

10 September 2020

Dear Shareholder,

Invitation to Participate in Share Purchase Plan

On 7 September 2020, **New Zealand Coastal Seafoods Limited (ACN 124 251 396)** (the **Company**) announced its intention to offer shareholders the chance to participate in a share purchase plan to subscribe for additional fully paid ordinary shares in the Company (**Shares**) (the **SPP** or the **Plan** or the **Offer**).

The Board of Directors is now pleased to make the Offer to Eligible Shareholders (defined below) on the terms and conditions enclosed in this letter (**Terms and Conditions**).

Shareholders Eligible to Participate in the Plan

Participation under the Plan is optional and is available exclusively to shareholders of the Company who are registered as holders of Shares at 5:00pm (AWST) on 4 September 2020 (**Record Date**) and whose registered address is in Australia or New Zealand (**Eligible Shareholders**).

Share Purchase Plan

The Plan entitles Eligible Shareholders, irrespective of the size of their shareholding, to acquire Shares up to the value of \$30,000 at a 15% discount to the volume weighted average market price (**VWAP**) of Shares traded on the ASX over the last 5 trading days on which Shares were traded immediately before the issue date of the Shares under the Plan, rounded to the nearest 0.1 cent (**Issue Price**).

Whilst the Company intends to raise \$3,000,000 under the Plan, the Company reserves the right to accept oversubscriptions at its absolute discretion. Shareholders should note that the maximum number of Shares which can be issued under the Plan is limited by the ASX Listing Rules to a maximum of 218,960,663 Shares, which is equal to 30% of the Company's existing issued share capital.

Depending on shareholder demand and applications received, the Company may, in its absolute discretion, undertake a scale back so that no more than \$3,000,000 is raised under the Plan or so that not more than 30% of that number of Shares already on issue are issued under the Plan. Scale back decisions are made by the Board and are final.

An application form for the Plan (**Application Form**) is included in this package.

Top Up Placement

Additionally, the Company also proposes to undertake a placement of Shares to sophisticated, professional and institutional investors after completion of the SPP to raise an additional \$2,000,000 at the same issue price as under the SPP (**Top-Up Placement**).

Any Shares issued under the Top-Up Placement are expected to be issued utilising the Company's available capacity under ASX Listing Rules 7.1 and 7.1A at the relevant time.

Underwriter and Lead Manager

The SPP is underwritten by Canaccord Genuity (Australia) Limited (**Canaccord** or **Underwriter**) to a maximum of \$3,000,000 (**Underwritten Amount**). As noted above, the Company reserves the right to accept oversubscriptions under the Plan at its absolute discretion.

The Underwriter has also been appointed to act as lead manager in respect of the SPP and the Top-Up Placement, subject to standard terms and conditions of engagement.

In the event that Eligible Shareholders subscribe for an amount less than the Underwritten Amount pursuant to the SPP (**Subscription Amount**), Shares to the value of the difference between the Subscription Amount and the Underwritten Amount will be placed to Canaccord or its nominees (**Shortfall Shares**) under the terms of the underwriting agreement between the Company and the Underwriter (**Underwriting Agreement**). The Underwriting Agreement contains customary conditions, warranties and undertakings and is subject to various termination events exercisable by Canaccord,

The placement of any Shortfall Shares to the Underwriter is subject to the Company having the capacity to do so under ASX Listing Rules 7.1 and 7.1A at the date of such placement. Shortfall Shares will be placed at the discretion of the Company in consultation with Canaccord, subject to compliance with all necessary legal requirements.

Current Activities

Details of the Company's current activities are set out in the announcements made by the Company to the ASX and are available from the ASX, or the Company's website www.nzcs.co

The funds raised under the Plan and any Top-Up Placement are intended to be utilised toward enhancing the Company's sales team and distribution capacity, additional upgrades to the Company's factory to enhance capacity including around its nutraceutical products, general working capital and covering the expenses of the SPP and Top-Up Placement.

The above is a statement of current intentions at the date of this letter. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

How much can you invest?

Eligible Shareholders may each apply for a maximum number of Shares to the value of \$30,000 and a minimum number of Shares to the value of \$1,000 under the Plan.

How to accept the Offer

To apply for Shares under the Plan, please follow the instructions on the enclosed personalised Application Form.

Eligible Shareholders may participate by selecting only one of the following offers to purchase Shares under the Plan:

Offer	Total amount payable (subscription amount)
Offer A	\$30,000
Offer B	\$20,000
Offer C	\$15,000
Offer D	\$10,000
Offer E	\$5,000
Offer F	\$2,000
Offer G	\$1,000

The number of Shares to which you are entitled will be calculated by dividing the subscription amount you have selected by the Issue Price, rounded down.

Once an application has been made it cannot be revoked. All Application Forms must be received by the **Closing Date of 30 September 2020**. If the exact amount of money is not tendered with your application, the Company reserves the right to either:

- (a) return your Application Form and/or payment and not issue any Shares to you; or
- (b) issue to you the number of Shares that would have been issued had you applied for the highest designated amount that is less than the amount of your payment and refund the excess application money to you by cheque as soon as possible, without interest.

Multiple Holdings

The maximum investment any Eligible Shareholder may apply for will remain \$30,000 even if an Eligible Shareholder receives more than one Offer (whether in respect of a joint holding or because the Eligible Shareholder has more than one holding under a separate account). It is the responsibility of the applicant to ensure that the aggregate of the application price paid for the Shares the subject of the application and any other shares and interests in the class applied for by the applicant under the Plan or any similar arrangement in the 12 months prior to the date of submission does not exceed \$30,000.

Custodians and Nominees

Eligible Shareholders who hold Shares as Custodian or Nominee (**Custodian**) for one or more persons on the Record Date (**Beneficiary**) may apply for up to a maximum amount of Shares to the value of \$30,000 in respect of each Beneficiary who is resident in Australia or New Zealand, subject to providing a Custodian Certificate to the Company, as described in the Terms and Conditions enclosed with this letter. Please refer to the Terms and Conditions for more details.

Relationship of Issue Price with Market Price

On the last trading day immediately prior to the announcement date of the Offer, the closing price of the Shares traded on ASX was \$0.053. The market price of Shares in the Company may rise and fall between the date of the Offer and the date that any Shares are issued to you as a result of your application under the Offer.

By making an application under the Offer and applying for Shares under the Plan, each Eligible Shareholder will be acknowledging that although the Issue Price will be at a discount to the Share price at the time of issue, Shares are a speculative investment and the price of Shares on ASX may change between the date of the Company announcing its intention to make an offer and the date of issue of Shares under that offer and that the value of the Shares received under the Plan may rise or fall accordingly.

The Board recommends that you obtain your own financial and taxation advice in relation to the Offer and consider price movements of Shares in the Company prior to making an application under the Offer.

Additional Information and Important Dates

The offer of Shares under the Plan is made in accordance with *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547* and therefore does not require a prospectus for the purposes of Chapter 6D of the *Corporations Act 2001 (Cth) (Corporations Act)*.

The Offer cannot be transferred and the Directors of the Company reserve the right in their absolute discretion to reject, or scale back, on an equitable basis, any application. Shares to be issued under the Plan will be issued no later than 7 business days after the Closing Date of the Offer. Application for quotation on ASX of the new Shares will be made immediately following the issue of those Shares.

The maximum amount currently proposed to be raised under the Offer is \$3,000,000. The Company, however, reserves absolute discretion regarding the final amount raised under the Offer, subject to the ASX Listing Rules.

In the event the Offer is oversubscribed by the Closing Date, the Directors may, in their absolute discretion, scale-back applications on an equitable basis. Scale-back for Shares held by Custodians will be applied at the level of the underlying Beneficiary. Directors may also, in their absolute discretion, decide to increase acceptances in the event of oversubscriptions.

If the Company rejects or scales-back an application or purported application, the Company will promptly return to the applicant the relevant application monies, without interest.

Foreign offer restrictions

This document may not be released or distributed in any country other than Australia and New Zealand. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in any other country. In particular, any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 (as amended) and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

New Zealand Shareholders

The Shares offered under the Plan are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand and to whom the Offer is being made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (as amended)* (New Zealand).

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013* (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

Indicative Timetable

Record Date for SPP	5:00pm (AWST) 4 September 2020
Announcement of SPP and Top-Up Placement and lodge Appendix 3B with ASX (prior to commencement of trading)	7 September 2020
Lodge Cleansing Notice with ASX and dispatch date for SPP booklet	10 September 2020
Opening Date of SPP	10 September 2020
Closing date of SPP	30 September 2020
Announcement of results of SPP	2 October 2020
Issue of Shares under the SPP and lodge Appendix 2A for SPP	7 October 2020
Quotation on ASX of Shares under the SPP	8 October 2020

The above timetable is indicative only. The Company may vary the dates and times of the Offer without notice. Accordingly, shareholders are encouraged to submit their Application Forms as early as possible.

Should you wish to discuss any information contained in this letter further, please do not hesitate to contact Aldo Miccio, Executive Director, on +61 421 497 138 or info@nzcs.co.

Yours faithfully



Winton Willesee
Chairman
NEW ZEALAND COASTAL SEAFOODS LIMITED

NEW ZEALAND COASTAL SEAFOODS LIMITED
ACN 124 251 396
Share Purchase Plan - Terms and Conditions

Purpose

The purpose of the Share Purchase Plan (the **SPP** or the **Plan**) is to offer shareholders of New Zealand Coastal Seafoods Limited (ACN 124 251 396) (**Company**) the opportunity to acquire additional fully paid ordinary shares in the Company (**Shares**) up to a maximum value of \$30,000 (when combined with any Shares issued under any share purchase plan in the 12 months preceding the date of the Plan) and a minimum number of Shares equal to the value of \$1,000.

The Shares under the Plan will be issued at a 15% discount to the volume weighted average market price (**VWAP**) of Shares traded on the ASX over the last 5 trading days on which Shares were traded immediately before the issue date of the Shares under the Plan, rounded to the nearest 0.1 cent (**Issue Price**).

The Company seeks to raise a maximum of \$3,000,000 under the Plan, with the ability to accept oversubscriptions. The Shares will also be issued without the need to pay brokerage costs and without the need for the Company to issue a prospectus. The Plan is governed upon such terms and conditions as the board of directors of the Company, in its absolute discretion, sees fit.

Top Up Placement

Additionally, the Company also proposes to undertake a placement of Shares to sophisticated, professional and institutional investors after completion of the SPP to raise an additional \$2,000,000 at the same issue price as under the SPP (**Top-Up Placement**). Any Shares issued under the Top-Up Placement are expected to be issued utilising the Company's available capacity under ASX Listing Rules 7.1 and 7.1A at the relevant time.

Underwriting

The SPP is underwritten by Canaccord Genuity (Australia) Limited (**Canaccord** or **Underwriter**) to a maximum of \$3,000,000 (**Underwritten Amount**). As noted above, the Company reserves the right to accept oversubscriptions under the Plan at its absolute discretion.

In the event that Eligible Shareholders subscribe for an amount less than the Underwritten Amount pursuant to the SPP (**Subscription Amount**), Shares to the value of the difference between the Subscription Amount and the Underwritten Amount will be placed to Canaccord or its nominees (**Shortfall Shares**). The placement of any Shortfall Shares to the Underwriter is subject to the Company having the capacity to do so under ASX Listing Rules 7.1 and 7.1A at the date of such placement.

No Investment Advice

This document does not provide financial product or investment advice and has been prepared without taking account of any person's investment objectives, financial situation or particular needs (including financial or taxation issues). You should consider the appropriateness of participating in the Plan having regard to your investment objectives, financial situation or particular needs. Shareholders should seek independent

financial and taxation advice before making any investment decision in relation to the SPP.

Shareholders Eligible to Participate

Holders of Shares that are registered with an Australian or New Zealand address at the Record Date are eligible shareholders (**Eligible Shareholders**) and may participate in the Plan, unless such registered shareholder holds Shares on behalf of another person who resides outside Australia or New Zealand. Due to foreign securities laws, it is not practical for shareholders (or beneficial shareholders) resident in other countries to be offered the opportunity to participate in the Plan.

Participation in the Plan is optional and is subject to these Terms and Conditions. Offers made under the Plan are non-renounceable (i.e. Eligible Shareholders may not transfer their rights to any Shares offered under the Plan). Eligible Shareholders who wish to take up Shares offered under the Plan agree to be bound by the Company's constitution in respect of Shares issued under the Plan.

An offer may, at the discretion of the directors of the Company (**Directors**), be made under the Plan once a year. The maximum amount which any shareholder may subscribe for in any consecutive 12-month period is \$30,000. The Directors may also determine in their discretion the minimum amount for participation, the multiple of Shares to be offered under the Plan and the period the offer is available to Eligible Shareholders.

Custodians, trustees and nominees

If you are an Eligible Shareholder and hold Shares as a custodian (as defined in *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (ASIC CI 2019/547)* (refer below) (**Custodian**) or in any more specific ASIC relief granted to the Company in relation to the Plan), you may apply for Shares up to the value of \$30,000 for each beneficiary for whom you act as custodian provided you complete and submit, together with an Application Form, a certificate (**Custodian Certificate**) with the following information:

1. that you held Shares on behalf of:
 - i. one or more other persons that are not custodians; and/or
 - ii. another custodian (**Downstream Custodian**) that holds beneficial interests in Shares on behalf of one or more other persons who are resident in Australia or New Zealand, to which those beneficial interests relate,

(each a **Participating Beneficiary**) at the Record Date who have subsequently instructed you, and/or the Downstream Custodian, to apply for Shares under the Plan on their behalf;

2. the number of Participating Beneficiaries and their names and addresses;
3. the number of Shares that you hold on behalf of each Participating Beneficiary;
4. the number or dollar amount of Shares that each Participating Beneficiary has instructed you, either directly or indirectly through a Downstream Custodian, to apply for on their behalf;

5. that the application price for Shares applied under the Offer for each Participating Beneficiary for whom you act in addition to the application price for any other Shares issued to you as custodian (as a result of instruction given to you as Custodian or a Downstream Custodian) for that Participating Beneficiary under any arrangement similar to the Plan in the prior 12 months does not exceed \$30,000;
6. that a copy of the written offer document was given to each Participating Beneficiary; and
7. where you hold Shares on behalf of a Participating Beneficiary indirectly, through one or more Downstream Custodians, the name and address of each Downstream Custodian.

For the purposes of ASIC CI 2019/547 you are a '**Custodian**' if you provide a custodial or depository service in relation to shares of a body or interests in a registered scheme and you:

1. hold an Australian financial services licence covering the provision of a custodial or depository service;
2. are exempt from the requirement to hold an Australian financial services licence covering the provision of a custodial or depository service;
3. hold an Australian financial services licence covering the operation of an IDPS or are a responsible entity of an IDPS-like scheme;
4. are a trustee of a self-managed superannuation fund or a superannuation master trust; or
5. are a registered holder of shares or interests in the class and is noted on the register of members of the body or scheme as holding the shares or interests on account of another person.

If you hold Shares as a trustee or nominee for another person or persons but are not a Custodian as defined above, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings (above) apply.

Custodians should request a Custodian Certificate when making an application on behalf of Participating Beneficiaries. To request a Custodian Certificate and if you would like further information on how to apply, you should contact the Company's share registry at any time from 8:30am to 5:00pm (AWST) Monday to Friday during the Offer period.

The Company reserves the right to reject any application for Shares to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with these requirements. The Company reserves the right to reject applications in accordance with these Terms and Conditions.

Price of Shares

The price of Shares to be issued under the Plan is a 15% discount to the volume weighted average market price (**VWAP**) of Shares traded on the ASX over the last 5 trading days on which Shares were traded immediately before the issue date of the Shares under the Plan, rounded to the nearest 0.1 cent.

Applications and Notices

At the discretion of the Directors, the Company will send Eligible Shareholders a letter of offer and acceptance procedures, inviting them to subscribe for Shares under the Plan, and accompanied by these Terms and Conditions of the Plan and an Application Form. Applications will not be accepted after the closing date of the Offer. Oversubscriptions to the Offer will be refunded without interest, if not accepted by the Company.

Notices and statements made by the Company to participants may be given in any manner prescribed by its constitution.

Acknowledgement

By returning an Application Form via Electronic Funds Transfer or making a payment via BPAY, you:

1. irrevocably and unconditionally agree to the Terms and Conditions of the Plan and the terms and conditions of the Application Form and agree not to do any act or thing that would be contrary to the spirit, intention or purpose of the Plan;
2. warrant that all details and statements in your application are true and complete and not misleading;
3. agree that your application is irrevocable and unconditional (that is, it cannot be withdrawn even if the market price of the Shares is less than the Price);
4. warrant that you are an Eligible Shareholder and are eligible to participate in the Plan;
5. acknowledge that no interest will be paid on any application monies held pending the issue of Shares under the Plan or subsequently refunded to you for any reason;
6. acknowledge that the Company and its officers and agents, are not liable for any consequences of the exercise or non-exercise of its discretions referred to in the Terms and Conditions of the Plan;
7. acknowledge and agree that if you are acting as a trustee, nominee or Custodian, each beneficial holder on whose behalf you are participating is resident in Australia or New Zealand, and you have not sent these Terms and Conditions, an offer document or any materials relating to the Plan, to any person outside Australia or New Zealand;
8. if you are applying on your own behalf (and not as a Custodian), acknowledge and agree that:
 - i. you are not applying for Shares with an application price of more than \$30,000 under the Plan (including by instructing a Custodian to acquire Shares on your behalf under the Plan); and
 - ii. the total of the application price for the following does not exceed \$30,000:
 - (A) the Shares the subject of the application;

- (B) any other Shares issued to you under the Plan or any similar arrangement in the 12 months before the application (excluding Shares applied for but not issued);
 - (C) any other Shares which you have instructed a Custodian to acquire on your behalf under the Plan; and
 - (D) any other Shares issued to a Custodian in the 12 months before the application as a result of an instruction given by you to the Custodian to apply for Shares on your behalf under an arrangement similar to the Plan.
9. if you are a Custodian and are applying on behalf of a Participating Beneficiary on whose behalf you hold Shares, acknowledge and agree that:
- i. you are a Custodian (defined above);
 - ii. you hold Shares (directly or indirectly) on behalf of one or more Participating Beneficiaries;
 - iii. you held Shares on behalf of the Participating Beneficiary as at the Record Date who has instructed you to apply for Shares on their behalf under the Plan;
 - iv. each Participating Beneficiary on whose behalf you are applying for Shares has been given a copy of this document;
 - v. the application price for the Shares applied for on behalf of the Participating Beneficiary, and any other Shares applied for on their behalf under a similar arrangement in the previous 12 months (excluding shares applied for but not issued), does not exceed \$30,000; and
 - vi. the information in the Custodian Certificate submitted with your Application Form is true, correct and not misleading;
10. agree to be bound by the constitution of the Company (as amended from time to time);
11. acknowledge that none of the Company, its advisers or agents, has provided you with any financial product or investment advice or taxation advice in relation to the Plan, or has any obligation to provide such advice; and
12. authorise the Company, and its officers and agents, to correct minor or easily rectified errors in, or omissions from, your Application Form and to complete the Application Form by the insertion of any missing minor detail.

Issue of Shares

Shares to be issued under the Plan will be issued as soon as reasonably practicable after the Closing Date, as specified in the indicative timetable and subject to any variation of the Closing Date by the Directors as they may determine at their absolute discretion.

Shares issued under the Plan will rank equally in all respects with all other fully paid ordinary shares in the capital of the Company from the date of issue.

Shareholding statements or CHESS notifications will be issued in respect of all Shares issued under the Plan. The Company will, promptly after the issue of Shares under the Plan, make application for those Shares to be quoted on ASX.

Modification and Termination of the Plan

The Company may modify or terminate the Plan at any time. The Company will notify ASX of any modification to, or termination of, the Plan. The omission to give notice of any modification to, or termination of, the Plan or the failure of ASX to receive such notice will not invalidate the modification or termination.

Without limiting the above, the Company may issue to any person fewer Shares than the person applied for under the Plan if the issue of the number of Shares applied for would contravene any applicable law or the ASX Listing Rules.

Raising Amount and Scale back

Whilst the Company intends to raise \$3,000,000 under the Plan, the Company reserves the right to accept oversubscriptions at its absolute discretion. Shareholders should note that the maximum number of Shares which can be issued under the Plan is limited by the ASX Listing Rules to a maximum of 218,960,663 Shares, which is equal to 30% of the Company's existing issued share capital. The Company reserves absolute discretion regarding the final amount raised under the Offer, subject to the ASX Listing Rules.

In the event of an oversubscription by the Closing Date the Directors may, in their absolute discretion, scale-back all applications on an equitable basis. If the Company rejects or scales-back an application or purported application, the Company will promptly return to the shareholder the relevant application monies, without interest. Scale-back decisions are made by the Board and are final. Directors may also, in their absolute discretion, decide to increase acceptances in the event of oversubscriptions.

Dispute Resolution

The Company may, in any manner it thinks fit, settle any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the Plan, whether generally or in relation to any participant, application or Shares. The decision of the Company in this respect will be conclusive and binding on all shareholders and other persons to whom that determination relates.

The Company reserves the right to waive strict compliance with any provision of these Terms and Conditions. The powers of the Company under these Terms and Conditions may be exercised by the directors of the Company or any delegate of the directors of the Company.

Questions and Contact Details

If you have any questions regarding the Plan or how to deal with the Offer, please contact your stockbroker or legal, financial or other professional adviser or Aldo Miccio, Executive Director, on +61 421 497 138 or info@nzcs.co.