

For immediate release

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Terragen

ASX Announcement

Terragen FY23 Q4 investor presentation

Terragen Holdings Limited (ASX:TGH) is holding a series of investor presentations following on from the recent release of the FY23 Q4 quarterly update.

A copy of the presentation materials is attached.

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 to 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 direct fed microbial supplement for animals known as MYLO® and a soil conditioner known as GREAT LAND PLUS®.

For further information, please contact:

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_Terragen Holdings Limited
ASX: TGH

Investor Briefing - FY23 Q4



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Introduction to Terragen (ASX:TGH)

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

Overview

- Biological products for agriculture, both in the soil health and animal health and nutrition sectors
- Team has over 100 years of R&D experience, with a portfolio of patents granted in multiple jurisdictions¹
- Products are **MYLO®** (feed supplement) for calves and cattle and **Great Land Plus®** (soil conditioner)
- **MYLO® is proven to improve animal productivity² and reduce methane³**
- Operates in Australia and New Zealand
- Products sold and distributed by a retail agency network comprising over 200 stores

Key Products



MYLO®

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®

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

FY23 Q4 Executive Summary

- **Capital Raise Process ongoing**, General Meeting expected on or about 4th September 2023.
- **Scientific programme continues**, as Terragen invests in projects with the potential to driving a material difference to its market offering.
- **Studies show positive results**, in both productivity and methane emissions reduction
- **Financial performance stabilising**, with modest revenue growth combining with improved cost controls to drive reduction in cash burn.
- **Improved cash position**, through improved business spend profile, and receipt of additional funding, allows allocation of investment to activities with positive future returns.

Study/trial results continue to support the business case for MYLO®

- MYLO is a direct fed microbial supplement, proven to help improve calf and cattle health and productivity, thereby elevating financial returns for farmers.
- Harrisville, QLD study shows that **cows on MYLO had 10.1% higher average milk yield** after calving¹
 - Annual benefit to the farmer of \$410 per cow net of cost of MYLO², an 11x Return on Investment
- Harrisville, QLD study shows **average number of days to first insemination was 9.6 days shorter** in the cows receiving MYLO¹
 - Drives on-farm efficiencies through reduction in non-productive days, and reduced in costs incurred for reproductive intervention
- Feedlot trial shows an **overall improvement of 4.8% in average daily weight gain** in steers supplemented with MYLO³
 - Provides proof of concept to extend MYLO's business case to the beef feedlot sector

1. Harrisville, QLD study, announced 24 May 2023

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

3. Commercial feedlot trial in NSW (2023) using split herds, announced 28 July 2023

Terragen allocating resource to research which supports the use of biologicals in key agricultural activities

- Terragen has produced **small scale “dry MYLO”** for use as a dry form feed supplement in an ongoing study by the University of Queensland.
 - Analysis of data is ongoing, with results anticipated late in calendar year 2023.
- MYLO has already been **shown to reduce methane emissions in cows by up to 7.5%¹**, using the baseline dose of 10ml per day.
- Arising from this earlier study, **further research using higher doses of MYLO** has been initiated by Agriculture Victoria with funding supplied by the Australian Government².
 - Results from this study are anticipated to be available to Terragen in Q2 of calendar year 2024³.

1. Ellinbank SmartFarm study 2022, announced 20 April 2022

2. MERiL: Methane Emissions Reduction in Livestock, announced 24 October 2022

3. As announced in the quarterly update of 28 July 2023

LACTOLIN teat wash in early stage development

- LACTOLIN is an alternative offering to teat washes that are based on harsh chemicals (iodine or chlorhexidine)
- As a universal dairy activity, the global market for teat washes is substantial.
- A previous study has shown great potential for the application of microbial technology as a teat wash¹:
 - 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.
- Subject to the successful conclusion of the capital raise, Terragen will allocate funds towards studies that prove the efficacy of LACTOLIN and which will be targeted at meeting the regulatory requirements in local and international jurisdictions.

1. Efficacy of a Lactobacillus-Based Teat Spray on Udder Health in Lactating Dairy Cows, Front. Vet. Sci. (2020), detailed in the investor presentation of 8 June 2023.

Terragen continues to explore options for increasing use of GREAT LAND PLUS®

- GREAT LAND PLUS is a patented **chemical free soil conditioner**, containing live, naturally occurring bacteria that boosts soil health and crop yields. It was developed as an effective alternative to chemical-based soil conditioners.
- Sold as a liquid product, sales of GREAT LAND PLUS have **largely centred on dairy pasture**, as a key adjacency to MYLO in the dairy sector.
 - Studies have shown that cows grazing on treated pasture returned increased milk (+7.3%)¹.
 - Independent trials observed that GREAT LAND PLUS significantly increases lucerne growth².
- Work is ongoing to develop the GREAT LAND PLUS formulation, exploring the potential for the product to **reduce nitrogen fertiliser requirements**³.
 - This would lower the overall cost to produce for farmers, and
 - This would contribute to reducing the adverse impact from fertiliser run off.
- It is envisaged that the “next gen” version of GREAT LAND PLUS would have **greater appeal to a wider range of agricultural sectors**.

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

2. Independent farmer trials in 2015 Mount Gambier (SA), Shepparton (VIC) and Forbes (NSW); AgLogic Agricultural Intelligence (2016), detailed in the investor presentation of 8 June 2023.

3. Detailed in the investor presentation of 8 June 2023.

Terragen's FY23 financial performance has stabilised, sales recovered, costs reduced¹

- FY23 total net revenue of \$2.47m, up 12.1% vs prior year, driven by a smaller, more focussed sales team.
 - MYLO sales of \$1.89m, up 10% vs prior year.
 - GREAT LAND PLUS sales of \$0.58m, up 19% vs prior year.
- FY23 full year operating expenditure of \$6.28m, \$1.91m (23%) less than prior year comparative (**PCP**).
 - FY23 Q4 operating expenditure of \$1.18m, \$0.77m (39%) less than PCP.
- Cash balance at 30 June 2023 of \$4.3m, with a further \$0.5 million of SPP proceeds settled in July 2023.
 - \$3.0 million from Tranche 2 Placement proceeds is expected to settle in September 2023 (subject to shareholder approval).

1. As detailed in the quarterly activities update of 28 July 2023.

In summary:

1. Recent studies validate the continued investment of capital into purposeful research and development.
2. MYLO's business case for farmers is reinforced by study results in both dairy and beef segments.
3. The financial base of the business is improving, allowing allocation of resource into critical R&D projects.

