

For immediate release

27 August 2021

Terragen

ASX Announcement

Full Year Results for year ended 30 June 2021

Terragen Holdings Limited (ASX:TGH) 27 August 2021 – Australian agricultural company Terragen Holdings Limited (“Terragen”) is pleased to announce its audited financial results and provide this financial and operational report for the full year ended 30 June 2021.

Highlights

- Sales revenue up 75% on the previous corresponding period (PCP) to \$2.6m (FY20 \$1.5m)
- Prioritisation of sales of *Mylo*® as a feed supplement for dairy calves and cows
- 241% increase in *Mylo*® sales PCP
- 60,500 lactating dairy cows taking *Mylo*® every day representing 4.3% of the Australian dairy cow market (at 30 June 2021)
- Annual recurring revenue of \$1.6m, representing net sales of *Mylo*® for lactating cows
- Former Managing Director of Ruralco, Travis Dillon, appointed as Chairman of the Board in July 2020
- Strengthening of the senior leadership team with the appointment of the General Manager New Zealand as well as the General Manager Sales (Australia)
- Cash balance of \$11.64 million at 30 June 2021, positioning Terragen well for growth

Financial Summary

Sales revenue net of commissions for the full year was \$2.6m, an increase of 75% on the PCP.

Sales of *Mylo*® were up 241% over the same period. This reflected Terragen’s prioritisation of sales of *Mylo*®, specifically as a feed supplement for dairy calves and lactating dairy cows.

One in twenty-five Australian lactating dairy cows take *Mylo*® as a feed supplement every day (60,500 lactating cows, representing 4.3% of the Australian dairy cow market as at 30 June 2021).

Excluding one-off items, operating expenditure was 15% higher than the PCP. This was due to Terragen executing its growth strategy, which included launching a sales and marketing campaign, continuing and expanding its research and development activities, and strengthening the senior leadership team with the recruitment of the General Manager New Zealand as well as the General Manager Sales (Australia).

Terragen Holdings Limited

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As previously disclosed in the 31 December 2020 financial accounts, included in total expenses was the recognition of a one-off non-cash share-based provision of \$1.66m for employee options issued to the Managing Director (MD). The MD options were approved by shareholders at the Annual General Meeting held on 18 November 2020 and were issued on 4 December 2020. Given the options vested immediately, full accounting recognition of the value of the options was required in December 2020.

With cash reserves of \$11.64 million at 30 June 2021, Terragen has a strong cash runway to execute its sales strategy in Australia and New Zealand.

Operational Highlights

Management's primary focus during the financial year to 30 June 2021 was executing the sales strategy to reach cash break-even by increasing sales of *Mylo*® to dairy farmers in Australia and New Zealand. This included:

- Launching an extensive marketing campaign which includes the use of social media, television, digital and print media, to raise customer recognition of Terragen and *Mylo*®.
- Installing new production equipment enabling Terragen to manufacture its products in-house, increasing quality control and reducing reliance on third parties.
- Undertaking research and development into the benefits of *Mylo*® and the potential impact of *Mylo*® on greenhouse gas emissions from cattle.

About Terragen Holdings Limited

Terragen develops and markets biological products for agricultural applications. Each product uses a unique combination of naturally occurring live microbes 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 called *Great Land Plus*.

For further information, please contact:

Terragen Holdings Limited	Authorisation and Additional Information
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