

CONSOLIDATED INCOME STATEMENT

For the year ended 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) |
| EPS | | (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 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) |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 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 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 |
| 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.

ArborGen Holdings Limited and Subsidiaries
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) |
| 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.



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 [8]. 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 [7].

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 2025, 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended ended 31 March 2025

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) |
| Invitro 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 Invitro business which resulted in a gain on sale of \$2.2M .

(2) FY2024 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 utilization with appropriate authorities.

(4) No provisions for FYE25

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)

In addition Non-executive Directors participated in Directors' share plans with the final 273,666 tranche of shares vesting

- 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:\$0)

- 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended ended 31 March 2025

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 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.

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 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 amortisation | | (44.1) | (44.7) |
| Intellectual property | | 60.2 | 88.9 |

(1) Related to the amortization of the IP associated with the Invitro business which was sold in FYE2024

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended ended 31 March 2025

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 \$140M with a market capitalization of \$41M. Given the gap between the market capitalization 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 utilizes 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 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 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 minimize 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.

- Risk relating to seed orchards includes; 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 minimizing reliance on single year cone harvests.

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 utilized 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% terminal growth) was assumed.

(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 analyzed along with some other factors..

The uptake of the advanced genetic seedlings sales in the US loblolly market (i.e. 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 \$21.8M, 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 shows 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 | Amt 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 |

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For the year ended ended 31 March 2025

16 ARBORGEN INVESTMENT AND IMPAIRMENT (continued)

| Terminal year sensitivities equity value impact (increase/decrease) US\$ millions -MCP Adoption Rate | | Equity value change by | |
|--|-----|------------------------|--------------|
| | | (Impairment) | Var. 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) | |

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 FYE25 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

| | March 2025 US\$m | March 2024 US\$m |
|------------------------------------|---------------------|---------------------|
| Summary of repayment terms | | |
| 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) |

| | March 2025 % | March 2024 % |
|--|-----------------|-----------------|
| Summary of interest rates by repayment period | | |
| 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 the 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended ended 31 March 2025

19 CAPITAL

| | March 2025 US\$m | March 2024 US\$m |
|--|---------------------|---------------------|
| Share Capital | | |
| Share capital at the beginning of the period | 203.4 | 203.0 |
| 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 program was approved for a US dollar total of \$500,000 commencing in 2024 September. In total 5,908,529 shares were bought back in fulfillment of the program.

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

20 RESERVES

| | March 2025 US\$m | March 2024 US\$m |
|---|---------------------|---------------------|
| Retained earnings | | |
| 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 years 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended ended 31 March 2025

21 CAPITAL EXPENDITURE COMMITMENTS

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

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)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended ended 31 March 2025

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 | 5.3 | - | - |
| 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 separation agreement.

26 PRINCIPAL OPERATIONS

ArborGen Holdings Limited (a New Zealand incorporated limited liability company)

The principal subsidiaries, as at 31 March 2025, were:

| | Country of Domicile | Interest % ##### | Interest % ##### | 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> | USA | 100 | 100 | 31 March | Forestry genetics |
| ArborGen Comercio de Produtos Florestal Importacao e Exportacao LTDA | Brazil | 100 | 100 | 31 March | Forestry genetics |
| ArborGen Tecnologia 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended ended 31 March 2025

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 |

(i) 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 totaling \$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.

| | 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 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) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended ended 31 March 2025

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

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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 23 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 |
|---|--|
| <p>ArborGen Cash Generating Unit – impairment assessment</p> <p>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.</p> <p>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.</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 2026 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



Y Mohammed

Partner

Auckland

30 May 2025