ArborGen
HOLDINGS

# Annual Report
2025

# Welcome

Welcome to ArborGen Holdings' 2025 Annual Report. Every day our people work together to attain our vision of being the world-leading provider of value-added, high-quality seedlings for the forestry industry ... creating thriving forests that benefit landowners, the environment, and future generations through unmatched industry expertise.

In this report, we highlight the progress we are making towards achieving our goal and our performance in the FY25 financial year.

The 2025 Annual Report covers the financial year ended 31 March 2025. All references to dollars are in USD, unless otherwise stated. The report has been approved by the Board.

**Dave Knott**
Chairman

**Justin Birch**
Chief Executive Officer

# Contents



There are statements in this Report that are 'forward looking statements.' As these forward-looking statements are predictive in nature, they are subject to a number of risks and uncertainties relating to the Group, many of which are beyond our control. In particular, ArborGen's operations and results are significantly influenced by the general level of economic activity in the various sectors of the economies in which it competes, particularly in the United States and Brazil. Fluctuations in industrial output and the impact that has on global demand for wood fibre and hence harvest and reforestation levels, government environmental and regional development policies, capital availability, relative exchange rates, interest rates, the profitability of our customers, can each have a substantial impact on our operations and financial condition. ArborGen-specific risks and uncertainties include (in addition to those broad economic factors noted above) the global markets and geographies in which it operates, intellectual property protection, regulatory approvals, the rate of customer adoption of advanced seedling products, the success of its research and development activities, weather conditions, cone and seed inventory, biological matters, and the fact that ArborGen's annual crops and seed orchards are not the subject of insurance cover. As a result of the foregoing; actual results, conditions and conclusions may differ materially from those expressed or implied by such statements. All references to currencies in this document are in US dollars (US$) unless otherwise stated.

# About ArborGen

## Our vision is to be the world-leading provider of value-added, high-quality seedlings for the forestry industry, creating thriving forests that benefit landowners, the environment, and future generations through unmatched industry expertise.

### Leading the Way

ArborGen is a global leader in advanced genetics seedlings, and a market leader in our targeted markets of the US South and Brazil. Our team of more than 820 are spread across 10 orchards and 16 nurseries, with our head office based in South Carolina, USA.

Our customers are forest landowners, forestry consultants, tree planters and carbon project developers. We help to ensure the maximum productivity of their forests, providing outstanding growth and yield to address the world's growing need for wood, fibre and fuel. Our high-value products significantly improve the productivity of a given acre of forestry land and are transforming the forestry industry.

### Large Opportunities in Targeted Growth Markets

We are focused on two regional markets in the US South and Brazil, where we have identified strong growth and commercial potential for ArborGen, and where we can build on our existing footprint and market share. Every year, we deliver millions of seedlings to more than 2,000 customers.

### Strongly Positioned for the Future

ArborGen has a clear strategy, increasing momentum and a market leadership position. We have a competitive advantage driven by decades of investment in research, intellectual property and people capability.

We are committed to environmental stewardship and a sustainable future for our business and shareholders, our people, customers and communities. Through innovation and expertise, we develop sustainable solutions that maximise value for our stakeholders while protecting and preserving the environment.

## Genetically Superior Trees


**Superior Trees**
Straighter, higher value, more disease resistance, increased harvest

**Genetically Improved Seedlings**
Offspring with enhanced traits from seed orchards

**Seed Orchards**
Controlled environments where selected parent trees produce improved seeds

**Selected Parent Trees**
Superior trees based on desirable traits

**Open Pollinated Trees**
Naturally pollinated with genetic variability

# Our Strategy

## Driving growth and leveraging long-term demand trends.

ArborGen's dual pathway strategy provides the framework for our actions.

We are building a strong platform for our business as we optimise our asset base, improve efficiencies and productivity and create a strong performance culture.

The US South and Brazil remain our primary markets and we have identified strong growth and commercial potential in these regions. Our focus on advanced genetics continues to deliver superior prices and margin.

Long term macro trends support our go-to-market story.

## Dual Pathway Strategy

Driving growth and leveraging long-term demand trends

### Operating Strength

**Enable a strong foundation for the future**

- Strengthen the organisation and develop a performance culture
- Optimise total productivity

### Go to Market

**Grow demand and sales of higher value advanced genetics seedlings**

- **United States:** Expand market and increase Mass Control Pollinated (MCP®) adoption
- **Brazil:** Opportunistic and measured expansion
- Focus on market-driven genetics for the future

**Excellence** **People** **Integrity** **Customers** **Sustainability**

# FY25 Commercial Highlights

- Continued growth in Brazil; US headwinds persist
- Clear growth strategy with defined pathways to future growth
- Continuing focus on efficiencies and cost management
- Completion of share buyback programme, with 5,908,529 shares acquired and cancelled
- Continued investment in R&D and product development, to create new genetics that provide ArborGen's competitive advantage

## United States: Margin Expansion and Measured Growth

- Persistent macroeconomic and market headwinds beyond initial expectations; US South remains at the low end of the cycle with soft demand
- Refreshed sales team and focus, with positive momentum in Q4
- Good progress made to streamline the business, delivering cost savings
- Continuing investment in container capacity in response to customer demand for this added value product

## Brazil: Accelerated Growth Opportunities

- Dynamic market with significant increase in market participants and capacity driving price and quality demands
- Continuing to shift sales from market clones to protected clones, increasing business resilience and protection
- Operational reset as business scales up and matures; resulting in a stronger team, improved financial processes and systems, and a strong platform for future growth
- Expansion of production capacity with acquisition of Eco Empreendimentos nursery for ~US$2.5m, settled on 1 November 2024
- Drought conditions mid-year impacted customer demand and production schedules

# FY25 Numbers at a Glance

For the year ended 31 March 2025. Percentage comparatives to prior year.

**Seedling Unit Sales**
**327.8m**
FY24: 369.2m

**Revenue**
**$63.2m**
FY24: $67.7m

**Gross Profit**
**$18.2**
FY24 $24.0m

**Net Loss After Tax[1]**
Includes non-cash $21.8m impairment
**$(21.5)m**
FY24: $(0.2)m

**Net Debt[2]**
**$20.9m**
FY24: $14.4m

**Adjusted US GAAP EBITDA[3]**
**$8.8m**
FY24: 12.8m

**Capital Expenditure**
**$7.7m**
FY24: $5.4m

**Share Buyback**
**5.9m**
shares acquired and cancelled

**Operational Footprint**
**16x** seedling nurseries
**10x** seed producing orchards
head office in South Carolina

**Our Customers**
**2,000+**
customers per year

**Our People**
**820+**
team members

**Production Capacity**
**~500m**
seedlings per year

(1) Includes non-cash $21.8m impairment of intangible assets. Refer to Note 16 in the Financial Statements.

(2) Excluding capitalised leases.

(3) Adjusted US GAAP EBITDA is a non-GAAP financial measure and excludes one-off and unusual items which may include restructure costs, impairments and write downs on assets, acquisition/sale transaction costs and other one-off items. In FY25, one-off and unusual items were $2.4m including a cash $2.2m gain on sale of the in vitro business, tax credits and other costs. Refer to page 24 for reconciliation table. Management believes this measure provides useful information, as it is used internally to evaluate performance, and it is also a measure that equity analysts focus on for comparative company performance purpose.

# Financial Performance

## For the year ended 31 March 2025. Percentage comparisons to prior year.

Group revenue of $63.2m was down 7% on FY24's record result, however, was a 13% uplift on FY23. An increase in average selling price in both regions helped to offset overall lower volumes.

The Brazil business presents significant growth potential and is not particularly seasonal in its capital needs. While volumes were flat, revenue increased 11% year on year in local currency.[1] Demand and pricing in the eucalyptus market remains solid, however, an oversupply of market clone seedlings in the eucalyptus market put pressure on pricing, with a limited flow-on effect on protected clone pricing. ArborGen is continuing its strategic transition towards protected clones, which are higher value and provide greater revenue stability. While this shift is resulting in some short-term margin impact, it is expected to deliver meaningful long-term gains. Gross margin was 29%.

The US has a single planting and harvesting season each year. Headwinds in the US continued to impact across the industry, with lower demand for timber driven by subdued housing construction, and mill production and harvesting curtailed accordingly. As a result, US revenue was down 9% year on year to $37.5m. Gross margin was 35%.

Cost mitigation efforts remain a priority across both regions, with significant operational savings being seen in the US from the sale of the in vitro business, the closure of the Taylor Nursery and lease of the Ridgeville Head Office building. An operational reset was undertaken in Brazil as the business scales up and matures, resulting in a stronger team, improved financial processes and systems, and a strong platform for future growth.

The proceeds of the in vitro sale were used to provide further headroom for investment into growth initiatives including the expansion of ArborGen's container production, nursery improvements and other strategic initiatives such as the Eco Empreendimentos nursery acquisition in Brazil. Cash and cash equivalents were $3.5m as at 31 March 2025, with net debt of $20.9m. Capital expenditure was $7.7m for the year (FY24: $5.4m).

US GAAP EBITDA increased 47% to $11.2m, benefiting from the gain on sale of the in vitro business. Excluding total one-off and unusual transactions of $2.4m, Adjusted US GAAP EBITDA was $8.8m, in line with guidance. This was below the FY24 record result but similar to FY23 performance.

The Board has considered the carrying value of intangible assets as part of the impairment assessment and elected to recognise an impairment of $21.8m related to intellectual property. Including the non-cash impairment, net loss after tax was $(21.5)m for the year.

ArborGen's net tangible assets per share of NZ$0.22 as at 31 March 2025 significantly exceeds the share price of $0.13 per share.[2]

An on-market share buyback programme was completed in January 2025, with 5,908,529 shares acquired and cancelled at an average cost price of NZD$0.1447.

(1) 3% yoy reduction in reported USD revenue as a result of foreign exchange conversion

(2) ArborGen share price as at 31 March 2025, NZ$ NTA calculated using 0.5706 USD:NZD exchange rate


# Chairman & CEO's Report

ArborGen demonstrated resilience while navigating a challenging year, with continuing growth in Brazil and a stronger Q4 performance in the US as opportunities were maximised and sales initiatives delivered.

Operating in two markets, along with a broader spread of nursery and orchard locations, is a strategic advantage that helps mitigate risk and protect our business. We are well-positioned thanks to our strong operational focus, new marketing strategies, refreshed sales team and increasing investments in added value container seedlings in response to customer demand. We have a clear pathway to growth and are focused on driving significant progress and financial improvement in FY26.

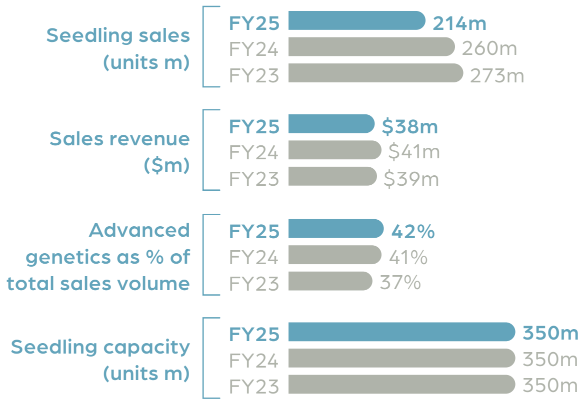
Over the past year, we prioritised productivity and operating strength. Decisive steps have been taken to reduce costs and enhance operational efficiency, with meaningful progress being made. As part of this, we sold the in vitro business and moved our head office into smaller premises. We also undertook an operational reset in Brazil as our local business scales up and matures, resulting in a stronger team, improved financial processes and systems, and a strong platform for future growth.

We invested in growth, acquiring a further nursery in Brazil, as well as continuing our comprehensive R&D and product development programme which allows us to create new genetics that provide our competitive advantage. A particular highlight for the year has been our expanding added-value container production in the US. We began this strategy in the US three years ago in response to customer demand and will produce an impressive 50 million containerised seedlings in 2025 – a clear reflection of our role as a leader in both container and barefoot production. All our seedlings in Brazil are sold as containers.

We were disappointed not to be able to maintain last year's record revenue result, with soft market conditions in both countries hampering our sales, however, it was pleasing to see the year ending on a stronger note. Cost saving initiatives are having a positive impact on our balance sheet and will provide sustainable savings and efficiencies over the long term. One thing we know—whether working with Mother Nature or navigating a dynamic sales market—is there are often speed bumps. We have comprehensive risk management and planning processes in place, to ensure we respond effectively and move forward stronger.

The US South and Brazil remain our primary markets and we have identified growth and commercial potential in both of these regions. Our focus on advanced genetics continues to deliver superior prices and margin.

## US South




ArborGen remains a key player in the US South, boasting one of the largest capacities for advanced genetics tree seedlings production, exceeding 350 million seedlings annually. Our strategic focus remains on the adoption of higher value, advanced genetics seedlings throughout the region, leveraging decades of investment in developing best-in-class proprietary products.

The US market continues to face economic and industry headwinds and remains at the low end of the cycle. Around 70% of timber use is residential housing and home improvements. High interest rates have led to a subdued housing market, although the home improvements sector remains solid, accounting for around one-third of timber consumption. This in turn has seen log demand and pricing throttled back, with some customers postponing harvesting and limiting planting acres, subsequently affecting their demand for seedlings. Excess capacity and inventory across the sector have also seen an increase in competitive pressure.

ArborGen continues to focus on the conversion of customers to higher value, higher return MCP seedlings, with interest in ArborGen's superior MCP 2.0 product continuing to grow.

We continue to expand our production and sales of containerised seedlings in response to customer demand. These provide more flexibility in planting programmes and are more resilient to weather conditions and on challenging sites.

A refreshed and strengthened sales team has been in place in 2H25 with new marketing and pricing strategies being implemented and good momentum being seen.

ArborGen was fortunate to only suffer minimal orchard damage from Hurricane Helene, and harvested crops in our nurseries were unaffected. However, many of our clients' forests were devastated, with reforestation planting expected to commence between 2026 and 2028, providing an opportunity for ArborGen.

### Regional outlook

While market conditions in the US South are not expected to materially improve until at least the 2026 calendar year, some volume and revenue growth is expected in FY26, as a result of sales activity, market share gains and a focus on higher value products.

An upturn in the housing market is expected to start gradually building from 2026 and should result in a rebound in timber demand. This will see a return in demand for seedlings as customers harvest and replant.

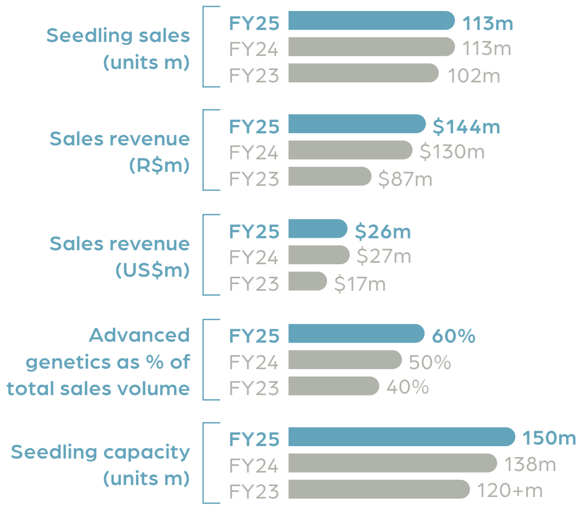
ArborGen's advanced genetics seedlings are ideally suited to this market, providing customers with the opportunity to achieve higher yields and returns from premium grade timber for housing, meeting the growing market demand.

The carbon market opportunity remains in its infancy, however, ArborGen is well positioned as the seedling supplier of choice for carbon offset projects. In particular, ArborGen is a key supplier to Chestnut Carbon, which has already planted 17 million trees supplied by ArborGen. Chestnut Carbon has signed carbon offtake agreements with credit buyers including Microsoft and is in the process of planting hundreds of thousands of acres to support these projects.

Longer term macro trends are positive with an undersupply of housing, old housing stock and a demographic bulge of young adults moving into their 30s – a time when many purchase their first homes, and high interest rates are expected to recede.

Our sales strategy is clear – to gain market share and capitalise on our premium genetic offering. We are well-positioned to respond swiftly and capitalise on opportunities as the market cycle turns upward.

# Brazil




In Brazil, ArborGen is the only company focused exclusively on developing and supplying tree seedlings with superior genetics to the general Brazilian forestry market. We are leveraging our strong position in the pine and eucalyptus seedling markets to build a sustainable, highly profitable business that is recognised as the preeminent seedling supplier.

Brazil is the world's largest producer and exporter of hardwood pulp with demand for eucalyptus seedlings projected to be 1.2 billion per annum for the next few years. Demand for pine also remains strong. However, a rapid escalation in production capacity across the sector in eucalyptus, particularly for market clones, has created increasing price volatility and higher customer quality demands.

Weather conditions also impacted on this year's results, with a severe drought mid-year reducing customer demand, followed by a significant demand spike which ArborGen was unable to fully optimise due to production interruptions and resource constraints as a result of the drought conditions.

There is a growing market for new, higher quality clones with higher yields that are also more resilient, and this presents an opportune landscape for ArborGen. Our superior trees offer higher yields and higher wood density than standard market clones, improved disease and insect resistance, and good drought tolerance.

We are moving quickly to leverage this demand, with investment into nurseries and orchard development to transform more product from market (unprotected) to protected clones. In the early years as production is transitioned to protected clones, yields are lower, resulting in a higher cost of sales, however, long term commercial fundamentals are strong.

In November 2024, we acquired an additional eucalyptus nursery business, and our production capacity now sits at over 150 million seedlings per year, through our own nurseries as well as contract growers.

We are continuing to identify new opportunities to both expand our production capacity in Brazil and across the broader South America region, as well as new product opportunities.

## Regional outlook

Market pressures are expected to continue, reflected primarily by a lower average selling price, however long-term demand trends remain strong.

Our volumes are expected to grow, driven by the increase in growing areas and seedling availability, with some impact on pricing from the current excess capacity and inventory of market clones.

We will continue to move more production to protected clones, with our sales team focused on transitioning customers to this higher value offering. Recent initiatives will help improve cost of sales and deliver yield improvements.

## Operating Strength

Over the past year, we have prioritised productivity and operating strength. Decisive steps have been taken to reduce costs, enhance operational efficiency and strengthen the balance sheet, with meaningful progress being made. As part of this, we sold the in vitro business and have more recently moved our head office into smaller premises, with our original building now for sale and currently being leased.

In Brazil, an operational reset was undertaken as the business scales up and matures. The steps we are taking now to strengthen our processes and operations will support the business as it continues its growth trajectory.

We continually monitor and review our seed orchards, production capacity and inventory. In Brazil, we have undertaken a recent mapping of nursery capacity and expansion opportunities, to add to our internal capacity, while in the US we have completed an update of our 10-year orchard plan and production estimates to ensure we remain aligned with market needs. As severe weather events, such as drought and hurricanes, become more common, we are building on our knowledge, and adapting our processes and planning to take these into account. The diversity and increasing expansion of our growing areas provides us with increased protection against weather events.

Our goal is to ensure we have adequate supply to produce the demand for advanced genetics seedlings, as well as at least two years' buffer seed to reduce reliance on single year cone harvests. In FY25, ArborGen achieved a modest year on year increase in overall MCP seed production in the US, with cones harvested in October 2024 producing a seed equivalent of 122 million seedlings. The total includes the largest harvest of MCP-2.0 to date, as well as an increased harvest for the Coastal provenance allowing us to build inventory for this region.

In both our businesses, we are continuously looking at how we can improve harvesting and pollinating processes to deliver greater efficiency and quality. This includes investigating how we can better utilise technology and automation across our business. Much of the industry is reliant on manual labour, from seed collection and planting to nursery maintenance and harvesting. However, the industry faces challenges such as labour shortages, rising costs, and the physical demands of repetitive tasks. The integration of technology, including automated harvesting, mechanised planting, and drone-assisted monitoring, presents a significant opportunity to enhance efficiency, reduce labour dependency, and improve seedling quality.

Our team comprises expert, experienced individuals who are contributing to the growth and success of our business. We have done a lot of work over the past year to build our culture, improve communication across our team, better connect our team with our corporate objectives and create a rewarding workplace. Safety remains a priority, with robust reporting processes and regular training sessions covering topics from vehicle safety to fire fighting and first aid.

## Outlook

ArborGen is a recognised leader in advanced genetics seedlings, delivering innovative solutions that drive success for forestry and landowners. Our expertise, investment in our business and recent focus on efficiency and productivity position us well for the future.

For FY26, we are targeting a return to the record earnings results delivered in FY24. As macro pressures ease, particularly in US, market demand is expected to increase and we expect an improvement in both revenue and gross margin. Recent work carried out to improve operational efficiency and management, particularly in Brazil, will benefit from FY26.

In Brazil, ArborGen's volumes are expected to grow, driven by increased growing areas and seedling availability, with some impact on pricing from the current excess capacity and inventory of market clones. ArborGen will continue to move more production to protected clones, with the sales team focused on transitioning customers to this higher value offering.

While market conditions in the US South are not expected to materially improve until at least the 2026 calendar year, some volume and revenue growth is expected in FY26, as a result of sales activity, market share gains and a focus on higher value products. The carbon market opportunity remains in its infancy, however, ArborGen is well positioned as the seedling supplier of choice for carbon offset projects.

Investment will continue into new product development, including protected clones and advanced genetic pine seeds, as well as expansion of container seedlings capacity to meet customer demand.

We would like to acknowledge and thank our team members who are making our business a success. We would also like to thank our customers, suppliers and shareholders for their support. We are privileged to have the trust of our customers and are committed to continuing to deliver high quality products and service that meets their needs.

ArborGen is a market leader, has a robust strategy in place and identified growth opportunities. Your Board remains focused on delivering value for our shareholders.

**Dave Knott**
Chairman

**Justin Birch**
Chief Executive Officer

23 June 2025

# Creating Value for Our Customers

## ArborGen's advanced genetics seedlings deliver increased value for forest owners.

We help landowners ensure the maximum productivity of their forests – providing outstanding growth and yield to address the world's growing need for wood, fibre and fuel. Our high-value products significantly improve the productivity of a given acre of forestry land and are transforming the forestry industry.

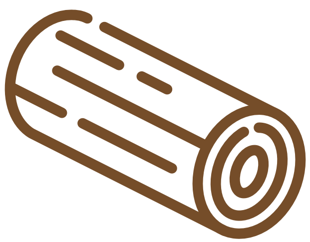
Not all control pollinated loblolly pine tree seedlings are created equal. By choosing ArborGen MCP loblolly pine seedlings, customers benefit from our decades of forest science, field trials and genetic gains.

We combine superior nursery management practices with advanced tree improvement to produce trait-specific superior trees resulting in higher returns for customers.

The longest, straightest, and strongest Southern loblolly pine are optimal for telephone/utility poles and demand the highest prices. Next in value is saw timber. Depending on seedling genetics and location, a final harvest can yield 70 to 140 tons per acre of sawtimber, which is considerably more valuable than pulp timber.

We are by our customers' side at every step of the process, helping to transform forests into even more valuable and profitable assets. Our team provides forestry expertise and customer service to ensure landowners get the most out of every tree they grow.

### ArborGen's advanced genetics seedlings deliver:

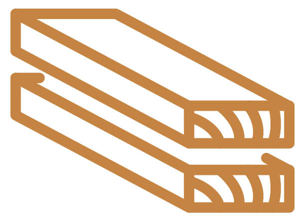


**Better log straightness & reduced forking**

**40%+ higher revenue**

**More disease resistance**

**50%+ greater net present value**



**60%+ more sawtimber at final harvest**

# Mass Control Pollinated (MCP®) Loblolly Development

Breeding, testing, selection

12 yrs

Orchard establishment

2 yrs

Orchard development

8–10 yrs

Seed development after pollination

2 yrs

To nursery for planting

1 yr

25 to 27 yrs

# Inside the MCP Bagging Process

The MCP seedlings bagging process is a critical step in ensuring controlled pollination and the production of elite genetics. MCP bags are carefully installed at the correct flower stage – before receptivity – to isolate them from external pollen sources. Once the flowers reach the optimal stage, each bag is pollinated a minimum of two times. This meticulous approach guarantees that each seedling benefits from a precisely controlled genetic combination, maximising future forest productivity.

## Safeguarding genetic integrity from start to finish

To prevent the accidental mixing of MCP and OP (Open Pollinated) cones, precise limb tagging is implemented. Each limb receiving an MCP bag is marked with a limb tag that remains in place for approximately 18 months, ensuring clear identification throughout the process—from bagging through to cone harvest. Only MCP cones are harvested above the limb tags, while OP cones are collected separately. This rigorous methodology protects the integrity of our high-value MCP cones and guarantees their genetic purity, reinforcing ArborGen's commitment to precision and innovation in genetic improvement.

## Innovation in the field

The team is continuously improving efficiency by refining standard operating procedures, testing different MCP bags, and advancing pollination equipment and pollen processing. A major innovation this year is the introduction of metered pollen guns, developed in collaboration with a specialised design company.

After years of testing, these devices are now being deployed across all our orchards, ensuring the precise application of pollen in every MCP bag. This breakthrough not only improves efficiency but also enhances the consistency of genetic results, marking a significant step forward in controlled pollination technology.

# Climate Resilience and Opportunities

ArborGen's operations are deeply tied to climate and weather conditions, particularly across our key geographies in the Southern United States and South America. Our seedling production cycle depends on stable, predictable weather - increasing climate-related risks such as hurricanes, droughts, heavy rainfall, flooding, frost, and extreme heat have the potential to significantly disrupt production schedules, damage infrastructure, and create challenges in labour availability and supply chain continuity.

With over 30 years of experience, ArborGen has built strong resilience capabilities. We have implemented targeted risk mitigation strategies – ranging from crop rotation and secure seed inventories to flexible planting schedules and diverse soil mixes – putting us in a strong position to navigate future risks and capitalise on opportunities.

Technology plays a central role in strengthening our climate resilience. We have invested $140,000 in drone technology, providing real-time crop health and seed inventory data that supports efficient, climate-resilient production and harvesting. A further $112,500 has been allocated to upgrade GPS mapping across 15 tractors, ensuring precision in field operations and alignment with natural and constructed drainage systems – crucial for preserving soil quality and managing water flow during extreme weather events.

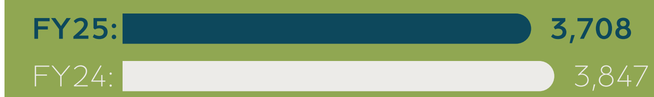
ArborGen continues to pursue orchard and nursery diversification across geography and age class, spreading risk and enhancing resilience. Labour availability, particularly during peak production periods, is increasingly affected by climate volatility; we mitigate this through strong supplier partnerships and are actively exploring automation to support business continuity.

Climate change also presents compelling growth opportunities. Rising global demand for carbon sequestration, sustainable forestry, and renewable materials such as timber aligns with ArborGen's long-term strategy. Additionally, financial mechanisms like green bonds and sustainability-linked loans may support future climate-aligned investments – for both ArborGen and our customers.

We remain committed to continuous improvement in climate risk management and adaptation. ArborGen's FY25 Climate-Related Disclosures Report will be available on our website by the end of July 2025.

Through sustained investment and science-led planning, ArborGen is well-positioned to thrive in a low-emissions, climate-resilient future.

Scope 1 & 2 Emissions (tCO2e) remained in line with the previous year. More than 60% of emissions are related to fuel use in our operations.



# Celebrating Our People

## Meet some of our team

### Beatriz Marion

**Brazil Financial Supervisor**

Born in Campinas, in the interior of São Paulo, Beatriz first joined ArborGen in 2017 as an intern as part of her college studies. Just six months later, she was hired into her first permanent role at the company, as Administrative Assistant. In the ensuing eight years, Beatriz has had four promotions, most recently to Financial Analyst in 2019 and then to Financial Supervisor, responsible for a team of five, in 2023.

"ArborGen opened doors and that's where I grew, emotionally and professionally. I know I can learn and grow even more, as part of a team, because no one does anything alone".

### Francisca de Assis Vieira Borges

**Coordinator**

With a background in administration, Francisca (known as Diá) had her first contact with a nursery in 2010 when she became a forest nurseryman in Eco Empreendimentos nursery (a company acquired by ArborGen in 2024). Within six months, she transitioned into an administrative role and became an Administrative Assistant the following year. After leaving to focus on her studies and gain experience in other sectors, Diá returned to Eco Empreendimentos in January 2023 as Nursery Supervisor, and was recently promoted to Coordinator.

Her role today is multifaceted: she oversees operational routines, ensures the quality of seedlings, manages documentation and reports, supports team coordination and planning, and helps integrate the nursery's practices with ArborGen's broader objectives. She is currently finishing a technical course in Administration and holds a degree in Accounting.

## Randy Purvis

**Senior Nursery Specialist**

Randy has been a dedicated team member at our Bellville nursey since 1986, beginning his career with Union Camp before transitioning to International Paper and ultimately ArborGen. Over the years, he has contributed across multiple areas including Seed Orchard Operations, Product Development, and currently, Nursery Operations. For more than 15 years, Randy has played a key role in developing and expanding the container production programme.

Known for his integrity, reliability, and leadership, Randy consistently sets a standard of excellence for his team. His work ethic and commitment require no oversight – confidence in his performance is a given. A lifelong resident of Georgia, Randy has also maintained a strong connection to agriculture, farming soybeans and corn throughout his life. His deep experience and dedication continue to be an invaluable asset to the ArborGen team.

## Betty Jo Hampton

**Senior Business Specialist**

BJ Hampton remains a cornerstone of the team at ArborGen's Bluff City Nursery in Nevada County, Arkansas. She began her career in 1980, just one week before the first pine seeds were sown at the nursery. For more than 25 years, she played a vital role in sowing each crop. For 45 years, she has managed the logistics and invoicing of over 2.1 billion pine and hardwood seedlings – an effort that continues with an additional 31.7 million seedlings projected for the upcoming crop year.

BJ's unmatched knowledge and dedication have helped support reforestation across millions of acres in Arkansas, Oklahoma, Texas, Louisiana, and beyond. With her reputation for strong personal connections with customers, BJ is the go-to expert for matching the right seedling to the right land. As her manager puts it, "To say BJ contributed to the success of the nursery business would be a great understatement – she pioneered it."

## Our Leadership Team

Our leadership team is made up of passionate and experienced professionals who bring a wealth of knowledge to ArborGen.

Their insights and expertise are fundamental to our success as we navigate the evolving landscape of our industry, ensuring we stay on track to achieve our goals and continue our growth.

Justin Birch
Group CEO
Joined: June 2023

Adriano Amaral de Almeida
General Manager, Operations, Brazil
Joined: August 2023

Christina Green
Chief Financial Officer
Joined: March 2024

Timothy Spreier
Vice President of Operations
Joined: March 2024

Patrick Cumbie
Vice President of
Product Development
Joined: July 2010

Jason Watson
Director, US Sales
Joined: August 2012

David Knott
Chairman[1]
Appointed 19 August 2021

George Adams
Independent Director
Appointed 12 August 2019

Thomas Avery
Independent Director
Appointed 18 July 2018

Ozey Horton
Independent Director
Appointed 11 July 2018

Paul Smart
Independent Director
Appointed 21 August 2018

(1) The Board has determined that Mr Knott is not an Independent Director as defined under the NZX Listing Rules because he is a substantial product holder of the Company.

## Our Board

ArborGen has a strong Board that provides robust governance and oversight of our strategy and organisation.

We report on our corporate governance framework and practices each year in our Annual Report. This can be viewed on pages 58 to 72. Key governance documents are available for viewing on our website.

ArborGen's Board comprises experienced Directors with a range of skills and expertise that are of benefit to our company. Director profiles can be viewed online at www.arborgenholdings.com/board-of-directors.

# Adjusted US GAAP Reconciliation

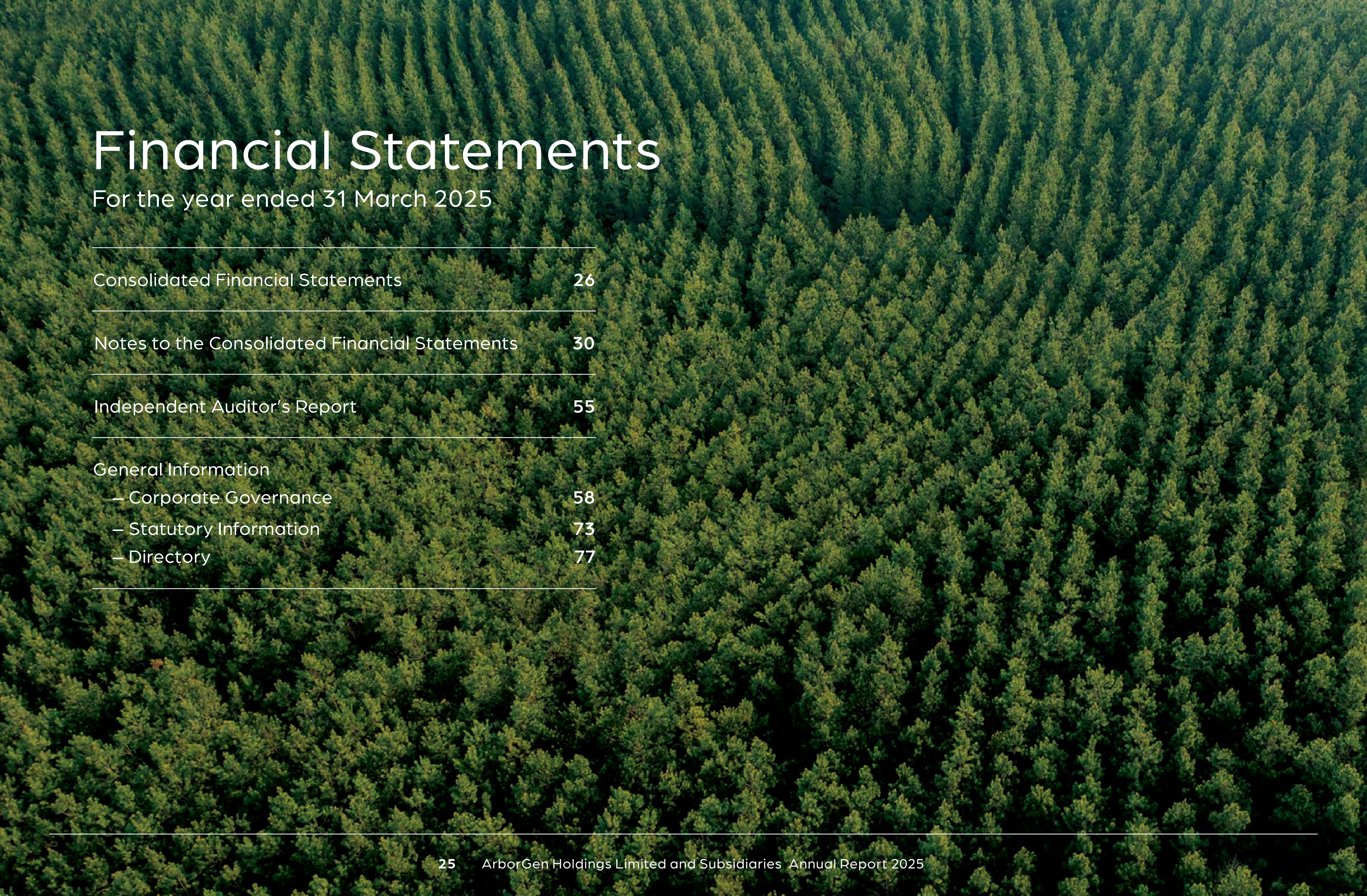
| Fiscal year ending March 2025 | | US$m |
|---|---|---|
| US GAAP | | |
| | Revenue | 63.2 |
| | Gross margin (excluding DDA) | 20.8 |
| Less | SG&A | (9.7) |
| Less | R&D | (3.0) |
| Plus | Other income (expense) | 3.0 |
| **US GAAP EBITDA (1,2)** | | **11.2** |
| Adjustments | Restructuring and other adjustments | 0.7 |
| | Reversal of prior year tax credits | (0.8) |
| | Gain on in vitro business sale | (2.2) |
| **Adjusted US GAAP EBITDA (3,4)** | | **8.8** |

(1) Under US GAAP, from a statutory reporting perspective, the classification of the expense items, and other significant items in this table may differ from what is presented in the financial statements.

(2) US GAAP EBITDA excludes NZ public company costs.

(3) Adjusted US GAAP EBITDA excludes one-off and unusual items which may include restructure costs, impairments and write downs on assets, acquisition/sale transaction costs and other one-off items. In FY25, one-off and unusual items were $2.4m including a cash $2.2m gain on sale of the in vitro business, tax credits and other costs.

(4) The Company uses Adjusted US GAAP EBITDA when discussing financial performance. This is a non-GAAP financial measure and is not recognised within IFRS. Non-GAAP financial measures should not be viewed in isolation nor considered as a substitute for measures reported in accordance with GAAP. Management believes that Adjusted US GAAP EBITDA provides useful information, as it is used internally to evaluate performance, and it is also a measure that equity analysts focus on for comparative company performance purposes, as the measure removes distortions caused by differences in asset age, depreciation policies and debt:equity structures.



# Financial Statements

For the year ended 31 March 2025

# Consolidated Income Statement

## For the year ended 31 March 2025

| | Notes | Year ended March 2025 US$m | Year ended March 2024 US$m |
|---|---|---|---|
| Revenue | 24 | 63.2 | 67.7 |
| Cost of sales | 7 | (45.0) | (43.7) |
| **Gross profit** | | **18.2** | **24.0** |
| Intellectual property amortisation | 7 | (6.1) | (7.7) |
| Administration expense | | (13.3) | (11.8) |
| **Operating earnings excluding items below** | | (1.2) | 4.5 |
| Impairment | 16 | (21.8) | – |
| CEO transition and other | 7 | – | (4.7) |
| Gain on sale | 7 | 2.2 | – |
| **Operating loss before financing expense** | | **(20.8)** | **(0.2)** |
| Financial income | | 0.3 | 0.4 |
| Financing expense | | (2.0) | (1.8) |
| **Loss before taxation** | | **(22.5)** | **(1.6)** |
| Tax benefit (expense) | 8 | 1.0 | 1.4 |
| **Net loss after tax** | | **(21.5)** | **(0.2)** |

| | | |
|---|---|---|
| Earnings per share | (0.0410) | (0.0004) |

The accompanying notes form part of, and are to be read in conjunction with, these consolidated financial statements.

# Consolidated Statement of Comprehensive Income

## For the year ended 31 March 2025

| | Notes | Year ended March 2025 US$m | Year ended March 2024 US$m |
|---|---|---|---|
| **Net loss after tax** | | **(21.5)** | **(0.2)** |
| Items that may be reclassified to the Consolidated Income Statement: | | | |
| Movement in currency translation reserve | 20 | (1.7) | 0.2 |
| Movement in hedge reserve | 20 | (0.3) | (0.1) |
| **Other comprehensive earnings (loss) (net of tax)** | | **(2.0)** | **0.1** |
| **Total comprehensive earnings (loss)** | | **(23.5)** | **(0.1)** |

ArborGen Holdings Limited and Subsidiaries

# Consolidated Statement of Changes in Equity

## For the year ended 31 March 2025

| | Notes | Year ended March 2025 US$m | Year ended March 2024 US$m |
|---|---|---|---|
| **Total comprehensive earnings (loss)** | | **(23.5)** | **(0.1)** |
| Movement in ArborGen Holdings shareholders' equity: | | | |
| Movement in issued capital | 19 | (0.2) | 0.4 |
| Movement in share-based payment reserve | 20 | (0.4) | 0.5 |
| Repurchase of warrants | 20 | – | (1.4) |
| **Total movement in shareholder equity** | | **(24.1)** | **(0.6)** |
| Opening Group equity | | 148.7 | 149.3 |
| **Closing Group equity** | | **124.6** | **148.7** |

The accompanying notes form part of, and are to be read in conjunction with, these consolidated financial statements.

# Consolidated Statement of Cash Flows

## For the year ended 31 March 2025

| | Notes | Year ended March 2025 US$m | Year ended March 2024 US$m |
|---|---|---|---|
| Cash was provided from operating activities | | | |
| Receipts from customers | | 64.4 | 67.1 |
| Cash provided from operating activities | | 64.4 | 67.1 |
| Payments to suppliers, employees and other | | (60.0) | (54.1) |
| Tax paid | | (1.7) | (1.3) |
| Cash (used in) operating activities | | (61.7) | (55.4) |
| **Net cash from operating activities** | | **2.7** | **11.7** |
| Interest received | | 0.3 | 0.4 |
| Proceeds on sale of fixed assets | 7 | 4.1 | – |
| Investment in fixed assets | 13 | (7.8) | (2.9) |
| Investment in intellectual property | 15 | – | (3.7) |
| **Net cash used in investing activities** | | **(3.4)** | **(6.2)** |
| Debt drawdowns | 18 | 28.5 | 13.2 |
| Repayment of lease liabilities | | (1.9) | (3.7) |
| Debt repayment | 18 | (24.0) | (18.9) |
| Interest paid | | (3.0) | (1.8) |
| Repurchase of warrants and/or share buyback | 19 | (0.5) | (1.4) |
| **Net cash used in financing activities** | | **(0.9)** | **(12.6)** |
| **Net movement in cash** | | **(1.6)** | **(7.1)** |
| Opening cash, liquid deposits and restricted cash | | 5.6 | 12.7 |
| Effect of exchange rate changes on net cash | | (0.5) | – |
| **Closing cash and cash equivalents** | 9 | **3.5** | **5.6** |

| | Notes | Year ended March 2025 US$m | Year ended March 2024 US$m |
|---|---|---|---|
| Net loss after taxation | | (21.5) | (0.2) |
| Adjustment for: | | | |
| Financial income | | (0.3) | (0.4) |
| Financing expense | | 2.0 | 1.8 |
| Depreciation and amortisation | | 10.3 | 11.6 |
| Tax (benefit) / expense | | (1.0) | (1.4) |
| Foreign exchange | | (0.5) | 0.1 |
| Other non cash items | | 21.8 | 0.1 |
| Cash flow from operations before net working capital movement | | 10.8 | 11.6 |
| Trade and other receivables | | (0.3) | 1.4 |
| Inventory | | (3.3) | (3.5) |
| Trade and other payables | | (2.8) | 3.6 |
| Net working capital movement | | (6.4) | 1.5 |
| Cash tax paid | | (1.7) | (1.4) |
| **Net cash from operating activities** | | **2.7** | **11.7** |

The accompanying notes form part of, and are to be read in conjunction with, these consolidated financial statements.

# Consolidated Balance Sheet

## As at 31 March 2025

| | Notes | March 2025 US$m | March 2024 US$m |
|---|---|---|---|
| **Current assets** | | | |
| Cash and cash equivalents | 9 | 3.5 | 5.6 |
| Trade and other receivables | 10 | 12.8 | 12.6 |
| Inventory | 11 | 38.4 | 35.1 |
| Assets held for sale | 13 | 13.6 | – |
| **Total current assets** | | **68.3** | **53.3** |
| **Non-current assets** | | | |
| Fixed assets | 13 | 27.6 | 36.6 |
| Derivative financial instruments | 5 & 27 | 0.3 | 0.6 |
| Right-of-use assets | 14 | 8.7 | 7.1 |
| Intellectual property | 15 & 16 | 60.2 | 88.9 |
| Deferred taxation asset | 12 | 10.4 | 10.8 |
| **Total non-current assets** | | **107.2** | **144.0** |
| **Total assets** | | **175.5** | **197.3** |
| **Current liabilities** | | | |
| Trade, other payables and provisions | 17 | (12.9) | (14.3) |
| Current lease obligation | 22 | (1.7) | (1.5) |
| Current debt | 18 | (1.8) | (1.2) |
| Current taxation liability | | (0.4) | (0.6) |

| | Notes | March 2025 US$m | March 2024 US$m |
|---|---|---|---|
| **Total current liabilities** | | **(16.8)** | **(17.6)** |
| **Term liabilities** | | | |
| Term debt | 18 | (22.6) | (18.8) |
| Lease obligation | 22 | (6.5) | (5.2) |
| Deferred taxation liability | 12 | (4.2) | (7.0) |
| Other (security deposit) | | (0.8) | – |
| **Total term liabilities** | | **(34.1)** | **(31.0)** |
| **Total liabilities** | | **(50.9)** | **(48.6)** |
| **Net assets** | | **124.6** | **148.7** |
| **Equity** | | | |
| Share capital | 19 | 203.2 | 203.4 |
| Reserves | 20 | (78.6) | (54.7) |
| **Total Group equity** | | **124.6** | **148.7** |

**Dave Knott**
Chairman of the Board

**Paul Smart**
Audit Committee Chairman

30 May 2025

The accompanying notes form part of, and are to be read in conjunction with, these consolidated financial statements.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 1. General Information

ArborGen Holdings Limited (ArborGen Holdings) is an international forestry genetics business. ArborGen Holdings, a limited liability company incorporated in New Zealand, is listed on the New Zealand stock exchange. As at 31 March 2025 ArborGen Holdings had one investment ArborGen Inc (100%).

## 2. Approval of Accounts

These consolidated financial statements have been prepared on a consolidated Group basis and were approved for issue by the Board of Directors on 30 May 2025.

## 3. Basis of Presentation

The financial statements presented are those of ArborGen Holdings Limited (the Company) and Subsidiaries (the Group).

***Basis of preparation***

The Company is an FMC reporting entity for the purposes of the Financial Reporting Act 2013 and Financial Markets Conduct Act 2013.

The presentation currency used in the preparation of these financial statements is United States dollars (US$), rounded to the nearest hundred thousand dollars.

***Basis of measurement***

The financial statements have been prepared on the historical cost basis with the exception of certain items as identified in specific accounting policies.

***Statement of compliance***

The financial statements have been prepared in accordance with New Zealand equivalents to IFRS Accounting Standards (NZ IFRS) and IFRS Accounting Standards. The financial statements are in compliance with NZ IFRS and IFRS Accounting Standards. The Group has designated itself as a profit-oriented entity for the purposes of compliance with NZ IFRS and IFRS Accounting Standards.

The financial statements have been prepared in accordance with the requirements of the Financial Markets Conduct Act 2013 and comply with generally accepted accounting practice in New Zealand (NZ GAAP).

***Chief operating decision-makers***

The chief operating decision-makers are the Board of Directors who jointly make strategic decisions for ArborGen Holdings.

## 4. Material Accounting Policies

**Accounting Policies**

All material accounting policies are set out on the following pages. There have been no changes made to accounting policies during the year. All mandatory amendments and interpretations have been adopted in the current year. None had a material impact on these financial statements.

At the date of authorisation of these financial statements, the Group has not applied the new and revised NZ IFRS standards and amendments that have been issued but are not yet effective. In May 2024, the New Zealand Accounting Standards Board introduced NZ IFRS 18 Presentation and Disclosure in Financial Statements (effective for reporting periods beginning on or after 1 January 2027). This standard replaces NZ IAS 1 Presentation of Financial Statements. The Group has not yet assessed the impact of NZ IFRS 18.

**Use of Estimates and Judgement**

The preparation of financial statements in conformity with NZ IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The principal areas of judgement in preparing these financial statements are:

***Deferred taxation (note 12)***

The measurement of deferred taxation assets and liabilities reflects the tax consequences that would follow from the manner that the Group expects, at balance date, to recover or settle the carrying amount of its assets and liabilities. The carrying values of tax assets and liabilities are also affected by the estimates and judgements.

***ArborGen cash generating unit impairment (note 16)***

The carrying value of the Group's non-current assets is assessed in accordance with the Impairment policy on page 43. Performing these assessments generally requires management to estimate future cash flows to be generated by the ArborGen cash generating unit ("CGU"), which entails making judgements about the expected future performance and cash flows of the CGU and the appropriate discount rate to apply when valuing future cash flows.

The carrying values of assets acquired are also affected by the estimates and judgements applied to capitalisation of developmental expenditure and the amortisation period for intellectual property of 17 years, see Intellectual property policy on page 43.

## Basis of Consolidation

***Subsidiaries***

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved when the Company:

- Has the power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. ArborGen is a subsidiary of ArborGen Holdings Limited.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

## Functional Currency

***Foreign operations***

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the functional currency). The consolidated financial statements are presented in US$ (the presentation currency).

The assets and liabilities of all the Group companies that have a functional currency that differs from the presentation currency, including goodwill and fair value adjustments arising on consolidation, are translated to the presentation currency at foreign exchange rates ruling at balance date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. All exchange differences arising from the translation of foreign operations are recognised in the foreign currency translation reserve.

### *Transactions*

Transactions in currencies other than the functional currency are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in currencies other than the functional currency at balance date are translated to the functional currency at the foreign exchange rate ruling at that date, with foreign exchange differences arising on translation being recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a currency other than the functional currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities that are stated at fair value in a currency other than the functional currency are translated using the exchange rate ruling at the date the fair value was determined

## Valuation of Assets

### *Land, buildings, plant and equipment*

Land, buildings, plant and equipment are stated at historical cost less accumulated depreciation and impairment. Land is not depreciated. Depreciation on other fixed assets is calculated using the straight-line method. Expected useful lives are:

| | |
|---|---|
| Buildings | 25 to 40 years |
| Plant and equipment | 3 to 15 years. |

### *Inventory*

Trading inventory, raw materials and work in progress are valued at the lower of cost or net realisable value. Cost includes direct costs and overheads at normal operating levels and excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable selling costs.

### *Intellectual property*

Intellectual property is amortised over the useful life of the assets. Intellectual property relates primarily to output from ArborGen Inc's research and development activities and is reviewed at least annually for impairment. In line with our policy, we have reviewed the useful life each balance date and adjusted if appropriate. The useful life of intellectual property has been assessed as 17 years. In assessing the useful life we considered the advancements in technology, such as genomics, and the ability of these new technologies to impact the product development lifecycle. Whilst we still believe there are significant technological difficulties in replicating our advanced genetics products, we believe that these new technologies potentially impact the product development life cycle. These new technologies will also benefit ArborGen increasing our ability to accelerate new product development. Consequently, we believe that a useful life of 17 years is appropriate.

### *Trade and other receivables*

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for expected credit losses.

The Company applies the simplified approach to measuring expected credit losses which uses a lifetime expected credit loss allowance for all trade receivables as they all display the same risk profile. The measurement of expected credit losses is a function of the probability of default, loss given default and the exposure at default. The Company considers an event of default as occurring when information obtained (internally and externally) indicates a debtor is unlikely to pay its creditors including the Company. The assessment of the probability of default and loss given default is based on historical data adjusted by forward looking information relating to the debtor and general economic conditions of the debtors. As for the exposure at default, this is represented by the assets' gross carrying amount at the reporting date.

### *Cash and cash equivalents*

Cash and cash equivalents comprises cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

***Assets held for sale and discontinued operations***

Assets held for sale are assets whose carrying value will be recovered principally through sale rather than through continuing use. Assets held for sale are stated at the lower of their carrying amount and fair value less costs to sell and are not depreciated or amortised while they are classified as held for sale.

A discontinued operation is a component of the Group's business that represents a separate major line of business. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

***Impairment – non financial assets***

The carrying amounts of the Group's assets are reviewed regularly, including at each reporting date, to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount, an impairment loss is recognised. Impairment losses are recognised in the income statement.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units, and then to reduce the carrying amount of other assets in the cash-generating unit on a pro-rata basis.

The recoverable amount of non-financial assets is the greater of their fair value less costs to sell or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. With the exception of goodwill, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## Valuation of Liabilities

***Trade and other payables***

Trade and other payables are stated at amortised cost.

***Provisions***

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the Group's best estimate of the expenditure required to settle the present obligation. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

***Interest-bearing borrowings***

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest rate basis.

***Deferred income tax***

Deferred income tax is provided in full, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting, nor taxable, profit or loss nor gives rise to equal taxable or deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. The measurement of deferred taxation assets and liabilities reflects the tax consequences that would follow from the manner that the Group expects, at balance date, to recover or settle the carrying amount of its assets and liabilities. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

### *Hedge accounting*

The Group designates certain derivatives as hedging instruments in respect of cash flow hedges. Interest rate swaps hedging interest rate exposure on issued debt are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationship meets all of the following hedge effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument;
- The effect of credit risk does not dominate the value changes that result from that economic relationship; and
- The Group applies a hedge ratio of 1:1.

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in other comprehensive income and accumulated in cash flow hedge reserve at that time remains in equity and is reclassified to profit or loss when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in the cash flow hedge reserve is reclassified immediately to profit or loss.

### *Items carried at fair value*

The items which are carried at fair value include derivative financial instruments. These items are classified into the following levels in the fair value measurement hierarchy:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## Income Determination

### *Revenue recognition*

Revenue is measured based on consideration specified in a contract with a customer and is recognised when control over a good or service transfers to a customer. Revenue excludes amounts collected on behalf of third parties and is net of any value added tax, rebates, returns and discounts, and after eliminating sales within the Group.

The Group's revenues are earned from the sale of seedlings or treestocks and logistics services to some customers. Seedling or treestock revenue is recognised, either when the goods are dispatched or when goods have reached their destination, depending on the terms and agreements with customers and when documentary evidence supports the customer taking ownership and control of the product. Logistics and other services revenue is recognised over the period the service is provided.

***Goods sold***

Revenue from the sale of goods is recognised in the income statement when control over a good or service transfers to a customer. Products are generally sold with volume discounts and customers have a right to return faulty product. Sales are recorded based on the price negotiated with the customer, net of estimated volume discounts and returns. Historical experience is used to estimate the level of returns likely and volume rebates are calculated on a preset formula.

***Government grants***

Government grants are not recognised until there is reasonable assurance that the grants will be received and that the Group will comply with the conditions attaching to them. Government grants are recognised in the income statement on a systematic basis over the periods in which the Group recognises as an expense the related costs for which the grants are intended to compensate.

***Investment income***

Interest income is recognised in the income statement as it accrues, using the effective interest method.

***Finance expense***

Finance expenses comprise interest payable on borrowings calculated using the effective interest method.

***Leases***

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a Right-Of-Use (ROU) asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related ROU asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in these cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

The ROU assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated over the shorter period of the lease term and useful life of the underlying asset. The estimated useful lives of ROU assets are determined on the same basis as similar owned assets within fixed assets. If a lease transfers ownership of the underlying asset or the cost of the ROU asset reflects that the Group expects to exercise a purchase option, the related ROU asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The ROU assets are presented as a separate line in the consolidated statement of financial position.

The Group applies NZ IAS 36 to determine whether a ROU asset is impaired and accounts for any identified impairment loss as described in the 'Impairment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the ROU asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

In the event a right is exercised for a purchase option in a lease to acquire the underlying asset from the lessor the cost of the underlying asset (recognised as an item of property, plant and equipment) is measured at the net carrying amount of the ROU asset at the time of transfer.

***Research and development costs***

All research costs are recognised as an expense when incurred.

***Income tax***

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at balance date, and any adjustment to tax payable in respect of previous years.

## Employee Benefits

***Share-based payments***

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards.

***Short-term and other long-term employee benefits***

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

**Segmental Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The Group has one reportable segment, being forestry genetics. The Group's geographical disclosures are based on both the location of customers and primary location of assets (refer to note 24 segmental information summary).

**Goods and Services Tax (GST)**

The income statement, statement of comprehensive income and statement of cash flow have been presented exclusive of GST. All items in the balance sheet are stated net of GST, except for receivables and payables, which include GST invoiced.

**Comparatives**

There have been no changes to prior year comparatives.

**Future NZ IFRS Pronouncements**

*Standards or interpretations issued but not yet effective and relevant to the Group.*

## 5. Financial Risks

This note presents information about the Group's potential exposure to financial risks that the Group has identified; the Group's objectives, policies and processes for managing those risks; the estimation of fair values of financial instruments; and the Group's management of capital. Quantitative disclosures of some of the key financial risks are made below.

*5.1 Foreign exchange risk*

Both ArborGen Holdings and ArborGen Inc are US functional currency entities, operating in three geographies – the United States, Brazil and New Zealand. Generally, there are limited cash flows between New Zealand and the US, and the foreign exchange risk is limited to the translation effect on its net earnings and balance sheet from movements in the USD against the NZD.

*5.2 Credit risk*

The Group is at risk of customer default on payment for treestocks at the conclusion of a growing season. This risk is mitigated by dealing with a wide-range of customers in multiple markets and by securing up-front deposits from selected customers for the treestocks it grows each year. The nature of nursery activity is such that its customers tend to require yearly repeat business, and historically customer payment defaults have not been material to the business. However, in the US market (the Group's largest market), as treestock orders are not considered to be unconditional until late in the season each year, there remains the risk that orders cancelled prior to collection may not be able to be sold to other customers during the remaining season.

*5.3 Liquidity risk*

The Group has four banking facilities (in total $35.8 million (2024: $37.0 million)) with two banks in the United States; a $7.2 million reducing loan (2024: $7.9 million) which matures in May 2036, a new facility for $2.5 million for the purchase of Texas Jasper nursery in March 2024 which matures in March 2044, a $17 million revolver which expires in August 2026 (2024: $17 million) and a $9.1 million mortgage expiring in August 2026 (2024: $9.6 million).

These facilities are used to fund the Group's working capital and capital expenditure needs. If any of these facilities were not to be renewed then the Group may need to obtain similar facilities from other banks, or an equivalent amount of funding may need to be provided through a capital raising event.

Liquidity risk management requires the maintenance of available cash combined with the availability of funding to meet the Company's needs as they develop. Forecasts are prepared of cash requirements to ensure there are financial resources in place to meet its day-to-day operating and investment needs. The Group believes it has sufficient resources to meet its funding needs through to 31 May 2026.

### 5.4 *Interest rate risk*

The Group has facilities that are either fixed or floating depending on their nature and use. Fixed interest rate facilities include the $10.4 million reducing loan facilities and the $9.6 million mortgage facility fixed via an interest rate swap. The US revolver facility is a floating rate facility. Both the mortgage and revolver facilities have the interest rate based on the Secured Overnight Financing Rate (SOFR), converting from London Interbank Offered Rate (LIBOR) to SOFR in November 2022.

*Interest rate swap contracts*

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt held and the cash flow exposures on the issued variable rate debt held. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the curves at the reporting date and the credit risk inherent in the contract, and is disclosed below. The average interest rate is based on the outstanding balances at the end of the financial year.

The Group adopts a policy of ensuring that between 50% and 80% of its interest rate risk exposure is at a fixed rate. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at a floating rate and using interest rate swaps as hedges of the variability in cash flows attributable to movements in interest rates. The Group applies a hedge ratio of 1:1.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional or par amounts. The Group assesses whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

As at 31 March 2024, the Group had one interest rate swap with a notional amount of $9.1 million (2023: $9.6 million), covering the US head office property mortgage facility. The swap, entered into in August 2019 and expiring in August 2026, receives a floating rate of 2.00% above 30-day SOFR and pays a fixed interest rate of 3.52%. This swap is designated a cash flow hedge, is fully effective with the counterparty being Synovus the issuing bank.

### 5.5 *Capital risk*

ArborGen Holdings capital includes share capital, reserves and retained earnings, and ArborGen Holdings manages capital in such a manner as to maintain stakeholder confidence and safeguard ArborGen Holdings' ability to continue as a going concern, whilst also maximising the return for shareholders and sustaining resources for the future development of the business. In order to maintain or adjust the capital structure ArborGen Holdings may, pay dividends or return capital, or issue new shares or sell assets.

## 6. Reporting Currency

The Group reports in United States dollars (US$), consequently all financial numbers are in US$ unless otherwise stated.

## 7. Operating Expenses Include

| | Note | Year ended March 2025 US$m | Year ended March 2024 US$m |
|---|---|---|---|
| Depreciation and amortisation included in: | | | |
| Cost of sales expense | | (2.8) | (2.9) |
| Intellectual property amortisation | 15 | (6.2) | (7.7) |
| Administration expense: general and administration | | (0.9) | (1.0) |
| Total depreciation and amortisation | | (9.9) | (11.6) |
| Cost of inventory expensed in cost of sales | | (45.0) | (43.7) |
| Employee related expenses (excluding restructuring and transaction-related expenses) | | (15.0) | (15.5) |
| In vitro sale [1] | | 2.2 | – |
| Seed provision [2] | | – | (1.8) |
| Value added taxation – valuation allowance [3] | | 0.2 | (1.0) |
| CEO transition costs [4] | | – | (1.9) |
| CEO transition and other | | 2.4 | (4.7) |

(1) ArborGen sold its in vitro business which resulted in a gain on sale of $2.2 million.

(2) FY24 seed provision.

(3) In FY24, a valuation allowance has been applied to certain value added taxation credits that, due to uncertainty may not be collectable. In FY25, these taxation credits were filed and deemed as valid via Brazil tax guidance via tax consultants and filed for utilisation with appropriate authorities.

(4) No provisions for FY25.

Expenses incurred also includes payments made and accrued for:

- Directors fees for Non-executive Directors of ArborGen Holdings for the current period of $146,305 (2024: $163,440).
- The statutory audit of the annual financial statements in the current period on a Group level US$260,000 (2024: Audit fees paid to previous auditor at a Group level $324,690).
- Other assurance services GHG Climate Reporting – $55,000 (2024: nil).
- Refer to Reporting and Disclosure and Auditors in the Corporate Governance section of the Annual Report for commentary on the Audit Committee process in managing the relationship with the Auditor and confirming their independence.

## 8. Income Tax Expense

| | Note | Year ended March 2025 US$m | Year ended March 2024 US$m |
|---|---|---|---|
| Profit (loss) before taxation | | (22.5) | (1.6) |
| Taxation at 28% | | 6.3 | 0.4 |
| Adjusted for: | | | |
| Permanent differences | | (6.1) | (1.9) |
| Timing differences | | 0.2 | – |
| Change in deferred tax liability (1) | 12 | 1.1 | 1.6 |
| Change in deferred tax asset | 12 | – | 1.3 |
| Rate differential | | (0.5) | – |
| **Taxation (expense) / benefit** | | **1.0** | **1.4** |

(1) Deferred taxation relates to the temporary differences on intellectual property.

## 9. Cash, Liquid Deposits and Restricted Cash

At 31 March the Group held total cash and liquid deposits of $3.5 million (2024: $5.6 million).

## 10. Trade and Other Receivables

| | March 2025 US$m | March 2024 US$m |
|---|---|---|
| Trade debtors | 10.0 | 10.5 |
| Prepayments | 2.7 | 2.1 |
| Other receivables | 0.1 | – |
| **Trade and other receivables** | **12.8** | **12.6** |

Details of the expected credit loss provision associated with trade debtors have been considered in note 27.

## 11. Inventory

| | March 2025 US$m | March 2024 US$m |
|---|---|---|
| Finished goods – seedlings | 4.1 | 4.3 |
| Work in progress – seedlings (1) | 2.3 | 2.1 |
| Finished goods – seed | 22.6 | 19.0 |
| Work in progress – seed (2) | 9.4 | 9.7 |
| **Inventory** | **38.4** | **35.1** |

(1) Work in progress – seedlings, is principally preparation costs for seedling crops.

(2) Work in progress – seed, is principally costs associated with seed production activities and harvesting seed to be sown as a future crop.

## 12. Deferred Taxation

| | Note | Balance 1 April 2023 US$m | Movement in period US$m | Balance 31 March 2024 US$m |
|---|---|---|---|---|
| **Deferred taxation asset** | | | | |
| Net operating losses | 8 | 9.5 | 1.3 | 10.8 |
| **Deferred taxation asset as at 31 March 2024** | | **9.5** | **1.3** | **10.8** |
| **Deferred taxation liability** | | | | |
| Intellectual property | 8 | (8.6) | 1.6 | (7.0) |
| **Deferred taxation liability as at 31 March 2024** | | **(8.6)** | **1.6** | **(7.0)** |

| | Note | Balance 1 April 2024 US$m | Movement in period US$m | Balance 31 March 2025 US$m |
|---|---|---|---|---|
| **Deferred taxation asset** | | | | |
| Net operating losses | 8 | 10.8 | (0.4) | 10.4 |
| **Deferred taxation asset as at 31 March 2025** | | **10.8** | **(0.4)** | **10.4** |
| **Deferred taxation liability** | | | | |
| Intellectual property | 8 | (7.0) | 2.8 | (4.2) |
| **Deferred taxation liability as at 31 March 2025** | | **(7.0)** | **2.8** | **(4.2)** |

ArborGen measures it's deferred tax liability for the temporary difference arising on intellectual property to reflect the tax consequences that would follow from the manner that the Group expects to recover the carrying amount of the intellectual property. This is based on an assumption that there may be a sale prior to the end of its useful life.

The Group has unrecognised tax losses in New Zealand of $31.0 million (2024: $31.2 million) and $20.2 million in the US (2024: $21.2 million).

## 13. Fixed Assets

| | March 2025 US$m | March 2024 US$m |
|---|---|---|
| Cost | | |
| Land | 12.9 | 12.9 |
| Buildings | 9.8 | 24.8 |
| Plant and equipment | 11.3 | 7.4 |
| Total cost | 34.0 | 45.1 |
| Accumulated depreciation | | |
| Buildings | (3.7) | (6.0) |
| Plant and equipment | (2.7) | (2.5) |
| Total accumulated depreciation | (6.4) | (8.5) |
| Net book value | | |
| Land | 12.9 | 12.9 |
| Buildings | 6.1 | 18.8 |
| Plant and equipment | 8.6 | 4.9 |
| **Fixed assets net book value** | **27.6** | **36.6** |
| Domicile of fixed assets | | |
| United States | 23.7 | 34.7 |
| Brazil | 3.9 | 1.9 |
| **Fixed assets net book value** | **27.6** | **36.6** |

| Fixed assets net book value | Land US$m | Buildings US$m | Plant and equipment US$m | Total US$m |
|---|---|---|---|---|
| **31 March 2024** | | | | |
| Opening net book value | 11.6 | 18.7 | 3.2 | 33.5 |
| Additions | – | 0.9 | 2.0 | 2.9 |
| Transfer of Texas Jasper from ROU assets (1) | 1.3 | 0.5 | 0.3 | 2.1 |
| Sale of assets (1) | – | (0.3) | – | (0.3) |
| Depreciation charge | – | (1.0) | (0.6) | (1.6) |
| **Fixed assets net book value as at 31 March 2024** | **12.9** | **18.8** | **4.9** | **36.6** |
| **31 March 2025** | | | | |
| Opening net book value | 12.9 | 18.8 | 4.9 | 36.6 |
| Exchange differences | – | – | (0.2) | (0.2) |
| Additions (3) | 0.6 | 1.6 | 5.5 | 7.7 |
| Transfer of assets held for sale to current assets (2) | (0.6) | (13.0) | – | (13.6) |
| Disposal of assets | – | (0.1) | (0.4) | (0.5) |
| Depreciation charge | – | (1.2) | (1.2) | (2.4) |
| **Fixed assets net book value as at 31 March 2025** | **12.9** | **6.1** | **8.6** | **27.6** |

(1) Includes the acquisition in March 2024 of the Texas Jasper lease that was formerly a right-of-use asset. Refer to note 14.

Prior to acquisition, these premises were recognised on the Group balance sheet as a finance lease asset and as a lease obligation. The value of the leased asset transferred at acquisition was $10.3 million. Refer to note 14.

(2) ArborGen's US headquarters building is currently up for sale. Refer to note 29.

(3) Includes the Teresina nursery acquisition in Brazil.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 14. Right-Of-Use Assets

| Right-of-use assets net book value | Land and Buildings US$m | Plant and Equipment US$m | Total US$m |
|---|---|---|---|
| **31 March 2024** | | | |
| Opening net book value | 3.3 | 1.6 | 4.9 |
| Additions | 4.5 | 2.1 | 6.6 |
| Transfer of Texas Jasper to fixed assets [(1)] | (1.7) | (0.4) | (2.1) |
| Depreciation charge | (1.0) | (1.3) | (2.3) |
| **Right-of-use assets net book value as at 31 March 2024** | **5.1** | **2.0** | **7.1** |
| **31 March 2025** | | | |
| Opening net book value | 5.1 | 2.0 | 7.1 |
| Additions | 2.0 | 1.6 | 3.6 |
| Disposals | (0.2) | – | (0.2) |
| Depreciation charge | (0.9) | (0.9) | (1.8) |
| **Right-of-use assets net book value as at 31 March 2025** | **6.0** | **2.7** | **8.7** |

(1) In March 2024, the Texas Jasper lease was converted from leasehold to an owned asset. Refer to note 13.

## 15. Intellectual Property

| | Note | March 2025 US$m | March 2024 US$m |
|---|---|---|---|
| Opening balance | | 88.9 | 92.9 |
| Impairment | 16 | (21.8) | – |
| Disposal of Asset [(1)] | | (0.8) | – |
| Capitalisation during period | | – | 3.7 |
| Amortisation during period | 7 | (6.1) | (7.7) |
| **Intellectual property** | | **60.2** | **88.9** |
| Total cost | | 104.3 | 133.6 |
| Accumulated amortisations | | (44.1) | (44.7) |
| **Intellectual property** | | **60.2** | **88.9** |

(1) Related to the ammortisation of the IP associated with the in vitro business which was sold in FY24.

## 16. ArborGen Investment and Impairment

We regularly review the carrying value of ArborGen as a single cash generating unit to determine whether there has been a subsequent change in circumstances or conditions that requires an impairment to be taken through earnings. Our impairment review is undertaken on a 'Value-in-use' (VIU) basis, which is the estimated value that would be derived from our continued ownership and operation of the ArborGen business.

For the year ending 31 March 2025, (in line with the March 2024 approach) the 10-year model was updated to reflect; Forest Economic Adviser's (FEA) latest demand projections for saw timber in the US South, revised MCP sales, inflationary impact on production costs, and consistent Brazil performance. As of 31 March 2025, net assets were $140 million with a market capitalisation of $41 million. Given the gap between the market capitalisation and the net assets, ArborGen is required to complete an impairment test for the Group.

Consistent with the approach taken in the prior year, our impairment analysis utilises a 10-year plus terminal DCF valuation model. We use a 10-year period rather than a shorter period because ArborGen's advanced genetics products in the US market (the largest and most material market) are in the earlier stages of supply availability and adoption, and hence this period of time is deemed appropriate to adequately capture the scale-up of advanced genetics supply and adoption in the US. The same holds true for ArborGen's Brazil position where projected growth in in advanced genetic sales, market share expansion and continued recovery in the forestry sector, necessitate the use of a 10-year model.

ArborGen can be impacted by climate risk and has a number of risk mitigation strategies in place, the costs of the mitigation strategies are captured in the model in annual capital expenditure and in the cost of production. Risks are also captured in the cost of equity calculation which impacts valuation. Key risks relate to seedling production in nurseries and seed production in seed orchards.

Seedling production risks include:

- Excessive sudden rains during the first 4-6 weeks post planting resulting in seed washouts and seedling losses;
- Freeze damage before and during lifting causing root damage; and
- Hot, dry conditions impacting seed germination.

ArborGen has a number of risk mitigation strategies including the installation of tiling in nurseries, modification of nursery topographies, improvements to soil glue rates and application processes like post seed sowing to minimise washouts, use of Monosem planters, improving soil medium in containers to reduce washouts, planting buffer seedlings as part of the production plan, ensuring seed sowing is completed by late April and avoiding planting in identified areas of nurseries with poor irrigation.

Risks relating to seed orchards include freezes during pollination season, reducing annual seed volumes / harvests and hurricanes or other large-weather events. Key risk mitigation strategies include building buffer seed inventory in the right genetics for each provenance, ensuring orchard diversification for each provenance – geographic and age class, and maintaining redundant orchard capacity.

To ensure we have adequate seed each year to produce the volume of advanced genetics' seedlings required to meet demand and desired sales growth, we are targeting to build at least two years of seed inventory for each provenance thereby minimising reliance on single year cone harvests.

Our DCF impairment model values only the projected cash flows from the existing core markets (ie United States and Brazil). Separate demand projections are determined for each geography and end-use market. The total addressable seedling market for each geography is then estimated, as it seedling type, production technology employed, production costs and sales price.

The assumptions that have been utilised to derive the cash flows, are:

- Minimal organic growth in ArborGen's US loblolly market share;
- Flat to medium longer-term growth with some declines in the overall and addressable US loblolly market consistent with projections from FEA;
- Minimal 'real' price increases in individual US seedling products given the slower projected recovery in US sawn timber prices;
- Increasing inflationary only (3%) OP and MCP weighted average prices;
- Medium growth in the overall Brazilian eucalyptus forestry markets from current levels;
- That in the terminal year ArborGen's total advanced genetics seedling sales in the US represent 52% MCP adoption rate of its US Loblolly Pine;
- Continued expansion of ArborGen's eucalyptus offering leveraging licensed eucalyptus clones, and ArborGen's own advanced products;
- ArborGen's advanced genetics sales as a percentage of its total eucalyptus in Brazil approaching 80% in the terminal year.

These cash flows are discounted at a cost of capital that reflects the underlying risk inherent in the cash flow assumptions. The discount rate was calculated using the following: Capital Asset Price Model (CAPM) and the cost of debt based on the risk-free rate plus the option adjusted spread for BBB rated bonds.

Specifically, we used a nominal post-tax discount rate of 12.7%. The cost of equity uses the average beta of guideline public companies from the timberland and ag/biotech sectors (considered similar to ArborGen in terms of sector exposure) of 0.98, and included a "small company" size premium of 5% to reflect ArborGen's relative size, as well as a country risk premium for Brazil. The derived cost of equity for the US was 13.7% and 17% for Brazil, and the derived cost of debt (post-tax) was 4.48%. A terminal nominal growth rate of 3% (i.e. 0% real terminal growth) was assumed.

The current market conditions and the medium-term outlook indicates the growth and uptake in MCP maybe lower than previously forecasted. There have been key changes to overall market dynamics with marginal growth. Economic headwinds are continuing to impact the industry, particularly the residential building market resulting in lower demand. The FEA projections show a much slower rebound with no significant change until 2027.

As a means of assessing the sensitivity of the model to changes in assumptions, the MCP adoption rate was analysed along with some other factors. The uptake of the advanced genetic seedlings sales in the US loblolly market (ie MCP adoption rate) is a key assumption in the model. This uptake progressively increases throughout the forecast period to the terminal year where it is assumed this uptake reaches 52% from FY26 of 41%.

The results of the assessment of impairment testing calculations are most sensitive to advance genetics MCP uptake, changes in discount rate, price sensitivities and long-term growth rates.

Taking the above into consideration, the impairment test resulted in an impairment of $21.8 million, which resulted in a decrease in the carrying amount of Intellectual Property. This is shown in the consolidated statement of comprehensive income and in the segment note (note 24).

The two tables below show the impact on carrying values if some of these key assumptions change:

| **Terminal year sensitivities equity value impact (increase/decrease) US$ millions (excl MCP)** | | **Equity Value** | **Amount over (under) carrying value** | **Delta from Base** |
|---|---|---|---|---|
| | Base | **140.4** | **10.5** | |
| 2% discount rate change | | 115.2 | (14.8) | 25.3 |
| 5% discount rate change | | 89.2 | (51.3) | 61.8 |
| 1% growth rate factor (vs 3%) | | 124.8 | (5.1) | 15.6 |
| 2% inflationary price (vs 3%) | | 109.4 | (20.6) | 31.1 |

| **Terminal year sensitivities equity value impact (increase/decrease) US$ millions – MCP Adoption Rate** | | **Equity value change by** | |
|---|---|---|---|
| | | (Impairment) | Variation to Base |
| MCP Terminal Adoption Rate | 53% | 10.5 | |
| | 47% | (15.3) | (25.8) |
| | 45% | (19.6) | (4.3) |
| | 43% | (24.1) | (4.5) |
| | 41% | (28.8) | (4.7) |
| | **Average** | (22.0) | |

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 17. Trade, Other Payables and Provisions

| | March 2025 US$m | March 2024 US$m |
|---|---|---|
| Trade creditors | (8.1) | (8.2) |
| Accrued employee benefits [1] | (1.9) | (2.8) |
| Other payables | (1.3) | (1.5) |
| Royalties | (0.7) | (0.6) |
| Seedling mortality | (0.1) | (0.1) |
| Seedling deposits from customers [2] | (0.8) | (1.1) |
| **Trade, other payables and provisions** | **(12.9)** | **(14.3)** |

(1) Includes accrued expense of $0.3 million for FY25 being the cash component of the CEO's LTI plan. Refer notes 20 and 25.

(2) The deposits from customers will be recognised as revenue within 12 months as the seedlings are transferred to the customer.

## 18. Term and Current Debt

| Summary of repayment terms | March 2025 US$m | March 2024 US$m |
|---|---|---|
| Due for repayment: | | |
| less than one year | (1.8) | (1.2) |
| between one and two years | (13.9) | (1.1) |
| between two and three years | (1.0) | (10.7) |
| between three and four years | (0.7) | (1.2) |
| between four and five years | (0.7) | (1.2) |
| after five years | (6.3) | (4.6) |
| **Total term and current debt** | **(24.4)** | **(20.0)** |

| Summary of interest rates by repayment period | March 2025 | March 2024 |
|---|---|---|
| Due for repayment: | | |
| less than one year | 5.49% | 5.51% |
| between one and two years | 4.95% | 5.53% |
| between two and three years | 5.82% | 4.85% |
| between three and four years | 5.87% | 4.87% |
| between four and five years | 5.93% | 4.91% |
| after five years | 5.99% | 4.71% |
| **Current debt – weighted average interest rate** | **5.49%** | **5.51%** |
| **Term debt – weighted average interest rate** | **4.90%** | **4.65%** |

The weighted average interest rates reflect the effective interest rate, inclusive of fee amortisations.

At 31 March 2025 the Group had debt facilities with the following banks: Synovus Financial Corporation (Synovus) and AgSouth Farm Credit (AgSouth) in the United States.

ArborGen has two non-revolving promissory notes issued to AgSouth. The first is for $7.9 million bearing interest at 4.95%, with a maturity date of 1 May 2036 and an annual principal repayment of $0.6 million due 1 May each year. The second is a $2.5 million facility, bearing interest at 8.2%, with a maturity date of 1 March 2044 and an annual principal repayment of $0.26 million due 1 March each year. Both facilities are secured against ArborGen's US real estate properties. The credit agreement with AgSouth includes a covenant requiring ArborGen to maintain a minimum net worth of $25 million.

ArborGen's revolving facility agreement with Synovus is a $17 million letter of credit (LOC), with an expiry date of 15 June 2026. The facility requires an annual 60-day (continuous) pay down maximum borrowing limit (between 1 March and 1 August) to $7 million. The LOC bears interest at the 30 day SOFR base rate plus 2.75%, subject to a minimum annual rate of 4.75%, and is collateralised by all of ArborGen Inc's United States assets not otherwise pledged under the AgSouth agreement.

Rubicon Industries USA LLC (RIUSA) has a $9.1 million mortgage from Synovus, which is secured by headquarters' land and buildings. The mortgage is a seven-year term facility that expires in August 2026 and is based on a 20-year amortising loan, incurring interest at the 30-day SOFR base rate plus 2% (currently 6.33%). The Group has entered into a seven-year interest rate swap, with terms that match that of the mortgage, at a fixed rate of 3.52%. The mortgage requires RIUSA to maintain a debt service coverage ratio of not less than 1.25:1 for the trailing 12 months.

At 31 March 2025 the Group held cash and liquid deposits of $3.5 million (2024: $5.6 million) and had debt of $24.4 million and lease liabilities of $8.2 million (2024: $25.7 million of debt and $4.9 million of lease obligations).

All covenants were met for the year ended 31 March 2025.

## 19. Capital

| Share capital | March 2025 US$m | March 2024 US$m |
|---|---|---|
| Share capital at the beginning of the period | 203.4 | 203.8 |
| Redeem shares [2] | (0.5) | – |
| Vesting of shares – share plans [1] | 0.3 | 0.4 |
| **Share capital** | **203.2** | **203.4** |

| Number of shares | March 2025 | March 2024 |
|---|---|---|
| Opening shares on issue | 526,957,789 | 502,772,082 |
| Issuer/Redeem shares [1] | (200,622) | 419,386 |
| Issuer/Redeem shares [2] | (5,908,529) | 3,514,844 |
| Issue of shares | – | 20,251,477 |
| **Number of shares on issue** | **520,848,638** | **526,957,789** |

| Treasury stock | March 2025 | March 2024 |
|---|---|---|
| Opening shares on issue | 20,251,477 | – |
| Issue of shares [1] | (3,174,624) | 20,251,477 |
| Vesting of shares | – | – |
| **Number of shares on issue** | **17,076,853** | **20,251,477** |

(1) Pursuant to Justin Birch's employment agreement an equity grant of restricted ordinary shares (Restricted Shares) equal to 4% of ordinary shares in ArborGen Holdings was made. On 27 July 2023, 9,780,000 shares were issued to the Trustee. The performance-based shares will vest 50% on the 1 June 2024 and the other 50% on 1 June 2025, subject to satisfaction of applicable performance criteria determined by the compensation committee and completion of continuous service with the Group until the applicable vesting date.

(2) In accordance with the resolution passed at ArborGen Holdings Board of Directors' meeting held on 26 August 2024, a share buyback programme was approved for a US dollar total of $500,000 commencing in 2024 September. In total 5,908,529 shares were bought back in fulfilment of the programme.

All restricted shares have been issued to the Justin Birch Trust and are treated as treasury stock until vesting.

## 20. Reserves

| Retained earnings | March 2025 US$m | March 2024 US$m |
|---|---|---|
| Opening balance | (55.7) | (54.1) |
| Net loss after tax | (21.5) | (0.2) |
| Repurchase of warrants [1] | – | (1.4) |
| **Closing balance** | **(77.2)** | **(55.7)** |
| **Cash flow hedge reserve** [2] | | |
| Opening balance | 0.6 | 0.7 |
| Fair value gains / (losses) for the year | (0.3) | (0.1) |
| **Closing balance** | **0.3** | **0.6** |
| **Share-based payments reserve** | | |
| Opening balance | 0.8 | 0.3 |
| Executive share plan – shares vested [3] | (0.3) | (0.4) |
| Executive share plan [3][4] | (0.1) | 0.9 |
| **Closing balance** | **0.4** | **0.8** |
| **Currency translation reserve** | | |
| Opening balance | (0.4) | (0.6) |
| Translation of independent foreign operations | (1.7) | 0.2 |
| **Closing balance** | **(2.1)** | **(0.4)** |
| **Total reserves** | **(78.6)** | **(54.7)** |

(1) In May 2023 ArborGen Inc repurchased all outstanding warrants (5% of the ArborGen Inc fully diluted shares) for $1.35 million. Following the repurchase of the warrants, there are no more warrants, options or other rights to purchase ArborGen.

(2) The cash flow hedging reserve records the net movement of cash flow hedging instruments, being interest rate swaps. Refer to notes 4, 5, 18 & 27.

(3) Pursuant to the 2021 LTI plan (the Plan) an expense was accrued in 2021 in the share-based payment reserve representing the portion that will be settled by the issuance of shares in three tranches on the first, second and third anniversaries. The fair value of the Plan was $0.6 million; which was settled in shares $0.4 million and cash $0.2 million. The total restricted stock units (equivalent of an ordinary share) under the Plan was 3,933,535. Refer to note 25 for more details. In December 2022 ArborGen announced that Andrew Baum would be stepping down upon the recruitment of a successor CEO. Upon cessation Andrew was issued shares to the value of one year's base salary ($405,736). A $0.2 million share-based payment was accrued in the prior year. Refer to note 7.

(4) Pursuant to Justin Birch's employment agreement an equity grant of Restricted Shares equal to 4% of ordinary shares in ArborGen Holdings was made. The total 20,251,477 restricted shares are split 50:50 with 50% time-based shares and 50% performance-based shares. Refer to note 25. In addition Justin is guaranteed a short-term incentive of $425,000; 50% of which will be settled in ArborGen Holdings shares.

## 21. Capital Expenditure Commitments

The are no capital expenditure commitments in the current period (2024: $ nil).

## 22. Lease Obligations

The expected future minimum rental payments required under leases (including capitalised finance leases) that have initial or remaining non-cancellable lease terms in excess of one year at 31 March 2025 are as follows:

| | Note | March 2025 US$m | March 2024 US$m |
|---|---|---|---|
| Lease obligations are reconciled as follows: | | | |
| Current lease obligations | 27 | (1.7) | (1.5) |
| Future interest payments | 27 | (6.5) | (5.2) |
| **Total lease obligations** | | **(8.2)** | **(6.7)** |

Financing expense includes interest payments relating to lease obligations of $0.5 million (2024: $0.4 million).

The lease expense for short-term leases was $0.1 million (2024: $0.1 million) and low value leases $80,000 (2024: $65,000).

The lease obligations relate predominately to the lease of nursery facilities and in total are $4.4 million for the US and $3.8 million for Brazil.

## 23. Remuneration

| Key management compensation | Note | Year ended March 2025 US$m | Year ended March 2024 US$m |
|---|---|---|---|
| Salaries and other short-term employee benefits | | 2.0 | 2.5 |
| Termination benefits | | – | 0.1 |
| Share-based payments (1) | 7 & 19 | – | 1.3 |
| Other payments | | 0.8 | 0.1 |
| | | **2.8** | **4.0** |

Key management compensation is prepared on a cash basis and excludes Directors. Directors remuneration is disclosed in notes 7 and 25.

(1) Includes the share-based payments paid to Andrew Baum upon cessation and those accrued relating to the new CEO Justin Birch.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 24. Segmental Information Summary

The Group has one reportable segment and the analysis is as follows:

| Forestry genetics | Year ended March 2025 US$m | Year ended March 2024 US$m |
|---|---|---|
| Operating revenue | 63.2 | 67.7 |
| Impairment | (21.8) | – |
| Financing expense | (2.0) | (1.8) |
| Tax (expense) / benefit | 1.0 | 1.4 |
| Net earnings (loss) | (21.5) | 0.9 |
| Total assets | 175.5 | 197.3 |
| Liabilities | (50.9) | (48.6) |
| Capital expenditure | (7.7) | (6.6) |
| Depreciation and amortisation | (9.9) | (11.6) |

| The Group's geographical analysis is as follows: **South America** | Year ended March 2025 US$m | Year ended March 2024 US$m |
|---|---|---|
| Operating revenue | 25.7 | 26.5 |
| Non-current assets | 9.4 | 7.8 |
| **North America** | | |
| Operating revenue | 37.5 | 41.2 |
| Non-current assets | 97.8 | 136.2 |
| **Total Group** | | |
| Operating revenue [1] | 63.2 | 67.7 |
| Non-current assets | 107.2 | 144.0 |

(1) The Group's revenue represents sales of seedlings of $63.2 million (2024: $67.7 million).

## 25. Related Party Transactions and Balances

| | Note | March 2025 US$m | March 2024 US$m |
|---|---|---|---|
| **Income Statement** | | | |
| Non-executive Directors' Share Plan | 19 & 20 | – | – |
| Directors remuneration (excluding Non-executive Directors' Share Plan) | 7 | (0.1) | (0.2) |
| Executive share plan | 19 & 20 | – | – |
| Incoming CEO LTI and STI plans [1] | 17 & 20 | – | (1.4) |
| Former CEO severance [3] | 20 | (0.1) | (0.3) |
| Interest on subordinated notes | | – | – |
| **Balance Sheet** | | | |
| Incoming CEO LTI and STI plans [2] | 17 & 20 | 0.6 | 1.4 |
| ArborGen senior management LTI plan | 20 | – | – |
| Former CEO severance | 20 | – | – |

(1) Pursuant to Justin Birch's employment agreement performance-based shares will vest 50% on 1 June 2024 and the other 50% on 1 June 2025, subject to satisfaction of applicable performance criteria determined by the compensation committee and completion of continuous service.

(2) Pursuant to the 2021 LTI plan an expense of $0.6 million has been accrued and the liability was settled by the issuance of shares and cash.

(3) Upon cessation of employment Andrew Baum was issued shares and cash payments related to the separation agreement.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 26. Principal Operations

ArborGen Holdings Limited (a New Zealand incorporated limited liability company) is the holding company of the ArborGen Group. The principal subsidiaries, as at 31 March 2025, were:

| | Country of Domicile | Interest % March 2025 | Interest % March 2024 | Balance Date | Principal Activity |
|---|---|---|---|---|---|
| **Principal subsidiaries** | | | | | |
| Rubicon Forests Holdings Limited | NZ | 100 | 100 | 31 March | Holding company |
| Rubicon Industries USA LLC | USA | 100 | 100 | 31 March | Holds ArborGen Inc investment |
| ArborGen Inc (1) | USA | 100 | 100 | 31 March | Forestry genetics |
| *ArborGen Inc subsidiaries* | | | | | |
| ArborGen Comercie de Produtos Florestal Importacao e Exportacao LTDA | Brazil | 100 | 100 | 31 March | Forestry genetics |
| ArborGen Technologia Florestal LTDA | Brazil | 100 | 100 | 31 March | Holding company |
| ArborGen New Zealand Holding LLC | USA | 100 | 100 | 31 March | Holding company |

(1) ArborGen Holdings owns 100% of ArborGen Inc's issued share capital and has a 100% economic interest, following the repurchase of all outstanding warrants in May 2023.

## 27. Financial Instruments

**(a) Market risk**

***(i) Exposure to currency risk***

The functional currency of the Group is the US$ and the risk to the Group's equity and earnings are from assets, liabilities, revenues and costs in currencies denominated in currencies other than US$. The Group's exposure to foreign currency risks on financial instruments is shown in the following:

| In US$m | March 2025 | | March 2024 | |
|---|---|---|---|---|
| | US$ | Non US$ | US$ | Non US$ |
| Cash, liquid deposits and restricted cash | (0.1) | 3.6 | 1.2 | 4.4 |
| Trade debtors and other receivables | 6.6 | 3.5 | 7.1 | 3.4 |
| Trade creditors and other payables | (10.7) | (2.2) | (11.1) | (3.2) |
| Current debt | (1.2) | (0.6) | (1.2) | – |
| Non-current debt | (21.6) | (1.0) | (18.8) | – |
| Lease obligation | (4.4) | (3.8) | (2.3) | (4.4) |
| Gross balance sheet exposure | | (0.5) | | 0.2 |

The following exchange rates applied during the year:

| | Average rate (1) | | Spot rate | |
|---|---|---|---|---|
| | March 2025 | March 2024 | March 2025 | March 2024 |
| NZ$:US$ | 0.5938 | 0.6088 | 0.5730 | 0.5991 |
| US$:R$ | 0.1787 | 0.2027 | 0.1737 | 0.1994 |

(1) These are merely arithmetical averages not hedged rates.

*Foreign exchange contracts*

The Group had no foreign exchange contracts outstanding (2024: nil).

*Sensitivity Analysis – gross balance sheet exposure*

Given the small size of the gross balance sheet exposure shown above, any movement in the NZ$ and R$ against the US$ is unlikely to be material.

***(ii) Exposure to interest rate risk***

The Group has $24.0 million of debt at 31 March 2025 (2024: $20.0 million), drawn at a mix of fixed and floating rates.

The weighted average interest rate of borrowings and interest rate hedges are shown in note 18 term and current debt.

As at 31 March 2025, the Group had one interest rate swap totalling $9.1 million (2024: $9.6 million), covering 37% (2024: 48% ) of total debt. The swap was entered into in August 2019 and expires in August 2026. The swap receives a floating rate of 2% above 30-day SOFR and pays a fixed interest rate of 3.52%. At 31 March 2025 the mark-to-market of the swap resulted in an asset of $0.3 million (2024: $0.6 million), which is reflected in the cash flow hedge reserve and derivative financial instrument liability. Refer note 20.

## (b) Credit Risk

### *(i) Exposure to credit risk*

The carrying amount of financial assets represents the maximum credit exposure, which at 31 March 2025 was $13.6 million of trade and other receivables, and cash and liquid deposits (2024: $16.1 million).

US cash and liquid deposits are only held with banks that are part of the Group's banking consortiums. In the event of default, cash balances may be set off against obligations owing by the Group to its lenders. Moody's credit ratings of the primary counterparties for cash and liquid deposits are all rated as investment grade. The status of trade debtors, is as follows:

| | | March 2025 US$m | March 2024 US$m |
|---|---|---|---|
| Neither past due or impaired | | 7.3 | 5.9 |
| Past due but not impaired – | 1 month | 0.6 | 2.5 |
| | 2 month | 2.6 | 2.5 |
| Impaired | | – | – |
| | | 10.5 | 10.9 |
| Less provision for expected credit loss | | (0.5) | (0.4) |
| Net trade debtors | | 10.0 | 10.5 |

ArborGen Inc has a strong history of trade debtor collections and there is no reason to believe that the debtors will not be collected.

### (c) Liquidity risk

The following are contractual maturities of financial liabilities and net settled derivatives. The amounts disclosed are the contractual undiscounted cash flows.

| Financial liabilities | Carrying value US$m | Total cash flows US$m | 0–6 months US$m | 6–12 months US$m | 1–2 years US$m | 2–5 years US$m | Over 5 years US$m |
|---|---|---|---|---|---|---|---|
| **31 March 2024** | | | | | | | |
| Non derivative financial liabilities | | | | | | | |
| Trade and other payables | (8.2) | (8.2) | (8.2) | – | – | – | – |
| Debt | (20.0) | (21.3) | (0.9) | (0.3) | (1.2) | (4.0) | (14.9) |
| Lease obligation | (6.7) | (7.0) | (0.8) | (1.1) | (1.7) | (1.9) | (1.5) |
| **Financial liabilities as at 31 March 2024** | (34.9) | (36.5) | (9.9) | (1.4) | (2.9) | (5.9) | (16.4) |
| **31 March 2025** | | | | | | | |
| Non derivative financial liabilities | | | | | | | |
| Trade and other payables | (8.2) | (8.2) | (8.2) | – | – | – | – |
| Debt | (24.4) | (29.5) | (5.7) | (0.9) | (10.5) | (3.8) | (8.7) |
| Lease obligation | (8.2) | (10.2) | (1.1) | (1.1) | (2.1) | (3.8) | (2.1) |
| **Financial liabilities as at 31 March 2025** | (40.8) | (47.9) | (15.0) | (2.0) | (12.6) | (7.6) | (10.8) |

## 28. Contingent Liabilities

Nothing to disclose.

## 29. Subsequent Events

The ArborGen's Ridgeville head office facility (the Property) which is legally owned by ArborGen Holdings' subsidiary Rubicon Industries USA LLC was listed for sale in 2024 and currently has parties interested in the property. It is on the balance sheet as held for sale. The full asset purchase is yet to be determined.

# Independent Auditor's Report

To the Shareholders of ArborGen Holdings Limited

**Grant Thornton New Zealand Audit Limited**
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## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of ArborGen Holdings Limited on pages 26 to 54 which comprise the consolidated balance sheet as at 31 March 2025, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of ArborGen Holdings Limited as at 31 March 2025 and of its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) issued by the New Zealand Accounting Standards Board and IFRS Accounting Standards issued by the International Accounting Standards Board.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Group.

### Other Matter

The consolidated financial statements of ArborGen Holdings Limited for the year ended 31 March 2024 was audited by another auditor who expressed an unmodified opinion on those statements on 30 May 2024.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Why the audit matter is significant | How our audit addressed the key audit matter |
|---|---|
| **ArborGen Cash Generating Unit – impairment assessment**<br><br>As set out in note 15 and 16 of the consolidated financial statements, the Group has US$60.2m of intellectual property recorded on its consolidated balance sheet.<br><br>In addition to the above, the carrying amount of the Group's net assets as at 31 March 2025 was lower than the market capitalisation of the Group. This is an indicator of impairment and required additional analysis.<br><br>The impairment assessment, as disclosed in note 16 is considered to be a key audit matter as a result of the significance of the intellectual property asset to the Group, and the level of judgement required when determining the value in use of ArborGen.<br><br>To determine whether the carrying value of it's CGU is reasonable, management performed an impairment assessment on a value-in-use (VIU) basis.<br><br>Impairment tests prepared by management were based on discounted cashflow models using Board approved budgets for the year ending 31 March 2026 and combined with forecasted cashflow for subsequent years.<br><br>The key assumptions in assessing the CGUs carrying value were as follows:<br>• Annual growth rate, in particular MCP and Price growth;<br>• The terminal value growth rate; and<br>• The pre-tax discount rate | We have:<br><br>• Assessed whether the methodology adopted was consistent with accepted valuation approaches of NZ IAS *36 Impairment of Assets;*<br><br>• Evaluated the Group's determination of CGUs and whether they were appropriate. This included reviewing internal management reporting to assess the level at which the Group monitors performance, comparing CGU's to our knowledge of the Group's operations and reporting systems, and reconciling assets allocated to CGUs to accounting records;<br><br>• Obtained management's impairment assessments and tested the completeness and mathematical accuracy of the VIU calculations;<br><br>• Challenged key assumptions to assess the models' compliance with NZ IAS 36, including but not limited to discount rates and terminal growth rates used;<br><br>• Compared the forecasted cash flows used for FY26 to the Board approved forecast;<br><br>• Tested the key data inputs and assumptions such as average selling prices linked to the projected uptake of the MCP products;<br><br>• Assessed historical accuracy of previous forecasts to actual results achieved;<br><br>• Performed sensitivity analysis on key assumptions to assess the impact on the carrying value of the CGU;<br><br>• Ensured the disclosures in the consolidated financial statements properly reflect the judgements and estimates made by management. |

### Information Other than the Consolidated Financial Statements and Auditor's Report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Directors' responsibilities for the Consolidated Financial Statements

The Directors are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with New Zealand equivalents to International Financial Reporting Standards issued by the New Zealand Accounting Standards Board and International Financial Reporting Standards, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible on behalf of the Group for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the conosolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of the auditor's responsibilities for the audit of the consolidated financial statements is located on the External Reporting Board's website at: https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-1/

### Restriction on use of our report

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state to the Company's shareholders, as a body those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and its shareholders, as a body, for our audit work, for this report or for the opinion we have formed.

**Grant Thornton New Zealand Audit Limited**

*Grant Thornton*

**Y Mohammed**
**Partner**
Auckland
30 May 2025

# Corporate Governance

This report describes how ArborGen Holdings' (ArborGen) business practices reflect corporate governance best practice, and has been approved by the Board. It is current as at 31 March 2025.

The Group's corporate governance framework is guided by the principles and recommendations of the NZX Corporate Governance Code (NZX Code) issued in January 2025.

ArborGen considers its corporate governance practices in FY25 are largely in line with the NZX Code. An explanation has been provided of those areas where ArborGen's practices differ from NZX Code recommendations.

The Company's Code of Conduct and Ethics, Board Charter and other documents related to corporate governance, collectively and individually, encourage high standards of ethical and responsible behaviour. These are available on AborGen's corporate website www.arborgenholdings.com.

| NZX Code Recommendation | Explanation |
|---|---|
| 2.9 An issuer should have an independent chair of the Board. | David Knott was appointed Chair in 2021. He is not considered independent, as he is a substantial shareholder in ArborGen. This is the only reason the Board considers David to be non-independent, having given consideration to a range of other factors including tenure and related party relationships. As such, his interests are directly aligned with all shareholder interests. The Board has approved David's appointment as Chair and has determined it appropriate given there is a majority of Independent Directors on the Board and the benefits of having his experience and direct institutional knowledge. He is not involved in the day to day running of the business and does not have significant influence over operational decisions.<br><br>Effective for the 12 months ended 31 March 2025. |

## Principle 1: Ethical Standards

**'Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for these standards being followed throughout the organisation.'**

### 1.1 Code of Ethics

The Code of Conduct and Ethics sets out clear expectations for ethical decision-making and personal behaviour by Directors and employees in relation to situations where their or ArborGen's integrity could be compromised. These include conflicts of interest, proper use of Company property and information, fair dealings with employees and other stakeholders, compliance with laws and regulations, reporting of unethical decision making and dishonest behaviour, and related matters.

Included in the Code of Conduct and Ethics are mechanisms for dealing with breaches of the Code. Employees are encouraged to report any breaches in line with the processes outlined in the Code of Ethics. Employees are also encouraged to speak up in line with the Company's Whistleblowing Policy.

The Code of Conduct and Ethics has been communicated to all Directors and employees of the Company, is part of the induction process and is also published on the corporate website www.arborgenholdings.com/governance. The Directors lead by example, modelling high ethical standards to all employees and stakeholders, and it is expected that employees will also follow the highest standards of ethical behaviour. The Code of Ethics is reviewed at least every two years.

ArborGen did not donate to any political parties in FY25.

### 1.2 Insider Trading Policy

ArborGen has a Security Trading Policy, which along with the Financial Markets Conduct Act 2013, imposes limitations and requirements on Directors and employees in dealing in the Company's shares. These limitations prohibit dealing in shares while in possession of inside information and impose requirements for seeking consent to trade. ArborGen's Securities Trading Policy is published on the corporate website.

While there is no formal requirement to do so, all Directors hold shares in the Company either personally or through affiliates.

Details of Directors' share dealings are set out on page 72 of this report.

## Principle 2: Board Composition and Performance

**'To ensure an effective Board, there should be a balance of independence, skills, knowledge, experience and perspectives.'**

### 2.1 Board Charter

The roles and responsibilities of the Board are detailed in the Board Charter, which is reviewed at least every three years and is available on the corporate website. The Board's primary objective is to protect and enhance the value of the assets of the Company and to act in the best interests of the Company.

The Board Charter outlines a number of key roles and responsibilities of the Board, including:

- The review and approval of appropriate corporate strategies and objectives, transactions relating to acquisitions and divestments, capital expenditures above delegated authority limits, financial and capital structure policies, financial statements and reports to shareholders;
- Ensuring appropriate procedures and systems are in place to identify and manage risk, including climate related risk and opportunities;
- Ensuring the adequacy and effectiveness of the Group's internal control framework, including the independence of the External Audit;
- Review of Group, Board, committee and management performance against strategic objectives, succession planning, appointment of the CEO, and oversight of CEO's direct reports; and
- Ensuring that appropriate systems and processes are in place so that the Group is managed in an honest, ethical, responsible and safe manner.

The Board has delegated authority for the day-to-day management of the business to the CEO and the wider senior management team with specified financial and non-financial limits.

## 2.2 Nomination and Appointment of Directors

Membership, rotation and retirement of Directors is determined in accordance with the Company constitution and NZX Listing Rules.

While the nomination process for new Director appointments is the responsibility of the Board as a whole, the Nomination Committee is responsible for identifying, reviewing and recommending candidates to the full Board.

The Board may engage consultants to assist in the identification, recruitment and appointment of suitable candidates.

Directors will retire and may stand for re-election by shareholders at least every three years, in accordance with the NZX Listing Rules. A Director appointed since the previous annual meeting holds office only until the next annual meeting but is eligible for re-election at that meeting.

Shareholders may also nominate candidates for election to the Board. The Board asks for Director nominations each year prior to the Annual Shareholders Meeting, in accordance with the constitution of the Company and the NZX Listing Rules.

The Board has a skills matrix and takes into account a number of factors including qualifications, experience and skills when making Directorship recommendations to the shareholders. The collective capability of the current Board is assessed against these requirements and the search then focuses on finding a Board member who will best complement the current mix of capabilities on the Board.

Key information is provided to shareholders when a Director stands for election or re-election.

## 2.3 Written Agreements

The Company has written agreements with each Director, outlining the terms of their appointment. The Board is satisfied that each Director has the necessary time available to devote to the position, broadens the Board's expertise and has the competencies to ensure the effective functioning of the Board.

The Company has arranged a policy of Directors' and officers' liability insurance. This policy covers the Directors and officers so that any monetary loss suffered by them, as a result of actions undertaken by them as Directors or officers, is insured to specified limits (and subject to legal requirements and/or restrictions).

## 2.4 Director Information

The Company's Constitution requires a minimum of three Directors and provides for a maximum of nine. As at the date of this report, the Board comprises five Directors, of which four are determined to be independent.

As at 31 March 2025, the Directors were:

| Director | Role | Residence | Appointed |
|---|---|---|---|
| Dave Knott[1] | Non-independent Chairman[1] | USA | August 2021 |
| George Adams | Independent Director | NZ | August 2019 |
| Tom Avery | Independent Director | USA | July 2018 |
| Ozey Horton | Independent Director | USA | July 2018 |
| Paul Smart | Independent Director | NZ | August 2018 |

(1) Substantial Product Holder.

Profiles of each Director are available on the ArborGen website at www.arborgenholdings.com/board-of-directors.

Directors' interests are disclosed on page 73 of the Annual Report.

The Board considers Director succession on a regular basis, taking into account such things as tenure, experience and Director workload. The Board believes that the current Directors offer valuable and complementary skill sets and expertise that are of value to the Company.

Board meetings are scheduled throughout the year, with other meetings to deal with certain matters arising from time to time being held when necessary.

The table below sets out Director attendance at Board and committee meetings during FY25. In addition to the formal Board and committee meetings held during the year, Directors regularly participate in discussions with management on a variety of matters.

| | Board | Audit Committee | Remuneration Committee |
|---|---|---|---|
| **Number of meetings held** | **4** | **2** | **2** |
| Dave Knott | 4 | 2 | 2 |
| George Adams | 4 | 2 | 2 |
| Tom Avery | 4 | 2 | 2 |
| Ozey Horton | 4 | 2 | 2 |
| Paul Smart | 4 | 2 | 2 |

More information on Board committees is set out under the heading 'Principle 3'.

## 2.5 Diversity

ArborGen is continuously developing its culture of performance and growth including employee development and driving its inclusion and diversity strategy. The workforce spans a wide range of age, cultural profiles and backgrounds and the Board and management believe diversity of thought helps innovation. ArborGen has a culture of equity, fairness, and accountability. The Code of Conduct guides behaviour that creates a comfortable and rewarding workplace and ongoing training is provided on diversity and inclusion topics.

The Company ensures its selection processes for recruitment and employee development opportunities are free from bias and are based on merit and the Board has practices in place to ensure diversity and fairness within the organisation. The Company has a flexible working programme that permits work/life balance.

ArborGen has a formal Diversity and Inclusion Policy which is published on the corporate website. ArborGen's Board sets and reviews measurable objectives for achieving and maintaining diversity and inclusion each year.

The Remuneration Committee provides oversight of employment practices and HR processes and practices.

The Board is satisfied that FY25 activities were in line with the Diversity and Inclusion Policy and supported the company's progress towards achieving its objectives.

Activities in FY25 included:

- Reviewing the scorecard which measures employee composition by gender, age and ethnicity;
- Tracking completion of employee training courses covering Diversity, Inclusion, Discrimination and Leadership;
- Conducting a remuneration review for all positions based on job descriptions and location. Salary adjustments were proposed where appropriate based on this review; and
- Completing the annual review of the Employee handbook, with a revised handbook completed and distributed.

The officers of ArborGen Holdings (as defined by the NZX Listing Rules for the purposes of diversity reporting) are the CEO and specific direct reports of the CEO having key functional responsibility. Officers are:

- Justin Birch, CEO
- Adriano Amaral de Almeida, GM Operations Brazil
- Christina Green, CFO
- Timothy Spreier, VP of Operations
- Patrick Cumbie, VP of Product Development

As at 31 March 2025, females represented 10% of Directors and Officers of the Company (31 March 2024: 11%).

| | FY25 Female | FY25 Male | FY25 Gender diverse | FY24 Female | FY24 Male | FY24 Gender diverse |
|---|---|---|---|---|---|---|
| Directors | 0 | 5 | 0 | 0 | 5 | 0 |
| Officers | 1 | 4 | 0 | 1 | 3 | 0 |

### 2.6 Director Training and Education

Directors receive comprehensive information on the Company's operations and have access to any additional information they consider necessary for informed decision-making. The Company is committed to ensuring its Directors have the knowledge and information to discharge their responsibilities effectively.

Directors are required under the Board Charter to continuously educate themselves on how they can appropriately and effectively perform their duties as Directors.

All Directors have access to executives to discuss issues or obtain information on specific areas in relation to matters to be discussed at Board meetings, or other areas as they consider appropriate. The Board committees and Directors, subject to the approval of the Board chair, have the right to seek independent professional advice at the Company's expense, to enable them to carry out their responsibilities.

### 2.7 Board Performance and Review

The Chair conducts an informal review of and with each Director on an annual basis. The Board also conducts annual reviews of the Board, each Committee, and individual Directors against the Board Charter.

### 2.8 Director Independence

Of the five Directors, two are ordinarily resident in New Zealand. In addition, the Board has assessed that four of the five Directors are Independent Directors for the purposes of the NZX Listing Rules. In order for a Director to be independent, the Board has determined that he or she must not be an executive of ArborGen and must have no Disqualifying Relationships as defined in the NZX Listing Rules. The Board has given consideration to a number of factors to determine independence, including those listed in the NZX Corporate Governance Code 2.4.

Directors are required to notify the Company of any interests they have that could impact an assessment of their independence or their ability to act in the best interests of ArborGen. The Company has processes in place to manage any conflicts of interest with Directors.

### 2.9 Independent Chair

The Chairman, David Knott, is considered a non-executive, non-independent Chairman because he is a substantial product holder of the Company.

The Board has determined that the appointment of David as Chair is nevertheless appropriate given there is a majority of Independent Directors on the Board and the benefits of his experience and direct institutional knowledge.

### 2.10 Separation of the Chair and the CEO Roles

The Board supports the separation of the roles of chair and CEO. ArborGen's CEO, Justin Birch, is not a Director on the ArborGen Board.

## Principle 3: Board Committees

**'The Board should use committees where this will enhance its effectiveness in key areas, while still retaining Board responsibility.'**

The Board has three standing committees, being the Audit Committee, the Remuneration Committee and the Nominations Committee. Each committee operates under a Charter addressing purpose, constitution and membership, authority, reporting procedures and evaluation of the committee. These Charters are published on ArborGen's corporate website.

The committees enhance the effectiveness of the Board through closer examination of issues and more efficient decision making. However, the Board retains ultimate responsibility for the functions of its committees and determines their responsibilities.

The Board appoints the members and chair of each committee, with the committee chair reporting committee recommendations to the Board.

The Board regularly reviews the charters of each Board committee, the committees' performance against those charters and membership of each committee.

The Board believes that committee charters, committee membership and roles of committee members comply with recommendations in the NZX Code.

Current membership of the Board Committees at 31 March 2025 is set out below.

| Committee | Role | Members |
|---|---|---|
| Audit Committee | Assist the Board in its oversight of the integrity of financial reporting, financial management and controls, external audit quality independence. | Paul Smart (Chairman)<br>George Adams<br>Tom Avery<br>Ozey Horton |
| Remuneration Committee | Assist the Board in evaluating the performances of the senior executives of the Company, setting the remuneration packages for senior executives, and recommending to the Board the remuneration of the senior executives and Non-executive Directors. | George Adams (Chairman)<br>Tom Avery<br>Ozey Horton<br>Dave Knott<br>Paul Smart |
| Nominations Committee | Assist the Board in ensuring appropriate Board performance and composition and in appointing Directors. | Dave Knott (Chairman)<br>George Adams<br>Tom Avery<br>Ozey Horton<br>Paul Smart |

## 3.1 Audit Committee

The Audit Committee has a minimum of three members, is comprised solely of non-executive Directors of the Company and is chaired by an Independent Director. It has been determined by the Board that several members of the Audit Committee have an adequate accounting or financial background as defined in the NZX Listing Rules. All of the members of the Audit Committee are Independent Directors.

One of the main purposes of the Audit Committee is to ensure the quality and independence of the external audit process. The Committee makes enquiries of management and the external auditors so that it is satisfied as to the validity and accuracy of all aspects of the Company's financial reporting. All aspects of the external audit are reported back to the Audit Committee and the external auditors are given the opportunity at Committee meetings to meet with Directors.

The Audit Committee is well resourced and operates under a formal written Charter which is available on ArborGen's website.

## 3.2 Management Attendance at Audit Committee Meetings

Management attendance at committee meetings is by the Committee's invitation only. Generally, the Committee invites the CEO, CFO and audit partners from New Zealand and the United States to attend meetings.

## 3.3 Remuneration Committee

The chair of the Remuneration Committee is an Independent Director as are three of the other four members. Management may only attend Remuneration Committee meetings at the invitation of the Committee. The Committee is well resourced and operates under a formal written charter which is available on ArborGen's website.

## 3.4 Nomination Committee

The majority of the members of the Nominations Committee are Independent Directors, the Committee is well resourced and operates under a formal written charter which is available on ArborGen's corporate website.

## 3.5 Other Board Committees

Special purpose committees may be formed to review and monitor specific projects. There were no other Board committees formed during FY25.

### 3.6 Control Transaction (Takeover) Protocols

In the event of a 'control transaction' as defined in the NZX Code, the Board's protocols require the immediate formation of a subcommittee (the Takeovers Committee), comprised of non-conflicted non-executive Directors, which will have the authority to make binding decisions in respect of the control transaction, including:

- Retaining independent legal and financial advisers;
- Appointing an independent adviser;
- Negotiating with the bidder;
- Ensuring strict process separation and independence from interested Directors; and
- Approving any announcements or communications relating to the potential transaction.

The composition of the committee would be disclosed at the time the bid is made public.

## Principle 4: Reporting and Disclosure

**'The Board should demand integrity in financial and non-financial reporting, and in the timeliness and balance of corporate disclosures.'**

### 4.1 Continuous Disclosure Policy

The Board is committed to providing accurate, adequate and timely information both to its shareholders and to the market generally. This enables all investors to make informed decisions about the Company. All significant announcements made to NZX, and reports issued, are posted on the Company's website.

The Company has procedures in place to ensure that it complies with its continuous disclosure requirements under the NZX Listing Rules. The Continuous Disclosure Policy governs the release to the market of all material information that may affect the value of the Company. This policy is available on ArborGen's corporate website.

### 4.2 Access to Key Governance Policies

Copies of the key governance documents, including the Continuous Disclosure Policy, Code of Conduct and Ethics, Remuneration, Securities Trading Policy, Board and Committee Charters and Diversity and Inclusion, ESG and Sustainability policies are available on the Company's website.

https://www.arborgenholdings.com/governance-documents

### 4.3 Financial Reporting

The Board is ultimately responsible for ensuring the quality and integrity of the Company's financial reports. To achieve this, the Company has in place a structure to independently verify and safeguard the integrity of the Group's reporting. The Audit Committee constitutes a key component of this structure.

For the financial year ended 31 March 2025, the Directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Group and facilitate compliance with the Financial Reporting Act 2013.

The Audit Committee has confirmed in writing to the Board that ArborGen's external financial reports are balanced, clear and objective and present a true and fair view in all material aspects.

ArborGen's full year and half year financial statements are available on ArborGen's website.

### 4.4 Non-financial Reporting

Non-financial information is provided on a regular basis to shareholders to allow them to measure the progress of the Company. ArborGen discusses its strategic objectives and its progress against these in the Chair and CEO's commentary in shareholder reports and other market communications.

Environmental and Social commentary is provided in this year's Annual Report. ArborGen's Climate Related Disclosures report is published annually and will be available by 31 July 2025 at https://www.arborgenholdings.com/sustainability.

ArborGen's aim is to care and protect the natural ecosystem and provide positive benefits for its people and communities, while delivering robust financial performance and profitability for shareholders. The Company is on a continuous journey to identify ways to measure and monitor its environmental and social impact. The Board believes this will help to improve all aspects of the business and deliver positive benefits for all stakeholders.

## Principle 5: Remuneration

**'The remuneration of Directors and executives should be transparent, fair and reasonable.'**

The Company's remuneration policies aim to attract and retain talented and motivated Directors and executives who will contribute to enhancing the performance of the Company.

The framework for the determination and payment of Directors' and senior executives' remuneration is set out in ArborGen's Remuneration Policy, available on ArborGen's corporate website. External advice is sought on a regular basis to ensure remuneration is benchmarked to the market for senior management positions, Directors and Board committee positions.

The Company believes it is appropriate to have Directors' and executives' remuneration aligned with the performance of the Company, and that the ownership of ArborGen Holdings' shares is a good way of achieving this goal.

Further details on remuneration are provided in the Remuneration section of this Annual Report on pages 69 to 72.

### 5.1 Directors' Remuneration

Shareholders fix the total remuneration available for Directors. Approval is sought for any increase in the pool available to pay Directors' fees, and any recommendations to shareholders regarding Director remuneration are provided for approval in a transparent manner. If independent advice is sought by the Board, it will be disclosed to shareholders as part of the approval process.

The last Director fee pool was approved by shareholders at the Annual Meeting in 2001 for a total fee pool of NZ$800,000. Total fees paid in FY25 were NZ$285,834, with David Knott volunteering to reduce his Chair fee to NZ$1.

Board policy is that no sum is paid to a Non-executive Director upon retirement or cessation of office.

While there is no formal requirement to do so, all Directors hold shares in the Company either personally or through affiliates. Directors' interests and share dealings in the Company are detailed on pages 69 and 72.

Remuneration for each Board role, effective from 1 November 2024 is as follows. Specific payments made to each Director during FY25 as well as other related information, are set out in the Remuneration Report on page 69.

| Role | Fee |
|---|---|
| Chair | $120,000 |
| Non-executive Director | $75,000 |
| Committee Chair | $75,000 |

### 5.2 and 5.3 Executive and CEO Remuneration

ArborGen's executive remuneration policies and practices are designed to attract, retain and motivate high calibre people and create a performance focussed culture. Details of executive and CEO Remuneration are set out in the Remuneration Report on pages 69 to 72.

## Principle 6: Risk Management

**'Directors should have a sound understanding of the material risks faced by the issuer and how to manage them. The Board should regularly verify that the issuer has appropriate processes that identify and manage potential and material risks.'**

### 6.1 Risk Management Framework

ArborGen is committed to proactively managing risk. While this is the responsibility of the entire Board, the Audit Committee assists the Board and provides additional oversight in regards to the risk management framework and monitoring compliance and with that framework.

The Audit Committee carries out a robust risk assessment process which includes reviews with management and the independent Auditor of significant risks and exposures of the Group, and assessments of risk mitigation steps taken by management to minimise such risks. The Board receives regular reports of the material, emerging and existing risks from management.

The executive team and senior management are required to regularly identify the major risks affecting the business and develop structures, practices and processes to manage and monitor these risks. ArborGen has a Risk Register that is regularly updated and discussed with the Board incorporating risk ratings both pre and post risk mitigation controls. Risk assessments are reviewed and re-evaluated, with additional controls added in some cases, following separate discussions with respective team members for each risk area, and the Board.

The Board is satisfied that ArborGen has in place a risk management process to effectively identify, manage and monitor ArborGen's principal risks. ArborGen maintains insurance policies that it considers adequate to meet its insurable risks.

Climate is inherently linked to the nature of ArborGen's business. ArborGen recognises the need to proactively manage the risks and opportunities that arise from climate change, in the same way it manages other risks and opportunities facing the business. The Group is a Climate Reporting Entity for the purpose of the Financial Markets Conduct Act 2013. ArborGen reports against the Aotearoa New Zealand Climate Standards – reporting can be viewed at www.arborgenholdings.com/sustainability.

ArborGen considers that the material risks facing the business are:

| Description of Risk | Risk Management |
|---|---|
| Reductions or cancellations of seedling orders | • Detailed customer-by-customer planning process each year<br>• 20% limitation on order reductions in multi-year agreements (MYAs)<br>• Order reduction deadlines in non-MYA seedling sales agreements<br>• Take or pay obligations for reductions after order reduction deadlines<br>• Replacing cancelled volumes with new late season orders from other customers |
| Freezes during flower pollination season reducing annual seed production volumes | • Build buffer seed inventory in the right genetics for each provenance<br>• Establish orchard blocks on properties outside of their typical range for the provenance (e.g. Coastal orchards in Texas)<br>• Maintain redundant orchard capacity |
| Hurricane damage, or other large scale natural disaster-related damage, to orchards | • Build appropriate levels of buffer seed inventory for each provenance<br>• Establish orchard blocks on properties outside of their typical range for the provenance<br>• Recycle/renew orchards per standard orchard management on a schedule to distribute orchard acres across ages<br>• Maintain redundant orchard capacity |

| Description of Risk | Risk Management |
|---|---|
| Inability to bag all selected flowers in orchards during pollination due to an accelerated season | • Build appropriate levels of buffer seed inventory for each provenance<br>• Establish orchard blocks on properties outside of their typical range for the provenance<br>• Maintain redundant orchard capacity |
| Competition driving pricing pressure | • Continue to differentiate from competitors based on advanced genetics offered, superior service and seedling quality<br>• Review costs and footprint to improve margins |
| Advanced genetics adoption | • Differentiate products and services through comprehensive sales and marketing plans and field tours<br>• Focus on growing MCP sales especially in provenances with excess seed supply<br>• Continued development of new products to differentiate AG from competition |
| Cost inflation and contractor cost increases in the Brazilian market | • Increase in-house production to control costs, quality and volume<br>• Increase pricing of seedlings sold<br>• Select contract producers where costs can be controlled more effectively |
| Decrease in total demand due to market conditions in Brazil | • Work with outside consultants on Brazil market projections<br>• Strong market demand conditions projected for the next five years for both pine and eucalyptus<br>• Maintain flexibility to reduce contractor production if demand is lower |
| Double taxation of Brazil income and lack of tax credits for tax paid in Brazil | • ArborGen is currently engaging with tax advisors on options to minimise tax risks |

### 6.2 Health and Safety

The health and safety of employees, customers and suppliers is critical and essential for ArborGen's success. Board and management are committed to delivering a safe workplace, and safety training is integral to the Company's zero-harm goal. Health and safety results are monitored and measured against zero-harm expectations. The Company provides safety education programmes and has other continuous programme initiatives in place to keep people safe at work. At ArborGen's secure containment facilities, procedures are designed to ensure compliance with regulatory requirements in each of the jurisdictions in which the Company operates, including procedures to ensure employee safety at those facilities.

In FY25, the Total Case Incident Rate (TCIR) for all ArborGen facilities in all geographies was 0.8 (FY24: 0.5). TCIR is defined as total number of recordable injuries and illness cases per 100 full-time employees that a site has experienced in a given time frame.

## Principle 7: Auditors

**'The Board should ensure the quality and independence of the external audit process.'**

### 7.1 External Audit

The Board's relationship with its external auditors is governed by the Audit Committee Charter. The Charter includes provisions for the Committee's responsibilities to maintain direct and indirect lines of communication with the external audit function and to ensure that the ability and independence of the external audit function to carry out its statutory audit role is not impaired, or could reasonably be perceived to be impaired.

On 9 September 2024, the Company advised that Grant Thornton had been appointed as the Company's external auditor, replacing Deloitte. Consistent with best practice, the audit partner is rotated at no greater than five yearly intervals, with the next lead partner rotation due in 2029.

A formal engagement letter with Grant Thornton clearly sets out responsibilities in relation to the external audit of the Group's financial statements and financial systems.

The Audit Committee monitors the ongoing independence, quality and performance of the external auditors and monitors audit partner rotation. The committee pre-approves any non-audit work undertaken by the external auditors.

There were no non-audit services provided by Grant Thornton (or with Deloitte prior to 9 September 2024) in FY25. The fees paid for audit services in FY25 are presented in Note 7 of the Financial Report.

The external auditor attends all Audit Committee meetings and has sessions, at least semi-annually, with the Audit Committee without management in attendance.

The Audit Committee is satisfied that the independence of Grant Thornton is not compromised by any relationship between Grant Thornton and ArborGen or any related party or as a result of any non-audit services provided by Grant Thorton, and has obtained confirmation from Grant Thornton to this effect.

### 7.2 Attendance at Annual Meeting

The external auditor attends the Annual Shareholders Meeting each year and is available to answer questions from shareholders relevant to the audit.

### 7.3 Internal Audit

ArborGen does not have a dedicated Internal Auditor role. ArborGen has a number of internal controls overseen by the Audit Committee as per the Audit Committee Charter, including controls for treasury, delegated authority, and prevention and identification of fraud. As part of the external audit process, Grant Thornton provides feedback on internal processes and functions.

## Principle 8: Shareholder Rights and Relations

**'The Board should respect the rights of shareholders and foster constructive relationships with shareholders that encourage them to engage with the issuer.'**

### 8.1 Investor Website

Easy access to information about the performance of ArborGen and relevant investor and governance information is available on the Company's website www.arborgenholdings.com.

### 8.2 Engagement with Shareholders

The Board is committed to promoting good relations with the shareholders through effective communication, ready access to information about the Company, and facilitating participation at shareholder meetings.

Shareholders are encouraged to attend the Annual Shareholders Meeting and may raise matters for discussion at this event. The Annual Shareholders Meeting is streamed live and is accessible worldwide. All written communications and reports are available on the Company's website, as well as emailed to shareholders who elect to be emailed.

Shareholders are given the option to communicate with the Company and its share registry electronically. Approximately 55% of ArborGen's shareholders have opted for email communications.

The Company has a formal continuous disclosure policy in place and the Company regularly communicates to the market to ensure compliance with the NZX Rules on continuous disclosure.

### 8.3 Voting on Major Decisions

In accordance with the NZX Listing Rules, shareholders have the right to vote on major decisions which may change the nature of the Company. Each shareholder has one vote per share and voting is conducted by polls.

### 8.4 Equity Offers

ArborGen did not undertake any capital raising during FY25. Should ArborGen consider raising additional capital, the offer will be structured having regard to likely levels of shareholder participation and optimising and enhancing the ability to maximise the level of capital raised. The Board will look to give all shareholders an opportunity to participate in any capital raising.

### 8.5 Notice of Meeting

The notice of the Annual Shareholders Meeting is announced on the NZX, sent to shareholders and posted on the Company's website at least 20 working days prior to the meeting each year. The 2024 Notice of Meeting was sent on 22 July 2024, with the meeting held on 26 August 2024.

## Remuneration Report

ArborGen's Remuneration Committee supports the Board by assessing the performance and determining the remuneration packages of the Company's senior executives, as well as recommending the remuneration for Non-executive Directors. Further details are provided in the Corporate Governance Statement within this Annual Report.

### Director Remuneration

The Company's remuneration policies aim to attract and retain talented and motivated directors and executives who will contribute to enhancing the performance of the Company. The remuneration for each Board role is shown on page 68.

Directors' fees exclude GST, where applicable. Directors are entitled to be reimbursed for costs directly associated with carrying out their duties, including travel costs. Board policy is that no sum is paid to a non-executive director upon retirement or cessation of office. Directors do not participate in the Company's short- or long-term incentives.

The total amount of remuneration and other benefits received by the Directors during the year ended 31 March 2025 was NZ$285,833 as shown in the table below.

| Director | Responsibility | Directors Fees | Committee Fees | FY25 Total |
|---|---|---|---|---|
| DM Knott | Board Chair | NZ$1 | | NZ$1(1) |
| TA Avery | | NZ$67,708 | | NZ$67,708 |
| OK Horton | | NZ$67,708 | | NZ$67,708 |
| PR Smart | Audit Committee Chair | NZ$67,708 | NZ$7,500 | NZ$75,208 |
| THG Adams | Remuneration Committee Chair | NZ$67,708 | NZ$7,500 | NZ$75,208 |

(1) David Knott volunteered to reduce his Chair fee to NZ$1.

### Director Equity Holdings

The Company believes it is appropriate to have Directors' and executives' remuneration aligned with the performance of the Company, and that the ownership of ArborGen Holdings' shares is a good way of achieving this goal. As at 31 March 2025, Directors of the Company held the following relevant interests (as defined in the Financial Markets Conduct Act 2013) in ArborGen shares:

| Name | Position | Number of Shares |
|---|---|---|
| DM Knott | Chairman and Non-executive Director | 137,359,722 |
| TA Avery | Non-executive Director (1) | 555,350 |
| OK Horton | Non-executive Director (1) | 555,350 |
| PR Smart | Non-executive Director (1) | 555,350 |
| THG Adams | Non-executive Director (2) | 820,998 |

(1) Shares issued under the 2018 Share Plan (see the Company's 2022 Annual Report for further details).

(2) Shares issued under the 2019 share plan.

### Executive Remuneration

The Group's Remuneration Policy aims to attract, retain and incentivise employees in order to drive and enhance Company performance. Performance incentive payments are determined by the Remuneration Committee and are calculated by measuring actual performance outputs against target individual and/or Company objectives.

In September 2019, the Board established a new share-based incentive scheme named the Rubicon Limited 2019 Omnibus Incentive Scheme (the Omnibus Incentive Scheme) permitting the Board or the Remuneration Committee to grant various equity-based awards (including stock options, stock appreciation rights, restricted stock units and other types of equity and cash awards) to officers, employees and directors of the ArborGen Group. The Omnibus Incentive Scheme aims to align the interests of the Groups' officers, employees and directors with those of the Company's shareholders over the longer term.

Under the Omnibus Incentive Scheme, the Remuneration Committee can, but is not obligated to, permit the mandatory tax withholdings of equity-based awards to be satisfied by withholding shares to which the recipient would otherwise be entitled.

In that event, the Company would use its own cash to satisfy the withholding taxes of the recipient and accordingly reduce the number of shares transferred upon vesting to the recipient.

There was no approved Long Term Incentive Plan in respect of the fiscal year ending 31 March 2025 (FY25).

## CEO Remuneration

Justin Birch commenced as CEO on 16 June 2023. The CEO's remuneration package reflects the complexity of the role, and the wide-ranging skills needed to do it well and is intended to strongly align his interests with those of shareholders.

It comprises:

- A fixed remuneration component comprising cash salary of US$438,180 (Base Salary for FY25)
- Annual short-term incentive of up to 100% of Base Salary:
  - For fiscal year ended 31 March 2025 and each fiscal year thereafter:
    - (i) a cash bonus of up to 50% of then-current Base Salary; and
    - (ii) a bonus paid in ARB ordinary shares of up to 50% of then-current Base Salary, in each case subject to meeting performance criteria determined by the Remuneration committee (a portion of which will be paid in cash for tax purposes).
- An equity grant of restricted ordinary shares (Restricted Shares), equal to 4% of ordinary shares in ARB subject to shareholder approval (includes a cash portion to cover associated taxes) comprising:
  - 50% Time-Based Shares: such Restricted Shares shall vest as follows:
    - (i) one third which vested on the first anniversary of the employment commencement date (June 1, 2024); and
    - (ii) two thirds shall vest on the second anniversary date (June 1, 2025), in each case subject to completion of continuous service with ArborGen or an affiliate until the applicable vesting date
  - 50% Performance-Based Shares: such Restricted Shares shall vest as follows:
    - (i) one half of such Performance-Based Shares which did not vest on June 1, 2024, and
    - (ii) the other half of such Performance-Based Shares shall vest on June 1, 2025, in each case subject to satisfaction of applicable performance criteria and to completion of continuous service with ArborGen or an affiliate until the applicable vesting date
    - (iii) performance criteria directly related to adjusted GAAP EBITDA
    - (iv) all ordinary shares not vested will vest immediately upon a change of control.

The Board ensures that the CEO's remuneration, including base salary, is aligned with appropriate market rates and reflects performance and delivery of sustainable shareholder value.

Further information on the CEO's Remuneration was provided in the FY23 Notice of Meeting, where shareholders approved the issue of 10,471,477 shares to the Justin Birch Trust, in addition to the 9,780,000 issued in July 2023. The chart below shows total compensation paid in FY24 and FY25, though the STI incentive was earned in the previous fiscal year of when paid.

| | Fixed Remuneration | | Short Term Incentive [1] | | | Long Term Incentive [2] | | | Total |
|---|---|---|---|---|---|---|---|---|---|
| | Base Salary | Other benefits | Number of Shares Vested | Market Value of Shares ($USD) | Cash | Number of Shares Vested | Market Value of Shares ($USD) | Cash | |
| FY24: J Birch | $359,600 | $315,920[5] | 1,346,928 | $115,068 | $309,931 [3] | | | | $1,100,520 |
| FY25: J Birch | $438,180 | $66,000 | 535,719 | $45,259 | $121,903[3] | 1,827,696 | $156,141 | $132,208[4] | $959,691 |

(1) Earned based upon criteria of the associated fiscal year, paid in following fiscal year.

(2) Earned based upon anniversary of employment (1 June, 2024).

(3) Includes cash-based bonus along with incremental cash associated with the withholding taxes of the recipient, which subsequently reduced the number of shares transferred upon vesting to the recipient.

(4) Cash associated with the withholding taxes of the recipient, which subsequently reduced the number of shares transferred upon vesting to the recipient.

(5) FY24 other benefits consisted of signing bonus ($100k), relocation costs ($100k) and other miscellaneous costs including legal fees along with employer paid benefits.

**FY25 STI Outcome**

The STI outcome is set at 100% base salary and is earned as a cash and stock remuneration (50%/50% with a portion to be paid in cash for tax purposes) based upon Adjusted GAAP EBITDA along with strategic initiatives which are related to sales and marketing, strategic investments in Brazil, and securing the sustainability of long-term business functioning.

| Performance Hurdles | STI Weighting | Weighted Outcome |
|---|---|---|
| Financial Performance | 60% | 0% |
| Strategic Initiatives | 40% | 38% |

**Severance**

If the Company terminates the Chief Executive Officer's employment without cause, the Company shall pay the Executive an amount equal to twelve months of the Chief Executive Officer's Base Salary plus any prorated target bonus in cash for remainder of employment year and any outstanding equity-based incentive award subject to performance based vesting criteria pro-rated on a quarter by quarter basis.

## Employee Remuneration

In accordance with Section 211 of the Companies Act, remuneration and other benefits (including performance benefits and any redundancy payments) which in total exceeded NZ$100,000 per annum received by employees of ArborGen and its subsidiaries (i.e. including ArborGen Inc and its respective subsidiaries) in the period ended 31 March 2025 is summarised in the following table:

Includes Salary, Commissions, Incentive Bonus

| $NZD | | | Number of Employees |
|---|---|---|---|
| $100,000 | to | $110,000 | 5 |
| $110,000 | to | $120,000 | 12 |
| $120,000 | to | $130,000 | 9 |
| $130,000 | to | $140,000 | 6 |
| $140,000 | to | $150,000 | 3 |
| $150,000 | to | $160,000 | 5 |
| $160,000 | to | $170,000 | 5 |
| $190,000 | to | $200,000 | 3 |
| $200,000 | to | $210,000 | 2 |
| $220,000 | to | $230,000 | 4 |
| $230,000 | to | $240,000 | 5 |
| $240,000 | to | $250,000 | 1 |
| $260,000 | to | $270,000 | 2 |
| $280,000 | to | $290,000 | 1 |
| $290,000 | to | $300,000 | 1 |
| $310,000 | to | $320,000 | 1 |
| $320,000 | to | $330,000 | 1 |
| $340,000 | to | $350,000 | 1 |
| $350,000 | to | $360,000 | 1 |
| $400,000 | to | $410,000 | 1 |
| $420,000 | to | $430,000 | 1 |
| $490,000 | to | $500,000 | 1 |
| $2,100,000 | to | $2,110,000 | 1 |

Payments include salary, commissions and incentive bonus.

## Dealings in Company Securities

There has been no trading in ArborGen Holdings' shares by Directors and Senior Officers during the twelve-month period ended 31 March 2025 other than vesting of shares under the Non-Executive Directors' Share Plans and the issuance of shares under the Executive Fixed Trading Plan:

- Vesting of 1,827,696 related to Equity Grant as outlined in the CEO Remuneration section
- Cancelled 1,547,550 shares to pay associated taxes for Justin Birch
- Issued 1,346,928 shares to Justin Birch as part of his short-term incentive plan as detailed in the CEO Remuneration section.

# Statutory Information

## Interests Register

Directors' certificates to cover entries in the Interests Register made during the twelve-month period ended 31 March 2025 in respect of remuneration, dealing in the Company's securities, insurance and other interests have been separately disclosed as required by the New Zealand Companies Act 1993.

***Directors' Interests***

The following are particulars of general disclosures of interest given by the Directors of the Company as at the date of this report pursuant to section 140(2) of the Companies Act 1993:

| | | **Relationship** |
|---|---|---|
| DM Knott | Knott Partners, LP | Managing Member |
| | Daida LLC | Board Member |
| | The HiGro Group, LLC | Advisory Board |
| | Knott Family Foundation | President |
| | The Max Stenbeck Charitable Fund | Board Member |
| | UNC Arts and Sciences Foundation | Director |
| | SCAN-Harbor | Board Member |
| THG Adams | Apollo Foods Limited | Executive Chairman and shareholder |
| | Bremworth Limited | Director |
| | Insightful Mobility Limited | Chairman and shareholder |
| | Netlogix Group Holdings | Chairman |
| | New Zealand Frost Fans Holdco Limited | Chairman |
| | Synlait Milk Limited | Chairman |
| | Synlait Milk Finance Limited | Chairman |
| | Red Shield Security Limited | Chairman |
| TA Avery | CRA International Inc | Director and shareholder |
| | KIPP Metro Atlanta | Director |
| | PowerUP Scholarship | Director |
| | Scheller Business School | Advisory Board Member |
| | Southeast Pet Inc | Advisory Board Member |
| OK Horton | Al Dabbagh Group | Advisory Board Director |
| | Louisiana-Pacific Corporation | Director and shareholder |
| | Worthington Industries, Inc | Director and shareholder |
| | MUSC Hollings Cancer Center | Advisory Board Member |
| | Liberty Fellowship Foundation | Mentor |
| | The Clergy Society in the State of South Carolina | Investment Committee Chairman |
| PR Smart | Argus Fire Systems Service Limited | Director |
| | Genus ABS (NZ) Limited | Director |
| | Bellbird Trust | Trustee |
| | Saddleback Trust | Trustee and Beneficiary |
| | Sunrise Consulting Limited | Director |

During the twelve-month period ended 31 March 2025 Directors advised the following resignations:

| | | **Relationship** |
|---|---|---|
| PR Smart | Vortex Power Systems Limited | Director and Chair |

## Subsidiary Company Directors

Section 211(2) of the Companies Act 1993 requires the Company to disclose in relation to directors and former directors of its subsidiaries, amongst other things, the total remuneration and value of other benefits received by them, and particulars of interest register entries made by them during the twelve-month period ended 31 March 2025. No employee of an ArborGen Group company appointed as a director of any wholly-owned subsidiary receives any remuneration or other benefits in that role. The remuneration and other benefits of employees are disclosed elsewhere in this Annual Report. No director of any subsidiary receives any remuneration or other benefits as a director. The following persons held office as directors of subsidiary companies as at 31 March 2025, or in the case of those persons with the letter (R) after their name, ceased to hold office during the period:

| | |
|---|---|
| Rubicon Forests Holdings Limited | DM Knott, PR Smart |
| Rubicon Industries USA LLC | DM Knott |
| ArborGen Inc | DM Knott, TA Avery, JH Birch, OK Horton, PR Smart, THG Adams |
| ArborGen Comercio de Produtos Florestais Importacao e Exportacao LTDA | A Amaral de Almeida |
| ArborGen Tecnologia Florestal LTDA | A Amaral de Almeida |

## Shareholder Information

The Company's shares are listed on the Main Board of NZX Limited. The 20 shareholders of record with the largest holdings of shares at 1 May 2025 were:

| | Number of shares | % of shares |
|---|---|---|
| HSBC Nominees (New Zealand) Limited - NZCSD | 155,176,671 | 29.79 |
| Citibank Nominees (New Zealand) Limited - NZCSD | 131,151,275 | 25.18 |
| Accident Compensation Corporation - NZCSD | 38,189,478 | 7.33 |
| JBWere (NZ) Nominees Limited | 24,873,499 | 4.77 |
| Sky Hill Limited | 20,047,043 | 3.85 |
| Justin Birch a/c - A Brown | 16,876,231 | 3.24 |
| Squirrel a/c - A Mansell, S Pearson & J Pearson | 16,542,218 | 3.18 |
| JPMorgan Chase Bank NA NZ Branch - NZCSD | 9,630,389 | 1.85 |
| The Aspiring Fund - Public Trust - NZCSD | 6,274,966 | 1.20 |
| S Moriarty | 5,320,000 | 1.02 |
| A Baum | 4,703,351 | 0.90 |
| H Fletcher & S Fletcher | 4,318,182 | 0.83 |
| M Taylor | 3,680,000 | 0.71 |
| Justin Birch | 3,174,624 | 0.61 |
| New Zealand Depository Nominee Limited | 2,895,975 | 0.56 |
| Moriarty Superannuation Fund – S & D Moriarty | 2,710,124 | 0.52 |
| The So Proud a/c – S Godfrey, D Toothill & M Godfrey | 2,639,027 | 0.51 |
| K Chiam | 2,241,937 | 0.43 |
| BNP Paribas Nominees (NZ) Limited - NZCSD | 1,798,079 | 0.35 |
| G Simms | 1,725,000 | 0.33 |
| Total | 453,968,069 | 87.16 |

## Distribution of Shareholders and Holdings as at 1 May 2025

| | Number of shareholders | | Number of shares | |
|---|---|---|---|---|
| **Size of holding** | **Number** | **%** | **Number** | **%** |
| 1–999 | 1,764 | 34.55 | 1,149,648 | 0.22 |
| 1,000–9,999 | 2,741 | 53.68 | 7,221,054 | 1.39 |
| 10,000–49,999 | 387 | 7.58 | 7,681,001 | 1.47 |
| 50,000–99,999 | 68 | 1.33 | 4,679,737 | 0.90 |
| 100,000 and over | 146 | 2.86 | 500,117,198 | 96.02 |
| **Total** [1] | **5,106** | **100.00** | **520,848,638** | **100.00** |

(1) Includes shares issued under the Non-Executive Directors Share Plan.

## Domicile of Shareholders and Holdings as at 1 May 2025

| | Number of shareholders | | Number of shares | |
|---|---|---|---|---|
| **Size of holding** | **Number** | **%** | **Number** | **%** |
| New Zealand | 4,101 | 80.32 | 348,930,091 | 66.99 |
| Australia | 614 | 12.02 | 135,637,759 | 26.04 |
| United Kingdom | 150 | 2.94 | 20,616,409 | 3.96 |
| United States of America | 146 | 2.86 | 12,738,411 | 2.45 |
| Other | 95 | 1.86 | 2,925,968 | 0.56 |
| **Total** [1] | **5,106** | **100.00** | **520,848,638** | **100.00** |

(1) Includes shares held by US-based shareholders through New Zealand nominee companies.

## Substantial Product Holders

According to notices that have been provided under the Financial Markets Conduct Act 2013, as at 31 March 2025 the following were substantial product holders in the Company. In terms of the Act, the number of shares and percentages shown below are as last advised by the substantial product holder and may not be their current holdings or reflect the current percentage of the voting securities on issue.

| Substantial product holder | Number of voting securities held at date of notice | % of voting securities held at date of notice | Date of notice |
|---|---|---|---|
| Dave Knott [a] | 115,583,162 | 28.256 | 23 August 2016 [2] |
| Libra Fund LP / Ranjan Tandon | 77,149,367 | 14.64 | 6 October 2023 [1] |
| Accident Compensation Corporation | 32,221,000 | 6.604 | 4 January 2018 [1] |
| Irvin Kessler | 25,000,000 | 5.124 | 3 January 2018 [1] |
| Bank of New Zealand [b] | 25,000,000 | 5.124 | 8 January 2018 [1] |
| Greensprings Capital LP | 33,563,479 | 6.42 | 19 December 2024 [3] |

The following substantial product holder notices have been received (which are included in the substantial product holder notices disclosed above). The number of shares and percentages shown below are as last advised by the substantial product holder and may not be their current holdings or reflect the current percentage of the voting securities on issue.

| Substantial product holder | Number of voting securities | % of ArborGen voting securities | Date of notice |
|---|---|---|---|
| (a) Mr Knott has disclosed he holds a relevant interest in ArborGen shares held by: | | | |
| Dorset Management Corporation | 105,679,657 | 25.835 | 23 August 2016 (2) |
| Knott Partners, L.P. (i) | 82,511,226 | 20.171 | 13 June 2014 (2) |
| Various other interests | 9,903,505 | 2.421 | 23 August 2016 (2) |

(i) Dorset Management Corporation has entered into an investment management agreement with Knott Partners, L.P. pursuant to which Dorset Management Corporation has discretion over the acquisition, disposition and voting of the securities held by Knott Partners, L.P. Dave Knott is the sole shareholder, Director and President of Dorset Management Corporation. All of the voting securities held by Knott Partners, L.P. are therefore also included in the number of voting securities held by Dorset Management Corporation.

(b) In their substantial product holder notice the Bank of New Zealand stated "Conditional power to control the disposal of the financial product. The relevant interest only arises from the powers of investment contained in an investment management contract for Bank of New Zealand's portfolio execution service."

The total number of issued voting securities at 31 March 2025 was 520,848,638. All of the references to voting securities in this section are to the Company's ordinary shares.

(1) The total number of shares on issue at date substantial product holder notice was received was 487,908,343.

(2) The total number of shares on issue at date substantial product holder notice was received was 409,051,378.

(3) The total number of shares on issue at date substantial product holder notice was received was 522,971,138.

## Other

### *Directors' and Officers' Indemnity and Insurance*

In accordance with section 162 of the Companies Act 1993 and the constitution of the Company, the Company has given indemnities to, and has effected insurance for, Directors and executives of ArborGen and its related companies which indemnify and insure Directors and executives against monetary losses as a result of actions or omissions by them in the course of their duties. The Company shall maintain insurance cover for the Directors and executives for a period of seven years following the date the Director or executive has ceased to be a Director or executive of the Company. Excluded from the indemnity are actions of criminal liability or breach of the Director's duty to act in what they believe to be the best interests of the Company.

### *Donations*

During the twelve-month period ended 31 March 2025, the total amount of donations made by ArborGen and its subsidiaries was $343 (2024: $1,889).

### *Credit Rating*

ArborGen has not sought a credit rating.

### *NZX Waivers*

No NZX waivers were granted to the Company by NZX, or otherwise relied upon by the Company, under the NZX Listing Rules during the period from 1 April 2024 to 31 March 2025.

# Directory

## Registered Office

Level 15, PwC Tower,
15 Customs Street West,
Auckland 1010, New Zealand

PO Box 68 249, Victoria Street West,
Auckland 1141, New Zealand
Telephone: +64 9 356 9800
Email: info@arborgenholdings.com
Website: www.arborgenholdings.com

## Directors

Dave Knott, Chairman (USA)[1]
George Adams, Independent Director (NZ)
Ozey Horton, Independent Director (USA)
Paul Smart, Independent Director (NZ)
Tom Avery, Independent Director (USA)

## Share Registry

Computershare Investor Services Limited
Private Bag 92119,
Auckland 1142, New Zealand
Ph: +64 9 488 8777
Fax: +64 9 488 8787
Email: enquiry@computershare.co.nz
Website: www.computershare.co.nz

## Auditor

Grant Thornton New Zealand Audit Limited

## Solicitor

DLA Piper

(1) Substantial Product Holder.

www.arborgenholdings.com