



truscreen
a world without
cervical cancer

NZX/ASX Announcement

31 May 2021

TruScreen FY21 Preliminary Results

(all numbers in New Zealand Dollars)

Highlights

- **Product revenues down 12% YOY given COVID-19 impact**
- **SUS units/revenues up 20% YOY with China market showing strong recovery**
- **Successful capital raising during the year of \$7.5m before costs, with \$2m raised on dual listing on the ASX**
- **Product registration submitted in 4 new markets in Central and Eastern Europe**
- **Commenced clinical evaluation in Saudi Arabia**
- **Appointment of Juliet Hull as interim CEO and Dr Dexter Cheung to the Board.**

Cervical cancer technology company **Truscreen Group Limited (ASX/NZX: TRU)** (the Company) has released its preliminary unaudited financial results for the year ended 31 March 2021. The results reflect the impact of COVID-19 and show a 12% reduction in product revenues YOY, a 23% reduction in total revenues that included a lower research and development refund offset claim from the Australian Tax Office and expenses, excluding amortisation and impairment, in line with the prior year.

Financial Results for the year ended 31 March 2021

Truscreen generated product sales of \$1.1m (2020: \$1.3m) a 12% decline with COVID-19 slowing a number of markets. This reduction was mainly in the device category as a number of countries halted screening programmes as health resources were diverted to COVID-19 management.

Pleasingly SUS offtake and usage increased by 20% YOY with China recovering strongly which is expected to continue in the year ahead. China was the first country to progressively come out of COVID-19 lockdown restrictions from April 2020.

Other income fell 33% to \$0.84m (2020: \$1.27m) primarily given a lower research and development refund offset claim but included the benefit of COVID-19 government subsidies in the amount of \$0.27m.

Total overhead expenses, excluding depreciation, amortisation and impairment were consistent at \$4.8m. However, the current year included the termination costs of the previous CEO, of \$0.26m, legal and marketing costs associated with the dual listing on the ASX of \$0.24m, and foreign exchange losses on currency movements of \$0.14m.

The Company incurred a total loss of \$3.5m (2020: \$5.2m, however 2020 included an impairment charge of \$2.4m and an exchange gain \$0.11m). Net of the one-off costs outlined above the notional underlying operating loss for FY2021 was \$2.9m (2020: \$2.9m).

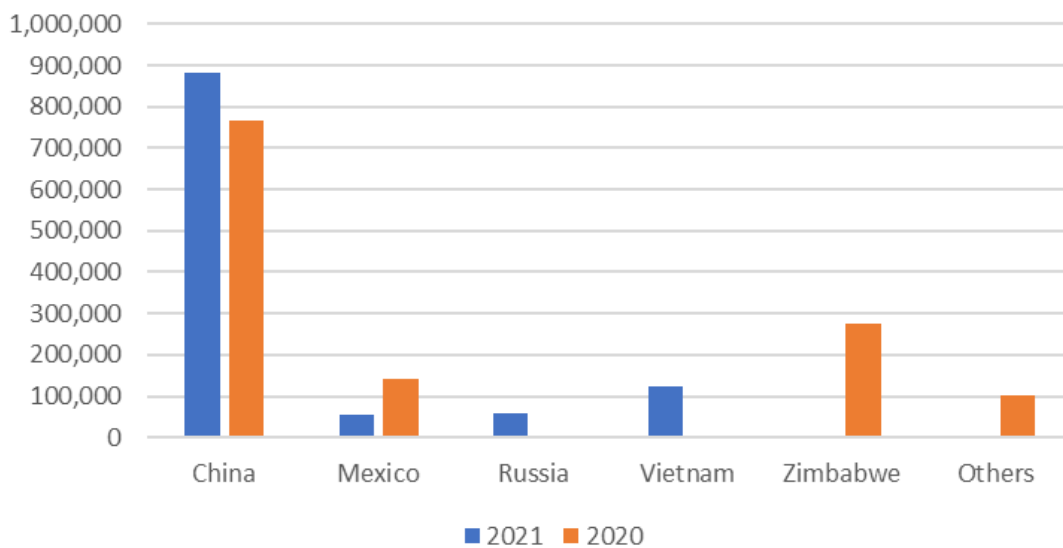
Net operating cash outflow for the year was higher at \$2.1m (2020: \$1.6m) reflecting a significantly lower research and development tax refund offset.



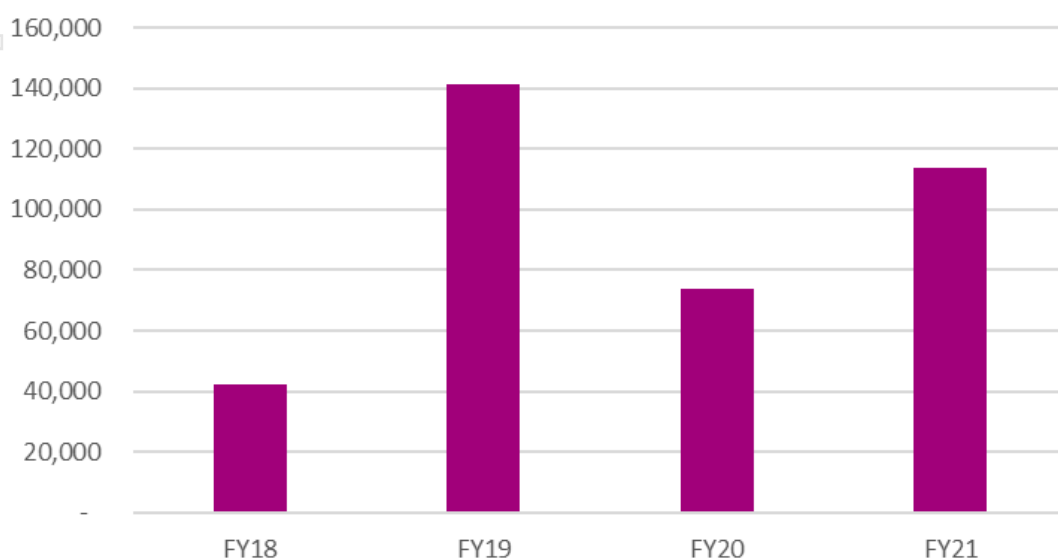
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As at 31 March 2021, Truscreen had cash and cash equivalents of \$5.3m (2020: \$1.0m). The Company is well funded to grow the business as markets recover from COVID-19.

Revenue By Country



SUS Volumes



Operational Performance and Update

Truscreen had a bitter-sweet 2021 financial year.

- ✓ We refreshed our leadership team and board of directors with skill sets to take the Company forward, post the pandemic. We effected management changes to pivot our business to China and Asia with greater collaborative engagement with our distributor network.
- ✓ We continue to seed and develop our early entry into Central and Eastern Europe with applications for product registration and reimbursement lodged with several countries.
- ✓ We were well supported by shareholders and new investors when we successfully raised \$7.5 million during the year and successfully dual listed on the ASX.
- ✓ The transition of device manufacturing to Shenzhen, China was completed during the latter half of the financial year. We expect commissioning of the project by our new contract manufacturer to take place in July 2021.
- ✓ The Company intends to expand its medical product range to provide our distributors with wider product access to their local markets.

Despite the COVID-19 challenges faced over the last 12 months, our distribution network has remained committed to the TruScreen technology. They have been taking advantage of this time to train healthcare practitioners and Key Opinion Leaders (KOL), host virtual educational seminars, and continued their work with local government departments and private sector customers to prepare for the recommencement of clinical and commercial activities in their territories.

There was an increase in publication of data from independent clinical studies, highlighting the efficacy of the TruScreen device. We are pleased to continue to see such positive results and to know that women around the world are benefitting from our technology.

China remains TruScreen's key market with the installation rate of new TruScreen devices into hospitals over the last 6 months showing strong recovery. Clinical trials and evaluations have resumed and commercial usage of the TruScreen devices increasing, culminating in a record, *circa* 8,500 screening tests conducted in March 2021.

The TruScreen cervical cancer screening technology is gathering interest throughout China. Over 100 hospitals, have completed clinical evaluations/trials, and are progressing to approval/procurement stages.

In Eastern Europe two new distributors were appointed, in mid-2020, covering 7 Central & Eastern Europe (CEE) countries. Product registrations were also lodged with 4 countries. We expect these countries will commence commercial activities within the 2021 calendar year.

To support the development of our CEE markets, TrueScreen has formed our new Central European Advisory Board of KOLs. This board will steer local market access plans, reimbursement and cervical cancer screening projects.

Appointments

During the year Truscreen appointed Ms Juliet Hull as a Non-Executive Director, and then to acting Chief Executive Officer and Dr Dexter Cheung as a Non-Executive Director.

Ms Hull was the NZ General Manager/Country Director of Johnson & Johnson Medical (J & J), a director of the ANZ Johnson & Johnson Medical Executive Board, and a member of both the APAC Regional Leadership team for J & J's Orthopaedics and Ethicon Divisions, until her resignation in January 2021.

Ms Hull has more than 20 years' experience in Asia Pacific markets in Healthcare sales, marketing and leadership. Ms Hull is a director of MTANZ (Medical Technology Association of NZ) and NZX listed Cannasouth Limited.

Ms Hull holds a Master of Business and Administration (Macquarie Graduate School of Management, Sydney, Australia) and Bachelor of Nursing (Auckland University of Technology), Auckland, New Zealand).

Dr Dexter Cheung was appointed as a Non-Executive Director in March 2021. Dr. Cheung is an experienced medical device engineer and specialist in product research and development, with more than 20 years' experience. He is the Research & Development Manager of the respiratory humidification division of Fisher & Paykel Healthcare, an NZX/ASX listed healthcare company.

Dr Cheung's technical background in opto-electronics and expertise in medical device engineering is highly relevant to TruScreen whose cervical cancer screening device harnesses optical and electrical signatures for screening results.

Dr Cheung brings a strong understanding of manufacturing processes and has worked closely with medical device manufacturers in China, USA, Europe, United Kingdom and Japan. Dr. Cheung holds first-class honours degrees in Bachelor of Technology, and Master of Engineering and a PhD (physics) from University of Auckland.

The Board bids farewell and thanks Prof. Ron Jones, Con Hickey and Chris Lawrence who retired from the Board during the year.

This announcement approved for release by the Board.

-ENDS-

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About TruScreen:

TruScreen cervical cancer screening device offers the latest technology in cervical screening, providing real-time, accurate detection of precancerous 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 conventional Pap tests, including failed samples, poor patient follow-up, patient discomfort and the need for supporting laboratory infrastructure. 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.