

PACIFIC EDGE 2020 FINANCIAL RESULTS PRESENTATION

FOR THE YEAR ENDED 31 MARCH 2020



PACIFIC EDGE
CANCER DIAGNOSTICS COMPANY



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 financial products of Pacific Edge, 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 financial products.

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.

FY20 COMMERCIAL MILESTONES

- **COMMERCIAL GROWTH:** 14% increase in Operating Revenue and 7% increase in Total Laboratory Throughput; increasing number of customers and urologists adopting and using Cxbladder.
- **PUBLICATION OF FURTHER PEER-REVIEWED PAPERS:** highlighting Cxbladder's outperformance and adding significant additional clinical utility evidence in support of Cxbladder.
- **INCLUSION IN USA'S NATIONAL COMPREHENSIVE CANCER NETWORK (NCCN) GUIDELINES** as an approved intervention for patients being monitored for recurrence of urothelial cancer (UC).
- **USA:** Growing recognition and adoption by large healthcare institutions in the USA.
- **LCD PROGRESS:** Updated dossier of clinical evidence accepted for formal review by the Centers for Medicare and Medicaid Services (CMS) in the USA, as part of process for inclusion in the Local Coverage Determination (LCD).
- **NEW ZEALAND:** Continuing adoption and increasing commercial use of Cxbladder by New Zealand public healthcare providers (DHBs).
- **SOUTH EAST ASIA:** Continued progress in Southeast Asia. The 5 largest hospitals concluding their User Programmes. Analysis to be completed in FY21.
- **FUNDING:** Successfully raised \$20.1m from existing and new investors through a fully underwritten private placement and rights issue.

FY20 FINANCIAL SUMMARY

\$M	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%
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%

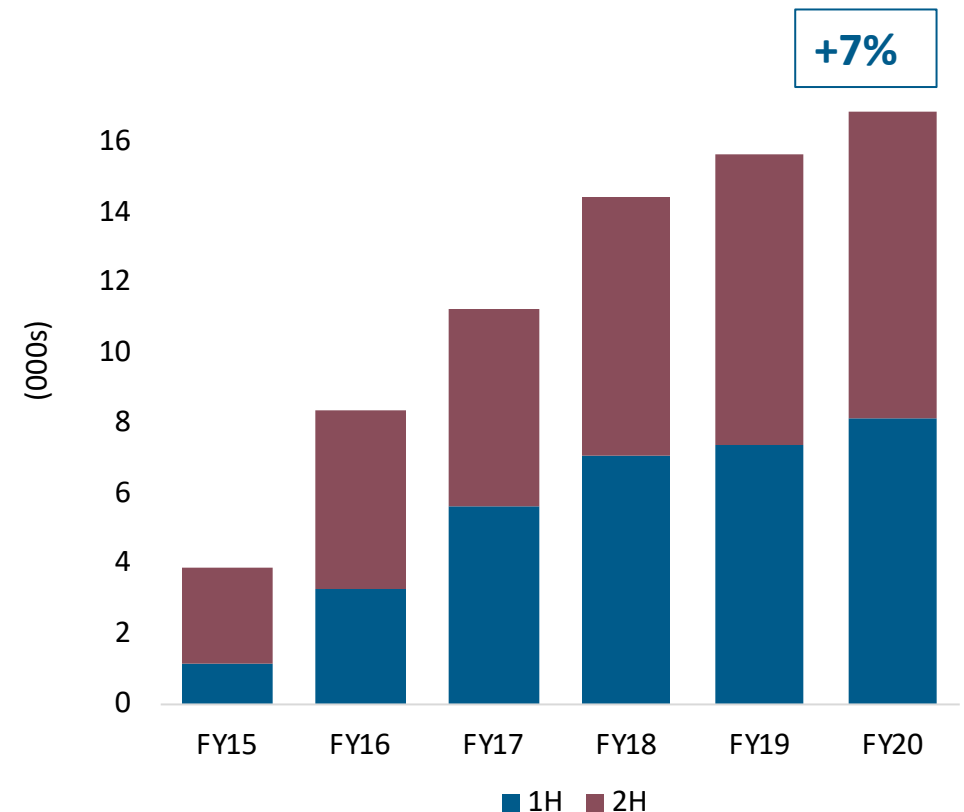
1: Revenue excludes tests sold in the US for which cash payment has yet to be received, as well as tests completed for patients covered by the CMS. CMS tests accounted for approximately 43% of FY20 US Commercial Tests and Pacific Edge will seek reimbursement for these when it is included in the CMS's Local Coverage Determination (LCD). 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.

TOTAL LABORATORY THROUGHPUT

- Total Laboratory Throughput increased 7% on pcp to 16,861 tests.
- US Total Laboratory Throughput up 6% on pcp to 13,240 tests. Strong 14% year on year increase in Q420.
- CMS-related tests accounted for approximately 43% of US Commercial Tests in FY20 (45% in FY19).
- ROW Throughput increased 12% on pcp to 3,621 tests.
- 5-year compound annual growth rate (CAGR) of 34%
- Total Commercial Tests* grew by 6% year on year and comprise 81% of total Laboratory Throughput

TOTAL LABORATORY THROUGHPUT (Commercial Tests and User Programmes)

**81% of FY20 Throughput was for
Commercial Tests**

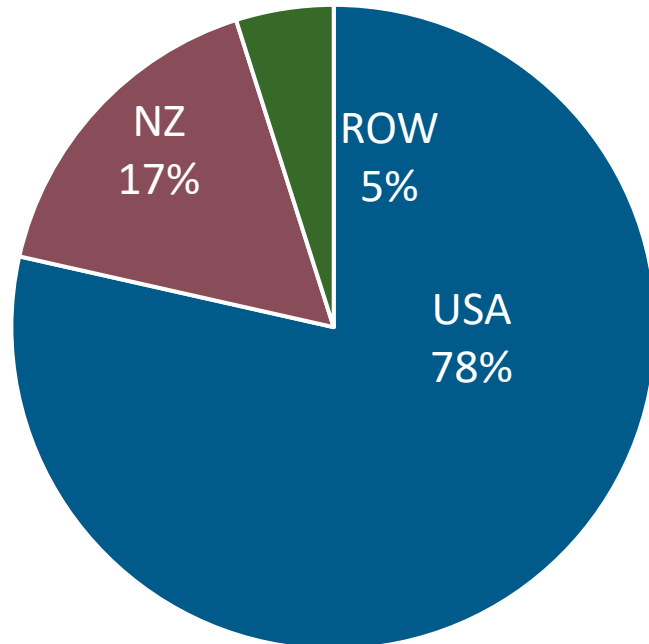


*See Slide 21 for definition of Commercial Tests

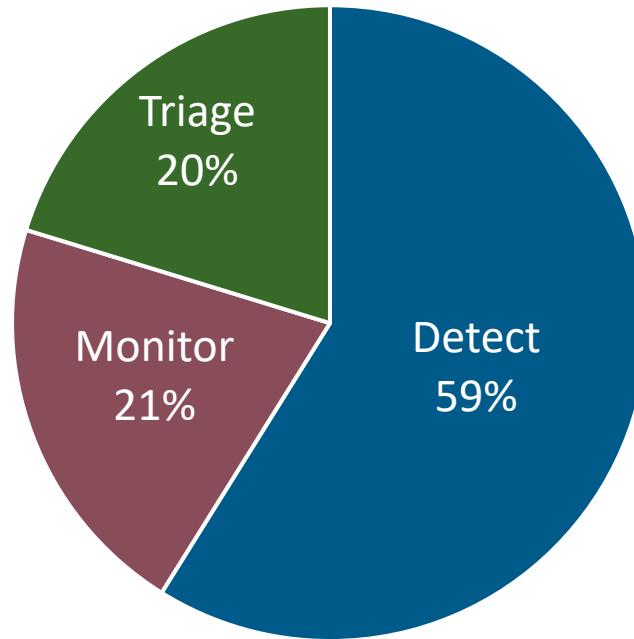
TOTAL LABORATORY THROUGHPUT BY REGION AND TEST TYPE

Multi-Market and Multi-Product Opportunity for Cxbladder

Total Laboratory Throughput
(by region)



Total Laboratory Throughput
(by test type)

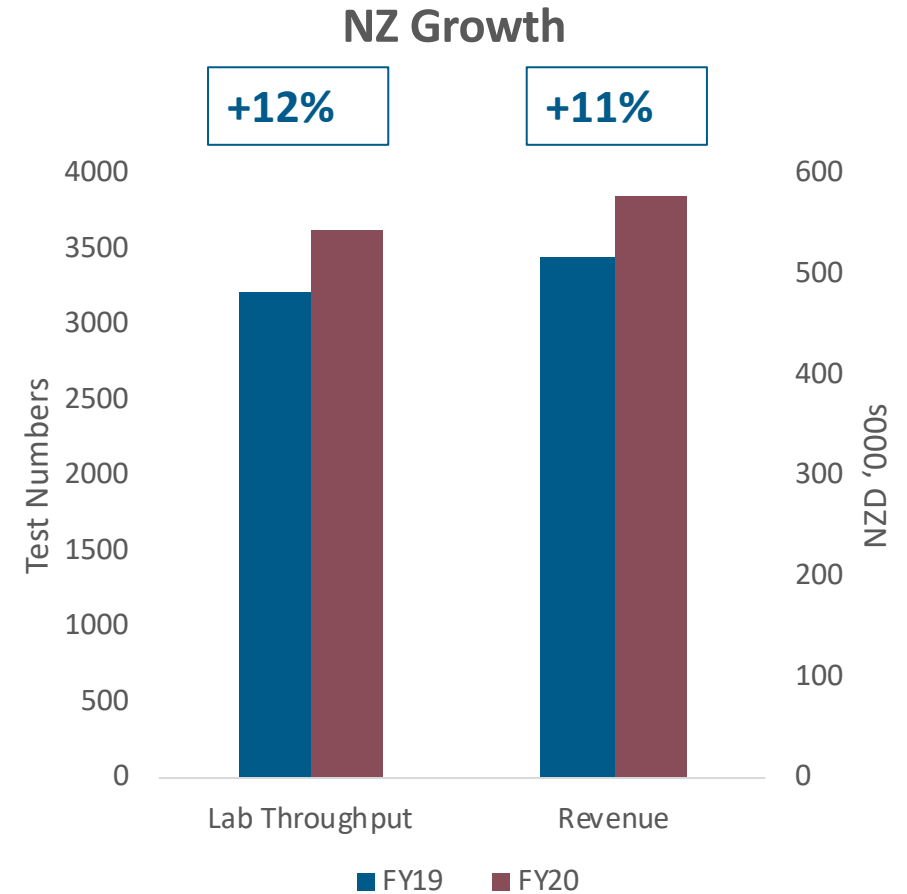


FY20 Regional Laboratory Throughput by Test	USA	NZ
Cxbladder Detect	69%	21%
Cxbladder Monitor	24%	10%
Cxbladder Triage	7%	69%

Test type usage is impacted by country and time in market for tests (eg Cxbladder Detect in the USA has been in-market longest)

GROWING ADOPTION AND COMMERCIAL USE IN NEW ZEALAND

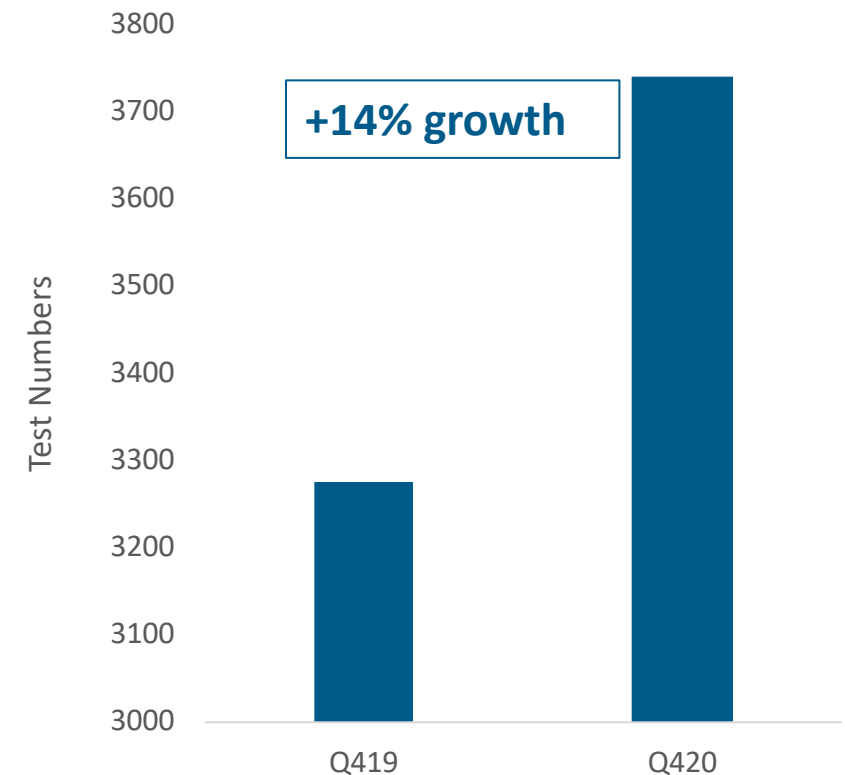
- Total Laboratory Throughput for NZ grew by 12% year on year
- New Zealand Operating Revenue up 11% year on year.
- Increases driven by increased adoption and commercial use by public healthcare providers in New Zealand
- New Zealand's public healthcare providers (DHBs) are leading the global adoption of Cxbladder, with approximately 65% of New Zealand's population under cover.
- Majority of DHBs have adopted Cxbladder into their standard of care and in some cases, their clinical guidelines replacing the gold standard cystoscopy.
- In Q420, two of New Zealand's public health care providers each adopted an additional Cxbladder product into their mainstream commercial use.



COMMERCIAL PACE GROWING IN USA

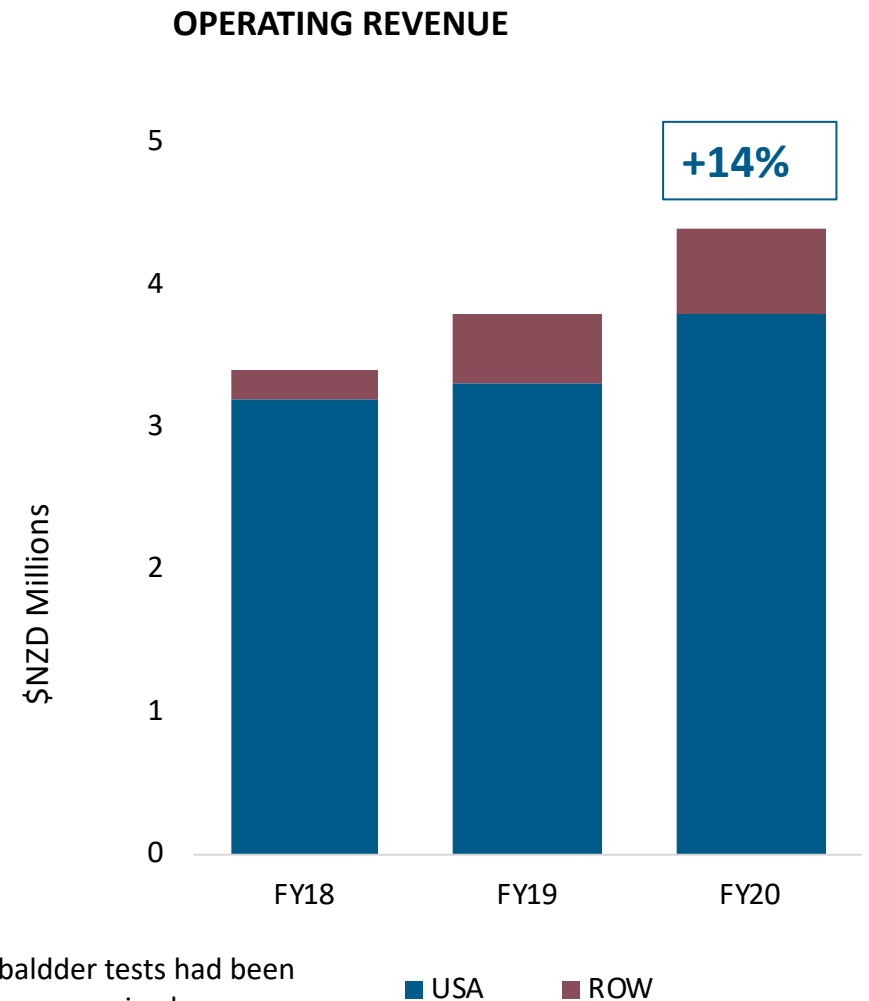
- Strategy focus is on gaining adoption with large institutions.
- Increase in Total Laboratory Throughput and Operating Revenue driven by increased evaluation, and adoption and commercial use by urologists
- USA delivered 86% of Pacific Edge's FY20 Operating Revenue.
- 9% increase in operating revenue in USD (15% increase in NZD).
- USA Total Laboratory Throughput up 6% year on year.
- Q4 US Total Laboratory Throughput up 14% year on year.
- Planned quota of 16 account executives (sales people) achieved at year end, up from 11 at the start of the year.

USA Q4 Laboratory Throughput



OPERATING REVENUE

- Total Operating Revenue from test sales increased 14% on pcp to \$4.4m.
- The U.S. market accounted for 86% of total Operating Revenue in FY20.
- Operating revenue from test sales in the U.S. increased 15% on pcp (+9% in USD terms) to \$3.8m*
- Operating Revenue from test sales in the Rest of World (ROW) increased 14% on pcp to \$0.6m.
- More than 65% of New Zealand's population is currently under contract through public healthcare providers.



*NZ-IFRS 15: US revenue is recognised on a cash-only basis. As at 31 March 2020, a total of 21,789 Cxbladder tests had been performed for patients covered by the CMS, for which no payments have been received and no revenue recognised.

OPERATING CASHFLOW

NET OPERATING CASHFLOWS (NZ\$M)	FY20	FY19	% Change
Receipts from:			
- Customers	4.4	3.7	19%
- Grant providers	1.2	0.8	57%
Interest Received	0.2	0.4	-36%
Payments to Suppliers and Employees	21.2	22.4	-5%
Net Cash Flows from Operating Activities	(15.4)	(17.5)	-12%

- Cash receipts from customers increased 19% on pcp
- Payment terms average 5 months from test to receipt of cash.
- Payments to suppliers and employees decreased 5% on pcp.
- Net operating cash outflow improved 12% on pcp to \$(15.4)m.
- Net cash, cash equivalents and short term deposits increased 15% on pcp to \$14.8m.

OPERATING EXPENSES

OPERATING EXPENSES (NZ\$M)	FY20	FY19	% Change
Laboratory Operations	5.2	4.6	13%
Research	3.9	3.5	11%
Sales and Marketing	8.6	8.2	4%
General and Administration	6.4	6.7	-4%
TOTAL	24.1	23.0	5%

- Operating Expenses increased 5% on pcp to \$24.1m.
- In USD terms, U.S. Operating Expenses decreased 2% on pcp.
- U.S. Operating Expenses account for approximately 60% of total Operating Expenses.
- Sales and marketing expenses increased 5% on pcp.
- 16 U.S. based sales executives were employed at year end compared to 11 at the start of the year.

GROWING CLINICAL EVIDENCE FOR CXBLADDER

- Publication of peer-reviewed papers is key to gaining inclusion in the LCD and positive reimbursement decisions.
- Library of comprehensive clinical evidence for physicians, healthcare payers (reimbursement) and healthcare providers alike.
- Application to have Cxbladder included in an LCD has been supported by the recent publication of further compelling clinical evidence expanding the clinical utility of Cxbladder.
- Cxbladder already in guidelines for some NZ public healthcare providers.
- On 10 July 2019, Cxbladder Monitor was added to the National Comprehensive Cancer Network guidelines in the USA.

“This is first time urinary urothelial biomarkers have been included in the guidelines...” Dr Sia Daneshmand New York presentation 18 July 2019



PEER REVIEWED JOURNAL PUBLICATIONS DEMONSTRATE SIGNIFICANT CLINICAL UTILITY OF CXBLADDER

DIAGNOSTIC OUTPERFORMANCE PUBLISHED IN WORLD #1 CLINICAL JOURNAL

- Cxbladder providing enhanced diagnostic outcomes not currently available from existing technology.
- Enables physicians to remove the diagnostic dilemma faced when existing gold standard tests and procedures are not able to determine a clear diagnostic outcome.

COMPELLING RESULTS FROM CLINICAL LOOK-BACK STUDY

- The high NPV of this new clinical pathway enabled approximately one-third of patients with haematuria to be managed without cystoscopy and other related procedures.
- Importantly, the patient with haematuria would also safely avoid the social disruption and discomfort of a secondary care visit for cystoscopy.
- The new pathway should be applicable in any health system with effective general practice or primary care and the ability to inform GPs of locally recommended assessment and management of haematuria.

REAL WORLD EVIDENCE HIGHLIGHTS SIGNIFICANT FROM CXBLADDER MONITOR ADOPTION

- Further demonstrated that CxbM provides tangible clinical utility when used as a rule-out test to identify patients at low risk of recurrence who do not need a cystoscopy, and to identify those patients at higher risk who would benefit from cystoscopy.
- Based on these published data, several of New Zealand's public healthcare providers have integrated CxbM into their routine clinical surveillance of patients for recurrence of bladder cancer.

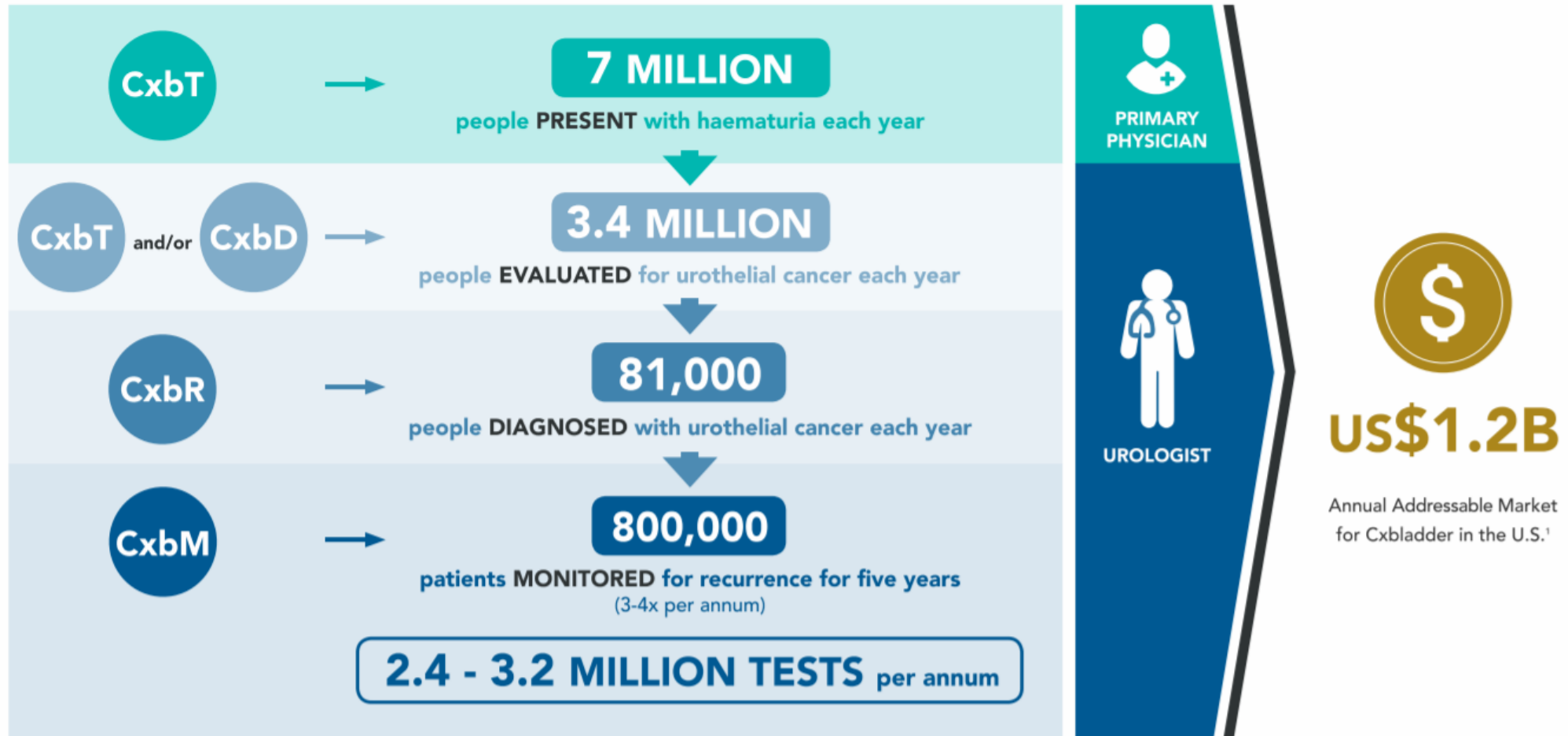
OUTLOOK

COVID-19 RESPONSE

- Continued to operate as an essential business during COVID-19 restrictions in NZ and the USA.
- Cxbladder in-home sampling enabling physicians to maintain timely evaluation and diagnosis of bladder cancer and manage at-risk patients.
- Reduction in Total Laboratory Throughput during April 2020 after a strong Q420 – April test numbers averaging 51% of the prior year’s Total Laboratory Throughput.
- Recovery during May 2020 following the easing of restrictions and the growing demand for our in-home sample collection service.
- Growing recognition of the benefits of Cxbladder in-home sampling solution with three DHBs in New Zealand commencing use of in-home collection in April 2020.
- Expect in-home sample collection to continue as an additional option for urologists to better manage patients beyond COVID-19.
- Took steps to preserve cash and provide flexibility to employees. All discretionary spend has been reviewed and either cut or deferred over this period.
- Pacific Edge has successfully set-up and validated its ability to analyse COVID-19 tests and has offered its services and been placed on standby by the Ministry of Health.

THE USA MARKET REMAINS OUR FOCUS

A SCALE OPPORTUNITY IN BOTH THE EVALUATION OF HAEMATURIA AND MONITORING FOR RECURRENCE



1. EY-Parthenon business review of the annual addressable market opportunity for Cxbladder in the U.S. completed February 2018

INSTITUTIONS IN SOUTHEAST ASIA AND THE USA USING OR EVALUATING CXBLADDER



Our in-market strategy is to target large institutional healthcare providers

USA

- 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 Womens and Childrens Hospital
- National University Hospital

CATALYSTS TO DRIVE GROWTH THROUGH FY21

U.S Objectives.

- Inclusion in the LCD – expected to have a positive impact on Cxbladder test adoption, revenue growth and operating cash-flow
- New commercial agreements completed with transformational institutional healthcare customers
- A positive shift in Guideline inclusion language in the American Urological Association (AUA) and NCCN Bladder Cancer Guidelines – to be updated in 2020
- Increasing reimbursement coverage with private payers (insurance companies)
- Publication of additional clinical evidence supporting the clinical utility of Cxbladder to drive further reimbursement, coverage and guideline inclusion
- Commercial launch of the fourth Cxbladder test (Cxbladder Resolve) planned for late FY21

Rest of World Objectives:

- 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



Enquiries to:

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

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

GLOSSARY

- **CMS:** Centres for Medicare and Medicaid in the US
- **Commercial Tests:** Tests that have been analysed by Pacific Edge, for a specific customer, including the User Programmes run by customers as part of their adoption process but excluding any tests run for clinical studies.
- **Laboratory Throughput:** Total commercial and non-commercial tests processed through Pacific Edge's laboratories in the USA and New Zealand, including tests for User Programmes.
- **Local Coverage Determination (LCD):** A decision by a Medicare Administrative Contractor (MAC) whether to cover a particular service on a MAC-wide, basis.
- **NZ IFRS15 accounting standard:** NZ IFRS 15 requires that our revenue from U.S. customers is currently recognised only when cash payments are received. As a result, no revenue is currently recognised on tests performed for patients covered by the CMS or for patients in the U.S. with private insurance cover, for which payment has yet to be received.