

5 May 2023

TruSpine Technologies plc
("TruSpine" or the "Company")

Notice of General Meeting

The Company announced on 26 April 2023 that it had received a valid request under section 303 of the Companies Act 2006 to convene a general meeting to consider resolutions to remove Norman Lott, Nikunj Patel, Annabel Schild and Laurence Strauss as directors of the Company and appoint Todd Michael Cramer, Peter Houghton and Anthony Swoboda as directors of the Company, as well as to re-convene the adjourned 2022 Annual General Meeting as soon as reasonably practical.

In accordance with the statutory timetable, the Company posted a circular to shareholders today, being 5 May 2023.

The directors of TruSpine unanimously recommend that shareholders vote against the proposed resolutions. The circular includes a notice of the requisitioned general meeting, which has been convened for 1.00 pm on Wednesday 31 May 2023.

The Letter from the CEO section of the circular is detailed in full below and a copy of the shareholder circular containing the notice of general meeting will shortly be available on the Company's website <http://truspine.org/>.

Capitalised terms used in this announcement have the meanings given to them in the circular published on 5 May 2023, unless the context provides otherwise.

This announcement contains inside information for the purposes of the UK Market Abuse Regulation, and the Directors of the Company are responsible for the release of this announcement.

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Caution regarding forward looking statements

Certain statements in this announcement, are, or may be deemed to be, forward looking statements. Forward looking statements are identified by their use of terms and phrases such as "believe", "could", "should" "envisage", "estimate", "intend", "may", "plan", "potentially", "expect", "will" or the negative of those, variations or comparable expressions, including references to assumptions. These forward-looking statements are not based on historical facts but rather on the Directors' current expectations and assumptions regarding the Company's future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities. Such forward looking statements reflect the Directors' current beliefs and assumptions and are based on information currently available to the Directors.

LETTER FROM THE CEO

TRUSPINE TECHNOLOGIES PLC

(Incorporated and registered in England and Wales under the Companies Act 2006 with registered number 09345973)

5 May 2023

Directors:

Laurence Richard Strauss
Norman Alec Charles Lott
Annabel Martha Schild
Timothy Hugh David Evans
Nikunj ("Nik") Kantilal Patel

Chief Executive Officer
Group Chief Financial Officer
Non-Executive Director
Non-Executive Director
Non-Executive Director

Registered office
Spectrum House Af33 Beehive
Ring Road
London Gatwick Airport
Gatwick RH6 0LG

1. INTRODUCTION

On 26 April 2023, the Board announced that it had received a requisition notice from the Named Shareholders, notifying the Company that they hold in aggregate 19.4 per cent. of TruSpine Shares on the date of the requisition (the "Requisition Notice"). The Named Shareholders are requisitioning a general meeting of the Company to remove certain directors of the Company and to replace them with certain individuals proposed by the Named Shareholders.

The Requisition Notice from the Named Shareholders, required the Board to convene a general meeting of the Company's shareholders to consider resolutions to remove the Company's CEO, Laurence Strauss, the Company's CFO, Norman Lott, Annabel Schild, and Nik Patel both of whom are Non-Executive Directors of the Company and to replace them with the Proposed Directors, being Todd Michael Cramer, Peter Houghton and Anthony Swoboda and to re-convene the adjourned 2022 Annual General Meeting as soon as reasonably practical (the "Requisition Resolutions").

If any or all of the Resolutions concerning the appointment of the Proposed Directors are passed, the relevant Proposed Directors will be appointed to the board of the Company subject to completion of standard regulatory due diligence which will be completed as soon as practicable.

The full text of the Requisition Notice and the accompanying explanatory statement provided by the Named Shareholders is included in Appendix I of the circular dated 5 May 2023.

The Board is required to convene a general meeting within 21 days of the receipt of the Requisition Notice, with such meeting being required to be held on a date not more than 28 days after the date of the notice convening it, and accordingly the circular contains the notice of the General Meeting, which is to be held at 1.00 p.m. on 31 May 2023 at the Company's offices at Spectrum House, Beehive Ring Road, Gatwick Airport, RH6 0LG, UK, at which the Resolutions will be considered.

The Board unanimously recommends that all TruSpine Shareholders vote against the Requisition Resolutions.

The purpose of the circular is to explain the Board's views on the Resolutions in order that shareholders are properly informed and able to make their voting decision on that basis.

2. BACKGROUND REGARDING THE CURRENT POSITION OF THE COMPANY

Introduction

TruSpine's Shares are admitted to trading on the Access segment of the AQUIS Stock Exchange Growth Market and the Company is focused on the spinal (vertebral) stabilisation market. The Company is developing disruptive technologies for use in the spinal stabilisation market, commencing with the following three devices:

- Cervi-LOK – for the cervical and upper thoracic spine;
- Faci-LOK – for the lumbar and lower thoracic spine; and
- GRASP Laminoplasty – a treatment for decompression of the spinal cord.

These devices represent a potentially significant development in spinal fixation, by providing stabilisation while not altering the bony spinal anatomy of patients through the use of screws, staples or other devices which currently dominate the spinal market.

The Company is seeking to obtain regulatory clearance from the US Food and Drug Administration ("FDA") for its Cervi-LOK product. As announced 3 January 2023, the delays in the finalisation of the FDA 510k submission have centred around compression testing, a main test required by the FDA, however it was eventually determined that the issue was with the testing block rather than the Cervi-LOK product itself. Following adjustments to the testing block, all tests were successfully completed and are ready for submission to the FDA by the independent testing facility.

As announced on 5 April 2023, the Company is working towards making its FDA 510(k) application without further delay. In the same announcement, the Company also disclosed that it had terminated a consultancy agreement with J Lees S Consultants LLC ("JLSC") through which, *inter alia*, the services of Frank Boehm were provided. Mr Boehm was the inventor of the technologies behind Faci-LOK, Cervi-LOK and GRASP Laminoplasty systems.

The Company noted that Mr Boehm has made various claims about the validity and ownership of the Company's intellectual property. The Company confirmed that it continues to hold the intellectual property in relation to the three non-invasive spine stabilisation products under development, as set out in the Admission Document dated 19 August 2020.

The Company will subsequently seek clearance for Faci-LOK and GRASP Laminoplasty.

Board changes

On 28 February 2023, the Company announced that its then CEO Ian Roberts had resigned from his role as a director of the Company with immediate effect whilst continuing as an employee of the Company. Laurence Strauss was appointed as acting Managing Director of the Company (non-board appointment) at the same time.

On 5 April 2023, the Company announced appointment of Laurence Strauss as CEO and director of the Company. Concurrently, Martin Armstrong, the Company's then Non-executive Chairman, resigned from the Company with immediate effect.

Funding & Working capital position

As per the Company's recent announcements in 2023, the Company has been attempting to secure funding to see it through to its first FDA submission.

On 3 January 2023, the Company announced that it had entered into a bridging loan facility of £200,000 (the "Bridge Loan") and a non-binding letter of intent for a staged equity funding of £2.4 million over three tranches with a UK investment group. The terms of the loan included an 8% interest per annum and repayment from proceeds of the first tranche of the equity funding or conversion to equity on the same terms. The equity funding was subject to conditions such as appointing a non-executive director proposed by the UK investment group and an existing non-executive director moving to an executive director role. The Company expected receipt of the Bridge Loan funds immediately and the first tranche drawdown no later than 31 January 2023, subject to due diligence and appointment of a nominated director to the board of the Company.

Ultimately, due to repeated delays to receipt of the Bridge Loan funds and non-cooperative actions on behalf of the UK investment group, the Directors no longer believed that the Bridge Loan and staged equity financing would be received by the Company. The Company is now taking legal advice on pursuing the UK investment group for the funds owed under the Bridge Loan as announced on 25 April 2023.

The Company has been able to successfully secure funding as per the recent announcements set out below:

- On 28 February 2023, the Company entered into a loan agreement and received £200,000.
- On 25 April 2023, the Company entered into a £100,000 loan agreement with Annabel Schild, Non-Executive Director of the Company. Annabel Schild is considered a "Related Party" as defined under the AQSE Growth Market Access Rulebook as a result of being a director of TruSpine. The Loan Agreement therefore constituted a related party transaction for the purposes of Rule 4.6 of the AQSE Growth Market Access Rulebook. The directors of TruSpine independent of the Loan Agreement confirmed that, having exercised reasonable care, skill and diligence, the related party transaction was fair and reasonable insofar as the shareholders of TruSpine are concerned.

As announced on 25 April 2023, the Company also anticipates receipt of a HMRC R&D tax credit of approximately £200,000 by end of Q2 2023. The Company has limited working capital resources and continues to carefully manage its cash position.

The Board of Directors

The Board comprises five directors.

Laurence Strauss, Chief Executive Officer

Laurence started his career in 1986 working in the City and built a private client broking business working for, *inter alia*, Allied Provincial and Elders Finance. Laurence left the City in 1992, serving as a director of Longbrooke Electrical Ltd, an electrical contracting business and overseeing its expansion, following which he replicated the growth model in another business. More recently, Laurence has been advising private clients on equity investments and initial public offerings, he was first introduced to TruSpine Technologies Plc as a fundraiser for the Company's IPO.

Norman Lott, Group Chief Financial Officer

Mr. Lott is an experienced CFO with significant public company experience, having held multiple roles with AIM companies quoted on the London Stock Exchange. He is a member of the Institute of Chartered Accountants in England and Wales having qualified in 1980 and aside from his experience as a CFO, he has also held positions in business management including that of deputy CEO. He has also been involved in several international corporate transactions and has experience in the healthcare sector.

Annabel Schild, Non-Executive Director

Ms. Schild is an entrepreneur, having invested in multiple companies in finance, technology and hospitality over the last 31 years. In addition to her wealth of investment experience, Ms. Schild has also held directorships including non-executive roles across a range of industries including hospitality. Her father was the founder of Huntleigh Technology plc from 1985, the London-listed global healthcare business, which was sold to the Swedish medical equipment group Getinge AB for £409 million in 2006. She is a founding shareholder and investor in ClearBank Ltd, the UK's first new clearing bank in more than 250 years, providing open competition and transparency to the UK financial services marketplace.

Timothy Evans, Non-Executive Director

Dr Evans qualified in 1979 from the Westminster Hospital Medical School, and runs a private, independent general practice in London. He specialises in women's health, and also has an interest in functional and musculoskeletal medicine. Dr Evans has a wealth of experience in his 40-year career, including setting up a specialist practice in the care of women and children, as well as a fully integrated practice in conventional, complementary and alternative healthcare. He has worked extensively in Africa and re-established primary health clinics in rural areas of Zimbabwe after ten years of civil war. In 2003, he was appointed to the position of Apothecary to HM the Queen and The Royal Households of London. In 2016 HM The Queen awarded him as a Lieutenant of the Royal Victorian Order (LVO) for his services.

Nik Patel, *Non-Executive Director*

Nik has been a practising Consultant Neurosurgeon and Honorary Senior Clinical Lecturer at the Institute of Clinical Neurosciences (University of Bristol) since his appointment in 2005, where he has developed specialist interests and expertise in surgical treatments for spinal pain, cranial nerve hyperactive disorders and functional brain disorders. His surgical and research interests have focused on developing innovations, and advancing less-invasive and streamlined procedural solutions. He has been recognised for his neurosurgical research excellence with a Medical Research Council fellowship; awards from both the American and the European Associations of Neurological Surgeons; and a Hunterian Professorship from the Royal College of Surgeons of England.

3. REASONS FOR THE BOARD'S RECOMMENDATION TO VOTE AGAINST THE REQUISITION RESOLUTIONS

CEO Statement

As an existing shareholder of the Company, I was pleased to be asked to join the Company, first as acting Managing Director (non-board position) and then as Chief Executive Officer (board position). Nonetheless, it has been a challenging start, with our Board immediately facing a series of complex decisions and a need to restructure. We note that in the Requisition Notice tabled for the General Meeting, in the 'Statement of Members', the current Board are held responsible for the decline in the share price. This is a rather odd statement given the monumental decline in the share price that took place since the Company's introduction to the Aquis Stock Exchange in August 2020, and that just over two months have passed since the Board restructure and my appointment.

I am pleased to confirm that since 28 February 2023, the steps we have already taken are paving the way to re-focus the business and management team. From an operational standpoint, we have delivered a reduction in overheads, while our new management team and advisers remain focussed on progressing the FDA application and core business.

Following joining TruSpine as CEO I became aware the Company needed to undergo a transition process. I can reassure TruSpine Shareholders that we have already made tangible progress. I would also like to thank our Board, and in particular Non-Executive Director Annabel Schild for her unwavering support and belief in the future of TruSpine. My focus as CEO is to create value for shareholders and I remain committed to this.

I am aware that suggestions have been made questioning the Company's good title to its intellectual property. In particular I note in the 'Statement of Members' that they wish to 'negotiate a new license'. This implies TruSpine does not hold the intellectual property. This is simply not true, and this, along with other suggestions that have been circulated add up to what we believe is a blatant and cynical attempt to remove value from the Company and shareholders, and sabotage the Company's FDA approval process.

The Company confirms that it holds the intellectual property in relation to the three non-invasive spine stabilisation products under development, as set out in the Admission Document dated 19 August 2020.

I strongly urge shareholders to vote against the Resolutions to avoid any further disruption and delays to the Company's progress.

Conclusion

In conclusion, the Board firmly believes that the appointment of the Proposed Directors and the removal of certain current directors of the Company would be detrimental to the interests of TruSpine Shareholders.

4. RECOMMENDATION

For the reasons set out above, the Board considers that the Requisition Resolutions are, in each case, not in the best interests of the Company or TruSpine Shareholders, as a whole.

The Board therefore unanimously recommends that all TruSpine Shareholders vote AGAINST the Requisition Resolutions which are set out as resolutions 1 to 8 in the Form of Proxy, as they intend to do in respect of their aggregate shareholdings of 6.6 per cent of the Company's current issued share capital.

5. ACTION TO BE TAKEN

You will find, set out at the end of the circular, a Notice convening the General Meeting, to be held at 1.00 p.m. on 31 May 2023 at the Company's offices at Spectrum House, Beehive Ring Road, Gatwick Airport, RH6 0LG, UK at which the Resolutions will be considered. The full text of the Resolutions is set out in the attached Notice. Voting at the General Meeting will be by poll and not on a show of hands and each TruSpine Shareholder entitled to attend and who is present in person or by proxy will be entitled to one vote for each TruSpine Share held.

You will find enclosed with the circular a Form of Proxy for use at the General Meeting or any adjournment thereof. Whether or not you intend to be present at the General Meeting, you are requested to complete and sign the Form of Proxy in accordance with the instructions printed on it so as to be received by the Company's registrars, Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, GU9 7XX as soon as possible, and in any event, no later than 1.00 p.m. on 26 May 2023 (or, in the case of an adjournment, not later than 48 hours (excluding non-working days) before the time fixed for the holding of the adjourned meeting).

You may also lodge a proxy vote online with Share Registrars Limited. You can register your vote for the General Meeting by logging on to www.shareregistrars.uk.com, clicking on the "Proxy Vote" button and then following the on-screen instructions as soon as possible but in any event no later than 1.00 p.m. on 26 May 2023.

If you hold TruSpine Shares in CREST and you wish to appoint a proxy or proxies for the General Meeting or any adjournment(s) thereof by using the CREST electronic proxy appointment service, you may do so by using the CREST proxy voting service in accordance with the procedures set out in the CREST manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to that CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. Proxies submitted via CREST (under CREST ID 7RA36) must be sent as soon as possible and, in any event, so as to be received by the Company's registrars, Share Registrars Limited, by no later than 1.00 p.m. on 26 May 2023 (or, in the case of an adjournment, not later than 48 hours (excluding non-working days) before the time fixed for the holding of the adjourned meeting).

Shareholders wishing to complete their paper Form of Proxy in line with the Board's recommendations should place an "X" in the boxes under the heading "Against" alongside resolutions 1 to 8.

If you have any questions relating to the circular, the General Meeting and/or the completion and return of the Form of Proxy, please telephone Share Registrars Limited, on 01252 821390. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday (excluding public holidays in England and Wales). Please note that Share Registrars Limited cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

The completion and return of a Form of Proxy (or the electronic appointment of a proxy) will not preclude you from attending and voting in person at the General Meeting or any adjournment thereof, if you wish to do so and are so entitled.

Yours faithfully,

Laurence Strauss

CEO

