

12 May 2026

Buy

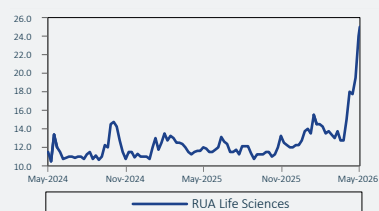
Ticker	RUA:AIM
Healthcare Equipment & Services	
Shares in issue (m)	62.1
Next results	H1 Mar

Price	25.0p
Target price	50.0p
Upside	100%

Enterprise value	£12.4m
Net cash/(debt)	£3.2m
Other EV adjustments	-£0.0m
Market cap	£15.5m

What's changed?	From	To
Adjusted EPS	-0.80	-0.04
Target price	50.0	n/c

Share price performance



%	1M	3M	12M
Actual	66.7	75.4	108.3

Company description

Engages in the commercialisation of biomedical polymer technology, components, and medical devices

Chris Donnellan

Director of Research
cdonnellan@cavendish.com
020 7397 1926

Sales desk 020 7397 1930

Trading desk 020 7220 0533

* denotes corporate client of Cavendish

RUA Life Sciences*

Spinout and financing

RUA Life Sciences has announced external financing for its structural heart business, which will spinout to become a separate business, RUA Structural Heart (RSH). RSH will receive £3.0m of funding from the Leducq Foundation, which will allow the business to develop its mitral valve programme to first-in-human readiness. The convertible loan financing and spinout will see RUA capitalise its historic investment in the heart valve programme while retaining 100% equity ownership ahead of any future equity funding. Importantly, RUA will no longer fund the valve programme, allowing the business to accelerate its strategy of becoming a profitable CDMO. We believe the funding and spinout simplifies RUA's operations and lowers its cost base while maintaining an interest in the potential future value of the heart valve business, which is developing products targeting significant market opportunities.

- **Financing:** RUA Life Sciences has secured £3.0m of convertible loan financing for RUA Structural Heart (RSH) to support the development of a mitral heart valve based on the proprietary AurTex material. The loan funding will be provided by the Leducq Foundation, an organisation focused on cardiovascular disease and stroke, with a stated goal of supporting the development of a polymeric heart valve to address rheumatic heart disease (RHD).
- **Spinout:** The financing will see RUA Life Sciences spinout RSH as a separate business focused on developing AurTex-based heart valves, initially the mitral valve product associated with RHD. RHD is the most commonly acquired heart disease in people aged under 25 (World Health Organisation). The company also intends to progress an aortic valve programme in the future, targeting heart valve disease in high income countries.
- **RSH:** The £3.0m of funding is expected to allow RSH to develop the mitral valve product to first-in-human readiness, at which stage further investment will be required to initiate human studies. The new company will have an independent board with considerable heart valve development experience, including John Ely, inventor of the On-X mechanical heart valve and Andy Campbell, formerly Head of R&D at Edwards Lifesciences.
- **RUA:** Following the spinout, RUA will recognise an investment of c£4.8m by capitalising previously expensed costs. The Leducq funding will also release RUA from further valve funding, which is expected to increase net profit by c750k per year. We anticipate this will allow RUA to deliver a net income profit on an annualised basis, becoming a profitable CDMO.
- **Investment thesis:** The financial progress RUA has made in recent periods alongside the financing and spinout of RUA Structural Heart is expected to deliver management's goal of creating a profitable medical device CDMO in the near term. We believe RUA has significantly de-risked its operations while developing multiple revenue growth opportunities and lowering its cost base. The company's stake in RSH means it also retains exposure to the heart valve programme, offering an option on significant future value creation.

Key estimates		2022A	2023A	2024A	2025A	2026E
Year end:		Sep	Sep	Sep	Sep	Sep
Revenue	£m	2.0	1.9	2.9	5.2	5.2
Adj EBITDA	£m	-1.7	-2.0	0.4	-0.3	0.5
Adj EBIT	£m	-2.1	-2.4	0.0	-0.8	0.0
Adj PBT	£m	-2.1	-2.5	-0.0	-0.7	-0.1
Adj EPS	p	-8.5	-8.4	0.40	-1.4	-0.04
DPS	p	0.00	0.00	0.00	0.00	0.00

Key valuation metrics		2022A	2023A	2024A	2025A	2026E
EV/sales	x	6.1	6.6	4.2	2.4	2.4
EV/EBIT (adj)	x	-6.0	-5.1	301.9	-15.5	2,168.0
P/E (adj)	x	-2.9	-3.0	62.2	-17.9	-638.7
Dividend yield	%	0.0%	0.0%	0.0%	0.0%	0.0%
Free cash yield	%	-14.9%	-12.7%	-4.6%	-0.6%	2.9%

Spinout and financing

Income statement		2023A	2024A	2025A	2026E
Year end:		Sep	Sep	Sep	Sep
Sales	£m	1.9	2.9	5.2	5.2
Gross profit	£m	1.5	2.4	4.0	4.1
EBITDA (adjusted)	£m	-2.0	0.4	-0.3	0.5
EBIT (adjusted)	£m	-2.4	0.0	-0.8	0.0
Associates/other	£m	0.0	0.0	0.0	0.0
Net interest	£m	-0.0	-0.1	0.1	-0.1
PBT (adjusted)	£m	-2.5	-0.0	-0.7	-0.1
Total adjustments	£m	-0.1	0.0	-0.1	4.7
PBT (reported)	£m	-2.6	0.0	-0.9	4.6
Tax charge	£m	0.7	0.2	-0.0	0.1
Minorities/Disc ops	£m	0.0	0.0	0.0	0.0
Earnings (reported)	£m	-1.9	0.2	-0.9	4.7
Earnings (adjusted)	£m	-1.9	0.2	-0.9	-0.0
EPS (basic)	p	-8.4	0.40	-1.4	7.5
EPS (adjusted, fully diluted)	p	-8.4	0.40	-1.4	-0.04
DPS	p	0.00	0.00	0.00	0.00

Cash flow		2023A	2024A	2025A	2026E
Year end:		Sep	Sep	Sep	Sep
EBITDA (adjusted)	£m	-2.0	0.4	-0.3	0.5
Net change in working capital	£m	-0.1	-0.6	0.0	-0.0
Other operating items	£m	0.5	-0.5	0.3	0.1
Cash flow from op. activities	£m	-1.6	-0.7	0.0	0.5
Cash interest	£m	-0.0	-0.0	0.1	-0.1
Cash tax	£m	0.0	0.0	0.0	0.0
Capex	£m	-0.4	-0.0	-0.1	-0.1
Other items	£m	0.0	0.0	-0.1	0.1
Free cash flow	£m	-2.0	-0.7	-0.1	0.4
Acquisitions / disposals	£m	0.0	0.2	-0.1	0.0
Dividends	£m	0.0	0.0	0.0	0.0
Shares issued	£m	0.0	4.0	0.0	0.0
Other	£m	-0.0	-0.1	-0.3	-0.2
Net change in cash flow	£m	-2.0	3.3	-0.5	0.3
Opening net cash (debt)	£m	2.5	0.5	3.8	3.3
Closing net cash (debt)	£m	0.5	3.8	3.3	3.5

Balance sheet		2023A	2024A	2025A	2026E
Year end:		Sep	Sep	Sep	Sep
Tangible fixed assets	£m	2.6	3.0	3.1	2.7
Goodwill & other intangibles	£m	0.7	0.9	0.6	0.6
Other non current assets	£m	0.0	0.0	0.0	4.8
Net working capital	£m	0.5	1.7	1.2	1.3
Other assets	£m	0.0	0.0	0.0	0.0
Other liabilities	£m	-0.2	-0.2	-0.2	-0.2
Gross cash & cash equivs	£m	0.5	3.8	3.3	3.5
Capital employed	£m	4.2	9.2	8.0	12.7
Gross debt	£m	0.4	1.2	0.8	0.7
Net pension liability	£m	0.0	0.0	0.0	0.0
Shareholders equity	£m	3.7	8.0	7.2	12.0
Minorities	£m	0.0	0.0	0.0	0.0
Capital employed	£m	4.2	9.2	8.0	12.7

Growth analysis		2023A	2024A	2025A	2026E
Year end:		Sep	Sep	Sep	Sep
Sales growth	%	-7.5%	56.3%	76.8%	0.8%
EBITDA growth	%	-19.0%	119.5%	-178.6%	261.6%
EBIT growth	%	-17.5%	101.7%	n/m	100.7%
PBT growth	%	-18.9%	98.4%	n/m	90.0%
EPS growth	%	1.3%	104.8%	-448.1%	97.2%
DPS growth	%	n/m	n/m	n/m	n/m

Profitability analysis		2023A	2024A	2025A	2026E
Year end:		Sep	Sep	Sep	Sep
Gross margin	%	82.0%	83.2%	77.1%	78.4%
EBITDA margin	%	-109.4%	13.6%	-6.1%	9.7%
EBIT margin	%	-129.1%	1.4%	-15.5%	0.1%
PBT margin	%	-131.3%	-1.4%	-14.4%	-1.4%
Net margin	%	-100.1%	7.1%	-16.8%	-0.5%

Valuation analysis		2023A	2024A	2025A	2026E
Year end:		Sep	Sep	Sep	Sep
EV/EBITDA (adjusted)	x	-6.1	31.1	-39.5	24.5
EV/EBIT (adjusted)	x	-5.1	301.9	-15.5	2,168.0
P/E (adjusted)	x	-3.0	62.2	-17.9	-638.7

Cash flow analysis		2023A	2024A	2025A	2026E
Year end:		Sep	Sep	Sep	Sep
Cash conv'n (op cash / adj EBITDA)	%	n/m	n/m	n/m	107.4%
Cash conv'n (FCF / adj EBITDA)	%	96.1%	-179.9%	30.7%	87.6%
U/lying FCF	£m	-1.9	-1.0	-0.5	0.0
Cash quality (u/l FCF / adj earn)	%	103.6%	-497.6%	52.6%	-177.0%
Investment rate (capex / depn)	x	1.2	0.2	0.3	0.2
Interest cash cover	x	n/a	n/a	n/a	6.8
Dividend cash cover	x	n/a	n/a	n/a	n/m

Working capital analysis		2023A	2024A	2025A	2026E
Year end:		Sep	Sep	Sep	Sep
Net working capital / sales	%	28.9%	56.7%	24.1%	24.1%
Net working capital / sales	days	105	207	88	88
Inventory (days)	days	27	139	63	63
Receivables (days)	days	147	127	88	90
Payables (days)	days	69	59	64	65

Leverage analysis		2023A	2024A	2025A	2026E
Year end:		Sep	Sep	Sep	Sep
Net bank debt / equity	%	net cash	net cash	net cash	net cash
Net bank debt / EBITDA	x	n/a	net cash	n/a	net cash
Liabilities / capital employed	%	10.6%	12.8%	10.0%	5.7%

Capital efficiency & intrinsic value		2023A	2024A	2025A	2026E
Year end:		Sep	Sep	Sep	Sep
Adjusted return on equity	%	-50.1%	2.6%	-12.1%	-0.2%
RoCE (EBIT basis, pre-tax)	%	-57.7%	0.4%	-10.0%	0.0%
RoCE (u/lying FCF basis)	%	-46.4%	-11.2%	-5.7%	0.3%
NAV per share	p	16.8	12.9	11.6	19.3
NTA per share	p	13.5	11.5	10.5	18.3

Overview

We provide a brief overview of the key features of the announced funding and spinout of RUA Structural Heart (RSH).

- The Leducq Foundation will invest £3.0m into RUA Structural Heart via Convertible Unsecured Loan Stock.
- RUA Structural Heart will be separated from RUA Life Sciences, becoming a standalone business.
- RUA Life Sciences will recognise £4.8m of Convertible Unsecured Loan Stock (reflecting previous investment into RUA Structural Heart) and retain ownership of 100% of RSH equity share capital.
- The Convertible Unsecured Loan Stock will convert at the next equity financing round for RUA Structural Heart at a 20% discount to the valuation established by the funding round.
- RUA Structural Heart will own the rights to the heart valve development programmes and use the £3.0m funding to develop a mitral valve product to the first-in-human readiness stage.
- With heart valve investment removed from RUA Life Sciences, we expect the business to become a profitable CDMO on an annualised basis.

RUA Structural Heart spinout

Spinout

RUA Life Sciences has announced it has raised £3.0m to support the development of a mitral heart valve product. The terms of funding will see RUA Structural Heart (RSH) spun out from RUA Life Sciences, becoming a separate business dedicated to the development of heart valves utilising AurTex for future commercialisation.

The initial focus of RSH will be the development of a novel mitral valve designed to address mitral valve damage associated with rheumatic heart disease in low- to middle-income countries (LMIC). A separate programme will develop both surgical and trans-catheter valve products for treating aortic valve stenosis, addressing heart valve disease associated with high-income countries where rheumatic heart disease has largely been eliminated. We expect the development of aortic valve products will require separate funding.

Ahead of any potential future commercialisation agreements, RSH will own the full commercial rights for all heart valve programmes, allowing it to adopt the appropriate commercial strategies for any products the company develops. This includes the mitral valve product development to be supported by the £3.0m funding round.

Financing

The initial financing of RSH will be via Convertible Unsecured Loan Stock (CULS) that RSH will issue to the new investor, the Leducq Foundation, raising £3.0m. At the same time, RUA Life Sciences will capitalise £4.8m of CULS to recognise the investment made to date by RUA in the heart valve programmes.

The Leducq Foundation has an active philanthropic interest in the development of a heart valve that can address rheumatic heart disease in LMICs. As such, its investment in RSH has been made to support the development of a suitable valve by the spinout company. Leducq can therefore be considered as an 'actively engaged' investor that will be able to provide support and advice to RSH on the development programme.

Convertible Unsecured Loan Stock

The CULS issued to both Leducq and RUA Life Sciences has the following terms:

- A 5% payment-in-kind (PIK) coupon
- Conversion is triggered at the next equity funding round of RSH
- CULS will convert at a 20% discount to the valuation of the triggering raise

Equity share capital

RUA Life Sciences will hold 100% of the equity share capital of RSH, although this would be diluted at the time of the next equity funding round of RSH, which will also trigger the conversion of the CULS, as detailed above. While the conversion of the CULS and management incentives will lead to dilution, RUA Life Sciences does not expect its equity interest to fall below 62%, immediately before the next equity round.

Use of funds

RSH will use the £3.0m of funds as follows:

- Completion of valve design optimisation
- Perform durability and fatigue testing
- Conduct animal studies
- Prepare for the initiation of a first-in-human clinical study
- Recruitment of appropriate staff

Importantly, management expects that the financing will be sufficient to see the mitral heart valve developed to the stage where it is ready for first-in-human testing. At this stage, further financial support will be required, which we believe could be either through direct investment in RSH or via a development and commercialisation agreement with a commercial partner.

RSH governance

The independent RSH will have an expanded board structure, which we believe includes experts in the field of heart valve development, providing RSH with significant experience. The board will consist of:

- A CEO (position currently held by Bill Brown)
- RUA appointee, currently John Ely, a heart valve industry veteran
- Investor appointee Andy Campbell, formerly Head of R&D at Edwards Lifesciences.
- David Prim, representing the Leducq Organization

As noted, the board contains significant experience in the field of heart valve development. In particular, we believe Andy Campbell is a major appointment, having previously run R&D for Medtronic Heart Valves and, more recently, being responsible for surgical products at Edwards Life Sciences, including the development of Resilia tissue, used in surgical and transcatheter heart valves.

Mitral valve programme

Within RUA Life Sciences, the heart valve team has developed the company's AurTex material into a novel surgical valve, specifically engineered for the mitral position. The mitral valve sits between the left atrium and the left ventricle in the heart and prevents oxygen-rich blood from leaking backwards as the heart pumps blood round the body.

RSH's mitral valve utilises the mechanical and biostable properties of the proprietary AurTex material and has been designed to mimic the structure and function of the native valve. To date, bench testing of the mitral valve prototype has demonstrated it meets the hydrodynamic performance targets required for the mitral position. AurTex, developed using RUA's Elast-Eon, has been shown to have the mechanical properties to allow it to compete as a replacement for the animal tissue currently used in heart valves.

Leducq Organization

The Leducq Organization is an international grant-making organisation with a focus on combatting cardiovascular disease and stroke, fostering innovation in order to change the way patients are diagnosed and treated.

The Organization includes:

- The Leducq Charitable Trust and the Leducq Foundation, both based in the Bahamas
- The Leducq Foundation for Cardiovascular Research, a not-for-profit foundation based in the US
- Broadview Ventures, a Boston-based venture philanthropic programme set up to accelerate the development of innovative technology for the diagnosis and treatment of cardiovascular disease and stroke through targeted investments
- The Leducq Corporation, which provides administrative services to the organisation

As detailed on the foundation website (www.fondationleducq.org/rhd/) the organisation has identified rheumatic heart disease as an ongoing unmet medical need that it will support through supporting research and translation focused on three areas:

- Identification of a biomarker of acute rheumatic fever;
- Development of a group A Strep vaccine; and
- Development of a polymeric heart valve to treat patients with advanced rheumatic heart disease.

Notably, the final focus area aligns with the organisation's investment into RUA Structural Heart.

Mitral valve opportunity

The World Health Organisation (WHO) provides an overview of RHD, noting it is the most commonly acquired heart disease in people aged under 25, affecting c55 million people worldwide and resulting in c360k death per year. The large majority of cases and deaths occur in LMICs.

RHD results from damage caused to heart valves by rheumatic fever, an autoimmune inflammatory reaction to throat infection caused by group A streptococci. Streptococcal infections are linked to poverty, poor living and housing standards and limited access to health services. The infection is easily transmitted between people in a similar fashion to upper respiratory tract infections.

The scarring and damage to heart valves caused by rheumatic fever is permanent, with severe cases requiring surgery to replace or repair the damage. The demographics of RHD means that surgical treatment is not always an option, due to the cost of treatment and patient age.

Given the majority of RHD cases occur in LMICs, the cost of surgical treatment is often too high if it is not covered by a national health plan. Further, the two main types of heart valve currently available are not always appropriate for younger patients.

Patients receiving mechanical heart valves will be required to take the blood thinner warfarin for the remainder of their lives to prevent blood clots, making mechanical valves inappropriate for younger patients or patients in regions without adequate facilities to monitor the blood concentration of warfarin.

Animal tissue-based heart valves do not require associated warfarin therapy, but have much shorter lifespans than mechanical valves, which also makes them inappropriate for younger patients, who would likely require multiple replacement surgeries over their lifetime.

Polymeric heart valves, such as the RSH development valve using AurTex, have the potential to overcome these issues by being less expensive to manufacture, having longer viable lifespans and not requiring associated blood-thinning warfarin therapy.

Clearly, with an estimated RHD population of 55 million accounting for c360k deaths per year, there is a sizable addressable patient population for an appropriate heart valve.

Aortic valve opportunity

We do not expect RSH to focus on developing an aortic valve in the near term, with resources and funding directed towards development of the mitral valve product. However, we believe successful progress of the mitral valve product will both support and validate the aortic valve programme.

We have discussed the potential of the aortic valve market in previous reports, noting that the market is valued in the high-single digit billion-dollar range.

RUA Life Sciences

As per the announcement, RSH will be separated from RUA Life Sciences, and will therefore no longer be consolidated into RUA's accounts. Instead, RUA will recognise the CULS ownership as an investment, initially valued at £4.8m.

Notably, given the £3.0m investment by Leducq, RUA Life Sciences will no longer fund the RSH development programmes, which is expected to have a positive impact of c£750k per year on RUA Life Sciences through cost recharges and CULS interest.

We anticipate that on a 12-month basis, the £750k benefit to RUA's P&L will see the company become profitable at the net income line, delivering on management's target of transforming RUA Life Sciences into a profitable CDMO business.

Changes to estimates

We have made the following changes to our FY26 forecasts, solely related to the spinout of RSH, with our underlying forecasts unchanged. We are not extending forecasts to FY27 at this time.

- Removal of £375k from FY26E operating costs, reflecting the removal of 6 months of funding for RSH for the 2H26E period.
- Inclusion of a one-off non-cash gain of £4.8m through the P&L.
- Recognition of £4.8m of CULS as a long-term investment on the balance sheet.
- FY26E closing cash increased by £375k, reflecting the operating expense reduction.

Figure 1: Changes to estimates

Year-end Sep (£000)		2025A	2026E
Revenues	Previous	5,165	5,208
	New	5,165	5,208
	% Diff	0.0%	0.0%
EBITDA (adj)	Previous	(313)	131
	New	(313)	506
	% Diff	0.0%	286.9%
EBIT, pre	Previous	(922)	(469)
	New	(922)	(94)
	% Diff	0.0%	-79.9%
Net Profit	Previous	(854)	(499)
	New	(854)	4,676
	% Diff	0.0%	-1036.5%
EPS (basic, GBp)	Previous	(1.38)	(0.80)
	New	(1.38)	7.53
	% Diff	0.0%	-1036.5%
Cash	Previous	3,250	3,165
	New	3,250	3,540
	% Diff	0.0%	11.8%

Source: Company data, Cavendish estimates. EBITDA pre share based payments and exceptional items.

Financials

Figure 2: RUA Life Sciences profit & loss statement

Year-end Sept (£000)	2022A	2023A	2024A	2025A	2026E
Revenues	2,021	1,869	2,921	5,165	5,208
<i>growth</i>	25.9%	-7.5%	56.3%	76.8%	0.8%
COGS	(316)	(337)	(492)	(1,183)	(1,128)
<i>% of revs</i>	15.6%	18.0%	16.8%	22.9%	21.6%
Gross profit	1,705	1,532	2,429	3,982	4,081
<i>gross margin</i>	84.4%	82.0%	83.2%	77.1%	78.4%
Operating expenses	(3,546)	(3,594)	(3,156)	(4,219)	(3,625)
<i>% of revs</i>	175.5%	192.3%	108.0%	81.7%	69.6%
Other income	127	18	1,125	(76)	50
Other expense	(3)	0	0	0	0
EBITDA, adj	(1,717)	(2,044)	398	(313)	506
Depr & Amort	(342)	(369)	(357)	(487)	(500)
Share based payments	(123)	(117)	47	(122)	(100)
Exceptional items	0	0	0	0	4,800
Operating profit	(2,182)	(2,530)	88	(922)	4,706
Finance, net	(10)	(41)	(81)	55	(80)
Pre-tax profit	(2,192)	(2,571)	7	(867)	4,626
Tax	293	701	199	(145)	50
<i>tax rate</i>	13.4%	27.3%	-2842.9%	-16.7%	-1.1%
Net income	(1,899)	(1,870)	206	(996)	4,676
No. shares, period end	22,185	22,185	62,060	62,060	62,060
No. shares, average	22,185	22,185	51,213	62,060	62,060
EPS (GBp)	(8.6)	(8.4)	0.4	(1.6)	7.5

Source: Company data, Cavendish estimates

Figure 3: RUA Life Sciences balance sheet

Year-end Sept (£000)	2022A	2023A	2024A	2025A	2026E
Goodwill	301	301	301	301	301
Intangible assets	495	445	569	348	298
PP&E	2,543	2,621	3,028	3,074	2,724
Investment	0	0	0	0	4,800
Total non-current asset	3,339	3,367	3,898	3,723	8,123
Inventory	68	139	1,112	894	902
Trade receivables	681	755	1,017	1,205	1,283
Cash and equivalents	2,509	493	3,779	3,250	3,540
Total current asset	3,258	1,387	5,908	5,394	5,725
Total assets	6,597	4,754	9,806	9,117	13,848
Trade payables	397	354	474	899	928
Borrowings	86	29	247	73	0
Lease liabilities	4	97	163	161	161
Other	49	40	29	29	29
Total current liabilities	536	520	913	1,162	1,118
Borrowings	364	150	70	0	0
Lease liabilities	0	169	696	560	560
Deferred tax	71	80	69	167	167
Other non-current liabilities	140	101	72	43	43
Total non-current liabilities	575	500	907	770	770
Total liabilities	1,111	1,020	1,820	1,933	1,889
Issued capital	1,109	1,112	3,103	3,103	3,103
Share premium	11,729	11,729	13,709	13,709	13,709
Capital redemption reserve	11,840	11,840	11,840	11,840	11,940
Other reserve	(1,507)	(1,389)	(1,438)	(1,305)	(1,305)
Accumulated profit	(17,685)	(19,558)	(19,351)	(20,203)	(15,527)
Total equity	5,486	3,734	7,863	7,144	11,920
Non-controlling interest	0	0	123	41	41
Total equity & liabilities	6,597	4,754	9,806	9,117	13,848

Source: Company data, Cavendish estimates

Figure 4: RUA Life Sciences cash flow statement

Year-end Sept (£000)	2022A	2023A	2024A	2025A	2026E
Net income	(1,899)	(1,870)	206	(869)	4,676
Amortisation	(66)	50	62	46	50
Depreciation	407	319	295	441	450
Share based payments	123	117	(47)	122	100
Interest income	10	43	81	(55)	80
Tax income	(293)	(696)	(199)	(3)	(50)
Change in inventory	110	(71)	(7)	(172)	(8)
Change in receivables	(177)	102	(357)	(208)	(33)
Change in payables	(20)	(90)	(209)	414	29
Tax received	87	528	569	147	50
Other	0	0	(1,062)	167	(4,800)
Net cash from operations	(1,718)	(1,568)	(668)	30	543
CAPEX PP&E	(601)	(397)	(48)	(126)	(100)
CAPEX intangibles	0	0	0	0	0
Acquisition	0	0	208	(110)	0
Interest received	(10)	(28)	(5)	56	(80)
Cash flow from investing	(611)	(425)	155	(180)	(180)
Share issue, net	0	0	3,974	0	0
Change in borrowings	75	(8)	(119)	(396)	(73)
Cash flow from financing	75	(8)	3,855	(396)	(73)
Change in cash	(2,254)	(2,001)	3,342	(546)	290
fx	0	(15)	(56)	17	0
Opening cash	4,763	2,509	493	3,779	3,250
Closing cash	2,509	493	3,779	3,250	3,540

Source: Company data, Cavendish estimates

Investment risk

Investing in shares presents risks and opportunities. The past is not necessarily a guide to the future performance of an investment. The value of investments and the income derived from them may fall as well as rise and investors may not get back the amount invested. Some investments discussed in this publication may have a high level of volatility. High volatility investments may experience sudden and large falls in their value which may cause losses. The information on future performance in this communication is an illustration and is not a reliable guide to actual future performance.

Non-UK stocks

International investing includes risks related to political and economic uncertainties of foreign countries, as well as currency risk.

Emerging markets

Investors should be aware of the additional and special risks associated with securities and investments in emerging markets. Consequently, it may be difficult to sell or realise such investments.

The content of this promotion has not been approved by an authorised person within the meaning of the Financial Services and Markets Act 2000. Reliance on this promotion for the purpose of engaging in any investment activity may expose an individual to a significant risk of losing all of the property or other assets invested.

This financial promotion is made by Cavendish Capital Markets Ltd, authorised and regulated by the Financial Conduct Authority (FRN: 467766). Registered office 1 Bartholomew Close, London, EC1A 7BL (company no: 06198898).

Disclosures

Analyst certification

The Sales Person(s) / Research Analyst(s) responsible for preparing this investment recommendation/report or sections of this report, in whole or in part, hereby certify/ies that, with respect to any and all of the securities or issuers that the Sales Person(s) / Research Analyst(s) cover(s) in this report, the views expressed in this report accurately reflect his/her/their personal views. However, this investment recommendation / report may have been disclosed to the issuer prior to its publication and may have been subject to amendment thereafter. The proprietary models used in production of this investment recommendation are available on request. It is intended that the proprietary models used in this investment recommendation shall be updated when appropriate. In addition, no part of the Sales Person(s) / Research Analyst(s)' compensation was, is, or will be directly or indirectly, related to the specific recommendations or view expressed in this report or summary.

Recommendations definitions

Definition of research recommendations

Expected absolute returns

BUY is an expected return greater than 10%

HOLD is an expected return -10% - +10%

SELL is an expected return less than -10%

UNDER REVIEW: recommendation and/or forecasts are under review pending further clarity as to the company's financial and/or operational position

CORP: denotes corporate client of Cavendish Securities plc, Cavendish Capital Markets Limited and Cavendish Corporate Finance LLP

For Sales recommendation please refer to <https://www.cavendish.com>

Distribution of investment recommendations as per 11/05/2026

	Corporate client no.	Corporate client %	Total no.	Total %
Buy	76	59.8%	129	67.9%
Hold	0	0.0%	7	3.7%
Sell	0	0.0%	1	0.5%
Under Review	1	0.8%	2	1.1%
Corp	50	39.4%	51	26.8%

Temporary movements by stocks across the boundaries of these categories due to share price volatility will not necessarily trigger a recommendation change. All recommendations are based on 12-month time horizon unless otherwise stated.

Recommendation history

Company	Disclosures	Date	Rec	Price	Target price
RUA Life Sciences	2,6,8,9,10	30 January 26	Buy	14.5p	50.0p

Source: Cavendish

A list of all the recommendations produced/issued by the relevant Sales Person / Research Analyst on any financial instrument or issuer disseminated during the preceding 12 months is available upon request free of charge. Please contact the appropriate Cavendish analyst or your Cavendish contact on 020 7220 0500.

Legend

- The Sales / Research Analyst persons closely associated with them and/or persons involved in the preparation of the investment recommendation, has a beneficial interest in the shares of this issuer. This holding(s) was not received or purchased prior to a public offering of such shares.
- The Sales / Research Analyst responsible for this investment recommendation may have his/her remuneration linked to investment banking transactions performed by Cavendish.
- A director, officer or employee of Cavendish or a person closely associated to him/her, is an officer, director, or serves as an adviser or board member of the issuer. Where this person is the person responsible for this investment recommendation or a person closely associated with them, this will be indicated.
- As at the date of this investment recommendation / report, Cavendish has a beneficial interest exceeding 5% of the total issued share capital in the issuer.
- As at the date of this investment recommendation / report, the issuer has a beneficial interest exceeding 5% of the total issued share capital of Cavendish.
- Cavendish acts as a market maker or liquidity provider in relation to securities issued by the issuer.
- Cavendish has been the lead manager or co-lead manager in a public offering of the issuer's financial instruments during the previous 12 months.
- Cavendish is party to an agreement with the issuer and has received compensation from the issuer for the provision of investment banking or financial advisory services within the previous 12 months.
- Cavendish is party to an agreement with the issuer relating to the provision of investment recommendations for this issuer and Cavendish may receive remuneration for such service.
- Cavendish acts as a corporate broker to this issuer.
- Cavendish acts as a nominated adviser, financial adviser or as a sponsor to the issuer in the UK.
- As at the date of this investment recommendation, Cavendish has a net short position exceeding 0.5% of the total issued share capital of the issuer.
- As at the date of this investment recommendation, Cavendish has a net long position exceeding 0.5% of the total issued share capital of the issuer.
- Any other specific disclosures.

Disclaimer

This communication is NON-INDEPENDENT RESEARCH AND A MARKETING COMMUNICATION under the FCA's Conduct of Business Sourcebook (COBS) containing investment recommendation(s) and is issued in the UK by Cavendish, the trading name for the business operated by Cavendish Capital Markets Limited, Cavendish Securities plc and Cavendish Corporate Finance LLP, which are authorised and regulated by the Financial Conduct Authority (FCA) and are members of the London Stock Exchange. Non-independent research has not been prepared in accordance with the legal requirements to promote independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research. Cavendish considers that this communication constitutes an acceptable minor non-monetary benefit in accordance with chapter 2.3A.19 R of COBS as appropriate.

This document and any investment to which this document relates is intended for the sole use of the persons to whom it is addressed and is for distribution in the United Kingdom only to 'professional clients' or 'eligible counterparties' within the meaning of chapter 3 of COBS or persons described in Articles 19(5) (Investment professionals) or 49(2) (High net worth companies, unincorporated associations etc) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) ('FPO') and all other exempt persons under the FPO (all such persons together being referred to as 'Relevant Persons'). It is not intended to be distributed or passed on, directly or indirectly, to any other class of persons and may not be relied upon by such persons and is therefore not intended for private individuals or those who would be classified as retail clients under COBS. This document is directed only at Relevant Persons. Other persons should not act or rely on this document or any of its contents. Laws and regulations of other countries may also restrict the distribution of this report. Persons in possession of this document should inform themselves about possible legal restrictions and observe them accordingly. Any investment to which this document relates is available only to such persons, and other classes of person should not rely on this document.

This document has been prepared and issued by Cavendish on the basis of publicly available information, internally developed data and other sources believed to be reliable. Share price performance graphs are sourced from Morningstar, FactSet, Proquote International and Thomson Reuters Datastream. The information contained in this publication was obtained from various sources believed to be reliable, but has not been independently verified by Cavendish. Cavendish does not warrant the completeness or accuracy of such information and does not accept any liability with respect to the accuracy or completeness of such information, except to the extent required by applicable law. Any opinions, projections, forecasts or estimates in this report are those of the author only, who has acted with a high degree of expertise. They reflect only the current views of the author at the date of this report and are subject to change without notice. Cavendish has no obligation to update, modify or amend this publication or to otherwise notify a reader or recipient of this publication in the event that any matter, opinion, projection, forecast or estimate contained herein, changes or subsequently becomes inaccurate, or if research on the subject company is withdrawn. The analysis, opinions, projections, forecasts and estimates expressed in this report were in no way affected or influenced by the issuer. The author of this publication benefits financially from the overall success of Cavendish.

This publication is a brief summary and does not purport to contain all available information on the subjects covered. Further information may be available on request. This report may not be reproduced for further publication without the prior written permission of Cavendish. This publication is for information purposes only and shall not be construed as an offer or solicitation for the subscription or purchase or sale of any securities, or as an invitation, inducement or intermediation for the sale, subscription or purchase of any securities, or for engaging in any other transaction. The investments referred to in this publication may not be suitable for all recipients. Recipients are urged to base their investment decisions upon their own appropriate investigations that they deem necessary. Any loss or other consequence arising from the use of the material contained in this publication shall be the sole and exclusive responsibility of the investor and Cavendish accepts no liability for any such loss or consequence. In the event of any doubt about any investment, recipients should contact their own investment, legal and/or tax advisers to seek advice regarding the appropriateness of investing. Some of the investments mentioned in this publication may not be readily liquid investments. Certain transactions, including those involving futures, options, and high yield securities, give rise to substantial risk and are not suitable for all investors. Investors should be aware of the additional and special risks associated with securities and investments in emerging markets. Consequently, it may be difficult to sell or realise such investments. The past is not necessarily a guide to future performance of an investment. The value of investments and the income derived from them may fall as well as rise and investors may not get back the amount invested. Some investments discussed in this publication may have a high level of volatility. High volatility investments may experience sudden and large falls in their value which may cause losses. International investing includes risks related to political and economic uncertainties of foreign countries, as well as currency risk. To the extent permitted by applicable law, neither Cavendish, nor any of its directors, officers or employees, accepts and liability whatsoever for any loss, damages, costs or prejudices whatsoever arising from the use of this publication or its contents.

Cavendish has written procedures designed to identify and manage potential conflicts of interest that arise in connection with its research business and its production. Cavendish's research analysts and other staff involved in issuing and disseminating research reports operate independently of Cavendish's Corporate Finance business. Information barriers procedures are in place between the Sales and Research Analysts and staff involved in securities trading for the account of Cavendish or its clients to ensure that inside information is handled according to applicable laws and regulations.

Cavendish may be remunerated by a company for writing research on that company, in which case, a specific disclosure will be made in the relevant research report. Each company understands and agrees that the analysis, opinions, projections, forecasts and estimates expressed in such research reports will be honest and unbiased in compliance with Cavendish's Conflicts of Interests and Research Policies and will in no way be influenced by any remuneration received by Cavendish from the company. For further details, please see Cavendish's Conflicts of Interest Policy available on our website at www.cavendish.com.

Cavendish Capital Markets Limited, Cavendish Securities plc and Cavendish Corporate Finance LLP are incorporated and principally operate in England and Wales. Cavendish is not registered as a broker-dealer in the US and relies on the exemption in Rule 15a-6 under the Securities Exchange Act of 1934 when interacting with US persons. For the purposes of this exemption, please note that this publication should not be construed as an invitation, inducement, solicitation or intermediation for the sale, subscription or purchase of any securities or for engaging in any other transaction. Cavendish Capital Markets Limited and its assets are regulated in England and Wales by the FCA (registered number 467766), Cavendish Securities plc and its assets are regulated in England and Wales by the FCA (registered number 416932) and Cavendish Corporate Finance LLP and its assets are regulated in England and Wales by the FCA (registered number 474794). Accordingly, laws, regulations and remedies may differ to those available in the US.

Cavendish Securities Ltd is not registered in any Canadian jurisdiction but operates in Canada using the International Dealer and/or Adviser exemption granted by the Ontario Securities Commission, the British Columbia Securities Commission and the AMF in Québec under section 8.18 and/or 8.26 of NI31-103. Laws, regulations and remedies may differ to those available in Canada accordingly.

This document may be distributed to wholesale clients in Australia in reliance on relief pursuant to ASIC Class Order CO 03/1099.

For Entities and Clients in the United States

This research is not available to, and should not be used by, any U.S. person or entity that is not a "major U.S. institutional investor" as described in the next paragraph. Cavendish is not a member of the Financial Industry Regulatory Authority ("FINRA") and is not registered as a broker-dealer with the U.S. Securities and Exchange Commission ("SEC"). Accordingly, Cavendish and its analysts are not subject to certain SEC and FINRA regulations that might otherwise be applicable in the context of research distribution into the United States or to U.S. persons. While Cavendish has a chaperoning broker dealer relationship with Beech Hill Securities, Inc. ("BHS") in the U.S., pursuant to Rule 15a-6 of the Securities Exchange Act of 1934 ("Rule 15a-6"), this research report is offered directly by Cavendish solely to major U.S. institutional investors pursuant to Rule 15a-6(a)(2) without any intermediation or other involvement of BHS in connection with the distribution of the report, including but not limited to review, approval or retention of the research reports so distributed or the maintenance of records relating thereto. Notwithstanding this direct distribution, Cavendish cannot and will not accept orders for securities covered in this research report placed by any person or entity in the United States and all such orders must be placed and effected through BHS, which can be contacted via 212-350-7232 or Trading@BH-Secs.com.

"Major U.S. institutional investors" that may receive and use this report include (i) U.S. institutional investors (described in the next sentence) that have, or have under management, total assets in excess of US\$100 million; provided, however, that for purposes of determining the total assets of an investment company, the investment company may include the assets of any family of investment companies of which it is a part; or (ii) investment advisers registered with the SEC under Section 203 of the Investment Advisers Act of 1940, as amended, that have total assets under management in excess of US\$100 million. "U.S. institutional investors" include (i) investment companies registered with the SEC under Section 8 of the Investment Company Act of 1940; or (ii) a bank, savings and loan association, insurance company, business development company, small business investment company, or employee benefit plan defined in Rule 501(a)(1) of Regulation D under the Securities Act of 1933 ("Reg D"), as amended; a private business development company defined in Rule 501(a)(2) of Reg D; an organization described in section 501(c)(3) of the Internal Revenue Code, as defined in Rule 501(a)(3) of Reg D; or a trust defined in Rule 501(a)(7) of Reg D.