

ANNOUNCEMENT



NZX / MEDIA RELEASE

9 November 2018

SeaDragon updates previous guidance

SeaDragon announced today that, as a result of continued delays and difficulties in accessing the European market for fully refined tuna oil for use in infant formula, our previous guidance made will have a significant impact on the company's ability to meet its full year 2019 financial forecast made on 8th June 2018.

SeaDragon CEO Dr, Nevin Amos said "We have previously outlined difficulties in accessing the European market as a result of changed regulatory and customer specifications. These specifications have impacted all companies globally seeking access to the European market for infant formula. We have made progress towards achieving these standards but are yet to achieve full compliance and this will impact our forecasted sales and margin".

Profit outlook for full year ended 31 March 2019

Seadragon Chairman Mr Colin Groves said, "it is extremely disappointing that we continue to face significant complex certification and product specification issues across our supply chain and although we have overcome many issues the fact remains that we are not in a position to satisfy the global demand into this region".

Our previous guidance of 8th June 2018 was:

	Low	High
Revenue	10.0M	14.0M
Normalised EBITDA	(2.8)M	(2.0)M
Loss before tax	(4.55)M	(3.6)M

As a result of our market access issues we are now expecting our full year results to be in the range of:

	Low	High
Revenue	6.0M	6.9M
Normalised EBITDA	(5.0)M	(4.8)M
Loss before tax	(6.6)M	(6.4)M

Half Year 30th September 2018

SeaDragon shall make a formal announcement on half-year results before the end of November. We are expecting, depending on final accounting treatments, to be:

	Half-year 30 th September 2018	Half-year 30 th September 2017
Revenue	2.3M	1.4M
Normalised EBITDA	(2.5)M	(2.2)M
Loss before Tax	(3.4)M	(2.7)M

Business Outlook

Given the continued delays in achieving European specifications for tuna, directors and management are needing to assess our current business plan in the short term while we continue to progress our access into the European market. We are currently discussing toll processing options for significant volumes of oil to utilise our production capacity in our omega-3 plant.

For further information, contact:

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About SeaDragon: www.seadragon.co.nz

SeaDragon Limited (NZX:SEA) is New Zealand's largest refiner and blender of high-quality, internationally certified concentrated fish oils and fractions, including Omega-3 oils. Our oils are sourced from fish caught in the clean and pure waters around New Zealand, in the Southern Ocean, and elsewhere. We have more than 20 years' experience processing fish oils and we are recognised for the quality and purity of our products. We supply health supplement manufacturers around the world to meet the burgeoning demand for pure, high-quality fish oils, which are scientifically proven to deliver significant human health benefits such as lowering the risk of heart disease, improving brain function and joint health. The majority of our supply is exported.