

NZX Announcement

9 April 2020

TruScreen Market Update

Real time cervical cancer screening technology company TruScreen (NZX: TRU or "Company") is pleased to provide a market update on its various commercial operations.

- COVID-19 slows device rollout in China
- Limited current disruption to Australian operations
- \$400,000 R&D funding received
- Forecast results to 31 March 2020

Market Update

As foreshadowed in the market update dated 11 February 2020, COVID-19 has resulted in a temporary halt to the roll out of TruScreen cervical cancer screening devices in China. As a result, all key projects were put on hold in Q1'2020 due to travel restrictions and limited availability at in-patient clinics in China.

China is now on a progressive lifting of restrictions and is on a gradual reinstatement of gynaecological clinics with sales volumes expected to recover by June 2020. The Company is using the hiatus to improve and strengthen supply chain and quality assurance processes.

Operations in Russia have been developing in line with our plans, however due to a recent introduction of a lock down in this key market all major projects were put on hold. Our distributor IMSystems has been performing well and has strong commercial rollout plans in place. Again, commercial activities are expected to recommence by June 2020.

We are pleased to share that our commercial roll-out in Zimbabwe has commenced in April. We have a comprehensive plan in place for this market for the next 12 months.

Together with our distributor, we continue to work on introducing the TruScreen cervical cancer screening device into Vietnam and India where the Company has conducted significant clinical trials. Due to COVID-19 impact in these countries we will provide a more detailed update on a commercial roll-out by end June.

Australian Operations

The safety and welfare of our team is important. The Company has activated a business continuity programme where team members are able to work remotely from home. This enables TruScreen to remain operational and stay within the COVID-19 regulatory guidelines.

TruScreen is currently able to ship and meet customer demand as and when required. This may change in the event additional restrictions are put in place.

Given the COVID-19 related slowdown, TruScreen have taken steps to reduce its cost base to conserve cash and will make application for Government support where appropriate. The Company has vacated its sales and administrative premises at Surry Hills, Sydney, and has consolidated its operations in one location at West Lindfield, in northern Sydney.

Corporate

From April 1, the board was reduced to 4 directors and the Medical Advisory Committee to 2 members. To preserve cash directors have also elected to receive their directors' fees, from April 1, in shares in the Company.

R&D Funding

As in the prior year, TruScreen finances a portion of the expected Research & Development (R&D) tax offset and received \$400,000 in March 2020.

It is expected that the R&D tax rebate will amount to ~\$850,000 with the balance to be received in August 2020.

Forecast for financial year ended 31 March 2020

The impact of COVID-19 has resulted in a decline in product revenue this year to ~ NZ\$1.38 million (FY 2019; NZ\$1.86m).

The operational loss after tax is forecast to reduce to ~NZ\$2.5m (FY 2019 : loss NZ\$3.4m). This is subject to audit and review of the Company's carrying value of its intellectual property and development costs.

TruScreen CEO, Victoria Potarina comments, *"TruScreen has impressive technology for cervical cancer screening that has successfully stood the test of time and is acknowledged as a unique and reliable solution in many emerging markets. While COVID-19 will have a short-term lag on our revenue, we are using the opportunity to reset our business model, improve our quality systems and processes, and put in place a platform that will enable us to capitalise on the significant investment TruScreen has made. This will enable the Company to enter a growth phase when restrictions are lifted. We will continue to focus on serving emerging markets and assisting millions of women to live a healthier and longer life."*

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For more information, visit 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

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