RNS Number : 4013B
TruSpine Technologies PLC
30 September 2022

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

Final Results for period to 29 March 2022

TruSpine Technologies plc, (AQSE: TSP) the medical device company focused on the development of its pioneering "screwless," spinal (vertebral) stabilisation systems, reports its full year results for the year ended 29 March 2022.

The Company continues to be in a pre-revenue development phase and remains loss making at this stage of its development. The loss before taxation for the year was £941k (2021: £651k) after administrative expenses of £938k (2021: £645k). The R&D tax credit was £88k (2021: £107k) bringing the loss after tax to £853k (2021: £544k). Development spend for the year was £851k (2021: £426k).

Consolidated net assets at 29 March 2022 amounted to £2.642 million (2021: £2.746 million) including cash and cash equivalents of £3k (2021: £544k). On 31 May 2022, the Company announced that it had raised an additional £700,000 through a placing and subscription of new ordinary shares.

The independent audit report draws attention to note 2.4 in the financial statements, which indicates that the Group is reliant upon Food and Drug Administration (FDA) approval of its product, subsequent sales and/or further financing to meet its working capital needs. There is no guarantee that these will be achieved. As stated in note 2.4, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern. The auditor's opinion is not modified in respect of this matter. The Independent Auditor's Report is set out in full below.

The Company continues to carefully manage its working capital position.

The Annual Report and Financial Statements for the year ended 29 March 2022 will shortly be available on the Company's website. Copies of the Annual Report and Financial Statements will be posted to shareholders shortly.

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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CHIEF EXECUTIVE'S STATEMENT

I am pleased to report that in spite of the many challenges presented by Covid-19, TruSpine Technologies Plc was able to continue with its development of Cervi-LOK, with the implant and instrument sets currently

undergoing the final verification and validation testing required to submit our 510k application to the FDA. All our Regulatory and Quality Management systems have been completed, and I must give a special mention to our regulatory team for completing circa 300 documents which are required by the FDA. We will be one of the first Spinal companies to offer Sterile Packaged single use implants and instrument sets, and I must thank our implants and instrument packaging partners for their enthusiasm and professionalism throughout the process.

During the year, the company has continued to strengthen its Intellectual Property with the following additions:

- A US provisional application # 63 /189, 785 pertaining to the unique rod positioner was filed on 8 April 2021.
- In June 2021, applications for the Cervi-LOK were filed in China, and the EU.
- The Cervi-LOK trademark was issued: Issue Date: 22 June 2021, 2021/U.S. Serial Number: 88958492 - Mark: Cervi-LOK
- Several Office Actions regarding the Cervi-LOK were responded to throughout the fiscal year under consideration.
- On 21 July 2021, an application for the Cervi-LOK was filed in India.
- On 1 July 2021, an application for the Cervi-LOK was filed in Japan.
- Additional Filings to broaden the IP protection for the Cervi-LOK on 9 September 2021
- On 27 September 2021, additional Office Actions regarding the Cervi-LOK were responded to.
- Additional work on the European Filing for the Cervi-LOK also on 27 September 2021.
- Additional filings for instrumentation for the Cervi-LOK filed on 12 December 2022.
- Chinese Application for Cervi-LOK filed on 25 January 2022.
- Additional claims for laminoplasty on 25 February 2022.

The Global Spinal Implants and Surgery Devices Market size was estimated at USD 11.19 billion in 2021, USD 12.3 billion in 2022, and is projected to grow at a compound annual growth rate of 10.21% to reach USD 20.06 billion by 2027 (Source Research and Markets.com). The Company has a phased product development strategy and is planning, subject to regulatory clearance, to commence initial product marketing of Cervi-LOK in the USA. The overall aim is to establish the CompanyÕs Products as the Ògo-to solutionsÓ for the spinal stabilisation and fusion market. In addition to the three flagship Products, the Company also has a pipeline of additional and complementary IP and product offerings at an early stage of development.

The Company continues to be in a pre-revenue development phase and remains loss making at this stage of its development. The loss before taxation for the year was £941k (2021: £651k) after administrative expenses of £938k (2021: £645k). The R&D tax credit was £88k (2021: £107k) bringing the loss after tax to £853k (2021: £544k). Development spend for the year was £851k (2021: £426k).

Consolidated net assets at 29 March 2022 amounted to £2.642 million (2021: £2.746 million) including cash and cash equivalents of £3k (2021: £544k).

In April 2022 the Company entered into a master agreement (ÒFunding AgreementÓ) with Proffitt Brothers Investments, LLC (ÒProffitt BrothersÓ) and Spartan Medical, Incorporated (ÒSpartan MedicalÓ) setting out an agreement on a strategic partnership and to provide funding, and an exclusive US Reseller Agreement (ÒReseller AgreementÓ) to market and distribute the Cervi-LOK™ device to US Government healthcare facilities once the Cervi-LOK™ has completed FDA clearance. The funding agreement provided the Company with $400,000 of funding, $100,000 was received on signing of the master agreement with two further investments totalling $US300,000, payable at FDA 510k lodgement ($US100,000) and FDA 510k Clearance ($US200,000). The Funding & Reseller Agreements are validation of our ground-breaking first spinal stabilisation device and will allow a rapid Ôgo to marketÕ strategy subject to 510k clearance of the Cervi-LOK™.

In addition, on 31 May 2022, the Company announced that it had raised an additional £700,000 through a placing and subscription of new ordinary shares.

Further, on 10 June 2022, the Company appointed a new regulatory consultant, MCRA, to prepare and file a submission to the FDA for Cervi-LOK™. MCRA are in advance stages of preparing our full 510K application, and they have a very strong relationship with the FDA.

On behalf of the Board, I would also like to thank all shareholders for their support, and TruSpineÕs 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 therefore looks to the future with confidence.

Ian Roberts
Chief Executive

STRATEGIC REPORT

The Directors present their Strategic Report on the Group for the year ended 29 March 2022.

Review of the business and future developments

TruSpine Technologies Plc was incorporated on 8 December 2014. 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. The Company re-registered as a public limited company on 28 May 2020. On 20 August 2020 the Company was admitted to the Aquis Stock Exchange Growth Market with the issue of 3,700,442 new ordinary shares at the IPO raising gross proceeds of circa £1.4m. Since then, the Company has raised a further £2,048,500 through the subscription of 27,485,000 new ordinary shares.

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 (ÒFDAÓ) for its Cervi-LOK product in 2022. Once this has been achieved the Company will concentrate on further development work on its other two products and will subsequently seek clearance for Faci-LOK and GRASP Laminoplasty.

The Company is in the final phase of testing and Validation and Verification testing. The final testing is being completed by Element Materials Technology, implant packaging and sterilisation by Guardian Medical and Instrument packaging and sterilisation by Puracon. Both Guardian and Puracon are at an advanced stage in this process.

Once a 510(k) application has been submitted, the FDAÕs decision to provide clearance normally takes up to 90 days, following which the Company will be able to commence marketing and sales of Cervi-LOK in the US. We have entered into a distribution agreement with Spartan Medical, and negotiations are ongoing with further distributors in the USA.

The Company acquired the Patents relating to its Technologies from Professor Frank Boehm, (the inventor of the Technologies) pursuant to the IP Sale Agreement. Details of the Patents are set out in paragraph 6 of Part I and details of the IP Sale Agreement are set out at paragraph 9.1 of Part IV in the CompanyÕs Admission Document. The Company protects the intellectual property in its Technologies and any future application thereof by submitting patent applications in each country in which it intends to operate. This is an active and ongoing process with new applications being filed to cover revised design, usage and application of the Technologies.

The Global Spinal Devices Market is currently estimated to be worth USD$11.2 billion and is expected to grow at a compound annual growth rate of 3.1 per cent to 2026. North America is the single largest and most mature market accounting for around 55 per cent of the total global revenues.

It is important to note that the Products have not yet been used on live patients, as they are still subject to regulatory clearance and approvals by the relevant national medical regulators.

Group Strategy and Business Model

Cervi-LOK and Faci-LOK are spine stabilisation devices used in the fusion of the cervical, thoracic and lumbar spine respectively. They differ from existing methods of vertebrae stabilisation as they are non-intrusive. Cervi-LOK and Faci-LOK clamp onto specific landmarks of the vertebrae bones rather than requiring fixation with screws.

The minimally invasive Products represent a potentially significant development in spinal fixation, fusion and laminoplasty techniques, providing stabilisation without altering the bony spinal anatomy by requiring screws, staples or other such attachments which dominate the current technologies and irreversibly alter the anatomy of the spine. The CompanyÕs philosophy is one of Òpreserving natureÕs designÓ, and as such, the devices have been designed to be safe, fast and easy to implant, as well as being minimally intrusive. We will be one of the first Spine companies to offer single use sterile packaged implants AND instruments, which will position the company very favourably, especially in the ever expanding ambulatory surgical centres in the USA.

The Directors believe the CompanyÕs Technologies will fill a gap in the market due to its relative health advantages (for example through not altering the patientÕs anatomy) as well as its overall lower cost per procedure (resulting from the reduced requirement for fluoroscopy, shorter surgery time and faster patient recovery time). The CompanyÕs Technologies cause minimal tissue disruption allowing the normal spine anatomy to remain intact and therefore aids the spinal stabilisation and fusion process.

The Company has a phased product development strategy and is planning, subject to regulatory clearance, to commence initial product marketing of Cervi-LOK in 2023. The overall aim is to establish the CompanyÕs Products as the Ògo-to solutionsÓ for the spinal stabilisation and fusion market. In addition to the three

flagship Products, the Company also has a pipeline of additional and complementary IP and product offerings at an early stage of development.

The Company has a number of key commercial partners to develop, design and manufacture its Products, and assist it through the regulatory process. Emergo Group (ÒEmergoÓ), a regulatory consultant and MCRA for our FDA application are retained by the Company to provide it with regulatory advice. Lincotek Medical LLC (ÒLincotekÓ) is retained by the Company to provide product development and manufacturing. University of Toledo will be performing our independent product testing, and Element Medical will be providing our comparative data.

Initially the Company is seeking to obtain clearance for use of its Products in the United States. For the Products to be lawfully marketed and sold in the United States, they are required to have ÒclearanceÓ from the FDA. The Company will initially seek FDA clearance for its Cervi-LOK Product. The FDA is responsible for protecting the public health in the United States by (amongst other things) ensuring the safety, efficacy, and security of medical devices.

The CompanyÕs Products are classified as ÒClass IIÓ Medical Devices under the FDAÕs device classification system and therefore require FDA 510(k) clearance, which does not require clinical studies prior to clearing the devices for marketing and sales. The FDA 510(k) clearance process compares a product to a Òpredicate deviceÓ, measuring safety, function and strength. Under the notion of Òsubstantially equivalentÓ, if a device performs in testing at least as well as the accepted predicate device, FDA 510(k) clearance will be granted.

Major company analysis in the spinal devices market currently identifies a high number of competitors, who are able to benefit from scale economies. However, these existing competitorsÕ technologies still utilise invasive technologies like lateral mass and pedicle screws and therefore TruSpine should be well placed to compete within the spinal stabilisation market because, crucially, its Products do not alter the bony anatomy of patients. TruSpineÕs partnership with

Spartan Medical will also prove to be invaluable, with Spartan handling the logistics and distribution of our products to their existing customer base.

Promotion of the Company for the benefit of the members as a whole

The DirectorÕs believe they have acted in the way most likely to promote the success of the Company for the benefit of its members as a whole, as required by s172 of the Companies Act 2006 as detailed below.

The requirements of s172 are for the Directors to:

- Consider the likely consequences of any decision in the long term
- Act fairly between the members of the Company,
- Maintain a reputation for high standards of business conduct,
- Consider the interests of the CompanyÕs employees,
- Foster the CompanyÕs relationships with suppliers, customers and others, and
- Consider the impact of the CompanyÕs operations on the community and the environment.

Our Board of Directors remain aware of their responsibilities both within and outside of the Group. Within the limitations of a Group with so few employees we endeavour to follow these principles and examples of the application of the s172 are summarised and demonstrated below.

The Company operates as a medical device company developing specific innovative products which is inherently speculative in nature and at times may be dependent upon fund-raising for its continued operation. The nature of the business is well understood by the CompanyÕs members, employees and suppliers, and the Directors are transparent about the cash position and funding requirements.

The Company has invested considerable time in developing and fostering its relationships with its key suppliers.

As a medical device company in the spinal fusion market with operations based in the UK and USA, the Board takes seriously its ethical responsibilities to the communities and environment in which it works.

The interests of employees and consultants are a primary consideration for the Board and are planning to introduce an inclusive share-option programme allowing them to share in the future success of the company. Personal development opportunities are encouraged and supported.

Results for the year

The GroupÕs results for the year are included in the Chief ExecutiveÕs Statement and are set out in the primary statements.

Key performance indicators

Key performance indicators for the Group as a measure of financial control are as follows:

	Year ended	Year ended

	29 March 2022 £	29 March 2021 2020 £
Total assets	**3,382,344**	3,025,887
	3,020,865	3,020,865
Net assets	**2,642,274**	2,745,910
Cash and cash equivalents	**3,471**	543,520
Trade and other payables	**(631,340)**	(229,977)
Capitalised Development spend	**(851,378)**	(426,081)
Loss before tax for the year	**(940,806)**	(651,181)
Earnings per share	**(0.87)p**	(0.63)p

Principal risks and uncertainties

The Group is subject to various risks similar to all medical device companies operating in overseas locations relating to political, economic, legal, industry and Þnancial conditions, not all of which are within its control. The Group identiÞes and monitors the key risks and uncertainties affecting the Group and runs its business in a way that minimises the impact of such risks where possible.

The following risks factors, which are not exhaustive, are particularly relevant to the GroupÕs business activities:

Risk Relating to Obtaining Regulatory Approvals

There can be no assurance that the Company will receive the regulatory approvals required in order to manufacture and sell its Products, including approval by the FDA in the US and the granting of Conformit Europ'enne (CE) mark in Europe, which affirms conformity with European health, safety and environmental protection standards. If the Products are not approved and cannot be commercialised, the Company will be unable to generate revenue from them, which would materially adversely affect its business, financial condition and the results of its operations. Moreover, any delay or setback in the regulatory approval process could have a material adverse effect on the CompanyÕs business and prospects. To mitigate this the Company employs two key commercial partners, Emergo and Lincotek to develop its Products and ensure that they achieve the regulatory approvals necessary for commercialisation.

Acceptance of the Products in clinical settings

If the Company is unable to convince opinion leaders and health professionals of the benefits of its Products, there could be weak penetration of the market, which might have a material adverse effect on the Company, its business, financial situation, growth and prospects. The slow adoption of new methods and technologies could result in timeframes being longer than anticipated by the Company. However the Company has links with a network of professionals and experts operating in these fields who have advised and given positive feedback as to the suitability and acceptability of the products in development.

No Live Patient Testing

Although Cervi-LOK has undergone significant laboratory-based testing, it has not been tested on live patients and there is no certainty that it will be as effective as envisaged, nor that it will receive regulatory clearance for use in humans. Despite this, the feedback from the FDA so far in relation to Cervi-LOK has not highlighted any material issues and the Directors expect that it will successfully achieve regulatory clearance.

Research and development and product obsolescence

Rapidly changing markets, technology, emerging industry standards and frequent introduction of new products will characterise the CompanyÕs business. The introduction of new products embodying new technologies, including new manufacturing processes, and the emergence of new industry standards may render the CompanyÕs products, less competitive or less marketable.

The process of product development is complex and requires significant continuing costs, development efforts and third-party commitments. The CompanyÕs failure to develop new technologies and products and the obsolescence of existing technologies and products could adversely affect the business, financial condition and operating results of the Company.

The Company may be unable to anticipate changes in its potential customer requirements that could make its existing technology obsolete. Its success will depend, in part, on its ability to continue to enhance its existing technologies, develop new technology that addresses the increasing sophistication and varied needs of the market, and respond to technological advances and emerging industry standards and practices on a timely and cost-effective basis. The Company may not be successful in using its new technologies or exploiting its niche markets effectively or adapting its business to evolving customer or medical requirements or preferences or emerging industry standards.

Dependence on key executives, personnel and consultants

The CompanyÕs future development and prospects are substantially dependent on the continuing services and performance of the Directors, the Consultants and the Medical Advisory Board. J Lee S Consultants LLC is a particularly important consultant for the Company because it includes the services of Professor Frank Boehm, who is the inventor of the Technologies and has the technical knowledge and expertise to continue to innovate and develop the existing Products and to develop new accompanying, similar or related products. If J Lee S Consultants LLC were to terminate their consultancy agreement with the Company, the Company may be unable to appoint a similarly skilled replacement with the necessary knowledge to innovate and develop the existing Products or to develop new Products. The consultancy agreement with J Lee S Consultants LLC has a termination notice period of one year for each party to mitigate the risk of this agreement being terminated.

The Directors cannot give assurances that they, the Consultants or the Medical Advisory Board will remain with the Company, although the Directors believe that the CompanyÕs culture and remuneration packages are attractive. If key members of the CompanyÕs management team depart, or are affected by illness, such as COVID-19, and the Company is not able to find effective replacements in a timely manner or at all, its business may be disrupted or damaged.

Impact of COVID-19

The impact of COVID-19 or any other severe communicable disease, if uncontrolled, on the general economic climate could have an adverse effect on the Company. COVID-19 may have had an adverse effect on the CompanyÕs business, financial situation, growth and prospects and

though it has already had a material adverse effect on overall business sentiment and the global economy in the past it does not carry such a considerable threat as it once did. There is no assurance there will not be similar outbreaks of other diseases in the future. The impact of the imposition by governments across the world of stringent measures to prevent the spread of COVID-19 or other diseases, and the effect of COVID-19, or any other severe communicable diseases outbreak in the future, on the employees of the Company, could adversely affect the performance of the business activities of the Company and those of the customers, which could lead to a decrease in the demand for their services. It is too early to tell what the long-term impact of COVID-19 will be on the CompanyÕs current and future prospects and to what extent it may have a material and adverse effect on the CompanyÕs business, results of operations and financial performance.

No Current Revenues

The Products remain under development and no revenue has been generated from them as at the date of this Document. The CompanyÕs Cervi-LOK Product is expected to launch in early 2023 and the other Products are expected to be launched the following year. As such, there is no historical data on which to base the CompanyÕs estimated revenue and costs. Therefore, given the high degree of uncertainty in the economy currently and the dependency of the Company on development milestones being met and regulatory approval being obtained there cannot be certainty regarding the size of the market for the Products following their launch or whether the Company has the capacity to generate sufficient revenues to be profitable. To mitigate this the Company has engaged consultants who have extensive experience in the marketing and distribution of products in this sector. Distribution agreements are also a way in which to help secure future sales and mitigate the risk

Risk of IP infringement

There is no certainty that the Company can protect its proprietary information or intellectual property which is particularly important considering the Company has developed a number of Products that it regards as unique. There is also a risk that should an employee with knowledge of the Products cease to be employed by the Company they may seek to replicate the Products with a competitor. Although the Company intends to vehemently protect its intellectual property there can be no guarantee that such action will be effective (and will be expensive in any case), there is also a risk that the Company may be pursued by a third party for alleged intellectual property infringement. This risk has been mitigated by the Company engaging specialist patent attorneys to analyse our products and report on the likelihood of the Products infringing the intellectual property subsisting in existing technologies. A Freedom to Operate report produced by Schmeiser, Olsen & Watts has concluded that the likelihood of patent infringement in relation to the Patents is low.

RISKS RELATING TO THE INDUSTRY

Competition in the Market for Spinal Devices

There are a number of companies in the spinal device market offering products that would compete with the CompanyÕs Products. These larger, well-funded companies are currently gaining a competitive advantage in the spinal device market by reducing costs through economies of scale. The Company may not currently have the capacity to compete with these existing competitors because the smaller scale of their operation leads to

a higher unit cost. Major competitors in the spinal device market include Zimmer Biomet, Medtronic, Johnson & Johnson, NuVasive, Life Spine and Globus Medical. However, TruSpineÕs devices are novel in their design in that they represent a potentially significant development in spinal fixation, by providing stabilisation while not altering the bony spinal anatomy of patients as compared with the use of screws, staples or other devices which currently dominate the spinal market.

RISKS RELATING TO FINANCIAL MATTERS

Currency and Foreign Exchange Risks

The CompanyÕs functional and presentational currency is sterling, and this is the currency of the CompanyÕs financial statements. However, a significant proportion of the CompanyÕs business is conducted in the United States in $USD and therefore certain amounts will need to be translated into sterling. Due to changes in exchange rates between sterling and $USD this could lead to changes in the CompanyÕs reported financial results from period to period. Among the factors that may affect currency values are trade balances, levels of short-term interest rates, difference in relative values of similar assets in different currencies, long term opportunities for investments and capital appreciation and political or regulatory developments.

Financing Risks and Requirements for Further Funds

It is likely that the Company will be required to seek further equity financing. The CompanyÕs ability to raise further funds will depend on the success of its strategy and operations. The Company may not be successful in procuring the requisite funds on terms that are acceptable to it, or at all. If such funding is unavailable, the Company may be required to reduce the scope of its operations and investments or anticipated expansion, abandon its strategy, incur financial penalties or miss certain opportunities.

The Directors review the CompanyÕs funding requirements on a regular basis, and take such action as may be necessary to either curtail expenditures and / or raise additional funds from available sources including the issuance of debt or equity. Management has successfully raised money to date, but there is no guarantee that adequate funds will be available when needed in the future.

DIRECTORSÕ REPORT

The Directors present their report and the audited financial statements for the year ended 29 March 2022.

General information

The principal activity of TruSpine Technologies Plc (the ÔCompanyÕ) and its subsidiaries (together the ÔGroupÕ) is the development of products for the spinal fusion market. The Group is incorporated and domiciled in the United Kingdom.

Future developments

The Company continues to progress the development of the companyÕs three pioneering Spinal Stabilization products, with a specific focus on completing the FDA submission for the first product to market, the Cervi-LOK in 2022. The FDA clearance process normally takes up to 90 days, after which marketing and commercial sales are expected to commence in early 2023. For further details please refer to the Chief ExecutiveÕs Statement and Strategic Report.

Research and development

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.

For further details please refer to the Strategic Report.

The GroupÕs capitalised development spend during the year was £851,000 (2021: £426,000)

Dividends

The Directors do not propose a dividend in respect of the year ended 29 March 2022 (2021: Nil).

Directors and directorsÕ interests

The directors who have held office during the year and to the date of this report are as follows:

M C Armstrong

I A Roberts

N A C Lott

A M Schild

T H D Evans

N K Patel - appointed 4 June 2021

The interests (as deÞned in the Companies Act) of the Directors holding ofÞce during the period in the share capital are shown below:

	Ordinary shares of 0.01p 29 March 2022	Ordinary shares of 0.01p 29 March 2021
M C Armstrong	**333,333**	333,333
I A Roberts*	**886,111**	886,111
N A C Lott	**1,750,000**	1,750,000
A M Schild	**4,166,667**	4,166,667
T H D Evans	**166,667**	166,667
N K Patel	**171,667**	-

* Includes shares held by family members

Board of Directors:

Martin Armstrong, *Non-executive Chairman*

Mr. Armstrong is a senior partner of accountancy and corporate insolvency firm Turpin Barker Armstrong. He has significant experience in corporate and financial management, financial systems, accounting, audit and strategic planning, as well as turnaround and corporate insolvency.

Ian Roberts, *Chief Executive Officer*
Mr. Roberts has over 25 yearsÕ experience in the medical technology and medical device sector, with more than half of this time spent in the orthopaedic industry covering marketing, sales manufacturing and distribution. Mr Roberts started his orthopaedic sales career with Stratec Synthes (AO) Limited, before joining Howmedica as Marketing Manager for the trauma and spine division. Following Stryker OrthopaedicsÕ (part of leading medical technology group Stryker Corporation) acquisition of Howmedica, Mr Roberts continued to develop the trauma and spine division in the UK and Europe for Stryker Orthopaedics. Following his time at Stryker, he became Country Manager for Hospira Inc (an American global medical device company) for the UK and Ireland, managing large manufacturing, sales and administration teams of approximately 250 employees. More recently, he has been advising investment funds on alternative investments with a focus on life sciences.

Norman Lott, *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.

Dr 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 womenÕs 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.

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 UKÕs first new clearing bank in more than 250 years, providing open competition

and transparency to the UK financial services marketplace.

Mr Nikunj Patel, *Non-executive Director*

Mr Patel 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 stream-lined 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.

Issues of shares, options and warrants

During the year, 8,129,902 ordinary shares of 0.01p each were issued as detailed in Note 22

During the year, 7,405,000 warrants were granted as detailed in Note 22

Financial instruments

An explanation of the CompanyÕs financial risk management objectives, policies and strategies is set out in Note 3.

Internal financial control

The Board is responsible for establishing and maintaining the GroupÕs system of internal financial control. Internal financial control systems are designed to meet the particular needs of the Group and the risk to which it is exposed, and by their nature can provide reasonable assurance but not absolute assurance against material misstatement or loss. The Directors are conscious of the need to keep effective internal financial control.

Due to the relatively small size of the GroupÕs operations, the executive Directors are now closely involved in the day-to-day running of the business and as such have less need for a detailed formal system of internal financial control. The Board has reviewed the effectiveness of the procedures presently in place and considers that they remain appropriate to the nature and scale of the operations of the Group.

Going concern

The Financial Information has been prepared on a going concern basis. In assessing whether the going concern assumption is appropriate, the Directors take into account all available information for the foreseeable future, in particular for the twelve months from the date of approval of the Financial Statements and perform scenario planning thereon. This information includes management prepared cash flows forecasts and available sources of funding.

In the prior year the Company raised £1.4m at the time of the CompanyÕs Listing and an additional £620,500 in the year to March 2021. In the year to March 2022 the Company raised £813,983 by share subscriptions and shares issued to settle liabilities. Subsequent to the year-end it has raised further funds of £874,700 in May 2022 by way of share subscriptions and shares issued to settle liabilities and directors fees, the monies being used to further fund the CompanyÕs development programme.

Management have considered a variety of scenarios in reaching their going concern conclusion including consideration of the success of achieving FDA approval and their ability to raise money. Based on these scenarios and the BoardÕs assessment that the Company will be able to raise additional funds, as and when required, to meet its working capital and development expenditure requirements the Board of Directors have concluded that they have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the Financial Information. The auditors have made reference to going concern by way of a material uncertainty within their audit report.

Events after the balance sheet date

Events after the reporting date have been disclosed in Note 27 to the Financial Statements.

Statement as to the disclosure of information to the auditors

Each of the Directors at the date of approval of this Annual Report conÞrms that:

- so far as the Director is aware, there is no relevant audit information of which the CompanyÕs auditor is unaware; and
- the Director has taken all the steps that he ought to have taken to make themselves aware of any relevant audit information and to establish that the CompanyÕs auditor is aware of that information.

Auditors

PKF Littlejohn LLP have expressed their willingness to continue in ofÞce as auditors.

A resolution proposing the re-appointment of the auditors PKF Littlejohn LLP will be put to shareholders at the Annual General Meeting.

This report was approved by the board of Directors on 29 September 2022 and signed on its behalf by:

I A Roberts

INDEPENDENT AUDITORÕS REPORT TO THE MEMBERS OF TRUSPINE TECHNOLOGIES PLC

Opinion

We have audited the financial statements of TruSpine Technologies Plc (the ÔParent CompanyÕ) and its subsidiaries (the ÔgroupÕ) for the year ended 29 March 2022 which comprise the Group Statement of Comprehensive Income, the Group Statement of Financial Position, the Group Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Company Statement of Financial Position, the Company Statement of Changes in Equity, the Company Statement of Cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- á the financial statements give a true and fair view of the state of the groupÕs and of the Parent CompanyÕs affairs as at 29 March 2022 and of the groupÕs loss for the year then ended;
- á the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- á the Parent Company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- á the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the AuditorÕs responsibilities for the audit of the financial statements section of our report. We are independent of the group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRCÕs Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to going concern

We draw attention to note 2.4 in the financial statements, which indicates that the group is reliant upon Food and Drug Administration (FDA) approval of its product, subsequent sales and/or further financing to meet its working capital needs. There is no guarantee that these will be achieved. As stated in note 2.4, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the GroupÕs and Parent CompanyÕs ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directorsÕ use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directorsÕ assessment of the groupÕs and Parent CompanyÕs ability to continue to adopt the going concern basis of accounting included:

- á Obtaining cash flow forecasts, management accounts and budgets from management for a period of at least 12 months from the date of signing the financial statements to give an indication of the expected financial returns in future months;
- á Ensuring the mathematical accuracy of the cash flow forecasts;
- á Reviewing supporting documents to assess the reasonableness of managementÕs cash flow forecasts and comparing previous forecasts to actual results;
- á Reviewing future plans for fund raises and the dependence of the group on these to continue as a going

concern;

- á Challenging managementÕs key assumptions for going concern assessment to supporting documents;
- á Reviewing board meeting minutes for any references to financial difficulties or evidence over other costs and expenses that have not been included in the forecasts; and
- á Reviewing Regulatory News Service (ÔRNSÕ) releases and discussing subsequent events and future plans with management.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our application of materiality

Materiality for the financial statements as a whole 2022	**Performance materiality for the financial statements as a whole 2022**	**Materiality for the financial statements as a whole 2021**	**Performance materiality for the financial statements as a whole 2021**	**Basis for materiality for the financial statements as a whole**	**Basis for performance materiality for the financial statements as a whole**
Group £132,000	*Group £105,600*	*Group £133,000*	*Group £106,000*	*5% of net assets*	*80% of materiality for the financial statements as a whole*
Parent Company £131,000	*Parent Company £104,800*	*Parent Company £132,000*	*Parent Company £105,600*	*5% of net assets*	*80% of materiality for the financial statements as a whole*

The key driver of the business is the intangible assets that relate to the development of the product lines and their patents, and this will be the driver of future revenues. We therefore have considered net assets to be the most significant determinant of the groupÕs financial position and performance used by shareholders and the most appropriate benchmark of materiality as the potential investors are most concerned about net assets. The going concern of the Group and Parent Company are dependent on the ability to fund operations going forward, as well as on the valuation of its assets, which represent the underlying value of the group.

We applied the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements.

We agreed with the audit committee that we would report to the committee all audit differences identified during the course of our audit in excess of £6,600 for the group and £6,550 for the Parent Company.

Our approach to the audit

In designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements. In particular, we looked at areas requiring the directors to make subjective judgements, for example in respect of assessing the carrying value of intangible assets comprising of the development assets and patents; the accounting treatment with respect to the capitalisation of development cost and patent related costs; and the consideration of future events such as FDA approval that are inherently uncertain. We also addressed the risk of management override of internal controls. This involved evaluating whether there was evidence of bias on accounting estimates by the directors that represented a risk of material misstatement due to fraud and the risk of inadequate disclosures of related parties in the financial statements.

An audit was performed on the financial information of the groupÕs significant operating component TruSpine Technologies Plc (ÔParent CompanyÕ), which for the year ended 29 March 2022, was located in the United Kingdom. Analytical procedures were performed on components that were not considered material.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our scope addressed this matter
Recognition and valuation of development costs; and ownership of the Intellectual Property (ÔIPÕ) (Note 12)	
The carrying value of the groupÕs IP at 29 March 2022 represents 89%	Our work in this area included:

of the groupÕs total assets. This relates to the development of the two main product lines and their relevant patents which will be the driver of future revenue and is the whole foundation and core of the business. **IP should be recognised in accordance with IAS 38 intangible assets (ÔIAS 38Õ).** **There is a risk that the assets may be impaired, resulting in incorrect valuation. In addition, there is a risk that the IP ownership does not actually lie with the Group and thus the right to use the asset would not sit with the group.**	á Updating our understanding of the companyÕs policy of capitalising development costs and ensuring that the policy is in line with IAS 38; á Substantive testing on a sample of additions to ensure items are appropriately capitalised; á Challenging managementÕs assumptions on the valuation and criteria for capitalisation; á Reviewing costs that fall under research costs and development for appropriate classification; á Obtaining evidence of managementÕs review of indicators of impairment; á Obtaining an update on IP ownership documentation to gain assurance over the rights to the asset; and á Obtaining supporting documentation for applications submitted to Food and Drug Administration (FDA), reviewing responses received and advisorsÕ correspondence on the application process to demonstrate appropriate valuation of intangible assets.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditorÕs report thereon. The directors are responsible for the other information contained within the annual report Our opinion on the group and Parent Company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- á the information given in the strategic report and the directorsÕ report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- á the strategic report and the directorsÕ report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directorsÕ report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- á adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- á the Parent Company financial statements are not in agreement with the accounting records and returns; or
- á certain disclosures of directorsÕ remuneration specified by law are not made; or
- á we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of DirectorsÕ Responsibilities, the directors are responsible for the preparation of the group and Parent Company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and Parent Company financial statements, the directors are responsible for assessing the group and the Parent CompanyÕs ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

AuditorÕs responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditorÕs report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and Parent Company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research, application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the group and Parent Company in this regard to be those arising from UK-adopted international accounting standards, Companies Act 2006, AQSE Listing Rules, Disclosure and Transparency Rules, Bribery Act 2011, UK employment laws, UK tax legislation and QCA Code.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and Parent Company with those laws and regulations. These procedures included, but were not limited to:
    - Enquiring of management, reviewing minutes of board meetings and regulatory correspondence.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, we did not identify any significant fraud risk.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business. We view the key assumptions underlying the value in use calculations in the assessment of whether to impair intangible assets as a significant estimate.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting CouncilÕs website at: *www.frc.org.uk/auditorsresponsibilities*. This description forms part of our auditorÕs report.

Use of our report

This report is made solely to the companyÕs members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the companyÕs members those matters we are required to state to them in an auditorÕs report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the companyÕs members as a body, for our audit work, for this report, or for the opinions we have formed.

Joseph Archer (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor
15 Westferry Circus
Canary Wharf
London E14 4HD

Date:

GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 29 MARCH 2022

	Note	Year ended 29 March 2022 £	Year ended 29 March 2021 £
Administrative expenses		(937,641)	(645,287)
Operating loss		(937,641)	(645,287)
Finance expense	9	(3,165)	(5,894)
Loss before tax		**(940,806)**	**(651,181)**
Tax credit	10	87,613	107,178
Loss		**(853,193)**	**(544,003)**
Loss attributable to:			
Owners of the parent		**(853,193)**	**(544,003)**
Other comprehensive income:			
Items that will or may be reclassified to profit or loss:			
Exchange translation differences on foreign operations		1,456	(6,870)
Total comprehensive income		**(851,737)**	**(550,873)**
Total comprehensive income attributable to equity shareholders		**(851,737)**	**(550,873)**
Earnings per share basic and diluted (pence)	11	**(0.87)p**	**(0.63)p**

The notes are an integral part of these financial statements

GROUP STATEMENT OF FINANCIAL POSITION
AS AT 29 MARCH 2022

	Note	Year ended 29 March 2022 £	Year ended 29 March 2021 £
Non-current assets			
Intangible assets	12	3,098,155	2,040,777
Tangible fixed assets	13	4,183	34,298
Right of use assets	14	120,538	-
		3,222,876	**2,075,075**
Current assets			
Trade and other receivables	16	**73,523**	**186,690**
Digital assets	17	**82,474**	**220,602**
Cash and cash equivalents	18	**3,471**	**543,520**
		159,468	**950,812**
Total assets		**3,382,344**	**3,025,887**
Current liabilities			
Trade and other payables	19	**574,579**	**229,977**
Borrowings	19	**42,500**	**50,000**

Lease liabilities	20	14,261	-
		631,340	**279,977**
Non-current liabilities			
Lease liabilities	20	**108,730**	**-**
		108,730	**-**
Total liabilities		**740,070**	**-**
Net assets		**2,642,274**	**2,745,910**
Equity attributable to owners of the parent			
Share capital	22	**10,175**	**9,398**
Share premium	22	**3,782,215**	**3,062,103**
Share based payment reserve	23	**44,219**	**17,007**
Other reserves	22	**(205,000)**	**(205,000)**
Translation reserve		**(24,023)**	**(25,479)**
Retained earnings		**(965,312)**	**(112,119)**
Total equity attributable to owners of the parent		**2,642,274**	**2,745,910**
Total equity		**2,642,274**	**2,745,910**

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the Parent Company Statement of Comprehensive Income.

The loss before tax for the Parent Company for the year was £940,125 (2021: £651,848).

The financial statements were approved by the Board of Directors and authorised for issue on 29 September 2022 and were signed on its behalf by

I A Roberts

Director

The notes are an integral part of these Financial Statements.

GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 29 MARCH 2022

		Attributable to owners of the parent						
	Note	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**
Loss for the year		**-**	**-**	**-**	**-**	**-**	(544,003)	(544,003)
Other comprehensive income		**-**		**-**	**-**	(6,870)	**-**	(6,870)
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**(6,870)**	**(544,003)**	**(550,873)**
Issue of shares, net of issue costs		**1,013**	**1,602,075**	**-**	**-**	**-**	**-**	1,603,088
Share based payment charge		**-**	**(17,007)**	**17,007**	**-**	**-**	**-**	-

Reduction in share capital	-	(2,250,000)	-	-	-	2,250,000	-
Transactions with owners, recognised directly in equity	**1,013**	**(664,932)**	**17,007**	**-**	**-**	**2,250,000**	**1,603,088**
Balance as at 29 March 2021	**9,398**	**3,062,103**	**17,007**	**(205,000)**	**(25,479)**	**(112,119)**	**2,745,910**
Balance as at 29 March 2021	**9,398**	**3,062,103**	**17,007**	**(205,000)**	**(25,479)**	**(112,119)**	**2,745,910**
Loss for the year	-	-	-	-	-	(853,193)	(853,193
Other comprehensive income	-		-	-	1,456	-	1,456
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**1,456**	**(853,193)**	**(851,737)**
Issue of shares, net of issue costs	**777**	**747,324**	**-**	**-**	**-**	**-**	748,101
Share based payment charge	**-**	**(27,212)**	**27,212**	**-**		**-**	**-** -
Transactions with owners, recognised directly in equity	**777**	**720,112**	**27,212**	**-**	**-**	**-**	**748,101**
Balance as at 29 March 2022	**10,175**	**3,782,215**	**44,219**	**(205,000)**	**(24,023)**	**(965,312)**	**2,642,274**

Year ended 29 March 2022

Retained earnings Ð The retained earnings reserve includes all current and prior periods retained profits and losses.

Other reserves comprise of 666,667 shares that were acquired from a third party in exchange for monies paid out by the Company on the third partyÕs behalf during the year to 29 March 2019.

Share based payment reserve - amount arising on the issue of warrants and share options during the year

Translation reserve - The translation reserves includes foreign exchange movements on translating the overseas subsidiaries records, denominated in USD, to the presentational currency, GBP.

The notes are an integral part of these Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 29 MARCH 2022

	Note	Year ended 29 March 2022 £	Year ended 29 March 2021 £
Cash flows from operating activities			
Loss before tax		**(940,806)**	**(651,181)**
Adjustments for:			
Depreciation and amortisation		21,146	1,230
Increase in Fair Value of digital asset		(7,872)	(5,022)

Decrease/(increase) in trade and other receivables		113,167	(25,801)
Increase in trade and other payables		337,102	63,052
Cash used in operations		**(477,263)**	**(617,722)**
Income tax credit		87,613	107,178
Net cash flows from operating activities		**(389,650)**	**(510,544)**
Investing activities			
Purchase of intangible assets		(1,027,378)	(426,081)
Purchase of tangible assets		(1,239)	(35,528)
Net cash used in investing activities		**(1,028,617)**	**(461,609)**
Financing activities			
Proceeds from Issue of shares, net of issue costs		894,101	1,387,508
Lease payments		(17,339)	-
Net cash generated from financing activities		**876,762**	**1,387,508**
Net (decrease)/increase in cash and cash equivalents		**(541,505)**	**415,355**
Cash and cash equivalents at beginning of period		543,520	135,035
Exchange rate differences on cash and cash equivalents		1,456	(6,870)
Cash and cash equivalents and end of period	18	**3,471**	**543,520**

The notes are an integral part of these Financial Statements.

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 29 MARCH 2022

	Note	Year ended 29 March 2022 £	Year ended 29 March 2021 £
Non-current assets			
Intangible assets	12	3,001,630	2,006,551
Tangible assets	13	4,183	34,298
Right of use assets	14	120,538	-
		3,126,351	**2,040,849**
Current assets			
Trade and other receivables	16	379,065	470,910
Digital assets	17	82,474	220,602
Cash and cash equivalents	18	3,471	543,520
		465,010	**1,235,032**
Total assets		**3,591,361**	**3,275,881**
Current liabilities			
Trade and other payables	19	534,357	229,957
Borrowings	19	42,500	50,000
Lease liabilities	20	14,261	-
		591,118	**279,957**
Non-current liabilities			
Lease liabilities	20	**108,730**	**-**
		108,730	**-**
Total liabilities		**699,848**	**-**

Net assets		**2,891,513**	**2,995,924**
Equity attributable to owners of the parent			
Share capital	22	10,175	9,398
Share premium	22	3,782,215	3,062,103
Share based payment reserve	23	44,219	17,007
Other reserves	22	(205,000)	(205,000)
Translation reserve		(12,511)	(12,511)
Retained earnings		(727,585)	124,927
Total equity attributable to owners of the parent		**2,891,513**	**2,995,924**
Total equity		**2,891,513**	**2,995,924**

The financial statements were approved by the Board of Directors and authorised for issue on 29 September 2022 and were signed on its behalf by

I A Roberts

Director

The notes are an integral part of these Financial Statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 29 MARCH 2022

	Note	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)**	**(12,511)**	**(1,580,404)**	**1,937,505**
Loss for the year		**-**	**-**	**-**	**-**	**-**	(544,669)	(544,669)
Other comprehensive income		**-**		**-**	**-**	-	**-**	-
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**-**	**(544,669)**	**(544,669)**
Issue of shares, net of issue costs		**1,013**	**1,602,075**	**-**	**-**	**-**	**-**	1,603,088
Share based payment reserve		**-**	**(17,007)**	**17,007**	**-**	**-**	**-**	-
Reduction in share capital		**-**	**(2,250,000)**	**-**	**-**	**-**	**2,250,000**	-
Transactions with owners, recognised directly in equity		**1,013**	**(664,932)**	**17,007**	**-**	**-**	**2,250,000**	**1,603,088**
Balance as at 29 March 2021		**9,398**	**3,062,103**	**17,007**	**(205,000)**	**(12,511)**	**124,927**	**2,995,924**
Balance as at 29 March 2021		**9,398**	**3,062,103**	**17,007**	**(205,000)**	**(12,511)**	**124,927**	**2,995,924**
Loss for the year		**-**	**-**	**-**	**-**	**-**	(852,512)	(852,512)
Other comprehensive income		**-**		**-**	**-**	-	**-**	-
Total								

Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**(852,512)**	**(852,512)**
Issue of shares, net of issue costs	**777**	**747,324**	**-**	**-**	**-**	**-**	748,101
Share based payment reserve	**-**	**(27,212)**	**27,212**	**-**	**-**	**-**	-
Transactions with owners, recognised directly in equity	**777**	**720,112**	**27,212**	**-**	**-**	**-**	**748,101**
Balance as at 29 March 2022	**10,175**	**3,782,215**	**44,219**	**(205,000)**	**(12,511)**	**(727,585)**	**2,891,513**

Year ended 29 March 2022

Retained earnings - The retained earnings reserve includes all current and prior periods retained profits and losses.

Other reserves comprise of 666,667 shares that were acquired from a third party in exchange for monies paid out by the Company on the third partyÕs behalf during the year to 29 March 2019.

Share based payment reserve - amount arising on the issue of warrants and share options during the year

Translation reserve - The translation reserves includes foreign exchange movements on translating the overseas subsidiaries records, denominated in USD, to the presentational currency, GBP.

The notes are an integral part of these Financial Statements.

COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 29 MARCH 2022

	Note	Year ended 29 March 2022 £	Year ended 29 March 2021 £
Cash flows from operating activities			
Loss before tax		**(940,125)**	**(651,847)**
Adjustments for:			
Depreciation and amortisation		21,146	1,230
Increase in Fair Value of digital asset		(7,872)	(5,022)
Decrease/(increase) in trade and other receivables		91,845	(32,412)
Increase in trade and other payables		296,900	67,137
Cash used in operations		**(538,106)**	**(620,914)**
Income taxes credit		87,613	107,178
Net cash flows used in operating activities		**(450493)**	**(513,736)**
Investing activities			
Purchase of intangible assets		(965,079)	(429,759)
Purchase of tangible assets		(1,239)	(35,528)
Net cash used in investing activities		**(966,318)**	**(465,287)**
Financing activities			
Proceeds from issue of shares, net of			

Proceeds from issue of shares, net of issue costs		894,101	1,387,508
Lease payments		(17,339)	-
Net cash generated from financing activities		**876,762**	**1,387,508**
Net increase in cash and cash equivalents		**(540,049)**	**408,485**
Cash and cash equivalents at beginning of period		543,520	135,035
Cash and cash equivalents and end of period	18	**3,471**	**543,520**

The notes are an integral part of these Financial Statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 MARCH 2022

1. General Information

The principal activity of TruSpine Technologies Plc (the ÔCompanyÕ) and its subsidiaries (together the ÔGroupÕ) is the development of products for the spinal fusion market. The Company is a public limited company which is listed on the Aquis Stock Exchange and is incorporated and domiciled in England. The address of its registered office is located at Spectrum House AF33, Beehive Ring Road, Gatwick Airport, Gatwick, RH6 0LG, United Kingdom.

2. Accounting policies

The principal accounting policies applied in the preparation of this Financial Information are set out below (ÔAccounting PoliciesÕ or ÔPoliciesÕ). These Policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1. Basis of Preparation

The Consolidated Financial Information of TruSpine Technologies Plc has been prepared in accordance with UK-adopted international accounting standards in accordance with the requirements of the Companies Act 2006. The Consolidated Financial Information has also been prepared under the historical cost convention but is adjusted to fair value where appropriate.

The Financial Information is presented in UK Pounds Sterling rounded to the nearest pound.

The preparation of Financial Information in conformity with International accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the GroupÕs Accounting Policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Information are disclosed in Note 4.

2.2. Changes in accounting policies and disclosures

(a) New and amended standards mandatory for the first time for the financial period under review

The group has applied the following standards and amendments for the first time for its annual reporting period commencing 30 March 2021:

- Interest Rate Benchmark Reform;
- Amendments to IFRS 9, IAS 39 and IFRS 7
- Annual improvements to IFRS Standards 2018-2020 Cycle; and
- COVID-19 related rent concessions Ð amendments to IFRS 16.

There was no significant impact as a result of the adoption of these standards.

(b) New standards, amendments and interpretations in issue but not yet effective or not yet endorsed and not early adopted

A number of new standards and amendments to standards and interpretations are effective for the financial

period beginning on or after 30 March 2021 and have been applied in preparing these Financial Statements.

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Financial Statements are listed below. The Group intends to adopt these standards, if applicable, when they become effective.

Standard	Impact on initial application	Effective date
IAS 16	Proceeds before Intended Use	1 January 2022
IFRS 3 (Amendments)	Business combinations - Reference to the Conceptual Framework	*1 January 2022
IAS 37 (Amendments)	Cost of Fulfilling a Contract	*1 January 2022

*These are UK endorsed

The Group is evaluating the impact of the new and amended standards above. The Directors believe that these new and amended standards are not expected to have a material impact on the GroupÕs results or shareholdersÕ funds.

2.3. Basis of consolidation

The Consolidated Financial Information consolidate the Financial Statements of the Company and of all of its subsidiary undertakings for all periods presented.

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Where necessary, adjustments are made to the financial information of subsidiaries to bring the accounting policies used into line with those used by other members of the Group. All intercompany transactions and balances between Group enterprises are eliminated on consolidation.

2.4. Going concern

The Financial Information has been prepared on a going concern basis. In assessing whether the going concern assumption is appropriate, the Directors take into account all available information for the foreseeable future, in particular for the twelve months from the date of approval of the Financial Statements and perform scenario planning thereon. This information includes management prepared cash flows forecasts and available sources of funding.

In the prior year the Company raised £1.4m at the time of the CompanyÕs Listing and an additional £620,500 in the year to March 2021. In the year to March 2022 the Company raised £813,983 by share subscriptions and shares issued to settle liabilities. Subsequent to the year-end it has raised further funds of £874,700 in May 2022 by way of share subscriptions and shares issued to settle liabilities and directors fees, the monies being used to further fund the CompanyÕs development programme.

Management have considered a variety of scenarios in their going concern considerations including obtaining FDA approval and the need to raise funds for working capital purposes. Management has successfully raised money in the past, but there is no guarantee that adequate funds will be available when needed in the future. Based on this base case scenario and based on the BoardÕs assessment that the Company will be able to raise additional funds, as and when required, to meet its working capital and development expenditure requirements the Board of Directors have concluded that they have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the Financial Information. The auditors have made reference to going concern by way of a material uncertainty within their audit report.

2.5. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board, who is considered to be the Chief Operating Decision Maker (ÔCODMÕ). The Board makes the strategic decisions and separates its activities by geographical location.

2.6. Foreign currencies

a) Functional and presentation currency

Items included in the financial statements of each of the GroupÕs entities are measured using the currency of

the primary economic environment in which the entity operates (the Ôfunctional currencyÕ). The functional currency of the Group is Pounds Sterling. The consolidated financial statements are presented in Pounds Sterling (£), rounded to the nearest pound, which is the CompanyÕs and GroupÕs functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where such items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within Ôfinance income or costs. All other foreign exchange gains and losses are presented in the income statement within ÔOther net gains/(losses)Õ.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets measured at fair value, such as equities classified as available for sale, are included in other comprehensive income.

2.7. Intangible assets

Research costs are expensed as incurred. Development expenditures derive from costs incurred by third party contractors and managementÕs view of time spent by individual consultants that are directly attributable to individual projects. These costs are recognised as intangible assets when the Group can demonstrate:

- á the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- á its intention to complete the intangible asset and its ability to use or sell the asset;
- á how the intangible asset will generate future economic benefits;
- á the availability of resources to complete the asset; and
- á the ability to measure reliably the expenditure attributable to the intangible asset during its development

2.8. Impairment of Non-Financial Assets

Intangible assets that have an indefinite useful life or are not ready to use are not subject to amortisation and are tested annually for impairment. At each year-end date, the Group reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Recoverable amount is the higher of fair value, less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

2.9. Financial Assets

Initial recognition

A financial asset is recognised in the statement of financial position when it arises or when the Company becomes part of the contractual terms of the financial instrument.

Classification

The Group and Parent Company classifies its financial assets at amortised cost.

The Group and Parent Company measures financial assets at amortised cost if both of the following conditions are met:

- á the asset is held within a business model whose objective is to collect contractual cash flows; and
- á the contractual terms of the financial asset generating cash flows at specified dates only pertain to capital and interest payments on the balance of the initial capital.

Financial assets which are measured at amortised cost, are measured using the Effective Interest Rate Method (EIR) and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Derecognition

A financial asset is derecognised when:

- á the rights to receive cash flows from the asset have expired, or
- á the Company has transferred its rights to receive cash flows from the asset or has undertaken the commitment to fully pay the cash flows received without significant delay to a third party under an arrangement and has either (a) transferred substantially all the risks and the assets of the asset or (b) has neither transferred nor held substantially all the risks and estimates of the asset but has transferred the control of the asset.

Impairment

The Group and Parent Company recognise a provision for impairment for expected credit losses regarding all financial assets. Expected credit losses are based on the balance between all the payable contractual cash flows and all discounted cash flows that the Group and Parent Company expect to receive. Regarding trade receivables, the Group and Parent Company applies the IFRS 9 simplified approach in order to calculate expected credit losses. Therefore, at every reporting date, provision for losses regarding a financial instrument is measured at an amount equal to the expected credit losses over its lifetime without monitoring changes in credit risk. To measure expected credit losses, trade receivables and contract assets have been grouped based on shared risk characteristics.

2.10. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, and are subject to an insignificant risk of changes in value.

2.11. Digital assets

Digital assets, including tokens and cryptocurrency, do not qualify for recognition as cash and cash equivalents or financial assets, and have an active market which provides pricing information on an ongoing basis.

On initial recognition, Digital Assets are held at cost. Any movements in the fair value at the end of the year are allocated to the profit and loss account.

Digital assets are included in current assets as management intends to dispose of them within 12 months of the end of the reporting period.

2.12. Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.13. Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and condition of equity settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

2.14. Financial liabilities including trade and other payables and borrowings

Financial liabilities measured at amortised cost using the effective interest rate method include current borrowings and trade and other payables that are short term in nature. Financial liabilities are derecognised if the Group or Parent CompanyÕs obligations specified in the contract expire or are discharged or cancelled.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate (ÒEIRÓ). The EIR amortisation is included as finance costs in profit or loss. Trade payables other payables are non-interest bearing and are stated at amortised cost using the effective interest method.

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost: any difference between the proceeds and the redemption value is recognised in the income statement over the period of the borrowings, using the effective interest method. Borrowings are classified as current liabilities unless the Group or Parent Company has an unconditional right to defer settlement of the liability for at least one year after the end of the reporting period.

2.15. Taxation

The tax expense for the period comprises current tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised directly in equity. In this case the tax is also recognised directly

in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax represents the tax expected to be payable or recoverable on the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The Group has reoccurring tax losses which can be used to offset future profits. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. No deferred tax asset has been recognised in the current year.

The Group receives small and medium sized enterprises research and development tax relief for their costs incurred in developing, implementing and testing the platform software. The R&D relief is calculated on the basis of the tax laws enacted at the end of the reporting period in the United Kingdom and is recognised in the period in which it is received.

2.16. Earnings per share

Basic and diluted earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares;
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares (note 22).

2.17. Leased assets

At the commencement date of a lease, the Group recognises a lease liability at fair value, which is the present value of future lease payments made over lease term. The lease liability comprises fixed payments, less any lease incentives, less estimated restoration costs that would be payable upon exit of the lease. Short-term leases and low value are expensed to the Statement of Comprehensive Income on a straight-line basis over the life of the lease. Short-term leases are leases with a term of 12 months or less. Low value leases are those with a total lease value of less than £5,000.

In calculating the present value, lease payments are discounted using the discount rate implicit in the lease, if available, alternatively, if that rate cannot be readily determined, the GroupÕs incremental borrowing rate is used. Subsequently, the lease liability is increased to reflect the accretion of interest and reduced by payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification to the lease.

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses. The cost of right of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets which are consistent with those shown in the Property, Plant and Equipment accounting policy.

3. Financial risk management

3.1. Financial risk factors

The GroupÕs activities expose it to a variety of financial risks. The GroupÕs Board monitors and manages the financial risks relating to the operations of the Group. This note describes the GroupÕs objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout this financial information.

Financial instruments

The financial instruments used by the Group, from which financial instrument risk arises, are trade and other receivables (see note 16), cash (see note 18) and trade and other payables (see note 19). All are held at amortised cost.

General objectives, policies and processes

The Directors have overall responsibility for the determination of the CompanyÕs risk management objectives and policies. Further details regarding these policies are set out below:

Credit risk

Credit risk arises from cash and cash equivalents as well as any outstanding receivables. Essentially it is the risk of financial loss to the Group and Parent Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group and Parent CompanyÕs receivables from third parties. Management does not expect any losses from non-performance of these receivables. To manage this risk, the Board periodically assesses the financial reliability of any counterparties the Group deal with.

The Group considers the credit risk on cash and cash equivalents to be limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The carrying amount of financial assets recorded in the financial statements represent the GroupÕs maximum exposure to credit risk.

At Company level, there is the risk of impairment of inter-company receivables if the full amount is not deemed as recoverable from the relevant subsidiary company. These amounts are written down when their deemed recoverable amount is deemed less than the current carrying value

Market risk - Foreign exchange risk

The Group is exposed to market risk, primarily relating to foreign exchange from its US subsidiary operation and to US suppliers. The Group does not hedge against market risks as the exposure is not deemed sufficient to enter into forward contracts. The Group has not sensitised the figures for fluctuations in foreign exchange as the Directors are of the opinion that these fluctuations would not have a material impact on the Financial Information of the Group at the present time. The Directors will continue to assess the effect of movements in market risks on the GroupÕs financial operations and initiate suitable risk management measures where necessary.

Liquidity risk

The GroupÕs continued future operations depend on its ability to raise sufficient working capital through the issue of share capital and generate revenue.

4. Critical accounting estimates and judgements

The preparation of the financial information in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial information and the reported amount of expenses during the year. Actual results may vary from the estimates used to produce this financial information.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Significant accounting judgements, estimates and assumptions

Management has considered the significant accounting judgements, estimates and assumptions and consider the following to be the critical estimate and judgement which would materially affects the Financial Statements.

Capitalisation of Intangible Assets - Development Costs

The Directors make judgements in respect as to when development costs are capitalised. The judgements made give specific consideration of the requirements of IAS 38 ÒIntangible AssetsÓ including judgements over the commerciality of the products and success in achieving regulatory approval.

Valuation of intangible assets (note 12)

The directors considered whether any impairments were required on the value of the development costs capitalised in intangible assets, in accordance with the accounting policy. Where applicable, the recoverable amounts of cash generating units have been determined based on value in use calculations using information from third parties and an internal evaluation of future income streams in conjunction with the development stage the Group has reached at any one stage. These calculations require the entity to estimate future cash flows expected to arise from the cash generating unit and apply a suitable discount rate, based on market conditions in order to calculate present value. They also include judgements about the products obtaining the necessary regulatory approvals. The directors have concluded that no impairment charge is necessary.

5. Segment information

Management has determined the operating segments based on reports reviewed by the Board of Directors that are used to make strategic decisions. During the periods presented the Group had interests in two key geographical segments, being the UK and the USA. The Group is concentrating on developing one product at a time and is currently focussing on its Cervi-LOK product. However, it has incurred development and patent costs on each of its products and these have been separated out in note 12 on Intangible assets.

Group

Year to 29 March 2022	**UK £**	**USA £**	**Total £**
Loss from operations per reportable segment	(937,672)	(681)	**(938,353)**
Additions to non-current assets	789,079	62,299	**851,378**
Reportable segment assets	3,165,281	96,525	**3,261,806**
Reportable segment liabilities	(576,857)	(40,222)	**(617,079)**

Year to 29 March 2021	**UK £**	**USA £**	**Total £**
(Loss)/profit from operations per reportable segment	(651,848)	667	**(651,181)**
Additions to non-current assets	465,287	(3,678)	**461,609**
Reportable segment assets	2,991,661	34,226	**3,025,887**
Reportable segment liabilities	(229,857)	(20)	**(229,877)**

6. Expenses by nature

Group	**Year ended 29 March 2022 £**	**Year ended 29 March 2021 £**
Consultancy fees	277,286	260,635
Salaries	216,933	72,000
Professional and legal costs	151,550	151,706
Conference/Registration costs	1,870	-
Marketing & PR	77,275	25,635
Website costs	4,200	6,978
Bad debt expense	-	17,588
Office costs	38,783	38,400
Premises costs	48,351	30,212
Travel, entertainment and subsistence costs	49,760	20,504
Meeting expenses	1,738	421
Insurance	12,404	9,938
Other Administration expenses	65,362	16,292
Gain in fair value of digital asset at reporting date	(7,872)	(5,022)
	(937,641)	**(645,287)**

7. AuditorÕs Remuneration

Services provided by the groupÕs auditor and its associates

During the year, the Group (including its overseas subsidiaries) obtained the following services from the CompanyÕs auditor and its associates:

	Year ended 29 March 2021 £	**Year ended 29 March 2020 £**
Fees payable to the CompanyÕs auditor and its associates for the audit of the Parent Company and consolidated financial statements	(30,750)	(27,000)
Fees payable to the CompanyÕs auditor and its		

associates for other services:		
Reporting accountant services	-	(18,000)
	(30,750)	**(45,000)**

8. Employee benefits expenses

The Group had three employees during the period under review, including two directors. All of the research and development was completed by external consultants, whose costs are shown in Note 6. Ian Roberts remuneration includes £41,667 (2021: £87,500) consultancy fees. Other directors provided consultancy services to the Group, details of their remuneration are detailed below. All amounts are short term in nature:

Group	**Year ended 29 March 2022**	**Year ended 29 March 2021**
	£	**£**
Ian Roberts	100,000	87,500
Norman Lott	60,000	65,267
Martin Armstrong	58,600	7,000
Annabel Schild	8,000	7,000
Dr Timothy Evans	8,000	7,000
Nick Patel	10,000	-
	244,600	**173,767**

The average number of directors in the year to 29 March 2022 was 6 (March 2021 - 5).

There were no pension benefits paid or payable to any of the directors in any of the periods under review.

9. Finance expense

Group	**Year ended 29 March 2022**	**Year ended 29 March 2021**
	£	**£**
Other interest expense	486	3,728
Bank and finance charges	2,679	2,166
	3,165	**5,894**

10. Taxation

Tax recognised in profit or loss

Group	**Year ended 29 March 2022**	Year ended 29 March 2021
	£	£
Current tax credit	**87,613**	107,178
Deferred tax	**-**	-
Net tax credit	**87,613**	107,178

	Year ended 29 March 2022	**Year ended 29 March 2021**
	£	**£**
Loss before tax	**(938,353)**	**(651,181)**
Standard rate of UK corporation tax	19%	19%
Loss on ordinary activities before tax multiplied by standard rate UK corporation tax	(178,287)	(123,724)
Tax adjustment	-	(335)
Unrelieved tax losses carried forward	178,287	124,059
UK research and development tax credit	87,613	107,178
Tax credit	**87,613**	**107,178**

At 29 March 2022, the Group are carrying forward estimated tax losses of £1.69m (2021: £1.51m) 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.

11. Earnings per share

Basic and diluted earnings per share is calculated by dividing the profit 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. Diluted EPS is not shown as the Group is loss making.

Profit attributable to equity holders of the Company	**Year ended 29 March 2022**	**Year ended 29 March 2021**
Loss attributable to equity holders of the Company	(853,193)	(544,003)
Weighted average number of ordinary shares in issue	98,491,414	86,210,308
Earnings per share basic and diluted (pence)	(0.87)	(0.63)

12. Intangible assets

Group	**Software Development** £	**Development costs Cervi-LOK** £	**Development costs Faci-LOK** £	**Development costs GRASP** £	**Patent rights** £	**Total** £
Cost						
As at 30 March 2020	**-**	**617,142**	**423,874**	**486,529**	**87,151**	**1,614,696**
Additions	-	340,188	-	-	**85,893**	**456,081**
Disposals	**-**	**-**	**-**	**-**	**-**	**-**
As at 29 March 2021	**-**	**957,330**	**423,874**	**486,529**	**173,044**	**2,040,777**
Additions	206,000	716,769	-	-	**134,609**	**1,057,378**
Disposals	**-**	**-**	**-**	**-**	**-**	**-**
As at 29 March 2022	**206,000**	**1,674,099**	**423,874**	**486,529**	**307,653**	**3,098,155**
Amortisation/Impairment						
As at 30 March 2021	**-**	**-**	**-**	**-**	**-**	**-**
As at 29 March 2022	**-**	**-**	**-**	**-**	**-**	**-**
Net book value						
As at 29 March 2021	**-**	**957,330**	**423,874**	**486,529**	**173,044**	**2,040,777**
As at 29 March 2022	**206,000**	**1,674,099**	**423,874**	**486,529**	**307,653**	**3,098,155**

Company	**Software Development** £	**Development costs Cervi-LOK** £	**Development costs Faci-LOK** £	**Development costs GRASP** £	**Patent rights** £	**Total** £
Cost						
As at 30 March 2020	**-**	**609,278**	**423,874**	**486,529**	**57,111**	**1,576,792**
Additions	-	340,937	**-**	**-**	**88,822**	**429,759**
Disposals	**-**	**-**	**-**		**-**	**-**
As at 29 March 2021	**-**	**950,215**	**423,874**	**486,529**	**145,933**	**2,006,551**
Additions	206,000	655,751	**-**	**-**	**133,328**	**995,079**
Disposals	**-**	**-**	**-**		**-**	**-**
As at 29 March 2022	**206,000**	**1,605,966**	**423,874**	**486,529**	**279,261**	**3,001,630**
Amortisation/Impairment						
As at 30 March 2021	**-**	**-**	**-**	**-**	**-**	**-**
As at 29 March 2022	**-**	**-**	**-**	**-**	**-**	**-**
Net book value						
As at 29 March 2021	**-**	**950,215**	**423,874**	**486,529**	**145,933**	**2,006,551**
As at 29 March 2022	**206,000**	**1,605,966**	**423,874**	**486,529**	**279,261**	**3,001,630**

The Group is currently actively developing, with a view to commercialising, three key medical products as follows:-

- Faci-LOK spinal system
- Cervi-LOK spinal system
- GRASP Laminoplasty system

Development costs comprise of costs incurred by third party contractors and managementÕs view of time spent by individual consultants The Group and Parent Company capitalise development costs and details of the accounting policy can be found in Note 2.7.

The intangible assets are reviewed for impairment annually and whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The recoverable amount of intangible assets is determined based on a value in use calculation using cash flow forecasts derived from the most recent financial model information available, using a conservative discount rate of 20% based on the cost of capital. The resultant net present values calculated are well in excess of the carrying value of the intangible assets and as of 29 March 2022, no impairment is necessary.

The intangible assets have not been amortised in the periods covered in these statements as the assets are still in their development stage and not yet been put in to use/commercialised. The key estimate used by management is in respect of the timing of the commercialisation of the products and when the first revenues commence.

13. Tangible assets

Group	Software development £	Office equipment £	Furniture and Fixtures £	Total £
Cost				
As at 30 March 2020	**-**	**-**	**-**	**-**
Additions	30,000	2,469	3,059	**35,528**
Disposals	**-**	**-**	**-**	**-**
As at 29 March 2021	**30,000**	**2,469**	**3,059**	**35,528**
Additions	-	-	1,239	**1,239**
Disposals	(30,000)	-	-	**(30,000)**
As at 29 March 2022	**-**	**2,469**	**4,298**	**6,767**
Accumulated depreciation				
As at 30 March 2020	**-**	**-**	**-**	**-**
Charge for the year	**-**	**618**	**612**	**1,230**
As at 29 March 2021	**-**	**618**	**612**	**1,230**
Charge for the year	**-**	**618**	**736**	**1,354**
As at 29 March 2022	**-**	**1,236**	**1,348**	**2,584**
Net book value				
As at 29 March 2021	30,000	1,851	2,447	34,298
As at 29 March 2022	**-**	**1,232**	**2,950**	**4,183**

Company	Software development £	Office equipment £	Furniture and Fixtures £	Total £
Cost				
As at 30 March 2020	**-**	**-**	**-**	**-**
Additions	30,000	2,469	3,059	**35,528**
Disposals	**-**	**-**	**-**	**-**
As at 29 March 2021	**30,000**	**2,469**	**3,059**	**35,528**
Additions	-	-	1,239	**1,239**
Disposals	(30,000)	**-**	**-**	**(30,000)**

As at 29 March 2022	**-**	**2,469**	**4,298**	**6,767**
Accumulated depreciation				
As at 30 March 2020	**-**	**-**	**-**	**-**
Charge for the year	**-**	**618**	**612**	**1,230**
As at 29 March 2021	**-**	**618**	**612**	**1,230**
Charge for the year	**-**	**618**	**736**	**1,354**
As at 29 March 2022	**-**	**1,236**	**1,348**	**2,584**
Net book value				
As at 29 March 2021	30,000	1,851	2,447	34,298
As at 29 March 2022	**-**	**1,232**	**2,950**	**4,183**

14. Right of use assets

Group and Company

	£
Cost	
Additions	137,251
As at 29 March 2022	**137,251**
Depreciation	
Charge for the year	16,713
As at 29 March 2022	**16,713**
Net Book Value	
As at 29 March 2022	**120,538**
As at 29 March 2021	**-**

15. Investment in Subsidiaries

Company	**Year ended 29 March 2022 £**	**Year ended 29 March 2021 £**
As at 30 March 2021	**-**	-
Additions	**-**	-
Cost at 29 March 2022	**-**	**-**

The following are the principal subsidiaries of the Company at 29 March 2022 and at the date of these Financial Statements.

Name of company	**Principal Place of Business**	**Registered office address**	**Parent company**	**Class of shares**	**Share capital held**	**Nature of business**
TruSpine Technologies International Limited	England & Wales	Spectrum House Af33 Beehive Ring Road, London Gatwick Airport, Gatwick, England, RH6 0LG	TruSpine Technologies Limited	Ordinary	100%	Medical Devices Company developing spinal fusion products
TruSpine Technologies International Inc	United States of America	90 State Street, Suite 700, Albany NY, 1220, USA	TruSpine Technologies Limited	Ordinary	100%	Medical Devices Company developing spinal fusion products

16. Trade and other receivables

	Group Year ended 29 March 2022 £	Group Year ended 29 March 2021 £	Company Year ended 29 March 2022 £	Company Year ended 29 March 2021 £
VAT receivable	**5,256**	14,609	**5,256**	14,609
Research & development tax credit	**-**	82,361	**-**	82,361
Other receivables	**68,268**	89,720	**68,267**	89,719
Amount due from subsidiary company	-	-	**305,542**	284,221
	73,523	186,690	**379,065**	470,911

Other receivables relate to monies owed by third parties as follows:

Other receivables include monies owed to the Company by OPP Systems Ltd and Copian Capital Partners Ltd as detailed in note 25 on Related parties. None of these are past due.

17. Digital assets

Group and Company	29 March 2022 £	29 March 2021 £
Balance as at 29 March 2021	220,602	-
Crypto assets purchased and received	-	300,000
Crypto assets sold	(146,000)	(84,420)
Fair value through profit and loss	7,872	5,022
Balance as at 29 March 2022	82,474	220,602

At the year end the Company held 108,206 (2021: 303,680) USDT tokens representing a fair value of £82,474 (2021: £220,602). USDT is a cryptocurrency with tokens issued by Tether Limited. USDT is a stable coin, a type of cryptocurrency which aims to keep cryptocurrency valuations stable and avoids the extreme volatility of other cryptocurrencies while keeping value within the crypto market.

18. Cash and cash equivalents

	Group and Company	
	Year ended 29 March 2022 £	Year ended 29 March 2021 £
Cash at bank and in hand	3,471	543,520
	3,471	**543,520**

The majority of the Group and CompanyÕs cash at bank is held with institutions with an BAA1 credit rating. No interest rate sensitivity has been applied on the grounds management consider the impact to be immaterial.

19. Trade and other payables

	Group Year ended 29 March 2022 £	Group Year ended 29 March 2021 £	Company Year ended 29 March 2022 £	Company Year ended 29 March 2021 £
Trade payables	392,749	186,050	352,527	186,031
Bank loan	42,500	50,000	42,500	50,000
Accruals	133,100	41,000	133,100	41,000
Other payables	48,730	2,927	48,730	2,926
	617,079	**279,977**	**576,857**	**279,957**

Loan movements

	Group Year ended 29 March 2022 £	Group Year ended 29 March 2021 £	Company Year ended 29 March 2022 £	Company Year ended 29 March 2021 £
Opening balance	50,000	-	50,000	-
Borrowings during the period	-	50,000	-	50,000
Repayments of loans	(7,500)	-	(7,500)	-
	42,500	**50,000**	**42,500**	**50,000**

The company obtained a bounce bank loan through the government scheme from HSBC bank. Interest is charged on the loan at a rate of 2.5%.

20. Lease liabilities

Group and Company	29 March 2022 £	29 March 2021 £
Acquisition of new leases	137,251	-
Payment of lease liabilities	17,339	-
Accretion of interest	3,079	-
Carried forward	122,991	-

Maturity		
Current	14,261	-
Non-current	108,730	-
	122,991	-

21. Financial risk management

Foreign Exchange

The Group operates internationally and is exposed to foreign exchange risk arising from commercial transactions, translation of assets and liabilities and net investments in foreign operations. Exposure to commercial transactions arises from purchases by operating companies in currencies other than the companiesÕ functional currency. Currency exposures are reviewed regularly. The Group considers to have an immaterial exposure to foreign exchange risk due to the current limited balances held within the GroupÕs overseas entities and as a result has not disclosed the impact of foreign exchange movements thereon as they do not consider them to be material.

Interest rate risk

Interest rate risk refers to the risk that fluctuations in interest rates cause losses to the Company. The Group and Company have no exposure to interest rate risk except on cash and cash equivalent which carry variable interest rates

At 29 March 2022, the Group and Company has a GBP loan of £42,500 at a rate of 2.5% per annum. At 29 March 2021, the Group and Company had a GBP loan of £50,000 at a rate of 2.5% per annum. Given the quantum of the balances the board do not consider that any reasonable considered changes to interest rates would materially impact the loan interest payable and as such have not been disclosed.

Liquidity risk

The GroupÕs continued future operations depend on its ability to raise sufficient working capital through the issue of share capital and generate revenue.

Liquidity risk refers to the risk that the Company has insufficient cash resources to meet working capital requirements. The Group and Company manages its liquidity requirements by using both short- and long-term cash flow projections and raises funds through debt or equity placings as required. Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the GroupÕs short-, medium- and long-term funding and liquidity management requirements.

The Group closely monitors and manages its liquidity risk. Cash forecasts are regularly produced, and sensitivities run for different scenarios. The profile of what the Group consider to be its key payable/debt profile is as follows:

Categorisation of Borrowings	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Less than six months - Loans and borrowings	**-**	-	**-**	-
Less than six months - Trade and other payables	**574,579**	229,976	**534,357**	229,357
Between six months and a year	42,500	50,000	**42,500**	50,000
Over one year	**-**	-	**-**	-

Capital risk management

The GroupÕs objectives when managing capital are to safeguard the GroupÕs ability to continue as a going concern.

It is the aim of the Directors to manage the capital structure in order to reduce the overall cost of capital. The capital comprises the shareholdersÕ equity and going forward it is also expected to include cash and cash equivalent, and borrowings.

The Group defines capital based on the total equity of the Company. The Group monitors its level of cash resources available against future planned operational activities and may issue new shares in order to raise further funds from time to time.

There are currently no restrictions on the capital of the Company.

Financial instruments by category

Group Categorisation of Financial Assets and Liabilities	Financial assets at amortised cost 29 March 2022 £	Financial liabilities at amortised cost 29 March 2022 £	Financial assets at amortised cost 29 March 2021 £	Financial liabilities at amortised cost 29 March 2021 £
Other receivables	**73,523**	**-**	186,690	-
Cash and cash equivalents	**3,471**	**-**	543,520	-
Interest-bearing loans and borrowings	**-**	**42,500**	-	50,000
Trade and other payables	**-**	**574,579**	-	229,976
Lease liability	**-**	**122,991**	-	-

Company Categorisation of Financial Assets and Liabilities	Financial assets at amortised cost 29 March 2022 £	Financial liabilities at amortised cost 29 March 2022 £	Financial assets at amortised cost 29 March 2021 £	Financial liabilities at amortised cost 29 March 2021 £
Other receivables	**73,523**	**-**	186,690	-
Cash and cash equivalents	**3,471**	**-**	543,520	-
Interest-bearing loans and borrowings	**-**	**42,500**	-	50,000
Trade and other payables	**-**	**534,357**	-	229,957
Lease liability	**-**	**122,991**	-	-

22. Equity and other reserves

Group	Number of shares	Share capital £	Share premium £	Share based payment reserve £	Other reserves £	Total £
						Group and Company
Issued and fully paid						
As at 29			**3,727,035**		**- (205,000)**	

March 2020	**83,845,194**	**8,385**				**3,530,420**
Reduction in share capital	**-**	**-**	**(2,250,000)**	**-**	**-**	**(2,250,000)**
Movement during the year	**10,138,773**	**1,013**	**1,585,068**	**17,007**	**-**	**1,602,988**
As at 29 March 2021	**93,983,967**	**9,398**	**3,062,103**	**17,007**	**(205,000)**	**2,883,508**
Movement during the year	**8,129,902**	**777**	**720,112**	**27,212**	**-**	**748,101**
As at 29 March 2022	**102,113,869**	**10,175**	**3,782,215**	**44,219**	**(205,000)**	**3,631,609**

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

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

Other reserves comprise of 666,667 shares that were acquired from a third party in exchange for monies paid out by the Company on the third partyÕs behalf during the year to 29 March 2019.

During the year, 7,405,000 warrants were granted. The total number of outstanding warrants granted amount to 14,487,789 as at 29 March 2022.

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.

At a meeting of the Company on the 28 May 2020 resolutions were passed to re-register the Company as a public limited company. Re-registration became effective on 5 June 2020 and accordingly new articles of association of the Company were adopted. The name of the Company changed from TruSpine Technologies Limited to TruSpine Technologies Plc.

In May 2021 the Company raised £78,000 through the subscription of 780,000 new ordinary shares at a price of £0.10 per share with a warrant for each Subscription Share subscribed for (780,000 warrants) exercisable at £0.15 per share for a period of three years from 28 May 2021 the date of admission of the Subscription Shares to trading on AQSE.

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 issued by way of the Placing raising gross proceeds of £230,000 and 4,200,000 New Ordinary Shares 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 had one warrant attached granting the holder the right to subscribe for an additional one New Ordinary Share (6,625,000 warrants) exercisable at £0.15 per share for a period of three years from 30 September 2021 the date of admission of the shares to trading on AQSE.

On 29 October 2021 508,800 New Ordinary Shares were issued to a third-party involved in previous fundraises in lieu of services rendered and to settle third-party outstanding liabilities of £12,500.

On 17 November 2021 216,102 New Ordinary Shares were issued to settle third-party outstanding liabilities of £21,610

23. Share based payments

On 20 August 2020 the Company granted 877,789 warrants to Cairn the CompanyÕs corporate adviser exercisable at a price of £0.36 for a period of up to five years. The warrants were granted in return for services carried out in relation to the listing of the Company on 20 August 2020 on the Aquis Stock Exchange Growth Market. As a result of this the fair value of the share options was determined at the date of the grant using the Black Scholes model, using the following inputs:

Share price at the date of amendment	36p
Strike price	36p
Volatility	50%
Expected life	1,825 days
Risk free rate	0.5%

Details of the share options outstanding during the year are as follows:

	Shares	Weighted Average price (pence)
Granted during the year	877,789	15.5
Outstanding at 30 March 2021	**877,789**	**15.5**
Granted during the year	Ð	
Expired during the year	Ð	
Outstanding at 29 March 2022	**877,789**	**15.5**

Exercisable at 29 March 2022	877,789	36

The share-based payment charge for these warrants for the year to 29 March 2022 was £27,212, which has been taken to the share-based payment reserve and the resultant fair value of the warrants as at 29 March 2022 was determined to be £44,219 (2021: £17,007).

24. Commitments and contingencies

There are no further single matters pending that the Group expects to be material in relation to the GroupÕs business, financial result or results of operations.

At the balance sheet date, the Group had outstanding commitments for future minimum lease payments, which fall due as follows:

	2022 £	2021 £
Land and buildings		
Within one year	**2,721**	27,155
Within 2-5 years	**-**	1,450
Total	**2,721**	28,605

Commitments represent rentals payable by the Company for its office properties on short term and low value leases.

25. Related parties

The following transactions were carried out with related parties:

DirectorsÕ transactions

Ian Roberts provided consultancy services amounting to £41,667 (2021: £87,500) during the year as detailed in note 8. The non-executive directors provided consultancy services to the Company, details of their remuneration are covered in note 8.

Elizabeth Roberts, the wife of Ian Roberts, a director provided consultancy services for office management amounting to £10,000 (2021: £13,000) for the year.

Loans to OPP systems Limited

OPP Systems Limited is a related party of the Group because Norman Lott is a director of the company.

Loan funds were extended to OPP Systems Limited by the Company The amounts payable at each period end are as follows:

	Year ended 29 March 2022 £	Year ended 29 March 2021 £
OPP Systems Limited	55,000	55,000

These amounts are repayable on demand, unsecured and interest is chargeable at a rate of 12%.

Transactions with Copian Capital Partners Limited

Copian Capital Partners Limited is a related party of the Group because Norman Lott is a director of the company.

Copian Capital Partners Limited provide management services to the Company. Copian Capital Partners Limited made the following charges to the Company together with the balances owing as detailed below:

	Year ended 29 March 2022 £	Year ended 29 March 2021 £

Services charged by Copian Capital Partners Limited	48,000	54,000
Additional services charged in respect of the IPO settled in shares	-	70,000
Balance owed by Copian Capital Partners Limited to the Company	8,665	8,665
Balance owed by the Company to Copian Capital Partners Limited	7,356	-

All intra Group transactions are eliminated on consolidation and have not been further disclosed here.

Ultimate controlling parties

The Directors consider that there is no ultimate controlling party of the Company.

26. Events after the reporting date

In April 2022 the Company entered into a master agreement (Ò**Funding Agreement**Ó) with Proffitt Brothers Investments, LLC (Ò**Proffitt Brothers**Ó) and Spartan Medical, Incorporated (Ò**Spartan Medical**Ó) setting out an agreement on a strategic partnership and to provide funding, and an exclusive US Reseller Agreement (Ò**Reseller Agreement**Ó) to market and distribute the Cervi-LOKª device to US Government healthcare facilities once the Cervi-LOKª has completed FDA clearance.

Funding Agreement

The Funding Agreement, provides that Proffitt Brothers, the investment vehicle of Spartan Medical will provide the Company with $US400,000 of funding (of which $100,000 has been received by the Company), as set out below:

Tranche 1 $US100,000 on signing of the master agreement (payment received)

Tranche 2 $US100,000 on lodgement 510k FDA application

Tranche 3 $US200,000 on FDA clearance of Cervi-LOKª device

Furthermore, the Company has agreed to immediately issue Proffitt Brothers a warrant over one million shares exercisable at 20 pence per share, expiring on 31 December 2026 and a further warrant over one million shares exercisable at 20 pence per share on completion of Tranche 3 funding.

Reseller Agreement

The Company has also entered into a Reseller Agreement with Spartan Medical for initial term of two years from FDA clearance with an extension of a further two years subject to minimum $US 2 million sales by Spartan Medical in first period and a further two years extension with minimum $US 7 million sales in second period.

The Reseller Agreement provides for an exclusive right to market and sell Cervi-LOKª to Government Healthcare Facilities in the US.
Spartan Medical is a leader in US medical device sales with rapid revenue growth of 183% in 2021, reaching a turnover of almost $32 million. It was founded in 2008 by a former US Air Force Intelligence Officer, Vince Proffitt with the mission of providing an extensive portfolio of advance medical devices to meet the specific needs of the US Department of Veterans Affairs (ÒVAÓ) and the US Department of Defence, each of which have contracted with Spartan Medical as a preferred partner.

The VA is the largest healthcare system in the United States-nearly the size of the UKÕs NHS-with an annual budget of over $220 billion, serving nearly 10 million veterans, and operating 171 hospitals and surgical centres in all 50 states. As a Service-Disabled Veteran-Owned business, Spartan Medical has a long track record of successfully meeting the VAÕs needs as part of an ongoing, department-wide, $2.1 billion long-term supply contract.

In May 2022 the Company raised £700,000 before costs through a Fundraise of 14,000,000 new Ordinary shares at a price of 5p per share comprising a Placing and a Subscription. 10,800,000 New Ordinary Shares were issued by way of the Placing raising gross proceeds of £440,000 and 3,200,000 New Ordinary Shares issued through the Subscription raising gross proceeds of £160,000. An additional 1,550,000 shares were issued at a price of 5 pence per ordinary share to third party creditors of £77,500 in lieu of services rendered (ÒSettlement SharesÓ). Each Placing share, Subscription share and Settlement Share issued had a warrant attached (15,550,000 warrants) allowing the holder to subscribe for one additional share in the Company at an exercise price of 7.5 pence for a period of 3 years from 31 May 2022 the date of admission of the shares to trading on AQSE.

Fee Shares and Director Participation

Subsequent to the year end, accrued director fees of £97,200 have been settled through the issue of 648,000 new ordinary shares on 31 May 2022 at a price of 15 pence per share (ÒFee SharesÓ).

Norman Lott and Nikunj Patel (directors of the Company) participated in the Fundraise. Details of their participation are set out in the table below along with the revised shareholdings of the Directors following the issue of Fee shares.

Director	Current Shares	Fee Shares	Subscription shares	Resultant shareholding following Admission
Ian Roberts	861,111	-	-	861,111
Norman Lott	1,750,000	-	200,000	1,950,000
Martin Armstrong	333,333	408,000	-	741,333
Annabel Schild	4,166,667	80,000	-	4,246,667
Dr Tim Evans	166,667	80,000	-	246,667
Nikunj Patel	250,000	80,000	1,000,000	1,330,000
Total	**7,527,778**	**648,000**	**1,200,000**	**9,375,778**

The total number of New Ordinary Shares issued on 31 May 2022 were 16,198,000 giving a total number of ordinary shares in issue of 118,311,869 at the date of the signing of this statement.
As part of their fees Oberon and Peterhouse (the CompanyÕs joint brokers) were granted warrants over 540,000 new ordinary shares exercisable at a price of 7.5 pence per share at any time until the third anniversary of Admission.

Caution regarding forward looking statements
Certain statements in this announcement, are, or may be deemed to be, forward looking statements. Forward looking statements are identiÞed by their use of terms and phrases such as ÔÔbelieveÕÕ, ÔÔcouldÕÕ, ÒshouldÓ ÔÔenvisageÕÕ, ÔÔestimateÕÕ, ÔÔintendÕÕ, ÔÔmayÕÕ, ÔÔplanÕÕ, ÔÔpotentiallyÕÕ, ÒexpectÓ, ÔÔwillÕÕ 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 DirectorsÕ current expectations and assumptions regarding the CompanyÕs 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 reßect the DirectorsÕ current beliefs and assumptions and are based on information currently available to the Directors.

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