

Terragen

ASX Announcement

For immediate release

31 August 2020

Terragen Holdings Limited (ASX:TGH) Annual results for FY2020 and company update

- **Sales revenue up 56% on PCP to \$1.53 million (FY19: \$0.98 million)**
- **Cash reserves of \$16.38 million at 30 June 2020**
- **Kara King appointed as Chief Financial Officer and Company Secretary**

Terragen Holdings Limited ("Terragen") (ASX:TGH) is pleased to announce the release of its audited financial results for the 12 months ended 30 June 2020 (FY2020) and to provide an update to the market on recent developments.

Financial summary

Sales revenue for FY2020 totalled \$1.53 million, a 56% increase on the prior corresponding period (PCP) sales revenue of \$0.98 million. Sales growth was driven by the growth of sales of *Mylo*® to the dairy industry where the product is used to supplement feed for milking cows as well as calves.

The loss after income tax increased by 53% to \$4.93 million reflecting increased sales resources and marketing costs, increases in manufacturing capacity to underpin sales growth in FY2020 and into FY2021, increased production and distribution costs because of higher sales volumes, share registry expenses and listing fees associated with Terragen's listing on the ASX during the year and expenses for the Company's initial public offering.

With \$16.38 million in cash reserves at 30 June 2020, Terragen is well placed to pursue further sales growth of its key products in Australia and New Zealand.

Terragen continues to achieve strong sales growth over prior comparative periods.

Terragen Holdings Limited

Unit 6, 39-41 Access Crescent, Coolumb Beach, QLD, 4573, Australia
+61 1300 837 724 | <http://www.terrigen.com.au> ABN 36 073 892 636

Appointment of Chief Financial Officer and Company Secretary

The Terragen Board is pleased to announce the appointment of Kara King as Chief Financial Officer and Company Secretary effective 5 October 2020.

Kara King is an experienced senior finance and accounting executive, with her most recent role as Financial Controller at Port of Portland. Prior to that role Kara was the Business Development Manager, responsible for the commercial growth of the business. Kara has extensive experience managing projects and implementing new systems and processes in growing organisations. Kara is CPA qualified and holds a Bachelor of Commerce and Masters of Professional Accounting.

Ongoing Research and Development Projects

In previous announcements it was noted that biological products are now becoming accepted in mainstream agriculture. It was also noted that research and development will continue within Terragen where a number of product initiatives are being developed.

Terragen is currently:

- conducting a comprehensive assessment of the productivity benefits in cattle that receive *Mylo*® as a feed supplement and understanding changes in the gut microbiome and soil microbiome brought about by the use of *Mylo*® and *Great Land*® respectively;
- conducting an investigation into further efficiencies in the production processes for *Mylo*®; and
- initiating preliminary studies into the potential of *Mylo*® to reduce greenhouse gas emissions.

Further reports on the progress of the research and development projects will be provided as results are received by Terragen.

Management commentary

Managing Director and CEO Jim Cooper said *"Terragen made excellent progress in FY2020. With a strong cash position and excellent sales momentum for Terragen's products in Australia and New Zealand, Terragen is well placed for further revenue growth. Revenue growth from sales to the dairy industry in Australia and New Zealand is our focus. Terragen's strong balance sheet gives it an advantage in the current market."*

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About Terragen Holdings Limited

Terragen develops and markets biological products for agricultural applications. Each product uses a unique combination of naturally-occurring live microbe strains selected to address soil health or help boost the productivity, welfare and resilience of farm production animals. Terragen's aim is to increase farm productivity through the use of these products, whilst providing improved environmental sustainability that will be attractive to consumers.

Terragen has two products on the market in Australia and New Zealand: a microbial feed supplement *Mylo*® for animals; and a soil conditioner *Great Land*®.

For further information, please contact:

| Terragen Holdings Limited | Authorisation and Additional information: |
|---|--|
| Travis Dillon Chairman media@terragen.com.au | This announcement was authorised by the Board of Directors of Terragen Holdings Limited. |
| Jim Cooper Managing Director and CEO + 61 417 321 145 jimc@terragen.com.au | |

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