



PACIFIC EDGE

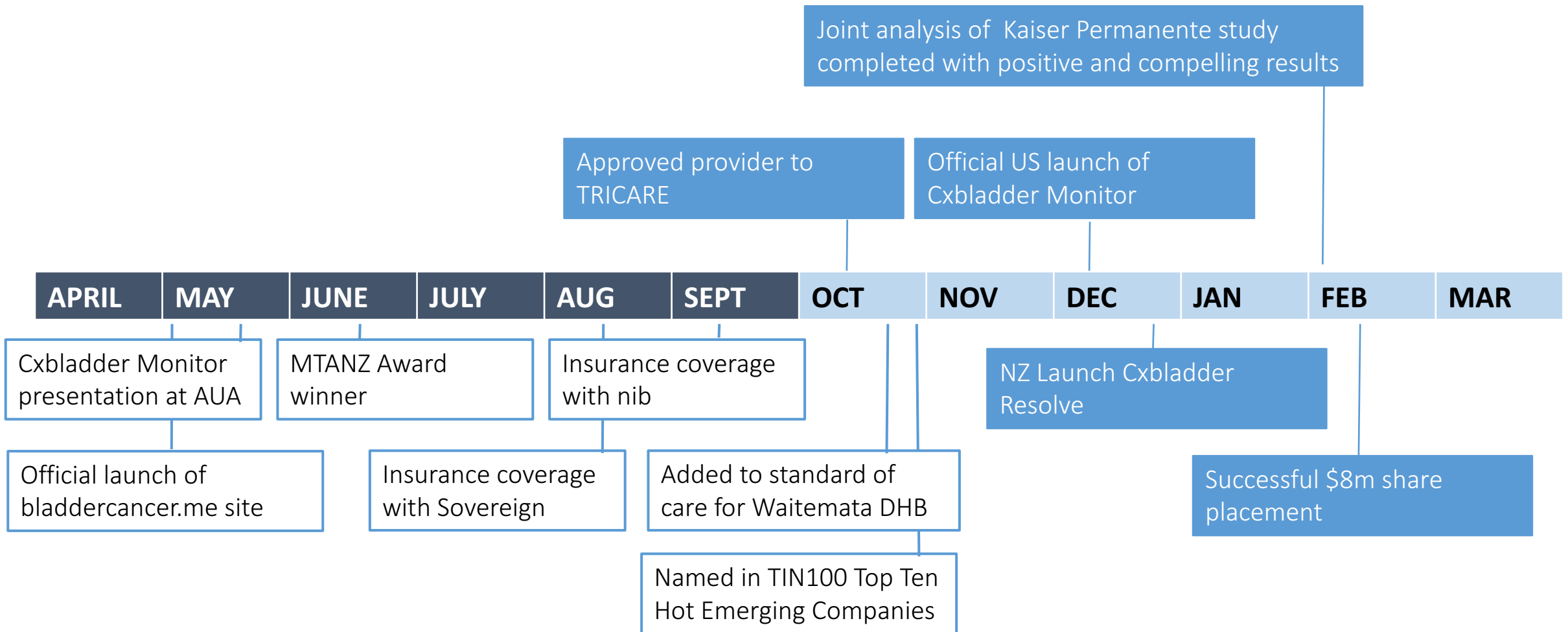
Cancer Diagnostic Company

Full Year Results Presentation
For the twelve months to 31 March 2017

24 May 2017

FY17 MILESTONES

Significant Progress Achieved



FY17 HIGHLIGHTS

Significant commercial progress being made; Continued sales growth expected in FY18

Significant progress achieved with transformational large scale customers

In contract with VA

In contract with TRICARE

Completed Kaiser Permanente User Programme and now in commercial discussions

Well progressed with CMS regulatory process

Increasing adoption by healthcare providers and insurers

Insurance coverage by nib and by Sovereign in New Zealand

Added to Standard of Care for Waitemata DHB

Added to Standard of Care for Canterbury DHB

Multiple clinical studies and papers validating the superior performance of Cxbladder

Presentations/publications:

American Urological Association 2016 Conference

American Journal of Urology

Urological Oncology

Advances in Therapy

Urology specific media

Genome Web

Urology Times

Expanded suite of Cxbladder tests

Official launch of Cxbladder Monitor in the US in December 2016

Launch of fourth product, Cxbladder Resolve, in New Zealand in December 2016

FY17 REVENUE

62% Uplift in Product Sales

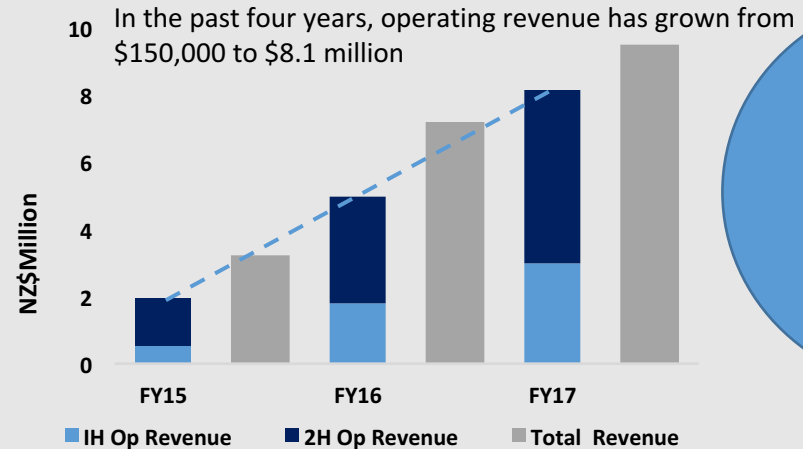
Positive growth in product sales from new and existing customers, particularly in North America.

FY17 excludes any revenue from transformational customers.

Other revenue includes funding from Callaghan Innovation Grant, with an additional \$3m grant received in March 2017, to be spread over two years.

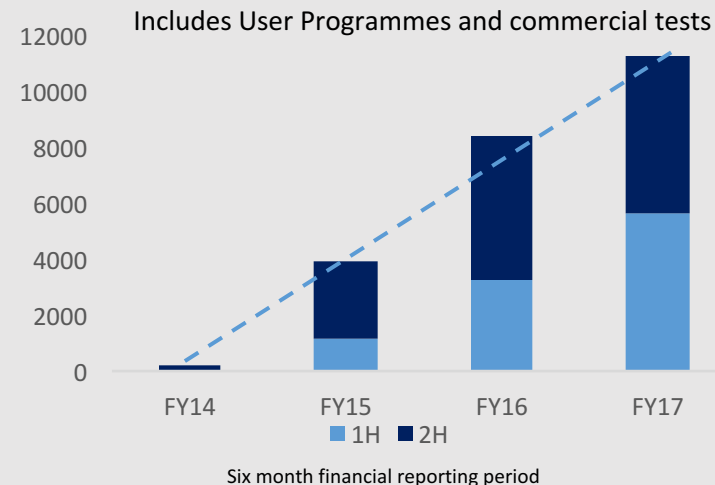
	FY17 NZ\$(000)	FY16 NZ\$(000)	Change (%)
Operating Revenue	8,062	4,976	62%
Other revenue	1,473	2,217	
Total Revenue	9,535	7,193	33%

OPERATING REVENUE



62% increase in operating revenue compared to the previous year

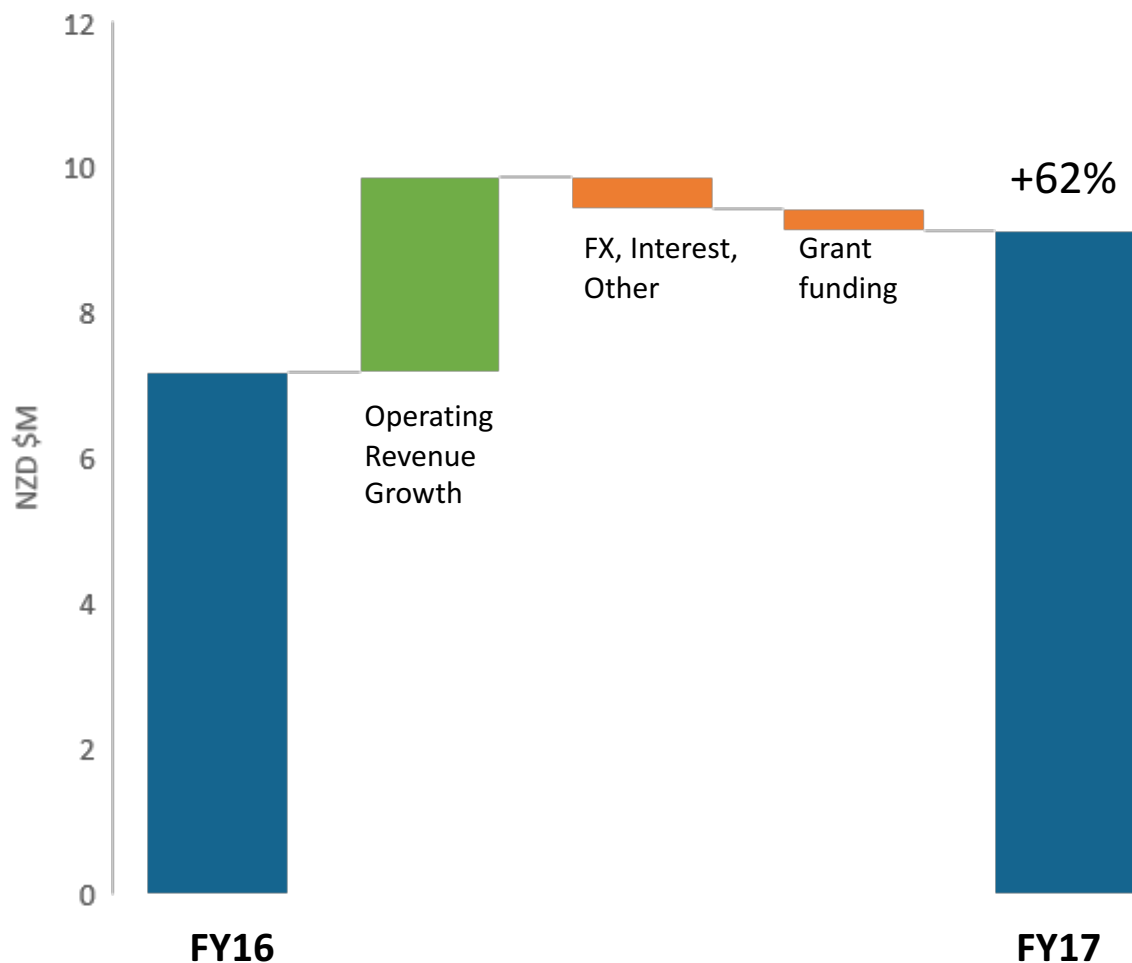
LABORATORY THROUGHPUT



35% increase in test throughput compared to the previous year

FY16: FY17 REVENUE BRIDGE

FY16: FY17 Revenue Bridge



REVENUE GROWTH

Positive growth in product sales: No contribution yet from new large scale customers – VA and TRICARE

FY17 sales restrained by:

- Timing of commercialisation of scale customers
- Timing of launch of new products in the US
- Political uncertainty in the US which negatively impacted on the wider healthcare sector in the US in the second half of the year.

Changes in Callaghan Innovation Growth Grant scheme means that international investment in R&D is no longer claimable

FY17 INVESTMENT INTO GROWTH

	FY17 \$NZ'000	FY16 \$NZ'000	% Change
TOTAL REVENUE	9,535	7,193	33%
Laboratory Expenses	996	1,047	
Research	4,908	4,442	
Sales and Marketing	1,923	1,021	
Other	16,517	16,358	
Total Recurring Operating Expenditure	24,342	22,870	6%
Bad and Doubtful Debts Expenditure	3,248	-	
Wind up of Employee Incentive Scheme (non-cash)	2,925	-	
NET (LOSS) BEFORE TAX	(21,048)	(15,453)	36%

OPERATING EXPENSES

Continued investment into four strategic areas:

- People – expanded sales team from 12 to 18 sales executives
- Products – development and launch of Cxbladder Resolve
- Market expansion – investment into South East Asia and US
- Intellectual Property

Expenses include non-cash, non-recurring expense of \$2.9m in relation to the wind up of the Employee Incentive Scheme

Conservative approach taken to bad debt provisioning

Operating revenue outgrowing expenses:

Operating Revenue +62%; Operating Expenses +6%

Note: Operating Expenses compared on a like-for-like basis

Overall, Pacific Edge reported a \$21.0 million loss for the year, in line with growth strategy and management expectations.

FY17 CASHFLOW

NET OPERATING CASHFLOWS	FY17 \$NZ'000	FY16 \$NZ'000
Receipts from customers and grant providers	7,864	3,648
Interest received	732	319
Payments to suppliers and employees	26,458	20,908
Net GST change	(25)	12
NET CASH FLOWS FROM OPERATING ACTIVITIES	(17,837)	(16,952)

NET OPERATING CASHFLOW

Net operating cashflow at a similar level to the previous year

116% increase in receipts from customers and grant income compared to FY17, offsetting the higher FY17 expenses

FY17 FINANCIAL POSITION – BALANCE SHEET

Debt free – Shareholder Capital the Main Source of Funding For Growth

	FY17 \$NZ'000	FY16 \$NZ'000
Cash, Cash Equivalents and Short Term Deposits	14,564	24,160
Trade Receivables, Inventory and Other Current Assets	7,833	6,933
Property, Plant and Equipment	837	990
Intangible Assets	329	248
Total Assets	23,563	32,331
Payables and Accruals	2,734	2,523
Total Liabilities	2,734	2,523
Equity	20,829	29,807

Cash and cash equivalents \$14.6 million as at 31 March 2017

Debt free with funding from sales revenue, shareholder capital and technology grants for new product development, commercialisation and investigation into South East Asia

Successful \$8.75 million share placement to institutional and other investors completed in February 2017

Funds are being invested into commercial growth as the company works towards attaining a cashflow positive position.



BLADDER CANCER AWARENESS MONTH 2017

Highest total
medical costs of any
cancer: US \$240K
per patient

4th most
common in
men

11th most
common in
women

50%-80%
recurrence
rate

79,030
diagnosed
in 2017

5th most
common
cancer

600K +
living with
bladder
cancer

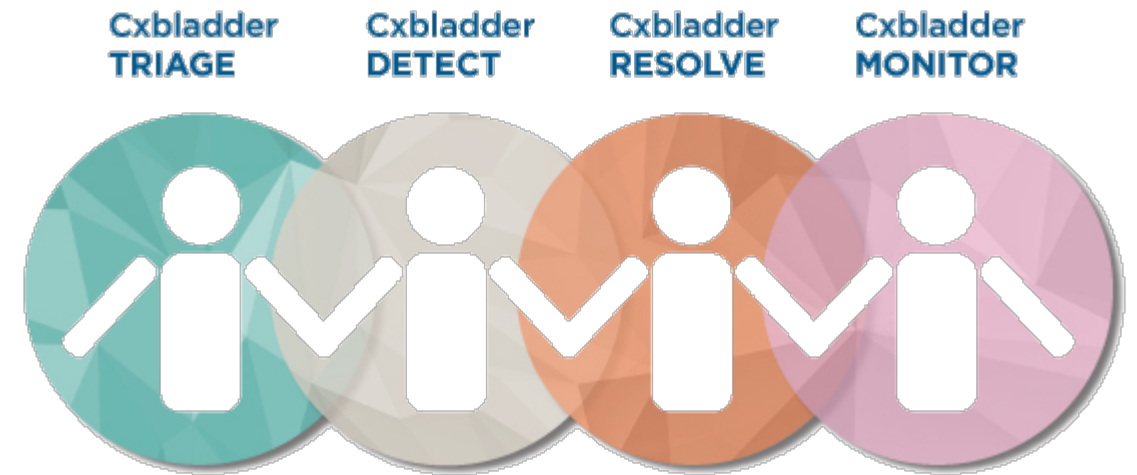
Cx bladder™

Incidence ranking for the USA

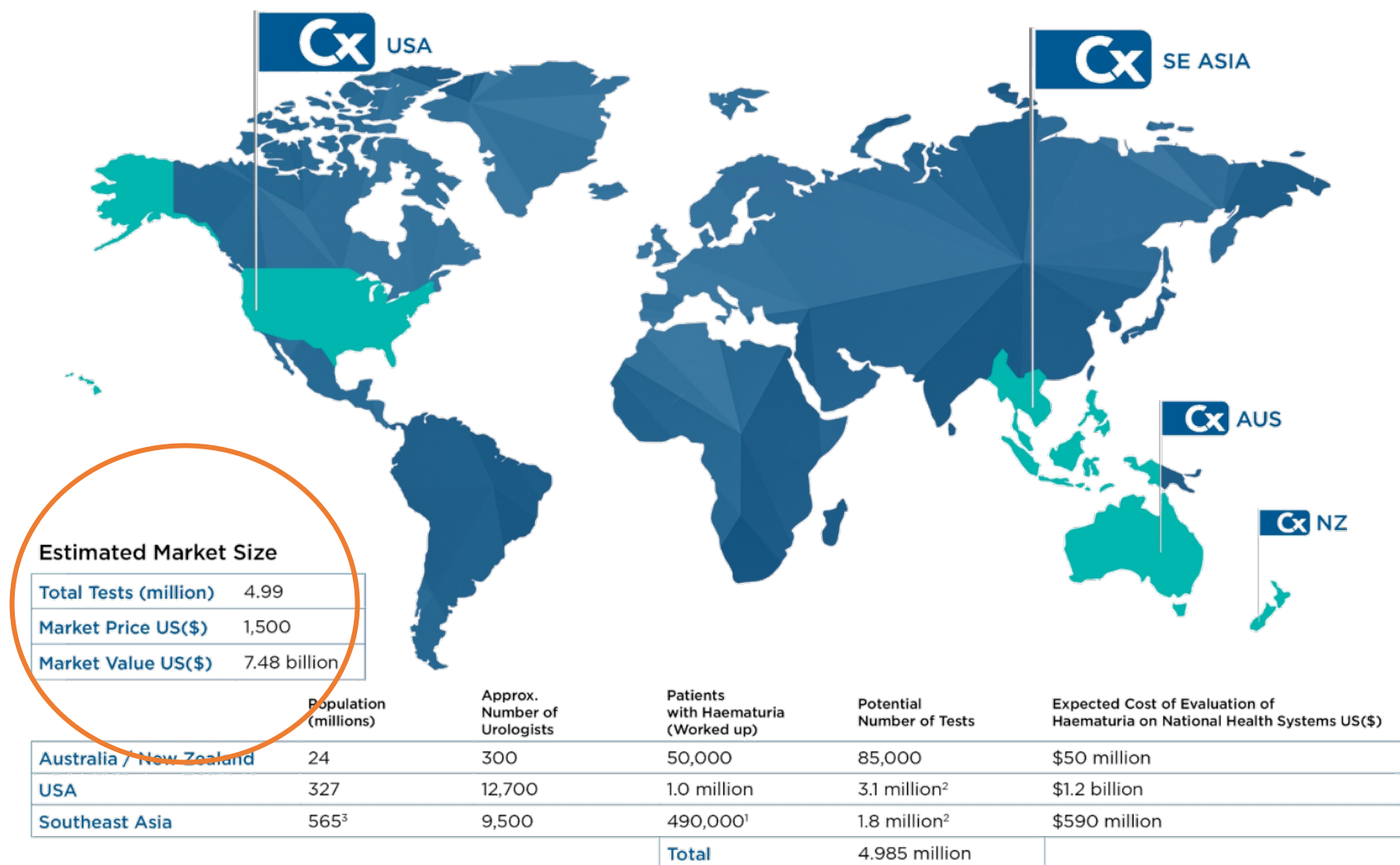
CXBLADDER NOW DOMINATES THE CLINICAL PATHWAY

Pacific Edge is the only company in the world to offer a suite of proprietary molecular diagnostic tests for bladder cancer, from assessment and detection to management and monitoring for recurrence of the disease

- Delivering innovative solutions for the early detection and better management of bladder cancer
- Four products serving multiple clinical needs, across the haematuria and bladder cancer clinical pathways
- Provides a huge opportunity and significant competitive advantage for Pacific Edge
- Cxbladder leading to a step change in the clinical pathways for haematuria and bladder cancer
- Benefits: Accurate, Non-invasive, Simple to Use, Cost Effective
- Primary market is the US, the world's largest healthcare market.
- Four main areas of investment - People, Intellectual Property, Market Expansion and Product Development



TARGET MARKETS



Market Estimates based on management estimates and analysis:

1. Normal urological work-up patients and medical tourists (Singapore had 1.34 million medical tourists in 2015, serviced by 15 registered clinics)

2. Includes all three tests Cxb-T, Cxb-D, Cxb-M

3. Singapore, Taiwan, Indonesia, Malaysia, Philippines, Thailand, Vietnam.

MARKETS

Growing adoption of Cxbladder

Transformational clients (United States)	National Provider Networks (United States)	Private Insurance Providers (New Zealand)	Adoption by District Health Boards (New Zealand)
Veterans Administration – In contract	Stratose	Sovereign Insurance	Bay of Plenty and Lakes
TRICARE – In contract	FedMed	Nib health insurance	Canterbury
Kaiser Permanente – In commercial discussions	America’s Choice Provider Network		Waitemata
CMS – Well progressed in regulatory process	MultiPlan		

MARKETS

US Remains the Primary Focus

FY17 OBJECTIVES AND PROGRESS: US Remains the Primary Focus

COMPLETED ✓	18 sales executives focused on 19 targeted sales regions
COMPLETED ✓	Identified Veterans Administration (VA), TRICARE, Kaiser Permanente and Centres for Medicare and Medicaid as transformational large scale customers
COMPLETED ✓	In contract and agreed pricing with VA and TRICARE
In Progress	In commercial discussions with Kaiser Permanente; Well progressed in CMS regulatory process
Ongoing	Large Urology Group practices - Key target for scale sales, now moving at pace, sales are starting to meet company expectations
Ongoing	Primary focus on establishing new User Programmes with large institutional customers as we build momentum
Ongoing	Transitioning existing User Programmes to commercial customers

United States: The world's largest healthcare market

Over 11,000 urologists and millions of potential clinical opportunities for use of Cxbladder products



VETERANS ADMINISTRATION (VA)

One of Pacific Edge's Key Customers

FY17 OBJECTIVES AND PROGRESS: Continue to target selected VA sites

- COMPLETED ✓ Signed Federal Supply Schedule Agreement (Feb 2016)
- COMPLETED ✓ Negotiated contract price for tests (2016)
- COMPLETED ✓ Identified leading VA centres with volume haematuria
- COMPLETED ✓ Cxbladder test added to the VA schedule approved for sale to veterans:
 - Cxbladder has a code which ensures ease of use and speedy recovery of revenue
 - Cxbladder has a contracted price with the F.S.S for the VA. Sites may negotiate to obtain a better rate (Volume).

In Progress



Targeting five large VA clinics. Several of these clinics expected to incorporate Cxbladder into their clinical practice in the near future. Anticipate User Programmes for the larger key sites as per other large non-VA customers

VETERANS ADMINISTRATION

- Federal funded healthcare for veterans and their families
- Being in contract provides the ability to market and sell Cxbladder products to the VA's clinicians and health providers
- Approximately 20 million people under cover including family members
- Network of its own clinics, hospitals and dedicated staff

TRICARE

One of Pacific Edge's Key Customers

COMPLETED ✓

Approved as a provider (October 2016)

COMPLETED ✓

Negotiated contract price for tests (October 2016)

In Progress

The Pacific Edge US sales team are leveraging existing relationships with high volume sites in targeted areas

Anticipate User Programmes for the larger key sites as per other large customers

TRICARE

- Healthcare programme for US uniformed service members and their families around the world
- Managed by the Defense Health Agency
- 9.4 million beneficiaries with 70.5 million outpatient visits in 2015
- 55 Military hospitals
- 373 military medical centres



KAISER PERMANENTE

Potentially Transformational For The Company

FY17 OBJECTIVES AND PROGRESS: Complete Kaiser Permanente User Programme and progress to commercial relationship

COMPLETED ✓

Completion of large scale User Programme in first half FY17

COMPLETED ✓

Joint analysis of data completed with positive and compelling findings

In Progress

Study findings to be submitted for scientific and clinical publication

In Progress

In final discussions with Kaiser Permanente regarding where in their clinical pathway they will deploy Cxbladder

KAISER PERMANENTE

- An integrated managed care provider, headquartered in California
- Fully integrated healthcare including insurance coverage of its patients
- One of the nation's largest not-for-profit health plans, serving more than 10.6 million members (approx. twice the size of New Zealand)
- More than 18,000 physicians employed across 38 hospitals and more than 600 medical offices and other facilities



CENTERS FOR MEDICARE AND MEDICAID/OTHER CUSTOMERS

FY17 OBJECTIVES AND PROGRESS: Progress discussions with CMS

In Progress

Regulatory process to gain a Local Coverage Decision with the CMS is well progressed



Continue to initiate new User Programmes with key customers

Ongoing

US sales team continuing to target individual urologists and large urology practices to initiate new User Programmes, and transition early adopters into commercial customers. The focus will be on large practices in academic centres

Work with academic centres and hospitals to gain acceptance of Cxbladder into their care pathways

CENTERS FOR MEDICARE AND MEDICAID

- US federal agency which administers Medicare and Medicaid
- Medicare is national social insurance program providing health insurance for over 46 million Americans aged 65 and older
- Medicaid is social health care program for low income American families and individuals

OTHER MARKETS

New Zealand, Australia, South East Asia

AUSTRALIA

Work with Tolmar Australia to build awareness and increase sales of Cxbladder tests in Australia

- Tolmar Australia's nine dedicated urology sales executives leveraging their existing networks; targeting large hospitals as well as individual urologists
- Three products now available in Australia

SOUTH EAST ASIA

Establish a base in Singapore for further investigation into South East Asia, continue to support current User Programme in Singapore and initiate new User Programmes with targeted healthcare providers

- Commercial base now established in Singapore including distribution and logistics process to allow test analysis in New Zealand
- Working on signing up new User Programmes with large hospitals. Second User Programme commenced, with Singapore's largest hospital

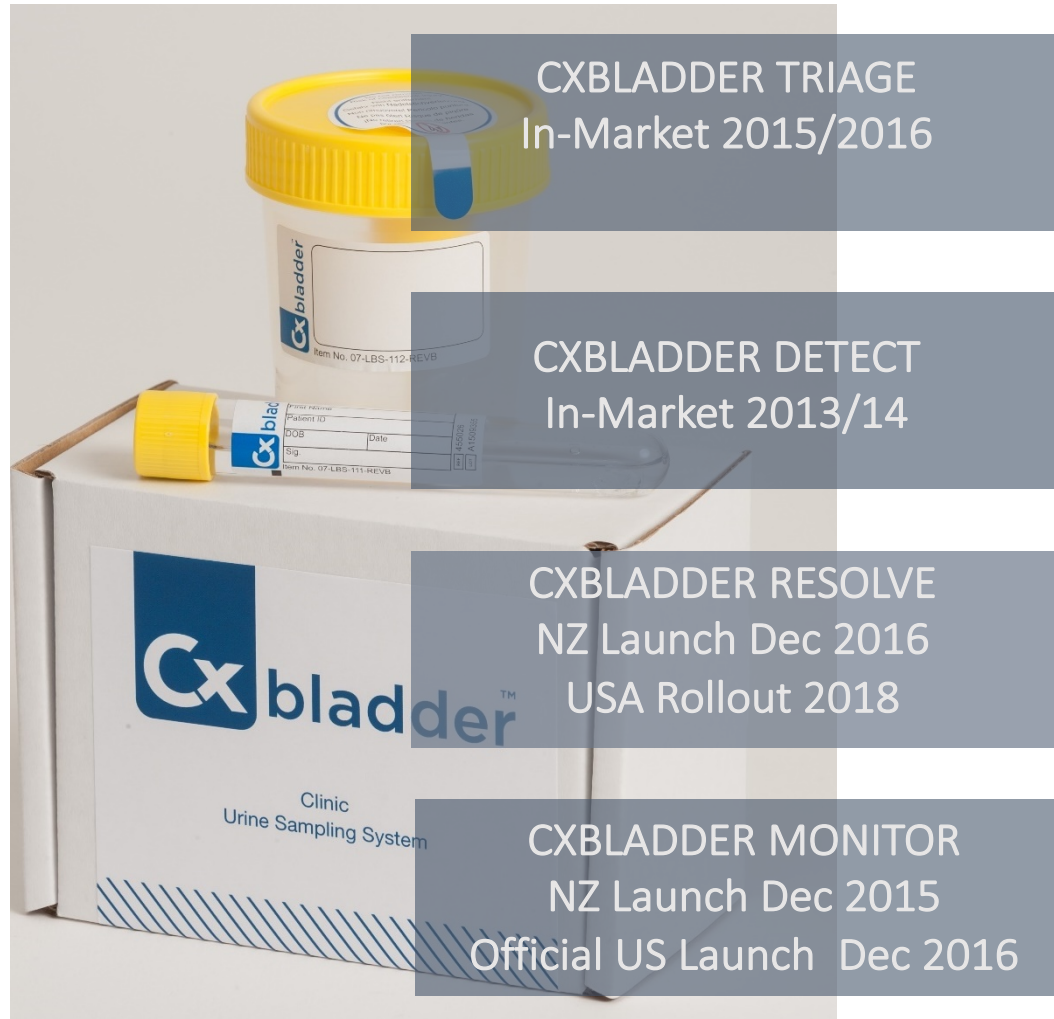
NEW ZEALAND

Continue to work closely with healthcare providers and urologists in New Zealand to encourage uptake of Cxbladder

- Agreements with several District Health Boards to include Cxbladder in clinical pathway
- Cxbladder under cover by two healthcare insurance providers

PRODUCTS

Our Products Now Span The Entire Clinical Pathway - A World First



FY17 OBJECTIVES AND PROGRESS

Rollout of Cxbladder Monitor into the United States and Australia

- Australia rollout completed
- Full USA launch in December 2016 to coincide with publication of scientific paper

Launch Cxbladder Resolve in New Zealand

- Launched in New Zealand in December 2016

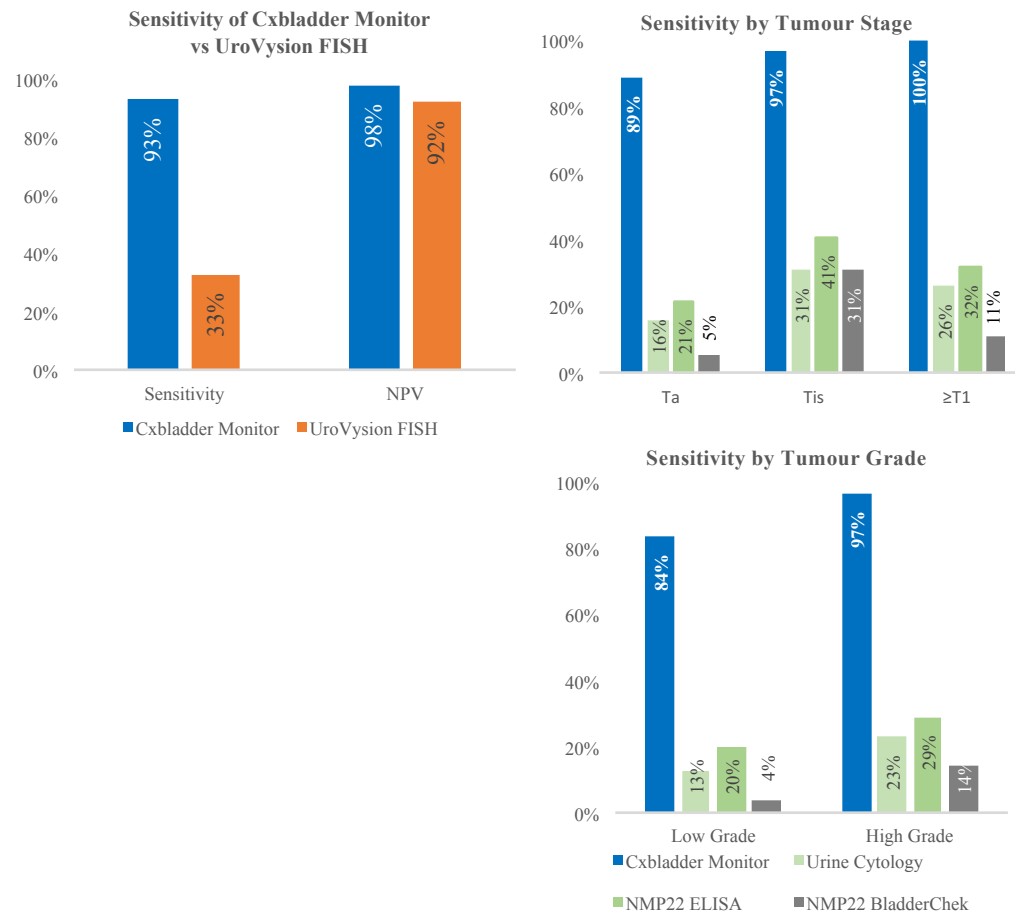
Cxbladder included in Standard of Care and guidelines

- Included in AUA guidelines as an alternative test
- Added to Standard of Care for publicly funded Canterbury District Health Board (CDHB) and Waitemata DHB

GROWING CLINICAL EVIDENCE IN SUPPORT OF CXBLADDER

SUPERIOR SENSITIVITY OF CXBLADDER MONITOR IN CLINICAL STUDY

Lotan et al: Clinical comparison of non-invasive urine test for ruling out recurrent urothelial carcinoma. *Urologic Oncology* (2017)



SUPERIOR PERFORMANCE OF CXBLADDER MONITOR IN RULING OUT RECURRENCE OF BLADDER CANCER

"Performance Characteristics of a Multigene Urine Biomarker Test for Monitoring for Recurrent Urothelial Carcinoma in a Multicenter Study"

**93%
Sensitivity**

**97%
Negative Predictive Value**

CXBLADDER MONITOR SIGNIFICANTLY OUTPERFORMED ALL COMPARED FDA APPROVED URINE TESTS FOR BLADDER CANCER

"Clinical Comparison of Non-invasive Urine Tests for Ruling Out Recurrent Urothelial Carcinoma"

COMPELLING CHANGES IN CLINICAL DECISIONS WITH USE OF CXBLADDER TRIAGE AND CXBLADDER DETECT

396 clinician by patient interactions totalling 792 separate clinical decisions

- All urologists changed their clinical decision making
- 25% reduction in total number of diagnostic procedures required
- 31% reduction in invasive tests

SALES CHANNELS

Build Awareness, Encourage Adoption, Transition To Commercial Customer

FY17 OBJECTIVES AND PROGRESS

In Progress Continue to initiate new User Programmes and transition early adopters into commercial customers

- Now starting to see traction as User Programmes transition to commercial customers

In Progress Identify and investigate new sales channels

- Continue to identify new sales channels
- Enhanced e-commerce platform

In Progress Increase online marketing and product awareness, including ongoing support for patient community, bladdercancer.me

Look down, you may be surprised...

Trouble may be brewing in your urine.

✓ **?** **!**

Pale straw
Healthy and hydrated.
You are OK.

Intense yellow
Borderline. In need of more water.
Drink some soon.

Pinkish red
Possible bladder, prostate and other immediate concerns!

The colour of your urine can indicate various concerns, including possible bladder cancer. Find out more at cxbladder.com or talk to your GP.

Cxbladder™
The difference in cancer detection

LOOKING FORWARD

Priorities For FY18

MARKETS

- United States remains the primary focus
- New Zealand: Continue to encourage uptake by DHBs
- Australia: Conversion of User Programmes with early adopters
- Singapore: Grow User Programme base with new urology practices and hospitals

PRODUCTS

- Rollout of Cxbladder Resolve in Australia, with soft launch in US by year-end
- Leverage the combined power of the Cxbladder suite across the haematuria and urology pathways affecting the Standard of Care

CUSTOMERS

- Bring Kaiser Permanente on board as commercial customer
- Build commercial relationships with targeted large scale VA facilities and urology practices that service the active military
- Initiate User Programmes with targeted Veterans Administration sites
- Complete the regulatory process for Centers for Medicare and Medicaid Services
- Transition early adopters into commercial customers

SALES CHANNELS

- Continue to initiate new User Programmes
- Increased marketing investment, particularly into digital media
- Targeting institutional and large practice academic sites in the US

QUESTION AND ANSWER



www.pacifedge.co.nz
www.cxbladder.com
www.pacifedgedx.com

David Darling
Chief Executive Officer
Pacific Edge Limited
Tel: +64 3 479 5802 Mobile: +64 21 797981
Email: dave.darling@pelnz.com

DISCLAIMER

Information

The information in this presentation is an overview and does not contain all information necessary to make an investment decision. It is intended to constitute a summary of certain information relating to the performance of Pacific Edge Limited. The information in this presentation is of a general nature and does not purport to be complete. This presentation should be read in conjunction with Pacific Edge's other periodic and continuous disclosure announcements, which are available at nzx.com.

Not financial product advice

This presentation is for information purposes only and is not financial or investment advice or a recommendation to acquire Pacific Edge securities, and has been prepared without taking into account the objectives, financial situation or needs of individuals. Pacific Edge, its directors and employees do not give or make any recommendation or opinion in relation to acquiring or disposing of shares. In making an investment decision, investors must rely on their own examination of Pacific Edge, including the merits and risks involved. Investors should consult with their own legal, tax, business and/or financial advisors in connection with any acquisition of securities.

Future performance

This presentation contains certain 'forward-looking statements', for example statements concerning the development and commercialisation of new products, regulatory approvals, customer adoption and results of future clinical studies. Forward-looking statements can generally be identified by the use of forward-looking words such as, 'expect', 'anticipate', 'likely', 'intend', 'could', 'may', 'predict', 'plan', 'propose', 'will', 'believe', 'forecast', 'estimate', 'target', 'outlook', 'guidance' and other similar expressions. The forward-looking statements contained in this presentation are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Pacific Edge and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. There can be no assurance that actual outcomes will not materially differ from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements. The forward-looking statements are based on information available to Pacific Edge as at the date of this presentation. Except as required by law or regulation (including the NZX Main Board Listing Rules), Pacific Edge undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

No representation

To the maximum extent permitted by law, Pacific Edge and its advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of information in this presentation.

This presentation should be viewed in conjunction with Pacific Edge's Financial Statements for the 12 months to 31 March 2017 and the accompanying media release which was released to the market on 24 May 2017