

For immediate release

17 November 2021

Terragen

ASX Announcement

Terragen Holdings Limited 2021 Annual General Meeting

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

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



Myles Brennan
Company Secretary

About Terragen Holdings Limited

Terragen develops and markets probiotics 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 for animals known as *Mylo*®, and a soil conditioner called *Great Land Plus*®.

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 | |

Jim Cooper, Managing Director and CEO, Terragen Holdings Limited
Address to the AGM, Wednesday 17 November 2021

Good afternoon to Terragen's shareholders and welcome to your annual general meeting for 2021.

Today I want to talk to you about Terragen's strategy, the progress Terragen has made in the past year and also to outline the highlights of the next twelve months and why we are optimistic about Terragen's future.

Terragen's strategy

Terragen is in the right place at the right time to participate in the move by farmers to sustainable agriculture.

Terragen is an agricultural biological company changing the face of global agriculture.

Terragen harnesses the power of nature through world-class science creating biological products that improve animal wellbeing, soil quality and crop growth. Ultimately our products assist farmers to increase productivity, provide a return on investment and are environmentally sustainable.

Terragen is prioritising sales of its product *Mylo*® to farmers in Australia for dairy cows and calves. Terragen is also completing its strategy for selling *Mylo*® to New Zealand dairy farmers and this strategy will be implemented in early 2022.

The sales process for dairy farmers focusses on two issues: the productivity returns for dairy farmers who use *Mylo*® as part of their feed inputs for milk production; and the health benefits for calves as they are raised in the first 80 days of life.

In addition, Terragen has been engaging recently with milk processing companies and discussing whether *Mylo*® has a role to play in achieving sustainability goals for milk production.

Great Land Plus® was re-launched on 1 July 2021 with a new format, revised pricing, improved gross margin and a focus on the dairy pasture market and viticulture. Work is also underway by Terragen exploring the potential of *Great Land Plus*® to aid in the reduction of nitrogen application by farmers. Progress on better positioning *Great Land Plus*® in these sectors will be delivered to shareholders later in 2022.

Progress during 2021

Terragen has improved its marketing materials for dairy farmers and re-launched the calf rearing section of its website to make it easier for dairy calf rearers to buy

Mylo®. Shareholders can see the improved website and marketing materials for customers here: <https://mylo.terragen.com.au>.

In early 2021 Terragen commenced blending its products in-house, after outsourcing this previously to an external contractor. This has provided higher quality control for production and builds expertise for Terragen's capacity expansion as it seeks to grow sales in Australia and New Zealand. Pleasingly, Mylo®'s credentials as a certified organic product in both Australia and New Zealand were renewed during 2021.

Terragen is growing its market share in dairy, and so far there are over 65,000 dairy cows per day taking Mylo®, or 1 in 22 of the cows in the Australian dairy herd – around 4.6%.

While the market penetration so far was pleasing, the growth in sales has been slower than Terragen planned in seeking to reach cash break-even. The focus on sales therefore remains a priority for the Company.

Sales growth was achieved despite the vast majority of dairy farmers residing in Victoria where for most of the year Terragen was restricted from visiting its current or target customers due to COVID-19 lockdowns. In the agricultural sector building relationships face to face is very important. The Terragen Sales Team is looking forward to meeting the dairy farmers identified as potential customers now that they are free to do so.

Terragen has focussed this year on improving its strategy for selling Mylo® to dairy farmers, a challenging task to convince mainstream dairy farmers to use a biological product as an input for achieving higher productivity in milk production. Sales are managed by a team of five sales representatives who are based in the dairy regions of Victoria and South Australia. They are supported by a network of sales agents (currently there are over 190 stores) which provide warehousing and sales support to customers.

Initiatives implemented during the year included:

- a new customer relationship management database (or CRM) which provides details of farms, cows, calves and leads to be pursued in growing sales;
- a focus on the top twenty national dairy farms and seeking to grow sales of Mylo® and *Great Land Plus*® to them as a priority;
- a new on-line inventory system which enables the Terragen Sales Team to track the location and details of all stock in the network; and
- technical training on how Mylo® works in dairy cows and calves to improve animal health and productivity.

Research

A number of research projects were commenced by Terragen in 2021 including:

- a study of 150 dairy cows on an operating dairy farm, over 18 months, to enhance our understanding of the benefits of Mylo® in dairy cows and calves, including further understanding productivity outcomes and investigating whether methane emissions are reduced;
- a second study, with a Victorian Government research dairy farm into the productivity and methane reduction potential of Mylo® for dairy cows; and
- two studies in the United States involving transcriptomics and metabolomics investigating the function of Mylo® and *Great Land Plus*®, to provide further insight into how the products operate and how they might be developed further in the future.

Terragen will inform the market when there are reliable, material results from these studies to announce.

Future plans

Terragen's focus for 2022 will involve:

- growing sales in Australia for dairy cows and calves with a structured sales approach addressing the productivity and animal welfare benefits of Mylo®;
- launching Mylo® sales in New Zealand in early 2022, with a deliberate channel strategy focussing on the best agents in dairy regions, a focus on major dairy farms and using marketing materials addressing the needs of New Zealand dairy farmers;
- developing a strategy for selling Mylo® for dairy heifers, which will involve potentially using a dry form of Mylo®; and
- completing a business case and commencing sales of Mylo® to beef feedlots in Australia, with the objective of increasing productivity and sustainability outcomes.

Conclusion

Thank you for your attendance today.

I continue to be optimistic for Terragen's prospects for the future, because of the quality of our products, and the proven productivity benefits for farmers. I look forward to talking to you again soon to deliver more progress on Terragen's journey towards more sustainable farming.

Terragen Holdings Limited (ASX:TGH)

**Wednesday 17 November 2021
12.00pm**

Annual General Meeting



Terragen Holdings Limited

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Chairman
Mr Travis Dillon



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Managing Director & CEO
Mr Jim Cooper



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Annual General Meeting - Resolutions



Resolution 1 – Adoption of Remuneration Report

“That, for the purposes of section 250R(2) of the Corporations Act, and for all other purposes, Shareholders adopt the Remuneration Report for the financial year ended 30 June 2021 as disclosed in the Directors' Report for the year ending 30 June 2021.”

| Total available valid votes | For | Against | Abstain / Excluded | Proxy's discretion |
|-----------------------------|------------|---------|--------------------|--------------------|
| 35,476,605 | 35,165,805 | 4,800 | 11,931,198 | 306,000 |
| | 99.12% | 0.01% | | 0.86% |

Resolution 2 – Re-election of Director, Mr Sam Brougham

“That Mr Sam Brougham who retires by rotation as a Director of Terragen Holdings Limited in accordance with ASX Listing Rule 14.5 and rule 17.5 of the Company’s Constitution and, being eligible and offering himself for re-election, be re-elected as a Director of the Company.”

| Total available valid votes | For | Against | Abstain / Excluded | Proxy’s discretion |
|-----------------------------|------------|---------|--------------------|--------------------|
| 38,976,605 | 38,658,605 | 0 | 8,431,198 | 318,000 |
| | 99.18% | 0.00% | | 0.82% |

Resolution 3 – Proportional Takeover Provision

“That the proportional takeover provisions contained in Rule 33 of the Constitution be granted effect for a further three years, effective on the day on which this Resolution is passed.”

| Total available valid votes | For | Against | Abstain / Excluded | Proxy's discretion |
|-----------------------------|------------|---------|--------------------|--------------------|
| 38,964,605 | 38,651,305 | 7,300 | 8,443,198 | 306,000 |
| | 99.20% | 0.02% | | 0.79% |

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Q&A



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Thank you for your attendance

