



PACIFIC EDGE 

# INVESTOR UPDATE

MARCH 2022



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# A RUNNING START

## FROM THE CHIEF EXECUTIVE DR PETER MEINTJES



### DEAR SHAREHOLDERS,

It is a great pleasure to be writing to you for the first time as the Chief Executive of Pacific Edge.

I officially stepped into the role at Pacific Edge's Dunedin head office on 17 January - after relocating home from the US and two (let's say challenging) weeks in MIQ with my wife and our two young children.

However, I have made a running start. Shortly after my appointment was announced at the end of October last year, I began consulting to Pacific Edge from Boston in the US, where I had just finished as Chief Commercial Officer of Eurofins-Transplant Genomics, a transplant diagnostics company.

Since then, I have been working with Pacific Edge's teams across the world to understand the finer details of the business.

My goal has been to assess the 'current state' of the company and the strategies to move to the 'desired state' of cementing Cxbladder as the standard of care in the diagnosis and management of urothelial cancer.

### TALENT AND COMMITMENT

It has been an intensely rewarding

period since arriving in Dunedin and getting to know the strengths of my team.

Consequently, I feel tremendous excitement for Pacific Edge's future as we look to marry technological leadership with commercial leadership to advance our Cxbladder diagnostic tests into our two urothelial cancer markets: haematuria evaluation and surveillance for recurrence of disease. I have also been impressed by the familial spirit within the company and the commitment to making a meaningful difference in cancer treatment and improving the quality of life for millions of patients.

**"I feel tremendous excitement for Pacific Edge's future"**

Pacific Edge's achievements, particularly in the pivotal US market, are significant.

The decision by US national healthcare insurance administrator CMS to accept and reimburse patients for Cxbladder and our collaboration with Kaiser Permanente, the US' largest

integrated healthcare provider, have rightly grabbed the headlines.

However, these successes are founded on the company's steady behind-the-scenes progress building a wide network of partnerships with key opinion leaders (KOLs) in the urothelial cancer community, including independent urology groups, academic centres, research hospitals and other care providers. They have also relied on our development of a significant repository of peer-reviewed clinical evidence supporting the validation and utility of our products.

While in the US I met with the PacificEdge USA operations, sales, marketing teams. I also spent time with the healthcare providers and the clinicians on the frontline of urothelial cancer diagnosis, the people and organisations prescribing and paying for the Cxbladder tests used every day.

Now, back home in New Zealand, I am extending my understanding of our operations in this part of the world. A key focus has been on how we have achieved such widespread adoption and support for Cxbladder here and the lessons relevant to adoption of our

technology in fledgling markets such as Australia, Southeast Asia and potentially further afield.

While it is still early days, this work has identified for me some clear early opportunities. For instance, we are now looking at ways to strengthen the relationships between our product development and clinical science teams in New Zealand and our in-market teams working alongside healthcare providers and clinicians, here and offshore.

Such cooperation can ensure our research efforts are finely attuned to specific in-market needs and expectations. It can also build a better understanding of our operational capabilities and therefore help the in-market teams to deliver the best solutions.

Additionally, the treatment of bladder cancer is unique in that its diagnosed and managed by urologists rather than specialist oncologists and so we are exploring a range of initiatives to better engage with KOLs.

#### **STRATEGIC OBJECTIVES**

Pacific Edge continues to make progress on the objectives we identified at the time of the capital raising last year: the acceleration

of growth into the US market; further leveraging our first mover advantage in the detection and management of bladder cancer and driving into new markets.

The extent of the recruitment over the last three months (see 'Hiring' below) is evidence of the strategy in action.

**We are, as expected, seeing continued growth in test volumes**

We are, as expected, seeing continued growth in test volumes. Pleasingly, these include tests for the Melbourne-based Northern Health (see 'Test volumes' below), which last year committed to using Cxbladder Monitor to help manage patients undergoing surveillance following treatment. We are also making good progress upgrading our Dunedin clinical laboratory, which is on track to open in April. (See our 'Upgrade' feature below).

I am looking forward to updating shareholders on these developments and our priorities when we release our full year results for the year to 31 March 2022 towards the end of May.

#### **MARKET SENTIMENT**

Finally, the sharp shift in global share market sentiment since the start of the year and the retracement of the Pacific Edge share price, no doubt will not have escaped your notice.

While we are intensely focused on the creation and recognition of shareholder value, the Pacific Edge executive team and board firmly share my view that our efforts must be directed towards what we can control. That is: building long-term sustainable value in a rapidly growing business; making prudent use of the capital you have entrusted to us to drive that growth and finally keeping you well informed of the progress that we are making.

I believe it is against these broad objectives that you should assess Pacific Edge's progress, and my leadership.

I am looking forward to working with and meeting you in person in the coming months.

Yours sincerely,



**DR PETER MEINTJES**

## **ABOUT DR PETER MEINTJES**

Dr Peter Meintjes brings to Pacific Edge extensive global diagnostics, biotechnology, and commercial leadership expertise. He also has a track record for commercialising new and disruptive biotechnologies and driving rapid business growth across multiple territories including the US and Europe.

Prior to joining Pacific Edge, Peter was Chief Commercial Officer at the Massachusetts-based Eurofins-Transplant Genomics, a transplant diagnostics company. In that role he led the commercialisation of the company's suite of tests for biomarkers of organ rejection, including the flagship product TruGraf®, the only biomarker test for kidney transplant recipients approved for reimbursement by US national health insurance system administrator, the

Centres for Medicare & Medicaid Services (CMS).

Prior to Eurofins-Transplant Genomics he spent six years with the Budapest, Hungary-based Omixon, a global molecular diagnostics company focussed on pre-transplant organ and recipient compatibility testing. With Omixon, he occupied senior roles in both Hungary and the US, ending his tenure after three years as Chief Executive Officer.

Peter started his business career in New Zealand with the Auckland-based Biomatters, a bio-informatics company, after completing undergraduate and graduate study at Auckland University culminating in him gaining a PhD in biological sciences in 2008.

He is aged 40 is married to Adrienn and has two children Leo, 2 and Jack, 1.

# HIRING: BUILDING OUT THE TEAM

Pacific Edge is building out its global team as it drives to realise the significant potential for its technology around the world.

The current recruitments are aimed at extending our first mover advantage in the detection and management of bladder cancer, continuing to grow in the US market, and expand the Asia and Pacific markets.

The majority of the new employees and hires currently in progress are in the pivotal US market where we are recruiting customer-facing positions in the sales team. These hires are targeted at accelerating the progress made to date with healthcare providers and urologists and driving higher test throughput and reimbursement.

As we continue to grow our customer-facing teams, we're also increasing our support capability. Key hires include the addition of a new Clinical Trials Associate to accelerate and structure our research programmes as we push for the inclusion of Cxbladder tests in clinical guidelines. We have also bolstered our Digital Marketing, Operations, Technology, and Finance Support teams to ensure we can deliver on the service standards our customers expect and assist our Sales team as they make the case for Cxbladder around the world.

Meanwhile, recognising the ongoing need to recruit young talent into the company, and continuing our well-established internship programme in partnership with Callaghan Innovation and Chiasma, we took on three interns from the University of Otago over the summer.

We're pleased to confirm that one of them, Finn Dusterwald (pictured), a recent graduate with an honours degree in microbiology, and a postgraduate diploma in genetics, has now accepted a full time role with the product development team. 🌐



# TESTS: NORTHERN HEALTH ACTIVE



Northern Health, Pacific Edge's first major customer in Australia, began sending samples to our Dunedin laboratory in February adding yet another stream of tests to global volumes.

Northern Health provides healthcare services to the rapidly growing suburbs in Melbourne's outer north through four campuses across the region, with over 5,700 professional staff. It agreed

to begin using Cxbladder in December last year and we are delighted that they have so swiftly moved to sending commercial samples.

Initially urologists at Northern Health are using Cxbladder Monitor to help manage patients undergoing surveillance following treatment of their bladder cancer. The test is helping urologists to identify those patients that can safely forego or defer a cystoscopy at their next scheduled hospital visit. The agreement with Northern Health also envisages the organisation using Cxbladder Triage.

Pacific Edge will provide an update on group test volumes when it releases its results for the year to 31 March 2022 at the end of May. 🌐

# UPGRADE: NEW LAB ON TRACK

The upgrade to our Dunedin clinical laboratory to future proof our testing and research and development capabilities is on track for completion in April. The new lab, located at our offices in the Centre for Innovation, provides space for the expected increase in test volumes and allows for the evolution we see in cancer diagnostic technologies. 



# CONFERENCES: TELLING OUR STORY

With the COVID-19 pandemic waning, Pacific Edge’s sales teams are looking forward to the return of urology conferences around the world to tell the Cxbladder story.

The conferences offer Pacific Edge unmatched opportunities to engage with the clinicians that order our diagnostic tools to assess and manage their patients’ care. However, over the last two years most conferences were held virtually or were cancelled. This left the 30-strong Pacific Edge sales team relying on less effective approaches such as virtual or one-on-one in-clinic meetings.

**“Conferences are an ideal forum to engage with clinicians”**

David Levison, Executive Chairman of Pacific Edge’s operations in the pivotal US market, says conferences are the ideal forum to engage with clinicians on how Cxbladder can help them deliver better urothelial cancer care and management.

“Events such as these take urologists away from the daily pressures of their clinical practice. The relaxed and informal setting gives them opportunities to focus on the latest developments in their



field and discuss them with their colleagues and leading clinicians.

“It is in settings such as these where they have time and are most open to learn more about new technologies such as Cxbladder. Meanwhile, they offer us an opportunity to see many clinicians in a short period of time,” Levison says.

Engaging with clinicians to highlight the body of evidence supporting the use of Cxbladder is pivotal to changing clinical practice and is a crucial element of the Cxbladder commercialisation strategy.

The other leg of the strategy is engaging with healthcare funders and providers to reimburse and adopt the technology. However, Levison says it is better to engage with providers and funders, with a few exceptions, away from the crowds of urology conferences.

Pacific Edge’s 30-strong team is planning to exhibit and attend over 50 conferences, across the US, Southeast Asia, and Australasia this year.

The biggest event on the calendar is the American Urological Association annual meeting, this year to be held in New Orleans in the middle of May. Thousands of urologists, oncologists, researchers’ educators, and healthcare professionals and companies from around the world will be attending.

Levison says attendance at the AUA meeting is essential, given its significance. However, often it is the focused meetings like the state and regional AUA sessions where the interactions with clinicians can be more interactive. In these smaller meetings competition for clinicians’ time is less intense, Levison says. 

# WOULD YOU LIKE TO HEAR MORE? SUBSCRIBE TO THE CXBLADDER BULLETIN

If you'd like to hear more about Cxbladder, including product news, case studies, clinical trial updates, and connected publications, we invite you to subscribe to our 6-weekly Customer Newsletter, the Cxbladder Bulletin.



To subscribe, email us at  
[investors@pacifedge.co.nz](mailto:investors@pacifedge.co.nz)

## ABOUT US

Pacific Edge is a cancer diagnostics company. We specialise in the discovery of diagnostic and prognostic tests for the better detection and management of cancer. Our expertise extends from discovery to market, and includes cancer genetics, bioinformatics, clinical pathology, molecular oncology, technology commercialisation and marketing. Our products are based on proprietary genetic databases used to identify diagnostic biomarkers for cancers. We specialise in building commercial cancer tests from these proprietary biomarkers.

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