

TruScreen Group Limited

Pro Forma Consolidated Statement of Financial Position – Actual Funds Raised as at 31 March 2020

Reporting entity and basis of preparation

The table below sets out the adjustments that have been made to the consolidated statement of financial position of TruScreen Group Limited ("TruScreen" or the "Company") and its subsidiaries (the "Group") as at 31 March 2020 in order to prepare the unaudited pro forma consolidated statement of financial position ('Pro Forma Consolidated Statement of Financial Position – Actual Capital Raise') for the Group. These adjustments reflect the events and assumptions discussed in the notes to the table.

The Pro Forma Consolidated Statement of Financial Position – Actual Capital Raise has been prepared using the same accounting policies as the Group's audited annual financial statements for the year ended 31 March 2020 which is publicly available on the Group's website.

<https://truscreen.com/wp-content/uploads/2020/06/TRU-2020-Annual-Report.pdf>

The Pro Forma Consolidated Statement of Financial Position – Actual Capital Raise has been prepared solely for the purpose of satisfying the requirements imposed under the listing rules of the Australian Securities Exchange ('ASX') in connection with the admission of TruScreen to the official list of ASX as a Foreign Exempt Listing.

TruScreen has a 31 March financial year end.

All amounts disclosed in this section are presented in New Zealand dollars ("NZ") and, unless otherwise noted, are rounded to the nearest thousand. Some numerical figures included in this Prospectus have been subject to rounding adjustments. Any differences between totals and sums of components in figures or tables contained in this Prospectus are due to rounding.

TruScreen Group Limited
Statutory Historical Consolidated Statement of Financial Position and Pro Forma Consolidated
Statement of Financial Position – Actual Capital Raise
As at 31 March 2020

NZ\$'000	Audited	Subsequent events			Unaudited	Pro forma transactions		Actual Pro forma
		Various share issues	Share placement s	Issue costs		Offer	Offer costs	
<i>Adjustment notes</i>	<i>Note 1</i>	<i>Note 2</i>	<i>Note 3</i>	<i>Note 4</i>		<i>Note 5</i>	<i>Note 6</i>	
Current assets								
Cash and cash equivalents	1,024	3,743	1,500	(274)	5,994	2,000	(357)	7,637
Other receivables	684	-	-	-	684	-	-	684
Loan receivable	75	-	-	-	75	-	-	75
Trade receivables	107	-	-	-	107	-	-	107
GST recoverable	18	-	-	-	18	-	8	26
Inventories	504	-	-	-	504	-	-	504
Other current assets - prepayments	136	-	-	-	136	-	-	136
Total current assets	2,548	3,743	1,500	(274)	7,518	2,000	(348)	9,169
Non current assets								
Plant & equipment	295	-	-	-	295	-	-	295
Intangible assets	5,231	-	-	-	5,231	-	-	5,231
Total non current assets	5,526	-	-	-	5,526	-	-	5,526
Total assets	8,074	3,743	1,500	(274)	13,044	2,000	(348)	14,695
Current liabilities								
Trade and other payables	293	-	-	-	293	-	-	293
Borrowings	410	-	-	-	410	-	-	410
Provision for employee benefits	83	-	-	-	83	-	-	83
Total current liabilities	787	-	-	-	787	-	-	787
Non current liabilities								
Provision for employee benefits	46	-	-	-	46	-	-	46
Total non current liabilities	46	-	-	-	46	-	-	46
Total liabilities	833	-	-	-	833	-	-	833
Net assets	7,241	3,743	1,500	(274)	12,211	2,000	(348)	13,862
Equity								
Contributed equity	27,492	3,743	1,500	(274)	32,462	2,000	(141)	34,321
Share option reserve	306	-	-	-	306	-	-	306
Foreign currency translation reserve	(715)	-	-	-	(715)	-	-	(715)
Accumulated losses	(19,842)	-	-	-	(19,842)	-	(207)	(20,049)
Total equity	7,241	3,743	1,500	(274)	12,211	2,000	(348)	13,862

Notes supporting the Pro Forma Consolidated Statement of Financial Position – Actual Capital Raise

- The historical consolidated statement of financial position represents the audited consolidated statement of financial position of TruScreen as at 31 March 2020;
Subsequent events (unaudited):
- The issue of 74,860,021 ordinary shares at NZ\$0.05 via a share purchase plan (62,560,021) and 12,300,000 via a share placement amounting to NZ\$3.7 million on 21 May 2020;
- The issue of 10,000,000 ordinary shares at NZ\$0.05 via a share placement amounting to NZ\$0.5 million on 29 May 2020 and further 20,000,000 ordinary shares at NZ\$0.05 via a share placement amounting to NZ\$1 million on 5 June 2020;
- Share issue costs amounting to NZ\$0.274 million related to various share issues and share placement in notes 2 and 3;
Pro forma transactions (actual):
- Capital issued: A total of NZ\$2 million in new equity has been issued on 30 December 2020, being 28,571,428 shares at NZ\$0.07 as outlined in the PDS lodged with the NZX on 11 November 2020; and

6. Transaction costs (unaudited): As a consequence of the expected equity issuance in conjunction with the entity's admission to the official list transaction costs of NZ\$0.36 million will be payable. The entirety of these transaction costs will be recognised in the financial year ended 31 March 2021. NZ\$0.207 million of which will be recognised in the statement of comprehensive income and is assumed not deductible for tax purposes. NZ\$141k in transaction costs are related to the listing of new shares and will be capitalised against equity. A GST recoverable amount of NZ\$8k has been recorded.

Recognition of a deferred tax asset

A deferred tax asset has not been recognised in relation to the capitalised Offer costs due to the uncertainty surrounding the flow of economic benefits that will flow in future periods.

RSM Corporate Australia Pty Ltd

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The Directors
TruScreen Group Limited
36 Bradfield Road, CSIRO
LINDFIELD WEST, NSW, 2070

31 December 2020

Dear Directors,

INVESTIGATING ACCOUNTANT'S REPORT

Independent Limited Assurance Report on TruScreen Group Limited's Pro Forma Historical Financial Information as at 31 March 2020 – Actual Capital Raise

RSM Corporate Australia Pty Ltd ("RSM") has been engaged by TruScreen Group Limited ("TruScreen") to prepare this report as part of a submission for application for an ASX foreign exempt listing. TruScreen has raised \$2 million and this report considers the Actual Capital Raise as set out in the document called "Pro Forma Consolidated Statement of Financial Position – Actual Capital Raise".

Scope

You have requested RSM to perform a limited assurance engagement in relation to the pro forma historical financial information described below.

The pro forma historical financial information is presented in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Pro Forma Historical Financial Information

You have requested RSM to perform limited assurance procedures in relation to the pro forma historical financial information of TruScreen (the responsible party) as at 31 March 2020.

THE POWER OF BEING UNDERSTOOD

AUDIT | TAX | CONSULTING

RSM Corporate Australia Pty Ltd is beneficially owned by the Directors of RSM Australia Pty Ltd. RSM Australia Pty Ltd is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Corporate Australia Pty Ltd ABN 82 050 508 024 Australian Financial Services Licence No. 255847

The pro forma historical financial information has been derived from the historical financial information of TruScreen, after adjusting for the effects of pro forma adjustments principally associated with the actual capital raised described and presented in the document called “Pro Forma Consolidated Statement of Financial Position – Actual Capital Raise”.

The pro forma financial information consists of TruScreen’s Pro Forma Consolidated Statement of Financial Position – Actual Capital Raise as at 31 March 2020 (“Pro Forma Historical Financial Information”).

The stated basis of preparation is the recognition and measurement principles contained in the International Financial Statements as adopted in New Zealand, which as consistent with Australian Accounting Standards applied to the historical financial information and the event(s) or transaction(s) to which the pro forma adjustments relate. Due to its nature, the Pro Forma Historical Financial Information does not represent the company’s actual or prospective financial position.

The Pro Forma Historical Financial Information has been compiled by TruScreen to illustrate the impact of the event(s) or transaction(s) described in the document called “Pro Forma Consolidated Statement of Financial Position – Actual Capital Raise” on TruScreen’s financial position as at 31 March 2020, reflecting the actual capital raising of TruScreen. As part of this process, information about TruScreen’s financial position has been extracted by TruScreen from TruScreen’s financial statements for the period ended 31 March 2020.

The financial statements of TruScreen for the year ended 31 March 2020 were audited by RSM Hayes Audit in accordance with the International Standards on Auditing (New Zealand). The audit opinion issued to the members of TruScreen relating to those financial statements was unqualified.

For the purposes of preparing this report we have performed limited assurance procedures in relation to Pro Forma Historical Financial Information in order to state whether, on the basis of the procedures described anything comes to our attention that would cause us to believe that the Pro Forma Historical Financial Information is not prepared or presented fairly, in all material respects, by the directors in accordance with the stated basis of preparation.

We have conducted our engagement in accordance with the Standard on Assurance Engagements *ASAE 3450: “Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information”*.

The procedures performed in a limited assurance engagement vary in nature from and are less in extent than form an audit. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed an audit. Accordingly, we do not express an audit opinion about whether the Pro Forma Historical Financial Information is prepared, in all material respects, by the directors in accordance with the stated basis of preparation.

Directors’ responsibilities

The directors of TruScreen are responsible for the preparation of the Pro Forma Historical Financial Information, including the selection and determination of the pro forma transactions and/or adjustments made to the historical financial information and included in the Pro Forma Historical Information.

The directors’ responsibility includes establishing and maintaining such internal controls as the directors determine are necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the Pro Forma Historical Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450: *"Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information"*.

We made such enquiries, primarily of persons responsible for financial and accounting matters, and performed such procedures as we, in our professional judgment, considered reasonable in the circumstances including:

- a consistency check of the application of the stated basis of preparation, to the Statutory Historical Financial Information and Pro Forma Historical Financial Information;
- a review of TruScreen's work papers, accounting records and other supporting documents;
- enquiry of directors, management personnel and advisors; and
- the performance of analytical procedures applied to the Statutory Historical Financial Information and Pro Forma Historical Financial Information.

A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as source of the financial information.

Conclusions

Review *Statement on the Pro Forma Historical Financial Information*

Based on our procedures, which are not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information, as set out in the document called "Pro Forma Consolidated Statement of Financial Position – Actual Capital Raise" comprising:

- The pro forma historical statement of financial position of TruScreen as at 31 March 2020,

Is not prepared or presented fairly, in all material respects, on the basis of the pro forma transactions and/or adjustments described and in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards, and TruScreen's accounting policies.

Independence

RSM does not have any interest in the outcome of any proposed capital raising, other than in connection with the preparation of this report and participation in due diligence procedures for which normal professional fees will be received. RSM Hayes Audit is the auditor of TruScreen and from time to time, RSM Hayes Audit also provides TruScreen with certain other professional services for which normal professional fees are received.

Restriction on use and distribution

The purpose of preparing the Pro Forma Historical Financial Information, was to reflect the proposed actual capital raising pro forma impact and is only for inclusion in TruScreen's submission for ASX foreign exempt listing. As a result, the Pro Forma Historical Financial Information may not be suitable for use for another purpose. We disclaim any assumption of responsibility for any reliance on this report, or on the Pro Forma Historical Financial Information to which it relates, for any purpose other than that for which it was prepared. This report may not be disclosed in any other way, including any publication on any electronic media, to any other party, except as required by law or the rules of any relevant stock exchange or a government body or in connection with an actual or potential claim, investigation or inquiry against.

Declaration of interest

RSM Corporate Australia Pty Ltd does not have any interest in the outcome of this transaction other than the preparation of this report for which normal professional fees will be received.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'T Goodman'.

RSM CORPORATE AUSTRALIA PTY LTD

Tim Goodman

Director