



Executive Update - July 2020



Dear Investors and Partners,

Welcome to the July 2020 Newsletter.

The last few months have been a challenging time for people and businesses around the world. Since the first COVID-19 outbreak in China, TruScreen has been closely monitoring the situation and assessing its potential impacts on the company, supply chain, and customers. TruScreen has continued to be operational throughout this period, working closely with our suppliers and global distribution network to navigate this unprecedented time. Ensuring the safety of our employees has been a top priority and in early May TruScreen activated a business continuity programme, smoothly transitioning the team to working from home.

COVID-19 has caused delays in some of our rollout projects, particularly in China and Russia, however, we have been working closely with our local distributors to build the framework for recovery. In China, we are already starting to see the return to a new post-pandemic normal, with increased usage and continued device installations over the past 3 months. As a company, we have used this quarter to reset our business plan, implement changes to our quality management system, reassess our resources, and focus on supporting our distribution network.

Key early contributor, Professor Ronald Jones, stepped down from the Board and Medical Advisory Committee (MAC) in April. Prof. Jones has been working with the TruScreen technology since its inception and has been a valued member of the Board and MAC since 2017. We would like to thank Prof. Jones for his dedication as both a Board and MAC member over the year and wish him well in his retirement.

Significant Events Year-to-Date:

- Successfully completed Capital Raises in May & June totalling \$5.24M
- Total Q1 sales show +81.6% year-on-year growth, albeit off a low base
- First commercial sale to Vietnam, following MOH approval
- Enhanced Quality Assurance capabilities
- Nationwide Russian educational program
- Engaged new Eastern EU Consultant, Dr. Ivan Imre
- Hired Chief Technology Officer, Edmond Capcelea, ex Cochlear limited
- [Released FY20 Financial Results & Annual Report](#)


In April 2020, we announced a \$2m Share Purchase Plan, which closed in May oversubscribed, raising a total of \$3,743,000. In response to the large number of inquiries received from our shareholders and third-party investors, the Board resolved to undertake a New Same Class Offer to raise a further \$1.5 million, providing both existing NZ shareholders and the wider investor community the opportunity to further support the company. The New Same Class Offer closed, fully subscribed, in early June 2020.

We would like to thank our shareholders, for their overwhelming support in the recent capital raising initiatives. The new capital raised will enable the company to implement its business strategy focusing on growing and increasing our presence in our key markets, as well as providing additional working capital for the years to come.

We are pleased to advise that our (unaudited) first quarter sales show good growth in comparison to the same period last year. TruScreen's total sales for FY21 Q1 grew 81.6%, and the total sales volume for Single Use Sensors (SUS) grew 28% year-on-year (FY21 v FY20).

My first full quarter as CEO has come with some unique challenges in light of the unprecedented COVID-19 pandemic, but with the guidance of our board and commitment from our team, we have achieved a successful quarter in spite of the challenges faced. As we move into the second quarter for the financial year TruScreen remains focussed on the post COVID-19 recovery plan for our key markets, increasing our support to partners, as well as strengthening our human resources as a company and following through on our business plan. We remain committed to our vision - A world without Cervical Cancer!

Regards,



Victoria Potarina
Chief Executive Officer
Truscreen Limited



First Commercial Sale to Vietnam

In April 2020 TruScreen received approval from the Vietnam Ministry of Health (MOH) for commercial rollout. Approval has initially been granted to Hanoi Obstetrics and Gynaecology Hospital (HOGH), with further rollouts for public & private hospitals across Vietnam expected to follow.

The approval follows a successful MOH managed clinical trial, held at HOGH, comparing the performance of TruScreen to traditional Pap Smears. The MOH approval was a significant milestone for the company, after several years of engagement in the region, and has materialised into TruScreen's first commercial sale for the region in June 2020. The initial order, for 6 Devices and 4,320 Single Use Sensors (SUS) totalling NZD \$80,500, will assist in supporting the first commercial installations in HOGH.

TruScreen is currently working with our Vietnam Distributor to establish the nationwide roll-out plan, with initial coverage targeting 10 Hospitals throughout Vietnam, including public & private hospitals.

China Market Update

China remains TruScreen's focus market and is the first of our markets to begin on the road to recovery post-COVID-19. We have been working closely with our distributor, Beijing Siweixiangtai Tech Co., (SWXT), to establish a recovery road map, focusing on commercial roll-outs and the China Obstetrics and Gynaecology Association (COGA) trial. First-quarter sales to the region totalled approx. NZD \$235,700, meeting forecast for the period. Q1 saw a 16% increase in our Chinese installation base, with the TruScreen device rolled out in an additional 8 Hospitals including 2 new provinces. The COGA project is on track to be completed by December 2020, with results to be released early next year for analysis.

Ms Su Siming, managing director and founder of TruScreen's Chinese Distributor SWXT, had this to say about the Post-pandemic recovery progress; ***"The coronavirus pandemic has continued to have a big impact on the development of our hospital sales and other major marketing projects in the last 3 months, but we remained confident and have been doing whatever we can to minimise the impact.***

We held numerous online training sessions, academic meetings, and communications with hospitals/KOLs covering various geographic areas. We're working to build up a new sales/marketing model to adapt to the new normal, post-pandemic, and to tackle the long-term impacts of the pandemic.

In the last quarter, we installed devices in 8 hospitals for commercial daily use. The COGA project kept moving ahead progressively, 54 participating hospitals have completed data collection to date, and 15 hospitals are underway. We plan to start another 30 hospitals in the coming months and are aiming to complete 10,000 patients by the end of the calendar year for data analysis and paper publication.

We are sponsoring the annual meeting of CSCCP (China Society of Colposcopy and Cervical Pathology) to be held in July 2020. The CSCCP is an academic society focussing on cervical cancer screening and diagnosis, this annual meeting brings together hundreds of KOL, specialists, doctors, and thought leaders in the region. We will have a local Key Opinion Leader (KOL) presenting TruScreen at the conference.

2020 has become a difficult year due to the Coronavirus pandemic. However, as we enter the pandemic recovery phase, we are committed in our efforts to overcome the various challenges until we reach our ultimate goals!"

Chief Technology Officer joins TruScreen



In June, TruScreen welcomed its new Chief Technology Officer (CTO), Edmond Capcelea.

Edmond is a senior medical device executive with over 20 years of experience in medical device design & development. He has extensive experience in leading complex research & development projects from conceptualisation through to development, clinical validation, manufacturing, and commercialisation stages. He has a Masters in Engineering Physics and his previous roles include Divisional Director Head of Implants and Design Development at Cochlear Limited, and Senior Vice President of Research and Development at Saluda Medical.

As CTO, Edmond will lead the technical department and help steer TruScreen's Research & Development.

Central & Eastern Europe Commercial Lead



TruScreen engaged Dr. Ivan Imre as Commercial Lead for Central & Eastern Europe. Ivan, based in Prague, Czech Republic, has over 20 years of experience in the medical device & pharmaceutical industries in Europe, including Eastern Europe Business unit Director for Johnson & Johnson.

Central & Eastern Europe (CEE) presents a large market opportunity for TruScreen, with over 50 million women residing in the region. Women in CEE have a higher cervical cancer incidence & mortality rate than elsewhere in Europe, partly due to the absence of high coverage screening. Historically, approximately 40,000 women develop cervical cancer annually, with 20,000 women dying from the disease each year in the region.¹⁻³

TruScreen rationalised its distribution in CEE and has commenced negotiations with new potential distribution partners in the region, to initially cover Czech Republic, Poland, Hungary, Serbia, Bosnia, Macedonia, and Montenegro.

MAC Chairman



Associate Professor Michael J. Campion, TruScreen Medical Advisory Committee Chairman, sits down to discuss the science behind TruScreen's Cervical Cancer Screening Device, its clinical validation and application in real-world settings.

TruScreen Education Campaign in Russia



TruScreen Education Campaign in Russia

In May 2020 Truscreen's Russian distribution partner, IntelMed Systems (IMS), completed the first launch of a nationwide education campaign featuring TruScreen as the preferred screening method. The campaign, titled "Women of a different age: from onco-denial to onco-phobia. How to prevent cervical cancer", was developed by Key Opinion Leaders (KOLs) under the leadership of Russia's top KOL on Cervical Cancer Professor Svetlana Rogovsjaya, President of the Russian Association on Gynaecological Diseases and Neoplasia and Professor of Russian Medical Academy.

The educational seminars saw over 2,800 doctors participate in training across 18 cities throughout Russia including; Moscow, Rostov-na-Donu, Tver, Gronzy, Volgograd, and Novosibirsk.

The outcome of the campaign has seen a high acceptance of TruScreen technology, with overwhelming support from doctors in the use of Truscreen for cervical cancer screening.

"Nowadays all hospitals should have TruScreen, because it makes the life of doctor and patient so much easier – you can see very quickly the clinical status of the cervix. This method has passed many clinical studies and they clearly show that Truscreen has high sensitivity and specificity, higher than of pap smear test and HPV test". - Prof. Svetlana Rogovsjaya.

Cloud-based Customer Support and Product Traceability

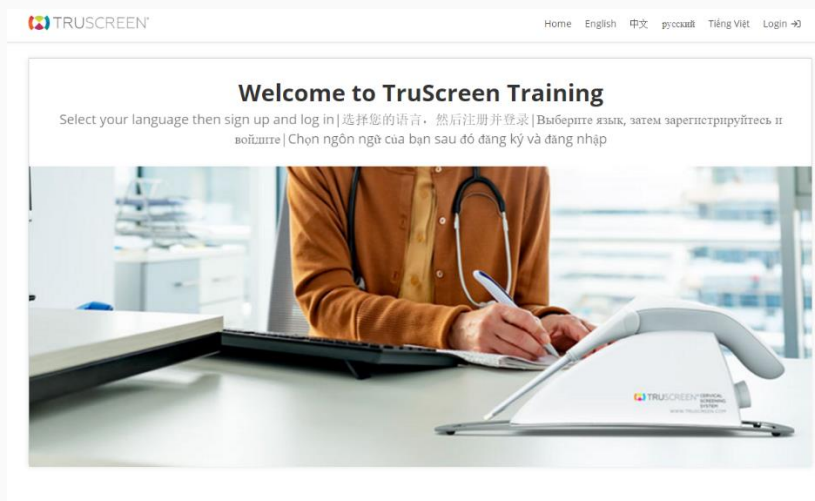
TruScreen has used Q1 to focus on increasing our commercial support to our distribution network. During the quarter there have been several key projects initiated in these areas with the goal of improving our capabilities to support product roll-out and a higher number of devices active in the field across the globe.

TruScreen has expanded its cloud-based Jira system to handle some of our critical business processes. Jira is an Australian developed software platform from the Atlassian Corporation Plc is an Australian enterprise software multinational that develops products for software development, project management, and content management. Its best known for its issue tracking application Jira, and its team collaboration product Confluence.

TruScreen distributors can now log into the Customer Portal in Jira and provide their feedback in regards to the TruScreen Device. In addition, our service centres in China, Russia, and Vietnam can now log in and update service records for work undertaken. An upgraded Product Traceability module allows TruScreen to follow the whereabouts of devices around the world. TruScreen has also created a Distributor Portal that houses a suite of commercial, technical, and clinical knowledge resources via Confluence.

TruScreen's General Manager for Quality & Regulatory Compliance, Paul Curran, says *"This is an important step for the company in bringing our Quality Processes to the next level and ensuring ongoing compliance to International Standards for our Medical Device."*

Online End User Training



TruScreen has developed an online training platform available to end-users around the world. This training platform will host our recently developed training video and theory exam and will accompany on-patient training provided by our distributors. Moving our end-user training to an online format will significantly reduce the time it takes to train and certify end users, as well as providing TruScreen with greater visibility of progress for in region training. This tailored online learning platform is a crucial part of expanding our capabilities, and ensuring we have robust procedures for the future. It will be initially rolled out in English, Chinese, Russian, and Vietnamese with the availability to expand this further as we see roll-outs into new regions.



A World Without Cervical Cancer

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