



PACIFIC EDGE LTD

ANNUAL MEETING OF SHAREHOLDERS

THURSDAY 25 AUGUST 2016

ADDRESSES BY CHAIRMAN & CEO

Contents

Welcome	3
Board Of Directors	3
Retiring Chairman, Chris Swann	3
Incoming Chairman, Chris Gallaher	4
Meeting Agenda	4
CEO’s Presentation:	5
Our Purpose And Strategy	5
One Stop Shop	5
Positive Progress On Our Commercial Pathway	5
FY16 Highlights	6
FY16 Revenue	7
FY16 Financial Snapshot	7
Good Progress Against FY16 Goals	7
Good Progress Against FY16 Goals	8
Good Progress Against FY16 Goals	9
Good Progress Against FY16 Goals	9
Our Priorities For FY17 And Progress To Date	10
Markets - USA	10
Markets – Other Markets	10
Products	10
Customers	11
Sales Channels	11
Strategic Opportunities For Growth	11
Our Future	12

PACIFIC EDGE 2016 ANNUAL MEETING

WELCOME

Good afternoon and welcome to the Pacific Edge 2016 Annual Meeting. Thank you all for being here today.

I am Chris Swann, the chairman of the Pacific Edge Board.

Welcome to all of you who are here today with us in Dunedin and also to those who are joining the meeting online. This is the first time we have offered our shareholders the opportunity to participate in the meeting online and I hope you find it a user friendly experience.

BOARD OF DIRECTORS

Before we start, I would like to introduce my fellow Directors.

Chris Gallaher, David Band, Bryan Williams and our Managing Director, David Darling. David Levison is joining us online from the USA and we have apologies from Anatole Masfen, who is unable to be with us today.

Pacific Edge is a fast growing company. As we move into each new phase of our journey, we are conscious of having the appropriate skills, experience and expertise on the Board to add value and guide the future strategy of our business.

Our primary focus is our commercial journey in the USA and last year, we appointed David Levison, a USA based Director who has extensive knowledge and experience in the USA healthcare and molecular diagnostics market.

Since year-end, we have appointed Chris Gallaher as an Independent Director. Chris was most recently Group Chief Financial Officer for Fulton Hogan and has held senior executive and CEO roles with Vector, Village Roadshow and Carter Holt Harvey. He brings significant financial and risk management expertise to the company and will be a welcome addition to the Board.

During the year, Charles Sitch stepped down from the Board due to increasing commitments in Australia where he is based, and I have also announced my retirement from the Board at this meeting.

RETIRING CHAIRMAN, CHRIS SWANN

It has been a very rewarding, interesting and at times, challenging, 11 years.

During my time on the Board, our company has grown from a medical research organisation in a small town in a small country at the bottom of the world, to an international business making waves in the global healthcare market....but we're proud to still have our head office in Dunedin.

We've taken on the big guys.....and we're winning. Pacific Edge is leading the way in molecular diagnostics tests for bladder cancer patients, and we are now seeing growing acceptance and demand for our easy to use, accurate and cost effective Cxbladder tests.

We have undertaken large scale clinical trials with very positive results; have identified an effective commercial pathway to bring our products to market; and have built a strong platform on which our business can continue to grow.

I leave Pacific Edge knowing that it is in good hands, with a strong Board and an experienced and highly capable executive team.

The Board has appointed Chris Gallaher to the Chairman position and I fully support his appointment.

To Pacific Edge's shareholders, thank you for your support and your feedback, to myself and the Board, over the past 11 years. It has been a great pleasure being a part of the Pacific Edge journey.

I would now like to hand over to Chris to formally open the meeting.

INCOMING CHAIRMAN, CHRIS GALLAHER

Thank you Chris.

On behalf of the Board, management and shareholders, I would like to say thank you for your efforts during your time on the Pacific Edge Board. I know it has been appreciated.

Good afternoon everyone.

MEETING AGENDA

We'll start today's meeting with a presentation from our CEO and Managing Director, David Darling.

Following this, we are happy to take questions from shareholders, relating to the presentations.

We'll then move to the formal business of the meeting and the resolutions contained in the Notice of Meeting. There will be an opportunity for you to ask questions on each resolution before it is put to the vote.

Following voting on resolutions, we will be happy to take any general questions you may have in regards to our company and operations.

Following the close of the meeting, I invite you all to stay and share some light refreshments with the Pacific Edge team and your Board.

A copy of the speeches and slide presentation from today's meeting will be available on our website.

I declare that a quorum is present and the meeting has been duly convened. The Notice of Meeting, which includes the explanatory notes, has been circulated to all shareholders and I intend to take it as read.

The audited financial statements for the year ended 31st March 2016 were released on the 26th May and are set out in the company's Annual Report which was made available to shareholders on the 30th June.

The minutes of the 2015 Annual Shareholders Meeting have been approved by Directors and are available for inspection.

I would now like to hand you over to our CEO, David Darling for a review of the last financial year, our priorities for this year and how we are tracking to date.

CEO'S PRESENTATION:

OUR PURPOSE AND STRATEGY

Thank you Chris.

Our goal is to build a strong and successful global cancer diagnostics business and we are making good progress on our high growth strategy.

The USA is our priority market and offers the potential for millions of test opportunities. We have strengthened our presence in this market and are focused on building awareness, adoption and sales of our Cxbladder products.

This is not a 'quick win' market.....but we are working hard and as we achieve our goals, we can see the rewards for our company and our shareholders in our increasing customer base, adoption of our tests and our steadily increasing revenue.

We also have operations in New Zealand and Australia and are continuing to investigate and test the opportunities in South East Asia, with a commercial base now in place in Singapore.

We are building the scale of our business by creating more products and building sales in an increasing number of markets. This is reflected in our four main areas of investment – People, Intellectual Property, Market Expansion and Product Development.

ONE STOP SHOP

We are the only company in the world to offer a suite of proprietary molecular diagnostic tests in bladder cancer, with three tests now in market and one more on track to be launched at the end of this year, all of which serve defined clinical needs.

Clinical validation is an important part of the adoption process and the results from clinical trials and peer-reviewed research continue to uphold the accuracy and efficacy of our technology over all of our Cxbladder products.

Most recently, the performance of Cxbladder Triage was published in a peer reviewed science paper in the prestigious international medical journal, BMC Urology, in April 2015.

In addition, the positive results from a clinical study of Cxbladder Monitor were presented in a keynote address at the American Urology Association Conference in the USA earlier this year. The peer reviewed scientific publication of this study is expected shortly.

POSITIVE PROGRESS ON OUR COMMERCIAL PATHWAY

Our commercial journey has allowed us to build up an extensive knowledge bank and understanding of the processes and steps required for our products to be adopted for commercial use in our targeted markets of New Zealand, Australia and the USA. We are now learning about the South East Asian markets and have established a commercial beachhead in Singapore.

The first stage of our journey has been to establish a commercial platform in our target markets, including supply chain, a laboratory testing solution – either in country or at one of our other labs – and transport logistics.

Concurrent with this, we identify target customers and build awareness of our product. We have found that once urologists have the opportunity to trial Cxbladder with their patients, and compare it alongside their existing practices, they can see its benefit as a quick, non-invasive and effective test to detect and manage bladder cancer.

We then work to transition them to commercial customers. It can take some time between the start of a User Programme and the ensuing commercial sales and this depends a lot on the size of the User Programme. Some customers transition quickly others take some time.

Generally, the larger the organisation, the more structured the adoption process is and the longer the User Programme becomes. This is a steady state where some are completing their User Programme and transitioning to a commercial relationship whilst new ones are entering. We anticipate that new customers will in most instances require a User Programme as this is their opportunity to ‘Test Drive’ the technology and obtain a customised fit in their clinical pathways.

FY16 HIGHLIGHTS

Each year, we review our strategy, our in-market tactics and our operations. We set goals that stretch and challenge us, and that will help us achieve our growth ambitions. We share our goals in our Annual Report and at our Annual Meeting and are committed to keeping our shareholders updated on our progress.

We have already covered our FY16 achievements in detail in our Annual Report and results announcement, so I will talk through these quickly and then spend more time on our goals for the current year and our progress to date.

We made pleasing commercial progress in FY16 and it was another positive year of progress and growth for our company. While our commercial journey is still at an early stage, we are gaining good market traction and our momentum is building.

Highlights for the year included:

- An uplift in commercial revenue, which includes product sales and licence fees;
- A number of milestone achievements in the USA, including expansion of our USA sales team, signing of a Federal Supply Schedule agreement which provides us with access to the Veterans Administration, and the positive progress of the Kaiser Permanente User Programme.
- We have also seen good commercial progress in our other markets, with a new commercial partnership in Australia, the start of our first User Programme in Singapore, and inclusion of one of our Cxbladder products in the Canterbury District Health Board’s ‘HealthPathway’ for haematuria.
- Last.... but not least, we successfully launched our third product, Cxbladder Monitor, in New Zealand and will be rolling this out into our other markets over 2016.

FY16 REVENUE

As reported, our FY16 operating revenue, which includes product sales and licence fees, increased by 162% to \$4.98 million. This is up from an initial base of \$150,000 two years ago. Total Revenue increased to \$7.19 million up from \$4.13 million in FY15.

The increase in operating revenue is primarily from growing product sales, particularly in North America, and also includes licence fees from Tolmar Australia, following establishment of our new partnership with them earlier this year.

Our test throughput, which includes product sales and User Programmes, also increased and was up 114% year on year.

FY16 FINANCIAL SNAPSHOT

Our continued investment into People, Intellectual Property, Market Expansion and Product Development formed the majority of the \$15.45 million loss for the year, which was in line with expectations.

Key investment areas included:

- Growing our human capital to deliver our business strategy, including the recruitment of the expanded USA sales team
- User Programmes and clinical studies for our Cxbladder products in specific markets for targeted value propositions
- Launch of Cxbladder Triage into the USA and other markets and the commercialisation of Cxbladder Monitor
- Continuing to build our commercial presence in New Zealand and Australia as well as testing the market in Singapore; and
- Continuing to apply for, manage and receive patents for our intellectual property.

Pacific Edge is debt free and had cash on hand at year-end of \$24.16 million from which we will continue to fund our growth strategy. The company has sufficient funds for its programme going forward, with strong revenue flows anticipated from our targeted large USA customers as we bring them on board.

GOOD PROGRESS AGAINST FY16 GOALS

Building and Scaling Up Our Infrastructure

An important initiative for us last year was expanding our USA sales team to 18 people to take advantage of the opportunity in the USA market.

These specialised sales executives are in high demand in the USA and come to us with existing relationships and networks across the medical community.

They are now fully mobilised and are focused on building relationships with existing and new customers, which includes the targeted large VA healthcare clinics that we have embarked on.

The results of our investment are now starting to be seen in both the uptake of User Programmes and test sales in the USA and New Zealand.

Capture Transformational Customers

We have identified several very large companies and organisations in the USA which could potentially become our largest customers and transform our company.

One of these is the Veterans Administration (VA), which is the United States' largest integrated healthcare provider. Earlier this year, we signed a Federal Supply Schedule agreement, which allows us to market our Cxbladder technology to the VA and is something we had been working towards for some time. We are now underway with the VA.

The Kaiser Permanente User Program patient recruitment has been completed and we are currently analysing this data to provide an outcome for commercial negotiation and the requisite follow-on peer reviewed scientific publication. Kaiser Permanente has 9.5 million lives under coverage and has a significant number of cases of haematuria annually that are evaluated for urothelial carcinoma. Specifically where and how Kaiser decides to use our Cxbladder will impact on the size of the revenue contribution.

We are also working to finalise the process with the Centres for Medicare and Medicaid Services. This will allow us to claim reimbursement for Cxbladder tests for the elderly people who use Cxbladder tests and are covered under Medicare.

GOOD PROGRESS AGAINST FY16 GOALS

Awareness and Adoption

User Programmes are a key part of our activity to build awareness and foster adoption of our products.

We initiated a number of User Programmes in all our markets in the last year, particularly in the USA.

We completed the recruitment of patients for the large scale User Programme with Kaiser Permanente in Southern California, as planned. Along with the VA and CMS, Kaiser Permanente could become one of our largest customers.

International Presence

As well as the USA, Australia and New Zealand, we are also investigating other markets including South East Asia. We started our first User Programme with a leading Singapore hospital last year, and are in discussions with several other leading hospitals to allow them to evaluate Cxbladder products in their own clinical settings.

We were also pleased to continue the growth of our commercial presence in Australia, with the signing this year of our new commercial partnership with Tolmar Australia to market and sell our products.

Tolmar is a specialist uro-oncology company which provides medicine and support for men with advanced prostate cancer. They have well-developed relationships in the urology community and in-line with our usual process, they will be encouraging urologists to trial our Cxbladder products through User Programmes and then working to convert these to commercial customers. With a dedicated sales team of eight people, calling on urologists daily, we will have a greater and more consistent reach into the Australian market.

New Zealand has been the smaller commercial opportunity for us but very important and it serves as a good trial for similar executions in other markets.

One of the major highlights of FY16 was the signing of an agreement with Canterbury District Health Board to provide Cxbladder technology for the evaluation of patients who present with haematuria, which is blood in the urine.

This is the first time a health organisation has entered into a process to replace cytology, the incumbent urine test, with Cxbladder, and is a great endorsement for other healthcare organisations and markets to follow suit.

GOOD PROGRESS AGAINST FY16 GOALS

One Stop Shop of Cxbladder Products

Our aim is to create a 'one-stop-shop' of Cxbladder products and we are now the only company in the world to offer multiple molecular tests for the detection and management of bladder cancer. Each of our tests is developed to meet specific clinical and patient needs.

Launch New Products into Market

Cxbladder Detect was launched into the USA in mid-2013 and Cxbladder Triage was launched in New Zealand in late 2014 and has been rolled out into the USA and other markets over the last year.

Our third product, Cxbladder Monitor, was launched in New Zealand in late 2015 with introduction into the USA and other markets this year.

We have one further product currently in the pipeline, Cxbladder Predict, which we expect to launch in New Zealand late this year.

GOOD PROGRESS AGAINST FY16 GOALS

Intellectual Property

We have invested years of research and millions of dollars into the development of our technologies and protecting our IP is a priority for us. In the 2016 financial year, we continued to apply for and receive patents for our technology in markets across the world and we manage a number of our key processes as Trade Secrets.

Engaging with the People Who Matter

Finally, a key objective for us in 2016 was engaging with the people who matter, our patients and their families and care givers.

We are proud to be the leading sponsor of *bladdercancer.me*, an online patient community that provides support, tools and information for patients, their families and care givers. The site was developed in collaboration with a group of New Zealand and Australian companies, including Pacific Edge, and was officially launched in May this year. The resources available on the site include information on our Cxbladder products.

So, as you can see it was a busy 12 months with a number of significant achievements.

OUR PRIORITIES FOR FY17 AND PROGRESS TO DATE

Looking forward, what are our goals for FY17 and how are we progressing against them in the year to date?

MARKETS

Primary focus on USA healthcare market

The USA healthcare market remains our primary focus. It is complex and continues to change as we saw with the adoption of Obamacare. However, it remains one of the world's largest medical markets with millions of potential clinical opportunities for our Cxbladder products.

We have grown our understanding and knowledge of the USA market over the past two years and now have a proven plan in place to expand our market share.

Our sales team is fully operational and moving at pace. Their primary role is to build relationships with identified potential customers in their region, encouraging clinicians to trial Cxbladder in their own clinical settings and then working to transition them into commercial customers. They are each assigned to a predetermined sales region, which often coincide with the large metro areas and offer the highest sales potential for our products.

MARKETS

Other Markets

We will also continue to build our sales in New Zealand and Australia, where we have established commercial partnerships.

We have three products commercially available in Australia and the Tolmar sales team is targeting large hospitals as well as leveraging their existing networks of urologists. We expect to see increasing sales out of Australia in the coming year and particularly into FY18.

South East Asia offers exciting potential and we have now established a base in Singapore which will allow us to support current activity and investigate other opportunities in the region.

Supply chain, distribution and transport logistics have now been determined, which will allow tests to be quickly transported and analysed in our CLIA and IANZ certified laboratory in New Zealand. As we have said, we initiated our first User Programme with a leading Singapore hospital last year, and are in discussions with several other leading hospitals to allow them to evaluate Cxbladder in their own clinical settings.

In New Zealand, we will continue to work closely with healthcare providers and urologists to encourage uptake of Cxbladder. We expect to see other large DHBs following the lead of the Canterbury DHB.

PRODUCTS

Rollout Cxbladder Monitor; Launch Cxbladder Predict

We are on track with our launch of Cxbladder Monitor into the USA and are currently targeting key urologists and opinion leaders. Activity will build over the next few months and we expect Cxbladder Monitor to be fully available to all urologists by year-end.

Cxbladder Predict will be our fourth product, with the New Zealand launch planned at the end of this year, and then a rollout into other markets in line with our usual launch processes.

CUSTOMERS

The USA remains our main market and we are currently targeting four customer groupings:

- Individual urologists;
- Large urology group practices;
- Federally funded Integrated Healthcare Providers such as the Veterans Administration and the Centres for Medicare and Medicaid Services; and
- Large integrated healthcare providers such as Kaiser Permanente.

We have identified the VA, Kaiser Permanente and the Centres for Medicare and Medicaid as large potential customers which could be transformational for our company and we are working closely with them.

We now have access to the VA and are initially targeting five large sites, with marketing and sales activity underway. Pleasingly, we have also agreed a list price with the VA which meets our expectations.

We have completed recruitment of patients for the Kaiser Permanente study and are currently sorting and compiling the data for analysis which is a time consuming process. The outcome of the joint analysis will be presented to Kaiser for them to consider and they will then make a decision with regard to including Cxbladder in their clinical pathway and their healthcare offering to patients.

As one of our key goals, we are working hard to complete the CMS process to gain our Local Coverage Decision as soon as possible but need to follow this non-prescriptive regulatory process and this can take time. Pleasingly, we are well down the track on this process.

SALES CHANNELS

Build Awareness, Encourage Adoption, Transition to Commercial Customer

User Programmes remain an important part of our strategy and we will continue to encourage clinicians to trial our Cxbladder products in their own clinical settings. We are now starting to see good traction with more urologists completing their User Programs and transitioning to commercial relationships. One example of our success is the great progress we are making with our new programme underway at the Canterbury DHB.

Our sales people will continue to identify new opportunities and channels to market, supported by marketing initiatives such as our sponsorship of *bladdercancer.me*. As well as being a useful support for patients, this community site also provides a marketing tool for both Pacific Edge and individual urologists, allowing them to add their details to the site. We hope that in the future, urologists will also include links to *bladdercancer.me* on their own websites and refer it to their patients.

All of this activity, in the USA and our other markets, will drive further uplifts in product sales and laboratory throughput in FY17.

STRATEGIC OPPORTUNITIES FOR GROWTH

Our strategy is to deliver high growth over the medium term by creating more products and building scale in an increasing number of targeted markets.

We are now transitioning from the development phase to the execution phase of our journey. We have invested for the future and believe our existing infrastructure and resources are appropriate for our medium term growth goals. Investment into our business in FY17 is expected to be in line with FY16.

OUR FUTURE

Our knowledge base continues to grow and we are confident we have the right strategy in place to achieve commercial success.

The opportunity for our company is huge. We are well ahead of any potential competitors in terms of trial and acceptance of our technology, the development of a suite of products, and clinical validation.

While we are still in the early stages of our journey, we are working hard to ensure our suite of products are the preferred choice for urologists and large healthcare organisations.

We have a well-considered plan of action for the year and are already making progress against our objectives.

We anticipate another year of growing returns as we work towards our goal of providing a 'one stop shop' of high performance Cxbladder products for urologists.

We are excited about where our company is heading and what we are now achieving.

I want to take this opportunity to formally and publicly thank all of the staff in Pacific Edge. They are extremely capable and are achieving great things that take our company forward.

Thank you all for listening and for your support.