

RUA LIFE SCIENCES PLC

UNAUDITED INTERIM RESULTS 2024

For the six months ended 30 September 2024

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CHAIRMAN'S STATEMENT

At this time last year, the company outlined a strategy focused on achieving short-term profitability by expanding contract manufacturing and leveraging the commercialising of R&D efforts undertaken in recent years. I am pleased to report good progress towards this goal during the six months ended 30 September 2024 (the "period"), along with the establishment of strong foundations for future growth.

On 6 September 2024, the Group completed the strategic acquisition of the Abiss Group, a medical device manufacturer based in France, with a subsidiary in Poland specialising in the distribution of medical devices. The results presented include the consolidation of the Abiss group from the date of acquisition.

Taking into account the progress made on delivering on strategy and the initial benefits of the strategic acquisition of Abiss, it is pleasing to be able to report a consolidated profit of £636,000 for the period.

Unaudited interim results for the six months to 30 September 2024

Consolidated revenues for the Group increased 92% from £794k to £1,524k in the period. Of the revenues achieved, £238k (H1 2023 £199k) was represented by the Group's Biomaterials business, which enjoyed year-on-year growth of 20%. Other revenues delivered from the sale of Medical Devices and Components increased 116% from £595k to £1,286k in the period.

It is recognised that revenues in the comparative period were adversely affected by delays in shipments which were recovered in the second half of the year. A more appropriate comparator is the average revenues across each of the two half years in FY24 of £840k. Against this more challenging comparator, revenue growth from the Sale of Medical Devices and Components was 53% including the benefit of the Abiss group or 47% on a like-for-like basis.

Gross Profit margins continued to improve from the 78% achieved in the first half of FY24 and 81% over FY24, to 83% in the period. The gross profit margin achieved from Medical Devices and Components was 80% in the period compared to 76% in the comparative period.

Administrative expenses were reduced by £326k (16%) from £2,020k (H1 24) to £1,694k in the first half of the current year. The like-for-like reduction in costs (excluding Abiss) was £375k.

Included in other income for the period is the initial bargain purchase gain from the acquisition of the Abiss group. The profit on acquisition is £1,062,000, representing the excess of the book value of assets acquired over the purchase price of £68,000. An exercise to calculate the fair value of assets purchased, including any intangible assets identifiable, is currently being undertaken, and the final acquisition accounting adjustments will be included in the second interim period to 31 March 2025. As plant, machinery and other fixed assets utilised in the business have a current written down value of only £23k compared to the original cost of £730k, it is anticipated that a further bargain purchase gain will be recognised at the second interim period to 31 March 2025.

Balance Sheet Strengthened

The Group's drive to profitability, together with the Abiss acquisition has had a positive impact on the balance sheet of the Group. Cash at 30 September amounted to £3,779k, a net reduction of only £152k over the period compared to reductions of £523k (excluding proceeds of the equity issue) in the second half of FY24 and £976k in the comparative period. Total Assets increased £1,637k over the period with the £833k increase in liabilities (attributable to the acquisition of Abiss group) resulting in a net increase in equity of £682k from £7,182k to £7,864k over the period.

RUA Vascular and Structural Heart

The objectives for RUA Vascular and Structural Heart are to find alternative ways to fund the remaining regulatory pathway for the polymer sealed graft products and to introduce the Group's heart valve leaflet material (AurTex™) to the wider industry as a realistic alternative to animal tissue in heart valves.

As noted in the trading update of 30 October 2024, while the AurTex materials tested under the Company's Material Transfer Agreement ("MTA") with a heart valve company successfully met all the expected results for the tests undertaken, at this point, it is not expected to lead to a commercial agreement due to current priorities of the Company's MTA partner. Notwithstanding this, the results of the MTA have confirmed the management's belief in the potential for AurTex.

The team working on the vascular project has continued to make good progress with significant improvements made in the handling of the graft to address feedback from potential partners.

Several opportunities are being pursued for each of the Vascular and Structural Heart businesses, and further updates will be made as appropriate.

Abiss Acquisition

RUA was introduced to the Abiss Group ("Abiss") by our major customer around a year ago. The former parent company of Abiss had been placed into liquidation by the French Courts, and our customer was motivated to ensure a seamless continuity in the supply of products and devices supplied to it by Abiss. The Abiss Group comprises two European businesses: Abiss France and Abiss Poland. Abiss France is a CE mark holder of a number of medical devices and is a licensor and subcontract manufacturer of devices. Abiss Poland is a 60% subsidiary of Abiss France and is a distributor of gynaecological and urology devices into hospitals. In Poland, Abiss holds a market-leading position in Stress Urinary Incontinence (SUI) and pelvic floor repair. Around 70% of the revenues generated by Abiss France were dependent upon sales to the major customer.

Having reviewed the future product demand from the major customer and satisfied ourselves on any product liability issues, RUA agreed to participate in a formal auction process to acquire the entire issued share capital of Abiss France. The Abiss group was sold as a going concern. Although financial information was made available by Abiss, detailed financial due diligence was not possible nor were any warranties on the purchase available from the French courts. However, the strong relationship that RUA has with its customer provided it with significant comfort on matters which might be perceived as risks by other bidding parties. As a result, RUA's offer of €80,000 for the share capital of Abiss France was the highest bid and was accepted by the French courts with the purchase completing on 6 September 2024.

Strategic Integration

There are many similarities between Abiss and RUA's Contract Manufacturing business unit, not least the customer relationship. Going forward, it is anticipated that Abiss will be reported as part of the expanded Medical Devices and Components business unit. The acquisition has enabled us to achieve our stated objective of doubling the scale of this business unit, with many other opportunities for further growth. The acquisition of Abiss came with a €900k order backlog due to a shortage of packaging materials, and the short-term priority has been to catch up with those orders, which are expected to be completed in the second interim period. The objective for the enlarged business unit and Abiss specifically is to grow revenues through broadening the product range offered to the division's largest customer. RUA has held unexploited IP related to integrating Elast-Eon™ into SUI devices to address the complications occasionally suffered by patients.

Change of accounting reference date

The Group announced on 30 October 2024, that it will be changing its accounting reference date and financial year end from 31 March to 30 September. Going forward, interim and annual accounts will be prepared and published for the six months ending 31 March and the twelve months ending 30 September, respectively.

The Company has changed its financial year end to better guide business planning and international business unit assimilation.

As a result of this change, the Company's future reporting calendar is expected to be as follows:

- Publication of unaudited accounts for the 12-month period ending 31 March 2025 in mid-June 2025.
- Publication of audited accounts for the 18-month period ending 30 September 2025 by end of January 2026.
- Publication of unaudited interim accounts for the six-month period ending 31 March 2026 in mid-June 2026; and
- Publication of audited accounts for the 12-month period ending 30 September 2026 by the end of January 2027.

Conclusion and Outlook

The focus of management has been to maximise revenue from Contract Manufacture, reduce costs and secure deals for longer term growth. Success has been demonstrated in each of these areas which together with the Abiss purchase has resulted in a profit being reported for the period, marking a significant milestone.

The Group's development is centred on two key platforms: leveraging its intellectual property (IP) and advancing subcontract development and manufacturing of medical devices. Recent priorities have focused on strengthening the solid financial foundation established through last year's equity fundraise by elevating Contract Manufacturing to the next level.

The targets for the Group's graft IP and AurTex are to commercialise the investment made to date to license the Group's IP and to generate revenues through the manufacture of devices and components based on the Group's graft and AurTex technology.

Geoff Berg, Chairman
10 December 2024

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Unaudited	Unaudited	Audited
		Six months to	Six months to	Twelve months to
		30 Sep 2024	30 Sep 2023	31 Mar 2024
	Note	GB£000	GB£000	GB£000
Revenue	3	1,524	794	2,191
Cost of sales		(255)	(178)	(415)
Gross profit		1,269	616	1,776
Other income	4	1,090	44	79
Administrative expenses		(1,694)	(2,020)	(3,792)
Operating Profit / (loss)		665	(1,360)	(1,937)
Net finance expense		(34)	(36)	(83)
Profit / (Loss) before taxation		631	(1,396)	(2,020)
Taxation (received) / charge		(5)	386	580
Profit / (Loss) for the period		636	(1,010)	(1,440)
Other comprehensive income:				
Currency translation differences		(2)	-	-
Total comprehensive income for the period		634	(1,010)	(1,440)
Total comprehensive income for the period is attributable to:				
Equity holders of the parent		632	(1,010)	(1,440)
Non-controlling interests		2	-	-
		634	(1,010)	(1,440)
Profit/(Loss) per share:				
Basic & Diluted (GB Pence per share)		1.03	(4.55)	(4.29)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Unaudited 30 Sep 2024 GB£000	Unaudited 30 Sep 2023 GB£000	Audited 31 Mar 2024 GB£000
	Note			
Assets				
Non-current assets				
Goodwill	5	301	301	301
Other intangible assets	6	569	445	419
Property, plant and equipment	7	3,028	2,621	2,456
Total non-currents assets		3,898	3,367	3,176
Current assets				
Inventories	8	1,112	139	112
Trade and other receivables	9	1,017	755	950
Cash and cash equivalents	10	3,779	493	3,931
Total current assets		5,908	1,387	4,993
Total assets		9,806	4,754	8,169
Equity				
Issued capital		3,103	1,109	3,103
Share premium		13,709	11,729	13,709
Capital redemption reserve		11,840	11,840	11,840
Reserves		(1,438)	(1,389)	(1,485)
Profit and loss account		(19,351)	(19,555)	(19,985)
Total equity attributable to equity holders of the parent company		7,864	3,734	7,182
Non-controlling interests		123	-	-
Total Equity		7,986	3,734	7,182
Liabilities				
Non-current liabilities				
Borrowings	11	70	150	132
Lease liabilities	11	696	169	140
Deferred tax		69	80	74
Other Liabilities		72	101	87
Total non-current liabilities		907	500	433
Current liabilities				
Borrowings	11	247	29	31
Lease liabilities	11	163	97	86
Trade and other payables	12	474	354	408
Other liabilities		29	40	29
Total current liabilities		913	520	554
Total liabilities		1,820	1,020	987
Total equity and liabilities		9,806	4,754	8,169

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT

	Unaudited	Unaudited	Audited
	Six months to	Six months to	Twelve months to
	30 Sep 2024	30 Sep 2023	31 March 2024
	GB£000	GB£000	GB£000
Cash flows from operating activities:			
Group Profit / (Loss) after tax	636	(1,010)	(1,440)
Adjustments for:			
Gain on bargain purchase	(1,062)	-	-
Amortisation of intangible assets	36	25	51
Depreciation of property, plant and equipment	142	160	313
Share-based payments	49	61	(35)
Net finance costs	34	36	83
Tax credit in year	-	(381)	(580)
(Increase)/decrease in trade and other receivables	219	214	(362)
(Increase)/decrease in inventories	(34)	(58)	(31)
Taxation received	(5)	(5)	569
(Increase)/decrease in trade and other payables	(238)	75	104
Net cash flow from operating activities	(223)	(883)	(1,328)
Cash flows from investing activities:			
Purchase of property plant and equipment	(35)	(42)	(55)
Proceeds from disposal of tangible assets	-	-	25
Acquisition of subsidiary (net of cash acquired)	208	-	-
Interest paid	(19)	(21)	(55)
Interest received	23	-	-
Net cash flow from investing activities	177	(63)	(85)
Cash flows from financing activities:			
Proceeds from borrowing	8	33	7
Repayment of borrowings and leasing liabilities	(71)	(63)	(93)
Proceeds from share issue			3,974
Net cash flow from financing activities	(63)	(30)	3,888
Net increase / (decrease) in cash and cash equivalents	(109)	(976)	2,475
Cash and cash equivalents at beginning of year	3,931	1,484	1,484
Effect of foreign exchange rate changes	(43)	(15)	(28)
Cash and cash equivalents at end of the period	3,779	493	3,931

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued Share capital	Share premium	Capital Redemption Reserve	Other reserve	Translation Reserve	Non- Controlling Interest	Profit and loss account	Total equity
	GB£000	GB£000	GB£000	GB£000	GB£000	GB£000	GB£000	GB£000
Balance at 31 March 2023	1,109	11,729	11,840	(1,450)	-	-	(18,545)	4,683
Share based payments	-	-	-	61	-	-	-	61
Transactions with owners	-	-	-	61	-	-	-	61
Total comprehensive income for the period	-	-	-	-	-	-	(1,010)	(1,010)
Balance at 30 September 2023	1,109	11,729	11,840	(1,389)	-	-	(19,555)	3,734
Shares Issued (Net of Expenses)	1,994	1,980	-	-	-	-	-	3,939
Share based payments	-	-	-	(96)	-	-	-	(35)
Transactions with owners	-	-	-	(96)	-	-	-	(35)
Total comprehensive income for the period	-	-	-	-	-	-	(430)	(430)
Balance at 31 March 2024	3,103	13,709	11,840	(1,485)	-	-	(19,985)	7,182
Share based payments	-	-	-	49	-	-	-	49
Transactions with owners	-	-	-	49	-	-	-	49
Adjustment to NCI from foreign entity acquisition	-	-	-	-	-	121	-	121
Total comprehensive income for the period	-	-	-	-	(2)	2	634	634
Balance at 30 September 2024	3,103	13,709	11,840	(1,436)	(2)	123	(19,351)	7,986

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Reporting entity

The interim consolidated financial statements cover the consolidated entity RUA Life Sciences plc and the entities it controlled at the end of, or during, the interim period to 30 September 2024 ("the Group").

RUA Life Sciences plc ("the Company") is a public limited company and is domiciled and incorporated in Scotland with number SC170071. The Company is listed on the AIM market of the London Stock Exchange (ticker: RUA, ISIN: GB0033360586)

The registered office is
c/o Davidson Chalmers Stewart LLP
163 Bath Street
Glasgow
G2 4SQ.

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.

2. Basis of preparation

These condensed consolidated interim financial statements are for the six months ended 30 September 2024 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 2024.

The financial information for the six months ended 30 September 2024 and the comparative figures for the six months ended 30 September 2023 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 2024 and, on the recognition, and measurement principles of IFRS in issue as effective at 30 September 2024. 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 2024 have been extracted from the audited statutory accounts which were approved by the Board of Directors on 23 July 2024, 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.

The financial information is presented in pounds Sterling which is the functional and presentational currency of the Company. Balances are rounded to the nearest thousand (£'000) except where otherwise indicated.

The Interim Financial Statements were approved by the Board of Directors on 10 December 2024.

Going concern

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 for the period of at least 12-months following the date of approval of these interim financial statements (the "Going Concern Period").

In assessing whether the going concern assumption is appropriate, the directors have considered the Group's existing working capital and are of the opinion that the Group has adequate resources to undertake its planned program of activities for the 12 months from the date of approval of these financial statements.

Principal Risks and Uncertainties

The principal risks and uncertainties affecting the business activities of the Group remain those detailed on pages 22-24 of the Annual Report 2024, a copy of which is available on the Company's website www.rualifesciences.com

Profit/(Loss) per share

Profit/(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 62,060,272. (30 September 2023: 22,184,798 and 31 March 2024: 33,546,577).

3. BUSINESS SEGMENTS AND REVENUE ANALYSIS

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

Following the acquisition of the ABISS Group on 6th September 2024 and an internal organisation and reporting review, the Board has decided to rename the business segment Contract Manufacturing to Medical Devices and Components to more accurately describe it. This change incorporates revenues generated from contract manufacturing of medical devices, manufacturing and sale & distribution of medical devices into a single reporting segment. This change is consistent with both how the business will be managed and be reported internally in the future. 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 Chief Executive Officer) 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.
- Medical Devices and Components – End-to-end contract developer, manufacturer, and seller 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 AurTex™.

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

Segment revenue represents revenue from external customers arising from sale of goods and services. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The Group's revenue from continuing operations to destinations outside the UK amounted to 100% (6 months to 30 September 2023: 100%; year to 31 March 2024: 100%). The revenue analysis below is based on the country of registration of the customer:

Analysis of revenue by geographical location

	Unaudited Six months to 30 Sep 2024 GB£000	Unaudited Six months to 30 Sep 2023 GB£000	Audited Twelve months to 31 Mar 2024 GB£000
Israel	28	26	50
Italy	-	19	38
Switzerland	-	-	158
France	6	-	-
Poland	33	-	-
USA	1,457	749	1,945
Total	1,524	794	2,191

The Group's revenue for six months to 30 September 2024 is segmented as follows:

Analysis of revenue by income stream

	Unaudited Biomaterials GB£000	Unaudited Medical Devices & Components GB£000	Unaudited Vascular GB£000	Unaudited Structural Heart GB£000	Unaudited Central and unallocated GB£000	Unaudited Total GB£000
Manufacture and sale of Medical Devices	-	1,286	-	-	-	1,286
Royalty revenue	238	-	-	-	-	238
Total	238	1,286	-	-	-	1,524

Analysis of revenue by geographical location

	Unaudited Biomaterials GB£000	Unaudited Medical Devices & Components GB£000	Unaudited Vascular GB£000	Unaudited Structural Heart GB£000	Unaudited Central and unallocated GB£000	Unaudited Total GB£000
Israel	28	-	-	-	-	28
Italy	-	-	-	-	-	-
USA	210	1,247	-	-	-	1,457
France	-	6	-	-	-	6
Poland	-	33	-	-	-	33
Total	238	1,286	-	-	-	1,524

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 Medical Devices & Components GB£000	Unaudited Vascular GB£000	Unaudited Structural Heart GB£000	Unaudited Central and unallocated GB£000	Unaudited Total GB£000
Manufacture and sale 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 Medical Devices & Components 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
USA	173	560	16	-	-	749
Total	199	579	16	-	-	794

The Group's revenue for 12 months to 31 March 2024 is segmented as follows:

Analysis of revenue by income stream

	Unaudited Biomaterials GB£000	Unaudited Medical Devices & Components GB£000	Unaudited Vascular GB£000	Unaudited Structural Heart GB£000	Unaudited Central and unallocated GB£000	Unaudited Total GB£000
Manufacture and sale of Medical Devices	-	1,679	16	-	-	1,695
Royalty revenue	496	-	-	-	-	496
Total	496	1,679	16	-	-	2,191

Analysis of revenue by geographical location

	Unaudited Biomaterials GB£000	Unaudited Medical Devices & Components GB£000	Unaudited Vascular GB£000	Unaudited Structural Heart GB£000	Unaudited Central and unallocated GB£000	Unaudited Total GB£000
Switzerland	158	-	-	-	-	158
Israel	50	-	-	-	-	50
Italy	-	38	-	-	-	38
USA	288	1,641	16	-	-	1,945
Total	496	1,679	16	-	-	2,191

The Group's Segmental analysis for six months to 30 September 2024 is segmented as follows:

	Unaudited Biomaterials GB£000	Unaudited Medical Devices & Components 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	238	1,286	-	-	-	1,524
Contributions to group operating loss	215	703	(336)	(205)	288	665
Depreciation	-	57	59	7	19	142
Amortisation of intangible assets	-	32	-	-	4	36
Segment assets	140	3,570	1,096	209	4,791	9,806
Segment liabilities	-	1,270	280	9	261	1,820
Intangible assets – goodwill	-	301	-	-	-	301
Other intangible assets	-	369	139	-	61	569
Additions to non-current assets	-	29	2	2	2	35

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

	Unaudited Biomaterials GB£000	Unaudited Medical Devices & Components 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 12 months to 31 March 2024 is segmented as follows:

	Unaudited Biomaterials GB£000	Unaudited Medical Devices & Components 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	496	1,679	16	-	-	2,191
Contributions to group operating loss	421	931	(1,009)	(465)	(1,816)	(1,938)
Depreciation	-	135	116	17	45	313
Amortisation of intangible assets	-	43	-	-	8	51
Segment assets	225	1,527	1,013	149	5,065	7,979
Segment liabilities	5	218	383	22	358	986
Intangible assets – goodwill	-	301	-	-	-	301
Other intangible assets	-	216	139	-	64	419
Additions to non-current assets	-	14	3	-	38	55

4. BUSINESS COMBINATIONS

On 6 September 2024, RUA Life Sciences acquired the assets of Analytic Biosurgical Solutions SAS, ("Abiss") for a cash consideration of £68,000 (€80,000) through a transaction facilitated by the French courts. Abiss was part of a wider medical devices group which went into insolvent liquidation in June 2021 because of the impacts of Covid. Although the parent company was in liquidation, Abiss itself was not placed in receivership/liquidation. Abiss has continued to trade solvently and has traded within its own financial resources. There is no future, deferred or contingent consideration due on this transaction. Further details of the acquisition are detailed in the Chairmans statement.

As part of the acquisition, the net identifiable assets' carrying value was determined to be £1,130,000, which exceeds the total consideration transferred of £68,000. Consequently, a gain on a bargain purchase of £1,062,000 has been recognised in profit or loss as of the acquisition date.

This gain reflects the favourable terms of the transaction, arising primarily from the purchase through court proceedings at a value significantly below the fair value of the assets acquired. Due to the timing and nature of the transaction, no fair value adjustments have been made to the assets acquired, and the amounts presented represent the carrying values at the date of acquisition. Thus, the accounting is currently provisional. The Group intends to complete a thorough review of the fair value of the acquired assets and liabilities during the annual reporting process for the 18-month period ending 30 September 2025, as permitted under IFRS 3-Business Combinations.

The ABISS Group had an operating loss from the date of acquisition to 30 September 2024 of £40,000. Abiss was impacted by supply chain challenges, resulting in back orders expected to be completed in the second interim period. Cash consumed in operating activities since the acquisition date amounted to £55,000.

Details of the Acquisition:

- Date of Acquisition: 6 September 2024
- Consideration Transferred: £68,000
- Carrying Value of Identifiable Net Assets Acquired: £1,130,000
- Gain on Bargain Purchase: £1,062,000
- Recognition of Gain: Included under "Other Income" in the Statement of Comprehensive Income for the period ended 30 September 2024

The fair value assessment of the net assets acquired is provisional and subject to adjustments as the Group finalises the purchase price allocation. Any changes to this assessment will be reported in the

annual reporting process for the year ending 30 September 2025 in accordance with IFRS 3 – Business Combinations.

Details of the consideration paid and the fair value of net assets acquired are as follows:

	ABISS Group Provisionally recognised carrying value on acquisition GB£000
Consideration paid	68
Less:	
Intangible Assets	186
Property, Plant and Equipment	660
Trade receivables	286
Inventory	115
WIP	851
Cash	275
Trade payables	(290)
Other interest-bearing loans and borrowings	(832)
Non-Controlling Interest	(121)
Carrying value of net assets acquired	1,130
Gain on bargain purchase	1,062

5. 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 2023	301
Balance at 31 March 2024	301
Balance at 30 September 2024	301

6. 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 2023	337	3,325	247	141	4,050
Additions	-	-	-	-	-
At 30 September 2023	337	3,325	247	141	4,050
Additions	-	-	-	-	-
At 31 March 2024	337	3,325	247	141	4,050
Additions	179	-	-	6	185

At 30 September 2024	516	3,325	247	147	4,235
Amortisation and impairment					
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
Charge	-	5	14	7	26
At 31 March 2024	337	3,112	116	56	3,631
Charge	10	3	15	7	35
At 30 September 2024	347	3,125	131	63	3,666
Net book value					
At 31 March 2023	-	211	160	99	470
At 30 September 2023	-	208	145	92	445
At 31 March 2024	-	203	131	85	419
At 30 September 2024	169	200	116	84	569

7. 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 2023	1,335	142	1,905	95	25	3,502
Additions	-	-	7	2	33	42
At 30 September 2023	1,335	142	1,912	97	58	3,544
Transfer of Assets	-	(142)	142	-	-	-
Additions	-	-	11	2	-	13
Disposals	-	-	-	-	(25)	(25)
At 31 March 2024	1,335	-	2,065	99	33	3,532
Transfer of Assets	-	-	-	-	-	-
Additions	654	-	55	3	1	713
At 30 September 2024	1,989	-	2,120	102	34	4,245
Depreciation						
At 31 March 2023	180	-	509	50	24	763
Charge	20	-	127	7	6	160
At 30 September 2023	200	-	636	57	30	923
Charge	33	-	109	8	3	153
At 31 March 2024	233	-	745	65	33	1,076
Charge	28	-	107	6	-	142
At 30 September 2024	261	-	852	71	33	1,218
Net book value						
At 30 September 2023	1,135	142	1,276	40	28	2,621
At 31 March 2024	1,102	-	1,320	34	-	2,456
At 30 September 2024	1,728	-	1,268	31	1	3,028

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

	Buildings (Leased) GB£000	Plant & Machinery (Leased) GB£000	Motor Vehicles GB£000	Total GB£000
Cost				
At 31 March 2023	-	391	25	416
Additions	-	-	33	33
At 30 September 2023	-	391	58	449
Additions	-	-	(25)	(25)
At 31 March 2024	-	391	33	424
Additions	653	8	-	661

At 31 September 2024	653	399	33	1,085
Depreciation				
At 31 March 2023	-	48	24	72
Charge	-	21	5	26
At 30 September 2023	-	69	29	98
Charge	-	9	4	13
At 31 March 2024	-	78	33	111
Charge	5	20	-	35
At 31 September 2024	5	98	33	136
Net book value				
At 30 September 2023	-	322	29	351
At 31 March 2024	-	313	-	313
At 30 September 2024	648	301	-	949

8. INVENTORIES

Inventories consist of the following:

	Unaudited Six months to 30 Sep 2024 GB£000	Unaudited Six months to 30 Sep 2023 GB£000	Audited Twelve months to 31 Mar 2024 GB£000
Raw Materials	194	58	59
Work in Progress	728	65	53
Finished Goods	190	16	-
	1,112	139	112

The cost of inventories recognised as an expense and included in cost of goods sold amounted £36K (2023: £26K).

9. TRADE AND OTHER RECEIVABLES

	Unaudited Six months to 30 Sep 2024 GB£000	Unaudited Six months to 30 Sep 2023 GB£000	Audited Twelve months to 31 Mar 2024 GB£000
Current:			
Trade receivables – gross	407	98	301
Allowance for credit losses	-	-	-
Trade receivables net	407	98	301
Tax credit due	189	381	189
Prepayments and accrued income	421	276	460
	1,017	755	950

10. CASH AND CASH EQUIVALENTS

	Unaudited Six months to 30 Sep 2024 GB£000	Unaudited Six months to 30 Sep 2023 GB£000	Audited Twelve months to 31 Mar 2024 GB£000
Cash at bank and in hand	3,779	493	3,931
	3,779	493	3,931

11. BORROWINGS & LEASE LIABILITIES

	Unaudited Six months to 30 Sep 2024 GB£000	Unaudited Six months to 30 Sep 2023 GB£000	Audited Twelve months to 31 Mar 2024 GB£000
Current:			
Bank loans	247	29	31
Lease Liabilities	163	97	86
	410	126	117
Non-current:			
Bank loans	70	150	132
Lease Liabilities	696	169	140
	766	319	272
	Bank loans	Lease liabilities	Total
	GB£000	GBP£000	GB£000
Repayable in less than 6 months	69	81	150
Repayable in 7 to 12 months	178	82	260
Repayable in 1 to 5 years	70	529	599
Repayable after 5 years	-	167	167
	317	859	1,176

£128,230 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%.

£188,567 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 2023	282
Payment of lease liability – principal	(16)
Payment of lease liability – interest	(12)
Interest expense	12
Additions	-
Disposals	-
As at Sep 2023	266
Payment of lease liability – principal	(42)
Payment of lease liability – interest	(29)
Interest expense	29
Additions	2
Disposals	-
As at 31 March 2024	226
Payment of lease liability – principal	(47)
Payment of lease liability – interest	(14)
Interest expense	14
Additions	680
Disposals	-
As at 30 September 2024	859

12. TRADE AND OTHER PAYABLES

	Unaudited Six months to 30 Sep 2024 GB£000	Unaudited Six months to 30 Sep 2023 GB£000	Audited Twelve months to 31 Mar 2024 GB£000
Current liabilities:			
Trade payables	115	184	140
Other payables	151	24	46
Accruals and deferred income	208	146	222
	474	354	408
Other Liabilities (Grant Income)	101	141	116
Total Trade and Other Payables	575	496	524

Deferred grant income is included within other liabilities in the Consolidated statement of financial position. £29,000 (2023: £40,000) is included in current liabilities and £72,000 (2023: £101,000) included in Non-current Liabilities.

13. SUBSEQUENT EVENTS

None to report.

14. ISSUED SHARE CAPITAL

The Company's issued share capital as at 30 September 2024 comprises 62,060,272 Ordinary Shares of which none are held in treasury.

15. INTERIM ANNOUNCEMENT

The interim results announcement was released on 11 December 2024. A copy of this Interim Report is also available on the Company's website www.rualifesciences.com.

BOARD OF DIRECTORS AND ADVISORS

W Brown - CEO
L Smith - Group CFO
G Berg - Non-Executive Chairman
I Ardill - Non-Executive Director
J McKenna - Director of Marketing
J Ely - Non-Executive Director

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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.