

TRUSPINE TECHNOLOGIES PLC
("TruSpine", the "Company" or "Group")

Interim Results - for the six months ended 30 September 2021

CHIEF EXECUTIVE'S REPORT

I am pleased to report that despite the challenges presented by Covid-19 globally, Truspine has managed to overcome many of the obstacles presented, and we are currently in our final round of Verification and Validation Testing.

This has been a challenging year to ensure we meet our commercialisation targets and product roll out in 2022, which I believe will finally position TruSpine as a true leader in Spinal Stabilisation.

During the year, product development has progressed significantly, both with the Cervi-LOK implant and the instrumentation sets. Aside from the general strengthening and expansion of the Company's IP, we have also strengthened our management team with the appointment of Anthony Swoboda, VP for Sales and Marketing in the USA and Janice Stone our Regulatory affairs director.

Further to the announcement made on 2 November 2021 in relation to the Breakthrough Technology Device application to the FDA for the Company's Cervi-LOK™ product, the Company advises that the FDA has requested further testing prior to concluding on the device's status. Due to time constraints the Company has withdrawn its Breakthrough Technology Device application, while further tests are undertaken. The Company intends to resubmit its Breakthrough Technology Device application when the further tests are completed. The Company is convinced of the merits of the device and remain confident that Breakthrough Device Technology status will be granted. A further announcement will be made in due course.

The Company continues to be in a pre-revenue development phase and remains loss-making. The loss before taxation for the six months to 30 September 2021 was £483k (2020: £448k) after administrative expenses of £481k (2020: £443k). Development spend for the six months to 30 September 2021 was £463k (2020: £277k).

Consolidated net assets as at 30 September 2021 amounted to £3.0 million (2020: £2.4 million) including cash and cash equivalents of £324,000 (2020: £567,000).

In September 2021 the Company raised £650,000 through a Fundraise of 6,500,000 new Ordinary shares at a price of 10p per share. £230,000 of the proceeds of the Fundraise were received immediately after the period end on 4 October 2021 and were therefore included in other receivables as at 30 September 2021.

On behalf of the Board, I would also like to thank all shareholders for their support, and TruSpine's staff and commercial partners for their hard work during the year.

We are a lean and progressive company with a suite of products and IP that have the potential to provide a potential quantum shift in patient treatment within the Spinal Fixation market, the Board believe the Company is well positioned in terms of funding and corporate profile. The board therefore looks to the future with confidence.

Ian Roberts

Chief Executive

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 ("MAR").

GROUP UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021
GROUP STATEMENT OF COMPREHENSIVE INCOME

		6 month period ended 30 September 2021 (Unaudited)	6 month period ended 30 September 2020 (Audited)	Year ended 29 March 2021 (Audited)
	Note	£	£	£
Administrative expenses		(480,834)	(443,458)	(645,287)
Operating loss		(480,834)	(443,458)	(645,287)
Finance expense		(1,771)	(4,516)	(5,894)
Loss before tax		(482,605)	(447,974)	(651,181)
Tax credit	3	-	24,826	107,178
(Loss)/Profit		(482,605)	(423,148)	(544,003)
Loss attributable to:				
Owners of the parent		(482,605)	(423,148)	(544,003)
Other comprehensive income:				
Items that will or may be reclassified to profit or loss:				
Exchange translation differences on foreign operations		462	(1,235)	(6,870)
Total comprehensive loss		(482,143)	(424,383)	(6,870)
Total comprehensive loss attributable to equity shareholders		(482,143)	(424,383)	(550,873)
Earnings per share basic and diluted (pence)	4	(0.51)p	(0.50)p	(0.63)p

All results in the current and preceding financial period derive from continuing operations.

GROUP STATEMENT OF FINANCIAL POSITION

30 September 2021 (Unaudited)	30 September 2020 (Unaudited)	29 March 2021 (Audited)
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	Note	£	£	£
Non-current assets				
Tangible fixed assets		33,683	21,154	34,298
Intangible assets		2,504,010	1,891,801	2,040,777
		2,537,693	1,912,955	2,075,075
Current assets				
Trade and other receivables		356,189	444,080	186,690
Digital assets		225,229	-	220,602
Cash and cash equivalents		324,044	566,648	543,520
		905,462	1,010,728	950,812
Total assets		3,443,155	2,923,683	3,025,887
Current liabilities				
Trade and other payables		386,184	448,915	229,977
Borrowings		47,500	50,000	50,000
		433,684	498,915	279,977
Total liabilities		433,684	498,915	279,977
Net Assets		3,009,471	2,424,768	2,745,910
Equity attributable to owners of the parent				
Share capital	5	10,139	8,778	9,398
Share premium		3,779,855	2,632,098	3,062,103
Share based payment reserve		44,218	-	17,007
Other reserves	5	(205,000)	(205,000)	(205,000)
Translation reserve		(25,017)	(19,844)	(25,479)
Retained earnings		(594,724)	8,736	(112,119)
Total equity attributable to owners of the parent		3,009,471	2,424,768	2,745,910
Total Equity		3,009,471	2,424,768	2,745,910

GROUP STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Share based payment reserve	Other reserves	Translation reserve	Retained earnings	Total
	£	£	£	£	£	£	£
Balance as at 29 March 2020	8,385	3,727,035	-	(205,000)	(18,609)	(1,818,116)	1,693,695
Profit for the six months	-	-	-	-	-	(423,148)	(423,148)
Other	-	-	-	-	(1,235)	-	(1,235)

comprehensive loss							
Total comprehensive loss for the period	-	-	-	-	(1,235)	(423,148)	(424,383)
Issue of shares, net of issue costs	393	1,155,063	-	-	-	-	1,155,456
Reduction in share capital		(2,250,000)				2,250,000	-
Transactions with owners, recognised directly in equity	<u>393</u>	<u>(1,094,937)</u>	-	-	-	2,250,000	1,155,456
Balance as at 30 September 2020	<u>8,778</u>	<u>2,632,098</u>	-	<u>(205,000)</u>	<u>(19,844)</u>	<u>8,736</u>	<u>2,424,768</u>
Balance as at 29 March 2021	<u>9,398</u>	<u>3,062,103</u>	<u>17,007</u>	<u>(205,000)</u>	<u>(25,479)</u>	<u>(112,119)</u>	<u>2,745,910</u>
Loss for the six months	-	-	-	-	-	(482,605)	(482,605)
Other comprehensive loss	-	-	-	-	462	-	462
Total comprehensive loss for the period	-	-	-	-	462	(482,605)	(482,143)
Issue of shares, net of issue costs	741	744,963	-	-	-	-	745,704
Share based payment charge	<u>-</u>	<u>(27,211)</u>	27,211	-	-	-	-
Transactions with owners, recognised directly in equity	<u>741</u>	<u>717,752</u>	27,211	-	-	-	745,704
Balance as at 30 September 2021	<u>10,139</u>	<u>3,779,855</u>	<u>44,218</u>	<u>(205,000)</u>	<u>(25,017)</u>	<u>(594,724)</u>	<u>3,009,471</u>

CONSOLIDATED STATEMENT OF CASH FLOWS

	6 month period ended 30 September 2021 (Unaudited)	6 month period ended 30 September 2020 (Unaudited)	Year ended 29 March 2021 (Audited)
	£	£	£
Cash flow from operating activities			
Loss before tax	(482,605)	(447,974)	(651,181)
Depreciation and amortisation	615	-	1,230
Increase in Fair Value of digital asset	(4,627)	-	(5,022)
(Increase) in other receivables	(169,499)	(283,191)	(25,801)
Increase in other payables	156,207	231,990	63,052

Cash used in operations	(499,909)	(499,175)	(617,722)
Income tax credit	-	24,826	107,178
Net cash flows from operating activities	(499,909)	(474,349)	(510,544)

Investing activities

Purchase of tangible assets	-	(21,154)	(35,528)
Purchase of intangible assets	(463,233)	(277,105)	(426,081)
Net cash used in investing activities	(463,233)	(298,259)	(461,609)

Financing activities

Proceeds from Issue of shares, net of issue costs	745,704	1,155,456	1,387,508
(Decrease)/Increase in borrowings	(2,500)	50,000	-
Net cash flow from financing	743,204	1,205,456	1,387,508

(Decrease)/Increase in cash and cash equivalents in the period	(219,938)	432,848	415,355
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Cash and cash equivalents at the beginning of the year	543,520	135,035	135,035
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Exchange rate differences on cash and cash equivalents	462	(1,235)	(6,870)
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Cash and cash equivalents at the end of the period	324,044	566,648	543,520
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NOTES TO THE FINANCIAL INFORMATION

1. GENERAL INFORMATION

This financial information is for Truspine Technologies Plc (“the Company”) and its subsidiary undertakings. The principal activity of TruSpine Technologies Plc (the ‘Company’) and its subsidiaries (together the ‘Group’) is the development of products for the spinal fusion market. The Company is a public limited company and was listed on the Aquis Stock Exchange on 20 August 2020. The Company is incorporated and domiciled in England and the address of its registered office is located at Spectrum House AF33, Beehive Ring Road, Gatwick Airport, Gatwick, RH6 0LG, United Kingdom.

2. BASIS OF PREPARATION

The interim consolidated financial information has been prepared with regard to International Financial Reporting Standards (IFRS) and interpretations adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006. The interim financial information incorporates the results for the group for the six month period from 30 March 2021 to 30 September 2021. The results for the year ended 29 March 2021 have been extracted from the statutory financial statements for the Company for the year ended 29 March 2021. The financial information set out in these interim consolidated financial information does not constitute statutory accounts as defined in S434 of the Companies Act 2006. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 29 March 2021, which contained an unqualified audit report and have been filed with the Registrar of Companies. They did not contain statements under S498 of the Companies Act 2006.

The same accounting policies, presentation and methods of computation have been followed in these unaudited interim financial statements as those which were applied in the preparation of the group's annual financial statements for the year ended 29 March 2021.

The interim consolidated financial information incorporates the financial statements of Truspine Technologies Plc and its subsidiaries.

The interim financial information for the six months ended 30 September 2020 was approved by the directors on 23 December 2021.

3. TAXATION

Tax recognised in profit or loss

	6 month period ended 30 September 2021 (Unaudited)	6 month period ended 30 September 2020 (Unaudited)	Year ended 29 March 2021 (Audited)
	£	£	£
Current tax credit	-	24,826	107,178
Deferred tax	-	-	-
Net tax credit	-	24,826	107,178
Loss before tax	(482,605)	(447,974)	(651,181)
Standard rate of UK corporation tax	19%	19%	19%
Loss on ordinary activities before tax multiplied by standard rate UK corporation tax	(91,695)	(85,115)	(123,724)
Tax adjustment	(117)	-	(335)
Unrelieved tax losses carried forward	91,812	85,115	124,059
UK research and development tax credit	-	24,826	107,178
Tax credit	-	24,826	107,178

At 30 September 2021, the Group are carrying forward estimated tax losses of £1.61m in respect of various activities over the years. The Company did not recognise a deferred income tax credit due to uncertainty concerning the timescale of its recoverability.

4. LOSS PER ORDINARY SHARE

Basic earnings per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares.

	6 month period ended 30 September 2021 (Unaudited)	6 month period ended 30 September 2020 (Unaudited)	Year Ended 29 March 2021 (Audited)
	£	£	£

(Loss) attributable to equity holders of the Company	(482,605)	(423,148)	(544,003)
Weighted average number of ordinary shares in issue	94,546,805	84,581,810	86,210,308
Loss per share basic and diluted (pence)	(0.51)p	(0.50)p	(0.63)p

5. SHARE CAPITAL

Group	Group and Company					Total
	Number of shares	Share capital	Share premium	Share based payment reserve	Other reserve	
		£	£	£	£	£
Issued and fully paid						
As at 29 March 2020	83,845,194	8,385	3,727,035	-	(205,000)	3,530,420
Movement during the period	3,933,773	393	(1,094,937)	-	-	(1,094,544)
As at 30 September 2020	87,778,967	8,778	2,632,098	-	(205,000)	2,435,876
Movement during the period	6,205,000	620	430,005	17,007	-	447,632
As at 29 March 2021	93,983,967	9,398	3,062,103	17,007	(205,000)	2,883,508
Movement during the period	7,405,000	741	717,752	27,211	-	745,704
As at 30 September 2021	101,388,967	10,139	3,779,855	44,218	(205,000)	3,629,212

Share Capital – Amount subscribed for share capital at nominal value.

Share Premium – Amount subscribed for share capital in excess of nominal value.

On 7 May 2020, a resolution was passed approving a reduction of capital whereby the share premium account of the Company was cancelled by an amount of £2,250,000.

In September 2021 the Company raised £650,000 through a Fundraise of 6,500,000 new Ordinary shares at a price of 10p per share comprising a Placing and a Subscription. 2,300,000 New Ordinary Shares were issued by way of the Placing raising gross proceeds of £230,000 and 4,200,000 New Ordinary Shares were issued through the Subscription raising gross proceeds of £420,000. In addition 125,000 New Ordinary Shares were issued to a third-party involved in the Fundraise in lieu of services rendered. Each New Ordinary Share issued has one warrant attached granting the holder the right to subscribe for an additional one New Ordinary Share at an exercise price of 15 pence per share for a period of 3 years following admission. The were admitted to trading on AQSE on 30 September 2021. The gross placing proceeds of £230,000 were not received until 4 October 2021 after the period end and were included in other receivables at 30 September 2021.

6. EVENTS AFTER THE REPORTING DATE

On 29 October 2021 383,800 New Ordinary Shares were issued to a third-party involved in Fundraising in lieu of services rendered. Each New Ordinary Share issued has one warrant attached granting the holder the right to subscribe for an additional one New Ordinary Share at an exercise price of 15 pence per share for a period of 3 years following admission.

On 17 November 2021 216,102 shares were issued to WH Ireland Limited at various prices in lieu of brokerage services provided to the Company.

The Directors of the Company take responsibility for 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.