

# EXECUTIVE UPDATE

**TruScreen has achieved significant growth in sales during the first half of the 2019 financial year.**

**Highlights include:**

- **Sales for the six months ending 30 September 2018 top NZD \$1.4 million (unaudited)**
- **523% increase in sales on the corresponding period last year**
- **Gross margin increasing as in-house manufacturing lowers unit costs**

Sales of devices and Single Use Sensors are tracking well ahead of last year, with ongoing demand from China and other markets.

Demand in China remains strong and a number of initiatives are underway. Our device has been selected as the primary screening tool for up to 50 planned women's health clinics and TruScreen has now been installed in the first eight of these. We have also commenced a large scale evaluation with The Women's and Children's Division of the Centre for Disease Control. This involves screening of a minimum of 12,000 women across eight provinces and 16 hospitals in China. In addition, we have announced a major programme in Xinjiang Province, which will see TruScreen installed in 190 hospitals.

In Africa, an initial sale of approximately NZ\$450,000 has been supplied to the National Aids Council (NAC) of Zimbabwe, which is supporting the use of TruScreen as the preferred screening method for cervical

cancer of HIV affected women. African countries represent a major untapped market opportunity for the company as many have little or no laboratory infrastructure or existing screening programmes or methods. TruScreen's portability and real time diagnosis means it is perfectly suited to the developing countries within the African Continent.

The company's new enhanced manufacturing facility, commissioned in June this year, is now fully operational and delivering significant improvements in output and unit cost reduction. The facility produces the key technical diagnostic (front end) component of the TruScreen device and involves unique and sophisticated opto-electric and biomedical engineering skills and techniques.

We recently completed a capital raising programme to strengthen our balance sheet and fund commercial growth. We would like to thank investors and shareholders for their support for the \$1.5 million Placement and Share Purchase Plan, which together raised \$3 million to support our future strategy.

We are excited about the opportunity in front of us. While China remains our primary market, we have a number of commercial opportunities in other large scale markets and remain confident of achieving our goals for the year.



**Martin Dillon**  
**Chief Executive Officer**

## TRUSCREEN: TACKLING CERVICAL CANCER

Cervical cancer is the fourth most common cancer in women worldwide with about 569,000 new cases diagnosed annually and 311,000 women dying every year from the disease. Eighty-five percent of those deaths are in developing countries. Cervical cancer has a precancerous phase, which is believed to last for approximately 10 years on average. Early detection through screening programs is crucial to reducing mortality and the incidence of cervical cancer.

In emerging and developing countries, there is often a lack of laboratory infrastructure and expert technicians, as well as transient populations and people living in remote areas, who have little or no access to the minimal health infrastructure that does exist. TruScreen's real time, accurate, low cost and portable diagnostic system is the answer, and can be used with minimal clinical training, and without the infrastructure and resource costs associated with traditional screening. TruScreen is now available in many countries for the screening of cervical cancer.



# A WORD FROM THE NEW CHAIRMAN:



Tony Ho, Chairman

## I am pleased to be taking on the role of Chairman of TruScreen.

I was appointed to the Board at the 2018 Annual Meeting in October and took on the role as Chairman shortly after, replacing Robert Hunter who had advised he was stepping down. Robert is the founder of TruScreen, a significant shareholder and remains a valued member of our Board.

I am an experienced company director and a chartered accountant. I have worked across a number of different industries, particularly the biotech and life sciences sectors in New Zealand and Australia.

I am based in Australia and currently hold a number of non-executive director roles. Prior to becoming a professional director, I held senior management roles with ASX listed companies.

I am excited about the opportunity ahead for TruScreen. I am pleased to see that the TruScreen technology is gaining acceptance as a viable screening process for cervical cancer in women in countries where access to laboratory infrastructure is limited. Over 300,000 women are reported to die from this disease each year, with many more deaths

going unreported. Our simple and effective TruScreen technology, allowing for early detection, will reduce the mortality rate attributed to cervical cancer in women.

## FY19 STRATEGIC PRIORITIES:

- Expand inclusion in Government programmes and sales in Africa, Latin America and India
- Generate operational efficiencies, particularly by bringing manufacturing processes in house
- Leverage volumes to reduce production costs

## SIGNIFICANT EVENTS YEAR TO DATE:

- Commissioned new manufacturing facility
- Commenced large scale evaluations in China
- Gained approval for pilot screening programme in Zimbabwe
- Signed new distribution agreement for the Middle East
- Year on year growth of sales for the first 6 months of 523%
- Successful capital raise
- Appointment of new Chairman

## 2018 ANNUAL SHAREHOLDERS MEETING

The TruScreen Annual Meeting of Shareholders was held in Auckland on 27 September 2018. All resolutions were passed by shareholders:

- Authorise Directors to fix the auditor's remuneration
- Re-election of Mr Robert Hunter as a Director
- Election of Professor Ronald Jones as a Director
- Election of Mr Chris Lawrence as a Director
- Election of Mr Kelly (Con) Hickey as a Director
- Election of Mr Anthony Ho as a Director

The Annual Meeting presentations and voting results can be viewed at <http://truscreen.com/investor-centre/shareholder-meetings/>.



# EXPANDING OUR FOOTPRINT

## MIDDLE EAST:

Cervical cancer is the number 2 cancer for women in the Middle East. Recently, TruScreen entered a new distribution agreement, augmenting existing distribution channels in the region.

A consortium of companies will market and distribute TruScreen across the Middle East. The initial focus will be on UAE, Saudi Arabia and Kuwait which comprise a total of 8 million women of screening age. In two years' time, it is planned to expand to 12 countries within the Middle East with a screening population of over 71 million women.

## SRI LANKA AND PAKISTAN:

TruScreen has begun the process to gain regulatory approval for its unique device in Pakistan and Sri Lanka. Initial sales orders have been received and training has commenced. With a total screening population of over 50 million women, these new regions allow TruScreen to expand its presence in Southern and Eastern Asia.



# CLINICAL EVALUATION CONFIRMS TRUSCREEN'S ADVANTAGE IN DEVELOPING COUNTRIES

The Royal Hospital of Women (RHW) in Australia has recently completed a clinical trial comparing TruScreen to liquid based cytology and HPV DNA testing, both of which require high quality laboratory settings.

An abstract of the results was presented at the recent International Papillomavirus Conference (IPVC) 2018 in Sydney. This is one of the leading events for researchers, clinicians and health professionals striving to achieve global control of HPV disease.

In summary, the RHW clinical evaluation demonstrated TruScreen had comparable sensitivity to high quality cytology conducted in a hospital clinical setting, as well as specificity

and sensitivity approaching HPV DNA in an approximate primary screening setting.

TruScreen has the advantage of producing an immediate result, low training and does not need laboratory equipment. This device, utilising optical and electrical technology, can potentially become an important tool in the prevention of cervical cancer, particularly in developing countries and resource-limited settings.

The abstract was presented by Dr. Michael Campion, a member of the TruScreen Medical Advisory Committee and the Lead Investigator in the trial. Full publication of the outcome of the clinical trial is expected in the near future.

## INTRODUCING COLONEL (DR.) MICHAEL J. CAMPION. MEMBER TRUSCREEN MEDICAL ADVISORY BOARD

The TruScreen Medical Advisory Board's role is to advise the directors and executive of TruScreen on clinical, scientific and medical matters.

Colonel (Dr.) Michael J. Campion is a Senior Staff Specialist and Head of the Pre-Invasive Clinic at the Gynaecological Cancer Centre of the Royal Hospital for Women in Sydney. He is also a Conjoint Associate Professor at the School of Women's and Children's Health, University of New South Wales.

Dr Campion has over 30 years' experience as a qualified medical practitioner and has expertise in obstetrics, gynaecology and oncology.

Dr Campion has been working with the TruScreen product for over 20 years, including his involvement in the original data collection. More recently, Dr Campion has been the lead investigator of the TruScreen Clinical Trial held at The Royal Hospital for Women.

# LARGE SCALE EVALUATIONS NOW UNDERWAY IN CHINA

## THE WOMEN'S AND CHILDREN'S DIVISION OF THE CENTRE FOR DISEASE CONTROL (CDC):

The large-scale evaluation with The Women's and Children's Division of the Centre for Disease Control (CDC) in China is now underway.

Its aims are multi-fold: to have TruScreen included in the CDC's screening guidelines for the 3,000 hospitals run by its Women's and Children's Health Division, and to have the CDC recommend TruScreen for inclusion in the Central Government's Ministry of Health screening guidelines for all 12,000 government hospitals in China. As part of the evaluation, TruScreen will also be assessed for use as a first choice screening technology in rural areas in China.

Product installation and training has been completed in all 16 sites. The evaluation is now at its half way point, with completion anticipated by the end of 2018, followed by analysis of the data.

## INSTALLATION COMMENCED IN NEW CHINESE BREAST AND CERVICAL CANCER CENTRES:

Earlier this year, TruScreen was chosen as the primary screening solution for a rollout of a chain of high tech female health clinics to be established in 50 municipal hospitals in China. Privately owned and operated, the majority of these clinics are located in government women's hospitals.

The clinics provide a 'one stop screening, diagnosis and treatment centre' for breast and cervical cancer.

TruScreen has already been installed in the first ten of these specialist clinics. A trial has commenced to assess how TruScreen will best fit into the clinical processes within the clinics.

## CHINESE OBSTETRICS AND GYNAECOLOGY ASSOCIATION (COGA):

The first stage of this multi-centre project is now complete. 1,100 patients across six hospitals have been screened using TruScreen and data is now being analysed. At the recent National Congress, the Chairman of COGA announced the commencement of the second stage of the project, and COGA is now in the process of selecting hospitals to participate. More than 20,000 patients, across 10 provinces, are expected to be involved in the full clinical trial.



# OUT AND ABOUT WITH TRUSCREEN

An important focus for TruScreen's partners and management team is building awareness of the TruScreen technology in markets around the world. Expos, conferences and association meetings are important opportunities to present our product to key decision makers and clinicians.

**INDIA:** TruScreen training and demonstration at the Army Medical Research Centre (AMRC) in Bhopal, with Veni Sethi (TS Trainer), Col. Gargi, and Lt. Col. Reema



**CHINA:** TruScreen being presented at the annual COGA conference



## TRUSCREEN HIV AFRICAN INITIATIVE



**Cervical cancer is the number one cause of cancer-related deaths in women in eastern Africa. Women with HIV are six times more likely to develop cervical cancer and having HIV nearly doubles the risk of dying from cervical cancer.**

Zimbabwe has the fifth highest cervical cancer rate in the world and the sixth highest rate of HIV globally, with an estimated 720,000 women living with HIV. Across Africa, more than 13 million women are living with HIV. As most women of Zimbabwe live in rural environments, the lack of resources and infrastructure are major contributing factors to the high rate of cervical cancer, with almost 95% of patients diagnosed at late or end stage disease.

TruScreen will be adopted for use as part of the National Aids Council (NAC) of Zimbabwe's response to HIV and AIDS within the country, including the fight against 'AIDS defining cancers'. An initial order to the value of approximately NZ\$450,000 has been provided to the NAC as part of a pilot programme that is the first step in bringing advanced screening technology to Africa.

TruScreen's Clinical Affairs Manager, Dr. Carolina Velasquez, recently visited Zimbabwe for a series of meetings, with support for the pilot programme gained from the Permanent Secretary of the Ministry of Health and Child Care, the Director of Reproductive Health of the Ministry of Health and Child Care, and the National AIDS Council.

She said: "Both the Ministry of Health and the NAC are very excited about our TruScreen device becoming a part of Zimbabwe Cervical Prevention and Control Strategy. They have given their absolute support for TruScreen

moving forward as the national cervical cancer screening method.

"Zimbabwe is a Key Opinion Leader in Eastern Africa and we anticipate that the successful implementation of this innovative programme will lead to other countries embracing TruScreen as a solution to their own cervical cancer screening needs."



Zimbabwe: L to R - Director of the Ministry of Health's Family Health Division Dr. Madzima, TruScreen's Clinical Affairs Manager Dr. Carolina Velasquez, and CEO of TruScreen's local distributor, Herbert Ndoro

## STAY IN TOUCH

### KEY DATES

#### Half Year End:

30 September 2018

#### Half Year Results Announcement:

December 2018

#### Half Yearly Report:

December 2018

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*This Shareholder Newsletter has been provided to keep our shareholders informed of our progress and complements our formal communications such as our shareholder reports, results announcements and annual meeting. Further information on our products and on cervical cancer can be found on our website [www.truscreen.com](http://www.truscreen.com).*

