



**PACIFIC EDGE**  
Cancer Diagnostic Company

**HY16 Interim Results Presentation  
For the six months to 30 September 2015**

26 November 2015

David Darling, CEO

# HY16 HIGHLIGHTS

## Continuing Growth in Commercial Revenue

Progression of USA sales strategy and increasing customer numbers in North America and other markets

## Increased Presence in USA Market

Expanded the sales team to 16 specialists covering 19 sales targeted regions

## Progressed Evaluation into South East Asia

Initiated User Programme with leading hospital in Singapore

## Rollout of Second Product, Cxbladder Triage

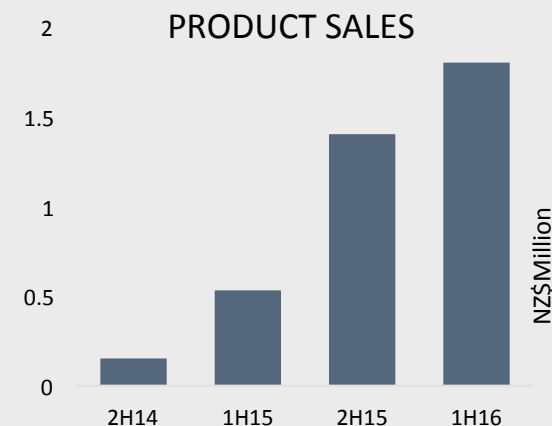
Launched in NZ in late 2014, with USA launch started in July and due to complete in December 2015

# HY16 REVENUE

Continuing growth in product sales, particularly in North America

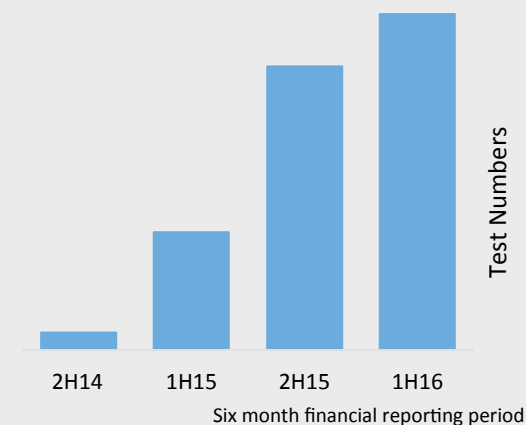
Commercial revenue has more than tripled since the previous first half year, and is almost equal to full year sales achieved in FY15

	HY16 NZ\$(000)	HY15 NZ\$(000)	Change (%)
<b>Product Sales</b>	<b>1,797</b>	<b>531</b>	<b>238%</b>
Grant Received and Research Rebate	575	480	
Other revenue (includes interest and foreign exchange gains)	320	587	
<b>Total Income</b>	<b>2,692</b>	<b>1,598</b>	<b>68%</b>



238% increase in product sales compared to the same six months last year

**LABORATORY THROUGHPUT**  
Includes User Programmes and commercial tests



185% increase in test throughput compared to the same six months last year

# HY16 INVESTMENT

## CONTINUING INVESTMENT IN FOUR STRATEGIC AREAS

PEOPLE	<ul style="list-style-type: none"><li>• Expansion of the USA sales team</li><li>• Increased the commercial and product development teams in New Zealand</li></ul>
PRODUCT DEVELOPMENT	<ul style="list-style-type: none"><li>• Commenced launch of Cxbladder Triage into the USA</li><li>• Development of Cxbladder Monitor for launch in New Zealand by end-2015</li></ul>
MARKET EXPANSION	<ul style="list-style-type: none"><li>• Building momentum in the USA</li><li>• Continuing to focus on New Zealand and Australia</li><li>• Investigation into South East Asia</li></ul>
INTELLECTUAL PROPERTY	<ul style="list-style-type: none"><li>• Continuing to apply for and receive patents for Pacific Edge's diagnostic technologies</li></ul>

Reflected in HY16 Net Loss of \$6.42 million

# FUNDING FOR GROWTH

Cash and cash equivalents \$32.72 million as at 30 September 2015

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

Successful capital raising with a total of \$35.3 million raised through a fully underwritten rights offer completed in July 2015

Total of 67% of rights taken up by existing shareholders and the balance being taken up by the underwriters

Funds are being invested into expanding the commercial programme in the USA, launch of new Cxbladder products, evaluation of South East Asia opportunity and subsequent commercial programme in South East Asia

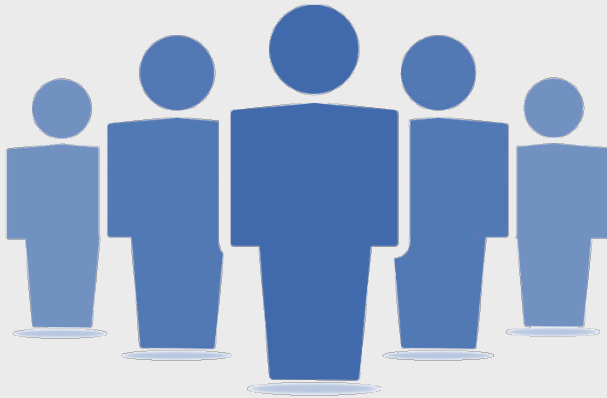
# PROGRESS AGAINST FY16 OBJECTIVES

## USA HEALTHCARE MARKET

### FY16 OBJECTIVE

#### **Build Infrastructure for Growth**

Expand to 18 sales executives covering 19 targeted major metropolitan regions



### HY16 PROGRESS TO DATE

Recruited four out of a planned six sales people, growing the sales team to 16 specialists targeting 19 sales regions.

Pacific Edge has identified these regions as covering 60% of its potential market in the USA.

# PROGRESS AGAINST FY16 OBJECTIVES

## USER PROGRAMMES

### FY16 OBJECTIVE

#### **Enhance Awareness and Foster Strong Adoption**

Continue to roll out User Programmes to targeted urologists and clinical groups, particularly in the USA

Complete the Kaiser Permanente User Programme and transition this into commercial sales in the following year



### HY16 PROGRESS TO DATE

**User Programmes:** These are a key component of the adoption of Cxbladder tests by urologists

Continued to build the number of User Programmes with a focus on Large Urology Groups (LUGs) which have five or more urologists and community practices with one to four urologists

The number of User Programmes is expected to increase in the second half as the expanded sales team reach more target urologists

#### **Kaiser Permanente**

Initiated large scale User Programme with Kaiser Permanente in Southern California in late June 2015, to recruit 2,000 patients

Initial recruitment has been slower than anticipated, however, the recent introduction of a new electronic recruiting platform is expected to boost the number of patients recruited

Once the User Programme is completed, we will be working to transition Kaiser Permanente into a large scale commercial customer

Kaiser Permanente has more than 17,000 physicians employed across 38 hospitals and more than 600 medical offices and other facilities

# PROGRESS AGAINST FY16 OBJECTIVES

## USA HEALTHCARE MARKET

### FY16 OBJECTIVE

#### **Capture Transformational Customers**

Complete the Veterans Administration (VA) and Centre for Medicaid and Medicare Services (CMS) processes to allow access to these patient groups and initiate commercial relationship

### HY16 PROGRESS TO DATE

#### **Veterans Administration (VA)**

Continuing to progress discussions to gain registration on the Federal Supply Schedule

Completion of this will provide Pacific Edge with the ability to market and sell its Cxbladder products to the VA's clinicians and health providers who provide care for 8.8 million US veterans and their families



#### **Centre for Medicaid and Medicare Services (CMS)**

Working to finalise the process with the CMS in the near future

This will allow Pacific Edge to claim reimbursement for Cxbladder tests for the elderly and low income people who use Cxbladder tests and are covered under Medicare and Medicaid





# PROGRESS AGAINST FY16 OBJECTIVES

## SOUTH EAST ASIA

### FY16 OBJECTIVE

#### **Grow Our International Presence**

Finalise business case for entry into the SEA market and look to establish operations in Singapore

### HY16 PROGRESS TO DATE

Entered into a User Programme Study with a leading hospital in Singapore earlier in the half year to generate data specific to Singapore and to enable physicians to use Cxbladder Detect in their clinical setting

Continuing discussions with several other leading hospitals to allow them to evaluate Cxbladder products in their own clinical settings

Two distinct market opportunities being evaluated in South East Asia:

- Patients requiring testing and management for bladder cancer
- Rapidly growing number of medical tourists who come to the region for regular wellness and medical checkups.

# PROGRESS AGAINST FY16 OBJECTIVES

## PRODUCT DEVELOPMENT

### FY16 OBJECTIVE

#### **Deliver a 'One Stop Shop' of Cxbladder Products**

Cxbladder Triage  
In-Market 2014/15

To be used by clinicians and physicians responsible for the primary detection of bladder cancer as a frontline tool in the early evaluation of haematuria (blood in the urine)

Cxbladder Detect  
In-Market 2013/14

Designed for use by urologists, for patients who have been referred for a full work up

Cxbladder Monitor  
Expected Launch 2015

Help physicians monitor bladder cancer in patients

Cxbladder Predict  
Expected Launch 2016

Help segregate low grade tumours from high grade and late stage tumours

# PROGRESS AGAINST FY16 OBJECTIVES

## DELIVER A 'ONE STOP SHOP' OF CXBLADDER PRODUCTS

### FY16 OBJECTIVE

Launch Cxbladder Triage in the USA

Bring into commercialisation Cxbladder Monitor and Predict, with initial launch in New Zealand and a fast follow up in the USA



### HY16 PROGRESS TO DATE

Continuing to roll out Cxbladder Triage in New Zealand following launch in December 2014

Commenced launch into USA in July 2015 and due to complete in December 2015

A number of leading urologists are currently trialling Cxbladder Triage in their clinical settings

Cxbladder Triage performance published in peer reviewed science paper in the prestigious international medical journal, BMC Urology, in April 2015

Received CLIA approval for Dunedin laboratory in August 2015. Expect to have CLIA approval for US laboratory by the time we launch our full scale commercial activity in the USA in January 2016.

Third product, Cxbladder Monitor, due to launch in New Zealand by the end of 2015, with a follow up launch into the USA in 2016

# PROGRESS AGAINST FY16 OBJECTIVES

## ENGAGE WITH THE PEOPLE WHO MATTER

### FY16 OBJECTIVE

#### **Launch online patient community for bladder cancer patients, [bladdercancer.me](http://bladdercancer.me)**

Provides online, relevant resources for bladder cancer patients:

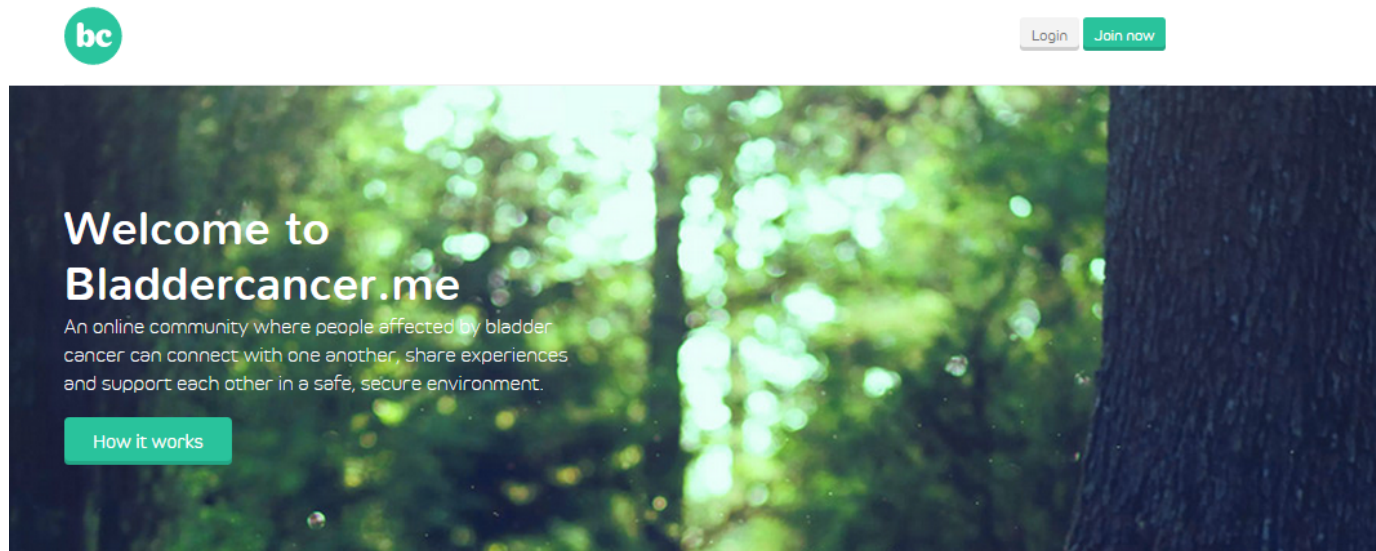
- Peer support
- Access to appropriate healthcare providers
- Symptom tracking

Referral site to enable patients to seek the most appropriate healthcare providers and solutions

### HY16 PROGRESS TO DATE

Pacific Edge is the leading sponsor of [bladdercancer.me](http://bladdercancer.me), developed and empowered by Melon Health

Site expected to officially launch in December 2015



# LOOKING FORWARD

## PRIORITIES FOR 2H16

### MARKETS

- Expand our sales presence in the USA
- Continue to test opportunity in South East Asia, continue to support current User Programme in Singapore and initiate new User Programmes with targeted healthcare providers
- Finalise negotiations with new commercial partner in Australia

### PRODUCTS

- Finalise launch of Cxbladder Triage into the United States
- Launch Cxbladder Monitor in New Zealand

### SALES CHANNELS

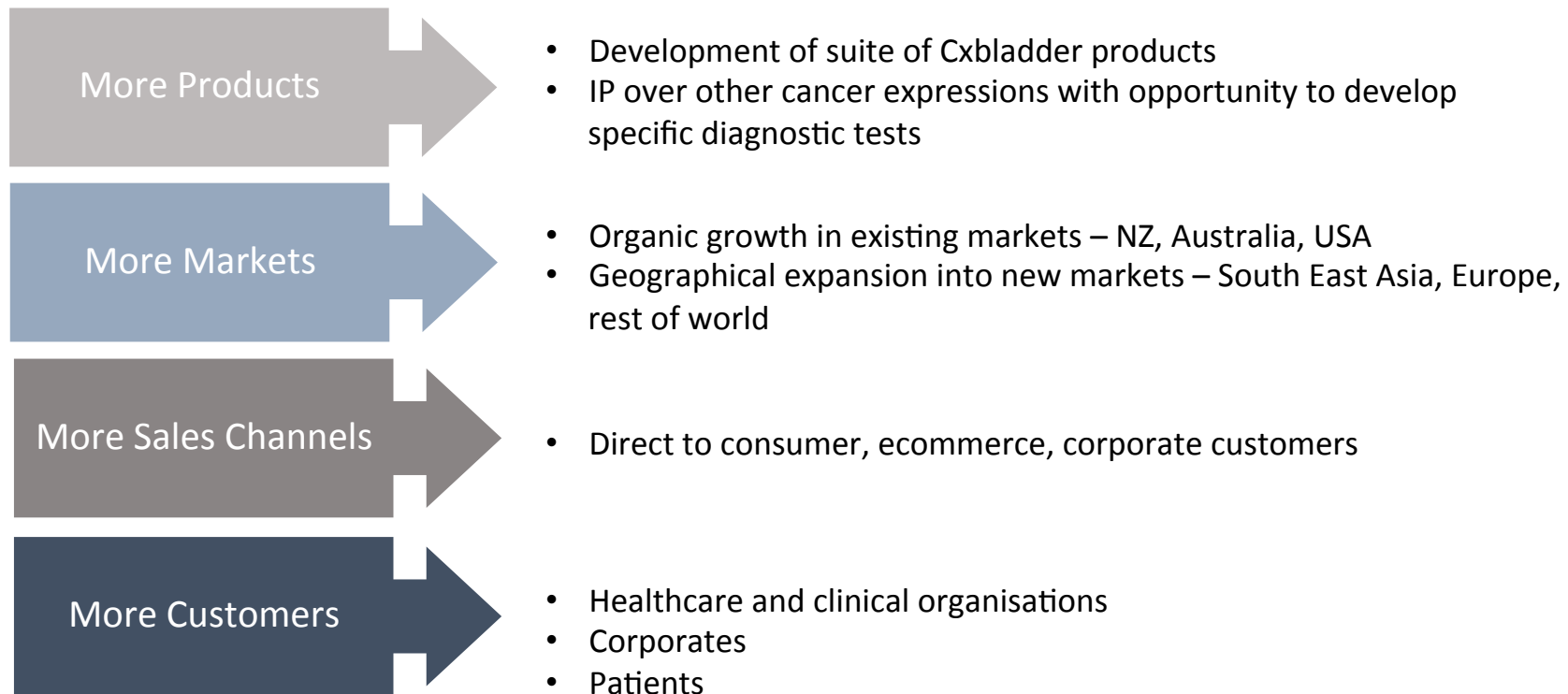
- Identify new opportunities to market and sell our products
- Finalise the process with the Veterans Administration and Centre for Medicare and Medicaid Services

### CUSTOMERS

- Complete recruitment of 2,000 patients for the Kaiser Permanente User Programme
- Continue to initiate new User Programmes and transition early adopters into commercial customers
- Support the launch of [bladdercancer.me](http://bladdercancer.me)

# STRATEGIC OPPORTUNITIES FOR GROWTH

Targeting High Growth Over The Medium Term by Creating More Products and Building Sales in an Increasing Number of Markets



# QUESTION AND ANSWER



[www.pacifedge.co.nz](http://www.pacifedge.co.nz)  
[www.cxbladder.com](http://www.cxbladder.com)  
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