

## NZX Announcement

11 February 2020

### TruScreen Manufacturing and Supply Chain Update

#### Highlights

- **China manufacturing approvals expected to provide TruScreen greater market access**
  - **Local manufacturing contracts in China under negotiation with expected reduction in component costs**
  - **Novel Coronavirus may slow TruScreen device rollout in China in short term**
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TruScreen Limited (NZX:TRU) (TruScreen or Company) provides a market update on its manufacturing and supply chain status.

#### **Regulatory approvals allow local manufacturing in China**

The distributor of TruScreen's cervical cancer screening device in China, Beijing Siweixiangtai Tech Co Ltd (SWXT) (through 100% owned subsidiary Osler Intelligent Technology Co. Ltd) has recently received CFDA (China Food and Drug Administration) domestic product registration and a manufacturing permit for its Shenzhen manufacturing facility.

The approvals allow TruScreen to sub-contract its screening device assembly to SWXT enabling it to participate in tenders for government programs that have a bias for locally manufactured products.

The contract between TruScreen and SWXT to enable manufacture in China is under negotiation. The contract should enable TruScreen to reduce the cost of manufacture of its TruScreen device and give the TruScreen product a much broader exposure to public health business in China.

In addition, the Company is negotiating an agreement with the supplier of its Single Use Sensor (SUS) in China which will significantly reduce the cost of these units based on a minimum annual order.

#### **Novel Coronavirus may disrupt supply chain in short term**

Following the declaration of an International Emergency by the World Health Organisation from the recent unfortunate outbreak of the novel coronavirus (the virus) in China there is a potential risk of disruption to the supply chain of key production inputs to the Company's manufacturing and sales.

China's Centre of Disease Control (CDC) and provincial authorities have taken steps to contain the spread of the virus, including the extended closure of manufacturing facilities and shipping services. If these containment steps are further extended, it has the potential to disrupt the availability of electronic components and the Company's Single Use Sensor (SUS) which are sourced from China.

Our distributor in China, SWXT, maintains inventory of both Truscreen T2 cervical cancer devices and SUS. However, sales and distribution activities are presently suspended until such time that the CDC and provincial authorities lift the current closure directives.

China's Central Government has now allowed businesses (excepting those in Hubei province) to reopen. However, local governments retain the ability to restrict movement. For example, workers returning to Beijing from elsewhere in the country are required to self-isolate for 14 days.

These restrictions will have some impact on the TruScreen's ability to sell and distribute in the short term. The Company will continue to assess the situation closely and keep the market informed.

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

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**About TruScreen:**

TruScreen is a Cervical Cancer Screening Device which offers the latest technology in cervical screening, providing real-time, accurate detection of pre-cancerous and cancerous cervical cells to help improve the health and well-being of women around the world. 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 tissues. A sophisticated proprietary algorithm framework is utilised to detect pre-cancerous change, or cervical intra-epithelial neoplasia (CIN), by optical and electrical measurement of cervical tissue.



TruScreen offers an alternative approach to cervical screening, resolving many of the ongoing issues with Pap tests, including failed samples, poor patient follow-up, patient discomfort and the need for supporting laboratory infrastructures. As such, TruScreen's target market is low- and middle-income countries where no large-scale cervical cancer screening programs and infrastructure are in place, such as China, Mexico, Africa, Russia and India. TruScreen's cervical cancer screening device is CE-marked and certified for use throughout Europe and CFDA-approved for sale in China. The global market potential for TruScreen is significant.

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

Watch our video on TruScreen: <http://truscreen.com/truscreen-the-company/truscreen-ultra-video/>