

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

Interim Results - for the six months ended 30 September 2023

CHIEF EXECUTIVE'S REPORT

During the period under review and the period to date the Company is pleased to have made progress on three fronts namely :-

- the FDA submission is progressing and has now reached the substantive phase which it is currently undergoing and the Company is hoping for more positive news in the New Year.
- Following the registration of its IP title, the Company anticipates signing a distribution agreement in 2024.
- Financing: the Company remains in pre-revenue stage and is in detailed discussions with various parties and hopes to agree a substantial fundraise during January 2024.

On 15 August 2023 the Company raised £50,000 through the issue of 2,000,000 new ordinary shares at a price of 2.5p per share.

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 2023 was £363k (2022: £545k) after administrative expenses of £348k (2022: £543k). Development spend for the six months to 30 September 2023 was £216k (2022: £216k). Consolidated net assets as at 30 September 2023 amounted to £2.46 million (2022: £2.89 million) including a bank overdraft of £8,640 (2022 cash and cash equivalents of £42,000).

As previously notified, the Company's working capital position remains weak given the lack of revenue generating operations, however the Company is prudently managing its limited working capital position. The Company is reviewing equity and debt financing options available to it and the Directors fully expect a successful resolution in securing adequate funding to meet the Company's working capital requirements in the near-term.

Further to the announcement of 27 November 2023, the Company continues to be in discussions to agree a new redistribution contract with Spartan Medical, Incorporated which the Company expects to sign in due course.

Proposed Director Appointments Update

Further to the announcement on 27 November 2023, the Company maintains its intention to appoint Victoria Sena and Samuel Ogunsalu, subject to standard regulatory due diligence and securing adequate funding to meet the Company's working capital requirements in the near-term.

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.

GROUP UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023 GROUP STATEMENT OF COMPREHENSIVE INCOME

	6 month period ended 30 September 2023 (Unaudited)	6 month period ended 30 September 2022 (Unaudited)	Year ended 29 March 2023 (Audited)
Note			
	£	£	£
Administrative expenses	(348,300)	(543,369)	(845,818)
Operating loss	(348,300)	(543,369)	(845,818)
Finance expense	(14,533)	(2,030)	(7,643)
Loss before tax	(362,833)	(545,399)	(853,461)
Tax credit	3	-	199,007
(Loss)/Profit	(362,833)	(545,399)	(654,454)

Loss attributable to:

Owners of the parent

(362,833)	(545,399)	(654,454)
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Other comprehensive income:**Items that will or may be reclassified to profit or loss:**

Exchange translation differences on foreign operations

1,304	14,253	3,237
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Total comprehensive loss

(361,529)	(531,146)	(651,217)
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Total comprehensive loss attributable to equity shareholders

(362,529)	(531,146)	(651,217)
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Earnings per share basic and diluted (pence) 4

(0.31)p	(0.48)p	(0.57)p
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All results in the current and preceding financial period derive from continuing operations.

GROUP STATEMENT OF FINANCIAL POSITION

	30 September 2023 (Unaudited) £	30 September 2022 (Unaudited) £	29 March 2023 (Audited) £
Note			
Non-current assets			
Tangible fixed assets	2,496	3,444	3,324
Intangible assets	3,460,301	3,376,331	3,461,227
Right of use assets	-	112,181	-
	3,462,797	3,491,956	3,464,551
Current assets			
Trade and other receivables	25,228	167,217	215,239
Digital assets	-	-	-
Cash and cash equivalents	(8,640)	41,821	24,276
	16,588	209,038	239,515
Total assets	3,479,385	3,700,994	3,704,066
Current liabilities			
Trade and other payables	749,537	649,429	657,768
Borrowings	68,635	42,891	73,556

Lease liabilities		-	14,261	-
		818,172	706,581	731,324
Non-current liabilities				
Lease liabilities		-	101,600	-
Borrowings		200,000		200,000
		200,000	101,600	200,000
Total liabilities		1,018,172	808,181	931,324
Net Assets		2,461,213	2,892,813	2,772,742
Equity attributable to owners of the parent				
Share capital	5	11,995	11,795	11,795
Share premium		4,571,264	4,548,676	4,535,069
Share based payment reserve		85,035	57,823	71,430
Other reserves	5	(205,000)	(205,000)	(205,000)
Translation reserve		(19,482)	(9,770)	(20,786)
Retained earnings		(1,982,599)	(1,510,711)	(1,619,766)
Total equity attributable to owners of the parent		2,461,213	2,892,813	2,772,742
Total Equity		2,461,213	2,892,813	2,772,742

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 2022	10,175	3,782,215	44,219	(205,000)	(24,023)	(965,312)	2,642,274
Profit for the six months	-	-	-	-	-	(545,399)	(545,399)
Other comprehensive gain	-	-	-	-	14,253	-	14,253
Total comprehensive loss for the period	-	-	-	-	14,253	(545,399)	(531,146)
Issue of shares, net of issue costs	1,620	780,065	-	-	-	-	781,685
Reduction in share	=	<u>(13,604)</u>	13,604	-	-	-	-

capital

Transactions with
owners, recognised
directly in equity
Balance as at 30
September 2022

<u>1,620</u>	<u>801,961</u>	13,604	-	-	-	781,685
<u>11,795</u>	4,548,676	57,823	(205,000)	(9,770)	(1,510,711)	2,892,813

Balance as at 29
March 2023

11,795	4,535,069	71,430	(205,000)	(20,786)	(1,619,766)	2,772,742
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Loss for the six
months

-	-	-	-	-	(362,833)	(362,833)
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Other
comprehensive
gain

-	-	-	-	1,304	-	1,304
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Total
comprehensive
loss for the period

-	-	-	-	1,304	(362,834)	(361,529)
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Issue of shares, net
of issue costs

200	49,800	-	-	-	-	50,000
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Share based
payment charge

=	(13,605)	13,605	-	-	-	-
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Transactions with
owners, recognised
directly in equity

<u>200</u>	<u>36,195</u>	13,605	-	-	-	50,000
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Balance as at 30
September 2023

<u>11,995</u>	4,571,264	85,035	(205,000)	(19,482)	(1,982,599)	2,461,213
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CONSOLIDATED STATEMENT OF CASH FLOWS

6 month
period ended
30 September
2023
(Unaudited)

6 month
period ended
30 September
2022
(Unaudited)

Year
ended
29 March 2023
(Audited)

£

£

£

Cash flow from operating activities

Loss before tax	(362,833)	(545,399)	(850,224)
Depreciation and amortisation	828	9,095	21,421
Gain in derecognition of Right of use asset	-	-	1,831
Decrease in digital assets	-	82,474	82,474
Decrease/(Increase) in other receivables	190,011	(93,694)	(141,716)
Increase in other payables	91,769	39,351	83,189
Cash used in operations	(80,225)	(508,173)	(803,025)

Income tax credit	-	-	199,007
Net cash flows from operating activities	(80,225)	(508,173)	(604,018)
Investing activities			
Purchase of tangible assets	-	-	(707)
Purchase of intangible assets	926	(278,176)	(363,072)
Net cash used in investing activities	926	(278,176)	(363,779)
Financing activities			
Proceeds from Issue of shares, net of issue costs	50,000	817,185	781,685
Proceeds from loan finance		-	335,000
Repayments of loans		-	(103,944)
Lease payments	-	(7,130)	(24,139)
Increase/(Decrease) in borrowings	(4,921)	391	-
Net cash flow from financing	45,079	810,446	988,602
(Decrease)/Increase in cash and cash equivalents in the period	(34,220)	24,097	20,805
Cash and cash equivalents at the beginning of the year	24,276	3,471	3,471
Exchange rate differences on cash and cash equivalents	1,304	14,253	-
Cash and cash equivalents at the end of the period	(8,640)	41,821	24,276

NOTES TO THE FINANCIAL INFORMATION

1. GENERAL INFORMATION

This financial information is for TruSpine Technologies Plc and its subsidiary undertakings. The principal activity of TruSpine Technologies Plc 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 OLG, 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 2023 to 30 September 2023. The results for the year ended 29 March 2023 have been extracted from the statutory financial statements for the Company for the year ended 29 March 2023. 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 2023, 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 2023.

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 2023 was approved by the directors on 28 December 2023.

3. TAXATION

Tax recognised in profit or loss

	6 month period ended 30 September 2023 (Unaudited)	6 month period ended 30 September 2022 (Unaudited)	Year ended 29 March 2023 (Audited)
	£	£	£
Current tax credit	-	-	199,007
Deferred tax	-	-	-
Net tax credit	-	-	199,007
Loss before tax	(362,833)	(545,399)	(940,806)
Standard rate of UK corporation tax	19%	19%	19%
Loss on ordinary activities before tax multiplied by standard rate UK corporation tax	(68,938)	(103,626)	(178,753)
Tax adjustment	-	-	-
Unrelieved tax losses carried forward	68,938	103,626	178,753
UK research and development tax credit	-	-	107,178
Tax credit	-	-	107,178

At 30 September 2023, the Group are carrying forward estimated tax losses of £2m 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 2023	6 month period ended 30 September	Year Ended 29 March 2023
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	(Unaudited)	2022 (Unaudited)	(Audited)
	£	£	£
(Loss) attributable to equity holders of the Company	(362,833)	(545,399)	(654,454)
Weighted average number of ordinary shares in issue	118,809,166	112,795,793	115,516,050
Loss per share basic and diluted (pence)	(0.31)p	(0.48)p	(0.57)p

5. SHARE CAPITAL

Group	Group and Company					
	Number of shares	Share capital	Share premium	Share based payment reserve	Other reserve	Total
		£	£	£	£	£
Issued and fully paid						
As at 29 March 2022	102,113,869	10,175	3,782,215	44,219	(205,000)	3,631,609
Movement during the period	16,198,000	1,620	766,461	13,604	-	781,685
As at 30 September 2022	118,311,869	11,795	4,548,676	57,823	(205,000)	4,413,294
Movement during the period	-	-	(13,607)	13,607	-	-
As at 29 March 2023	118,311,869	11,795	4,535,069	71,430	(205,000)	4,413,294
Movement during the period	2,000,000	200	36,195	13,605	-	817,185
As at 30 September 2023	120,311,869	11,995	4,571,264	85,035	(205,000)	4,448,794

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

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

6. EVENTS AFTER THE REPORTING DATE

On 30 October 2023, the Company announced that it had received communication from the U.S. Food and Drug Administration ("FDA") that its FDA 510(k) application for Cervi-LOK had progressed to the substantive review stage.