

PACIFIC EDGE

ANNUAL MEETING OF SHAREHOLDERS

21 August 2014

BOARD OF DIRECTORS

- ▶ Chris Swann, Chairman (Independent)
- ▶ Colin Dawson (Independent)
- ▶ David Band (Independent)
- ▶ Anatole Masfen (Non-Independent)
- ▶ Bryan Williams (Independent)

MEETING AGENDA

- ▶ Presentations:
 - ▶ Address from the Chair, Chris Swann
 - ▶ Address from the Chief Executive Officer, David Darling
- ▶ Shareholder Discussion
- ▶ Resolutions as per Notice of Meeting
- ▶ General Business
- ▶ Close of Annual Meeting

RESOLUTIONS AND VOTING

- ▶ Re-election of Christopher Swann as a Director of the Company
- ▶ Re-election of David Band as a Director of the Company
- ▶ Election of David Darling as an Executive Director of the Company
- ▶ Record the reappointment of PricewaterhouseCoopers as auditors of the Company and to authorise the Directors to fix the auditors' remuneration.
- ▶ Approve an increase in the total aggregate amount of Directors' Fees paid per annum, by \$26,000 to \$198,000

CHAIRMAN'S ADDRESS

Chris Swann



OUR GROWTH STRATEGY

- ▶ Our Strategy: To develop and commercialise novel diagnostic tests with superior performance for the early detection and management of cancer

THE BUILDING BLOCKS OF OUR BUSINESS



FY14 FINANCIAL PERFORMANCE

Trading Revenue
\$523,000, up 187%

Total Revenue
\$838,000, up 62.7%

Total Comprehensive Loss
\$9.4 million, an increase of
35%

Global Employees
33 employees, an increase
of 50%

US Sales Team
Initial recruitment of four
specialist sales people in
four high volume sales
regions

Pipeline
Three new products in
research and development

- ▶ Generated first real trading revenue from sales in the US
- ▶ Investment into Growth:
 - ▶ Set up and rollout of Pacific Edge's presence in the US market
 - ▶ Clinical trials and User Programmes
 - ▶ Product development
 - ▶ Management of intellectual property
- ▶ Loss for the 2014 financial year of \$9.4 million, in line with budget

FUNDING FOR GROWTH

- ▶ Successful \$20 million capital raising completed in October 2013
- ▶ Callaghan Innovation Growth Grant of up to \$4.5 million, spread over three years, with an additional two years available upon review
- ▶ As at 31 March 2014, cash and equivalents of \$20.4 million and no debt
- ▶ Sufficient funds in place for planned development and growth strategy in existing markets

BALANCING RISK AND GROWTH

While the Board is focused on managing risk, we also need to have the courage to continue our investment so we can achieve our vision of being a world leading cancer molecular diagnostics company.

LOOKING FORWARD



- ▶ Focus on American healthcare market
- ▶ Building acceptance and sales of Cxbladder
- ▶ Development of new bladder cancer diagnostic tests
- ▶ Launch Cxbladder-triage in late 2014
- ▶ Expect revenue to grow as we expand our footprint in the US
- ▶ Target gross revenues of over NZ\$100 million after five full years of trading with very attractive margins

CHIEF EXECUTIVE OFFICER

David Darling



Cxbladder products



- ▶ Cxbladder-detect: A novel, non-invasive, accurate urine test for the detection of bladder cancer
- ▶ Commercially available in New Zealand, Australia and the USA
- ▶ Launching Cxbladder-triage later this year

THE US OPPORTUNITY

OUR COMMERCIAL OPERATIONS FOR CXBLADDER



United States

- Population: 327 million
- Patients with haematuria: approx. 1 million per year
- Approx. Urologists: 10,500
- Potential Cxbladder test market: 2 million tests per year
- Commercially available since July 2013

Spain

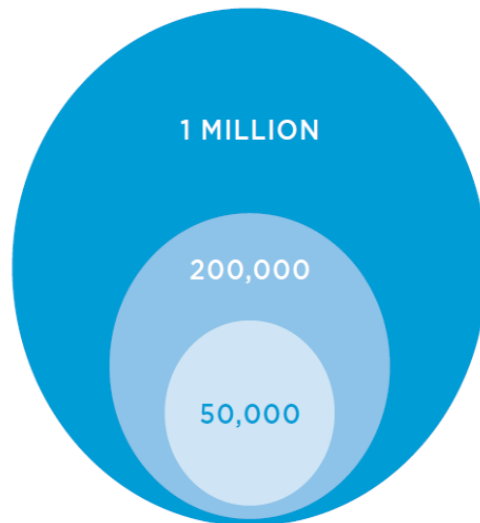
- Population: 42 million
- Patients with haematuria: approx. 200,000 per year
- Approx. Urologists: 1,350
- Potential Cxbladder test market: 300,000 tests per year
- Commercial process in development

NZ and Australia

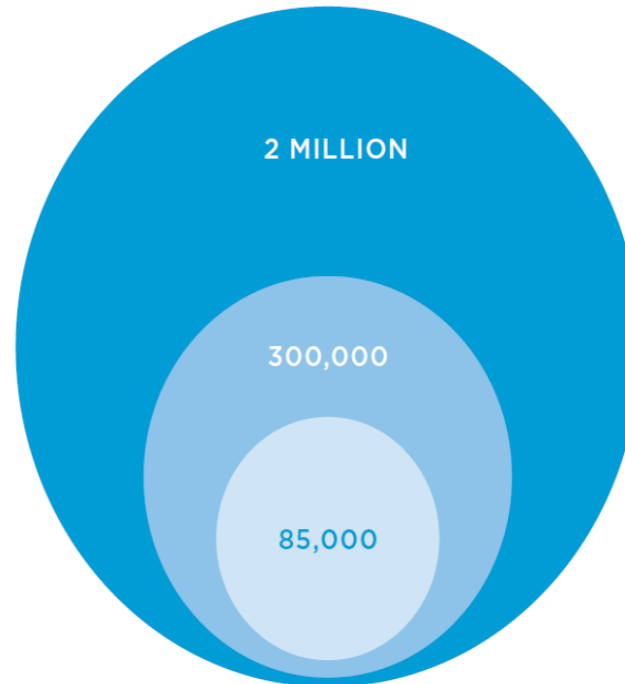
- Population: 24 million
- Patients with haematuria: approx. 50,000 per year
- Approx. Urologists: 300
- Potential Cxbladder test market: 85,000 tests per year
- Commercially available since 2012

THE US OPPORTUNITY

Number of people presenting with haematuria
(blood in the urine) every year



Number of potential tests every year²



■ UNITED STATES ■ SPAIN ■ AUSTRALIA & NEW ZEALAND

¹ O'Sullivan et al: A multigene urine test for the detection and stratification of bladder cancer in patients presenting with hematuria, *J Urol* 2012; 188: 741-747.

² Under current clinical guidelines, patients diagnosed with bladder cancer will require repeat testing over a period of years.

FY14 KEY EVENTS AND HIGHLIGHTS

- ▶ Commercial launch of Cxbladder in the United States including recruitment of four specialist sales people in four high volume sales regions
- ▶ First commercial sale of Cxbladder in the US
- ▶ Continuation of successful User Programmes with selected urologists in New Zealand, Australia and the United States
- ▶ Signing of agreements with three National Provider Networks in the US – FedMed, ACPN and Stratos

FY14 KEY EVENTS AND HIGHLIGHTS

cont

- ▶ Significant gains made in adoption of Cxbladder by public and private funded healthcare organisations and agencies in New Zealand
- ▶ CLIA certification for Pacific Edge's Hershey and Dunedin laboratories
- ▶ CAP accreditation for Hershey Laboratory
- ▶ Completion and publication of international clinical study
- ▶ Validation studies reiterate Cxbladder technology performance
- ▶ Received several Awards and grants

EVENTS SINCE FY14 YEAR END

- ▶ US sales team has grown to eight targeting 19 sales regions containing 60% of the market
- ▶ Recruitment of an additional four specialist sales executives planned this year
- ▶ Signed National Provider Network with MultiPlan in the US
 - ▶ Approximately 900,000 providers participate in MultiPlan's provider networks
- ▶ Launch of ecommerce platform in New Zealand for New Zealand residents and physicians
- ▶ On track to deliver second Cxbladder product Cxbladder-triage in late 2014 calendar year

BUILDING OUR US BUSINESS

MILESTONES ON OUR JOURNEY TO SUCCESS

2008

Published the initial bladder cancer detection research

2009

Produced a pre-commercial prototype of Cxbladder

2011

Completed the clinical evaluation of Cxbladder

Completed the commercial laboratory in Dunedin, which was opened by the NZ Minister of Health

2012

Published Cxbladder clinical paper in Journal of Urology

Completed the build and fit-out of the US laboratory in Hershey, Pennsylvania

2013

Received CLIA regulatory approval for US laboratory

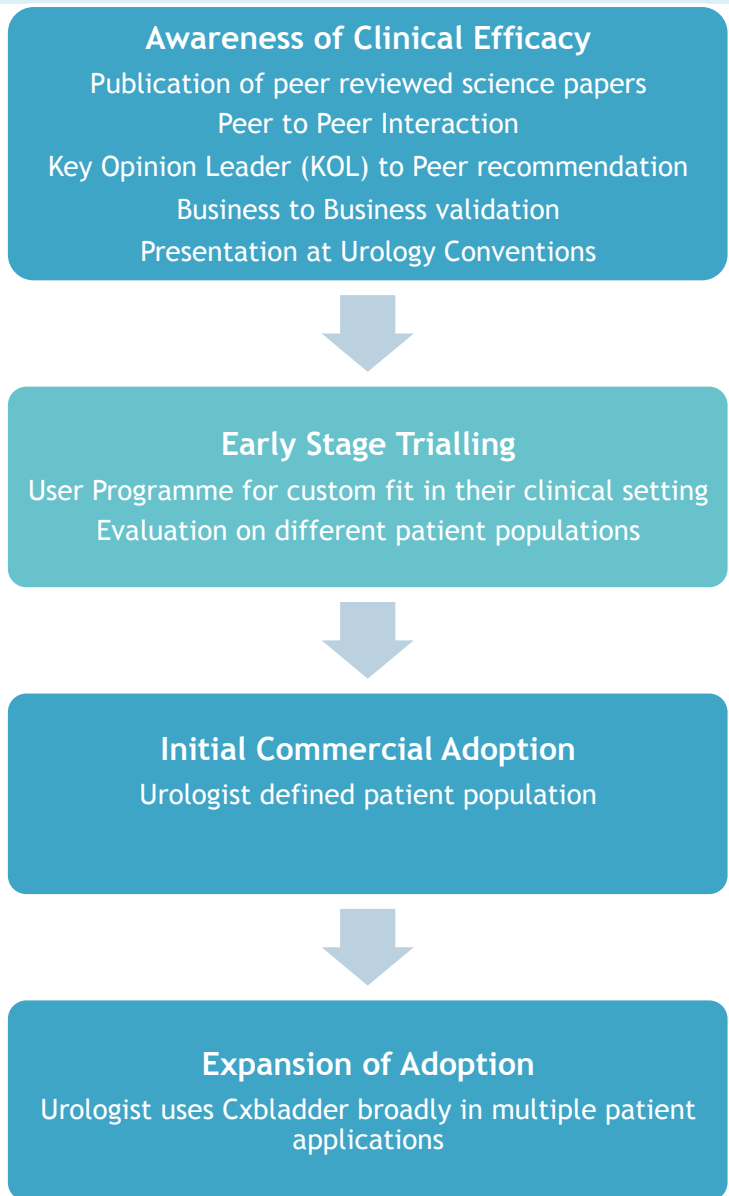
Received CLIA regulatory approval for Dunedin laboratory

First dedicated sales executive started in



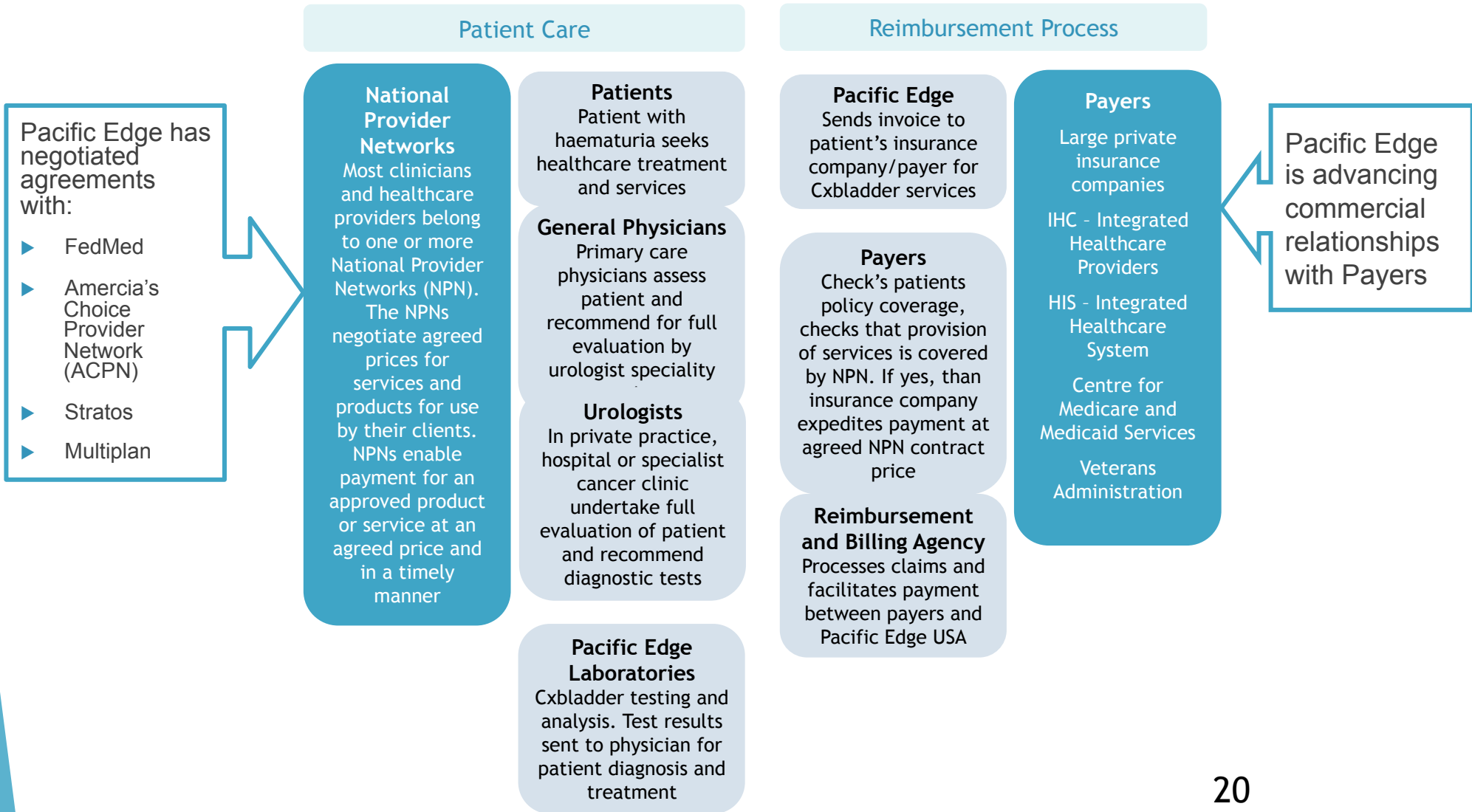
PACIFIC EDGE SALES MODEL

Clinician's Adoption Process

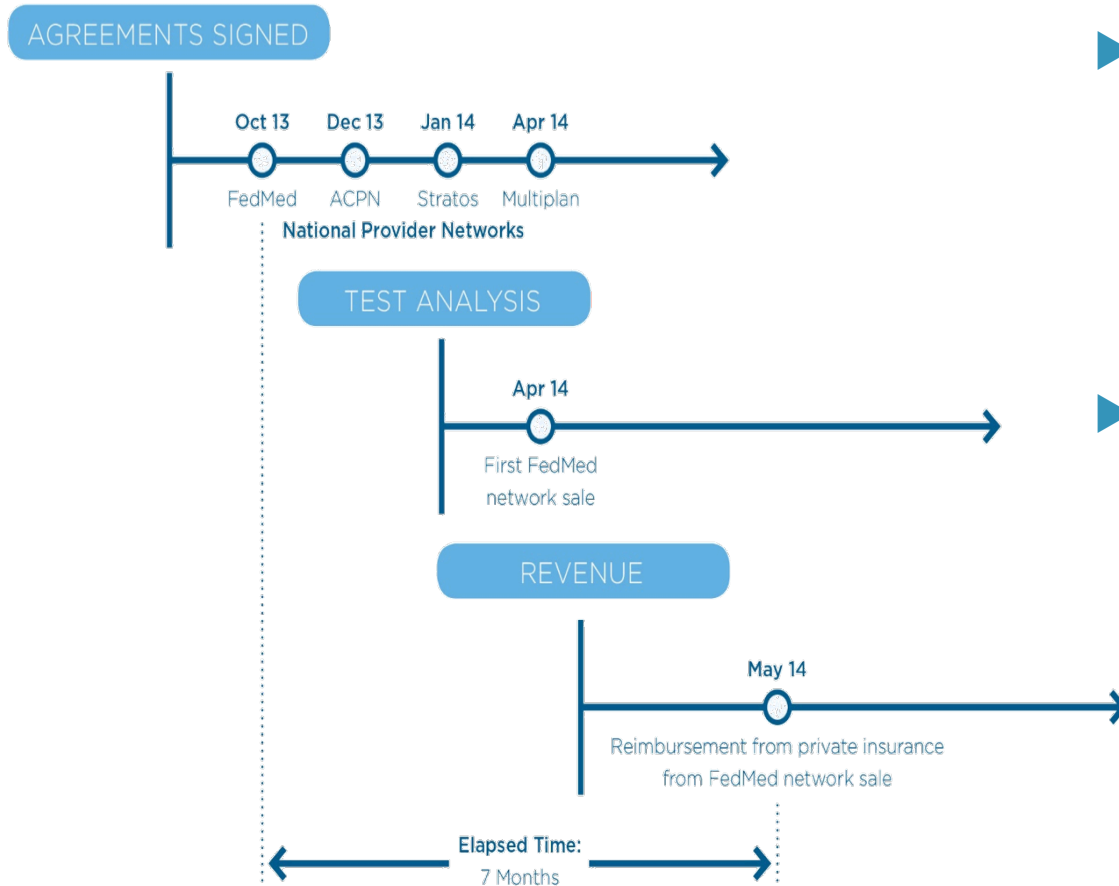


- ▶ User Programmes are the most effective way to generate sales
- ▶ Allows targeted urologists to trial Cxbladder in their practices
 - ▶ 10,500 + practising urologists in US
 - ▶ Many work in clinical groups of up to 100 urologists
 - ▶ Pacific Edge targets high volume clinicians or clinical groups
- ▶ Focus for FY15
 - ▶ Increase the number of User Programmes
 - ▶ Continue to translate existing User Programmes into paying commercial relationships
 - ▶ Grow the total sales of Cxbladder
 - ▶ Launch Cxbladder-triage

THE US HEALTHCARE SYSTEM



TIMELINE: DEVELOPMENT OF US SALES



- ▶ National Provider Networks can provide millions of patients with access to Cxbladder
- ▶ However, it can take a number of months from the signing of agreements for commercial tests to flow through and for reimbursement to be received

OUR OTHER MARKETS

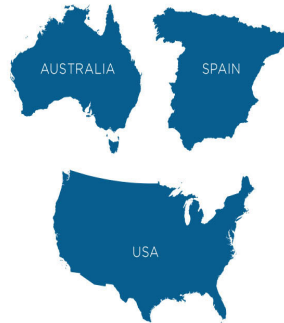
INTERNATIONAL ROLLOUT OF CXBLADDER

Develop the product and test the commercial model



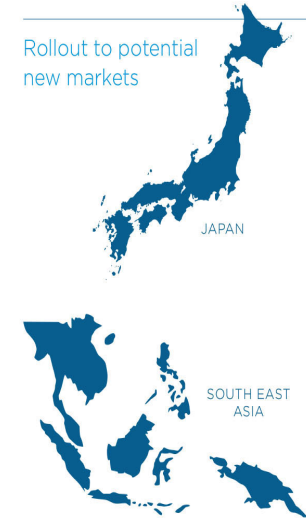
- ▶ **New Zealand**
 - ▶ Pacific Edge laboratory in Dunedin
 - ▶ Head office in Dunedin
 - ▶ All R&D conducted in Dunedin

Test and implement the franchise business model




- ▶ **Australia:** Partnership with Healthscope
- ▶ **Spain:** Partnership with Oryzon
- ▶ **US:** Fully owned US subsidiary and laboratory

Rollout to potential new markets



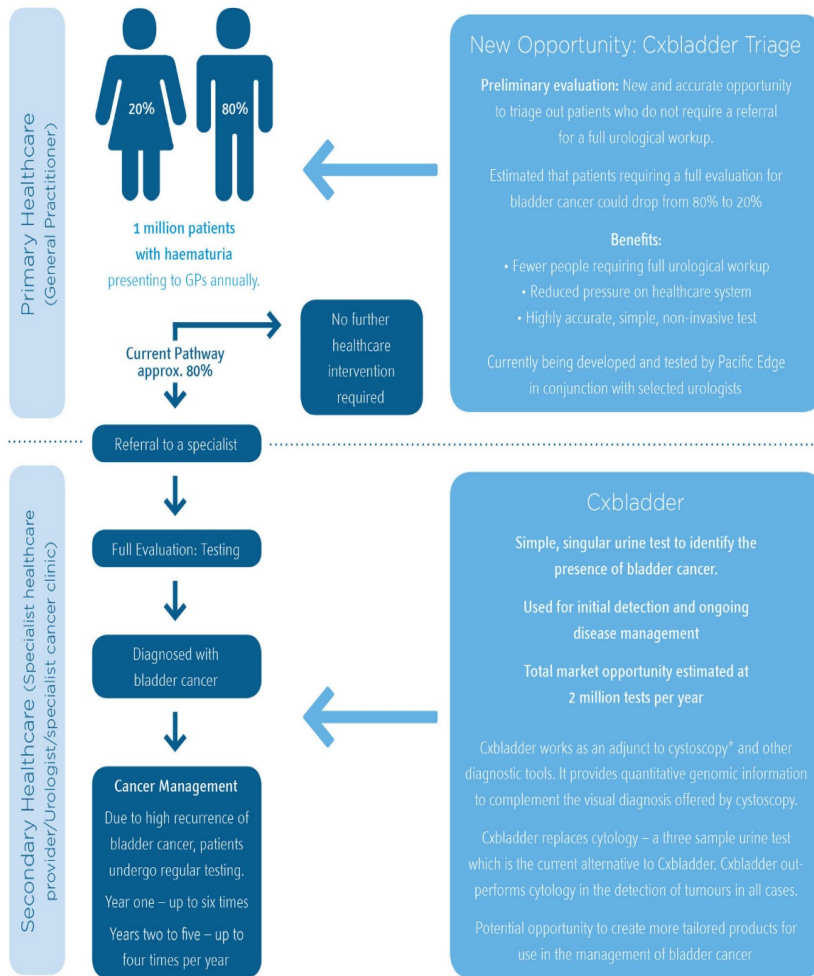
- ▶ **Investigating new market opportunities**

INNOVATION: ECOMMERCE SALES

- 
- A close-up photograph of a person wearing white nitrile gloves holding a white cardboard box. The box is filled with many yellow-capped urine test tubes. The background is a white, textured surface, possibly a bedsheet or a clean surface.
- ▶ Launch of ecommerce platform in July 2014 in New Zealand
 - ▶ Allows patients to collect a urine sample in their own home, without the need to visit their doctor or specialist
 - ▶ Test sent to Pacific Edge laboratory for analysis
 - ▶ Detailed test report is sent directly to the purchaser's GP or nominated healthcare professional
 - ▶ Key part of Pacific Edge commercial strategy in New Zealand

THE OPPORTUNITY FOR CXBLADDER

THE GENERIC CLINICAL PATHWAY FOR THE DETECTION OF BLADDER CANCER



- ▶ Up to 2 million test opportunities for Cxbladder each year in US
- ▶ Developing new Triage product to rule out patients who do not require a referral for a full urological workup
- ▶ Growing brand and product awareness amongst urologists
- ▶ Short to medium term focus on bladder cancer products

*Cystoscopy: Invasive internal examination with a scope, often done under general anaesthetic. Normally carried out once patient has been determined to have bladder cancer.

Percentages are estimates made by PEB based on available clinical and industry data.

FY15 OBJECTIVES AND FOCUS

**Primary Focus: Strengthen our footprint in the US market
and ramp up our revenue**

Six Key Activities for FY15

1. Expand our sales presence in the United States and drive ambitious revenue targets
2. Continue to rollout our User Programmes to targeted clinical groups and urologists, in the US, NZ and Australia
3. Continue to negotiate agreements with National and Regional Provider Networks in the US

FY15 OBJECTIVES AND FOCUS cont

Primary Focus: Strengthen our footprint in the US market and ramp up our revenue

Six Key Activities for FY15 cont

4. Focus on developing new bladder cancer products where we have identified an opportunity
5. Successfully launching Cxbladder-triage in New Zealand as a precursor for the US
6. Ongoing focus on rollout and set up of franchise partnerships in other targeted markets.

SHAREHOLDER DISCUSSION

BUSINESS OF THE MEETING

TOTAL VALID VOTES

Total valid votes received as a percentage of Issued Capital

33.18%

(105,726,049)

RESOLUTION

RE-ELECTION OF CHRISTOPHER SWANN

That Christopher Swann, who retires by rotation and is eligible for re-election, be re-elected as a Director of the Company

PROXIES

For

95.05%

Against

4.37%

Open

0.58%

RESOLUTION

RE-ELECTION OF DAVID BAND

That David Band, who retires by rotation and is eligible for re-election, be re-elected as a Director of the Company

PROXIES

For

96.61%

Against

2.79%

Open

0.59%

RESOLUTION

ELECTION OF DAVID DARLING

That David Darling be elected as an Executive Director of the Company

PROXIES For 99.24% Against 0.16% Open 0.60%

RESOLUTION

AUDITORS



To record the reappointment of PricewaterhouseCoopers as auditors of the Company and to authorise the Directors to fix the auditors' remuneration

PROXIES

For 99.28%

Against 0.12%

Open 0.59%

RESOLUTION

INCREASE IN DIRECTORS' FEES

To approve an increase in the total aggregate amount of Directors' Fees payable per annum by \$26,000 to \$198,000.

PROXIES

For 75.03%

Against 24.35%

Open 0.63%

OTHER BUSINESS

CLOSE OF MEETING

Presentations are available on the investor page of the Company's website at www.pacificedgedx.com

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