

Terragen

ASX Announcement

For immediate release

18 November 2020

Terragen Holdings Limited 2020 Annual General Meeting

Terragen Holdings Limited (Terragen) (ASX: TGH) will today address shareholders at its Annual General Meeting, commencing at 12pm.

Attached is a copy of the address to be given by Chairman Travis Dillon and the address and presentation to be given by Managing Director and CEO, Jim Cooper.



Kara King
Company Secretary

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 help boost the productivity, welfare and resilience of farm production animals and address soil health. 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@terrigen.com.au	This announcement was authorised by the Company Secretary of Terragen Holdings Limited.
Jim Cooper Managing Director and CEO + 61 417 321 145 jimc@terrigen.com.au	

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

Chairman's Speech

Capital Raise/ ASX

Before we turn to the resolutions of the meeting, I would like to take a moment to reflect on the year that was. FY2020 was a momentous year for Terragen - and for the world as we all come to terms with the challenges of dealing with a global pandemic.

Listing on the Australian Stock Exchange on 11 December 2020 was a significant milestone for Terragen. To all of those involved in Terragen's listing I wish to express my sincere thanks to each of you. And I would like to especially thank our investors for putting your trust in Terragen and joining us on our journey towards market success and growth.

Terragen is a proudly Australian company, that has invented unique biological products to help farmers improve their productivity and profitability. We have deep roots in science, technology and innovation and enjoy a long working relationship with one of the nation's pre-eminent animal health research institutions, The University of Queensland. Together we are leading cutting-edge research and development in microbiology, animal health and agriculture.

While science and innovation will continue to be the backbone of Terragen, after 10 years of research and development to create evidence-based market-leading products, we are excited to shift our focus to the commercial growth of our business.

Change of MD, board and management team

We saw a number of changes throughout the year, including my appointment as a Board member and subsequently as Chairman.

I step into this role following a career growing and leading commercial agriculture businesses including my most recent role as Managing Director of RuralCo Holdings Ltd. I am also a board member of the CSIRO Agriculture and Food Advisory Committee, S&W Seeds Australia, Lifeline Australia and hold the Chairman position for Clean Seas Seafood Ltd.

The appointment of Jim Cooper as Managing Director and CEO, who brings extensive leadership and commercial experience from agriculture, infrastructure and legal sectors has further reinforced our commitment to the commercial success of Terragen.

A number of long serving Board members also stepped down during the year including Justus Homburg and Greg Robinson as well as Dr John Ryals and David Ryan. I thank them all for their service and guidance of Terragen over the years.

Kara King joined Terragen in October 2020 as Chief Financial Officer and Company Secretary, based in the heartland of our agriculture markets in south west Victoria, with experience in implementing systems and processes for growth.

Most recently we welcomed Kate Adamson as Marketing and Communications Manager. Kate brings with her a wealth of experience and knowledge in both marketing and agriculture, and she is well placed to strengthen and grow Terragen's brand and place in the market.

Our Sales team was also strengthened with the appointment of Paul Weston as the Australian Sales Manager. A highly experienced sales professional with a deep understanding and passion for our products and our farmer customers, Paul is well placed to execute our ambitious sales strategy with his team.

With a mandate to increase sales, we also commenced work on enhancing the scalability of our production facilities in Cooloom to meet growing demand.

Strategy reset and commercial focus

Nearly a year on from listing and with a streamlined Board and strengthened management team, Terragen has reset its strategy and is pursuing the Australian and New Zealand dairy industry with vigour.

Our products, Mylo and Great Land, boost productivity and profitability for Australian and NZ farmers, without chemicals and antibiotics. We are helping farmers to improve the sustainability of their farms.

So for now, our focus is on the 1.44 million dairy cows in Australia and nearly 5 million dairy cows in New Zealand.

In FY2020 we grew sales by 56% as we started focusing on the dairy industry. In the first quarter of FY2021 sales were up by 99% in the same quarter of FY2020 and up 71% on the final quarter in FY2020.

We are headed in the right direction and I look forward to you coming on the journey with us.

I will now hand over to Jim Cooper, Managing Director and CEO, to talk about the year ahead for Terragen.

Managing Director and CEO Speech

Thank you Travis.

Today I want to talk about Terragen's plans for the next year, so that you, our shareholders understand our priorities and you might share the excitement of Terragen's growing business.

A decade of research and development – now operating like a start-up

To discuss Terragen's new direction, I need to explain Terragen's background.

Terragen is not a new business. The Company has been around for more than a decade. It does however feel like a start-up company, and I thought that it might be worthwhile spending some time explaining this to shareholders.

Since 2010 Terragen's scientific team has been researching the benefits of live bacteria for farmers, firstly for soil conditioning, and more recently for farm animals. It is fair to say that the research has been completed and the results are two excellent products – *Mylo®* for animals and *Great Land®* for soil conditioning.

These products are being sold to farmers today, they work and they are backed with solid University of Queensland research, plus a considerable number of field trials and customer feedback.

The products are the subject of patents, and patents pending, plus they are certified organic, which is important for some of our customers.

The bottom line is that the products are ready now!

And Terragen's view is that the market is ready for our products. Mainstream farmers are looking for alternative products that increase farm productivity and profitability, but which are sustainable.

Investors might call it the *Green Wave* – there is a change in farming and demand from consumers which is asking for a new approach to farm production. And we at Terragen think our products are key to that story.

Why is Terragen excited by its product *Mylo®*?

First of all, *Mylo®* works. And it works quickly. Many of Terragen's dairy farm customers report improved results with their dairy herds in under a week.

One of the main measures in the dairy industry of milk quality is the somatic cell count. Too high somatic cell count and the milk can be rejected by the milk companies, or the milk price reduced.

Terragen engaged the University of Queensland to perform controlled studies with dairy calves and mature dairy cows, to see how *Mylo®* works.

The University found that the quality of the milk produced by dairy cows on Mylo® was much higher. The cows on Mylo® had a reduced somatic cell count by up to 38%.

Bad somatic cell count results are a problem which dairy farmers manage every day. Mylo® addresses this problem.

The cows on Mylo® produced 3% more milk without increased feed.

Dairy calves on Mylo® increased weight by more than 8% and the gut of calves on Mylo® developed faster.

On dairy farms where the cows are the centre of production, healthy calves are very important for future production. Mylo® is the perfect product for a dairy farmer looking to give their calves the best possible start.

All of these measures mean more productivity and profit for dairy farmers. And all from a natural, sustainable product.

Laser focus on the Dairy Sector

I have spoken before to investors about Terragen's laser focus on the dairy sector.

It is easy to get distracted by how good Terragen's products Mylo® and Great Land® are because they work in many different farming applications.

When I started at Terragen Mylo® was not just sold to dairy farmers. Mylo® was being trialled on sheep farms, Great Land® was being trialled on avocados, almonds, tomatoes and in plantation trees to name a few sectors. I counted thirteen agricultural sectors of sales and research activity. Terragen needed a focus and to generate cash as a priority – and this is why we made the decision to focus on Mylo® sales to dairy farms in Australia and soon, in New Zealand.

Terragen's first priority is to establish Mylo® as a trusted product in Australia's dairy herds. More particularly, in Victoria where over ¾ of Australia's dairy herd is located.

Terragen is already selling in New Zealand, however only on a small scale so far. As you can see in the table, with a very large addressable market of 4.96 million milking cows, there is a big opportunity to supply Mylo® to the New Zealand market – so Terragen is pursuing this now.

Once Terragen has consolidated its position in the dairy farm markets in Australia and New Zealand, the next market we are proposing is in California.

The four pillars of operations – seeking operating excellence

Sales

In 2020 Terragen has had a major pivot in its focus to driving sales, away from scientific research and development.

Terragen is creating a new market sector in agriculture – live bacteria which improve the health and production of animals and the soil. This requires a structured approach to marketing and selling. We have reviewed everything we do in sales and implemented what we think is the best approach.

We have a talented in-house team of sales managers, located throughout the dairy regions of Victoria and South Australia. They are specialists in our products – they know the local farmers and they know how to sell.

To provide scale, Terragen also has a large agent network of 145 stores, including Nutrien, Elders, Murray Goulburn and smaller boutique firms and cooperatives. This agent network works together with Terragen's sales team to target new dairy farm customers, deliver product, invoice farmers and help with marketing.

The Sales Team is motivated. It has agreed targets and it has an agreed system to follow.

Production

Terragen makes *Mylo®* and *Great Land®* at its production facility in Coolumb, Queensland. Co-located with the scientific team and their laboratories, the production team ferments, blends and quality controls the products, before they are transported to warehouses in the dairy regions.

With Terragen's aspiration to significantly increase sales, has come the logical result that Terragen also needs to significantly increase production, all while maintaining the highest standards of production and product quality.

I am over-simplifying the explanation of what is involved in production – but my way of explaining it is that the live microbes in Terragen's products are firstly fermented and grown in volume. The second stage is that they are then blended into the final product, before packaging. Lastly, the finished product is sampled and held for a week, after which it is tested for quality and to ensure there are no contaminants.

The goal is to deliver *Mylo®* and *Great Land®* to farms in perfect condition. The live microbes live for six months and it is important that they are in sufficient numbers when they leave Terragen, and that they keep growing and are alive. This ensures the best possible result for the farmers.

Science

Terragen has focussed its formidable in-house scientific team of 15 scientists (6 have PhD's) to a number of high priority projects which directly support the sales of *Mylo®* and *Great Land®*.

The science team is also working on a pipeline of product improvements and some new products, which are intended to provide revenue streams for Terragen in the future.

The Science Team is what gives Terragen its competitive edge in making sales to farmers. The products are evidence based, backed with deep scientific research, which leads to excellent results on-farm.

I will tell you more about the pipeline of new products in a future presentation. For the time being we have enough to do keeping up with growing sales of *Mylo®* and *Great Land®*!

Supply chain

As part of the aspiration to grow sales significantly Terragen is reviewing its whole supply chain to improve the freshness of the products delivered to farmers; to reduce costs; and to provide traceability of product, an important issue when the product is alive and needs to arrive in good condition.

Setting the Marketing Plan for Terragen

A Marketing and Communications executive has been appointed by Terragen who is building the function from the ground up. We are partnering with an agile marketing agency to provide best-practice advice, resourcing and tools that deliver impact and return on investment. We are setting the marketing strategy for success, to drive our growth and win our customers, which will be data-driven so we can continuously improve.

Conclusion

I am excited about the prospects for Terragen. We have great products and a great Team. We have 10 years of deep scientific research completed into our products and we are in the right place at the right time to help farmers on their journey to more prosperous and sustainable farming.

I thank you all for your attendance today.

Terragen Holdings Limited (ASX:TGH)

Wednesday 18 November 2020
12.00pm

Annual General Meeting



Terragen Holdings Limited Annual General Meeting

Wednesday 18 November 2020

Managing Director's presentation to shareholders



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A decade of research and development – now operating like a start-up

- Scientific research has been completed
- *Mylo*® and *Great Land*® products have been finessed, tested in the field
- Focus is now on driving sales
- New experienced leadership team – focused on top talent acquisition
- Terragen Team is highly engaged, ambitious, the culture is lean and hungry
- Terragen has a good story to tell – an Australian agriculture company – a manufacturer – an employer – with scientific, evidence-based products that boost productivity and profitability for farmers





Why is Terragen excited by its product *Mylo*®?

Why is Terragen excited by its product *Mylo*®?

- Mylo works quickly with results apparent in under a week
- Higher quality milk – somatic cell count reduction by as much as 38%
- Dairy cows on *Mylo*® produce more milk (3%) without increased feed
- Calves on *Mylo*® increased weight by more than 8% and the gut of the calves developed faster

These results came from the University of Queensland study in early 2020

Laser Focus on the Dairy Sector

- Addressable markets for dairy cows:

Australia	1.44 million milking cows
Victoria	1.1 million milking cows
New Zealand	4.96 million milking cows
California	1.72 million milking cows

- Australia, NZ and then California



The Four Pillars of Operations – Seeking Operating Excellence



The Four Pillars of Operations – Seeking Operating Excellence

- Sales – activating the agencies; structured approach to sales; pump program
- Production – scaling production to match growth in sales
- Science – focusing on projects which support sales
- Supply chain – importance of supply chain on managing a live product

Setting the Marketing Plan for Terragen

- New Marketing and Communications executive
- Recruited Marketing business partner – Comunicado
- Setting the marketing strategy for success: driving our growth, winning our customers, data-driven

Conclusions



Terragen Holdings Limited (ASX:TGH)

Wednesday 18 November 2020
12.00pm

Annual General Meeting - Resolutions



Resolution 1 – To approve the Remuneration Report

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report for the financial year ended 30 June 2020 as set out in the Company’s 2020 Annual Report.”

Total available valid votes	For	Against	Abstain / Excluded	Proxy’s discretion
46,208,173	43,103,617	7,050	22,234,973	3,097,506
	93.28%	0.02%		6.70%

Resolution 2 – Re-election of Director, Dr Paul Schober

“That, for the purpose of clause 17.5 of the Constitution and for all other purposes, Dr Paul Schober, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

Total available valid votes	For	Against	Abstain / Excluded	Proxy's discretion
61,686,339	58,141,283	0	6,756,807	3,545,056
	94.25	0.00%		5.75%

Resolution 3 – Re-election of Director, Mr Travis Dillon

“That, for the purpose of clause 17.7 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Travis Dillon, a Director who was appointed casually on 1 May 2020, retires, and being eligible, is re-elected as a Director.”

Total available valid votes	For	Against	Abstain / Excluded	Proxy's discretion
61,686,339	58,139,033	2,250	6,756,807	3,545,056
	94.25	0.00%		5.75%

Resolution 4 – Re-election of Director, Ms Ingrid van Dijken

“That, for the purpose of clause 17.7 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Ms Ingrid van Dijken, a Director who was appointed casually on 11 December 2019, retires, and being eligible, is re-elected as a Director.”

Total available valid votes	For	Against	Abstain / Excluded	Proxy's discretion
61,686,339	58,141,283	0	6,756,807	3,545,056
	94.25%	0.00%		5.75%

Resolution 5 – Issue of options to Mr Jim Cooper

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 8,000,000 Options to Mr Jim Cooper (or his nominee) in accordance with the terms and conditions set out in the Explanatory Memorandum.”

Total available valid votes	For	Against	Abstain / Excluded	Proxy's discretion
61,070,789	55,388,988	33,051	7,372,357	5,648,750
	90.70%	0.05%		9.25%

Resolution 6 – Amendments to Constitution

“That for the purposes of section 136(2) of the Corporations Act, the Constitution of the Company be modified by making the amendments contained in the document tabled at the Annual General Meeting and signed by the Chairman for the purposes of identification.”

Total available valid votes	For	Against	Abstain / Excluded	Proxy's discretion
61,581,539	55,224,988	10,251	6,861,607	6,346,300
	89.68%	0.02%		10.30%

Terragen Holdings Limited (ASX:TGH)

**Wednesday 18 November 2020
12.00pm**

Annual General Meeting

Thank you for your attendance

