	30 Sep 2022	31 March 2023
	GB£000	GB£000	GB£000
Cash flows from operating activities:			
Group loss after tax	(1,010)	(1,143)	(2,003)
Adjustments for:			
Amortisation of intangible assets	25	26	51
Depreciation of property, plant and equipment	160	148	307
Share-based payments	61	46	102
Net finance costs	36	9	16
Tax credit in year	(381)	-	(319)
Decrease / (increase) in trade and other receivables	214	439	327
Decrease / (increase) in inventories	(58)	56	43
Taxation	(5)	(4)	533
Decrease in trade and other payables	75	(38)	(203)
Net cash flow from operating activities	(883)	(461)	(1,146)
Cash flows from investing activities:			
Purchase of property plant and equipment	(42)	(94)	(449)
Interest paid	(21)	(9)	(28)
Net cash flow from investing activities	(63)	(103)	(477)
Cash flows from financing activities:			
Proceeds from borrowing	33	150	229
Repayment of borrowings and leasing liabilities	(63)	(40)	(97)
Net cash flow from financing activities	(30)	110)	132)
Net decrease in cash and cash equivalents	(976)	(454)	(1,491)
Cash and cash equivalents at beginning of year	1,484	2,963	2,963
Effect of foreign exchange rate changes	(15)	-	12
Cash and cash equivalents at end of the period	493	2,509	1,484

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

	Issued Share capital	Share premium	Capital Redemption Reserve	Other reserve	Profit and loss account	Total equity
	GB£000	GB£000	GB£000	GB£000	GB£000	GB£000
Balance at 31 March 2022	1,109	11,729	11,840	(1,552)	(16,542)	6,584
Share based payments	-	-	-	46	-	46
Total comprehensive income for the period	-	-	-	-	(1,143)	(1,143)
Balance at 30 September 2022	1,109	11,729	11,840	(1,506)	(17,685)	5,487
Share based payments	-	-	-	56	-	56
Total comprehensive income for the period	-	-	-	-	(860)	(860)
Balance at 31 March 2023	1,109	11,729	11,840	(1,450)	(18,545)	4,683
Issue of share capital	3	-	-	-	(3)	-
Share based payments	-	-	-	61	-	61
Total comprehensive income for the period	-	-	-	-	(1,010)	(1,010)
Balance at 30 September 2023	1,112	11,729	11,840	(1,389)	(19,558)	3,734

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

General information

RUA Life Sciences plc is the ultimate parent company of the Group, whose principal activities are contract design and manufacture of medical devices and exploiting the value of its IP and know-how.

RUA Life Sciences plc is incorporated and domiciled in the UK and its registered office is c/o Davidson Chalmers Stewart LLP, 163 Bath Street, Glasgow, G2 4SQ.

Basis of preparation

These condensed consolidated interim financial statements are for the six months ended 30 September 2023 and have been prepared with regard to the requirements of IAS 34 on "Interim Financial Reporting". They do not include all of the information required for full financial statements and should be read in conjunction with the audited consolidated financial statements of the Group for the year ended 31 March 2023.

The financial information for the six months ended 30 September 2023 and the comparative figures for the six months ended 30 September 2022 are unaudited. They have been prepared on the basis of the accounting policies set out in the consolidated financial statements of the Group for the year ended 31 March 2023 and, on the recognition, and measurement principles of IFRS in issue as effective at 30 September 2023. The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these condensed consolidated interim financial statements.

The figures for the year ended 31 March 2023 have been extracted from the audited statutory accounts which were approved by the Board of Directors on 25 July 2023, prepared under IFRS. The Independent Auditor's Report on the Report and Financial Statements for the year ended 31 March 2023 was unqualified but did draw attention to Note 1 of those financial statements which explains that the Group and Parent Company's ability to continue as a going concern is dependent on the execution of its business plan together with its ability to raise sufficient capital to meet capital and liquidity requirements. The auditors report did not contain any statements under sections 498(2) or 498(3) of the Companies Act 2006.

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on 15 December 2023.

Going concern

Pending approval by shareholders at the upcoming general meeting on 18 December 2023, the business will raise approximately £4m (after expenses) through a Placing, Subscription and Retail Offer of new ordinary shares. The Directors are confident in the passing of the necessary resolutions. The Directors believe the balance sheet, strengthened by the finance proceeds, provides a pathway to cashflow breakeven and profitability.

The Directors have considered the applicability of the going concern basis in the preparation of the financial statements. This included the review of financial results, internal budgets and cash flow forecasts, including the anticipated proceeds of the financing for the period of at least 12-months following the date of approval of these interim financial statements (the "Going Concern Period").

The Directors have modelled severe but plausible downside scenarios, including the downside of a vote against the financing at the general meeting, on the going concern period.

These scenarios include sensitivity analysis, which delays future growth. In such a case, the Group

would take mitigating actions, and the Directors concluded that the Group would be able to reduce expenditure on its research and development programmes and other areas in order to meet its liabilities as they fall due for the Going Concern Period. The forecasts show that under both the base case and severe but plausible scenarios, the Group's cash resources will extend beyond the Going Concern Period, satisfying the Directors that the Group and Company will have sufficient funds to meet their liabilities as they fall due for at least the Going Concern Period and therefore have prepared the financial statements on a going concern basis.

Principal Risks and Uncertainties

The principal risks and uncertainties affecting the business activities of the Group remain those detailed on pages 24-26 of the Annual Report 2023, a copy of which is available on the Company's website www.rualifesciences.com

Loss per share

Loss per share has been calculated on the basis of the result for the period after tax, divided by the weighted average number of ordinary shares in issue in the period of 22,184,798. (30 September 2023: 22,184,798 and 31 March 2023: 22,184,798).

2. SEGMENTAL REPORTING

The principal activity of the RUA Life Sciences Group comprises exploiting the value of its IP & know-how, medical device contract manufacturing and development of cardiovascular devices.

The following analysis by segment is presented in accordance with IFRS 8 on the basis of those segments whose operating results are regularly reviewed by the Chief Operating Decision Maker (considered to be the executive chairman of the board) to assess performance and make strategic decisions about the allocation of resources. Segmental results are calculated on an IFRS basis.

A brief description of the segments of the business is as follows:

- Biomaterials – Licensor of Elast-Eon™ polymers to the medical device industry.
- Contract Manufacturing – End-to-end contract developer and manufacturer of medical devices and implantable fabric specialist.
- Vascular – Development and commercialisation of the Group's Elast-Eon sealed Vascular Graft products.
- Structural Heart – Development of the Group's Elast-Eon composite heart valve material.

Operating results which cannot be allocated to an individual segment are recorded as central and unallocated.

Analysis of revenue by income stream

	Unaudited Six months to 30 Sep 2023 GB£000	Unaudited Six months to 30 Sep 2022 GB£000	Audited Twelve months to 31 Mar 2023 GB£000
Manufacture of Medical Devices	595	-	-
Royalty Income	199	187	554
Total	794	1,104	2,179

Analysis of revenue by geographical location

	Unaudited Six months to 30 Sep 2023 GB£000	Unaudited Six months to 30 Sep 2022 GB£000	Audited Twelve months to 31 Mar 2023 GB£000
Israel	26	26	48
Italy	19	-	15
Switzerland	-	7	168
UK	-	(1)	(1)
USA	749	1,072	1,949
Total	794	1,104	2,179

The Group's revenue for six months to 30 September 2023 is segmented as follows:

Analysis of revenue by income stream

	Unaudited Biomaterials GB£000	Unaudited Contract Manufacture GB£000	Unaudited Vascular GB£000	Unaudited Structural Heart GB£000	Unaudited Central and unallocated GB£000	Unaudited Total GB£000
Manufacture of Medical Devices	-	579	16	-	-	595
Royalty revenue	199	-	-	-	-	199
Total	199	579	16	-	-	794

Analysis of revenue by geographical location

	Unaudited Biomaterials GB£000	Unaudited Contract Manufacture GB£000	Unaudited Vascular GB£000	Unaudited Structural Heart GB£000	Unaudited Central and unallocated GB£000	Unaudited Total GB£000
Israel	26	-	-	-	-	26
Italy	-	19	-	-	-	19
Switzerland	-	-	-	-	-	-
UK	-	-	-	-	-	-
USA	173	560	16	-	-	749
Total	199	579	16	-	-	794

The Group's revenue for six months to 30 September 2022 is segmented as follows:

Analysis of revenue by income stream

	Unaudited Biomaterials GB£000	Unaudited Contract Manufacture GB£000	Unaudited Vascular GB£000	Unaudited Structural Heart GB£000	Unaudited Central and unallocated GB£000	Unaudited Total GB£000
Manufacture of Medical Devices	-	917	-	-	-	917
Royalty revenue	187	-	-	-	-	187
Total	187	917	-	-	-	1,104

Analysis of revenue by geographical location

	Unaudited Biomaterials GB£000	Unaudited Contract Manufacture GB£000	Unaudited Vascular GB£000	Unaudited Structural Heart GB£000	Unaudited Central and unallocated GB£000	Unaudited Total GB£000
Europe	7	(1)	-	-	-	6
USA	154	918	-	-	-	1,072
RoW	26	-	-	-	-	26
Total	187	917	-	-	-	1,104

The Group's Segmental analysis for six months to 30 September 2023 is segmented as follows:

	Unaudited Biomaterials GB£000	Unaudited Contract Manufacture GB£000	Unaudited Vascular GB£000	Unaudited Structural Heart GB£000	Unaudited Central and unallocated GB£000	Unaudited Total GB£000
Consolidated group revenues from external customers	199	579	16	-	-	794
Contributions to group operating loss	166	305	(602)	(215)	(1,014)	(1,360)
Depreciation	-	27	99	9	25	160
Amortisation of intangible assets	-	22	-	-	3	25
Segment assets	103	1,329	1,225	165	1,930	4,752
Segment liabilities	-	220	407	19	374	1,020
Intangible assets – goodwill	-	301	-	-	-	301
Other intangible assets	-	237	139	-	69	445
Additions to non-current assets	1	-	3	-	38	42

The Group's Segmental analysis for six months to 30 September 2022 is segmented as follows:

	Unaudited Biomaterials GB£000	Unaudited Contract Manufacture GB£000	Unaudited Vascular GB£000	Unaudited Structural Heart GB£000	Unaudited Central and unallocated GB£000	Unaudited Total GB£000
Consolidated group revenues from external customers	187	917	-	-	-	1,104
Contributions to group operating loss	154	384	(619)	(289)	(766)	(1,136)
Depreciation	-	139	-	8	1	148
Amortisation of intangible assets	-	22	-	-	4	26
Segment assets	90	4,012	-	152	2,343	6,597
Segment liabilities	2	897	34	4	174	1,111
Intangible assets – goodwill	-	301	-	-	-	301
Other intangible assets	-	419	-	-	76	495
Additions to non-current assets	-	94	-	-	-	94

3. GOODWILL

The final valuation following the acquisition of RUA Medical Devices Limited gave rise to adjustments being required to the value of intangibles recognised in the Interim Report for the six months ended 30 September 2020, and lead to the following goodwill being recognised:

No impairment review has been carried out in the six-month period.

	GB£000
Gross carrying amount	
Balance at 30 September 2022	301
Balance at 31 March 2023	301
Balance at 30 September 2023	301

4. OTHER INTANGIBLE ASSETS

	Development costs GB£000	Intellectual property GB£000	Customer Related (CM) GB£000	Technology Based (CM) GB£000	Total GB£000
Gross carrying amount					
At 31 March 2022	337	3,325	247	141	4,050
Additions	-	-	-	-	-
At 30 September 2022	337	3,325	247	141	4,050
Additions	-	-	-	-	-
At 31 March 2023	337	3,325	247	141	4,050
Additions	-	-	-	-	-
At 30 September 2023	337	3,325	247	141	4,050
Amortisation and impairment					
At 31 March 2022	337	3,106	58	28	3,529
Charge	-	4	15	7	26
At 30 September 2022	337	3,110	73	35	3,555
Charge	-	4	14	7	25
At 31 March 2023	337	3,114	87	42	3,580
Charge	-	3	15	7	25
At 30 September 2023	337	3,117	102	49	3,605
Net book value					
At 30 September 2022	-	215	174	106	495
At 31 March 2023	-	211	160	99	470
At 30 September 2023	-	208	145	92	445

5. PROPERTY, PLANT AND EQUIPMENT

	Land & Buildings GB£000	Assets Under Construction GB£000	Plant & Machinery GB£000	Office Equipment GB£000	Motor Vehicles GB£000	Total GB£000
Cost						
At 31 March 2022	1,335	-	1,614	79	25	3,053
Additions	-	-	80	14	-	94
At 30 September 2022	1,335	-	1,694	93	25	3,147
Additions	-	142	211	2	-	355
At 31 March 2023	1,335	142	1,905	95	25	3,502
Transfer of Assets	-	-	-	-	-	-
Additions	-	-	7	2	33	42
At 30 September 2023	1,335	142	1,912	97	58	3,544
Depreciation						
At 31 March 2022	120	-	287	33	16	456
Charge	30	-	106	8	4	148
At 30 September 2022	150	-	393	41	20	604
Charge	30	-	116	9	4	159
At 31 March 2023	180	-	509	50	24	763
Charge	20	-	127	7	6	160
At 30 September 2023	200	-	636	57	30	923
Net book value						
At 30 September 2022	1,185	-	1,301	52	5	2,543
At 31 March 2023	1,155	142	1,396	45	1	2,739
At 30 September 2023	1,135	142	1,275	40	28	2,621

Included in the net carrying amount of property plant and equipment are right-of-use assets as follows:

	Plant & Machinery (Leased) GB£000	Motor Vehicles GB£000	Total GB£000
Cost			
At 31 March 2022	162	25	187
Additions	150	-	150
At 30 September 2022	312	25	337
Additions	79	-	79
At 31 March 2023	391	25	416
Additions	-	33	33
At 31 September 2023	391	58	449

Depreciation

At 31 March 2022	23	16	39
Charge	13	4	17
At 30 September 2022	36	20	56
Charge	12	4	16
At 31 March 2023	48	24	72
Charge	21	5	26
At 31 September 2023	69	29	98

Net book value

At 30 September 2022	276	5	281
At 31 March 2023	343	1	344
At 30 September 2023	322	29	351

6. INVENTORIES

Inventories consist of the following:

	Unaudited Six months to 30 Sep 2023 GB£000	Unaudited Six months to 30 Sep 2022 GB£000	Audited Twelve months to 31 Mar 2023 GB£000
Raw Materials	58	45	48
Work in Progress	65	23	33
Finished Goods	16	-	-
	139	68	81

The cost of inventories recognised as an expense and included in cost of goods sold amounted £26K (2022: £37K).

7. TRADE AND OTHER RECEIVABLES

	Unaudited Six months to 30 Sep 2023 GB£000	Unaudited Six months to 30 Sep 2022 GB£000	Audited Twelve months to 31 Mar 2023 GB£000
Current:			
Trade receivables – gross	98	146	175
Allowance for credit losses	-	(5)	-
Trade receivables net	98	141	175
Other receivables	50	82	34
Tax credit due	381	28	-
Prepayments and accrued income	226	430	379
	755	681	588

8. CASH AT BANK

	Unaudited Six months to 30 Sep 2023 GB£000	Unaudited Six months to 30 Sep 2022 GB£000	Audited Twelve months to 31 Mar 2023 GB£000
Cash at bank and in hand	493	2,509	1,484
	493	2,509	1,484

9. BORROWINGS & LEASE LIABILITIES

	Unaudited Six months to 30 Sep 2023 GB£000	Unaudited Six months to 30 Sep 2022 GB£000	Audited Twelve months to 31 Mar 2023 GB£000
Current:			
Bank loans	29	86	29
Lease Liabilities	97	4	81
	126	90	110
Non-current:			
Bank loans	150	364	165
Lease Liabilities	169	-	200
	319	364	365
	Bank loans	Lease liabilities	Total
	GB£000	GBP£000	GB£000
Repayable in less than 6 months	14	45	59
Repayable in 7 to 12 months	15	46	61
Repayable in 1 to 5 years	98	175	273
Repayable after 5 years	52	-	52
	179	266	445

£148,449 of bank loans is secured on the property at 2 Drummond Crescent, Irvine, Ayrshire and subject to a bond and floating charge over the Group's assets. Secured bank loans carry a variable rate of interest, which were between 6% and 7.8%.

£30,309 of bank loans is an unsecured government support loan. Unsecured bank loans carry an effective rate of interest at 9%.

The lease liabilities are secured by the related underlying assets. Lease borrowings carry fixed rates of interest, ranging between 4.0% and 9.6%.

Reconciliation of change in lease liabilities:

	GB£000
As at 1 April 2022	121
Payment of lease liability - principal	(25)
Payment of lease liability – interest	(5)
Interest expense	5
Additions	150
Disposals	-
As at Sep 2022	246
Payment of lease liability - principal	(44)
Payment of lease liability – interest	(11)
Interest expense	11
Additions	79
Disposals	-
As at 31 March 2023	281
Payment of lease liability - principal	(48)
Payment of lease liability – interest	(12)
Interest expense	12
Additions	33
Disposals	-
As at 30 September 2023	266

10. TRADE AND OTHER PAYABLES

	Unaudited Six months to 30 Sep 2023 GB£000	Unaudited Six months to 30 Sep 2022 GB£000	Audited Twelve months to 31 Mar 2023 GB£000
Current liabilities:			
Trade payables	184	142	43
Other payables	24	91	8
Accruals and deferred income	146	164	204
	354	397	255

Deferred grant income is included within other liabilities in the Consolidated statement of financial position. £39,000 (2022: £49,000) is included in current liabilities and £101,000 (2022: £140,000) included in Non-current Liabilities.

11. SUBSEQUENT EVENTS

The Company announced on 30 November 2023 a placing to raise a minimum of £4.0m and a retail offer to raise up to £0.75m. Certain Directors noted their intention to invest a further £80,000 through the subscription for an additional 727,272 shares subject to being out of a close period.

The Company subsequently announced on 1st December that it had conditionally raised gross proceeds of approximately £4.0m (before expenses) under the placing. In total, 36,363,636 Placing Shares have been conditionally placed at the price of 11 pence per share.

On the 8 December following the closing of the Retail Offer on 7 December 2023, the Company announced that the Retail Offer had raised an additional £0.31 million through the issue of 2,784,566 Ordinary Shares at the Issue Price of 11 pence.

12. ISSUED SHARE CAPITAL

The Company's issued share capital as at 30 September 2023 comprises 22,184,798 Ordinary Shares of which none are held in treasury.

13. INTERIM ANNOUNCEMENT

The interim results announcement was released on 18 December 2023. A copy of this Interim Report is also available on the Company's website www.rualifesciences.com.

BOARD OF DIRECTORS AND ADVISORS

DIRECTORS

W Brown – Executive Chairman

C Stretton – Group Managing Director

L Smith – Group CFO

I Anthony – Clinical and Regulatory Affairs (Resigned 01/09/2023)

J McKenna – Director of Marketing

I Ardill – Non-Executive Director

G Berg – Non-Executive Director

J Ely – Non-Executive Director

COMPANY SECRETARY

K M Full FCCA (Resigned 03/09/23)

L Smith (Appointed 03/09/23)

HEAD OFFICE

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Ayrshire

KA11 5AN

REGISTERED OFFICE

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NOMINATED ADVISER AND BROKER

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REGISTRARS

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Burness Paul LLP

50 Lothian Road

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INDEPENDENT AUDITOR

Grant Thornton UK LLP

Statutory Auditor

Chartered Accountants

110 Queen Street

Glasgow

G1 3BX

Registered in Scotland, Company No.SC170071

Financial statements will be available to Shareholders from the Company Website, along with copies of the announcement. Dealings permitted on Alternative Investment Market (AIM) of the London Stock Exchange.