

ASX Announcement

Quarterly Activities Report and Appendix 4C

for the three months ended 30 June 2025

Coolum, Australia / 31 July 2025 – Australian research, development and commercialisation company Terragen Holdings Limited (“Terragen”) provides an update on key activities across the business for the three month period ended 30 June 2025.

Highlights

1. Terragen’s new dry format product range (**Terragen Probiotic for Ruminants™** and Terragen Probiotic *Ultra* for Ruminants™) allows us to enter a **new segment of the livestock market, being beef and lamb feedlots**. Pleasingly, the number of customers using our new dry product has grown from 7 to 27 in the four months since launch, representing a **new customer CAGR of 57%**. Further, we are currently in advanced discussions with several major feedlots, with a combined feedlot capacity of over 200,000 head, regarding the use of our products in their feeding systems. Terragen will update the market once binding agreements are entered into.
2. Hornet Bank Pastoral Company recorded its **highest ever marbling score** with 123 pure-bred Herefords using **Terragen Probiotic for Ruminants™** in their on-farm feedlot. In 2023–24, the average national MSA (Meat Standards Australia) Eating Quality Index reached a new high of 58.36. The Hereford steers fed on farm at Taroom, Queensland averaged an MSA Index of 61.26, **2.9 points above the National Average**, which is dominated by Angus and Angus cross cattle.
3. **US Patent granted for Terragen’s microbial feed supplement** – The granting of the US patent strengthens Terragen's position in the global animal probiotics market and underpins the continued investment to progress the necessary regulatory approvals required for a launch of Terragen Probiotic for Ruminants™ into the US market.
4. **Great Land Plus® final trial results on Maize crops** - Encouraging results observed including improved yield (+9.6%) and gross margin (+\$287 per hectare) as well as reduced input costs (\$60 per hectare saving).
5. **Next Gen Nitrogen Project commenced in May 2025** – In partnership with Queensland University of Technology, Terragen is undertaking a significant project to evaluate a number of nitrogen- strains and methylorophic bacteria from our microbial library to expand our plant product offering.

Terragen activities update

During the quarter, we continued to execute on our strategy, the key pillars of which are:

1. Targeted investment into scientific based research in commercial settings, to further validate the benefits of our existing products and to facilitate the development of new products for commercialisation; and
2. Accelerating commercialisation opportunities into global markets through contracted manufacturing and global distribution agreements.

Research & Development

1. **Great Land Plus® trial results in Maize crops** - Terragen received the final results from the Kalyx maize trials conducted at both Gatton (QLD) and Griffith (NSW). These independent replicated plot trials were designed to test the effect of Great Land Plus® on maize crops in commercial settings with various levels of synthetic fertiliser. These were compared to both negative controls and industry standard controls. A strong performance from Great Land Plus® was observed, demonstrating improved gross margin alongside improved nitrogen usage efficiencies.

Key Findings:

- Yield and Profitability Boost: Applying Great Land Plus® at 4L/Ha, four weeks after sowing, alongside 350kg/ha of Urea, resulted in a 9.6% increase in yield and an additional gross margin of \$287 per hectare compared to using 350kg/ha of Urea alone.
 - Cost Efficiency: A treatment of 450kg/ha of Urea combined with 2 x 4L/Ha applications of Great Land Plus® achieved a comparable gross margin per hectare to 600kg/ha of straight Urea, while reducing input costs by \$60 per hectare.
 - Enhanced Plant Health: Treatments with Great Land Plus® demonstrated strong green leaf retention, increased biomass, and improved uptake of macro and micronutrients.
2. **Great Land Plus® commercial partner trials** - In partnership with Elders, Terragen is advancing the applied research program focused on independent, replicated trials. Current work includes trials in winter crops such as lentils and canola, with summer trials in maize crops planned later in the year, aligned with seasonal conditions. The lentils crop trial commenced on 15th July with results anticipated by February 2026.

The objective of this research is to demonstrate how (mode of action) Great Land Plus® enhances nutrient use efficiency and plant health, ultimately improving yield and crop uniformity in commercial farming environments across key markets.

3. **Next Gen Nitrogen Project** - During the quarter Terragen executed agreements for a collaborative research project with Queensland University of Technology and Food Agility CRC. The project will evaluate two key nitrogen-fixing bacterial strains along with other nitrogen-fixing and methylotrophic and plant growth promoting bacteria from Terragen's microbial library to expand our plant product offering.

The project commenced in May 2025 and will run for 18–20 months (anticipated completion January 2027) with at least quarterly interim reporting. This initiative represents a critical step in expanding Terragen's plant product pipeline through co-funded, science-driven research.

4. **Research publication** A further publication was accepted into the scientific journal, Animals, during the quarter. The paper titled 'Analysis of the Microbiota of Milk from Holstein-Friesian Dairy Cows Fed a Microbial Supplement' marks the fourth publication from Terragen's 16-month long lactating cow trial. This research shows that there were significant differences in the milk microbial

populations in those cows that were administered Mylo®, associated with increases in milk volume, highlighting the potential for direct-fed microbials (DFMs) to improve animal health and productivity outcomes within the dairy industry.

Commercialisation

1. UPDATE - Terragen Probiotic for Ruminants™ and Terragen Probiotic *Ultra* for Ruminants™

Our new dry format product range (Terragen Probiotic for Ruminants™ and Terragen Probiotic *Ultra* for Ruminants™) was launched on 25 March 2025, following a new product development process that spanned over 18 months. Our new dry product range allows us to enter a new segment of the market, being intensive feeding systems namely beef and lamb feedlots. We are cognisant that launching a new product into a new market segment may take time to gain traction with customers. However, pleasingly the number of customers using our new dry product has grown from 7 to 27 in the four months since launch, representing a new customer CAGR of 57%.

In this regard, since product launch we have been in contact with the majority of the top 25 largest Australian beef feedlots regarding the use of our products in their feeding systems. Similarly, we have been in contact with the top 3 largest Australian lamb feedlots regarding the use of our products in their feeding systems. Further, we are currently in advanced discussions with several major feedlots, with a combined feedlot capacity of over 200,000 head, regarding the use of our products in their feeding systems. Terragen will update the market once binding agreements are entered into.

Terragen Probiotic for Ruminants™ commercial demonstration results – a number of agri-businesses and feedlots have already used our new products in their systems on a trial basis (commercial demonstrations). A summary of the findings to date are below:

- *Quality Wool (lamb feedlot)* – Some on-farm challenges regarding data collection were encountered during this demonstration highlighting the benefit of independent oversight in relation to future demonstrations. However, the feedlot manager and nutritionist were positive about the product and its performance benefits in their animals. It is anticipated that a trial will be repeated in Spring with nutritionist and/or consultant over-sight.
- *Harmony Agriculture & Food Co (wagyu beef)* – final feedback anticipated in December 2025 (260 days on feed).
- *High Claire Feedlot (beef cattle)* – Terragen Probiotic for Ruminants™ was added into the feed ration without pre-dispersal in water. Results indicated a strong level of homogeneity when mixing 1.5kg of Terragen Probiotic for Ruminants™ through a 9 Tonne mixer at recommended rates without pre-dispensing with water. The homogeneity trial allows Terragen Probiotic for Ruminants™ to be added to rations dry for seamless delivery in numerous on-farm or intensive feeding systems, expanding the available market through ease of application.

2. US Patent granted for Terragen's microbial feed supplement (as announced 3 July 2025) - The United States Patent and Trademark Office (USPTO) has issued a patent covering Terragen's microbial feed supplement, commercialised as Terragen Probiotic for Ruminants™ and MYLO®.

This Patent provides intellectual property protection in the United States, a significant target market for Terragen products, regarding the use of Terragen Probiotic for Ruminants™ and MYLO® for improving growth and productivity (including meat production and milk production) of animals. It strengthens Terragen's position in the global animal probiotics market and recognises the unique output of Terragen's Research and Development program with patent protection until March 2041.

The granting of the US patent underpins the continued investment to progress the necessary regulatory approvals required for a launch of Terragen Probiotic for Ruminants™ into the US market.

Leadership

Appointment of new CFO and Company Secretary – we are pleased to announce the appointment of Mr Roger McPherson as the new Chief Financial Officer and Company Secretary following the resignation of Matthew Whyte (as announced on 4 June 2025). Roger has over 20 years of biotechnology, agtech and pharmaceutical experience. Prior to joining Terragen, Roger was CFO and Company Secretary for a number of SMEs both listed and unlisted including Bio-Gene Technology Limited, Patrys Limited and eChoice Home Loans.

In addition to his role with Terragen, Roger also provides CFO and Company Secretarial services to other listed and unlisted entities. Roger has a B. Bus (Accounting) - Curtin University, is a member of CPA Australia and a Graduate of the Australian Institute of Company Directors.

Roger will commence with Terragen on 11 August 2025.

Financial highlights

As at 30 June 2025, Terragen had \$4.8m of cash reserves, a decrease of approximately \$1m from 31 March 2025. Pleasingly, cash receipts during the quarter were 35% higher than the prior quarter driven by favourable conditions in target markets. Of significance, \$605k of Development costs incurred throughout the year were capitalised during the quarter as a result of satisfying the criteria in AASB 138 Intellectual Property. The vast majority of these costs related to the beef feedlot trial conducted at Charles Sturt University (results announced 17 December 2024) using Terragen Probiotic for Ruminants™ which is now being purchased by customers.

About Terragen

Terragen specialises in the development of biological products that improve animal and plant health for use in agriculture. Our proprietary research has led to the creation of innovative products that improve livestock and crop yields and deliver positive environmental outcomes, helping to decarbonise agriculture.

Currently, the Terragen product range includes animal probiotics (MYLO® and Terragen Probiotic for Ruminants™) and a plant bio-stimulant (Great Land Plus®). MYLO® (liquid format) and Terragen Probiotic for Ruminants™ (dry format) are animal feed supplement probiotics that increase average daily weight gain and reduce methane production. Great Land Plus® is a plant bio-stimulant targeted for use in cropping that reduces reliance on chemical-based fertilisers, decreasing scope emissions. Great Land Plus® also increases crop yields and soil organic carbon levels.

For further information, please contact:

Terragen Holdings Limited	Authorisation and Additional Information
Mike Barry Chair Mikeb@terrigen.com.au	This announcement was authorised by the Board of Directors of Terragen Holdings Limited
Richard Norton Managing Director and CEO Richardn@terrigen.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 2025

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	391	1,528
1.2 Payments for		
(a) research and development	423	(245)
(b) product manufacturing and operating costs	(111)	(879)
(c) advertising and marketing	(87)	(291)
(d) leased assets	-	-
(e) staff costs	(744)	(3,037)
(f) administration and corporate costs	(159)	(650)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	74	179
1.5 Interest and other costs of finance paid	(1)	(15)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives (FY24 R&D tax benefits)	-	971
1.8 Other (annual commissions paid to customers)	-	(61)
1.9 Net cash from / (used in) operating activities	(214)	(2,500)
<p>\$605k of Development costs incurred throughout the year were capitalised during the quarter as a result of satisfying the criteria in AASB 138 Intellectual Property. The vast majority of the costs related to the beef feedlot trial conducted at Charles Sturt University (results announced 17 December 2024) using Terragen Probiotic for Ruminants™ which is now being purchased by customers.</p>		

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	(4)	(4)
	(d) investments	-	-
	(e) intellectual property	(635)	(1,184)
	(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	(639)	(1,188)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	4,757
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	-	(384)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(171)	(529)
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	(171)	3,844

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	5,829	4,650
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(214)	(2,500)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(639)	(1,188)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(171)	3,844
4.5	Effect of movement in exchange rates on cash held	-	(1)
4.6	Cash and cash equivalents at end of period	4,805	4,805

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	4,702	2,227
5.2	Call deposits	103	3,602
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)	4,805	5,829

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**

89

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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

Represent payments made to Company Directors (executive and non-executive) in the form of Directors fees and Salaries.

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.

7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other – finance lease liabilities	735	735
7.4	Total financing facilities	735	735

7.5 Unused financing facilities available at quarter end

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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 and hire purchase arrangements and annual insurance premium funding. These facilities are secured against assets with a written down book value of approximately \$0.721m as at 30 June 2025.

All financing arrangements 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)	(214)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	4,805
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	4,805
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	22.45

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: **31 July 2025**

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.