



ArborGen Announces Repurchase of Warrants

4 May 2023

ArborGen Holdings Limited (NZX: ARB) (ArborGen Holdings) advises that its wholly owned subsidiary, ArborGen Inc., has negotiated the repurchase of all outstanding warrants, which equates to approximately 5% of ArborGen Inc.'s fully diluted common stock. The purchase price is US\$1.35 million (less the warrant holders' transaction costs of approximately US\$27,500). Holders of warrants that total more than 66.67% in interest of such warrants have approved the terms and conditions of the repurchase as required by the original warrant documents, and all holders of warrants are now obligated to sell them to ArborGen Inc.

These warrants relate to ArborGen Inc.'s acquisition of the assets, germplasm, technology, and intellectual property of the leading loblolly pine varietal company in the US – CellFor Inc. (CellFor) in August 2012. As consideration for CellFor's assets, ArborGen Inc. (a) paid CDN \$1.1 million in cash and (b) issued warrants to purchase shares of ArborGen Inc. common stock. Pursuant to the warrant documents, each holder of a warrant is entitled, subject to certain terms and conditions and at any time no later than June 19, 2032, to purchase the number of common shares calculated as specified in the warrant documents, at a purchase price per share of US\$0.001.

The purchase price of US\$1.35 million represents a significant discount and reflects factors that include:

- the warrants are not traded on any market and are exercisable for shares of ArborGen Inc., rather than shares of ArborGen Holdings
- ArborGen Inc. is not obligated to repurchase the warrants
- the purchase price consideration is in cash, giving the holders immediate liquidity
- ArborGen Inc. owes intercompany advances to ArborGen Holdings of approximately US\$11 million.

Following the repurchase of the warrants, there will be no more warrants, options or other rights to purchase ArborGen Inc. common stock, and ArborGen Holdings' effective economic interest in ArborGen Inc. will increase from 95% to 100% with no dilution overhang.

ArborGen Inc. has engaged a payment agent, Acquiom Financial LLC, to facilitate the repurchase process, including the payments to the warrant holders.

ENDS

ArborGen

ArborGen is the largest commercial global seedling supplier and a leading provider of advanced genetics for the forest industry. Employing state-of-the-art technology, ArborGen is developing high-value products that significantly improve the productivity of a given acre of land by enabling our customers to grow trees that yield more wood per acre with greater consistency and quality in a shorter period. For more information, please visit ArborGen's website at www.arborgen.com.