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NZ company resurrects cancer wand

Technology developed by Australian firm that went bust in global financial crisis

Christopher Adams

A failed Australian biotechnology developer's cervical cancer screening technology has been resurrected by an Auckland company that will list on the New Zealand sharemarket this week.

Parnell-based TruScreen says its medical device – a digital wand that uses electrical and optical signals to detect cancerous and pre-cancerous tissue – has solid growth prospects in emerging markets such as China and Indonesia, where women often lack access to screening programmes.



Martin Dillon

The company recently raised more than \$6 million through a private placement to professional investors and will not raise any capital through its compliance listing on the NZAX alternative market this Wednesday.

Its technology was developed in Australia by Polartechnics, a formerly ASX-listed biotech company that went into liquidation in 2010.

TruScreen chief executive Martin Dillon was Polartechnics' general manager for sales and marketing during the sunset years of that business.

He said the Sydney company went bust after funding dried up during the global financial crisis.

TruScreen was established in August 2013 and its recently raised capital was partly used to acquire product inventory and intellectual property for the cancer screening technology from Polartechnics' former chairman, Robert Hunter, who is

also chairing the soon-to-be NZAX-listed firm.

Dillon said that while Polartechnics had suffered from overstaffing, TruScreen was "lean".

The company had only four employees and would outsource manufacturing, as well as medical and technical expertise, he said.

"Polartechnics built the road, but we just ran out of money before we could put the bitumen on it."

He said TruScreen had distribution partners in 11 countries including China, Russia, Indonesia and Mexico.

The device resolved problems developing countries often experienced with more traditional Pap tests, such as failed samples, a lack of patient follow-up and the need for large-scale laboratory infrastructure, Dillon said.

He said the TruScreen device

could be easily transported to remote communities and provided a result within minutes.

Dillon said \$400,000 in export revenue was generated during the first six months of the current financial year. TruScreen was forecasting a \$2.2 million profit on sales of over \$10 million in the 2016 financial year.

In addition to Sydney-based Hunter, TruScreen's other directors are Sean Joyce, an Auckland commercial lawyer, former stockbroker Tim Preston and Christopher Horn.

Hunter is TruScreen's largest shareholder, with a 27.7 per cent stake, according to Companies Office records. Former Telecom boss Theresa Gattung has a small shareholding in the firm.

TruScreen is expected to have a market capitalisation of around \$14 million upon listing.

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TruScreen chief executive Martin Dillon

Q&A

Cervical cancer facts

Q: What causes cervical cancer?

A: Certain types of the sexually transmitted human papillomavirus (HPV).

Q: How common is the disease?

A: More than 500,000 women contract cervical cancer globally each year and over 85 per cent of the estimated 270,000 annual deaths take place in developing countries, the World Health Organisation says.

Q: What are the benefits of the TruScreen device?

A: It's portable and provides on-the-spot results, meaning medical teams can use the technology to screen women in remote communities in developing nations.