



2018 ANNUAL REVIEW LETTER

Dear Shareholder

The 2018 financial year was one of significant progress for TruScreen with the company reaching a major turning point in its commercial pathway by year-end. The endeavours of staff and advisers over many years are now being realised, with TruScreen on the cusp of commercial realisation and expecting to achieve profitability in FY19.

Since our inception, we have been focused on the development of our proprietary opto-electrical cervical cancer screening solution and establishing our global commercial footprint. We have tested and validated our technology; negotiated distribution agreements which cover more than 1 billion women in over 24 countries; and have been marketing and building awareness of our product. Most recently, we have invested in a new manufacturing facility, which provides us with more control over supply and significantly reduces operating costs.

The Chinese market remains our primary focus and receiving CFDA approval for our TruScreen2 device at the end of 2017 allowed us to immediately commence commercial activities. Demand in China has grown exponentially and FY19 first quarter sales have already exceeded total sales for the entire year in FY18.

We have also identified other markets which are of great interest, but in an earlier commercialisation stage. In particular, these include India and Latin America, which have large screening populations, limited laboratory infrastructure and are looking for a cervical screening solution.

We were privileged to welcome three new and experienced Directors to the Board since August 2017. Their expert knowledge and skills will help guide our company towards commercial success.

The outlook for our company is positive and we are excited about the progress we are making.

We would like to acknowledge and thank our shareholders for their patience and their loyalty, as well as our staff, advisers and other supporters. Throughout this process, we have remained true to our vision to provide better cervical cancer screening for women around the world and, by doing so, improve the health and wellbeing of women and help to save thousands of lives.

OUR PRIORITIES FOR FY19

- Achieve profitability
- Maximise device pull through of Single Use Sensor (SUS) in China
- Achieve inclusion in Government programmes and sales in Mexico and India
- Grow sales by at least 5x FY18
- Generate operational efficiencies, particularly by bringing manufacturing processes inhouse
- Move low tech manufacturing offshore and reduce COGS
- Leverage volumes to reduce SUS costs



Robert Hunter
Chairman



Martin Dillon
Chief Executive Officer

FY18 ACHIEVEMENTS AND KEY EVENTS

FY18 financial results at a glance

- Sales increased 37% to \$0.8m, mainly in the second half following CFDA approval for TruScreen2 in China
- Total revenue up 56% to \$2.2m
- Operating expenses increased as expected to \$6.3m, as the company positioned itself for the forecast growth in demand
- Net operating cashflow of \$(3.7)m expected to significantly improve as sales increase
- Net loss after tax of \$(4.2)m
- Cash and cash equivalents of \$1.2m as at 31 March 2018
- TruScreen expects to achieve profitability by the end of FY19.

Focus remains firmly on the Chinese market

- Signed major new sub-distributor in China to manage government sales channels
- Commenced sales of TruScreen2 device in China in December 2017, following CFDA approval
- Commenced 10,000 patient evaluation trial with the Chinese Obstetrics and Gynaecology Association
- Post period end, commenced a pilot programme with the Women's and Children's Healthcare Division of the Centre for Disease Control in China, with more than 12,000 women expected to be involved
- Post period end: Confirmed installation of TruScreen devices in 190 hospitals in Xinjiang Province over the coming months; and selected as the primary screening solution for a chain of high tech female health clinics to be established in 50 municipal hospitals in China.

Building on our global presence outside of China

- Established distribution networks for several new territories
- Commenced a research collaboration with the All India Institute of Medical Science to validate TruScreen for the screening of Indian women and to be recommended to the Government of India's Ministry of Health and Family Welfare for use in nationally funded screening programs
- Commenced evaluation with Ministry of Health in Mexico for inclusion in the Mexican Government's purchasing catalogue of preferred medical devices for public health
- Selected for use in Mexico's famous Health Train, bringing advanced medical technologies to remote communities
- Commenced a pilot study in Papua New Guinea to evaluate TruScreen as a cervical cancer screening solution in regional and remote locations
- Selected for evaluation by the Zimbabwe Ministry of Health for use as a government solution for cervical cancer screening
- Approved for reimbursement by major health insurer in Jordan, a global first for TruScreen
- Recommended for inclusion in Russian clinical guidelines.

Strong performance of TruScreen in clinical evaluation

- Ongoing results from clinical performance evaluation of TruScreen at the Royal Hospital for Women in Sydney indicate that TruScreen will substantially boost screening capabilities in developing countries.

Strengthened our business

- Completed successful \$5 million capital raising in May 2017
- Established new manufacturing facility in Australia, which was commissioned post-period end in June 2018.

Refreshed the Board with appointment of expert directors

- Professor Ron Jones and Mr Chris Lawrence appointed to the Board of directors, replacing two long serving directors. Marie Ficarra appointed to the Board in June 2018, post period end.



Our 2018 Annual Report is now available for viewing on our website www.truscreen.com

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