

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: Disclosure of movement of 1% or more in substantial holding

Date of relevant event: 5 July 2018

Date this disclosure made: 5 July 2018
Date last disclosure made: 17 October 2016

Substantial product holder(s) giving disclosure

Full name(s): Dame Adrienne Stewart, Mark Stewart and Todd Stewart

Summary of substantial holding

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

Summary for: Dame Adrienne Stewart, Mark Stewart and Todd Stewart

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, 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).

(Please refer to the "Important Note" below)

For **last** disclosure,—

(a) total number held in class: 855,433,823
(b) total in class: 4,513,618,718
(c) total percentage held in class: 18.952%

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 is currently \$0.008 per share. But, subject to shareholder approval, the DoA provides for this price to be 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.

Certain aspects of the DoA are conditional on approval by ordinary resolution of SeaDragon’s shareholders (intended to be put to a meeting of shareholders to be held on 8 August 2018). If those approvals are obtained, 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.

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** 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.

Dame Adrienne Stewart, Mark Stewart and Todd Stewart are trustees (**Trustees**) of the Ellen Trust, Mark James Stewart No. 2 Trust, the Sir Robertson Stewart Family Trust and Todd Huntly Stewart No. 2 Trust (**Masthead Trusts**). Some of the Trustees are trustees of only some of the Masthead Trusts, others are trustees of all the Masthead Trusts. The Masthead Trusts together either control Masthead Limited (the major shareholder of Pescado) or otherwise have a relevant interest in the shares of SeaDragon in which Pescado has a relevant interest pursuant to a joint venture agreement dated 31 March 2003 (**Joint Venture Agreement**), attached to a previous event disclosure dated 11 October 2016.

The Joint Venture Agreement constitutes the Masthead Joint Venture and sets out the terms and conditions that apply to the Masthead Joint Venture.

This event disclosure is filed in accordance with, and the Trustees have the benefit of, the Financial Markets Conduct Act (Masthead Joint Venture) Exemption Notice 2014, which permits the following provisions of the Joint Venture Agreement (the excluded provisions) to be removed from the copy of the Joint Venture Agreement that accompanies a previous event disclosure dated 11 October 2016:

- (a) the dollar amounts in clause 3.4;
- (b) the dollar amounts in clause 3.5;
- (c) clause 4.3; and
- (d) the percentage figures in clauses 4.4(a) and 4.4(b).

Clauses 3.4 and 3.5 of the Joint Venture Agreement relate to amounts committed and/or advanced to the Masthead Joint Venture by some of the Masthead Trusts. The dollar amounts set out in clauses 3.4 and 3.5 have been excluded because they are considered commercially sensitive. Clause 4.3 provides for succession planning that is personal to the parties to the Joint Venture Agreement and has been removed because of its personal nature. Clauses 4.4(a) and 4.4(b) deal with the possible restructuring of the Sir Robertson Stewart Family Trust. The percentage figures set out in those clauses have been excluded because those amounts are personal to the trustees of the Mark James Stewart No. 2 Trust and Todd Huntly Stewart No. 2 Trust.

The Trustees, in giving this notice, warrant that this event disclosure (including the above information), when read together with the Joint Venture Agreement (after excluding the excluded provisions), is not false or misleading in any material particular in its disclosure of the relevant interest held by the Trustees, including by any omission or failure to contain or refer to material information.

Each person who is from time to time a Trustee, or a trustee of any trust that is a successor of any of the Masthead Trusts, has the benefit of the Financial Markets Conduct Act (Masthead Joint Venture) Exemption Notice 2014.

Details after relevant event

Details for:	Dame Adrienne Stewart, Mark Stewart and Todd Stewart
Nature of relevant interest(s):	Trustees of trusts which together either control Masthead Limited (the major shareholder of Pescado) or otherwise have a

non-beneficial relevant interest in the shares of SeaDragon in which Pescado has a relevant interest pursuant to a joint venture agreement (described above and a redacted copy of which accompanied a previous event disclosure dated 11 October 2016). The relevant interests which Pescado has are described below.

Nature of relevant interest(s): Pescado is the beneficial owner and registered holder of shares.

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): Pescado has the power to control acquisition of ordinary shares in SeaDragon through conversion of convertible loan notes (described above). The relevant interest is conditional because the conversion feature of the loan notes is conditional on shareholder approval.

For that relevant interest,—

(a)	number held in class:	909,090,909
(b)	percentage held in class:	16.764%
(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): Dame Adrienne Stewart, Mark Stewart and Todd Stewart
21 Leslie Hills Drive
Riccarton
Christchurch

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

Nature of connection between substantial security holders: The substantial security holders are trustees of the Masthead Trusts, as set out more fully above.

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: Pescado Holdings Limited, Comvita and BioScience.

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.