



Dear Shareholder

The Pacific Edge Limited Annual Report for the year ended 31 March 2021 is now available. We invite you to read this on our website at www.pacifiedgedx.com/investors/shareholder-reports/.

This has been a year of achievement for Pacific Edge, with the delivery of two significant milestones - commercial agreement with Kaiser Permanente and gaining coverage from the Centers for Medicare and Medicaid Services (CMS) for Cxbladder Monitor and Detect, at the national price of US\$760 per test.

Our largest market, and the largest investment of our capital and resources, remains the US. We are well positioned to capitalise on the milestones achieved and progressively scaled up our US commercial operations during the second half of the year. Positive results are now starting to be seen from this investment, with record growth in test volumes and US cash receipts in March FY21 and the FY22 year to date.

Our strong financial results in FY21 reflect the ramp up in momentum, albeit at a slower pace due to Covid-19, than could have been expected in a 'normal' operating environment. We delivered strong growth in operating revenue and operating cashflow, a reduction in our net loss and a significantly strengthened balance sheet.

Our vision remains for Cxbladder to become the most trusted and preferred diagnostic test for the detection and management of urothelial cancer. We are well positioned to capitalise on the opportunities available to the company. Growth initiatives are being deployed in all Pacific Edge's target markets, with the US remaining the primary focus. Our commercial priority remains on growing adoption and reimbursement of Cxbladder by Medicare, the Veterans Administration, Kaiser Permanente and other large healthcare institutions and private payers in the US.

We are focussed on building scale as quickly as possible to deliver revenue growth and value creation for our shareholders in FY22 and beyond. It has been pleasing to have our efforts recognised by a significant increase in share price over the 12 months and inclusion in the S&P/NZX 50 index.

We look forward to providing a further update on our progress at our annual meeting on 29 July 2021 (which will be held in Dunedin and accessible online) to which all shareholders are cordially invited.

Thank you for your continued support.

Chris Gallaher
Chairman

David Darling
Chief Executive Officer

30 June 2021

PROGRESS IN FY21

Pacific Edge has reported accelerating revenue growth in its key markets as it starts to benefit from the major commercial milestones achieved in FY21, despite the ongoing challenges and headwinds from Covid-19 experienced throughout the year.

COMMERICAL MILESTONES

- Coverage by the Centres for Medicare and Medicaid Service (CMS) for Cxbladder Detect and Cxbladder Monitor at the national CMS price of US\$760 per test
- Nine month contribution from the CMS reflected in FY21 result
- Commercial agreement with Kaiser Permanente. Uptake commenced initially with Cxbladder Monitor in late Q3 and is growing. Anticipated timeline for uptake pushed out due to Covid-19 driven internal resource allocations and restricted access to clinics for patients
- Publication of additional clinical evidence highlighting the clinical utility of Cxbladder
- Scale up of US sales operations and senior leadership team to accelerate revenue growth, with positive benefits starting to flow through in late Q4 FY21
- Placement of ordinary shares to raise \$22 million of additional growth capital
- Inclusion in S&P/NZX 50 Index.

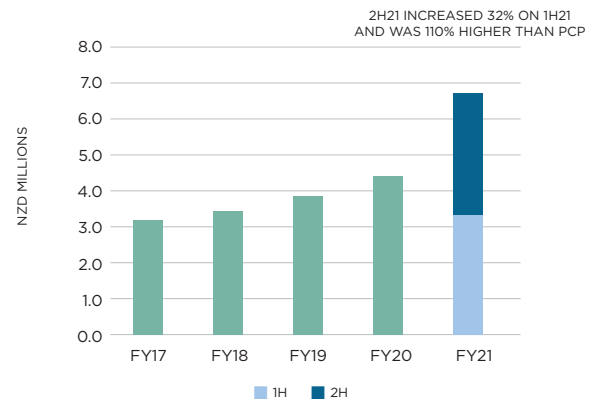
Positive results from the scale-up of US commercial operations are now starting to be seen with record growth in test volumes and cash receipts recorded in March FY21 and FY22 year to date.

FINANCIAL SNAPSHOT

(percentages compare to prior corresponding period)

- Total revenue \$10.4m +101%
- Operating revenue from test sales \$7.7m +76%
- Cash receipts from customers \$6.7m +52%
- Total operating expenses \$24.7m +2%
- Significant reduction in Net Loss to \$(14.2)m, down 25%
- Net cash, cash equivalents and short-term deposits of \$23.1m as at 31 March 2021, +56%.

TOTAL OPERATING REVENUE



TOTAL LABORATORY THROUGHPUT

