

23 October 2013

## **Pacific Edge announces 2:15 pro-rata renounceable rights issue to boost Cxbladder rollout**

Pacific Edge (NZX:PEB) announces a pro-rata renounceable rights issue to raise up to \$20.5 million to further fund the roll out of its high performing cancer diagnostic system Cxbladder in the world's largest health market, the USA.

The 2 for 15 entitlement offer to all shareholders at NZ\$0.55 is at a 16.6 per cent discount to the Theoretical Ex-Rights Price (TERP) implied by the volume weighted average price of Pacific Edge shares traded on the NZX Main Board between 23 September and 22 October 2013. Shareholders will be able to participate in an oversubscription facility up to 100 per cent of original entitlements. Any rights not taken up, or not able to be taken up, will be sold in a back-end Shortfall Bookbuild to eligible investors.

Pacific Edge Chairman Chris Swann says the funds raised will provide funding to implement the roll out of the US sales force in pursuit of achieving \$100 million of commercial sales of Cxbladder in the United States within five trading years.

"The Board is fully confident that the funds being raised will be sufficient to cover operating expenses until Pacific Edge achieves profitability."

The new funds will also be used to further develop a suite of Cxbladder products based for a number of clinical value propositions identified by urologists in the extensive User Programs undertaken in the US and New Zealand.

The Rights Offer allows all eligible shareholders to subscribe for 2 new shares for every 15 shares held on the record date, at a subscription price of \$0.55 per new share. Shareholders who do not wish to participate in the offer can sell their rights, which will be tradable on the NZX Main Board, or do nothing.<sup>1</sup>

Pacific Edge has appointed First NZ Capital Securities as Organising Participant to its capital raising.

Pacific Edge Chief Executive David Darling says Cxbladder is gaining traction in the US since it was commercially launched in July this year by the Company's wholly owned subsidiary Pacific Edge Diagnostics USA (PED<sub>USA</sub>). Tests from US patients are now being processed at the company's purpose built and fully operational laboratory in Hershey, Pennsylvania which received CLIA regulatory approval in March 2013.

"The sales and marketing teams are now actively marketing Cxbladder to Integrated Healthcare Providers, Large Urology Groups and Urologists and are focussing on building volume sales." In the last few weeks Pacific Edge has also reached agreement with national provider FedMed to make Cxbladder available to 40 million Americans who use its 5500 hospitals and more than 600,000 clinicians, and more recently, America's Choice Provider Network (ACPN) which offers a medical network solution for more than 14 million Americans.

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<sup>1</sup> An application has been made to the NZX Main Board for permission to quote the rights and all requirements of the NZX Main Board relating to quotation that can be complied with on or before the date of this announcement have been duly complied with. The NZX Main Board is a registered market operated by the NZX, a registered exchange, regulated under the Securities Markets Act 1988. However NZX accepts no responsibility for the Offer.

In the USA, bladder cancer is the fourth most expensive cancer to treat and incurs the highest total medical cost per patient of all cancers at approximately US\$200,000 per patient from diagnosis until end of monitoring. In the US, bladder cancer is the sixth most prevalent (8% of male cancers and 2% of female).<sup>2</sup> Approximately US\$1 billion is spent every year in the US screening one million new patients who present to clinicians with haematuria (blood in the urine), a possible indicator of bladder cancer.

Cxbladder delivers benefits for patients from its easy to use Urine Sampling System and for clinicians it is an efficient, accurate and a non-invasive test that enables the early detection of nearly all carcinomas of interest in the urinary tract. A multi-centre Australasian study of 485 patients peer reviewed and published in the prestigious Journal of Urology in the US in September 2012 demonstrated that Cxbladder outperformed the other commercially available tests benchmarked in the study. In that large study at a specificity of 85% Cxbladder saw 100 % of T1, 100% of T2, 100% of T3, 100% of Tis and 100% of upper urinary tract cancers. Cxbladder also saw 97% of high grade tumours.

### Key Dates

The key dates\* for the Rights Offer are:

Announcement of Offer	23 October 2013
Rights trading commences	5 November 2013
Record date for eligibility	7 November 2013
Dispatch of Offer document	11 November 2013
Rights trading ceases	21 November 2013
Offer period closes (5.00pm)	27 November 2013
Shortfall Bookbuild for entitlements not taken up	29 November 2013
Allotment date for shares under entitlement offer	4 December 2013

\*These dates are subject to change and are indicative only.

A simplified disclosure Prospectus for the offer has today been registered and will be sent to eligible shareholders on or around 11 November 2013.

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<sup>2</sup> United States National Comprehensive Cancer Network