

PACIFIC EDGE ANNUAL MEETING



5 August 2020

BOARD OF DIRECTORS



Chris Gallaher



Bryan Williams



Anatole Masfen



David Levison



Sarah Park



David Darling

GOVERNANCE

Board of Directors

Experience in governance, finance, sales management, cancer research, biotechnology and life sciences, investment and business advisory.

Subsidiary Board Directors

In-country commercial experience and scientific and/or clinical expertise.

Scientific and Clinical Advisory Boards

Expert advice on global clinical needs and product applications, scientific progress and clinical opportunities.

MEETING AGENDA

- Presentations:
 - Address from the Chair, Chris Gallaher
 - Address from the Chief Executive Officer, Dave Darling
- Shareholder Discussion
- Resolutions as per Notice of Meeting:
 - Re-election of Bryan Williams and Dave Darling
 - Authorise the Directors to fix the auditor's remuneration
- General Business
- Close of Annual Meeting



CHAIRMAN'S ADDRESS

Chris Gallaher



MILESTONES ON OUR COMMERCIAL JOURNEY

- Evolution of Pacific Edge from a research organisation to a commercial entity.
- Development of commercial strategy for New Zealand, Australia and USA, world's largest healthcare market.
- Development and launch of world class CLIA and CAP accredited laboratories in the USA and NZ.
- Extension of strategy to include “One-Stop-Shop” of Cxbladder products. Launch of multiple Cxbladder products.
- Adapted strategy to focus on large scale healthcare organisations in all targeted markets.
- Progression of the opportunity in South East Asia.
- Increasing coverage by private payers (insurers).
- Reached commercial agreement with Kaiser Permanente for Cxbladder.
- Achievement of the major US reimbursement milestones, including inclusion in LCD for CMS reimbursement.
- Growing adoption and use of Cxbladder by urologists and healthcare providers.

RESPONDING TO COVID-19

- Operated as an essential business during COVID-19 restrictions in NZ and the USA.
- Reduction in Total Laboratory Throughput during April 2020. Recovery from May 2020 following the easing of restrictions and growing demand for our in-home sample collection service.
- Took steps to preserve cash and provide flexibility to employees. All discretionary spend was reviewed and either cut or deferred over this period.
- Global pandemic has highlighted the need for novel ways to detect cancer early and guide patient treatment.
- Cxbladder in-home sampling enables physicians to maintain timely evaluation and diagnosis of bladder cancer and manage at-risk patients.
- Growing recognition of the benefits of Cxbladder in-home sampling solution as evidenced by three public healthcare providers (DHB's) in New Zealand commencing use of Cxbladder's sample collection kit, for in-home sample collection, in April 2020 and the recent commercial agreement with Kaiser Permanente.
- Expect demand for in-home sample collection to continue as an additional option for urologists to better manage patients beyond Covid-19 as demand for telehealth services continues to grow.

WE ARE POISED TO GROW



OUR GROWTH STRATEGY

Attain global reach with our comprehensive suite of Cxbladder products, which provide physicians with a 'one-stop-shop' for their clinical needs.

Launch and commercialise all four Cxbladder products in our targeted markets around the world to drive a profitable business.



Sustain the global first mover advantage with Cxbladder becoming the preferred go-to detection and management tests for urothelial cancers.



Grow the adoption of Cxbladder by large scale institutional healthcare customers, for multiple targeted clinical needs.



SUCCESS IS DELIVERING SUPERIOR VALUE WITH CXBLADDER FOR PATIENTS, HEALTHCARE PROVIDERS AND STAKEHOLDERS ALIKE.

WE HAVE A STRONG OUTLOOK

- Test use and revenue expected to ramp up in FY21.
- Cash and cashflow management remain front of mind; escalation of commercial test sales expected to have a positive impact on our operating cashflows.
- Identified opportunities for growth in all our targeted markets.
- US market remains primary focus.
- Additional growth capital from ANZ will support the company to scale-up the business to meet the expected increase in demand for Cxbladder.
- Resources will be directed towards achieving commercial contracts with large institutional healthcare customers and growing sales to existing customers.

“We are now on the cusp of realising our full commercial potential. Our company is uniquely placed to capitalise on the demand for better, more accurate, less invasive and more cost-effective diagnostics.

“As we progress with our key objectives, we expect demand and commercial use of our tests to gather pace and for revenue to ramp up.”

CHIEF EXECUTIVE OFFICER'S ADDRESS

Dave Darling



PROGRESS AGAINST STRATEGIC GOALS



LAUNCH AND COMMERCIALISE ALL FOUR CXBLADDER PRODUCTS IN OUR TARGETED MARKETS AROUND THE WORLD TO DRIVE A PROFITABLE BUSINESS.

Cxbladder in a class of its own;

- Suite of four, class leading, accurate, non-invasive, urine based diagnostic tests for urothelial cancer (UC).
- Addressing multiple unmet needs across the full clinical pathway for UC.
- Cxbladder, only new test commercially available for UC detection and management globally in the last 18+ years.
- Revolutionises how urologists detect and manage UC.

SUSTAIN THE GLOBAL FIRST MOVER ADVANTAGE WITH CXBLADDER BECOMING THE PREFERRED GO-TO DETECTION AND MANAGEMENT TESTS FOR UROTHELIAL CANCER.

- Increasing validation by international urologists and in peer reviewed published literature.
- Inclusion in clinical guidelines in New Zealand and USA's NCCN guidelines.
- Growing adoption and use by urologists.
- LCD inclusion for Cxbladder Detect and Cxbladder Monitor.
- Validation from internationally recognised Kaiser Permanente.



GROWING PORTFOLIO OF PEER REVIEWED, PUBLISHED PAPERS

- Publication of peer-reviewed papers is key to gaining adoption, recognition in guidelines and positive reimbursement decisions for coverage.
- Generated in excess of 10 years of accumulated evidence and multiple, major peer reviewed publications.
- Cxbladder has class leading performance metrics: Sensitivity, Specificity and Negative Predictive Value.
- Publication of three additional peer-reviewed papers during the year, highlighting Cxbladder's outperformance and adding significant additional clinical utility evidence to drive positive reimbursement decisions for Cxbladder.



INCLUSION IN CLINICAL GUIDELINES

Inclusion in guidelines follows significant adoption, and further empowers urologists and organisations to adopt and use our products.

- Majority of New Zealand's public healthcare providers have adopted Cxbladder into their standard of care, and in some cases, into clinical guidelines, replacing the gold standard cystoscopy in both the evaluation of haematuria and in the monitoring for recurrence of urothelial cancer.
- Inclusion in the USA's National Comprehensive Cancer Network bladder cancer guidelines for patients being monitored for recurrence of urothelial cancer in FY20.
- Biomarker technology and Cxbladder referenced in the American Urological Association (AUA) clinical practice guidelines.



National
Comprehensive
Cancer
Network®

INCLUSION IN LCD FULLY ENABLES CMS REIMBURSEMENT

USA Reimbursement Milestones Achieved:

- ✓ Receipt of **Product Specific CPT codes** for Cxbladder Detect and Cxbladder Monitor (January 2019)
- ✓ Notification of a **National Price** for all Cxbladder tests of \$760 per test in (October 2018)
- ✓ Inclusion of Cxbladder Detect and Cxbladder Monitor in a **Local Coverage Determination (LCD)** from 1 July 2020

Successful inclusion in the LCD is expected to result in significant commercial growth:

- Enables reimbursement by CMS* for all future tests conducted on CMS patients
- Supports PEB's negotiations with other private insurance payers in the US
- PEB will negotiate with CMS for reimbursement of previous tests done for CMS patients (22,000+ tests)
- Timing for cash receipts expected to improve significantly.

*Centers for Medicare and Medicaid Services.

GROW THE ADOPTION OF CXBLADDER BY LARGE SCALE INSTITUTIONAL HEALTHCARE CUSTOMERS, FOR MULTIPLE TARGETED CLINICAL NEEDS

- Building on success achieved with large public healthcare providers in New Zealand and most recently, Kaiser Permanente in the USA to conclude commercial agreements with other scale institutional customers.
- While these customers can take longer to bring to completion, once commercial agreement is reached they can provide significant volume, require lower sales maintenance and deliver more sustainable, longer term growth opportunities.
- Ongoing commercial negotiations and start up processes underway with multiple targeted institutional customers in the USA.



COMMERCIAL AGREEMENT REACHED WITH KAISER PERMANENTE



KAISER
PERMANENTE®



Members
12.4M



Hospitals
39



Medical offices¹
714



Physicians²
23,271



Nurses³
63,306



Employees⁴
219,149

“Cxbladder’s ability to provide for the collection of the urine sample in-home will allow Kaiser Permanente patients to be regularly tested for bladder cancer at home and will also enable their physicians to do more patient management using tele-consultation.”

“Based on the test results, many patients will also be able to avoid having any further invasive procedures. This has obvious benefits for patients and also frees up essential healthcare capacity for Kaiser Permanente.”

GROWING EVALUATION AND USE OF CXBLADDER BY LARGE HEALTHCARE INSTITUTIONS

USA

- Kaiser Permanente
- Carolina Urologic Research Center
- City of Hope
- Cleveland Clinic
- Cornell
- Fox Chase CC
- Johns Hopkins CC
- MD Anderson
- Moffitt CC
- Ohio State University CC
- Penn State Milton S. Hershey Medical Center
- Rush University
- Thomas Jefferson University
- TriStar Medical Center
- UCLA

USA

- University of California-San Diego
- University of California-San Francisco
- University of Chicago
- University of Colorado
- University of Michigan
- University of Minnesota
- University of Oklahoma
- University of Pennsylvania
- University of Southern California
- UT Southwestern
- VA Accounts
- Wellstar

SOUTH EAST ASIA

- Singapore General Hospital
- Tan Tock Seng
- Khoo Tech Puat Hospital
- KK Women's and Children's Hospital
- National University Hospital
- Raffles Medical Group
- Gleneagles Private Hospital

NEW ZEALAND

- Majority of public healthcare providers

ADAPTING TO COVID-19: TELEHEALTH

- COVID-19 pandemic has catalysed a dramatic increase in the use of telehealth as the primary mode of consultation for patients¹.
- Cxbladder is now being used to enable tele-health. The Cxbladder in-home urine sample collection process incorporates the delivery of Cxbladder's sample collection kits direct to patient's homes, and then collection and delivery to Pacific Edge laboratories for analysis.
- Allows patient evaluation and assessment to be managed remotely.
- Benefits for older and 'COVID-at-risk' patients, removing the need to visit busy medical centres or collection points.
- Provides another strong point of difference for Cxbladder.



1. "The COVID19 pandemic has drive perhaps the greatest transformation in healthcare delivery in modern times". MEDPAGE TODAY July 2020, Dr Nancy Gin, Executive Vice-President of Quality and, Chief Clinical Quality Officer for the Kaiser Federation

Dr Nancy Gin, Chief of Clinical Quality at Kaiser Permanente:

July 2020

“... we have seen dramatic shifts in telemedicine in just the past few months. At Kaiser Permanente healthcare visits delivered remotely have increased from about one in five visits before the pandemic to more than four in five today. The speed with which this shift took place -- days and weeks rather than months and years -- stands as a collective accomplishment in the rapid evolution of care. And these changes are here to stay...”

“...similarly, patients can self-administer diagnostic tests to detect and monitor other conditions from home. For example, a simple urine test can be mailed directly to the homes of bladder cancer patients to monitor for the presence of cancer biomarker genes...”

<https://www.medpagetoday.com/practicemanagement/telehealth/87744>

FY20 PERFORMANCE

FY20 FINANCIAL SUMMARY

\$Millions	FY20	FY19	% change
Operating Revenue ¹	4.4	3.8	14%
Total Revenue	5.2	5.1	1%
Operating Expenses	24.1	23.0	(5)% ²
Net Loss After Tax	(18.9)	(17.9)	(5)%
Cash Receipts from Customers	4.4	3.7	19%
Net Operating Cashflow	(15.4)	(17.5)	12%
Cash, cash equivalents and short term deposits	14.8	12.8	15%
Share Capital	165.4	146.4	13%

- ✓ Increase in Operating Revenue
- ✓ Increase in cash receipts from customers
- ✓ Improvement in Net Operating Cashflow
- ✓ Small increase in Operating Expenses – impacted by forex rates
- ✓ Small increase in Net Loss After Tax
- ✓ Net operating cash outflow reduced to \$15.4m, in line with expectations
- ✓ Increase in net cash, cash equivalents and short term deposits

1: Revenue excludes tests sold in the US for which cash payment has yet to be received, as well as tests completed for patients covered by the CMS. As at 31 March 2020, Pacific Edge has completed and invoiced a total of 21,789 tests for CMS patients in the USA, for which it is yet to be reimbursed.

2: Year on year Operating Expenses increased by 2% after adjustment for foreign exchange rates

NEAR TERM GOALS AND CATALYSTS FOR GROWTH

CATALYSTS TO DRIVE GROWTH THROUGH FY21: USA

Primary focus for all markets is achieving commercial contracts with large institutional healthcare customers and growing sales to existing customers

- Leverage the recent inclusion in the LCD to gain coverage with private insurers.
- Ramp up in demand from Kaiser Permanente.
- Leverage our agreement with Kaiser Permanente to complete new commercial agreements with other healthcare institutions of scale.
- Increase reimbursement coverage with private payers (insurance companies).
- Publication of additional clinical evidence supporting the outperformance of Cxbladder, to enable recognition of Cxbladder in guidelines.
- Commercial launch of the fourth Cxbladder test (Cxbladder Resolve) planned for late FY21.



REST OF WORLD

NEAR TERM GOALS:

NEW ZEALAND

- Bring the NZ business to a cash-flow positive position.
- Extend the commercial coverage by public healthcare providers in NZ from 65% toward 100%.
- Grow out the number of Cxbladder products in use with each of the existing public healthcare customers.

AUSTRALIA AND SOUTH EAST ASIA (SEA)

- Transition the Australia and Singapore public health care providers from their clinical studies to a commercial customer model.
- Facilitate commercial discussions with large scale SEA healthcare provider partners to grow Pacific Edge's SEA business.

CATALYSTS TO DRIVE GROWTH

- Further adoption of Cxbladder by public healthcare providers in NZ and Australia.
- Publication of additional clinical evidence supporting the clinical utility of Cxbladder to drive further reimbursement, coverage and guideline inclusion.
- Publication of a white paper summarising the results from the completed user programs from five public hospitals in Singapore.

NEAR TERM ACTIONS AND OUTLOOK

- Near term objective is to grow revenue and improve cashflow.
- Primary focus is on executing on two recent commercial catalysts – the LCD for CMS patients and reaching a commercial agreement with Kaiser Permanente.
- LCD:
 - In FY20 we processed 4,691 (43%) commercial tests for CMS patients and expect this to increase
 - Negotiation with Novitas for reimbursement of the 22,000+ tests done to date
 - Contract negotiations with the 300+ private payers who provide insurance to patients in the US
- Kaiser:
 - Finalising supply chain logistics and training. Expected to be completed within three months.
 - Future opportunity to extend commercial use to cover multiple Cxbladder products.

SHAREHOLDER DISCUSSION

BUSINESS OF THE MEETING

RESOLUTIONS

- Resolution 1: That Bryan Williams, who retires by rotation and is eligible for re-election, be re-elected as a Director of the Company.
- Resolution 2: That Dave Darling, who retires by rotation and is eligible for re-election, be re-elected as a Director of the Company.
- Resolution 3: To record the re-appointment of PricewaterhouseCoopers as auditor of the Company and to authorise the Directors to fix the auditors' remuneration for the ensuing year.

PROXIES AND VOTING

We have received the following valid votes and proxies:

PROXIES AND POSTAL VOTES

		FOR	AGAINST	DISCRETIONARY	VALID VOTES/PROXIES RECEIVED	% OF TOTAL ISSUED CAPITAL
1	Re-election of Bryan Williams	265,069,764 95.16%	5,085,559 1.83%	8,838,728 3.01%	278,539,051	38.46%
2	Re-election of Dave Darling	305,852,656 97.23%	326,825 0.10%	8,383,728 2.67%	314,563,209	43.44%
3	Authorisation to fix the auditors' remuneration	306,017,809 97.30%	108,596 0.03%	8,375,647 2.66%	314,502,052	43.43%

Voting instructions for voting online are available at: <http://www.linkissuers.co.nz/VirtualAnnualMeeting/OnlinePortalGuide.pdf>

OTHER BUSINESS



Close of the Meeting

Presentations are available at
www.pacifiedgedx.com

www.pacifiedge.co.nz
www.cxbladder.com
www.pacifiedgedx.com

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