



PACIFIC EDGE
CANCER DIAGNOSTICS COMPANY

17 ANNUAL REVIEW

FOR THE
YEAR ENDED
31 MARCH 2017

Dear Shareholder

The 2017 financial year was one of positive progress for Pacific Edge as we continued to execute our commercial strategy. We are gaining traction in all our markets, with increasing adoption and coverage from private and public healthcare organisations and insurers.

Our overarching goal remains the same - to establish Pacific Edge and Cxbladder as the world's leading molecular diagnostic technology for the detection and management of urothelial cancer and maximise the value of our technology for the benefit of our shareholders.

Our long standing market of significance has been the United States, the world's largest healthcare market. Over the years, substantial investment has been made in establishing our business in the US, in terms of people, laboratory facilities and clinical validation of our products. We now have a strong platform on which to build our revenues and cash flow. Our progress in the US market has been well supported by success in our other markets in New Zealand, Australia and now Singapore.

We continue to capitalise on the investment we have made into our targeted markets, particularly the US. While in some cases, this has taken longer than anticipated due to factors outside of our control, good progress is being made, with a number of achievements in the past year setting us up well for the future.

We offer disruptive products and are striving to change long established and entrenched clinical practices, particularly in the US. To the extent that we can control the speed of this change, we are doing so. While challenging, the potential prize remains very attractive for our company and our shareholders.

Pacific Edge continues to build momentum - more clinicians are adopting our products, more healthcare funding organisations and insurers are recognising the value our products provide in a world of limited healthcare resources, and more patients are benefitting from our Cxbladder tests.

We are making strong commercial progress and expect to see sales continue to grow in FY18 as our targeted large scale organisations transition into commercial customers and build significant sales volume. A summary of our achievements can be seen over the page.

On behalf of the Board, we are pleased to present the Pacific Edge Annual Report for the year ended 31 March 2017. You can view this on our website www.pacificedgedx.com.

Chris Gallaher
Chairman

David Darling
Chief Executive Officer

OUR YEAR AT A GLANCE

ACHIEVEMENTS AND SIGNIFICANT EVENTS

Significant Progress Achieved with Large Scale Customers

- Identified and commenced commercial activity with targeted Veterans Administration (VA) sites in the US, following award of Federal Supply Schedule and contract price.
- Confirmed as approved provider to TRICARE Health Plan Network for active US military.
- Successful completion of the large, blinded User Programme with Kaiser Permanente, with positive and compelling results in line with peer-reviewed clinical publication data.
- Progressing with the process to gain a Local Coverage Determination (LCD) from the Centers for Medicare and Medicaid (CMS) to enable reimbursement for Medicare patients.

Increasing Adoption by Healthcare Providers and Insurers

- Private insurance coverage with two large Australasian private insurance payers.
- Added to Standard of Care with two NZ public healthcare providers - Waitemata DHB and Canterbury DHB.

Multiple Clinical Studies and Papers Validating the Superior Performance of Cxbladder

- Presentation of positive Cxbladder Monitor study by Key Opinion Leader, Dr Yair Lotan, at American Urological Association 2016 Conference.
- Publication of peer reviewed papers in The Journal of Urology, Urologic Oncology and Advances in Therapy with follow-on recognition in key industry publications.

Expanded Suite of Cxbladder Tests in Our Markets

- Official launch of Cxbladder Monitor in the US in December 2016.
- Launch of Cxbladder Resolve in New Zealand in December 2016.
- Increased focus on marketing, particularly online, including lead sponsorship of the bladder cancer patient community, www.bladdercancer.me

Support for Investment into Growth

- Received an additional grant of up to \$3m over three years, from Callaghan Innovation, to supplement Pacific Edge's investment into further research and development.
- Completion of successful \$8.75m institutional share placement.

Governance

- Appointment of David Levison as Director and Chris Gallaher as Director and Chairman.
- Charles Sitch and Chris Swann stepped down from the Board.

FINANCIAL SNAPSHOT

62% INCREASE IN OPERATING REVENUE TO \$8.1M

TOTAL REVENUE UP 33% TO \$9.5M

OPERATING EXPENSES \$24.3M

(Excludes Other Non-Cash Operating Expenses)

Comparable to previous year (\$22.9m)

OTHER NON-CASH OPERATING EXPENSES \$6.2M

Relating to conversion of employee equity scheme and write off and provision for bad debts

OPERATING LOSS \$14.9M, 4% DOWN ON PREVIOUS YEAR

Excluding Other Expenses

CASH AND CASH EQUIVALENTS OF \$14.6M

as at 31 March 2017

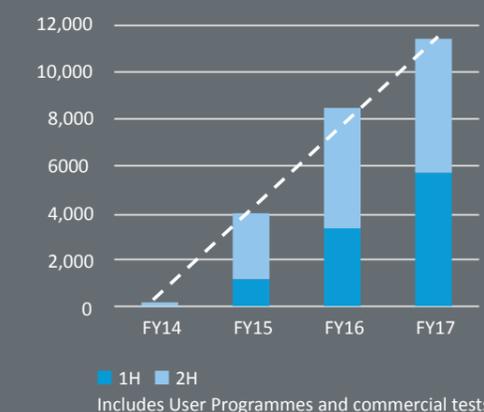
For further detail, please see Understanding Our US Revenue and the Financial Statements in the Pacific Edge 2017 Annual Report.

REVENUE



LABORATORY THROUGHPUT

35% increase in test throughput compared to the previous year



OUR GROWTH STRATEGY

We are targeting high growth by developing more products and building sales in an increasing number of our targeted markets.

MORE PRODUCTS



Develop a suite of Cxbladder bladder cancer diagnostic tests

Protect our Intellectual Property over other types of cancer where we have the opportunity to develop specific diagnostic tests

MORE MARKETS



Drive revenue growth in existing markets - NZ, Australia and United States

Geographical growth into new markets - South East Asia, Japan and rest of the world

MORE CHANNELS



Enable access to our products through direct to consumer, e-commerce, healthcare providers and corporate customers

MORE CUSTOMERS



Physicians - urologists and GPs

Patients

Healthcare providers and insurance payers

Public and private healthcare and clinical organisations



PACIFIC EDGE LTD
CANCER DIAGNOSTICS COMPANY

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KEY DATES

End of Financial Year	31 March
Full Year Results	By 30 May
Annual Report	By 30 June
2017 Annual Meeting	24 August 2017
End of Half Year	30 September
Interim Results	By 30 November
Interim Report	By 31 December