



PACIFIC EDGE

Cancer Diagnostic Company

## Full Year Results

for the financial year ended 31 March 2015

David Darling, CEO and Executive Director

# 02: FY15 HIGHLIGHTS

Primary Focus On Execution Of US Market Strategy

## **Strong Uplift in Commercial Revenue**

Reflects rollout of US sales and marketing strategy since initial launch in mid-2013

## **Launch of Second Product, Cxbladder Triage**

Launched in NZ in late 2014, with US launch planned for 2015

## **Strong Commercial Progress in US**

Increasing awareness, trial and adoption by targeted urologists

## **Continued Investment into Growth**

People, Intellectual Property, Market Expansion, Product Development

# 03: OUR STRATEGY

Growth Strategy, Primarily Focused On The US Market

## OUR OFFER

Delivering innovative solutions for the early detection and better management of cancer

Current focus on building a suite of Cxbladder diagnostic tests, to help detect and manage bladder cancer

Our tests are non-invasive, accurate, fast, easy to use and cost effective

## OUR MARKETS

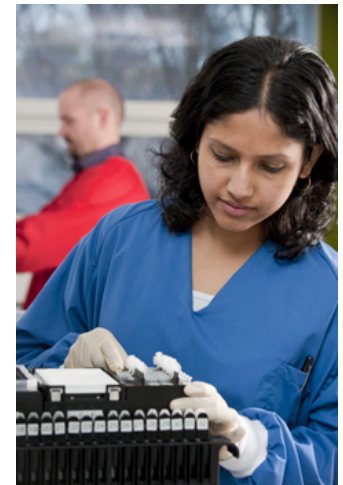
Primary market is the US, one of the world's biggest healthcare markets

Pacific Edge tests are also sold commercially in Australia and New Zealand

Continuing to investigate new global market opportunities – identified opportunity in South East Asia

## INVESTING FOR GROWTH

Four main areas of investment: People, Intellectual Property, Market Expansion and Product Development



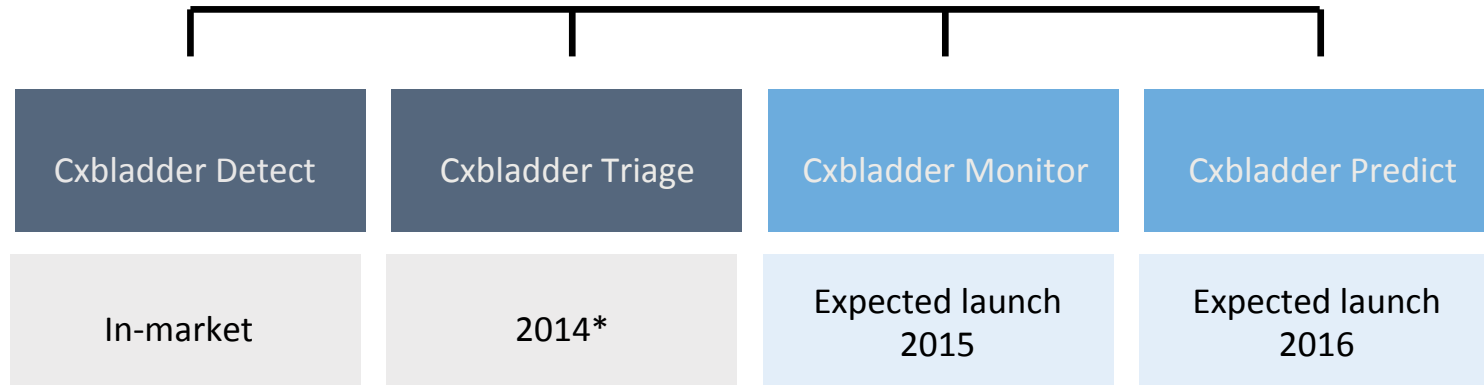
# 04: COMMERCIAL PROGRESS TO DATE

## Expanding Cxbladder Product Offering

### Building a 'One Stop Shop' Offering of Cxbladder Tests

- Launch of first Cxbladder product, Detect, in US in mid-2013
- Launch of second Cxbladder product, Triage, in New Zealand in late 2014 with US launch planned for 2015.

### Cxbladder Product Suite



\* Launched 8th December 2014 in New Zealand and will launch in the US in June 2015

# 05: COMMERCIAL PROGRESS TO DATE

Early Stage Market Penetration With Main Focus On US

## Increasing Our Market Penetration

- Established commercial partnerships in US, New Zealand and Australia
- Primary focus on the US, one of the world's biggest healthcare markets
- Strong penetration into NZ market
- Continuing to investigate other market opportunities, particularly South East Asia (SEA). Initial work indicates that this is a significant market opportunity. Two distinct market segments of interest:
  - Patients requiring testing for bladder cancer
  - Medical tourists coming to SEA for regular wellness medical checks

## Commercial Pathway



# 06: COMMERCIAL PROGRESS TO DATE

## Growing Awareness and Credibility of Products Amongst Medical Community

Investment into clinical performance validation studies, research and peer reviewed science papers

- Completion of two large validation studies for Cxbladder with results supporting clinical study findings
- Four peer-reviewed clinical and science papers published to date with further papers pending
- Completion of large study demonstrating outperformance of Cxbladder compared to other widely used non-invasive bladder cancer diagnostics, including the UroVysion® FISH assay that is widely used in the United States

# 07: COMMERCIAL PROGRESS TO DATE

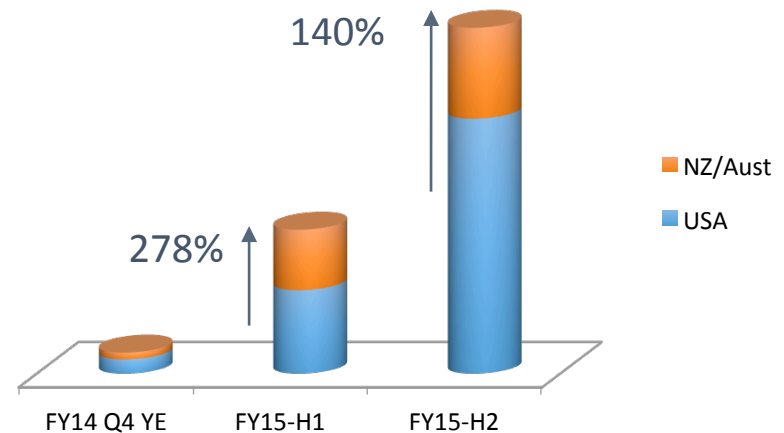
## User Programmes Driving Trial And Adoption

### Increasing Trial of Products by Targeted Urologists

- Increasing number of User Programmes in US and other markets
- Large scale User Programme for 2,000 patients in partnership with Southern California Permanente Medical Group (SCPMG) - first patient tests to the Pacific Edge laboratory in Hershey Pennsylvania in early June
- Laboratory throughput has increased steadily and annualised for FY15 is several thousands

### Laboratory throughput

Includes User Programme and commercial tests



# 08: US MARKET UPDATE

## Expanding Specialist Sales Team Focusing On Targeted Regions

### TARGETING THE US, ONE OF THE WORLD'S LARGEST HEALTHCARE MARKETS

Primary focus for Pacific Edge in the short to medium term

Over 10,000 urologists and millions of potential clinical opportunities for use of Cxbladder products

Growing knowledge base and understanding of the US market over the past two years

### COMMERCIAL PROGRESS TO DATE

Expanded specialist US sales team from four to twelve personnel

Increasing number of user programmes including the launch of a large scale User Programme for 2,000 patients in partnership with Southern California Permanente Medical Group (SCPMG)

Signed agreements with the four largest National Provider Networks - FedMed, ACPN, Stratose and MultiPlan

Progressing discussions with Centre for Medicare & Medicaid Services (CMS)

Progressing commercial access to the Veterans Administration (VA) - have now submitted dossier to gain access to the Federal Supply Schedule (FSS)



# 09: OTHER MARKETS

Good Progress In New Zealand; Identified New Opportunity In SE Asia

## OTHER MARKETS

New Zealand: Commercial operations including wholly owned laboratory

Australia: Franchise partnership with Healthscope

Other Markets: Ongoing discussions and activity to tailor solution to population/clinical requirements

South East Asia identified as a significant new opportunity

## COMMERCIAL PROGRESS TO DATE

Good progress in New Zealand with increasing use of Cxbladder by urologists in public and private sector

Launch of ecommerce site in New Zealand

Continuing to build and grow franchise partnerships in other markets including Australia

Identified opportunity in South East Asia and building business case for entry into the market. Targeting two specific market segments:

- Patients requiring testing for bladder cancer
- Medical tourists coming to SEA for regular wellness medical checks

# 10: FY15 SUMMARY FINANCIAL PERFORMANCE

Result Reflects Ongoing Investment into Growth Strategy

Strong uplift in sales revenue reflecting growing traction in US market and strong increase in commercial customer numbers

Second year of funding from a \$4.5 million Callaghan Innovation Grant spread over three years

Other revenue includes interest and foreign exchange gains

Expenses includes investment into research and product development including clinical trials and User Programmes

	FY15 \$NZ'000	FY14 \$NZ'000
Sales Revenue	1,900	145
Grant Income and Research Rebate	1,446	378
Other Revenue	786	315
TOTAL INCOME	4,132	838
TOTAL EXPENSES	14,861	10,789
NET PROFIT/ LOSS BEFORE TAX	(10,729)	(9,951)
Income Tax Expense	-	-
NET PROFIT/LOSS AFTER TAX	(10,729)	(9,951)
Foreign Exchange Translation	145	571
COMPREHENSIVE LOSS AFTER TAX	(10,575)	(9,380)
Earnings Per Share	(0.033)	(0.032)

# 11: FY15 FINANCIAL POSITION – BALANCE SHEET

## Investment into Commercialisation and US Rollout

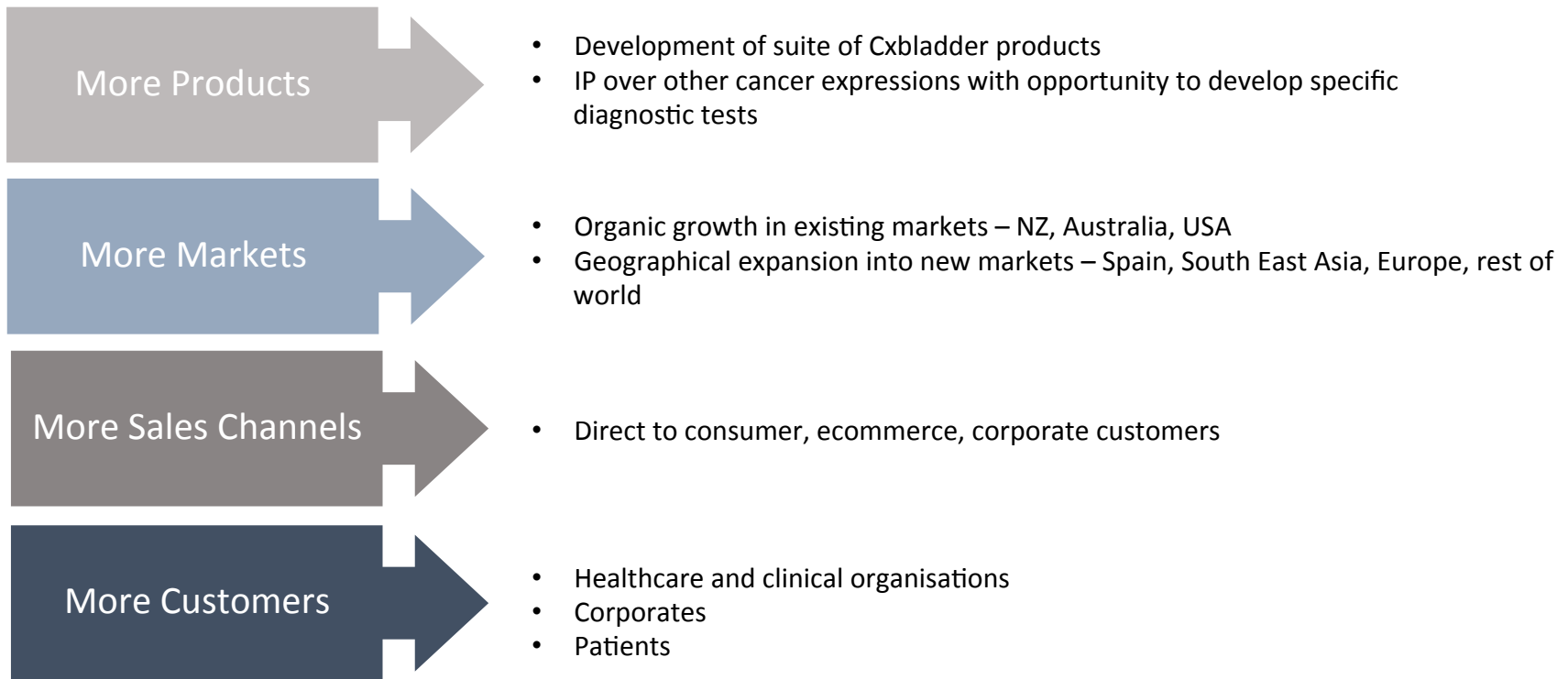
Cash and cash equivalents \$7.82 million as at 31 March 2015

Debt free with funding from capital and technology grants for commercialisation and US rollout

	FY15 \$NZ'000	FY14 \$NZ'000
Cash, Cash Equivalents and Short Term Deposits	7,819	20,444
Trade Receivables, Inventory and Other Current Assets	3,452	982
Property, Plant and Equipment	1,118	1,112
Intangible Assets	244	193
<b>TOTAL ASSETS</b>	<b>12,633</b>	<b>22,731</b>
Payables and Accruals	1,430	952
<b>TOTAL LIABILITIES</b>	<b>1,430</b>	<b>952</b>
<b>EQUITY</b>	<b>11,203</b>	<b>21,778</b>

# 12: STRATEGIC OPPORTUNITIES FOR GROWTH

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



# 13: OUTLOOK

## Another Year Of Significant Investment Into The Rapid Growth Of The Business

The United States healthcare market remains primary focus and will be main area of investment again in FY16

- Expand sales force and enter new targeted sales regions
- Increase the number of User Programmes and focus on converting User Programmes into commercial sales
- Committed to complete the CMS and Federal Supply Schedule (FSS) process, for access to the Veterans Administration (VA), this year. Dossier has been submitted for the FSS process.
- Complete Kaiser Permanente User Programme. Expect first tests from this programme over the next few weeks.
- Continue to work with urologists, healthcare providers and payers to gain wider acceptance of our products and provide greater access to patient.

Complete the evaluation of the South East Asia opportunity for the anticipated entry point through Singapore

- Finalise business case
- Finalise market logistics and establish operations
- Initiate User Programmes and marketing activity
- Sign targeted customers to User Programmes

Continue to build our product offering and brand recognition with the medical community

- Launch of third Cxbladder product in 2015. Each product is designed to be sequential and complementary, providing specific tools for specific clinical needs

Build patient awareness, enhancing patients' knowledge of their options

- Launch the on-line Patient Community for bladder cancer patients offering a complete reference site

# 14: BOARD AND MANAGEMENT

Providing The Experience and Capability to Deliver on Pacific Edge's Growth Strategy

## MANAGEMENT TEAM

**Experienced and knowledgeable in the following areas:**

Development and international commercialisation of biomedical and biotech businesses

Leadership

New product development

Research and development

Commercial experience including in-market knowledge.

## GOVERNANCE

### Board of Directors

Experience in governance, finance, cancer research, biotechnology and life sciences, investment and business advisory. Two new directors appointed in past two years.

### Subsidiary Board Directors

In-country commercial experience and scientific expertise.

### Scientific and Clinical Advisory Boards

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

*We are excited about the opportunities ahead of us and expect our laboratory through-put and commercial revenue to continue growing strongly as we add more exciting Cxbladder products and as more clinicians and patients use our innovative cancer diagnostic products.*

# QUESTIONS?



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