Annual Report 2023

TruScreen Group Limited

A world without cervical cancer.

Corporate Directory

DIRECTORS

Anthony Ho
Non-Executive Independent Chairman

Christopher Horn
Non-Executive Independent Director

Juliet Hull
Non-Executive Director

Dr Dexter Cheung
Non-Executive Independent Director

MANAGEMENT

Dr Beata Edling
Chief Executive Officer

Edmond Capcelea
Chief Technology Officer

Guy Robertson
Chief Financial Officer

Dr Jerry Tan
General Manager Commercial

REGISTERED OFFICE

C/- HLB Mann Judd Limited,
Level 6, Equitable House
57 Symonds Street, Grafton,
Auckland, New Zealand

NZX Code : TRU.NZX

ASX Code : TRU.AX

AUDITOR

RSM Hayes Audit
Level 1, 1 Broadway
Newmarket
Auckland 1023
New Zealand

SHARE REGISTRAR

Link Market Services
PO Box 91976, Auckland 1142,
New Zealand

Level 30,
PwC Tower 15 Customs Street West
New Zealand

Investor enquiries
+64 09 375 5998

Investor email
enquiries@linkmarketservices.co.nz

Website
www.linkmarketservices.co.nz

LAWYERS

New Zealand
Corporate Counsel - Sean Joyce
Sean@corporate-counsel.co.nz

Australia
Addisons - Li-Jean Chew
li-jean.chew@addisons.com

Table of Contents

Chairman's Letter

Dear fellow Shareholders,

Our TruScreen technology was featured in May 2023 in the China Blue Paper "Cervical Cancer Three Stage Standardised Prevention and Treatment". TruScreen achieved a further significant clinical recognition when TruScreen was included in the CSCCP's (Chinese Society for Colposcopy and Cervical Pathology) national "China Cervical Cancer Screening Management Guideline". These were announced in April/May 2023, after the financial year end. The endorsements by the CSCCP Guideline and the Chinese Blue Paper vindicated our long commercialisation journey in China. More details are in the Operations Report.

Truscreen Group Limited was able to maintain its year on year sales notwithstanding a frustrating COVID receding year, with extended lockdowns in key cities in our major market China, and the disruption to our business in Russia and Eastern Europe from the Ukraine war which continued throughout the reporting period.

Our AI enabled opto-electrical technology-based real time, low cost and portable system for the detection of cancerous or pre-cancerous cells in cervical tissues has now established a strong position in the WHO's quest to eliminate cervical cancer by the end of the century. TruScreen's disruptive technology is non-invasive for women and provides objective and fast cervical cancer screening, thus providing an efficient alternative to conventional methods requiring specimen collections for laboratory analysis. Importantly, it also breaks down cultural barriers against conventional tissue specimen collections.

I commend the Operations Report to our shareholders and stakeholders, to appreciate what was achieved during FY2023.

The TruScreen revenue model is to achieve recurring revenue from the supply of Single Use Sensor (SUS). The consumption of SUS is a function of the critical mass of installed and in use of our TruScreen screening devices. We are now seeing a higher growth rate of sales for SUS versus devices, validating the revenue model. The focus of our distributors is the SUS pull through from each installed medical screening device. Operationally, we maintain a tight low cost overhead in support of our global distributors. Our China distributor Beijing Siweixiangtai Tech Ltd Co, with the benefit of the new "made in China" device, have made significant progress in securing sales to hospitals and gaining gynaecological department acceptances. A new distribution channel has been identified in public Health Check Centres, and we expect to see significant growth in this market sector in the years ahead.

Chairman's Letter

One of the objectives of TruScreen for FY2024 is to drive down our cost of manufacturing. We need to disrupt our internal processes to ensure that we remain competitive in our markets.

In late 2022, your board recognised the receding of COVID and the need for the company to have a focused CEO to take it to the next growth phase. Dr. Beata Edling was appointed Chief Executive Officer in October 2022. Dr Edling, previously Truscreen's Medical Affairs and Market Access Lead, and her small team have performed well during the year in supporting distributors, the formation of international experts' group, and engagement with key opinion leaders. The team has also made excellent progress on regulatory compliance with the new Medical Device Regulation (MDR) global standards, and with clinical data from the Royal Hospital for Women in Sydney and from the trial in Zimbabwe, are well advanced in a project to enhance the TruScreen technology through improvement in the algorithm performance.

On behalf of the board, I thank Juliet Hull, our non-executive director, who stepped up as Interim CEO during the height of the COVID pandemic. Juliet has resumed her role as a non-executive director of the company.

With the support of our shareholders, we raised approximately $1.6 million during the year with the issue of 53,775,755 shares at NZ$0.03 per share. While we continue our drive to expand the business and drive towards profitability, we are also actively looking at business opportunities that will add value for shareholders.

On behalf of the board, I thank our team, our shareholders, global distributors, suppliers, medical advisory groups and stakeholders for their support as we continue our quest to make a difference to the elimination of cervical cancer by the end of the century.

Anthony Ho
Chairman

Financial Results

NZ Dollars	FY23	FY22	FY23/FY22
Sales	1,662,619	1,678,465	(1%)
Revenue	2,202,635	2,652,379	(17%)
Net Loss[1]	(2,401,840)[1]	(7,892,672)[1]	70%
Cash outflow from operating activities	(2,193,786)	(2,531,697)	13%
Cash and Cash Equivalents	2,160,468	2,797,004	(23%)

[1] The financial year includes a non-cash impairment of non-current assets of $49,700 (2022: $4,622,134).

Directors and Management

Anthony Ho
Non-Executive Independent Chairman

Christopher Horn
Non-Executive Independent Director

Juliet Hull
Non-Executive Director

Dr. Dexter Cheung
Non-Executive Independent Director

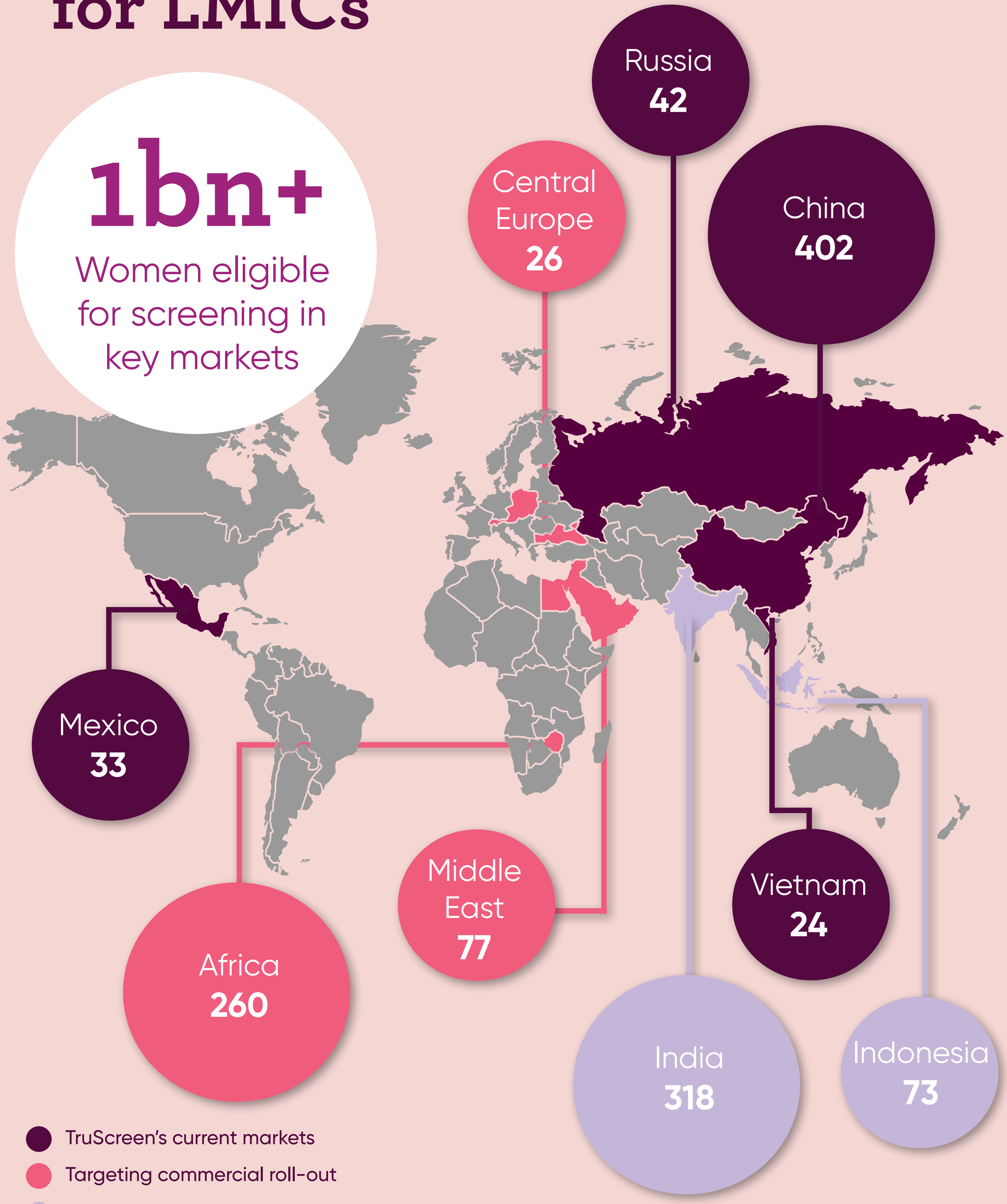
Dr Beata Edling
Chief Executive Officer

Edmond Capcelea
Chief Technology Officer

Dr. Jerry Tan
General Manager Commercial

Guy Robertson
Chief Financial Officer

TruScreen's solution is ideal for LMICs



- TruScreen's current markets
- Targeting commercial roll-out
- Market under review

Numbers in millions of people

*Screening population data base on U.S Central Intelligence Agency (CIA) World Factbook, numbers in millions, women aged 25-64

Operations Report

2023 HIGHLIGHTS

TruScreen China business to be significantly bolstered with recognition in the China Blue Paper and endorsement from Chinese Society for Colposcopy and Cervical Pathology (CSCCP)

Despite COVID interruptions in China and Vietnam, **product revenues were in line with prior year**

Device sales up 15% YOY

with 49 new units spread across China, Vietnam, Mexico, Russia. Device installations also increased by 15% YOY to 217

China ramps up for Health Check centres

Russia expands operations into Kazakhstan

Zimbabwe government continues roll out of the TruScreen program

Vietnam demonstrating a positive trajectory with further hospital approvals

Outstanding clinical evaluation results from Saudi Arabia

Mexico opens cervical cancer screening centre

TruScreen hosts first Global Medical Symposium and readies for Medical Device Regulation

OPERATIONS REPORT

CHINA

TruScreen made significant strides in the Chinese market during FY23, overcoming challenges of COVID-19 pandemic. Despite the obstacles, TruScreen, in collaboration with local distributor Beijing Siweixiangtai Technology (SWXT), successfully resumed and expanded its projects in various regions of China.

TruScreen first entered the Chinese market in 2007. The years of commercialising our technology in China saw a significant breakthrough in May 2023. The strength of the body of clinical evidence supporting the TruScreen technology, saw TruScreen® featured in the China Blue Paper "Cervical Cancer Three Stage Standardised Prevention and Treatment". The paper recommends TruScreen for cervical cancer screening, emphasizing its origin, extensive clinical trials, and performance as a primary screening tool, as well as the important role in co-test and triage testing. TruScreen achieved a further significant milestone after the end of the 2023 financial year when TruScreen's technology was included in the CSCCP's (Chinese Society for Colposcopy and Cervical Pathology) national "**China Cervical Cancer Screening Management Guideline**", further strengthening TruScreen's position as an AI enabled screening method. The endorsements by the CSCCP Guideline and the Chinese Blue Paper will drive further sales and position TruScreen as a trusted and recommended cervical cancer screening solution.

The recognition of TruScreen device as a Made In China domestic product continues to provide greater distribution and shortens the procurement process of hospitals.

The Chinese market offers substantial growth opportunities for TruScreen. During the financial year, the company expanded commercial use of our devices in 14 new hospitals, and increased TruScreen users by 14% year on year. TruScreen maintained a significant pipeline of hospital approvals and gynaecological department acceptances from over 100 hospitals, that should be converted to future sales in FY24. A notable achievement was the relaunch of operations in the Xinjiang Uygur Autonomous Region, where TruScreen provided cervical cancer screening devices and Single Use Sensors (SUS) to hospitals and medical centres. Xinjiang UAR, located in China's far north-west, encompasses a vast area of 1.7 million square kilometres and is home to 26 million people, with 912 hospitals and over 16,000 community medical centres. Another major milestone was achieved when TruScreen completed its first installation in a public Health Check Centre at The People's Liberation Army General Hospital early in the 2023 calendar year. Local distributor SWXT, anticipates that the public Health Check sector will become a significant market for TruScreen in the coming years.

OPERATIONS REPORT

CHINA (continued)

TruScreen's outstanding clinical performance has attracted global clinical attention. The independent clinical trial, conducted by the Chinese Obstetricians and Gynaecologists Association (COGA), of 15,661 women over three years, concluded in July 2021. The results, presented in early FY23 at the world's largest conference on cervical cancer, organised by the American Society of Colposcopy and Cervical Pathology (ASCCP) in California, demonstrated that, for detection of precancerous lesions (CIN2+) TruScreen's sensitivity (87.5%) surpassed that of Liquid Based Cytology (LBC, 66.5%), and its specificity (88.4%) exceeded LBC (86.3%) and hrHPV testing (78.3%). The trial results are currently in preparation for publication in an international medical journal, and once published, will further enhance the global acceptance and adoption of TruScreen's technology.

TruScreen is poised for a promising future in cervical cancer screening in China.

The FY23 achievements in China, led by the recommendation of the Chinese Blue Paper and the National Guideline endorsement of CSCCP, including project resumptions, successful installations, sales wins, and clinical study results, position the company for substantial growth and market expansion in China and internationally. TruScreen has a strong market pipeline and increasing acceptance and recognition of its innovative technology, in China.

VIETNAM

With a new distributor, Vietnam witnessed an increase in local recognition from its focus on education and community screening programs. TruScreen's new distributor, Gorton Health Services (GHS), played a crucial role by organising TruScreen medical seminars that successfully reached hundreds of doctors and key opinion leaders, enhancing awareness, and understanding of the TruScreen technology.

GHS has conducted seven free screening programs in regional provinces benefiting over 1,300 women. One of the notable successful programs was in Dak Nong Province in December 2022, where 876 women were screened over five consecutive days. Through this initiative, GHS fostered strong relationships with the local government and the province's largest public hospital.

TruScreen has replaced liquid-based cytology as the primary screening method in the leading Hanoi OBGYN hospital. Two major hospitals have received the Ministry of Health approvals for use of the TruScreen technology. An additional 4 hospitals are seeking approvals from MoH to adopt TruScreen as the primary screening method.

The data collected from community screening programs mentioned above, has been utilised in the application to include TruScreen in the Ministry of Health's (MOH) Medical Technique List, paving the way for government health care reimbursements/subsidies. This strategy will increase the adoption of TruScreen.

The authorities support the introduction of TruScreen in the region.

OPERATIONS REPORT

ZIMBABWE

The TruScreen pilot program that took place in Masvingo, a rural southwestern province in Zimbabwe, concluded in January 2023. This government-led initiative, managed by the Zimbabwe National AIDS Council (NAC) and the Ministry of Health and Childcare, offered cervical cancer screening to women in the region, regardless of their HIV status. During the six-month pilot, conducted at 16 locations, over 10,500 women were screened. The project achieved significant success by leveraging satellite clinics within the healthcare network, ensuring that TruScreen reached women in even the most remote areas. To sustain the project's momentum, NAC has purchased an additional 10,800 SUS in Q4 of FY2023. The NAC intends to expand the project to other provinces in 2024.

Cervical cancer is a significant health risk to Zimbabwean women, resulting in high mortality rates. TruScreen is an ideal screening solution for the Zimbabwean population, addressing challenges associated with traditional screening methods, such as limited pathology services and the need for multiple follow-up appointments. Dr. Bernard Madzima, CEO of NAC, has publicly supported the TruScreen technology, emphasising the council's commitment to extending its usage throughout the country. He has highlighted the importance of TruScreen in ensuring that women at all levels of healthcare can access these essential services for women in Zimbabwe and Greater Africa.

SAUDI ARABIA

The Dr. Sulaiman Al Habib Medical Group (SHMG) released preliminary results of their clinical evaluation, of the effectiveness of TruScreen Ultra® in cervical cancer screening in late FY23. The results demonstrated that TruScreen achieved sensitivity of 83.3%, surpassing that of LBC's 66% and comparable specificity to LBC (TRU: 95%, LBC: 98%). These promising findings provide strong evidence of TruScreen's accuracy and efficacy in the specific context of Saudi Arabia.

SHMG, the largest private medical clinic and service provider in Saudi Arabia, has commenced negotiations to integrate TruScreen as a permanent part of their cervical screening services. With a network of six large hospitals in Saudi Arabia, including a network of OBGYN clinics, and ongoing development of Saudi Arabia's inaugural "private health city", SHMG is a leading adopter of TruScreen technology. By establishing reference sites within the region, SHMG is facilitating expansion in the private health market and will in the future introduce TruScreen into the public hospital sector.

MEXICO

TruScreen's distributor successfully established a dedicated cervical cancer screening centre in a newly opened clinic in Mexico City, operated by Mexpharm Medical Clinical, a prominent healthcare provider in Mexico. This centre serves as a showcase of TruScreen's advanced medical technology, acts as a training hub, and offers essential screening services to the local population.

Sunbird S.A de C.V., the TruScreen distributor in Mexico has submitted registration of the TruScreen device to Cofepris, the national regulator, with a decision expected in late FY2024. National registration of TruScreen technology would enable TruScreen to be included in the public hospital tender process.

Mexico presents a substantial addressable market, with a female population exceeding 65 million, of which approximately half fall within the crucial age range of 25 to 64 years for cervical cancer screening. The establishment of this screening centre reflects TruScreen's commitment to addressing the healthcare needs of Mexican women and expanding access to reliable cervical cancer screening services.

RUSSIA

TruScreen, in collaboration with its dedicated distributor IntelMed Systems JSC (IMS), maintains unwavering dedication to offering the TruScreen cervical cancer screening technology to women everywhere, even in the face of persisting geopolitical challenges. IMS persevered in delivering extensive education programs, clinical initiatives, and marketing activities, resulting in an impressive 30% increase in installed devices YOY. This significant growth in commercial users can be primarily attributed to the successful assessment and subsequent approval and adoption of TruScreen conducted by Medsi Group, Russia's leading healthcare chain.

IMS is actively involved in collaborative project with RAGIN (Russian Association for Genital Infections and Neoplasia) to obtain Ministry of Health recommendations for decision makers regarding the development of national cervical cancer screening guidelines in Russia. This ongoing initiative holds significant value as it aims to provide essential guidance to policymakers, facilitating the establishment of comprehensive and effective screening protocols across the country. Through close cooperation with RAGIN, IMS is dedicated to positioning TruScreen to contribute to cervical cancer prevention and early detection in Russia.

Additionally, IMS successfully expanded to Kazakhstan, establishing it as the base for further expansion into Central Asian countries. Kazakhstan, the 9th largest country globally, with 9.7 million women spread across 2.7 million square kilometres, presents a sizable market. To accelerate screening programs in Russia and neighbouring countries, IMS purchased 11 TruScreen devices and 6,120 SUS during the year.

POLAND

TruScreen made significant progress in gaining early market acceptance in Poland during the 2023 financial year. Notably, the TruScreen device was awarded the prestigious Quality and Innovation Mark by the Polish Medical University of Lodz, highlighting its exceptional quality and innovative features. Prof. Anna Lipert from the university has published an expert opinion on the featured benefits of TruScreen technology, further increasing its credibility.

TruScreen also received approval for inclusion on the Ministry of Health's Innovation Register in Poland. This acknowledged TruScreen's advanced and valuable contribution to the field of cervical cancer screening.

To facilitate early market access, TruScreen initiated preliminary screenings in private clinics within the region. This strategy allows the introduction of TruScreen technology in real-world settings, for broader adoption and integration into the Polish healthcare system. These early market initiatives demonstrate TruScreen's commitment to providing innovative screening solutions and improving women's health in Poland.

MEDICAL AFFAIRS & MARKET ACCESS

In FY23 significant efforts were made to enhance clinical data generation, improve publication processes, and foster strategic partnerships. TruScreen has developed efficient systems to manage the Medical Advisory Committee (MAC) and International Expert Group (IEG), ensuring effective communication, decision-making, and coordination among members. Comprehensive plans have been developed to align the activities and responsibilities of the MAC and IEG with organisational objectives.

The partnership with the Royal Hospital for Women in Sydney was re-energised through a new clinical data collection aimed at advancing TruScreen's algorithm. The trial is currently progressing, driving the algorithm's advancement. An extended arm of the clinical evaluation is scheduled to be conducted in Zimbabwe in FY24, expanding the demographic diversity of test results and impact of the data.

TruScreen plans to implement the 'One Solution' model, offering comprehensive care interventions to centres and decision makers through "identify, screen, and treat" programs. This model will deliver comprehensive care interventions, starting from the moment patients enter the facility, allowing for seamless screening, identification of HPV status, and immediate on-site treatment, if needed, all in a single visit. This integrated approach will improve efficiency and outcomes of cervical cancer prevention.

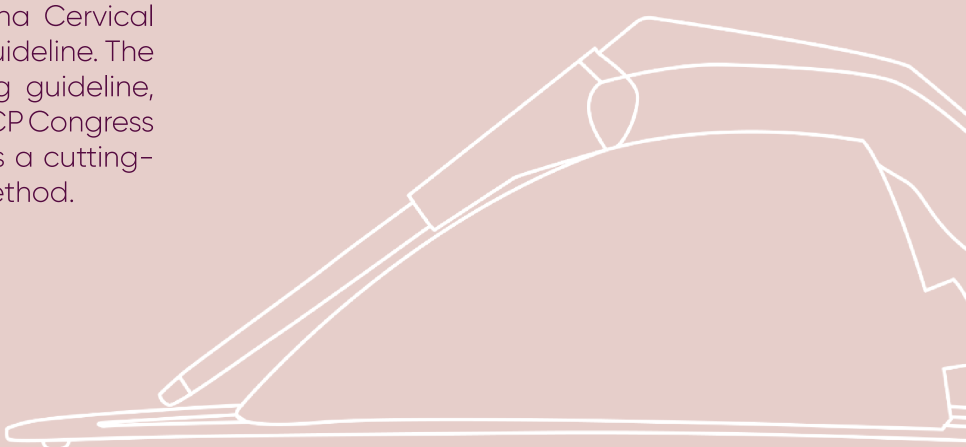
TruScreen's technology has accomplished a noteworthy achievement with the inclusion in the Chinese Society for Colposcopy and Cervical Pathology (CSCCP)'s China Cervical Cancer Screening Management Guideline. The inclusion in this national screening guideline, announced during the annual CSCCP Congress in May 2023, confirms TruScreen as a cutting-edge cervical cancer screening method.

TruScreen has also actively engaged with several global Non-Government Organisations. Noteworthy collaborations include the pending publication of a comprehensive summary of the TruScreen Ultra® Device in an upcoming Unitaid/Clinton Health Access publication. These collaborations expand the reach and impact of TruScreen's technology.

Since the release of the WHO's "Guideline for screening and treatment of cervical pre-cancer lesions for cervical cancer prevention, second edition" in 2021[1], cervical cancer screening has rapidly evolved. TruScreen has been guided by International Experts in refining its strategic direction for data generation, cost-effectiveness, and related Health Technology Assessment. These insights play a crucial role in shaping TruScreen's market entries worldwide.

TruScreen has continued to deliver on-demand training to its global markets. In anticipation of increased demand for training in FY24, the current training platform can expand to enhance access to more certified, verifiable medical information and to increase participation in areas with lower utilisation.

TruScreen's focus on enhancing clinical data generation, improving publication processes, and cultivating strategic partnerships, positions the organisation at the forefront of cervical cancer screening, with a commitment to delivering comprehensive care interventions and advancing global awareness and adoption of its innovative technology.



[1] https://www.who.int/publications/i/item/9789240030824

REGULATORY COMPLIANCE

TruScreen is in the process of transitioning its documentation and regulatory procedures to align with the new Medical Device Regulation (MDR), which will be mandatory in May 2024. To ensure compliance with EU and ISO requirements and assess readiness for MDR implementation, the company underwent three external audits within FY23, with no instances of non-conformance being identified.

For the 2023 year, the implementation costs were $203,978 (2022: $170,464), cumulatively $374,442. See Note 7 to the financial statements. Additional costs will be incurred in the 2024 year for this one-off implementation cost.

The MDR replaces the current Medical Device Directive (MDD) as the regulatory framework for medical devices manufactured and/or sold in the European Union. It will enhance the safety and effectiveness of medical devices, improve patient well-being, and promote increased transparency and accountability within the medical device industry. The MDR imposes more stringent obligations on manufacturers, including heightened requirements for clinical evidence, stricter pre-market controls and post-market surveillance, as well as new regulations for economic operators such as importers and distributors.

TruScreen has made excellent progress in transitioning to MDR, and the formal application process for MDR certification is now underway. The company is actively engaged in discussions with TUV SUD Singapore, the notified body, to achieve MDR conformity assessment by May 2024.

I am delighted to report on our progress in FY23 and excited about the path ahead for the TruScreen technology, delivering on our vision to see the world without cervical cancer. In FY24, we will continue to drive toward this aim by doubling down on our performance, reducing the cost of goods, strengthening the relationships with external global partners and diversifying deliberately. I very much look forward to reporting on our progress next year.

B Edling
Chief Executive Officer

DIVERSITY

TruScreen is committed to ensuring all women of screening age, no matter who or where they are, have access to quality screening. We are driven to build a better future for women's health.

Our dedication to diversity and equality in the workplace sits hand in hand with this commitment. We are an equal opportunities employer, committed to providing an inclusive, safe and respectful working environment.

In respect of gender diversity, in FY2023 the TruScreen team was 38% female, with 33% of senior leadership positions filled by women. One fourth of the Board of Directors is female.

Truscreen has a diverse cultural workplace with directors and team members calling Australia and New Zealand home with countries of origin being Singapore, Philippines, Romania, Poland, China, Hong Kong, Colombia, Siri Lanka, Canada and South Africa. This cultural diversity enables Truscreen to interact successfully with its diverse global distributor network and customers.

Current Group Gender Composition

	Directors No.		Company Employees		Company Senior Managers		Total Organisation No.		Total Organisation %	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Male	3	3	3	2	2	3	8	8	62%	67%
Female	1	1	3	3	1	0	5	4	38%	33%
Total	4	4	6	5	3	3	13	12	100%	100%

Directors’ Report

Your directors submit the annual financial report of the consolidated entity consisting of Truscreen Group Limited (the “Company”) and the entities it controlled during the period (the “Group”) for the financial year ended 31 March 2023. The directors report as follows:

DIRECTORS

The names of directors who held office during or since the end of the year and to the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Name

Mr Anthony Ho
Mr Christopher Horn
Ms Juliet Hull
Mr Dexter Cheung

NAMES, QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES

Mr Anthony Ho
Non-Executive Chairman and Chairman of Remuneration and Nomination Committee

Appointed 4 October 2018

Qualifications: B.Com, CA, FAICD, FCG(CS), FGIA

Mr Ho is an experienced company director having held executive directorships and chief financial officer roles with a number of ASX listed companies. Tony was executive director of Arthur Yates & Co Limited, retiring from that position in April 2002. His corporate, general management and governance experience includes being chief financial officer/finance director of M.S. McLeod Holdings Limited, Galore Group Limited, the Edward H O’Brien group of companies.

Mr Ho is currently the chairman of ASX listed Bioxyne Limited (ASX: BXN) and Cannasouth Limited (NZX: CBD). He was previously chairman of Greenland Minerals Limited, Esperance Minerals Limited and Credit Intelligence Limited and a non-executive director Hastings Technology Metals Limited. Tony was the past non-executive chairman of St. George Community Housing Limited (November 2002 to December 2009) where he successfully grew the NGO to be one of New South Wales leading community housing companies.

Prior to joining commerce, Mr Ho was a partner of Cox Johnston & Co, Chartered Accountants, which has since merged with Ernst & Young. Mr Ho holds a Bachelor of Commerce degree from the University of New South Wales and is a member of Chartered Accountants Australia and New Zealand and a fellow of the Australian Institute of Company Directors, Chartered Governance Institute (Company Secretary) and Governance Institute of Australia.

DIRECTORS' REPORT

Mr Christopher Horn
Non-Executive Director and Chair of the Audit, Finance and Risk Committee.

Appointed November 2013

Qualifications: B.Com FCA

Mr Horn is an experienced business executive and has acted in a number of management roles including 20 years as a partner of KPMG and its predecessor firms. He is a director of a number of private companies across a broad range of business activities including corporate advisory, financial services and funds management.

Mr Horn is a Commerce graduate from the University of New South Wales and a Fellow of Chartered Accountants in Australia and New Zealand.

Ms Juliet Hull
Non-Executive Director and member of the Remuneration and Nomination Committee

Appointed 10 September 2020

Qualifications: B.Nurse, MBA *MGSM*

Ms Hull was until January 2021 the NZ General Manager/Country Director of Johnson & Johnson Medical (J & J), a director of the ANZ Johnson & Johnson Medical Executive Board, a director of MTANZ (Medical Technology Association of NZ) and a member of both the APAC Regional Leadership team for J & J's Orthopaedics and Ethicon Divisions.

Ms Hull is a senior executive with more than 20 years' experience in Asia Pacific markets in Healthcare sales, marketing and leadership. Ms Hull acted as the interim CEO of Truscreen until October 2022.

Ms Hull holds a Master of Business and Administration (Macquarie Graduate School of Management, Sydney, Australia) and Bachelor of Nursing (Auckland University of Technology), Auckland, New Zealand. Ms Hull was previously a non-executive director of Cannasouth Limited (NZX: CBD).

Dr Dexter Cheung
Non-Executive Director and member of the Risk, Finance and Audit Committee

Appointed 1 March 2021

Qualifications: B.Tech (Hons), M.Eng (Hons), PhD

Dr. Cheung is an experienced medical device engineer and specialist in product research and development, with more than 20 years' experience. He is the Research & Development Manager of the respiratory humidification division of Fisher & Paykel Healthcare, an NZX/ASX listed healthcare company and a global leader in respiratory medical devices.

Dr. Cheung holds a first-class honours degree in Bachelor of Technology, a Master of Engineering (first class honours) degree and a Doctor of Philosophy (in physics) from his alma mater, University of Auckland.

DIRECTORS' REPORT

INTERESTS IN THE SHARES AND OPTIONS OF THE COMPANY

The following relevant interests in shares and options of the Company or a related body corporate were held by the directors and key management personnel as at the date of this report. All shares are beneficially held.

SHARES

Director	Number of fully paid ordinary shares	Number of fully paid ordinary shares
	2023	2022
Anthony Ho	5,820,000	3,700,000
Christopher Horn	3,635,053	2,050,000
Juliet Hull	24,000	Nil
Dexter Cheung	120,000	100,000

OPTIONS

Director	Number of options	Number of options
	2023	2022
Anthony Ho	–	2,000,000
Christopher Horn	–	1,000,000
Juliet Hull	1,000,000	1,000,000
Dexter Cheung	1,000,000	1,000,000

DIVIDENDS

No dividends have been paid or declared since the start of the financial year and the directors do not recommend the payment of a dividend in respect of the financial year.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The consolidated entity has agreed to indemnify all the directors of the consolidated entity for any liabilities to another person (other than the consolidated entity or related body corporate) that may arise from their position as directors of the consolidated entity, except where the liability arises out of conduct involving a lack of good faith.

REMUNERATION REPORT

This report outlines the remuneration arrangements in place for key management personnel of Truscreen Group Limited for the financial year ended 31 March 2023.

Remuneration philosophy

The performance of the company depends upon the quality of the directors and executives. The philosophy of the company in determining remuneration levels is to:

- set competitive remuneration packages to attract and retain high calibre employees;
- link executive rewards to shareholder value creation; and
- establish appropriate, demanding performance hurdles for variable executive remuneration.

Remuneration Committee

The Remuneration Committee of the Board of Directors of the Group is responsible for determining and reviewing compensation arrangements for the directors and the senior management team.

The Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of directors and senior executives on a periodic basis by reference to relevant employment market conditions with an overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

Non-executive director remuneration

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The NZX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. The latest determination was at the Annual General Meeting held on 27 August 2019 when shareholders approved an aggregate remuneration of up to $300,000 per year.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Each director receives a fee for being a director of the Company.

The remuneration of non-executive directors for the period ended 31 March 2023 is detailed in the remuneration of directors and named executives section of this report on page 20.

REMUNERATION OF KEY MANAGEMENT AND PERSONNEL

Senior manager remuneration

Remuneration consists of fixed remuneration, no performance incentives were paid during the year. In addition to Company employees and directors, the Company may contract key consultants on a contractual basis. These contracts stipulate the remuneration to be paid to the consultants.

Fixed Remuneration

Fixed remuneration is reviewed annually by the Remuneration Committee. The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices. The Committee has access to external, independent advice where necessary. Fixed remuneration is paid in the form of cash payments.

The fixed remuneration component of the key management personnel is detailed in the tables below.

KEY MANAGEMENT PERSONNEL REMUNERATION FOR THE YEAR ENDED 31 MARCH 2023

	Short-term Employee Benefits Salary & Fees $	Post Employment Benefits Superannuation $	Share Based Payments[1] $	TOTAL $
	2023	2023	2023	2023
Anthony Ho	75,000	–	15,000	90,000
Christopher Horn	50,000	–	10,000	60,000
Juliet Hull	171,885	–	–	171,885
Dexter Cheung	41,667	–	8,333	50,000
Beata Edling	107,998	11,340	54,873	174,211
Edmond Capcelea	219,480	22,771	–	242,251
Guy Robertson	103,709	–	–	103,709
	769,739	34,111	88,206	892,056

[1] The Company has accrued $33,333 in the FY2023 in respect of share based payments due to directors for shares in lieu of directors fees, which are yet to be issued.

Beata Edling Chief Executive Officer (CEO) was awarded $54,873 in shares on appointment. The amount has been accrued as the shares have not yet been issued.

KEY MANAGEMENT PERSONNEL REMUNERATION FOR THE YEAR ENDED 31 MARCH 2022

	Short-term Employee Benefits	Post Employment Benefits		
	Salary & Fees $	Superannuation $	Share Based Payments $	TOTAL $
	2022	2022	2022	2022
Anthony Ho	90,000	–	–	90,000
Christopher Horn	60,000	–	–	60,000
Juliet Hull	254,486	–	32,750	287,236
Dexter Cheung	50,000	–	32,750	82,750
Edmond Capcelea	212,200	20,955	4,000	237,155
Guy Robertson	121,521	–	–	121,521
	788,207	20,955	69,500	878,662

Options held by Directors and Key Management Personnel

2,500,000 options were issued to directors and senior management during the 2022 financial year, with an exercise price of $0.10 and an expiry date of 7 September 2024. 8,500,000 options were issued to directors and key management personnel in previous periods with an exercise price of 15 cents which expired on 27 August 2022.

Employees Remuneration

Five employees of the Group, not being directors, during the period ended 31 March 2023, received remuneration and other benefits in their capacity as employees, the value of which was or exceeded $100,000 per annum.

The number of such employees or former employees in brackets of $10,000 was:

Employee Remuneration	Number of Employees
$120,000 to $130,000	1
$130,000 to $140,000	1
$170,000 to $180,000	1
$190,000 to $200,000	1
$240,000 to $250,000	1

DIRECTORS' MEETINGS

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director was as follows:

Director	Director Meetings		Audit Committee		Remuneration Committee	
	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend
Mr Anthony Ho	10	10	–	–	1	1
Mr Christopher Horn	10	10	2	2	–	–
Ms Juliet Hull	10	10	–	–	1	1
Mr Dexter Cheung	10	10	2	2	–	–

In addition, four circular resolutions were signed by the board during the period.

Remuneration of Auditors

The following amounts are payable to the Company's auditors for the year ended 31 March 2023.

Auditor's remuneration – RSM Hayes Audit	
Fees for the audit of the financial statements	$81,800

End of Directors' Report

On behalf of the Board as at 30 June 2023

Anthony Ho
Chairman

Christopher Horn
Director

Financial Statements & Auditor's Report

for the year ended 31 March 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 March 2023

	Note	2023 $	2022 $
Revenue from the sale of goods	6	1,662,619	1,678,465
Other income	6	540,016	973,914
Purchases of inventory		(1,202,628)	(1,155,725)
Employee benefit expenses and directors' fees	7	(876,849)	(991,911)
Administration		(415,296)	(347,807)
Research and development expenses		(864,074)	(1,498,629)
Rent		(60,959)	(54,139)
Travel		(62,544)	(4,969)
Marketing & product approvals		(722,256)	(716,923)
Insurance		(139,633)	(116,191)
Shareholder relations & services		(155,664)	(117,877)
Amortisation & depreciation	7	-	(592,715)
Write off of obsolete inventory		-	(181,217)
Provision for impairment plant and equipment	13	(49,700)	(198,847)
Provision for impairment of intangible assets	14	-	(4,423,287)
Share based payments		(54,873)	(144,813)
Loss before income tax		(2,401,840)	(7,892,672)
Income tax expense	8	-	-
Loss for the period		(2,401,840)	(7,892,672)
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign subsidiary operations		1,736	(166,281)
		1,736	(166,281)
Total comprehensive loss for the period		(2,400,104)	(8,058,953)
Basic and diluted loss per share (cents)	18	(0.66)	(2.18)

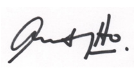
The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March 2023

	Note	2023 $	2022 $
CURRENT ASSETS			
Cash and cash equivalents	9	2,160,468	2,797,004
Other receivables	10	336,700	601,554
Trade receivables	10	170,311	275,447
Goods and services tax recoverable		33,902	36,782
Inventories	11	563,441	496,887
Other current assets – prepayments		205,361	179,270
TOTAL CURRENT ASSETS		3,470,183	4,386,944
NON-CURRENT ASSETS			
Plant and equipment	13	–	–
Intangible assets	14	–	–
TOTAL NON-CURRENT ASSETS		–	–
TOTAL ASSETS		3,470,183	4,386,944
CURRENT LIABILITIES			
Trade and other payables	15	800,255	807,374
Provision for employee benefits	16	88,547	140,385
TOTAL CURRENT LIABILITIES		888,802	947,759
NON-CURRENT LIABILITIES			
Provision for employee benefits	16	39,357	44,134
TOTAL NON-CURRENT LIABILITIES		39,357	44,134
TOTAL LIABILITIES		928,159	991,893
NET ASSETS		2,542,024	3,395,051
EQUITY			
Issued capital	17	36,097,125	34,550,048
Share option reserve	17	144,813	450,813
Foreign currency translation reserve	20	(379,108)	(380,844)
Accumulated losses		(33,320,806)	(31,224,966)
Total Equity		2,542,024	3,395,051

On behalf of the Board as at 30 June 2023



Anthony Ho
Chairman

Christopher Horn
Director

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2023

	Note	Share Capital $	Accumulated Losses $	Foreign Currency Translation Reserve $	Option Reserve $	Total $
Balance at 1 April 2022		34,550,048	(31,224,966)	(380,844)	450,813	3,395,051
Loss for the year to 31 March 2023		–	(2,401,840)	–	–	(2,401,840)
Exchange differences on translating foreign subsidiary operations	20	–	–	1,736	–	1,736
Total comprehensive income for the year		–	(2,401,840)	1,736	–	(2,400,104)
Transactions with owners, in their capacity as owners						
Issue of shares		1,613,273	–	–	–	1,613,273
Share issue costs		(66,196)	–	–	–	(66,196)
Transfer to share based payments	19	–	306,000	–	(306,000)	–
Total transactions with owners		1,547,077	306,000	–	(306,000)	1,547,077
Balance at 31 March 2023		36,097,125	(33,320,806)	(379,108)	144,813	2,542,024

	Note	Share Capital $	Accumulated Losses $	Foreign Currency Translation Reserve $	Option Reserve $	Total $
Balance at 1 April 2021		34,550,048	(23,332,294)	(214,563)	306,000	11,309,191
Loss for the year to 31 March 2022		–	(7,892,672)	–	–	(7,892,672)
Exchange differences on translating foreign subsidiary operations	20	–	–	(166,281)	–	(166,281)
Total comprehensive income for the year		–	(7,892,672	(166,281)	–	(8,058,953)
Transactions with owners, in their capacity as owners						
Transfer to share based payments	19	–	–	–	144,813	144,813
Total transactions with owners		–	–	–	144,813	144,813
Balance at 31 March 2022		34,550,048	(31,224,966)	(380,844)	450,813	3,395,051

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2023

	Note	2023 $	2022 $
CASH FLOW FROM OPERATING ACTIVITIES			
Cash received from customers		1,790,550	1,434,264
Cash paid to suppliers and employees including GST		(4,483,553)	(4,586,932)
Cash received from research and development tax offset	1(f)	627,982	620,888
Government subsidies		–	123,535
Short-term lease payments not included in lease liability		(131,619)	(123,775)
Interest received		2,854	323
Net cash from operating activities	21	(2,193,786)	(2,531,697)
CASH FLOW TO INVESTING ACTIVITIES			
Purchase of plant and equipment		(49,700)	(2,662)
Net cash to investing activities		(49,700)	(2,662)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	17	1,613,273	–
Share issue costs		(66,196)	–
Net cash from financing activities		1,547,077	–
Net decrease in cash and cash equivalents		(696,409)	(2,534,359)
Cash and cash equivalents at the beginning of the financial year		2,797,004	5,255,074
Effects of exchange rate changes on cash and cash equivalents		59,873	76,289
Cash and cash equivalents at the end of the financial year	9	2,160,468	2,797,004

The accompanying notes form part of these financial statements.

RSM

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Information

These consolidated financial statements and notes represent those of Truscreen Group Limited and its subsidiaries (the "Group"). References to "Truscreen" is used to refer to Truscreen Group Limited (the "Company").

The parent company, Truscreen Group Limited, is the ultimate legal parent company of the Group and is a limited liability company incorporated and domiciled in New Zealand. It is registered under the Companies Act 1993. Truscreen is listed on the NZX and on the ASX as an ASX Foreign Exempt Listing. Truscreen is a FMC reporting entity under Part 7 of the Financial Markets Conduct Act 2013.

The registered office of the Company is Level 6 Equitable House, 57 Symonds St, Grafton, Auckland 1010, New Zealand. The Group is engaged in the business of the development, manufacture and sale of cancer detection devices and systems.

The financial statements were authorised for issue on 30 June 2023 by the Directors of the company.

Basis of Preparation

These financial statements have been prepared in accordance with and comply with Part 7 of the Financial Markets Conduct Act 2013 and the NZX Listing Rules.

For the purpose of complying with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP") the Group is a Tier 1 for-profit entity. These financial statements comply with NZ GAAP, the New Zealand equivalent to International Financial Reporting Standards ("NZ IFRS"), and International Financial Reporting Standards ("IFRS").

These financial statements have been prepared under the historical costs convention, modified by the revaluation of certain assets and liabilities as identified in specific accounting policies below.

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

The financial statements have been rounded to the nearest dollar.

a. Going Concern

The Group financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

As disclosed in the financial statements, the Group reports;

- a loss of $2,401,840 (2022: $7,892,672). The results were after depreciation, provision for impairment and amortisation of non-current assets of $49,700 (2022: $5,214,849).
- net cash outflows from operating and investing activities of $2,243,486 (2022: $2,534,359)
- cash at year end of $2,160,468 (2022: $2,797,004)

a. Going Concern (continued)

The Directors have undertaken a detailed cash flow forecast for the twelve months following the date of approval of this report.

Given ongoing market uncertainty the Group will continue to maintain a tight cost base as it looks to expand its business and markets. In addition, the Group is actively looking for a product or business which will be earnings accretive and allow it to accelerate its path to achieving break-even and positive cash flow. However the Group will in the next twelve months need to raise capital or identify a transaction which will allow it to continue as a going concern.

The Board considers managing cash flow and working capital critical in successfully executing the strategies to achieve the business model of the Group. The directors have confidence in the ability to raise capital based on recent past experience.

However, there is material uncertainty in relation to the Group's ability to meet forecasts and to raise additional capital, if and when required. These factors cast significant doubt on the Groups ability to continue as a going concern. If the going concern assumption is not valid, the consequence is the Group may be unable to realise the value in its assets and discharge its liabilities in the normal course of business.

b. Principles of Consolidation

Truscreen Pty Limited is the wholly owned subsidiary of Truscreen Group Limited which was specifically incorporated for the purposes of acquiring the Truscreen Pty Limited business (the "Transaction"). Truscreen Group Limited is the legal acquirer, and legal parent of the Group.

For financial reporting purposes, aspects of "reverse acquisition" accounting are relevant. Specifically, the rules require that Truscreen Pty Limited be treated as the accounting acquirer of Truscreen Group Limited due to the fact that the owners of Truscreen Pty Limited owned the largest single minority voting interest in the resulting Group, post Transaction which occurred in 2014.

The Transaction has been accounted for as a continuation of the financial statements of Truscreen Pty Limited, together with a deemed issue of shares, equivalent to the shares held by the former shareholders of Truscreen Group Limited. This deemed issue of the shares is, in effect, a share-based payment transaction whereby Truscreen Pty Limited is deemed to have received the net assets of Truscreen Group Limited.

As such, the consolidated financial statements are issued in the name of the legal Parent, Truscreen Group Limited, but are a continuation of the financial statements of the legal subsidiary Truscreen Pty Limited.

The Group financial statements also include:

- Truscreen Ltd (UK) which was incorporated on 11 July 2013
- TruScreen S. de R.L de C.V which was incorporated on 17 August 2017

Subsidiaries

Subsidiaries are all entities over which the Company has control. The Company controls an entity when it 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 Company. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

c. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Truscreen Group Limited Group Board. To date the operations have been reported as one segment. Accordingly:

- the segment results are as reported in the Statement of Profit or Loss and Other Comprehensive Income.
- the segment assets and liabilities are as in the Statement of Financial Position.

d. Foreign Currency Translation

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the "functional currency"). The financial statements are presented in New Zealand dollars, which is Truscreen Group Limited's functional currency.

The functional currencies of the subsidiaries are:

Subsidiary	Country of Incorporation	Functional Currency
TruScreen Pty Limited	Australia	Australian dollar
TruScreen Ltd (UK)	UK	Great Britain Pound
TruScreen S. de R.L. de C.V.	Mexico	Mexican peso

Transactions and balances

For each entity in the Group, transactions in currencies other than the functional currency are translated at the foreign exchange rate ruling at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at reporting date exchange rates are recognised as part of the loss for the period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction.

Translation of group companies' functional currency to presentation currency

Assets and liabilities of all of the Group companies that have a functional currency that differs from New Zealand dollars are translated to the presentation currency at foreign exchange rates ruling at the reporting date of the Statement of Financial Position. Income and expenses are translated using the rate approximating the date of the transaction. All differences arising from the translation of foreign operations are recognised in the foreign currency translation reserve through other comprehensive income. Exchange difference on monetary items forming part of the net investment in foreign operations are recognised through other comprehensive income.

e. Revenue Recognition

The Group's revenue is derived from selling goods with revenue recognised at a point in time when control of the goods has transferred to the customer. This is generally when the goods are dispatched from the Group's warehouse. There is limited judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the group no longer has physical possession, usually will have a present right to payment (as a single payment on delivery) and retains none of the significant risks and rewards of the goods in question. In limited circumstances the Group will offer credit.

The Group provides warranties on products sold which require the Group to either replace or mend a defective product during the warranty period if the goods fail to comply with agreed-upon specifications. In accordance with NZ IFRS 15, such warranties are not accounted for as separate performance obligations and hence no revenue is allocated to them.

Revenue is stated net of commission paid to distributors and of the amount of goods and services tax.

Revenue is derived from device sales and consumable single use sensors in the geographic regions outlined in Note 5.

f. Other Income

The Research and Development tax offset is receivable from the Commonwealth Government of Australia. Under the 43.5% refundable tax offset programme, 43.5% of eligible research and development spending incurred by the Group is refundable by the Commonwealth Government.

The Research and Development tax offset is recognised at fair value where there is reasonable assurance that the grant will be received. The offset does not have to be repaid to the Commonwealth Government and is treated as income in accordance with NZ IAS 20 – "Accounting for Government Grants and Disclosure of Government Assistance" and recognised in the same period as the related research and development expenditure. This is disclosed as other income in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

The expenditure for which an offset is claimed is non-deductible and accordingly reduces tax losses that otherwise would be available to be carried forward.

g. Income Tax

Income tax expense comprises current and deferred tax where applicable. Income tax expense is recognised in profit and loss except to the extent that it relates to a business combination or items recognised directly in equity or in other comprehensive income, in which case the tax is recognised in the same manner as the underlying transaction.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences:

- the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

g. Income Tax (continued)

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividends is recognised.

h. Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location on a first-in-first out (FIFO) basis.

i. Goods and Services Tax (GST)

The profit and loss has been prepared so that all components are stated exclusive of GST. All items in the statement of financial position are stated net of GST, with the exception of receivables and payables, which include GST invoiced.

j. Statement of Cash Flows

The following is the definition of the terms used in the Statement of Cash Flows:

(i) Investing activities are those relating to acquisition of subsidiaries, the addition, acquisition and disposal of property, plant and equipment and intangibles;

(ii) Financing activities are those activities which result in changes in the size and composition of the capital structure of the Group;

(iii) Operating activities include all transactions and other events that are not investing or financing activities.

k. Financial Instruments

Financial assets

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Group's accounting policy for each category is as follows:

Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for current trade receivables are recognised based on an individual analysis of the collectability of each account. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administration costs in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

From time to time, the Group elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the consolidated statement of comprehensive income (operating profit) as part of the impairment expense.

The Group's financial assets measured at amortised cost comprise trade receivables, cash and cash equivalents and related party loans in the consolidated statement of financial position.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

Financial liabilities

The Company/Group classifies all financial liabilities as measured at amortised cost based on the purpose for which the liability was acquired. The Company/Group's accounting policy is as follows:

Other financial liabilities

Other financial liabilities include the following items:

Trade payables and borrowings, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

RSM

l. Plant and Equipment

Plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Depreciation

The depreciable amount of all plant and equipment is depreciated over the asset's useful life to the Group commencing from the time the asset is held ready for use.

The depreciation rates used for depreciable assets plant and equipment range between:

- Office Equipment - 16.67% and 50% diminishing value; and
- Manufacturing Plant – 20% straight line.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in the profit or loss.

m. Impairment - Non-Financial Assets

The carrying amounts of the Group's non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash generating unit ("CGU") is the greater of its value in use and its fair value less costs to sell. When determining value in use, estimated future cash flows will be 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 or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets.

All intangibles have been treated as one cash generating unit. Cash inflows cannot be identified to particular intangible assets or particular groups of intangible assets. This is as the cash flows arising from the cancer detection business requires utilisation of all the particular intangibles.

Impairment losses are recognised in the profit and loss and are a non-cash expense. Impairment losses recognised in respect of CGU's reduce the carrying amounts of the assets in the CGU on a pro-rata basis.

RSM

n. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets with finite useful lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intellectual Property of the Group is stated at cost less any impairment losses and are amortised on a straight-line basis over the estimated economic life of 20 years.

Research & Development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the profit and loss as incurred.

Development costs are capitalised where future benefits are expected to exceed those costs, otherwise such costs are recognised in the profit and loss in the period in which they are incurred. Development activities involve a plan or design for the production, and the development or enhancement of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically, or commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs.

o. Share Capital

Ordinary shares are classified as capital. 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.

p. Employee Benefits

An accrual is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period.

Employee benefits that are expected to be settled wholly within one year have been measured at the amounts expected to be paid when the liability is settled on an undiscounted basis. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds (of the country where the employment contract exists) with terms to maturity that match the expected timing of cash flows.

q. Share Based Incentive Plan

The Group operates a share-based incentive plan under which the entity receives services from employees and consultants as consideration for equity instruments of the Group. The fair value of the employee services received in exchange for the grant of the instruments is recognised as an expense over the vesting period.

The total amount to be expensed is determined by reference to the fair value of the awards granted. At the end of each reporting period, the Group revises its estimates of the number of awards that are expected to vest based on the service conditions. It recognises the impact of the revision to original estimates, if any, in the profit or loss, with a corresponding adjustment to equity.

NOTE 2. ADOPTION OF NEW AND REVISED STANDARDS

No standards currently on issue that are yet to be adopted are expected to significantly impact the presentation, measurement or recognition of reportable items relevant to the Group.

NOTE 3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company makes estimates and assumptions concerning the future that affects the amounts reported in the financial statements. Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- *Going Concern*

Refer note 1 "a"

- *Revenue from Contracts with Customers*

The application of NZ IFRS 15: Revenue from contracts with customers (NZ IFRS 15) requires the Directors to apply judgement in determining whether revenue can be recognised in advance of the receipt of cash.

The significant judgements adopted by the Group in applying NZ IFRS 15 criteria include:

- Determining if a contract with the customer exists;
- Determining if the entity can identify the payment terms for the services; and
- Determining whether it is probable that the entity will collect the consideration to which it is entitled.

- *Intangibles*

The carrying value of intangibles include acquired intellectual property and development costs capitalised in accordance with the accounting policy for research and development.

The intangibles were fully written off in the previous year.

Given the ongoing significant uncertainty associated with macro-economic events, the Directors have determined that the intangibles should remain fully impaired as at 31 March 2023.

- *Recognition of deferred taxation assets*

The benefit of deferred tax arising from tax losses and temporary differences has not been recognised as disclosed in Note 8.

- *Estimate of the Research and Development tax offset*

The Group receives a research and development tax offset based on 43.5% of research and development expenditure incurred. The amount is received following filing of the Group income tax returns. The Group estimates the amount of the offset assisted by external consultants and accounts for the amount as a receivable at year end.

- *Share based payments*

The Directors valued share options issued to Directors and consultants during the previous year using the Black & Scholes method based on the assumptions and details in note 19. As the share options have fully vested the value of the share options have, as required by the accounting standards, been fully expensed, notwithstanding that there is no cost to the Group and no benefit to the option holders during that year. This was a non-cash expense and had no impact on the Group's cash flow.

NOTE 4. FINANCIAL RISK MANAGEMENT

In the normal course of business, the Group is exposed to a variety of financial risks including foreign currency, interest rate, credit and liquidity risks. The Group's overall risk management strategy focuses on minimising the potential negative economic impact of unpredictable events on the Group's financial well-being.

Details of the significant accounting policies and methods adopted, including criteria for recognition and the basis of measurement are disclosed in Note 1 Summary of Significant Accounting Policies.

The Group to date has not entered into any derivative financial instrument contracts.

The totals for each category of financial instrument are as follows:

FINANCIAL INSTRUMENTS BY CATEGORY

	Note	2023 $	2022 $
Financial assets (held at amortised cost)			
Cash and cash equivalents	9	2,160,468	2,797,004
Trade and other receivables			
Trade receivables subject to credit risk	10	170,311	275,447
Total financial assets at amortised cost		2,330,779	3,072,451
Financial liabilities (held at amortised cost)			
Trade and other payables	15	800,255	807,374
Total financial liabilities at amortised cost		800,255	807,374

Market Risk

Foreign currency risk

Foreign currency risk is the risk that price changes from fluctuating exchange rates will reduce the carrying amount of financial assets or increase the carrying amount of financial liabilities. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, but principally Australian and United States Dollars. Foreign exchange risk arises on certain cash and cash equivalents, receivables and liabilities denominated in foreign currencies.

This risk is managed by placing contracts for supply of product in the same currency as the sales of those products occur wherever possible.

The carrying amounts of the Group's financial assets and liabilities denominated in currencies other than the functional currencies expressed in $NZ at the reporting date are as follows:

	Assets		Liabilities	
	2023 $	2022 $	2023 $	2022 $
USD	800,342	1,083,695	249,460	214,718
GBP	36,840	30,898	9,083	-
NZD[1]	1,069,756	1,876,487	-	9,554

Sensitivity analysis

The following table details the Group's sensitivity to a 10% increase or decrease in NZD against the relevant foreign currencies. 10% represents management's assessment of a reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit where NZD weakens 10% against the relevant currency. For a 10% strengthening of NZD against the relevant currency, there would be an equal and opposite impact on the profit, and the balances below would be negative.

Effect on profit after tax and equity: 10% weakening in NZD

	2023 $	2022 $
USD	55,088	86,898
GBP	2,776	3,090
NZD[1]	(106,975)	(186,393)

1 Exposure to NZD held in subsidiary where Australian dollars is the functional currency

Interest rate risk

Interest rate risk arises on financial assets and financial liabilities recognised at the end of a financial period whereby a future change in interest rates will affect future cash flows. The Group's policy is to deposit cash at floating rates, to minimise exposure to interest rate risk, and to take into account its cash flow requirements.

The Group is exposed to interest rate risk on cash flows through cash at bank which is earning interest at a floating rate of:

- .06% to 3.1% of NZ$295,506 (2022: Nil% of NZ$56,140) on cash held in AUD.
- Nil% of NZ$1,197,556 (2022: Nil% of NZ$1,901,180) on cash held in NZD.
- Nil% of NZ$36,840 (2022: 0.50% of NZ$30,898) on cash held in GBP.
- Nil% of NZ$630,031 (2022: Nil% of NZ$808,248) on cash held in USD.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge its obligations and as a result the Group will suffer financial loss.

With respect to credit risk arising from cash and cash equivalents there is limited credit risk. The credit rating of cash at bank and term deposits are:

CREDIT RATING – STANDARD AND POOR'S

	Note	2023 $	2022 $
Cash at bank			
S&P short term rating A-1+		2,123,093	2,765,568
S&P short term rating A-1		36,840	30,898
	9	2,159,933	2,796,466

Details of the exposure to credit quality of receivables, the age of receivables that are past due and any impairment are disclosed in Note 10 to the financial statements.

In relation to customer credit risk the Company generally deals with established distributors, government or aid agencies sponsored by government.

With respect to credit risk arising from accounts receivable, it is the Group's policy to only enter into agreements with parties who the Group assesses to be creditworthy. Accounts receivable balances are monitored on an ongoing basis and overdue accounts are followed up rigorously.

The maximum exposure to credit risk from trade receivables subject to credit risk as at 31 March 2023 amounted to $170,311 (2022: $275,447) refer to Note 10.

Minimal credit risk arises from the other receivable – research and development grant being due from the Australian Government.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The table below shows the maturity analysis for the contractual undiscounted cash flows for financial liabilities:

Financial Liabilities	Carrying amount	Total contractual cash flows	Not later than three months	Later than 3 months and not later than 1 year
Group 2023	**$**	**$**	**$**	**$**
Trade and other payables	800,255	800,255	800,255	-

Financial Liabilities	Carrying amount	Total contractual cash flows	Not later than three months	Later than 3 months and not later than 1 year
Group 2022	**$**	**$**	**$**	**$**
Trade and other payables	807,374	807,374	807,374	-

The Company and Group manage liquidity risk by undertaking a rolling twelve month cash flow forecast monthly, and holding adequate cash and cash equivalent assets.

(a) Fair value

The fair value of trade receivables, trade payables, loan receivable other receivables and cash and cash equivalents approximate their carrying value due to the short term nature of these balances, and/or the balances being subject to market interest rates and regular impairment tests.

(b) Capital risk management

There are no external capital requirements.

The Group and the Company's objectives when managing capital are to safeguard their ability to meet their liabilities as they fall due.

There were no changes in the Group's approach to capital management during the year.

NOTE 5. SEGMENT INFORMATION

The Group operates in one operating segment. It owns the rights to the TruScreen Cervical Cancer screening device. The device comprises a medical device and process designed to detect the presence in real time of precancerous and cancerous tissue on the cervix.

Revenues have been obtained from external customers (distributors) as follows:

FINANCIAL INSTRUMENTS BY CATEGORY

	2023 $	2022 $
Information about products and services		
Total Revenues from external customers	1,662,619	1,678,465
Information about geographical areas		
Foreign country:		
Mexico	59,536	105,954
China	1,140,297	1,218,297
Russia	122,809	16,546
Vietnam	78,971	72,353
Zimbabwe	247,077	215,899
Eastern Europe	5,315	19,880
MENA (Middle East/North Africa)	-	12,986
Others	8,614	16,549
	1,662,619	1,678,465

The basis for attributing revenues from external customers to individual countries is the location of the customer.

There are no non-current financial assets held by the Group in either financial year.

RSM

The following customers contributed more than 10% of the Group's revenue for the year ended 31 March 2023 and or 31 March 2022:

	2023		2022	
	$	%	$	%
China	1,140,297	69	1,218,297	73
Zimbabwe	247,077	15	215,899	13

No additional disclosure is required in the financial statements as the Group has one reportable segment.

NOTE 6. REVENUE

	2023 $	2022 $
Sales revenue - sale of goods[1]		
Wholesalers/distributors	1,415,542	1,462,566
Direct to customer	247,077	215,899
	1,662,619	1,678,465
Other income		
Research and development tax offset[2]		
- Current year	345,901	593,197
- Prior year adjustment	31,143	48,830
	377,044	642,027
Interest received	3,303	372
Miscellaneous income	39,084	-
Foreign exchange gain	120,585	103,348
Government assistance and grants	-	228,167
	540,016	973,914

1 For a geographical breakdown of revenues see Note 5. In general, ownership of goods transfers to the distributor/customer on leaving Truscreen's premises or that of the outsourced manufacturer when shipped directly to customers.

2 For further detail with regard to the research and development tax offset, refer to note 1(f).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2023

NOTE 7. EXPENSES

	Note	2023 $	2022 $
Loss before income tax includes the following specific expenses:			
Employee benefits expense			
Wages and salaries		556,663	541,832
Staff superannuation – defined contribution plan[1]		108,891	116,288
Provision for annual leave		(52,230)	44,599
Provision for long service leave		(4,586)	6,867
Directors fees	25	250,000	250,000
Other employee related		18,111	32,325
		876,849	991,911

Marketing and product approvals

	Note	2023 $	2022 $
Medical Device Regulation costs		203,978	170,464
Marketing costs		97,547	87,058
Sales and distributor support costs		420,731	459,401
		722,256	716,923

Administration and other operating expenses include:

	Note	2023 $	2022 $
Audit fees			
Fees for audit of financial statements for the year ended 31 March – RSM Hayes Audit		81,800	92,899
Total remuneration of auditors		81,800	92,899
Amortisation of intangible assets	14	–	541,086
Depreciation of plant and equipment	13	–	51,629
Total amortisation & depreciation		–	592,715

[1]Truscreen Pty Limited is required, under Australian employment laws, to pay a prescribed portion of each employee's salary into a superannuation scheme.

NOTE 8. INCOME TAX EXPENSE

	2023 $	2022 $
Loss for the year	(2,401,840)	(7,892,672)
Prima facie income tax saving using the New Zealand Company tax rate 28% (2022 :28%)	672,515	2,209,948
Impact of variation in foreign tax rates (25.0% for Aus.; 19% for UK) (2022 : 26% for Aus.; 19% for UK)	(69,829)	(234,730)
Expenses not deductible for tax in the current period:	(180,223)	(1,378,269)
Not recognised as a deferred tax asset	(422,463)	(596,949)
Income tax expense	-	-

The amount of deductible temporary differences and unused tax losses for which no deferred tax asset is recognised is as follows. These amounts have no expiry date.

	2023 $	2022 $
Deductible/(non-deductible) temporary difference:		
Foreign exchange losses	173,222	169,819
Other timing differences	278,318	320,186
	451,540	490,005
Unused tax losses	15,088,746	12,596,846
Total	15,540,286	13,086,851

The deferred tax asset has not been recognised as the "probable" test that future assessable income against which those losses can be offset in the countries where those losses have been incurred cannot be satisfied.

NOTE 9. CASH AND CASH EQUIVALENTS

	2023 $	2022 $
Cash on hand	535	538
Cash at bank	2,159,933	2,796,466
	2,160,468	2,797,004

Cash at bank is earning interest at a floating rate at the reporting date it ranged from 0% to 3.1% (2022: 0% to 0.55%). Cash at bank is at call.

NOTE 10. TRADE AND OTHER RECEIVABLES

CURRENT	2023 $	2022 $
Research and development tax offset	336,700	601,554
Trade receivables subject to credit risk	170,311	275,447
Less provision for uncollectible amounts	–	–
	170,311	275,447
	507,011	877,001

No interest is charged on trade receivables. Refer to Note 6 regarding income from the research and development tax offset. The Group normally requires cash on delivery. In exceptional circumstances the Company has extended credit.

The aging analysis of trade receivables past due is as follows:

Consolidated

Group

	Days Overdue				
2023	1 – 60 days $	90 – 180 days $	Over 180 days $	Total past due $	Within terms $
Trade receivables subject to credit risk (prior to provision)	170,311	–	–	170,311	–

	Days Overdue				
2022	1 – 60 days $	90 – 180 days $	Over 180 days $	Total past due $	Within terms $
Trade receivables subject to credit risk (prior to provision)	56,516	–	–	56,516	218,931

No collateral is held over trade receivables.

NOTE 11. INVENTORIES

	2023 $	2022 $
Finished goods at cost	168,055	117,103
Work in progress	395,386	379,784
	563,441	496,887

The Group wrote off $181,217 relating to obsolete parts as it upgraded device design during the year ended 31 March 2022.

NOTE 12. INTERESTS IN SUBSIDIARIES

Subsidiaries are:

Name of Subsidiary	Principal Place of Business	Ownership Interest held by the group 2023	Ownership Interest held by the group 2022
TruScreen Pty Limited	Australia	100%	100%
TruScreen Ltd (UK)	UK	100%	100%
TruScreen S. de R.L. de C.V.	Mexico	100%	100%

Principal Activities

Truscreen Pty Limited owns the rights to the Truscreen Cervical Cancer Screening Device. The device comprises a medical device and process designed to detect the presence in real time of precancerous and cancerous tissue on the cervix.

Truscreen Ltd (UK) holds the CE mark of quality compliance and will only trade to the extent necessary to satisfy the minimum requirement for value added tax registration in the United Kingdom and CE certification. In 2023 and 2022 TruScreen Ltd (UK) made no sales.

TruScreen S. de R.L. de C.V. is non-operating.

NOTE 13. PLANT AND EQUIPMENT

	Note	2023 $	2022 $
Plant and equipment at cost		521,883	476,891
Accumulated depreciation		(276,071)	(278,044)
Less provision for impairment		(245,813)	(198,847)
		–	–

Movements in the carrying amount for each class of plant and equipment are as follows:

	Note	2023 $	2022 $
Opening net book value		–	307,092
Additions		49,700	2,364
Depreciation charge	7	–	(51,629)
Expensed to research and development		–	(55,478)
Provision for impairment		(49,700)	(198,847)
Foreign currency reserve movement		–	(3,504)
Closing net book value		–	–

NOTE 14. INTANGIBLE ASSETS

	Note	Intellectual Property $	Development cost $	Total $
Opening balance as at 31 March 2021		**7,767,238**	**2,913,734**	**10,680,972**
Net exchange differences arising on the translation of the financial statements into the presentation currency		**(931,520)**	**(179,739)**	**(1,111,259)**
Balance as at 31 March 2022		**6,835,718**	**2,733,995**	**9,569,713**
Net exchange differences arising on the translation of the financial statements into the presentation currency		**(48,287)**	**(19,313)**	**(67,600)**
Balance as at 31 March 2023		**6,787,431**	**2,714,682**	**9,502,113**
Accumulated Amortisation				
Opening balance as at 31 March 2021		**(2,407,431)**	**(744,664)**	**(3,152,095)**
Amortisation recognised during the period	7	(381,963)	(159,151)	(541,114)
Net exchange differences arising on the translation of the financial statements into the presentation currency		882,353	160,790	1,043,143
Balance 31 March 2022		**(1,907,041)**	**(743,025)**	**(2,650,066)**
Amortisation recognised during the period		**-**	**-**	**-**
Net exchange differences arising on the translation of the financial statements into the presentation currency		**13,471**	**5,249**	**18,720**
Balance 31 March 2023		**(1,893,570)**	**(737,776)**	**(2,631,346)**
Impairment				
Opening balance impairment 31 March 2021		**(1,798,645)**	**(728,930)**	**(2,527,575)**
Net exchange differences arising on the translation of the financial statements into the presentation currency		**22,213**	**9,002**	**31,215**
Provision for impairment		**(3,152,245)**	**(1,271,042)**	**(4,423,287)**
Balance impairment 31 March 2022		**(4,928,677)**	**(1,990,970)**	**(6,919,647)**
Net exchange differences arising on the translation of the financial statements into the presentation currency		**34,815**	**14,064**	**48,879**
Provision for impairment		**-**	**-**	**-**
Balance impairment 31 March 2023		**(4,893,862)**	**(1,976,906)**	**(6,870,768)**
Carrying amounts				
Balance as at 31 March 2021		**3,561,162**	**1,440,140**	**5,001,302**
Balance as at 31 March 2022		**-**	**-**	**-**
Balance as at 31 March 2023		**-**	**-**	**-**

RSM

Intellectual property acquired is carried at cost less accumulated amortisation and impairment losses.

Intellectual property includes all intellectual property rights in the Truscreen product, including scientific and technical knowledge, designs, copyright, plans, computer software, financial modelling, patents, copyright, formulae, processes, methods, inventions, eligible layout rights, market knowledge and all other intellectual property rights.

Development costs consist mainly of costs incurred to produce a new console for Truscreen. The new console was available for use on 1 April 2016. Amortisation commenced from that date. At reporting date 12 years useful life remained on capitalised development costs.

The Directors undertook a comprehensive Impairment Review ("Review") of the intangible assets belonging to the Company as at 31 March 2022. This Review was undertaken in compliance with NZ IAS 36 Impairment ('IAS 36') and its detailed specifications with the assistance of an independent consultant.

The cash flow projections adopted for the Review reflect the Director's considered view of performance achievability and their recognition that the cash flows of the Group while in the development and commercialisation phase are inherently uncertain and subject to a number of risks.

While the Group has made good progress over the year to 31 March 2023, a number the risks assessed of not meeting future device and SUS sales in the year ahead, being the ongoing Ukraine/Russia conflict, high inflation and rising interest rates, remain.

Given the significant uncertainties outline above, the Directors have resolved to retain the full provision for the carrying value of the intangible assets as at 31 March 2023.

In the event that the uncertainties referred to above are resolved, the Group achieves its 2024 budget, and the Directors have confidence in the projections for the subsequent years, consideration will be given re-establishing the intangible assets to an appropriate level.

Review Conclusion

- The carrying value of intangibles at 31 March 2023 is $Nil (2022: $Nil).

NOTE 15. TRADE AND OTHER PAYABLES

CURRENT	2023 $	2022 $
Other payables and accruals	800,255	807,374

Other payables and accruals are interest free and payable generally on credit terms of 30 days from receipt of goods or services.

NOTE 16. EMPLOYEE LIABILITIES

CURRENT	2023 $	2022 $
Employee liabilities	88,547	140,385
NON-CURRENT		
Employee liabilities	39,357	44,134
	127,904	184,519

As the Group does not have an unconditional right to defer the settlement of current employee amounts in the event employees wish to use their leave entitlement they are classified as current liabilities.

The non-current portion of employee liabilities represents amounts accrued for long service leave entitlements that have not yet vested as the employees have not yet completed the required period of service.

NOTE 17. ISSUED CAPITAL

a) Ordinary Shares

Group	2023 Number	2023 $	2022 Number	2022 $
Balance at beginning of the year of fully paid ordinary shares	362,866,253	34,550,048	362,866,253	34,550,048
Ordinary shares issued				
Share issue - placement	20,000,000	600,000	-	-
Share issue – rights issue	33,775,755	1,013,273	-	-
Share issue costs	-	(66,196)	-	-
Balance at 31 March	416,642,008	36,097,125	362,866,253	34,550,048

No particular number of shares are authorised. There is no par value of shares.

All issued ordinary shares carry equal rights in respect of voting and the receipt of dividends, and upon winding up rank equally with regard to the Company's residual assets.

Shares were issued during the:

a. current period:

The Company undertook a share placement and a rights issue during the year, issuing 53,775,755 shares at $0.03 per share to raise $1,613,273, before costs.

b. prior period:

No shares were issued in the prior period.

b) Share Options

Group	2023 Number	2023 Share Based Payments $	Weighted Average Exercise Price	2022 Number	2022 Share Based Payments $	Weighted Average Exercise Price
Balance at beginning of the year	14,000,000	450,813	12.5c	17,777,363	306,000	13.9c
Options issued[1]	–	–	10.0c	2,500,000	69,500	10.0c
Options issued[2]	–	–	10.0c	2,500,000	75,313	10.0c
Options lapsed[3]	(9,000,000)	(306,000)		(8,777,363)	–	–
Balance at end of year	5,000,000	144,813	10.0c	14,000,000	450,813	12.5c

1 Options issued 29 December 2021 to directors and employee

2 Options issued 4 March 2022 to distributors

3 Options lapsed exercise price of 15 cents and expiry date 27 August 2022 and in the prior year 13 cents per share and expiry date 12 July 2021.

NOTE 18. EARNINGS PER SHARE

	2023	2022
Basic and Diluted loss per share:		
Net loss attributable to shareholders	(2,401,840)	(7,892,672)
Weighted average number of ordinary shares on issue	364,192,230	362,866,253
Basic and diluted loss per share (cents) (based on weighted average number of shares on issue)	(0.66)	(2.18)

NOTE 19 SHARE BASED PAYMENTS

Options

A summary of the movements in share options issued to Directors, employees, consultants and distributors are as follows:

	2023 #	2023 $	2022 #	2022 $
Options on issue at start of period	14,000,000	450,813	9,000,000	306,000
Options issued[2]	-	-	5,000,000	144,813
Options lapsed[1]	(9,000,000)	(306,000)	-	-
Options on issue and exercisable at the end of the period	5,000,000	144,813	14,000,000	450,813

Of the options on issue, 5,000,000 had vested and were exercisable at 31 March 2023.

[1] The options issued to Directors and senior managers as approved by shareholders on 27 August 2019, having not been exercised, lapsed during the year.

[2] Of these options, 2,500,000 were issued to Directors and senior managers in the prior year, approved by shareholders on 7 September 2021, were valued using Black & Scholes model using the following variables: share price at date of issue $0.063 cents, exercise price $0.10 cents, risk free government bond rate 0.36% and option period of 3.0 years and a share price volatility of 100% based on observed historical volatility. The options were valued at $81,765 with the vested portion, $69,500, being expensed in the prior year.

In addition, the Company issued 2,500,000 to distributors. These options have been valued on the same basis as outlined above with the vested portion, $75,313, being expensed in the prior year.

NOTE 20. RESERVES

The foreign currency translation reserve records exchange differences arising on translation of Truscreen Pty Ltd from AUD functional currency and Truscreen Ltd (UK) from GBP functional currency to the presentation currency of the Group (NZD).

The share option reserve records items recognised as expenses on valuation of share options issued to employees and directors but not yet exercised or lapsed.

NOTE 21. CASH FLOW INFORMATION

	2023 $	2022 $
Reconciliation of cash flow from operations with loss after income tax		
Loss for the period	(2,401,840)	(7,892,672)
Adjusted for:		
Depreciation and amortisation	-	592,715
Impairment of non-current assets	49,700	4,622,134
Share based payment expense	54,873	144,813
Unrealised exchange difference arising from translating loss items at the date of transaction	(113,010)	(146,358)
Operating cash flows before working capital changes	(2,410,277)	(2,679,368)
Decrease/(Increase) in trade and other receivables	105,137	(275,447)
Decrease in goods and services taxes recoverable	2,880	7,445
Increase in prepayments	(26,092)	(73,339)
(Increase)/decrease in inventory	(66,553)	235,687
Decrease/(Increase) in research and development tax offset	264,854	(43,069)
Decrease/(Increase) in trade and other payables	(7,120)	354,881
Decrease in employee liabilities	(56,615)	(58,487)
Net cash to operating activities	(2,193,786)	(2,531,697)

NOTE 22. RELATED PARTY TRANSACTIONS

a. The Group's main related parties are as follows:

(i) *Key management personnel:*

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity, are considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 25 - Key Management Personnel Compensation.

(ii) *Other related parties:*

Other related parties include entities over which key management personnel have joint control.

b. Transactions with related parties:

Related party transactions during the year comprised the payment of directors fees in the amount of $216,667, an accrual of $33,333 being remuneration to be issued in shares, and short-term benefits of $121,885 paid by Truscreen Pty Ltd to the interim CEO (2022: $204,486). See note 25 below.

In addition the Company paid a capital raising fee to Mr Kevin Ho, a relative of director Anthony Ho, in the amount of $11,763.

NOTE 23. CONTINGENT LIABILITIES

TruScreen devices are warranted to be free from defects and to conform to product descriptions and specifications for a period of one year from the date of original delivery of the TruScreen unit by the dealer or agent to the customer. It is possible that outflows in settlement could result from the warranty provided.

As no significant claims have been received to date, no provision has been made in these financial statements, and any future settlement is expected to be immaterial.

NOTE 24. EVENTS SUBSEQUENT TO REPORTING DATE

There have been no events subsequent to reporting date which would have a material effect on the Company's financial statements at 31 March 2023. As the Company's operations are in Sydney Australia, the Company was not impacted by the effects of Cyclone Gabrielle in 2023.

NOTE 25. KEY MANAGEMENT PERSONNEL COMPENSATION

The totals of remuneration paid to key management personnel (KMP) of the Group during the period are as follows:

	2023 $	2022 $
Short-term employment benefits – Directors fees[1]	216,667	250,000
Directors' fees accrued to be settled by the issue of shares[1]	33,333	-
Short-term employment benefits – Director's consulting fees[2]	121,885	204,486
Directors share based payments	-	65,500
Other key management personnel[3]		
Short-term employee benefits – Salary	431,187	333,721
Post-employment benefits – Superannuation	34,111	20,955
Share based payments	54,873	4,000
Total employment benefits	520,171	358,676
Total	892,056	878,662

[1] Directors' fees to the directors of the parent entity as follows:

Director	2023 $	2022 $
Anthony Ho	90,000	90,000
Christopher Horn	60,000	60,000
Juliet Hull	50,000	50,000
Dexter Cheung	50,000	50,000
	250,000	250,000

The directors' fees for 2023 include an amount of $33,333 in share based payments which has been accrued but yet to be settled through the issue of shares.

[2] Short-term benefits in the current year of $121,885 were paid by Truscreen Pty Ltd to the interim CEO (2022: $204,486).

[3] A further $38,960 (2022: $38,556) was paid to a company controlled by the Company Secretary, for accounting services.

RSM

NOTE 26. LICENCE COMMITMENTS

The Group has licence and service fee commitments in the amount of $109,129 (2022: $73,618) for premises which expires on 20 December 2023. However, this arrangement may be cancelled by either party with three months' notice.

RSM Hayes Audit
PO Box 9588
Newmarket, Auckland 1149
Level 1, 1 Broadway
Newmarket, Auckland 1023
T +64 (9) 367 1656
www.rsmnz.co.nz

Independent Auditor's Report

To the shareholders of TruScreen Group Limited

Opinion

We have audited the consolidated financial statements of TruScreen Group Limited and its subsidiaries (the group), which comprise:

- the consolidated statement of financial position as at 31 March 2023;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements on pages 24 to 54 present fairly, in all material respects, the financial position of the group as at 31 March 2023, and of its financial performance and its cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We are independent of the group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, 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.

Other than in our capacity as auditor, we have no other relationship with, or interests in, the group.

Material uncertainty related to going concern

We draw attention to Note 1a in the financial statements, which indicates that the group need to achieve forecast revenue growth and maintain its cost base and obtain additional funding (via capital raising or an alternative transaction) to finance its operations. As stated in Note 1a, these events or conditions, along with other matters explained in Note 1a, indicate that material uncertainties exist that may cast significant doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. The key audit matters identified below were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Revenue recognition

Why we considered this to be a key audit matter	How our audit addressed this key audit matter
Revenue is earned primarily from the sale of goods to customers in overseas jurisdictions as detailed in Note 6. With significant sales to customers located overseas and with a long lead time to delivery around year-end, there is a risk of recognition in the incorrect period or at an incorrect amount. As described in Note 1e to the financial statements, the group's revenue is recognised at a point in time when control of the goods has transferred to the customer, in accordance with the requirements of NZ IFRS 15 *Revenue from Contracts with Customers*. We consider revenue recognition to be a key audit matter due to the potential for significant sales to overseas distributors with a long lead time to delivery around year-end to be incorrectly recorded.	We performed testing on a sample basis to ensure that revenue had been recognised when the control of the product sold had been transferred to the purchaser, relative to the terms of trade, shipping and invoicing terms of the respective customers. We also ensured that the expectation of the recoverability of the revenue appeared appropriate given the nature and jursidiction of the customers. We further considered the terms of the related contracts with distributors and direct customers to evaluate the treatment of discounts provided and understand the extent of any related warranty obligations.

Research and development tax offset receivable

Why we considered this to be a key audit matter	How our audit addressed this key audit matter
The group obtains research and development tax offset payments from the Australian Taxation Office (ATO) in respect of eligible expenditure incurred towards research and development. The balance sheet includes a material receivable of $336,700 at 31 March 2023 for the year's research and development tax offset based on expenses incurred during the financial year, as detailed in note 1f. This receivable is based on an estimated calculation for the year to 31 March 2023, derived from the underlying accounting records. The company engages an expert to prepare the claim and related documentation, based on information provided by management. Judgement is required in assessing the appropriate amount of tax offset payments that are expected to be received, given the complexity of the rules and regulations surrounding the tax incentive payments. Given the significance of this balance, we consider this to be a key audit matter.	Our procedures included the following: ▪ We obtained evidence to support the overall eligibility for the research and development (R&D) activities related expenditure to be claimed, including the detailed calculations that support the amount recognised as a receivable. We utilised R&D tax incentive specialist from our Australian network firm to assist in our assessment of the eligibility of the proposed claim. ▪ We also assessed the group's history in lodging and successfully receiving claims in previous years. ▪ We evaluated the competencies and objectivity of management's external R&D advisor. ▪ We performed our tests of detail on the underlying records which included evaluating a sample of supporting documentation for employee and supplier costs included within the group's eligible R&D activities.

Other information

The directors are responsible for the other information included in the annual report. The other information comprises the reports and information on pages 4 to 22 and pages 59 to 68 (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. 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.

Responsibilities of the directors for the consolidated financial statements

The directors are responsible, on behalf of the group, for the preparation and fair presentation of the consolidated financial statements in accordance with New Zealand equivalents to International Financial Reporting Standards and International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, the directors are responsible on behalf of the group for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless those charged with governance either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 (NZ) 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. A further description of the auditor's responsibilities for the audit of the consolidated financial statements is located at the XRB's website at:

https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-1/

Who we report to

This report is made solely to TruScreen Group Limited's shareholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than TruScreen Group Limited and its shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Jason Stinchcombe.

RSM

RSM Hayes Audit 30 June 2023
Auckland

Governance

The Board and Executives of the Company are committed to conducting TruScreen's business ethically and in accordance with high standards of best practice corporate governance.

The Board will regularly review the Company's governance structures and processes to ensure they are consistent both in form, and in substance, with best practice and meet the requirements of being a listed company of the New Zealand Stock Exchange and the Australian Securities Exchange.

The primary objective of the Board is to build long-term shareholder value with due regard to other stakeholder interests. It does this by guiding strategic direction and context and focusing on issues critical for its successful execution.

TruScreen's Board Charter sets out the governance principles, authority, responsibilities and membership and operation of the Board of Directors. This governance statement outlines the main corporate governance practices as at 31 March 2023.

COMPLIANCE

The Company seeks to follow the best-practice recommendations for listed companies to the extent that it is appropriate to the size and nature of TruScreen's operations.

The best practice principles which the Company considers in its governance approach are the New Zealand Exchange (NZX) Listing Rules and the Australian Securities Exchange (ASX) Listing Rules relating to corporate governance, the New Zealand Exchange (NZX) Corporate Governance Best Practice Code, and the New Zealand Financial Market Authority's (FMA) Corporate Governance Principles and Guidelines (collectively the "Principles"), and the Australian Corporate Governance Council's principles and recommendations.

The structure of this section of the Annual Report reflects the requirements of the FMA's Guidelines. The Board's view is that the Company's corporate governance principles, policies, and practices do not materially differ from best practice 'Principles'.

The structure of the Company's FY2023 Annual report and Corporate Governance statement aligns to reflect the change to Foreign Exempt Listing status on the ASX.

The Company's constitution, the Board and Committee Charters, codes and policies referred to in this section are available on request or can be viewed on our website at www.truscreen.com.

GOVERNANCE PRINCIPLES AND GUIDELINES

PRINCIPLE 1 – CODE OF ETHICAL BEHAVIOUR

Directors observe and foster high ethical standards.

The Company expects its Directors, Officers, and Employees to act legally, to maintain high ethical standards, and to act with integrity consistent with TruScreen's policies, guiding principles and values. A Code of Ethics sets out these standards for Directors, Officers and Employees.

The Company has adopted policies to ensure it maintains high standards of performance and behaviour when dealing with the Company's customers, suppliers, shareholders and employees. Specific policies are in place relating to the environment, Privacy Act requirements, confidentiality of company information, conflicts of interest, complaints from stakeholders and trading in company securities.

Conflicts of Interest

Directors are expected both individually and collectively to act in accordance with TruScreen's Directors' Code of Ethics and to restrict involvement in other businesses that would likely lead to conflicts of interest. The Board maintains an Interest Register.

Where conflicts of interest arise, the Board policy is for the conflicted Director(s) to advise the Board and to absent themselves from the relevant discussions and related voting.

Trading in TruScreen Securities

On a continuing basis, the Board considers whether any matters under consideration are likely to materially influence the present or future market expectations of the Company, including the share value. It then determines whether there continues to be an 'open window' for share trading by Directors or Officers of the Company. The policy is for a specific declaration in respect of this matter to be made as appropriate. All proposed transactions need to be approved in line with the company's Security Trading Policy.

PRINCIPLE 2 - BOARD COMPOSITION AND PERFORMANCE

The Board has a written charter which sets out the roles and responsibilities of the Board. There is a balance of independence, skills, knowledge, experience and perspective among Directors that allows the Board to work effectively.

Board Size and Composition

The Board is comprised of Directors with a mix of qualifications, skills and experience appropriate to the Company's current business. As at 31 March 2023 there were 4 Directors on the board. All Directors act in a non-executive role. The Constitution provides for the Directors annually to elect one of their number as Chairperson of the Board.

A biography of each Board member is set out separately in the Directors Report section of the annual report and on the website.

The board also regularly reviews its composition to ensure it has the right skill set and composition to maximise the Company's performance, opportunities and strategic direction. The board has a procedure for assessing director performance annually.

GOVERNANCE PRINCIPLES AND GUIDELINES

Independence of Directors

For a Director to be considered to be independent the fundamental consideration in the opinion of the Board is that the Director be independent of the Executive and not have any relationship that For a Director to be considered to be independent the fundamental consideration in the opinion of the Board is that the Director be independent of the Executive and not have any relationship that could, or could be perceived, to interfere materially with the Director's exercise of his/her unfettered and independent judgment.

The matters that the Board considers in determining director independence are specified in the Board Charter. Having considered these matters and the composition of the Board, the Company considers the Directors hold an appropriate mix of skills, expertise and independence.

The TruScreen Board has reviewed which of its Directors are deemed to be independent in terms of NZX Listing Rules and has determined as follows:

Independent Directors: Anthony Ho, Christopher Horn, and Dexter Cheung;

Non-Independent Directors because Director was previously acting as Chief Executive Officer: Juliet Hull.

The Board therefore determines that the Board of TruScreen is comprised with an appropriate number of Independent Directors. Further, the Chairman and the Chairs of the Audit, Finance & Risk Committee and the Remuneration & Nomination Committee are independent directors.

In terms of the NZX and ASX listing rules, Juliet Hull and Dexter Cheung are ordinarily resident in New Zealand and Anthony Ho and Christopher Horn are ordinarily resident in Australia.

Responsibilities of the Board and Executive

The business and affairs of the Company are managed under the direction of the Board of Directors on behalf of shareholders. The Board's responsibilities include:

- appointment of the Chief Executive Officer and monitoring his/her performance;
- approval of the Company's objectives and values;
- active engagement in strategic direction formulation and review;
- approval of appropriate Company strategies and transactions involving merger, acquisition or divestment or other transactions of a material nature;
- review and approval of the Company's budgets and business plans and monitoring of progress;
- review of key risk identification processes and systems and monitoring the management of risks;
- approval and review of the overall policy framework within which the business of the Company is conducted including remuneration, financial reporting, compliance, effective internal controls, treasury management, insider trading, and market disclosure;
- monitor Management's performance with respect to these matters; and
- communicating and reporting to shareholders.

Responsibility for the day-to-day operations and administration is delegated by the Board to the Chief Executive Officer and the Senior Executive team within approved levels of authority. These delegations have been reviewed in the last three months.

GOVERNANCE PRINCIPLES AND GUIDELINES

Appointment and Retirement of Directors

The Board has a procedure for the nomination and appointment of Directors to the Board. All directors have a letter of appointment establishing the terms of their appointment.

At each annual meeting at least one third of the Directors (or the nearest whole number – which at the current time is one director) retire by rotation and are eligible to seek re-election at the annual general meeting, along with any appointments made since the previous annual meeting. Included in the notice of meeting, the board will provide guidance to shareholders as to whether the director who is seeking election or re-election is endorsed by the non-interested directors.

The company does not pay retirement benefits to any Director on retirement.

Board Processes

The Board has a regular meeting schedule complemented by regular electronic and telephone communication. The Board meetings and circular resolutions taken by the board are set out in the Directors Report.

Diversity Policy

The Company has a diversity policy which is on its website and reports annually, in the operations section of the annual report, relevant statistics.

PRINCIPLE 3 – BOARD COMMITTEES

The Board uses committees where this enhances the effectiveness in key areas while retaining board responsibility.

The Board operates 2 Committees to assist in the execution of the Board's duties – the Remuneration and Nomination Committee and the Audit, Finance & Risk Committee. Each Committee has a specific Charter. Committee members are appointed from members of the Board and membership is reviewed on an annual basis. All matters determined by committees are submitted to the full Board as recommendations for Board decision.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee comprises of Anthony Ho (chair) and Juliet Hull. The Committee recommends the remuneration policies and packages, including performance incentives for the Chief Executive Officer and the Senior Executive team. Independent advice is obtained as appropriate regarding remuneration levels and packages. Additionally, the Committee reviews: the performance of the Chief Executive Officer; succession planning for the Senior Executive team; succession planning for the Board; risk and compliance monitoring in relation to the human resources function of the Company; and the Company's performance in respect of responsible governance.

This Committee is also responsible for establishing and monitoring remuneration policies and guidelines for Directors which enable the Company to attract, retain and motivate Directors to contribute to the successful governing of the Company and create value for shareholders. External advice is considered in setting the Directors' fees which in aggregate are approved by shareholders.

The committee is also responsible for reviewing and ensuring compliance to all Health & Safety policies within the company to ensure employees, contractors and visitors are operating in a safe environment.

This Committee met once during the 12 months to 31 March 2023.

The Committee is satisfied that the Company, and the CEO, has implemented and continued to enforce a culture of Health and Safety compliance with all regulations in the countries in which the Company operates.

Audit, Finance & Risk Committee

The Audit, Finance & Risk Committee comprises of Christopher Horn (chair) and Dexter Cheung. The role of the Committee is to review the annual audit process, the financial and operational information provided to the stakeholders and others, to monitor the management of business risk to the organisation, and review the framework of internal control and governance which the Executive and the Board have established. The Chief Executive Officer and Chief Financial Officer are invited to attend meetings as appropriate. The Audit, Finance & Risk Committee met twice during the 12 months to 31 March 2023.

The Audit, Finance & Risk Committee also communicate with the Company's external auditors as and when deemed necessary by the Committee.

PRINCIPLE 4 – REPORTING AND DISCLOSURE

The Board demands integrity both in financial reporting and in the timeliness and balance of disclosure on entity affairs.

The Company is committed to ensuring integrity and timeliness in its financial reporting and in providing information to the market and shareholders which reflects a considered view on the present and future prospects of the Company.

Financial Reporting

The Audit, Finance & Risk Committee oversees the quality and integrity of external financial reporting including the accuracy, completeness and timeliness of financial statements.

It reviews half-yearly and annual financial statements and makes recommendations to the Board concerning accounting policies, areas of judgment, compliance with accounting standards, NZX and legal requirements, and the results of the external audit.

Management accountability for the integrity of the Company's financial reporting is reinforced by the certification from the Chief Executive Officer and Chief Financial Officer in writing that the Company's financial report presents a true and fair view in all material aspects.

Timely and Balanced Disclosure

Continuous disclosure obligations of NZX and ASX require all listed companies to advise the market about any material events and developments as soon as the Company becomes aware of them. The Company has policies and a monitoring program in place to ensure that it complies with these obligations on an on-going basis and ensures timely communication of material items to shareholders through NZX and ASX or directly as appropriate.

The Company makes available its governance policies and announcements on its website.

PRINCIPLE 5 – REMUNERATION

The remuneration of Directors and Senior Executives is transparent, fair, and reasonable.

Making sure team members get the rewards they deserve is the responsibility of the Remuneration and Nomination Committee, a committee of the Board. The Committee makes recommendations to the Board on salaries and incentive programs and more widely on human resource and people management issues.

Non-Executive Directors' Remuneration

The fees payable to the Non-Executive Directors are determined by the Board within the aggregate amount approved by shareholders. The Board considers the advice of independent remuneration consultants when setting remuneration levels. As at 31 March 2023 the current Directors' fee pool limit is NZ$300,000. Director remuneration is disclosed in the Annual Report.

Senior Executive Remuneration

The objective of the Senior Executive remuneration approach is to provide competitive remuneration aimed at: aligning executives' rewards with shareholders' value; achieving business plans and corporate strategies; rewarding performance improvement; and retaining key skills and competencies.

Senior Executives' remuneration is made up of: Salaries and Options as approved by the Board plus industry standard leave entitlements. Key executive remuneration is disclosed in the Annual Report.

Staff Remuneration

All staff other than Senior Executives are remunerated by salary plus industry standard leave entitlements. Currently no staff qualify to participate in a long term executive share scheme plan.

PRINCIPLE 6 – RISK MANAGEMENT

The Board regularly verifies that the entity has appropriate processes that identify and manage potential and relevant risks.

Business Risks

The Company has in place a risk management register to identify and address areas of significant business risk. The Company maintains insurance policies that it considers adequate to meet the insurable risks of the Company and Group. Exposure to any foreign exchange risk is managed in accordance with policies laid down by the Directors.

The Chief Executive Officer and Senior Executive team are required to identify the major risks affecting the business and to develop strategies to mitigate these risks. Where significant risks are identified, the policy is for the Board to be advised and to discuss, and for the Senior Executive to undertake prompt corrective action to mitigate and monitor the risk in line with established policies.

Health and Safety

The Chief Executive Officer acts as the Health and Safety Co-ordinator and reports to the Remuneration and Nomination Committee on Health and Safety issues. The Committee works with the Chief Executive Officer to identify workplace hazards and monitor and review compliance with the Company's documented occupational health and safety policies and procedures. Health and Safety reviews are routinely dealt with by the Board.

Chief Executive and Chief Financial Officers Assurance

The Chief Executive Officer and Chief Financial Officer have provided the Board with written confirmation that the Company's financial statements are founded on a sound system of risk management and internal compliance and control; and that all such systems are operating efficiently and effectively in all material respects.

Risk Monitoring

The Audit, Finance & Risk Committee reviews the Company's risk management policies and processes and the Senior Executive provides an updated risk assessment profile to each meeting of the Audit, Finance & Risk Committee. The Remuneration and Nomination Committee reviews human resource management risks.

PRINCIPLE 7 – AUDITORS

The Board ensures the quality and independence of the external audit process

Independence

To ensure the independence of the Company's external auditor is maintained, the Board has agreed the external auditor should not provide any services not permitted under International Federation of Accountants regulations. This is monitored by the Audit, Finance & Risk Committee.

External Auditor

TruScreen's external auditor is RSM Hayes Audit. RSM was appointed on 17 February 2020 and ratification of their appointment by the shareholders will be sought at the next Annual General Meeting in accordance with the provisions of the Companies Act 1993 (Act).

RSM will be invited to attend this year's annual meeting and will be available to answer questions about the conduct of their audit, TruScreen's accounting policies and the independence of the auditor.

PRINCIPLE 8 – SHAREHOLDER RIGHTS & RELATIONS

The Board fosters constructive relationships with shareholders that encourage them to engage with the company.

The Board ensures that all shareholders are informed of all information necessary to assess the Company's strategic direction and performance. They do this through a communication strategy which includes:

- periodic and continuous disclosure to NZX and ASX;
- information provided to media and briefings to major shareholders;
- half yearly and annual reports;
- regular investor updates;
- the annual shareholders meeting which is conducted in a very open manner in which a range of questions are considered;
- the Company's website;
- announcements through a range of social media platforms.

The Company ensures timely circulation of notices on annual or general meetings.

An updated view of the Company's strategic direction is a key presentation at the annual general meeting to encourage shareholder understanding of, and support of, the Company's strategies and goals.

The Company ensures that its shareholders are considered when seeking additional equity capital.

TOP TWENTY SHAREHOLDERS AS AT 2 JUNE 2023

Investor Name	Units	% Issued Capital
New Zealand Depository Nominee	44,911,302	10.78%
Consolidated Nominees Pty Ltd	29,539,900	7.09%
New Zealand Central Securities Depository Limited	20,597,038	4.94%
Masfen Securities Limited	18,832,978	4.52%
Ryan Peter Parkin	12,800,000	3.07%
Albert Nominees Limited	11,000,000	2.64%
Consolidated Nominees Pty Ltd	10,062,500	2.42%
Idl Trustee Limited	9,534,914	2.29%
Kevin Ho & Vikki Ho	7,303,409	1.75%
Lah Investment Co Pty Limited	6,618,660	1.59%
Melda Super Pty Ltd	6,000,000	1.44%
Custodial Services Limited	5,523,328	1.33%
Anthony Peng Ho & Chui Hoong Ho	5,340,000	1.28%
Forsyth Barr Custodians Limited	4,502,610	1.08%
Paul Vincent Gallagher	4,450,000	1.07%
David Russell Stewart & Adrienne Ruth Stewart	4,175,800	1.00%
Christopher & Marilyn Horn	3,635,053	0.87%
Caroline Robyn Ball & Christopher John Thomson Bush	3,478,681	0.83%
Forsyth Barr Custodians Limited	2,517,937	0.60%
Peng Cheong Ho	2,474,288	0.59%

ISSUED CAPITAL AS AT 2 JUNE 2023

TRU	416,642,008
Current Holders	2020

INVESTORS DOMICILE AS AT 2 JUNE 2023

Holders	
New Zealand	1321
Australia	690
Rest of World	9
Issued Capital	
New Zealand	309,547,681
Australia	103,514,039
Rest of World	3,580,288

INVESTOR RANGES AS AT 2 JUNE 2023

Range	Holders	Number	%
1-1000	39	15,458	0.00%
1001-5000	260	931,354	0.22%
5001-10000	349	2,893,781	0.69%
10001-50000	724	18,389,777	4.41%
50001-100000	221	16,940,901	4.07%
Greater than 100000	427	377,470,737	90.60%
	2020	416,642,008	100.00%

The Group had 843 unmarketable parcels as at 2 June 2023.

As at 2 June 2023 the Group had 5,000,00 unlisted options on issue (11 holders) exerciseable at NZ$0.10 per share with expiry date of 7 September 2024.

A better future for women's health starts here.

Australian Registered Office:

C/- TruScreen Pty Limited
Level 1, 1 Jamison Street
Sydney NSW 2000, Australia

Company Secretary
Guy Robertson
guyrobertson@truscreen.com

TruScreen Group Limited

C/- HLB Mann Judd Limited,
Level 6, Equitable House
57 Symonds Street, Grafton,
Auckland, New Zealand

E: info@TruScreen.com
T: +61 2 8999 3896

truscreen.com