2026 ANNUAL SHAREHOLDERS' MEETING SPEECHES

1. WELCOME

Good morning and welcome to ArborGen's annual shareholders meeting. I am Dave Knott, Chairman of the Board.

It's great to be back in New Zealand to meet shareholders and talk about ArborGen's performance. Thank you for joining us today.

2. CHAIR'S ADDRESS – DAVE KNOTT

I want to use my address to talk directly about where ArborGen stands today, the progress we have made, what comes next and other matters that we know are important to shareholders.

There is much about ArborGen that gives us confidence. We have strong market positions, valuable intellectual property and genetics, long-standing customer relationships, and a growing business in Brazil with significant long-term potential.

However, our overall performance is not yet where we hoped it would be and we recognise that the shareholder experience has been disappointing.

In particular, our share price remains at a level that none of us are satisfied with, and low liquidity in ArborGen shares is a genuine concern for some shareholders.

As a Board, we are very conscious that ultimately we need to demonstrate the value within ArborGen through stronger performance and better returns.

3. REGIONAL MARKET LOOKBACK

It's worth looking back at our market development since the sale of our Australia and New Zealand business in FY22, following which we focused our resources on our two core markets, the US South and Brazil. Since then, those markets have followed quite different paths.

Brazil

In Brazil, we moved quickly to build scale in a large and growing forestry market.

Revenue increased from around $8 million in FY22 to approximately $30 million by FY26, growing from 16% to more than 40% of our Group revenue. Over that period, we acquired and leased additional nurseries, expanded production and increased total capacity to more than 135 million seedlings annually, including contract growers.

That rapid expansion also created challenges. Systems, processes and financial disciplines did not always develop at the same pace as the business, while drought-related production constraints in recent years affected yields and increased costs.

Our focus has therefore shifted from building scale to consolidating what we have built. We have strengthened the team, financial processes and production planning; are shifting sales to higher-value protected clones, and are focused on improving yields and productivity. This is an ongoing process with improvement initiatives still underway.

US South

The US has followed a different path.

In FY22, the business was performing strongly, with record advanced genetics sales. We continued to invest in higher-value MCP genetics, container capacity and our nursery network.

However, weaker housing construction, reduced timber harvesting and the structural decline in pulp demand progressively reduced seedling demand. What initially appeared cyclical has developed into a more fundamental change in the market.

We have responded by reducing costs and right-sizing the footprint, including nursery rationalisation and the sale of non-core operations – a process that is ongoing this year.

At the same time, we continue to invest behind our key competitive advantage: advanced genetics. In a market increasingly focused on higher-value sawtimber, we believe the ability to grow better-performing trees remains highly relevant.

4. FY26 PERFORMANCE SNAPSHOT

In FY26, we delivered a result ahead of revised guidance and within the range originally set.

Revenue was a record result, despite the weak US market. Earnings and margin also recovered year on year.

This was supported by increasing average sales prices as our strategy to move customers to higher value products bears fruit. This remains one of our strategic priorities.

5. MARGIN STORY

Margins have moved around as the business has grown and market conditions have changed.

In Brazil, rapid expansion has brought significant revenue growth, but also the costs of building capacity, integrating new operations and addressing production and process challenges.

In the US, lower volumes have reduced utilisation of our nursery network and increased the impact of fixed costs.

At the same time, we have continued to invest in higher-value products - advanced genetics and containerised seedlings – and this remains an important driver of margin over the longer term.

Our focus now is on building revenue, reducing costs and converting the scale and capability we have built into stronger returns.

6. CASH GENERATION AND DEBT REDUCTION

That focus on stronger returns also needs to translate into improved cash generation.

Over recent years, we have invested significantly in building ArborGen's growth platform, particularly in Brazil, while challenging conditions in the US have constrained earnings and cash flow. As a result, debt is higher than we would like.

Our priorities are now changing. With much of the investment required to establish the Brazil platform behind us, we are increasingly focused on generating more cash from the assets and capacity already in place.

That means disciplined capital expenditure, tighter working capital management, improved margins and productivity, and continuing to review our asset base for opportunities to release capital.

Reducing debt is a clear priority for the Board. Stronger operating cash flow, together with proceeds from the divestment of surplus or non-core assets where appropriate, will be directed towards deleveraging. The sale of the Ridgeville building has reduced debt by US$8.6m, with a flow-on benefit from lower interest costs this year.

This is an important part of the next phase for ArborGen: translating earnings growth into cash, strengthening the balance sheet and creating greater flexibility for the future.

7. SHAREHOLDER VALUE

We recognise that shareholders have heard us talk about ArborGen's potential for some time. Our priority now is to convert that potential into stronger earnings, cash flow and returns.

There is no single initiative that will achieve this. It requires continued profitable growth in Brazil, improving the performance and cost structure of the US business, and disciplined capital allocation. Importantly, growth needs to create value, not simply add scale.

Some shareholders have asked whether ArborGen should undertake another strategic review, particularly given the performance of our share price.

Our last review in 2021 followed an unsolicited approach to acquire the company. Rather than simply reject an offer we believed materially undervalued ArborGen, we appointed PwC to test a broad range of alternatives, including asset and company sales and a potential US listing.

That process resulted in the sale of our Australian and New Zealand operations for NZ$22.25 million. However, the proposals received for the wider business did not represent better value than retaining and investing in the US and Brazil.

Much has changed since then. The US market has undergone a significant structural reset, while Brazil has developed into an important growth business.

We do not believe another formal review simply for the sake of undertaking a process is necessarily the answer. But we are not closed to alternatives.

The Board continues to assess our portfolio, capital allocation and opportunities to realise greater value.

Our objective is not to preserve ArborGen in its current form. It is to maximise value for all shareholders.

Share price and liquidity

I also want to address our share price and liquidity.

ArborGen has a relatively limited free float – around 50% of issued capital - and low trading volumes.

The Board has acted where appropriate and our 2024 share buyback resulted in approximately 5.9 million shares being acquired and cancelled.

We cannot determine the price at which our shares trade, but we can improve the performance of the business and allocate capital carefully.

Ultimately we believe that stronger financial performance is the most sustainable way to create shareholder value.

Leadership transition

As shareholders may know, Justin Birch recently resigned as Chief Executive after three years with ArborGen.

On behalf of the Board, I acknowledge Justin's contribution. His departure also provides an opportunity to consider the leadership ArborGen needs for its next phase.

We are also aware of shareholder interest in the equity arrangements put in place when Justin was appointed. Tenure-based restricted shares – a common remuneration practice in the US -vested in accordance with the terms approved at the time. Performance-based shares under the long-term incentive plan were not awarded as the targets were not met.

The Board recognises that executive remuneration is judged alongside company performance and shareholder returns.

For future leadership, we will ensure executive reward is clearly aligned with sustained performance, delivery against our strategic priorities and long-term shareholder value.

8. STRATEGIC PROGRESS AND NEXT STEPS

The next phase for ArborGen is about execution. I have talked about our three priorities for this year.

We have a strong position in the US South, notwithstanding the structural challenges facing that market, and an increasingly valuable growth platform in Brazil.

Our task is to make more of those positions.

In Brazil, that means consolidating and integrating our operations following a period of rapid expansion, capturing the growth available to us and continuing to increase the contribution from higher-value protected clones.

In the US, it means ensuring the business is configured appropriately for a structurally smaller market, while continuing to upsell our customers to the higher quality advanced genetics that differentiate ArborGen.

We need to expand our margins – firstly by growing sales of higher value products, but also by improving our focus on commercial and operational excellence and optimising our existing assets.

Across the Group, we need to generate stronger cash flow, drive profit and be disciplined about where we invest.

We will also continue to challenge our assumptions about the business and remain open to opportunities that could deliver greater value.

9. FY27 OUTLOOK

For FY27, we are targeting a continued improvement in revenue, cash generation and debt reduction. This will be driven by continued volume growth in Brazil, some revenue growth in the US, further improvements in operating leverage, and continued investment in advanced products.

We are not providing guidance at this time, but will look to do so with the half year results in November.

10. LOOKING AHEAD

I recognise that shareholders, particularly those who have been with ArborGen for many years, want to see tangible evidence of progress.

That is a reasonable expectation and one which the Board shares. We are shareholders too, and our interests are aligned in wanting ArborGen's underlying value to be reflected in the returns delivered to all shareholders.

We believe ArborGen has valuable assets, strong market positions and a genuine growth opportunity in Brazil. Our priority is to convert those strengths into improved earnings, cash generation and, ultimately, better returns for shareholders.

It’s important to remember the timelines that we are working with. Our customers are planting for forests they won’t harvest for 25 years or more.

In today’s market, where volumes are constrained, the path to earnings resilience is through quality. While they may be planting less, our customers are increasingly planting higher quality seedlings – an area in which we excel.

As VP of Product Development, interim Chief Executive Patrick Cumbie has played an essential role in building ArborGen’s leadership position in advanced genetics. I’ll now hand over to him to talk to you about our product portfolio and the position of strength it gives us in the market.

11. INTERIM CEO'S INTRODUCTION

Good morning. It's good to be here with you today as we talk about ArborGen, both the past year and looking forward.

As you are all aware this is a season of leadership transition for the company. I am grateful for the opportunity to serve the ArborGen team in this interim role.

I have been in the industry for 24 years and with ArborGen for over 16, starting as a project scientist focused on biotechnology projects and then shifting over the years to manage and lead all of the pine development efforts before moving to senior management.

Forest genetics is a passion and I'm excited to help lead the company through this time so we can continue to provide superior genetics to the market, educate the market on the value proposition, and provide excellent quality and service to our customers and partners.

Working on Product Development has given me a unique opportunity to be connected both to our sales team to support partners and customers, but also very much integrated into our operations team through orchard strategy, genetic deployment, and quality assurance.

We are poised to move forward to successfully execute our strategy of higher adoption of MCP in the US, and in Brazil both advanced families of pine and protected clones of eucalyptus.

12. LEADERSHIP FOCUS 2026

As Dave has said, we have three strategic priorities this year – to build sales of high value products, expand our margins, and generate cash to support profit and debt reduction.

The management team have identified four critical areas to help us be successful. These are not a departure from our previous focus, but represent a streamlining of what is essential, providing a clear focus for our team.

Firstly, people and culture … we have no hope of achieving operational or financial success without a committed group. As mentioned in years past, we have been working to put the right people into leadership as well as technical and operational roles.

The long-term nature of our industry and our business also means we need a team who is committed to the mission of the company. Especially in a time of transition, we are focusing on strengthening our culture to make sure we put our best foot forward in achieving sales, production, and quality goals. The combined experience, talent and institutional knowledge across our two regions is something our competitors can't replicate overnight.

Next is genetics leadership: Our genetic resources in the US are a tremendous asset. We will continue to produce the best loblolly pine seedlings available in the market, invest in product development efforts to prepare the next generation of trees, orchards, seeds, and products going out to customers. This past year we refreshed our pine products which I'll talk about today.

In Brazil the supply of US pine genetics continues to be in demand, and the protected clones of eucalyptus will be the focus as we work to also develop our own proprietary clones for the market.

Third is Operational Excellence: As the market headwinds continue to be a challenge in the US, it is imperative to make necessary adjustments to reduce costs and we're looking closely at how, where and what we grow.

In Brazil, we significantly expanded our production capacity over the last two years with the nursery acquisitions and new partnerships. Now it is time to make them "one company" as we work to align operating efficiency and management of different facilities.

Finally, financial stability: We have invested heavily in expanding our US container product and nursery capacity in Brazil. Our focus now is on maximising the value of those investments to generate cash, reduce net debt, and increase our ability to make measured investments for growth in both geographies.

13. **THE 'GENETICS DIVIDEND'**

Having worked in Product Development for over 16 years, I wanted to share my thoughts on ArborGen's products and offer and what gives us such a strong position in the market.

Growers are making decisions today that won't deliver payback for another 25 years. The seedlings they put in the ground shape growth, form, wood properties, health and survival - then compound across time, hectares and harvest decisions, influencing everything from thinning options to log mix at final harvest.

That's the genetics dividend: an important upfront choice that can deliver outsized, long-term returns.

Genetics has been recognised in the US for loblolly pine for decades, but understanding and confirming the value creation with mature stands has been lacking.

We are now getting very positive feedback from customers who invested in MCP® 10 to 15 years ago and are thinning the plantations. One customer has invested significantly to assess the difference between OP and MCP genetics in operational plantations, and we are excited to see that operational data confirms and reinforces the value proposition in MCP.

Traditionally, growers have had access to pulp markets which provided a mid-rotation cash flow from thinnings. This often drove the decision on how many trees per hectare to plant. With the loss of these markets in some areas, growers are considering planting fewer trees.

For many, it's not a dramatic reduction although some growers are looking to make larger decreases. This could impact the overall market size, but will also drive growers towards better, more advanced genetics. In essence, with fewer trees per hectare planted, the success of each tree planted becomes more important.

Growers need every tree to have a high probability of producing sawtimber. Where traditional Open-pollinated families might produce stems with 40-60% quality stems, MCP offers 75-85% quality stems, a much better option when you reduce your planting densities by 15-25%.

14. **SMARTER SEEDLINGS. CLEARER CHOICES**

This past year in the US, we refreshed our pine product categories with clear brand tiers for our MCP pine seedlings. Building on a decade of testing across the Southeast and deeper integration of proprietary and cooperative data, the team developed the AG Score, a single index that evaluates families in each region based on the traits that most impact plantation success. Each tier is designed to make seedling selection easier and highlight tangible performance benefits.

We've had positive feedback from customers on the rebranding and the data driven approach. Value creation is about growing more tons of wood that will qualify as sawtimber rather than pulpwood. The AG score index and refreshed product categories help customers understand the opportunity that comes with selecting higher performing genetic products.

15. **CUSTOMERS REALISING SIGNIFICANT GAINS**

We are seeing real-world forest plantations planted with MCP Pro+ seedlings showing significant growth improvements over OP seedlings, and the sawtimber at harvest is projected to be more than double that of OP due to improvements in yield and quality.

16. **EUCALYPTUS**

In Brazil, we continue to focus on producing protected clones that are licensed from other companies.

However, our product development team is working to bring ArborGen clones to the market, including testing the clones across multiple regions to identify which perform the best in a specific geography.

17. **MARKET OPPORTUNITY**

Our advantage is the combination of a sustained decades-long research and development programme, rigorous field testing and data capture, and the operational ability to commercialise winning genetics at scale.

Our strategy is designed to grow the adoption of advanced genetics while strengthening the operating foundation that allows us to deliver performance, consistency and service at scale.

We are intentionally focused on markets where the combination of scale, long-term planting demand and customer sophistication makes advanced genetics most valuable.

The market opportunities in Brazil remain compelling and we are well positioned to convert those into sustained earnings growth. While the US South is more challenging, we remain one of the leading suppliers of advanced genetics seedlings in the market.

The emerging carbon forestry market also presents a meaningful long term opportunity, and we are already partnering with carbon developers and co-hosting industry events that position ArborGen at the centre of this conversation.

Thank you.