



KINGFISH LIMITED

WARRANT TERMS OFFER DOCUMENT

4 FEBRUARY 2020

KEY TERMS

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| Issuer | Kingfish Limited |
| The Offer | <p>This is an offer of Warrants in Kingfish. Each Eligible Shareholder will be issued one Warrant for every four Shares held at 5.00pm (New Zealand time) on the Record Date (6 March 2020) subject to rounding.</p> <p>Each Warrant gives the holder a right to buy one Share in Kingfish upon payment of the Exercise Price on the Exercise Date, 12 March 2021.</p> |
| Eligible Shareholders | Warrants will be issued to Kingfish Shareholders with a registered address in New Zealand and who are registered Shareholders at 5.00pm (New Zealand time) on the Record Date. |
| Issue price for Warrants | Nil – Eligible Shareholders will not have to make any payment to receive their entitlement of Warrants. |
| Approximate number of Warrants to be issued | 61.6 million |
| Quotation of Warrants | <p>Application has been made to NZX for permission to quote the Warrants on the NZX Main Board and all the requirements of NZX relating to the quotation that can be complied with on or before the date of this document have been complied with. However, the Warrants have not been approved for trading and NZX accepts no responsibility for any statement in this document. NZX is a licensed market operator, and the NZX Main Board is a licensed market under the Financial Markets Conduct Act 2013.</p> <p>If approved for trading, initial quotation of the Warrants on the NZX Main Board is expected to occur on 10 March 2020 under the ticker code KFLWF, ISIN NZKFLE0010S1.</p> |
| Exercise of Warrants | <p>Warrant Holders may:</p> <ul style="list-style-type: none"> » exercise some or all of their Warrants by lodging an Exercise Form, together with payment, with the Registrar by the Exercise Date (if you choose to exercise only some of your Warrants, it must be a number which ensures you will have a minimum holding of Shares under the Listing Rules); » sell some or all of their Warrants on the NZX Main Board; or » allow their Warrants to lapse. <p>Any Warrants not exercised on the Exercise Date will lapse.</p> <p>If you do not exercise your Warrants, your shareholding in Kingfish will be diluted by other Warrant Holders who exercise their Warrants. This issue of new Shares would, all other things being equal, also result in a consequential reduction in the net asset value per Share once the new Shares are issued.</p> |

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| Exercise Price | <p>\$1.64 per Warrant, to be adjusted down for the aggregate amount per Share of any cash dividends declared on the Shares with a record date during the period commencing on the date of allotment of the Warrants and ending on the last Business Day before the final Exercise Price is announced by Kingfish.</p> <p>The final Exercise Price per Warrant (following the adjustment referred to above) will be calculated to the nearest one hundredth of a cent and then rounded up or down to the nearest whole cent.</p> |
| Announcement of final Exercise Price | Kingfish will announce the final Exercise Price to the NZX at least 6 weeks before the Exercise Date. Kingfish will also provide confirmation of the final Exercise Price to Warrant Holders per their recorded communication preference. |
| How to Apply | <p>If you are a Warrant Holder and wish to exercise any of your Warrants and subscribe for Shares, you must return a completed Exercise Form by the Exercise Date.</p> <p>Kingfish will send an Exercise Form to Warrant Holders as soon as reasonably practicable after the final Exercise Price has been determined. You can also request an Exercise Form by contacting Kingfish or the Registrar.</p> |

IMPORTANT DATES

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| Record Date | 6 March 2020 |
| Allotment of Warrants | 9 March 2020 |
| Quotation of Warrants commences on the NZX Main Board | 10 March 2020 |
| Mailing of holding statements for Warrants | 11 March 2020 |
| Expected date of announcement of final Exercise Price | 29 January 2021 |
| Final date for trading Warrants on the NZX Main Board | 10 March 2021 |
| Exercise Date | 12 March 2021 |
| Allotment of Shares on exercise of Warrants | 17 March 2021 |
| Mailing of holding statements for Shares | 22 March 2021 |

The dates shown above are subject to change and indicative only. Kingfish reserves the right to vary or extend these dates subject to applicable law and the Listing Rules. Changes will be advised by announcement to NZX.

Kingfish may decide not to proceed with the issue of Warrants at any time before the allotment of Warrants at its absolute discretion. Shareholders will have no right to receive Warrants or any compensation if Kingfish decides not to proceed.

IMPORTANT NOTICE

Warrants (and Shares to be issued on the exercise of Warrants) are offered to Eligible Shareholders pursuant to the exclusion in clause 19(1A) of schedule 1 of the Financial Markets Conduct Act 2013.

This document is not a product disclosure statement for the purposes of the Financial Markets Conduct Act 2013, and does not contain all of the information that an investor would find in a product disclosure statement or which may be required to make an informed decision about the Warrants or Kingfish.

The information in this document does not constitute a recommendation to exercise Warrants nor does it amount to financial product advice. This document has been prepared without taking into account the particular needs or circumstances of any investor, including their investment objectives, financial and/or tax position. All investments carry risk. If you are in any doubt about what action to take, you should contact an authorised financial adviser, an NZX Firm or your accountant or other professional adviser.

This document does not constitute an offer, advertisement or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer, advertisement or invitation.

No guarantee is provided by any person in relation to the Warrants or Shares. Likewise, no warranty is provided with regard to the future performance of Kingfish, or any return on any investments made pursuant to this document.

ADDITIONAL INFORMATION ABOUT KINGFISH LIMITED

Kingfish is subject to continuous disclosure obligations under the Listing Rules which require it to notify certain material information to NZX. Market releases by Kingfish, including the most recent annual report (for the period ended 31 March 2019) are available at nzx.com under the ticker code KFL and on Kingfish's website, www.kingfish.co.nz.

Kingfish may, during the Offer, make additional releases to NZX. No release by Kingfish will permit a Warrant Holder to withdraw any previously submitted Exercise Form without Kingfish's prior consent.

The market price of Shares may increase or decrease between the date of this document and the date of allotment of new Shares upon exercise of the Warrants. Any changes in the market price of Shares will not affect the Exercise Price, and the market price of new Shares following allotment may be higher or lower than the Exercise Price. The market price of Warrants may also increase or decrease while they are quoted on the NZX Main Board.

DEFINITIONS

Capitalised terms used in this document have defined meanings which appear in the Glossary.

All references in this document to times are to times in New Zealand, all references to currency are to New Zealand dollars, and all references to applicable statutes and regulations are references to New Zealand statutes and regulations.

DETAILS OF THE OFFER

THE OFFER

1. Kingfish will grant one Warrant for every four Shares held by an Eligible Shareholder of Kingfish at 5.00pm (New Zealand time) on the Record Date (6 March 2020).
2. The purpose of the issue of Warrants is to raise capital as part of Kingfish's ongoing capital management programme and provide investors with the ability to purchase additional shares in Kingfish at a pre-determined Exercise Price. The issue of Warrants also aims to increase the size of the portfolio so as to improve operational efficiency. The net proceeds are expected to be used for further investment in the Kingfish portfolio.
4. Shareholders with a registered address outside of New Zealand as at 5.00pm (New Zealand time) on the Record Date will have the Warrants they would have otherwise received, issued to a separate registry account with the Registrar. Kingfish will endeavour to sell the Warrants on the NZX Main Board and hold the proceeds on trust and account to those Shareholders on a pro rata basis for the proceeds (net of costs). There is no guarantee that these Warrants will be able to be sold or as to the amount of proceeds that may be received from the sale of the Warrants. Any Warrants which cannot be sold will lapse on the Exercise Date.

GRANT OF WARRANTS

3. Warrants will only be issued to Shareholders with a registered address in New Zealand as at 5.00pm (New Zealand time) on the Record Date. Warrants will not be issued to Kingfish's overseas Shareholders as Kingfish considers that the legal requirements of other jurisdictions in which Shareholders have a registered address are such that it would be unduly onerous for Kingfish to issue Warrants to Shareholders in those jurisdictions, having regard to the low number of such Shareholders and the likely costs of complying with overseas legal requirements. This document is intended for use only in connection with the Offer to Eligible Shareholders.
5. Warrant Holders who do not have a registered address in New Zealand and who have acquired Warrants on the NZX Main Board will be entitled to exercise those Warrants (subject to compliance with all legal requirements applicable to them).

ROUNDING OF WARRANTS

6. If a Shareholder would receive a fraction of a Warrant by applying the 1:4 ratio, the number of Warrants to be issued to that Shareholder will be rounded up to the nearest whole number.

DETAILS OF THE OFFER CONTINUED

NZX QUOTATION

7. Application has been made to NZX for permission to quote the Warrants on the NZX Main Board. All of NZX's requirements relating to that application that can be complied with on or before the date of this document have been duly complied with. However, the Warrants have not been approved for trading and NZX accepts no responsibility for any statement in this document. NZX is a licensed market operator and the NZX Main Board is a licensed market under the Financial Markets Conduct Act 2013.
8. Kingfish will take any necessary steps to ensure that the Shares are, immediately after issue, quoted on the NZX Main Board.
9. In the event that the application to NZX for permission to quote the Warrants is declined, the issue of the Warrants will not proceed.

TRANSFER

10. A Warrant may be transferred in the same manner, and subject to the same restrictions, as a Share. The Directors will have the same powers in respect of the approval of registration of a transfer of Warrants as they have in respect of a transfer of Shares.
11. A Warrant Holder who sells their Warrants on the NZX Main Board prior to exercise, may be liable to pay brokerage fees. Following allotment, the sale of Shares may be subject to brokerage fees.

RIGHTS OF WARRANT HOLDERS

12. Each Warrant entitles the Warrant Holder to:
 - a. subscribe for one Share in Kingfish credited as fully paid, upon the payment of the Exercise Price by the Exercise Date (12 March 2021);
 - b. all information provided by Kingfish to Shareholders, including its annual report and notices of Shareholder meetings;
 - c. any other rights conferred on Warrant Holders by Kingfish's constitution, the Companies Act 1993 or the Listing Rules (except as provided otherwise in this document); and
 - d. attend (but not vote at) any meeting of Shareholders (or any group of Shareholders).
13. A Warrant does not entitle the Warrant Holder to:
 - a. vote at a meeting of Shareholders (or any group of Shareholders);
 - b. receive any dividends on Shares declared by the Directors; or
 - c. participate with Shareholders or the holders of any other securities in the residual assets of Kingfish upon the liquidation of the company.

EXERCISE OF WARRANTS

14. The Exercise Price is \$1.64 per Warrant, to be adjusted down for the aggregate amount per Share of any cash dividends declared on the Shares with a record date during the period commencing on the date of allotment of the Warrants and ending on the last Business Day before the final Exercise Price is announced by Kingfish. The final Exercise Price per Warrant will be calculated to the nearest one hundredth of a cent and then rounded up or down to the nearest whole cent.
15. If you choose to exercise any Warrants, you will be required to pay the Exercise Price for those Warrants in full by the Exercise Date. You will not be required to pay brokerage or any other charges in order to exercise your Warrants.
16. If you are a Warrant Holder and wish to exercise any of your Warrants and subscribe for Shares, you must return a completed Exercise Form by the Exercise Date. Kingfish will send an Exercise Form to all Warrant Holders as soon as reasonably practicable after the final Exercise Price has been determined. You can also request an Exercise Form by contacting Kingfish or the Registrar.
17. The completed Exercise Form must be lodged with payment (in a manner prescribed by Kingfish in the Exercise Form) of an amount equal to the Exercise Price multiplied by the number of Warrants being exercised, in time for the Exercise Form and payment to be received by the Registrar no later than 5.00pm (New Zealand time) on the Exercise Date. Further instructions for completing and returning the Exercise Form will be set out in the form.
18. Kingfish may accept or reject any Exercise Form which it considers to have been completed incorrectly, and may correct any errors or omissions on any Exercise Form. If there is a discrepancy between the amount of application monies (by way of direct credit or cheque) and the number of Warrants being exercised as indicated on the Exercise Form, Kingfish will treat the application as being for the number of Warrants being exercised as the application monies will pay for.
19. Until the allotment of Shares, funds received by Kingfish for the exercise of Warrants will be held in a trust account by the Registrar for the benefit of the relevant Warrant Holders according to their respective entitlements and for Kingfish. Any interest on those funds will be paid to Kingfish. If the allotment of Shares does not proceed, Kingfish will refund application monies within 10 Business Days.

DETAILS OF THE OFFER CONTINUED

ALLOTMENT OF SHARES

20. All Shares issued on the exercise of Warrants will be fully paid ordinary shares and rank equally with all other Shares on issue at the date of allotment (including on a liquidation of Kingfish). Kingfish will allot Shares to Warrant Holders who validly exercise their Warrants within five Business Days after the Exercise Date.
21. If you are an existing Shareholder who chooses not to exercise their Warrant entitlement, your shareholding in Kingfish will be diluted if other Warrant Holders exercise Warrants and the total number of Shares on issue in Kingfish increases as a result.
22. Shares issued on the exercise of Warrants will be entitled to participate in dividends declared on the Shares which have a record date after the date of allotment of the Shares.
23. Kingfish currently has a distribution policy as at the date of this document to pay Shareholders (but not Warrant Holders) 2% of the company's average net asset value (NAV) per quarter. Payments are usually made in March, June, September and December of each year. A copy of Kingfish's Distribution Policy, which could be changed at any time in the future, is available at www.kingfish.co.nz/about-kingfish/kingfish-policies/ under the heading 'Distribution Policy'.

ADJUSTMENTS FOR CHANGES TO CAPITAL STRUCTURE

24. The Exercise Price may be varied before the Exercise Date if Kingfish's capital is restructured, such as upon a rights issue, bonus issue, convertible securities issue, share consolidation or subdivision or a cancellation or buyback of Shares. The adjustment process is described further below.
- a. If Kingfish makes a rights issue of Shares to Shareholders before the Exercise Date (a "Rights Issue"), then the Exercise Price of any Warrants will (subject to alternative adjustments in accordance with paragraph (b) or (c) below) be adjusted in accordance with the following formula:

$$EP_{new} = EP_{old} - \frac{E[AP - (S+D)]}{N+1}$$

EP_{new} = the new Exercise Price of the Warrants

EP_{old} = the old Exercise Price of the Warrants

E = the number of Shares into which one Warrant is exercisable

AP = the average market price per Share (weighted by reference to volume) during the five Business Days ending on the day before the ex date for the rights issue

S = the subscription price for a Share under the rights issue

D = any dividend due but not yet paid on the existing Shares (except dividends to be issued under the rights issue)

N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share

The necessary adjustment will be determined by the Board by applying the formula set out above. The Director's determination will, in the absence of manifest error, be binding on all Warrant Holders and other persons. Any adjustment so determined will be made, and take effect, on the Business Day following the record date for the rights issue.

- b. If Kingfish makes a bonus issue to Shareholders, then the Board may resolve that the number of Shares over which a Warrant is exercisable be increased (or additional Shares may be reserved for issue on exercise of the Warrants) by the number of Shares which the Warrant Holder would have received if that Warrant had been exercised before the record date of the bonus issue.
- c. If Kingfish makes a consolidation or subdivision or similar proportionate reconstruction of the Shares, the number of Shares over which a Warrant is exercisable may be consolidated or subdivided in the same ratio and the Exercise Price amended in inverse proportion to that ratio.

d. If, notwithstanding the adjustment procedures permitted, Kingfish's capital is restructured (including a rights issue, bonus issue, convertible securities issue, consolidation, subdivision, cancellation or Share buyback) and the Board determines, upon the advice of an Independent Expert, that:

- i. the application of the formula under paragraph (a), an adjustment permitted by paragraph (b) or the non-applicability of both such clauses may produce a result which is prejudicial or unduly advantageous (based on reasonable grounds) to Warrant Holders; or
- ii. an alternative adjustment that is not envisaged in paragraph (a), (b) or (c) could be applied,

then the number of Warrants held, the number of Shares over which a Warrant is exercisable, and the Exercise Price, or any combination thereof, may, to the extent necessary, be altered in a manner determined by the Board, upon the advice of an Independent Expert and subject always to the Listing Rules or relief granted from any applicable Listing Rule, to ensure that Warrant Holders are not prejudiced (nor unduly advantaged or disadvantaged) by the reconstruction of capital, and in all other respects the terms of the Warrants will remain unchanged. Any such adjustment will be final and binding on all Warrant Holders.

DETAILS OF THE OFFER CONTINUED

NO GUARANTEE

25. No person guarantees the Warrants or the Shares that may be issued on exercise of the Warrants. In addition, no person guarantees the future performance of Kingfish, the Warrants, the Shares or any return on investment pursuant to the Offer.
26. The Offer is not underwritten.

BROKER STAMPING FEES

27. No investor will pay brokerage on exercising the Warrants. Kingfish recognises there is an administration cost and time involved in the Warrant exercise process for brokers and, as such, pays brokers 0.4% of the total consideration payable for Warrants exercised per beneficial holder. Further details of this arrangement will be set out in the Exercise Form.

AMENDMENT

28. Kingfish may amend the terms of the Warrants to the extent necessary to comply with the Listing Rules or any applicable law from time to time, by notice in writing to Warrant Holders or by announcement to NZX.

PRIVACY

29. Any personal information provided by Warrant Holders on the Exercise Form will be held by Kingfish and/or the Registrar at the addresses set out in the Directory. The information will be used by Kingfish and the Registrar for the purposes of administering your investment in Kingfish. This information will only be disclosed to third parties with your consent or if otherwise required by law. Under the Privacy Act 1993, you have the right to access and correct any personal information held about you.

GOVERNING LAW

30. The terms of the Warrants and any contract relating to or resulting from receipt of the Warrants or their exercise are governed by the laws of New Zealand, and each Warrant Holder and Shareholder submits to the exclusive jurisdiction of the courts of New Zealand.

GLOSSARY

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| Board | The board of Directors of Kingfish |
| Business Day | A day on which NZX is open for trading |
| Directors | The directors of Kingfish |
| Eligible Shareholder | A Shareholder, as at 5.00pm (New Zealand time) on the Record Date, with a registered address in New Zealand |
| Exercise Date | 5.00pm (New Zealand time) on 12 March 2021 |
| Exercise Form | The form of notice that must be completed by a Warrant Holder in order to exercise any of their Warrants |
| Exercise Price | \$1.64, less the aggregate amount per Share of any cash dividends declared on the Shares with a record date during the period commencing on the date of allotment of the Warrants and ending on the last Business Day before the final Exercise Price is announced by Kingfish |
| Independent Expert | An actuary, investment banker, chartered accountant, or other financial adviser selected by the Board and, in each case, being appropriately qualified and independent (having regard to the purpose of the appointment) in the reasonable opinion of the Board |
| Listing Rules | The listing rules of the NZX Main Board as applicable to Kingfish and in force from time to time |
| Kingfish | Kingfish Limited |
| NZX | NZX Limited |
| NZX Firm | A company, firm, organisation or corporation designated or authorised to trade shares on the NZX Main Board |
| NZX Main Board | The main board equity security market operated by NZX |
| Record Date | 5.00pm (New Zealand time) on 6 March 2020 |
| Registrar | The share registrar of Kingfish, being Computershare Investor Services Limited |
| Share | A fully paid ordinary share in Kingfish |
| Shareholder | A registered holder of Shares |
| Warrant | A right to subscribe for one Share issued by Kingfish on the terms set out in this document |
| Warrant Holder | At any time, each person whose name is entered into the register maintained by the Registrar as a holder of Warrants |



DIRECTORY

ISSUER

Kingfish Limited

Level 1, 67-73 Hurstmere Road
Takapuna
Auckland 0622

Phone: +64 (9) 489 7094

Email: enquire@kingfish.co.nz

SHARE REGISTRAR

Computershare Investor Services Limited

Level 2, 159 Hurstmere Road
Takapuna
Auckland 0622

Phone: +64 (9) 488 8777

Email: enquiry@computershare.co.nz