

Disclosure of movement of 1% or more in substantial holding or change in nature of relevant interest, or both

Sections 277 and 278, Financial Markets Conduct Act 2013

To: NZX Limited
and
To: SeaDragon Limited

Relevant event being disclosed: Change in nature of relevant interest

Date of relevant event: 8 August 2018

Date this disclosure made: 8 August 2018

Date last disclosure made: 5 July 2018

Substantial product holder(s) giving disclosure

Full name(s): Pescado Holdings Limited

Summary of substantial holding

Class of quoted voting products: SeaDragon Limited ordinary shares (SEA)

Summary for: Pescado Holdings Limited

For **this** disclosure,—

(a) total number held in class: 855,433,823 (and up to 1,764,524,732 in total if the maximum number of loan notes are issued to Pescado Holdings Limited and are converted).

(b) total in class: 4,513,618,718 (and up to 5,422,709,627 in total if the maximum number of loan notes are issued to Pescado Holdings Limited and are converted).

(c) total percentage held in class: 18.952% (and up to 32.540% in total if the maximum number of loan notes are issued to Pescado Holdings Limited and are converted).

(Please refer to the "Important Note" below)

For **last** disclosure,—

(a) total number held in class: 855,433,823 (and up to 1,764,524,732 in total if the maximum number of loan notes are issued to Pescado Holdings Limited, become convertible and are converted).

(b) total in class: 4,513,618,718 (and up to 5,422,709,627 in total if the maximum number of loan notes are issued to Pescado Holdings Limited, become convertible and are converted).

(c) total percentage held in class: 18.952% (and up to 32.540% in total if the maximum number of loan notes are issued to Pescado Holdings Limited, become convertible and are converted).

Details of transactions and events giving rise to relevant event

On 5 July 2018, Pescado Holdings Limited (**Pescado**) entered into a deed of amendment and restatement (**DoA**) with SeaDragon Limited (**SeaDragon**), Comvita Limited (**Comvita**), One Funds Management Limited as trustee for Asia Pacific Healthcare Fund II (**OFM**), BioScience Managers Ventures Pty Ltd as general partner of BioScience Management Partnership LP (**BMV**) (OFM and BMV together, **BioScience**). The DoA relates to, among other documents, a convertible loan note agreement dated 30 May 2016 entered into between SeaDragon and Comvita (**Original CLN**).

Under the Original CLN, SeaDragon has issued convertible loan notes to Comvita having a face value of \$3,000,000. The conversion price of these existing notes was initially \$0.008 per share. Following shareholder approval obtained on 8 August 2018, the conversion price was reduced to \$0.0033 per share.

Under the DoA, Pescado and BioScience have become party to the Original CLN (as amended and restated), and each of them may be required by SeaDragon to subscribe for loan notes having an aggregate face value of up to \$3,000,000 per subscriber (of which \$875,000 of notes have been issued to Pescado at the date of this notice).

Certain aspects of the DoA were conditional on approval by ordinary resolution of SeaDragon’s shareholders. Shareholder approval was obtained at a meeting of shareholders held on 8 August 2018. As a result of shareholder approval, the loan notes will convert into shares in SeaDragon (at a conversion price of \$0.0033 per share) on maturity (31 March 2020) or earlier at the option of the relevant subscriber. Accordingly, the nature of the relevant interest arising pursuant to the convertible loan notes has changed because conversion is no longer conditional on shareholder approval.

Important Note

Unless otherwise stated, the numbers and percentages and shares used in this notice:

- (a) are based on a total of 4,513,618,718 SeaDragon ordinary shares currently on issue;
- (b) assume that Pescado converts convertible notes with an aggregate face value of \$3,000,000 (of which \$875,000 of notes have been issued to Pescado at the date of this notice) at a conversion price of \$0.0033 per share (resulting in the issue of 909,090,909 shares);
- (c) assume that neither Comvita nor BioScience converts any convertible loan notes;
- (d) assume that no options issued by SeaDragon are exercised; and
- (e) assume that no other ordinary shares in SeaDragon are issued or repurchased.

Details after relevant event

Details for:	Pescado Holdings Limited.
Nature of relevant interest(s):	Registered holder and beneficial owner. No relevant agreement is required to be attached because of the application of regulation 141 of the Financial Markets Conduct Regulations 2014.
For that relevant interest,—	
(a) number held in class:	855,433,823
(b) percentage held in class:	18.952%
(c) current registered holder(s):	Pescado Holdings Limited
(d) registered holder(s) once transfers are registered:	Pescado Holdings Limited

Note: This percentage ignores the effect of conversion of the convertible loan notes referred to below.

Nature of relevant interest(s):	Power to control acquisition of ordinary shares in SeaDragon through conversion of convertible loan notes. The relevant agreement document (being the second amended and restated CLN as extracted from schedule 3 of the DoA) (comprising 30 pages) was attached to a previous disclosure dated 5 July 2018.
For that relevant interest,—	
(a) number held in class:	909,090,909 (noting that as of the date of this notice, \$875,000 of notes have been issued, which would convert into 265,151,515 ordinary shares)
(b) percentage held in class:	16.764% (noting that as of the date of this notice, \$875,000 of notes have been issued, which would convert into 5.549% of the ordinary shares)

- (c) current registered holder(s): N/A
(d) registered holder(s) once transfers are registered: Unknown

Please refer to the "Important Note" above regarding the number and percentage held in class stated for this relevant interest.

Additional information

Addresses of substantial product holder(s): Pescado Holdings Limited
21 Leslie Hills Drive
Riccarton
Christchurch

Contact details: Warwick Webb
(+64) 3 348 5040
warwick.webb@masthead.co.nz

Name of any other person believed to have given, or believed to be required to give, a disclosure under the Financial Markets Conduct Act 2013 in relation to the financial products to which this disclosure relates: Comvita, BioScience, Dame Adrienne Stewart, Mark Stewart and Todd Stewart

Certification

I, Warwick Graham Webb, certify that, to the best of my knowledge and belief, the information contained in this disclosure is correct and that I am duly authorised to make this disclosure by all persons for whom it is made.