



NZX/ASX Announcement

truscreen
a world without
cervical cancer

29 November 2021

TruScreen unaudited interim results for the half-year ended 30 September 2021

Highlights for Half Year ended 30 September 2021

- **Strong revenue and Single Use Sensor sales growth of 25% and 35% year on year respectively**
- **Launch of TruScreen Made in China device for the Chinese market**
- **Firmware upgrade and cervical cancer screening device enhancements**
- **Continuous expansion and first sales in Eastern Europe**
- **Ongoing excellent trial results confirm efficacy of TruScreen cervical cancer screening device**

TruScreen Group Limited (NZX/ASX: TRU) ('TruScreen' or 'the Company') is pleased to announce its unaudited half year financial results for the period ended 30 September 2021. TruScreen reports according to the New Zealand financial year, which runs from 1 April to 31 March.

Strong revenue growth of 25%

The Company reported an operating loss of \$1.26m (1H FY21: \$1.51m), a 20% reduction over the prior year. Despite the negative impacts of COVID-19 in some of our markets, notably Russia and Vietnam, product revenue increased by 25% year on year (YOY).

Pleasingly, Single Use Sensor (SUS) unit sales were 35% higher YOY, although getting new cervical cancer screening devices installed in hospitals was hampered by ongoing COVID-19 restrictions.

Net operating cash outflow was \$1.7m (1H FY21: \$1.6m). An Australian research and development tax offset was received just after quarter-end in the amount of \$0.6m. Cash operating costs were 22% higher in 1H FY22, at \$2.5m (1H FY21: \$2.1m), reflecting the Company's increased investment in research and development which resulted in re-engineered firmware that enhanced cybersecurity and facilitated self-calibration which will reduce future operating costs. The Australian tax offset for the related research will be received in the next financial year.

The loss for the six months included a non-cash amortisation and depreciation charge of \$0.30m (1H FY21: \$0.35m).

As at 30 September 2021, the Company had cash and cash equivalents of \$3.67m, which was supplemented by a research and development tax offset receipt of \$0.6m from the Australian Tax Office on 1 October 2021.

Operational Update

TruScreen continued to make good market and technical progress in 1H 22 and, going forward, is well placed to build upon this success as the COVID-19 pandemic wanes throughout our markets.

Market development - China

TruScreen has continued to successfully expand in China, its most established market and the world's largest addressable cervical cancer screening market.

With the launch of the TruScreen Made in China device, developed specifically for the Chinese market, the Company's China distributor Beijing Siweixiangtai (SWXT) has expanded its addressable distribution market. It is now marketing this TruScreen device to the growing Health Check sector. SWXT anticipates the first major placement of TruScreen devices in the private Health Check sector to commence before the end of the 2021 calendar year.

This development provides TruScreen with revenue upside, as China's Health Check sector is rapidly growing, aided by support from provincial governments, private organisations, and non-government organisations (NGOs). Major public hospitals will have separate Health Check clinics offering a wide range of women's health medical checks, including cervical cancer screening.

In July 2021, TruScreen's largest clinical evaluation, with the Chinese Obstetrics and Gynaecology Association (COGA), came to a close after screening over 15,000 women in 64 hospitals and 9 provinces around the country. The final results are expected to be presented to the COGA panel for review and consensus in the coming months.

Market development – Rest of world

TruScreen has continued to broaden its market access throughout Central and Eastern Europe, with the Company's current focus on Serbia and Poland. The market access strategies in these two countries are now being actively supported by key opinion leader engagement, clinical trials, and local clinical evaluation initiatives.

TruScreen is currently in the final planning stages for a clinical trial in Poland, led by a well-known medical opinion leader in that country. The pilot phase of this trial will screen women in five centres across Poland to evaluate the clinical performance of the TruScreen cervical cancer screening device. TruScreen anticipates the results of the trial will facilitate accelerated market access throughout Poland as well as neighbouring countries.

TruScreen has recently concluded training in Serbia targeting new key opinion leaders and clinicians. The training has enabled the commencement of planned local clinical evaluations and facilitated the commencement of early market activities with the first sales to the region completed in September.

The World Health Organisation (WHO) has highlighted that low-and-middle income countries will require innovative technologies, like TruScreen's portable and real time device, if they are to make progress in achieving the goal of eliminating cervical cancer. Leveraging our success in Zimbabwe and in partnership with its National Aids Council, we are in discussion with potential distributors in markets where TruScreen is not currently represented, and where TruScreen, as a primary cervical cancer screening device, can make a positive difference to women's health.

Upgraded firmware

After twelve months of development work, TruScreen has completed verification and validation of a key firmware update that is now being progressively released to TruScreen devices already in the market. The firmware update enhances the device's cyber security framework and allows TruScreen devices to more effectively interface with compatible hospitals' systems. By incorporating a state-of-the-art optical calibration feature, the firmware has reduced the need for the device to return to service centres for scheduled re-calibration. This reduced service-related downtime means clients have their devices online for longer time periods, boosting operational efficiencies.

The new firmware update also includes enhancements to the user interface and battery management features. These were developed in collaboration with the Company's distributors and in response to market feedback, a demonstration of the collaborative nature of the relationship TruScreen has with these crucially important groups.

Clinical trials continue to show promising results

A new study, published in the *European Journal of Obstetrics and Gynaecology and Reproductive Biology*¹, concludes that TruScreen's cervical cancer screening technology meets or exceeds the effectiveness of alternative cervical cancer screening methods. The study evaluated the efficacy of TruScreen in screening for cervical abnormalities, in a real-world primary cervical cancer screening setting in China.

The TruScreen screening device was found to be very effective at detecting cervical intraepithelial neoplasia grade 2 or worse (CIN2+ or CIN3+).

The Chinese Obstetrics and Gynaecology Association (COGA) national clinical trial which has screened ~15,000 women in 64 top-tier public hospitals across 9 provinces in China, has concluded. The COGA evaluation compares the TruScreen technology to Liquid Based Cytology (LBC) and human papillomavirus (HPV) DNA testing, targeting a nationwide consensus on TruScreen technology applications in China as the main outcome of this large-scale trial.

The final report from this trial is still awaited, however preliminary results from two major provincial trials (See NZX announcements 2 September 2019 and 19 October 2020) showed TruScreen to be better or on parity than tests for HPV and LBC.

¹ Yingting Wei, Wenjing Wang, Mengxing Cheng, Zubei Hong, Liying Gu, Jiabin Niu, Wen Di, Lihua Qiu, Clinical evaluation of a real-time optoelectronic device in cervical cancer screening, Yingting Wei et al., *European Journal of Obstetrics & Gynecology and Reproductive Biology*, 2021, ISSN 0301-2115, <https://doi.org/10.1016/j.ejogrb.2021.09.027>. (<https://www.sciencedirect.com/science/article/pii/S0301211521004826>)

Corporate

TruScreen's operations are based in Sydney Australia, which for much of the six months to 30 September 2021 was under COVID-19 lockdown restrictions. Throughout the lockdown the company functioned while following the health orders with limited impact on operations. The lockdown was lifted in early October and TruScreen's offices and manufacturing sites have since reopened.

Outlook

TruScreen's Strategic Plan for FY22 and beyond will see the Company focus on three key areas: continuous product improvement, rapid expansion in China, and growth into other key markets.

Juliet Hull, TruScreen's CEO said "Our half year results reflect the significant efforts of the team, despite COVID-19's ongoing impacts. The strong revenue growth, attributed largely to SUS sales, is pleasing to see at this point in the year.

It is great to see the efforts of the last year start to materialise, with key projects in China and Europe moving ahead with pace. In addition to the strong revenue growth year on year, we have seen a 20% growth in commercial users around the world since the start of FY22. As our markets continue to recover from COVID-19 we expect to see commercial and clinical activities start to ramp up significantly."

-ENDS-

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

<p>Juliet Hull</p> <p>Chief Executive Officer</p> <p>juliethull@truscreen.com</p>	<p>Guy Robertson</p> <p>Chief Financial Officer</p> <p>guyrobertson@truscreen.com</p>	<p>Julia Maguire</p> <p>Investor Relations</p> <p>julia@thecapitalnetwork.com.au</p>
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About TruScreen:

TruScreen Group Limited (NZX/ASX: TRU) is a New Zealand-based medical device company that has developed an AI-enabled device that can detect precancerous and cancerous cervical changes in real-time via optical and electrical measurements of cervical tissue. Unlike many cervical screening technologies that have only triage/adjunct functionality, the TruScreen device is registered as a primary screening tool.

TruScreen's cervical screening technology effectively resolves many of the ongoing issues with conventional cytology, including failed samples, poor patient follow-up, patient discomfort, and the need for supporting laboratory infrastructure.

The device is CE-marked, meaning it meets EU safety, health and environmental protection standards required for sale and use throughout Europe. It is also National Medical Products Administration approved for sale in China.

TruScreen is currently targeting product sales to a range of low and middle-income countries, including China, Mexico, Vietnam, Russia, and Saudi Arabia, where no large-scale cervical cancer screening programs and infrastructure are currently in place. By doing so, the Company hopes to help improve the health and wellbeing of women worldwide.

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



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 2021	
Previous Reporting Period	6 months to 30 September 2020	
Currency		
	Amount (000s)	Percentage change
Revenue from continuing operations	\$745	+25%
Total Revenue	\$1,419	+43%
Net profit/(loss) from continuing operations	(\$1,259)	+17%
Total net profit/(loss)	(\$1,259)	+17%
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	\$0.0141	\$0.0176
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	29 November 2021	

Unaudited financial statements accompany this announcement.

TRUSCREEN GROUP LIMITED

TRUSCREEN GROUP LIMITED

Interim Unaudited Financial Statements

For the Six Months Ended 30 September 2021



TRUSCREEN GROUP LIMITED

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REVIEW OF OPERATIONS

Highlights for Half Year ended 30 September 2021

- **Strong revenue and Single Use Sensor (SUS) sales growth of 25% and 35% year on year (YOY) respectively**
- **Launch of TruScreen Made in China device for the Chinese market**
- **Firmware upgrade and cervical cancer screening device enhancements**
- **Continuous expansion and first sales in Eastern Europe**
- **Ongoing excellent trial results confirm efficacy of TruScreen cervical cancer screening device**

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 2021 (1H FY22), along with the following operational update. TruScreen reports according to the New Zealand financial year, which runs from 1 April to 31 March.

The Company reported an operating loss of \$1.26m (1H FY21: \$1.51m), a 20% reduction over the prior year. Despite the negative impacts of COVID-19 in some of our markets, notably Russia and Vietnam, product revenue increased by 25% YOY.

Pleasingly, SUS unit sales were 35% higher YOY although getting new cervical cancer screening devices installed in hospitals was hampered by ongoing COVID-19 restrictions.

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Half-Year Commentary

TruScreen continued to make good market and technical progress in 1H 22 and, going forward, is well placed to build upon this success as the COVID-19 pandemic wanes.

Market development - China

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TRUSCREEN GROUP LIMITED

This development provides TruScreen with revenue upside, as China's Health Check sector is rapidly growing, aided by support from provincial governments, private organisations, and non-government organisations (NGOs). Major public hospitals will have separate Health Check clinics offering a wide range of women's health medical checks, including cervical cancer screening.

Market development - Europe

TruScreen has, at the same time, continued to broaden its market access throughout Central and Eastern Europe, with the Company's current focus on Serbia and Poland. The market access strategies in these two countries are now being actively supported by key opinion leader engagement, clinical trials, and local clinical evaluation initiatives.

TruScreen is currently in the final planning stages for a clinical trial in Poland, led by a well-known medical opinion leader in that country. The pilot phase of this trial will screen women in five centres across Poland to evaluate the clinical performance of the TruScreen device. TruScreen anticipates the results of the trial will facilitate market access throughout Poland as well as neighbouring countries.

TruScreen has recently concluded training in Serbia targeting new key opinion leaders and clinicians. The training has enabled the commencement of planned local clinical evaluations and facilitated the commencement of early market activities with the first sales being concluded in September.

The World Health Organisation (WHO) has highlighted that innovative technologies such as TruScreen's portable and real time device are applicable for use in low-and-middle-income countries (LMIC). Leveraging our success in Zimbabwe and partnership with its National Aids Council, we are having dialogues with potential distributors in markets where TruScreen is not currently represented, and where TruScreen as a primary cervical cancer screening device can make a positive difference to women's health.

Upgraded firmware

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Outlook

TruScreen's Strategic Plan for FY22 and beyond will see the Company focus on three key areas: continuous product improvement, rapid expansion in China, and growth into other key markets.

I would like to take the opportunity to thank shareholders for your ongoing support and encourage you to stay up to date with TruScreen news via the NZX/ASX announcements platforms as well as our website and social media accounts.



Anthony Ho
Chairman

29 November 2021

TRUSCREEN GROUP LIMITED

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021**

		Unaudited for the six months ended 30 September 2021	Unaudited for the six months ended 30 September 2020	Audited for the year ended 31 March 2021
	Note	\$	\$	\$
Revenue from the sale of goods		745,146	596,824	1,132,641
Other income	4	673,688	398,169	843,274
Cost of product sales		(519,378)	(351,272)	(732,603)
Employee benefit expenses and directors' fees		(507,112)	(644,236)	(1,180,425)
Administration		(170,971)	(227,859)	(403,638)
Research and development expenses		(796,339)	(524,718)	(1,288,197)
Rent		(27,263)	(17,068)	(40,876)
Travel		(3,376)	(1,598)	(4,192)
Marketing & product approvals		(197,479)	(284,811)	(618,281)
Insurance		(57,146)	(39,840)	(85,196)
Shareholder relations & services		(97,838)	(35,362)	(295,163)
Foreign exchange gain/(loss)		-	-	(136,200)
Amortisation & depreciation		(300,850)	(346,192)	(646,598)
Finance costs		-	(32,202)	(34,556)
Loss before income tax		(1,258,918)	(1,510,165)	(3,490,010)
Income tax expense		-	-	-
Loss for the period after income tax		(1,258,918)	(1,510,165)	(3,490,010)
Other comprehensive income				
<i>Item that may be reclassified subsequently to profit or loss</i>				
Exchange (loss)/gain on translating foreign subsidiary operations		(394,945)	448,242	500,136
Other comprehensive (loss)/income for the period		(394,945)	448,242	500,136
Total comprehensive loss for the period		(1,653,863)	(1,061,923)	(2,989,874)
Basic and diluted losses (cents per share)		(0.35)	(0.48)	(1.08)

The accompanying notes form part of these financial statements.

TRUSCREEN GROUP LIMITED

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021**

		Unaudited 30 September 2021	Unaudited 30 September 2020	Audited 31 March 2021
	Note	\$	\$	\$
CURRENT ASSETS				
Cash and cash equivalents		3,673,500	4,467,663	5,255,074
Trade receivables		6,672	156,924	-
Other receivables		961,466	923,419	558,485
Loan receivable		-	75,000	-
Goods and services taxes recoverable		33,902	37,249	44,233
Inventories		691,607	610,774	732,574
Other assets – prepayments		160,588	293,620	105,931
TOTAL CURRENT ASSETS		<u>5,527,735</u>	<u>6,564,649</u>	<u>6,696,297</u>
NON-CURRENT ASSETS				
Plant and equipment		266,078	314,042	307,092
Intangible assets		4,546,722	5,292,643	5,001,302
TOTAL NON-CURRENT ASSETS		<u>4,812,800</u>	<u>5,606,685</u>	<u>5,308,394</u>
TOTAL ASSETS		<u>10,340,535</u>	<u>12,171,334</u>	<u>12,004,691</u>
CURRENT LIABILITIES				
Trade and other payables		556,238	447,951	454,494
Borrowings		-	436,840	-
Employee benefits		92,743	88,531	205,373
TOTAL CURRENT LIABILITIES		<u>648,981</u>	<u>973,322</u>	<u>657,867</u>
NON-CURRENT LIABILITIES				
Employee benefits		36,226	49,375	37,633
TOTAL NON-CURRENT LIABILITIES		<u>36,226</u>	<u>49,375</u>	<u>37,633</u>
TOTAL LIABILITIES		<u>685,207</u>	<u>1,022,697</u>	<u>695,500</u>
NET ASSETS		<u>9,655,328</u>	<u>11,148,637</u>	<u>11,309,191</u>
EQUITY				
Issued capital	7	34,550,048	32,461,543	34,550,048
Share option reserve		306,000	306,000	306,000
Foreign currency translation reserve		(609,508)	(266,457)	(214,563)
Accumulated losses		(24,591,212)	(21,352,449)	(23,332,294)
Total Equity		<u>9,655,328</u>	<u>11,148,637</u>	<u>11,309,191</u>

The accompanying notes form part of these financial statements.

TRUSCREEN GROUP LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021**

	Note	Share Capital \$	Accumulated Losses \$	Foreign Currency Translation Reserve \$	Option Reserve \$	Total \$
Balance at 31 March 2021 (Audited)		34,550,048	(23,332,294)	(214,563)	306,000	11,309,191
Comprehensive income						
Loss for the period ended 30 September 2021		-	(1,258,918)	-	-	(1,258,917)
Exchange differences on translation of foreign subsidiary operations		-	-	(394,945)	-	(394,945)
Total comprehensive loss for the period (unaudited)		-	(1,258,918)	(394,945)	-	(1,653,862)
Balance at 30 September 2021 (Unaudited)		34,550,048	(24,591,212)	(609,508)	306,000	9,655,328
Balance at 31 March 2020 (Audited)		27,492,050	(19,842,284)	(714,699)	306,000	7,241,067
Comprehensive income						
Loss for the period ended 30 September 2020		-	(1,510,165)	-	-	(1,510,165)
Exchange differences on translation of foreign subsidiary operations		-	-	448,242	-	448,242
Total comprehensive loss for the period (unaudited)		-	(1,510,165)	448,242	-	(1,061,923)
Transactions with owners						
Issue of shares	7	5,243,001	-	-	-	5,243,001
Share issue costs	7	(273,508)	-	-	-	(273,508)
Total transactions with owners		4,969,493	-	-	-	4,969,493
Balance at 30 September 2020 (Unaudited)		32,461,543	(21,352,449)	(266,457)	306,000	11,148,637

The accompanying notes form part of these financial statements.

TRUSCREEN GROUP LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021**

		Unaudited for the six months ended 30 September 2021	Unaudited for the six months ended 30 September 2020	Audited for the year ended 31 March 2021
	Note	\$	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES				
Cash receipts from customers		763,087	561,141	1,242,595
Cash paid to suppliers and employees		(2,517,329)	(2,067,640)	(4,282,506)
Cash received from research and development tax offset		-	-	689,167
Government subsidies		99,114	-	268,717
Short-term lease payments not included in lease liability		(64,933)	(34,136)	(73,978)
Interest paid		-	(32,202)	(35,146)
Interest received		196	-	1,820
Net cash used in operating activities	8	<u>(1,719,865)</u>	<u>(1,572,837)</u>	<u>(2,189,331)</u>
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of plant and equipment		-	(74,064)	(97,524)
Net cash used in investing activities		<u>-</u>	<u>(74,064)</u>	<u>(97,524)</u>
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of shares		-	5,243,001	7,489,968
Share issue costs		-	(273,508)	(431,970)
Repayment of borrowings		-	-	(410,280)
Net cash provided by financing activities		<u>-</u>	<u>4,969,493</u>	<u>6,647,718</u>
Net (decrease)/increase in cash and cash equivalents		(1,719,865)	3,322,592	4,360,863
Cash and cash equivalents at beginning of period		5,255,074	1,024,153	1,024,153
Effect of foreign exchange adjustment on cash balances		138,291	120,918	(129,942)
Cash and cash equivalents at end of period		<u>3,673,500</u>	<u>4,467,663</u>	<u>5,255,074</u>

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 2021 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 29 November 2021.

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 2021.

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 2021.

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

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.

SEASONALITY

Operations are not subject to seasonal influences.

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 2021	Unaudited for the six months ended 30 September 2020	Audited for the year ended 31 March 2021
	\$	\$	\$
Other income			
Research and development tax offset ¹			
- Current year	361,032	185,506	549,109
- Prior year adjustment	48,898	53,663	23,628
	409,930	239,169	572,737
Interest	216	919	1,820
Government subsidies	99,114	154,111	268,717
Foreign exchange gains - realised	164,428	3,970	-
Total other income	673,688	398,169	843,274

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

- Clinical trials;
- Software & firmware improvements incorporated from feedback on prototypes 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.

²The Directors undertook a comprehensive Impairment Review ("Review") of the intangible assets of the Company as at the 31 March 2021 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 sales and rollout in China and other countries as a result of COVID-19 pandemic. These risks were taken into account in determining the budget for 2022 and the impact on sales revenue in subsequent years.

A further limited review was undertaken at the 30 September 2021 half year. The current 2022 forecast is tracking close to the 2022 budget, which was used in the March 2021 impairment review. A further full review will be undertaken for the March 2022 financial year. The Company's business in the key market of China, impacted early in calendar 2020 by COVID-19 and the first country to lift COVID-19 restrictions, has made a strong recovery.

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5. ADMINISTRATION AND OTHER OPERATING EXPENSES

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

Employee benefits expense: The reduction in costs is attributable to the business is currently operating with a Director, Juliet Hull, as CEO on an interim basis.

Research and development costs: The increase in these costs reflect research and development work to improve cybersecurity, facilitate self-calibration of the TruScreen cervical cancer screening device, and other enhancements to meet market requirements.

Marketing and product approvals: The reduction in marketing costs reflects a decision in the face of COVID-19, and limited access in a number of markets, to focus on research and development. The firmware upgrade now complete, marketing efforts will accelerate as more markets emerge from COVID-19 lockdowns.

Shareholder relations and services: The increase in these costs reflect the dual listing costs of the NZX and ASX, following the listing on the ASX in January 2021.

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 2021 (2020: two customers):

- One customer provided revenue of \$647,839 (87%) (2020: \$508,712 (85%)); and
- In 2020 a further customer provided revenue of \$88,154 (15%).

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

7. SHARE CAPITAL

	<u>No.</u>	<u>\$</u>
Balance at 30 September 2020	<u>332,394,825</u>	<u>32,461,543</u>
Balance at 31 March 2021	<u>362,866,253</u>	<u>34,550,048</u>
Balance at 30 September 2021	<u>362,866,253</u>	<u>34,550,048</u>

8. RECONCILIATION OF CASH FLOW FROM OPERATING ACTIVITIES

	Unaudited for the six months ended 30 September 2021 \$	Unaudited for the six months ended 30 September 2020 \$	Audited for the year ended 31 March 2021 \$
Reconciliation of cash flow from operations with loss after income tax			
Loss for the period	(1,258,918)	(1,510,165)	(3,490,010)
Adjusted for:			
Amortisation and depreciation	300,850	346,192	646,597
Exchange difference arising from translating loss items at the date of transaction and translating cash balances at period end rates	(338,487)	943	298,477
Operating cash flows before working capital changes	(1,296,555)	(1,163,030)	(2,544,936)
(Increase)/decrease in trade receivables	(6,672)	(49,906)	182,018
(Increase)/decrease in goods and services taxes recoverable	10,325	(19,739)	(26,718)
(Increase)/decrease in prepayments	(54,658)	(157,178)	30,511
(Increase)/decrease in inventory	40,967	(107,006)	(228,806)
Increase/(decrease) in research and development refundable tax offset	(402,981)	(239,169)	125,765
Increase in trade and other payables	103,745	154,806	159,451
(Decrease)/increase in employee liabilities	(114,036)	8,385	113,384
Net cash outflow from operating activities	(1,719,865)	(1,572,837)	(2,189,331)

9. NET TANGIBLE ASSETS PER SHARE

	Unaudited as at 30 September 2021	Unaudited as at 30 September 2020	Audited as at 31 March 2021
Net tangible assets (\$)	5,108,606	5,855,994	6,307,889
Shares on issue at the end of period	362,866,253	332,394,825	362,866,253
Net tangible assets per share (cents per share)	1.41	1.76	1.74

10. CONTINGENT LIABILITIES

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

11. EVENTS SUBSEQUENT TO END OF THE INTERIM PERIOD

The Company received \$605,104 on 1 October 2021, being the Australian research and development tax offset refund for the year ended 31 March 2021.

On 11 October, COVID-19 lockdown restrictions were lifted in Sydney where the Company's operation is located. Staff are now working back in the office. International travel is allowed with limited international destinations for fully vaccinated travellers. It is anticipated that full international travel for fully vaccinated travellers could recommence by mid-2022.

The Company's business is not materially impacted by the New Zealand and Australian governments commitments to their respective emission reductions target announced at the recent October 2021 United Nation Climate Change Cop 26 conference at Glasgow UK. As part of its ongoing product development and operations review the Company will take steps to reduce its carbon footprint.

Other than outlined above and as outlined in the Corporate section of the Half-Yearly Review of Operations, there are no other events since 30 September 2021 which would have a material effect on the Group's unaudited interim financial statements for the six months ended 30 September 2021.