

[slide 1: Logo and photos]

[slide 2 : Welcome]

Dave Knott – Chairman's address

Good morning Ladies and Gentlemen. Welcome to the Annual Meeting of Shareholders of ArborGen Holdings Limited.

I am Dave Knott and I am the Chairman of the Board of ArborGen.

Thank you for your attendance today at our virtual meeting.

Who would have thought 12 months on from our last Covid affected meeting we would be in a similar situation with having to meet again via a webcast, and having to cancel the physical meeting in Auckland. I certainly wanted to be present in New Zealand for this meeting, however as you will understand travel and quarantine restrictions had prevented that from happening even before New Zealand's lockdown announcement on Tuesday.

I am pleased to advise that a quorum is present and that this Meeting is duly constituted.

The Notice of Meeting sent to shareholders last month, sets out the formal agenda for today's meeting.

In this online meeting environment, as with a normal annual meeting, all shareholders have the ability to ask questions and vote. Please be aware that to use the online voting facility, shareholders and proxy holders must have entered the CSN or holder number, and post code or country code into the Lumi software.

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If you encounter any issues, please refer to the Virtual Meeting Guide that was sent to shareholders, which is also available on our website, or by phoning the Computershare helpline on NZ area code 09 4 888 777.

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Since all shareholders are attending virtually, those of you who have questions can submit them at any time through the online portal, but I would encourage you to do so as early as possible, as that will allow us to answer the questions at the appropriate time of the meeting. To ask a question virtually, click the speech bubble icon which will open a new screen. At the bottom of that screen there is a section for you to type your question. Once you have finished typing, please hit the arrow symbol to send. We'll do our best to answer all your questions. Where we have a number of questions on the same topic, we will look to consolidate the response.

Voting will be conducted by way of a poll on all items of business. In order to provide you with enough time to vote, I will shortly open voting for all resolutions.

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At that time, if you are eligible to vote at this meeting, a new voting icon will appear. Selecting this icon will bring up a list of resolutions and present you with voting options. To cast your vote simply select one of the options. There is no need to hit a 'submit' or 'enter' button as the vote is automatically recorded. You do however have the ability to change your vote, up until the time I declare voting closed.

I now declare voting open on all items of business. The polling icon will soon appear, please submit your votes at any time. I will give you a warning before I move to close voting.

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I would like to introduce the members of your Board and Management to you. We have all our overseas and New Zealand based directors joining the virtual meeting today.

From the US we have directors Ranjan Tandon, Tom Avery, and Ozey Horton attending virtually. Present with me in ArborGen's headquarters in Ridgeville is ArborGen's Chief Executive Officer, Andrew Baum.

In Auckland, also virtually, we have Directors Paul Smart and George Adams as well as our Company Secretary and Performance Improvement Director, Sharon Ludher-Chandra, our CFO, Alex Brown, our General Manager of Australasia, Greg Mann and our communications contact, Pam Wardenburg.

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Turning then to our programme for today -

- ⇒ First, I will ask Andrew to update you on the progress we have made over the past year.
- ⇒ I will then make some comments from the Board's perspective.
- ⇒ You will then have the opportunity to raise any questions you may have.
- ⇒ And we will then deal with the formal resolutions to be considered by this meeting.

I will now ask Andrew to review our recent activity for you.

[slide 8 – Andrew Baum]

CEO'S ADDRESS

CHAIRMAN'S ADDRESS CONTINUES

[slide 29 – Dave Knott]

Thank you Andrew.

Before moving to your questions, and the more formal session of the day, I would like to make a few comments on the current fiscal year ending March 2022.

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As you've heard before, our primary focus and priority continues to be **improving cash generation** and in this respect, the most critical driver of earnings and cash flow growth for our business is the step-change growth in our MCP seedling sales. ArborGen has invested significantly in developing our best in-class proprietary genetics, and deploying these genetics in our orchards to build the supply pipeline that is now coming on stream.

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To summarise Andrew's comments –

- The substantial lift in MCP seed harvested in late calendar year 2020, particularly in our Eastern provenances, increased the availability of our MCP seedlings in the US allowing us to increase MCP production by approximately 30 million units for sale in the current fiscal year.
- Added to this, strongly improving markets in the US and Brazil post the pandemic lows, combined with higher demand for our proprietary genetics in the US and Brazil, bode well for a strong 2022 fiscal year.

In our largest market, the US, our operational and sales activities have largely returned to normalcy as we continue to increase our face-to-face interactions with customers. We are pleased to inform you that we now have orders in place for over 90% of our seedlings sales plan for the current year.

Due to extreme rain conditions during the early, most vulnerable, phase of seedling growth, we unfortunately experienced some seedling inventory losses (almost all of which were lower value OP seedlings). This has reduced our estimated inventory volume to approximately 4% below the sales budget for the current fiscal year. There is however the potential that actual inventory could be higher than currently estimated as some seedlings were planted later than usual and were not large enough to be included in the initial inventory count, but could eventually achieve target specifications. We will of course take all reasonable measures to encourage the growth of these seedlings to meet size requirements.

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Global carbon markets provide a significant growth opportunity for our business. We are pleased to report we have recently executed a non-exclusive license agreement with a company focused on using biotechnology to develop trees that better capture and store carbon. Specifically, we are licensing our technology for the production of transgenic pine trees targeted at increasing CO₂ fixation and improving adaption to climate change. The fees payable under the agreement total US\$500,000 in the current fiscal year, as well as further annual payments, and will involve the incurrence of some minimal incremental costs.

Pine sales in Brazil are tracking ahead of budget for the current fiscal year as customer demand recovers strongly from last year's Covid-depressed levels. Strong eucalyptus demand and shortage of supply due to market capacity constraints is also driving slightly higher average selling prices and production costs. We rely on contract grower greenhouse capacity for approximately 50% of our eucalyptus production needs, with the team working very hard to meet the increase in market demand.

In New Zealand, we have dispatched just over 80% of our current season's crop. As you are aware though, New Zealand moved to Alert Level 4 on Tuesday at 11.59pm, meaning all crop harvesting and dispatch activity has stopped. We are however allowed to carry out certain essential operations such as irrigation activities to keep our plants in good condition, and run our quarantine facility. In Australia, we continue to dispatch crop to plan.

Subject to uncontrollable factors, we are targeting US GAAP EBITDA (excluding public company costs) for the current 2022 fiscal year to be in the US\$13 to \$14 million range.

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Looking beyond the current fiscal year, there are a number of factors that support strong earnings growth including –

- Strong projected underlying demand for solid wood products (particularly softwood products) in the US supported by a strong US housing market and population demographics,
- Russia's proposed ban on the exportation of softwood logs effective 1 January 2022,
- Structural supply constraints in Canada and the Western United States, which is driving expansion in sawmill capacity in the US South,
- Much higher MCP cone (and seed) projected to be harvested in late calendar year 2022 due to the record pollination activity earlier this calendar year, which will be available for sale in fiscal year ending March 2024,
- Continued conversion of our sales to higher value MCP products – our larger industrial customers now understand the increased value our advanced genetics offer them with stated short to mid-term targets ranging from 50% to 90% of their estates being planted with MCP genetics. Our focus is ensuring we can meet this demand from our industrial customers as well as extending our conversion activities into the large private landowner segment.

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- In Brazil, increasing softwood product exports, new pulp mills (recently announced), strong demand for eucalyptus based pulp and charcoal products, and increasing recognition of the value of ArborGen's proprietary products are all expected to contribute to sales increases in future years.
- And in NZ, demand from the re-planting of existing forests established in the late 1980s to mid-1990s planting boom, as well as new forest establishment driven by government policies to meet climate commitments, strong domestic processing and export markets, and increased planting of native species – are all supportive to the business.

Outside of forestry, our somatic embryo or in-vitro technology capabilities, and genomics and tissue culture expertise create a number of opportunities for us in other crop species. We have already deployed our technology in sugar cane, developed tissue culture protocols for cannabis and are evaluating other opportunities including coffee and cocoa production. Added to this, the role trees can play in offsetting carbon emissions will create further opportunities for us.

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As the company announced on 30 June, the Board earlier this year received a confidential, non-binding, indicative, incomplete and highly conditional proposal to acquire ArborGen. A sub-committee of independent directors was appointed to assess the proposal and concluded that, based on the information available, the proposal undervalued the Company.

In light of this, the Board decided to commence a strategic review which is now underway. The objective of the strategic review is to consider all options to unlock value for the benefit of all shareholders. These options could include, but are not limited to, a sale of all of the shares in ArborGen Holdings, a sale of all or some of the assets of the Company, or a US listing.

We will update shareholders as and when appropriate.

Before I move to the business of the meeting, I would like to acknowledge and thank the ArborGen teams across New Zealand, Australia, Brazil and America. They have worked tirelessly and done an amazing job in often challenging conditions to deliver a strong result for shareholders.

BUSINESS OF THE MEETING

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SHAREHOLDER DISCUSSION

I will now open up to questions. If you are yet to submit your question online, click on the speech bubble icon – when the new window opens, type in your question at the bottom of the screen. For questions relating to the actual resolutions, we'll respond to these as we deal with each of the resolutions in turn.

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Thank you, I now propose that we move to the four **formal resolutions** for this meeting.

These were notified in the Notice of Meeting and explanatory notes have been provided.

Only shareholders, proxy holders or corporate representatives of a shareholder may vote on today's resolutions.

Voting on each of the resolutions in the Notice of Meeting will be by way of poll.

We will answer any questions on each resolution after I have moved it.

For those shareholders voting online, a bar chart icon should be displayed at the bottom of your screen, from here the resolution and voting choices will be displayed. Let's now turn to the individual resolutions.

Because this resolution relates to my election I will ask Paul Smart to step in to chair the meeting.

Paul Smart - Director

Resolution 1.

The first resolution relates to the election of Dave Knott Jr as a Director. Dave is currently the alternate Director for David Knott Snr, David Snr will retire at the completion of this meeting and Dave Jr will therefore cease to be his alternate. Dave has been an alternate on the Board since February 2017 and chairman since July 2018. Dave is the CEO and Chief Investment Manager and Executive Managing Member of Knott Partners who, with associated entities, is ArborGen's largest shareholder. He has served as Co-Chief Investment Manager of Knott Partners since March 2017, and being eligible offers himself for election to the Board. The Board unanimously supports Dave's election.

I will now ask Dave to address you regarding his appointment.

Dave Knott - Chairman

Thank you Dave.

Are there any questions in relation to this resolution? [Questions]

Thank you I will now pass the meeting back to Dave.

Dave Knott - Chairman

Resolution 2.

The second resolution relates to the re-election of independent director Tom Avery. Tom was appointed to the Board in July 2018 and serves as the chairman of the Remuneration committee and the Independent Directors committee. Tom has extensive investment banking and venture capital experience, having served on numerous company boards throughout his career and advising companies on the successful financing, planning and execution of growth strategies. Tom retires from the Board of ArborGen and being eligible, offers himself for re-election. The Board unanimously supports Tom's re-election today.

I will now ask Tom to address you regarding his appointment.

Tom Avery - Director

Thank you Tom.

Are there any questions in relation to this resolution? [Questions]

Thank you

Resolution 3.

The third resolution relates to the re-election of independent director Ozey Horton. Ozey retired from McKinsey & Co in 2011 after nearly 30 years with the firm. At McKinsey, Ozey led various practice areas around the globe, including Pulp, Paper and Packaging, Industrial, Change Management, Global Operations in Energy and Materials, and Basic Materials. His McKinsey client service and practice leadership provided for considerable experience working in Europe, South America, India, and Asia. He is a faculty member for McKinsey's leadership development program, a Senior Advisor at McKinsey, and also serves as an independent business advisor and a Director Emeritus. Ozey retires from the Board of ArborGen and being eligible, offers himself for re-election. The Board unanimously supports Ozey's re-election

I will now ask Ozey to address you regarding his appointment.

Ozey Horton - Director

Thank you Ozey.

Are there any questions in relation to this resolution? [Questions]

Thank you

Resolution 4.

Resolution 4 relates to our Auditor (Deloitte). They have confirmed their willingness to continue in that role. Deloitte is automatically re-appointed at this Annual Shareholders' Meeting as auditor of the Company. The proposed ordinary resolution is required to authorise the Directors of the Company to fix Deloitte's fees and expenses for the following year.

Are there any questions [Questions]

There are no further resolutions.

VOTING

I wish to advise that proxies have been received in respect of 272 million shares, being approximately 54% of total shares on issue.

Please ensure you have voted on all resolutions by selecting your voting option online.

Thank you. Online voting will now be closed.

OTHER BUSINESS AND CLOSE OF MEETING

That brings the formal part of the meeting to a close. Is there any other business shareholders would like to discuss?

I thank you for joining our meeting today and for your questions. We will keep you apprised of the Strategic Review Process in due course. I now declare the meeting closed.

Thank you and stay safe.