

# TRUSCREEN GROUP LIMITED

## Preliminary Final Report Consolidated Financial Statements - Unaudited

Currency is New Zealand Dollars

For the Year Ended 31 March 2024

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**TRUSCREEN GROUP LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER**  
**COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2024**

	Note	2024	2023
		\$	\$
Revenue from the sale of goods	3	2,107,839	1,662,619
Other income	3	497,045	540,016
Product cost of goods sold		(1,416,070)	(1,202,628)
Employee benefit expenses and directors' fees		(792,513)	(876,849)
Other administration costs		(366,222)	(415,295)
Research and development expenses		(877,303)	(864,074)
Rent		(44,403)	(60,959)
Travel		(30,258)	(62,544)
Marketing and product approvals		(676,077)	(722,256)
Insurance		(139,414)	(139,633)
Shareholder relations and services		(201,937)	(155,664)
Provision for impairment plant and equipment		-	(49,700)
Provision for inventory obsolescence		(21,577)	-
Share based payments		(89,643)	(54,873)
<b>Loss before income tax</b>		<u>(2,050,533)</u>	<u>(2,401,840)</u>
Income tax expense		-	-
<b>Loss for the year</b>		<u>(2,050,533)</u>	<u>(2,401,840)</u>
<b>Other comprehensive income</b>			
<b>Item that may be reclassified subsequently to profit or loss</b>			
Exchange differences on translating foreign subsidiary operations		41,980	1,736
		<u>41,980</u>	<u>1,736</u>
<b>Total comprehensive loss for the year</b>		<u>(2,008,553)</u>	<u>(2,400,104)</u>
<b>Basic and diluted loss per share (cents)</b>	4	<u>(0.49)</u>	<u>(0.66)</u>

*The accompanying notes form part of these financial statements.*

**TRUSCREEN GROUP LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2024**

	Note	2024 \$	2023 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		2,728,036	2,160,468
Other receivables		489,336	370,602
Trade receivables		48,152	170,311
Inventories		491,254	563,441
Other current assets – prepayments		273,603	205,361
<b>TOTAL CURRENT ASSETS</b>		<u>4,030,381</u>	<u>3,470,183</u>
<b>NON-CURRENT ASSETS</b>			
Intangible assets		-	-
<b>TOTAL NON-CURRENT ASSETS</b>		<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>		<u>4,030,381</u>	<u>3,470,183</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		653,732	800,255
Provision for employee benefits		115,635	88,547
<b>TOTAL CURRENT LIABILITIES</b>		<u>769,367</u>	<u>888,802</u>
<b>NON-CURRENT LIABILITIES</b>			
Provision for employee benefits		29,080	39,357
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>29,080</u>	<u>39,357</u>
<b>TOTAL LIABILITIES</b>		<u>798,447</u>	<u>928,159</u>
<b>NET ASSETS</b>		<u>3,231,934</u>	<u>2,542,024</u>
<b>EQUITY</b>			
Issued capital	5	38,705,945	36,097,125
Share option reserve	5	234,456	144,813
Foreign currency translation reserve		(337,128)	(379,108)
Accumulated losses		(35,371,339)	(33,320,806)
<b>TOTAL EQUITY</b>		<u>3,231,934</u>	<u>2,542,024</u>

*The accompanying notes form part of these financial statements.*

**TRUSCREEN GROUP LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2024**

	Note	Share Capital \$	Accumulated Losses \$	Foreign Currency Translation Reserve \$	Option Reserve \$	Total \$
<b>Balance at 1 April 2023</b>		36,097,125	(33,320,806)	(379,108)	144,813	2,542,024
Loss for the year to 31 March 2024		-	(2,050,533)	-	-	(2,050,533)
Exchange differences on translating foreign subsidiary operations		-	-	41,980	-	41,980
<b>Total comprehensive income for the year</b>		-	(2,050,533)	41,980	-	(2,008,553)
<b>Transactions with owners, in their capacity as owners</b>						
Issue of shares – capital raise	5	2,651,316	-	-	-	2,651,316
Share issue costs	5	(127,079)	-	-	-	(127,079)
Share based payments		84,583	-	-	89,643	174,226
<b>Total transactions with owners</b>		2,608,820	-	-	89,643	2,698,463
<b>Balance at 31 March 2024</b>		<u>38,705,945</u>	<u>(35,371,339)</u>	<u>(337,128)</u>	<u>234,456</u>	<u>3,231,934</u>

	Note	Share Capital \$	Accumulated Losses \$	Foreign Currency Translation Reserve \$	Option Reserve \$	Total \$
<b>Balance at 1 April 2022</b>		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		-	-	1,736	-	1,736
<b>Total comprehensive income for the year</b>		-	(2,401,840)	1,736	-	(2,400,104)
<b>Transactions with owners, in their capacity as owners</b>						
Issue of shares		1,613,273	-	-	-	1,613,273
Share issue costs		(66,196)	-	-	-	(66,196)
Transfer from share based payments		-	306,000	-	(306,000)	-
<b>Total transactions with owners</b>		1,547,077	306,000	-	(306,000)	1,547,077
<b>Balance at 31 March 2023</b>		<u>36,097,125</u>	<u>(33,320,806)</u>	<u>(379,108)</u>	<u>144,813</u>	<u>2,542,024</u>

*The accompanying notes form part of these financial statements.*

**TRUSCREEN GROUP LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2024**

	Note	2024	2023
		\$	\$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash received from customers		2,273,035	1,790,550
Cash paid to suppliers and employees including GST		(4,521,699)	(4,483,553)
Cash received from research and development tax offset		371,240	627,982
Short-term lease payments not included in lease liability		(159,849)	(131,619)
Interest received		4,099	2,854
<b>Net cash used in operating activities</b>	6	<b>(2,033,174)</b>	<b>(2,193,786)</b>
<b>CASH FLOW TO INVESTING ACTIVITIES</b>			
Purchase of plant and equipment		-	(49,700)
<b>Net cash used in investing activities</b>		<b>-</b>	<b>(49,700)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		2,651,316	1,613,273
Share issue costs		(67,200)	(66,196)
Proceeds from borrowings		215,760	-
Repayment of borrowings		(215,760)	-
<b>Net cash from financing activities</b>		<b>2,584,116</b>	<b>1,547,077</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		550,942	(696,409)
Cash and cash equivalents at the beginning of the financial year		2,160,468	2,797,004
Effects of exchange rate changes on cash and cash equivalents		16,626	59,873
<b>Cash and cash equivalents at the end of the financial year</b>		<b>2,728,036</b>	<b>2,160,468</b>

*The accompanying notes form part of these financial statements.*

## **NOTE 1. MATERIAL ACCOUNTING POLICY INFORMATION**

### **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.

### **Basis of Preparation**

These financial statements have been prepared under the historical costs convention, modified by the revaluation of certain assets and liabilities.

The principal accounting policies adopted in the preparation of the financial report are unchanged from the Interim Financial Statements for the period ended 30 September 2023 and Annual Financial Statements for the year ended 31 March 2023. These policies have been consistently applied to all the periods presented, unless otherwise stated.

The financial statements have been rounded to the nearest dollar.

## **NOTE 2. 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:

- *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.

*The accompanying notes form part of these financial statements.*

## NOTE 2. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

- *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 a previous year.

Given the ongoing significant uncertainty associated with achieving revenue and profitability targets, the Directors have determined that the intangibles should remain fully impaired as at 31 March 2024.

- *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.

- *Provision for inventory obsolescence*

The Group carries inventory of parts for the manufacture of the TruScreen Ultra® cervical cancer screening device. The Company will write off parts which it no longer considers usable. The Group has made a general provision for inventory obsolescence.

- *Provision for warranty*

The Group will undertake recalibration of the TruScreen Ultra® on an ongoing basis during the warranty period. While the Group will continue to undertake research and development of the product, the TruScreen Ultra® is a mature and well tested product and the Group has determined on the basis of materiality that no warranty provision is necessary.

- *Share based payments*

The Group measures the cost of equity-settled transactions with directors, employees and distributors by reference to the fair value of the equity instruments at the date at which they are granted.

## NOTE 3. REVENUE

	2024	2023
	\$	\$
Sales revenue - sale of goods		
Wholesalers/distributors	1,703,049	1,415,542
Direct to customer	404,790	247,077
	<u>2,107,839</u>	<u>1,662,619</u>
<b>Other income</b>		
Research and development tax offset		
- Current year	463,192	345,901
- Prior year adjustment	31,203	31,143
	<u>494,395</u>	<u>377,044</u>
Interest received	2,650	3,303
Miscellaneous income	-	39,084
Foreign exchange gain	-	120,585
	<u>497,045</u>	<u>540,016</u>

*The accompanying notes form part of these financial statements.*

#### NOTE 4. EARNINGS PER SHARE

	2024	2023
<b>Basic and Diluted loss per share:</b>		
Net loss attributable to shareholders (\$)	(2,050,533)	(2,401,840)
Weighted average number of ordinary shares on issue	422,175,861	364,192,230
Basic and diluted loss per share (cents) (based on weighted average number of shares on issue)	<u>(0.49)</u>	<u>(0.66)</u>

#### NOTE 5. ISSUED CAPITAL

##### Ordinary Shares – Fully Paid

Group	2024	2024	2023	2023
	Number	\$	Number	\$
Balance at beginning of the year	416,642,008	36,097,125	362,866,253	34,550,048
Ordinary shares issued				
Share issue - placement	70,748,386	1,414,968	20,000,000	600,000
Share issue – rights issue	61,817,391	1,236,348	33,775,755	1,013,273
Share issue costs	-	(127,079)	-	(66,196)
Shares issued in lieu of fees to directors	1,383,331	34,583	-	-
Share issue – employee benefit	2,000,000	50,000	-	-
Balance at end of the year	<u>552,591,116</u>	<u>38,705,945</u>	<u>416,642,008</u>	<u>36,097,125</u>

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 132,565,777 shares at \$0.02 per share to raise \$2,651,316, before costs. The Company also issued 2,000,000 shares to the former CEO, Beata Edling, as part of her remuneration and 1,383,331 shares to directors in lieu of fees.

b. prior 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.

*The accompanying notes form part of these financial statements.*



**NOTE 6. CASH FLOW INFORMATION**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Reconciliation of cash flow from operations with loss after income tax</b>		
Loss for the period	(2,050,533)	(2,401,840)
Adjusted for:		
Impairment of non-current assets	-	49,700
Share based payment expense	89,643	54,873
Unrealised exchange difference arising from translating loss items at the date of transaction	15,473	(113,010)
Operating cash flows before working capital changes	(1,945,417)	(2,410,277)
Decrease in trade and other receivables	122,159	105,137
Decrease in goods and services taxes recoverable	12,590	2,880
Increase in prepayments	(68,242)	(26,092)
Decrease/(increase) in inventory	72,187	(66,553)
(Increase)/decrease in research and development tax offset	(131,323)	264,854
Decrease in trade and other payables	(111,939)	(7,120)
Increase/(decrease) in employee liabilities	16,811	(56,615)
<b>Net cash outflow from operating activities</b>	<u>(2,033,174)</u>	<u>(2,193,786)</u>

*The accompanying notes form part of these financial statements.*