



truscreen<sup>®</sup>

**a better future  
for women's health  
starts here**

# Annual Report 2024

TruScreen Group Limited

# 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

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## MANAGEMENT

### Martin Dillon

Chief Executive Officer

### Dr Jerry Tan

General Manager Commercial

### Edmond Capcelea

Chief Technology Officer

### Guy Robertson

Chief Financial Officer

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**A better  
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# Chairman's Letter

Dear fellow shareholders,

Financial year 2024 was a watershed year for our company. The years of clinical trials and evaluations culminated in national recognition of TruScreen device in China, Vietnam and Mexico. There were five significant milestones that will drive TruScreen's commercialisation journey for FY2025 and beyond.

They were,

- ✓ The endorsement by Chinese Obstetricians and Gynecologists Association (COGA) to include TruScreen technology in their Blue Paper guideline for the screening of cervical cancer in China.
- ✓ The inclusion of TruScreen technology by the Chinese Society for Colposcopy and Cervical Pathology (CSCCP) in their national guideline for the screening of cervical cancer for their members in China.
- ✓ The inclusion of TruScreen technology in the National Technical List of the Vietnamese Ministry of Health.
- ✓ Approval by Mexico's regulator, Cofepris for the use of TruScreen devices in the public health sector.
- ✓ Health insurance reimbursement approved by four major private health insurance companies in Saudi Arabia.

It is pleasing to report that the growing recognition by medical institutions across a broad range of markets has accelerated revenue growth in FY2024. TruScreen also improved on all operating metrics in FY2024 over FY2023.

A key market access initiative in FY2024 was the completion of a health economics study in several countries that TruScreen is in use. The study quantifies the public health benefits of our AI enabled opto-electrical technology-based real time, low-cost portable system, in reducing public health costs to the country. The model assists our distributors to demonstrate to regulators, the public health benefits for an active cervical cancer screening program.

Ongoing clinical validation of the TruScreen cervical cancer screening device has continued to demonstrate superior sensitivity and specificity in comparison to screening using LBC and HPV/DNA testing.

We continue with the strategy of seeding new markets to provide a pipeline of revenue growth for the medium term. Potential new markets include Kenya, Uzbekistan, Kazakhstan, Kyrgyzstan, Armenia, Belarus, Indonesia and other south-east Asian countries. The portability of TruScreen devices for primary cervical cancer screening, without the requirement for laboratory infrastructure, offers significant advantages in these markets.

Our improved FY2024 sales results were again driven by China which achieved 45% YOY growth. With the recent launch of TruScreen into the public Health Check clinics and initiatives into additional provinces, like Jiangsu province (85 million people), we are confident of further growth in the year ahead. The marketing benefits of our "made in China" devices, have also secured sales to public hospitals.

# Chairman's Letter

We congratulate our China distributor, Beijing Siweixiangtai Tech Ltd. Co (SWXT) on their performance and ongoing commitment to TruScreen.

All distributors have made significant progress in their markets as outlined in the operations report below, and we are well positioned for FY2025.

Reiterating, our TruScreen revenue model is to achieve recurring revenue from the sale of the consumable Single Use Sensor (SUS) for each screening test. The consumption of SUS is a function of the critical mass of installed and in use of our TruScreen screening devices. The pull through impact of SUS usage saw a higher rate of sales growth than devices. The focus of our distributors is the SUS pull through from each installed screening device.

TruScreen welcomed back Mr. Martin Dillion as CEO in March 2024 (previously CEO from 2014 to 2019). Martin previously established our global distribution network, launched the TruScreen Ultra2 device, knows the technology and our markets, and is well known to most of our distributors.

With the support of existing and new shareholders, we raised approximately \$2.65 million of growth capital, during the year, to fund our market expansion. We issued 132,565,777 shares at NZ\$0.02 per share. The focus remains firmly on achieving positive cashflow towards the latter part of FY2025. We will also continue to seek business opportunities that add value for shareholders.

The acorn that we planted in 2014 is well and truly growing to be an eventual oak tree.



**On behalf of the board, I thank our Team TruScreen, our shareholders, global distributors, suppliers, medical advisory and international expert groups, for their support as we continue our journey to make a difference to the elimination of cervical cancer by the end of the century.**

A handwritten signature in black ink, appearing to read 'Anthony Ho'.

**Anthony Ho**  
Non-Executive Independent Chairman

# Financial Results

NZ Dollars	FY24	FY23	FY24/FY23
Sales	2,107,839	1,662,619	26.8%
Revenue	2,604,884	2,202,635	18.3%
Net Loss	(2,050,533)	(2,401,840)	14.6%
Cash outflow from operating activities	(2,033,174)	(2,193,786)	7.3%
Cash and cash equivalents	2,728,036	2,160,468	26.3%

# 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



**Martin Dillon**  
Chief Executive  
Officer



**Dr. Jerry Tan**  
General Manager  
Commercial



**Edmond Capcelea**  
Chief Technology  
Officer



**Guy Robertson**  
Chief Financial  
Officer

# Operations Report

## 2024 HIGHLIGHTS



SUS unit sales up 25% on prior year

Major breakthrough in China with two peak organisations included **TruScreen** in their cervical cancer screening guidelines

Commercial operations commenced in **Saudi Arabia** and further progress in Zimbabwe

Achieved inclusion on the Vietnamese Ministry Of Health (MOH) approved Technical List

National regulator in **Mexico, Cofepris**, approved **TruScreen** for use in the public health sector

Developing new market opportunities in **Uzbekistan, Indonesia, and Africa**

Received the New and Innovative Technology Award from the Mother and Child Institute, Poland

Successful capital raise and appointment of new **Chief Executive Officer**

Sales up by 27%, led by SUS consumable sales increase of 25%.

# OPERATIONS REPORT

## COMMERCIALISATION



### CHINA

China, with its large population (including over 470 million screening aged women\*), growing middle class, key opinion leaders endorsement and government focus on women's health continues to be TruScreen's major market. China is the prime focus of the company's commercial and clinical activities.

China has two key professional bodies that guide medical practitioners and opinion for the screening and treatment of cervical cancer. They are the Chinese Obstetricians and Gynecologists Association (COGA) and the Chinese Society for Colposcopy and Cervical Pathology (CSCCP). During the year both bodies published guidelines endorsing TruScreen technology to their members for the screening of cervical cancer.

TruScreen was recognised in a COGA Blue Paper titled "Cervical Cancer Three Stage Standardized Prevent and Treatment. Blue Papers are the definitive position on leading edge developments in all industries in China and are recognised as an endorsement by the relevant peak body for adoption by its members.

The Blue Paper culminated from four years of research and collaboration by many experts in gynecology, including a number of leaders in the field, among them the past Chairman of The Chinese Obstetricians and Gynecologists Association (COGA) Professor Lang Jinhe, the newly appointed COGA Chairman Professor Di Wen, Chinese Society for Colposcopy and Cervical Pathology (CSCCP) Chairwomen Professor Wei Lihui, the head of Women and Children's Health Division of National Health Commission Xu Xiaochao, Secretary General of China Preventive Healthcare Association Zhang Lingli. The Blue Paper presents a consensus on the most successful and innovative technologies and methods to eradicate cervical cancer in China, in line with the World Health Organisation (WHO) strategy.

The Blue Paper highlighted TruScreen in a section "Artificial Intelligence Technology For Cervical Cancer Screening", describing its origin, substantial clinical trials, and the benefits of using TruScreen as a standalone primary cervical cancer screening method, which has demonstrated superior sensitivity and specificity in comparison to screening of LBC and HPV/DNA.

TruScreen technology was also endorsed in the CSCCP's China Cervical Cancer Screening Management Guideline, one of the most important specialist medical clinical guidelines for the management of cervical cancer.

CSCCP's new Guideline emphasized the role of new technology in a booming Chinese healthcare sector. The Guideline was based on extensive evidence supporting TruScreen clinical use world-wide and consultations with healthcare practitioners.

CSCCP is a member of IFCPC (The International Federation of Cervical Pathology and Colposcopy) which is dedicated to reducing cervical cancer worldwide. The CSCCP guideline is the clinical standard for doctors and healthcare providers and government bodies.

TruScreen's distributor Beijing Siweixiangtai Tech Ltd. Co (SWXT) conducted a marketing campaign for the inclusion of TruScreen in the CSCCP guidelines with sponsorship of their annual conference held in Tianjin on 10 to 12 May 2024. The conference was attended by 1,000 gynecologists from the country.

The Company believes that this recognition by these peak bodies has and will further accelerate TruScreen's growth in China.



# OPERATIONS REPORT

SWXT also commenced a major initiative in Jiangsu province, Eastern China with a population of 85 million people. TruScreen has installed and trained clinicians in the Affiliated Hospital of Nantong University, a major hospital in North Jiangsu. The hospital's head of Obstetrics and Gynecology is a key opinion leader in this region. We expect this hospital to be a major user of TruScreen technology.

Installation of TruScreen has commenced into the first four targeted Health Check clinics located in major hospitals across China. These clinics are intended to be the first point of contact for patients of screening age in China.

Capitalising on the key COGA and CSCCP endorsements and our Made in China status of our Osler version of the TruScreen device, our China business grew by 45% year on year. This growth was underpinned by 10 hospital tenders won by distributor SWXT, 25 hospitals where TruScreen has been approved and waiting for tender outcomes, and 72 hospitals where Obstetric and Gynecologic Department acceptance have been received and are waiting for the next stage of hospital approval.

The pipeline of installations detailed above and the increasing consumable use per TruScreen device in China have laid a platform for continued growth for the 2025 financial year.



## VIETNAM

During the year TruScreen was included on the Vietnamese Ministry Of Health (MOH) approved Technical List. This is a significant milestone enabling TruScreen to be used nationally from top level hospitals to community health centers. The MOH listing was based on extensive clinical evidence and positive feedback from local users at several levels of the public healthcare system, including Key Opinion Leaders from the leading Hanoi Obstetrics and Gynecology Hospital.

Changes were also announced to the medical device procurement regulations in Vietnam which remove the need for individual hospitals to seek prior central MOH approval for purchase. This dramatically shortens the medical device procurement process in Vietnam.

Our Vietnam distributor, Gorton Health Services (GHS), has deployed additional sales personnel to market TruScreen to major MOH hospitals, private clinics, and army hospitals in Vietnam. GHS has presented TruScreen at the Vietnam National Gynecologic Conference.

We expect Vietnam to become TruScreen's next major market after China, with installation into the first target hospitals to commence mid-2024, with a projected peak installation into hospitals in 2025.

# OPERATIONS REPORT



## INDONESIA AND SOUTH EAST ASIA

TruScreen, is launching into Indonesia, which has a screening population of over 90 million women\*. Our Indonesian agent, PT Mursmedic, has commenced the product registration for TruScreen. A key reference site in Jakarta has been identified and installation will happen when product registration is completed.

TruScreen is in negotiations with an experienced distributor, in Singapore, to commercialise our cervical cancer screening system in Singapore, Thailand, and Malaysia, with future expansion into other ASEAN nations.



## AFRICA – ZIMBABWE & KENYA

Cervical cancer remains a significant health risk to Zimbabwean women. With limited pathology services and no nationwide recall system for follow-up appointments, traditional screening methods such as cytology are not suitable for their population. TruScreen, which enable a 'see and treat' screening service, is ideally suited to fill the gap in Zimbabwe's women healthcare system.

In 2022 TruScreen commenced a government led initiative in Masvingo province to screen 10,500 women in 16 locations. This program, managed by the Zimbabwe National AIDS Council (NAC) and the Ministry of Health and Childcare has now screened over 14,000 women, and in November 2023 the program was again expanded and a further 10,800 disposable TruScreen Single Use Sensors (SUS) were shipped to Zimbabwe. TruScreen expects the program to expand beyond the Masvingo province in 2024/2025.

With Zimbabwe as an example of TruScreen's effectiveness as a solution to the screening of women in remote communities, TruScreen continues to discuss the screening of women in rural and regional Kenya with the International Cancer Institute (ICI). We are currently registering our product in Kenya through our logistics partner, Phillips Pharma, one of the leading medical products distributors in Sub Saharan Africa. Phillips Pharma support many of the major multinational Pharma and Medical Device companies, as well as Government and NGO clients. Leveraging our proven capability as a screening solution for women in Zimbabwe, TruScreen plans to work with Phillips Pharma initially in Kenya, and then to expand to other countries within their distribution network, being Nigeria, Uganda, Ghana and Tanzania.

# OPERATIONS REPORT



## SAUDI ARABIA

The Dr Sulaiman Al-Habib Medical Group (DSAMG), the largest private medical clinic and service provider in Saudi Arabia completed clinical evaluation of TruScreen in late FY 2023. In FY 2024 it has installed four TruScreen devices for commercial use for the screening of cervical cancer in Saudi Arabia. DSAMG is the largest private hospital network in the Middle East. The adoption of TruScreen's screening technology by DSAMG private hospitals is an important reference site for further market access in neighbouring Middle Eastern nations.

Following this success in the private health system, including gaining private health insurance reimbursement, our distributor Bettalife is working to have TruScreen accepted into the public healthcare system. TruScreen is being considered as a component, alongside other technologies for the National Screening solution for the 7 million women under public health care in Saudi Arabia.



## MEXICO

Mexico has approximately 65 million women of screening age, and Cervical cancer is the second most prevalent cancer amongst women. HPVcentre.net estimates that 9,400 women are diagnosed annually with cervical cancer with a very high mortality rate of 46% - 4,300 deaths.

For many years TruScreen was only selling to the private health system, but in FY2024 the national regulator, Cofepris has approved TruScreen for use in the public health sector. This allows TruScreen to expand its cervical cancer screening across the private health clinics and to the wider public health sector.

A 2020 census identified that only 2.3% of the population have private healthcare while 70.9% of the population accessed the public health system. The approval from Cofepris will enable our distributor in Mexico, Sunbird S.A de C.V., to capitalise on their work with key opinion leaders in Mexico to target the large public health market. Sunbird will focus initially on the public health sector of capital city region, Ciudad de Mexico, which has a population of approximately 10 million people\*. Mexico has recently elected its first female President.

\*women aged between 15 and 64 (CIA World Factbook)

# OPERATIONS REPORT



## RUSSIA AND CENTRAL ASIA

TruScreen's distributor in Russia, IntelMed Systems JSC (IMS), has expanded its marketing activity to include territories of Kazakhstan, Kyrgyzstan, Armenia and Belarus. This expansion in commercial scope follows the adoption of TruScreen by Medsi Group, Russia's leading healthcare chain.

In Uzbekistan, a country with over 11 million women of screening age\*, the Ministry of Health is considering TruScreen as a

technology partner to deliver a component of the Uzbekistan National Screening Solution for cervical cancer. This program is a first for Uzbekistan and being selected would be a transformative opportunity for TruScreen. Uzbekistan is also a major healthcare reference site for neighboring Central Asian nations.



## EASTERN EUROPE

TruScreen's commercialization program in Eastern Europe is focused on Poland, Serbia and North Macedonia. Poland continues to face significant challenges with cervical cancer. During the year, TruScreen was awarded the prestigious New and Innovative Technology by the Mother and Child Institute. TruScreen, in co-operation with the Mother and Child Institute and private and public hospitals has identified and shipped devices and SUS for use in the first hospital chain to switch from LBC to TruScreen. TruScreen will shortly commence the hospital validation phase in this hospital chain and further

commercial sales are expected on successful completion of this evaluation.

In North Macedonia TruScreen is being evaluated by a private medical clinic. When successful, TruScreen will replace Pap Smear in the clinic, which will then serve as a reference site for demonstration and training for future healthcare practitioners in southeastern Europe. This partnership marks a significant milestone as it would be TruScreen's first partner who is both a distributor and a key reference center.



\*women aged between 15 and 64 (CIA World Factbook)

# OPERATIONS REPORT

## MEDICAL AFFAIRS AND MARKET ACCESS

In FY2024, TruScreen made significant progress in enhancing clinical data generation, improving publication processes, and cultivating strategic partnerships with organizations at the forefront of cervical cancer screening. New clinical trials results from Saudi Arabia and Chinese COGA trial have been finalized and are scheduled to be published in FY2025.

TruScreen hosted its Second Annual Virtual Symposium during the year, attracting numerous registrants, with notable participation from Saudi Arabia, Mexico, Russia and Serbia. The symposium featured a range of presentations, including new clinical trial data. The event was chaired by Professor Michael Champion, Director of the Pre-invasive Unit at the Gynecological Cancer Center, Royal Hospital for Women, Sydney, Australia. The discussion panel included two members of TruScreen's International Experts Group. The symposium offered live audio and subtitle translation in 54 languages. The event was very well received by attendees, increasing Key Opinion Leader (KOL) awareness and education on clinical data, and creating networking opportunities between healthcare professionals, researchers, and company representatives.

The company works with the Medical Advisory Committee (MAC) and International Expert Group (IEG), ensuring effective communication, decision-making, and coordination among members. Comprehensive plans were created to align the activities and responsibilities of the MAC and IEG with organisational objectives. These include the finalisation of updated screening guidelines and screen and treat recommendations to be finalized in FY2025.

New partnerships with African markets are developed to continue clinical data collections to enhance the TruScreen algorithm. These innovations will improve sensitivity and specificity performance, broadening the demographic diversity of test results. The impact of the data will contribute to segmenting classification of lesions into subcategories.

A Health Technology Assessment of TruScreen was completed by global market access agency, Eversana, with the support of local Key Opinion Leaders via a cost-of-illness model. The models for Zimbabwe, Mexico and Poland were delivered and a Chinese model is being developed. These cost of illness models will improve our position in all markets by demonstrating the economic and human benefits of using TruScreen for the primary screening of cervical cancer. They demonstrate that the use of TruScreen at scale will achieve cost-savings and a reduction in mortality from cervical cancer within 10 years. TruScreen will use this data to engage with governments, healthcare decision makers and non-government organizations to discuss reimbursements of TruScreen in several countries.

# OPERATIONS REPORT

## CLINICAL RESULTS PUBLICATIONS

Year	Country	Investigator	No. of patients	Results (sensitivities, specificity)
1. 2024	China <sup>1</sup>	Dr Yang Yueming	489	TS: 76.2%, 72.2%; LBC: 48.5%, 94.8%; HPV: 93.9%, 34.7%
2. 2023	China <sup>2</sup>	Dr Liu Hang	997	TS: 88.24%, 58.76%; LBC: 47.06, 70.1%; HPV: 94.12%, 36.08%
3. 2023	China <sup>3</sup>	Dr Luo Lianmei	318	TS: 85.92%, 38.46%; LBC: 16.9%, 92.31%
4. 2022	China <sup>4</sup>	Dr Chen Zhenbo	476	TS: 73.18%, 84.52%; LBC: 62.69%, 90.46%
5. 2022	China <sup>5</sup>	Dr Zhu Bo	283	TS: 71.8%, 72.6%; Colposcopy: 69%, 62.3%
6. 2022	China <sup>6</sup>	Dr Zhao Yuqian	1319	TS: 87.2%, 70.5%; LBC: 73.9%, 43.4%; HPV: 92.3%, 17%
7. 2022	Australia <sup>7</sup>	Dr Jessica Vet	506	TS: 72%, 71%; LBC: 81%, 95%; HPV: 88%, 76%
8. 2021	China <sup>8</sup>	Dr Wei Yingting	458	TS: 83.78%, 78.86%; LBC: 72.97%, 55.58%; HPV: 89.19%, 50.59%
9. 2021	China <sup>9</sup>	Prof Chen Fei	974	TS: 90.9%, 75.5%; LBC: 82.5%, 44%; HPV: 98%, 10.2%
10. 2020	China <sup>10</sup>	Dr Huang Yi	683	TS: 75%, 85.8%; LBC: 39.58%, 45.98%

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7. Vet, J et al. APerformance Evaluation of an Optoelectronic Cervical Screening Device in Comparison to Cytology and HPV DNA Testing. Eur. J. Gynaecol. Oncol. 2022; 43(2): 213–218

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9. Chen, F et al. Clinical value of TruScreen in early diagnosis of cervical cancer and precancerous lesions: a hospital-based multicenter study. Chin J Practical GynecolObstet March 2021Vol37 No3

10. Huang Yi, Huang Ru, Liu Jiahua. Clinical Analysis of TruScreen and LBC in Cervical Cancer Screening. Fujian Med J, June 2020, V01. 42 No 3

# OPERATIONS REPORT

## CLINICAL RESULTS PUBLICATIONS CONTINUED

Year	Country	Investigator	No. of patients	Results (sensitivities, specificity)
11. 2020	China <sup>11</sup>	Dr Kang Yanan	192	TS: 96.67%, 70.19%; LBC: 76.67%, 53.38%; HPV: 96.67%, 19.55%
12. 2020	China <sup>12</sup>	Dr Wang Ziyao	301	TS: 96.3%, 46.4%; HPV: 59.3%, 74.1%
13. 2019	Henan/ China <sup>13</sup>	Dr. Baojin Wang	315	TS: 82.76%, 76.67%; LBC: 65.52%, 30.00%; HPV: 75.86%, 43.33%
14. 2019	Beijing/ China <sup>14</sup>	Dr. Wei Zhang	1030	TS: 91.0%, 81.25%; LBC: 69.6%, 73.75%
15. 2019	Herbei/ China <sup>15</sup>	Dr. Yanhong Jia	320	TS: 78.8%, 79.5%; LBC: 59.6%, 82.5%
16. 2018	Beijing/ China <sup>16</sup>	Dr. Huixia Yang	2730	TS: 76%, 69%
17. 2017	Mexico <sup>17</sup>	Dr. Ricardo Lua	521	TS: 78% (CIN2+) Cytology: 36% (CIN2+) HPV DNA: 56% (CIN2+)
18. 2016	Chongqing/ China <sup>18</sup>	Dr. Li Pei, Dr. Jin-sheng Wang	368	TS: 93.2%, 100%, Positivity rate 76% LBC: 75.0%, 64.7% Positivity rate: 55.7%
19. 2015	Turkey <sup>19</sup>	Dr. Özgü E	285	TS: 86%, 35%, NPV: 89% PPV: 28%
20. 2011	Poland <sup>20</sup>	Dr. Pruski	293	TS: 90%(CIN2+) Spec: 90% PPV: 63% NVP: 90%

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15. Yanhong Jia. The Clinical Effectiveness of Cervical Cancer Screening System TruScreen in Cervical Cancer Screening. Electronic Journal Of Practical Gynecologic Endocrinology. Nov. A. 2019 Vol.6, No.31

16. Huixia Yang, Xinmiao Zhang, et al. The diagnostic accuracy of a real-time optoelectronic device in cervical cancer screening A PRISMA-compliant systematic review and meta-analysis. Medicine (2018) 97:29

17. Ricardo Lua, et al. Comparison of an Optoelectronic Scan of the Cervix, Cervical Cytology and HPV Genotyping for CIN Screening. Journal of Lower Genital Tract Disease. Vol 21, Number 2, Supplement 1, April 2017.

18. Li Pei, Jinsheng Wang et al. Application Effect of TruScreen System in Cervical Cancer Screening.

19. Özgü E, Yıldız Y, Özgü BS, Öz M, Danişman N, Güngör T. Efficacy of a real time optoelectronic device (TruScreen™) in detecting cervical intraepithelial pathologies: a prospective observational study. J Turk Ger Gynecol Assoc. 2015;16(1):41-44. Published 2015 Mar 1. doi:10.5152/jtgga.2015.15199

20. Pruski, D., Przybylski, M., Kędzia, W. et al. Optoelectronic method for detection of cervical intraepithelial neoplasia and cervical cancer. Opto-Electron. Rev. 19, 478 (2011).

# OPERATIONS REPORT

## CLINICAL RESULTS PUBLICATIONS CONTINUED

Year	Country	Investigator	No. of patients	Results (sensitivities, specificity)
21. 2011	Guangdong/ China <sup>21</sup>	Dr. Li Xia	500	TS: 95%, 63% Pap: 80%, 76%
22. 2010	Guangdong/ China <sup>22</sup>	Dr. He Xiu-Kui	392	TS: 74%, 78% Pap: 42%, 93% TCT: 32%, 94%
23. 2010	Shandong/ China <sup>23</sup>	Prof Fengnian Rong	532	HPV DNA: 47%, 84% TS: 75%, 85% TCT: 43%, 98%
24. 2010	Korea <sup>24</sup>	Dr. Hyeong Soo Lim	292	TS: 82.8%, 81.4% LBC: 75.9%, 83.3%
25. 2009	Hubei/China <sup>25</sup>	Prof Ding Ma	302	TS: 87%, 75% Thin Prep: 75%, 92%
26. 2008	Poland <sup>26</sup>	Dr. Pruski	234	TS: 85%, 82%
27. 2003	UK/Aus <sup>27</sup>	Prof A. Singer	651	TS: 70%, 81%; Pap: 69%, 95%

21. LIXia, YE Qing et al. Clinical research on fluorescence microscopy technology combined with cervix pap smear in cervical cancer screening. IMHGN, November 2011, Vol. 17 No. 24

22. HE Xiu-kui, LUOXi-ping et al. An optoelectronic cervical cancer screening system for screening cervical cancer: comparison with cervical cytology. China Reproductive Health 2013,24(1):9-11

23. CUI Ying-ying, ZHANG Bei ,RONG Feng-nian. The application value of cervical cancer screening system and thinprep cytological test in the screening of cervical lesion during the women's health screenings.

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# OPERATIONS REPORT

## REGULATORY COMPLIANCE

TruScreen's key quality certification is the CE mark (EU approval) and to maintain this TruScreen must comply with the new European Medical Device Regulation (MDR), transitioning from the previous European Medical Device Directive (MDD). TruScreen has successfully completed the formal application process for MDR certification and obtained a formal regulatory extension notification, which ensures that the current CE Mark approval for the TruScreen ULTRA cervical cancer screening device remains valid for the duration of the transition period to the new Medical Device Regulation (MDR).

In our largest commercial market, China, medical device regulation is regulated by the NMPA. In the past year, TruScreen has completed and submitted an updated NMPA variation for our Chinese manufactured Osler device, which is in the final stages of approval.

TruScreen has also successfully undergone two Regulatory Surveillance audits by our quality auditor, TUV SUD, during this financial year. Pleasingly there were no identified non-conformances which is a testament to our Quality Assurance program.

In other markets, TruScreen has obtained formal registrations in Kazakhstan and Cofepris in Mexico (which gives TruScreen access to the public health sector in Mexico, including Government screening programs). TruScreen is undertaking the renewal or initial regulatory registration in Russia, Saudi Arabia, Serbia, Kenya, Indonesia and Uzbekistan.



# OPERATIONS REPORT

## 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 FY2024 the TruScreen team was 30% female, and 25% of the Board of Directors was female.

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

	Directors No.		Company Employees		Company Senior Managers		Total Organisation No.		Total Organisation %	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<b>Male</b>	3	3	2	3	2	2	7	8	70%	62%
<b>Female</b>	1	1	2	3	0	1	3	5	30%	38%
<b>Total</b>	4	4	4	6	2	3	10	13	100%	100%





Left to right: Chris Horn, Juliet Hull, Tony Ho, Dexter Cheung and Guy Robertson

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 2024. 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 Chair 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 several 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). He was previously chairman of Cannasouth Limited, Energy Transition Metals Limited, and Credit Intelligence Limited and a non-executive director of Hastings Technology Metals Limited.

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 the 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, member of Remuneration and Nomination 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.

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**Ms Juliet Hull | Non-Executive Director and member of the Remuneration and Nomination Committee and Audit, Finance and Risk 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 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).

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**Dr Dexter Cheung | Non-Executive Director and member of the Risk, Finance and Audit Committee and the Remuneration and Nomination 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
	2024	2023
Anthony Ho	8,893,333	5,820,000
Christopher Horn	5,381,228	3,635,053
Juliet Hull	24,000	24,000
Dexter Cheung	671,108	120,000

### Options

Director	Number of options	Number of options
	2024	2023
Anthony Ho	3,000,000	-
Christopher Horn	3,000,000	-
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.

# DIRECTORS' REPORT

## 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 2024.

### *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 year ended 31 March 2024 is detailed in the remuneration of directors and named executives section of this report on page 23.

# DIRECTORS' REPORT

## Remuneration of key management and personnel

### Senior manager and executive director remuneration

Remuneration consists of fixed remuneration, there are no performance incentives at this time. 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 2024

	Short-term Employee Benefits	Post Employment Benefits	Other	TOTAL
	Salary & Fees \$	Superannuation \$	Share Based Payments \$	
	2024	2024	2024	2024
Anthony Ho	90,000	-	20,687	110,687
Christopher Horn	60,000	-	20,687	80,687
Juliet Hull	50,000	-	-	50,000
Dexter Cheung	50,000	-	-	50,000
Beata Edling	206,235	20,438	48,269	274,942
Martin Dillon	21,577	-	-	21,577
Edmond Capcelea	194,195	21,092	-	215,287
Guy Robertson	89,487	-	-	89,487
	761,494	41,530	89,643	892,667

# DIRECTORS' REPORT

## Key management personnel remuneration for the year ended 31 March 2023

	Short-term Employee Benefits	Post Employment Benefits	Other	TOTAL
	Salary & Fees \$	Superannuation \$	Share Based Payments \$	
	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

### Options held by Directors and Key Management Personnel

During the year, 6,000,000 options were issued to Directors. 3,000,000 were issued to Anthony Ho and 3,000,000 were issued to Chris Horn. The options have an exercise price of NZ\$0.04 per share, and an expiry date of 15 July 2026.

During the year 7,000,000 options were issued to the Chief Executive Officer, Beata Edling. The options have an exercise price of NZ\$0.04 per share, and an expiry date of 15 July 2026. The options have since lapsed with the resignation of Beata Edling on 29 February 2024.

### Employees Remuneration

Five employees of the Group, not being directors, during the period ended 31 March 2024, 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
\$150,000 to \$160,000	1
\$190,000 to \$200,000	1
\$210,000 to \$220,000	1
\$270,000 to \$280,000	1



# DIRECTORS' REPORT

## 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	
	Attended	Eligible to Attend	Attended	Eligible to Attend
Mr Anthony Ho	8	8	-	-
Mr Christopher Horn	8	8	2	2
Ms Juliet Hull	8	8	2	2
Mr Dexter Cheung	8	8	2	2

The functions of the remuneration committee during the year were undertaken by the full board. In addition, one circular resolution was signed by the board during the year.

## Public Censure by the NZ Markets Disciplinary Tribunal

In a determination of the NZ Markets Disciplinary Tribunal (the Tribunal) dated 15 December 2023, the Tribunal found that Truscreen Group Limited breached NZX Listing Rule (Rule) 2.13.2(b).

NZ RegCo determined that Truscreen's Audit Committee had only two members between October 2020 and August 2023 instead of the requisite three, and fined the Company NZ\$25,000 and NZ\$5,000 in costs.

## Related party transactions with Directors

For related party transaction with Directors see note 19.

## Remuneration of Auditors

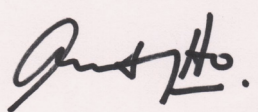
The following amounts are payable to the Company's auditors for the year ended 31 March 2024.

Auditor's remuneration – RSM Hayes Audit

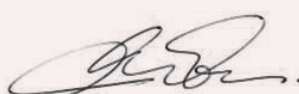
Fees for the audit of the financial statements \$87,000

End of Directors' Report

On behalf of the Board as at 4 July 2024



**Anthony Ho**  
Chairman



**Christopher Horn**  
Director


# Financial Statements & Independent Auditor's Report

for the year ended 31 March 2024

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# 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	6	2,107,839	1,662,619
Other income	6	497,045	540,016
Product cost of goods sold		(1,416,070)	(1,202,628)
Employee benefit expenses and directors' fees	7	(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>		<b>(2,050,533)</b>	<b>(2,401,840)</b>
Income tax expense	8	-	-
<b>Loss for the year</b>		<b>(2,050,533)</b>	<b>(2,401,840)</b>
<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
		41,980	1,736
<b>Total comprehensive loss for the year</b>		<b>(2,008,553)</b>	<b>(2,400,104)</b>
<b>Basic and diluted loss per share (cents)</b>	15	<b>(0.49)</b>	<b>(0.66)</b>

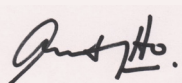
The accompanying notes form part of these financial statements.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

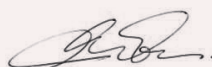
as at 31 March 2024

	Note	2024 \$	2023 \$
<b>Current assets</b>			
Cash and cash equivalents	9	2,728,036	2,160,468
Other receivables	10	489,336	370,602
Trade receivables	10	48,152	170,311
Inventories	11	491,254	563,441
Other current assets – prepayments		273,603	205,361
<b>Total current assets</b>		<b>4,030,381</b>	<b>3,470,183</b>
<b>Non-current assets</b>			
Intangible assets	13	-	-
<b>Total non-current assets</b>		<b>-</b>	<b>-</b>
<b>Total assets</b>		<b>4,030,381</b>	<b>3,470,183</b>
<b>Current liabilities</b>			
Trade and other payables		653,732	800,255
Employee benefits		115,635	88,547
<b>Total current liabilities</b>		<b>769,367</b>	<b>888,802</b>
<b>Non-current liabilities</b>			
Employee benefits		29,080	39,357
<b>Total non-current liabilities</b>		<b>29,080</b>	<b>39,357</b>
<b>Total liabilities</b>		<b>798,447</b>	<b>928,159</b>
<b>Net assets</b>		<b>3,231,934</b>	<b>2,542,024</b>
<b>Equity</b>			
Issued capital	14	38,705,945	36,097,125
Share option reserve	16	234,456	144,813
Foreign currency translation reserve		(337,128)	(379,108)
Accumulated losses		(35,371,339)	(33,320,806)
<b>Total equity</b>		<b>3,231,934</b>	<b>2,542,024</b>

On behalf of the Board as at 4 July 2024



**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 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	14	2,651,316	-	-	-	2,651,316
Share issue costs	14	(127,079)	-	-	-	(127,079)
Shares issued in lieu of fees	14	34,583	-	-	-	34,583
Shares issued as employee benefit	14	50,000	-	-	-	50,000
Options issued		-	-	-	89,643	89,643
<b>Total transactions with owners</b>		2,608,820	-	-	89,643	2,698,463
<b>Balance at 31 March 2024</b>		38,705,945	(35,371,339)	(337,128)	234,456	3,231,934

	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 to share based payments	16	-	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>		36,097,125	(33,320,806)	(379,108)	144,813	2,542,024

The accompanying notes form part of these financial statements.

# 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		(4,518,439)	(4,483,553)
Cash received from research and development tax offset	1(f)	371,240	627,982
Short-term lease payments not included in lease liability		(159,849)	(131,619)
Interest paid		(3,260)	-
Interest received		4,099	2,854
<b>Net cash used in operating activities</b>	18	(2,033,174)	(2,193,786)
<b>CASH FLOW TO INVESTING ACTIVITIES</b>			
Purchase of plant and equipment		-	(49,700)
<b>Net cash used in investing activities</b>		-	(49,700)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares	14	2,651,316	1,613,273
Share issue costs		(67,200)	(66,196)
Proceeds from borrowings	19	215,760	-
Repayment of borrowings	19	(215,760)	-
<b>Net cash from financing activities</b>		2,584,116	1,547,077
<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>	9	2,728,036	2,160,468

The accompanying notes form part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

## 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 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 \$2,050,533 (2023: \$2,401,840).
- net cash outflows from operating and investing activities of \$2,033,174 (2023: \$2,243,486)
- cash and cash equivalents at year-end of \$2,728,036 (2023: \$2,160,468)

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

## a. Going Concern (continued)

The Directors believe that it is reasonably foreseeable that the consolidated entity will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- the consolidated entity has cash and cash equivalents of \$2,728,036 as at 31 March 2024 and \$1,667,317 at 30 June 2024.
- the Company's tax advisors have completed the Australian Research & Development tax offset claim for FY2024 which should be received in August 2024 (refer note 10);
- the Group has the ability to reduce Research & Development costs, and continues to review and reduce its cost base where appropriate; and
- the ability to drawdown on a line of credit agreement from Anthony Ho, Director, of up to A\$300,000 described in note 21 to the financial statements. If drawn, this would then be secured over the Group's 2025 Australian Research & Development tax offset claim and repayable on the earlier of 15 months from the date of the agreement or upon the receipt of the Research and Development tax offset claim anticipated to be received in August 2025; and
- raise funds in the capital market if required, although it has no immediate intention to.

The Directors have undertaken a detailed cash flow forecast for the twelve months following the date of approval of this report. This forecast is based on growth in the China market and significant growth in a range of other markets, including Vietnam, Zimbabwe, Kenya, Mexico, Saudi Arabia, Russia and in Eastern Europe. The Group obtains expectations of future orders from each country distributor and then exercises judgment to significantly reduce these to what it believes is conservatively achievable in that market, based on a number of factors including historical performance, size of target market and ability to access public funding.

In the event that the forecast revenue is not achieved the forecast indicates that further funding may be required, either by way of draw down on the line of credit facility (see note 21), implementing cost reduction initiatives, or further successful capital raising required within twelve months from the date of this report.

The Board consider managing cash flow and working capital critical in successfully executing the strategies to achieve the business model of the Group. However, the Board accepts that there is material uncertainty in relation to any forecasts and in particular to the Group's ability to meet the forecast revenue growth, and this may cast significant doubt on the Group's ability to continue as a going concern.

If the going concern assumption is not valid, the consequence is that 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.



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

## b. Principles of Consolidation (continued)

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

## 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 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:

<b>Subsidiary</b>	<b>Country of Incorporation</b>	<b>Functional Currency</b>
Truscreen Pty Limited	Australia	Australian Dollar
Truscreen Ltd (UK)	UK	Great Britain Pound
TruScreen S. de R.L. de C.V.	Mexico	Mexican Peso

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

## **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 when the goods are dispatched from the Group's facility, or that of outsourced manufacturers. There is judgement required 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 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.

The Group's performance obligations are met by delivery of the product.

## **f. Other Income**

The Research and Development tax offset is receivable from the Commonwealth Government of Australia. Under the 43.5% refundable tax offset program, 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. 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 weighted average cost basis.

## **h. Plant and Equipment**

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

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.

## **i. 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.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

## **j. 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. In the current year all options vested immediately.

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.

Key terms of the share-based incentive plan include:

- each option entitles the holder on vesting to one share;
- no consideration is payable for the options;
- an employment or engagement period of one year is required prior to being eligible;
- the need to be employed or engaged at the time of vesting; and
- options are not transferable.

## **NOTE 2. ADOPTION OF NEW AND REVISED STANDARDS**

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

NZ IFRS 18 Presentation and Disclosure in Financial Statements is effective from 1 January 2027. The impact on Truscreen's Financial Statements has yet to be evaluated.

## **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 to 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 performance obligations have been satisfied under contracts.

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.
- Determining the point at which control of the goods has passed to the customer.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

- *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 impaired in the 2022 financial 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 (Note 13).

- *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 (Note 10).

- *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 provision for inventory obsolescence considering current usage levels of inventory and expected usage.

- *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. The fair value is determined using a Black-Scholes model, using the assumptions detailed in Note 16.

## **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 Material Accounting Policy Information.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

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	2024 \$	2023 \$
<b>Financial assets (held at amortised cost)</b>			
Cash and cash equivalents	9	2,728,036	2,160,468
Trade and other receivables			
Trade receivables subject to credit risk	10	48,152	170,311
<b>Total financial assets at amortised cost</b>		<b>2,776,188</b>	<b>2,330,779</b>
<b>Financial liabilities (held at amortised cost)</b>			
Trade and other payables		653,732	800,255
<b>Total financial liabilities at amortised cost</b>		<b>653,732</b>	<b>800,255</b>

## 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	
	2024 \$	2023 \$	2024 \$	2023 \$
USD	341,762	800,342	266,330	249,460
GBP	40,159	36,840	-	9,083
NZD <sup>1</sup>	5,012	1,069,756	-	-

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

## 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

	2024 \$	2023 \$
USD	7,542	55,088
GBP	4,016	2,776
NZD <sup>1</sup>	(501)	(106,975)

<sup>1</sup> 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 or at fixed rates for periods of time of less than 6 months, 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:

- 3.85% of NZ\$168,436 (2023: .06 – 3.1% of NZ\$295,506) on cash held in AUD.
- Nil% of NZ\$2,225,294 (2023: Nil% of NZ\$1,197,556) on cash held in NZD.
- 0.50% of NZ\$40,159 (2023: Nil of NZ\$36,840) on cash held in GBP.
- Nil of NZ\$293,602 (2023: Nil of NZ\$630,031) on cash held in USD.

The interest rate risk on bank balances is minimal as the value of interest earned is not material and unlikely to become so.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

## 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

	2024	2023
Note	\$	\$
<b>Cash at bank</b>		
S&P short term rating A-1+	2,687,332	2,123,093
S&P short term rating A-1	40,159	36,840
9	<u>2,727,491</u>	<u>2,159,933</u>

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 2024 amounted to \$48,152 (2023: \$170,311) refer to Note 10.

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

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

## 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
<b>Group 2024</b>	\$	\$	\$	\$
Trade and other payables	653,732	653,732	653,732	-

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

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

Additional liquidity was temporarily provided and repaid during the 2024 financial year by way of an advance from a Director Anthony Ho, as detailed in Note 19b. Subsequent to balance date, a line of credit agreement has been entered into which provides the Group with access to up to A\$300,000 as detailed in Note 21.

### (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.



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

## NOTE 5. SEGMENT INFORMATION

The Group operates in one operating segment. It manufactures and distributes 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:

	2024 \$	2023 \$
<b>Information about products and services</b>		
Total Revenues from external customers	2,107,839	1,662,619
<b>Information about geographical areas</b>		
Foreign country:		
Mexico	-	59,536
China	1,649,036	1,140,297
Russia	-	122,809
Vietnam	-	78,971
Zimbabwe	404,790	247,077
Eastern Europe	-	5,315
MENA (Middle East/North Africa)	54,013	-
Others	-	8,614
	2,107,839	1,662,619

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

The following customers contributed more than 10% of the Group's revenue for the years ended 31 March 2024 and 31 March 2023:

### Domicile of Customer

	2024		2023	
	\$	%	\$	%
China	1,649,036	78	1,140,297	69
Zimbabwe	404,790	19	247,077	15

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

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

## NOTE 6. REVENUE

	2024 \$	2023 \$
<b>Sales revenue - sale of goods<sup>1</sup></b>		
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 <sup>2</sup>		
- 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>

1 For a geographical breakdown of revenues see note 5. Control 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).

## NOTE 7. EXPENSES

	2024 \$	2023 \$
Loss before income tax includes the following specific expenses:		
<b>Employee benefits expense*</b>		
Wages and salaries	404,852	556,663
Staff superannuation – defined contribution plan	100,898	108,891
Annual leave	25,016	(52,230)
Long service leave	(10,967)	(4,586)
Directors fees	22	250,000
Other employee related	22,714	18,111
	<u>792,513</u>	<u>876,849</u>

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

\*Employee expenses of \$546,317 (2023: \$603,207) are included within research and development.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

	2024 \$	2023 \$
<b>Administration and other operating expenses include:</b>		
Audit fees		
Fees for audit of financial statements for the year ended 31 March – RSM Hayes Audit	87,000	81,800
Total remuneration of auditors	87,000	81,800

## NOTE 8. INCOME TAX EXPENSE

	2024 \$	2023 \$
Loss for the year	(2,050,533)	(2,401,840)
Prima facie income tax saving using the applicable country's tax rate 28% (2023 :28%)	574,149	672,515
Impact of variation in foreign tax rates (25.0% for Aus.; 19% for UK) (2023 : 25% for Aus.; 19% for UK)	(56,408)	(69,829)
Expenses not deductible for tax in the current period:	(163,913)	(180,223)
Not recognised as a deferred tax asset	(353,828)	(422,463)
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.

	2024 \$	2023 \$
Deductible/(non-deductible) temporary difference:		
Foreign exchange losses	170,295	173,222
Other timing differences	315,555	278,318
	485,850	451,540
Unused tax losses	17,663,178	15,088,746
Total	18,149,028	15,540,286

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.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

## NOTE 9. CASH AND CASH EQUIVALENTS

	2024 \$	2023 \$
Cash on hand	545	534
Cash at bank	2,727,491	2,159,933
	2,728,036	2,160,468

Cash at bank is earning interest at a floating rate at the reporting date it ranged from 0% to 3.85% (2023: 0% to 3.1%). Cash at bank is at call.

## NOTE 10. TRADE AND OTHER RECEIVABLES

	2024 \$	2023 \$
<b>Other receivables</b>		
Research and development tax offset	468,024	336,700
GST receivable	21,312	33,902
	489,336	370,602

Refer to Note 6 regarding income from the research and development tax offset.

	2024 \$	2023 \$
<b>Trade receivables</b>		
Trade receivables subject to credit risk	48,152	170,311
Less provision for uncollectible amounts	-	-
	48,152	170,311

No interest is charged on trade receivables. The Group normally requires cash on delivery. In exceptional circumstances the Group has extended credit. The aging analysis of trade receivables past due is as follows:

### Consolidated

#### Group

	Days Overdue				
	1 – 60 days \$	90 – 180 days \$	Over 180 days \$	Total past due \$	Within terms \$
<b>2024</b>					
Trade receivables subject to credit risk	42,673	5,479	-	48,152	-
<b>2023</b>					
Trade receivables subject to credit risk	170,311	-	-	170,311	-

No collateral is held over trade receivables.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

## NOTE 11. INVENTORIES

	2024 \$	2023 \$
Finished goods at cost	85,646	168,055
Work in progress at cost	427,410	395,386
Work in progress – provision for obsolescence	(21,802)	-
	<u>491,254</u>	<u>563,441</u>

## NOTE 12. INTERESTS IN SUBSIDIARIES

Subsidiaries of the Group were:

Name of Subsidiary	Principal Place of Business	Ownership Interest held by the group	
		2024	2023
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 2024 and 2023 TruScreen Ltd (UK) made no sales.

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

## NOTE 13. INTANGIBLE ASSETS

At 31 March 2022, the Directors undertook a comprehensive Impairment Review ("Review") of the intangible assets belonging to the Company. This Review was undertaken in compliance with NZ IAS 36 Impairment ('IAS 36') and its detailed specifications with the assistance of an independent consultant. This resulted in a provision for impairment of \$4,893,861 being recorded for intellectual property, and \$1,976,906 being recorded for development costs.

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 2024, a number of the risks assessed of not meeting forecast device and SUS sales in future years ahead, including the ongoing Ukraine/Russia conflict remain, and the ability to rapidly increase sales in developing markets.

Given the significant uncertainties outlined above, the Directors have resolved to retain the full provision for the carrying value of the intangible assets as at 31 March 2024.

In the event that the uncertainties referred to above are resolved, the Group achieves its 2025 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.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

## NOTE 14. ISSUED CAPITAL

### a) Ordinary Shares – Fully Paid

Group	2024 Number	2024 \$	2023 Number	2023 \$
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	552,591,116	38,705,945	416,642,008	36,097,125

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 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.

## NOTE 15. EARNINGS PER SHARE

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

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

## NOTE 16. SHARE BASED PAYMENTS

### Options

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

Group	2024		Weighted Average Exercise Price	2023		Weighted Average Exercise Price
	#	\$		#	\$	
Options on issue at start of year	5,000,000	144,813	10.0c	14,000,000	450,813	13.9c
Options issued	13,000,000	89,643	4.0c	-	-	N/A
Options lapsed	-	-	N/A	(9,000,000)	(306,000)	15.0c
Options on issue and exercisable at the end of the year	18,000,000	234,456	5.7c	5,000,000	144,813	10.0c

Of the options on issue:

- 18,000,000 had vested and were exercisable at 31 March 2024.
- 5,000,000 of these have an exercise price of NZ\$0.10 per share, and an expiry date of 7 September 2024.
- 13,000,000 of these have an exercise price of NZ\$0.04 per share, and an expiry date of 18 July 2026.

In the prior year, 9,000,000 options lapsed with an exercise price of 15 cents and expiry date 27 August 2022.

Options have been valued using the Black & Scholes model using the following variables:

	Options Issued in FY2022	Options Issued in FY2024
Number issued	5,000,000	13,000,000
Share price at date of valuation	\$0.063	\$0.024
Exercise price	\$0.10	\$0.04
Risk free government bond rate	0.036%	4.07%
Option period	3 years	2.73 years
Share price volatility	100%	64%
Value per option	NZ\$0.0164	NZ\$0.0069

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

## NOTE 17. 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, distributors and Directors but not yet exercised or lapsed.

## NOTE 18. CASH FLOW INFORMATION

	2024 \$	2023 \$
<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
Provision for inventory obsolescence	21,577	-
Share based payment expense	89,643	54,873
Unrealised exchange difference arising from translating loss items at the date of transaction	(6,104)	(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>	<b>(2,033,174)</b>	<b>(2,193,786)</b>



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

## NOTE 19. RELATED PARTY TRANSACTIONS

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

*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 22 – Key Management Personnel Compensation.

### b. Transactions with related parties:

Transactions with Directors related to the payment of Directors fees in the amount of \$250,000, and the issue of 6,000,000 options (3,000,000 to Anthony Ho and 3,000,000 to Christopher Horn), with an expense of NZ\$41,374.

In February 2024, the Group received a loan of NZ\$215,760 from Anthony Ho, a director of the Company. The loan was unsecured and incurred interest at a rate of 15% per annum. The loan was repaid in full on 20 March 2024, together with interest of \$3,260.

The Company exchanged NZ\$299,349 for A\$278,746 in two transactions with Anthony Ho at the prevailing exchange rates at the time of the exchange.

In addition, a capital raising fee is payable to Mr Kevin Ho, a relative of director Anthony Ho, in the amount of \$16,960 (2023: \$11,763).

Subsequent to year end the Company executed a Line of Credit facility agreement with a Director Anthony Ho, in the amount of A\$300,000, secured by the FY2025 Research and Development Tax Offset Claim. The facility expires fifteen months from 1 July 2024.

### Payable to related parties

At balance date, the following amounts were due to related parties:

	2024 \$	2023 \$
Anthony Ho	22,500	-
Kevin Ho	16,960	11,763
Christopher Horn	15,000	-
Dexter Consultants Limited	14,375	3,594
Integrated CFO Solutions	25,426	10,743
<b>Total current liabilities</b>	<b>94,261</b>	<b>26,100</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

## NOTE 20. 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.

The Group has a minimum contractual volume commitment for the production of single use sensors for the next two financial years. Whilst the Group has every expectation of meeting this minimum order requirement, a shortfall payment could become payable if this were not to be met.

## NOTE 21. EVENTS SUBSEQUENT TO REPORTING DATE

The Group signed a new premises lease effective 1 July 2024 for a period of three years with an annual rental of \$135,419.

The Group has executed a line of credit agreement with director Anthony Ho dated 30 June 2024. Key terms include:

- A facility of A\$300,000 able to be drawn in multiples of A\$100,000.
- The facility is to be secured against the expected Research and Development Tax offset claim for the 31 March 2025 financial year.
- If drawn upon, repayment is required within 15 months of the date of the agreement or alternatively settled when the 31 March 2025 Research and Development Tax offset claim is received.
- The facility will incur a line fee of 1%, and additionally bears interest on any drawn portion at 15% per annum (which is to be paid upon repayment of the facility.)
- In the event of default (including insolvency of the Group, or misrepresentation by the Group), payment of all principal and interest would also become due immediately.

Other than as outlined above there have been no events subsequent to reporting date which would have a material effect on the Group's financial statements at 31 March 2024.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

## NOTE 22. KEY MANAGEMENT PERSONNEL COMPENSATION

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

	2024 \$	2023 \$
Short-term employment benefits – Directors fees <sup>1</sup>	250,000	216,667
Directors' fees accrued to be settled by the issue of shares <sup>1</sup>	-	33,333
Short-term employment benefits – Director's consulting fees <sup>2</sup>	-	121,885
Directors share based payments	41,374	-
Other key management personnel <sup>3</sup>		
Short-term employee benefits	511,494	431,187
Post-employment benefits – Superannuation	41,530	34,111
Share based payments	48,269	54,873
Total employment benefits	601,293	520,171
Total	892,667	892,056

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

	2024 \$	2023 \$
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

2 Short-term benefits in the current year of \$nil were paid by Truscreen Pty Ltd to an interim CEO (2023: \$121,885).

The director fees for 2023 include an amount of \$33,333 in share-based payments which were accrued in 2023 and settled by way of share issue in 2024.

3. A further \$44,414 (2023:\$38,960) was paid to a company controlled by the Company Secretary, for accounting services.

## NOTE 23. COMMITMENTS

The Group has commitments in the amount of \$38,194 (2023: \$109,129). This relates to premises which were originally expected to expire on 20 December 2023, but were renewed to 20 June 2024.

## 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 2024;
- 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 material accounting policy information.

In our opinion, the consolidated financial statements on pages 27 to 51 present fairly, in all material respects, the financial position of the group as at 31 March 2024, 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 states that the group has incurred a loss of \$2,050,553 (2023: \$2,401,840) for the year ended 31 March 2024, and incurred operating and investing cash outflows of \$2,033,174 (2023: \$2,243,486), and at balance date had cash and cash equivalents of \$2,728,036 (2023: \$2,160,468). As at 31 March 2024, the Group's accumulated losses amounted to \$35,371,339 (2023: \$33,320,806). As stated in Note 1a, these events or conditions, along with other matters explained in Note 1a, indicate that a material uncertainty exists 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 two 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

Revenue is earned primarily from the sale of goods to customers in overseas jurisdictions as detailed in notes 5 and 6 to the financial statements.

As described in Note 1e to the financial statements, the group's revenue is recognised at the 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*. There is a risk that revenue could be recognised at an incorrect point in time or at an incorrect amount.

Given the significance of revenue to the financial statements, we consider revenue recognition to be a key audit matter.

#### How our audit addressed this key audit matter

Our procedures in relation to revenue recognition included:

- Understanding the processes and evaluating the related controls implemented by the group over revenue recognition, including completeness, accuracy and occurrence of the recorded revenue transactions; and
- Performing tests of detail, on a sample basis, to ensure that revenue had been recognised when the control of the products had been transferred to the customer, consistent with the customers' terms of trade and shipping documentation.

We further considered the terms of the related contracts with customers to evaluate the appropriateness of the accounting policies adopted, and understand the extent of any related warranty obligations.

We also evaluated the disclosures provided in relation to revenue and customers in notes 5 and 6 to the financial statements.



## Research and development tax offset receivable

### Why we considered this to be a 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 \$468,024 at 31 March 2024 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 2024, derived from the underlying accounting records. The group engages an advisor 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.

### How our audit addressed this key audit matter

Our procedures included the following:

- We obtained evidence to support the research and development (R&D) related expenditure to be claimed in relation to eligible activities, including the detailed calculations that support the amount recognised as a receivable. We utilised R&D tax incentive specialists 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 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 25 and pages 56 to 66 (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.

A stylized, handwritten-style signature of 'RSM' in blue ink.

**RSM Hayes Audit**  
Auckland

4 July 2024



## 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. They guide and monitor the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

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 2024.

### 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 ASX 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 FY2024 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](http://www.truscreen.com).



# GOVERNANCE

## **GOVERNANCE PRINCIPLES AND GUIDELINES**

### **PRINCIPLE 1 – ETHICAL STANDARDS**

Directors observe and foster high standards of ethical behaviour and hold management accountable for delivering these standards throughout the Company.

The Company expects its Directors, Officers, contractors, consultants 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, and is also available on the Company's website. The Code of Ethics covers key areas including:

- Care and compliance
- Acting honestly and ethically
- Acting in the Company's best interests
- Conflicts of interest
- Use of knowledge and information
- Gifts, entertainment, and benefits
- Standards of behaviour

The Company has adopted policies to ensure it maintains high standards of performance and behaviour when dealing with the Company's customers, suppliers, shareholders, employees, contractors, and consultants.

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 or not 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.

# GOVERNANCE

## 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 2024 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.

### **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 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, Juliet Hull and Dexter Cheung;

The Board therefore determines that the Board of TruScreen is comprised with an appropriate number of Independent Directors. Further, the Chairperson 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 or equivalent and other senior executives and the determination of their terms and conditions including remuneration and termination;
- driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance;
- reviewing and ratifying systems of risk management and internal compliance and control, Codes of Conduct and legal compliance;
- approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;

# GOVERNANCE

## PRINCIPLE 2 - BOARD COMPOSITION AND PERFORMANCE (CONTINUED)

- approving and monitoring the budget and the adequacy and integrity of financial and other reporting; and
- ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making.

The Board meets on a regular basis to review the performance of the Company against its goals both financial and non-financial. In normal circumstances, prior to the scheduled board meeting, each board member is provided with a formal board package containing appropriate management and financial reports.

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.

### **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.

Information about a candidate standing for election or re-election as a director is provided to shareholders to enable them to make an informed decision on whether or not to elect or re-elect the candidate. This information may include:

- biographical details, including relevant qualifications, experience and skills;
- details of other material public company directorships;
- a statement regarding whether the director qualifies as independent;
- any material adverse information or potential conflicts of interest, position or association;
- the term of office currently served (for directors standing for re-election); and
- a statement whether the board supports the election or re-election of the candidate.

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.

# GOVERNANCE

## 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***

All Directors are members of the Remuneration Committee. 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 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 and Safety policies within the company to ensure employees, contractors and visitors are operating in a safe environment.

The Committee, which function was discharged by the full board, met twice during the 12 months to 31 March 2024.

The Committee is satisfied that the Company, and the Chief Executive Officer, 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), Dexter Cheung, and Juliet Hull. The committee is comprised of three non-executive directors, all are independent. One Director, Christopher Horn, is a qualified accountant. The chair of the committee is different to the Chairperson of the Board and has no relationship to the external auditor.

The role of the Committee is to oversee and monitor the annual audit process, ensure appropriate financial and operational information is provided to stakeholders, to monitor the management of business risk to the organisation, review the framework of internal control and governance which the Executive and the Board have established, and to promote integrity and transparency in financial reporting. 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 2024.

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

# GOVERNANCE

## PRINCIPLE 4 – REPORTING AND DISCLOSURE

The Board demands integrity in financial reporting, non-financial reporting, and in the timeliness and balance of corporate disclosures.

The Company is committed to ensuring integrity and timeliness in its financial reporting, non-financial reporting, and in providing information to the market and shareholders which reflects a considered view on the present and 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 material 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.

### **Non-financial Reporting**

The Group does not produce any non-financial reports given a very small workforce and low impact small assembly manufacturing operations.

The Board considers the appropriate level of non-financial reporting, considering the interests of stakeholders and material exposure to environmental, social and governance (ESG) factors. The Board maintains an effective system of internal control for reliable non-financial reporting through the same policies, procedures, and controls as financial reporting.

The Company's code of ethics, code of conduct, board and committee charters, and other governance documents are available at [www.truscreen.com/governance](http://www.truscreen.com/governance).

### **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.

The remuneration details of non-executive directors and senior executives are set out in the Remuneration Report that forms part of the Directors' report.

# GOVERNANCE

## PRINCIPLE 5 – REMUNERATION (CONTINUED)

### ***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 2024 the current Directors' fee pool limit is NZ\$300,000. All benefits or incentives paid to Directors are included as part of the disclosures in the Remuneration Report. Non-executive directors' remuneration is paid as fees. Retirement payments are not provided, other than superannuation.

### ***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.

The performance of senior executives is measured against criteria agreed annually and bonuses and/or incentives are linked to predetermined performance criteria and may, with shareholder approval, include the issue of shares and/or options.

### ***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 maintains a risk management register to identify and address areas of significant business risk and to manage steps being taken to manage them. The Chief Executive Officer and Senior executive team are required to identify the significant risks affecting the business, their likelihood, their potential impact, and steps take to manage each significant risk. The Board receives and reviews risk register, and risk management plan on an annual basis. Risk is also a standing item on the agenda of board meetings, for reporting against identified material business risks.

The Company also 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 endorsed by the Directors.

# GOVERNANCE

## PRINCIPLE 6 – RISK MANAGEMENT (CONTINUED)

### **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 audit process, TruScreen's accounting policies, and the independence of the auditor.

The Audit, Finance & Risk Committee meets with and receives regular reports from the external auditors concerning any matters that arise in connection with the performance of their role, including the adequacy of internal controls.

# GOVERNANCE

## PRINCIPLE 8 – SHAREHOLDER RELATIONS AND STAKEHOLDER INTERESTS

The Board fosters constructive relationships with shareholders and stakeholders that encourages them to engage with the company.

The Board aims to ensure 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.

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.





# SHAREHOLDER INFORMATION

## TOP TWENTY SHAREHOLDERS AS AT 5 JUNE 2024

	Holder Name	Holding	% Issued Capital
1	New Zealand Depository Nominee	63,651,642	11.52
2	New Zealand Central Securities Depository Limited	34,430,350	6.23
3	Consolidated Nominees Pty Ltd	29,539,900	5.35
4	Masfen Securities Limited	29,050,369	5.26
5	Bhagwanji Bhula Rama	27,791,666	5.03
6	Ryan Peter Parkin	18,040,000	3.26
7	Kevin Ho & Vikki Ho	16,070,896	2.91
8	Albert Nominees Limited	11,000,000	1.99
9	David Russell Stewart & Adrienne Ruth Stewart	10,447,691	1.89
10	Consolidated Nominees Pty Ltd	10,062,500	1.82
11	Custodial Services Limited	8,561,838	1.55
12	Melda Super Pty Ltd	7,500,000	1.36
13	Anthony Peng Ho & Chui Hoong Ho <Super Fund A/C>	7,200,000	1.3
14	Lah Investment Co Pty Limited	6,618,660	1.2
15	Christopher Lawrence Horn & Marilyn Gai Horn	5,381,228	0.97
16	Neil Douglas Waites	5,000,000	0.9
17	B J Lindsay & J J Parsonson & W D Anderson & S M Palmer	4,502,609	0.81
18	Zhen Chen	4,486,433	0.81
19	Song Huang	3,754,068	0.68
20	Caroline Robyn Ball & Christopher John Thomson Bush	3,478,681	0.63
	<b>Total</b>	<b>306,568,531</b>	<b>55.47</b>
	<b>Total issued capital</b>	<b>552,591,116</b>	<b>100.00</b>

## INVESTOR RANGES AS AT 5 JUNE 2024

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	40	14,923	0.00
above 1,000 up to and including 5,000	243	875,649	0.16
above 5,000 up to and including 10,000	318	2,651,028	0.48
above 10,000 up to and including 50,000	678	17,303,069	3.13
above 50,000 up to and including 100,000	219	16,996,106	3.08
above 100,000	477	514,750,341	93.15
<b>Totals</b>	<b>1,975</b>	<b>552,591,116</b>	<b>100.00</b>

# SHAREHOLDER INFORMATION

## INVESTORS DOMICILE AS AT 5 JUNE 2024

<b>Holders</b>	
New Zealand	1,299
Australia	670
Rest of World	6
<b>Issued Capital</b>	
New Zealand	421,391,480
Australia	127,775,348
Rest of World	3,424,288

## ISSUED CAPITAL AS AT 5 JUNE 2024

TRU	552,591,116
Holders	1,975

The Company had 1,037 unmarketable parcels as at 5 June 2024.

As at 5 June 2024 the Company had 13,000,000 unlisted options on issue (3 option holders) with exercise price of NZ\$0.04 cents and expiry date 15 July 2026, and 5,000,000 unlisted options on issue (11 holders) exercisable at NZ\$0.10 per share with expiry date of 7 September 2024.





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