



ArborGen receives approval for PPP funding

5 May, 2020

ArborGen Holdings announced today that its wholly owned subsidiary in the US, ArborGen Inc, has received approval and funding in the amount of US\$2.35 million from the US Small Business Administration (SBA) under the Paycheck Protection Program (PPP). The PPP is a loan designed to provide a direct incentive for businesses with fewer than 500 employees in the US to keep their workers on the payroll due to the uncertainties caused by COVID-19.

SBA will forgive loans if all employees are kept on the payroll for eight weeks and the money is used for payroll costs, rent, mortgage interest, or utilities payments over the 8 weeks after receiving the loan. At least 75% of the forgiven amount must have been used for payroll costs which includes employee salaries, hourly wages, sick or medical leave, and group health insurance premiums. ArborGen expects to meet the requirements to have the loan forgiven.

As previously announced, the US Department of Homeland Security has defined the forestry industry in the US as an “essential critical infrastructure workforce”. As such, our operations across all nurseries and orchards continue to progress with all typical activities continuing as planned, while ensuring compliance with all appropriate state specific regulations and requirements. The 2019-2020 crop lifting and sales season is now complete, and preparations are now underway for the 2020-2021 crop season. Customers continue to indicate they are committed to their planned 2020-2021 planting programs. That said, given the rapidly evolving market conditions surrounding the impact of COVID-19, the company is pro-actively taking additional steps including reducing discretionary costs and capital spend to mitigate any downside risk. In this respect, the PPP funding is essential to ensuring ArborGen can weather any disruptions that arise as a result of COVID-19.

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 of time. For more information, please visit ArborGen’s website at www.arborgen.com.

To: NZX

From: Sharon Ludher-Chandra

Further information on ArborGen Holdings Limited can be viewed at our web site <http://www.arborgenholdings.com>