

24 July 2024



Terragen

ASX Announcement

Quarterly Activities Report and Appendix 4C for the three months ended 30 June 2024

Terragen Holdings Limited (ASX:TGH) 24 July 2024 – Australian biological agriculture company Terragen Holdings Limited (“Terragen”) provides an activities update for the three month period ended 30 June 2024.

Highlights

- **Dry Mylo product prototype** has been developed that conforms with quality specifications. Finalisation of arrangements for a large-scale commercial trial in progress.
- **Methane Emissions Reduction study concluded** with final data analysis in progress.
- **Soil Organic Carbon Study concluded** with data and results currently being analysed.
- **Cash reserves of \$4.65 million** at 30 June 2024, with \$530k of net cash used in operating activities during the quarter (\$586k used in prior corresponding period Q4 FY23).

Research and Development Update

Terragen continues to focus on advancing commercialisation of its products through applied research programs. The Company intends to leverage substantial grant and partnership opportunities, wherever possible, to accelerate its R&D program and the product commercialisation process.

Dry MYLO®

Following the successful outcome of commercial scale freeze drying of MYLO®, Terragen has developed a prototype dry MYLO® product that conforms with quality specifications. Terragen is now finalising specifics with a research partner to conduct a dose rate and equivalence trial. This formal trial will test performance (including weight gain) of cattle supplemented with dry MYLO prototype product (at two dose rates) against the liquid MYLO product and a control (no dry MYLO), in a setting typical of Australian Feedlots. This trial is an integral part of the product development and commercialisation pathway.

Dry MYLO® has an extended product shelf life and is more efficient to transport and deliver which will further enable expansion into overseas markets.

Methane Mitigation Studies

The animal observation phase of the sheep component of the Methane Emissions Reduction in Livestock Round Two (MERiL2) trial conducted by Agriculture Victoria concluded in June 2024. Final data analysis is currently underway, the results from which will be provided once complete. This trial utilised a dry MYLO formulation fed to lambs via an automated smart feeder, in a controlled commercial environment. This study focused on weight gain and measuring methane emissions and is expected to provide valuable learnings around dose rate, productivity and methane production in small scale trial numbers.

Terragen Holdings Limited

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Great Land Plus®

Terragen is preparing to commence an applied research plan to execute independent replicated plot trials. Work is underway to commence a canola trial, followed by trials in maize later in the year (in line with seasons). This research aims to validate the hypothesis that applying Great Land Plus® can reduce synthetic fertiliser reliance while retaining yield and crop uniformity in key markets, in commercial settings.

Soil Organic Carbon Study

Through a series of comprehensive, independently collected and analysed soil core samples, Terragen investigated the measurable benefits of long-term application of Great Land Plus in viticulture and dairy systems across southern Australia. Results were compared against replica core samples taken from topographically similar properties that had not used Great Land Plus in their land management programs. Field agronomists were engaged to execute the in-field testing protocol. The results of the project and associated data is currently being analysed and more information will be provided once the analysis is complete.

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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 health and productivity of plants and animals. 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 biostimulant known as GREAT LAND PLUS®.

For further information, please contact:

Terragen Holdings Limited	Authorisation and Additional Information
Mike Barry Chairman media@terragen.com.au	This announcement was authorised by the Board of Directors of Terragen Holdings Limited
Richard Norton Managing Director and CEO ceo@terragen.com.au	

Attachment 1

Appendix 4C

Quarterly cash flow report for entities
subject to Listing Rule 4.7B

Name of entity

TERRAGEN HOLDINGS LIMITED

ABN

36 073 892 636

Quarter ended ("current quarter")

30 June 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	468	1,830
1.2 Payments for		
(a) research and development (direct and indirect)	(57)	(253)
(b) product manufacturing and operating costs	(110)	(555)
(c) advertising and marketing	(24)	(63)
(d) leased assets	-	-
(e) staff costs	(709)	(3,066)
(f) administration and corporate costs	(137)	(897)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	48	107
1.5 Interest and other costs of finance paid	(9)	(28)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives (FY23 R&D tax benefits)	-	739
1.8 Other (annual commissions paid to customers for FY23)	-	(55)
1.9 Net cash from / (used in) operating activities	(530)	(2,241)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	(24)
	(d) investments	-	-
	(e) intellectual property	(43)	(109)
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(43)	(133)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	3,501
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(344)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(129)	(432)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(129)	2,725

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,352	4,296
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(530)	(2,241)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(43)	(133)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(129)	2,725
4.5	Effect of movement in exchange rates on cash held	-	3
4.6	Cash and cash equivalents at end of period	4,650	4,650

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,043	2,245
5.2	Call deposits	2,607	3,107
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,650	5,352

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

168

-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Represents payments made to Company Directors (executive & non-executive) in the form of Directors fees and Salaries. The amount above includes payment of previously accrued but unpaid Directors fees.

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other – finance lease liabilities	542	358
7.4 Total financing facilities	542	358

7.5 **Unused financing facilities available at quarter end** -

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Financing facilities represent liabilities under leasing arrangements determined in accordance with the requirements of AASB16 and annual insurance premium funding. The leasing facilities are secured against assets with a written down value of approximately \$0.39m as at 30 June 2024. All leases have a maturity date of less than 4 years.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(530)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	4,650
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	4,650
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	8.77

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

Not applicable

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

Not applicable

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Not applicable

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: **24 July 2024**

Authorised by: **The Board of Directors of Terragen Holdings Limited**
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – e.g. Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.