6 November 2023

NZX/ASX Announcement

TruScreen Unaudited Interim Results for the Half Year Ended 30 September 2023

Highlights for Half Year ended 30 September 2023

- **Product sales up 33% on same period prior year**
- **Strong performance from major market China**
- **Opening of new market in Saudi Arabia and good progress in Zimbabwe and other markets indicate a strong H2 FY 2024.**

Cervical cancer screening technology company, TruScreen Group Limited (NZX/ASX: TRU) ('TruScreen' or 'the Company), is pleased to provide its unaudited financial results for the six months to 30 September 2023 (1H FY24), along with the following operational update. TruScreen reports according to the New Zealand financial year, which runs from 1 April to 31 March.

Revenue from sale of goods increased by 33% over the same period prior year to $0.98 million. The China business is growing strongly and will be well supported by Zimbabwe, Saudi Arabia, Vietnam and Mexico in H2 2024. The Company reported an operating loss of $1.35 million (1H FY22: $1.22 million). The increase in operating loss was attributed to lower margin on device sales into China, to accelerate SUS pull through, and compliance costs associated with new regulatory reporting requirements in China and Europe.

SUS unit sales were up 28% over the previous year and device sales were 100% up on the previous year with sales of Made in China devices to China's new private health check market.

Net operating cash outflow was $1.4 million (1H FY23: $1.2 million). The reduced cash flow is attributable to a lower Australian research and development tax offset receipt in the current half year.

As at 30 September 2023, the Company had cash and cash equivalents of $0.8 million.

Half-Year Commentary

TruScreen has maintained its revenue base despite disruptive and challenging market conditions.

Market developments

China

China's operations, through its distributor Beijing Siweixiangtai Tech Co. Ltd (SWXT), is experiencing rapid growth building on the recent recognition of the technology in a China Blue Paper "Cervical Cancer Three Stage Standardized Prevent and Treatment" published on 28 April 2023. In China, Blue Papers are promulgated to act as the definitive position on leading edge developments in all industries and are recognised as an endorsement by the leaders in the relevant field.

In addition, the CSCCP (Chinese Society of Colposcopy and Cervical Pathology) China Cervical Cancer Screening Management Guideline was the first national medical guideline in the world to recommend TruScreen as a new method for cervical cancer screening.

TruScreen has more than 100 devices installed in hospitals and clinics in 22 provinces in China. In addition, a growing pipeline includes, 14 hospital tenders won and awaiting installation, 26 hospitals which have approved TruScreen and are awaiting tender and 74 Hospitals where TruScreen has obtained OBGYN department acceptance, awaiting hospital approval.

Zimbabwe

TruScreen have just been awarded a further order of SUS (Single Use Sensor) with gross sales value NZ$300,000 to be delivered in Q3 FY 2024. The Ministry of Health's collaboration with the National Aids Council screening program in Masvingo Province has already screened over 14,000 women, and is a precursor to a national roll out.

Middle East

The largest private health services provider in the middle east, Dr. Sulaiman Al-Habib Medical Group (DSAMG) in Saudi Arabia, completed its first clinical evaluation in the Middle East, of 507 women, during the period. The analysis of the results showed that TruScreen's sensitivity was 83.3% and specificity was 95%, compared to 83.3% and 98% for the placebo Liquid Based Cytology (LBC). This demonstrates TruScreen's efficacy while providing real time results and resolving many of the issues faced with potential patient follow-up when using LBC. The clinical evaluation manuscript has been submitted for publication in the European Journal of Gynaecology.

The commencement of commercial operations at the DSAMG is an important reference for neighbouring markets in the middle east.

Vietnam

The Ministry of Health has approved 2 key hospitals with a further 4 hospitals well advance in the approval process. A recent visit by TruScreen CEO to Vietnam confirmed Vietnam as a key market for the Company which is expected to contribute to further growth in H2 FY 2024.

Other markets

During the period, TruScreen was listed on the Innovation Register, by the Polish Ministry of Health. This accreditation increases awareness among healthcare clinicians. There is an 'at risk' population of 17.1 million and high cervical cancer rates (3,515 cases and 1,858 deaths annually) from lack of national screening for cervical cancer.

Our Mexican distributor, Sunbird Medical has applied for access to the public hospital system to Cofepris, the national regulator. A decision is expected in FY2024, and if successful we expect TruScreen to be available to public hospitals and clinics.

Regulatory Compliance

The investment and transition of our regulatory processes to comply with the new Medical Device Regulation (MDR) is well advanced, for compliance by May 2024. Our China NMPA variation application was also advanced during the half year. The variation seeks approval for the latest Device software updates and recertification to the updated NMPA standards, and will further strengthen TruScreen's position in the Chinese market.

Outlook

The results for the half year provide optimism for our commercial successes in China and other markets, while investing $332,000 (2022: $410,000) in non-recurring costs, in complying with the new MDR global processes and seeking approval from China's NMPA for our device software updates. These costs will cease by end FY2024. At the August 2023 Annual General we indicated to shareholders that further growth funding is required to maintain the commercialisation momentum that we have generated over the past year.

Ends

For more information, visit www.truscreen.com or contact:

Dr Beata Edling
Chief Executive Officer
beataedling@truscreen.com

Guy Robertson
Chief Financial Officer
guyrobertson@truscreen.com

About TruScreen:

TruScreen Group Limited (NZX/ASX: TRU) is a medical device company that has developed and manufactures an AI-enabled device for detecting abnormalities in the cervical tissue in real-time via measurements of the low level of optical and electrical stimuli.

TruScreen's cervical screening technology enables cervical screening, negating sampling and processing of biological tissues, failed samples, missed follow-up, discomfort, and the need for costly, specialised personnel and supporting laboratory infrastructure.

The TruScreen device, TruScreen Ultra®, is registered as a primary screening device for cervical cancer screening.

The device is CE Marked/EC certified, ISO 13485 compliant and is registered for clinical use with the TGA (Australia), MHRA (UK), NMPA (China), SFDA (Saudi Arabia), Roszdravnadzor (Russia), and COFEPRIS (Mexico). It has Ministry of Health approval for use in Vietnam, Israel, Ukraine, and the Philippines, among others and has distributors in 29 countries. In 2021, TruScreen established a manufacturing facility in China for devices marketed and sold in China.

TruScreen technology has been recognised in CSCCP's (Chinese Society for Colposcopy and Cervical Pathology) China Cervical Cancer Screening Management Guideline.

TruScreen has been recognised in a China Blue Paper "Cervical Cancer Three Stage Standardized Prevent and Treatment" published on 28 April 2023.

In financial year 2023 alone, over 140000* examinations have been performed with TruScreen device. To date, over 200 devices have been installed and used in China, Vietnam, Mexico, Zimbabwe, Russia, and Saudi Arabia. TruScreen's vision is "A world without the cervical cancer"©.

To learn more, please visit: www.truscreen.com/.

**Based on Single Use Sensor sales.*

truscreen
a world without cervical cancer

Glossary:

Pap smear (the Papanicolaou smear) test involves gathering a sample of cells from the cervix, with a special brush. The sample is placed on a glass slide or in a bottle containing a solution to preserve the cells. Then it is sent to a laboratory for a pathologist to examine under a microscope. https://www.cancer.net/navigating-cancer-care/diagnosing-cancer/tests-and-procedures/pap-test

LBC (the liquid-based cytology) test, transfers a thin layer of cells, collected with a brush from the cervix, onto a slide after removing blood or mucus from the sample. The sample is preserved so other tests can be done at the same time, such as the human papillomavirus (HPV) test https://www.cancer.net/cancer-types/cervical-cancer/diagnosis

HPV (human papilloma virus) test is done on a sample of cells removed from the cervix, the same sample used for the Pap test or LBC. This sample is tested for the strains of HPV most commonly linked to cervical cancer. HPV testing may be done by itself or combined with a Pap test and/or LBC. This test may also be done on a sample of cells which a person can collect on their own. https://www.cancer.net/cancer-types/cervical-cancer/screening-and-prevention

Sensitivity* and *specificity mathematically describe the accuracy of a test which reports the presence or absence of a condition. If individuals who have the condition are considered "positive" and those who don't are considered "negative", then sensitivity is a measure of how well a test can identify true positives and specificity is a measure of how well a test can identify true negatives:

- **Sensitivity** (true positive rate) is the probability of a positive test result, conditioned on the individual truly being positive.
- **Specificity** (true negative rate) is the probability of a negative test result, conditioned on the individual truly being negative (Sensitivity and specificity – Wikipedia).

For more information about the cervical cancer and cervical cancer screening in New Zealand and Australia, please see useful links:

New Zealand: National Cervical Screening Programme | National Screening Unit (nsu.govt.nz)

Australia: Cervical cancer | Causes, Symptoms & Treatments | Cancer Council

NZX
NEW ZEALAND'S EXCHANGE
TE PAEHOKO O AOTEAROA

Template
Results announcement
(for Equity Security issuer/Equity and Debt Security issuer)

Updated as at 17 October 2019

Results for announcement to the market		
Name of issuer	Truscreen Group Limited	
Reporting Period	6 months to 30 September 2023	
Previous Reporting Period	6 months to 30 September 2022	
Currency		
	Amount (000s)	**Percentage change**
Revenue from continuing operations	$ 985	+33.0%
Total Revenue	$1,164	+3.4%
Net profit/(loss) from continuing operations	($1,356)	-11.1%
Total net profit/(loss)	($1,356)	-11.1%
Interim/Final Dividend		
Amount per Quoted Equity Security	The Company does not propose to pay a dividend	
Imputed amount per Quoted Equity Security	N/A	
Record Date	N/A	
Dividend Payment Date	N/A	
	Current period	**Prior comparable period**
Net tangible assets per Quoted Equity Security	$0.0029	$0.0064
A brief explanation of any of the figures above necessary to enable the figures to be understood	For commentary on the results please refer to the commentary on the related NZX Release.	
Authority for this announcement		
Name of person authorised to make this announcement	Guy Robertson (Chief Financial Officer)	
Contact person for this announcement	Guy Robertson (Chief Financial Officer)	
Contact phone number	+61 407 983 270	
Contact email address	guyrobertson@truscreen.com	
Date of release through MAP	6 November 2023	

Unaudited financial statements accompany this announcement.

TRUSCREEN GROUP LIMITED

Interim Unaudited Financial Statements

For the Six Months Ended 30 September 2023

TRUSCREEN GROUP LIMITED

Table of contents

REVIEW OF OPERATIONS

Highlights for Half Year ended 30 September 2023

- **Product sales up 33% on same period prior year**
- **Strong performance from major market China**
- **Opening of new market in Saudi Arabia and good progress in Zimbabwe and other markets indicate a strong H2 FY 2024.**

Cervical cancer screening technology company, TruScreen Group Limited (NZX/ASX: TRU) ('TruScreen' or 'the Company), is pleased to provide its unaudited financial results for the six months to 30 September 2023 (1H FY24), along with the following operational update. TruScreen reports according to the New Zealand financial year, which runs from 1 April to 31 March.

Revenue from sale of goods increased by 33% over the same period prior year to $0.98 million. The China business is growing strongly and will be well supported by Zimbabwe, Saudi Arabia, Vietnam and Mexico in H2 2024. The Company reported an operating loss of $1.35 million (1H FY22: $1.22 million). The increase in operating loss was attributed to lower margin on device sales into China, to accelerate SUS pull through, and compliance costs associated with new regulatory reporting requirements in China and Europe.

SUS unit sales were up 28% over the previous year and device sales were 100% up on the previous year with sales of Made in China devices to China's new private health check market.

Net operating cash outflow was $1.4 million (1H FY23: $1.2 million). The reduced cash flow is attributable to a lower Australian research and development tax offset receipt in the current half year.

As at 30 September 2023, the Company had cash and cash equivalents of $0.8 million.

Half-Year Commentary

TruScreen has maintained its revenue base despite disruptive and challenging market conditions.

Market developments

China

China's operations, through its distributor Beijing Siweixiangtai Tech Co. Ltd (SWXT), is experiencing rapid growth building on the recent recognition of the technology in a China Blue Paper "Cervical Cancer Three Stage Standardized Prevent and Treatment" published on 28 April 2023. In China, Blue Papers are promulgated to act as the definitive position on leading edge developments in all industries and are recognised as an endorsement by the leaders in the relevant field.

In addition, the CSCCP (Chinese Society of Colposcopy and Cervical Pathology) China Cervical Cancer Screening Management Guideline was the first national medical guideline in the world to recommend TruScreen as a new method for cervical cancer screening.

TruScreen has more than 100 devices installed in hospitals and clinics in 22 provinces in China. In addition, a growing pipeline includes, 14 hospital tenders won and awaiting installation, 26 hospitals which have approved TruScreen and are awaiting tender and 74 Hospitals where TruScreen has obtained OBGYN department acceptance, awaiting hospital approval.

Zimbabwe

TruScreen have just been awarded a further order of SUS (Single Use Sensor) with gross sales value NZ$300,000 to be delivered in Q3 FY 2024. The Ministry of Health's collaboration with the National Aids Council screening program in Masvingo Province has already screened over 14,000 women, and is a precursor to a national roll out.

Middle East

The largest private health services provider in the middle east, Dr. Sulaiman Al-Habib Medical Group (DSAMG) in Saudi Arabia, completed its first clinical evaluation in the Middle East, of 507 women, during the period. The analysis of the results showed that TruScreen's sensitivity was 83.3% and specificity was 95%, compared to 83.3% and 98% for the placebo Liquid Based Cytology (LBC). This demonstrates TruScreen's efficacy while providing real time results and resolving many of the issues faced with potential patient follow-up when using LBC. The clinical evaluation manuscript has been submitted for publication in the European Journal of Gynaecology.

The commencement of commercial operations at the DSAMG is an important reference for neighbouring markets in the middle east.

Vietnam

The Ministry of Health has approved 2 key hospitals with a further 4 hospitals well advance in the approval process. A recent visit by TruScreen CEO to Vietnam confirmed Vietnam as a key market for the Company which is expected to contribute to further growth in H2 FY 2024.

Other markets

During the period, TruScreen was listed on the Innovation Register, by the Polish Ministry of Health. This accreditation increases awareness among healthcare clinicians. There is an 'at risk' population of 17.1 million and high cervical cancer rates (3,515 cases and 1,858 deaths annually) from lack of national screening for cervical cancer.

Our Mexican distributor, Sunbird Medical has applied for access to the public hospital system to Cofepris, the national regulator. A decision is expected in FY2024, and if successful we expect TruScreen to be available to public hospitals and clinics.

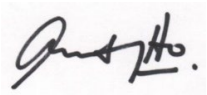
Regulatory Compliance

The investment and transition of our regulatory processes to comply with the new Medical Device Regulation (MDR) is well advanced, for compliance by May 2024. Our China NMPA variation application was also advanced during the half year. The variation seeks approval for the latest Device software updates and recertification to the updated NMPA standards, and will further strengthen TruScreen's position in the Chinese market.

Outlook

The results for the half year provide optimism for our commercial successes in China and other markets, while investing $332,000 (2022: $410,000) in non-recurring costs, in complying with the new MDR global processes and seeking approval from China's NMPA for our device software updates. These costs will cease by end FY2024. At the August 2023 Annual General we indicated to shareholders that further growth funding is required to maintain the commercialisation momentum that we have generated over the past year.

I take the opportunity to thank shareholders for their ongoing support.



Anthony Ho
Chairman
6 November 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

	Note	Unaudited for the six months ended 30 September 2023	Unaudited for the six months ended 30 September 2022	Audited for the year ended 31 March 2023
		$	$	$
Revenue from the sale of goods		984,512	740,034	1,662,619
Other income	4	179,422	385,191	540,016
Inventories used		(806,871)	(557,143)	(1,202,628)
Employee benefit expenses and directors' fees		(455,697)	(490,076)	(876,849)
Administration		(182,853)	(187,663)	(415,296)
Research and development expenses		(540,622)	(495,204)	(864,074)
Rent		(20,384)	(28,442)	(60,959)
Travel		(22,885)	(17,969)	(62,544)
Regulatory compliance, consulting & marketing		(331,848)	(410,082)	(722,256)
Insurance		(69,841)	(69,595)	(139,633)
Shareholder relations & services		(89,300)	(89,378)	(155,664)
Provision for impairment plant and equipment		-	-	(49,700)
Share based payments		-	-	(54,873)
Loss before income tax		(1,356,367)	(1,220,326)	(2,401,840)
Income tax expense		-	-	-
Loss for the period after income tax		(1,356,367)	(1,220,326)	(2,401,840)
Other comprehensive income				
Item that may be reclassified subsequently to profit or loss				
Exchange gain/(loss) on translating foreign subsidiary operations		13,864	137,465	1,736
Total comprehensive loss for the period		(1,342,503)	(1,082,861)	(2,400,104)
Basic and diluted losses (cents per share)		(0.32)	(0.34)	(0.66)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023

	Note	Unaudited 30 September 2023	Unaudited 30 September 2022	Audited 31 March 2023
		$	$	$
CURRENT ASSETS				
Cash and cash equivalents		807,228	1,677,547	2,160,468
Trade receivables		122,846	150,445	336,700
Other receivables		145,139	248,875	170,311
Goods and services taxes recoverable		42,396	29,161	33,902
Inventories		640,998	707,205	563,441
Other assets – prepayments		326,871	119,603	205,361
TOTAL CURRENT ASSETS		2,085,478	2,932,836	3,470,183
NON-CURRENT ASSETS				
Plant and equipment		-	-	-
Intangible assets		-	-	-
TOTAL NON-CURRENT ASSETS		-	-	-
TOTAL ASSETS		2,085,478	2,932,836	3,470,183
CURRENT LIABILITIES				
Trade and other payables		718,470	463,541	800,255
Employee benefits		127,834	130,855	88,547
TOTAL CURRENT LIABILITIES		846,304	594,396	888,802
NON-CURRENT LIABILITIES				
Employee benefits		39,653	26,250	39,357
TOTAL NON-CURRENT LIABILITIES		39,653	26,250	39,357
TOTAL LIABILITIES		885,957	620,646	928,159
NET ASSETS		1,199,521	2,312,190	2,542,024
EQUITY				
Issued capital	7	36,097,125	34,550,048	36,097,125
Share option reserve		144,813	144,813	144,813
Foreign currency translation reserve		(365,244)	(243,379)	(379,108)
Accumulated losses		(34,677,173)	(32,139,292)	(33,320,806)
Total Equity		1,199,521	2,312,190	2,542,024

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

	Note	Share Capital	Accumulated Losses	Foreign Currency Translation Reserve	Option Reserve	Total
		$	$	$	$	$
Balance at 31 March 2022 (Audited)		**34,550,048**	**(31,224,966)**	**(380,844)**	**450,813**	**3,395,051**
Comprehensive income						
Loss for the period ended 30 September 2022		-	(1,220,326)	-	-	(1,220,326)
Exchange differences on translation of foreign subsidiary operations		-	-	137,465	-	137,465
Total comprehensive loss for the period (unaudited)		**-**	(1,220,326)	137,465	-	(1,082,861)
Transfer from option reserve		**-**	306,000	-	(306,000)	-
Balance at 30 September 2022 (Unaudited)		**34,550,048**	**(32,139,292)**	**(243,379)**	**144,813**	**2,312,190**
Balance at 31 March 2023 (Audited)		**36,097,125**	**(33,320,806)**	**(379,108)**	**144,813**	**2,542,024**
Comprehensive income						
Loss for the period ended 30 September 2023		-	(1,356,367)	-	-	(1,356,367)
Exchange differences on translation of foreign subsidiary operations		-	-	13,864	-	13,864
Total comprehensive loss for the period (unaudited)		**-**	(1,356,367)	13,864	-	(1,342,503)
Balance at 30 September 2023 (Unaudited)		**36,097,125**	**(34,677,173)**	**(365,244)**	**144,813**	**1,199,521**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

	Note	Unaudited for the six months ended 30 September 2023	Unaudited for the six months ended 30 September 2022	Audited for the year ended 31 March 2023
		$	$	$
CASH FLOW FROM OPERATING ACTIVITIES				
Cash receipts from customers		1,044,974	918,401	1,790,550
Cash paid to suppliers and employees		(2,748,101)	(2,719,056)	(4,483,553)
Cash received from research and development tax offset		372,223	650,479	627,982
Short-term lease payments not included in lease liability		(72,922)	(66,363)	(131,619)
Interest received		2,957	774	2,854
Net cash used in operating activities	8	(1,400,869)	(1,215,766)	(2,193,786)
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of plant and equipment		-	-	(49,700)
Net cash used in investing activities		-	-	(49,700)
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of shares		-	-	1,613,273
Share issue costs		(21,100)	-	(66,196)
Net cash provided by financing activities		(21,100)	-	1,547,077
Net decrease in cash and cash equivalents		(1,421,969)	(1,215,766)	(696,409)
Cash and cash equivalents at beginning of period		2,160,468	2,797,004	2,797,004
Effect of foreign exchange adjustment on cash balances		68,729	96,309	59,873
Cash and cash equivalents at end of period		807,228	1,677,547	2,160,468

The accompanying notes form part of these financial statements.

1. REPORTING ENTITY

These consolidated unaudited interim condensed financial statements presented for the six months ended 30 September 2023 are those of TruScreen Group Limited and its subsidiaries (the "Group"). References to "TruScreen" are used to refer both to the Group and 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 Group's principal activity relates to the research & development and manufacture of cancer detection devices and systems.

These consolidated unaudited interim financial statements were authorised for issue by the Board of Directors on 31 October 2023.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

These financial statements are unaudited and have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP") and part 7 of the Financial Markets Conduct Act 2013. The financial statements comply with NZ IAS 34: Interim Financial Reporting and International Accounting Standards IAS 34: Interim Financial Reporting.

The consolidated unaudited interim financial statements have been prepared in New Zealand dollars, which is the presentation currency, with the New Zealand dollar and the Australian dollar being the functional currency of the New Zealand parent company and the Australian subsidiary respectively. These financial statements do not include all the information required for full financial statements and consequently should be read in conjunction with the Group's financial statements for the year ended 31 March 2023.

The same accounting policies have been followed in these financial statements as were applied in the preparation of the Group's audited financial statements for the year ended 31 March 2023.

The consolidated unaudited interim financial statements are prepared on the basis of historical cost, except where otherwise identified.

Going Concern

The Group interim 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 interim financial statements, the Group reported;

- a loss of $1,356,367 (2022: $1,220,236).
- net cash outflows from operating and investing activities of $1,400,869 (2022: $1,215,766)
- cash as at half year end of $807,228 (2022: $1,677,547)

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

The Directors have determined that the Company will need to raise capital to support the further development of its target markets to move the Company to profitability. Initial discussions with brokers have been held and the Directors are confident that it will be able to raise sufficient funds to support the Company in the twelve months following the date of this report.

The Board considers that supported by a capital raise, the projected twelve month cash flow forecasts will be achievable and sufficient to provide cash to cover any operating deficit and capital expenditure. The Board considers managing cash flow and working capital as critical in executing the strategies of the Group.

If the Group is unable to meet forecasts due to market uncertainties and is also unable to raise additional capital when required, it can cast doubt on the entities ability to continue as a going concern, and trade in the normal course of business.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

When preparing the interim financial statements, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on experience and other factors that are believed to be reasonable under the circumstances. Actual results may differ from the estimates, judgements and assumptions made by management. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements can be found in the previous annual report.

IMPAIRMENT OF NON-CURRENT ASSETS

The Directors undertook a comprehensive Impairment Review (“Review”) of the intangible assets of the Company as at the 31 March 2022 year end. This Review was undertaken in compliance with NZ IAS 36 Impairment (‘IAS 36’) and its detailed specifications with the assistance of an independent consultant.

In particular, the Directors assessed the risk of not meeting the projected device and SUS sales and rollout in China and other countries as a result of the Russia/Ukraine conflict and the COVID-19 pandemic. As a consequence the directors resolved as at 31 March 2022 to create a provision for the carrying cost of the remaining non-current assets in the amount of $4.6 million.

Global uncertainties from ongoing geopolitical tensions continue to impact the markets that the Group are in. As at 30 September 2023, the Directors have determined that there are no indicators which would warrant reversal of the Provision for impairment made as at 31 March 2022.

The Directors will continue to review available indicators as at each future reporting balance date.

4. SIGNIFICANT TRANSACTIONS AFFECTING NET LOSS

Significant transactions affecting net loss

The following significant items affecting the unaudited loss for the period are highlighted below because of their size:

	Unaudited for the six months ended 30 September 2023	Unaudited for the six months ended 30 September 2022	Audited for the year ended 31 March 2023
	$	$	$
Other income			
Research and development tax refund/offset[1]			
- Current year	177,154	248,875	345,901
- Prior year adjustment	-	25,048	31,143
	177,154	273,923	377,044
Interest	2,268	778	3,303
Miscellaneous income	-	-	39,084
Foreign exchange gains	-	110,490	120,585
Total other income	179,422	385,191	540,016

[1]Ongoing Research & development is being conducted in the following areas:

- Clinical trials;
- Software & firmware improvements incorporated from feedback on devices to improve usability;
- Manufacturing processes of the electrical and optical assembly;
- Changes and improvements to the electrical and optical assembly; and
- Further work on developing and testing the algorithm.

5. ADMINSTRATION AND OTHER OPERATING EXPENSES

The following commentary explains the movement in administration and operating expenses over the previous half year:

Research and development costs: The decrease in these costs reflected the completion of the research and development cybersecurity and self-calibration projects and limited further development given that the product is now stable and market ready. Current projects include improvement of the algorithm which will increase the accuracy of the TruScreen cervical cancer screening device beyond other screening methods.

Regulatory, consulting and marketing costs: The increase in regulatory costs reflects work being undertaken to ensure that that the Company meets the requirements of the new global Medical Device Regulation (MDR) which takes effect for our products in May 2024.

6. OPERATING SEGMENTS

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

The Group earns revenue largely from China, with developing markets in South East Asia, Russia, Mexico, India, Africa and Eastern Europe. Revenues are from sales to the Company's distributors (indirect channel of distribution).

One major customer contributed more than 10% of the Group's revenue in the six months to 30 September 2023 of $973,208 (84%) (2022: one customer of $731,258 98%).

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

7. SHARE CAPITAL

	No.	$
Balance at 30 September 2022	**362,866,253**	**34,550,048**
Ordinary shares issued		
Share issue – placement	20,000,000	600,000
Share issue – rights issue	33,775,755	1,013,273
Share issue costs	-	(66,196)
Balance at 31 March 2023	416,642,008	36,097,125
Balance at 30 September 2023	**416,642,008**	**36,097,125**

8. RECONCILIATION OF CASH FLOW FROM OPERATING ACTIVITIES

	Unaudited for the six months ended 30 September 2023	Unaudited for the six months ended 30 September 2022	Audited for the year ended 31 March 2023
	$	$	$
Reconciliation of cash flow from operations with loss after income tax			
Loss for the period	(1,356,367)	(1,220,326)	(2,401,840)
Adjusted for:			
Depreciation and amortisation	-	2,440	-
Impairment of non-current assets	-	-	49,700
Share based payment expense	-	-	54,873
Exchange difference arising from translating loss items at the date of transaction and translating cash balances at period end rates	(33,768)	36,510	(113,010)
Operating cash flows before working capital	(1,390,135)	(1,176,968)	(2,410,277)
Decrease in trade receivables	47,465	125,003	105,137
Increase/(decrease) in goods and services taxes recoverable	(8,494)	7,621	2,880
(increase)/decrease in prepayments	(121,509)	61,871	(26,092)
Increase in inventory	(77,558)	(210,317)	(66,553)
Decrease in research and development refundable tax offset	191,561	352,680	264,854
Decrease in trade and other payables	(81,783)	(343,834)	(7,120)
Increase/(decrease) in employee liabilities	39,583	(27,414)	(56,615)
Net cash outflow from operating activities	**(1,400,869)**	**(1,215,766)**	**(2,193,786)**

9. NET TANGIBLE ASSETS PER SHARE

	Unaudited as at 30 September 2023	Unaudited as at 30 September 2022	Audited as at 31 March 2023
Net tangible assets ($)	1,199,521	2,312,190	2,542,024
Shares on issue at the end of period	416,642,008	362,866,253	416,642,008
Net tangible assets per share (cents per share)	0.29	0.64	0.61

10. CONTINGENT LIABILITIES

There are no contingent liabilities in this or the previous reporting period.

11. EVENTS SUBSEQUENT TO END OF THE INTERIM PERIOD

Other than as outlined in the Corporate section of the Half-Yearly Review of Operations, there are no other events since 30 September 2023 which would have a material effect on the Group's unaudited interim financial statements for the six months ended 30 September 2023.