



Takeovers Code Disclosures

The Company effected a 100-to-1 share consolidation on 5 March 2020. The numbers set out in the disclosures below reflect that share consolidation.

1. 2019 Pescado Loan

On 1 April 2019, the Company entered into a convertible loan note agreement with Pescado Holdings Limited (Pescado) pursuant to which Pescado agreed to advance up to \$4 million to the Company via a new convertible loan note facility (the 2019 Pescado Loan).

On 17 May 2019, the Company's shareholders approved the issue of up to 20,000,000 ordinary shares in the Company to Pescado on conversion of the convertible loan notes issued under the 2019 Pescado Loan (the Approved Pescado Allotment Package) in accordance with the takeovers code set out in the schedule to the Takeovers Regulations 2000 (the Takeovers Code). The last date on which such ordinary shares in the Company may be allotted on conversion of such convertible loan notes is 31 March 2021 (which is more than 12 months from the date of the meeting at which the shareholders approved the Approved Pescado Allotment Package). Therefore, and pursuant to rule 19B(2) of the Takeovers Code, the Company is required to include the following information relating to the Approved Pescado Allotment Package in this annual report:

Rule	Information required
19B(2)(a)	<p>A summary of the terms of the Approved Pescado Allotment Package</p> <p>The convertible loan notes that have been issued under the 2019 Pescado Loan are convertible at \$0.20 per share. On that basis, the convertible loan notes issued by the Company under the 2019 Pescado Loan could be converted into a maximum of 20,000,000 ordinary shares in the Company.</p> <p>Interest on the 2019 Pescado Loan is nil prior to an event of default, and 9.95% per annum while an event of default is subsisting. Accrued and unpaid interest is payable in cash and does not convert to ordinary shares in the Company.</p> <p>Pescado has the option to convert all outstanding amounts advanced by it under the 2019 Pescado Loan to ordinary shares in the Company for so long as the 2019 Pescado Loan remains unpaid by the Company.</p> <p>The Company may repay its indebtedness under the 2019 Pescado Loan at any time in full. However, all payments under the 2019 Pescado Loan must be made pari passu with payments under the Convertible Loan Note Agreement (as defined below).</p> <p>Unless previously repaid or converted, the 2019 Pescado Loan will mature at 5:00 p.m. on 31 March 2021. On maturity, unless the Company is in default under the 2019 Pescado Loan or insolvent, the outstanding amount under the 2019 Pescado Loan will automatically convert into ordinary shares in the Company at \$0.20 per share.</p> <p>Shares issued on conversion of the convertible loan notes issued under the 2019 Pescado Loan will be ordinary shares in the Company and will rank equally with all other ordinary shares on issue.</p> <p>All indebtedness under the 2019 Pescado Loan is secured over all of the assets of the Company and its subsidiaries, in each case under existing security arrangements (which secure indebtedness under the Existing Loans (as defined below)).</p> <p>Until the 2019 Pescado Loan is repaid in full or converted, the Company will be required to obtain the prior written approval of Pescado to the appointment, replacement or removal of any member of the senior management of the Company or any of its subsidiaries and the appointment by the board of the Company of any person as a director of the Company or any of its subsidiaries.</p> <p>If Comvita has at any time exercised its contractual right (if any) to appoint a director to the board of the Company who is not Mark Sadd or to remove or replace Mark Sadd as a director on the board of the Company, then drawdown under the 2019 Pescado Loan is conditional on the Company procuring that the board of the Company appoints an individual nominated by Pescado as a director of the Company.</p>



19B(2)(b)	Particulars, as at the end of the current financial year, of:	
(i)	the number of voting securities already allotted to Pescado under the Approved Pescado Allotment Package; and	Nil
(ii)	the number of voting securities on issue that are held or controlled by Pescado, and the percentage of all voting securities on issue that that number represents; and	17,645,247 ordinary shares (being 23.31% of all voting securities on issue)
(iii)	the aggregate of the percentages of all voting securities that are held or controlled by Pescado and Pescado's associates; and	23.31% * Note that no associate of Pescado holds any voting securities in the Company.
(iv)	the maximum percentage of all voting securities that could be held or controlled by Pescado on completion of all the allotments; and	39.33% (being 37,645,247 ordinary shares)
(v)	the maximum aggregate of the percentages of all voting securities that could be held or controlled by Pescado and Pescado's associates on completion of the allotments; and	Same as (iv) above. * Note that no associate of Pescado holds any voting securities in the Company.
(vi)	the assumptions on which the particulars above are calculated.	None.

2. Convertible Loan Note Agreement

Pescado, Comvita, One Funds Management Limited as trustee of Asia Pacific Healthcare Fund II (OFM), BioScience Managers Ventures Pty Ltd as general partner of BioScience Management Partnership LP (BMV and, together with OFM, BioScience and, together with Pescado and Comvita, the Existing Noteholders) and the Company entered into an amended and restated convertible loan note agreement (second amendment and restatement) originally dated 30 May 2016, as amended and restated as of 30 June 2018, and further amended and restated on 8 August 2018 (the Convertible Loan Note Agreement). Pursuant to the Convertible Loan Note Agreement:

- Pescado agreed to provide convertible loan note facilities to the Company of up to \$3 million, of which the full \$3 million has been advanced;
- BioScience agreed to provide convertible loan note facilities to the Company of up to \$3 million, of which the full \$3 million has been advanced; and
- Comvita agreed to provide convertible loan note facilities to the Company of up to \$3 million, of which the full \$3 million has been advanced,

together the Existing Loans.

On 8 August 2018, the Company's shareholders approved the issue of up to 9,090,909 ordinary shares in the Company to each Existing Noteholder on conversion of the convertible loan notes issued under the Convertible Loan Note Agreement (the Approved CLN Allotment Package) in accordance with the Takeovers Code. The last date on which such ordinary shares in the Company may be allotted on conversion of such convertible loan notes is 31 March 2020 (which is more than 12 months from the date of the meeting at which the shareholders approved the Approved CLN Allotment Package). Therefore, and pursuant to rule 19B(2) of the Takeovers Code, the Company is required to include the following information relating to the Approved CLN Allotment Package in this annual report:



Rule	Information required																		
19B(2)(a)	<p>A summary of the terms of the Approved CLN Allotment Package</p> <p>The convertible loan notes that have been issued under the Existing Loans to each Existing Noteholder are convertible at \$0.33 per share. On that basis, the convertible loan notes issued by the Company under the Convertible Loan Note Agreement could be converted into a maximum of 9,090,909 ordinary shares in the Company for each Existing Noteholder.</p> <p>Each Existing Noteholder has waived its right to receive interest under the Existing Loans in respect of the period on and from 1 April 2019.</p> <p>Each Existing Noteholder has the option to convert all outstanding amounts advanced by it under the Existing Loans to ordinary shares in the Company for so long as the relevant Existing Loan remains unpaid by the Company.</p> <p>The Company may repay its indebtedness under the Existing Loans at any time in full. However, all payments under the Existing Loans must be made pari passu with payments under the 2019 Pescado Loan.</p> <p>Unless previously repaid or converted, the Existing Loans will mature at 5:00 p.m. on 31 March 2020. On maturity, unless the Company is in default under the Existing Loans or insolvent, the outstanding amount under the Existing Loans will automatically convert into ordinary shares in the Company at \$0.33 per share. Accordingly, the Existing Loans matured at 5:00 p.m. on 31 March 2020 and, at maturity, the outstanding amount under the Existing Loans automatically converted into ordinary shares in the Company at \$0.33 per share.</p> <p>Shares issued on conversion of the convertible loan notes issued under the Existing Loans will be ordinary shares in the Company and will rank equally with all other ordinary shares on issue.</p> <p>All indebtedness under the Existing Loans is secured over all of the assets of the Company and its subsidiaries.</p>																		
19B(2)(b)	<p>Particulars, as at the end of the current financial year, of:</p> <table border="1"> <tbody> <tr> <td>(i)</td> <td>the number of voting securities already allotted to each Existing Noteholder under the Approved CLN Allotment Package; and</td> <td>Pescado – 9,090,909 BioScience – 9,090,909 Comvita – 9,090,909</td> </tr> <tr> <td>(ii)</td> <td>the number of voting securities on issue that are held or controlled by each Existing Noteholder, and the percentage of all voting securities on issue that each of those numbers represents; and</td> <td>Pescado – 17,645,247 ordinary shares (being 23.31% of all voting securities on issue) BioScience – 16,443,557 ordinary shares (being 21.72% of all voting securities on issue) Comvita – 13,200,787 ordinary shares (being 17.44% of all voting securities on issue)</td> </tr> <tr> <td>(iii)</td> <td>the aggregate of the percentages of all voting securities that are held or controlled by each Existing Noteholder and its associates; and</td> <td>Pescado – 23.31% BioScience – 21.72% Comvita – 17.44% * Note that no associate of an Existing Noteholder holds any voting securities in the Company.</td> </tr> <tr> <td>(iv)</td> <td>the maximum percentage of all voting securities that could be held or controlled by each Existing Noteholder on completion of all the allotments; and</td> <td>Pescado – 23.31% (being 17,645,247 ordinary shares) BioScience – 21.72% (being 16,443,557 ordinary shares) Comvita – 17.44% (being 13,200,787 ordinary shares)</td> </tr> <tr> <td>(v)</td> <td>the maximum aggregate of the percentages of all voting securities that could be held or controlled by each Existing Noteholder and its associates on completion of the allotments; and</td> <td>Same as (iv) above. * Note that no associate of an Existing Noteholder holds any voting securities in the Company.</td> </tr> <tr> <td>(vi)</td> <td>the assumptions on which the particulars above are calculated.</td> <td>None.</td> </tr> </tbody> </table>	(i)	the number of voting securities already allotted to each Existing Noteholder under the Approved CLN Allotment Package; and	Pescado – 9,090,909 BioScience – 9,090,909 Comvita – 9,090,909	(ii)	the number of voting securities on issue that are held or controlled by each Existing Noteholder, and the percentage of all voting securities on issue that each of those numbers represents; and	Pescado – 17,645,247 ordinary shares (being 23.31% of all voting securities on issue) BioScience – 16,443,557 ordinary shares (being 21.72% of all voting securities on issue) Comvita – 13,200,787 ordinary shares (being 17.44% of all voting securities on issue)	(iii)	the aggregate of the percentages of all voting securities that are held or controlled by each Existing Noteholder and its associates; and	Pescado – 23.31% BioScience – 21.72% Comvita – 17.44% * Note that no associate of an Existing Noteholder holds any voting securities in the Company.	(iv)	the maximum percentage of all voting securities that could be held or controlled by each Existing Noteholder on completion of all the allotments; and	Pescado – 23.31% (being 17,645,247 ordinary shares) BioScience – 21.72% (being 16,443,557 ordinary shares) Comvita – 17.44% (being 13,200,787 ordinary shares)	(v)	the maximum aggregate of the percentages of all voting securities that could be held or controlled by each Existing Noteholder and its associates on completion of the allotments; and	Same as (iv) above. * Note that no associate of an Existing Noteholder holds any voting securities in the Company.	(vi)	the assumptions on which the particulars above are calculated.	None.
(i)	the number of voting securities already allotted to each Existing Noteholder under the Approved CLN Allotment Package; and	Pescado – 9,090,909 BioScience – 9,090,909 Comvita – 9,090,909																	
(ii)	the number of voting securities on issue that are held or controlled by each Existing Noteholder, and the percentage of all voting securities on issue that each of those numbers represents; and	Pescado – 17,645,247 ordinary shares (being 23.31% of all voting securities on issue) BioScience – 16,443,557 ordinary shares (being 21.72% of all voting securities on issue) Comvita – 13,200,787 ordinary shares (being 17.44% of all voting securities on issue)																	
(iii)	the aggregate of the percentages of all voting securities that are held or controlled by each Existing Noteholder and its associates; and	Pescado – 23.31% BioScience – 21.72% Comvita – 17.44% * Note that no associate of an Existing Noteholder holds any voting securities in the Company.																	
(iv)	the maximum percentage of all voting securities that could be held or controlled by each Existing Noteholder on completion of all the allotments; and	Pescado – 23.31% (being 17,645,247 ordinary shares) BioScience – 21.72% (being 16,443,557 ordinary shares) Comvita – 17.44% (being 13,200,787 ordinary shares)																	
(v)	the maximum aggregate of the percentages of all voting securities that could be held or controlled by each Existing Noteholder and its associates on completion of the allotments; and	Same as (iv) above. * Note that no associate of an Existing Noteholder holds any voting securities in the Company.																	
(vi)	the assumptions on which the particulars above are calculated.	None.																	



3. Comvita Option

With effect on and from 8 August 2018, the Company's shareholders approved the Company granting Comvita an option to subscribe for 9,090,909 ordinary shares in the Company at an exercise price of \$0.33 per share (for an aggregate exercise price of \$3 million) (the Approved Comvita Option Allotment Package) in accordance with the Takeovers Code. The last date on which such ordinary shares may be allotted on conversion of such option is 31 March 2020 (which is more than 12 months from the date of the meeting at which the shareholders approved the Approved Comvita Option Allotment Package). Therefore, and pursuant to rule 19B(2) of the Takeovers Code, the Company is required to include the following information relating to the Approved Comvita Option Allotment Package in this annual report:

Rule	Information required																		
19B(2)(a)	<p>A summary of the terms of the Approved Comvita Option Allotment Package</p> <p>The Comvita Option provides Comvita with the option to subscribe for 9,090,909 ordinary shares in the Company at an exercise price of \$0.33 per share.</p> <p>Any ordinary shares in the Company allotted to Comvita in accordance with the Comvita Option will rank equally with all other ordinary shares on issue.</p> <p>The Comvita Option must be exercised on or before 5:00 p.m. on 31 March 2020. If the Comvita Option is not exercised on or prior to this date, it shall automatically terminate and lapse. The Comvita Option was not exercised on or before 5:00 p.m. and accordingly terminated and lapsed at that time.</p> <p>The Comvita Option can only be exercised once and only in respect of all and not some only of the ordinary shares. The terms of the Comvita Option include certain mandatory exercise conditions which, if met, would require Comvita to exercise the Comvita Option.</p>																		
19B(2)(b)	<p>Particulars, as at the end of the current financial year, of:</p> <table border="1"> <tbody> <tr> <td>(i)</td> <td>the number of voting securities already allotted to Comvita under the Approved Comvita Option Allotment Package; and</td> <td>Nil</td> </tr> <tr> <td>(ii)</td> <td>the number of voting securities on issue that are held or controlled by Comvita, and the percentage of all voting securities on issue that that number represents; and</td> <td>13,200,787 ordinary shares (being 17.44% of all voting securities on issue)</td> </tr> <tr> <td>(iii)</td> <td>the aggregate of the percentages of all voting securities that are held or controlled by Comvita and Comvita's associates; and</td> <td>17.44% * Note that no associate of Comvita holds any voting securities in the Company.</td> </tr> <tr> <td>(iv)</td> <td>the maximum percentage of all voting securities that could be held or controlled by Comvita on completion of all the allotments; and</td> <td>17.44% (being 13,200,787 ordinary shares)</td> </tr> <tr> <td>(v)</td> <td>the maximum aggregate of the percentages of all voting securities that could be held or controlled by Comvita and Comvita's associates on completion of the allotments; and</td> <td>Same as (iv) above. * Note that no associate of Comvita holds any voting securities in the Company.</td> </tr> <tr> <td>(vi)</td> <td>the assumptions on which the particulars above are calculated.</td> <td>None.</td> </tr> </tbody> </table>	(i)	the number of voting securities already allotted to Comvita under the Approved Comvita Option Allotment Package; and	Nil	(ii)	the number of voting securities on issue that are held or controlled by Comvita, and the percentage of all voting securities on issue that that number represents; and	13,200,787 ordinary shares (being 17.44% of all voting securities on issue)	(iii)	the aggregate of the percentages of all voting securities that are held or controlled by Comvita and Comvita's associates; and	17.44% * Note that no associate of Comvita holds any voting securities in the Company.	(iv)	the maximum percentage of all voting securities that could be held or controlled by Comvita on completion of all the allotments; and	17.44% (being 13,200,787 ordinary shares)	(v)	the maximum aggregate of the percentages of all voting securities that could be held or controlled by Comvita and Comvita's associates on completion of the allotments; and	Same as (iv) above. * Note that no associate of Comvita holds any voting securities in the Company.	(vi)	the assumptions on which the particulars above are calculated.	None.
(i)	the number of voting securities already allotted to Comvita under the Approved Comvita Option Allotment Package; and	Nil																	
(ii)	the number of voting securities on issue that are held or controlled by Comvita, and the percentage of all voting securities on issue that that number represents; and	13,200,787 ordinary shares (being 17.44% of all voting securities on issue)																	
(iii)	the aggregate of the percentages of all voting securities that are held or controlled by Comvita and Comvita's associates; and	17.44% * Note that no associate of Comvita holds any voting securities in the Company.																	
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(v)	the maximum aggregate of the percentages of all voting securities that could be held or controlled by Comvita and Comvita's associates on completion of the allotments; and	Same as (iv) above. * Note that no associate of Comvita holds any voting securities in the Company.																	
(vi)	the assumptions on which the particulars above are calculated.	None.																	

HEALTH AND SAFETY

Looking after our people and carefully managing our health and safety risks is at the heart of building a sustainable business. SeaDragon Directors and senior managers take their health and safety obligations seriously.

SeaDragon collects a range of data on health and safety performance. However, as the company is small, the data has the potential to be volatile and therefore the data needs to be considered alongside a number of other factors. For these reasons SeaDragon does not report the raw data publicly.