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Capital Raising Presentation

8 June 2023



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Executive summary

Terragen is undertaking an equity raising supported by the major shareholder to fund research and new product development

Operating update

- Post the strategic review, Terragen's focus is advancing studies into the methane reducing properties of Mylo[®], and the development of a dry Mylo[®] formulation.
- New executive team appointed
- Management remains focused on cost controls to manage cash burn
- Cash reserve of \$4.4 million at 31 March 2023.

Mylo[®] development

- As announced on 24 May 2023, Terragen's Mylo[®] supplement shown to improve milk yield by 10% and reduce the cycle time of dairy cows by 9 days.
- Significant result that highlights an improved early in calf rate.
- Potential for on farm cost savings and improved profitability.

Overview of equity raising

- Equity raising of up to ~\$4.7 million at \$0.024 per New Share
 - Two-tranche placement to raise ~\$3.7 million
 - Share purchase plan (SPP) of ~\$1.0 million to existing eligible shareholders

Substantial shareholder participation

- Voting power in excess of 20% for major shareholder Mr Scobie Ward under the Tranche 2 Placement will be subject to shareholder approval for the purpose of section 611 item 7 of the Corporations Act 2001 (Cth)¹
- It is presently anticipated that Mr Ward will join the Board as a Director of the Company on completion of the Tranche 2 Placement
- Please see page 25 for more information

Note

1. Post the Equity Raising, Mr Scobie Ward has potential maximum voting power of 34.8% in the event of zero participation from eligible existing investors in the share purchase plan (SPP). Refer to slide 25 for details.

1. Investment highlights



Terragen investment highlights

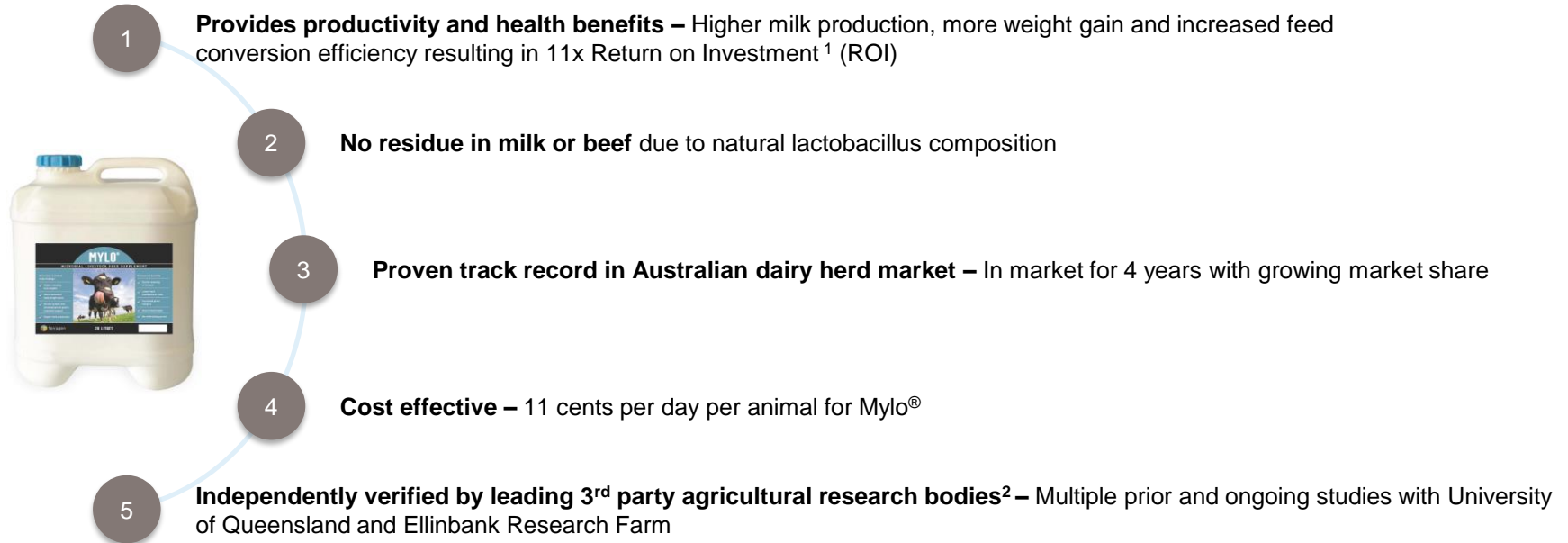
Management is committed to leading high growth opportunities and generating shareholder value

- 1 **Compelling value proposition to all stakeholders** - Differentiated **biological product** offering that **reduces chemical usage and improves agriculture productivity and methane emissions**, underpinned by scientifically proven efficacy
- 2 **Potential to capture large global market opportunity supported by favourable industry tailwinds** – Well positioned to increase market share given the growing market preference towards **sustainability, organic products and environmentally-friendly solutions**
- 3 **Track record in product development** – Products have been developed by leveraging independent scientific trials together with consultation with farmers resulting in **positive results in terms of product efficacy and overall economic benefits to farmers**
- 4 **Research and Development (R&D) focus** – Terragen maintains an ongoing focus on R&D and collaboration with leading research institutions, leveraging its existing patented technology platform to develop a new product pipeline and broaden applications (e.g. **methane reduction**, dry Mylo®, Great Land Plus® Nitrogen reduction, Mylo® additives and Lactolin teat wash)
- 5 **Accredited¹ production processes** – Adhere to **single-microbe production** and apply **quality control (QC) standards that aim to ensure purity, viability and stability of products**. This approach underpins Terragen's product suite
- 6 **New management team post strategic review** focussed towards cost rationalisation initiatives and completion of critical scientific studies

Note 1. Production facility operates at GMP/FIAAA standards, and is certified for production of organic inputs in Australia and New Zealand (see slide 15)

Mylo[®] Value Propositions

Mylo[®] is the only product in the market that offers methane reduction, increases productivity for ruminants and improves animal health and wellbeing



Note

1. Based on 10% milk production increase at farmgate price of \$8.50 per kg milk solids

2. University of Queensland school of Veterinary Medicine, 2019; Agriculture Victoria, Ellinbank SmartFarm 20224.

Terragen is lead by a highly capable and experienced team



Travis Dillon

Non-executive
Chairman

- Travis was appointed to the Board in May 2020 and appointed as Chairman in July 2020
- Travis's career in Agriservices spans nearly three decades, culminating as CEO and Managing Director of Ruralco Holdings Limited
- Travis is currently the Chair of Clean Seas Seafood Ltd (ASX:CSS) and Select Harvests Limited (ASX:SHV), and Deputy Chair of Lifeline Australia
- It is anticipated that Travis will step down from the Terragen Board. A search process has commenced for a replacement independent non-executive director to also take up the role of Chair of the board.



Miles Brennan

Managing
Director and CEO

- Miles was appointed Chief Executive Officer in March 2023, having previously been Chief Financial Officer since joining Terragen in August 2021
- Prior to joining Terragen, Miles worked across a variety of highly commercial businesses in the FMCG industry, including Simplot Australia, Treasury Wine Estates and Red Bull UK
- Miles is a member of CIMA (Chartered Institute of Management Accountants) and CPA Australia



Dr Joss West

Chief Operating
Officer

- Joss was appointed Chief Operating Officer in March 2023, having previously been Terragen's Head of Veterinary Science
- Joss is a qualified vet, having worked in clinics with a focus on mixed and production animal practice, becoming clinic lead for National Vet Care in 2018
- Joss holds an MBA from Griffith University



Scobie Ward

Proposed² Non-
executive Director

- It is presently anticipated that Scobie will join the Board as a Director of Terragen on completion of the Tranche 2 Placement
- Scobie is the largest shareholder of Terragen with an expected voting power of 31.1% on completion of the Offer¹
- Scobie has over 30 years of investment management experience focusing on smaller listed companies, and was the co-founder and executive chairman of Ward Ferry Management.
- Scobie graduated cum laude with a BA from Harvard University in 1989 and is a CFA (Chartered Financial Analyst)

Note

1. Assuming total SPP raise of \$1.0m.

2. It is presently anticipated that Mr Ward will join the Board as a Director of the Company on completion of the Tranche 2 Placement

2. Business overview

Introduction to Terragen

Terragen develops microbial biological solutions to address animal and soil health, productivity and methane reduction

Overview

- Terragen utilises its portfolio of microbes in the development, production and marketing of biological products for agriculture, both in the soil health and animal health and nutrition sectors
- Terragen's team has over 100 years of R&D experience, with a portfolio of patents granted in multiple jurisdictions¹
- TGH's products are **Mylo®** (feed supplement) for calves and cattle and **Great Land Plus®** (soil conditioner)
 - **Mylo®** is the only product in the market that is **proven to improve animal productivity² and reduce methane³**
- Terragen has operations in Australia and New Zealand
- Terragen's two products are sold and distributed by a retail agency network consisting of over 200 stores
- Manufacturing facility based in the Coolool Industrial Park in Coolool, Queensland

Key Products



Mylo® - Cows



Mylo® - Calves



Great Land Plus®

Mylo® is a live microbial feed supplement with applications to boost health and productivity for dairy and beef cattle and sheep, in addition to reducing methane emissions

Great Land Plus® is a patented chemical free soil conditioner, containing a proprietary consortia of live microbes

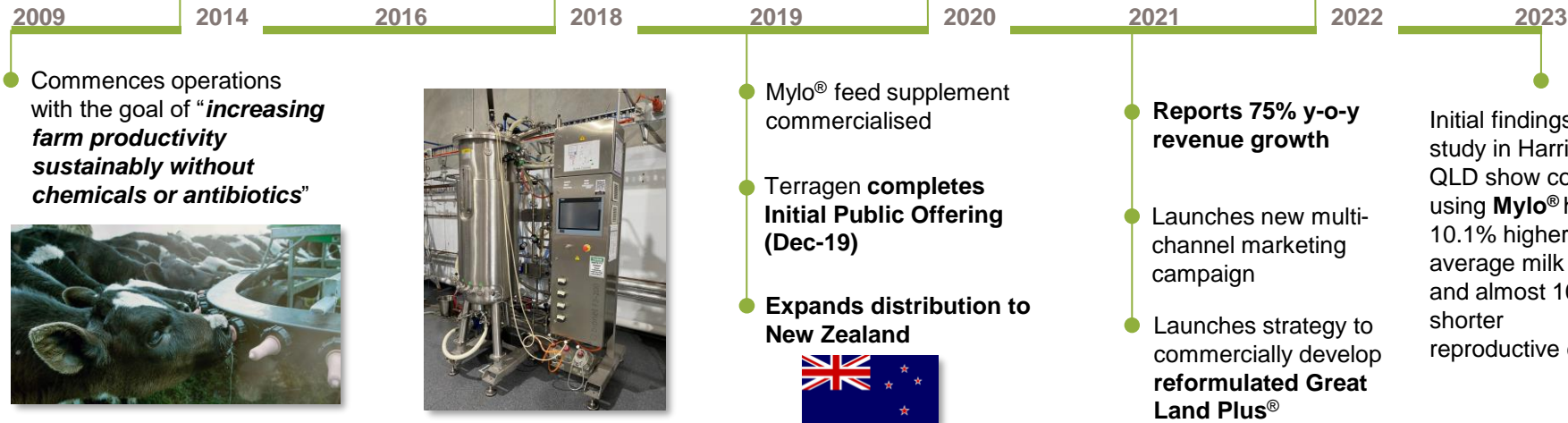
Note

1. Terragen IP protects our core 2 products in jurisdictions including Australia, New Zealand, North America and Europe

2. 10.1% increase in average milk yield, Harrisville, QLD, announced 24 May 2023

3. 7.5% reduction in methane emissions, Ellinbank SmartFarm, VIC, announced 21 April 2022

Timeline



Note

1. 7.5% reduction in methane emissions, Ellinbank SmartFarm, VIC, announced to the market on 21 April 2022

2. Harrisville, QLD study, announced to the market on 24 May 2023

Product overview – Mylo® for calves and cattle



A next generation natural feed supplement that is proven to help improve calf and cattle health and productivity, elevating financial returns for farmers

Overview

- Mylo® is targeted primarily at primary production animals such as dairy cattle, beef cattle and sheep
- Available in 3 sizes - 20L drum, 200L drum and a 1,000L IBC
- Mylo® is currently administered as a liquid feed supplement and is certified for organic farming in Australia and New Zealand
- Comprises individual strains of Lactobacillus casei, Lactobacillus buchneri and Lactobacillus paracasei

Key metrics



Mylo® for calves holds 10% market share of Australian calves



Mylo® for cows holds 4.4% market share of Australian cows

Mylo® Highlights



Reduces methane emissions in cows by up to 7.5%¹, resulting in **100 tonne CO₂ reduction per year per farm**²



Calves reach target weights **up to 10 days earlier**³



8% heavier calves (~ up to 6kg) with accelerated rumen development³



Cows produce 10.1% more milk⁴



Has **no withholding period** and is **free of antibiotics and chemicals**



Made of naturally occurring, living micro-organisms



Higher quality milk – somatic cell count reduced by up to 38%



Cost effective, up to \$410 annual benefit per cow net of Mylo® costs = **11x ROI**⁵

Note

1. Ellinbank SmartFarm study 2022

2. Based on 350 cows per farm

3. University of QLD calf study 2019

4. Harrisville, QLD study, announced 24 May 2023

5. Based on 10% milk production increase at farmgate price of \$8.50 per kg milk solids



Product overview – Great Land Plus®

A patented liquid biological soil conditioner containing live, naturally occurring bacteria that boost soil health and yields

Overview

- Great Land Plus® was developed as an effective alternative to chemical-based soil conditioners
- Available in 3 sizes - 20L drum, 200L drum and a 1,000L IBC
- Available in liquid form - freeze-dried product currently in development
- Product is applied by spraying onto pasture, beneath trees, vines and through irrigation systems

Key metrics



3%

Great Land Plus® dairy
pasture Australia
market share



1%

Great Land Plus® dairy
pasture New Zealand
market share

Great Land Plus® Highlights



Observed significant **increase in lucerne growth**¹ - through improved **water retention, nutrient profile and biology**



Free of damaging chemicals



Contains **five naturally occurring bacterial species** from the Lactobacillus and Acetobacter genera and one yeast



Increased milk per cow (+7.3%)² - contributing additional **\$200 per pasture-fed cow per season to farmers**



Reduces the need to use fertilisers



Certified for organic farming in Australia and New Zealand and compliant with USDA and NOP³

Note

1. Independent farmer trials in 2015 Mount Gambier (SA), Shepparton (VIC) and Forbes (NSW); AgLogic Agricultural Intelligence (2016)

2. Olchoway et al. (2019) J. Dairy Sci.

3. United States Department of Agriculture, National Organics Program

Production facility

Terragen has developed a dedicated scalable production facility in Queensland, Australia for Mylo® and Great Land Plus® products

Overview

- Since 2018, Terragen has maintained a dedicated 575m² integrated manufacturing, research and development facility located in the Coolool Industrial Park in Queensland
- The facility operates to Good Manufacturing Practices (**GMP**) as described by the Feed Ingredients and Additives Association (**FIAAA**)
- Facility produces Mylo® and Great Land Plus® with a certified organic classification for both products
- Facility has sufficient capacity to scale production by 300%

Certifications



Production Facility Highlights



Recently (2018) commissioned facility



High capacity site with **capability to grow production by 300% without any additional capital expenditure** spend



End-to-End capability involving fermentation, blending, packing and quality control



4 Full-time employees across production and quality control



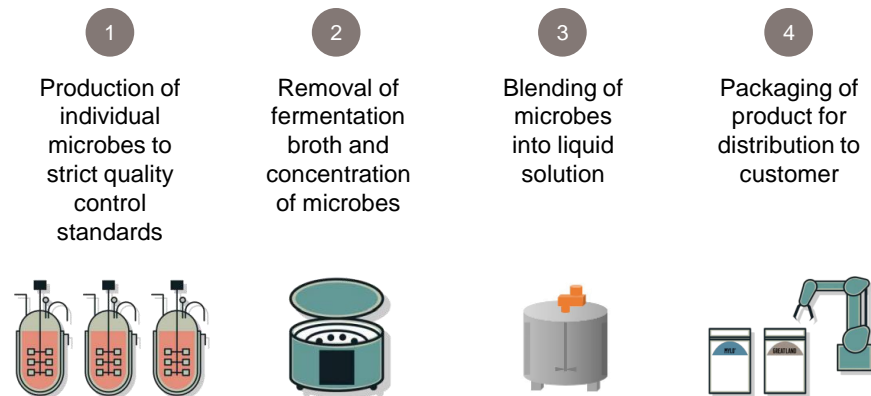
Production process

Terragen's production process is underpinned by a portfolio of organic microbes and supported by state-of-the-art production processes and equipment

Overview

- Terragen produces commercial quantities of microbes that have been selected based on targeted outcomes
- Different microbes are blended in varying concentrations to achieve a product with the optimal efficacy for its use
- Terragen's manufacturing processes use a range of equipment and techniques including,
 - Fermentation;
 - Centrifugation;
 - Freeze-drying for storage of microbes;
 - High-concentrate liquid blending;
 - Mixing end-user formulation production; and
 - Associated support equipment such as steam generation, chilling, and autoclaving equipment

Production Process



Scientific research

Research, development and collaboration with leading industry partners remains a key priority for Terragen to expand its portfolio of microbes

Overview

- Since 2010, Terragen has specialised in biological product research with a focus on Lactobacillus bacteria
- Terragen's products leverage the benefits of microorganisms sourced from natural sources including certain soils, plants and animals
- Terragen's approach is a combination of collecting, characterising, screening and combining microorganisms to achieve maximum efficacy against specific targets
- Research is conducted using a combination of independent universities and scientific organisations to test products, including **RMIT University, University of Queensland** and **Ellinbank Research Farm (Victorian Government)**
- Short-medium term R&D strategy encompasses extended research on methane reduction, development of new dry formulations and commercial development of Lactolin

Highlights



Team of **10 scientists** dedicated to researching the benefits of Mylo® and Great Land Plus®



Published 8 studies (internal and external) to date, plus 10 manuscripts in preparation



Currently undertaking 5 studies (internal and external)



State-of-the-art research and manufacturing facilities



Sequenced genomes of Terragen's 11 proprietary microbes



Research **published in 6 international scientific journals**

Collaboration Partners



IP and Proprietary Technology

Terragen's advantage lies in its microbe strains and manufacturing know-how



- Genomes of **proprietary microbes** have been sequenced
- A **compendium of each microbe's characteristics** has been produced
- Primers to identify microbes in products are trade secret









- **Fermentation parameters** are trade secret
- Blending process (using “wet” or “dry” microbes) is done **in house**
- Terragen has control over the **master seed stock** of microbes

Terragen's use of microbes are protected by patents, across Australia, New Zealand, US and Europe

Clinical study overview

Terragen has a strong record of published studies in peer reviewed journals

Product	Description	Collaborator	Key Takeaways
Mylo®	Partnership with Ellinbank SmartFarm to explore effect of liquid Mylo® supplement on methane reduction and milk production		<ul style="list-style-type: none"> • Methane intensity 7.5% lower than control group • Estimated 100 tonnes of CO₂ reduction per year per farm¹ • 21% higher weight gain compared to control cows • 1.3% higher milk production
Great Land Plus®	Study undertaken by the University of Queensland ² with the objective of quantifying any effect Great Land Plus® may have on the milk quality of cows grazing pasture top-dressed with this product ⁴		<ul style="list-style-type: none"> • Milk volume increased by 7.3% in cows on treated pasture • Milk protein was 7.5% higher in cows grazing treated pasture
LACTOLIN	Study undertaken with the objective of evaluating the short-term effect of LACTOLIN on udder health of dairy cattle		<ul style="list-style-type: none"> • Cows receiving LACTOLIN were less likely to experience worsening udder health • LACTOLIN performed at least as well as the iodophor treatment in use at the farm
Mylo®	A study ³ of weight gain in the pre-weaned and associated changes in the gastrointestinal tract with the objective of showing the improvements when Mylo® is added as a dietary supplement		<ul style="list-style-type: none"> • Calves supplemented with Mylo® gained 8.4% more weight over 56 days until weaning • Organs in the gastrointestinal tract developed more quickly in calves supplemented with Mylo® • Treated calves had greater species diversity in their gut microbiome
Mylo®	Partnership with Ellinbank Smartfarm and Fonterra to evaluate automated feeding of a methane-mitigating probiotic to grazing lambs and dairy cows (including receipt of A\$615k funding from the Australian Government)	 	<ul style="list-style-type: none"> • In progress. Announced October 2022, due to commence June 2023 with results likely in H2 FY24.

Note

1. 34 g/d lower methane production (Ellinbank SmartFarm, 2022) applied to a farm with 350 cows for 305 day lactation (note: it is CO₂e)

2. Olchoway et al. (2019) J. Dairy Sci.

3. University of QLD calf study 2019

4. Efficacy of a Lactobacillus-Based Teat Spray on Udder Health in Lactating Dairy Cows, Front. Vet. Sci. (2020)

3. Growth strategy

Global market opportunities

Terragen is well positioned to enter international markets and benefit from a marked shift towards sustainable agriculture and responsible consumption

Key drivers for alternative farm inputs



Emergence of **sustainable agriculture**



Increases in input costs for dairy, beef and crop production has led to a sharper focus on productivity



Shift in farmer sentiment from seeking chemical solutions to biological solutions



Shift in consumer sentiment to an increasing preference for organic and sustainably produced food



Increasing pressure to **reduce pesticide production**

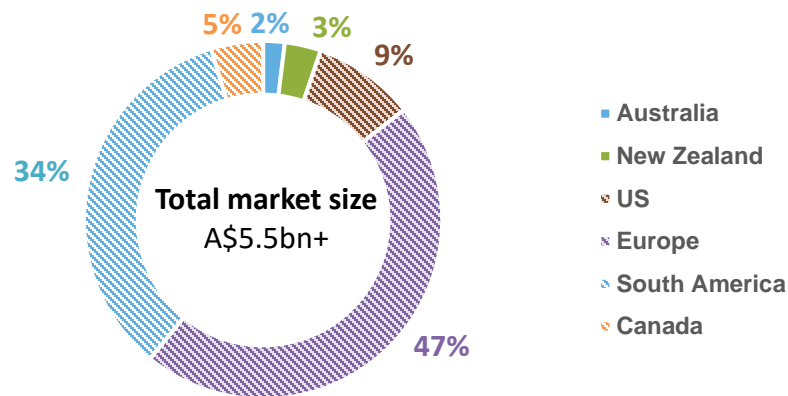


European Union push to **reduce the use of antibiotics in livestock**



New Zealand government **targets on farmers for methane emissions** and **nitrogen-based fertiliser reduction**

Total Addressable Market¹







Opportunity to capture market share in the large **global dairy** and **feedlots** market. Further upside from global expansion of **Great Land Plus®**

Note

1. Internal TGH market size estimate based on published dairy and feedlots markets globally.

New product developments

Terragen is continuing to use its considerable scientific expertise to improve and expand its product offering, with the following initiatives underway

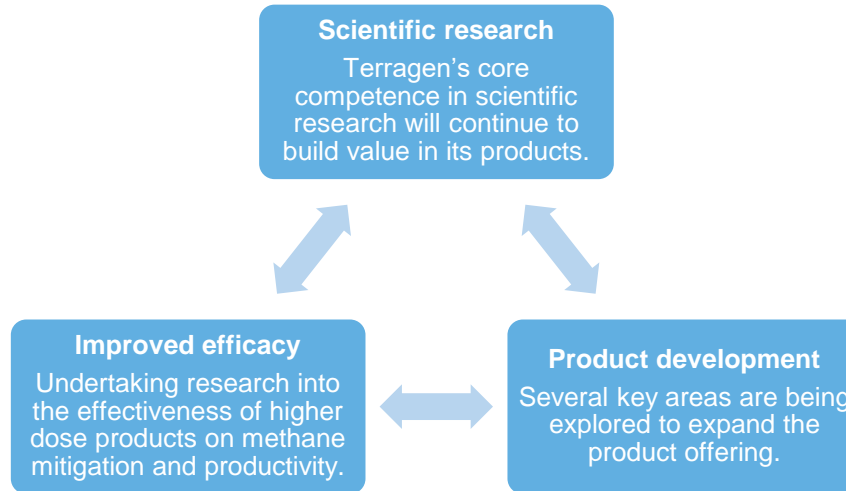
Initiative	Key Description	Status	Size of opportunity
 Dry Mylo®	<ul style="list-style-type: none"> Benefits over existing Mylo® product include <ul style="list-style-type: none"> — improved shelf life to > 1 year — reduced transport costs — expansion to overseas markets, and — elimination of the need for Mylo® pump 	<ul style="list-style-type: none"> Currently in development and testing 	<ul style="list-style-type: none"> Entry into beef feedlot segment 3.4m head per annum in Australia and NZ \$150m estimated addressable market (Aus and NZ) No capex requirements (3rd party contract manufacturing)
 Great Land Plus® – Nitrogen Reduction Potential	<ul style="list-style-type: none"> Exploring the potential for product to reduce fertiliser requirement thereby lowering costs for farmers and minimising adverse impact from fertiliser run off 	<ul style="list-style-type: none"> Currently in trial phase 	<ul style="list-style-type: none"> 1.6m hectares of dairy pasture \$93m total addressable market
 Lactolin Teat Wash	<ul style="list-style-type: none"> Alternative offering to teat washes that are based on harsh chemicals (iodine or chlorhexidine) used in the dairy industry 	<ul style="list-style-type: none"> Early stage 	<ul style="list-style-type: none"> 6.3m dairy cows in Australia and NZ c.\$80m total addressable market (Aus and NZ)
 Sylo	<ul style="list-style-type: none"> Silage inoculant(s) - for use in silage production 	<ul style="list-style-type: none"> In small-scale testing 	<ul style="list-style-type: none"> Expanded use of proprietary microbes Global market for grass silage inoculants is c.\$100m

The path to commercial success

Leveraging scientific trials in real-world environments to build a commercial portfolio of biological products

As Terragen increases its body of scientific findings, Management believes it will present a **compelling commercialisation proposition for partners** who have established sales and marketing networks and seeking a path to sustainability.

Management's current focus in developing a valuable offering for partners is focused on three key areas:



4. Equity raising

Equity raising overview

Equity raising	<ul style="list-style-type: none"> Terragen is raising up to approximately \$3.7 million via a two-tranche institutional placement of new fully paid ordinary shares in the Offeror ("New Shares"), to Professional and Sophisticated investors ("Placement"). The Company will also offer eligible shareholders in Australia and New Zealand the opportunity to participate in a Share Purchase Plan ("SPP") and apply for up to \$30,000 of New Shares, up to an additional \$1.0 million. The Company reserves the right to increase the size of the Placement if there is additional demand.
Offer price	<ul style="list-style-type: none"> All shares under the Institutional Placement and SPP will be issued at \$0.024 per New Share ("Offer Price"), representing: <ul style="list-style-type: none"> a 14.3% discount to last close of A\$0.028 and an 8.2% discount to the 15-day VWAP of A\$0.0261 as at Monday, 5 June 2023.
Institutional Placement	<ul style="list-style-type: none"> Two-tranche placement to raise up to approximately \$3.7 million via the issue of approximately 155.6 million New Shares to Professional and Sophisticated investors, comprising: <ul style="list-style-type: none"> Up to approximately \$0.7 million via the issue of approximately 29.1 million New Shares at an Offer Price of \$0.024 per New Share within the Offeror's existing placement capacity under Listing Rule 7.1 ("Tranche 1 Placement"); and Approximately \$3.0 million via the issue of approximately 126.5 million New Shares at an Offer Price of \$0.024 per New Share, subject to shareholder approval at an Extraordinary General Meeting ("EGM") expected to be held on Friday, 18 August 2023 ("Tranche 2 Placement"),
Substantial shareholder participation	<ul style="list-style-type: none"> Prior to the capital raising, Mr Scobie Dickinson Ward's voting power in the Company is approximately 17.2% and this will be approximately 17.2% post completion of Tranche 1 Placement without shareholder approval and then up to a maximum voting power of 31.1% as a result of his participation in the Tranche 2 Placement, raising a total of approximately \$2.1m from Mr Ward.¹ As a consequence, the acquisition of a voting power of Mr Ward in excess of 20% under the Tranche 2 Placement will be subject to shareholder approval for the purpose of section 611 item 7 of the Corporations Act.² It is presently anticipated that Mr Ward will join the Board as a Director of the Company on completion of the Tranche 2 Placement.

Note

1. Voting power of 31.1% assumes the SPP is subscribed to \$1.0m. If no eligible Shareholders participate in the SPP, the maximum voting power of Mr Scobie Dickinson Ward could, subject to shareholder approval, increase to 34.8%

2. The notice of meeting to be issued to Shareholders containing the resolution for the increase in voting power of Mr Ward above 20% will contain all information required by the Corporations Act 2001 (Cth) and will include an independent expert's report.

Equity raising overview

SPP	<ul style="list-style-type: none">• The Company intends to offer eligible shareholders the opportunity to participate in a Share Purchase Plan (“SPP”) and apply for up to A\$30,000 of New Shares, to raise an additional \$1.0 million. The record date for determining eligibility for the SPP is 7:00pm (AEST) on Wednesday, 7 June 2023.• Further details in relation to the SPP, including the scale-back policy, will be provided to eligible shareholders in an SPP Offer Booklet.• The Company reserves the right to accept oversubscriptions under the SPP subject to the ASX Listing Rules and the Corporations Act 2001 (Cth).• New Shares issued in the Placement are not eligible for participation in the SPP.
Ranking	<ul style="list-style-type: none">• New Securities issued in the Equity Raising will rank equally with existing fully paid ordinary shares on issue in the Offeror
Director participation	<ul style="list-style-type: none">• Directors Mr Sam Brougham and Mr Travis Dillon will participate in the Tranche 2 Placement for a total of 9,166,680 shares which will be subject to shareholder approval.• Terragen Directors who are existing eligible shareholders may participate in the SPP.
Lead Manager	<ul style="list-style-type: none">• Bell Potter Securities Limited (“Bell Potter”) is acting as the Lead Manager and Bookrunner

Sources and uses of funds raised

Proceeds will be primarily used to fund research and near-term new product developments:

- **New product research and development**
 - Develop dry version of Mylo[®] and research into feasibility of higher dose Mylo[®]
 - Further study for methane reduction potential and enhanced productivity benefits vs baseline dose.
 - Development of a biological teat wash, Lactolin, and a silage inoculant, Sylo.
 - Product extension of Great Land Plus
- **Working capital to support business operations**
 - Registration and commercialisation of new products
 - Staff and management of day-to-day operations

Uses of funds	Tranche 1 Placement	Tranche 2 Placement	SPP ¹	Total	%
New product research & development	\$0.46m	\$2.04m	\$0.67m	\$3.17m	67.0%
Working capital to support business operations	\$0.20m	\$0.87m	\$0.29m	\$1.36m	28.7%
Costs of the Offer	\$0.04m	\$0.12m	\$0.04m	\$0.20m	4.3%
Total	\$0.70m	\$3.04m	\$1.00m	\$4.74m	100.0%

Figures may not add due to rounding error

Note

1. Assuming total SPP raise of \$1.0m. Final SPP funds raised will be approximately allocated based on the above percentage allocations.
2. The table above is a statement of the Board's current intentions as at the date of this document. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

Summary of key dates

Trading Halt	Tuesday, 6 June 2023
Institutional Placement opens	Tuesday, 6 June 2023
Record Date for the SPP	7:00pm, Wednesday, 7 June 2023
Trading Halt lifted and announcement to ASX of the Offer	Thursday, 8 June 2023
Dispatch of SPP Offer Booklet to eligible shareholders	Friday, 9 June 2023
SPP Offer opens	9.00am, Friday, 9 June 2023
Settlement Date of Tranche 1 Placement Shares	Wednesday, 14 June 2023
Issue Date of Tranche 1 Placement Shares	Thursday, 15 June 2023
Commencement of trading of Tranche 1 Placement Shares	Friday, 16 June 2023
SPP Offer closes	5:00pm, Friday, 30 June 2023
SPP results announcement and Issue Date of SPP Shares	Thursday, 6 July 2023
Commencement of trading of SPP Shares	Friday, 7 July 2023
Dispatch notice of Extraordinary General Meeting (EGM) and independent experts report (IER)	Tuesday, 18 July 2023
EGM	Friday, 18 August 2023
Settlement Date of Tranche 2 Placement Shares	Tuesday, 22 August 2023
Issue Date of Tranche 2 Placement Shares	Wednesday, 23 August 2023
Commencement of trading of Tranche 2 Placement Shares	Thursday, 24 August 2023

Note This timetable is indicative only and may be subject to change without notice to, or consultation with, you. Terragen reserves the right to amend any or all of these dates and times at its discretion subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and other applicable laws. All times above are Australian Eastern Standard Time (AEST).

Pro forma capital structure

Issued share capital	No. of securities (pre-equity raising)	%	Securities issued in equity raising ¹	No. of securities (post-equity raising)	% (on an undiluted basis)
Fully paid ordinary shares					
Mr. Scobie Dickinson Ward	33,345,761	17.2%	88,335,210	121,680,971	31.1%
Other existing Investors	160,673,474	82.8%		160,673,474	41.1%
Other securities issued in equity raising			108,976,700	108,976,700	27.8%
Total Securities on Issue	194,019,235	100.0%	197,311,910	391,331,145	100.0%
Options on Issue ³	8,000,000			8,000,000	

Note

1. Assuming total SPP raise of \$1.0m. Final SPP funds raised may be a lesser amount.

2. The increase in voting power of Mr Ward above 20% will be subject to shareholder approval for the purpose of section 611 item 7 of the Corporations Act 2001 (Cth). If the SPP raises less than \$1.0m, this 31.1% may be higher.

3. All Options are held directly by Mr Jim Cooper who stepped down as Managing Director and Chief Executive Officer of the Company effective 28 March 2023. Refer to ASX Announcements for details on option exercise price and expiration dates.

Pro forma Balance Sheet (unaudited)

AUD (A\$m)	31 Dec 2022	Adj. for Equity Raising	Pro forma as at 31 Dec 2022
Cash ¹	4.34	4.53	8.87
Trade and other receivables	0.25	0.00	0.25
Other current assets ²	1.60	0.00	1.60
Total Current Assets	6.19	4.53	10.72
Non-Current Assets	0.94	0.00	0.94
Total Assets	7.14	4.53	11.66
Trade and other payables	0.97	0.00	0.97
Other current liabilities	0.47	0.00	0.47
Total Current Liabilities	1.44	0.00	1.44
Non-Current Liabilities	0.12	0.00	0.12
Total Liabilities	1.56	0.00	1.56
Net Assets	5.58	4.53	10.10
Issued Capital	43.13	4.74	47.87
Reserves ³	1.66	0.00	1.66
Accumulated Losses	(39.22)	(0.20)	(39.42)
Total Equity	5.58	4.53	10.10

Notes:

1. Included cash at bank and a term deposit. Equity raising assuming gross proceeds of \$4.74m less costs associated with the Offer of \$0.20m
2. Includes a tax incentive on research and development of \$1.26 million
3. Share-based payments reserve

5. Additional information

Key risks

This section discusses some of the risks associated with an investment in shares in Terragen. These risks may affect the future operating and financial performance of Terragen and the value of Terragen's shares.

The risks set out below are not listed in order of importance and do not necessarily constitute an exhaustive list of all risks involved with an investment in Terragen.

Before investing in Terragen, you should consider whether this investment is suitable for you. Potential investors should consider publicly available information on Terragen (including this presentation and information available on the websites of Terragen and ASX), carefully consider their personal circumstances and consult their financial or other professional advisers before making an investment decision. Additional risks and uncertainties that Terragen is unaware of, or that it currently considers to be immaterial, may also become important factors that adversely affect Terragen's operating and financial performance.

Nothing in this presentation is financial product advice and this document has been prepared without taking into account your investment objectives or personal circumstances. Terragen is not licensed to provide financial product advice.

You should note that the occurrence or consequences of many of the risks described in this section are partially or completely outside the control of Terragen, its directors, senior management and advisers. Further, you should note that this section focuses on the potential risks and does not purport to list every risk that Terragen may have now or in the future. It is also important to note that there can be no guarantee that Terragen will achieve its stated objectives or that any forward looking statements or forecasts contained in this presentation will be realised or otherwise eventuate. All potential investors should satisfy themselves that they have a sufficient understanding of these matters, including the risks described in this section, and have regard to their own investment objectives, financial circumstances and taxation position.

Key risks

Company Specific Risks	
Ownership and protection of intellectual property	<p>Terragen's business model depends on its ability to commercially exploit its intellectual property.</p> <p>Terragen relies on laws relating to trade secrets, copyright and trademarks to assist in protecting its proprietary rights. There is a risk that unauthorised use or copying of intellectual property, business data or secure documentation (electronic laboratory books) will occur.</p> <p>There is a risk that Terragen may be unable to detect the unauthorised use of its intellectual property rights in all instances.</p> <p>A breach of Terragen's intellectual property may result in the need to commence legal action, which could be costly and time consuming. A failure or inability to protect the Company's intellectual property rights could have an adverse impact on operating and financial performance.</p> <p>In addition, parties making claims against Terragen for a breach of intellectual property may obtain injunctive or other relief to prevent the Company from further developing or commercialising its products. In the event a successful claim of infringement is made against the Company, it may be required to pay damages and obtain one or more licences from the prevailing third party. If it is not able to obtain these licenses at a reasonable cost, or at all, it may encounter delays and lose substantial resources while seeking to develop alternative products.</p>
Loss of key personnel	<p>The successful operation of Terragen in part relies on the Company's ability to attract and retain experienced and high performing personnel. The loss of any key members of management or other personnel, or the inability to attract additional skilled individuals to key projects or roles, may adversely affect Terragen's ability to develop and implement its business strategies.</p>
Risk of delay and continuity of operations	<p>The potential for delay of any of Terragen's key projects presents a number of risks (including potential cost overruns and impacts of delays on the conclusion of commercial partnerships). Delays may be caused by various factors, including delays in obtaining regulatory approvals, delays in scientific studies, and delays in completing successful field trials.</p>
Regulatory approvals	<p>Terragen's target markets for its products are emerging, and as such the regulatory environment is constantly changing.</p> <p>In those jurisdictions where Terragen is yet to enter with a particular product; namely, US and Europe, appropriate expert advice and necessary regulatory approvals will be sought as and when Terragen seeks to enter such jurisdiction. There is also a possibility that Terragen may become subject to additional legal or regulatory requirements if its business operations, strategy or geographic reach expand in the future or if there is a change in applicable law or regulation.</p>

Key risks (cont'd)

Company Specific Risks	
Failure to realise benefits from product research and development	<p>The development and commercialisation of products is expensive and often involves an extended period of time to achieve return on investment. A critical aspect of Terragen's business model is to continually invest in innovation and product development opportunities. In particular, this applies to planned new products Lactolin and Sylo, but it is also relevant for potential future development and product extension of Mylo and Great Land Plus.</p> <p>Terragen may not realise benefits from these investments for several years, or may not realise benefits at all in some cases. The Company makes assumptions about the expected future benefits generated by investment in product research and development and the expected timeframe in which the benefits will be realised. These assumptions are subject to change and involve both known risks and risks that are beyond the Company's control. Any change to the assumptions the Company has made about certain product development may have an adverse impact on the Company's ability to realise a benefit from investment in the development of that product.</p>
Product risks and liability	<p>Terragen currently manufactures Great Land Plus and Mylo on a commercial scale with continuity of supply and in accordance with current Good Manufacturing Practices, prescribed by the APVMA and other regulatory authorities.</p> <p>Despite this, there is no assurance that unforeseen adverse events or manufacturing defects will not arise. Adverse events or defects could expose the Company to product liability claims, litigation or withdrawal of regulatory approvals. Further, adverse events or defects could result in damages being awarded against the Company, a requirement for further investment in improved manufacturing processes or withdrawal of products from the market.</p> <p>In the event Terragen discontinues operations or has insufficient manufacturing and distribution capacity, for any reason, this may result in substantial cost and delay.</p>
Arrangements with third party collaborators	<p>Terragen may pursue collaborative arrangements with life science companies, academic institutions or other partners to complete the development and commercialisation of the Terragen Products. These collaborators may be asked to assist with funding or performing field trials, manufacturing, obtaining regulatory approvals or product marketing. There is no assurance that Terragen will attract and retain appropriate strategic partners or that any such collaborators will perform and meet commercialisation goals.</p> <p>Further, Terragen's arrangements with third party collaborators are subject to mutual undertakings of confidentiality. There is no guarantee that third party collaborators will abide by their confidentiality obligations. There is a risk that third party collaborators may seek commercial exploitation of Terragen's intellectual property that has been shared under any collaboration arrangement. Protecting the Company's intellectual property in circumstances such as this may result in the need to commence legal action, which could be costly and time consuming.</p>

Key risks (cont'd)

Company Specific Risks	
Market acceptance and competitor risk	<p>Ultimately, any products developed by the Company need to find acceptance in the market. Market acceptance depends on numerous factors, including convincing potential consumers and partners of the attractiveness of Terragen's products and the ability to manufacture those products to a sufficient quality and quantity to meet commercial demand at an acceptable cost.</p> <p>Terragen's end-consumers are primarily farmers who are traditionally reticent to adopt new technologies. There is a risk that Terragen's products may not gain widespread market acceptance, and this may adversely affect the growth and financial performance of the Company.</p> <p>Terragen considers it has a competitive advantage in being one of the first in the market to provide a new approach to the development of natural live microbial products. However, there is always a risk that there will be new entrants into the market and the risk of existing competitors introducing new products or technologies. Competition in the market has the potential to disrupt Terragen's business and market share.</p> <p>There may be aggressive, fast-moving, early stage, start-up companies developing products that are comparable or competing products with properties that are similar to one or more of the properties of the Terragen equivalent. Terragen intends to maintain a close watching brief on existing and emerging products within the industry as well new patent applications relevant to the field as they are published.</p>
Uncertainty of future revenue and profitability	<p>Terragen's long term viability is contingent on, amongst other things, the Company's ability to enter into appropriate distribution arrangements (whichever form that may take) that deliver the requisite sales margin at a volume throughput that delivers adequate contribution to cover the Company's ongoing indirect costs, including but not limited to the ongoing research into next generation products. Sales margin and volumes could be impacted by general economic conditions, market demand, competitor activity and the results of further studies and field trials.</p> <p>Consequently, the level of any future sales of products by Terragen cannot be accurately determined and Terragen cannot provide any guarantee that future sales will be achieved. Even if future sales are achieved, they may not result in Terragen being profitable.</p> <p>There is a risk that distribution partners may unexpectedly terminate their distribution agreements leaving the Company temporarily without distribution coverage in certain regions.</p>
Change in strategy	<p>Terragen's plans and strategies may evolve over time due to review and assessment of, amongst other things, trial results and data, market trends, the outcome of its intellectual property registrations and applications, changes in policy or regulations, the level of market acceptance in particular markets and the emergence of new technologies or improvements in existing technology.</p>

Key risks (cont'd)

Company Specific Risks	
Sufficiency of funding and additional requirements for capital	<p>Terragen has provided an indication of how it intends to apply its existing funds, including funds raised under the Offer. Terragen notes that Tranche 2 is subject to shareholder approval at an Extraordinary General Meeting ("EGM").</p> <p>There is a risk that the costs of research and development may be higher than anticipated or increase as a result of unforeseen circumstances (which may include circumstances related to other key risk factors set out in this section).</p> <p>Terragen may also be required to raise additional equity or debt capital in the future. There is no assurance that Terragen will be able to raise that capital when it is required or that it will be able to raise that capital on satisfactory terms.</p> <p>If Terragen is unsuccessful in obtaining funds when required, including in the scenario that shareholder approvals for Tranche 2 placement are not obtained, it may need to delay or eliminate its research and development, commercialisation, manufacturing activities, or other aspects of its business. In the event of insufficient capital, Terragen may also have to license or sell its technologies on unfavourable terms, or scale down or cease operations. No assurance can be given that future funding will be available to the Company, on any particular terms, or at all.</p>

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