

CONSOLIDATED INCOME STATEMENT

For the year ended ended 31 March 2026

	Notes	Year ended March 2026 US\$m	Year ended March 2025 US\$m
Revenue	24	68.2	63.2
Cost of sales	7	(48.4)	(45.0)
Gross profit		19.8	18.2
Intellectual property amortisation	7	(6.1)	(6.1)
Administration expense		(13.5)	(13.3)
Operating earnings excluding items below		0.2	(1.2)
Impairment	13 & 16	(1.7)	(21.8)
Employee retention credit (ERC) tax credit	7	0.8	-
Gain on sale	7	0.2	2.2
Operating loss before financing expense		(0.5)	(20.8)
Financial income		0.5	0.3
Financing expense		(3.4)	(2.0)
Loss before taxation		(3.4)	(22.5)
Tax benefit (expense)	8	(4.1)	1.0
Net loss after tax		(7.5)	(21.5)
Earnings per share - Basic	19	(0.0148)	(0.0423)

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 ended 31 March 2026

	Notes	Year ended March 2026 US\$m	Year ended March 2025 US\$m
Net loss after tax		(7.5)	(21.5)
Items that may be reclassified to the Consolidated Income Statement:			
Movement in currency translation reserve	20	1.9	(1.7)
Movement in hedge reserve	20	(0.2)	(0.3)
Other comprehensive earnings (loss) (net of tax)		1.7	(2.0)
Total comprehensive loss		(5.8)	(23.5)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended ended 31 March 2026

	Notes	Year ended March 2026 US\$m	Year ended March 2025 US\$m
Total comprehensive loss		(5.8)	(23.5)
Movement in ArborGen Holdings shareholders' equity:			
Movement in issued capital	19	0.4	(0.2)
Movement in share-based payment reserve	20	(0.3)	(0.4)
Total movement in shareholder equity		(5.7)	(24.1)
Opening group equity		124.6	148.7
Closing group equity		118.8	124.6

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 ended 31 March 2026

	Notes	Year ended March 2026 US\$m	Year ended March 2025 US\$m
Cash was provided from operating activities			
Receipts from customers		67.1	64.4
Cash provided from operating activities		67.1	64.4
Payments to suppliers, employees and other		(61.7)	(60.0)
Tax paid		(1.7)	(1.7)
Cash (used in) operating activities		(63.4)	(61.7)
Net cash from/(used in) operating activities		3.7	2.7
Interest received		0.5	0.3
Proceeds on sale of fixed assets	7	0.5	4.1
Investment in fixed assets	13	(4.1)	(7.8)
Net cash from/(used in) investing activities		(3.1)	(3.4)
Debt drawdowns	18	28.7	28.5
Repayment of lease liabilities		(2.8)	(1.9)
Debt repayment	18	(25.6)	(24.0)
Interest paid		(2.5)	(3.0)
Repurchase of warrants and/or share buyback	19	-	(0.5)
Net cash from/(used in) financing activities		(2.2)	(0.9)
Net movement in cash		(1.6)	(1.6)
Opening cash, liquid deposits and restricted cash		3.5	5.6
Effect of exchange rate changes on net cash		0.3	(0.5)
Closing cash and cash equivalents	9	2.2	3.5
Net loss after taxation		(7.5)	(21.5)
Adjustment for:			
Financial income		(0.5)	(0.3)
Financing expense		3.3	2.0
Depreciation and amortisation		8.4	10.3
Tax expense		4.1	(1.0)
Foreign exchange		0.3	(0.5)
Other non cash items		3.3	21.8
Cash flow from operations before net working capital movement		11.4	10.8
Trade and other receivables		0.7	(0.3)
Inventory		(3.7)	(3.3)
Trade and other payables		(3.0)	(2.8)
Net working capital movement		(6.0)	(6.4)
Cash tax paid		(1.7)	(1.7)
Net cash from/(used in) operating activities		3.7	2.7

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

ArborGen Holdings Limited and Subsidiaries
CONSOLIDATED BALANCE SHEET
As at 31 March 2026

	Notes	Year ended March 2026 US\$m	Year ended March 2025 US\$m
Current assets			
Cash and cash equivalents	9	2.2	3.5
Trade and other receivables	10	12.0	12.8
Inventory	11	42.0	38.4
Assets held for sale	13	10.9	13.6
Total current assets		67.1	68.3
Non-current assets			
Fixed assets	13	29.6	27.6
Derivative financial instruments	5 & 27	0.1	0.3
Right-of-use assets	14	14.1	8.7
Intellectual property	15 & 16	54.1	60.2
Other assets		2.2	-
Deferred taxation asset	12	7.2	10.4
Total non-current assets		107.3	107.2
Total assets		174.4	175.5
Current liabilities			
Trade, other payables and provisions	17	(10.0)	(12.9)
Current lease obligation	22	(2.3)	(1.7)
Current debt	18	(1.6)	(1.8)
Current taxation liability		(1.1)	(0.4)
Total current liabilities		(15.0)	(16.8)
Term liabilities			
Term debt	18	(25.7)	(22.6)
Lease obligation	22	(11.4)	(6.5)
Deferred taxation liability	12	(2.9)	(4.2)
Other (security deposit)		(0.6)	(0.8)
Total term liabilities		(40.6)	(34.1)
Total liabilities		(55.6)	(50.9)
Net assets		118.8	124.6
Equity			
Share capital	19	203.6	203.2
Reserves	20	(84.8)	(78.6)
Total group equity		118.8	124.6



Dave Knott
Chairman of the Board



Paul Smart
Audit Committee Chairman

29 May 2026

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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 2026 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 29 May 2026.

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 recently reviewed the impacts of IFRS 18.

NZ IFRS 18 requires the income statement to be defined in the following sections:

- Operating
- Investing
- Financing
- Income taxes
- Discontinued Operations

NZ IFRS 18 also requires:

- Goodwill to be shown separately in the financial statements
- Cash flows from interest and dividends received to be shown as investing activities in the statement of cash flows,
- Cash flows from interest and dividends paid to be shown as financing activities in the statement of cash flows, and
- The Group must disclose and thus have audited, any management-defined performance measures (MPMs), these being subtotals of income and expenses that management uses outside the financial statements to publicly communicate their view of financial performance

The Group's financial statements will be minimally impacted.

The changes to MPMs are expected to have a more significant impact on the financial statements, as US Adjusted GAAP EBITDA is currently a key metric that is utilized by management. Net Income, supplemented by more detailed segment reporting as the net income level, would represent the most suitable alternative that satisfies all outlined criteria. Alternatively, Operating profit before Depreciation and Amortization would be another great alternative, which is the IFRS-based EBITDA proxy.

This change will affect the financials at 31 March 2028. Accordingly, The Group will have sufficient time to evaluate and implement any necessary revisions to financial measures reported in the annual report, ensuring that both shareholders and management receive clear and relevant information.

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 [17]. 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 [17].

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. 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 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

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 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 have not been incorporate into the financials statements or notes for FYE2026.

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 \$34.5 million (2025: \$35.8 million)) with two banks in the United States; a \$6.8 million reducing loan (2025: \$7.2 million) which matures in May 2036, a new facility for \$2.2 million for the purchase of Texas Jasper nursery in March 2024 which matures in March 2044, a \$20 million revolver (2025: \$17 million), which expires in April 2029 and a \$8.7 million mortgage expiring in April 2029 (2025: \$9.1 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.

The \$8.7 million dollar facility noted above is secured by a building that is held for sale. This building has a purchase and sale agreement signed on 27 April 2026, which is now in due diligence phase. Regardless of the outcome, the building continues to be marketed and is expected to be sold within the coming fiscal year. This will eliminate the \$8.7 million dollar line of credit.

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. In addition, the Group has performed sensitivity analysis on key assumptions underlying the liquidity forecast to assess the robustness of the going concern conclusion:

- Delays in the completion of the building sale
- Reduction in forecasted operating cash flows
- Other risks related to cash collections
-

Management has considered these financing arrangements together with the Company's projected operating cash flows, planned asset sale, and the sensitivities in cash flow and has determined the Company will have sufficient resources to meet its obligations through to 31 May 2027.

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 \$6.8 million reducing loan facilities and the \$8.7 million mortgage facility fixed rate of 5.75%. 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).



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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended ended 31 March 2026

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 2026 US\$m	Year ended March 2025 US\$m
Depreciation and amortisation included in:			
Cost of sales expense		(3.6)	(2.8)
Intellectual property amortisation	15	(6.3)	(6.2)
Administration expense: general and administration		(1.0)	(0.9)
Total depreciation and amortisation		(10.9)	(9.9)
Cost of inventory expensed in cost of sales		(48.4)	(45.0)
Employee and other extraordinary related expenses (excluding restructuring and transaction-related expenses)		15.6	(15.0)
Sale of Assets ⁽¹⁾		0.2	2.2
ERC ⁽²⁾		0.8	-
Value added taxation - valuation allowance		-	0.2
CEO transition and other		1.0	2.4

(1) ArborGen sold its invitro business which resulted in a gain on sale of \$2.2 million in FYE2025 .

(2) In FYE2023, a portion of an ERC credit received was deferred from income recognition until the three year statute of limitations for potential audit had passed. Thus, a liability was recorded for \$843k. This deadline has now passed and the \$843k can be recognised as income.

8 INCOME TAX EXPENSE

	Note	Year ended March 2026 US\$m	Year ended March 2025 US\$m
Profit (loss) before taxation		(3.4)	(22.5)
Taxation at 28%		1.0	6.3
Adjusted for:			
Permanent differences		(1.8)	(6.1)
Timing differences		0.2	0.2
Change in deferred tax liability	12	1.3	1.1
Rate differential		(1.4)	(0.5)
Taxation (expense)/benefit		(0.7)	1.0

9 CASH, LIQUID DEPOSITS AND RESTRICTED CASH

At 31 March the Group held total cash and liquid deposits of \$2.2 million (2025: \$3.5 million).

10 TRADE AND OTHER RECEIVABLES

	March 2026 US\$m	March 2025 US\$m
Trade debtors	11.0	10.0
Prepayments	1.0	2.7
Other receivables	-	0.1
Trade and other receivables	12.0	12.8

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

11 INVENTORY

	March 2026 US\$m	March 2025 US\$m
Finished goods - seedlings	6.6	4.1
Work in progress - seedlings ⁽¹⁾	3.4	2.3
Finished goods - seed	25.0	22.6
Work in progress - seed ⁽²⁾	7.1	9.4
Inventory	42.1	38.4

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended ended 31 March 2026

12 DEFERRED TAXATION

		Balance 1 April 2024	Movement in period	Balance 31 March 2025
	Note	US\$m	US\$m	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)

		Balance 1 April 2025	Movement in period	Balance 31 March 2026
	Note	US\$m	US\$m	US\$m
Deferred taxation asset				
Net operating losses ⁽¹⁾	8	10.4	(3.2)	7.2
Deferred taxation asset as at 31 March 2026		10.4	(3.2)	7.2
Deferred taxation liability				
Intellectual property	8	(4.2)	1.3	(2.9)
Deferred taxation liability as at 31 March 2026		(4.2)	1.3	(2.9)

ArborGen measures its 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.

- (1) The movement in period of (\$3.2) million includes impacts from prior periods of (\$1.0) million as a result of a proactive review which identified potential structural risks from historical periods covering the tax years of 2022-2024.

13 FIXED ASSETS

	March 2026 US\$m	March 2025 US\$m
Cost		
Land	12.8	12.9
Buildings	15.9	9.8
Plant and equipment	8.4	11.3
Total cost	37.1	34.0
Accumulated depreciation		
Buildings	(4.5)	(3.7)
Plant and equipment	(3.0)	(2.7)
Total accumulated depreciation	(7.5)	(6.4)
Net book value		
Land	12.8	12.9
Buildings	11.4	6.1
Plant and equipment	5.4	8.6
Fixed assets net book value	29.6	27.6
Domicile of fixed assets		
United States	24.2	23.7
Brazil	5.4	3.9
Fixed assets net book value	29.6	27.6

Fixed assets net book value	Land	Buildings	Plant and equipment	Total
	US\$m	US\$m	US\$m	US\$m
31 March 2025				
Opening net book value	12.9	18.8	4.9	36.6
Exchange differences	-	-	(0.2)	(0.2)
Additions	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
31 March 2026				
Opening net book value	12.9	6.1	8.6	27.6
Exchange differences	0.1	0.2	0.1	0.4
Additions	-	4.1	(0.7)	3.4
Transfer of assets held for sale to current assets ⁽¹⁾	-	4.1	(1.5)	2.6
Disposal of assets ⁽²⁾	(0.2)	(0.1)	-	(0.3)
Impairment ⁽³⁾	-	(1.7)	-	(1.7)
Depreciation charge	-	(1.3)	(1.1)	(2.4)
Fixed assets net book value as at 31 March 2026	12.8	11.4	5.4	29.6

- (1) ArborGen's US headquarters building is currently for sale (refer to note 29).
- (2) ArborGen sold 145 acres for \$475,000 of property in Texas. Net proceeds are shown impacting Land.
- (3) ArborGen's US headquarters building has a Purchase and Sale Agreement which is currently under the due diligence period. The selling price is lower than the NBV of the building. In accordance with IFRS 5.15, upon classification as held for sale the Property is required to be measured at the lower of its carrying amount and fair value of costs to sell. The purchase price was measured by the selling price plus the NPV of a future payment. After this review, an impairment of \$1.7M was prudent.



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For the year ended ended 31 March 2026

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 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
31 March 2026			
Opening net book value	6.0	2.7	8.7
Additions ⁽¹⁾	5.5	2.2	7.7
Disposals	-	-	-
Depreciation charge	(1.2)	(1.1)	(2.3)
Right-of-use assets net book value as at 31 March 2026	10.3	3.8	14.1

- (1) During the FYE2026 year, an amendment to a lease agreement was completed for 17.91 hectares in Martinho Campos. The lease agreement retroactively restated the lease calculations to 1 April 2025 under this amendment. Thus, the entire fiscal year was impacted by this agreement. The new amendment calls for monthly cash indexed annually at 50% of the INPC and annual seedling payments of 2MM of "GG" clone, payable over the year with a specific 10 month planting season. There is a valuation established for the seedling and is subject to annual market rate adjustments as defined in the amendment. The lease commences on 1 April 2025 and ends on 31 March 2025. An incremental borrowing rate from the May 2025 report for a 10-year least of 7.5% was utilized plus another 4% for Brazil. Total of 11.5%.

15 INTELLECTUAL PROPERTY

	Note	March 2026 US\$m	March 2025 US\$m
Opening balance		60.2	88.9
Impairment	16	-	(21.8)
Disposal of Asset ⁽¹⁾		-	(0.8)
Amortisation during period	7	(6.1)	(6.1)
Intellectual property		54.1	60.2
Total cost		104.3	104.3
Accumulated amortisation		(50.2)	(44.1)
Intellectual property		54.1	60.2

- (1) Related to the amortisation of the IP associated with the invitro business which was sold in FYE2024.

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 2026, (in line with the March 2025 approach) the 10-year model was updated to reflect;

- Forest Economic Adviser's (FEA) latest demand for saw timber in the US South
- Revised MCP sales
- inflationary impact on production costs
- consistent Brazil performance

As of 31 March 2026, net assets were \$106 million with a market capitalisation of \$49.7 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 utilised a 10-year plus terminal DCF valuation model. This analysis showed an impairment is not required.

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. Our DCF impairment model values only the projected cash flows from the existing core markets (i.e. 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 lower 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 49% 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 70% 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
- Cost of debt based on the risk-free rate
- Nominal post-tax discount rate of 14.3%
- Cost of equity with the average beta of guideline public companies from the timberland and ag/biotech sectors - 1.13
- Small company size premium of 5.5%
- Country Risk Premium for Brazil

The derived cost of equity for the US was 15.7% and 18.7% for Brazil, and the derived cost of debt was 4.5%.

A terminal growth rate of 3% was assumed (i.e. 0% terminal growth).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended ended 31 March 2026

16 ARBORGEN INVESTMENT AND IMPAIRMENT continued

As a means of assessing the sensitivity of the model to changes in assumptions, the MCP adoption rate was analyzed along with some other factors. The following sensitivities were reviewed which are key assumptions in the model outcome:

- MCP adoption rate capped as FYE2027 of 46%
- Discount rate changes
- Terminal rate changes

Sensitivity Chart

				Enterprise Value	
				Goodwill	
				Impairment	Variance to Base
Terminal year sensitivities enterprise value (increase/decrease) US\$ millions					
Base case	MCP terminal year adoption rate	49%		\$ 28.1	
	MCP terminal year adoption rate	46%	-3%	\$ 21.9	\$ 25.8
	WACC increased by .05%	14.7%	0.5%	\$ 21.1	\$ 25.0
	WACC increased by 1.0%	15.2%	1.0%	\$ 14.8	\$ 18.7
	Terminal growth rate	2.0%	-1%	\$ 13.5	\$ 17.4
	Terminal growth rate	1.0%	-2%	\$ 16.8	\$ 20.7

The Ridgeville building is being held for sale. This building is being sold at less than current NBV carrying loss. As such, there is an impairment of the building of \$1.7 million which will bring the value down to the lower of cost or market.

		Building
Gross asset value		\$ 16.4
Accumulated depreciation		\$ (3.9)
Net book value		\$ 12.5
Current selling price		\$ 10.8
Impairment		\$ 1.7

17 TRADE, OTHER PAYABLES AND PROVISIONS

	March 2026 US\$m	March 2025 US\$m
Trade creditors	(6.1)	(8.1)
Accrued employee benefits ⁽¹⁾	(1.3)	(1.9)
Other payables	(0.9)	(1.3)
Royalties	(0.9)	(0.7)
Seedling mortality	(0.1)	(0.1)
Seedling deposits from customers ⁽²⁾	(0.6)	(0.8)
Trade, other payables and provisions	(9.9)	(12.9)

(1) Includes accrued expense of \$0.3 million for FYE2025 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended ended 31 March 2026

18 TERM AND CURRENT DEBT

Summary of repayment terms	March 2026 US\$m	March 2025 US\$m
Due for repayment:		
less than one year	(1.6)	(1.8)
between one and two years	(1.3)	(13.9)
between two and three years	(0.9)	(1.0)
between three and four years	(17.2)	(0.7)
between four and five years	(0.7)	(0.7)
after five years	(6.2)	(6.3)
Total term and current debt	(27.9)	(24.4)

Summary of interest rates by repayment period	March 2026 %	March 2025 %
Due for repayment:		
less than one year	6.05%	5.49%
between one and two years	5.90%	4.95%
between two and three years	5.83%	5.82%
between three and four years	5.85%	5.87%
between four and five years	5.96%	5.93%
after five years	5.32%	5.99%
Current debt - weighted average interest rate	6.05%	5.49%
Term debt - weighted average interest rate	5.75%	4.90%

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

At 31 March 2026 the Group had debt facilities with the following banks:

- Synovus Financial Corporation (Synovus) and AgSouth Farm Credit

The table below shows key metrics with each loan:

Bank	AgSouth 1	AgSouth 2	Synovus	Synovus Line of Credit
Facility	6.8	2.2	8.5	20.0
Interest	4.95%	8.20%	5.75%	SOFR + 2.25%
Expiration	1-May-36	1-May-44	1-Apr-29	1-Apr-29
Annual Debt Repayment	\$0.600	\$0.260	NA	NA

At 31 March 2026 the Group held cash and liquid deposits of \$2.2 million (2025: \$3.5 million) and had debt of \$27.3 million and lease liabilities of \$13.7 million (2025: \$24.4 million of debt and \$8.2 million of lease obligations).

All covenants were met for the year ended 31 March 2026.

19 CAPITAL

Share Capital	March 2026 US\$m	March 2025 US\$m
Share capital at the beginning of the period	203.2	203.4
Redeem Shares ⁽²⁾	-	(0.5)
Vesting of shares - share plans ⁽¹⁾	0.4	0.3
Share capital	203.6	203.2

Number of shares	March 2026	March 2025
Opening shares on issue	520,848,638	526,957,789
Issue/Redeem Shares ⁽¹⁾	(2,559,381)	(200,622)
Issue/Redeem Shares ⁽²⁾	-	(5,908,529)
Issue of shares ⁽³⁾	4,429,043	-
Number of shares on issue	522,718,300	520,848,638

Treasury stock	March 2026	March 2025
Opening shares on issue	17,076,853	20,251,477
Issue of shares ⁽¹⁾	(2,522,071)	(3,174,624)
Vesting of shares	-	-
Number of shares on issue	14,554,782	17,076,853

Earnings per Share (Basic and Dilutive)	March 2026	March 2025
Weighted average dilutive shares ⁽⁴⁾	506,043,731	507,929,229
Weighted average basic shares	506,043,731	507,929,229
EPS Basic	(\$0.0148)	(\$0.0423)
EPS Dilutive	(\$0.0148)	(\$0.0423)

- (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. The performance based shares vest at 50% on 1 June 2024 and 1 June 2025, subject to satisfaction of applicable performance criteria as determined by the compensation committee and related to terms of service.
- (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 purchased to fulfill this programme.
- (3) In accordance with the resolution passed at ArborGen Holdings Board of Directors' meeting held on 20 November 2025, a management LTI was approved and stock issues accordingly as outlined with the resolution. 6,742,052 shares were issued for management LTI while 7,812,730 shares were issued for the CEO LTI. 10,125,739 shares were cancelled. All restricted shares have been issued to the "Restricted Shares Trust" and are treated as treasury stock until earned and vested.
- (4) The shares which held in treasury under the LTI are entirely performance based upon a three year time period and as such, as noted under IAS 33, the shares are not included in the diluted share calculation since to date, no shares have been earned under the performance criteria.



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20 RESERVES

	March 2026 US\$m	March 2025 US\$m
Retained earnings		
Opening balance	(77.2)	(55.7)
Net loss after tax	(7.5)	(21.5)
Closing balance	(84.7)	(77.2)
Cash flow hedge reserve ⁽¹⁾		
Opening balance	0.3	0.6
Fair value gains / (losses) for the year	(0.2)	(0.3)
Closing balance	0.1	0.3
Share-based payments reserve		
Opening balance	0.4	0.8
Executive share plan - shares vested ⁽²⁾	(0.4)	(0.3)
Executive share plan ⁽³⁾	-	(0.1)
Closing balance	-	0.4
Currency translation reserve		
Opening balance	(2.1)	(0.4)
Translation of independent foreign operations	1.9	(1.7)
Closing balance	(0.2)	(2.1)
Total reserves	(84.8)	(78.6)

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

(2) Justin Birch's employment agreement laid out the following:

20,251,477 restricted shares : 50% time-based shares and 50% performance-based shares (refer to Note 10)

Year	Award	Share %
FYE2024	\$ 425,000	27%
FYE2025	\$ 167,162	27%

(3) Pursuant to Justin Birch's employment agreement, the movement in the share based payment reserve represents an expense accrual that will be subsequently settled by the issuance of shares (see item 2 above).

21 CAPITAL EXPENDITURE COMMITMENTS

The are no capital expenditure commitments in the current period (2025: \$0).

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 2026 are as follows:

	Note	March 2026 US\$m	March 2025 US\$m
Lease obligations are reconciled as follows:			
Current lease obligations	27	(2.3)	(1.7)
Future interest payments	27	(11.4)	(6.5)
Total lease obligations		(13.7)	(8.2)

Financing expense includes interest payments relating to lease obligations of \$1.3 million (2025: \$0.5 million).

The lease obligations relate predominately to the lease of nursery facilities and in total are \$5.3 million for the US and \$8.4 million for Brazil.

23 REMUNERATION

Key management compensation		Year ended March 2026 US\$m	Year ended March 2025 US\$m
	Note		
Salaries and other short-term employee benefits		2.2	2.0
Share-based payments	19	0.6	-
Other payments		-	0.8
		2.8	2.8

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For the year ended ended 31 March 2026

24 SEGMENTAL INFORMATION SUMMARY

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

	Year ended March 2026 US\$m	Year ended March 2025 US\$m
Forestry genetics		
Total revenue	68.2	63.2
Operating revenue	68.2	63.2
Impairment	(1.7)	(21.8)
Financing expense	(3.4)	(2.0)
Tax (expense) / benefit	(4.1)	1.0
Net earnings (loss)	(7.5)	(21.5)
Total assets	174.4	175.5
Liabilities	(55.6)	(50.9)
Capital expenditure	(4.1)	(7.7)
Depreciation and amortisation	(10.9)	(9.9)
	Year ended March 2026 US\$m	Year ended March 2025 US\$m
The Group's geographical analysis is as follows:		
South America		
Operating revenue	30.2	25.7
Non-current assets	16.3	9.4
North America		
Operating revenue	38.0	37.5
Non-current assets	90.8	97.8
Total Group		
Operating revenue ⁽¹⁾	68.2	63.2
Non-current assets	107.1	107.2

(1) The Group's revenue represents sales of seedlings of \$68.2 million (2025: \$63.2 million).

25 RELATED PARTY TRANSACTIONS AND BALANCES

	Note	March 2026 US\$m	March 2025 US\$m
Income Statement			
Directors remuneration (excluding Non-executive Directors' Share Plan)	7	(0.2)	(0.1)
Former CEO severance ⁽³⁾		-	(0.1)
Balance Sheet			
Incoming CEO LTI and STI plans ⁽²⁾	17 & 20	-	0.6

(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 separation agreement.

26 PRINCIPAL OPERATIONS

ArborGen Holdings Limited (a New Zealand incorporated limited liability company) is the principal subsidiaries, as at 31 March 2026, were:

	Country of Domicile	Interest % March 2026	Interest % March 2025	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⁾					
<i>ArborGen Inc subsidiaries</i>					
ArborGen Comercio de Produtos Florestal Importacao e Exportacao LTDA	USA	100	100	31 March	Forestry genetics
ArborGen Tecnologia Florestal LTDA	Brazil	100	100	31 March	Forestry genetics
ArborGen New Zealand Holding LLC	Brazil	100	100	31 March	Holding company
	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.

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For the year ended ended 31 March 2026

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\$ million	March 2026		March 2025	
	US\$	Non US\$	US\$	Non US\$
Cash, liquid deposits and restricted cash	0.1	2.1	(0.1)	3.6
Trade debtors and other receivables	6.1	4.2	6.6	3.5
Trade creditors and other payables	(6.9)	(3.1)	(10.7)	(2.2)
Current debt	(1.2)	(0.7)	(1.2)	(0.6)
Non-current debt	(25.1)	(0.4)	(21.6)	(1.0)
Lease obligation	(7.1)	(6.7)	(4.4)	(3.8)
Gross balance sheet exposure		(4.6)		(0.5)

(i) The following exchange rates applied during the year:

	Average rate ⁽¹⁾		Spot rate	
	March 2026	March 2025	March 2026	March 2025
NZ\$:US\$	0.5874	0.5938	0.5844	0.5730
US\$:R\$	0.1838	0.1787	0.1908	0.1737

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

Foreign exchange contracts

The Group had no foreign exchange contracts outstanding (2025: 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 \$27.3 million of debt at 31 March 2026 (2025: \$24.0 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.

(b) Credit Risk**(i) Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure, which at 31 March 2026 was \$12.5 million of trade and other receivables, and cash and liquid deposits (2024: \$13.6 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 2026 US\$m	March 2025 US\$m
Neither past due or impaired	8.1	7.3
Past due but not impaired - 1 month	1.4	0.6
2 month	0.9	2.6
	10.4	10.5
Less provision for expected credit loss	(0.2)	(0.5)
Net trade debtors	10.2	10.0

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.

	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
Financial liabilities							
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)
31 March 2026							
Non derivative financial liabilities							
Trade and other payables	(6.1)	(6.1)	(6.1)	-	-	-	-
Debt	(27.3)	(34.8)	(6.6)	(3.7)	(13.4)	(3.5)	(7.6)
Lease obligation	(13.7)	(12.4)	(1.3)	(1.3)	(2.3)	(5.1)	(2.4)
Financial liabilities as at 31 March 2026	(47.1)	(53.3)	(14.0)	(5.0)	(15.7)	(8.6)	(10.0)

28 CONTINGENT LIABILITIES

Nothing to disclose

29 Subsequent Events

The ArborGen Inc. Ridgeville head office facility (the Property) which is legally owned by ArborGen Holdings' subsidiary Rubicon LLC was listed for sale in 2024, currently has a signed purchase agreement on the property, though closing is still contingent on upon due diligence.

Independent Auditor's Report

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To the Shareholders of ArborGen Holdings Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of ArborGen Holdings Limited on pages 1 to 22 which comprise the consolidated balance sheet as at 31 March 2026, 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 2026 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.

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
<p>ArborGen Cash Generating Unit – impairment assessment</p> <p>As set out in notes 15 and 16 of the consolidated financial statements, the Group has US\$54.1m of intellectual property recorded on its consolidated balance sheet.</p> <p>In addition to the above, the carrying amount of the Group’s net assets as at 31 March 2026 was higher than the market capitalisation of the Group. There is an indicator of impairment identified as at 31 March 2026.</p> <p>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.</p> <p>To determine whether the carrying value of it’s CGU is reasonable, management performed an impairment assessment on a value-in-use (VIU) basis.</p> <p>Impairment tests prepared by management were based on discounted cashflow models using Board approved budgets for the year ending 31 March 2027 and combined with forecasted cashflow for subsequent years.</p> <p>The key assumptions in assessing the CGUs carrying value were as follows:</p> <ul style="list-style-type: none"> - Annual growth rate, in particular MCP and Price growth; - The terminal value growth rate; and - The pre-tax discount rate 	<p>We have:</p> <ul style="list-style-type: none"> • assessed whether the methodology adopted was consistent with accepted valuation approaches of NZ IAS 36 <i>Impairment of Assets</i>; • 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; • Obtained management’s impairment assessments and tested the completeness and mathematical accuracy of the VIU calculations; • Challenged key assumptions to assess the models’ compliance with NZ IAS 36, including but not limited to discount rates and terminal growth rates used; • Compared the forecasted cash flows used for FY26 to the Board approved forecast; • Tested the key data inputs and assumptions such as average selling prices linked to the projected uptake of the MCP products; • Assessed historical accuracy of previous forecasts to actual results achieved; • Performed sensitivity analysis on key assumptions to assess the impact on the carrying value of the CGU; • 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 consolidated 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

Yasin Mohammed

Partner

Auckland

29 May 2026