PACIFIC EDGE ANNOUNCES $21.3 MILLION CAPITAL RAISING

11 October 2017

Bladder cancer diagnostics company, Pacific Edge Limited (NZX: PEB) has today announced its intention to raise approximately $21.3 million through a fully underwritten 1 for 6 pro-rata Rights Offer (**Offer**).

The net proceeds of the Offer will be used by Pacific Edge to provide funding for its continued growth, particularly in the United States market, while it targets getting to a cashflow breakeven position as soon as possible. The company will continue to invest in its sales team as it works to contract with and then scale up the large transformational customers that it has identified. While timing is dependent on decision making processes within these very large organisations and is therefore outside of Pacific Edge's control, the company currently anticipates reaching a cashflow breakeven position in the financial year ending 31 March 2019.

Pacific Edge is seeking to establish Cxbladder as the world's leading molecular diagnostic technology for the detection and management of bladder cancer with commercial operations in New Zealand, Australia, Singapore and the United States.

The United States is the company's primary market opportunity. It is the world's largest healthcare market and offers in excess of 3 million test opportunities per annum across the clinical pathways covered by Cxbladder. Pacific Edge has made significant progress with the validation of performance and clinical utility of its product portfolio and has contracts in place for two of the four large scale organisations it is targeting and good progress with the remaining two, all of which have the potential to be transformational for the company.

Pacific Edge confirms it will continue its drive to:

- Expand the number of Veterans Administration (VA) clinics it is targeting, following the signing of its Federal Supply Schedule agreement in 2016;
- Continue to focus on gaining a Local Coverage Determination which will enable Pacific Edge to recover revenue for tests for patients covered by the Centers for Medicare and Medicaid Services (CMS);
- Complete commercial negotiations with Kaiser Permanente and contemporaneously work with Kaiser's staff on the necessary business elements to ensure that the start-up of commercial tests can occur shortly after the agreement is signed.
- Progress a review of its business processes to achieve any enhancements and improvements in operations, reporting and communications in its drive to achieve its cash flow positive position in FY19.

Pacific Edge Chairman, Chris Gallaher, commented: "We are making strong commercial progress and continue to focus on gaining traction in the US and our other targeted markets. We are expecting a step-up in the number of tests processed and revenue once we get underway with Kaiser Permanente and as our other targeted large scale organisations gain momentum."

Under the Offer, all eligible shareholders are entitled (but not obliged) to subscribe for 1 new share for every 6 existing shares held on the record date, at a subscription price of $0.32 per new share. This represents a 26.6% discount to the theoretical ex-rights price of $0.44 as at 10 October 2017. Pacific Edge has appointed First NZ Capital Securities Limited (**Lead Manager**) as lead manager of the capital raising, with the Offer fully underwritten by First NZ Capital Securities Limited.

Under the Offer, the rights will not be tradable on the NZX Main Board. Instead, new shares not taken up or attributable to ineligible shareholders will be offered to investors through a bookbuild run by the Lead Manager. Eligible shareholders are able to apply for the new shares which will be offered under the bookbuild in addition to their entitlement. The bookbuild price will be determined by the Board and the Lead Manager but will not be less

than the subscription price or more than the closing price for Pacific Edge's shares on the NZX Main Board on the day prior to the bookbuild. Any premium achieved above the subscription price for the new shares in the bookbuild will be shared on a pro-rata basis between those shareholders who did not exercise their rights or who were ineligible to do so.

Key Dates

The key dates* for the Offer are:

Announcement of Offer	11 October 2017
Record date for eligibility	19 October 2017
Release of offer document	18 October 2017
Offer period opens (9.00am)	20 October 2017
Offer period closes (5.00pm)	8 November 2017
Shortfall Bookbuild occurs	10 November 2017
Allotment date for shares	15 November 2017
Payment of any premium achieved under bookbuild	21 November 2017

*These dates are subject to change and are indicative only.

The terms of the Offer are summarised in the accompanying presentation and are fully disclosed in the offer document which will be provided to eligible shareholders.

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OVERVIEW www.pacificedge.co.nz www.pacificedgedx.com
Pacific Edge Limited (NZX: PEB) is a New Zealand publicly listed, cancer diagnostic company specialising in the discovery and commercialisation of diagnostic and prognostic tests for better detection and management of cancer. The company is developing and commercialising its range of Cxbladder bladder cancer tests globally through its wholly owned central laboratories in New Zealand and the USA. The company's products have been tested and validated in international multi-centre clinical studies.

Pacific Edge has three proprietary, novel, accurate, molecular diagnostic products in-market providing actionable results, and better detection and management of urothelial cancer. Cxbladder Detect and Cxbladder Triage are available through the company's dedicated CLIA certified laboratories for customers in New Zealand, Australia and the USA. Cxbladder Monitor launched in New Zealand in December 2015 and is anticipated being available in the US in 2016.

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

ABOUT Cxbladder Detect www.cxbladder.com
Cxbladder Detect enables the non-invasive detection of bladder and other urinary tract cancers from a small volume of a patients' urine. Cxbladder Detect was launched in 2013 in the USA and is commercially available in New Zealand, Australia and the USA as a Laboratory Developed Test (LDT) from the company's CLIA certified laboratories. Cxbladder Detect provides clinicians with a quick, cost effective and accurate measure of the presence of the cancer as an effective adjunct to cystoscopy.

ABOUT Cxbladder Monitor www.cxbladder.com
Cxbladder Monitor, the third test in the Cxbladder portfolio for urologists, is a proprietary, non-invasive, molecular diagnostic test that combines genomic biomarkers measured from a small quantity of a patient's urine, with patient specific clinical factors to better monitor bladder cancer patients for recurrence. Bladder cancer has a recurrence rate of 50-80% and requires life-long surveillance. Cxbladder Monitor accurately identifies patients with a prior history of urothelial cancer (UC) whose Cxbladder Monitor score shows that they have a low probability of recurrent urothelial carcinoma. Cxbladder Monitor is designed to be used as the preferred adjunct test to cystoscopy in the management of patients for ongoing evaluation of recurrent bladder cancer.

ABOUT Cxbladder Resolve www.cxbladder.com
Cxbladder Resolve is a proprietary, non-invasive, molecular diagnostic test that combines genomic biomarkers measured from a small quantity of a patient's urine, with patient characteristics for the identification of patients who are likely to have aggressive or more advanced bladder cancer. Cxbladder Resolve, when used as part of the primary evaluation of haematuria and/or in conjunction with other Cxbladder tests (Triage, Detect), is designed to assist clinicians by accurately identifying patients with a high probability of having high grade or late stage bladder cancer, for whom alternative or expedited treatment options may be warranted, or who can be prioritised for further investigation in high throughput settings.

Refer to www.cxbladder.com for more information.