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RUA Life Sciences PLC
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RUA Life Sciences plc

("RUA Life Sciences", the "Company" or the "Group")

Trading update for the year ended 30 September 2026

RUA Life Sciences (AIM:RUA), the holding company of a group of medical device businesses focused on the exploitation of the long-term implantable biostable polymer Elast-Eon™, is pleased to provide a trading update for the 12 months ended 30 September 2026 (the "Period").

Trading update

The Group has continued to develop its commercial operations during the Period, with revenue expected to be approximately £5.5 million, compared with £5.1 million for the final 12 months of the previous 18-month reporting period. The Group's focus remains on building recurring revenue from contract development and manufacturing in its Medical Devices and Components business, and from Biomaterials licensing, while developing IP-related assets.

Medical Devices and Components
This business sector comprises the UK based CDMO business and the ABISS group headquartered in France.

Contract development and manufacturing (CDMO)

The UK contract development and manufacturing business has continued to support both established customers and a growing range of development programmes.

Commercial contract manufacturing revenue was in line with budget at £2.4 million during the year.
Contract design and development activities contributed a further £0.4 million in revenue. As previously reported, the Group entered the year with agreed development proposals valued at approximately £0.5 million, with the potential to convert into longer-term commercial manufacturing agreements, subject to the successful development of the underlying customer projects. Work on these development programmes has continued into the current financial year.

Overall, the CDMO business generated total revenue of £2.8 million during the year.

ABISS
As previously announced, trading at ABISS was affected during the first half by inventory reductions at a major customer. It was anticipated that the inventory position would normalise during the second half as part of a wider strategic agreement with a customer. Unfortunately, the agreed resolution took till the end of the financial period and ABISS achieved revenue of £ 1.4 million against its target of £1.9 million. This revenue shortfall translated into a loss expected to amount to £0.3 million being incurred rather than the budgeted break even position at the pre-tax profit level.

Despite the delay in achieving a resolution, the Board is now delighted that ABISS and RUA have agreed a Memorandum of Understanding ("MOU") with the customer, which will result in a transfer of the products manufactured in France to Scotland, the sale of some product IP to the customer and financial support through the transition. In parallel, the Company and ABISS have agreed on a business development strategy to develop the ABISS product portfolio and its position in the European urogynaecology market. Recent successes include appointing a distribution partner in one of the key European territories and recruiting a highly experienced product manager to further grow distribution.

Additionally, ABISS has identified a promising pelvic floor repair product and agreed in principle to become the European development partner for this new procedure.

The ambition for ABISS is to replace the product revenue moving to Scotland with its own product sales to become a leading European-based urogynaecology specialist.

Biomaterials
Biomaterials royalty income remains an important recurring revenue stream for the Group. It is expected to report total income of £1.0 million, approximately 60% ahead of budget. This positive variance principally reflects historical underreported royalties identified through a customer royalty audit. In addition, contractual interest has been charged on these missed royalties.

RUA Structural Heart
During the Period, the Group completed the previously announced financing and spinout arrangements for RUA Structural Heart, including £3 million of external convertible loan funding and the capitalisation of £4.8 million of intercompany balances. The transaction enabled the Structural Heart programme to progress with external funding, without ongoing financial support from RUA Life Sciences. In the period up until the spin out, the Group incurred £0.2 million of costs attributable to RUA Structural Heart, reducing overall profitability in the period The spin out terms have now created an independent company that is no longer consolidated with the Group's ownership interest now treated as an investment. Technical developments continue in line with plan and the outcome of testing planned during 2027, if successful, should represent a significant value inflection point.

Since the spin-out, the Group has recognised £0.150 million revenue from charging for support services as well as £0.094 million in loan note interest income.

The Group expects to recognise a non-recurring accounting gain of approximately £4.8 million arising from the loss of control of the subsidiary.

Pre-tax Profit
The Group expects to report a pre-tax profit of approximately £4.7 million. The result includes the gain from the deconsolidation of RUA Structural Heart, while lower-than-anticipated trading at ABISS has been offset by additional Biomaterials income from the customer royalty audit.

Adjusted EBITDA

The Group expects to report positive Adjusted EBITDA of approximately £0.3 million, excluding the non-recurring gain arising from the deconsolidation of RUA Structural Heart and other non-cash and non-recurring items. This represents an important milestone in the Group's progress towards sustainable profitability, with the Board continuing to focus on underlying operating performance and cash generation.

Cash control
Cash and cash equivalents at 30 September 2026 are expected to be approximately £2.5 million, compared with £3.2 million at 30 September 2025 and £2.4 million at 31 March 2026.

The year-end cash position was below budget, mainly reflecting lower-than-anticipated revenues at ABISS and the timing of cash receipts from the customer royalty audit and R&D tax credits. Reduced trading performance at ABISS resulted in additional internal funding requirements of approximately £0.3 million, while amounts arising from the royalty audit and R&D tax credits remained outstanding at year-end.

Outlook
The RUA business continues its evolution and good progress has been made in developing the core biomaterials and Scottish based CDMO business. The recently signed MOU should result in a step change in the scale of the CDMO business as manufacture is moved and other development projects turn to manufacturing contracts. The new business will not be brought on board overnight as a regulatory process is required to be followed but during the transition, ABISS will continue to supply. Other customer development work is making good progress with further project orders from the current customer base. ABISS will be developed as a focussed pelvic floor device company with its own range of innovative products and recent developments are encouraging. The next year for RUA Structural Heart will be important with animal studies planned for a novel valve design based upon the AurTex™ leaflet material. A successful study will be the stepping stone to First in Man and future funding rounds. It is a very positive position to have the potential upside of a revolutionary valve material without the funding burden and profit and loss drag of a significant R&D project.

Bill Brown, CEO of RUA Life Sciences, commented: "The past year has seen further strengthening of the Group with the spin out of RUA Structural Heart, planning for the consolidation of the CDMO business with strong revenue growth visibility and the strategy developed for ABISS and its transformation into a product company. I personally consider Biomaterials and the CDMO as the core growth story and RUA Structural Heart as an IP backed investment for the Group to capitalise on in the future. We are excited to continue on the strategic pathway identified over the past two years."

Reporting timetable

In line with the prior year, the Group expects to announce its audited results for the year ended 30 September 2026 towards the end of January 2027.

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the UK version of the EU Market Abuse Regulation (2014/596), which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time.

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