

Terragen Holdings Limited
ABN 36 073 892 636

Appendix 4D for the six months ended 31 December 2024

Reporting period: Half-year from 1 July 2024 to 31 December 2024

Previous corresponding period: Half-year from 1 July 2023 to 31 December 2023

The following information should be read in conjunction with both the Financial Report for the year ended 30 June 2024 and the Interim Financial Report for the half-year ended 31 December 2024.

Results for announcement to the market

a. Financial

	31 December 2024	31 December 2023	Change
	\$	\$	%
Revenue from ordinary activities	911,597	1,200,740	(24%)
Loss from ordinary activities after tax attributable to members	(2,299,294)	(1,495,332)	(54%)
Net Loss from ordinary activities attributable to members	(2,299,294)	(1,495,332)	(54%)

b. Dividends

There were no dividends paid, recommended or declared during the half-year ended 31 December 2024 or in the prior half-year ended 31 December 2023.

Terragen does not currently have an active dividend reinvestment plan.

c. Explanation of results

Please refer to the Directors' Report of the attached Interim Financial Report for further commentary on the half-year ended 31 December 2024.

Net tangible assets

	31 December 2024	31 December 2023
Net tangible assets per ordinary security	1.28 cents	1.71 cents

Review

The Financial Statements for the half-year ended 31 December 2024 have been subject to review by Terragen's external auditors, SW Audit, and the review report is included in the Interim Financial Report attached.

Attachments

1. Interim Financial Report of Terragen Holdings Limited for the half-year ended 31 December 2024.



Richard Norton
Managing Director and Chief Executive Officer
25 February 2025



Terragen Holdings Limited and Controlled Entity

ABN 36 073 892 636

Interim financial report
for the half-year ended 31 December 2024

**Interim financial report
for the half-year ended 31 December 2024**

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Directors' Report

For the half-year ended 31 December 2024

The directors of Terragen Holdings Limited submit herewith the interim financial report of Terragen Holdings Limited (the Company) and its subsidiary (the Group) for the half-year ended 31 December 2024.

Directors

The names of the directors of the company during or since the end of the half-year are:

- Michael Barry – Non-Executive Chair
- Scobie Ward – Non-Executive Director
- Dr Michele Allan AO – Non-Executive Director
- Richard Norton – Managing Director and CEO
- Andrew Guthrie – Non-Executive Director (appointed 8 July 2024)

Principal activities

The Group's principal activities during the period were research, development and commercialisation of biological products that enhance animal and plant health for use in agriculture. There were no significant changes in the nature of these activities during the half-year.

Operating and financial review

Review of financial results

The Group reported a loss after tax for the half-year of \$2,299,294 (2023: loss of \$1,495,332). The key drivers of the result were:

- Revenues of \$911,597 (2023: \$1,200,740) from the sale of the Company's two products *Mylo*® and *Great Land Plus*® in Australia and New Zealand. The decline in sales reflects key markets in Australia experiencing dry conditions during the period as well as Terragen's strategic shift in sales strategy from a traditional farm-to-gate model to a more focused investment approach into research and development and commercial trials. This strategy delivers innovation and further product validation, supporting the upcoming launch of the Company's new product, Terragen Probiotic for Ruminants, a dry-format product with an extended shelf life and greater production and logistical efficiencies, presenting opportunities for global distribution and expansion into new markets such as beef feedlots.
- Research and development expenses of \$1,180,824 (2023: \$829,209) consistent with the Company's strategy of targeted investment into scientific research in commercial settings to further validate the benefits of existing products and to facilitate the development of new products for commercialisation. The key driver of the increase in research and development expenses was the investment the Company made in the beef feedlot trial at Charles Sturt University, where the Company's new dry format product, Terragen Probiotic for Ruminants, was proven to deliver a 4.6% increase in average daily weight gain (\$57 per carcass value increase) in Angus steers relative to the control group (as previously announced).

Directors' Report

For the half-year ended 31 December 2024

Review of financial position

- Net cash outflows used in operating activities decreased by 23% to \$1,060,305 (2023: \$1,374,827) largely driven by the earlier timing of receipt of the Research and Development tax incentive compared to the prior corresponding period.
- The Group's net assets have increased from \$5,316,251 to \$6,168,372 which is largely attributable to the Group's capital raising activities during the half-year. The Group's unencumbered cash balance, ongoing cash flow management and capital raising activities have resulted in a reasonable working capital position supporting future research, product development and commercialisation activities.

Principal risks

There have been no changes in principal risks previously reported in the Group's Financial Report for the year-ended 30 June 2024.

Capital structure

During the half-year the Group completed a Placement and Institutional Entitlement offer as announced on 5 December 2024. 91,955,890 fully paid ordinary shares were issued at \$0.035 per share to raise equity of \$3,218,456 before capital raising costs.

Board and Management Changes

During the half-year the following Board and management changes were made:

- Non-Executive Director Andrew Guthrie was appointed on 8 July 2024.
- Following the resignation of Robyn Smith, Matthew Whyte was appointed Company Secretary and Chief Financial Officer on 8 July 2024.

Subsequent events

There has not been any matter or circumstance occurring subsequent to the end of the half year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years, except as below:

- The retail component of the Entitlement Offer was completed on 23 January 2025. The offer raised \$1,539,306 before transaction costs, resulting in the issuance of 43,980,158 new fully paid ordinary shares by the group.

Directors' Report

For the half-year ended 31 December 2024

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

Signed in accordance with a resolution of directors made pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'Richard Norton', with a long horizontal stroke extending to the right.

Richard Norton
Managing Director and CEO
25 February 2025

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001 TO THE DIRECTORS OF TERRAGEN HOLDINGS
LIMITED & CONTROLLED ENTITY**

As lead auditor, I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2024 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review, and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

SW

SW Audit
Chartered Accountants



R. Blayney Morgan
Partner

Melbourne, 25 February 2025

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Consolidated statement of profit or loss and other comprehensive income

For the half-year ended 31 December 2024

	Notes	31 Dec 24 \$	31 Dec 23 \$
Revenue	3	911,597	1,200,740
Cost of sales		(445,869)	(520,489)
Gross profit		465,728	680,251
Other income	3	84,290	45,218
Gross profit and other income		550,018	725,469
Sales and marketing expenses		(769,952)	(623,609)
Research and development expenses	4	(1,180,824)	(829,209)
Administration and other expenses		(1,265,685)	(1,166,473)
Share-based payments	14	(182,753)	-
Finance costs	7	(25,719)	(12,162)
Loss before tax		(2,874,915)	(1,905,984)
Income tax benefit		575,621	410,652
Loss after income tax for the half-year		(2,299,294)	(1,495,332)
Other comprehensive losses for the half-year			
(Loss)/profit on translation of foreign operations		(169)	668
Total comprehensive loss for the half-year		(2,299,463)	(1,494,664)
Loss per share			
Basic and diluted loss per share (cents per share)	17	(0.60)	(0.46)

The accompanying notes form part of these financial statements

Consolidated statement of financial position**As at 31 December 2024**

	Notes	31 Dec 24 \$	30 Jun 24 \$
Current assets			
Cash and cash equivalents	8	6,092,905	4,543,013
Trade and other receivables		211,309	189,933
Inventories		248,033	188,009
Other assets		248,202	266,509
Current tax asset	9	470,087	869,192
Total current assets		7,270,536	6,056,656
Non-current assets			
Right of use assets		233,386	391,846
Property, plant and equipment	10	490,535	263,091
Intangible assets	11	250,336	233,941
Other assets		-	1,600
Total non-current assets		974,257	890,478
Total assets		8,244,793	6,947,134
Current liabilities			
Trade and other payables	12	1,336,912	832,568
Financial liabilities	13	205,194	318,074
Employee provisions		189,857	223,806
Total current liabilities		1,731,963	1,374,448
Non-current liabilities			
Financial liabilities	13	316,726	224,153
Employee provisions		27,732	32,282
Total non-current liabilities		344,458	256,435
Total liabilities		2,076,421	1,630,883
Net assets		6,168,372	5,316,251
Equity			
Issued capital	15	49,872,494	46,903,663
Reserves	16	1,863,426	1,680,842
Accumulated losses		(45,567,548)	(43,268,254)
Total equity		6,168,372	5,316,251

The accompanying notes form part of these financial statements.

Consolidated statement of changes in equity**For the half-year ended 31 December 2024**

	Notes	Issued capital	Reserves	Accumulated losses	Total
		\$	\$	\$	\$
2024					
Balance at 1 July 2024		46,903,663	1,680,842	(43,268,254)	5,316,251
Loss for the half-year		-	-	(2,299,294)	(2,299,294)
Translation of foreign operations		-	(169)	-	(169)
Total comprehensive loss for the half-year		-	(169)	(2,299,294)	(2,299,463)
<i>Transactions with owners in their capacity as owners</i>					
Issue of share capital	15	3,218,456	-	-	3,218,456
Capital raising Costs	15	(249,625)	-	-	(249,625)
Share-based payments		-	182,753	-	182,753
Balance at 31 December 2024		49,872,494	1,863,426	(45,567,548)	6,168,372
2023					
Balance at 1 July 2023		43,649,618	1,680,741	(40,254,176)	5,076,183
Loss for the half-year		-	-	(1,495,332)	(1,495,332)
Translation of foreign operations		-	668	-	668
Total comprehensive loss for the half-year		-	668	(1,495,332)	(1,494,664)
<i>Transactions with owners in their capacity as owners</i>					
Issue of share capital	15	3,503,017	-	-	3,503,017
Capital raising costs	15	(248,972)	-	-	(248,972)
Balance at 31 December 2023		46,903,663	1,681,409	(41,749,508)	6,835,564

The accompanying notes form part of these financial statements.

Consolidated statement of cash flows

For the half-year ended 31 December 2024

		31 Dec 24	31 Dec 23
		\$	\$
Cash flows from operating activities			
Receipts from customers		847,529	1,535,490
Payments to suppliers and employees		(2,951,662)	(2,943,373)
Research and development tax concession received		970,998	-
Interest and other costs of finance paid		(13,100)	(12,162)
Interest received		85,930	45,218
Net cash used in operating activities		(1,060,305)	(1,374,827)
Cash flows from investing activities			
Payment for property, plant & equipment		-	(21,890)
Payment for intangible assets		(79,823)	(42,894)
Net cash used in investing activities		(79,823)	(64,784)
Cash flows from financing activities			
Proceeds from share issue		3,218,456	3,503,017
Costs of issuing equity securities		(247,406)	(343,980)
Repayment of borrowings		(174,022)	(109,737)
Repayment of lease liabilities		(106,126)	(98,125)
Net cash provided by financing activities		2,690,902	2,951,175
Net decrease in cash and cash equivalents		1,550,744	1,511,564
Cash and cash equivalents at the beginning of the year	8	4,543,013	4,174,116
Foreign exchange differences on cash and cash equivalents		(882)	686
Cash and cash equivalents at the end of the half-year	8	6,092,905	5,686,366

The accompanying notes form part of these financial statements.

Notes to the consolidated financial statements

For the half-year ended 31 December 2024

1. Material accounting policies

The financial statements are for the consolidated Group, consisting of Terragen Holdings Limited (the Company) and its subsidiary (the Group). Terragen Holdings Limited is a company limited by shares whose shares are publicly traded on the Australian Securities Exchange (ASX) under the code TGH.

(i) Statement of compliance

The half-year financial report is a general-purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

(ii) Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost unless stated otherwise. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Comparatives have been reclassified where appropriate to ensure consistency and comparability with current period. The consolidated interim financial report does not include all notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by Terragen Holdings Ltd during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

(iii) New accounting standards and interpretations

During the period, there have been no new Australian Accounting Standards or amendments to standards that have impacted on the Group's annual reporting period that began on 1 July 2024.

(iv) Critical estimates and judgements

There have been no changes in critical estimates and judgements previously reported in the Group's Financial Report for the year-ended 30 June 2024.

(v) Operating losses

The Group incurred a loss after income tax of \$2,299,294 (31 December 2023: \$1,495,332) and net operating cash outflows of \$1,060,305 (31 December 2023: \$1,374,827) for the period ended 31 December 2024. Notwithstanding the above, the financial report has been prepared on a going concern basis which contemplates the continuation of normal business operations and the realisation of assets and the settlement of liabilities in the normal course of business.

At 31 December 2024 the Group had cash and cash equivalents of \$6,092,905 and \$470,087 of research and development offset receivables that are expected to be recovered from the Australian Taxation Office. In addition, the retail component of the Entitlement Offer was completed on 23 January 2025 raising \$1,539,306 before transaction costs.

Notes to the consolidated financial statements

For the half-year ended 31 December 2024

Based on management's cash flow forecasts and having considered the current trading performance and the plans for the Group, the Directors are satisfied there is sufficient cash and cash equivalents to withstand current operating losses and settle its liabilities in the normal course of business.

2. Operating segments

i. Segment performance

The following tables present revenue and loss information for the Group's operating segments for half-year ended 31 December 2024 and 31 December 2023, respectively.

	Australia	New Zealand	TOTAL
	\$	\$	\$
31 December 2024			
Total segment revenue	895,104	16,493	911,597
Segment other income	84,290	-	84,290
Segment expenditure	(3,843,275)	(27,527)	(3,870,802)
Segment result	(2,863,881)	(11,034)	(2,874,915)

	Australia	New Zealand	TOTAL
	\$	\$	\$
31 December 2023			
Total segment revenue	1,163,359	37,381	1,200,740
Segment other income	44,382	836	45,218
Segment expenditure	(3,085,374)	(66,568)	(3,151,942)
Segment result	(1,877,633)	(28,351)	(1,905,984)

ii. Segment assets

The following tables present assets and liabilities information for the Group's operating segments as at 31 December 2024 and 30 June 2024, respectively.

	Australia	New Zealand	Total
	\$	\$	\$
31 December 2024	8,195,623	49,170	8,244,793
30 June 2024	6,888,034	59,100	6,947,134

Notes to the consolidated financial statements

For the half-year ended 31 December 2024

3. Revenue and other income

Sales by product at a point in time:

	Half-year ended 31 Dec	
	2024	2023
	\$	\$
- Mylo®	781,477	916,854
- Great Land Plus®	130,120	283,886
	911,597	1,200,740

Other income

Interest received	84,290	45,218
Total other income	84,290	45,218
Total revenue and other income	995,887	1,245,958

4. Research and development expenses

Direct research	824,925	204,544
Employee benefits	249,064	460,519
Depreciation and amortisation	43,138	61,738
Other Expenses	63,697	102,408
Total research and development expenses	1,180,824	829,209

5. Depreciation and amortisation

Depreciation of right-of-use assets	86,736	90,930
Depreciation of property, plant, and equipment (refer to note 10)	48,617	84,162
Amortisation of intangible assets	16,360	12,685
Total depreciation and amortisation	151,713	187,777

Notes to the consolidated financial statements

For the half-year ended 31 December 2024

Depreciation and amortisation (continued)

	Half-year ended 31 Dec	
	2024 \$	2023 \$
Depreciation and amortisation by function as disclosed in the Profit & Loss		
- Cost of sales	51,954	78,122
- Sales and marketing expenses	19,667	32,479
- Research and development expenses	43,138	61,738
- Administration and other expenses	36,954	15,438
Total depreciation and amortisation	151,713	187,777

6. Employee benefits

Employee benefits by function as disclosed in the Profit & Loss

- Cost of sales	249,296	197,938
- Sales and marketing expenses	244,477	234,572
- Research and development expenses	249,064	460,519
- Administration and other expenses	913,916	612,747
Total employee benefits	1,656,753	1,505,776

7. Finance costs

Interest on lease liabilities	7,909	6,834
Other finance costs	17,810	5,328
	25,719	12,162

8. Cash and cash equivalents

Cash at bank	6,092,905	4,543,013
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At 31 December 2024, the Group holds term deposits of \$101,228 with financial institutions that roll over beyond 90 days of half-year end, which are restricted for the use of bank guarantees. These have been classified within other assets on the Statement of Financial Position at 31 December 2024.

Notes to the consolidated financial statements

For the half-year ended 31 December 2024

9. Current tax asset

Tax incentive on research and development

31 Dec 24	30 Jun 24
\$	\$
470,087	869,192

Movements in the tax incentive during the half-year ended 31 December 2024 and year ended 30 June 2024 are set out below:

Opening balance	869,192	738,586
Tax incentive on research and development received	(974,726)	(738,748)
Under provision of prior year R&D benefit	105,534	162
Accrual of tax incentive for the period	470,087	869,192
Closing balance at the end of the half-year	470,087	869,192

10. Property, plant and equipment

Carrying amounts of:

Plant and equipment	132,470	155,564
Office equipment	-	214
Motor Vehicles	269,490	-
Research equipment	69,427	83,267
Leasehold improvements	19,148	24,046
	490,535	263,091

Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Plant & equipment	Office equipment	Motor Vehicles	Research equipment	Leasehold improvements	Total
	\$	\$	\$	\$	\$	\$
<u>Cost</u>						
Balance 1 July 2024	515,908	98,347	-	1,017,727	527,125	2,159,107
Additions	-	-	276,061	-	-	276,061
Balance 31 December 2024	515,908	98,347	276,061	1,017,727	527,125	2,435,168
<u>Accumulated depreciation</u>						
Balance 1 July 2024	(360,344)	(98,133)	-	(934,460)	(503,079)	(1,896,016)
Depreciation	(23,094)	(214)	(6,571)	(13,840)	(4,898)	(48,617)
Balance 31 December 2024	(383,438)	(98,347)	(6,571)	(948,300)	(507,977)	(1,944,633)
Carrying amount at 31 December 2024	132,470	-	269,490	69,427	19,148	490,535

Notes to the consolidated financial statements

For the half-year ended 31 December 2024

	31 Dec 24 \$	30 Jun 24 \$
11. Intangible Assets		
Patents and trademarks (a)	250,336	233,941
a) Movements in carrying amounts		
Movement in the carrying amounts for each class of patents and trademarks between the beginning and the end of the current financial year.		
<u>Cost</u>		
Opening balance	341,510	275,221
Additions from separate acquisitions	32,755	66,289
Balance at period end	374,265	341,510
<u>Accumulated amortisation</u>		
Opening balance	(107,569)	(78,968)
Charge for the year	(16,360)	(28,601)
Balance at period end	(123,929)	(107,569)
Carrying amount at period end	250,336	233,941
12. Trade and other payables		
<i>At amortised cost</i>		
Trade payables	696,762	339,229
Accrued expenses	561,658	413,714
Other payables	78,492	79,625
	1,336,912	832,568
13. Financial liabilities		
<i>Current at amortised cost</i>		
Hire purchase	66,863	-
Insurance premium funding	-	147,738
Lease liabilities	138,331	170,336
	205,194	318,074
<i>Non-current at amortised cost</i>		
Hire purchase	219,884	-
Lease liabilities	96,842	224,153
	316,726	224,153

Notes to the consolidated financial statements

For the half-year ended 31 December 2024

14. Share-based payments

Details of share options granted during the period under the employee incentive plan are provided below:

<u>Number</u>	<u>Grant date</u>	<u>Vesting date</u>	<u>Expiry date</u>	<u>Exercise price (\$)</u>	<u>Share price at grant date (\$)</u>	<u>Fair value at grant date (\$)</u>
3,250,000	4/10/2024	31/03/2025	29/11/2029	0.025	0.041	0.035
2,200,000	7/11/2024	31/03/2025	29/11/2029	0.025	0.040	0.034
3,250,000	4/10/2024	30/09/2025	29/11/2029	0.025	0.041	0.035
2,200,000	7/11/2024	30/09/2025	29/11/2029	0.025	0.040	0.034
3,250,000	4/10/2024	31/03/2026	29/11/2029	0.040	0.041	0.034
2,200,000	7/11/2024	31/03/2026	29/11/2029	0.040	0.040	0.033
3,250,000	4/10/2024	30/09/2026	29/11/2029	0.040	0.041	0.034
2,200,000	7/11/2024	30/09/2026	29/11/2029	0.040	0.040	0.033
5,450,000	7/11/2024	31/03/2027	29/11/2029	0.060	0.040	0.031
5,450,000	7/11/2024	30/09/2027	29/11/2029	0.060	0.040	0.031
5,450,000	7/11/2024	31/03/2028	29/11/2029	0.085	0.040	0.030
5,450,000	7/11/2024	30/09/2028	29/11/2029	0.085	0.040	0.030
5,450,000	7/11/2024	31/03/2029	29/11/2029	0.110	0.040	0.029
5,450,000	7/11/2024	30/09/2029	29/11/2029	0.110	0.040	0.029

The fair value of the share-based payment arrangements was determined using the Black-Scholes option pricing model, incorporating the following key assumptions:

- Share price at grant date: Between \$0.040 and \$0.041 per share.
- Expected price volatility: 114.4% per annum, based on the historical volatility of the Company's shares over a period consistent with the expected option life.
- Expected dividend yield: 0% per annum, as no dividends are anticipated during the option period.
- Risk-free interest rate: Ranged between 3.613% and 4.128% per annum, derived from Australian Government bond yields with similar maturity terms.
- No modifications, cancellations, or settlements of share-based payment arrangements occurred during the half-year reporting period.

Notes to the consolidated financial statements

For the half-year ended 31 December 2024

15. Issued capital

	31 Dec 24 \$	30 Jun 24 \$
Ordinary shares	49,872,494	46,903,663

	31 Dec 24 shares	30 Jun 24 shares	31 Dec 24 \$	30 Jun 24 \$
<u>Ordinary shares issued and fully paid</u>				
Beginning of the period	369,081,126	223,122,115	46,903,663	43,649,618
Issue of shares	91,955,890	145,959,011	3,218,456	3,503,017
Capital raising costs	-	-	(249,625)	(248,972)
Balance at period end	461,037,016	369,081,126	49,872,494	46,903,663

During the half-year the Group completed a Placement and Institutional Entitlement offer and the following ordinary shares were issued:

- 91,955,890 fully paid ordinary shares were issued in the half-year ended 31 December 2024. The shares were issued at \$0.035 per share raising \$3,218,456 before capital raising costs.

16. Reserves

	31 Dec 24 \$	30 Jun 24 \$
Share-based payments reserve (a)	1,861,803	1,679,050
Foreign currency translation reserve (b)	1,623	1,792
Total reserves	1,863,426	1,680,842

Movements in reserves during the half-year comprised:

a) Share-based payment reserve

	31 Dec 24 Options	30 Jun 24 Options	31 Dec 24 \$	30 Jun 24 \$
Outstanding at the beginning of the period	8,000,000	8,000,000	1,679,050	1,679,050
Additions	54,500,000	-	182,753	-
Outstanding at the end of the period	62,500,000	8,000,000	1,861,803	1,679,050

b) Foreign currency translation reserve

The movement in foreign currency translation reserve represents the loss on translation of the Group's foreign operations of \$169 for the half-year ended 31 December 2024 (2023: gain of \$668).

Notes to the consolidated financial statements

For the half-year ended 31 December 2024

17. Loss per share

Both the basic and diluted loss per share have been calculated using the loss for the half-year. The reconciliation of the weighted average number of shares for the purpose of diluted loss per share to the weighted average number of ordinary shares used in the calculation of basic loss per share is as follows:

	Half-year ended 31 Dec	
	2024	2023
	\$	\$
Loss attributable to the owners of the Company	(2,299,294)	(1,495,332)
	2024	2023
	No.	No.
Weighted average number of shares used in basic loss per share	378,125,968	321,529,412
Weighted average number of shares used in diluted loss per share	382,550,011	321,529,412

18. Subsequent events

There has not been any matter or circumstance occurring subsequent to the end of the half-year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years, except as below:

- The retail component of the Entitlement Offer completed on 23 January 2025, where 43,980,158 new ordinary shares were issued at \$0.035 per new share, raising \$1,539,306 before transaction costs.

Directors' Declaration

For the half-year ended 31 December 2024

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Group.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors



Richard Norton
Managing Director and CEO
25 February 2025

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF TERRAGEN HOLDINGS LIMITED & CONTROLLED ENTITY

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Terragen Holdings Limited (the Company) & Controlled Entity (the Group) which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Terragen Holdings Limited & Controlled Entity does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date, and
- complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the Directors' for the Financial Report

The directors of the Group are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



SW Audit

Chartered Accountants



R. Blayney Morgan

Partner

Melbourne, 25 February 2025