

PACIFIC EDGE LIMITED

RETAIL OFFER

28 SEPTEMBER 2021

NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES.

This is an important document. You should read the whole document before deciding whether to subscribe for shares in Pacific Edge Limited. If you have any doubts as to what you should do, please consult your broker or financial, investment or other professional advisor.



PACIFIC EDGE ^{LE}
CANCER DIAGNOSTICS COMPANY

IMPORTANT INFORMATION

General information

This document has been prepared by Pacific Edge Limited (**PEL**) in connection with a retail offer of up to \$50,000 new ordinary shares in PEL (**Shares**) per Eligible Shareholder (**Offer**).

The Offer is made to Eligible Shareholders under the exclusion in clause 19 of Schedule 1 of the Financial Markets Conduct Act 2013. This document is not a product disclosure statement, prospectus, or other disclosure document and does not contain all of the information which may be required in order to make an informed investment decision about the Offer or PEL.

Further important information

A presentation providing further important information in relation to PEL and the Offer has been published by PEL on 23 September 2021 (**Investor Presentation**). A copy of the Investor Presentation and other important information released on 23 September 2021 are available at www.nzx.com under the ticker code "PEB".

The Investor Presentation includes information about the rationale for the Placement and Offer and explains in more detail PEL's growth strategy and a summary of certain key risks associated with PEL.

You should read the Investor Presentation in full, as it contains important information to assist you in making an investment decision in respect of the Offer. In particular, you should read and consider pages 35 to 38 of the Investor Presentation ("Key Risks") before making an investment decision.

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, are available at www.nzx.com under stock code "PEB".

You are strongly cautioned not to place undue reliance on any forward-looking statements such as indications of, and guidance on, future earnings

and financial position and performance in any market releases made by PEL, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the outbreak of COVID-19.

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 consent, whether or not there has been any permissible variation of the Offer.

The market price for the Shares may change between the Opening Date, the date you apply for Shares under the Offer, and the Allotment Date. Accordingly, the price paid for Shares issued under the Offer may be higher, equal to or lower than the price at which Shares are trading on the NZX Main Board at the time the Shares are issued under the Offer. The market price of new Shares following allotment may be higher or lower than the Issue Price.

Offering restrictions

This document is intended for use only in connection with the offer to Eligible Shareholders with a registered address in New Zealand. This document 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.

No action has been taken to permit an offering of the Shares in any jurisdiction outside New Zealand. The distribution of this document in a jurisdiction outside New Zealand may be restricted by law and persons who come into possession of it (including nominees, trustees or custodians) should seek advice on and observe any such restrictions. No person may subscribe for, purchase, offer, sell, distribute or deliver the Shares, or be in possession of, or distribute to any other person, any offering material or any documents in connection with the Shares, in any jurisdiction other than in compliance with all applicable laws and regulations. In particular, this document does not constitute an

offer to sell, or a solicitation of an offer to buy, any Shares in the United States. The offer and sale of the Shares have not been, and will not be, registered under the U.S. Securities Act of 1933 (**U.S. Securities Act**) or the securities laws of any state or other jurisdiction of the United States and accordingly, the Shares may not be offered, sold or otherwise transferred, directly or indirectly, in the United States, or to any person acting for the account or benefit of a person in the United States (to the extent such person is acting for the account or benefit of a person in the United States).

PEL may refuse any Application received from a person that it does not consider eligible to participate in the Offer.

No guarantee

No person named in this document (nor any other person) guarantees the Shares to be issued pursuant to the Offer or warrants the future performance of PEL or any return on any investment to be made in respect of the Shares.

Decision to participate in the Offer

The information in this document does not constitute a recommendation to acquire Shares or financial product advice. This document has been prepared without taking into account the investment objectives, financial or taxation situation or particular needs of any applicant or investor.

Before deciding whether to invest in the Shares, you must make your own assessment of the risks associated with an investment in PEL (including the inherent uncertainties as to the impact of COVID-19 and the summary of the Key Risks as set out under the heading "Key Risks" in pages 35 to 38 of the Investor Presentation), and consider whether such an investment is suitable for you having regard to publicly available information (including the Investor Presentation), your personal circumstances and following consultation with a financial or other professional adviser. Please read this document carefully and in full before making that decision.

Changes to the Offer

Subject to the Listing Rules and applicable laws, PEL reserves the right to alter the dates set out in this document. PEL reserves the right to withdraw the Offer and the issue of the new Shares at any time before the Allotment Date, at its absolute discretion.

Privacy

Any personal information you provide online or on the Application Form will be held by PEL and/or the Share Registrar at the address 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 2020 you have the right to access and correct any personal information held about you.

Enquiries

Enquiries about the Offer can be directed to a broker, or your solicitor, accountant or other professional adviser. If you have any questions about the details on the Application Form that accompanies this document, or how to apply online, please contact the Share Registrar, Link Market Services, as set out in the Directory.

Times and dollars

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

Defined terms

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

CHAIRMAN'S LETTER

Dear Shareholder

On behalf of the Board of Pacific Edge Limited (**Pacific Edge** or **PEL**), I am pleased to offer you the opportunity to subscribe for new ordinary shares in Pacific Edge through our retail offer (**Offer**). The Offer is part of an equity raising that was announced on 23 September 2021 to support PEL's growth strategy and capitalise on its market opportunities after achieving significant commercial and financial milestones in the 2021 financial year.

The Offer is open to Eligible Shareholders, being all persons who were recorded on the Pacific Edge share register at 5.00pm on 22 September 2021 as being a holder of Pacific Edge shares and having an address in New Zealand (**Eligible Shareholders**).

The Offer also included a successful \$80 million upsized placement to institutional and other eligible investors (**Placement**).

Prior to the Placement, Pacific Edge was approved to dual list on the Australian Stock Exchange (ASX) as a foreign exempt entity. A number of Australian institutions and other international healthcare institutions participated in the Placement. Pacific Edge remains a New Zealand domiciled business with its primary listing on the NZX.

Pacific Edge is seeking to raise up to a further \$20 million by way of the Offer to eligible New Zealand shareholders. However, Pacific Edge can accept oversubscriptions at its absolute discretion.

The proceeds of the equity raising will be used to accelerate growth into the company's key market, the United States (US), to further growth in Southeast Asia, to increase investment in research and development of Pacific Edge's current product range (Cxbladder), and also to potentially develop and grow new product opportunities by leveraging intellectual property across other cancers that can be detected in urine. The proceeds of the equity raising will also provide Pacific Edge with additional balance sheet flexibility. Further details about the proposed use of proceeds are set out in the Investor Presentation released by Pacific Edge on 23 September 2021 in connection with the equity raising.

The Offer will enable all eligible New Zealand shareholders of Pacific Edge to participate in the equity raising and acquire new Shares, with a minimum application amount of \$250.00 and a maximum application amount of \$50,000.

The issue price per Share will be the lower of \$1.35 (being the same price paid by investors under the Placement) and the volume weighted average market price of Shares over the 5-day trading period before the Closing Date (being 13 October 2021, unless extended).

The Offer provides Eligible Shareholders the opportunity to purchase additional Shares in Pacific Edge without incurring brokerage or other transaction costs.

Further details about the Offer, including the terms of the Offer and an explanation of how you can participate, are contained in this document. We encourage you to read this document carefully before you decide whether to participate and suggest that you seek financial, investment or other professional advice before making an investment decision.

Given the present uncertainties with respect to postal timing, we encourage all shareholders that wish to do so to apply online. You should note that if the total demand for Shares under the Offer exceeds NZ\$20 million (plus the total amount of oversubscriptions accepted by Pacific Edge, if any), applications will be scaled back on a proportionate basis in accordance with the number of Pacific Edge Shares held by the Applicant on the Record Date (being 5.00pm on 22 September 2021).

If you wish to participate in the Offer, you must ensure that your Application Form (and, if you are a Custodian as defined in clause 3.1 of the Terms, your Custodian Certificate), is completed online no later than 5:00pm NZT on 13 October 2021. Online applications or Application Forms returned by mail must be received by Pacific Edge's Share Registrar, Link Market Services Limited, no later than 5:00pm NZT on 13 October 2021. Shares under the Offer are expected to be allotted on or around 20 October 2021, unless the Closing Date is extended.

We suggest that you seek financial, investment or other professional advice before making an investment decision.

On behalf of the Board, we encourage you to consider this opportunity and we sincerely thank you for your continued support of Pacific Edge.



Chris Gallaher
Chairman

KEY DETAILS

Eligibility	You may participate in the Offer if you are a shareholder of PEL as at 5.00pm (NZST) on the Record Date of 22 September 2021 and have a registered address in New Zealand. If you hold Shares on behalf of a person who resides outside New Zealand, you may not participate in respect of that person. Similarly, you may not participate if you are outside New Zealand or acting for the account or benefit of a person in the United States.
Equal participation	Each Eligible Shareholder has the right to apply for the maximum value of new Shares on the same terms as each other Eligible Shareholder.
Transferability	The Offer is personal to you. It cannot be transferred to another person.
Application amount	<p>You can apply for a dollar amount of Shares, not for a certain number of Shares. You can apply for a minimum of \$250.00 of Shares and a maximum of \$50,000 of Shares.</p> <p>You will receive the number of Shares equal to the dollar amount of Shares you have applied for divided by the Issue Price (subject to scaling, see below). If, once divided by the Issue Price, the dollar amount of Shares you have applied for (or are allocated) does not equal a whole number of Shares, the number of Shares allotted to you will be rounded down to the nearest Share. Refunds will not be paid for any fractional entitlements.</p>
Issue Price	<p>The price of the Shares to be issued under the Offer will be fixed after market close on the Closing Date (being 13 October 2021, unless extended) as the lesser of:</p> <ul style="list-style-type: none"> • \$1.35 per Share (being the same price paid by investors under the Placement), representing a discount of 5.5% to the 20 trading day volume weighted average price of \$1.43 on the NZX Main Board up to 22 September 2021 (being the last trading day before the Placement was announced); and • the volume weighted average price of Shares on the NZX Main Board over the 5-day trading period prior to and including the Closing Date (being 7 October 2021 to 13 October 2021, unless the Closing Date is extended). <p>The Issue Price will be announced to NZX on 18 October 2021.</p>
No underwriting	The Offer is not underwritten.
When to apply	Applications must be received by 5.00pm on the Closing Date (13 October 2021, unless extended).
How to apply	We encourage Eligible Shareholders to apply online at https://pacificedge.capitalraise.co.nz . Alternatively, you can complete and return a hard copy Application Form accompanying this document (if requested and obtained in hard copy) in accordance with the instructions. Please allow adequate time for mail deliveries, as Applications received after the Closing Date may not be accepted.
Receiving your Shares	You will receive your Shares on the Allotment Date (20 October 2021, unless the Closing Date is extended).
Offer size and scaling	<p>PEL is seeking to raise up to \$20 million under this Offer, with the ability for PEL to accept oversubscriptions at its discretion. If PEL receives Applications in excess of \$20 million in aggregate (plus the total amount of oversubscriptions accepted by PEL, if any), your Application may be scaled down.</p> <p>If Applications are scaled, PEL will scale back the number of shares to be allotted under this Offer to each applicant having regard to the number of shares held by the applicant at the Record Date and otherwise at its discretion (see clause 8 of the Terms).</p>

KEY DATES*

Date	Event	Description
5pm, 22 September 2021	Record Date	The date on which Eligible Shareholders are determined.
28 September 2021	Opening Date	Offer opens.
13 October 2021	Closing Date	Offer closes. Applications and payment (by direct debit) must be received by no later than 5.00pm.
20 October 2021	Allotment Date and commencement of trading	Shares are allotted. Trading of the Shares is expected to commence on the NZX Main Board.
By 28 October 2021	Despatch Date	Allotment statements are despatched to participating shareholders within 5 business days of the Allotment Date.

* Subject to the Listing Rules and applicable laws, PEL reserves the right to alter any dates for the Offer.

QUESTIONS AND ANSWERS

These Questions and Answers are a summary only and you should refer to the Terms later in this document for further information.

1. What is the Offer?

The Offer allows Eligible Shareholders to purchase up to \$50,000 worth of additional Shares in PEL without incurring brokerage or other transaction costs.

All Shares issued under the Offer will be of the same class as, and rank equally with, all Shares in PEL on issue at the Allotment Date. It is a term of the Offer that PEL will take any necessary steps to ensure that the Shares are, immediately after issue, quoted on the NZX Main Board.

2. Am I eligible to participate?

You are eligible to participate in the Offer if:

- (a) you were registered as a holder of Shares at 5:00pm on 22 September 2021 (being the Record Date);
- (b) your address recorded on the share register is in New Zealand; and
- (c) you do not hold Shares on behalf of another person who resides outside of New Zealand.

3. How many Shares can I purchase?

Eligible Shareholders may apply for up to \$50,000 of Shares under the Offer, subject to scaling. There is a minimum subscription amount of \$250.00.

PEL is inviting Applications for up to \$[20] million of Shares in aggregate. However, Pacific Edge can accept oversubscriptions at its absolute discretion. If PEL receives Applications in excess of \$[20] million (plus the total amount of oversubscriptions accepted by Pacific Edge, if any), it will scale back Applications having regard to the number of Shares held by each applicant at the Record Date and otherwise at its discretion (see clause 8 of the Terms).

If Applications are scaled, applicants will receive the number of Shares equal to the dollar amount of the Application accepted (as scaled) divided by the Issue Price, and a refund of the balance of the relevant payment amount. All refunds will be made without interest. Refunds will not be paid for any difference arising solely due to rounding or where the aggregate amount of the refund payable is less than \$5.00.

4. What is the Issue Price of the Shares?

The issue price of the Shares to be issued under the Offer will be fixed after market close on the Closing Date (being 13 October 2021, unless extended) as the lesser of:

- (a) \$1.35 per Share (being the same price paid by investors under the Placement), representing a discount of 5.5% to the 20 trading day volume weighted average price of \$1.43 on the NZX Main Board up to 22 September 2021 (being the last trading day before the Placement was announced); and
- (b) the volume weighted average price of Shares on the NZX Main Board over the 5-day trading period prior to and including the Closing Date (being 7 October 2021 to 13 October 2021, unless the Closing Date is extended).

The Issue Price will be announced to NZX on 18 October 2021.

The market price of the Shares may change between the date this Offer opens, the date you apply for Shares under the Offer and the date on which Shares are allotted to you. As a result, the Issue Price may be higher, equal to or lower than the price at which PEL's Shares are trading on the NZX Main Board at the time the Shares are allotted to you. There is no certainty that Shares will trade at or above the Issue Price following the issue of Shares under the Offer. Therefore, you should seek your own financial advice in relation to this Offer and your participation under it. The current Share market price is quoted on the NZX website: www.nzx.com.

Further information about PEL, including its most recent financial statements, can be obtained from PEL's website: www.pacificgedgx.com. You may obtain, free of charge, the most recent annual report and financial statements of PEL by contacting PEL (for details, please refer to the Directory). You are also recommended to monitor PEL's market announcements through the NZX website.

5. Do I have to participate?

No - participation in the Offer is entirely voluntary. However, your shareholding in PEL will be diluted if you do not participate in the Offer. If you do not wish to participate in the Offer, do nothing.

6. How do I apply for Shares under the Offer?

If you wish to participate in the Offer, you can apply online at <https://pacificedge.capitalraise.co.nz>. Alternatively, please follow the step-by-step instructions set out in the enclosed personalised Application Form. You will require your CSN / Holder Number and Entitlement Number if you apply online. Online applications are encouraged.

If you apply by using the Application Form, scan and email your completed Application Form to the Share Registrar at applications@linkmarketservices.com (please put "PEL Share Offer" in the subject line for easy identification) by 5.00pm on 13 October 2021. If the exact amount of money is not tendered, PEL reserves the right not to accept all or part of your payment. In those circumstances, PEL will return your Application and refund all or part of your payment (without interest).

If your Application is rejected, all of the amounts paid will be refunded to you. If your Application is scaled back, you will receive the number of Shares in respect of which your Application is accepted at the Issue Price and receive a refund of the balance of the relevant payment amount. All refunds will be made without interest. Refunds will not be paid for any difference arising solely due to rounding or where the aggregate amount of the refund payable to you is less than \$5.00.

Once submitted, you will not be able to withdraw or revoke your Application.

7. How many Shares will I receive?

Subject to scaling, you will receive the number of Shares equal to the dollar amount of Shares you have applied for divided by the Issue Price. If, once divided by the Issue Price, the dollar amount of Shares you have applied for does not equal a whole number of Shares, the number of Shares allotted to you will be rounded down to the nearest Share. Refunds will not be paid for any fractional entitlements.

If PEL receives Applications for Shares in excess of \$20 million (plus the total amount of oversubscriptions accepted by Pacific Edge, if any), it will scale back the number of Shares to be allotted to each applicant under the Offer as described in the answer to question 3 above and in accordance with clause 8 of the Terms.

8. How long is the Offer open and when will I receive my Shares?

The Offer opens on 28 September 2021 and is expected to close at 5.00pm on 13 October 2021, unless extended. If you want to participate you should ensure that your Application and payment (by direct debit) is received by 5.00pm on the Closing Date. Applications received after this time may not be accepted.

Online applications are encouraged. If you are returning your Application Form by mail, please allow adequate time for mail deliveries.

You will receive Shares issued to you under the Offer on the Allotment Date, which is currently expected to be on or around 20 October 2021. A statement confirming the number of Shares issued to you under the Offer will be sent to you no later than 5 Business Days after the Allotment Date.

PEL may, subject to the Listing Rules and applicable laws, extend the Closing Date and the Allotment Date.

9. Are there any conditions to the Offer?

No. However, if the Offer is cancelled for any reason, all application monies will be returned to applicants and no Shares will be allotted under the Offer. No interest will be payable on any monies returned to applicants.

10. What if I own Shares through a trustee or Custodian or own Shares in more than one capacity?

If you own Shares through a trustee or Custodian, then, subject to certain certification requirements and other conditions, you may instruct the trustee or Custodian to purchase Shares on your behalf up to the

\$50,000 limit. If you own Shares through a trustee or Custodian and also own Shares in your own name, then you may either purchase Shares yourself or instruct your trustee or Custodian to purchase Shares on your behalf. You may not do both.

If you are a Custodian, or hold shares through a Custodian, please refer to clauses 2 and 3 of the Terms.

11. Is this Offer transferable to another person?

No. This Offer is personal to you and you may not transfer your right to purchase Shares under the Offer to anyone else.

12. Will the Shares be quoted?

The Shares will be quoted on the NZX Main Board. The NZX Main Board is a licensed market operated by NZX Limited, which is a licensed market operator regulated under the Financial Markets Conduct Act 2013. NZX accepts no responsibility for any statement in this document.

It is expected that you will be able to commence trading the Shares allotted to you under the Offer on the NZX Main Board on the Allotment Date (being 20 October 2021, unless extended).

13. Why are shareholders outside New Zealand not eligible to participate in the Offer?

Shareholders outside of New Zealand are not eligible to participate in the Offer because of legal limitations in countries outside of New Zealand, the relatively small number of shareholders in those other jurisdictions and the cost to PEL of complying with the regulatory requirements of those other jurisdictions. PEL has determined, pursuant to the Listing Rules, that it would be unduly onerous to extend the offer of Shares under the Offer to shareholders outside of New Zealand.

14. Will my shareholding be diluted if I do not participate?

If you choose not to participate in the Offer, your shareholding percentage in PEL will be diluted. For example, assuming that a total of \$100 million is raised under the Placement and the Offer (taking into account the \$80 million of Shares issued under the Placement and assuming the amount to be raised under the Offer of \$20 million is fully subscribed and the Offer Shares are issued at \$1.35 per Share), approximately 74,074,074 Shares will be issued and if you do not elect to acquire any Shares in the Offer (and did not receive any Shares under the Placement), your shareholding will be diluted by approximately 9.22%.

This dilution will relate only to your percentage shareholding of PEL as the number of Shares that you hold will not change as a result of not participating in the Offer. While PEL has attempted to make the Offer as fair as possible for Eligible Shareholders by permitting each Eligible Shareholder to apply for up to \$50,000 of Shares, the Offer is not a pro-rata offer and, even if you participate in the Offer, your shareholding percentage in PEL may change. Whether your shareholding in PEL increases or decreases will depend on the amount of Shares you apply for, how many existing Shares you hold on the Record Date and how many Shares other Eligible Shareholders apply for and are allotted under the Offer. Larger shareholders may not be able to obtain sufficient Shares to maintain their percentage shareholding, while smaller shareholders may be able to increase their percentage shareholding.

15. What is PEL's dividend policy?

As part of PEL's growth plans, dividends are not currently paid. The Board did not declare any dividends in respect of the period ended 31 March 2021 and does not expect to declare any dividends during the period ending 31 March 2022.

16. Further assistance

If you have any further questions, please contact your broker or financial, investment or other professional advisor before making your investment decision.

If you have any questions about how to apply online or complete the Application Form, please contact the Share Registrar as set out in the Directory.

OFFER TERMS

1. ELIGIBLE SHAREHOLDERS

- 1.1 You may participate in the Offer if you are an Eligible Shareholder.
- 1.2 An Eligible Shareholder is a person who, at 5.00pm on the Record Date was recorded in the share register of PEL as being a registered holder of Shares and having a registered address in New Zealand, unless that person holds Shares on behalf of another person who resides outside New Zealand. For the avoidance of doubt, shareholders who are in the United States or who hold Shares on behalf of persons who are in the United States are not entitled to participate in the Offer.
- 1.3 Joint holders of Shares are taken to be a single registered holder of Shares for the purposes of determining whether they are an Eligible Shareholder and the certification on the online application or the Application Form is taken to have been given by all of them.
- 1.4 If you are an Eligible Shareholder, your rights under this offer are personal to you and non-renounceable, so you may not transfer them.

2. ISSUE PRICE AND NUMBER OF SHARES

- 2.1 The price of the Shares to be issued under the Offer will be fixed after market close on the Closing Date (being 13 October 2021, unless extended) as the lesser of:
 - (a) \$1.35 per Share (being the same price paid by investors under the Placement), representing a discount of 5.5% to the 20 trading day volume weighted average price of \$1.43 on the NZX Main Board up to 22 September 2021 (being the last trading day before the Placement was announced); and
 - (b) the volume weighted average price of Shares on the NZX Main Board over the 5-day trading period prior to and including the Closing Date (being 7 October 2021 to 13 October 2021, unless the Closing Date is extended).
- 2.2 The Issue Price will be announced to NZX on 18 October 2021.
- 2.3 If, once divided by the Issue Price, the dollar amount of Shares you have applied for (or are allocated) does not equal a whole number of Shares, the number of Shares allotted to you will be rounded down to the nearest Share (subject to scaling). Refunds will not be paid for any fractional entitlements.
- 2.4 Subject to clause 3.2, if you are an Eligible Shareholder you may apply to purchase a minimum of \$250.00 and a maximum of \$50,000 of Shares. The number of Shares that you receive on the Allotment Date may be subject to scaling as described in clause 8.
- 2.5 Eligible Shareholders may only apply for Shares having a maximum value of \$50,000. This applies to all Eligible Shareholders, including those who receive more than one offer under the Offer (for example, because they hold Shares in more than one capacity) and including whether the Eligible Shareholder is applying through a Custodian or on his or her own behalf.
- 2.6 If you own Shares through a trustee or Custodian and also own shares in your own name then you may either purchase Shares yourself or instruct your trustee or Custodian to purchase shares on your behalf. You may not do both.

3. CUSTODIANS

- 3.1 Any Eligible Shareholder that:
 - (a) is a trustee corporation or a nominee company and holds Shares in PEL by reason only of acting for another person in the ordinary course of business of that trustee corporation or nominee company; or

- (b) holds Shares in PEL by reason only of being a bare trustee of a trust to which the Shares are subject and is permitted to operate as a Custodian under all relevant laws,

is a Custodian under the Offer.

- 3.2 Custodians may apply to purchase Shares under this Offer but only up to the total value of Shares it is validly directed to apply for on behalf of each beneficial owner for whom the Custodian acts as a Custodian. Custodians must confirm to PEL that they are holding Shares as a Custodian for those beneficial owners by providing the written certification to PEL described in clause 3.3 below. Each beneficial owner may only direct the Custodian to a separate online application or Application Form to apply on behalf of that beneficial owner for Shares as described in clauses 2.4 and 2.5.
- 3.3 If a Custodian applies to purchase Shares on behalf of one or more beneficial owners, the Custodian must certify to PEL in writing by validly completing the online application or Application Form that:
- (a) the Custodian holds Shares directly or indirectly as a Custodian for beneficial owners;
 - (b) the beneficial owner on whose behalf the Custodian is submitting an Application is not making a separate application as an Eligible Shareholder for Shares under the Offer;
 - (c) each beneficial owner (or the beneficial owner's agent) has instructed the Custodian to apply for, and accept, under the Offer the dollar amount of Shares set out in the Application; and
 - (d) no other Custodian is submitting an application under the Offer for that beneficial owner.
- 3.4 PEL will issue Shares to a Custodian only if it is reasonably satisfied that the total issue price of Shares issued to any beneficial owner is not more than \$50,000, whether or not those Shares are issued through a Custodian or, if the beneficial owner is also a shareholder in PEL, in that beneficial owner's own right as a shareholder.
- 3.5 Each Custodian must not participate in the Offer on behalf of, and must not distribute this document or any other documents relating to this Offer to, any person in the United States.

4. COMPLETING AN APPLICATION AND PAYING FOR SHARES

- 4.1 If you wish to participate in the Offer, you must complete your Application online at <https://pacificedge.capitalraise.co.nz> and make payment in accordance with the instructions provided (payment must be by direct debit in accordance with the instructions set out in the Application). Alternatively, complete and return the enclosed Application Form (including the direct debit form for payment) in accordance with the instructions on the Application Form. Online applications are encouraged.
- 4.2 To be valid, Applications must be received by the Share Registrar by 5.00pm on 13 October 2021 (being the Closing Date). Applications received after that date will only be accepted at PEL's discretion. Shareholders applying via the Application Form should scan and email their completed Application Form to the Share Registrar at applications@linkmarketservices.co.nz (please put "PEL Share Offer" in the subject line for easy identification).

5. PEL'S DISCRETION TO ACCEPT OR REJECT APPLICATIONS

- 5.1 PEL has complete discretion to accept or reject your Application to purchase Shares under the Offer, including (without limitation) if:
- (a) your online application or Application Form is incorrectly completed, incomplete or otherwise determined by PEL to be invalid;
 - (b) your payment is dishonoured or has not been completed correctly;

- (c) it appears that you are applying to subscribe for Shares with a value of more than \$50,000 including as a result of Shares you hold directly, jointly or through a Custodian or nominee arrangement (except if you are a Custodian applying on behalf of more than one beneficial owner in accordance with clause 3);
 - (d) your Application is received after 5.00pm on 13 October 2021 (being the Closing Date unless extended). While PEL has discretion to accept late applications and payment, there is no assurance that it will do so. Late applications and payment, if not processed, will be returned to you at your registered address within 5 Business Days of the Allotment Date or within 5 Business Days of the date of receipt in respect of any late applications received after the Allotment Date;
 - (e) PEL believes that you are not an Eligible Shareholder or Custodian; or
 - (f) PEL considers that your Application does not otherwise comply with these Terms or any applicable laws or regulatory requirements, or the acceptance of it would cause PEL to breach any applicable laws or regulatory requirements.
- 5.2 No interest will be paid on any application monies returned to you. Application monies may be direct debited by the Share Registrar on any day after your Application is received. Any refunds for whatever reason will be paid to you by direct credit only to your bank account (if those details are held by the Share Registrar) within 5 Business Days of the Allotment Date.
- 5.3 PEL reserves the right to scale back at its absolute discretion any Application for Shares under the Offer. PEL reserves the right to terminate the Offer and reject all Applications at any time before the issue of the Shares on the Allotment Date.

6. SIGNIFICANCE OF SUBMITTING OR SENDING AN APPLICATION

- 6.1 If you apply to purchase Shares under the Offer, by completing and returning the Application Form or completing an online application:
- (a) you agree that your Application, on these Terms, will be irrevocable and unconditional (i.e. it cannot be withdrawn);
 - (b) you certify to PEL that you are an Eligible Shareholder entitled to apply for Shares under these Terms;
 - (c) you acknowledge that the Offer may not proceed;
 - (d) you certify that your acceptance of the Offer will not be, or cause, a breach of any law in any jurisdiction;
 - (e) you agree to pay the applicable Issue Price per Share up to a maximum amount equivalent to the parcel value in your Application;
 - (f) you certify to PEL that the total application price applicable to you for the following does not exceed \$50,000 from the following:
 - (i) the Shares the subject of the Application submitted by you;
 - (ii) any other Shares applied for, or issued to you, under the Offer or any similar arrangement in the 12 months before the date of your Application for Shares under the Offer;
 - (iii) any other Shares which you have instructed a Custodian to acquire on your behalf under the Offer;
 - (iv) any other Shares issued to a Custodian under an arrangement similar to the Offer in the 12 months before the date of your Application for Shares under the Offer as a result of an instruction given by you to that Custodian or another Custodian and which resulted in you holding the beneficial interest in the Shares;

- (g) you agree to be bound by the constitution of PEL, which you may download for free from the Companies Office website <https://companies-register.companiesoffice.govt.nz/>;
 - (h) you authorise PEL (and its officers or agents) to correct any error in, or omission from, your Application and to complete your Application by the insertion of any missing details;
 - (i) you acknowledge that PEL may at any time irrevocably determine that your Application is valid, in accordance with these Terms, even if the Application is incomplete, contains errors or is otherwise defective;
 - (j) you acknowledge that none of PEL, its advisors or agents has provided you with investment advice or financial product advice, and that none of them has an obligation to provide advice concerning your decision to apply for and purchase Shares under the Offer;
 - (k) you acknowledge that PEL may disclose any information in or relating to your Application to the Share Registrar in connection with its management of the Offer;
 - (l) you acknowledge the risk that the market price for the Shares may change between the date of this offer and the Allotment Date. A change in market price during this period may affect the value of the Shares you received under the Offer;
 - (m) you acknowledge that PEL is not liable for any exercise of its discretions referred to in these Terms; and
 - (n) you irrevocably and unconditionally agree to these Terms and agree not to do any act or thing which would be contrary to the spirit, intention or purpose of the Offer.
- 6.2 If a Custodian applies to subscribe for Shares under the Offer for a beneficial owner pursuant to clause 3, the certificate referred to in clause 6.1(f) will be taken to be given by each beneficial owner on whose behalf the Custodian is applying to subscribe for Shares.

7. ISSUE PRICE

- 7.1 You agree to pay the Issue Price per Share up to the maximum amount you have specified on your online application or the Application Form.

8. SCALING

- 8.1 If PEL receives Applications in excess of \$20 million (plus the total amount of oversubscriptions accepted by Pacific Edge, if any), it will scale back Applications having regard to the number of Shares held by the applicant (or, in the case of an Application made by a Custodian, the relevant beneficial owner(s) named in the schedule submitted with the Application) on the Record Date and otherwise at PEL's discretion.
- 8.2 If your Application is scaled, your application monies will be greater than the value of the Shares you will be allotted. The difference will be refunded to you by direct credit within 5 Business Days of the Allotment Date, provided that any difference less than \$5.00 will be retained by PEL and not refunded. No interest will be paid on any application monies returned to you.

9. SHARES

- 9.1 Shares issued under the Offer will rank equally with, and have the same voting rights, dividend rights and other entitlements as, existing fully paid Shares in PEL quoted on the NZX Main Board as at the Allotment Date.

- 9.2 The Shares to be issued under the Offer have been accepted for quotation on the NZX Main Board with effect on or shortly after the Allotment Date. PEL will take any necessary steps to ensure that the Shares issued are, immediately after the issue, quoted on the NZX Main Board.
- 9.3 You cannot trade in any Shares issued to you pursuant to the Offer, either as principal or agent, until quotation on the NZX Main Board in accordance with the Listing Rules. PEL expects that the Shares will commence trading on the NZX Main Board on the Allotment Date. NZX accepts no responsibility for any statement in this document.
- 9.4 The issue of Shares under the Offer up to a value of \$50,000 per Eligible Shareholder (or per beneficial owner, in the case of holdings held by Custodians) is being undertaken under Listing Rule 4.3.1 (Share Purchase Plan) in respect of the first \$15,000 of new Shares offered and Listing Rule 4.5.1 (15% Placement) in respect of the additional \$35,000 of new Shares offered to each Eligible Shareholder .

10. AMENDMENTS TO THE OFFER AND WAIVER OF COMPLIANCE

- 10.1 Notwithstanding any other term or condition of the Offer and/or the Application Form, PEL may, at its discretion:
- (a) make non-material modifications to the Offer or these Terms without notice (in which case Applications for Shares under the Offer will remain binding on the applicant notwithstanding such modification and irrespective of whether an Application was received by the Share Registrar before or after such modification is made); and/or
 - (b) suspend or terminate the Offer at any time before the issue of the Shares under the Offer (including by reviewing the timetable for the Offer). If the Offer is terminated, application monies will be refunded to applicants without interest within 5 Business Days of termination.
- 10.2 PEL reserves the right to waive compliance with any provision of these Terms, which will be done in accordance with New Zealand law (including the Listing Rules).

11. GOVERNING LAW

- 11.1 These Terms shall be governed by and construed in accordance with the laws of New Zealand.

12. DISPUTE RESOLUTION

- 12.1 If any dispute arises in connection with the Offer, PEL may settle it in any manner it thinks fit. It may do so generally or in relation to any particular shareholder, applicant, Application or Share. PEL's decision will be final and binding.

13. INCONSISTENCY

- 13.1 Unless otherwise determined by the directors of PEL, in the event of any inconsistency between these Terms and:
- (a) the accompanying letter from the Chair of PEL, the Terms prevail; and
 - (b) PEL's constitution, PEL's constitution prevails.

GLOSSARY

Allotment Date means 20 October 2021, unless extended.

Application means an application for Shares under the Offer.

Application Form means the personalised application form enclosed with this Offer document, including the instructions on the form.

Associated Person has the meaning given to that term in the Listing Rules.

Board means the board of directors of PEL.

Business Day means a business day as defined in the Listing Rules.

Closing Date means 13 October 2021, unless extended.

Custodian has the meaning given to that term in clause 3.1 of the Terms.

Despatch Date means the date allotment statements are despatched to participating shareholders, being 28 October 2021, unless extended.

Director means a director of PEL.

Eligible Shareholder means a person who, at 5.00pm on the Record Date, is registered as a PEL shareholder and whose address (as recorded on the share register) is in New Zealand.

Issue Price means the price of the Shares to be issued under the Offer, which will be fixed after market close on the Closing Date (being 13 October 2021, unless extended) as the lesser of:

- (a) \$1.35 per Share; and
- (b) the volume weighted average market price of Shares on the NZX Main Board over the 5-day trading period prior to and including the Closing Date (being 7 October 2021 to 13 October 2021, unless the Closing Date is extended).

Listing Rules means the NZX Listing Rules in force from time to time.

NZX means NZX Limited.

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

Offer means the share purchase plan detailed in this document.

Opening Date means 28 September 2021.

PEL means Pacific Edge Limited.

Placement means the private placement of Shares in PEL to institutional and other eligible investors announced on 23 September 2021.

Record Date means 5.00pm on 22 September 2021.

Share means an ordinary share in PEL.

Share Registrar means Link Market Services Limited.

Terms means the terms and conditions of the Offer set out in this document.

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