



SEADRAGON

**SPECIAL SHAREHOLDERS  
MEETING**

Heaphy Room, the Rutherford Hotel  
Nelson

17 December 2015, 12:00pm

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All currency amounts are in New Zealand dollars unless stated otherwise.



Chairman  
**COLIN GROVES**



# Directors

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- Colin Groves - Independent Chairman
- Patrick Geals - Independent Director
- Brett Hewlett – Non-executive Director
- Matthew McNamara - Non-executive Director
- Stuart Macintosh - Non-executive Director
- Richard Alderton – Executive Director, Interim CEO



# Agenda

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- Chairman's address
- Resolutions
- Voting
- Meeting close





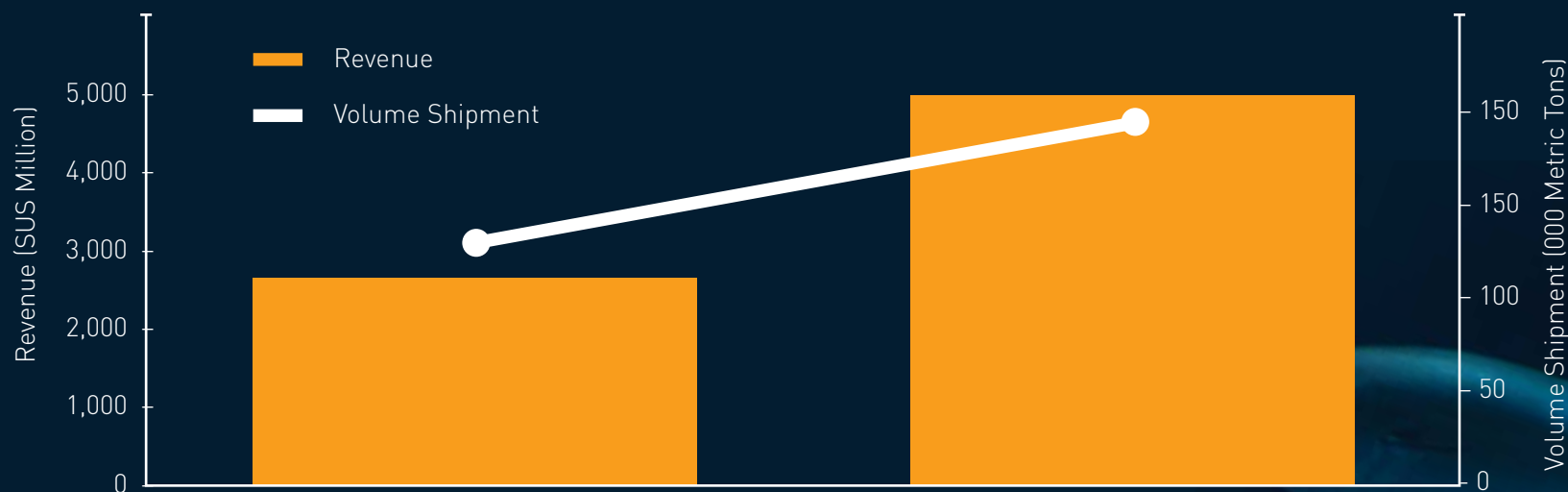
## SeaDragon's vision

“To be recognised by consumers as the global leader in the production of sustainably harvested fish oils for use in supporting healthy lifestyles.”



# Omega-3 market growing

## Total Omega-3 PUFA\* Ingredients Market—Revenue and Volume Shipment



Total Omega-3 PUFA Ingredients Market: Volume Shipment and Revenue Forecast, Global, 2013-2020 Revenue CAGR = 9.3%; Volume Shipment CAGR = 6.1%

\*Polyunsaturated Fatty Acids

Note: All figures are rounded. The base year is 2013. Source: Frost & Sullivan



## SeaDragon's unique proposition

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- “Product of New Zealand” is synonymous with clean, pure, fresh and cool, deep blue oceans
- Sustainably-sourced and traceable single species and mixed-species Omega-3
- Products backed by New Zealand’s internationally-trusted food safety regime
- SeaDragon is close to key markets offering a fresh product with short lead times
- Sales to leverage SeaDragon’s reputation and strong customer relationships



# THE JOURNEY SO FAR

2004  
SeaDragon  
established

2012  
SeaDragon listed  
on the NZX

2013  
Announced plans  
to build Omega-3  
refinery

2014  
Refinery designed  
and raised \$6.6m in  
new equity

Oct 2015  
Raised \$10.01m  
in new equity

Dec 2015  
Omega-3 Factory  
Operational



# SeaDragon's unique proposition

[www.seadragon.co.nz/#video](http://www.seadragon.co.nz/#video)

# SeaDragon's state-of-the art Omega-3 refinery

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- First production run initiated on Sunday, 6 December 2015
- Completion of the first production run resulting in finished product for sale expected to be in January 2016
- SeaDragon believes the new refinery is on target to contribute to FY16 profitability as previously announced

\*Shareholders should also refer to SeaDragon's market update released to the NZX on 28 July 2015





# The refinery is future proofed and outlook positive

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- The new site and plant has been “future proofed”:
  - Plant designed for the fractionation plant to be “bolted on”
  - Capacity for future added-value initiatives
  - Flexibility for the existing Omega-2 plant to be relocated to the new site
- On track to meet FY 2016 EBITDA target of \$144,000



# SeaDragon's capital raising establishes new partnership

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- 3-for-5 pro rata Rights Offer at \$0.008 per share, shortfall book build and private placement raised \$10.009m
  - Offer included options to buy shares at \$0.015 exercisable until 29 September 2018
  - 8,305,000 options have been exercised (as at 11 December)
- Comvita invested \$3.3m in the shortfall book build for a 13.14% stake following strategic agreement with SeaDragon
- Proceeds to be used for finishing the Omega-3 refinery, the new fractionation plant, upgrade the existing Omega-2 facility and for working capital



# Comvita strategic agreement to add value

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- SeaDragon has granted Comvita an additional option to invest a further \$3m at \$0.008 per share, subject to shareholder approval
  - Option exercisable at any time up to 1 October 2017
  - SeaDragon can require Comvita to exercise the option if certain milestones achieved
- Comvita gets right of first refusal of SeaDragon products at market rates
- Former Comvita CEO Brett Hewlett joins the SeaDragon Board
- Separately SeaDragon and Comvita have agreed to work with the wider New Zealand fishing and aquaculture industry to maximise value from sustainably harvested local seafood resources



## Comvita is a natural health products pioneer

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- Comvita has transformed the market for New Zealand-sourced natural health products
  - NZX-listed, world leader in Manuka (leptospermum) honey and fresh-picked Olive Leaf Extract
  - Sells into many countries through a network of its own branded retail locations, online and third party outlets
  - 500 staff located in NZ, Australia, Hong Kong, Japan, South Korea, UK and USA
- SeaDragon stands to benefit significantly from the strategic agreement

# Comvita

[www.seadragon.co.nz/#comvitavideo](http://www.seadragon.co.nz/#comvitavideo)



# Comvita options require shareholder approval

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- Rights offer options and the additional option, when exercised, could lift Comvita's stake above 20%
- Shareholder approval required under the Takeovers Code for Comvita to lift its stake above 20% without making a takeover offer for the company
- Shareholder approval also required under NZX listing rules
- Independent appraiser Campbell MacPherson notes terms of the [additional option] are "fair to the Non-associated shareholders"
- SeaDragon's cornerstone shareholders One Funds Management, SDMO Trustee and Merinova to vote in favour of the resolutions

The additional option granted to Comvita has the unanimous support of the SeaDragon Board. Non-associated Directors encourage you to vote your shares in favour of today's resolutions

# SeaDragon is well positioned for the future

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- After a period of significant effort SeaDragon is about to enter the market for Omega-3 fish oils
- We have a state-of-the-art refinery and a unique proposition in international markets
- On track to meet FY 2016 forecasts
- Made possible by a capital raising that includes conditional strategic agreement with natural health products pioneer Comvita
- Non-associated Directors encourage you to vote in favour of the transaction





# RESOLUTION 1

“For the purpose of Listing Rule 7.3.10(b)(ii):

- a.** the Company may grant the Additional Option to Comvita; and
- b.** the Company may issue up to a maximum of 375,000,000 ordinary shares to Comvita in connection with the exercise of the Additional Option (the AO shares)”

Questions



## RESOLUTION 2

“For the purposes of Listing Rule 7.5 and Rule 7(d) of the Takeovers Code:

- a.** subject to resolution 1 being passed, the Company may issue the AO Shares to Comvita; and
- b.** the Company may issue up to a maximum of 410,987,830 ordinary shares to Comvita in connection with the exercise of the Rights Options.”

Questions

# General Business



# Meeting Close





# SEA DRAGON

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