

PACIFIC EDGE LTD

RENOUNCEABLE RIGHTS OFFER

Pro-Rata 1 for 4.25
Renounceable Rights Offer
of Ordinary Shares

28 November 2019



This Offer Document may not be distributed outside New Zealand except to certain investors in such other countries and to the extent contemplated in this Offer Document.

This Offer Document is an important document. It explains Pacific Edge Limited's plans to raise new capital of approximately \$13.1 million through a rights issue and your opportunity to participate. The rights issue detailed in this Offer Document will give all Eligible Shareholders the right to acquire 1 additional share for every 4.25 shares they hold on the Record Date (5.00pm on 29 November 2019), at a price of \$0.10 per share.

Please take the time to read this Offer Document carefully and, if necessary, seek financial advice from an Authorised Financial Advisor.

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IMPORTANT INFORMATION

General information

This Offer Document has been prepared by Pacific Edge Limited (**PEL**) in connection with a pro-rata 1 for 4.25 renounceable rights offer of ordinary shares (**Offer**).

The Offer is made under the exclusion in clause 19 of Schedule 1 of the Financial Markets Conduct Act 2013 (**FMCA**). This Offer Document is not a product disclosure statement for the purposes of the FMCA and does not contain all of the information that an investor would find in such a document or which may be required in order to make an informed investment decision about the Offer or PEL.

Additional information available under continuous disclosure obligations

PEL is subject to continuous disclosure obligations under the Listing Rules. Market releases by PEL, including its most recent financial statements and the Investor Presentation, are available at www.nzx.com under the stock code PEB.

PEL may, during the Offer, make additional releases to NZX. No release by PEL to NZX will permit an Applicant to withdraw any previously submitted application without PEL's prior consent.

The market price of Shares may increase or decrease between the date of this Offer Document and the date of allotment of New Shares. Any changes in the market price of Shares will not affect the Issue Price, and the market price of New Shares following allotment may be higher or lower than the Issue Price.

Offering restrictions

This Offer Document is intended for use only in connection with the Offer to Eligible Shareholders who are not in the United States and that are not acting for the account or benefit of a person in the United States. This Offer Document does not constitute an offer, advertisement or invitation

in any place in which, or to any person to whom, it would not be lawful to make such an offer, advertisement or invitation.

This Offer Document may not be sent or given to any person outside New Zealand in circumstances in which the Offer or distribution of this Offer Document would be unlawful. The distribution of this Offer Document (including an electronic copy) outside New Zealand may be restricted by law. In particular, this Offer Document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside New Zealand except to the extent permitted below or as PEL may otherwise determine in compliance with applicable laws. Further details on the offering restrictions that apply are set out in the section of this Offer Document headed "Terms of the Offer".

If you come into possession of this Offer Document, you should observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities law. PEL disclaims all liability to such persons.

No guarantee

No guarantee is provided by any person in relation to the New Shares to be issued under the Offer. Likewise, no warranty is provided with regard to the future performance of PEL or any return on any investments made pursuant to this Offer Document.

Eligible Shareholders should be aware that there are risks associated with investing in the New Shares. The principal risk is that Eligible Shareholders may not be able to recoup the Issue Price and/or may not receive any dividends, entitlements or other distributions in respect of the New Shares. In addition, the market for the New Shares may not be liquid. If liquidity is low, Eligible Shareholders may be unable to sell their New Shares at an acceptable price or at all.

Dividend policy

The payment of dividends is at the discretion of the Board. The Board has no present intention to make a distribution. This policy may change from time to time at the discretion of the Board as and when funds permit. The New Shares allotted from this Offer will participate alongside Existing Shares in any dividends declared by PEL subsequent to their allotment.

Use of funds

PEL plans to apply the funds raised to provide extra capital resources to assist the company to progress its commercial objectives and become cash flow positive as soon as possible.

It is your decision to participate in the Offer

The information in this Offer Document does not constitute a recommendation to acquire New Shares nor does it amount to financial product advice. This Offer Document has been prepared without taking into account the particular needs or circumstances of any Applicant or investor, including their investment objectives, financial or tax position.

Withdrawal

PEL reserves the right to withdraw all or any part of the Offer at any time prior to the Issue Date at its absolute discretion.

Privacy

Any personal information provided by Eligible Shareholders on the Entitlement and Acceptance Form will be held by PEL and/or the Share Registrar at the addresses set out in the Directory. This information will be used for the purposes of administering your investment in PEL. This information will only be disclosed to third parties with your consent or if otherwise required by law. Under the Privacy Act 1993 (New Zealand), you have the right to access and correct any personal information held about you.

Enquiries

Enquiries about the Offer can be directed to an NZX Firm, an Authorised Financial Adviser, or your solicitor, accountant or other professional adviser. If you have any questions about the details shown on the Entitlement and Acceptance Form, or how to complete an online application or the Entitlement and Acceptance Form, please contact the Share Registrar, whose contact details are set out in the Directory.

Times and dollars

All references to time in this Offer Document are to New Zealand time. Unless otherwise indicated, all references to \$ are to New Zealand dollars.

Legislation

All references to legislation are references to New Zealand legislation unless stated or defined otherwise.

Defined terms

Capitalised terms used in this Offer Document have the meaning given to them in the Glossary at the back of this Offer Document or in the relevant section of this Offer Document.

CHAIRMAN'S LETTER

Dear Shareholder

On behalf of the Board, I am pleased to invite you to participate in this offer to acquire new ordinary shares in Pacific Edge through a fully underwritten 1 for 4.25 pro rata renounceable rights offer.

The funds raised from this rights issue will be in addition to the funds raised from a \$7m placement which featured strong demand from local and international investors. This reflects the growing interest in our company from institutional investors and fund managers.

With an annual addressable market value of approximately US\$1.2 billion, the USA market remains our primary opportunity. We are moving ever closer to achieving our commercial goals, particularly in the USA, and significant progress has been made.

- We have obtained two of the three milestones required for national public reimbursement in the USA – receipt of product specific codes for Cxbladder Detect and Cxbladder Monitor; and notification of National Price for all Cxbladder products of US\$760 per test.
- We are making good progress on the third milestone to have Cxbladder included in a Local Coverage Determination, which would allow for reimbursement by the Centres for Medicare and Medicaid (CMS).
- Our portfolio of clinical evidence in support of Cxbladder has expanded substantially in the past 12 months, supporting our application for inclusion in a Local Coverage Determination (LCD).
- Cxbladder has recently been included in guidelines in New Zealand and the USA.
- Commercial adoption in New Zealand continues to grow, with the majority of the public healthcare providers adopting Cxbladder into their standard of care, and in some cases, their clinical guidelines.
- Multiple, highly regarded healthcare institutions and academic centres in the USA are now evaluating and using Cxbladder.
- On inclusion in an LCD, and in combination with the recent inclusions in guidelines, we would expect a strong lift in operating cashflow.

We are confident in our commercial strategy and have a positive outlook for Pacific Edge.

We expect continued growth from new and existing customers; increasing demand from public healthcare providers in New Zealand; and a positive impact in the USA from having CPT codes, a national CMS reimbursement price and inclusion in guidelines. In addition, compelling clinical evidence is expected to facilitate test adoption, reimbursement decisions, and further guideline inclusion.

We are looking forward to successfully executing the next phase of our global growth plan as we continue to progress our objective of taking Cxbladder to the world. The funds being raised will provide extra capital resources to assist the company to progress its commercial objectives and become cash flow positive as soon as possible.

The rights allotted to you may be valuable and you have a number of options as to how to deal with them. These are explained on page 10 of this Offer Document.

YOU HAVE UNTIL 5.00PM ON WEDNESDAY 11 DECEMBER 2019 TO SUBSCRIBE FOR NEW SHARES.

Further details about the rights issue and the terms and conditions of issue are set out in this Offer Document and associated application form. To take up all or some of your rights, please complete and return your completed Entitlement and Acceptance Form, or complete the online application, by no later than 5.00pm on 11 December 2019. Payment of your Application Monies can be made by direct debit or otherwise as provided in the Entitlement and Acceptance Form. Please read this Offer Document carefully before deciding what to do. If you have any questions about how to deal with your rights, you are encouraged to talk to a professional adviser.

On behalf of the Board, I invite you to consider this opportunity and thank you in advance for your ongoing support of Pacific Edge.

Yours faithfully



Chris Gallaher
Chairman

28 November 2019

IMPORTANT ELEMENTS OF THE OFFER

Issuer	Pacific Edge Limited
The Offer	A pro-rata renounceable rights issue of 1 New Share for every 4.25 Existing Shares held on the Record Date.
Eligible Shareholder	Any person who is recorded in PEL's share register as a Shareholder at 5.00pm on the Record Date: (a) whose address is shown in PEL's share register as being in New Zealand, Australia or Singapore; or (b) whose address is shown in PEL's share register as being in Hong Kong who PEL considers is a professional investor as defined in the Securities and Futures Ordinance (Cap.571) of the Laws of Hong Kong, and, in each case: (c) to whom PEL, in its sole discretion, is satisfied that the Offer may lawfully be made under all applicable laws without the need for any registration, lodgement or other formality; and (d) who is not in the United States and is not acting for the account or benefit of a person in the United States.
Rights	The right to subscribe for New Shares under the Offer. Eligible Shareholders have an entitlement to subscribe for 1 New Share for every 4.25 Existing Shares held on the Record Date (5.00pm, 29 November 2019). Eligible Shareholders may take up some or all or none of their Rights.
Issue Price	\$0.10 per New Share.
Unexercised Rights	Rights not taken up by the Closing Date, including those of Ineligible Shareholders.
Offer Size	The amount to be raised under the Offer is approximately \$13.1 million.
New Shares	Ordinary shares of the same class as, and that rank equally with, Existing Shares on the Issue Date.
Ordinary Shares currently on issue	558,292,125 Ordinary Shares quoted on the Main Board.
Maximum number of New Shares being offered	131,362,852 New Shares.
Maximum number of Ordinary Shares on completion of the Offer	689,654,977 Ordinary Shares.
How to apply	Applications must be made by either completing an online application at http://pacifedgeshareoffer.co.nz , or completing the enclosed Entitlement and Acceptance Form and returning it to the Share Registrar together with payment in New Zealand dollars. See "Actions to be taken by Eligible Shareholders" later in this Offer Document.
Offer Underwritten	The Offer is fully underwritten by the Underwriters.

KEY DATES

Announcement of the Offer	8.30am, 21 November 2019
Rights trading commences on the Main Board	28 November 2019
Record Date for determining Entitlements	5.00pm, 29 November 2019
Letters of Entitlement sent to Eligible Shareholders	2 December 2019
Opening Date for the Offer	3 December 2019
Rights trading ends on the Main Board	5 December 2019
Closing Date for the Offer (last day for receipt of the completed Entitlement and Acceptance Form with payment)	5.00pm, 11 December 2019
Allotment and issue of New Shares under the Offer	18 December 2019
Expected date for quotation of New Shares issued under the Offer	18 December 2019

These dates are subject to change and are indicative only. PEL reserves the right to amend this timetable (including by extending the Closing Date) subject to applicable laws and the Listing Rules.

ACTIONS TO BE TAKEN BY ELIGIBLE SHAREHOLDERS

Available actions

If you are an Eligible Shareholder, accompanying this Offer Document is an Entitlement and Acceptance Form showing the number of Rights to subscribe for New Shares that you are entitled to under the Offer. You may take one or more of the following actions:

- accept all or some of your Rights;
- sell all or some of your Rights;
- accept some of your Rights and sell all or some of the remaining balance; or
- do nothing with all or some of your Rights.

Important:

- If you do nothing with your Rights before the Closing Date, they will lapse and you will not be able to subscribe for any new Shares under the Offer or realise any other value for your Rights.
- The Offer is pro-rata. If you take up all of your Rights your percentage shareholding in PEL will not reduce but if you do not take up all your Rights, your percentage shareholding will reduce following the completion of the Offer. For example, if you hold 4,250 Shares on the Record Date, you will have 1,000 Rights. If you decide not to take up any of your Rights, and all other shareholders do take up their Rights, your percentage interest in PEL will reduce by a factor of 19.0476%.

Accepting your entitlement

Eligible Shareholders who wish to accept all or some of their Rights should complete their Entitlement and Acceptance Form and deliver it to the Share Registrar, along with payment of the Issue Price in full, by no later than the Closing Date in accordance with the instructions set out in the Entitlement and Acceptance Form.

Alternatively, you may apply online in accordance with the instructions for online applications, or you can deliver your completed Entitlement and Acceptance Form to any NZX Firm or any entity designated as an NZX Firm under the NZX Participant Rules in sufficient time for that document to be forwarded to, and received by, the Share Registrar by the Closing Date. If you do this, you must make payment of your Application Monies by no later than the Closing Date in accordance with the instructions set out in the Entitlement and Acceptance Form.

There is no minimum number of New Shares that you must subscribe for under the Offer. Applicants will not be treated as having offered to purchase a greater number of New Shares than the number for which payment is made.

Selling your entitlement

The Rights are renounceable. This enables Eligible Shareholders who do not wish to take up all or some of their Entitlement to sell those Rights they have not taken up.

If you wish to sell all or some of your Rights, this can be effected on the Main Board by instructing an NZX Firm to sell all or some of the number of Rights specified in the Entitlement and Acceptance Form. You will need to provide your Authorisation Code (FIN) and your Common Shareholder Number (CSN) to the NZX Firm who you are instructing to sell your Rights. You may be required to pay brokerage in respect of that sale.

Trading of Rights will commence on the Main Board under the code **PEBRF** on 28 November 2019 and will end at 5.00pm on 5 December 2019. Your Rights may be sold on the Main Board between these dates, should you choose not to accept your full Entitlement. If you wish to sell your Rights using this method you must do so before close of trading of the Main Board on the end date for trading of Rights.

Renunciations must be lodged with the Share Registrar, Link Market Services Limited, not later than the Closing Date (5.00pm on 11 December 2019). The Share Registrar's details for the return of your Entitlement and Acceptance Form are set out in the Directory.

Accepting some of your entitlement and selling the balance

There is no minimum number of New Shares that you must subscribe for under the Offer. You may take up as many or as few of your Rights as you wish. If you wish to take up some of your Rights and sell the balance, you should:

- instruct an NZX Firm to sell the number of Rights you wish to sell; and
- indicate the number of New Shares you wish to apply for in the Entitlement and Acceptance Form and send your completed Entitlement and Acceptance Form, together with payment for the number of New Shares applied for, directly to the NZX Firm through whom you sold your Rights.

If PEL receives, on or before the Closing Date (5.00pm on 11 December 2019) both an acceptance and a renunciation by an Eligible Shareholder in respect of the same Rights, effect will be given to the renunciation in priority to the acceptance.

Payment instructions

Payment instructions are provided under the heading "Application Instructions" on the Entitlement and Acceptance Form. Payment can only be made by Direct Debit, Cheque or Bank Draft. Please choose only one payment option.

Option 1 (Preferred Method):

If you wish to pay by direct debit you must complete the direct debit section in the Entitlement and Acceptance Form or in the online application (if you are applying for New Shares using the online application process set out below). By completing the direct debit section in the Entitlement and Acceptance Form, you authorise the Share Registrar to direct debit the nominated bank account for the amount for which you have applied on the date that the Entitlement and Acceptance Form is received by the Share Registrar. The bank account must be with a New Zealand registered bank.

You cannot specify a direct debit date and you must ensure that:

- the bank account details supplied are correct;
- the Application Monies in the bank account for the direct debit are available on the day you submit your Entitlement and Acceptance Form;
- the person(s) giving the direct debit instruction has/have authority to operate the account solely/jointly; and
- the bank account you nominated is a transactional account eligible for direct debit transactions. If you are uncertain you should contact your bank.

Should your direct debit fail, your acceptance will be rejected. If requested, a direct debit form will be provided to you by the Share Registrar.

Option 2:

By bank draft in New Zealand dollars or a cheque drawn from a New Zealand registered bank and made out in New Zealand dollars. Cheques must be made payable to "Pacific Edge Entitlement Offer", crossed "Not Transferable" and must not be post-dated as cheques will be banked on the day of receipt. If your cheque is dishonoured PEL may cancel your allotment of Shares and pursue any other remedies available to it at law.

Status of acceptances

By completing and returning an Entitlement and Acceptance Form (or completing the online application) and applying for New Shares, you agree to accept the New Shares:

- subject to the terms set out in the constitution of PEL; and
- on the terms set out in this Offer Document and the Entitlement and Acceptance Form.

Your application is irrevocable and cannot be withdrawn. PEL has the sole discretion to accept or reject your application for New Shares.

Deemed application

If you specify on your Entitlement and Acceptance Form a number of New Shares in excess of your Rights under the Offer, you will be deemed to have applied to take up all of your Rights to New Shares.

If there is a discrepancy between the amount of your Application Monies and the number of New Shares for which you have applied, you will be deemed to have applied for the number of New Shares to which your Application Monies equates (rounded down) unless that number of New Shares would exceed your Rights, in which case you will be deemed to have applied to take up all of your Rights to New Shares.

Enquiries

If you have any queries about the number of Rights shown on the Entitlement and Acceptance Form which accompanies this Offer Document, or how to complete the Entitlement and Acceptance Form, please contact the Share Registrar (refer to the Directory for contact details).

TERMS AND CONDITIONS**1. The Offer**

- 1.1 The Offer is an offer of New Shares in PEL to Eligible Shareholders under a pro-rata renounceable rights issue. Under the Offer, Eligible Shareholders are entitled to subscribe for 1 New Share for every 4.25 Existing Shares held on the Record Date. Any fractional Entitlements will be rounded down to the nearest whole number.
- 1.2 The New Shares will be of the same class as, and rank equally with, the Existing Shares which are quoted on the Main Board. It is a term of the Offer that PEL will take any necessary steps to ensure that the New Shares are, immediately after the issue, quoted.
- 1.3 The maximum number of New Shares being offered under the Offer is 131,362,852.

2. Issue Price

- 2.1 The Issue Price under the Offer is \$0.10 per New Share. The Issue Price is a 34.0% discount to the theoretical ex-rights price and placement adjusted price of \$0.152, based off last close of NZ\$0.165 as at 20 November 2019. Payment for the New Shares must be made in full on application with a completed Entitlement and Acceptance Form delivered to the Share Registrar, or by completing an online application at <http://pacifedgshareoffer.co.nz>, in accordance with the instructions set out in the Entitlement and Acceptance Form. PEL may (at its discretion) accept late applications and Application Monies, but has no obligation to do so. PEL may accept or reject (at its discretion) any Entitlement and Acceptance Form which it considers is not completed correctly, and may correct any errors or omissions on any Entitlement and Acceptance Form.
- 2.2 If an Eligible Shareholder does not renounce their Rights and does not apply for any New Shares and pay the associated Application Monies by the Closing Date (5.00pm on 11 December 2019), their Rights will lapse.
- 2.3 Application Monies received will be held in a trust account with the Share Registrar until the corresponding New Shares are allotted or the Application Monies are refunded. Interest earned on the Application Monies will be for the benefit, and remain the property, of PEL and will be retained by PEL whether or not the issue and allotment of New Shares takes place.
- 2.4 Any refunds of Application Monies will be made within five Business Days of allotment, or, if a decision is made not to proceed with the Offer, within five Business Days of the date of that decision.

3. Eligibility

- 3.1 The Offer is only open to Eligible Shareholders or persons that PEL is satisfied can otherwise participate in the Offer in compliance with all applicable laws.
- 3.2 PEL considers that the legal requirements of jurisdictions other than New Zealand, Australia, Hong Kong and Singapore are such that it would be unduly onerous for PEL to make the Offer in those jurisdictions. This decision was made having regard to the small number of Shareholders in such overseas jurisdictions, the financial resources of PEL and the costs of complying with overseas legal requirements.
- 3.3 This Offer Document is intended for use only in connection with the Offer to any person recorded in PEL's share register as a Shareholder at 5.00pm (NZ time) on the Record Date:
 - (a) whose address is shown in PEL's share register as being in New Zealand, Australia or Singapore; and

- (b) whose address is shown in PEL's share register as being in Hong Kong who PEL considers is a professional investor as defined in the Securities and Futures Ordinance (Cap.571) of the Laws of Hong Kong,

and who are not in the United States and are not acting for the account or benefit of a person in the United States, and does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

- 3.4 This Offer Document is not to be sent or given to any person outside New Zealand in circumstances in which the Offer or distribution of this Offer Document would be unlawful. The distribution of this Offer Document (including an electronic copy) outside New Zealand may be restricted by law. If you come into possession of this Offer Document, you should observe any such restrictions and seek your own advice on such restrictions. Any failure to comply with such restrictions may contravene applicable securities law. PEL disclaims all liability to such persons.
- 3.5 The Rights of all Ineligible Shareholders will be issued to a nominee who will endeavour to sell those Rights and proceeds from the sale of those Rights will be attributed to such Ineligible Shareholders on a pro-rata basis and net of transaction costs of 0.5%, subject to the payment to individual Ineligible Shareholders being an amount greater than NZ\$5.00.

Australia

- 3.6 The offer of Entitlements and New Shares under the Offer (and this document for the purposes of that offer) is made to existing Shareholders in Australia in reliance on the Australian Securities and Investments Commission Corporations (Foreign Rights Issues) Instrument 2015/356. This document is not intended to be distributed or passed on, directly or indirectly, to any other class of persons in Australia.
- 3.7 This document is not a prospectus, product disclosure statement or any other formal "disclosure document" for the purposes of Australian law and is not required to, and does not, contain all the information which would be required in a "disclosure document" under Australian law. It may contain references to dollar amounts which are not Australian dollars, may contain financial information which is not prepared in accordance with Australian law or practices, may not address risks associated with investment in foreign currency denominated investments and does not address Australian tax issues.
- 3.8 This document has not been and will not be lodged or registered with the Australian Securities & Investments Commission or the Australian Securities Exchange and PEL is not subject to the continuous disclosure requirements that apply in Australia. Prospective investors should not construe anything in this Offer Document as legal, business or tax advice nor as financial product advice for the purposes of Chapter 7 of the Corporations Act 2001 (Australia).

Hong Kong

- 3.9 **WARNING:** This Offer Document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of the laws of Hong Kong, nor is it an advertisement, invitation or document subject to section 103(1) of the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (**SFO**). This Offer Document has not been authorised by the Securities and Futures Commission in Hong Kong pursuant to the SFO. No action has been taken in Hong Kong to authorise or register this Offer Document or to permit the distribution of this Offer Document or any documents issued in connection with it. The New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

- 3.10 No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere, that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.
- 3.11 The contents of this Offer Document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this Offer Document, you should obtain independent professional advice.

Singapore

- 3.12 This Offer Document and any other materials relating to the Rights and the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Offer Document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of the Rights or New Shares, may not be issued, circulated or distributed, nor may the Rights or the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (**SFA**), or as otherwise pursuant to, and in accordance with, the conditions of any other applicable provisions of the SFA.
- 3.13 This Offer Document has been given to you on the basis that you are (i) an existing holder of Shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this Offer Document immediately. You may not forward or circulate this Offer Document to any other person in Singapore.
- 3.14 Any offer is not made to you with a view to the Rights or the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Rights or New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.
- 3.15 In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Company has determined, and hereby notifies all "relevant persons" (as defined in section 309A of the SFA) that, the Rights and the New Shares are "prescribed capital markets products" (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

4. Opening and Closing Dates

- 4.1 The Offer will open for receipt of acceptances from 3 December 2019 (**Opening Date**). The last day for receipt of the completed Acceptance and Entitlement Form with payment is 5.00pm on 11 December 2019 (**Closing Date**), subject to PEL varying those dates in accordance with the Listing Rules.

5. Oversubscription Facility

- 5.1 There is no oversubscription facility available. Eligible Shareholders who wish to acquire more New Shares than their Entitlement may do so by acquiring Rights from Eligible Shareholders who have renounced such Rights.

6. Underwriting Agreement

- 6.1 The Underwriters have fully underwritten the Offer. This means that the Underwriters will subscribe at the Issue Price for that number of New Shares attributable to the Unexercised Rights in accordance with the terms of the Underwriting Agreement.
- 6.2 A summary of the principal terms of the Underwriting Agreement is set out as follows:
- (a) The Underwriters have the power to appoint sub-underwriters.
 - (b) The Underwriters will be paid an underwriting fee of 2% (in aggregate) of the total gross proceeds to be raised under the Offer. The Underwriters will also receive a lead management fee in respect of the Offer which is within the usual range of fees payable for an offer of this nature.
 - (c) The Underwriting Agreement contains termination events, representations, warranties and indemnities that are customary for an offer of this nature.
 - (d) The reasons why the Underwriters may terminate their obligations under the Underwriting Agreement include events which have, or may have, a material adverse effect on PEL, the Shares or the Offer. These may be as a result of events related to PEL or as a result of external events, such as changes in financial, economic and political conditions in certain countries or financial markets.
 - (e) If the Underwriting Agreement is terminated, a termination fee may be payable to the Underwriters.
 - (f) PEL has indemnified the Underwriters, their related companies and their respective directors, officers, partners, employees and advisers against certain losses incurred as a result of any act or omission by PEL in relation to the Offer, the allotment of the New Shares or the Underwriting Agreement.
 - (g) For a period of 6 months after the date of the Underwriting Agreement, PEL and its subsidiaries must not, without the prior written consent of the Underwriters:
 - (i) offer for sale or accept any offers for any Shares or other equity securities issued by PEL (Securities);
 - (ii) issue or grant any right or option that entitles the holder to call for the issue of Securities or that is otherwise convertible into, exchangeable or redeemable by the issue of Securities;
 - (iii) otherwise enter into any agreement whereby any person might be entitled to the allotment and issue of any Securities; or
 - (iv) make any announcement of an intention to do any of the above, other than pursuant to its existing employee incentive scheme or this Offer.

7. Allotment and Issue of New Shares

- 7.1 New Shares issued pursuant to the exercise of Entitlements are expected to be allotted and issued by 18 December 2019 (**Issue Date**). Transaction statements confirming the allotment of your New Shares will be issued and mailed in accordance with the Listing Rules.

8. Terms and Ranking of New Shares

- 8.1 New Shares allotted and issued will be fully paid and will be the same class as, and rank equally in all respects with, Existing Shares on issue that are quoted on the Main Board on the Issue Date. They will give the holder the right to one vote on a resolution at a meeting of Shareholders (subject to any restrictions in PEL's constitution or the Listing Rules), the right to dividends authorised by the Board and the right to a proportionate share in any distribution of surplus assets of PEL on any liquidation.

9. Rights

- 9.1 If you are an Eligible Shareholder you may subscribe for all or some of your New Shares, sell all or some of your Rights or do nothing with all or some of your Rights. See further details in the section of this Offer Document headed "Actions To Be Taken By Eligible Shareholders".

10. Minimum Amount to be Raised

- 10.1 There is no minimum amount that must be raised for the Offer to proceed.

11. Main Board Quotation

- 11.1 Application has been made for permission to quote the Rights on the Main Board and all the requirements of NZX relating to such quotation that can be complied with on or before the date of this Offer Document have been duly complied with. However, NZX accepts no responsibility for any statement in this Offer Document.
- 11.2 The New Shares have been accepted for quotation by NZX and will be quoted upon completion of allotment procedures. The Main Board is a licensed market operated by NZX, a licensed market operator, regulated under the FMCA.

12. Governing Law

- 12.1 This Offer Document, the Offer and any contract resulting from it are governed by the laws of New Zealand, and each Applicant submits to the exclusive jurisdiction of the courts of New Zealand.

GLOSSARY

Applicant means an investor whose application for New Shares has been received by the Share Registrar prior to the Closing Date.

Application Monies means money received by PEL from Eligible Shareholders who have applied for New Shares under the Offer.

Board means the board of directors of PEL.

Business Day has the meaning given in the Listing Rules.

Cleansing Notice means the cleansing notice issued by PEL as part of the Offer as required under the exclusion in clause 19 of Schedule 1 of the FMCA.

Closing Date means 5.00pm on 11 December 2019.

Eligible Shareholder means any person who is recorded in PEL's share register as a Shareholder at 5.00pm (NZ time) on the Record Date:

- (a) whose address is shown in PEL's share register as being in New Zealand, Australia or Singapore; or
- (b) whose address is shown in PEL's share register as being in Hong Kong who PEL considers is a professional investor as defined in the Securities and Futures Ordinance (Cap.571) of the Laws of Hong Kong,

and, in each case:

- (c) to whom PEL, in its sole discretion, is satisfied that the Offer may lawfully be made under all applicable laws without the need for any registration, lodgement or other formality; and
- (d) who is not in the United States and is not acting for the account or benefit of a person in the United States.

Entitlement means the number of Rights to which Eligible Shareholders are entitled.

Entitlement and Acceptance Form means the personalised entitlement and acceptance form enclosed in this Offer Document for Eligible Shareholders.

Existing Shares means Shares on issue on the Record Date.

FMCA means the Financial Markets Conduct Act 2013.

Ineligible Shareholders means Shareholders of PEL who are not Eligible Shareholders.

Investor Presentation means the investor presentation released to NZX on 21 November 2019.

Issue Date means the date of allotment of the New Shares pursuant to the exercise of Entitlements, which is expected to be 18 December 2019.

Issue Price means \$0.10 per New Share.

Listing Rules means the NZX Listing Rules, as amended from time to time and for so long as PEL is listed by NZX.

Main Board means the main board financial product market operated by NZX.

New Share means one ordinary share in PEL offered under the Offer of the same class as, and ranking equally in all respects with, PEL's quoted Existing Shares.

NZX means NZX Limited.

NZX Firm means any entity designated as an NZX Firm under the NZX Participant Rules.

Offer means the offer to subscribe for New Shares made to Eligible Shareholders as at the Record Date, under the renounceable rights offer set out in this Offer Document.

Offer Document means this document.

Opening Date means 3 December 2019.

Ordinary Share means one ordinary fully paid share in PEL.

PEL means Pacific Edge Limited.

Placement means the private placement of Shares in PEL to institutional and other eligible investors announced on 21 November 2019.

Record Date means 5.00pm on 29 November 2019.

Right means the renounceable right to subscribe for 1 New Share for every 4.25 Existing Shares held on the Record Date at the Issue Price, issued pursuant to the Offer.

Share means one Ordinary Share.

Shareholder means a registered holder of Shares on issue.

Share Registrar means Link Market Services Limited.

Underwriters means each of Forsyth Barr Group Limited and Jarden Partners Limited.

Underwriting Agreement means the agreement entered into between PEL and the Underwriters dated 21 November 2019, a summary of the principal terms of which are set out in clause 6.2 of the Terms of the Offer.

Unexercised Rights means any Rights not taken up by the Closing Date, including the Rights of Ineligible Shareholders.

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