

ASX Announcement

LAUNCH OF A\$5.0 MILLION EQUITY RAISING TO FURTHER VALIDATE AND DIVERSIFY THE PRODUCT RANGE THROUGH SCIENTIFIC RESEARCH AS WELL AS ACCELERATE ON GLOBAL COMMERCIALISATION OPPORTUNITIES

Coolum, Australia / 5 December 2024 – Australian research, development and commercialisation company Terragen Holdings Limited ("**Terragen**" or "**the Company**") is pleased to announce the launch of a A\$5.0 million equity raising of new fully paid ordinary shares (**New Shares**) at an offer price of A\$0.035 per New Share (**Offer Price**).

Highlights

- Terragen is undertaking an Equity Raising of approximately A\$5.0 million to fund scientific research and development as well as accelerate on global commercialisation opportunities, in addition to supporting working capital and transaction costs.
- The Equity Raising is comprised of a non-underwritten institutional placement to raise approximately A\$1.0 million and a fully underwritten pro rata accelerated non-renounceable entitlement offer to eligible existing shareholders to raise approximately A\$4.0 million.
- Following completion of the Equity Raising, Terragen's pro forma cash position as at 30 June 2024 is approximately A\$9.2 million, post transaction costs.

Beef feedlot trial and distribution agreement update

- Interim results (at 56 days of 110 days on feed) from the Dry Mylo beef feedlot trial at Charles Sturt University (264 cattle in the trial) indicate positive trends in daily weight gains in groups receiving MYLO supplementation. However, results may vary prior to the conclusion of the trial period. Final trial results are expected in late December 2024.
- Terragen is working to finalise terms for a distribution agreement with Australian Independent Rural Retailers (**AIRR**) to purchase, stock and sell Terragen's new Dry Probiotic product range, with the first AIRR orders expected to coincide with our Dry Probiotic launch in March 2025. The conversion from liquid to Dry Probiotics is in place at prominent Australian dairies, beef feedlots, lamb feedlots and performance genetic breeders, with a number of prominent agri-businesses set to trial Dry Mylo. Terragen will update the ASX once binding terms are agreed.

Overview of the Equity Raising

The Equity Raising (defined below) is comprised of:

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- a non-underwritten institutional placement of New Shares to raise gross proceeds of approximately A\$1.0 million (utilising ASX Listing Rule 7.1 capacity) to be conducted at the same time as the institutional component of the Entitlement Offer (**Placement**); and
- a fully underwritten¹ 1-for-3.22 pro rata accelerated non-renounceable entitlement offer of New Shares to raise gross proceeds of approximately A\$4.0 million (**Entitlement Offer**),

the Entitlement Offer and Placement are together the **Equity Raising**.

It is expected that approximately 143.2 million New Shares will be issued under the Equity Raising (comprising approximately 38.8% of Terragen's existing issued capital). New Shares issued under the Equity Raising will rank equally with existing ordinary shares. Terragen will, upon issue of the New Shares under the Entitlement Offer and Placement, seek quotation of the New Shares on the ASX.

Terragen's Managing Director and CEO, Mr Richard Norton commented:

"This Equity Raising marks a significant milestone as we seek to commercialise freeze-dried probiotics and bio-stimulants for global markets, reducing the implementation barriers of a liquid-only product range. Research and development within Terragen has been refined to concentrate on commercialisation opportunities to expand our market presence.

We are appreciative of the unwavering support of our shareholders. Your confidence in our vision and commitment to our future has been instrumental in driving Terragen forward.

Shareholders are encouraged to participate in the fully underwritten Entitlement Offer. The Equity Raising will strengthen the balance sheet to continue building data through trials to enter global markets and funding commercialisation plans to meet the regulatory requirements of global markets.

As we move forward, we remain focused on strategic initiatives that will drive our growth and enhance shareholder value. We look forward to keeping you updated on our progress and achievements."

The Entitlement Offer is fully underwritten¹ by Morgans Corporate Limited ACN 010 539 607 (**Morgans, Underwriter**, or the **Lead Manager**). The Placement is not underwritten.

Purpose of the Equity Raising

The proceeds of the Equity Raising will be used to further validate and diversify the product range through scientific research and development across both MYLO® and GLP® as well as accelerate global commercialisation opportunities. In addition, it will support working capital and transaction costs.

Following the Equity Raising, Terragen's pro forma cash position at 30 June 2024 will be approximately A\$9.5 million, pre transaction costs.

¹ Refer to the investor presentation dated 5 December 2024 for a description of the terms and conditions of the underwriting arrangement.

Placement

Terragen is undertaking the Placement to raise gross proceeds of approximately A\$1.0 million through the issuance of approximately 28.6 million New Shares to eligible new and existing institutional shareholders at the Offer Price.

The Offer Price of A\$0.035 per New Share represents a 2.8% discount to the last traded price of A\$0.036 on Wednesday 4 December 2024. The New Shares issued under the Placement will be issued within Terragen's existing placement capacity under ASX Listing Rule 7.1.

The Placement will be conducted concurrently with the Institutional Entitlement Offer (as described below). New Shares issued under the Placement will not be eligible to participate in the Entitlement Offer.

Terragen reserves the right to increase the size of the Placement if there is additional demand.

Entitlement Offer

The Entitlement Offer is a fully underwritten 1-for-3.22 pro rata accelerated non-renounceable entitlement offer to raise approximately A\$4.0 million through the issue of approximately 114.6 million New Shares.

Under the Entitlement Offer, eligible securityholders are invited to subscribe to 1 New Share for every existing 3.22 shares (**Entitlement**) held as at 7.00pm (Sydney time) on Monday 9 December 2024 (**Record Date**). All New Shares offered under the Entitlement Offer will be issued at the Offer Price of A\$0.035 per New Share, which represents a:

- 2.0% discount to the theoretical ex-rights price (TERP)² of A\$0.036; and
- 2.8% discount to the last close price of Terragen shares of A\$0.036 on Wednesday 4 December 2024.

The Entitlement Offer will be conducted in two parts, an institutional component (**Institutional Entitlement Offer**) and a retail component (**Retail Entitlement Offer**).

The Entitlement Offer is non-renounceable, and Entitlements will not be tradable or otherwise transferable. Eligible shareholders who do not take up their Entitlement under the Entitlement Offer in full or in part, will not receive any value with respect to those Entitlements not taken up.

Institutional Entitlement Offer

Eligible institutional shareholders, being institutional shareholders with a registered address in Australia, New Zealand, Hong Kong, the United Kingdom or the United States, will be invited to participate in the Institutional Entitlement Offer, which is being conducted today, Thursday 5 December 2024 through until 5.00pm (Sydney time) on Thursday 5 December 2024. Eligible institutional shareholders can choose to take up all, or part or none of their Entitlement under the Entitlement Offer.

Institutional entitlements that eligible institutional shareholders do not take up by the close of the Institutional Entitlement Offer, and institutional entitlements that would otherwise have been offered to ineligible institutional shareholders, will be offered to eligible institutional shareholders who apply for New

² Theoretical ex-rights price (**TERP**) is the theoretical price that Terragen shares should trade at immediately after the ex-rights date for the Entitlement Offer. It is a theoretical calculation only and the actual price at which Terragen shares trade immediately after the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to Terragen's closing share price of A\$0.036 on Wednesday 4 December 2024 and includes New Shares issued under the Entitlement Offer and Placement.

Shares in excess of their entitlement, as well as to certain other eligible institutional investors who bid into the institutional bookbuild being conducted concurrently with the Institutional Entitlement Offer.

Terragen shares will remain in a trading halt pending completion of the Institutional Entitlement Offer and Placement (**Institutional Offer**).

Retail Entitlement Offer

Eligible retail shareholders with a registered address in Australia or New Zealand as at 7.00pm (Sydney time) on the Record Date, not being US persons or acting for the account or benefit of persons in the US (**Eligible Retail Shareholders**) will be invited to participate in the Retail Entitlement Offer at the same Offer Price and offer ratio as the Institutional Entitlement Offer. The Retail Entitlement Offer will open at 9.00am (Sydney time) on Thursday 12 December, 2024 and close at 5.00pm (Sydney time) on Thursday 16 January, 2025.

Eligible Retail Shareholders can choose to take up all, or part or none of their Entitlement under the Entitlement Offer.

In addition to each Eligible Retail Shareholder's Entitlement under the Retail Entitlement Offer, Eligible Retail Shareholders will be offered the opportunity to apply for additional New Shares under a "top-up" facility (**Oversubscription Facility**). Eligible Retail Shareholders are not assured of being allocated any New Shares in excess of their Entitlement under the Oversubscription Facility. New Shares allocated under the Oversubscription Facility will be allocated in accordance with the allocation policy outlined in the Retail Offer Booklet. The Company retains absolute discretion regarding allocation under the Oversubscription Facility.

If Eligible Retail Securityholders take no action, they will not be allocated New Shares and their Entitlements will lapse. Eligible Retail Securityholders who do not take up their Entitlements in full under the Retail Entitlement Offer will not receive any value or payment for those Entitlements they do not take up. The Retail Entitlement Offer is non-renounceable and cannot be traded on ASX or any other exchange, nor can it be privately transferred.

The terms and conditions under which Eligible Retail Shareholders may apply will be outlined in the Retail Offer Booklet, which is expected to be available to Eligible Retail Shareholders on Thursday 12 December 2024. The Retail Offer Booklet is expected to be available on the ASX website beginning Thursday 12 December 2024.

Existing Shareholders with a registered address outside Australia and New Zealand on the Record Date or who are acting for the account or benefit of persons in the United States will be ineligible to participate in the Retail Entitlement Offer, other than persons that Terragen has (with the prior written agreement of the Lead Manager in their absolute discretion) determined in its discretion are Eligible Retail Shareholders.

Director and key management participation

Major shareholder and Director, Mr Scobie Ward, has indicated a commitment to:

- take up his entitlement to New Shares under the Entitlement Offer subscribing for \$1.34 million; and
- partially sub-underwrite the Entitlement Offer (subject to compliance with all regulatory requirements) subscribing for \$1.39 million,

such that Mr Ward's total subscription is no more than \$2.73 million.

If Mr Ward takes up his Entitlement and sub-underwrites the Entitlement Offer to the maximum of \$2.73 million (and the balance is fully taken up, which will be the case given the Entitlement Offer is fully underwritten), this could result in Mr Ward obtaining a maximum interest in Terragen of approximately 39.2%³.

Please refer to the cleansing notice lodged on 5 December 2024 for further details on control.

Directors, Mr Mike Barry, Mr Richard Norton, Mr Andrew Guthrie and CFO, Mr Matthew Whyte (who are not presently Shareholders of Terragen) will also sub-underwrite the Entitlement Offer to a combined amount of \$100,000.

No Terragen director will participate in the Placement.

Indicative Equity Raising timetable

Event	Time and Date
Trading Halt Announcement of the Equity Raising	Thursday 5 December 2024
Institutional Offer opens	Thursday 5 December 2024
Institutional Offer closes	5:00pm Thursday 5 December 2024
Announcement of results of the Institutional Offer Trading Halt is lifted and Terragen shares recommence trading on ASX on an "ex-Entitlement basis"	Monday 9 December 2024
Record Date for Retail Entitlement Offer	7.00pm Monday 9 December 2024
Retail Entitlement Offer opens and dispatch of Retail Offer Booklet	Thursday 12 December 2024
Settlement of Institutional Offer	Thursday 12 December 2024
Allotment of New Shares issued under the Institutional Offer	Friday 13 December 2024
Normal trading of New Shares issued under the Institutional Offer	Monday, 16 December 2024
Retail Entitlement Offer closes	5.00pm Thursday 16 January 2025
Results of the Retail Entitlement Offer announced to ASX	Tuesday 21 January 2025
Allotment of New Shares issued under the Retail Entitlement Offer	Thursday, 23 January 2025
Normal trading of New Shares issued under the Retail Entitlement Offer	Friday 24 January 2025
Holding statements for New Shares issued under the Retail Entitlement Offer despatched	Friday 24 January 2025

³ On 4 December 2024 ASIC consented to the appointment of Berne No 132 Nominees Pty Ltd (ACN 010 413 591) (an entity related to Morgans) as nominee for the purposes of section 615 of the *Corporations Act 2001* (Cth).

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 subject to the *Corporations Act 2001* (Cth), the ASX Listing Rules and other applicable laws. In particular, Terragen reserves the right to extend the closing date for the Institutional Entitlement Offer or the Retail Entitlement Offer, to accept late applications under the Institutional Entitlement Offer or the Retail Entitlement Offer (either generally or in particular cases) and to withdraw the Institutional Offer or the Retail Entitlement Offer without prior notice. Any extension of the closing date for the Institutional Offer or the Retail Entitlement Offer will have a consequential effect on the allotment date of New Shares. Terragen also reserves the right not to proceed with the Placement or the Entitlement Offer in whole or in part at any time prior to allotment and issue of the relevant New Shares. In that event, the relevant application monies (without interest) must be returned in full to applicants.

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, Terragen has two products available for sale across Australia and New Zealand, MYLO and Great Land Plus (GLP). MYLO is a probiotic feed supplement that increases average daily weight gain and reduces methane production. GLP is a plant bio-stimulant targeted for use in cropping that reduces reliance on chemical-based fertilisers, decreasing scope emissions. GLP also increases crop yields and soil organic carbon levels.

Further Information

Further details of the Equity Raising are set out in the investor presentation also lodged on the ASX today (**Investor Presentation**). The Investor Presentation contains important information including key risks and foreign offer restrictions with respect to the Equity Raising. For other questions, you should consult your broker, solicitor, accountant, tax adviser, financial adviser, or other professional adviser.

We look forward to keeping the market updated with further material progress.

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	

Important Notices

Forward looking statements

This announcement contains certain "forward-looking statements". The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks and uncertainties and other factors that are beyond the control of Terragen, its directors and management. This includes statements about market and industry trends, which are based on interpretations of current market conditions.

Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Actual results, performance or achievements may differ materially from those expressed or implied in such statements and any projections and assumptions on which these statements are based. These statements may assume the success of Terragen's business strategies. The success of any of those strategies will be realised in the period for which the forward-looking statement may have been prepared or otherwise. Readers are cautioned not to place undue reliance on forward-looking statements and except as required by law or regulation, none of Terragen, its representatives or advisers assumes any obligation to update these forward-looking statements. No representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in this announcement. The forward-looking statements are based on information available to Terragen as at the date of this announcement. Except as required by law or regulation (including the ASX Listing Rules), none of Terragen, its representatives or advisers undertakes any obligation to provide any additional or updated information whether as a result of a change in expectations or assumptions, new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements.

Not an offer in the United States

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or in any other jurisdiction in which such an offer would be illegal. Any securities described in this announcement have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "US Securities Act") or the securities laws of any state or jurisdiction of the United States. Accordingly, the securities described in this announcement may not be offered or sold, directly or indirectly, in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable securities laws of any state or other jurisdiction of the United States.

Own enquiries

Investors should make and rely upon their own enquiries before deciding to acquire or deal in Terragen securities.

Involvement of the Lead Manager

Neither the Lead Manager nor its related bodies corporate and affiliates, and each of its respective officers, directors, partners, employees, consultants, contractors, agents and advisers (“**Beneficiaries**”), have authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this announcement and nor do they make any recommendation as to whether any potential investor should participate in the Equity Raising. There is no statement in this announcement which is based on any statement made by the Lead Manager or any other Beneficiary. To the maximum extent permitted by law, the Lead Manager and the Beneficiaries expressly disclaim all liabilities (including for fault, negligence, or negligent misstatement) in respect of, and take no responsibility for, any part of this announcement, and make no representation or warranty (whether express or implied) regarding any part of this announcement, including as to the fairness, currency, accuracy, timeliness, reliability or completeness of any information in this announcement (including the accuracy, likelihood of achievement or reasonableness of any forecast returns, yields, future income or other statements in relation to future matters nor that the Information or this website contains all material information about Terragen or which a prospective investor may require in evaluating a possible investment in Terragen).

Neither the Lead Manager nor the Beneficiaries make any recommendation as to whether any potential investor should participate in the Equity Raising. Further, neither the Lead Manager or the Beneficiaries accept any fiduciary obligations to or duty of care to or relationship with any investor or potential investor in connection with the Equity Raising or otherwise, and by accessing this announcement each recipient expressly disclaims any such fiduciary relationship and agrees that it is responsible for making its own independent judgements with respect to the Equity Raising and any other transaction or other matter arising in connection with this announcement.

The Lead Manager and the Beneficiaries may, from time to time, have interests in the new securities under the Placement or other securities of Terragen, including providing corporate advisory or other financial advisory services to Terragen and/or managing the offering of such New Shares under the Equity Raising. Further, they may have long or short positions in, act as market maker or buy or sell those securities or associated derivatives as principal or agent. Such persons may receive fees or other benefits for engaging in these activities. A Beneficiary may act as a lender and/or counterparty to Terragen or its affiliates and may or now in the future provide financial accommodation or services to Terragen or its affiliates.

Determination of eligibility of investors

Determination of eligibility of investors for the purposes of the Equity Raising is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Terragen and/or the Lead Manager. To the maximum extent permitted by law, Terragen, the Lead Manager, and the Beneficiaries each disclaim any duty or liability (including, without limitation, any liability arising from fault, negligence or negligent misstatement) in respect of the exercise of that discretion or otherwise. The Lead Manager may rely on information provided by or on behalf of institutional investors in connection with managing, conducting or underwriting the Equity Raising without the Lead Manager or the Beneficiaries having independently verified that information and the Lead Manager and the Beneficiaries do not assume responsibility for the fairness, currency, accuracy, timeliness, reliability or completeness of the information (including the accuracy, likelihood of achievement or reasonableness of any forecast returns, yields, future income or other statements in relation to future matters nor that the Information or this website contains all material information about Terragen or which a prospective investor may require in evaluating a possible investment in Terragen).

General

This announcement is subject to the same “**Disclaimer**” that appears in the Investor Presentation released to the ASX today with any necessary contextual changes.

Financial Data

Certain financial data included in this announcement is "non-IFRS financial information" under ASIC Regulatory Guide 230 Disclosing non-IFRS financial information published by ASIC and are not recognised under AAS and International Financial Reporting Standards (**IFRS**).

Non-IFRS measures in this announcement are not subject to audit. Readers are cautioned, therefore, not to place undue reliance on any non-IFRS financial information included in this announcement.

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