

## PACIFIC EDGE RESULTS FOR SIX MONTHS ENDED 30 SEPTEMBER 2021

### Pacific Edge reports continued strong revenue growth despite continuing impact of Covid-19

#### Unaudited results for the six months ended 30 September 2021 (1H22)

Summary of performance for the period (% changes compared to prior comparative period (pcp)):

- Total revenue increased 66% to \$6.7m
- Operating revenue from test sales increased 62% to \$5.4m
- Total Laboratory Throughput increased 62% to 11,136 tests
- Commercial Test volumes increased 64% to 9,192 tests
- Cash Receipts from Customers increased 110% to \$5.4m
- Total operating expenses increased 41% on pcp to \$15.7m
- Net Loss After Tax increased 27% to \$9.0m
- Net cash, cash equivalents and short-term deposits were \$91.6m (which excludes the \$23.5m raised in the Retail Offer completed in October 2021)
- Growth in the US sales force from 16 to 28 (+75%) and the addition of two new sales territories
- Publication of clinical evidence key to supporting use of multiple Cxbladder products and Pacific Edge's Patient In-Home Sampling System (PIHSS)
- Conducted successful \$103.5m capital raise and dual listed on ASX
- Well positioned to capitalise on commercial milestones as Covid-19 restrictions ease, with a strong balance sheet and scaled up operations in the U.S.

Cancer diagnostics business, Pacific Edge Limited (NZX/ASX: PEB) has reported continuing growth for the six months ended 30 September 2021 (1H22), with key performance metrics significantly ahead of the same time last year, driven by reimbursement milestones, increasing insurance coverage and adoption by urologists and healthcare organisations.

CEO of Pacific Edge, David Darling, commented: "The momentum seen in 2H21 has continued with growth in test volumes, sales and cash receipts. This is particularly pleasing given the resurgence in Covid-19 restrictions due to the spread of the Delta variant, which further restricted access to clinics and urologists for both patients and for our sales people in both the U.S. and New Zealand. As Covid-19 restrictions are lifted and access improves, we expect to see a positive impact on our business.

"With a restructured balance sheet and significant cash resources now in hand, we continue to focus on scaling up our commercial operations to accelerate our growth in the U.S. and other targeted markets. We continue to make good progress as we position our Cxbladder suite of tests as the diagnostic product of choice for urologists and patients. The clinical evidence supporting the outperformance of our products, growing endorsement by key opinion leaders and our first mover advantage all serve to provide a strong competitive advantage for our business."

In particular, the recent clinical papers published in the leading Journal of Urology, highlight a pivotal shift in clinical utility from, firstly, an increase in clinical resolution from the combined use of multiple Cxbladder tests for each patient presenting with haematuria and, secondly, the gain in clinical utility from Pacific Edge's PIHSS for

management of patients outside the clinic. These publications are expected to provide added impetus to the adoption of Cxbladder by urologists and healthcare organisations.

### 1H FY22 Financial Result Summary

Total Revenue increased 66% to \$6.7m and Operating Revenue from Cxbladder sales increased 62% on the prior comparative period (pcp) to \$5.4m. This record result reflects the continued positive impact from the commercial milestones achieved in 1H21, particularly LCD inclusion for Cxbladder Monitor and Cxbladder Triage from 1 July 2020 as well as growing adoption and use by urologists and healthcare organisations.

Total Laboratory Throughput (TLT) increased 62% on pcp and 24% on the prior six month period (2H FY21) to 11,136 tests.

Commercial test volumes increased 64% on pcp and 24% on the prior six month period (2H FY21) to 9,192 tests, and accounted for 83% of TLT (up from 82% in FY21).

The U.S. market accounted for 81% of TLT, 81% of commercial test volumes and 93% of operating revenue. CMS related tests (Medicare and Medicare Advantage) accounted for 65% of total U.S. commercial test volumes. Cxbladder Detect and Cxbladder Monitor (the two Cxbladder tests included in the LCD) accounted for 95% of total U.S. commercial test volumes.

Cash receipts from customers increased 110% on pcp to \$5.4m, reflecting the positive impact of cash reimbursement from the CMS and increased volumes.

Operating expenses increased 41% on pcp to \$15.7m as the company invested for growth, and particularly the sales and marketing efforts in the US.

For the six month period, Pacific Edge reported a Net Loss After Tax of \$9.0m, an increase of 27% on pcp.

The recent capital raise of \$103.5m has significantly strengthened the Company's balance sheet. As at 30 September 2021, net cash, cash equivalents and short term deposits were \$91.6m (which excludes the \$23.5m raised in the Retail Offer that was completed post-period end in October 2021).

### Commercial Progress

The company continues to achieve commercial milestones as it progresses its global growth strategy. In particular, in 1H22, Pacific Edge reported:

- Growth in the US sales force from 16 to 28 (75%) and the addition of two new sales territories
- Commercial adoption of second Cxbladder product (Cxbladder Triage) by Kaiser Permanente
- Expansion of coverage in New Zealand, with Northland and Taranaki public healthcare providers (DHBs) adopting Cxbladder into use taking the total coverage to more than 70% of New Zealand's population

- Acceptance of an important clinical paper outlining the significant increase in clinical resolution that can be achieved from using multiple Cxbladder products in the evaluation of a patient presenting to the clinic with haematuria
- Publication of real world lookback study in the U.S, highlighting the clinical utility of Cxbladder in a Covid19 setting for managing patients outside the clinic
- Analysis of results from Singapore study on-track for publication in early 2022. This will form the basis of Pacific Edge's planned commercial rollout in Southeast Asia, which is expected to become a market of scale for Cxbladder over time similar to the U.S
- Dual listing on the ASX in September 2021
- Completion of successful \$103.5 million capital raise to enable the company to capitalise on recent commercial milestones and to accelerate the execution of its global growth strategy in markets of scale
- In October 2021, announced the appointment of new CEO, Dr Peter Meintjes, who will commence in the role in January 2022.

## Outlook

Pacific Edge has a positive outlook for FY22 and beyond and is well positioned to capitalise on the opportunities available to the company.

The U.S. market remains the primary focus and continued growth is expected once Covid-19 restrictions ease. The scaled up U.S. commercial operations provide the capacity and resource to drive growth opportunities and positive results from this investment are now starting to be seen. The U.S. sales team grew to 28 experienced sales representatives over the last year, with 30 sales reps expected to be operating by end-November.

The focus for FY22 is on growing the commercial adoption of Cxbladder by Kaiser Permanente and other large healthcare organisations, further increasing reimbursement coverage from private payers, and achieving a positive shift in guideline inclusion language following the publication of new clinical evidence further supporting the clinical utility of Cxbladder.

Full integration into Kaiser's patient referral system and Electronic Medical Records has yet to be concluded and continues to constrain the growth rate expected from this important customer. Despite this, commercial test numbers continue to grow.

The recent clinical papers supporting the combined use of multiple Cxbladder products will further evolve how urothelial cancer is diagnosed and managed, with Cxbladder once again leading the way and delivering a greatly enriched clinical proposition for urologists. These papers also provide additional support in favour of inclusion in guidelines and national standards, which remains a key component that will drive widespread adoption of Cxbladder.

Pacific Edge's rest of world markets – New Zealand, Australia and Singapore – are markets of strategic importance, with tailored plans being executed dependent on each market's commercial maturity.

Chairman of Pacific Edge, Chris Gallaher, said: "Pacific Edge's growth momentum over the last six months, despite the ongoing headwinds from Covid19, confirms the validity of our global growth strategy and the way we go to market. We have a committed and experienced team, with significant funding in place to allow us to scale up and to deliver revenue growth and value creation for our shareholders in FY22 and beyond. We are confident in our

future and the actions we are taking now are positioning us to accelerate our growth trajectory once Covid-19 restrictions ease.”

ENDS

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**OVERVIEW** [www.pacifedge.co.nz](http://www.pacifedge.co.nz) [www.pacifedgedx.com](http://www.pacifedgedx.com)

Pacific Edge Limited (NZX: PEB) is a New Zealand publicly listed, cancer diagnostic company specialising in the discovery and commercialisation of diagnostic and prognostic tests for better detection and management of cancer. Its Cxbladder suite of non-invasive, simple to use and accurate diagnostic tests provide actionable results, and better detection and management of urothelial cancer. The company is developing and commercialising its range of Cxbladder bladder cancer tests globally through its wholly owned central laboratories in New Zealand and the USA. The company's products have been tested and validated in international multi-centre clinical studies.

**ABOUT Cxbladder Triage** [www.cxbladder.com](http://www.cxbladder.com)

Cxbladder Triage combines the power of the genomic biomarkers with additional phenotypic and clinical risk factors to accurately identify patients with haematuria who have a low probability of bladder cancer and may not require a more extensive urological evaluation. Cxbladder Triage is a tool for use by clinicians and physicians in primary evaluation of patients with haematuria and is intended to reduce the need for an expensive and invasive work-up in patients who have a low probability of having urothelial carcinoma.

**ABOUT Cxbladder Detect** [www.cxbladder.com](http://www.cxbladder.com)

Cxbladder Detect enables the non-invasive detection of bladder and other urinary tract cancers from a small volume of a patients' urine. Cxbladder Detect provides clinicians with a quick, cost effective and accurate measure of the presence of the cancer as an effective adjunct to cystoscopy.

**ABOUT Cxbladder Monitor** [www.cxbladder.com](http://www.cxbladder.com)

Cxbladder Monitor allows urologists to monitor bladder cancer patients for recurrence of the disease. Bladder cancer has a recurrence rate of 50-80% and requires life-long surveillance. Cxbladder Monitor accurately identifies patients with a prior history of urothelial cancer (UC) whose Cxbladder Monitor score shows that they have a low probability of recurrent urothelial carcinoma. Cxbladder Monitor is designed to be used as the preferred adjunct test to cystoscopy in the management of patients for ongoing evaluation of recurrent bladder cancer.

**ABOUT Cxbladder Resolve** [www.cxbladder.com](http://www.cxbladder.com)

Cxbladder Resolve identifies those patients who are likely to have aggressive or more advanced bladder cancer. Cxbladder Resolve, when used as part of the primary evaluation of haematuria and/or in conjunction with other Cxbladder tests (Triage, Detect), is designed to assist clinicians by accurately identifying patients with a high probability of having high grade or late stage bladder cancer, for whom alternative or expedited treatment options may be warranted, or who can be prioritised for further investigation in high throughput settings.

Refer to [www.cxbladder.com](http://www.cxbladder.com) for more information.

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**PACIFIC EDGE**  
CANCER DIAGNOSTICS COMPANY

# 1H22 INTERIM RESULTS PRESENTATION

FOR THE SIX MONTHS ENDED  
30 SEPTEMBER 2021

25 November 2021

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# 1H22 KEY EVENTS

## PLATFORM FOR GROWTH

- Dual listing on the ASX in September 2021
- Successful \$103.5 million capital raise
- Addition of new reputable global funds to the register

## US COMMERCIAL OPERATIONS

- Expansion of sales team by 75%; staffing of two new sales territories; increase in support roles
- Adoption of second Cxbladder product (Cxbladder Triage) by Kaiser Permanente

## NEW ZEALAND

- Two additional healthcare providers (DHBs) adopting Cxbladder into use

## PIVOTAL CLINICAL EVIDENCE

- Two pivotal papers highlighting significant clinical utility of Cxbladder – from combined use of multiple Cxbladder products to evaluate haematuria patients; and use of in home sampling system for managing patients outside of the clinic
- Analysis of results from Singapore study is underway with publication in early 2022 planned to trigger SEA commercial launch

## POSITIVE MOMENTUM DESPITE CONTINUING IMPACT OF COVID-19

- Resurgence of restrictions due to spread of Delta variant in the US and New Zealand
- Sporadic access to clinics and urologists for patients and for Pacific Edge sales team
- Health organisations prioritising resources to cope with Covid-19

### PACIFIC EDGE CONTINUES TO ADAPT AND GROW IN THE CHALLENGING CONDITIONS:

- Virtual sales meetings and adaptation of sales and marketing plans
- Continuing use and growing recognition of the benefits of Cxbladder Patient In-Home Sampling System (PIHSS)
- USA look-back study has highlighted the significant clinical utility of Cxbladder PIHSS for managing patients outside the clinic

# 1H22 COMMERCIAL PROGRESS

## REIMBURSEMENT

- Positive step change compared to 1H21 reflects increasing adoption and reimbursement from CMS from 1 July 2020

## US REMAINS PRIMARY MARKET

- US increasing as a percentage of test use and revenue. Expected to grow further as US operations and sales team are scaled up
- 30 sales reps will be 'on the ground' by end-November 2021, up from 16 employed for most of FY21

## KAISER PERMANENTE (KP)

- Focus on integrating Cxbladder into KP's electronic medical records to facilitate the 'User Experience' and drive adoption internally. Progress hampered as KP resources directed elsewhere during Covid-19 breakouts

## PIVOTAL CLINICAL EVIDENCE

- Two pivotal clinical papers highlighting the significant clinical utility provided by Cxbladder. Will further evolve how urothelial cancer is diagnosed and managed. Provides additional support in favour of inclusion in guidelines and national standards

# 1H22 FINANCIAL SNAPSHOT

## POSITIVE MOMENTUM DESPITE COVID RESTRICTIONS

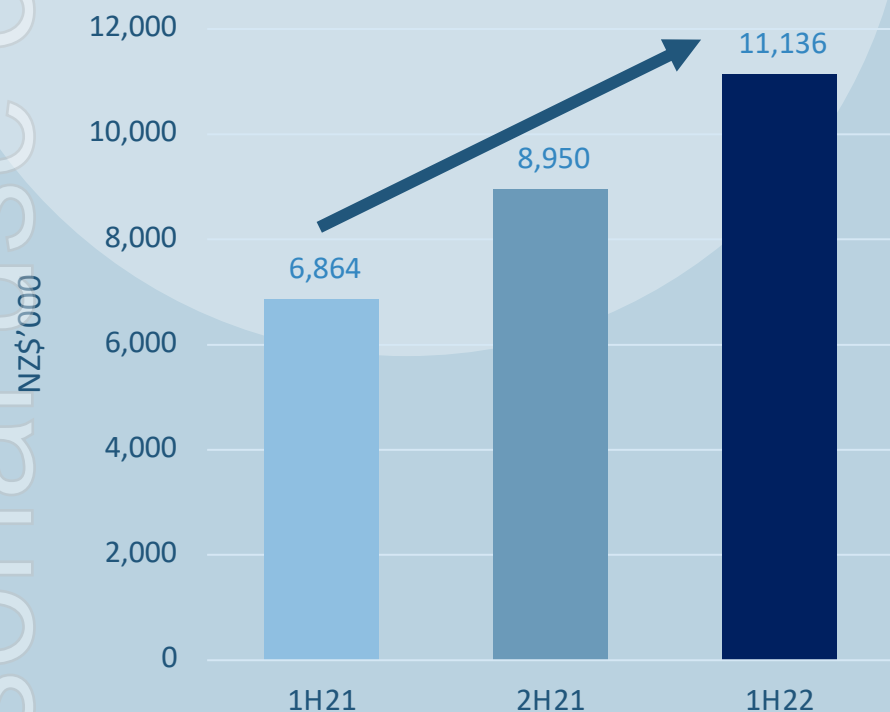
NZ\$m	1H22	1H21	% change
Total Revenue	6.7	4.1	+66%
Operating Revenue (test sales)	5.4	3.3	+62%
Operating Expenses	15.7	11.2	+41%
Net Loss After Tax	9.0	7.1	+27%
Cash Receipts from Customers	5.4	2.6	+110%
Net Operating Cash Outflow	8.6	7.7	+12%
Cash, cash equivalents and short term deposits	91.6 <sup>1</sup>	29.3	

1. Excludes proceeds of \$23.5m from the Retail Offer component of the capital raising which was received 20 October 2021

# STRONG YEAR ON YEAR GROWTH IN TEST THROUGHPUT AND SALES

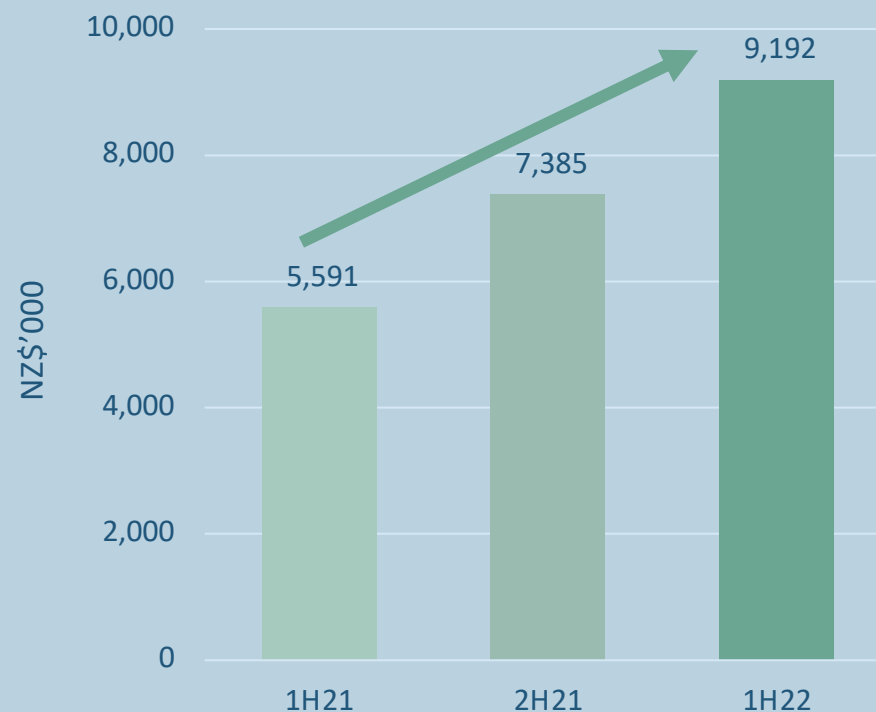
## TOTAL LABORATORY THROUGHPUT (TLT)

62% growth on 1H21



## COMMERCIAL TESTS

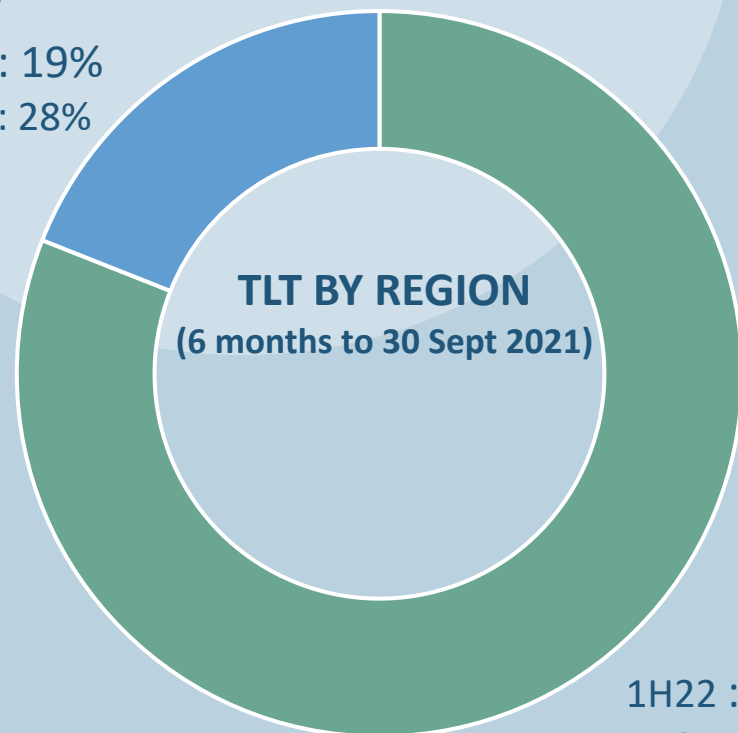
64% growth on 1H21



# TOTAL LABORATORY THROUGHPUT BY REGION AND TEST TYPE

US continues to grow in importance, up to 81% of TLT and commercial tests

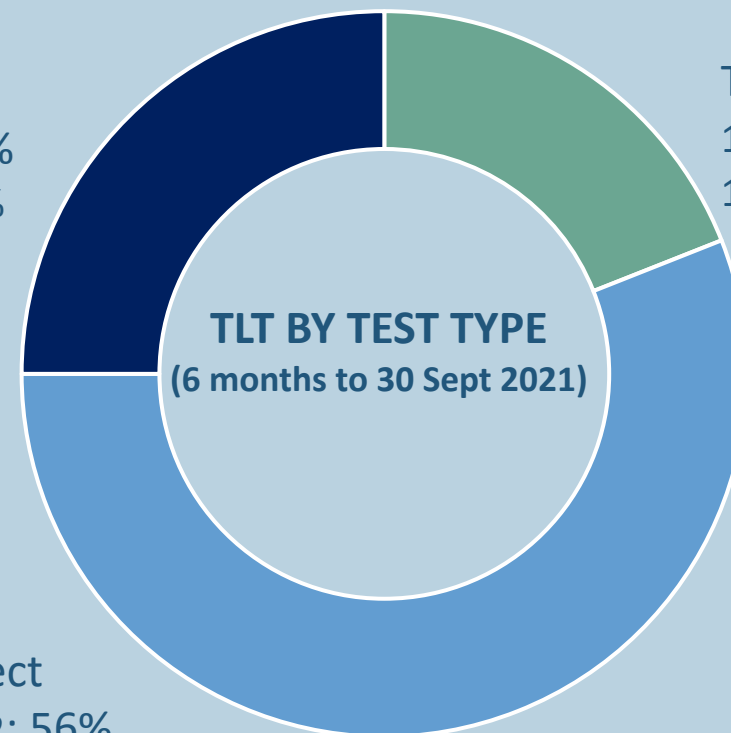
ROW  
1H22: 19%  
1H21: 28%



USA  
1H22 : 81%  
1H21 : 72%

Growth in TLT for Cxbladder Detect, led by growth in US test volumes (which are weighted towards Detect)

Monitor  
1H22: 25%  
1H21: 24%



Triage  
1H22: 19%  
1H21: 27%

Detect  
1H22: 56%  
1H21: 49%

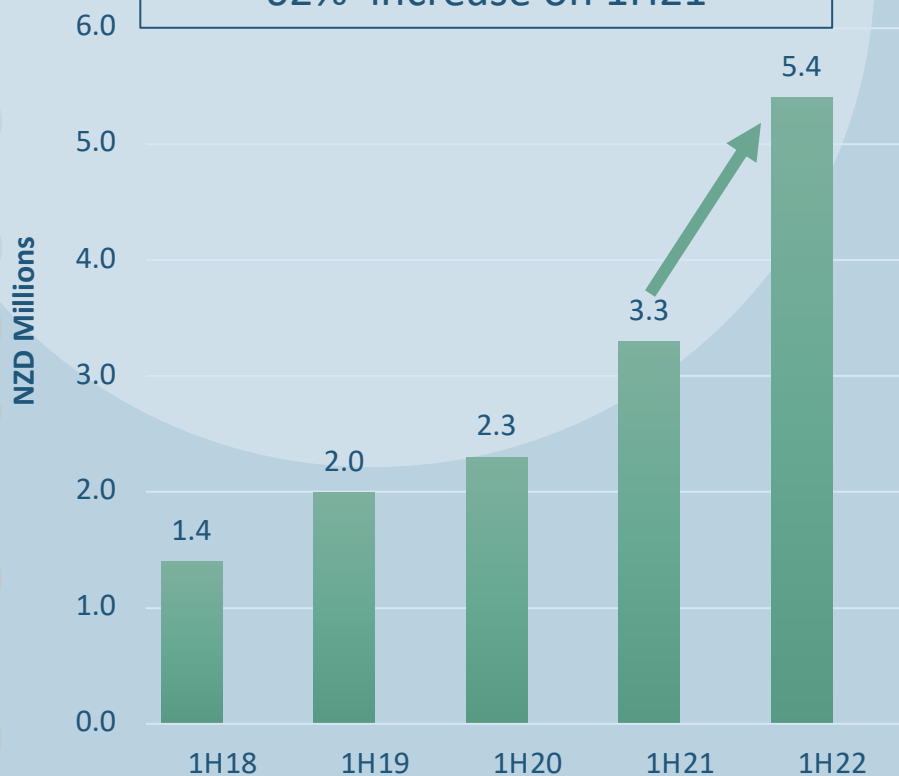
TLT: Total Laboratory Throughput. Includes all commercial and User Programme tests

# STEP CHANGE IN REVENUE GROWTH AND CASH RECEIPTS

DRIVEN BY LCD INCLUSION, AND INCREASING REIMBURSEMENT AND ADOPTION

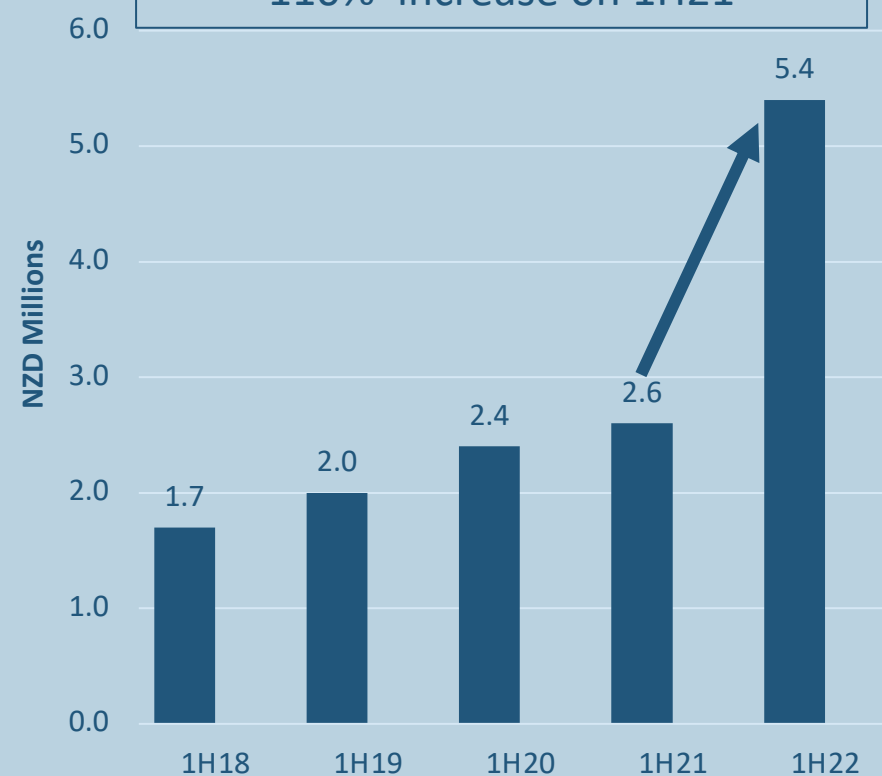
## OPERATING REVENUE

62% increase on 1H21



## CASH RECEIPTS

110% increase on 1H21



## OPERATING EXPENSES

INCREASE IN OPERATING EXPENSES DRIVEN BY INVESTMENT IN GROWTH AND ESCALATING TEST VOLUMES PROCESSED THROUGH THE LABORATORIES

(NZ\$000)	HY22	HY21	% Change
Laboratory Operations	3,076	2,540	21%
Research	2,572	2,339	10%
Sales and Marketing	6,179	3,366	84%
General and Administration	3,888	2,908	34%
<b>TOTAL</b>	<b>15,715</b>	<b>11,153</b>	<b>41%</b>

- Laboratory expenses driven by volume growth
- Research: Progress of clinical studies and patient recruitment being hampered by Covid-19
- Sales and Marketing driven by investment in US sales team (sales reps increased from 16 for most of FY21 to 28 as at 30 Sept 21), marketing and support costs.
- General and Administration uplift driven by increased people capability to support growth and ASX listing costs

# USA REMAINS OUR PRIMARY MARKET

## MOMENTUM IN US DESPITE COVID IMPACT

### USA

81% of TLT  
81% of Commercial Tests  
93% of Operating Revenue

Scaled up U.S.  
commercial  
operations  
provide capacity  
and resource to  
drive revenue  
growth

### Rest of World

19% of TLT  
19% of Commercial Tests  
7% of Operating Revenue

South East Asia

Australia

New Zealand

# POSITIVE GROWTH OUTLOOK

- Well positioned to capitalise on recent commercial milestones and as Covid-19 restrictions ease
- US remains primary focus
- Recent clinical evidence supports adoption of multiple products and Cxbladder PIHSS patient testing
- Publication of new clinical evidence will support additional US guideline inclusion and greater adoption of Cxbladder
- Continued focus on adoption by remaining NZ public healthcare providers, to take population coverage to 100%
- Southeast Asia has the potential to become a market of scale over time with an accessible population base larger than the U.S
- Australia is in the early stages of commercial take-up - opportunity to deliver sales and volume growth
- Appointment of new CEO, Dr Peter Meintjes (commencing January 2022)

## US GROWTH DRIVERS

- Strong growth in revenue and cash receipts expected from CMS and Kaiser Permanente once Covid-19 restrictions ease
- Scaled up commercial operations with 30 sales reps covering 21 sales territories will be operating by end-November 2021 (up from 22 as at 31 March 2021)
- Sales focus is on growing the commercial adoption of Cxbladder by Kaiser Permanente and other large healthcare institutions of scale, and further increasing reimbursement coverage from private payers
- U.S. commercial launch of the fourth Cxbladder test (Cxbladder Resolve) to be initiated with key customers



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# GLOSSARY

- **Commercial Tests** are those tests for which the Company is actively seeking reimbursement and cash receipts, and tests performed at no charge in order to gain new customers.
- **Total laboratory throughput (TLT)** includes commercial tests and non-commercial tests related to customer's start-up User.
- **CMS** - Centers for Medicare and Medicaid Services.
- **Medicare** – the federal health insurance programme for people who are 65 or older administered by the CMS or CMS's contractors
- **Medicare Advantage** – part of the Medicare programme. A type of Medicare health plan offered by Medicare-approved private insurance companies, rather than the federal government. Often includes policy advantages over the standard Medicare policy

The background of the slide is a laboratory setting. It features a close-up of a hand in a blue nitrile glove operating a white and grey pipette. The pipette tip is positioned over a rack of yellow-capped test tubes. In the lower foreground, another hand in a blue glove is visible, along with a green microplate. The overall scene is brightly lit, typical of a clinical or research environment.

# CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS  
ENDED 30 SEPTEMBER 2021



**PACIFIC EDGE** LTD  
CANCER DIAGNOSTICS COMPANY

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

	NOTES	UNAUDITED SEPT 2021 6 MONTHS (\$'000)	UNAUDITED SEPT 2020 6 MONTHS (\$'000)	AUDITED MARCH 2021 12 MONTHS (\$'000)
<b>REVENUE</b>				
Operating Revenue	4	5,378	3,326	7,701
<b>Total Operating Revenue</b>		<b>5,378</b>	<b>3,326</b>	<b>7,701</b>
Other Income	4	747	558	2,386
Interest Income		108	173	351
Foreign Exchange Gain		497	3	1
<b>Total Revenue and Other Income</b>		<b>6,730</b>	<b>4,060</b>	<b>10,439</b>
<b>OPERATING EXPENSES</b>				
Laboratory Operations		3,076	2,540	5,466
Research		2,572	2,339	4,584
Sales and Marketing		6,179	3,366	9,202
General and Administration		3,888	2,908	5,410
<b>Total Operating Expenses</b>	5	<b>15,715</b>	<b>11,153</b>	<b>24,662</b>
<b>NET (LOSS) BEFORE TAX</b>		<b>(8,985)</b>	<b>(7,093)</b>	<b>(14,223)</b>
Income Tax Expense		-	-	-
<b>(LOSS) FOR THE PERIOD AFTER TAX</b>		<b>(8,985)</b>	<b>(7,093)</b>	<b>(14,223)</b>
<i>Items that may be reclassified to profit or loss:</i>				
Translation of Foreign Operations		-	14	46
<b>TOTAL COMPREHENSIVE (LOSS) attributable to equity holders of the Company</b>		<b>(8,985)</b>	<b>(7,079)</b>	<b>(14,177)</b>
<b>Earnings per share for profit attributable to the equity holders of the Company during the period</b>				
Basic and Diluted Earnings per share		(0.012)	(0.010)	(0.020)

Note: These Financial Statements are to be read in conjunction with the Notes to the Financial Statements

**Consolidated Interim Financial Statements**

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

	NOTES	SHARE CAPITAL (\$'000)	ACCUMULATED LOSSES (\$'000)	SHARE BASED PAYMENTS RESERVE (\$'000)	FOREIGN CURRENCY TRANSLATION RESERVE (\$'000)	TOTAL EQUITY (\$'000)
<b>UNAUDITED 6 MONTHS TO 30 SEPT 2020</b>						
Balance as at 31 March 2020		165,423	(156,242)	4,542	781	14,504
(Loss) After Tax		-	(7,093)	-	-	(7,093)
Other Comprehensive Income		-	-	-	14	14
TOTAL COMPREHENSIVE (LOSS) attributable to equity holders of the Company		-	(7,093)	-	14	(7,079)
<i>Transactions with owners in their capacity as owners:</i>						
Issue of Share Capital	7	21,968	-	-	-	21,968
Share Based Payments - Employee Remuneration	7	284	-	-	-	284
Share Based Payments - Employee Share Options	7	348	404	38	-	790
Balance as at 30 September 2020		188,023	(162,931)	4,580	795	30,467
<b>AUDITED 12 MONTHS TO 31 MARCH 2021</b>						
Balance as at 31 March 2020		165,423	(156,242)	4,542	781	14,504
(Loss) After Tax		-	(14,223)	-	-	(14,223)
Other Comprehensive Income		-	-	-	46	46
TOTAL COMPREHENSIVE (LOSS) attributable to equity holders of the Company		-	(14,223)	-	46	(14,177)
<i>Transactions with owners in their capacity as owners:</i>						
Issue of Share Capital	7	21,962	-	-	-	21,962
Share Based Payments - Employee Remuneration	7	284	-	-	-	284
Share Based Payments - Employee Share Options	7	2,636	404	(504)	-	2,536
Balance as at 31 March 2021		190,305	(170,061)	4,038	827	25,109
<b>UNAUDITED 6 MONTHS TO 30 SEPT 2021</b>						
Balance as at 31 March 2020		190,305	(170,061)	4,038	827	25,109
(Loss) After Tax		-	(8,985)	-	-	(8,985)
Other Comprehensive Income		-	-	-	-	-
TOTAL COMPREHENSIVE (LOSS) attributable to equity holders of the Company		-	(8,985)	-	-	(8,985)
<i>Transactions with owners in their capacity as owners:</i>						
Issue of Share Capital	7	76,045	-	-	-	76,045
Share Based Payments - Employee Remuneration	7	172	-	-	-	172
Share Based Payments - Employee Share Options	7	1,175	-	(121)	-	1,054
Balance as at 30 September 2021		267,697	(179,046)	3,917	827	93,395

Note: These Financial Statements are to be read in conjunction with the Notes to the Financial Statements

## CONSOLIDATED BALANCE SHEET

AS AT 30 SEPTEMBER 2021

NOTES	UNAUDITED SEPT 2021 6 MONTHS (\$000)	UNAUDITED SEPT 2020 6 MONTHS (\$000)	AUDITED MARCH 2021 12 MONTHS (\$000)
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	80,081	6,283	4,129
Short Term Deposits	11,505	23,000	19,000
Receivables	2,978	1,656	2,866
Inventory	956	791	790
Other Assets	930	760	557
<b>Total Current Assets</b>	<b>96,450</b>	<b>32,490</b>	<b>27,342</b>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	908	664	688
Right of Use Assets	2,381	3,652	2,977
Intangible Assets	231	176	177
<b>Total Non-Current Assets</b>	<b>3,520</b>	<b>4,492</b>	<b>3,842</b>
<b>TOTAL ASSETS</b>	<b>99,970</b>	<b>36,982</b>	<b>31,184</b>
<b>CURRENT LIABILITIES</b>			
Payables and Accruals	4,227	2,136	3,197
Borrowings	-	803	-
Lease Liabilities	1,033	1,264	1,098
<b>Total Current Liabilities</b>	<b>5,260</b>	<b>4,203</b>	<b>4,295</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease Liabilities	1,315	2,312	1,780
<b>Total Non-Current Liabilities</b>	<b>1,315</b>	<b>2,312</b>	<b>1,780</b>
<b>TOTAL LIABILITIES</b>	<b>6,575</b>	<b>6,515</b>	<b>6,075</b>
<b>NET ASSETS</b>	<b>93,395</b>	<b>30,467</b>	<b>25,109</b>
Represented by:			
<b>EQUITY</b>			
Share Capital	7 267,697	188,023	190,305
Accumulated Losses	(179,046)	(162,931)	(170,061)
Share Based Payments Reserve	3,917	4,580	4,038
Foreign Translation Reserve	827	795	827
<b>TOTAL EQUITY</b>	<b>93,395</b>	<b>30,467</b>	<b>25,109</b>
<b>FURTHER INFORMATION</b>			
Net Tangible Assets per share (\$)	15 0.118	0.042	0.034

For and on behalf of the Board of Directors

Director

Dated 24th day of November 2021

Director

Note: These Financial Statements are to be read in conjunction with the Notes to the Financial Statements

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

NOTES	UNAUDITED SEPT 2021 6 MONTHS (\$000)	UNAUDITED SEPT 2020 6 MONTHS (\$000)	AUDITED MARCH 2021 12 MONTHS (\$000)
<b>CASH FLOWS TO OPERATING ACTIVITIES</b>			
Cash was provided from:			
Receipts from Customers	5,370	2,553	6,747
Receipts from Grant Providers	469	277	1,059
Interest Received	242	183	271
	6,081	3,013	8,077
Cash was disbursed to:			
Payments to Suppliers and Employees	14,683	10,739	21,643
Net GST cash outflow (inflow)	14	(47)	4
	14,697	10,692	21,647
<b>Net Cash Flows (To) Operating Activities</b>	<b>8</b>	<b>(8,616)</b>	<b>(13,570)</b>
<b>NET CASH FLOWS FROM / (TO) INVESTING ACTIVITIES</b>			
Cash was provided from:			
Proceeds from Short Term Deposits	17,000	13,029	23,081
	17,000	13,029	23,081
Cash was disbursed to:			
Purchase of Short Term Deposits	9,505	23,000	29,052
Capital Expenditure on Plant and Equipment	298	140	270
Capital Expenditure on Intangible Assets	108	42	108
	9,911	23,182	29,430
<b>Net Cash Flows From / (To) Investing Activities</b>	<b>7,089</b>	<b>(10,153)</b>	<b>(6,349)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Cash was received from:			
Proceeds from Borrowings	-	803	-
Ordinary Shares Issued	7 80,000	22,204	22,000
Exercising of Share Options	657	-	1,500
	80,657	23,007	23,500
Cash was disbursed to:			
Repayment of Leases	575	654	1,250
Issue Expenses	7 3,099	32	38
	3,674	686	1,288
<b>Net Cash Flows From Financing Activities</b>	<b>76,983</b>	<b>22,321</b>	<b>22,212</b>
<b>Net Increase (Decrease) in Cash Held</b>	<b>75,456</b>	<b>4,489</b>	<b>2,293</b>
Add Opening Cash Brought Forward	4,129	1,755	1,755
Effect of exchange rate changes on net cash	496	39	81
<b>Ending Cash Carried Forward</b>	<b>80,081</b>	<b>6,283</b>	<b>4,129</b>

Note: These Financial Statements are to be read in conjunction with the Notes to the Financial Statements

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

### 1. SUMMARY OF ACCOUNTING POLICIES

The unaudited consolidated interim financial statements ("Interim Financial Statements") presented are those of Pacific Edge Limited ("Company") and its subsidiaries ("Group"). The Company is registered and domiciled in New Zealand for the purpose of developing and commercialising new diagnostic and prognostic tools for the early detection and management of cancers. Pacific Edge Diagnostics New Zealand Limited and Pacific Edge Diagnostics USA Limited manage and operate the laboratories used for the detection of bladder cancer. Pacific Edge (Australia) Pty Limited's purpose is to research and develop the Cxbladder products and other prognostic tools. Pacific Edge Diagnostics Singapore Pte Limited's purpose is sales and marketing of bladder cancer products and assisting with research and development. Pacific Edge Analytical Services Limited is a dormant entity.

The Company is a for profit entity, registered in New Zealand under the Companies Act 1993 and is a reporting entity for the purposes of the Financial Markets Conduct Act 2013. The Company is dual listed, with its primary listing of ordinary shares quoted in New Zealand on the NZX Main Board, and a secondary listing in Australia as a Foreign Exempt Entity on the ASX.

#### a) Basis of Preparation of Financial Statements

The Interim Financial Statements for the six months ended 30 September 2021 have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (GAAP) and the Financial Markets Conduct Act 2013. They comply with the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and other guidance as issued by the External Reporting Board, as appropriate for profit entities, and with International Financial Reporting Standards.

The Interim Financial Statements have been prepared in accordance with NZ IAS 34 - Interim Financial Reporting. In complying with NZ IAS 34, these consolidated Interim Financial Statements also comply with IAS 34 - Interim Financial Reporting and should be read in conjunction with the Company's 2021 Annual Report. The Interim Financial Statements for the six months ended 30 September 2021 are unaudited. Comparative balances for 30 September 2020 are unaudited, whilst the comparative balances for 31 March 2021 are audited.

The Interim Financial Statements are prepared on the basis of historical cost, except where otherwise identified. The presentational currency used in the preparation of the financial statements is New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000).

#### b) Accounting Policies and Accounting Estimates

All significant accounting policies have been applied on a basis consistent with those used in the audited financial statements of Pacific Edge Limited for the year ended 31 March 2021.

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

The Interim Financial Statements were authorised by the Board of Directors on 24th November 2021. The Annual Financial Statements for the year ended 31 March 2021 were authorised by the Board of Directors on 26th May 2021.

### c) Audit

The Interim Financial Statements have not been audited. The comparative full year financial results for the year ended 31 March 2021 have been audited.

### d) Basis of Consolidation

The following entities and the basis of their inclusion for consolidation in these Interim Financial Statements are as follows:

Name of Subsidiary	Place of Incorporation (or registration) and Operation	Principal Activity	Ownership Interests & Voting Rights	
			30 Sept 2021 (%)	30 Sept 2020 (%)
Pacific Edge Diagnostics New Zealand Limited	New Zealand	Commercial Laboratory Operation	100	100
Pacific Edge (Australia) Pty Limited	Australia	Biotechnology Research & Development	100	100
Pacific Edge Diagnostics USA Limited	USA	Commercial Laboratory Operation	100	100
Pacific Edge Diagnostics Singapore Pte Limited	Singapore	Commercial Sales and Research & Development	100	100
Pacific Edge Analytical Services Limited	New Zealand	Dormant Company	100	100

## 2. INVESTMENT AND ADVANCES IN SUBSIDIARIES

The consolidated Interim Financial Statements incorporate the assets and liabilities and results of Pacific Edge Diagnostics New Zealand Limited, Pacific Edge (Australia) Pty Limited, Pacific Edge Diagnostics USA Limited, Pacific Edge Diagnostics Singapore Pte Limited and Pacific Edge Analytical Services Limited, all of which are 100% owned by the Company.

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

## 3. DIVIDENDS

The Company does not propose to pay dividends to shareholders similar to previous years. This policy continues.

## 4. REVENUE AND OTHER INCOME

	Unaudited Sept 2021 6 Months (\$000)	Unaudited Sept 2020 6 Months (\$000)	Audited March 2021 12 Months (\$000)
<b>Cxbladder Sales</b>			
- US	4,982	2,906	6,888
- Rest of World	396	420	813
<b>Total Operating Revenue</b>	<b>5,378</b>	<b>3,326</b>	<b>7,701</b>
<b>Other Income</b>			
Grant Revenue	295	-	322
Research Rebate	452	255	952
Covid-19 Support	-	303	1,112
<b>Total Other Income</b>	<b>747</b>	<b>558</b>	<b>2,386</b>

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

## 5. OPERATING EXPENSES

The note below highlights total expenses shown within total operating expenses. These items are then split across functions laboratory, research, sales and marketing and general and administration as reported in the annual report.

	Unaudited Sept 2021 6 Months (\$000)	Unaudited Sept 2020 6 Months (\$000)	Audited March 2021 12 Months (\$000)
<b>Operating Expenses</b>			
Amortisation	54	44	109
Auditors Remuneration*			
- Group year end financial statements	80	68	155
- Half year review of financial statements	27	29	29
- Foreign statutory financial statements	12	6	23
<b>Total Auditors Remuneration</b>	<b>119</b>	<b>103</b>	<b>207</b>
Consultants and Contractors	400	355	874
Depreciation	127	106	188
Depreciation on Right of Use Assets	526	569	1,073
Directors Fees	186	151	278
Employee Benefits	6,770	4,376	11,228
Employee Share Scheme Expenses	172	284	284
Employee Share Options	397	585	1,036
Interest on Lease Liabilities	69	37	104
NZX / ASX / Registry Fees	806	64	122
Rental and Lease Expense	28	19	34
Other Operating Expenses	6,061	4,460	9,125
<b>Total Operating Expenses</b>	<b>15,715</b>	<b>11,153</b>	<b>24,662</b>

\*In addition to the Auditors Remuneration in the Operating Expenses, NZ\$42,000 was paid to PWC Australia for the review of the proforma financials related to the ASX Listing and Capital Raise and has been included in Issue Expenses within Share Capital.

## Employee Share Scheme

Employee Share Scheme Expenses are a non-cash expense. These relate to shares issued to employees in lieu of cash bonuses.

## Employee Share Options

Employee Share Options are a non-cash expense. Refer to Note 8 of the Annual Report for details of the accounting policy for Employee Share Schemes.

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

## Other Operating Expenses

The major categories of expenditure which make up operating expenses, but are not disclosed separately above: Laboratory costs, Information Technology costs, Compliance and Regulatory costs and Investor Relations costs.

## 6. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer who makes strategic decisions.

There are two operating segments at balance date:

- 1. Commercial:** The sales, marketing, laboratory and support operations to run the commercial businesses worldwide.
- 2. Research:** The research and development of diagnostic and prognostic products for human cancer.

The reportable operating segment Commercial derives its revenue primarily from sales of Cxbladder tests and the reportable operating segment Research derives its revenue primarily from grant income. The Chief Executive Officer assesses the performance of the operating segments based on net (loss) for the period.

Segment income, expenses and profitability are presented on a gross basis excluding inter-segment eliminations to best represent the performance of each segment operating as independent business units. The segment information provided to the Chief Executive Officer for the reportable segment described above, for the six months ended 30 September 2021, is shown on the following page.

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

Unaudited 6 Months to 30 September 2021	Commercial (\$'000)	Research (\$'000)	Less: Eliminations (\$'000)	Total (\$'000)
<b>Income</b>				
Operating Revenue - External	5,378	-	-	5,378
- Internal	-	-	-	-
Other Income	239	1,034	(526)	747
Interest Income	1	107	-	108
Foreign Exchange Gain	-	497	-	497
<b>Total Income</b>	<b>5,618</b>	<b>1,638</b>	<b>(526)</b>	<b>6,730</b>
<b>Expenses</b>				
Expenses	9,137	6,396	(526)	15,007
Depreciation & Amortisation	481	227	-	708
<b>Total Operating Expenses</b>	<b>9,618</b>	<b>6,623</b>	<b>(526)</b>	<b>15,715</b>
<b>Loss Before Tax</b>	<b>(4,000)</b>	<b>(4,985)</b>	<b>-</b>	<b>(8,985)</b>
Income Tax Expense	-	-	-	-
<b>Loss After Tax</b>	<b>(4,000)</b>	<b>(4,985)</b>	<b>-</b>	<b>(8,985)</b>
<b>Net Cash Flow to Operating Activities</b>	<b>(3,393)</b>	<b>(5,223)</b>	<b>-</b>	<b>(8,616)</b>

Audited 12 Months to 31 March 2021	Commercial (\$'000)	Research (\$'000)	Less: Eliminations (\$'000)	Total (\$'000)
<b>Income</b>				
Operating Revenue - External	7,701	-	-	7,701
- Internal	-	-	-	-
Other Income	1,224	2,130	(968)	2,386
Interest Income	1	350	-	351
Foreign Exchange Gain	3	(2)	-	1
<b>Total Income</b>	<b>8,929</b>	<b>2,478</b>	<b>(968)</b>	<b>10,439</b>
<b>Expenses</b>				
Expenses	14,529	9,730	(968)	23,291
Depreciation & Amortisation	934	437	-	1,371
<b>Total Operating Expenses</b>	<b>15,463</b>	<b>10,167</b>	<b>(968)</b>	<b>24,662</b>
<b>Loss Before Tax</b>	<b>(6,534)</b>	<b>(7,689)</b>	<b>-</b>	<b>(14,223)</b>
Income Tax Expense	-	-	-	-
<b>Loss After Tax</b>	<b>(6,534)</b>	<b>(7,689)</b>	<b>-</b>	<b>(14,223)</b>
<b>Net Cash Flow to Operating Activities</b>	<b>(6,438)</b>	<b>(7,132)</b>	<b>-</b>	<b>(13,570)</b>

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

Unaudited 6 Months to 30 September 2020	Commercial (\$'000)	Research (\$'000)	Less: Eliminations (\$'000)	Total (\$'000)
<b>Income</b>				
Operating Revenue - External	3,326	-	-	3,326
- Internal	-	-	-	-
Other Income	151	806	(399)	558
Interest Income	-	173	-	173
Foreign Exchange Gain	2	1	-	3
<b>Total Income</b>	<b>3,479</b>	<b>980</b>	<b>(399)</b>	<b>4,060</b>
<b>Expenses</b>				
Expenses	5,866	4,967	(399)	10,434
Depreciation & Amortisation	503	216	-	719
<b>Total Operating Expenses</b>	<b>6,369</b>	<b>5,183</b>	<b>(399)</b>	<b>11,153</b>
<b>Loss Before Tax</b>	<b>(2,890)</b>	<b>(4,203)</b>	<b>-</b>	<b>(7,093)</b>
Income Tax Expense	-	-	-	-
<b>Loss After Tax</b>	<b>(2,890)</b>	<b>(4,203)</b>	<b>-</b>	<b>(7,093)</b>
<b>Net Cash Flow to Operating Activities</b>	<b>(4,053)</b>	<b>(3,626)</b>	<b>-</b>	<b>(7,679)</b>

## Eliminations

These are the intercompany transactions between the subsidiaries and the Parent.  
These are eliminated on consolidation of Group results.

## Total Laboratory Throughput

Unaudited	Commercial (#tests)	Research (#tests)	Total (#tests)
Six months ended 30 September 2021	9,192	1,944	11,136
Twelve months ended 31 March 2021	12,976	2,838	15,814
Six months ended 30 September 2020	5,591	1,273	6,864

Laboratory Throughput is a key metric for the Group: Laboratory Throughput provides evidence of the usage of Cxbladder products globally and the rates of adoption between different customer segments. Total Laboratory Throughput includes commercial tests, which are invoiced to customers, and research tests which are not considered to be billable as these tests relate to user programs or other non-chargeable activities.

Commercial test numbers are also a key metric for the Group: Commercial Tests are those tests for which the Company is actively seeking reimbursement and cash receipts, and tests performed at no charge in order to gain new customers.

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

## Segment Assets and Liabilities Information

Unaudited 6 Months to 30 September 2021	Commercial (\$'000)	Research (\$'000)	Total (\$'000)
Total Assets	5,529	94,441	99,970
Total Liabilities	4,073	2,502	6,575

Audited 12 Months to 31 March 2021	Commercial (\$'000)	Research (\$'000)	Total (\$'000)
Total Assets	5,477	25,707	31,184
Total Liabilities	4,529	1,546	6,075

As at 30 September 2020	Commercial (\$'000)	Research (\$'000)	Total (\$'000)
Total Assets	5,805	31,177	36,982
Total Liabilities	4,895	1,620	6,515

## Additions to non-current assets for the period include

	Commercial (\$'000)	Research (\$'000)	Total (\$'000)
Property, Plant & Equipment	200	145	345
Right of Use Assets	-	-	-
Intangible Assets	61	47	108
<b>Total Additions to Non-Current Assets</b>	<b>261</b>	<b>192</b>	<b>453</b>

The amounts provided to the Chief Executive Officer with respect to total assets and total liabilities are measured in a manner consistent with that of the financial statements. These assets and liabilities are allocated based on the operation of the segment and the physical location of the asset.

There are no unallocated assets or liabilities.

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

## Geographic Split of Revenue and Non-Current Assets

The Group generates most of the operating revenue from Commercial tests from the US and New Zealand, and also receives other revenue from the US, Australia, Singapore and New Zealand. Rest of World consists of Revenue from Australia and Singapore.

	Unaudited Sept 2021 6 Months (\$000)	Unaudited Sept 2020 6 Months (\$000)	Audited March 2021 12 Months (\$000)
<b>Operating and Other Revenue</b>			
US	4,982	2,906	7,677
New Zealand	915	585	2,133
Rest of World	228	394	277
<b>Total Operating and Other Revenue</b>	<b>6,125</b>	<b>3,884</b>	<b>10,087</b>

The US accounted for 53% of non-current assets (September 2020: 60% and March 2021: 57%). Non-current assets located in New Zealand accounted for 47% of the Group's total (September 2020: 39% and March 2021: 42%) with Rest of World consisting of non-current assets in Australia and Singapore, holding 0% of the Group's total (September 2020: 1% and March 2021: 1%).

	Unaudited Sept 2021 6 Months (\$000)	Unaudited Sept 2020 6 Months (\$000)	Audited March 2021 12 Months (\$000)
<b>Non-Current Assets</b>			
US	1,866	2,702	2,201
New Zealand	1,649	1,736	1,618
Rest of World	5	54	23
<b>Total Non-Current Assets</b>	<b>3,520</b>	<b>4,492</b>	<b>3,842</b>

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

## 7. SHARE CAPITAL

	Sept 2021 Shares 6 Months Shares (000)	Unaudited Sept 2021 6 Months (\$000)	Unaudited Sept 2020 6 Months (\$000)	Audited March 2021 12 Months (\$000)
<b>Opening Balance</b>	<b>727,779</b>	<b>190,305</b>	<b>165,423</b>	<b>165,423</b>
Issue of Ordinary Shares - Placement <sup>1</sup>	59,259	80,000	22,000	22,000
Issue of Ordinary Shares - Exercise of Share Options <sup>2</sup>	1,308	1,175	348	2,636
Issue of Ordinary Shares - Employee Remuneration <sup>3</sup>	123	172	284	284
Less: Issue Expenses	-	(3,955)	(32)	(38)
<b>Movement</b>	<b>60,690</b>	<b>77,392</b>	<b>22,600</b>	<b>24,882</b>
<b>Closing Balance</b>	<b>788,469</b>	<b>267,697</b>	<b>188,023</b>	<b>190,305</b>

<sup>1</sup> During the period 59,259,259 shares were issued under placements at \$1.35 per share. (September 2020 and March 2021: 33,846,154 at \$0.65)

<sup>2</sup> During the period 1,307,501 share options were exercised at an average price of \$0.50 per share (Six months to September 2020: 619,999 at an average price of \$0.33: Twelve months to March 2021: 3,635,835 at an average price of \$0.41)

<sup>3</sup> During the period 123,086 shares were issued as part of employees remuneration in lieu of cash payments at an average price of \$1.40 per share. (Six months to September 2020 and Twelve months to March 2021: 645,182 at \$0.44)

There are 788,469,244 (September 2020: 724,763,562 and March 2021: 727,779,398) ordinary shares on issue.

All fully paid shares in the Company have equal voting rights and equal rights to dividends. All Ordinary Shares are fully paid and have no par value.

On the 23rd September 2021, the Group announced a capital raise to accelerate growth, consisting of a Placement via an institutional bookbuild, which was to be followed by a Retail Offer.

The Placement via the institutional bookbuild was successfully completed with settlement occurring on the 29th and 30th September 2021. The Placement raised \$80m of capital at an issue price of \$1.35. The Cash and Cash Equivalents and Short Term Deposits in the Balance Sheet as at 30 September 2021 incorporates the proceeds of the Placement.

The Retail Offer was opened on the 28th September 2021, and closed on the 13th October 2021. The Group raised a further \$23.487m capital via the Retail Offer, with 17,389,099 shares allotted at \$1.35 on the 20th October 2021. The proceeds of the Retail Offer have not been included in the Balance Sheet as at 30 September 2021, and have been included as a note in 12. Subsequent Events.

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

## 8. RECONCILIATION OF CASH USED FROM OPERATING ACTIVITIES WITH OPERATING NET LOSS

	Unaudited Sept 2021 6 Months (\$000)	Unaudited Sept 2020 6 Months (\$000)	Audited March 2021 12 Months (\$000)
Net Loss for the Period	(8,985)	(7,093)	(14,223)
<b>Add Non Cash Items:</b>			
Depreciation	127	106	189
Loss on disposal of Property, Plant and Equipment	-	-	13
Amortisation	54	44	110
Employee Share Options	397	585	1,035
Employee bonuses paid in shares in lieu of cash	172	284	284
Depreciation on right of use assets	526	569	1,073
Interest on finance leases shown in lease repayments	69	37	103
<b>Total Non Cash Items</b>	<b>1,345</b>	<b>1,625</b>	<b>2,807</b>
<b>Add Movements in Other Working Capital items:</b>			
(Increase) in Receivables and Other Assets	(484)	(1,081)	(2,088)
(Increase) / Decrease in Inventory	(166)	6	6
Increase/(Decrease) in Payables and Accruals	172	(1,133)	(71)
Effect of exchange rates on net cash	(498)	(3)	(1)
<b>Total Movement in Other Working Capital</b>	<b>(976)</b>	<b>(2,211)</b>	<b>(2,154)</b>
<b>Net Cash Flows to Operating Activities</b>	<b>(8,616)</b>	<b>(7,679)</b>	<b>(13,570)</b>

## 9. CONTINGENT LIABILITIES

There were no known contingent liabilities at 30 September 2021 (March 2021: Nil and September 2020: Nil). The Company and Group have not granted any securities in respect of liabilities payable by any other party whatsoever.

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

## 10. UNRECOGNISED REVENUE

Approximately 40% of Cxbladder tests performed by the Group in the US up to 30th June 2020 relate to patients covered by the Centers for Medicare and Medicaid Services (CMS). The Group invoiced CMS for test performed for all patients with CMS coverage, however no revenue from these tests has been recognised.

On 3rd July 2020 the Company received a positive coverage decision from CMS, which results in the Company receiving reimbursement for all Cxbladder Monitor and Detect tests performed after 1 July 2020 for patients covered by the (CMS) across the US that are deemed medically necessary. Reimbursement for these tests is at the already determined national CMS price for Cxbladder of US\$760 per test.

The Company has commenced discussions with Novitas Solutions Inc who administer the health insurance for the Centers for Medicare & Medicaid CMS seeking reimbursement for tests performed prior to 30 June 2020 for patients covered by the CMS.

Tests performed prior to 30 June 2020 for CMS total 22,634.

No revenue has been recognised for these tests as they do not meet the definition of revenue as per IFRS 15 - Revenue from Contracts with Customers, as there is no certainty of any reimbursement on any of these tests performed prior to 30 June 2020, and there is no ability to reliably estimate the level of consideration that would be received if agreement can be reached with Novitas Solutions Inc over these previously performed tests.

## 11. CAPITAL COMMITMENTS

There are no capital commitments at 30 September 2021 (September 2020: Nil and March 2021: Nil).

## 12. SUBSEQUENT EVENTS

The Retail Offer of the capital raise detailed in Note 7. Share Capital was opened on the 28th September 2021, and closed on the 13th October 2021. The Group raised a further \$23.487m capital via the Retail Offer, with 17,389,099 shares allotted at \$1.35 on the 20th October 2021. Proceeds of the Retail Offer have not been included in the Balance Sheet as at 30 September 2021.

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

## 13. THE IMPACT OF COVID-19

Covid-19 continues to have an impact on the throughput, revenue and expenses of the Group.

In the markets the Group operates in, measures have been employed by Governments in an attempt to limit the spread of the virus. This has restricted the ability for people to visit clinics and have tests performed for the occurrence of bladder cancer. This resulted in reduced throughput quantities for the group for the twelve months ended 31 March 2021. While throughput quantities have increased in six months to 30 September 2021 (up 62% on the prior corresponding six months ended 30 September 2020, and up 24% on the previous six months ended 31 March 2021) the markets we operate in are still feeling the effects of Covid-19, which is impacting the rate at which the Group can grow.

Offsetting the reduced access to urologists has been the increased adoption of the unique in-home sampling system which allows patients to perform tests at home, with the results provided to their urologist.

## 14. RELATED PARTIES

Details of all related party relationships have been disclosed in the annual report for the year ended 31 March 2021. No significant new transactions with Directors or Key Management Personnel occurred that would be considered a related party.

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

## 15. NET TANGIBLE ASSETS

## Accounting Policy

Net Tangible Assets per share is a non-GAAP measure that is required to be disclosed by the NZX Listing Rules. The calculation of the Group's Net Tangible Assets per share and its reconciliation to the consolidated balance sheet is presented below.

	Unaudited Sept 2021 6 Months (\$000)	Unaudited Sept 2020 6 Months (\$000)	Audited March 2021 12 Months (\$000)
Total Assets	99,970	36,982	31,184
Less Intangible Assets	231	176	177
Less Total Liabilities	6,575	6,515	6,075
<b>Net Tangible Assets</b>	<b>93,164</b>	<b>30,291</b>	<b>24,932</b>
Number of Shares Issued (000's)	788,469	724,764	727,779
<b>Net Tangible Assets per share</b>	<b>\$0.118</b>	<b>\$0.042</b>	<b>\$0.034</b>

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CANCER DIAGNOSTICS COMPANY

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## Results announcement

(for Equity Security issuer/Equity and Debt Security issuer)

Updated as at 17 October 2019

Results for announcement to the market		
Name of issuer	Pacific Edge Limited	
Reporting Period	6 months to 30 September 2021	
Previous Reporting Period	6 months to 30 September 2020	
Currency	NZD	
	Amount (000s)	Percentage change
Revenue from continuing operations	Operating revenue \$5,378 Other income \$1,352	Operating revenue 62% increase Other income 84% increase
Total Revenue	\$6,730	66%
Net profit/(loss) from continuing operations	(\$8,985)	27% increase in loss
Total net profit/(loss)	(\$8,985)	27% increase in loss
Interim/Final Dividend		
Amount per Quoted Equity Security	The Company does not propose to pay dividends to shareholders	
Imputed amount per Quoted Equity Security	Not applicable	
Record Date	Not applicable	
Dividend Payment Date	Not applicable	
	Current period	Prior comparable period
Net tangible assets per Quoted Equity Security	\$0.118	\$0.042
A brief explanation of any of the figures above necessary to enable the figures to be understood	For commentary on the results, please refer to the commentary in the released NZX release. Further information is also set out in the unaudited financial statements of the Company for the 6 months to 30 September 2021 which accompany this information.	
Authority for this announcement		
Name of person authorised to make this announcement	Grant Gibson, Chief Financial Officer	
Contact person for this announcement	Grant Gibson	
Contact phone number	03 479 8510	
Contact email address	grant.gibson@pelnz.com	
Date of release through MAP	25 November 2021	

Unaudited financial statements accompany this announcement.