

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: 17 May 2019

Date this disclosure made: 20 May 2019

Date last disclosure made: 2 April 2019

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 3,764,524,732 in total if the maximum number of loan notes are issued to Pescado Holdings Limited and are converted).

(b) total in class: 4,843,304,727 (and up to 9,570,577,454 in total if the maximum number of loan notes are issued and are converted).

(c) total percentage held in class: 17.662% (and up to 39.334% in total if the maximum number of loan notes are issued 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 3,764,524,732 in total if the maximum number of loan notes are issued to Pescado Holdings Limited and are converted).

(b) total in class: 4,843,304,727 (and up to 9,570,577,454 in total if the maximum number of loan notes are issued and are converted).

(c) total percentage held in class: 17.662% (and up to 39.334% in total if the maximum number of loan notes are issued and are converted).

Details of transactions and events giving rise to relevant event

On 1 April 2019, Pescado Holdings Limited (**Pescado**) entered into a convertible loan agreement (**New Pescado CLN**) with SeaDragon Limited (**SeaDragon**). Under the New Pescado CLN, Pescado may be required by SeaDragon to subscribe for loan notes having an aggregate face value of up to \$4,000,000. In satisfaction of a condition to the New Pescado CLN, shareholder approval was obtained at a meeting of SeaDragon shareholders held on 17 May 2019. As a result, loan notes may be drawn by SeaDragon (subject to SeaDragon satisfying drawdown conditions at the time of drawing). Any drawn loan notes may convert into shares in SeaDragon (at a conversion price of \$0.002 per share) on maturity (31 March 2021) or earlier at the option of Pescado. 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 4,843,304,727 SeaDragon ordinary shares currently on issue;
- (b) assume that Pescado converts existing convertible notes with an aggregate face value of \$3,000,000 (of which \$3,000,000 of existing 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 Pescado converts new convertible notes with an aggregate face value of \$4,000,000 (of which \$0 of new notes have been issued to Pescado at the date of this notice) at a conversion price of \$0.002 per share (resulting in the issue of 2,000,000,000 shares);
- (d) assume that each of Comvita Limited (Comvita), One Funds Management Limited as trustee for Asia Pacific Healthcare Fund II (OFM) and BioScience Managers Ventures Pty Ltd as general partner of BioScience Management Partnership LP (BMV) (OFM and BMV together, BioScience) converts all of their convertible loan notes when Pescado converts convertible notes pursuant to (b) and (c);
- (e) assume that no options issued by SeaDragon are exercised; and
- (f) 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: 17.662%
- (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 existing convertible loan notes issued pursuant to a convertible loan note agreement dated 30 May 2016 (as amended and restated from time to time) between Pescado, Comvita, BioScience and SeaDragon. The relevant agreement document was attached to a previous disclosure dated 5 July 2018.

For that relevant interest,—

- (a) number held in class: 909,090,909
- (b) percentage held in class: 9.499%
- (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.

Nature of relevant interest(s): Power to control acquisition of ordinary shares in SeaDragon through conversion of new convertible loan notes (described above). The relevant agreement document (being the New Pescado CLN) is attached to a previous disclosure dated 2 April 2019.

For that relevant interest,—

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|-----|---|--|
| (a) | number held in class: | 2,000,000,000 (noting that as of the date of this notice, \$0 of new notes have been issued, which would convert into 0 ordinary shares) |
| (b) | percentage held in class: | 20.897% (noting that as of the date of this notice, \$0 of new notes have been issued, which would convert into 0% 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: 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.