PACIFIC EDGE LTD
CANCER DIAGNOSTICS COMPANY

ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2024

PACIFIC EDGE LIMITED ANNUAL REPORT 2024

Pacific Edge Limited is a global cancer diagnostics company leading the way in the development and commercialisation of bladder cancer diagnostic and prognostic tests for patients presenting with hematuria for surveillance of recurrent disease. Headquartered in Dunedin, New Zealand, with shares listed on the NZX and the ASX under the ticker code PEB, the company provides its suite of Cxbladder tests globally through its wholly owned, and CLIA certified, laboratories in New Zealand and the USA.

This report provides a summary review of Pacific Edge's operational and financial performance for the year to 31 March 2024. It should be read in conjunction with the company's financial statements on pages 70 to 103 of this report.

Throughout this report we have focused on what we believe matters most to our stakeholders and our business. Our aim is to provide easily understood, transparent and engaging disclosures for our shareholders that describe our business, what we do and why we do it.

The information in this report has been compiled in accordance with relevant law, rules, and corporate governance recommendations for investor reporting. Financial information has been prepared in accordance with appropriate accounting standards and the consolidated financial statements have been audited by PwC.

This report, including the commentary, financial statements, information required by statute and the disclosures required under the Aotearoa New Zealand Climate Standards were approved by the Pacific Edge Board on 27 June 2024.

An electronic version of this report is available on the investor section of our website www.pacificedgedx.com.

Chris Gallaher
Chairman

Sarah Park
Chair of the Audit and Risk Committee

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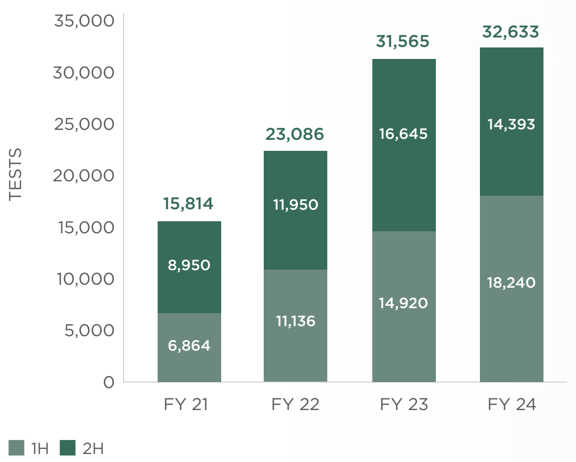
FY 2024 FINANCIAL AND OPERATING HIGHLIGHTS

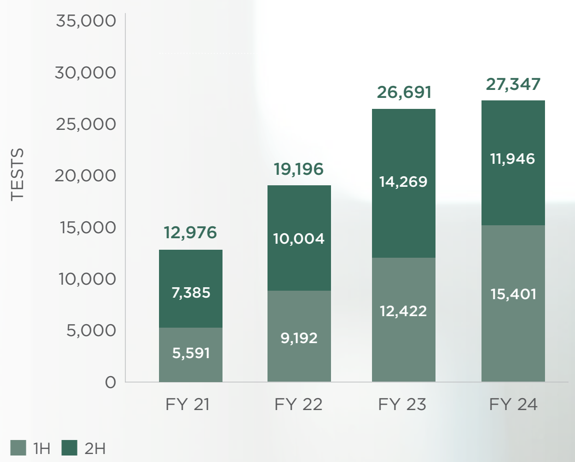
MEDICARE COVERAGE REMAINS OUR FOCUS

Pacific Edge successfully executed strategic initiatives to focus the company on the development of its advanced cancer diagnostic tests for inclusion in clinical guidelines and gaining coverage certainty from Medicare and other healthcare payers.

GLOBAL TOTAL TEST VOLUMES (TLT*)

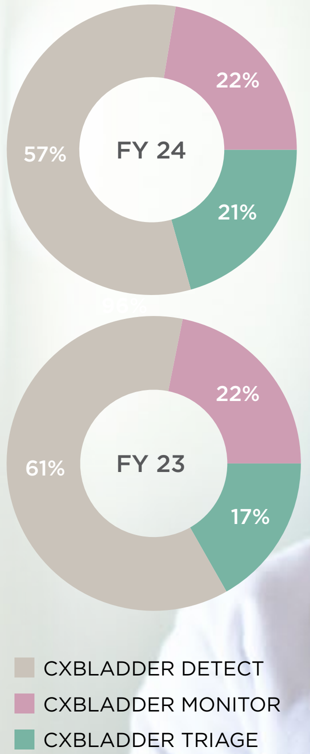


GLOBAL COMMERCIAL TEST VOLUMES



*TLT is the Total Laboratory Throughput including commercial, pre-commercial and clinical studies testing

TEST VOLUMES BY TYPE (TLT*)



FINANCIAL HIGHLIGHTS[1]

$23.9M OPERATING REVENUE ▲ 22%	**US$613** 2H 24 AVERAGE US SALES PRICE ▲ 18% ON 2H 23	**32,633** TOTAL LABORATORY THROUGHPUT ▲ 3%
$11.9M 2H 24 CASH BURN ▼ 24% ON 1H 24	**$29.5M** NET LOSS AFTER TAX ▲ FROM $27.0 MILLION	**$50.3M** NET CASH AND CASH EQUIVALENTS ▼ FROM FROM $62.2 MILLION IN SEPTEMBER 2023

[1] All comparisons are against FY 23 unless otherwise stated and all figures are in New Zealand dollars unless otherwise stated.

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CHAIRMAN'S REPORT

READY FOR ALL OUTCOMES

Dear Shareholders

Pacific Edge has over the last year successfully executed on strategic initiatives to focus the company on the development of its advanced cancer diagnostic tests for inclusion in clinical guidelines and gaining coverage certainty from Medicare and other healthcare payers.

The Board is pleased with the progress Peter and his team have made. They have acted swiftly through the uncertainty over continued Medicare coverage of our tests and retained their focus on the strategic imperatives in clinical evidence generation that will underpin our future success and prepare the company for all outcomes.

FINANCIAL RESULTS

Operating revenue increased 22% to $23.9 million from $19.6 million in FY 23, slowed by the reduction in commercial test volume in 2H 24. Total laboratory throughput slowed in the second half of the financial year. This followed the reduction of the sales team in Q2 24 to drive efficiency and preserve capital as the company waits for Novitas, the Medicare Administrative Contractor with jurisdiction for our US laboratory, to finalise the draft 'Genetic Testing for Oncology' (DL 39365) Local Coverage Determination (LCD) that may impact continued Medicare coverage of our tests.

TLT increased 3% to 32,633 tests from 31,565 in FY 23 while commercial test volumes increased 2% to 27,347 tests from 26,691 in FY 23. Operating revenue was also supported by an 18% improvement in the US average sales price and Peter covers this in more detail in his report.

Total revenue, which includes interest income on cash reserves, government grants and foreign exchange movements, increased 12% to $29.3 million from $26.1 million in the same period of the prior financial year. The net loss for the year of $29.5 million was wider than the $27.0 million in the prior financial year as the company continued to invest in long-term growth initiatives and incurred one-off restructuring costs.

CASHFLOW AND BALANCE SHEET

We ended the year with cash, cash equivalents and short-term deposits of $50.3 million, down from $62.2 million in September 2023. Cash burn fell sharply in 2H 24 to $11.9 million, down 24% on 1H 24 following the reorganisation.

The Board believes the cash preservation program has appropriately balanced the risk of a Novitas non-coverage determination against the potential upside from a positive result. The Board expects the cash is sufficient to support the company through to regaining coverage in the event of a non-coverage determination. We expect to have clarity on the coverage matter by the time shareholders gather for our annual meeting in September.

"The cash preservation program has appropriately balanced the risk of a Novitas non-coverage determination against the potential upside from a positive result."

GOVERNANCE FOCUS AREAS

Pacific Edge is founded on improving social outcomes. Cxbladder delivers actionable information that can advance the standard of care that clinicians offer patients, reduce the economic costs of care, and deliver healthcare equity to poorer or rural communities. For the first time, our annual report sets out how we are delivering on these and the other Social, Governance and Environmental expectations of our stakeholders.

Our rigorous approach to risk management, environmental and social responsibility, and the promotion of a performance culture has been a driver of success and a source of resilience amid the disruptions and change of the last year.

Pacific Edge continues to benefit from a committed and spirited team. On behalf of the Board, I thank the entire team for their efforts.

Meanwhile, a focus of the Board has been on the recruitment of Independent Directors to replace me and Independent Director Mark Green ahead of our retirement later in the year. I will remain Chair of the company and on the Board until the completion of a handover to my successor.

Mark has indicated that he will step down from the Board at the conclusion of the company's Annual Meeting in September. The Board's Nomination Committee has commenced a recruitment process, which will ramp up after the Novitas determination.

OUTLOOK

The finalisation of the Novitas LCD remains the biggest factor impacting the company's near-term prospects, with a decision due by 26 July 2024. A non-coverage determination is likely to impact US volumes and the Average Sales Price (ASP) for our tests, but we are prepared with plans to regain coverage and, should coverage be affirmed, rebuild the momentum in the clinical adoption of Cxbladder in the US and around the world.

In the event of a non-coverage determination, these strategies may include: a legal challenge to the determination; patients with Medicare and Medicare Advantage plans assuming responsibility for payment for a proportion of Cxbladder tests cost; and the continued advancement of our clinical evidence program, which will give us multiple opportunities for a reconsideration request for Medicare coverage from Novitas.

I am proud of what we have achieved this year amid difficult circumstances. I am looking forward to the time when we have clarity regarding the Medicare coverage of our tests and updating shareholders on our response at our Annual Shareholder Meeting in September.

I would like to close by thanking the Board for their counsel and support over the year. This will be my last annual report and I thank all the Directors that have served over the last eight years for their support and contributions over this time. I will be following the company's progress with keen interest as it moves into the next stage of its life cycle.

Despite the disruptions of the last two years, I take much comfort from the fact that we have world-leading products, a terrific management team and a strong Board to take the company forward.

Last but by no means least, thank you to our loyal shareholders who have maintained their belief in the company and products during challenging times.

With my warm regards,

Chris Gallaher
Chairman

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CHIEF EXECUTIVE'S REPORT

CATALYSTS FOR IMPROVED SHAREHOLDER VALUE

Dear Shareholders

The next three months of the current financial year are likely to be highly determinative of the full year at Pacific Edge.

By the end of July 2024, our Medicare Administrative Contractor, Novitas, is expected to finalise the draft local coverage determination (LCD) 'Genetic Testing for Oncology' (DL39365) that may impact continued Medicare reimbursement of our tests.

By September we are also expecting Medicare to have reviewed our proposal for a Detect⁺ price of approximately $1,590 which we presented publicly to Medicare at the Clinical Lab Fee Schedule Annual Laboratory Meeting on June 25, 2024. Detect⁺ is our first test that incorporates DNA biomarkers, and this advancement has already been shown to dramatically improve performance over our existing hematuria evaluation products, Detect and Triage. We will also soon learn whether our recently released, paradigm shifting STRATA study, which I believe unequivocally demonstrated the clinical utility of Cxbladder Triage to risk stratify microhematuria patients, is sufficient to convince the American Urological Association to make an amendment to the 2020 Guidelines for the evaluation and management of hematuria.

I am proud to report to shareholders that over the last year we have done all in our power to achieve decisions favorable to Pacific Edge in each of these areas. More importantly, I believe that even in the event of continued short-term adversity, the long-term view for Pacific Edge remains one of rapid, sustained growth once we gain certainty over Medicare's continued coverage of our tests.

STRATEGIC PROGRESS

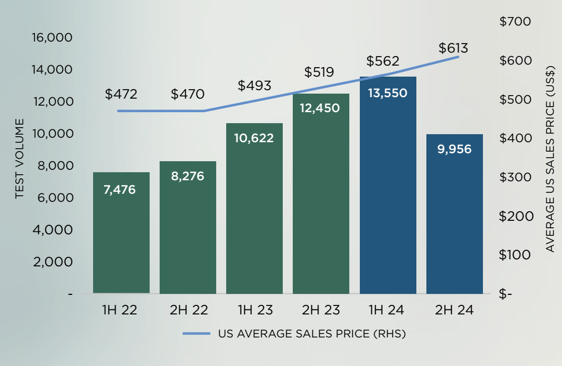
Pacific Edge has refocused on the clinical development of our new Detect⁺ and Monitor⁺ tests for guidelines inclusion and coverage certainty, no matter the outcome of the finalised LCD.

Following a reorganisation in Q2 24, our sales strategy prioritises profitable sales territories, non-Medicare revenue streams and cash preservation over top line revenue growth alone. We have aligned our sales messaging to focus on the clinical value of Cxbladder to the physician and patient, and its economic value to healthcare systems and payers.

The shift in focus has delivered improvements in the US commercial team's performance: sales force efficiency (total tests/average FTE) has risen 59% from 239 in Q4 23 to 381 in Q4 24. The US sales team is now operating above breakeven. Although the number of ordering clinicians has fallen, reflecting the reduced reach of our team, the clinical commitment to Cxbladder is steady at 6.7 tests per unique ordering clinician.

Improved US cash collection processes have delivered what we believe will be an enduring lift in the Average Sales Price (ASP) from US$519 in 2H 23 to US$613 in 2H 24. These processes include initiatives to ensure patients with non-contracted private payers take responsibility for test payments.

US COMMERCIAL TEST VOLUMES AND ASP (US$)



The ASP has also been supported by ongoing initiatives to digitalise Cxbladder information flows that simplify test ordering, resulting in improved payment collection. The ASP was further strengthened by an increase in the volume of tests from our major US customer Kaiser Permanente and Medicare reimbursement of Triage since January 2023.

More broadly we are seeking to further diversify our revenue streams, reaching out to new territories in Asia, the Middle East, Latin America, and Australia that over the longer term can be developed to deliver meaningful demand for Cxbladder. In the last year this has seen the appointment of six distributors for our tests.

As highlighted above we have continued to advance the commercialisation of Detect⁺. The test's CPT[1] code became effective at the start of this calendar year and our attention is now focused on Medicare pricing of the test. The Medicare price is important and will set a benchmark price for all other US healthcare payers.

If Medicare affirms our proposal of approximately $1,590 per test via the 'Crosswalk' process, we see the potential for higher margin to strengthen the underlying economics of the direct sales team and the company.

Our clinical evidence generation program is operating within a structured framework for Analytical Validity (AV), Clinical Validity (CV) and Clinical Utility (CU), the endpoints required for coverage decisions and guideline inclusion.

[1] A CPT (Current Procedural Terminology) code is a medical code used to describe medical, surgical, and diagnostic services and procedures in the US healthcare system.

"We have aligned our sales messaging to embed the clinical value of Cxbladder to the physician and patient, and its economic value to health systems and payers."

Our STRATA study achieved the significant milestone of publication in the Journal of Urology in May 2024, nine months ahead of schedule. It also headlined at the American Urological Association (AUA) annual conference, the world's largest urological meeting, and provides the strongest evidence yet for the inclusion of Cxbladder in guidelines for hematuria evaluation.

Specifically, it demonstrated Cxbladder can safely and more effectively risk-stratify low risk hematuria patients when compared to AUA guidelines, thereby reducing the number of unnecessary invasive cystoscopies.

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CHIEF EXECUTIVE'S REPORT

Over the next two years the publication of results from our DRIVE and microDRIVE studies are expected to provide new CV evidence for Detect⁺ and reinforce CV for Triage and Detect through supplementary analyses, while a separate study will demonstrate the Analytical Validity of all our current generation of tests under a new protocol that automates the RNA extraction.

All publications offer new opportunities for guideline inclusion and, in the event of a non-coverage determination by Novitas that impacts Medicare coverage of our tests, an opportunity to request reconsideration of coverage.

"We are excited by the many positive catalysts on offer in the coming months..."

Finally, the company's research and development efforts have been orientated toward the launch of Detect⁺ and Monitor⁺. Simultaneously, we have focused on our Cxbladder simplification projects that aim to reduce technician operator times, reduce sample turnaround times, and lower the cost of goods. These changes simplify the workflow for a potential kit-based product distribution and decentralised deployment as an IVD[1] in international markets.

OUTLOOK

As Chris highlighted, Novitas' determination of our Medicare coverage status will have the most significant bearing on the company's near-term prospects, but I want to reinforce a negative result is not determinative of our future. We are excited by the many positive catalysts on offer in the coming months in addition to this decision, including the Detect⁺ price and the raft of new clinical evidence that our team and partners such as Kaiser Permanente are expected to publish.

Each one of these catalysts will be submitted to Novitas for reconsideration, and consequently has the potential to lift the prospects of the company. That said, given the proximity of the three catalysts I outlined at the start of this report, we expect to have clarity on any updates to strategy by the time shareholders gather for our annual meeting in September.

I look forward to providing a comprehensive update at that meeting and to seeing you there.

PMeintjes

Dr Peter Meintjes
Chief Executive Officer

[1] In Vitro Diagnostic

PACIFIC EDGE'S GLOBAL FOOTPRINT

EXTENDING OUR GLOBAL REACH THROUGH DISTRIBUTION AGREEMENTS

Pacific Edge has expanded its global footprint beyond the core US and New Zealand markets as we seek new and capital efficient ways to capture what we estimate is a US$7.6 billion global opportunity.

Since the appointment of our first distributor in Israel in late 2022, we have expanded our reach through strategic distribution agreements, particularly in South America and Asia.

Israel's ProGenetics, our inaugural distributor, like all partners in our distributor network, brings extensive resources, local expertise and relationships with physicians that will allow them to embed Cxbladder in local standards of care over the longer term. In mid-2023, we signed an agreement with Hi-Precision Diagnostics, and we have since made similar agreements with Transviet in Vietnam, WellSpring in Malaysia, and Emmed in Brunei.

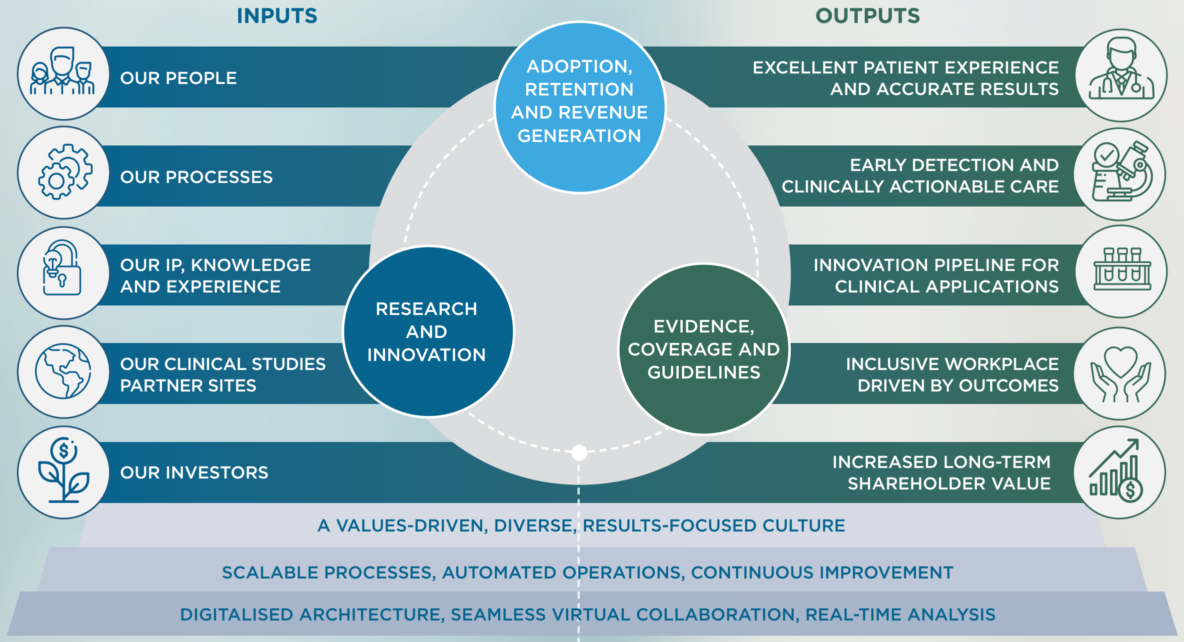
While commercial test volumes from these agreements are still small, we are optimistic about their potential to grow meaningfully over time. Our focus remains on private healthcare systems in these regions, which offer lower barriers to entry and potential for significant market penetration.

STRATEGY

IMPROVING SOCIAL OUTCOMES AND CREATING SHAREHOLDER VALUE

Pacific Edge is focused on improving people's lives and patient outcomes by providing leading solutions for the early detection and management of bladder cancer. We are delivering on this goal, and driving long-term shareholder value, by building on our strong foundations and focusing on three strategic pillars.

VALUE CREATION THROUGH THREE PILLARS



MISSION
TO HELP IMPROVE PEOPLE'S LIVES AND PATIENT OUTCOMES BY PROVIDING LEADING SOLUTIONS FOR THE EARLY DETECTION AND MANAGEMENT OF CANCER

VISION
A WORLD WHERE THE EARLY DIAGNOSIS AND BETTER TREATMENT OF CANCER IS WITHIN REACH OF EVERYONE

Cxbladder delivers actionable information that can advance the standard of care that physicians offer to patients, improving the patient experience, quality of life, and healthcare outcomes, while reducing the total cost of care and improving healthcare equity.[1]

[1] Budgetary Impact of Including the Urinary Genomic Marker Cxbladder Detect in the Evaluation of Microhematuria Patients -PubMed (nih.gov); Davidson, Peter; Presentation to Urofair, 2022, time to first specialist assessment.

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ADOPTION RETENTION AND REVENUE GENERATION

The short-term driver of our performance is to generate revenue by accelerating the adoption of Cxbladder as the standard of care with clinicians' healthcare providers, and funders and retaining those customers and clinicians who understand its value.

Key achievements of the past year

- Commercial Test Volumes (Group) increased by 2% from 26,691 to 27,347
- Reduced average monthly cash burn by 24% from $2,603k in 1H 24 to $1,985k in 2H 24
- Improved US cash collections by 18% with ASP[1] increasing from US$519 in 2H 23 to US$613 in 2H 24
- US sales territories operating above breakeven
- Integrated Cxbladder into the electronic medical records system of Kaiser Permanente in November 2023
- Retained a strong balance sheet with $50.3 million cash, cash equivalents and short term deposits

EVIDENCE COVERAGE AND GUIDELINES

The medium-term driver of our performance is to enhance our clinical evidence portfolio and engage with the clinical community on the value of our tests within the frameworks of Analytical Validity, Clinical Validity, and Clinical Utility, the end points required for coverage decisions and guideline inclusion.

Key achievements of the past year

- Published Clinical Utility evidence for Triage from our STRATA study in The Journal of Urology[2]
- Presented STRATA in a session at the AUA[3] conference in May 2024 focused on paradigm shifting technology developments
- Successfully required Novitas, the Medicare contractor with responsibility for our US laboratory, to follow appropriate procedure for new Local Coverage Determinations (LCD) in July 2023
- Built a consensus among AUA, LUGPA[4] and AACU[5] advocating for a revision to Novitas' adverse draft LCD during the 'Notice and Comment' period
- Published a budget impact model[6] demonstrating savings of approximately $500 per patient to healthcare systems or payers that protocolise Cxbladder
- Evolved our Clinical Dossier to include real-world evidence for Monitor and Clinical Utility evidence for Triage with our STRATA study
- Obtained a PLA code for Detect+; the code was also added to the Local Coverage Article (LCA) on which Pacific Edge relies for reimbursement of our tests

RESEARCH AND DEVELOPMENT

To drive long-term growth, we invest in technology and product innovation to maintain our leadership position in bladder cancer diagnostics.

Key achievements of the past year

- Deployed automated Cxbladder workflows to reduce turnaround time and hands on time
- Prepared Analytical Validation of Cxbladder products for publication submission
- Focused R&D and lab operations on the launch of Detect+ and development of Monitor+
- Improved our Quality Management Systems to accommodate various IVD requirements

[1] ASP: US Operating Revenue in USD / US Commercial Test Volume
[2] Lotan at al. (2024). A Multicenter Prospective Randomised Controlled Trial Comparing Cxbladder Triage to Cystoscopy in Patients With Microhematuria: The Safe Testing of Risk for Asymptomatic Microhematuria Trial. Journal of Urology, 212(1), 41–51.
[3] American Urological Association
[4] Large Urology Group Practice Association
[5] American Association of Clinical Urologists
[6] Tyson et al. (2023). Budgetary Impact of Including the Urinary Genomic Marker Cxbladder Detect in the Evaluation of Microhematuria Patients. Urology practice, 11(1), 54–60.

ADOPTION RETENTION AND REVENUE GENERATION

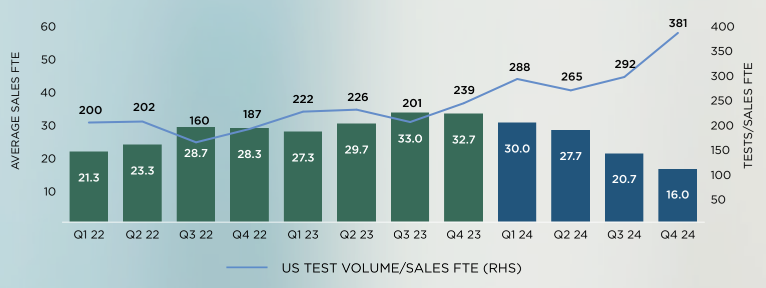
ACCELERATING CXBLADDER ADOPTION AND DRIVING EFFICIENCY

Growth during the year slowed as we focused on preserving capital and restructuring our US commercial operations. We were rewarded with improvements in sales force efficiency, improved cash collections and transitioning the sales team to operate above breakeven.

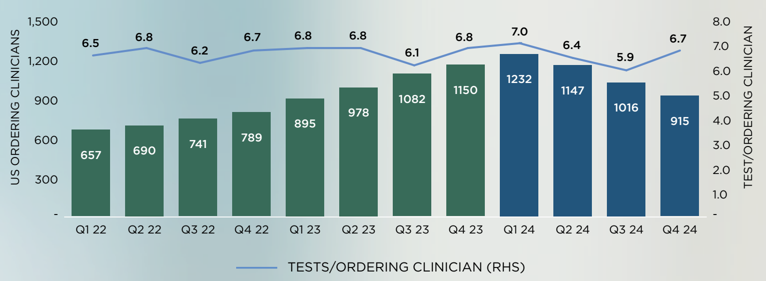
IMPROVING THE CUSTOMER EXPERIENCE

The Pacific Edge team has achieved significant successes in enhancing the customer experience and driving operational excellence. We have also built on our foundations of digitalisation and automation.

US SALES FORCE EFFICIENCY



US CLINICAL COMMITMENT



The restructuring of our commercial team in Q2 24 has achieved its primary goal of preserving capital to weather a potential decision withdrawing Medicare coverage of our tests. It also delivered significant operating efficiencies and ushered in changes to how we sell Cxbladder.

The effectiveness of these initiatives is evident in a 59% improvement in sales force efficiency (test throughput / average sales FTE) from Q4 23 to Q4 24, while clinical commitment (tests per US ordering clinician) is stable.

Our customer-facing systems now offer multiple connection options, including integrations with Electronic Medical Record (EMR) systems, such as those we have delivered with Kaiser Permanente (see over page). We are also in the process of developing a customer portal to streamline workflows and improve the end-to-end experience for patients and customers.

Internally, the operations team has focused on improving lab operations and customer service by increasing automation and reducing turnaround times. We are also developing an organisation-wide data warehouse to facilitate seamless storage, access, and reporting of all commercial data.

These initiatives, which are aimed at driving faster Cxbladder turnaround times, highlight the operations team's commitment to enhancing efficiency, reducing patient anxiety, and supporting clinicians in providing timely and effective care.

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DETECT$^+$ COMMERCIALISATION

RECOGNISING THE CLINICAL VALUE OF DETECT$^+$

The pricing of Detect$^+$, the next step in the commercialisation in the new generation of Cxbladder tests, has the potential to strengthen the underlying economics of the direct sales team and the company.

We achieved coding of the DNA-enhanced test in July 2023, and have recently proposed a Medicare price of approximately $1,590 for Detect$^+$ to CMS[1] via the 'Crosswalk' process. This process compares Detect$^+$ to similar, previously priced tests based on technology and resource usage. The existing price for Cxbladder (US$760) serves as a reference for the RNA component, while we have identified a comparable ddPCR test for the DNA component at $827.69 to drive the proposed final price for Detect$^+$. CMS will make a determination as to whether they agree with our proposal by September, and if successful, this would result in a higher gross margin for Detect$^+$, improving the ASP and our sales force profitability in future years. If CMS does not agree with our crosswalk candidate, CMS may choose an alternative technology match from their database with a different price, or no that no technology match exists, in which case CMS will direct Pacific Edge to a 'Gap Fill' process, which may delay pricing by another year.

KAISER PERMANENTE

A PARTNERSHIP BUILT ON THE CLINICAL VALUE OF CXBLADDER

Our partnership with Kaiser Permanente, one of the largest integrated healthcare providers in the US and one of our most significant customers, has gone from strength to strength over the year.

Kaiser Permanente has been a keen advocate for the clinical value of Cxbladder. It has integrated Cxbladder Triage for hematuria evaluation and Cxbladder Monitor for monitoring patients for bladder cancer recurrence into its patient care pathway. In November 2023 Cxbladder went live in the healthcare provider's EMR system, streamlining sample collection, test ordering, and results delivery.

Within the urology community, Kaiser Permanente has continued its advocacy for Cxbladder and is working towards publishing real world evidence demonstrating the significant role our tests can play in driving down the costs of managing bladder cancer and improving access to clinicians. Kaiser Permanente also stood shoulder to shoulder with us as we argued for a reconsideration of the draft local coverage determination 'Genetic Testing for Oncology' (DL 39365) that may impact continued Medicare coverage of our tests. Irrespective of the Medicare outcome we expect Kaiser Permanente to continue to use Cxbladder and grow its adoption within its network.

Our tests are currently used across all 15 Kaiser Southern California (SoCal) sites and volumes are steadily rising primarily for Triage, with Monitor usage rising as clinicians become more familiar with the tests. As Kaiser SoCal represents approximately 38%[2] of Kaiser Permanente's 12.6 million members, this success sets the stage for broader adoption across the entire Kaiser system.

[1] CMS is the Centers for Medicare and Medicaid Services (CMS) which runs the Medicare and Medicaid programs.
[2] Source: Kaiser Permanente https://about.kaiserpermanente.org/who-we-are/fast-facts

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EVIDENCE COVERAGE AND GUIDELINES

EVIDENCE PROGRAM DEMONSTRATES CXBLADDER'S CLINICAL UTILITY IN REDUCING UNNECESSARY CYSTOCOPIES

Our goals of entrenching coverage and further embedding Cxbladder in guidelines were underpinned by significant advances in our evidence generation program. We were also supported by the professional societies of the urology community, and our industry partners on the draft determination that may impact Medicare coverage of our tests.

STRATA – THE STRONGEST EVIDENCE YET FOR GUIDELINE INCLUSION

Our STRATA study - the first-ever randomised controlled trial of a urine biomarker for hematuria evaluation - was published in the Journal of Urology, headlined at the American Urological Association (AUA) annual conference in May 2024 and delivered the strongest argument yet for inclusion of Cxbladder in clinical guidelines.

In an unequivocal demonstration of Cxbladder Triage's clinical utility, STRATA showed clinicians performed 59% fewer cystoscopies when they could use the information provided from a Cxbladder test result. Meanwhile no cancers have been found in any of the test arm patients who had a negative Triage test throughout the 3 to 24-month follow up period recommended by the AUA.

"Cxbladder Triage can help reduce the burden of unnecessary cystoscopies in this population resulting in less patient morbidity and discomfort, improved access to care, and reduced environmental impact," the authors noted in the Journal of Urology paper.

In a significant achievement, and following strong interest from the AUA, our paper was peer reviewed and published on an expedited timeframe, at least nine months ahead of our existing plans. The publication puts the company in the best possible position as Novitas, the Medicare Administrative Contractor with responsibility for our US laboratory, considers submissions on 'Genetic Testing for Oncology' the draft local coverage determination that may impact continued Medicare coverage of our tests. We have no assurance Novitas will consider STRATA's findings, as the study was completed after last year's formal notice and comment period. However, if it does not, we will use the paper (in the event of non-coverage determination) to seek a reconsideration.

"Cxbladder Triage can help reduce the burden of unnecessary cystoscopies in this population resulting in less patient morbidity and discomfort, improved access to care, and reduced environmental impact." – Lotan et al. (2024)

Meanwhile, we will use other data collected during STRATA to refine the algorithm of Detect+ as we look to further improve the performance characteristics of the test. The study is now at the heart of the Pacific Edge Clinical Dossier, which is used to engage with guideline committees, private and government payers, and value-based clinician groups.

AWAITING MEDICARE COVERAGE CERTAINTY

We continue to await the official response to representations on the draft 'Genetic Testing for Oncology' (DL 39365) Local Coverage Determination (LCD), which may impact continued Medicare coverage of Cxbladder.

We received strong support from the oncology diagnostics industry and the urology community through the notice and comment period on the LCD in September last year. Since then, we have met with Novitas and the Centers for Medicare and Medicaid Services, the organisation to whom Novitas is accountable when it makes Medicare determinations.

Novitas must finalise or withdraw the LCD by 26 July 2024. Whatever the outcome, it will have profound implications for the company given the volume of tests that are now covered by Medicare (see below). We are prepared for all outcomes. Should coverage be affirmed we will take steps to accelerate the adoption of our tests.

Should coverage not be affirmed we will explore legal and appeals options to overturn the LCD.

We will also further review the structure of our operations in line with our plan to regain Medicare coverage and we may extend the 'enhanced patient responsibility' initiatives that have over the last year played a key role in lifting collections from patients with private insurance to all Medicare and Medicare Advantage patients.

We see multiple catalysts for regaining coverage in the event of a non-coverage determination, with the publication of new evidence giving us the opportunity to apply for reconsideration of coverage (see table below). Meanwhile, should Cxbladder be included in clinical guidelines we will also apply for reconsideration.

No matter the outcome we will continue to invest in the long-term value creation strategies of advancing our clinical evidence program within the frameworks of Analytical Validity, Clinical Validity, and Clinical Utility. If we retain coverage, these studies will entrench our position with Medicare, offer a path to inclusion in guidelines and improve our reimbursement effectiveness with private insurers.

Medicare and Medicare Advantage is the largest global opportunity in bladder cancer diagnostics from a single coverage decision. In FY 24 Medicare and Medicare Advantage delivered ~14,000 commercial tests (~60% of US commercial tests) and ~NZ$17.0 million in total operating revenue (~71% of total operating revenue).

The detail of our clinical evidence program is covered on page 19 of this report.

MEDICARE RECONSIDERATION AND GUIDELINE INCLUSION REQUESTS

Reconsideration requests take Novitas[1] approximately 12 months to process from the lodging of a valid request

Catalyst	Test and evidence standard[2]	Expected date of reconsideration request[3]
1. STRATA data published	CU of Triage	Novitas notified of the publication in April
2. Analytical Validation of automated RNA and DNA extraction published	AV of Triage, Detect and Monitor AV of Detect+ AV of Monitor+	Q3 2024 Q1 2025 Q2 2025
3. DRIVE data published	CV of Detect+ CV of Triage and Detect	Q2 2025 Q2 2025
4. Kaiser Permanente RWE[4] published	CU (RWE) of Triage	Q2 2025[5]
5. microDRIVE published	CV of Detect+	Q3 2025
6. AUSSIE data published	CV of Detect+	Q4 2025
7. Pooled CV data published[6]	CV of Detect+	Q1 2026
8. LOBSTER published	CV of Monitor/Monitor+	Q1 2026
9. CREDIBLE data published	CU of Detect+	Q1 2028

[1] Novitas is the Medicare Administrative Contractor (MAC) charged with making the Medicare local coverage determination for Pacific Edge's US laboratory
[2] AV, CV CU, respectively Analytical Validity, Clinical Validity, Clinical Utility
[3] All dates are calendar year rather than financial year and our best current estimates
[4] RWE is Real World Evidence
[5] Timeline determined by Kaiser Permanente
[6] The pooled analysis brings together data from DRIVE, AUSSIE and microDRIVE

RESEARCH AND INNOVATION

FOCUSED ON LONG-TERM VALUE CREATION

Our research and innovation efforts have focused on long-term value creation. We are well advanced with preparations for the launch of the DNA-enhanced next generation Detect⁺ test. We have also made progress simplifying Cxbladder testing protocols.

We have successfully automated the extraction and processing of DNA and RNA in patient samples, a key step in the Cxbladder testing process. This new approach enhances our ability to scale as demand for Cxbladder grows while reducing the number of suppliers and the number of steps in the workflow.

Importantly, this also gives us the opportunity to publish new Analytical Validation data, which will allow healthcare payers and Medicare Administrative Contractors such as Novitas to assess the analytical validity of our tests more easily. It will also provide Pacific Edge with an opportunity to apply for coverage reconsideration should Novitas make a Medicare non-coverage determination. We are targeting the publication of the data in the third quarter of this calendar year.

NEXT GENERATION TESTS

Our digital and lab operations teams are working hard to prepare our laboratory operations to scale to accommodate Detect⁺ and longer-term Monitor⁺ for all commercial testing. We are also working to simplify Cxbladder to reduce technician time, lower costs, and increase automation. Over the longer term this may include the development of a 'kittable' Cxbladder test for decentralised deployment and international market expansion.

PREPARED FOR FDA REGULATIONS

Pacific Edge is well prepared for changes to the regulation of laboratory developed tests (LDTs) such as Cxbladder by the US Food and Drug Administration (FDA). In April, the FDA published a final rule asserting its right to regulate LDTs as Medical Devices under the Medical Device Amendments of 1976. This rule is currently being challenged in the US Federal Court System by the American Clinical Laboratory Association (ACLA), an industry association of which Pacific Edge is a member.

We support FDA regulation through an Act of Congress, such as the VALID Act, though we do not support the current approach pursued by the FDA and we are working along with the wider industry to achieve an outcome that better serves the needs of patients, physicians, payers, providers and all other stakeholders in the industry. Indeed, we believe the legal challenges are not the only issue – the FDA is insufficiently resourced for the task from an expertise and personnel perspective. In combination, these challenges suggest that the publicly proposed timelines are not likely, but regardless, Pacific Edge will continue to meet its regulatory requirements in all areas of its operations.

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OUR CLINICAL STUDY PROGRAM

BUILDING LONG TERM VALUE

Our clinical study program is at the foundation of Pacific Edge's value. We are proud to generate the compelling clinical evidence required to change physician behavior that is founded on the frameworks of Analytical Validity, Clinical Validity, and Clinical Utility, with the end points and sample sizes required for coverage decisions and guideline inclusion.

STUDY	GOAL	POPULATION AND USE	STATUS
STRATA (**S**afe **T**esting of **R**isk for **A**symptoma**T**ic Microhematuri**A**)	• CU for Triage • CU for Detect⁺ (retrospective)	• Microhematuria • Risk stratification	• First paper published in May 2024, coinciding with the AUA conference
DRIVE (**D**etection and **R**isk stratification **I**n **VE**terans presenting with hematuria)	• CV for Detect⁺ • CV for Triage and within a Veterans' cohort • Data for pooled analysis	• Micro and gross hematuria • Risk stratification	• Enrolment closed with 684 patients across 10 VA sites • Publication targeted for Q2 2025
microDRIVE (**D**etection and **R**isk stratification **I**n **VE**terans presenting with hematuria)	• CV of Detect⁺ • Data for pooled analysis	• Microhematuria • Detection	• Recruitment commenced November 2023 as a network study across all VAMCs coordinated from a single US VA site • 106 patients have consented for the study with 84 samples received to date • The target is 1000 patients with 35-50 tumor confirmed patients • Target publication Q3 2025
AUSSIE (**A**ustralian **U**rologic risk **S**tratification of patient**S** w**I**th h**E**maturia)	• CV of Detect⁺ with an Australian cohort • Data for pooled analysis	• Micro and gross hematuria • Risk stratification	• Target enrolment: 600 patients across three Australian sites • Enrolment commenced September 2023 and 56 subjects are enrolled to date • Target publication Q4 2025
POOLED ANALYSIS	• CV of Detect⁺	• Microhematuria • Gross Hematuria • Risk stratification	• Microhematuria and separately Gross Hematuria patients from DRIVE, AUSSIE and microDRIVE will be pooled and performance determined • Target publication Q1 2026
LOBSTER (**LO**ngitudinal **B**ladder cancer **St**udy for **T**umor **R**ecurrence)	• CV of Monitor/ Monitor⁺	• Surveillance • Risk stratification	• Target enrollment is 426 subjects across 10 sites (US, Australia) • Enrolment is now 227 subjects with 395 samples received to date • The enrolment phase is expected to end late 2024 • Target publication Q1 2026
CREDIBLE (**C**ystoscopic **RED**uction **I**n **BL**adder **E**valuations for microhematuria) - A randomised, controlled, clinical utility study for hematuria evaluation	• CU of Detect⁺	• Microhematuria • Risk stratification	• Target enrollment is 1000 subjects with an interim analysis at 600 to determine if the primary objective has been addressed • Due to commence late 2024 • Target publication Q1 2028

*Dates are calendar year not financial years

SUSTAINABILITY

SUSTAINABILITY

PACIFIC EDGE IS FOUNDED ON IMPROVING SOCIAL OUTCOMES

Pacific Edge is focused on improving people's lives and patient outcomes by providing leading solutions for the early detection and management of bladder cancer.

We are delivering on our purpose, and driving long-term shareholder value, by building strong foundations and focusing on three strategic areas as we set out on pages 12-13 of this report.

We are working hard to embed sustainability considerations into our strategic priorities and decision-making. The table below shows the areas we have identified as important to driving better outcomes for all our stakeholders.

WHERE WE ARE FOCUSING OUR EFFORTS

OUR SOCIAL IMPACT	OUR ENVIRONMENTAL IMPACT	OUR GOVERNANCE PRACTICES
Improving healthcare access, quality of care and patient outcomes • Extending the adoption of our tests	**Product environment stewardship** • Sustainable sourcing • Using resources efficiently and responsibly	**Risk management** • Strong risk, governance and management practices • Data security • Operational resilience
An inclusive, engaged and safe workforce • Employee engagement • Career pathways and development • Gender equality • Safety and wellbeing	**Emissions reduction** • Energy efficiency • Business travel intensity • Reduced Laboratory emissions from running Cxbladder tests • Improved logistics efficiency	**Operational quality and compliance** • Product safety • Quality manufacturing • Efficiency and effectiveness
Responsible supply chain • Working with suppliers to ensure they have ethical codes of conduct (including the prevention of modern slavery)	**Climate-related disclosures** • ANZ Climate Standards compliance	**Engaging our stakeholders** • Meeting our commitments as an employer • Meeting our customer needs • Creating shareholder value
Supporting our communities • Support for local initiatives and events		

SUSTAINABILITY, GOVERNANCE AND OVERSIGHT

Accountability for the implementation of Pacific Edge's sustainability goals sits with the CEO. Oversight of the execution of our sustainability strategy, including the ESG programme and compliance reporting, is delegated to the Sustainability Committee (SC).

The SC is chaired by the Chief Financial Officer (CFO) and comprises senior leaders and key functional representatives from New Zealand and the USA. It meets at least quarterly to monitor progress and performance, and reports through to the Audit and Risk Committee (ARC). It also meets with the ARC to ensure strong board oversight of progress.

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SUSTAINABILITY

FY 24 PROGRESS AND HIGHLIGHTS

We are pleased to report solid progress towards our sustainability goals over the past year, with our key achievements highlighted below.

OUR SOCIAL IMPACT	OUR ENVIRONMENTAL IMPACT	OUR GOVERNANCE PRACTICES
Improving healthcare access, quality of care and patient outcomes • Grew commercial test volumes by 2% to reach 27,347 tests globally, broadening patient access to non-invasive alternatives	**Product environment stewardship** • Key projects underway, aimed at reducing supply chain footprint and reducing use of chemicals and single-use plastics	**Risk management** • FMEA[1] risk management framework embedded across the business with routine reporting • Review in progress of our Tax Governance framework to cover risks emerging from our growth trajectory • Advanced our assessment and reporting of climate related risks
An inclusive, engaged and safe workforce • Strong engagement from our people - 79.6% of Pacific Edge people reported satisfaction in their roles - >80% of Pacific Edge people reported a clear understanding of the company's vision and purpose • No lost time to injuries	**Emissions reduction** • First greenhouse gas emission inventory completed • Toitū Envirocare certified Pacific Edge as a member of its carbonreduce program	**Operational quality and compliance** • Further evolved our operational, quality and compliance framework • Pacific Edge has successfully managed all external compliance audits in all areas of the business
Responsible supply chain • Full supplier diagnostic completed • Working with major suppliers to ensure they include conditions around modern slavery and human rights	**Climate-related disclosures** • Inaugural ANZ Climate Standards reporting	
Supporting our communities • Sponsored bladder cancer patient advocacy organisations to empower patients and build awareness of the disease		

[1] FMEA: Failure Mode and Effects Analysis

SUSTAINABILITY

OUR SOCIAL IMPACT

IMPROVING HEALTHCARE ACCESS, QUALITY OF CARE, AND PATIENT OUTCOMES.

Cxbladder delivers actionable information that can advance the standard of care that physicians offer, enhancing the patient experience and quality of life to support improved healthcare outcomes, while helping to reduce the total cost of care.

Furthermore, our in-home sampling kits improve healthcare equity by bringing the benefits of Cxbladder to poorer and rural communities that face barriers to accessing specialist care.

Ultimately our success in achieving these goals is best measured by the adoption of our tests. We are pleased with our record over the last year with commercial test volumes through our laboratories growing by 2% to reach 27,347 tests globally. As we detailed earlier in this report this growth was slower due to the deliberate efforts to preserve capital amid the uncertainty over continued Medicare coverage of our tests.

We have a wealth of evidence demonstrating the role Cxbladder plays in delivering these improved social outcomes. In the past year alone, we published two important peer-reviewed studies demonstrating the value of the information Cxbladder delivers. Our STRATA study[1], which was published in the Journal of Urology in May 2024 and headlined at the American Urological Association (AUA) annual conference in May, demonstrated the Clinical Utility of Cxbladder Triage in safely reducing the number of invasive cystoscopies. Specifically, it showed clinicians performed 59% fewer cystoscopies when they could use the information generated from the test.

The impact of these benefits on patient outcomes has also been clearly demonstrated in the Canterbury region of New Zealand, where the deployment of Cxbladder Triage into primary care reduced the size of specialist waiting lists by 25%, without compromising care, and reduced the time to surgery[2]. The result was better patient outcomes and the more efficient allocation of scarce healthcare funding.

The second study covered peer reviewed economic modelling[3] of Cxbladder's benefits to healthcare payers. Published in 2023 and using national median data, it demonstrated that Cxbladder Detect could save US healthcare providers approximately US$500 per patient by avoiding unnecessary procedures. Traditionally, following AUA guidelines, to detect urothelial cancer in patients with microhematuria, 100 cystoscopies are needed to identify 5 cancers. The modelling shows Cxbladder introduces substantial improvements by effectively ruling out cancer in 78 of 95 patients without it. This risk stratification reduces the need for invasive cystoscopies to only 22 to find the same five cancer cases, thereby maintaining clinical integrity and patient safety while significantly reducing unnecessary procedures in healthy individuals.

Further detail on our clinical evidence can be found on our website and on page 19 of this report.

[1] Lotan at al. (2024). A Multicenter Prospective Randomized Controlled Trial Comparing Cxbladder Triage to Cystoscopy in Patients With Microhematuria: The Safe Testing of Risk for Asymptomatic Microhematuria Trial. Journal of Urology, 212(1), 41–51. https://doi.org/10.1097/JU.0000000000003991
[2] Davidson, Peter; Presentation to Urofair 2022, time to first specialist assessment.
[3] Tyson et al. (2023). Budgetary Impact of Including the Urinary Genomic Marker Cxbladder Detect in the Evaluation of Microhematuria Patients. Urology practice, 11(1), 54–60. https://doi.org/10.1097/UPJ.0000000000000489

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CXBLADDER DETECT OFFERS SUBSTANTIAL TOTAL COST SAVINGS PER PATIENT WHEN USED TO RISK STRATIFY PATIENTS PRESENTING WITH MICROHEMATURIA[1]

CURRENT PRACTICE (AUA GUIDELINES)

5% of patients with Microhematuria have Urothelial Cancer: Must do 100 cystoscopies to find 5 cancers.

CXBLADDER AUGMENTED STANDARD OF CARE

Rule out 78 of the 95 patients without cancer: Now do only 22 cystoscopies to find the same 5 cancers.

[1] Tyson et al. (2023). Budgetary Impact of Including the Urinary Genomic Marker Cxbladder Detect in the Evaluation of Microhematuria Patients. Urology practice, 11(1), 54–60. https://doi.org/10.1097/UPJ.0000000000000489

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SUSTAINABILITY

AN INCLUSIVE, ENGAGED WORKFORCE

The oncology diagnostics marketplace is highly competitive and significant focus is needed to attract and retain the talent that is necessary for success. We are committed to attracting well-qualified and experienced leaders, developing our general staff and offering high contributors opportunities for increasing responsibilities and promotion, empowering them to do great work and to grow in their work.

We recognise that diversity of thought is a consequence of diversity in hiring practice, so we celebrate the diversity of our workforce and value the choice that team members have made to be part of Pacific Edge. The composition, resourcing, remuneration and performance of our workforce is overseen by the Board's People and Culture Committee with input from an internal People and Culture Committee comprising senior executives and external advisors.

EMPLOYEE ENGAGEMENT

As a purpose-led organisation, we are committed to providing an inclusive, values-driven culture which enables our diverse family of employees to grow and thrive. We know this is fundamental to attracting and retaining talent, and to fostering the wellbeing of our people. To support this environment, we work hard to ensure that our employees share our sense of purpose, our values, and our understanding of the strategic pillars that create value for shareholders. Our success in achieving this is reflected in our key measures of employee engagement and turnover.

OUR VALUES

- PUT PATIENTS FIRST IN EVERYTHING WE DO
- ARE COMMITTED TO CUSTOMER SUCCESS
- ARE TRANSPARENT AND TRUSTING
- ARE GUIDED BY DATA & EVIDENCE
- SUPPORT OUR TEAMMATES
- WE CELEBRATE SUCCESSES, LARGE AND SMALL

PACIFIC EDGE LIMITED ANNUAL REPORT 2024

SUSTAINABILITY

We are proud of the progress we have made. In our most recent employment engagement survey, 87% of staff reported they 'agreed' or 'strongly' agreed with the statement that they enjoyed their role at Pacific Edge. Over 90% reported that they had a clear understanding of the vision, purpose and strategy with over 70% stating that they felt engaged with them. The survey also identified several opportunities for development that continue to be a focus of the management team.

BUILDING OUR CAPABILITY

Developing careers and capability

We are committed to offering our people career development opportunities which serve the dual goals of attracting and retaining talent within Pacific Edge, as well as ensuring we have the skills and institutional knowledge necessary to lay the foundations for success as we continue to develop and grow.

Our program of training and development recognises that specialist skills at the heart of our business (uro-oncology, genomics, digital and clinical operations, among others) must be developed rather than hired for. Over the past year we have provided leadership training courses for our emerging leaders, ISO Quality System Management (ISO15189:2022) and training in new molecular biology assay techniques. We also provide cross-training opportunities for our US and New Zealand-based staff to upskill or develop in another laboratory environment.

During the financial year our Hershey-based US team participated in an externally-moderated performance excellence course under the guidance of a LEAN 6-Sigma "Black–Belt" moderator. This course (and subsequent workstreams) is empowering our USA team to drive continuous improvement using the same data-driven approach as that used by our New Zealand team. In addition to improving their skills around problem identification, performance measurement, data analysis, and effective solution implementation, the team gained insights into Lean Operations, emphasising waste elimination and process optimisation for enhanced efficiency and customer satisfaction; process mapping, and the importance of fostering a clean, organised, and efficient work environment. We are already seeing enhancements in productivity, streamlined processes, and improved safety as the result of this upskilling.

Educational collaboration

We collaborate with a range of institutions to bring new talent into the business. Our cooperation with the University of Otago is broad ranging, including the active recruitment of interns. Our contribution to the Medical Laboratory Sciences (MLS) faculty includes student placement programs where MLS undergraduate and honours students work in a diagnostic laboratory to gain real world experience.

They observe all the operations of a molecular diagnostic laboratory and, as part of the placement, are required to complete research projects within the placement laboratory. We also provide support in assessing student performance and provide opportunities for students to meet with medical laboratory scientists in a commercial laboratory - opportunities that are rare in New Zealand.

Pacific Edge is a long-time sponsor of the Dunedin branch of Chiasma, a national student-led organisation that creates links between academia and the wider science, technology, engineering, and mathematics (STEM) industries. Chiasma's mission is to inspire and help students develop a successful career in the STEM industry by providing them with the necessary skills, networks, and mindset.

Offering real world experience

Recognising the importance of recruiting young talent into the business, Pacific Edge runs an internship program in partnership with Callaghan Innovation, Chiasma, and the University of Otago. Each year we select interns from a variety of backgrounds, typically majoring in biomolecular science, clinical studies, biostatistics or information science, to focus on set internship projects. These interns work at Pacific Edge for 400hrs, during which time they're integrated into project teams, obtaining experience with "real data" and helping solve technical, digital or data architecture or reporting problems.

This year we also initiated a program providing selected students with projects hosted in our commercial laboratories.

Both programs offer university students opportunities to gain work experience in a commercial setting and show alternative career paths for MLS/STEM students who have traditionally seen hospital/academic labs as their next career step. It also offers Pacific Edge a great opportunity to meet with potential candidates for future roles, and we have recruited at least one former intern each year in a permanent role.

Remuneration

Pacific Edge's remuneration practices are overseen by the Board's People and Culture Committee to ensure our remuneration framework is appropriate to attract, retain and reward current and future employees. Further detail of our remuneration practices is covered in the remuneration section on pages 63-67 of this report.

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SUSTAINABILITY

A diverse workplace

Pacific Edge seeks to create a culture that fosters diversity and inclusion, providing the support for our people to grow and thrive. In practice, this means creating a flexible workplace that values difference and enhances business outcomes.

We follow equal employment practices, ensuring that our recruitment, development, and talent management approaches enable inclusivity at all levels. These principles are set out in our Diversity Policy.

We will always hire the best person for the job based on capability, acceptance and best fit for the business. We actively seek out those with a variety of thinking styles, backgrounds and abilities. We consider the value of diversity when assessing candidates for roles and we actively maintain processes to ensure our selection processes and remuneration practices are free from bias. Where two candidates applying for a role possess equivalent capability, competence and fit, then diversity of gender and other factors, may become the final criteria for appointment.

PACIFIC EDGE'S GENDER DIVERSITY

	31 March 2024 Male (FTE)	31 March 2024 Female (FTE)	31 March 2023 Male (FTE)	31 March 2023 Female (FTE)
Directors	5 (71%)	2 (29%)	5 (71%)	2 (29%)
Officers*	8 (100%)	0 (0%)	8 (100%)	0 (0%)
Extended leadership team including Officers	14 (78%)	4 (22%)	14.5 (78%)	4 (22%)
Total team	49.5 (49%)	51 (51%)	58.5 (51%)	56.8 (49%)

Figures in brackets represent the proportion of the team

* Includes the CEO

While Pacific Edge's workforce is largely gender balanced, there is a strong weighting towards males in our leadership teams and on the Board. We continue to look for opportunities to increase diversity at all levels of the workforce.

CELEBRATING OUR DIFFERENCES

Recognising and celebrating diversity and establishing a shared sense of values is pivotal to creating the culture that supports our growth and the commitments we make to all our stakeholders. We celebrate days fundamental to our team's diverse cultural identities, including Diwali and St Patrick's day. We have taken a stand for mental health and inclusivity with events such as supporting Pink Shirt Day – a celebration of working together to stop bullying, and promote diversity, kindness and inclusiveness. These events are often supported by organisational initiatives to reinforce the importance of the cause, including mental health first aider training for our health and safety reps, and cultural exchanges with our team in the US.

FOSTERING HEALTH, SAFETY AND WELLBEING

We are committed to maintaining safe and healthy workplace practices to ensure that no employee, nor anyone in the vicinity of our workplace, is harmed at work. Our goal, as outlined in our Health and Safety Policy, is to eliminate as far as reasonably practicable, all injuries, accidents, and incidents from the workplace.

We are pleased to report that lost time to injuries in FY 24 stands at zero at both our New Zealand and US operations.

We make safety a priority in all our workplaces and require active participation from our people to ensure procedures are clearly understood and followed. We conduct company-wide training each quarter, as well as regular Toolbox Talks which focus on a specific safety topic. Our health and safety practices are audited twice per year. We have a strong record of delivering on our commitments. Health and safety are overseen by two internal committees (APAC and US) which are both chaired by the Chief Operating Officer. Reporting is provided to every Board meeting.

Further detail is covered in the company's governance statement in this report.

Mental health and wellbeing

Our commitment is to provide working conditions where employees have the support and tools they need to thrive. This includes creating an environment to enable people to do their best work and be an architect of their own performance and wellbeing. Our mental health and wellbeing programme is well established, and our people are encouraged to engage with the programme. Independent employee assistance is provided where needed and tracked monthly. Over the past year, we have made a significant investment in training, including Toolbox Talks; awareness training for all health and safety committee members; and completion of the LivingWorks ASIST mental health programme by 19 team members.

LIVINGWORKS ASIST

SUSTAINABILITY

RESPONSIBLE SUPPLY CHAIN

SUPPLY CHAIN REVIEW

In order to determine the overall health of our supply chain, we engaged an external expert to help us complete a detailed review of all suppliers during the year. This project is now complete and has produced a number of recommendations that will help us to focus on getting the best outcomes from our supplier relationships. We have already put initiatives in place to strengthen supplier engagement, improve the quality of our contracts and to ensure the principles of sustainable procurement are considered when making purchasing decisions.

Contracts, terms and conditions with major suppliers were reviewed during the year to ensure that they take steps to ensure Modern Slavery (the use of forced labour or child labour) is not present in their supply chains and that they have policies and procedures that respect human rights, consistent with Pacific Edge's own policies.

SUPPORTING OUR COMMUNITIES

We believe it is important to support the communities in which we live and operate. We do this in different ways – by giving back personally, contributing financially, and helping to educate bladder cancer patients about the disease and their choices.

GIVING PATIENTS A VOICE AND RAISING BLADDER CANCER AWARENESS

Pacific Edge believes that an awareness of bladder cancer and available test options empowers patients to take a more informed and active role in their care. To this end, we partner with bladder cancer advocacy organisations to provide leading patient resources. We also leverage our website and social media channels to promote awareness of the disease and to address common concerns and questions.

The Bladder Cancer Advocacy Network (BCAN) is the leading bladder cancer organisation in the US and focuses on increasing awareness of bladder cancer, building a supportive community of people impacted by the disease, funding educational and support programs, and advancing bladder cancer research. Our long-standing collaboration with BCAN, has included sponsorship and participation in the following events.

BCAN's Think Tank Summit: One of the leading bladder cancer-specific medical meetings in North America, which focuses on identifying obstacles and creating solutions in bladder cancer research and fostering discussions to help define priorities for advancing bladder cancer research:

BCAN's Patient Summit: Brings together bladder cancer patients, survivors, and caregivers to share stories, experiences, and information about the disease.

BCAN's Annual Walk to End Bladder Cancer: Takes place virtually and in major cities across the US in May, involving thousands of people - those with bladder cancer, their families, clinicians, and healthcare providers supporting them. These nationwide events have raised millions to fund BCAN's work.

We also supported **Bladder Cancer Awareness Month** in May 2024, when organisations around the world (including BCAN and the World Bladder Cancer Patient Coalition) come together to increase awareness and fundraise for bladder cancer research, treatment and care. Each year, in support of global efforts, we promote Bladder Cancer Awareness Month through our own channels and networks. Over the last two years our activities have emphasised the importance of regular monitoring and compliance with scheduled checks, while raising awareness of Cxbladder as a non-invasive bladder cancer surveillance alternative.

During May as part of Bladder Cancer Awareness Month our team undertook a range of social initiatives including an annual themed dress-up to help increase the profile of the event and the reach of key campaign messages.

SUPPORTING CAUSES MEANINGFUL TO OUR PEOPLE

Pacific Edge team members are encouraged to promote causes meaningful to them, across the organisation. Below are some examples of how our staff get in behind their colleagues' worthy causes.

Movember: Founded in 2003, the Movember Foundation works to raise awareness of men's health issues and fund related projects around the world, with a specific focus on testicular cancer, prostate cancer, mental health and suicide prevention. To date the Foundation has raised over NZ $1 billion globally. We support its efforts each November, both in promoting awareness of the Movember initiative and through team and individual fundraising efforts.

The Aotearoa Bike Challenge: This initiative was part of a larger global programme led by Love to Ride, and encouraged workplace teams to bike to work and for pleasure, logging rides to place on competitive local and national leaderboards. This year a number of staff joined the Pacific Edge Team who competed in the 20-49 staff category. Locally the team came third overall and first in healthcare. At a national level, the team placed 7th in healthcare.

SUSTAINABILITY

OUR ENVIRONMENTAL IMPACT

USING OUR RESOURCES RESPONSIBLY

Our Environmentally Sustainable Procurement Policy sets out our commitment to the responsible purchasing of materials, goods and services, including three basic principles. Prior to purchasing any goods or services we must ensure the following:

- that the item needs to be purchased i.e. there are no other suitable items already available within the company;
- that the lifecycle impacts of the item are considered, including processes used to create it, environmental impacts when used and what happens at the end of its life; and
- that relevant environmental information is provided by the supplier.

In FY 24, we began recording carbon emissions associated with all material aspects of our business, including the transportation of inventory to and from Pacific Edge. This benchmark information is enabling us to develop targets and strategies to reduce carbon emissions associated with consumables as well as the environmental impact of waste, including disposable plastics, water usage and chemical waste. These are described more fully in our climate related disclosures on page 36 and on pages 116 to 133 of this report.

SUSTAINABILITY

CLIMATE-RELATED DISCLOSURES

We are pleased to have completed our first year of mandatory reporting under the Aotearoa New Zealand Climate Standards. The report is provided on pages 116-133.

Our progress

We have made significant progress over the past year in developing a robust climate reporting framework, and this work has created a strong foundation for the continued development of our climate practices.

However, there is still work to do. The roadmap below charts the progress we have made as well as where we are focusing our efforts in FY 25.

CLIMATE REPORTING PROGRESS AND EXPECTATIONS

FY 24 (first mandatory reporting period)	**Governance**	• Governance structure and management accountabilities finalised and documented • External support engaged to assist with scenario analysis and performance measurement • Achieved Toitū carbonreduce certification
	Strategy	• Identification and analysis of current and anticipated climate impacts • Confirmation of risk horizons and impact materiality • Scenario identification and analysis undertaken and process documented • Documentation of climate-related risk reduction strategies and initiatives
	Risk management	• Integration of climate-related risk identification, assessment and management into company risk management practices
	Metrics & Targets	• Completion of first greenhouse gas inventory, including measurement of Scope 1, 2 and 3 GHG emissions (baseline year) • Identification of emissions intensity reduction target
FY 25 (second mandatory reporting period)	**Strategy**	• Further development of scenario analysis using updated information (including health sector analysis) • Ongoing review of risks and opportunities aligned with company risk review processes • Development of transition and adaption plans
	Metrics & Targets	• Further development of metrics and targets to support transition and adaption plans • Performance monitoring • Performance reporting against targets and prior years

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FY 24 emissions overview

As a global cancer diagnostics company, our emissions profile is relatively small. The largest contributor to emissions in our business is travel by our people, in the indirect (Scope 3) category. The next largest contributor of emissions is indirect GHG emissions from consumption of purchased electricity (Scope 2) in respect of our Dunedin and Hershey locations. Scope 1 comprises refrigerants used for laboratory equipment. These did not require replenishment during FY 24.
We have received certification as a Toitū Envirocare carbonreduce organisation. As part of our sustainability initiatives, we have committed to working closely with Toitū Envirocare to accurately measure our greenhouse gas emissions, helping us put in place strategies to manage and reduce our climate impacts. We have made significant steps forward in the 2024 financial year, measuring our emissions, setting sustainability goals and adhering to the new Aotearoa Climate Standards.

PACIFIC EDGE GREENHOUSE GAS EMISSION SUMMARY

Category (ISO 14064-1:2018)	Scopes (ISO 14064-1:2006)	2024 (tCO_2e)
Category 1: Direct emissions	Scope 1	0.00
Category 2: Indirect emissions from imported energy (location-based method*)	Scope 2	145.39
Category 3: Indirect emissions from transportation	Scope 3	910.81
Category 4: Indirect emissions from products used by organisation		53.08
Category 5: Indirect emissions associated with the use of products from the organisation		0.00
Category 6: Indirect emissions from other sources		0.00
Total direct emissions		**0.00**
Total indirect emissions*		**1,109.28**
Total gross emissions*		**1,109.28**
Category 1 direct removals		0.00
Purchased emission reductions		0.00
Total net emissions		**1,109.28**

* Emissions are reported using a location-based methodology.

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GOVERNANCE

OUR GOVERNANCE PRACTICES

Strong governance is fundamental to the performance of Pacific Edge. Pacific Edge's Board is ultimately responsible for ensuring that the Company and its subsidiaries maintain high ethical standards and corporate governance practices.

We are committed to maintaining the highest standards of governance. We ensure that our corporate governance practices are in line with best practice; the NZX Corporate Governance Code (NZX Code); and broader expectations of corporate behaviour. Over the last year we have continued to evolve our governance framework with the following initiatives.

- Ensuring compliance with the new mandatory reporting requirements of the Aotearoa New Zealand Climate standards and more broadly the integration of environmental and social considerations into the framework
- Completing the implementation of our new risk framework and risk assessment practices across the entire business
- Working with our advisors to understand the IRD's requirements in respect of Tax Governance, completing an assessment of our tax framework and implementing improvements; and better managing the tax risks emerging with our growth in international markets
- Strengthening our stakeholder engagement practices, ensuring that investors and other stakeholders are informed about our progress and any market developments in a timely manner

The key corporate governance documents referred to in this report are available on Pacific Edge's website: https://www.pacificedgedx.com/investors/governance/.

GOVERNANCE INITIATIVES AND HIGHLIGHTS

Risk management

Our risk management approach is described in the Corporate Governance Statement on page 54 of this report. We have a comprehensive risk management framework. We have embedded Failure Modes and Effect Analysis (FMEA) across our business. It is the tool of choice to assess and manage risks, including quality, health and safety, market-related and climate-related risks. We assess and prioritise risks using Risk Priority Numbering (RPN) and heat maps from every department leader for every Board reporting cycle. We have also benchmarked our tax risk management framework against better practice to cover the risks emerging from our growth trajectory and advanced our assessment of climate risks in line with the Aotearoa New Zealand Climate standards.

Risk management is embedded in everyday practices, which include regular internal and external audits, training, quality management systems, risk reporting and promotion of a strong risk culture, which is promoted as 'Say what we do and do what we say'. Company-wide training is undertaken to ensure staff are adept in the use of risk management tools.

Operational quality and compliance

As a health provider, Pacific Edge is required to meet stringent regulatory, quality, health and safety and manufacturing standards in every country we are operating in.

We operate a Quality Management System (QMS) that encompasses manufacturing, laboratory operations, clinical science and digital development. Our QMS is administered through iPassport, which maintains standard operating procedures, tracks quality metrics such as Non-Conformances, CAPAs (Corrective and Preventive Actions), Change Controls and ensures compliance with our ISO9001/ISO15189 requirements. This, combined with a programme of internal and external audits, enables the company to meet its quality commitment to being 'audit ready everyday'. In the past year we conducted 10 internal QMS audits, have been assessed by external auditors from CLIA, CAP, Telarc and IANZ and have also partnered with SeerPharma to ensure compliance with ISO13485 and FDA requirements. All our major suppliers are required to sign a Quality Agreement that governs how incidents or other non-conformances are governed between our companies.

Below is a summary of our operating standards:

- all Group business operations are governed by ISO-9001;
- our US laboratory operations are governed by CAP[1], CLIA[2], GLP[3] and NYS[4];
- our New Zealand laboratory operations are governed by CLIA, Medical Laboratory Council and ISO-15189;
- digital/Software for lab operations is governed by CLIA, NYS, ISO-15189, HIPAA[5] and IT Security;
- Pacific Edge manufacturing is governed by the principles of Good Manufacturing Practices (GMP) (internally audited);
- Pacific Edge collection devices are registered with the TGA[6] in Australia, their manufacturing follows GMP and is manufactured and supplied in accordance with ISO-13485; and
- Pacific Edge clinical evidence generation is governed under GCP (good clinical practice) and IRB ethics approvals. Clinical Sciences are working towards future compliance with ISO20916.

We are currently finalising a new Quality Policy which will support the extension of the QMS to ISO-13485/ISO14971 requirements. This will be completed in FY 25.

[1] College of American Pathologists
[2] Clinical Laboratory Improvement Amendments (Centers for Medicare & Medicaid Services)
[3] Good Laboratory Practice
[4] New York State (Department of Health)
[5] Health Insurance Portability and Accountability Act (US)
[6] Therapeutic Goods Administration

PACIFIC EDGE LIMITED ANNUAL REPORT 2024

BOARD AND MANAGEMENT

PACIFIC EDGE'S BOARD

Chris Gallaher,
Chairman and Independent Director (Appointed 2016)

Chris joined the Board in 2016 and was appointed as Chairman in August 2016. A New Zealand citizen resident in Melbourne, Chris has held senior positions in both CEO and CFO roles with a number of large international companies and was a partner in Arthur Young, Chartered Accountants. Prior to retiring from full time corporate life, he was CFO of Fulton Hogan, a large NZ resources based civil contractor. Chris holds a BCom from Otago University, is a Chartered Accountant, a member of the Australian Institute of Company Directors, is Chairman of Vinlink (Marlborough) Ltd and Mariposa Holdings Ltd and Director of Highlanders Rugby Club.

Anatole Masfen,
Independent Director (Appointed 2008)

Anatole is the co-founder of Artemis Capital, a private equity investment firm based in Auckland. He graduated from the University of Auckland with an MCom (Hons) in Finance and Economics. Following that he spent eight years with Air New Zealand (and later the merged entity with Ansett Australia) holding senior positions in Pricing, Revenue Management and Systems implementation. He holds directorships in numerous private companies and has significant knowledge of financial capital markets. As a long standing director of PEB and investor in numerous medical and tech companies, Anatole has an a detailed knowledge of the medical sector and future trends. In particular human sciences and disruptive technologies.

Sarah Park
Independent Director and Chair of Audit and Risk Committee (Appointed 2018)

Sarah is the co-founder of Even Capital, a Venture Capital fund 100% focused on investing in female entrepreneurs in New Zealand and Australia. Sarah brings 25+ years international corporate finance and capital markets experience to Pacific Edge after a professional career with PwC in NZ and HSBC Investment Bank in London. During her executive career, Sarah held a wide variety of roles including being involved in numerous M&A and capital market transactions, managing family office investment portfolios, and as a sell-side Equity Research Analyst. Sarah is Deputy Chair of National Provident Fund, a Director of NZ med-tech company, Orbis Diagnostics and Chair of Audit & Risk for Waipau Anglican Trust Board. Sarah has a MA(Hons) in Economics from the University of Edinburgh and is a member of the New Zealand Institute of Directors and INFINZ.

Bryan Williams
Independent Director (Appointed 2013)

Bryan is an internationally recognised cancer researcher and research administrator, with significant business experience. He has held a number of governance roles, including with a NASDAQ listed biotech company. Presently, he serves on the boards of two Australian and one American privately held biotechnology companies. Bryan was a Director and CEO of the Hudson Institute of Medical Research. He is currently Emeritus Director and Distinguished Scientist at the Hudson Institute in Melbourne. He has a BSc (Hons) and PhD in Microbiology from the University of Otago.

Anna Stove
Independent Director and Chair of the People and Culture Committee (Appointed 2021)

Anna has a successful track record in leading and driving transformational change within the Healthcare sector. She has significant Global business experience having held a variety of senior executive roles within Asia Pacific and Europe. Prior to stepping down from corporate life, Anna was the NZ General Manager of GlaxoSmthKline. She is now committed to growing businesses through best practice governance. Anna also Chair's Rua Bioscience and TAB NZ.

Mark Green
Independent Director (Appointed 2021)

Mark is an experienced corporate finance professional, with approximately 25 years of experience in the Australasian capital, corporate and financial markets. He was an Executive Director for Investment Banking at Goldman Sachs where he worked for nearly 20 years and has been involved in many large prominent New Zealand transactions including the IPOs of Meridian, Mighty River Power and Vector. Mark is a Director of a number of entities including being Chair of The Better Product Group Limited and a Director of Mariposa Holdings (a large charitable organisation). Mark has a Bachelor of Commerce and a Bachelor of Law degrees from the University of Auckland.

Tony Barclay
Independent Director (Appointed 2022)

Tony brings over 30 years experience in business and 22 years healthcare experience. Tony was CFO at medical device company Fisher & Paykel Healthcare from the time of separation from Fisher & Paykel Appliances in 2001 until retiring from full-time employment in 2018. Prior to Fisher & Paykel Healthcare Tony worked for PriceWaterhouse and Arnott's Biscuits in finance roles. Tony is also a board member of listed company Rua Bioscience and holds a number of directorships in private companies, all in MedTech. Tony holds a BCom from the University of Otago and is a Chartered Accountant and a member of the New Zealand Institute of Directors and INFINZ.

PACIFIC EDGE LIMITED ANNUAL REPORT 2024

BOARD AND MANAGEMENT

PACIFIC EDGE'S SENIOR MANGEMENT TEAM

Dr Peter Meintjes, CEO, Pacific Edge

Peter is a molecular diagnostics and genomics leader focused on nascent market development of disruptive innovations to drive commercial success. Prior to joining Pacific Edge, he was based in Boston, USA for a number of molecular diagnostic leadership roles. Most recently the Chief Commercial Officer at Eurofins Transplant Genomics (TGI), a transplant diagnostics company focused on revolutionising post-transplant care for kidney transplant recipients with non-invasive biomarkers he was responsible for scaling the commercial team behind TruGraf (now OmniGraf), the only CMS-reimbursed test for subclinical organ rejection. Prior to TGI, Peter was CEO at Omixon Inc, a molecular diagnostics company focused on the pre-transplant market, world leader in HLA typing by NGS, and recipient of the Innovation Grand Prize among all companies in Hungary in 2018. Omixon was acquired by Werfen in 2024. Prior to his US career, Peter worked at Auckland-based Biomatters, the creators of Geneious – software specialising in translating genetic and genomic data into biological insights for researchers and medical insights for clinicians. Biomatters was acquired by GraphPad in 2019.

Grant Gibson, Chief Financial Officer, Pacific Edge

Grant is an experienced financial executive and chartered accountant, who brings significant financial experience to the role. Prior to joining Pacific Edge in late 2019, Grant was Chief Financial and Operating Officer for Dunedin-based company, TracMap, where he was responsible for leading the financial management and operations across the company. Prior to that, Grant worked in executive finance roles at Westpac, including as Head of Finance for Westpac New Zealand. During his time with Westpac, he headed the finance team for New Zealand's largest financial transaction, the local incorporation of Westpac New Zealand.

Tamer Aboushwareb MD PhD, Chief Medical Officer, Pacific Edge

Tamer joined Pacific Edge in June 2022 and brings to the company a depth of experience in clinical, medical research, and commercial roles in urological medicine in Egypt and the USA. Prior to joining the company, he was Senior Director of Oncology Clinical Development at Exact Sciences and prior to that he was Global Therapy Area Head, Urology, Medical Affairs at the global pharmaceutical company Allergan. He is a graduate of the Ain Shams University Medical School in Cairo. He also holds Masters and Doctoral degrees in urology and has held residency, post-doctoral and research roles in Egypt and the US.

Darrell Morgan, Chief Operating Officer, Pacific Edge

Darrell has nearly 40 years experience in senior roles in pharmaceutical research and development, immunodiagnostics, and device development for drug delivery across human and animal health, technical operations and customer-facing roles in the UK, Europe and New Zealand. Prior to joining Pacific Edge, Darrell held several roles at Argenta, an Auckland based animal pharmaceutical manufacturer, including VP of Business Development, Head of Global Pharmaceutical Sciences and Director of Product Development. His last role in Europe was leading UCB's large molecule sterile drug delivery and patient solution technologies teams, developing drug/device combination products which were approved by both FDA and EMEA.

Andy McIntosh, Chief Digital Officer, Pacific Edge

Andy is an experienced executive leader with strengths across digital transformation, strategy development and delivery, product management and people leadership. His focus is on creating a more sustainable future for business through digital technology, and in developing technology capability and services. Andy has worked in a number of senior roles including General Manager Technology and Fleet at Citycare Group in Christchurch, Global Commercial Manager for Tait Communications in New Zealand, UK and Houston, and for Vodafone New Zealand.

Justin Harvey PhD, Chief Technology Officer, Pacific Edge

Justin joined Pacific Edge in 2004 with a background in medical laboratory testing, diagnostics and cancer genetics. Justin has been involved in the development and commercialisation of the Cxbladder suite of products from inception and is now leading Pacific Edge's scientific Research and Development program to develop novel products to help improve people's lives and patient outcomes by providing leading solutions for the early detection and management of cancer.

Professor Parry Guilford, Chief Scientific Officer, Pacific Edge

Parry has led the science, research and development at Pacific Edge from its early days. As one of the founding scientists and a member of the Scientific Advisory Board of the Company, Parry is the architect of many of the Company's product prototypes. Parry's focus is to bring his world class skills and experience on the step change in biotechnology for the Company's next generation of products.

David Levison, President, Pacific Edge Diagnostics USA

David has spent more than 25 years in the healthcare industry, working across a range of sectors from pharmaceuticals to services and diagnostics. He has been the founder, CEO, and Board member of a number of high growth medical technology and molecular diagnostic businesses in the US as well as working in private equity. David served for four years as a member of the Pacific Edge Board of Directors, before transitioning to lead the PEDUSA organisation in November of 2020 as Executive Chairman of PEDUSA and then as President beginning September 1, 2022.

Glen Costin, President APAC, Pacific Edge

Glen joined Pacific Edge in April 2023 having spent more than 20 years in Asia Pacific markets with life science/diagnostic companies such as BD (Becton Dickinson) and Bio-Rad Laboratories. Glen has had extensive hands-on commercial and go-to-market experience in China, Korea, Taiwan, SE Asian countries, Australia and New Zealand both directly and via distribution partners. His sales and marketing experience spans life science research, diagnostic instrumentation, as well as launching a new Oncology test for Cervical Cancer Screening generating over US$38M pa in revenues within APAC. Glen has sold at the executive level for many years and developed Key Opinion Leader networks to support innovative technology introduction in the medical diagnostics sector, including his former role as Global Private Pathology Director at BD Diagnostics. Glen's qualifications include: Bachelor of Science (Genomics), Masters of Management (Marketing Management & Finance) from Macquarie Graduate School of Management.

GOVERNANCE

FY 2024 GOVERNANCE STATEMENT

Strong governance is fundamental to the performance of Pacific Edge Limited and Pacific Edge's Board is ultimately responsible for ensuring that the Company and its subsidiaries (the Group) maintain high ethical standards and corporate governance practices.

Pacific Edge is committed to maintaining the highest standards of governance. It does this by ensuring that its corporate governance practices are in line with best practice and the NZX Corporate Governance Code (NZX Code). The Board believes that for FY 24, Pacific Edge's governance practices are appropriately aligned with the NZX Code.

The key corporate governance documents referred to in this report are available on Pacific Edge's website https://www.pacificedgedx.com/investors/governance/.

PRINCIPLE 1: CODE OF ETHICAL BEHAVIOUR

"Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for these standards being followed throughout the organisation."

CODE OF ETHICS

Pacific Edge maintains high standards of ethical behaviour and has both a Directors' Code of Ethics and an Ethical Behaviour Policy for employees of the Company, setting out the standards that each Director or employee must adhere to whilst conducting their duties. The Code and Policy are reviewed every two years.

General principles within both Policies include (but are not limited to) requiring all Directors and employees to:

- act honestly and with personal integrity in all actions;
- in the case of Directors, give proper attention to the matters before them and exercise their powers and duties with a due degree of care and diligence;
- not make improper use of information acquired as a Director or employee, or of assets or resources of the Company; and
- comply with Company policies at all times.

In particular, the Code and Policy cover conflicts of interest, gifts, confidentiality, behaviour and proper use of assets and information. Pacific Edge's policy is that donations are not made to any political parties.

Employees are encouraged to report any breaches. Pacific Edge has a Speak Up Policy that is designed to ensure its employees and contractors are aware and encouraged to raise concerns regarding actual or suspected wrong doing with regards to ethical, clinical, professional and legal standards in a safe, supported and protected environment. Alongside the Speak Up Policy, Pacific Edge has a Protected Disclosures Policy that is designed to promote the public interest by facilitating the disclosure and investigation of matters of serious wrongdoing whilst protecting complainants who make disclosures of serious wrongdoing in good faith in an organisation from victimisation or reprisals.

Processes have been established to ensure all employees are aware of and understand these Policies.

SHARE TRADING POLICY

Pacific Edge's Board and management are committed to ensuring compliance with all regulatory and market requirements. Pacific Edge's Share Trading Policy, which applies to all employees and Directors but has additional trading restrictions applying to Directors and Senior Managers is a core component of this commitment. Details of Directors' share dealings are set out on page 111 of this report.

PRINCIPLE 2: BOARD COMPOSITION & PERFORMANCE

"To ensure an effective Board, there should be a balance of independence, skills, knowledge, experience and perspectives."

Pacific Edge's Board operates under a written Board of Directors' Charter (Charter) which sets out the roles and responsibilities of the Board (and clearly distinguishes and discloses the respective roles and responsibilities of the Board and management). The focus of the Board is the creation of company and shareholder value and ensuring the Company is committed to best practice. The charter is available on the Pacific Edge website.

Responsibility for the day-to-day management of Pacific Edge has been delegated to the Chief Executive Officer (CEO) and other Senior Management. Management is responsible for implementing the objectives and strategies approved by the Board, through a set of delegated authorities.

The primary responsibilities of the Board include:

- overall governance and providing strategic leadership;
- ensuring compliance with the Company's constitution;
- setting clear goals for the Company, ensuring that there are appropriate strategies in place for achieving those goals;
- monitoring the Company's performance against its approved strategic, business and financial plans;
- appointment of the Chair and CEO;
- ensuring that the Company follows high standards of ethical and corporate behaviour;
- ensuring that the Company has appropriate risk management policies in place; and
- appointing the Company auditors and setting the annual auditors fees.

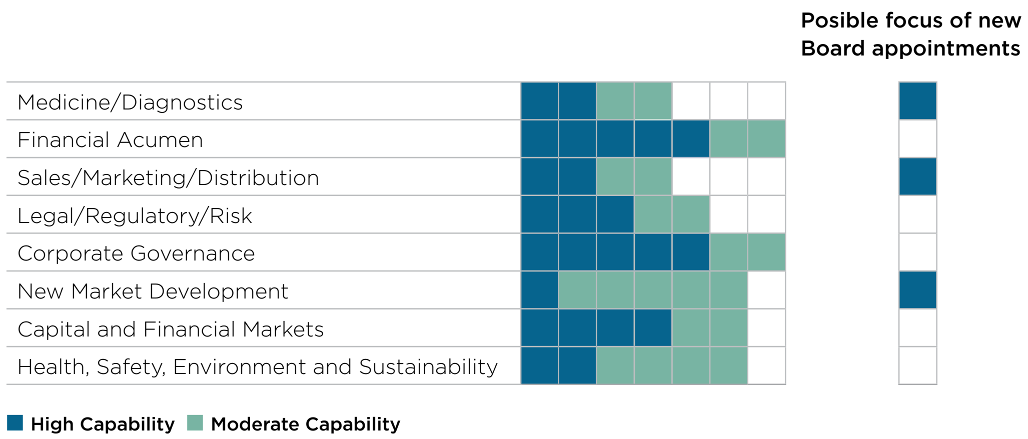
As at 1 April 2024, the Board was comprised of seven non-executive independent Directors. There were no changes to the Board during the year ended 31 March 2024.

A director's interests, position and relationships as well as the factors set out in Table 2.4 of the NZX Code have been considered holistically in determining the director's independence status.

The Chairman is an independent Director who is elected by the Directors. The Chairman and the CEO roles are not executed by the same individual.

Directors are selected based on the diversity of skills needed as defined by the Company's skills matrix taking into account the composition of the Board in relation to the Company's needs and operating environment. The Board considers that its members currently have the appropriate balance of independence, skills, knowledge, experience and perspectives necessary to lead Pacific Edge.

It is acknowledged that Anatole Masfen has been a Board member for approximately 16 years. While this tenure is beyond the 12 year period listed as a factor that may cause questions on independence, the Board values the extensive knowledge Anatole brings to the Board table and is satisfied that Anatole continues to bring independent judgment to bear on issues before the Board and acts in the best interests of the Company and represents the interests of its shareholders generally.



Details of each Director, along with their experience, length of service, independence and ownership interests and attendance at Board meetings is included in this Annual Report on pages 40-41, 49 and 110-111. Director Profiles are available on the Company's website.

NOMINATION AND APPOINTMENT OF DIRECTORS

The procedure for the nomination and appointment of Directors to the Board is set out in the Charter. While the nomination process for new Director appointments is the responsibility of the Board as a whole, the Nomination Committee is responsible for identifying, reviewing and recommending candidates to the full Board. The Board may engage consultants to assist in the identification, recruitment and appointment of suitable candidates. The Company undertakes proper checks before appointing a Director and putting forward a candidate for election as a Director. Key information is provided to shareholders when a Director stands for election or re-election.

Directors will retire and may stand for re-election by shareholders at least every three years, in accordance with the NZX Listing Rules. A Director appointed since the previous annual meeting holds office only until the next annual meeting but is eligible for re-election at that meeting.

The Board asks for Director nominations each year prior to the Annual Shareholders Meeting, in accordance with the constitution of the Company and the NZX Listing Rules.

INDUCTION AND PROFESSIONAL DEVELOPMENT

Newly elected Directors undergo a formal induction programme to ensure they have working knowledge of our business. This includes one-on-one meetings with management and a tour of the laboratory and R&D facilities. They are expected to familiarise themselves with their obligations under the constitution, Board Charter and the NZX Listing Rules. Training is also provided to new and existing Directors where required to enable Directors to understand their obligations.

The Company encourages all Directors to undertake appropriate training and education so that they may best perform their duties. This includes attending presentations on changes in governance, legal and regulatory frameworks; attending technical and professional development courses; and attending presentations from industry experts and key advisers. Additional industry related training is provided by Pacific Edge on a regular basis.

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BOARD PERFORMANCE

The performance of the Board is reviewed periodically to assess the performance of each Director, each Committee and the Board as a whole. The most recent evaluation of Board performance was undertaken in September 2022. The Chair of the Board also regularly engages with individual Directors to evaluate and discuss performance and professional development.

DIVERSITY

Pacific Edge is committed to bringing diversity to life in its employment practices and across all aspects of the business.

The Board and Company believe in creating a flexible workplace that values difference and enhances business outcomes. We follow equal employment practices, ensuring that our recruitment and selection, development and talent management approaches enable inclusion and diversity at all levels.

The Diversity Policy outlines Pacific Edge's approach towards diversity. While no measurable targets have been set for diversity, the Remuneration Committee provides oversight of employment practices and HR processes and practices and the Board is comfortable that these are in line with the intent of the Diversity Policy.

Pacific Edge's workforce demonstrates balance between genders across the business, but a skew to males is evident in the leadership teams and on the Board. We explore opportunities to increase diversity at all levels of the workforce.

Pacific Edge will always hire the best person for the job based on capability, acceptance and best fit for the business. We actively seek out those with a variety of thinking styles, backgrounds, and abilities. Where two candidates applying for a role possess equivalent capability, competence and fit, then diversity may become the final criteria for appointment. We actively monitor for bias in both our recruitment process and our remuneration practices.

The Officers of the Company (as defined by the NZX Listing Rules) are the CEO and specific direct reports of the CEO having key functional responsibility. As at 31 March 2024, females represented 13% of Directors and Officers of the Company (FY 23: 13%).

The diversity of our workforce is detailed in our ESG section on page 30.

PRINCIPLE 3: BOARD COMMITTEES

"The Board should use Committees where this will enhance its effectiveness in key areas, while still retaining Board responsibility."

The Board has delegated a number of its responsibilities to Committees to assist in the execution of the Board's responsibilities. These Committees review and analyse policies and strategies which are within their terms of reference.

Committee members are appointed from members of the Board with membership reviewed on an annual basis. Committees examine proposals and, where appropriate, make recommendations to the full Board. Committees do not take action or make decisions on behalf of the Board unless specifically mandated by prior Board authority to do so.

Management may only attend committee meetings at the invitation of the Committee.

The current permanent Committees of the Board are the Audit & Risk Committee, People and Culture Committee, Nominations Committee and Capital and M&A Committee.

The Committees have terms of reference (Charters), which are reviewed and approved by the Board. All charters are reviewed approximately every two years. These are available on the Company's website.

Committee Membership as at 31 March 2024

Audit & Risk Committee	People and Culture Committee	Nomination Committee	Capital and M&A Committee
Sarah Park (Chair)	Anna Stove (Chair)	Chris Gallaher (Chair)	Mark Green (Chair)
Mark Green	Bryan Williams	Bryan Williams	Anatole Masfen
Chris Gallaher	Anatole Masfen	Anna Stove	Chris Gallaher
Tony Barclay	Tony Barclay		Sarah Park
			Peter Meintjes

DIRECTOR MEETING ATTENDANCE

The Board meets as often as it deems appropriate including sessions to consider the strategic direction of Pacific Edge and forward-looking business plans. Video and/or phone conferences are also used as required.

The table below sets out Director attendance at Board and Committee meetings during FY 24.

	Board	Audit & Risk Committee	Nomination Committee	People and Culture Committee	Capital and M&A Committee
Tony Barclay	13/13	8/8	-	6/6	3/3
Chris Gallaher	13/13	8/8	-	3*	3/3
Mark Green	13/13	8/8	-	1*	3/3
Anatole Masfen	13/13	6*	-	4/6	3/3
Sarah Park	13/13	8/8	-	1*	2/3
Anna Stove	13/13	3*	-	6/6	2*
Bryan Williams	12/13	3*	-	5/6	2*

*Indicates optional attendance

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AUDIT & RISK COMMITTEE

Pacific Edge's Audit & Risk Committee is comprised solely of Directors of the Company, with all members being independent Directors. As at 31 March 2024, there were four members of the Audit & Risk Committee with all having an accounting or financial background. The Chair of the Audit and Risk Committee is not the Chair of the Board.

As per the Board Charter, the responsibilities of the Audit & Risk Committee include providing oversight in four distinct areas (financial reporting, audit functions, risk management and sustainability and climate related disclosures) and include as a minimum:

Financial Reporting

- reviewing the financial reports and advising all Directors whether they comply with the appropriate laws and regulations;
- ensuring that the processes are in place and monitoring of those processes so that the Board is properly and regularly informed and updated on corporate financial matters;
- reviewing the Company's tax position, compliance and any exposures.
- recommending to the Board for adoption significant changes in accounting policies and annual and six-monthly financial statements.

Audit Functions

- ensuring that the external auditor or lead audit partner is changed at least every five years.
- monitoring and reviewing the independent and internal auditing practices;
- having direct communication with and unrestricted access to the independent auditors and any internal auditors or accountants;
- recommending annually to the Board the appointment of the independent auditor;

Risk Management

- ensuring that management has established a risk management framework which includes policies and procedures to effectively identify, treat, monitor and report key business risks;
- review key insurance policy terms and cover adequacy and make recommendations to the Board for adoption of the insurance cover.
- overseeing compliance of the Company's Treasury activities including periodic review of performance against the Policy; and
- ensuring Treasury issues raised by auditors (both internal and external) are resolved and/or a plan to resolve is agreed immediately.

Sustainability and Climate Related Disclosures

- the Committee will report to the Board on the delivery of the Sustainability Policy and progress with adoption and compliance with the *Aotearoa New Zealand Climate Standards (Climate Reporting Standards)* published by the XRB; and
- noting the disclosure requirements of the Climate Reporting Standards, the Committee will report to the Board on the Physical and Transitional Climate related risks and opportunities facing the Company.

Directors who are not members of the Committee are able to attend Audit & Risk Committee meetings as they wish. Employees may only attend those meetings at the invitation of the Audit & Risk Committee.

NOMINATION COMMITTEE

The Board has established a Nomination Committee to recommend Director appointments to the Board. The Nomination committee operates under a written Charter. All members of the Nomination Committee are independent Directors.

PEOPLE AND CULTURE COMMITTEE

The Board has a People and Culture Committee to recommend the remuneration for Directors to the shareholders and to oversee the remuneration of the Officers/senior managers of the Company. The People and Culture Committee operates under a written Charter. All members of the People and Culture Committee are independent Directors. The CEO does not participate in any discussions concerning the CEO's remuneration.

The People and Culture Committee is responsible for ensuring that the Company has a sound Remuneration Policy to attract and retain high performing individuals. The Remuneration Policy is available on the Company's website.

Directors' remuneration is also considered by the People and Culture Committee, within the limits that have been approved by the shareholders of the Company.

The Committee makes recommendations to the Board on remuneration packages for the CEO. Any recommendations to shareholders regarding Director remuneration are provided for approval in a transparent manner. Management only attends committee meetings at the invitation of the committee.

OTHER COMMITTEES

The Board establishes other Committees as required. In the case of a takeover offer, Pacific Edge will form an Independent Takeover Committee to oversee disclosure and response, and engage expert legal and financial advisors to provide advice on procedure. The Board has established appropriate processes and protocols that set out the procedures to be followed if there was to be a takeover offer made for the Company.

PRINCIPLE 4: REPORTING & DISCLOSURE

"The Board should demand integrity in financial and non-financial reporting, and in the timeliness and balance of corporate disclosures."

CONTINUOUS DISCLOSURE

The Board focuses on providing accurate, adequate and timely information both to its shareholders and to the market generally. This enables all investors to make informed decisions about the Company. All significant announcements made to NZX and ASX, and reports issued, are posted on the Company's website.

The Company has procedures in place to ensure that it complies with its continuous disclosure requirements under the NZX and ASX Listing Rules. The Continuous Disclosure Policy governs the release to the market of all material information that have a material effect on the price of the Company's shares.

COMPANY POLICIES

Copies of the key governance documents, including the Continuous Disclosure Policy, Ethical Behaviour Policy, Share Trading Policy, Board and Committee Charters and Diversity Policy are available on the Company's website.

https://www.pacificedgedx.com/investors/governance

FINANCIAL REPORTING

Pacific Edge's management team is responsible for implementing and maintaining appropriate accounting and financial reporting principles, policies, and internal controls. These are designed to ensure compliance with accounting standards and applicable laws and regulations.

The Audit & Risk Committee oversees the quality and integrity of external financial reporting, including the accuracy, completeness, balance and timeliness of financial statements. It reviews Pacific Edge's full and half year financial statements and makes recommendations to the Board concerning accounting policies, areas of judgement, compliance with accounting standards, stock exchange and legal requirements, and the results of the external audit.

All matters required to be addressed, and for which the Committee has responsibility, were addressed during the reporting period.

The CEO and CFO have confirmed in writing to the Board that Pacific Edge's external financial reports present a true and fair view in all material aspects. Pacific Edge's full and half year financial statements are available on the Company's website.

The Chief Financial Officer holds the role of Company Secretary. In all accounting and secretarial matters, the Board ensures that the Secretary's reports are objective and that the Secretary has unfettered access to the chair and the audit committee, without reference to the CEO.

NON-FINANCIAL REPORTING

Non-financial information is provided on a regular basis to shareholders to allow them to measure the progress of the company. Pacific Edge's Board and management are focused on identifying areas which are of primary importance to creating a sustainable business, achieving strategic goals and meeting the expectations of key stakeholders.

Pacific Edge discusses its strategic objectives and its progress against these in the Chair and CEO's commentary in shareholder reports. Key non-financial metrics used by Pacific Edge to demonstrate its progress are Laboratory Test Throughput and Commercial Tests.

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PRINCIPLE 5: REMUNERATION

"The remuneration of directors and executives should be transparent, fair and reasonable."

The Company has a People & Culture Policy which outlines the processes and framework for remuneration of the Chairperson, the Directors, the CEO and management. The People and Culture Committee is responsible for recommending to the Board the remuneration for the Chair, Directors and the CEO, and consulting and approval, on the recommendation of the CEO for the appointment and employment terms of all Executive (other than the CEO).

Shareholders fix the total remuneration available for directors. Approval is sought for any increase in the pool available to pay Directors' fees, and any recommendations to shareholders regarding Director remuneration are provided for approval in a transparent manner.

External advice is sought on a regular basis to ensure remuneration is benchmarked to the market for senior management positions, Directors and Board positions. The last review of Director remuneration was undertaken in June 2021.

Further details on remuneration are included in the Remuneration Section of this Annual Report, including the remuneration arrangements in place for the CEO, on pages 63 to 67.

While there is no formal requirement, a majority of Pacific Edge's Directors own shares in the Company either directly or through related entities. There is a provision for the Company to make a retirement payment to a Director if approved by shareholders; however, no retirement payments were made in FY 24.

PRINCIPLE 6: RISK MANAGEMENT

"Directors should have a sound understanding of the material risks faced by the issuer and how to manage them. The Board should regularly verify that the issuer has appropriate processes that identify and manage potential and material risks."

The Board is responsible for ensuring that appropriate policies and procedures are in place to identify and manage the key risks of the Company, which is managed through the Audit & Risk Committee. The Audit & Risk Committee operates in line with its Charter, which sets out its responsibilities for identifying, monitoring, treating and reporting on key business risks.

The executive team and senior management are required to regularly identify the major risks affecting the business, record them in the risk register and develop structures, practices and processes to manage and monitor these risks. Pacific Edge has a strong risk culture, with risk management embedded in everyday practices. The comprehensive risk management framework uses Failure Modes and Effect Analysis (FMEA) to manage risk.

A comprehensive review of the risk register was completed in September 2023, and incorporates risk mitigation strategies, processes and policies.

In early 2024 the Board completed an in-depth review of climate related risks, working with the Sustainability Committee. The saw the completion of a Climate Risk Register, incorporating both risks and opportunities, These, are discussed at scheduled Board meetings, with a focus on any changes and emerging risks and opportunities.

Pacific Edge maintains insurance policies that it considers adequate to meet its insurable risks.

The Board is satisfied that Pacific Edge has in place a risk management framework to effectively identify, manage and monitor Pacific Edge's principal risks, to the extent practicable.

Pacific Edge's material risks and how these are being managed are outlined and discussed in the Risk Analysis on pages 58-61.

HEALTH AND SAFETY

The Company takes responsibility, so far as is reasonably practicable, at all its sites to protect the health, safety and welfare of all staff and people on Company sites, and acts in compliance with all of its legal and ethical obligations.

Pacific Edge aims to proactively identify and manage all identified hazards across the company. The Company's health and safety performance is monitored and reviewed regularly by management and at every meeting by the Board. The Company's goal is to maintain a safe and effective operating environment and takes its duty of care to staff, contractors and visitors very seriously.

In FY 24 the Board had a renewed focus on the adequacy of our health and safety framework and practices. This included bringing our US business into greater alignment with New Zealand from a health and safety Governance perspective, which led to enhanced reporting to the Board across the Group enabling better monitoring and more informed decision making.

There were no serious harm incidents reported during FY 24 and no days lost to workplace incidents at any Company site. In addition, there were no serious hazards identified across the Group.

PRINCIPLE 7: AUDITORS

"The Board should ensure the quality and independence of the external audit process."

EXTERNAL AUDITORS

The Board's relationship with its external auditors is governed by the Audit & Risk Committee Charter. The Charter sets out the Audit & Risk Committee's responsibilities in relation to corporate accounting and reporting practices of the Company, along with the quality and integrity of financial reports. It is the responsibility of the Audit & Risk Committee to maintain free and open communication between the Directors and external auditors and to approve any non-audit engagements performed by the audit firm.

For FY 24, PricewaterhouseCoopers (PwC) was the external auditor for Pacific Edge Limited. PwC was re-appointed under the Companies Act 1993 at the 2023 Annual Shareholders Meeting. The last audit partner rotation was in FY21 with rotation due no later than FY26.

All audit work at Pacific Edge is separated from non-audit services, to ensure that appropriate independence is maintained. The Audit and Risk Committee review and approve the nature and scope of other professional services (if any) provided to the Company by the external auditor and consider the relationship to the auditor's independence. The amount of fees paid to PwC during FY 24 are identified on page 81.

PwC has provided the Audit & Risk Committee with written confirmation that, in their view, it was able to operate independently during the year.

PwC attends each Annual Meeting of the Company, and the lead audit partner is available to answer questions from shareholders at that Meeting. PwC attended the 2023 Annual Meeting.

INTERNAL AUDITS

Internal audits are used as a tool for the systematic and independent examination of Pacific Edge's operational processes as they relate to product and service provision.

Pacific Edge conducts internal audits of its manufacturing, clinical diagnostic laboratories and Quality Operations at planned intervals to verify that its Quality Management System is effectively implemented and maintained and provides continuous improvement opportunities in system processes. In addition, audits by external Notified Bodies take place to ensure compliance with the requirements of multiple International Standards, such as ISO9001:2015 and ISO15189:2006. The latest external audits took place in September 2023 (Telarc, ISO9001), February 2024 (CLIA) and in May 2024 (IANZ, ISO15189. All were completed satisfactorily. In the US, the laboratories were audited by New York State in September 2023 and by CAP in October 2023. Both audits were completed successfully.

PRINCIPLE 8: SHAREHOLDER RIGHTS & RELATIONS

"The Board should respect the rights of shareholders and foster constructive relationships with shareholders that encourage them to engage with the issuer."

SHAREHOLDER COMMUNICATIONS

Pacific Edge is committed to ensuring that its shareholders are kept up to date with key activities and are provided with relevant information about the Company and its performance.

The Company communicates with shareholders during the financial year through quarterly shareholder newsletters, annual and half year reports and at the Annual Shareholders Meeting. All written communications and reports are available on the Company's website, as well as emailed to shareholders who elect to be emailed. All shareholders are given the option to elect to receive electronic communications from the Company.

In addition to shareholders, Pacific Edge has a wide range of stakeholders and maintains open channels of communication for all audiences, including brokers, the investing community and the New Zealand Shareholders' Association, as well as its staff, suppliers and customers.

SHAREHOLDER MEETINGS

In accordance with the NZX Listing Rules, shareholders have the right to vote on major decisions which may change the nature of the Company. Each shareholder has one vote per share and voting is conducted by polls.

The notice of the Annual Shareholders Meeting is announced on the NZX, sent to shareholders and posted on to the Company's website at least 20 working days prior to the Meeting each year.

DIRECTORS' REMUNERATION

Remuneration of Directors and senior executives is a key responsibility of the People and Culture Committee. Pacific Edge's policy is to offer competitive Director fees to attract and retain high quality, appropriately skilled Directors, who will best add value to the Company. Further detail on remuneration is covered on pages 63 to 67 of this report.

RISK ANALYSIS AND MANAGEMENT

PACIFIC EDGE LIMITED ANNUAL REPORT 2024

RISK ANALYSIS AND MANAGEMENT

As a growth company, there are a number of risks which could impact Pacific Edge. We believe it is important for our shareholders to have an understanding of these risks and the processes the Board and management have put in place to mitigate these risks.

As a healthcare services provider, we must meet stringent regulatory, quality, health and safety and manufacturing standards in a number of countries. Risk management is therefore embedded in everyday practices, which include regular internal and external audits, training, quality management systems, risk reporting and promotion of a strong risk culture. Pacific Edge has a comprehensive risk management framework, using Failure Modes and Effect Analysis (FMEA) as the tool of choice to assess and manage risk.

The Board provides oversight of the senior leadership's management of key risks. Every departmental leader is expected to report on risks to the CEO/CFO/COO in every board meeting cycle with an assessment of those risks incorporated into the risk register provided to the Board. The Audit & Risk Committee reports to and assists the Board by identifying and reviewing the key risks, assessing their materiality, ensuring the risk management processes are adequate, the Board has reliable information and future events that may create uncertainty or pose a risk are identified and considered.

The Group has Cash, Cash Equivalents and Short Term Deposits of $50,261,000 as at 31 March 2024 which enables the Group to continue to operate and navigate any potential setback from the Novitas decision and deliver on the significant opportunities we see for Cxbladder in the US and around the world.

Risk	Mitigation
Market disruption caused by an adverse event negatively impacts sales volumes and / or reimbursement	The Board acknowledge the risks associated with the high concentration of revenue generated from the US Market. Within the US market despite successes with value-based institutional accounts and capitated systems such as Kaiser Permanente, there remains a high concentration of that revenue derived from reimbursement by the US Centers for Medicare and Medicaid Services (CMS). This risk manifested with the Novitas proposed Local Coverage Decision (DL393656) announced July 2023, which if approved without further changes would mean Cxbladder (and multiple other products from various companies) would not qualify for coverage from Novitas for tests reimbursed by the CMS. This proposal has the potential to reduce revenue substantially from FY 24 levels until Cxbladder tests regain coverage. In the year ended March 2024 (FY 24), tests for Medicare and Medicare Advantage generated ~$17.0 million, or 71%, of FY 24 total operating revenue. While the share of total operating revenue from CMS is reducing, due to growth in non CMS payors, these mitigations are not expected to fully offset any reduction in revenue attributable to the determination from Novitas in the short term. Mitigations adopted to address market disruption risk include seeking adoption and reimbursement from new healthcare providers, the adoption of alternate payment methods (such as patient pay) for tests performed, engaging with an alternative Medicare Administrative Contractor, new LCDs, expansion of geographic and product exposures, including distribution agreements. Alongside, increased clinical evidence generation supporting the ongoing adoption of Cxbladder and clinical guidelines inclusion. As we introduce additional products in new areas, we will continue to reduce our exposure to any potential payer, geographic or product market disruption.
	Being closer to the market by having an in-market presence, with key senior Pacific Edge executives and decision makers, who have local expertise, knowledge and can act swiftly to counter the negative impact in the event of a market disruption. E.g. Pacific Edge Diagnostics USA.
	Addition of in-home-sampling service enables continuation of tests during disruption caused by inability of patients to visit clinics.
	Strengthened balance sheet with strong cash reserves provides ability to continue to operate during disruption.

Risk	Mitigation
Manufacturing disruption negatively impacts our ability to operate and /or meet our User Experience standards	The PEDUSA and PEDNZ laboratories are CLIA certified, with each laboratory operating identical equipment and validated processes to run the suite of Cxbladder assays. Automated RNA extraction workflows have been developed and validated in both PEDUSA and PEDNZ laboratories which eliminates use of a bespoke consumable, improves laboratory throughput and reduces manual handling.
	Dedicated supply chain and logistics manager and alternative suppliers validated which maintained consumables' supplies during the COVID-19 pandemic and the ongoing supply-chain challenges globally.
	Improved supplier management processes adopted which provides more accurate , forward demand forecasting and increased stock on hand proportional to risk profile of key components to mitigate the risk of delays in supply.
	Insurance policies in place and reviewed regularly including business continuity.
Key person risk – loss of key capability at short notice	We have cross training for key roles and Employment Agreements for Senior Leaders generally include 3 month notice periods.
	PEB has developed a remuneration strategy with supporting policies that position it well to retain key staff in NZ and USA over the longer term.
	In 2023, a new initiative was launched that focused on retaining key staff during the period of uncertainty created by the Novitas proposed Local Coverage Decision. This initiative was vital to ensure that if we do lose coverage, we have the best resources in place to regain CMS coverage in the United States.
	Key person insurance for CEO in place.
Regulatory or policy changes impact our ability to operate in the US Market	Completed clinical studies have validated our test performance
	Clinical development is a core focus. Clinical studies in progress targeted to provide additional clinical evidence both validity and utility data supporting wider adoption by the medical community and wider reimbursement by funders and third-party payers.
	We have an experienced and dedicated Market Access and Reimbursement Team working in Accounts and Payer Relationships.
	In the USA we have established a credible Medical Affairs team to promote the adoption in the medical community by: • Reviewing clinical practice to ensure that Cxbladder products are utilised compliantly in accordance with established medical necessity • Communicating our clinical evidence portfolio as scientific peers to our clinician customers in support of the sales process • Serving as scientific and medical experts to internal colleagues at Pacific Edge • Establishing Key Opinion Leader (KOL) engagement programs, such as Speakers' Bureau and Advisory Boards to foster greater understanding of our products and medical credibility in our community • Tightly monitoring clinical study sites to enrol eligible patients quickly into our clinical studies
	We are developing markets outside the USA, including New Zealand, Australia, and Southeast Asia to offset the single market risk.

Risk	Mitigation
Competitor activity	We have yet to observe any competing bladder cancer diagnostic product that has developed clinical evidence in a robust AV, CV, CU framework required for coverage and guidelines inclusion.
	Matching or improving upon the existing AV, CV, CU and real world evidence for Cxbladder would take substantial time and money and is the most significant barrier to entry.
	We continue to invest in Research and Development for Cxbladder products, to improve test performance and value for clinical decision making. We are now advancing Detect+ as a single product for haematuria evaluation and continue development of Monitor+.
	We are focused on building a strong and loyal customer base with recurrent and frequent ordering of our tests through an excellent end-to-end customer experience.
Know-how and Intellectual property are jeopardised	We have an intellectual property portfolio, supplemented by trade secrets.
Maintaining regulatory compliance in order to market and sell product and maintain market confidence	The PEDNZ lab operates under ISO-15189, IANZ and CLIA. The PEDUSA lab operates under CAP, CLIA and NYS. We have SOPs developed with expert consultants that adhere to the highest standard and regularly perform internal audits.
	We continuously monitor the regulatory environment for changes that may affect our business.
	We have a successful history of regulatory audit in both operating laboratories in New Zealand and the USA.
	Pacific Edge actively resources its R&D, clinical development, digital development and clinical operations to maintain compliance with all regulatory requirements.
	We are ISO9001-2015 certified and conduct internal audits at planned intervals to verify that our Quality Management System is effectively implemented and maintained. We are working towards IS-O13485, ISO-14971 and ISO-20916 compliance and compliance with FDAs requirements for Quality Management Systems (21 CFR820).
Financial failure due to lack of capital and high cash burn	The Company closely manages its capital. It had $50.3m of cash and cash equivalents as at 31 March 2024.
	The Company's strategy and annual business plans are milestone focused and operating expenditure is closely linked to achievements of those milestones to ensure cash burn is managed within the capital available and aligned with success.
	Several customer initiatives in place including introducing patient responsibility for payment to reduce cash burn and delivering on the goal of an increase in cash collections and increases in average sales price.
FX Risk, counterparty risk, liquidity risk and interest rate risk	A comprehensive Treasury Policy is in place to manage liquidity risk, FX risk, counterparty credit risk, cash management and interest rate risk. The Treasury Policy is reviewed at regular meetings of the Board and compliance with policy is monitored by the Audit and Risk committee.
Health and safety- work-related injuries or illness	We report Health and Safety as part of routine reporting to the Board of Directors.
	The Group engages external consultants to review Health and Safety policies and framework within the Group.
Cyber security and data protection – cyber attack results in disruption to operations and/or data breach	Regular monitoring and reporting of network security, including the use of independent reviews and audits to test and identify potential risks.
	Digital resilience provided through cloud based third-parties including AWS and Datacom.

Risk	Mitigation
Climate Risk – Transition and Physical Risks	Climate-related risk and opportunity identification is integrated into our business and risk management processes. Our assessment of risk uses the FMEA template, considering severity, probability and detectability alongside factors such as geographic location and localisation of impact. The enterprise risk management framework directly impacts and feeds into Pacific Edge's broader enterprise strategy, capital deployment and funding decisions.
	New governance structures have been implemented in the year ending 31 March 2024 including the formation of the management led Sustainability Committee which is charged with assessing and managing the company's climate related risks and opportunities, informing the Audit and Risk Committee who ultimately advise the Board.
	Climate Reporting compliant with the Aotearoa New Zealand Climate Standards (NZCS) issued by the External Reporting Board (XRB) completed for FY 24 and included in pages 116 to 133 of this report. This sets out the process and actions we have undertaken to identify monitor and manage climate related risks and opportunities within oursupply chain and wider business.
Listed company related risks including lack of liquidity in the Company's shares, misleading disclosures or a breach of our continuous disclosure obligations	We are aware of the risks associated with our shares, such as low levels of liquidity, a number of large investors, high volatility in share price and external influences from investor confidence. The dual listing on the ASX in September 2021 provided some mitigation to this risk.
	We have an investor relations activity programme that seeks to inform both existing and potential investors about the Group.
	Disclosures are approved prior to release by members of the Board and Management, who actively consider the need, timing, form and content of disclosures to the market to ensure we comply with NZX/ASX and the FMA rules and requirements.

REMUNERATION

REMUNERATION

The Pacific Edge People and Culture Committee operates as a sub-committee under the guidance of the Board to ensure the remuneration framework that is in place is appropriate to attract, retain and reward current and future employees of the Group. The People and Culture Committee ensures that individual employee performance is aligned to the strategy and performance of the Company along with the interests of the shareholders.

The current total Directors' fee pool for non-executive Directors of Pacific Edge, approved by the shareholders at the Annual Shareholders Meeting on the 29th July 2021 was $465,000 per annum and was based on six Directors. With the addition of Tony Barclay on 21 March 2022, the number of Directors increased to seven. In accordance with NZX Listing Rule 2.11.3 which permits an issuer to increase the aggregate amount payable to the Directors to take into account an additional Director without shareholder approval, the pool for non-executive Directors of Pacific Edge increased to $529,000.

The total amount of fees paid to Directors for the year ended 31 March 2024 was $500,000.

Position	Quantity 2024	Fee per Director 2024	Total Directors Fees Paid 2024	Quantity 2023	Fee per Director 2023	Total Directors Fees Paid 2023
Chair	1	$115,000	$115,000	1	$115,000	$115,000
Deputy Chair	1	$70,000	$70,000	1	$70,000	$70,000
Non-executive Directors	5	$60,000	$300,000	5	$60,000	$300,000
Chair Audit & Risk Committee	1	$10,000	$10,000	1	$10,000	$10,000
Special Governance Allocation		$5,000	$5,000			
Total Fee Pool			**$500,000**			**$495,000**

Any proposed increases in non-executive Director fees and remuneration will be put to shareholders for approval at the Annual Shareholders Meeting by way of ordinary resolution. If independent advice is sought by the Board, it will be disclosed to shareholders as part of the approval process.

Directors also receive reimbursement for reasonable travelling, accommodation and other expenses incurred in the course of performing their duties. Other than as Chair of the Audit and Risk Committee, and any potential fees received from the Special Governance Allocation, Directors do not receive any additional fees for positions on Committees of the Board or subsidiary companies. Directors fees exclude GST, where applicable.

As at 1 April 2024, there were seven non-executive Directors of Pacific Edge. During the year, there was no change to the composition on these non-executive Directors.

Non-executive Directors received the following Directors' fees from the Company in the year ended 31 March 2024:

DIRECTORS' FEES	FY 24 (NZ$000)	FY 23 (NZ$000)
Pacific Edge Limited Board		
C. Gallaher (Chair)	115	115
B. Williams (Deputy Chair)	70	70
S. Park	70	70
A. Masfen	60	60
A. Stove*	65	60
M. Green	60	60
T. Barclay	60	60
TOTAL	**500**	**495**

*Includes payments made to Director out of the Special Governance Allocation relating to the performance of duties as chair of the People and Performance Committee that are considered additional to the expected duties of the Board.

CHIEF EXECUTIVE OFFICER REMUNERATION

The review and approval of the Chief Executive Officer's (CEO) remuneration is the responsibility of the Board. The remuneration of the CEO for the year ended 31 March 2024 is detailed below.

Structure

The CEO's remuneration comprised:

- A fixed base salary, including Kiwisaver contributions by the Group;
- An at risk short term incentive (STI) payable annually of up to 40% of the base salary subject to the Board's assessment of both individual and company performance; and
- A long term incentive (LTI) which includes non-cash share options granted by the Company that will vest, based on vesting criteria (further detail provided below).

Remuneration

	Fixed remuneration (salary and Kiwisaver) (NZ$000)	STI Cash (NZ$000)	Total cash remuneration (NZ$000)	STI Non Cash (NZ$'000)	STI % Achieved (100% = 40% of PY Base Salary)	Total remuneration (NZ$000)
FY 24	703	164	**867**	22	Achieved 73% of the maximum STI available	**889**
FY 23	693	-	**693**	-	-	**693**

Non-cash Remuneration

During FY 24, Peter Meintjes, was granted 201,016 ordinary shares as non-cash consideration in recognition of his performance as an employee of the Company in lieu of cash STI and in addition to salary. These shares were issued for a non-cash consideration of $21,509 being $0.107 per share.

Short Term Incentives

Short term incentives (cash and non-cash) paid during the FY 24 year totalled $185,420. This payment was assessed by the Board as 73% of the maximum STI available after assessing both company performance (weighted 70% and includes criteria such as company financial performance, growth and delivery of strategic initiatives) and individual performance (weighted 30% focused on delivery of strategic initiatives). The maximum STI is 40% of base salary as at 31 March 2024.

Long Term Incentives

There were 7,603,366 options issued to Peter Meintjes on 25 October 2023.

Subject to the continuous employment of the option holder (other than as a result of death or disability), the options will vest in three equal tranches, being 2 Years after issue, 3 Years after issue and the last tranche 4 Years after issue. Options must be exercised within 4 years of the relevant vesting date, unless the option holder ceases to be an employee of the Company (or a subsidiary) other than as a result of permanent retirement, death or disability in which case all options that have vested must be exercised within two months of the date on which the option holder ceases to be employed.

The second tranche of 600,000 options from the 3,000,000 options issued during FY 22 vested 18 February 2024 with an exercise price of $1.25. The options expire four years after vesting if not exercised.

Table of long term incentives issued to Peter Meintjes:

Issue Date	Number of Options	Vest Date	Expire Date	Exercise Price
25 October 2023	2,534,455	25 October 2025	25 October 2029	$0.253
25 October 2023	2,534,455	25 October 2026	25 October 2030	$0.285
25 October 2023	2,534,456	25 October 2027	25 October 2031	$0.320
18 February 2022	600,000	18 February 2023	18 February 2027	$1.150
18 February 2022	600,000	18 February 2024	18 February 2028	$1.250
18 February 2022	600,000	18 February 2025	18 February 2029	$1.250
18 February 2022	600,000	18 February 2026	18 February 2030	$1.250
18 February 2022	600,000	18 February 2027	18 February 2031	$1.250
TOTAL	**10,603,366**			**$0.553**

EMPLOYEE REMUNERATION

The Company's salaried employee remuneration program consists of:

a. Base salary (all employees)
b. Short Term Incentive (STI): Variable component offered only to the CEO and senior leaders, and awarded annually based on the achievement of a combination of individual goals and company performance targets
c. Long-Term Incentive (LTI): Equity component offered only to the CEO and senior leaders, and designed as a long-term retention tool using Share Options, and
d. Superannuation such as KiwiSaver in New Zealand or 401k in the USA.
e. Non-financial Benefits (e.g. health insurance in the USA, long service leave, extended maternity leave benefits)

Base Salary

Salaried employees receive base remuneration packages that are benchmarked against similar positions from companies in comparable industries factoring in size, complexity, responsibilities and local market context.

Short Term Incentives

The Company operates an STI-based scheme for the CEO and senior leaders as indicated by an individual employee agreement. STI remuneration is determined by achievement against individual and company goals. Partial achievement of goals will correspond to lower remuneration.

The proportion of total STI that is based on Company goals is related to the Employee Band, such that higher Bands have a higher proportion of their STI based on Company goals. While STI is typically paid in cash, an employee may elect to receive up to 50% in equity (Shares) unless there are rules or regulations that limit the Company's ability to issue shares in a timely manner, in which case 100% of the STI will be paid in cash.

Long Term Incentives

The Company has an LTI Scheme that is designed to attract and retain talent qualifying employees by offering additional remuneration through options as indicated in their individual employee agreement.

LTI remuneration generally vests annually over a three year period, with 1/3 vesting each year on the first, second and third anniversary after issue and with a four-year exercise window. If an employee ceases employment within one year of employment there is no vesting. Unless there are exceptional circumstances, the exercise price for each tranche of Options is determined by the share price on the date of Board approval. The Company offers employees the ability to fund exercising of options utilising a cashless exercise within the Options Agreement.

Remuneration Table

The table below shows the number of employees and former employees of the Group, not being Directors of the Group, who, in their capacity as employees, received remuneration and other benefits during the period ended 31 March 2024 totalling at least NZ$100,000.

This includes cash remuneration and expenditure related to ordinary shares paid in lieu of cash bonuses and excludes the value of share options that have vested but have not been exercised.

The Group operates in New Zealand, Australia, Singapore and the United States where market remuneration levels differ. Of the employees noted in the table below, 64% are employed by the Group outside New Zealand. The offshore remuneration amounts are converted into New Zealand dollars.

During the year, 87 employees or former employees of the Group, not being Directors of the Company, received remuneration and other benefits that exceeded NZ$100,000 in value as follows:

Employee Remuneration (NZ$)	2024	2023
880,000 - 900,000	1	-
790,000 - 800,000	1	-
750,000 - 760,000	1	-
740000 - 750,000	-	1
690,000 - 700,000	-	1
600,000 - 610,000	-	1
550,000 - 560,000	1	1
540,000 - 550,000	-	1
490,000 - 500,000	1	-
480,000 - 490,000	1	-
440,000 - 450,000	1	-
430,000 - 440,000	1	1
420,000 - 430,000	2	1
410,000 - 420,000	2	2
390,000 - 400,000	-	1
370,000 - 380,000	1	2
360,000 - 370,000	1	-
350,000 - 360,000	2	1
340,000 - 350,000	2	-
330,000 - 340,000	2	4
320,000 - 330,000	2	1
310,000 - 320,000	1	3
300,000 - 310,000	2	5

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Employee Remuneration (NZ$)	2024	2023
290,000 - 300,000	3	3
280,000 - 290,000	4	-
270,000 - 280,000	1	5
260,000 - 270,000	4	2
250,000 - 260,000	1	2
240,000 - 250,000	-	1
230,000 - 240,000	4	-
220,000 - 230,000	1	2
210,000 - 220,000	4	-
200,000 - 210,000	3	2
190,000 - 200,000	2	-
180,000 - 190,000	5	3
170,000 - 180,000	3	2
160,000 - 170,000	5	1
150,000 - 160,000	1	3
140,000 - 150,000	3	2
130,000 - 140,000	-	2
120,000 - 130,000	2	4
110,000 - 120,000	9	6
100,000 - 110,000	7	8
Total	**87**	**74**

DIRECTORS AND OFFICERS INSURANCE

In accordance with the Companies Act 1993 and the constitution of the Company, Pacific Edge indemnifies and insures its Directors and Officers, including Directors and Officers of subsidiary companies within the Group, in respect of liability incurred for any act or omission in their capacity as a Director or Officer of the Company. This insurance includes defence costs. If an act or omission was to occur that was covered by this insurance, the Company would pay the liability of the act or omission and be reimbursed by the insurer.

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CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2024

	Notes	2024 ($000)	2023 ($000)
REVENUE			
Operating Revenue	5	23,907	19,616
Total Operating Revenue		**23,907**	**19,616**
Other Income	5	1,322	1,417
Interest Income	9	3,433	2,761
Foreign Exchange Gain		631	2,330
Total Revenue and Other Income		**29,293**	**26,124**
OPERATING EXPENSES			
Laboratory Operations		11,751	9,349
Research	6	12,089	8,484
Sales and Marketing		25,590	25,123
General and Administration	7	9,398	10,133
Total Operating Expenses		**58,828**	**53,089**
NET LOSS BEFORE TAX		**(29,535)**	**(26,965)**
Income Tax Expense	16	-	-
LOSS FOR THE YEAR AFTER TAX		**(29,535)**	**(26,965)**
Items that may be reclassified to profit or loss:			
Translation of Foreign Operations		142	(99)
Disposal of Foreign Operation		(20)	-
TOTAL COMPREHENSIVE LOSS attributable to equity holders of the Company		**(29,413)**	**(27,064)**
Earnings per share for loss attributable to the equity holders of the Company during the year			
Basic and Diluted Earnings per share	3	(0.036)	(0.033)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2024

	Notes	Share Capital ($000)	Accumulated Losses ($000)	Share Based Payments Reserve ($000)	Foreign Currency Translation Reserve ($000)	Total Equity ($000)
Balance as at 31 March 2022		**294,139**	**(189,849)**	**3,145**	**941**	**108,376**
Loss after tax		-	(26,965)	-	-	(26,965)
Other Comprehensive Income		-	-	-	(99)	(99)
TOTAL COMPREHENSIVE LOSS attributable to equity holders of the Company		-	**(26,965)**	-	**(99)**	**(27,064)**
Transactions with owners in their capacity as owners:						
Issue of Share Capital	18	(4)	-	-	-	(4)
Share Based Payments- Employee Remuneration	8	182	-	-	-	182
Share Based Payment- Employee Share Options	8	-	-	1,273	-	1,273
Balance as at 31 March 2023		**294,317**	**(216,814)**	**4,418**	**842**	**82,763**
Balance as at 31 March 2023		**294,317**	**(216,814)**	**4,418**	**842**	**82,763**
Loss after tax		-	(29,535)	-	-	(29,535)
Other Comprehensive Income		-	-	-	122	122
TOTAL COMPREHENSIVE LOSS attributable to equity holders of the Company		-	**(29,535)**	-	**122**	**(29,413)**
Transactions with owners in their capacity as owners:						
Share Based Payments- Employee Remuneration	8	83	-	-	-	83
Share Based Payment- Employee Share Options	8	-	-	1,189	-	1,189
Balance as at 31 March 2024		**294,400**	**(246,349)**	**5,607**	**964**	**54,622**

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

CONSOLIDATED BALANCE SHEET

As at 31 March 2024

	Notes	2024 ($000)	2023 ($000)
CURRENT ASSETS			
Cash and Cash Equivalents	9	29,261	33,229
Short Term Deposits	9	21,000	44,562
Receivables	10	4,698	5,493
Inventory	11	1,688	1,287
Other Assets	12	1,228	1,400
Total Current Assets		**57,875**	**85,971**
NON-CURRENT ASSETS			
Property, Plant and Equipment	13	2,925	2,768
Right of Use Assets	23	3,698	1,143
Intangible Assets	14	950	1,031
Total Non-Current Assets		**7,573**	**4,942**
TOTAL ASSETS		**65,448**	**90,913**
CURRENT LIABILITIES			
Payables and Accruals	17	6,753	6,928
Borrowings		300	-
Lease Liabilities	23	1,264	811
Total Current Liabilities		**8,317**	**7,739**
NON-CURRENT LIABILITIES			
Lease Liabilities	23	2,509	411
Total Non-Current Liabilities		**2,509**	**411**
TOTAL LIABILITIES		**10,826**	**8,150**
NET ASSETS		**54,622**	**82,763**
Represented by:			
EQUITY			
Share Capital	18	294,400	294,317
Accumulated Losses		(246,349)	(216,814)
Share Based Payments Reserve		5,607	4,418
Foreign Translation Reserve		964	842
TOTAL EQUITY		**54,622**	**82,763**
FURTHER INFORMATION			
Net Tangible Assets per share ($)		0.066	0.101

For and on behalf of the Board of Directors dated the 20th day of May 2024:

Director **Director**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2024

	Notes	2024 ($000)	2023 ($000)
CASH FLOWS TO OPERATING ACTIVITIES			
Cash was provided from:			
Receipts from Customers		24,137	18,468
Receipts from Grant Providers		1,856	1,066
Interest Received		3,441	2,716
		29,434	22,250
Cash was disbursed to:			
Payments to Suppliers and Employees		55,196	47,869
Net GST (inflow)		(12)	(44)
		55,184	47,825
Net Cash Flows To Operating Activities	20	**(25,750)**	**(25,575)**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash was provided from:			
Proceeds from Short Term Deposits		83,084	143,490
		83,084	143,490
Cash was disbursed to:			
Purchase of Short Term Deposits		59,523	118,107
Capital Expenditure on Plant and Equipment		832	1,870
Capital Expenditure on Intangible Assets		540	1,039
		60,895	121,016
Net Cash Flows From Investing Activities		**22,189**	**22,474**
CASH FLOWS TO FINANCING ACTIVITIES:			
Cash was provided from:			
Proceeds from Borrowings		300	-
Ordinary Shares Issued	18	-	(4)
		300	(4)
Cash was disbursed to:			
Repayment of Leases- Principal	23	1,268	1,195
Repayment of Leases- Interest	23	138	83
		1,406	1,278
Net Cash Flows To Financing Activities		**(1,106)**	**(1,282)**
Net (Decrease) in Cash Held		**(4,667)**	**(4,383)**
Add Opening Cash Brought Forward		33,229	35,412
Effect of exchange rate changes on net cash		699	2,200
Ending Cash Carried Forward	9	**29,261**	**33,229**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

1. MATERIAL ACCOUNTING POLICY INFORMATION

Reporting Entity

The consolidated financial statements (hereafter referred to as the 'financial statements') presented for the year ended 31 March 2024 are for Pacific Edge Limited (the 'Company') and its subsidiaries (collectively referred to as the 'Group'). The Group's purpose is to research, develop and commercialise new diagnostic and prognostic tools for the early detection and management of cancers.

Pacific Edge Limited is registered in New Zealand under the Companies Act 1993 and is a Financial Markets Conduct (FMC) reporting entity under Part 7 of the Financial Markets Conduct Act 2013. The financial statements of the Group have been prepared in accordance with the requirements of the Financial Markets Conduct Act 2013 and the NZX Listing Rules. The financial statements presented are those of the Group, consisting of the Parent entity, Pacific Edge Limited and its subsidiaries. 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.

These financial statements have been approved for issue by the Board of Directors on the 20th May 2024.

Basis of Preparation

These financial statements of the Group have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). The Group is a for-profit entity for the purposes of complying with NZ GAAP. The financial statements comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), other New Zealand accounting standards and authoritative notices that are applicable to entities that apply NZ IFRS. The financial statements also comply with International Financial Reporting Standards Accounting Standards ("IFRS Accounting Standards") as issued by the IASB.

The financial statements are presented in New Zealand Dollars, which is the Company's functional currency and Group's presentation currency, and all values are rounded to the nearest thousand dollars ($000). The accounting principles recognised as appropriate for the measurement and reporting of earnings, cash flows and financial position on a historical cost basis have been used.

The Consolidated Statement of Comprehensive Income and Consolidated Statement of Cash Flows have been prepared so that all components are stated net of GST. All items in the Consolidated Balance Sheet are stated net of GST, with the exception of receivables and payables.

Management of Capital

The capital structure of the Group consists of equity raised by the issue of ordinary shares in the Company. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders, provide benefit for other stakeholders and to maintain an optimal capital structure to support the development of its business. The Company meets these objectives through closely managing revenue and expenditure, and where required issues new shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

Basis of Consolidation

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

Name of Subsidiary	Place of Incorporation (or registration) & Operation	Principal Activity	Ownership Interests & Voting Rights	
			31 March 2024 %	31 March 2023 %
Pacific Edge Diagnostics New Zealand Limited	New Zealand	Commercial Sales and Diagnostic Laboratory Operation	100	100
Pacific Edge (Australia) Pty Limited	Australia	Commercial Sales and Biotechnology Research & Development	100	100
Pacific Edge Diagnostics USA Limited	USA	Commercial Sales and Diagnostic Laboratory Operation	100	100
Pacific Edge Diagnostics Singapore Pte Limited	Singapore	Commercial Sales and Biotechnology Research & Development. In the process of being dissolved as at 31 March 2024	100	100
Pacific Edge Analytical Services Limited	New Zealand	Dormant Company	100	100

The financial statements incorporate the assets, liabilities and results of all subsidiaries of Pacific Edge Limited as at 31 March 2024 and for the year then ended. All subsidiaries have the same balance date as the Company of 31 March.

Pacific Edge Limited consolidates all entities over which Pacific Edge Limited has control. Control is achieved when the Group:

- has power to direct the activities of the entity;
- is exposed, or has rights, to variable returns from involvement with the entity; and
- has the ability to use its power to affect its returns.

Subsidiaries which form part of the Group are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interest issued by the Group.

The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Critical Accounting Estimates and Assumptions

In preparing these financial statements, the Group made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors including expectations or future events that are believed to be reasonable under the circumstances.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

The Group has performed an assessment of potential climate related risks and considered the location of laboratories and other key operations in each region that it operates in and concluded that there is no material impact on the current financial statements.

All other material accounting policy information has been applied on a basis consistent with those used in the audited financial statements of Pacific Edge Limited for the year ended 31 March 2023.

2. NEW STANDARDS

NEW DISCLOSURE REQUIREMENTS AND CHANGES IN ACCOUNTING STANDARDS ADOPTED BY THE GROUP

On 14 December 2022 the External Reporting Board (XRB) published its climate-related disclosure standard. The mandatory reporting regime is for reporting periods beginning after 1 January 2023. Climate-related disclosures will be reported at the time of issuance of the Annual Report.

There are other no new disclosures, standards or interpretations material to the Group to be applied during the year.

NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED BY THE GROUP

The following new accounting standards and interpretations have been published that are not mandatory for 31 March 2024 reporting periods and have not been early adopted by the Group.

IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18)

IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) was issued in April 2024 as replacement for IAS 1 Presentation of Financial Statements (IAS 1). Most of the presentation and disclosure requirements would largely remain unchanged together with other disclosures carried forward from IAS 1 IFRS 18 primarily introduces the following:

- a defined structure for the consolidated statement of comprehensive income by classifying items into one of the five categories: operating, investing, financing, income taxes and discontinued operations. Entities will also present expenses in the operating category by nature, function, or a mix of both, based on facts and circumstances;
- disclosure of management-defined performance measures non-GAAP measures in a single note together with reconciliation requirements, and
- additional guidance on aggregation and disaggregation principles (applied to all primary financial statements and notes).

IFRS 18 also made limited change to certain presentation and disclosure requirements in the financial statements; as well as consequential changes to various IFRS Accounting Standards.

IFRS 18 will be effective for annual reporting periods beginning on or after 1 January 2027 and entities could early adopt this accounting standard. The Group expects to adopt IFRS 18 and relevant consequential changes of other accounting standards in the 2028 financial statements. The Group is currently assessing the impact and will disclose more detailed assessments in the future.

Disclosure of Fees for Audit Firms' Services (Amendments to FRS-44)

The amendments to FRS-44 aim to address concerns about the quality and consistency of disclosures an entity provides about fees paid to its audit firm for different type of services.

Application of this amendment is required for accounting periods beginning on or after 1 January 2024. The Group expects to adopt amendments to FRS-44 in the 2025 financial statements. The Group is currently assessing the impact and will disclose more detailed assessment in the future.

There are no other NZ IFRS or NZ IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

3. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit (or loss) attributable to equity holders of the Company by the weighted average number of ordinary shares on issue during the year excluding ordinary shares purchased by the Company (Note 18).

	GROUP	
	2024 ($000)	2023 ($000)
Loss attributable to equity holders of the Company	(29,535)	(26,965)
Weighted average number of ordinary shares on issue	810,727	810,226
Earnings per share	(0.036)	(0.033)

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group's dilutive potential ordinary shares are in the form of share options. As the Group made a loss during the current year and losses cannot be diluted, basic and diluted earnings per share are the same.

4. LABORATORY THROUGHPUT AND COMMERCIAL TESTS – NON-GAAP REPORTING

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. The inclusion of this non-GAAP reporting is considered helpful to readers of these financial statements, as it allows readers to compare the current period to prior periods and assess usage trends on a consistent basis. Total laboratory throughput includes commercial tests, which are invoiced to customers (including tests for patients covered by the US government's medical program through the Centers for Medicare and Medicaid Services (CMS)), and tests which are not considered to be commercial as these tests relate to Research Tests 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. The inclusion of this non-GAAP reporting is considered helpful to readers of these financial statements as it allows readers to compare the current period to prior periods and assess trends on a consistent basis.

Laboratory Throughput and Commercial Tests per financial year are shown below.

	FY 24	FY 23
Total Laboratory Throughput (tests)	32,633	31,565
Increase in Total Laboratory Throughput (%)	3%	37%
Increase in Throughput from previous year (tests)	1,068	8,479
Total Commercial Tests (tests)	27,347	26,691
Increase in Commercial Tests from previous year (%)	2%	39%
Increase in Commercial Tests from previous year (tests)	656	7,495
Commercial Tests as a percentage of Total Laboratory Throughput (%)	84%	85%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

5. REVENUE

Background information on US customers and the payment process

A physician orders a Cxbladder test when a patient presents to their clinic with symptoms that indicate the possibility of bladder cancer. The most common and significant symptom is haematuria or blood in their urine. A urine sample is collected from the patient and sent in the Cxbladder Urine Sampling System to the Group's laboratory in the US or in New Zealand. The Group receives and processes the urine sample and returns the results of the test back to the ordering physician. The individual patient is the Group's customer, however typically in the US market, the patient's insurer may pay the Group for some or all of the cost of the test.

When a physician orders a Cxbladder test, the Group has an obligation to perform the test and report the results to the ordering physician irrespective of the patient's insurance contract. A patient may have private insurance cover, be covered by the US government's medical program through CMS or have no insurance cover.

Once the Cxbladder test has been completed, all information required for insurance purposes is sent to the Group's billing and reimbursement agent to begin the process to collect reimbursement from any applicable insurance companies for the Cxbladder test performed.

For patients with private insurance cover, the relevant patient and test order information will be sent to their insurance provider. When the Group does not have an individual agreement with that insurance provider to pay for Cxbladder tests ("out of network"), the insurance provider will assess that individual patient's test for medical necessity and the level of insurance cover (if any) available to cover the cost of the test. This process of assessment can take many months to work through before the Group receives payments (if any) from the insurance company. The Group does have agreements with some insurance providers but these currently cover a small proportion of the Group's customers.

For patients covered by CMS, invoices are sent to CMS. Prior to 3 July 2020, Pacific Edge was not included in the Local Coverage Determination (LCD) and as a result, did not normally receive any amounts for tests performed for patients covered by CMS. On 3 July 2020, Pacific Edge received notice of inclusion in the LCD, resulting in the Company receiving reimbursement for Cxbladder Monitor and Detect tests performed after 1 July 2020 for patients covered by the CMS across the US that are deemed medically necessary.

For uninsured patients, the Group has no certainty of when or if the patient will pay.

Refer to note 25 for details on the proposed Local Coverage Determination change that has the potential to negatively impact future revenue.

Rest of World Customers

Revenue from Rest of World customers is primarily from Te Whatu Ora Health New Zealand. In all Rest Of World locations, there is a clearly defined contract with the customer meeting the requirements of NZ IFRS 15. Pacific Edge Diagnostics New Zealand Limited has individual contracts with regions across New Zealand and revenue is recognised as described on the following pages.

Critical Accounting Estimate

The application of NZ IFRS 15: Revenue from contracts with customers (NZ IFRS 15) requires the application of significant judgement in determining whether the Group meets the five key criteria identified in NZ IFRS 15, which must be met before revenue may be recognised as performance obligations are satisfied. For the Group this would result in some revenue recognised in advance of the receipt of cash.

The significant judgements adopted by the Group relate to :

- determining if a contract with the customer exists;
- identifying the rights of each party;
- identifying the payment terms;
- ensuring the contract has commercial substance; and
- determining whether it is probable that the Group will collect the consideration to which it is entitled.

While there has been significant judgement applied to all five criteria, there are two criteria that have higher levels of uncertainty, requiring increased levels of judgement. The significant judgements applied to determine the Transaction Price and determining the probability of collecting consideration are detailed in the Accounting Policy relating to Revenue from Cxbladder Tests.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

ACCOUNTING POLICY

Revenue from Cxbladder tests – USA

The Group performs Cxbladder tests when requested by a patient's physician. At the point the test results are returned to the physician, the Group has satisfied its performance obligation and has the right to issue an invoice. On return of the test result, the Group has determined a contract exists, that the payment terms are identified, that the contract has commercial substance and there has been identification of the rights of each party.

On the 3 July 2020, Pacific Edge received notice of inclusion in the LCD, resulting in the Company receiving reimbursement for 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, less a 2% sequestration fee.

Since Cxbladder's inclusion in the LCD, based on historical data, the Group has been able to reliably estimate both the probability and size of payment received from the CMS. The inclusion within the LCD combined with the growing support for the use of Cxbladder within the US has also allowed the Group to reliably estimate both the probability and size of payment received from customers covered by Medicare Advantage policies provided by private insurers and customers covered by Kaiser Permanente.

Tests performed for patients covered by other private policies, or tests performed for those with no insurance cover continue to be recognised as revenue when cash is received due to not being able to reliably estimate both probability and size of payment received.

The Group have concluded that the contracts with the CMS and customers covered by Medicare Advantage and Kaiser Permanente include variable consideration because the amounts paid by Medicare, Kaiser Permanente or the commercial health insurance carriers that provide Medicare Advantage may be paid at less than our standard rates or not paid at all, with such differences considered implicit price concessions. Variable consideration attributable to these price concessions is measured at the expected value, and are determined by historical average collection rates by test type and payor category taking into consideration the range of possible outcomes and predictive value of our past experiences. Such variable consideration is included in the transaction price only to the extent it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

As a result of the Significant Judgements applied, the Group have determined the criteria under NZ IFRS 15 which allows revenue to be recognised in advance of the receipt of cash have been met, and the Group has recognised revenue for tests which were performed from 1 October 2023 to 31 March 2024 (6 months prior to balance date) for which payment has not been received by 31 March 2024 from CMS and Medicare Advantage. Following a change in commercial agreement, revenue for Kaiser Permanente is recognised in the month the test is performed.

Rest of World revenue recognition from tests performed

There has been no change in accounting policy or estimates for Operating Revenue for the Rest of World. The Group performs Cxbladder tests when requested by a patient's physician in New Zealand, Australia and Southeast Asia. At the point the test results are returned to the physician, the Group has satisfied its performance obligations have been met. At the end of the month an invoice is issued to the customer based on the number of tests performed. Revenue is recognised when the invoice is issued.

OTHER INCOME

Grant Income

Government Grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received. Government Grants are recognised in Other Income in the consolidated statement of comprehensive income, on a systematic basis over the periods in which the Group recognises the related costs as expenses for which the grants are intended to compensate.

The Company receives grants from Callaghan Innovation for postgraduate internships and summer students.

All conditions of the grants have been complied with.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2024

Research Rebates and Tax Incentives

- New Zealand R&D Tax Incentive (RDTI)
The New Zealand RDTI is a 15% tax credit on the money invested in eligible research and development (R&D) that has occurred in New Zealand. As the New Zealand companies are in a tax loss position, the Group is eligible for the Tax Incentive to be refunded.

The RDTI is recognised at its fair value where there is a reasonable assurance that the credit will be received and the Group will comply with all attached conditions.

All conditions of the New Zealand RDTI have been complied with. Payment will be received after submission of each annual research and development tax claim.

- Australia Cxbladder Research Rebate
A Cxbladder research programme is administered by Pacific Edge (Australia) Pty Limited and tax rebates are received as a result of this programme.

The Cxbladder research rebate is recognised at its fair value where there is a reasonable assurance that the rebate will be received and the Group will comply with all attached conditions.

For the year ended 31 March 2024, Group revenue is over $20m Australian Dollars, resulting in research rebates being issued as a tax credit instead of a cash payment as received for the year ended 31 March 2023. As the Group made a loss for period, this change results in the research rebate not being recognised as a tax credit in the financial statements for the year ended 31 March 2024.

REVENUE AND OTHER INCOME

	2024 ($000)	2023 ($000)
Cxbladder Sales		
– US - Accrual Accounting	19,288	16,362
– US - Cash Accounting	3,214	2,388
– Total US Sales	22,502	18,750
– Rest Of World	1,405	866
Total Operating Revenue	**23,907**	**19,616**
Other Income		
Grant Revenue	24	44
Research Rebates and Tax Incentives	1,298	1,373
Total Other Income	**1,322**	**1,417**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2024

6. RESEARCH AND DEVELOPMENT COSTS

ACCOUNTING POLICY

Research is the original and planned investigation undertaken with the prospect of gaining new scientific knowledge and understanding. This includes: direct and overhead expenses for diagnostic and prognostic biomarker discovery and research; pre-clinical trials; and costs associated with clinical trial activities. All research costs are expensed when incurred.

Development is the application of research findings to a plan or design for the production of new or substantially improved processes or products prior to the commencement of commercial production.

When a project reaches the stage where it is probable that future expenditure can be recovered through the process or products produced, expenditure that is directly attributed or reasonably allocated to that project is recognised as a development asset within intangible assets. If the expenditure also benefits processes or products for which it cannot be recovered, it will be expensed. The asset will be amortised from the date of commencement of commercial production of the product to which it relates on a straight-line basis over the period of expected benefit. Development assets are reviewed annually for any impairment in their carrying value.

		GROUP	
	Notes	2024 ($000)	2023 ($000)
Research Expenses		12,089	8,484
Includes:			
Employee Benefits	8	6,571	4,930

7. GENERAL AND ADMINISTRATION EXPENSES

		GROUP	
	Notes	2024 ($000)	2023 ($000)
Amortisation	14	311	213
Auditors Remuneration: PricewaterhouseCoopers New Zealand			
- Group year end financial statements		194	184
- Half year review of financial statements		34	30
- Singapore Statutory financial statements		-	12
Auditors Remuneration: PricewaterhouseCoopers Singapore			
- Statutory financial statements		-	15
Other services provided by PricewaterhouseCoopers New Zealand			
- Corporate Treasury and Financial Modeling Workshops		2	-
Depreciation	13	358	263
Depreciation on Right of Use Assets	23	195	187
Directors Fees	22	500	495
Employee Benefits	8	3,974	4,990
Insurance		610	501
Interest on Lease Liabilities	23	21	13
Legal Fees		826	692
NZX, ASX and Registry Fees		274	305
Other Operating Expenses		2,099	2,233
		9,398	**10,133**

Note: Amounts displayed for Amortisation, Depreciation, Employee Benefits are only the General and Administration Expenses component of the total expenses. Refer to relevant notes for full expense disclosure.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

Other Operating Expenses
The major categories of expenditure which make up General and Administration Expenses, but are not disclosed separately above are Information Technology costs, Compliance and Regulatory costs, Investor Relations costs, Consultants and Contractors.

8. EMPLOYEE BENEFITS

	Notes	GROUP 2024 ($000)	GROUP 2023 ($000)
Represented by:			
Employee Benefits:			
Lab Operations		3,119	2,480
Research	6	6,571	4,930
Sales and Marketing		16,697	15,155
General and Administration	7	3,974	4,990
Total Employee Benefits		**30,361**	**27,555**

Employee Share Scheme
The Company has an Employee Share Scheme where ordinary shares in the Company may be issued to selected employees to recognise performance or a significant contribution to the Company. These shares may be issued in lieu of a cash bonus or in addition to the employee's remuneration. The ordinary shares are issued directly to the employee and the Company accounts for the cost of the shares. The shares are allocated to the employee on the date that the Board approves the issue of the share capital. All employees who hold ordinary shares in the Company must comply with the Company's Share Trading Policy.

The issuance of ordinary shares to employees is treated as equity settled share-based payments. Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date based on the market price at the time of issuance. The fair value of shares granted is recognised as an employee expense in the Consolidated Statement of Comprehensive Income when the shares are issued. During the 2024 financial year, 906,000 (2023: 278,000) ordinary shares were issued to employees as part of the Employee Share Scheme. The associated non-cash cost of these shares was $83,000 (2023: $182,000). Refer to Note 18 for further details on the shares issued during the financial year.

Attract and Retain Options
The Board believes that the issue of share options provides an appropriate incentive for participating employees to grow the total shareholder return of the Company.

Attract and retain options are issued to selected employees as a long-term component of remuneration in accordance with the Group's remuneration policy. Incentive Options entitle the holder, on payment of the exercise price, to one ordinary share of the Company.

The exercise price of the granted options is determined using the fair value of the Company's share price at the time of the options being granted.

Incentive Options issued prior to 31 March 2022 generally vest over three years and contain the requirement to remain as an employee of the Company in order for the options to vest. Tranches of options are exercisable over four to ten years from the relevant vesting date. No options can be exercised later than the tenth anniversary of the final vesting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

Options issued after 1 April 2022 generally vest equally in three tranches over a four year period, with 1/3 on the second, third and fourth anniversary of the issue. The Options are exercisable up to four years after vesting date. Option holders are required to remain as an employee of the Company in order for options to vest. No options can be exercised later than the fourth anniversary of the final vesting date. The exercise price increases annually for each vested tranche at the equity cost of capital.

ACCOUNTING POLICY

All options are accounted for as equity settled share based payments as the Group has no legal or constructive obligation to repurchase or settle in cash. The fair value of all options granted is recognised as an expense in the Consolidated Statement of Comprehensive Income over their vesting period, with a corresponding increase in the employee share option reserve. The options expense for the year ended 31 March 2024 was $1,189,000 (2023: $1,273,000).

The fair value is determined at the grant date of the options and expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revisits its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Consolidated Statement of Comprehensive Income such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share based payments reserve.

During the financial year ended 31 March 2024, there were no share options exercised (2023: Nil). There was no resulting in increase in share capital (2023: Nil).

Movements in the number of options outstanding and their related weighted average exercise prices are as follows:

	GROUP 2024 Weighted average exercise price $	GROUP 2024 Options #	GROUP 2023 Weighted average exercise price $	GROUP 2023 Options #
Outstanding at 1 April	0.59	17,765,038	0.60	13,861,319
Granted	0.30	14,711,546	0.60	4,293,215
Forfeited	0.59	(584,410)	1.04	(389,496)
Outstanding at 31 March	**0.45**	**31,892,174**	**0.59**	**17,765,038**
Exercisable at 31 March	0.44	12,635,479	0.40	10,792,501

The Group used the Black-Scholes valuation model to determine the fair value of the equity instruments granted. The Black-Scholes valuation model has been determined as the most appropriate method as it estimates the theoretical value of options taking into account the impact of time and other risk factors. The significant inputs into the Black-Scholes valuation model were the market share price at grant date, the exercise price shown below, the expected annualised volatility of 50-106%, a dividend yield of 0%, an expected option life of between one and ten years and an annual risk-free interest rate of between 0.65% and 5.63%.

The volatility measured is the standard deviation of continuously compounded share returns and is based on a statistical analysis of daily share prices in the past one to ten years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

Share options outstanding at the end of the reporting periods have the following expiry dates, vesting dates, exercise prices and movements for the year ended 31 March 2024:

Issued	Expiry	Low Exercise Price ($)	High Exercise Price ($)	Weighted Average Exercise Price ($)	Opening Options as at 1 April 2023	Issued	Forfeited	Exercised	Expired	Closing Options 31 March 2024	Exercisable as at 31 March 2024
Apr 2014 - Mar 2015	Sept 2024 - Jan 2028	0.69	0.72	0.71	528,441	-	-	-	-	528,441	528,441
Apr 2015 - Mar 2016	Sept 2025 - Mar 2029	0.50	0.60	0.51	332,399	-	-	-	-	332,399	332,399
Apr 2016 - Mar 2017	Nov 2026 - Jan 2030	0.48	0.60	0.57	327,607	-	-	-	-	327,607	327,607
Apr 2017 - Mar 2018	May 2028 - Feb 2031	0.28	0.51	0.50	2,770,899	-	-	-	-	2,770,899	2,770,899
Apr 2018 - Mar 2019	Jun 2029 - Nov 2031	0.23	0.28	0.24	69,098	-	-	-	-	69,098	69,098
Apr 2019 - Mar 2020	Aug 2030 - Aug 2032	0.23	0.23	0.23	4,037,267	-	-	-	-	4,037,267	4,037,264
Apr 2020 - Mar 2021	Jun 2031 - Jun 2033	0.22	0.80	0.31	2,142,108	-	-	-	-	2,142,108	2,142,108
Apr 2021 - Mar 2022	Aug 2032 - Aug 2034	1.23	1.23	1.23	353,615	-	(11,211)	-	-	342,404	260,737
Apr 2021 - Mar 2022	Feb 2027 - Feb 2031	1.15	1.25	1.23	3,000,000	-	-	-	-	3,000,000	1,200,000
Apr 2022 - Mar 2023	Dec 2026 - Dec 2030	0.48	0.70	0.60	4,203,604	-	(480,999)	-	-	3,722,605	966,926
Apr 2023 - Mar 2024	Apr 2029 - Oct 2031	0.25	0.64	0.30	-	14,711,546	(92,200)	-	-	14,619,346	-
TOTALS				**0.45**	**17,765,038**	**14,711,546**	**(584,410)**	**-**	**-**	**31,892,174**	**12,635,479**

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9. CASH, CASH EQUIVALENTS AND SHORT TERM DEPOSITS

ACCOUNTING POLICY

Cash and cash equivalents includes cash in hand and deposits held on call with banks, and bank overdrafts. Term deposits are also presented as cash equivalents if they have a maturity of three months or less from acquisition date.

Short Term Deposits and Cash Equivalents include investments with ANZ, BNZ, Kiwibank, Westpac and Wells Fargo (2023: ANZ, BNZ, Kiwibank, Westpac and Wells Fargo) with periods ranging up to 365 days. Funds held on term deposit with ANZ, BNZ Westpac and Kiwibank can be accessed with one month's notice at the request of the authorised bank signatories of Pacific Edge Limited, but may incur fees and/or charges for early access.

	GROUP	
	2024 ($000)	2023 ($000)
Cash and Cash Equivalents	29,261	33,229
Short Term Deposits	21,000	44,562
Total Cash, Cash Equivalents and Short Term Deposits	**50,261**	**77,791**
NZD	42,814	55,954
USD	6,010	20,399
AUD	1,436	1,429
EUR	1	2
SGD	-	7
Total Cash, Cash Equivalents and Short Term Deposits	**50,261**	**77,791**

INTEREST INCOME

ACCOUNTING POLICY

Interest income is recognised using the effective interest method.

Interest on the bank balances ranges from 0% to 6.49% (2023: 0% to 5.99%) per annum.

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For the year ended 31 March 2024

10. RECEIVABLES

ACCOUNTING POLICY

Receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment. An allowance for impairment is made up of expected credit losses based on the assessment of the trade receivables debt at the individual level for impairment, plus an additional allowance on the remaining balance for potential credit losses not yet identified.

	GROUP	
	2024 ($000)	2023 ($000)
Trade Receivables	2,551	2,780
Sundry Debtors	1,722	2,257
Accrued Interest	375	383
GST Refund Due	50	73
Total Receivables	**4,698**	**5,493**

There is no provision for impairment relating to the revenue from Cxbladder sales in New Zealand. All outstanding sales are current and there are no expected credit losses on the amounts outstanding at balance date.

US Trade Receivables includes a provision for future refunds of $83,000 (2023: $271,000).

Sundry Debtors include accruals for grants and rebates that have not yet been paid. These are expected to be paid once the relevant claims have been submitted. The Company has met all conditions of the claims and there is no indication that there is impairment of these balances.

Included in trade receivables are the below amounts which were past due but not impaired. These relate to a number of customers for whom there is no history of default.

	GROUP	
	2024 ($000)	2023 ($000)
3 to 6 Months	75	436
Over 6 Months	267	-
Total Overdue Trade Receivables	**342**	**436**

The foreign currency split of Receivables is:

	GROUP	
	2024 ($000)	2023 ($000)
NZD	2,355	2,375
USD	2,334	2,685
AUD	9	433
Total Receivables	**4,698**	**5,493**

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11. INVENTORY

ACCOUNTING POLICY

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average formula.

	GROUP	
	2024 ($000)	2023 ($000)
Laboratory Supplies	1,688	1,287
Total Inventory	**1,688**	**1,287**

The major items of Inventory are laboratory reagents, chemicals and Cxbladder urine sampling systems.

Laboratory supplies used during the year of $2,769,000 (2023: $2,540,000) are included within the Consolidated Statement of Comprehensive Income in Laboratory Operations and Research.

12. OTHER ASSETS

	GROUP	
	2024 ($000)	2023 ($000)
Prepayments	979	1,156
Security Deposits	249	244
Total Other Assets	**1,228**	**1,400**

Prepayments are largely made up of insurance, industry conferences and subscriptions. Security deposits are paid to secure properties for lease in the US and to secure credit cards in the US.

13. PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING POLICY

Property, Plant and Equipment are those assets held by the Group for the purpose of carrying on its business activities on an ongoing basis. All Property, Plant and Equipment is stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. The cost of purchased assets includes the original purchase consideration given to acquire the assets, and the value of other directly attributable costs that have been incurred in bringing the assets to the location and condition necessary for their intended service. This includes the laboratory equipment for the establishment of the laboratories.

Gains and losses on disposals are determined by comparing the net proceeds with the carrying amount and are recognised within the Consolidated Statement of Comprehensive Income when they occur.

Depreciation
Depreciation of plant and equipment is based on writing off the assets over their useful lives, using the straight line (SL) and diminishing value (DV) basis.

Main rates used are:

Plant and Laboratory Equipment	5% to 40%	DV
Computer Equipment	5% to 67%	DV
Leasehold Improvements	6% to 10%	SL
Furniture and Fittings	5% to 25%	DV

The assets' useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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For the year ended 31 March 2024

	Plant & Laboratory Equipment ($000)	Computer Equipment ($000)	Leasehold Improvements ($000)	Furniture & Fittings ($000)	Total ($000)
Cost					
Balance at 1 April 2022	1,917	384	392	326	3,019
Additions	1,535	259	12	67	1,873
Disposals	(48)	(64)	(23)	(123)	(258)
Translation difference	37	18	15	1	71
Balance at 31 March 2023	**3,441**	**597**	**396**	**271**	**4,705**
Balance at 1 April 2023	3,441	597	396	271	4,705
Additions	731	89	1	11	832
Disposals	(213)	(29)	(1)	(11)	(254)
Translation difference	71	11	7	-	89
Balance at 31 March 2024	**4,030**	**668**	**403**	**271**	**5,372**
Accumulated Depreciation					
Balance at 1 April 2022	1,189	174	98	154	1,615
Depreciation expense	332	136	33	26	527
Disposals	(177)	(69)	57	(58)	(247)
Translation difference	23	8	9	2	42
Balance at 31 March 2023	**1,367**	**249**	**197**	**124**	**1,937**
Balance at 1 April 2023	1,367	249	197	124	1,937
Depreciation expense	498	155	35	28	716
Disposals	(211)	(19)	-	(9)	(239)
Translation difference	23	5	5	-	33
Balance at 31 March 2024	**1,677**	**390**	**237**	**143**	**2,447**
Carrying Amounts					
At 1 April 2022	728	210	294	172	1,404
At 31 March 2023	2,074	348	199	147	2,768
At 31 March 2024	**2,353**	**278**	**166**	**128**	**2,925**

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14. INTANGIBLE ASSETS

ACCOUNTING POLICY

Intellectual Property

The costs of acquired Intellectual Property are recognised at cost. All Intellectual Property has a finite life. The carrying value of Intellectual Property is reviewed for impairment, where indicators of impairment exist. Amortisation is charged on a diminishing value basis over the estimated useful life of the intangible assets (1-20 years). The estimated useful life and amortisation method is reviewed at the end of each reporting period.

The following costs associated with Intellectual Property are expensed as incurred during the research phases of a project and are only capitalised when incurred as part of the development phase of a process or product within development assets: Internal Intellectual Property costs including the costs of patents and patent application.

Software Development Costs

Costs associated with the development of software are held at cost. Amortisation is charged on a diminishing value basis over the estimated useful life of the intangible assets (2-10 years). The estimated useful life and amortisation method is reviewed at the end of each reporting period.

Cxbladder Development Costs

Costs associated with the development of Cxbladder products have been removed as an Intangible Asset during the previous financial year with the $13,000 remaining value expensed in the Consolidated Statement of Comprehensive Income for the year ended 31 March 2023.

	Software Development Costs ($000)	Patents ($000)	Cxbladder Development Costs ($000)	Total ($000)
Cost				
Balance at 1 April 2022	1,199	550	33	1,782
Additions	977	73	-	1,050
Disposals	(12)	-	(33)	(45)
Foreign Translation Difference	4	-	-	4
Balance at 31 March 2023	**2,168**	**623**	**-**	**2,791**
Balance at 1 April 2023	2,168	623	-	2,791
Additions	533	7	-	540
Foreign Translation Difference	3	-	-	3
Balance at 31 March 2024	**2,704**	**630**	**-**	**3,334**
Accumulated Amortisation				
Balance at 1 April 2022	933	395	20	1,348
Amortisation expense	359	68	-	427
Disposals	-	-	(20)	(20)
Foreign Translation difference	5	-	-	5
Balance at 31 March 2023	**1,297**	**463**	**-**	**1,760**
Balance at 1 April 2023	1,297	463	-	1,760
Amortisation expense	567	54	-	621
Foreign Translation difference	3	-	-	3
Balance at 31 March 2024	**1,867**	**517**	**-**	**2,384**
Carrying Amounts				
At 1 April 2022	266	155	13	434
At 31 March 2023	871	160	-	1,031
At 31 March 2024	**837**	**113**	**-**	**950**

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For the year ended 31 March 2024

15. 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 their 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 year ended 31 March 2024, is shown below.

2024	Commercial ($000)	Research ($000)	Less: Eliminations ($000)	Total External Income ($000)
Income				
Operating Revenue – External	23,871	-	36	23,907
Other Income	489	4,400	(3,567)	1,322
Interest Income	21	3,412	-	3,433
Foreign Exchange Gain	1	666	(36)	631
Total Income	**24,382**	**8,478**	**(3,567)**	**29,293**
Expenses				
Expenses	40,008	19,781	(3,567)	56,222
Depreciation & Amortisation	1,629	977	-	2,606
Total Operating Expenses	**41,637**	**20,758**	**(3,567)**	**58,828**
Loss Before Tax	**(17,255)**	**(12,280)**	-	**(29,535)**
Income Tax Expense	-	-	-	-
Loss After Tax	**(17,255)**	**(12,280)**	-	**(29,535)**
Net Cash Flow to Operating Activities	**(14,447)**	**(11,303)**	-	**(25,750)**

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For the year ended 31 March 2024

2023	Commercial ($000)	Research ($000)	Less: Eliminations ($000)	Total External Income ($000)
Income				
Operating Revenue – External	19,616	-	-	19,616
Other Income	467	2,245	(1,295)	1,417
Interest Income	18	2,743	-	2,761
Foreign Exchange Gain	5	2,325	-	2,330
Total Income	**20,106**	**7,313**	**(1,295)**	**26,124**
Expenses				
Expenses	35,891	16,360	(1,295)	50,956
Depreciation and Amortisation	1,311	822	-	2,133
Total Operating Expenses	**37,202**	**17,182**	**(1,295)**	**53,089**
Loss Before Tax	**(17,096)**	**(9,869)**	-	**(26,965)**
Income Tax Expense	-	-	-	-
Loss After Tax	**(17,096)**	**(9,869)**	-	**(26,965)**
Net Cash Flow to Operating Activities	**(15,908)**	**(9,667)**	-	**(25,575)**

Eliminations

These are the intercompany transactions between the subsidiaries and the Parent. These are eliminated on consolidation of Group results. The Research segment of the business utilise consumables and other components that are purchased by the Commercial segments of the business, with the costs of these components allocated to Research segment, and the Commercial segment recognising revenue from the sale.

Segment Assets and Liabilities Information

2024	Commercial ($000)	Research ($000)	Total ($000)
Total Assets	11,443	54,005	65,448
Total Liabilities	6,871	3,955	10,826

2023	Commercial ($000)	Research ($000)	Total ($000)
Total Assets	9,375	81,538	90,913
Total Liabilities	5,853	2,297	8,150

Additions to Non Current Assets for the period include:

	Commercial ($000)	Research ($000)	Total ($000)
Property, Plant and Equipment	790	42	832
Right of Use Assets	3,608	215	3,823
Intangible Assets	533	7	540
Total Additions to Non Current Assets	**4,931**	**264**	**5,195**

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 FINANCIAL STATEMENTS

For the year ended 31 March 2024

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 Grant revenue from Australia and New Zealand. Rest of World consists of Revenue from Australia and Southeast Asia.

	2024 ($000)	2023 ($000)
Operating and Grant Revenue		
US	22,502	18,750
New Zealand	2,641	1,611
Rest of World	86	672
Total Operating and Grant Revenue	**25,229**	**21,033**

	2024 ($000)	2023 ($000)
Non-Current Assets		
US	4,343	1,907
New Zealand	3,229	3,035
Rest of World	1	-
Total Non-Current Assets	**7,573**	**4,942**

16. INCOME TAX

ACCOUNTING POLICY

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements in accordance with NZ IAS 12. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The Company and Group has incurred an operating loss for the 2024 financial year and no income tax is payable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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	GROUP	
	2024 ($000)	2023 ($000)
Income tax recognised in the Consolidated Statement of Comprehensive Income		
Current tax expense	-	-
Deferred Tax in respect of the Current Year	(3,217)	(3,748)
Adjustments to deferred tax in respect to Prior Years	284	137
Deferred Tax Assets not recognised	2,933	3,611
Income tax expense	-	-
The prima facie income tax on Pre-Tax Accounting Profit from operations reconciles to:		
Accounting loss before income tax	(29,535)	(26,965)
At the statutory Income Tax rate of 28%	(8,270)	(7,550)
Non-deductible Expenses	5,959	5,007
Difference in US, Singapore and Australian Income Tax Rates	897	1,211
Prior Period Adjustment	284	138
Tax Losses Utilised	(1,803)	(2,417)
Deferred Tax Assets not recognised	2,933	3,611
Income tax expense reported in the Consolidated Statement of Comprehensive Income	-	-

Tax Losses

The group has losses to carry forward of approximately $144,471,000 (2023: $130,444,000) with a potential tax benefit of $31,554,000 (2023: $28,913,000). The tax losses are split between the following jurisdictions:

	Tax Losses ($000)	Tax Effect ($000)	Rate
New Zealand	13,113	3,671	28%
Australia	3,306	992	30%
Singapore	-	-	17%
United States	128,052	26,891	21%

Tax losses are available to be carried forward and offset against future taxable income subject to the various conditions required by income tax legislation being complied with.

Deferred Research and Development Tax Expenditure:

The Group also has deferred research and development tax expenditure of $58,880,000 (2023: $51,462,000) to carry forward and claim for income tax purposes in New Zealand in the future. This has a tax effect of $16,486,000 (2023: $14,409,000). The deferred research and development tax expenditure can either be carried forward and offset against future income arising from the research and development, or subject to meeting the shareholder continuity requirements can be offset against future other taxable income.

Deferred Tax Assets:

The Group does not recognise a deferred tax asset in the Consolidated Balance Sheet.

Imputation Credit Account

The Group has imputation credits of Nil (2023: Nil).

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For the year ended 31 March 2024

17. PAYABLES AND ACCRUALS

ACCOUNTING POLICY

Trade and Other Payables Due Within One Year
Trade payables are recognised at the value of the invoice received from a supplier. The carrying value of trade payables is considered to approximate fair value as amounts are unsecured and are usually paid by the 30th of the month following recognition.

	GROUP	
	2024 ($000)	2023 ($000)
Trade Creditors	2,153	2,178
Accrued Expenses	711	1,087
Employee Entitlements (refer below)	3,889	3,663
Total Payables and Accruals	**6,753**	**6,928**

Payables and accruals are non-interest bearing and are normally settled on 30 day terms, therefore their carrying value approximates their fair value.

The foreign currency split for Payables and Accruals is:

	GROUP	
	2024 ($000)	2023 ($000)
NZD	2,122	2,067
AUD	202	299
USD	4,423	4,521
SGD	6	41
	6,753	**6,928**

Employee Entitlements
Employee entitlements are measured at values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date and annual leave earned to, but not yet taken at balance date.

	GROUP	
	2024 ($000)	2023 ($000)
Payroll Taxes	264	291
Holiday Pay	606	565
Accrued Wages	3,019	2,807
Total Employee Entitlements	**3,889**	**3,663**

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18. SHARE CAPITAL

ACCOUNTING POLICY

Ordinary shares are described as equity.

Issue expenses, including commission paid, relating to the issue of ordinary share capital, have been written off against the issued share price received and recorded in the Consolidated Statement of Changes in Equity.

Equity-settled share-based payments to employees and others providing services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share based transactions are set out in Note 8.

	GROUP	
	2024 ($000)	2023 ($000)
Ordinary Shares Authorised	294,400	294,317
Total Share Capital	**294,400**	**294,317**

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

Share Capital Group

	2024 Shares (000)	2024 ($000)	2023 Shares (000)	2023 ($000)
Opening Balance	**810,365**	**294,317**	**810,087**	**294,139**
Issue of Ordinary Shares				
- Employee Remuneration[1]	906	83	278	182
Less: Issue Expenses	-	-	-	(4)
Movement	**906**	**83**	**278**	**178**
Closing Balance	**811,271**	**294,400**	**810,365**	**294,317**

1) During the period 906,126 shares were issued as part of employees remuneration in lieu of cash payments at an average price of $0.091 per share. (2023: 277,985 at $0.65).

There are 811,271,344 (March 2023: 810,365,218) ordinary shares on issue.

19. FOREIGN CURRENCY

ACCOUNTING POLICIES

Foreign Currency Transactions
The individual financial statements of the Group are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the Group financial statements, the results and financial position of the Group entity are expressed in New Zealand dollars ('NZ$'), which is the functional currency of the Parent and the presentation currency for the Group financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non monetary items denominated in foreign currencies are translated at the rates prevailing on the date the transaction occurs.

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Exchange differences are recognised in the Consolidated Statement of Comprehensive Income in the period in which they arise.

Foreign Operations
For the purpose of presenting the Group financial statements, the assets and liabilities of the Group's foreign operations are expressed in New Zealand dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated as a separate component of equity in the Group's foreign currency translation reserve. Such exchange differences are reclassified from equity to profit or loss (as a reclassification adjustment) in the period in which the foreign operation is disposed of.

Foreign Currency Translation Reserve
Exchange differences relating to the translation from the functional currencies of the Group's foreign subsidiaries into New Zealand dollars are brought to account by entries made directly to the Foreign Currency Translation Reserve.

20. RECONCILIATION OF CASH FLOWS TO OPERATING ACTIVITIES WITH OPERATING NET LOSS

	GROUP	
	2024 ($000)	**2023 $000**
Net Loss for the Period	(29,535)	(26,965)
Add Non Cash Items:		
Depreciation	716	527
Loss on disposal of Property, Plant and Equipment	14	24
Amortisation	621	427
Employee Share options	1,189	1,273
Employee bonuses paid in shares in lieu of cash	83	182
Depreciation on right of use assets	1,267	1,179
Interest on finance leases shown in lease repayments	138	83
Total Non Cash Items	**4,028**	**3,695**
Add Movements in Other Working Capital items:		
Decrease (Increase) in Receivables and Other Assets	964	(1,641)
(Increase) in Inventory	(401)	(280)
(Decrease) Increase in Payables and Accruals	(174)	1,946
Effect of exchange rates on net cash	(632)	(2,330)
Total Movement in Other Working Capital	**(243)**	**(2,305)**
Net Cash Flows to Operating Activities	**(25,750)**	**(25,575)**

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21. FINANCIAL INSTRUMENTS

ACCOUNTING POLICY

Foreign Currency Transactions
Financial instruments include cash and cash equivalents, short term deposits, receivables, security deposits, finance lease liabilities and trade creditors. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Managing Financial Risk
The Group's activities expose it to the financial risks of changes in interest rate risk, credit risk, liquidity risk and foreign currency risk. Management is of the opinion that the Company and the Group's exposure to market risk during the period and at balance date is defined as:

Risk Factor	Description
(i) Currency Risk	Financial assets and financial liabilities are denominated in NZD, USD, AUD, SGD and EUR currencies
(ii) Interest Rate Risk	Exposure to changes in Bank interest rates resulting in cash flow interest rate risk
(iii) Credit Risk	Risk of financial loss if counterparty fails to meet contractual obligations
(iv) Liquidity Risk	Risk the Group may not be able to meet its commitments as they fall due
(v) Other Price Risk	Not applicable as no securities are bought, sold or traded

(i) Foreign Currency Risk
The Group faces the risk of movements in foreign currency exchange rates in relation to the New Zealand dollar. The Group has significant operations in United States Dollars and less significant operations in Australian dollars, Euros and Singapore dollars. As a result of this, the financial performance and financial position are impacted by movements in exchange rates.

The Group manages foreign currency risk by purchasing overseas goods only when necessary and in line with the approved treasury policy. It will also purchase foreign currency to fund overseas operations based on cash flow forecasts in line with the approved treasury policy. There are no formal foreign currency hedges entered into.

A 10% increase or decrease in the foreign currency against the NZD will reduce/increase the loss reported by approximately $260,000 (2023: $337,000) and increase/reduce equity by the same amount.

(ii) Interest Rate Risk
The Group's interest rate risk arises from its cash and equivalents, and short term deposits. Cash and equivalents comprise cash on hand and deposits at call with banks. Short term deposits comprise of term deposits placed with New Zealand banks on fixed rates for different periods of time.

Management regularly review its banking arrangements to ensure it achieves the best returns on its funds while maintaining access to necessary liquidity levels to service the Group's day-to-day activities. The mixture of bank deposits at floating interest rates and short term deposits at different rates over various periods of time mitigate the risk of interest rates being received at less than market rates. The Group does not enter into interest rate hedges.

A 1% increase or decrease in bank deposit interest rates will reduce/increase the loss reported by approximately $491,000 and increase/reduce equity by the same amount (2023: $764,000).

(iii) Credit Risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group incurs credit risk from:

a) cash and short term deposits;

b) receivables in the normal course of its business; and

c) other assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

The Group has no significant concentration of credit risk other than bank deposits, with the exposure as at 31 March 2024 expressed as a percentage of total assets: 21.8% at ANZ, 23.3% at BNZ, 7.1% at Westpac, 22.9% at Kiwibank and 1.6% at Wells Fargo. The Group's cash and short term deposits are placed with high credit quality financial institutions including major banks who have at least a A+ credit rating and concentrations are managed within the approved treasury policy.

Regular monitoring of receivables is undertaken to ensure that the credit exposure remains within the Group's normal terms of trade. These receivables balances mainly relate to Kaiser Permanente, New Zealand customers, and the New Zealand and Australian Government. Refer to note 10 for further details on expected credit losses for receivables.

The Group continues to invoice for every billable test completed in the US, and the billing and reimbursement process continues to maximise the cash that is received by the Group. The Group has included an accrual for tests performed from 1 April 2023 to 31 March 2024 for which payment has not been received by 31 March 2024.

Regular monitoring of other assets is undertaken to ensure that the credit exposure is limited.

The carrying values of financial assets represent the maximum exposure to credit risk as represented below:

		GROUP	
	Notes	**2024 ($000)**	**2023 ($000)**
Cash and Cash Equivalents	9	29,261	33,229
Short Term Deposits	9	21,000	44,562
Trade and Other Receivables (excludes GST)	10	4,648	5,420
Other Assets (excludes prepayments)	12	249	244
		55,158	**83,455**

(iv) Liquidity Risk

Liquidity risk is the risk that the Group may encounter difficulty in raising funds at short notice to meet its commitments as they fall due. Management maintains sufficient cash balances and uses cash flow forecasts to determine future cash flow requirements. Liquidity risk is managed within the approved treaury policy. The Group has one external loan for $300,000 which relates to to the New Zealand Research and Development Tax Incentive in-year payment loan scheme. The Group also has three finance leases.

Payables and Accruals totaling $6,753,000 are due within 3 months of balance date (2023: $6,928,000).

Fair Values

In the opinion of the Directors, the carrying amount of financial assets and financial liabilities approximate their fair values at balance date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

22. RELATED PARTIES

A shareholder, the University of Otago, provided services, including rental space, car parking and use of University Equipment, to the Group to the value of $493,000 (2023: $407,000). The Group has commitments totaling $368,000 (2023: $344,000) with the University of Otago in the next financial year.

Key Management Compensation

Key management personnel comprise of Directors and the Chief Executive Officer of Pacific Edge Limited, and the President of Pacific Edge Diagnostics USA Limited.

Refer to Note 8 for details of the Incentive Plan that includes key management remuneration.

	GROUP	
	2024 ($000)	**2023 ($000)**
Salaries and Other Short Term Employee Benefits	2,147	2,483
Share Options Benefits	646	907
Total Employee Entitlements	**2,793**	**3,390**

Directors' Fees

The current total Directors' fee pool for non-executive Directors of Pacific Edge Limited, approved by the shareholders at the Annual Shareholders Meeting on the 29th July 2021 was $465,000 per annum and was based on six Directors. With the addition of Tony Barclay on 21 March 2022, the number of Directors increased to seven. In accordance with NZX Listing Rule 2.11.3 which permits an issuer to increase the aggregate amount payable to the Directors to take into account an additional Director without shareholder approval, the pool for non-executive Directors of Pacific Edge increased to $529,000. The total amount of fees paid to Directors for the year ended 31 March 2024 was $500,000 (2023: $495,000).

The table below sets out the total fees approved for non-executive Directors of Pacific Edge Limited for the year ended 31 March 2024 based on the positions held:

Position	**Quantity 2024**	**Fee per Director 2024 ($)**	**Total Directors Fees Paid 2024 ($)**	**Quantity 2023**	**Fee per Director 2023 ($)**	**Total Directors Fees Paid 2023 ($)**
Chair	1	$115,000	$115,000	1	$115,000	$115,000
Deputy Chair	1	$70,000	$70,000	1	$70,000	$70,000
Non-executive Directors	5	$60,000	$300,000	5	$60,000	$300,000
Chair Audit & Risk Committee	1	$10,000	$10,000	1	$10,000	$10,000
Special Governance Allocation	-	-	$5,000	-	-	-
Total Fee Pool			**$500,000**			**$495,000**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

23. FINANCE AND OPERATING LEASE COMMITMENTS

ACCOUNTING POLICY

The Group leases various properties and equipment. Rental contracts vary depending on the type of asset being leased. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Consolidated Statement of Comprehensive Income over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

(i) Measurement basis

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used. The incremental borrowing rate is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third-party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by Pacific Edge Limited, which does not have recent third-party financing; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the Consolidated Statement of Comprehensive Income over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs; and
- restoration costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

Right-of-Use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the Right-of-Use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets include IT equipment and small items of office furniture.

Right of Use Assets

	GROUP	
	2024 ($000)	2023 ($000)
Cost		
Opening Balance	**4,191**	**3,605**
Additions	3,823	337
Removals (Leases Completed)	(134)	-
Foreign Currency Translation	117	249
Closing Balance	**7,997**	**4,191**
Accumulated Depreciation		
Opening Balance	**3,048**	**1,775**
Depreciation	1,296	1,179
Reversal of Accumulated Depreciation (Leases Completed)	(134)	-
Foreign Currency Translation	89	94
Closing Balance	**4,299**	**3,048**
Net Right of Use Assets Balance	**3,698**	**1,143**
Right of Use Assets Net Book Value		
Buildings	3,638	1,128
Computer Equipment	60	15
	3,698	**1,143**
Depreciation		
Buildings	1,261	1,152
Computer Equipment	35	27
	1,296	**1,179**
Expenses relating to Short Term and Low Value Leases	147	115
Total Cash Outflow relating to Leases	**1,406**	**1,278**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2024

	GROUP	
Lease Liability	**2024 ($000)**	**2023 ($000)**
Opening Balance	**1,222**	**1,923**
Additions	3,823	337
Lease Repayments	(1,406)	(1,286)
Interest Charged	148	83
Foreign Currency Translation	(14)	165
Closing Balance	**3,773**	**1,222**
Split by:		
Current Liability	1,264	811
Non-Current Liability	2,509	411
	3,773	**1,222**
The maturity of the Lease Liabilities is as follows:		
Less than one year	1,264	811
One to two years	1,363	116
Two to three years	1,068	122
More than three years	78	173
	3,773	**1,222**

24. OTHER COMMITMENTS AND CONTINGENT LIABILITIES

a) Contingent Liabilities
There were no known contingent liabilities at 31 March 2024 (March 2023: Nil). The Group has not granted any securities in respect of liabilities payable by any other party whatsoever.

b) Capital Commitments
There are no capital commitments at 31 March 2024 (March 2023: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2024

25. PROPOSED LOCAL COVERAGE DETERMINATION (LCD) AND LOCAL COVERAGE ARTICLE (LCA) CHANGES - POTENTIAL IMPACT ON REVENUE

As described in Note 5, on 3 July 2020* Pacific Edge received notice of inclusion in the LCD resulting in the Company receiving reimbursement for Cxbladder Monitor and Detect test from that date.

On 29 July 2022*, Pacific Edge became aware of proposed changes to the LCD/LCA whereby if the proposed changes were issued as published then Cxbladder would no longer have coverage and the Company would not qualify for reimbursement.

On 2 June 2023* Novitas, the Medicare Administrative Contractor (MAC) with jurisdiction for Pacific Edge's US laboratory issued a final Local Coverage Determination (LCD) L39365 that governs the reimbursement of Cxbladder in the US by the US Centres for Medicare & Medicaid Services (CMS). The LCD determined that Cxbladder would not qualify for coverage from Novitas for tests reimbursed by the CMS from 17 July 2023*. These tests represent a significant portion of current Cxbladder testing revenue. Multiple companies that had existing coverage or are seeking coverage, were similarly impacted by this proposal.

On the 6 July 2023* Pacific Edge received notification that LCD L39365 would not become final and Novitas would propose it again as a draft LCD DL39365. The new draft would be subject to 'notice and comment' for 45 days including an open public meeting and a written comment submission period.

On the 27 July 2023* Pacific Edge became aware that Novitas had republished the LCD (DL39365) without any changes from LCD L39365, which if approved without further changes would mean Cxbladder (and multiple other products from various companies) would not qualify for coverage from Novitas for tests reimbursed by the CMS.

Novitas provided for the statutory requirement for a 45-day notice and comment period commencing 27 July 2023* and finishing 9 September 2023*, during which time all interested stakeholders were able to submit comments to Novitas. Pacific Edge, and a number of impacted parties submitted written submissions that argue Cxbladder Triage, Detect and Monitor tests should retain Medicare coverage based on the clinical value they offer to patients, clinicians, and healthcare payers.

Novitas may take up to 365 days from the original publication date (27 July 2023*) to withdraw or finalise the LCD including a response to those comments. When finalised, Novitas must provide a minimum of 45 days' notice before the LCD becomes effective.

Pacific Edge received payment in line with the existing LCD/LCA (Local Coverage Article) for the twelve months ended 31 March 2024, and to the date of approval of these Consolidated Financial Statements.

In the year to 31 March 2024, tests processed through our laboratory for Medicare and Medicare Advantage patients represented approximately 60% of US commercial test volumes and generated approximately NZ $17.0m, or 71% of Pacific Edge's total operating revenue.

Whilst the LCD has yet to be finalised and the full impact on the Group is unable to be determined, management and the Board have modelled a number scenarios relating to possible LCD outcomes. Under all modelled scenarios there is sufficient liquidity in the form of cash and short term deposits to meet obligations and continue for the foreseeable future, being at least 12 months from the date of approval of the financial statements. Accordingly, it is the Board's view that there are no material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern for the purpose of these financial statements.

*All dates with an Asterix refer to US dates

26. SUBSEQUENT EVENTS
There are no subsequent events.

Independent auditor's report

To the shareholders of Pacific Edge Limited

Our opinion

In our opinion, the accompanying consolidated financial statements of Pacific Edge Limited (the Company), including its subsidiaries (the Group), present fairly, in all material respects, the financial position of the Group as at 31 March 2024, its financial performance and its cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards Accounting Standards (IFRS Accounting Standards).

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated balance sheet as at 31 March 2024;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm carries out other services for the Group in the areas of half year review procedures and the provision of training workshops. The provision of these other services and relationships have not impaired our independence as auditor of the Group.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of the key audit matter	How our audit addressed the key audit matter
Determining the timing of revenue recognition for US revenue As disclosed in Note 5 of the consolidated financial statements, the timing of revenue recognition for US based revenue varies by revenue stream between completion of the Cxbladder test and receipt of cash. The Company has three material United States (US) revenue streams: 1. Coverage via Centers for Medicare and Medicaid Services (CMS) and Medicare Advantage; 2. Tests performed for Kaiser Permanente; and 3. Other private insurance. In July 2020, the Company received Local Coverage Determination ("LCD") and Local Coverage Article (LCA) for CMS. This determination created a set price for the Company's tests of US$760 per test from July 2020, and established a clear transaction price for the tests. This transaction price, along with a history of payment, satisfies the NZ IFRS requirement for revenue recognition. As disclosed in note 25, on 27 July 2023 a draft LCD was published which if approved without any changes would mean that CxBladder tests would not qualify for reimbursement. This has the potential to significantly change the reimbursement of Cxbladder tests in the US as the tests represent a significant portion of current Cxbladder testing revenue. The LCD/LCA is still in place and the Company continues to receive reimbursement in line with the existing LCD/LCA. The uncertainty in respect of future operations is disclosed in Note 25. In the US derived revenue for tests performed for CMS, Medicare Advantage and Kaiser Permanente have been recognised in advance of cash being received. Revenue for these customers is recognised once the test is invoiced. All other US derived revenue is accounted for on a cash receipt basis as disclosed in Note 5. We determined this to be a key audit matter due to the significance of the judgements applied by Directors for revenue recognition and the potential impact of changes in the proposed LCD/LCA.	Our audit procedures included the following: We obtained an understanding of management's processes and controls for the CMS, Medicare Advantage, Kaiser Permanente and Private Insurance US revenue streams, including the relevant controls at the external billing reimbursements service organisation. We obtained the SOC1 System and Organisation Controls Report for the external billing reimbursement service organisation, and evaluated the evidence provided over the design and operating effectiveness of the relevant controls. We evaluated management's determination of the timing of revenue recognition by: • Assessing the data supporting revenue recognition for CMS, Medicare Advantage and Kaiser Permanente to confirm that the transaction price can be determined and collectability is probable; • Obtaining management's latest assessment, correspondence and other information in relation to the status of the proposed LCD/LCA; • Assessing the data supporting revenue recognition for other private insurance to confirm that the transaction price and collectability is only probable when cash is received; • Performing subsequent receipt testing to validate the probability of collection of the year end receivables and performing look back procedures over the prior year receivables to test collection rates; and • Evaluated whether revenue has been recognised appropriately in accordance with NZ IFRS 15.

Our audit approach

Overview

Overall group materiality: $769,000, which represents approximately 2.5% of (loss)/earnings before interest, tax, depreciation and amortisation (EBITDA).

We chose (loss)/earnings before interest, tax, depreciation and amortisation (EBITDA) as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users, and is a generally accepted benchmark.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

As reported above, we have one key audit matter, being:

- Determining the timing of revenue recognition for US revenue

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out above. These, together with qualitative considerations, helped us to determine the scope of our audit, the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

PACIFIC EDGE LIMITED ANNUAL REPORT 2024

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon, and the climate statement to be published at a later date. The Annual Report and climate statement are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors and use our professional judgement to determine the appropriate action to take.

Responsibilities of the Directors for the consolidated financial statements

The Directors are responsible, on behalf of the Company, for the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS and IFRS Accounting Standards, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the External Reporting Board's website at:

https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-1/

This description forms part of our auditor's report.

Who we report to

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Maxwell John Dixon.

For and on behalf of:

PricewaterhouseCoopers

Chartered Accountants
20 May 2024

Christchurch

PACIFIC EDGE LIMITED ANNUAL REPORT 2024

STATUTORY INFORMATION

PACIFIC EDGE LIMITED ANNUAL REPORT 2024

STATUTORY INFORMATION

FOR THE YEAR ENDED 31 MARCH 2024

DIRECTORS' INTERESTS

The company maintains an Interests Register in accordance with the Companies Act 1993 and the Financial Markets Conduct Act 2013.

In addition to the Pacific Edge Group of companies, Directors disclosed interests, or cessation of interest, in the following entities pursuant to section 140 of the Companies Act 1993 during the year ended 31 March 2024.

Director/Entity	Relationship
C. Gallaher	
Ashdown Group Pty Ltd	Director (ceased during year)
Mariposa Ltd	Chairman
VinLink Marlborough Ltd	Chairman
Carisbrook Holdings Limited	Chairman
Highlanders Rugby Club	Director & Shareholder
S. Park	
National Provident Fund	Trustee
Orbis Diagnostics Limited	Director
Waiapu Anglican Social Services Trust	Chair of Audit and Risk Committee
Rapid Response Nursing Limited	Director and Shareholder
Even Capital GP Limited	Director and Shareholder
Scotch and Sparkles Limited	Director and Shareholder
B. Williams	
Cartherics Pty Ltd	Director and Shareholder
Pacifik Biopharma Ltd	Director and Shareholder
Cleveland Clinic	Consultant & Advisor
EngeneIC Pty Ltd	Director and Shareholder
Zehna Therapeutics (wholly owned subsidiary of the Cleveland Clinic)	Director
A. Masfen	
Albert Nominees Limited	Director
Artemis Capital Limited	Director
Masfen Securities Limited	Director
Mill Creek Limited	Director (ceased during year)
Pure Food Limited	Director and Shareholder
TBL Trustees Limited	Director
TBL Holdings Limited	Director
TecTrax Limited	Director
Windfarm Group W2 Limited	Director
A. Stove	
Rua Bioscience Limited	Chair and Shareholder
TAB NZ	Chair
Progressive Farms Ltd	Director and Shareholder
M. Green	
Obsidian Capital & Advisory Limited	Director and Shareholder
Mariposa Holdings Limited	Director
Obsidian Capital Trust Limited	Director and Shareholder
The Better Product Group	Chair and Shareholder
T. Barclay	
Baymatob PTY Limited	Chair and Shareholder
Veripihi Limited	Director and Shareholder
Rua Bioscience Limited	Director and Shareholder

DIRECTOR APPOINTMENT DATES

The dates below are the first appointment dates for all current Directors. Directors have been re-appointed at Annual Shareholder Meetings, when retiring by rotation.

T. Barclay	21 March 2022
C. Gallaher	1 July 2016
M. Green	10 May 2021
A. Masfen	1 April 2008
S. Park	6 December 2018
A. Stove	15 March 2021
B. Williams	1 June 2013

DIRECTORS' SECURITY HOLDINGS

Securities in the Company in which each Director and associated person of each Director, has a relevant interest, are specified in the table below as at 31 March 2024.

Number of Equity Securities	2024	2023
T. Barclay	50,000	20,000
C. Gallaher	1,000,000	602,058
M. Green	-	-
A. Masfen	9,320,050	1,320,050
S. Park	58,591	58,591
A. Stove	5,000	5,000
B. Williams	610,357	237,427

SECURITY DEALINGS OF DIRECTORS

Trading of securities in the Company for the 12 months ended 31 March 2024 in which each Director and associated person of each Director has a relevant interest are specified in the table below.

Director	Trade	Date	Number of shares	Price	Consideration
T. Barclay	Purchase - Market	19-Sep-23	30,000	$0.125	$3,750
C. Gallaher	Purchase - Market	1/2-Aug-23	397,942	$0.136	$54,100
A. Masfen (Beneficial Owner)	Purchase - Market	15-Sep-23	8,000,000	$0.127	$1,015,200
B. Williams	Purchase - Market	3/4-Aug-23	372,930	$0.134	$49,861

INFORMATION USED BY DIRECTORS

The Board of Directors received no notices from Directors wishing to use Company information received in their capacity as Directors, which would not have ordinarily been available.

INDEPENDENCE

The following Directors are considered by the Board to be independent, as defined under the NZX Main Board Listing Rules, as at 31 March 2024:

T. Barclay, C. Gallaher, M. Green, A. Masfen, S. Park, A. Stove, and B. Williams.

SUBSIDIARY COMPANY DIRECTORS

Section 211(2) of the Companies Act 1993 requires the Company to disclose, in relation to its subsidiaries, the total remuneration and value of other benefits received by Directors and former Directors, and particulars of entries in the interests registers made during the year ended 31 March 2024.

No subsidiary has Directors who are not Directors of Pacific Edge Limited or employees of the Group with the exception of Pacific Edge Diagnostics Singapore Pte Ltd that has a Singaporean based nominee director. The remuneration and other benefits of such Directors, with the exclusion of the Singaporean nominee director are included in the Directors Remuneration section of this report and the remuneration and other benefits of employees totalling NZ$100,000 or more during the year ended 31 March 2024 are included in the relevant bandings for remuneration above.

No remuneration is paid to any Director of a subsidiary company for their position as Director of that subsidiary company with the exception of the Singaporean nominee director who received $3,872 SGD for the year ended 31 March 2024.

The persons who held office as Directors of subsidiary companies at 31 March 2024 are as follows:

Pacific Edge Diagnostics New Zealand Limited	S. Park, A. Masfen, M. Green
Pacific Edge Analytical Services Limited	S. Park, A. Masfen, M. Green
Pacific Edge Diagnostics USA Ltd	B. Williams, D. Levison, C. Gallaher, P. Meintjes
Pacific Edge (Australia) Pty Ltd	B. Williams, C. Gallaher, P. Meintjes
Pacific Edge Diagnostics Singapore Pte Ltd	A. Stove, B. Williams, G, Gibson, Singaporean Nominee Director

TWENTY LARGEST EQUITY SECURITY SHAREHOLDERS AS AT 31 MAY 2024

Rank	Registered Shareholder	Number of Shares	% of Total Shares
1	New Zealand Central Securities Depository Limited	292,403,157	36.04
2	FNZ Custodians Limited	42,148,953	5.20
3	Forsyth Barr Custodians Limited	38,689,472	4.77
4	New Zealand Depository Nominee	37,214,326	4.59
5	Masfen Securities Limited	30,121,378	3.71
6	K One W One Limited	21,091,520	2.60
7	Custodial Services Limited	12,004,235	1.48
8	Leveraged Equities Finance Limited	10,054,894	1.24
9	JBWERE (Nz) Nominees Limited	7,730,057	0.95
10	Forsyth Barr Custodians Limited	6,047,293	0.75
11	Carol Anne Edwards & Graeme Brent Ramsey	5,537,037	0.68
12	Minggang Chen	5,000,000	0.62
13	Forsyth Barr Custodians Limited	4,124,482	0.51
14	FNZ Custodians Limited	3,308,569	0.41
15	Steven Cyril Hancock & Bronwyn Hilda Hancock	3,140,000	0.39
16	Ballynagarrick Investments Limited	2,615,671	0.32
17	Yongpei Huang	2,467,380	0.30
18	Adrian James Harvey & Joanne Elizabeth Harvey	2,085,896	0.26
19	Roberto Mauro	2,050,000	0.25
20	Hao Zeng & Qunhui Wu	2,008,002	0.25
	Total	**572,135,762**	**65.32**

SHAREHOLDERS HELD THROUGH NZCSD AS AT 31 MAY 2024

New Zealand Central Securities Depository Limited (NZCSD) provides a custodian depository service that allows electronic trading of securities to its members and does not have a beneficial interest in these shares. As at 31 May 2024, the ten largest shareholdings in the Company held through NZCSD were:

Rank	Registered Shareholder	Number of Shares	% of Total Shares in the Company
1	PREMIER NOMINEES LIMITED	86,385,377	10.65
2	HSBC NOMINEES (NEW ZEALAND)	55,367,264	6.82
3	TEA CUSTODIANS LIMITED	30,107,971	3.71
4	BNP PARIBAS NOMINEES NZ	26,100,242	3.22
5	ACCIDENT COMPENSATION	21,362,512	2.63
6	PRIVATE NOMINEES LIMITED	21,030,623	2.59
7	CITIBANK NOMINEES (NZ) LTD	19,004,563	2.34
8	JPMORGAN CHASE BANK	12,012,784	1.48
9	PREMIER NOMINEES LIMITED	11,359,918	1.40
10	PUBLIC TRUST RIF NOMINEES	2,994,056	0.37
	TOTAL	**285,725,310**	**35.22**

SPREAD OF SECUITY HOLDERS AS AT 31 MAY 2024

	No. of Ordinary Security Holders	% of Issued Capital
1 – 1,000	846	0.06
1,001 – 5,000	1943	0.68
5,001 – 10,000	1155	1.09
10,001 – 50,000	2104	6.1
50,001 – 100,000	480	4.33
Greater than 100,001	615	87.74
Total Security Holders	**7,143**	**100.00**

SUBSTANTIAL PRODUCT HOLDERS

The following substantial product holder information is given pursuant to section 293 of the Financial Markets Conduct Act 2013. These substantial product holders are shareholders who have a relevant interest of 5% or more of a class of quoted voting products of the Company.

As at 31 March 2024, details of the substantial product holders of the Company and their relevant interests in the Company's Shares are as follows:

Name of Substantial Product Holder	Number of Ordinary Voting Securities as at 31 March 2024	% of Issued Capital
Harbour Asset Management Limited and Jarden Securities Limited	124,296,760	15.32%
ANZ New Zealand Investments Limited, ANZ Bank New Zealand Limited and ANZ Custodial Services NZ Ltd	120,370,472	14.84%
Westpac Banking Corporation	52,810,384	6.51%

DONATIONS

The Group made no donations during the year.

CREDIT RATING

The Company currently does not have a credit rating.

WAIVERS FROM NZX LISTING RULES

No waivers were granted by NZX during the year ended 31 March 2024.

EXERCISE OF NZX POWERS (LISTING RULE 9.9.3)

NZX did not exercise its powers during the year under Listing Rule 9.9.3.

CLIMATE REPORT

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1. STATEMENT OF COMPLIANCE

Pacific Edge is a climate-reporting entity under the Financial Markets Conduct Act 2013. This is our first set of climate related disclosures, which report our progress between 1 April 2023 and 31 March 2024 and comply with the Aotearoa New Zealand Climate Standards (NZCS) issued by the External Reporting Board (XRB). Unless otherwise indicated, all numbers and commentary relate to the full year ended 31 March 2024 (FY 24).

In preparing our climate-related disclosures, Pacific Edge has applied some of the adoption provisions available under the NZCS in the first year of reporting:

Adoption Provision 3: Transition planning – provides an exemption from the requirements to disclose a transition plan. A description of our progress towards developing our transition plan can be found on page 124 – positioning ourselves for a low carbon future.

Adoption Provision 6: Comparatives for metrics – provides an exemption from the requirement to disclose comparative information against the preceding two NZCS reporting periods. As FY 24 is the first reporting year, there are no available comparative periods. FY 24 will subsequently become the baseline year for future comparative analysis.

Adoption Provision 7: Analysis of trends – provides an exemption from the requirement to disclose an analysis of the main trends evident from a comparison of each metric against the preceding comparative periods. As FY 24 is the first year of reporting, we have applied the exemption to provide analysis of trends.

Pacific Edge has also elected to apply the assurance requirements of NZCS1 for the financial year commencing 1 April 2024 (FY 25) onwards. For FY 24, we have not sought assurance in accordance with International Standard on Assurance Engagements (New Zealand) 3410: Assurance Engagements on Greenhouse Gas Statements (ISAE (NZ) 3410), issued by the New Zealand Auditing and Assurance Standards Board. However, we have worked with Toitū to obtain certification as a Toitū carbonreduce organisation, with the levels of review disclosed on page 132. Primary users of these disclosures include, but are not limited to Pacific Edge's shareholders, customers, suppliers, regulators, and the general public.

Understanding the severity of climate change and its impact on our organisation is a best estimate based on data available today. The data is rapidly evolving and will be reviewed annually. These disclosures contain climate-related and other forward-looking statements and metrics, which are not and should not be considered guarantees, predictions or forecasts of the future-related outcomes or financial performance. These statements are subject to known and unknown risks, uncertainties, and other factors, many of which are beyond Pacific Edge's control. Readers are cautioned not to place undue reliance on such statements considering the significant uncertainty in climate metrics and modelling that limit the extent to which they are useful for decision-making, and the many underlying risks and assumptions may cause actual outcomes to differ materially.

This report has been approved by the Board on 27 June 2024 and is signed on behalf of the Board by Chris Gallaher (Chair) and Sarah Park (Chair of the Audit and Risk Committee).

Chris Gallaher
Chair

Sarah Park

Sarah Park
Chair of the Audit and Risk Committee

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2. GOVERNANCE

BOARD OVERSIGHT

Pacific Edge's Board is ultimately responsible for overseeing the Company's strategy, including sustainability considerations and its resilience with respect to potential shifts in the business landscape from climate change. It is also responsible for overseeing our climate-related risks and opportunities and setting and overseeing the achievement of metrics and targets for managing them.

PACIFIC EDGE BOARD	Overall oversight of climate risks and opportunities	
AUDIT AND RISK COMMITTEE (ARC)	Supports the board in oversight of climate risks and opportunities and monitors progress against targets	EXPERT ADVICE where required
CHIEF EXECUTIVE OFFICER	Responsible for all sustainability matters (including climate matters)	
SUSTAINABILITY COMMITTEE	Responsible for execution of sustainability strategy, oversight of ESG programme and compliance reporting	ASSURANCE SIGN-OFF by appropriate entity
INTERNAL TEAMS AND EMPLOYEES	Overall oversight of climate risks and opportunities	

The Board delegates oversight of sustainability matters to the Audit and Risk Committee (ARC). Under its charter the ARC is responsible for ensuring Pacific Edge has an effective sustainability strategy and the appropriate processes and resources to deliver against it.

The Board is responsible for approving the risk management framework and overseeing the company's management of key risks. The ARC reports to and assists the Board by identifying and reviewing the key risks (including climate-related risks), assessing their materiality, ensuring the adequacy of risk management processes, providing reliable information to the Board and identifying and considering future events that may create uncertainty or pose a risk to the company.

Risks, including climate-related risks, are reviewed by the Board at every scheduled Board meeting, with a "deep dive" led by the ARC at least once a year.

As part of its risk oversight, the ARC receives updates from the business at scheduled committee meetings. The ARC generally meets at least four times per year. In regard to sustainability and climate matters, information is provided by the Sustainability Committee (refer Management section which follows) which enables the ARC to assess the execution of strategy, oversee risk management and to engage the appropriate external experts to support Pacific Edge on its climate disclosure journey.

In regard to compliance with climate disclosure reporting requirements, the ARC assists the board to set, monitor and oversee the achievement of metrics and targets for managing Pacific Edge's climate-related risks and opportunities.

Pacific Edge uses a skills matrix to ensure the Board has appropriate competencies and skills to oversee and govern the company. The skills and competencies relevant to ensuring oversight of climate-related risks and opportunities include legal, regulatory and risk management expertise, governance of listed or other climate-reporting entities, as well as environmental and sustainability experience. A summary of our skills matrix is provided in the Corporate Governance report on page 47.

Policies related to climate-change are reviewed as required by the Committees and the Board. Climate-related performance metrics are not currently incorporated into remuneration policies. However, the People and Culture Committee is tasked with setting and reviewing Pacific Edge's remuneration policies and practices to ensure they are consistent with the Company's strategic goals and incorporated into short-term and long-term incentives, where appropriate.

Pacific Edge's climate-related metrics and targets provided in this report have been reviewed and signed off by the Board. Progress against targets will be reviewed by ARC and Board at least once a year.

PREPARATIONS FOR THE FIRST REPORT AND PROFESSIONAL DEVELOPMENT

In order to familiarise and upskill itself around climate reporting requirements, the company has engaged expert external advice from Toitū Envirocare and Te Whakahaere, with additional analytical support from Deloitte.

The Board, Management, the ARC, and the Sustainability Committee worked with these organisations through the climate-related disclosure workstreams.

This work included embedding a governance and management framework, scenario development, climate risk and opportunity identification workshops and target setting.

At the same time a focus was placed on sustainability and climate related disclosures education to enhance the capabilities and understanding for all involved.

Several of Pacific-Edge's Directors are members of Chapter Zero, a governance group hosted by the Institute of Directors New Zealand and associated with the Global Climate Governance Initiative.

Chapter Zero enables its members to: gain climate awareness and skills; embed climate considerations into board decision-making; understand and act upon the risks and opportunities that the climate emergency poses to the long-term resilience and business success of their companies, while taking into account all stakeholders.

Board members will be able to undertake further training in FY 25 from external organisations such as INFINZ and the Institute of Directors to further lift the Board's climate governance capability.

MANAGEMENT RESPONSIBILITIES

Accountability for the implementation of Pacific Edge's sustainability goals sits with the CEO. The CEO has delegated oversight of this to the Sustainability Committee, which is chaired by the Chief Financial Officer (CFO) and comprises senior leaders and key functional representatives from New Zealand and the United States.

The Sustainability Committee is responsible for the execution of Pacific Edge's sustainability strategy, oversight of the implementation of the transition initiatives, oversight of the ESG programme and compliance reporting. It meets at least four times per year to monitor progress and performance and meets with the ARC at least annually.

Pacific Edge's risk management framework ensures that the identification, assessment, management and monitoring of risks and opportunities, including climate-related risks and opportunities, is consistent across the wider business. Every departmental leader is expected to report on risks to the CEO, CFO or Chief Operating Officer (COO) in every board meeting cycle with an assessment of those risks incorporated into the risk register provided to the Board.

For most of FY 24, climate-related risks and opportunities were identified and considered in the Board Tier 1 risk register, however from January 2024, climate-related risk has been expanded into a standalone and more detailed climate risk register, for the purposes of climate reporting and also to reflect the longer time horizons of climate-related risks.

Including climate-related risks and opportunities within the enterprise risk framework ensures that these are considered in the development and implementation of Pacific Edge's broader company strategy, capital deployment and funding decisions. Pacific Edge is investing capital and other resources in key strategic projects which are expected to provide significant economic, social and climate benefits. In our day-to-day operations, emissions reduction is a consideration in driving continual improvement initiatives to increase our operating efficiency and improve our customer experience.

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3. STRATEGY

CURRENT CLIMATE-RELATED IMPACTS

The effects of climate change have not materially impacted Pacific Edge's operations to date. However, this may change over time, with anticipated risks and opportunities identified on page 121. The current key climate-related impacts that could be experienced by Pacific Edge are:

Table 1

Area of Impact	Impact Description	Quantified Impact
PHYSICAL		
Severe or extreme weather events	**Interrupted laboratory operations in US and New Zealand –** due to extreme weather events such as flooding, wildfires, tornados or severe storms. While current risk and impact is low, the frequency of events is increasing. We are therefore preparing for a period of time where samples cannot be processed due to loss of electricity and/or access to the laboratories. We have the ability to access backup power to ensure preservation of both patient samples and research samples. If patient samples are frozen and run at a later time, there would be minimal revenue loss.	**Revenue / Cost Impact** Both low (under $2.0m)
	If research samples previously frozen are lost due to loss of electricity, there could be a sizable impact on future research. New samples could be obtained, but would incur a significant cost, and there could be delays releasing new products and publishing clinical studies to support wider uptake of Cxbladder products.	**Revenue / Cost Impact** Longer term - potential to be high (over $5.0m)
TRANSITION		
Increased supplier costs	**Increased costs -** including freight and travel. FY 24 impacts have included the closure of the Panama Canal due to drought, impacting delivery times for some key components and increasing travel costs. The quantified impact has been assessed by determining a 10% increase on FY 24 costs incurred.	**Cost Impact** Low (under $2.0m)
Compliance and reporting	**Increased costs** and resources dedicated to ensuring compliance and disclosure in regard NZCS. Additional internal and external resources have been engaged to meet requirements.	**Cost Impact** Low (under $2.0m)

SCENARIO ANALYSIS UNDERTAKEN

During FY 24 we conducted scenario analysis to better understand Pacific Edge's climate-related risks and opportunities, and the resilience of our business model and strategy. In developing our scenario analysis, we used the Intergovernmental Panel on Climate Change (IPCC) climate change framework, due to its science-based approach and comprehensive detail provided.

Our analysis was prepared internally by the Sustainability Committee and reviewed by external consultants Te Whakahaere, before being considered by the Board. Following a detailed Board presentation and discussion, the scenarios were further reviewed by the Sustainability Committee with further input from the United States business, before final approval. Sector scenario analysis from the New Zealand health sector was unavailable, however we reviewed and considered scenarios chosen by companies in similar sectors in developing our own scenarios. Our scenarios will be further developed in FY 25 when the New Zealand health sector scenario analysis becomes available.

We analysed three different scenarios, using IPCC Representative Concentration Pathway (RCP) greenhouse gas trajectories. The 'Orderly' (1.5ºC) and 'Hot-house World' (>3ºC) scenarios are in line with the requirements of the NZCS, providing a transition risk-weighted scenario (Orderly) and an extreme physical risk-weighted scenario (Hot-house). The Disorderly (2ºC) scenario meets the requirement for a third climate-related scenario, presenting an intermediate pathway where transition and physical risk are both serious challenges. We believe all three scenarios present a sound range of plausible climate futures, with each scenario showing different challenges that Pacific Edge would face. Our scenarios are summarised below:

Table 2: Scenario overview

	Scenario 1 Orderly Rapid Transition **RCP 2.6**	**Scenario 2 Delayed Disorderly Transition** **RCP 6.0**	**Scenario 3 Hothouse World** **RCP 8.5**
Forecast increase at 2100	Mean temperature 1.0°C (range 0.3°-1.7°) Mean sea level 0.4m (range 0.26-0.55m)	Mean temperature 2.2°C (range 1.4°-3.1°) Mean sea level 0.48m (range 0.33-0.63m)	Mean temperature 3.7°C (range 2.6°-4.8°) Mean sea level 0.63m (range 0.45-0.82m)
Policy Changes	Immediate and significant	Delayed	No Changes
Physical Risk Severity	Low	Moderate	Extreme
Behaviour Change	Fast Change	Moderate Change	Minimal Change
Description of emission reductions pathways	This very stringent pathway would see CO_2 emissions growth decline to zero by 2100. This scenario involves the greatest level of transitional risk as regulations and market-driven changes focused on decarbonisation significantly impact the way business is conducted.	This intermediate pathway sees emissions increasing at current rates until 2080 then stabilising and dropping back between 2080-2100. There would be higher rates of physical risk, with transition risks becoming greater as action is taken to reduce the rate of increase.	This pathway involves minimal transition, with continued emission increases until 2100, and therefore the greatest exposure to physical risks. There would be significantly fewer transition risks with minimal impact on regulations and business practices, other than as required to adapt to physical risks.
Pacific Edge potential impacts	We would expect higher levels of regulation within our sector to rapidly transition to reduced emissions, with one possible scenario a drive to eliminate single use plastics from within the sector.	We would expect increased exposure to physical risks, with the laboratories in New Zealand and the United States at higher risk of shut-downs, along with higher risk of supply chain disruptions. We would also expect transition risk, albeit later and less extreme than an Orderly Rapid Transition (scenario 1), with one possible scenario a drive to eliminate single use plastics within the sector.	We would expect the highest exposure to physical risks, with the laboratories in New Zealand and the United States at higher risk of shut-downs, along with higher risk of supply chain disruptions.
Data sources	Recent releases from the Intergovernmental Panel on Climate Change (IPCC) have been used to determine macro potential shifts in sea levels, wind patterns, temperatures, and extreme weather events. These have been localised to the Dunedin Laboratory location through tools available through NIWA in New Zealand, and for the US laboratory based in Hershey Pennsylvania, tools available from organisations such as the US Climate Vulnerability Index the National Integrated Heat Health Information System and the Federal Emergency Management Agency.		

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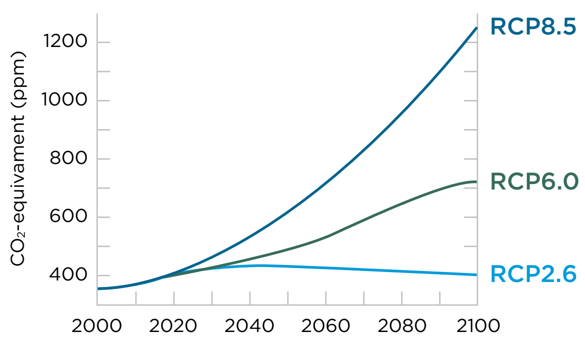
IPCC Representative Concentration Pathways



We have used these scenarios to challenge our business model and strategy. The different scenarios cover a range of transitional and physical outcomes that capture the key impacts and uncertainties of relevance to our business and the health technology sector. The scenario analysis undertaken considered the relevant risks and opportunities to Pacific Edge that have the potential to have the most impact.

We have noted the likely inverse relationship between transition risks and physical risks. Where governments intervene to reduce emissions, the likely impact from transition risk is greater. If the interventions are successful, the resulting lower peak climate warming will reduce the likelihood of physical risks eventuating. Alternatively, low or ineffective government intervention will increase the likelihood of impacts from physical risks from higher peak temperatures.

RISKS AND OPPORTUNITIES

Climate-related risk and opportunity identification is integrated into our business and risk management processes. Our assessment of risk uses the FMEA template, considering severity, probability and detectability alongside factors such as geographic location and localisation of impact. The enterprise risk management framework directly impacts and feeds into Pacific Edge's broader enterprise strategy, internal capital deployment and funding decisions.

Our climate-related risks and opportunities have been assessed to identify current physical and transition impacts, both in regard to severity and time horizon.

Time horizons

As a growth company operating in the healthcare technology sector, Pacific Edge has identified risk horizons which align with key parts of the product lifecycle. These horizons (Table 3) are also considered in business modelling, strategic planning, capital deployment and asset management decisions.

Table 3

Time Horizons for Assessing Climate-related Risks and Opportunities		
Short-term	0-5 years	Aligned to asset deployment focused on existing products.
Medium-term	5-10 years	Aligned with the time to get a new/ replacement product to market and validated with studies
Long-term	10-20 years	Aligned to transformational changes within healthcare

Quantification of impacts

In some cases, financial impact is difficult to quantify due to challenges in attributing an impact directly to the risk, and the cause being climate-related. For example, pricing increases for reagents could be due to several known factors including (but not limited to) economic turmoil, geopolitical instability and inflation, as well as climate-related impacts.

We have quantified financial impacts using a materiality range, shown in Table 4.

Table 4

Financial Impact Range	
3 - High	Over NZD \$5.0 million / Year
2 - Medium	NZD \$2.0 - \$5.0 million / Year
1 - Low	Up to NZD \$2.0 million / Year

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Table 5: Anticipated impacts and materiality assessments of Pacific Edge's key climate-related risks

Risk	Anticipated Impacts	Future Strategies	Time Horizon	Impact materiality on revenue / expenses by scenario		
				SCENARIOS		
PHYSICAL RISK				1	2	3
Severe or extreme weather events including flooding, wildfires, tornados and storms	**Laboratories inoperable** • Ability to run tests impacted **Facilities inoperable** • Power outages • Building damage	• Laboratory located in low-risk areas • Laboratories spread across two geographies (NZ and US) • US contracted back-up lab • Samples can be frozen and run when labs back up and operational. • Independent back-up power options, including: - Uninterrupted power supply on biobank freezers - Owned/leased Generator capacity - Building owner agreements to secure backup power in the event of loss of primary power • Reduce dependencies on centralised laboratories (longer term strategy)	Short			
			Medium			
			Long			
	R&D biobank samples at risk • An extended power outage, without backup power supply can place at risk the freezer-based biobank samples in New Zealand and United States that are used for Research and Development and clinical studies. • Loss of these samples would have minimal short-term impact on revenue, but would impact the development of new and improved tests and clinical evidence over the medium to long term	• Independent back-up power options, including: - Uninterrupted power supply on biobank freezers -Owned/leased Generator capacity -Building owner agreements to secure backup power in the event of loss of primary power	Short			
			Medium			
			Long			
	Supplier(s) inoperable or disrupted • Freight delays to Pacific Edge sites from NZ/EU/US suppliers • Key supplier suffers damage to their manufacturing plants **Sample to lab – 11-day delivery not met** • Re-testing required • Higher costs / revenue losses • Delayed testing/results	• Strengthened contracts to recognise climate risk • Reduce single supplier risk through incorporating climate risks into analysis; • Multiple suppliers of critical components or suppliers who can operate from multiple locations • Maintaining higher stock levels to provide resilience • Science based strategies – - Develop longer RNA stabilisation - Reduce dependencies on centralised laboratories (decentralised testing)	Short			
			Medium			
			Long			

Table 5 continued

Risk	Anticipated Impacts	Future Strategies	Time Horizon	Impact materiality on revenue / expenses by scenario		
				SCENARIOS		
TRANSITIONAL RISK				1	2	3
Legislated abolition of single-use plastics	**Inability to perform tests** • Current standard of care requires high usage of single-use plastics	• Implementation of Green Lab initiatives • New processing technologies (automation) to reduce use of single-use plastics and chemicals • Demonstrate emissions advantage through carbon impact study of Cxbladder v current standard of care	Short			
			Medium			
			Long			
Non-compliance with investor ESG expectations and/or NZCS	**Fines and reduced access to capital** • Investors seeking ethical investments will invest elsewhere • Non-compliance could expose the company to penalties, fines and legal action	• Compliance with mandatory NZCS requirements • Measure and demonstrate social and environmental benefits of Pacific Edge's suite of products • Delivering on carbon targets • Demonstrate emissions advantage through carbon impact study of Cxbladder v current standard of care	Short			
			Medium			
			Long			
Geopolitical macro-economic uncertainty	**Delivery delays** • geopolitical security issues over resource rights	• Maintaining higher stock levels to provide resilience • Increase product stabilisation	Short			
	Increased costs • Plastic costs increase as oil availability decreases • Increased freight/courier costs • Increased charges from suppliers	• Reduce dependencies on centralised laboratories (decentralised testing)	Medium			
	Increased energy insecurity • Potential power cuts/ shortages	• Build back-up power supply into agreements • Physical back-up power supply	Long			

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Table 6: Anticipated impacts and materiality assessments of Pacific Edge's key climate-related opportunities

Opportunity	Anticipated Impacts	Future Strategies	Time Horizon	Impact materiality on revenue / expenses by scenario		
				SCENARIOS		
				1	2	3
Legislation focused on reducing emissions within the health sector	Increased use of virtual healthcare to improve access and offset emissions of patients travelling to clinics.	• Utilisation of patient in home sampling system • Demonstrate social benefits of Pacific Edge's suite of products • Demonstrate advantages from carbon impact study of Cxbladder v current standard of care	Short			
			Medium			
			Long			

TRANSITION PLANNING

Pacific Edge has summarised how it creates value for shareholders on pages 12-13. There are three pillars of value creation:

1. Adoption, retention and revenue generation (near term)
2. Evidence coverage and guidelines (medium term)
3. Research and innovation (long term)

In pursuing our growth objectives, we have focused on product innovation and development, the generation of clinical evidence, production efficiencies, supplier management and business resilience to mitigate risks and capture opportunities. These initiatives are expected to create value for shareholders in line with our pillars.

Pacific Edge does not yet have a transition plan that meets the requirements of the NZCS1 and therefore has applied NZCS2 Adoption Provision 3 (paragraph 15). This provision provides an exemption in the first reporting period from the requirements to disclose the transition plan aspects of an entity's strategy, including how its business model, and strategy might change to address its climate-related risks and opportunities, and the extent to which the transition plan aspects of its strategy are aligned with its internal capital deployment and funding decision-making processes.

Nonetheless, we have made solid progress towards incorporating transition planning into our strategy. A number of strategic initiatives underway already better position us for a low-emissions, climate-resilient future state. Capital deployment and funding decision-making for these initiatives is consistent with our strategic priorities.

A brief description of these key initiatives and how they will mitigate impacts of climate change, follows.

Product simplification

We continue to work on simplifying the running of Cxbladder tests in the laboratory. Ultimately, this could transition our operating model to a state where we are not reliant on centralised laboratories and are able to deliver tests closer to the patient's location. From a climate perspective, more localised testing (including the opportunity to provide home sampling) will result in less travel and reduced emissions. From a social perspective, it will also increase patient access to testing and improve the speed of results.

Automation of testing

The first stage of automated testing was introduced in March 2024 in New Zealand and April 2024 in the United States. The expected climate benefits from this initiative include reduced use of single-use plastics and reduced use of hazardous chemicals. Social benefits include improved processing times, faster results and reduced health and safety risk through the removal of repetitive human movements.

Supplier engagement

A project is under way to build resilience to climate change by reducing the reliance on suppliers that operate from a single location. Work is also in progress to engage suppliers to validate reagents closer to our US laboratory. Climate benefits of this project include reduced emissions related to reagent transportation from New Zealand to the United States, and the elimination of shipping using dry ice. Other benefits include lower costs and improved delivery times.

More efficient test sales, distribution and support

We are continuously working towards improving our efficiency in the sales and distribution of test kits and the support provided to medical professionals and patients. This can be seen from increased tests per clinic / urologist. From a climate perspective, this will result in reduced emissions per test.

As scale has increased, so has our ability to distribute test kits in larger packs or in bulk for localised distribution by customers such as Kaiser Permanente, again reducing emissions per test.

4. RISK MANAGEMENT

Pacific Edge has a comprehensive risk management framework, using Failure Modes and Effect Analysis (FMEA) as the tool of choice to assess and manage climate-related risks as well as other business and market-related risks. As a health provider, we must meet stringent regulatory, quality, health and safety and manufacturing standards in each of the countries we operate in. Risk management is therefore embedded in everyday practices, which include regular internal and external audits, training, quality management systems, risk reporting and promotion of a strong risk culture.

Risks are identified and assessed in each board reporting cycle through a bottom-up process which includes:

- ensuring staff are appropriately trained on the use of FMEA, risk assessment and management (including climate-related physical and transition risks)
- reporting by departmental leaders of any new or changed risks associated with their area in the risk register
- all new or changed risks captured in the FMEA template – overseen by the Chief Operating Officer (COO)
- assessment of climate-related risks and opportunities by the Sustainability Committee
- review and prioritisation of risks by the CEO, CFO and COO using risk priority number (RPN) and heat maps
- review and oversight of risk register and risk management processes and policies by the Audit and Risk Committee (ARC)
- presentation and summary of risk movements provided to the Board at each meeting, with an annual deep dive on risk led by the ARC.

The ARC reports to and assists the Board by ensuring that management has established a risk management framework which includes policies and procedures to effectively identify, treat, monitor and report key business risks as well as reviewing the procedures of identifying business risks and controlling their financial impact on the Company and its subsidiaries. Risks, including climate-related risks, are reviewed by the Board at every scheduled Board meeting, with a "deep dive" led by the ARC at least once a year.

As part of its risk oversight, the ARC receives updates from the business at scheduled committee meetings. The ARC generally meets at least four times per year. In regard to sustainability and climate matters, information is provided by the Sustainability Committee which enables ARC to assess the execution of strategy, oversee risk management and to engage the appropriate external experts to support Pacific Edge on its climate disclosure journey. In addition to the regular climate-related risks, the ARC updates the Board about sustainability matters, including climate-related matters, at least once a year.

The Sustainability Committee meets at least quarterly to assess and prioritise climate-related risks, assessing these using short (0 - 5 years), medium (5 – 10 years) and long (10+ years) time horizons, using FMEA methodology to provide each risk a score, with a maximum of 10 for each assessment of potential severity, probability and detectability. Multiplying these provides an overall risk score with the maximum being 1,000.

While climate-related risks and opportunities have been separated and expanded into a standalone, more detailed climate risk register since January 2024, the register still sits within the company's enterprise risk framework and has identical methodologies and processes, with the exception that climate related risks take an assessment over a longer time horizon.

The Sustainability Committee meets with the ARC at least once annually to conduct a deep dive of climate-related risks, assessing time horizons as well as reviewing the scenarios (IPCC Orderly, Disorderly and Hothouse). Climate-related risks are presented to the Board using a medium-term (5-10 year) horizon and under an IPCC RCP 6.0 scenario, which provides a longer outlook and is considered to be the best way of ensuring physical and transition risks are included and assessed

All parts of the value chain with a direct relationship to Pacific Edge and that are considered material, are included in the risk management process. The key parts of the value chain are materials supply, couriers, transportation and travel.

5. METRICS AND TARGETS

FY 24 was the first year of greenhouse gas emissions measurement for Pacific Edge, which included certification as a Toitū carbonreduce organisation. This focused on measurement of Pacific Edge's Scope 1, 2 and 3 emissions, as well as our intensity metrics. Accordingly, FY 24 has been set as the baseline year for future comparison.

OUR METRICS

We are acutely conscious of the need to balance the inevitable increase in emissions as we grow, with the need to play our part in transitioning towards a low-emissions, climate-resilient future state. We have developed intensity-based metrics which we believe reflect this balance and focus on becoming more efficient as we grow.

Our intensity-based business metrics are measured on two key performance indicators (KPIs), with CHG emissions per test throughput identified as the reported target metric as it takes into account both social and climate-related objectives.

Table 7

KPI	Intensity metric	Rationale for using the KPI
Test throughput	GHG emissions per test	Test throughput is the single best metric of Pacific Edge's production for any given year. As test volumes increase, so will our activities to support sales, training and freight associated with test volume. Reducing our GHG emissions to an intensity target based on test throughput will demonstrate our efficiency gains over time.
Full time employee (FTE)	GHG emissions per FTE	FTE count influences a significant portion of our emissions source activities including air travel and employee car mileage claims.

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OUR PERFORMANCE

Table 8 summarises GHG emissions data for Pacific Edge's Scope 1, 2 and 3 emissions for FY 24.

Table 8: Emissions summary

Scope	Emissions sources	Description	FY 24 (tCO_2e)
Scope 1	Direct emissions	Refrigerants	0.00
Scope 2	Indirect emissions from imported energy	Electricity - location based method	145.39
Scope 3	Transportation	Air travel, shipping freight, car, accommodation, working from home	910.81
	Products used by the organisation	Decontamination of medical waste, electricity distributed transmission and distribution losses, waste, dry ice	53.08
	Use of products from the organisation		0.00
	Other sources		0.00
	TOTAL		**1,109.28**
Total direct emissions			
Total indirect emissions			1,109.28
Total gross emissions			**1,109.28**
Direct emissions removals			0.00
Purchase emission reductions			0.00
Total net emissions			**1,109.28**
Emissions intensity			
Gross emissions / test (unit)			0.034
Gross emissions / Full Time Equivalent employee (FTE)			9.82

Activities responsible for generating significant emissions

Scope 1 and 2 emissions are limited to electricity usage and refrigerants used in our laboratory equipment. Purchased electricity is used to power our CLIA certified labs and associated office space in Dunedin, New Zealand and Hershey, PA, USA.

Scope 3 is wider and encompasses travel, freight, waste, water and electricity transmission and distribution losses.

Travel is by far the largest contributor of emissions (82.1% of all emissions). Due to the nature of the cancer diagnostic tests, it is not always possible to deliver the support and training expected by patients and clinicians virtually, which necessitates travel. Staff air travel and mileage is primarily driven by the activities of Sales staff (for client visits to support and grow the utilisation of Cxbladder) and Clinical Studies staff (for visits to study sites to generate data that is used for our clinical evidence portfolio).

Air freight is primarily used to move components for test kits from suppliers to our labs; move test kits to customers; and receive samples for processing from customers. Business travel is identified as a key area of opportunity to reduce emissions intensity.

Influences over the activities

Staff air travel and mileage claims are expected to increase in the short to medium term as we focus on growing test throughput to address our stated aim of fulfilling the unmet need for a diagnostics tool that assists in the detection and treatment of bladder cancer. It is expected that this aspect of our GHG emissions will grow as an absolute figure driven by increasing staffing levels. However, our focus on increasing the efficiency of our sales staff to increase the tests per physician from current levels is expected to reduce the intensity of our GHG emissions based on test throughput.

Air freight is also expected to increase in the short term as we focus on growing test throughput to address our stated aim. However, as test throughput reaches a critical mass there are opportunities for us to be more efficient in the way that we order test kit components from suppliers and then also distribute test kits and receive samples from patients. This is expected to reduce the intensity of our emissions per test.

Significant sources that cannot be influenced

There are limited options to significantly reduce our use of electricity as this is an essential input to operation of our diagnostic labs and associated office space.

RISKS AND OPPORTUNITIES

Pacific Edge's business assets are currently assessed as having a low-risk rating, therefore are not materially vulnerable to physical or transition risks. Nor are there assets specifically aligned with climate related opportunities. Consequently, internal emissions pricing has not been applied in the assessment of climate-related impacts, risks and opportunities.

Pacific Edge is investing capital and other resources in the strategic projects described on page 124, which are expected to provide significant economic and social benefits as well as climate benefits. With our culture of continual improvement, emissions reduction will be a key consideration alongside broader strategic considerations.

Remuneration

With FY 24 being the baseline year and first year of reporting, climate-related key performance indicators (KPIs) have not been established. As the transition plan is developed and embedded within the business, the appropriate KPIs are expected to become a component of remuneration.

OUR TARGETS

Pacific Edge is committed to managing and reducing its emissions in accordance with the requirements of the Toitū carbonreduce programme.

In setting our targets, we have considered relevant policies and initiatives, including the Science Based Targets Initiative. We have equally considered Pacific Edge's commitment to improving social outcomes by providing solutions for the early detection and management of cancer.

Delivering improved social outcomes involves increasing access to our tests for more people around the globe. As we strive toward this goal, we are aware that carbon emissions are expected to increase in absolute terms due to the expected increase in staff and related travel required to support the wider adoption of our tests. As previously noted, it is not always possible to deliver the support and training expected by patients and physicians virtually, which necessitates travel.

Travel-related emissions are therefore expected to increase, but at a rate that is exceeded by test growth as we scale. By minimising the growth of emissions while accelerating test adoption, we will reduce the emissions per test performed.

Our key target is to reduce total emissions per test throughput by 20% over a 5-year period i.e. by 31 March 2029.

Progress against this intensity target will be reported annually. The 5-year target period has been selected as it aligns with the company's 5-10 year product development timeline.

Pacific Edge believes the social benefit of Cxbladder warrants an increase in absolute emissions as it seeks to grow usage world-wide. While acknowledging emissions may increase, focusing on growing volumes as carbon efficiently as possible will contribute to limiting global warming to 1.5 degrees Celsius as Pacific Edge works towards its target of a 20% improvement in intensity.

Further research is in progress which compares the carbon emissions from utilising Cxbladder in a revised standard of care for patients being assessed for bladder cancer, against the existing standard of care. A reduction in emissions through the utilisation of Cxbladder has the potential to further contribute to limiting global warming to 1.5 degrees Celsius.

There is no reliance on offsets to achieve this target. As the accelerated adoption of tests and improved efficiency of travel are both key operational performance targets, it is considered that offsets would deliver minimal value.

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OUR REPORTING METHODOLOGY

Table 9: Description of reporting methodology

Detail	Approach
Measurement period	1 April 2023 to 31 March 2024 (FY 24)
Baseline period	1 April 2023 to 31 March 2024 (FY 24)
Measurement standard	The GHG emissions sources included in this inventory are those required for Programme certification and were identified with reference to the methodology described in the GHG Protocol and ISO 14064-1:2018 standards as well as the Programme Technical Requirements.
Consolidation approach	An equity share consolidation approach was used to account for emissions. This was adopted because it most accurately reflects the nature of Pacific Edge and its subsidiaries and aligns with the approach undertaken to consolidate results disclosed in the company's financial statements.
Organisation boundaries	Organisational boundaries were set with reference to the methodology described in the GHG Protocol and ISO 14064-1:2018 standards. Pacific Edge has accounted for all parts of its business and these disclosures are aligned with its accounting boundaries, and include the entities Pacific Edge Limited, Pacific Edge Diagnostics USA Limited, Pacific Edge Diagnostics New Zealand Limited, Pacific Edge (Australia) PTY Limited, and Pacific Edge Diagnostics Singapore Pte Limited.
Emissions factors and Global Warming Potential (GWP)	All emissions were calculated using Toitū emanage with emissions factors and Global Warming Potentials provided by the Programme (see Appendix 1 - data summary.xls). Global Warming Potentials (GWP) from the IPCC fifth assessment report (AR5) are the preferred GWP conversion.
Calculations and uncertainties	A calculation methodology has been used for quantifying the emissions inventory based on the following calculation approach, unless otherwise stated below: *Emissions = activity data x emissions factor* Where applicable, unit conversions applied when processing the activity data have been disclosed. There are systems and procedures in place that will ensure applied quantification methodologies will continue in future GHG emissions inventories. All purchased and generated energy emissions are dual reported using both the location-based method and market-based method. Pacific Edge aligns to location-based reporting for tracking energy related emissions and reductions over time. Uncertainties and assumptions are described in Table 12 on pages 132-133.
Actions to improve data quality	Pacific Edge has projects underway to improve data quality for: 1. Air travel – implementation of a travel management platform to unify the way travel is booked and recorded across the company 2. Air freight – working with third-party freight suppliers to gain access to data in respect of freight-related emissions
Exclusions	Pacific Edge has not excluded any material emissions sources, facilities, operations or assets from its emissions inventory. In conjunction with Toitū, an exercise was undertaken to distill immaterial emissions sources from those that were material to Pacific Edge. The immaterial emission sources form less than 1% of the total scope or category and do not exceed 5% of our total inventory. These emissions sources are not considered significant to our inventory, intended use or users: • Exhibition and conference booths and collaborations • Compliance and regulatory affairs • Digital marketing activities • Collaborations with academic institutions to generate clinical evidence • General office expenditure including IT maintenance and subscriptions • Calibration and maintenance of lab and office equipment • Staff training and development

ASSURANCE

The assurance requirements of NZCS1 will apply to Pacific Edge from FY 25 onwards. In this regard, for FY 24, Pacific Edge has not sought assurance in accordance with International Standard on Assurance Engagements (New Zealand) 3410: Assurance Engagements on Greenhouse Gas Statements (ISAE (NZ) 3410), issued by the New Zealand Auditing and Assurance Standards Board. However, we have worked with Toitū to obtain certification as a Toitū carbonreduce organisation. This includes assurance in respect of ISO 14064-1:2018 as set out in the table below.

Table 10

KPI	Intensity metric	Rationale for using the KPI
Test throughput	GHG emissions per test	Test throughput is the single best metric of Pacific Edge's production for any given year. As test volumes increase, so will our activities to support sales, training and freight associated with test volume. Reducing our GHG emissions to an intensity target based on test throughput will demonstrate our efficiency gains over time.
Full time employee (FTE)	GHG emissions per FTE	FTE count influences a significant portion of our emissions source activities including air travel and employee car mileage claims.

Table 11

Scope	Level of Assurance
1	No emissions – not assessed
2	Reasonable
3	Limited

UNCERTAINTIES AND ASSUMPTIONS

Table 12: Uncertainties and assumptions

GHG emissions source or sink subcategory	Scope	Explanation of uncertainties or assumptions around your data and evidence
Imported electricity	Scope 2	In Dunedin, our landlord has moved from providing electricity used information in real-time to using an inflation adjusted average based on the previous year's actual average, with a true-up payment or refund each year. In Pennsylvania, the March 2024 electricity usage was not available at the time of preparing our GHG calculations. In lieu of this, we have used the average monthly electricity usage based on FY 24 YTD data.
Business travel - Transport (non-company owned vehicles)	Scope 3	We have collated complete data in respect of dollars spent on car rental and then used average cost and km travelled information by location to convert this to km travelled. Kilometres travelled for employees is based on information taken from car mileage claims submitted by staff for use of their personal vehicles for business trips (primarily in the US). Air travel has been calculated using a combination of information from the following sources: • Reports detailing air travel provided by our outsourced travel provider for NZ based staff (this includes travel class details) • Information from expense reports completed by employees for ex-NZ staff. Where origin and destination are known distance travelled has been calculated using online calculator. Where this information was not available, the average cost per mile (based on the situations where origin and destination were known) was used to convert the dollar spend to km travelled. Dollars spent on taxi travel is based on information taken from expense claims submitted by staff for use of taxis for business purposes.

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Table 12 continued

GHG emissions source or sink subcategory	Scope	Explanation of uncertainties or assumptions around your data and evidence
Business travel - Accommodation	Scope 3	Visitor nights have been calculated using an average cost per night stay for the US. This data will be captured at source once our new travel management platform is implemented.
Upstream freight - Paid by the organisation	Scope 3	For freight out of NZ, weights have been provided by the Operations team based on their knowledge of the items being shipped. The distance travelled has been calculated based on to and from location using publicly available sources. In the US: • We have used the detailed information on ton kms for freight through our freight partner, FedEx. • We have not been able to procure information specific to Pacific Edge from our third-party distribution partner. They have however, been able to provide details of their tonne kms for all of their clients and advise the proportion of their total number of parcels sent and received that relates to Pacific Edge. We have used this information in the calculation of this emission factor. For Australian and Southeast Asian freight, our freight provider, DHL, changed the way we were invoiced. from December 2023. From that point in time, we have undertaken a detailed reconciliation of the amounts that relate to Australia and Southeast Asia. In this regard, we have used the reconciliations for December 2023, January 2024 and February 2024 to calculate a monthly average which was then extrapolated across the year.
Downstream freight - Paid by the organisation	Scope 3	For freight out of NZ, weights have been provided by the Operations team based on their knowledge of the items being shipped. The distance travelled has been calculated based on the "to" and "from" locations using publicly available sources. In the US: • We have used the detailed information on tonne kms for freight through our freight partner, FedEx. • We have not been able to procure information specific to Pacific Edge from our third-party distribution partner. They have however, been able to provide details of their tonne kms for all of their clients and advise the proportion of their total number of parcels sent and received that relates to Pacific Edge. We have used this information in the calculation of this emission factor. For Australian and Southeast Asian freight, our freight provider, DHL, changed the way we were invoiced. from December 2023. From that point in time, we have undertaken a detailed reconciliation of the amounts that relate to Australia and Southeast Asia. In this regard, we have used the reconciliations for December 2023, January 2024 and February 2024 to calculate a monthly average which was then extrapolated across the year.
Employee commuting	Scope 3	We have assumed a 10km average trip into work for our employees across the World. We have then used detailed estimates of WFH rates to calculate the km commuted during FY 24.
Working from home	Scope 3	We have used detailed estimates of WFH rates to calculate the km commuted during FY 24.
Disposal of solid waste - Landfilled	Scope 3	We have assumed a 2kg per employee waste ratio and used detailed estimates of WFH rates to calculate the kg of solid waste disposed.
Purchased goods and services	Scope 3	This is based on information extracted from our ERP system and then cross matched with records maintained by Pacific Edge Limited's Logistics and Operations team to total the dry ice that is required for transport.
Incineration	Scope 3	Based on detailed information provided by waste management suppliers

COMPANY DIRECTORY

As at 31 March 2024

Issued Capital
811,271,344 Ordinary Shares

Registered Office
Level 12, Otago House
Cnr Moray Place and Princes Street
Dunedin

Directors
C. Gallaher – Chair
B. Williams – Deputy Chair
A. Masfen
S. Park
A. Stove
M. Green
T. Barclay

Chief Executive Officer
Peter Meintjes

Chief Financial Officer
Grant Gibson

Nature of Business
Research, develop and commercialise new diagnostic and prognostic tools for the early detection and management of cancers.

Auditors
PricewaterhouseCoopers
Christchurch

Bankers
Bank of New Zealand
Dunedin

ANZ
Dunedin

Kiwibank
Dunedin

Westpac
Dunedin

Wells Fargo
San Francisco

Solicitors
Anderson Lloyd
Level 12, Otago House
Cnr Moray Place and Princes Street
Dunedin

Securities Registrar
Link Market Services Limited
138 Tancred Street
Ashburton

Company Number
1119032

Date of Incorporation
27 February 2001

PACIFIC EDGE COMMUNICATIONS

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www.pacificedgedx.com
www.cxbladder.com

Facebook
www.facebook.com/PacificEdgeLtd
www.facebook.com/Cxbladder

Twitter
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CANCER DIAGNOSTICS COMPANY

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