

Company Announcement

14 December 2018

## TRUSCREEN SIGNIFICANT SALES INCREASE, REDUCED LOSS IN HALF YEAR

Cervical cancer technology company, TruScreen Limited (NZAX:TRU), announced its preliminary unaudited financial results for the six months to 30 September 2018.

The Company reported a 519% increase in sales compared to the corresponding period last year and a significantly reduced loss from the corresponding period in the prior year and the previous six months. TruScreen is benefitting from increasing demand in China, new distribution agreements leading to an expanded global presence and growing adoption by public and private healthcare providers.

Total revenue was \$2.2m, comprising sales of \$1.4m and other income of \$0.8m, being grants for research & development \$0.5m and an unrealised foreign exchange gain of \$0.3m.

Net operating cashflow outflow was \$0.8m, a significant improvement over prior periods attributable to receipts from sales and research & development grants.

TruScreen reports a net loss of \$1.15m for the six months, a significant improvement on the corresponding period in 2018 (1H18:\$1.8m) and the previous six month period (2H18: \$2.4m). Unrealised foreign exchange gain was \$0.3m compared with a foreign exchange loss of (\$.09m) in the corresponding period.

Gross margins improved to 42% (2H18:22%) following a focus on reducing manufacturing costs. A review is currently underway to reduce overheads.

As at 30 September 2018, the Company had cash and cash equivalents of \$1.48m. A well supported Share Purchase Plan raised \$1.56m in October 2018, increasing available cash to approximately \$2.3m as at 31 October 2018.

### **Half Year Commentary**

TruScreen has continued to make significant commercial progress in the six months to 30 September 2018.

China remains the Company's focus with a number of important initiatives commenced during the half year. These have seen TruScreen selected for major screening programmes and for installation in both public and private hospitals and clinics. Hospitals in the public sector are expected to use an average of 150 Single Use Sensors (SUS) per month. This compares with some of TruScreen's customers who are now using over 1,000 SUS per month.

The company is also making good progress in other markets. Africa and India, in particular, have been identified as offering major opportunities for TruScreen, with a large addressable market of women of screening age and limited healthcare resources and infrastructure relative to population size.

In Africa TruScreen was selected by the National Aids Council of Zimbabwe for a pilot program to screen HIV affected women, who are 6 times more likely to develop cervical cancer than other women.

In East and Southern Africa there are an estimated 10.8 million women (UNAIDS data, 2017) suffering from HIV, all of whom have an increased need to be screened for cervical cancer.

The drafting of the interim report from the All India Institute of Medical Science has commenced, and its release in the first quarter of 2019 is expected to provide sales opportunity of TruScreen to the public sector in India.

The Company's global presence continues to grow with a new distribution agreement signed for the Middle East. TruScreen currently has distributors appointed in over 24 countries, which together have a screening addressable market size exceeding 1 billion women.

TruScreen's newly commissioned in-house manufacturing facility in Australia, is providing greater control over the supply and cost of the key optical electrical front end of the TruScreen device. Gross margin has improved as unit costs decreased. TruScreen is currently working to move additional key manufacturing processes in-house.

Regulatory and clinical evaluation of TruScreen is an important part of the adoption process. Ongoing results from the clinical trial at the Royal Hospital for Women in Sydney indicate that TruScreen is an important addition to screening capabilities in developing countries. TruScreen also continues to receive regulatory approval for import and sale in a growing number of countries.

### **Outlook**

The company is making good progress to achieve a number of commercial goals for the 2019 financial year. Market awareness of the benefits of TruScreen is growing and would lead to increasing adoption and commercial sales around the world.

Sales growth is expected to continue in the 2H2019, and further improvement in margins as manufacturing efficiencies are realised.

### **Highlights for HY19:**

- Sales of devices and Single Use Sensors (SUS) tracking well ahead of prior year, with 519% period on period growth in sales.
- Commissioned new optical electrical front-end manufacturing facility in Sydney.
- Strong demand continues from China and other markets.
- Commenced large scale evaluations in China with The Women's and Children's Division of the Centre for Disease Control; selection as the primary screening tool for up to 50 planned women's health clinics; and selected for major programme in Xinjiang Province, which will see TruScreen installed in 190 hospitals.
- Completed first stage of evaluation with the Chinese Obstetricians and Gynecologists Association, with approval to progress to second stage of the project.
- Gained approval for pilot screening programme in Zimbabwe, with initial \$450,000 sale to the National Aids Council which is running the programme.
- Signed new distribution agreement for the Middle East.
- Supplied devices and SUS for the conduct of a pilot study for the use of TruScreen in regional and remote locations by the Papua New Guinea government.
- Successful \$3.55m capital raise completed in September/October 2018.

## Post Period End

- Included in Indonesia Ministry of Health purchase e-catalogue, providing opportunity to government hospital sales
- Appointment of Tony Ho as the new Chairman and Guy Robertson as the new Chief Financial Officer for TruScreen
- Began transition to NZX Main Board, with the Company to be relisted on NZX on 17 December 2018.

## ENDS

For more information, visit our website at [www.truscreen.com](http://www.truscreen.com) or contact:

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## About TruScreen:

### [Watch the video on TruScreen](#)

TruScreen's real time cervical cancer technology utilises a digital wand which is placed on the surface of the cervix to measure electrical and optical signals from the surrounding tissue. A sophisticated proprietary algorithm framework distinguishes between normal and abnormal (cancerous and precancerous) tissue to identify precancerous change, or cervical intraepithelial neoplasia (CIN). A Single Use Sensor (SUS) is used for each patient to protect against cross-infection.



# TRUSCREEN LIMITED

## NZX APPENDIX 1 RELEASE

This document covers TruScreen Limited's unaudited financial results for the 6 months ended 30 September 2018, released to NZX on 14 December 2018. These results are unaudited.

(TRU): TruScreen Limited	
Results for announcement to the market	
Reporting Period	6 months to 30 September 2018
Previous Reporting Period	6 months to 30 September 2017

	Amount (\$NZ'000s)	Percentage change
Revenue from ordinary activities	2,218	Increase 388%
Profit (loss) from ordinary activities after tax attributable to security holder	(1,122)	Loss decreased 64%
Net profit (loss) attributable to security holders	(1,122)	Loss decreased 64%

Interim/ Final Dividend	Amount per security \$NZ	Imputed amount per security
Nil	Nil	n/a

Record Date	Not Applicable
Dividend Payment Date	Not Applicable

Comment:	As per attached report
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### [Commentary on results](#)

For commentary on the results please refer to the commentary on the related NZX release.

### [Financial Information](#)

The Appendix 1 Release should be read in conjunction with the Interim Unaudited Financial Statements for the six-month period ended 30 September 2018 which have been released together with this NZAX Appendix 1 Release.

**TRUSCREEN LIMITED**

**Interim Unaudited Financial Statements**

**For the Six Months Ended 30 September 2018**



# TRUSCREEN LIMITED

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# TRUSCREEN LIMITED

## **CHIEF EXECUTIVE OFFICER REPORT**

Cervical cancer technology company, TruScreen Limited (NZAX:TRU), is pleased to provide below the unaudited financial results for the six months to 30 September 2018.

The Company reported a 519% increase in sales compared to the corresponding period last year and a significantly reduced loss from the corresponding period in the prior year and the previous six months. TruScreen is benefitting from increasing demand in China, new distribution agreements leading to an expanded global presence and growing adoption by public and private healthcare providers.

Total revenue was \$2.2m, comprising sales of \$1.4m and other income of \$0.8m, being grants for research & development \$0.5m and an unrealised foreign exchange gain of \$0.3m.

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Gross margins improved to 42% (2H18:22%) following a focus on reducing manufacturing costs. A review is currently underway to reduce overheads.

As at 30 September 2018, the Company had cash and cash equivalents of \$1.48m. A well supported Share Purchase Plan raised \$1.56m in October 2018, increasing available cash to approximately \$2.3m as at 31 October 2018.

### **Half Year Commentary**

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The company is also making good progress in other markets. Africa and India, in particular, have been identified as offering major opportunities for TruScreen, with a large addressable market of women of screening age and limited healthcare resources and infrastructure relative to population size.

In Africa TruScreen was selected by the National Aids Council of Zimbabwe for a pilot program to screen HIV affected women, who are 6 times more likely to develop cervical cancer than other women. In East and Southern Africa there are an estimated 10.8 million women (UNAIDS data, 2017) suffering from HIV, all of whom have an increased need to be screened for cervical cancer.

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The Company's global presence continues to grow with a new distribution agreement signed for the Middle East. TruScreen currently has distributors appointed in over 24 countries, which together have a screening addressable market size exceeding 1 billion women.

*The accompanying notes form part of these interim financial statements.*

## TRUSCREEN LIMITED

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**Martin Dillon**

**Chief Executive Officer**

**14 December 2018**

*The accompanying notes form part of these interim financial statements.*



**TRUSCREEN LIMITED**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018**

	Note	Unaudited for the six months ended 30 September 2018 \$	Unaudited for the six months ended 30 September 2017 \$	Audited for the year ended 31 March 2018 \$
<b>Revenue from the sale of goods</b>		1,398,987	225,896	804,062
Other income	3	819,209	346,205	1,374,581
Changes in inventories		296,946	288,587	(66,343)
Purchases of inventory		(1,108,536)	(464,115)	(741,607)
Employee benefit expenses and directors' fees		(590,641)	(670,864)	(1,419,333)
Administration		(474,544)	(185,739)	(578,497)
Research expenses	3	(643,135)	(649,171)	(1,905,710)
Rent		(87,457)	(48,444)	(97,471)
Travel		(35,189)	(28,107)	(97,901)
Marketing & product approvals		(300,647)	(159,801)	(393,485)
Insurance		(58,450)	(50,999)	(73,048)
Shareholder relations & services		(35,173)	(3,710)	(95,675)
Foreign exchange loss	3	-	(98,679)	(342,388)
Amortisation & depreciation	3	(276,359)	(266,296)	(535,977)
Finance costs		(27,979)	-	-
<b>Loss before income tax</b>		(1,122,968)	(1,765,237)	(4,168,792)
Income tax expense		-	-	-
<b>Loss for the period after income tax</b>		(1,122,968)	(1,765,237)	(4,168,792)
<b>Other comprehensive income</b>				
<b>Item that may be reclassified subsequently to profit or loss</b>				
Exchange differences on translating foreign subsidiary operations		(31,815)	(42,673)	(17,671)
<b>Other comprehensive loss for the period</b>		(31,815)	(42,673)	(17,671)
<b>Total comprehensive loss for the period</b>		(1,154,783)	(1,807,910)	(4,186,463)
<b>Basic and diluted losses (cents per share)</b>		(0.6)	(0.9)	(2.1)

*The accompanying notes form part of these interim financial statements.*

**TRUSCREEN LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2018**

	Unaudited 30 September 2018	Unaudited 30 September 2017	Audited 31 March 2018
Note	\$	\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	1,477,876	2,630,624	1,212,454
Trade receivables	622,204	226,495	-
Other receivables	407,585	326,769	1,314,456
Loan receivable	75,000	-	75,000
Goods and services taxes recoverable	86,209	97,090	155,849
Inventories	698,130	756,114	401,185
Other assets – prepayments	255,566	75,268	55,556
<b>TOTAL CURRENT ASSETS</b>	<u>3,622,570</u>	<u>4,112,360</u>	<u>3,214,500</u>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	340,165	7,259	7,536
Intangible assets	8,907,487	9,401,709	8,944,813
<b>TOTAL NON-CURRENT ASSETS</b>	<u>9,247,652</u>	<u>9,408,968</u>	<u>8,952,349</u>
<b>TOTAL ASSETS</b>	<u>12,870,222</u>	<u>13,521,328</u>	<u>12,166,849</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	817,023	36,556	419,491
Employee benefits	139,850	111,743	109,162
<b>TOTAL CURRENT LIABILITIES</b>	<u>956,873</u>	<u>148,299</u>	<u>528,653</u>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits	25,547	-	22,314
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>25,547</u>	<u>-</u>	<u>22,314</u>
<b>TOTAL LIABILITIES</b>	<u>982,420</u>	<u>148,299</u>	<u>550,967</u>
<b>NET ASSETS</b>	<u>11,887,802</u>	<u>13,373,029</u>	<u>11,615,882</u>
<b>EQUITY</b>			
Issued capital	6 24,864,669	22,657,236	23,433,996
Share option reserve	-	172,800	3,970
Foreign currency translation reserve	(588,790)	(581,977)	(556,975)
Accumulated losses	(12,388,077)	(8,875,030)	(11,265,109)
<b>Total Equity</b>	<u>11,887,802</u>	<u>13,373,029</u>	<u>11,615,882</u>

*The accompanying notes form part of these interim financial statements.*

**TRUSCREEN LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018**

	Note	Share Capital \$	Accumulated Losses \$	Foreign Currency Translation Reserve \$	Option Reserve \$	Total \$
<b>Balance at 31 March 2017 (Audited)</b>		<b>21,800,585</b>	<b>(7,109,793)</b>	<b>(539,304)</b>	<b>172,800</b>	<b>14,324,288</b>
<b>Comprehensive income</b>						
Loss for the period to 30 September 2017		-	(1,765,237)	-	-	(1,765,237)
Other comprehensive loss for the period		-	-	(42,673)	-	(42,673)
<b>Total comprehensive loss for the period (unaudited)</b>		-	(1,765,237)	(42,673)	-	(1,807,910)
<b>Transactions with owners</b>						
Issue of ordinary shares		856,651	-	-	-	856,651
<b>Total transactions with owners</b>		856,651	-	-	-	856,651
<b>Balance at 30 September 2017 (Unaudited)</b>		<b>22,657,236</b>	<b>(8,875,030)</b>	<b>(581,977)</b>	<b>172,800</b>	<b>13,373,029</b>
<b>Balance at 31 March 2018 (Audited)</b>		<b>23,433,996</b>	<b>(11,265,109)</b>	<b>(556,975)</b>	<b>3,970</b>	<b>11,615,882</b>
<b>Comprehensive income</b>						
Loss for the period ended 30 September 2018		-	(1,122,968)	-	-	(1,122,968)
Other comprehensive loss for the period		-	-	(31,815)	-	(31,815)
<b>Total comprehensive loss for the period (unaudited)</b>		-	(1,122,968)	(31,815)	-	(1,154,783)
<b>Transactions with owners</b>						
Issue of ordinary shares	6	1,430,673	-	-	(3,970)	1,426,703
<b>Total transactions with owners</b>		1,430,673	-	-	(3,970)	1,426,703
<b>Balance at 30 September 2018 (Unaudited)</b>		<b>24,864,669</b>	<b>(12,388,077)</b>	<b>(588,790)</b>	<b>-</b>	<b>11,887,802</b>

*The accompanying notes form part of these interim financial statements.*

**TRUSCREEN LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018**

	Note	Unaudited for the six months ended 30 September 2018 \$	Unaudited for the six months ended 30 September 2017 \$	Audited for the year ended 31 March 2018 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Cash receipts from customers		752,769	182,029	1,019,183
Cash paid to suppliers and employees		(2,993,506)	(2,794,335)	(5,577,047)
Cash received from 45% refundable tax offset		1,445,793	833,228	808,167
Interest paid		(27,979)	-	-
Interest received		4,127	12,768	20,506
<b>Net cash used in operating activities</b>	7	<u>(818,796)</u>	<u>(1,766,310)</u>	<u>(3,729,191)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of plant and equipment		(342,485)	(1,411)	(3,110)
<b>Net cash used in investing activities</b>		<u>(342,485)</u>	<u>(1,411)</u>	<u>(3,110)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from issue of shares		1,515,000	897,350	1,322,500
Share subscriptions not issued at reporting date		-	-	121,408
Share issue costs		(88,297)	(170,576)	(170,724)
<b>Net cash provided by financing activities</b>		<u>1,426,703</u>	<u>726,774</u>	<u>1,273,184</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		265,422	(1,040,947)	(2,459,117)
Cash and cash equivalents at beginning of period		1,212,454	3,671,571	3,671,571
<b>Cash and cash equivalents at end of period</b>		<u><u>1,477,876</u></u>	<u><u>2,630,624</u></u>	<u><u>1,212,454</u></u>

*The accompanying notes form part of these interim financial statements.*

# TRUSCREEN LIMITED

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

### FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018

#### 1. REPORTING ENTITY

Truscreen Limited (the “Company”) is a Tier 1 for-profit listed incorporated public company and is an issuer on the New Zealand Stock Exchange Alternative Market (“NZAX”). The Company is a limited liability company incorporated and domiciled in New Zealand and registered under the Companies Act 1993. The Company announced on 5 December 2018 that it has applied to delist from the NZAX, as at the close of business on 14 December 2018, and will relist on the main board on the New Zealand Stock Exchange (“NZX”) on 17 December 2018. The ticker code will remain unchanged as TRU. Truscreen is an FMC reporting entity for the purposes of the Financial Reporting Act 2013 and the Financial Markets Conduct Act 2013.

The Group’s principal activity relates to the research & development and manufacture of cancer detection devices and systems.

The consolidated unaudited interim financial statements presented for the six months ended 30 September 2018 are those of Truscreen Limited and its subsidiaries (the “Group”). References to “Truscreen” are used to refer both to the Group and Truscreen Limited (the “Company”).

These interim financial statements were authorised for issue by the Board of Directors on 14 December 2018.

#### 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 are in compliance with NZ IAS 34: Interim Financial Reporting.

The consolidated unaudited interim financial statements have been prepared in New Zealand dollars, which is the functional currency. 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 2018.

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 2018.

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

##### 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.

**TRUSCREEN LIMITED**  
**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018**

**3. 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:

	<b>Unaudited for the six months ended 30 September 2018</b>	<b>Unaudited for the six months ended 30 September 2017</b>	<b>Audited for the year ended 31 March 2018</b>
	\$	\$	\$
<b>Other income</b>			
Research and development grant	514,908	333,437	1,354,075
Interest	4,127	12,768	20,506
Foreign exchange gains - unrealised	300,174	-	-
Total other income	819,209	346,205	1,374,581
<b>Expense</b>			
Amortisation and depreciation	(276,359)	(266,296)	(535,977)
Foreign exchange loss - unrealised	-	(98,679)	(342,388)
Research & development costs	(643,135)	(649,171)	(1,905,710)

Ongoing 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.

**4. ADMINISTRATIVE AND OTHER OPERATING EXPENSES**

Administrative expenses increased in the six months ended 30 September 2018 compared to the six months ended 30 September 2017 largely due to costs of introducing new enterprise resource planning systems and regulatory compliance including identifying and documenting processes to claim all the research and development tax grant to which the Group is entitled.

**TRUSCREEN LIMITED**  
**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018**

**5. OPERATING SEGMENTS**

The Group operates in one operating segment. It owns the 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 is in the process of obtaining further regulatory approvals. On the granting of these approvals the Group anticipates an increase in distribution and revenue. It is anticipated revenues will be obtained largely from Asia, Europe, Central and South America. The limited revenues to date have been obtained in anticipation of these approvals. These revenues were from sales to the Company's distributors (indirect channel of distribution).

Two major customers each contributed more than 10% of the Group's revenue in the six months to 30 September 2018 (2017: three customers):

- One customer provided revenue of \$679,034 (52%); and
- One customer provided revenue of \$418,507 (32%).

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

**6. SHARE CAPITAL**

	No.	\$
<b>Balance as at 30 September 2017</b>	<b><u>195,938,541</u></b>	<b><u>22,657,236</u></b>
<b>Balance as at 31 March 2018</b>	202,152,621	23,433,996
Share placement	7,142,856	1,500,000
Share options exercised	150,000	18,970
Share issue costs	-	(88,297)
<b>Balance as at 30 September 2018</b>	<b><u><u>209,445,477</u></u></b>	<b><u><u>24,864,669</u></u></b>

Subsequent to period end the Company issued 7,411,964 shares at 21 cents per share under a Share Purchase Plan, raising \$1,556,512.

**TRUSCREEN LIMITED**  
**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018**

**7. RECONCILIATION OF CASH FLOW FROM OPERATING ACTIVITIES**

	<b>Unaudited for the six months ended 30 September 2018</b>	<b>Unaudited for the six months ended 30 September 2017</b>	<b>Audited for the year ended 31 March 2018</b>
	\$	\$	\$
<b>Reconciliation of cash flow from operations with loss after income tax</b>			
Loss for the period	(1,122,968)	(1,765,237)	(4,168,792)
Adjusted for:			
Amortisation and depreciation	276,359	266,295	535,977
Exchange difference arising from translating loss items at the date of transaction and translating cash balances at period end rates	(260,992)	30,174	243,810
Operating cash flows before working capital changes	(1,107,601)	(1,468,768)	(3,389,005)
(Increase)/decrease in trade receivables	(622,204)	(9,098)	217,397
(Increase)/decrease in other receivables	(24,014)	465,022	(522,665)
(Increase)/decrease in goods and services taxes recoverable	69,640	(27,695)	(86,454)
(Increase)/decrease in prepayments	(200,010)	1,832	64,591
(Increase)/decrease in inventory	(296,945)	(288,587)	23,295
Decrease in research and development refundable tax offset	930,885	-	-
Increase/(decrease) in trade and other payables	397,532	(608,029)	(95,221)
Increase in trade and other payables relating to financing activities	-	129,875	-
Increase in employee liabilities	33,921	39,138	58,871
<b>Net cash outflow from operating activities</b>	<b>(818,796)</b>	<b>(1,766,310)</b>	<b>(3,729,191)</b>



**TRUSCREEN LIMITED**  
**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018**

**8. NET TANGIBLE ASSETS PER SHARE**

	<b>Unaudited 30 September 2018</b>	<b>Unaudited 30 September 2017</b>	<b>Audited 31 March 2018</b>
Net tangible assets (\$)	2,980,315	3,971,320	2,671,069
Shares on issue at the end of period	209,445,477	195,938,541	202,152,621
Net tangible assets per share (cents per share)	<u>1.42</u>	<u>2.03</u>	<u>1.32</u>

**9. CONTINGENT LIABILITIES**

There has been no change in contingent liabilities since the last annual reporting period.

**10. EVENTS SUBSEQUENT TO END OF THE INTERIM PERIOD**

On 9 October 2018 the Company announced the completion of a Share Purchase Plan, raising \$1,556,512 through the issue of 7,411,964 new ordinary shares at \$0.21 each fully paid.

The Company announced on 5 December 2018 that it has applied to delist from the NZAX, as at the close of business on 14 December 2018, and will relist on the main board on the New Zealand Stock Exchange (“NZX”) on 17 December 2018. The ticker code will remain unchanged as TRU.

Except for the above, there have been no other events since 30 September 2018 which would have a material effect on the Group’s interim financial statements for the 6 months ended 30 September 2018.

# TRUSCREEN LIMITED

## PRELIMINARY HALF-YEAR ANNOUNCEMENT For the Six-Month Period Ended 30 September 2018

The information below is required by Appendix 1 of the NZAX Listing Rules:

### 2.1 Details of the reporting period and the previous reporting period

The reporting period is for the six-month period ended 30 September 2018 (“current period”) with the comparative period being for the period from 1 April 2017 to 30 September 2017. (“previous period”).

### 2.2 Information prescribed by NZX

Refer to “Results for Announcement to the Market”.

### 2.3 The following information:

**(a) A statement of financial performance**

Refer to the Interim Unaudited Financial Statements for the six-month period ended 30 September 2018.

**(b) A statement of financial position**

Refer to the Interim Unaudited Financial Statements for the six-month period ended 30 September 2018.

**(c) A statement of cash flows**

Refer to the Interim Unaudited Financial Statements for the six-month period ended 30 September 2018.

**(d) Details of dividends or distributions**

No dividends to shareholders have been declared for this six-month period.

**(e) Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan**

The Company has no dividend reinvestment plan.

**(f) Net tangible assets per security**

NZ CENTS PER SHARE	CURRENT PERIOD	PREVIOUS PERIOD
Net tangible assets per share	1.42	2.03

**(g) Details of entities over which control has been gained or lost during the period**

Nil.

# PRELIMINARY HALF-YEAR ANNOUNCEMENT

## For the Six-Month Period Ended 30 September 2018

### (h) Details of associates and joint ventures

Nil.

#### 3.1 Basis of preparation

These financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), and other applicable New Zealand Financial Reporting Standards, as appropriate for profit-oriented entities. They also comply with International Financial Reporting Standards.

#### 3.2 Accounting

Refer to Statement of Accounting Policies in the Interim Unaudited Financial Statements for the six-month period ended 30 September 2018.

#### 3.3 Changes in condensed accounting policies

The accounting policies used are consistent with those used to prepare the Consolidated Financial Statements for the year ended 31 March 2018.

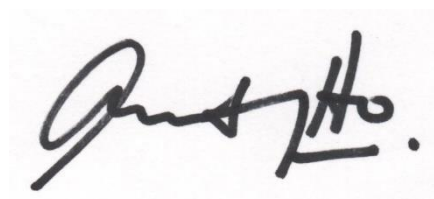
#### 3.4 Audit Report

The Interim Unaudited Financial Statements for the six-month period ended 30 September 2018 have not been audited.

#### 3.5 Additional information

Not applicable.

The Interim Unaudited Financial Statements were approved by the Board of Directors on 14 December 2018.

A handwritten signature in black ink, appearing to read 'Anthony Ho', is written over a light grey rectangular background.

**Anthony Ho**

**Chairman**