

INVESTOR UPDATE

APRIL 2016



PACIFIC EDGE LTD

This Investor Update has been provided to keep our shareholders informed on our progress, and complements our formal communications such as our shareholder reports, results announcements and annual meeting.



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EXECUTIVE UPDATE

David Darling, Managing Director and CEO

2016 has started well and it has been a busy few months for our teams. We are focused on building awareness and sales of our Cxbladder tests in the USA and other markets and have celebrated several important achievements over the last few months.

In particular, there are four initiatives that stand out for me, as they progress our growth strategy and open up new and exciting opportunities for our company.

First was the launch of our third product, Cxbladder Monitor, in late December 2015. We are now the only cancer diagnostics company in the world to offer multiple molecular diagnostic tests for the detection and management of bladder cancer. This third product brings us another step closer to being able to provide a 'one stop shop' of accurate, non-invasive tests for urologists. Cxbladder Monitor is now available in New Zealand and will be launched in other markets progressively over 2016 and 2017, starting with the USA later in 2016.

Secondly, in February 2016, we announced a new commercial partnership with Tolmar Australia to market and distribute our Cxbladder tests in Australia. Tolmar is a specialised uro-oncology company which provides medicine and support to men with advanced prostate cancer. Their specialised sales team has excellent relationships with urologists across Australia.

As with our normal market rollout, Tolmar will be encouraging urologists to trial our Cxbladder tests through User Programmes and then will be working to convert these into commercial customers.

Of particular note this year, was the signing of a Federal Supply Schedule agreement with the Veterans Administration (VA) in the US. This will allow the ~20 million people under cover with the VA access to our Cxbladder tests and is something we have been working towards for some time. The VA is one of our target large-scale customers in the US and could eventually become one of our largest customers.

Most recently, we announced an agreement with the Canterbury District Health Board (CDHB) to provide our Cxbladder technology for primary care referral in the evaluation of haematuria (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. Cxbladder significantly outperforms cytology in clinical tests and is a step change in how bladder cancer is detected and monitored.

To change a clinical pathway and replace an old test with a new technology is a major achievement. While New Zealand is a small market in terms of our commercial opportunities, the agreement has significance for all healthcare providers.

In other news, we have completed recruitment for our expanded US sales team and now have 18 sales executives covering 19 targeted regions, which we have identified as covering a majority of our potential market in the US.

The new electronic recruitment platform has been introduced for the Kaiser Permanente User Programme for Cxbladder Triage and we are on track to complete this

programme in 2016. Kaiser Permanente is one of the United States' largest not-for-profit health insurers and providers, serving more than 10 million members. If our product is accepted by their urologists, it will provide access to millions of potential test opportunities.

We are also continuing to progress our discussions with the Centre for Medicare and Medicaid Services. We need to follow the regulatory process to gain access to this organisation and this can take time. Pleasingly, we are well down the track on this process.

We were also pleased to welcome David Levison to the Board in April 2016 and would like to thank shareholders for their support.

David is a US-based director with many years' experience in the US healthcare market. He is currently CEO of CardioDX, which is a similar company to Pacific Edge, and has hands on experience in building a successful diagnostics company in the US. David has indepth knowledge of commercial diagnostic products in the US healthcare market and will be of great value to our company as we look to expand our presence in this region.

We are pleased with the progression of our strategy in the year to date and look forward to providing shareholders with an update on our test throughput growth and our financial performance in May when we release our preliminary financial results for FY16.

I hope you find this update of interest. As always, we welcome your feedback and questions. Our contact details are on the back of this newsletter.

New Website Coming Soon: Pacific Edge will be launching a new website in April 2016, designed to make it easy to find and view information of interest to our investors.

www.pacificedgedx.com

CXBLADDER AVAILABLE THROUGH VA

The US is the world's largest healthcare market and the Veterans Administration (VA) is one of the largest healthcare programmes in the country. The government-funded organisation provides approximately 20 million veterans and family members with patient care and other services, through a network of clinics, hospitals and healthcare centres across the US.



The signing of a Federal Supply Schedule agreement in February means that Cxbladder is now accessible to all VA clinicians and their patients, and enables speedy payment.

Following receipt of the Awards Package within the next few weeks, Pacific Edge's US sales team will be targeting high volume VA centres and working to build urologists' awareness and knowledge of Cxbladder and its clinical and patient benefits. In line with our established processes, some User Programmes may be required on key sites, while other urologists may move more quickly to commercial adoption.

The VA is one of Pacific Edge's three target large scale customers in the US, and we are continuing to work to secure the Centre for Medicaid and Medicare Services (CMS) and Kaiser Permanente which are also currently in progress.

CXBLADDER TO STAR AT INTERNATIONAL CONFERENCE

AUA-2016
MAY 6-10 **san diego**

Cxbladder will be presented by Dr Yair Lotan in San Diego at the 2016 Annual Conference of the American Urological Association (AUA2016), the largest gathering of urologists in the United States.

Pacific Edge was delighted to be granted a plenary presentation session for the debut of Cxbladder Monitor. Dr Yair Lotan, one of the USA's leading urologists, will give the presentation. Dr Lotan is the lead author on the Cxbladder science paper that is in draft for submission for publication.

Every year, in early May, approximately 16,000 urologists attend this event, which is one of the world's most prestigious urology conferences. This is a time for urologists to get away from the office to network with their peers and colleagues and learn about new technologies and changes in clinical science that can reshape their business.

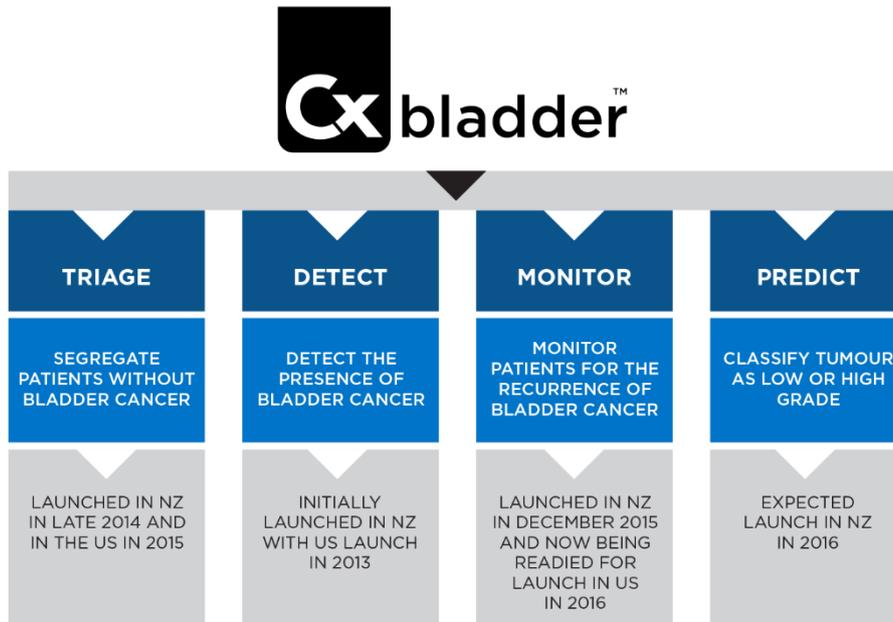
Presentation opportunities are hotly contested with key note and plenary sessions selected for significant new science or clinical achievement.

BUILDING THE CXBLADDER 'ONE STOP SHOP'

Pacific Edge now has a suite of three Cxbladder tests, all designed to meet the specific clinical needs of different patient groups. Our latest product to launch is Cxbladder Monitor which is designed to be used on patients as part of their ongoing surveillance regime to quickly and accurately identify those who have a low probability of having recurrent cancers; provide ongoing reassurance to clinicians and their patients that the cancer hasn't returned; or support the case for further urological investigation.

Cxbladder Monitor follows in the footsteps of Pacific Edge's first two molecular diagnostic tests. Cxbladder Triage rules out patients who have a low probability of having cancer and Cxbladder Detect is used specifically to detect cancer. Both are used in the early evaluation in patients who present to the urologist with haematuria (blood in the urine and an early symptom of bladder cancer).

ONE STOP SHOP OF CXBLADDER PRODUCTS



UPCOMING DATES

End of 2016 Financial Year
 2016 Preliminary Results Announcement
 2016 Annual Report
 2016 Annual Meeting

31 March 2016
 By End-May 2016
 By end-June 2016
 August 2016
 (Date TBC)

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