

Terragen Holdings Limited
ABN 36 073 892 636

Appendix 4D for the six months ended 31 December 2025

Reporting period: Half-year from 1 July 2025 to 31 December 2025
Previous corresponding period: Half-year from 1 July 2024 to 31 December 2024

The following information should be read in conjunction with both the Financial Report for the year ended 30 June 2025 and the Interim Financial Report for the half-year ended 31 December 2025.

Results for announcement to the market

a. Financial

| | 31 December 2025 | 31 December 2024 | Change |
|---|-----------------------------|-----------------------------|---------------|
| | \$ | \$ | % |
| Revenue from ordinary activities | 672,046 | 911,597 | (26%) |
| Loss from ordinary activities after tax attributable to members | (1,776,439) | (2,299,294) | 23% |
| Net Loss from ordinary activities attributable to members | (1,776,439) | (2,299,294) | 23% |

b. Dividends

There were no dividends paid, recommended or declared during the half-year ended 31 December 2025 or in the prior half-year ended 31 December 2024.

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 2025.

Net tangible assets

| | 31 December 2025 | 31 December 2024 |
|---|-----------------------------|-----------------------------|
| Net tangible assets per ordinary security | 0.78 cents | 1.28 cents |

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Review

The Financial Statements for the half-year ended 31 December 2025 have been subject to review by Terragen's external auditors, MVAB Assurance, 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 2025.



Signed

Date: 19 February 2026

Richard Norton

Managing Director and Chief Executive Officer

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Terragen

**Terragen Holdings Limited and
Controlled Entity**

ABN 36 073 892 636

Interim financial report
for the half-year ended 31 December 2025

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**Interim financial report
for the half-year ended 31 December 2025**

| | Page |
|---|-------------|
| Directors' report | 3 |
| Auditor's independence declaration | 6 |
| Consolidated statement of profit or loss and other comprehensive income | 7 |
| Consolidated statement of financial position | 8 |
| Consolidated statement of changes in equity | 9 |
| Consolidated statement of cash flows | 10 |
| Notes to the consolidated financial statements | 11 |
| Directors' declaration | 20 |
| Independent auditor's review report | 21 |

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Terragen Holdings Limited and Controlled Entity
Directors' Report
For the half-year ended 31 December 2025

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 2025.

Directors

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

- Dr Michele Allan AO – Non-Executive Chair
- Scobie Ward – Non-Executive Director
- Michael Barry – Non-Executive Director
- Richard Norton – Managing Director and CEO
- Andrew Guthrie – Non-Executive Director

On 6 February 2026 the Company also announced changes to the Board of Directors with existing Non-executive Director, Dr Michele Allan AO being appointed as Non-executive Chair to replace Mike Barry who will remain on the Board as a Non-executive Director.

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 \$1,776,439 (2024: loss of \$2,299,294). The key drivers of the result were:

- Revenues of \$672,046 (2024: \$911,597) from the sale of the Company's products *Mylo*[®], *Great Land Plus*[®] and *Terragen Probiotic*[®] for Ruminants in Australia. Sales for the half-year were 26% lower than the previous corresponding period. 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. The new product, *Terragen Probiotic*[®] for Ruminants (TPR) was launched in late April 2025 with sales in December quarter up 87% on September quarter.
- Research and development expenses of \$617,879 (2024: \$1,193,616) remain 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 decrease in research and development expenses was the higher level of development activity undertaken in 2024 pertinent to *Terragen Probiotic*[®] for Ruminants (TPR). In addition, the Company made a strategic decision during the current period to moderate R&D expenditure to preserve cash as it continues to focus on the commercialisation of TPR.

Terragen Holdings Limited and Controlled Entity
Directors' Report
For the half-year ended 31 December 2025

Review of financial position

- Net cash outflows used in operating activities increased by 48% to \$1,575,090 (2024: \$1,060,305) largely driven by the reduction in receipts from customers and increase in product manufacturing and operating costs.
- The Group's net assets have decreased from \$6,569,265 to \$4,775,122 which is largely attributable to net cash used in operating activities. 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.
- On 6 February 2026 the Company announced a successful equity raising by way of a placement to Professional and Sophisticated investors which raised \$7.0 million to accelerate Global Commercialisation of the Company's products. The placement is in two tranches with the first tranche comprising of 126,254,293 ordinary shares which were issued on 16 February 2026 raising \$2,777,594. The second tranche is conditional on shareholder approval at an EGM to be held on 25 March 2026. If approved a further 191,927,526 shares will be issued which will raise a further \$4,222,406.

Principal risks

There have been no changes in principal risks previously reported in the Group's Financial Report for the year-ended 30 June 2025.

Capital structure

There have been no changes to the capital structure previously reported in the Group's Financial Report for the year-ended 30 June 2025.

Board and Management Changes

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

- Following the resignation of Matthew Whyte, Roger McPherson was appointed Company Secretary and Chief Financial Officer on 11 August 2025.

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:

- On 6 February 2026 the Company announced a successful equity raising by way of a placement to Professional and Sophisticated investors which raised \$7.0 million to accelerate Global Commercialisation of the Company's products. The placement is in two tranches with the first tranche comprising of 126,254,293 ordinary shares which were issued on 16 February 2026 raising \$2,777,594. The second tranche is conditional on shareholder approval at an EGM to be held on 25 March 2026. If approved a further 191,927,526 shares will be issued which will raise a further \$4,222,496.
- On 6 February 2026 the Company also announced changes to the Board of Directors with existing Non-executive Director, Dr Michele Allan AO being appointed as Non-executive Chair to replace Mike Barry who will remain on the Board as a Non-executive Director.

Terragen Holdings Limited and Controlled Entity
Directors' Report
For the half-year ended 31 December 2025

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



Richard Norton
Managing Director and CEO
19 February 2026

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TERRAGEN HOLDINGS LIMITED AND CONTROLLED ENTITY
ABN 36 073 892 636

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

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2025 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.

MVAB Assurance

MVAB Assurance
Chartered Accountants

W. Tarrant

WAYNE TARRANT
Partner

Signed at Melbourne this 19th day of February 2026

Consolidated statement of profit or loss and other comprehensive income**For the half-year ended 31 December 2025**

| | Notes | 31 Dec 25 \$ | 31 Dec 24 \$ |
|---|-------|--------------------|--------------------|
| Revenue | 3 | 672,046 | 911,597 |
| Cost of sales | | (227,796) | (445,869) |
| Gross profit | | 444,250 | 465,728 |
| Other income | 3 | 60,824 | 84,290 |
| Gross profit and other income | | 505,074 | 550,018 |
| Sales and marketing expenses | | (725,748) | (782,745) |
| Research and development expenses | 4 | (617,879) | (1,193,616) |
| Administration and other expenses | | (1,335,821) | (1,422,853) |
| Finance costs | 7 | (24,010) | (25,719) |
| Loss before tax | | (2,198,384) | (2,874,915) |
| Income tax benefit | 9 | 421,945 | 575,621 |
| Loss after income tax for the half-year | | (1,776,439) | (2,299,294) |
| Other comprehensive losses for the half-year | | | |
| (Loss)/profit on translation of foreign operations | | (3,019) | (169) |
| Total comprehensive loss for the half-year | | (1,779,458) | (2,299,463) |
| Loss per share | | | |
| Basic loss per share (cents per share) | 18 | (0.35) | (0.60) |
| Diluted loss per share (cents per share) | | (0.32) | (0.60) |

The accompanying notes form part of these financial statements

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Consolidated statement of financial position**As at 31 December 2025**

| | Notes | 31 Dec 25 \$ | 30 Jun 25 \$ |
|--------------------------------------|-------|------------------|------------------|
| Current assets | | | |
| Cash and cash equivalents | 8 | 2,815,642 | 4,701,017 |
| Trade and other receivables | | 179,574 | 146,131 |
| Inventories | | 875,032 | 495,865 |
| Other assets | | 235,374 | 280,381 |
| Current tax asset | 9 | 235,370 | 802,667 |
| Total current assets | | 4,340,992 | 6,426,061 |
| Non-current assets | | | |
| Right of use assets | | 98,662 | 164,126 |
| Plant and equipment | 10 | 560,006 | 639,799 |
| Intangible assets | 11 | 819,897 | 886,705 |
| Other assets | 12 | 24,188 | - |
| Total non-current assets | | 1,502,753 | 1,690,630 |
| Total assets | | 5,843,745 | 8,116,691 |
| Current liabilities | | | |
| Trade and other payables | 13 | 404,933 | 548,928 |
| Lease liabilities | | 96,463 | 141,247 |
| Other financial liabilities | 14 | 149,629 | 276,993 |
| Employee provisions | | 155,411 | 235,361 |
| Total current liabilities | | 806,436 | 1,202,529 |
| Non-current liabilities | | | |
| Lease liabilities | | - | 24,364 |
| Other financial liabilities | 14 | 237,776 | 292,843 |
| Employee provisions | | 24,411 | 27,690 |
| Total non-current liabilities | | 262,187 | 344,897 |
| Total liabilities | | 1,068,623 | 1,547,426 |
| Net assets | | 4,775,122 | 6,569,265 |
| Equity | | | |
| Issued capital | 16 | 51,302,054 | 51,302,054 |
| Reserves | 17 | 511,119 | 2,259,295 |
| Accumulated losses | | (47,038,051) | (46,992,084) |
| Total equity | | 4,775,122 | 6,569,265 |

The accompanying notes form part of these financial statements.

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Consolidated statement of changes in equity**For the half-year ended 31 December 2025**

| | Notes | Issued capital | Reserves | Accumulated losses | Total |
|---|-------|-------------------|------------------|---------------------|------------------|
| | | \$ | \$ | \$ | \$ |
| 2025 | | | | | |
| Balance at 1 July 2025 | | 51,302,054 | 2,259,295 | (46,992,084) | 6,569,265 |
| Loss for the half-year | | - | - | (1,776,439) | (1,776,439) |
| Translation of foreign operations | | - | (3,019) | - | (3,019) |
| Total comprehensive loss for the half-year | | - | (3,019) | (1,776,439) | (1,779,458) |
| <i>Transactions with owners in their capacity as owners</i> | | | | | |
| Issue of share capital | 16 | - | - | - | - |
| Transfer of value of expired options | | - | (1,730,472) | 1,730,472 | - |
| Capital raising Costs | 16 | - | - | - | - |
| Share-based payments | | - | (14,685) | - | (14,685) |
| Balance at 31 December 2025 | | 51,302,054 | 511,119 | (47,038,051) | 4,775,122 |
| 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 | 16 | 3,218,456 | - | - | 3,218,456 |
| Capital raising costs | 16 | (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 |

The accompanying notes form part of these financial statements.

Terragen Holdings Limited and Controlled Entity
Consolidated statement of cash flows
For the half-year ended 31 December 2025

| | 31 Dec 25 | 31 Dec 24 |
|--|--------------------|--------------------|
| | \$ | \$ |
| Cash flows from operating activities | | |
| Receipts from customers | 594,537 | 847,529 |
| Payments to suppliers and employees | (3,138,234) | (2,951,662) |
| Research and development tax concession received | 989,242 | 970,998 |
| Interest and other costs of finance paid | (63,334) | (13,100) |
| Interest received | 42,700 | 85,930 |
| Net cash used in operating activities | (1,575,089) | (1,060,305) |
| Cash flows from investing activities | | |
| Payment for property, plant & equipment | (37,162) | - |
| Payment for intangible assets | (21,273) | (79,823) |
| Net cash used in investing activities | (58,435) | (79,823) |
| Cash flows from financing activities | | |
| Proceeds from share issue | - | 3,218,456 |
| Costs of issuing equity securities | - | (247,406) |
| Repayment of borrowings & lease liabilities | (246,285) | (280,148) |
| Net cash provided by financing activities | (246,285) | 2,690,902 |
| Net decrease in cash and cash equivalents | (1,879,809) | 1,550,774 |
| Cash and cash equivalents at the beginning of the year | 8 4,701,017 | 4,543,013 |
| Foreign exchange differences on cash and cash equivalents | (5,566) | (882) |
| Cash and cash equivalents at the end of the half-year | 8 2,815,642 | 6,092,905 |

The accompanying notes form part of these financial statements.

Notes to the consolidated financial statements

For the half-year ended 31 December 2025

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 2025 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) Accounting standards and interpretations

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(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 2025.

(v) Operating losses / Going concern

The Group incurred a loss after income tax of \$1,776,439 (31 December 2024: \$2,299,294) and net operating cash outflows of \$1,575,090 (31 December 2024: \$1,060,305) for the period ended 31 December 2025. 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 2025 the Group had cash and cash equivalents of \$2,815,642. On 6 February 2026 the Company announced a successful equity raising by way of a placement to Professional and Sophisticated investors which raised \$7.0 million to accelerate Global Commercialisation of the Company's products. The placement is in two tranches with the first tranche comprising of 126,254,293 ordinary shares which were issued on 16 February 2026 raising \$2,777,594. The second tranche is conditional on shareholder approval

Notes to the consolidated financial statements

For the half-year ended 31 December 2025

at an EGM to be held on 25 March 2026. If approved a further 191,927,526 shares will be issued which will raise a further \$4,222,406. Refer to note 19 for full details.

Based on the successful equity raising and 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 2025 and 31 December 2024, respectively.

| | Australia | New Zealand | TOTAL |
|-------------------------|-------------|-------------|-------------|
| | \$ | \$ | \$ |
| 31 December 2025 | | | |
| Total segment revenue | 672,046 | - | 672,046 |
| Segment other income | 60,824 | - | 60,824 |
| Segment expenditure | (2,926,425) | (4,828) | (2,931,253) |
| Segment result | (2,193,555) | (4,828) | (2,198,383) |

| | 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) |

ii. Segment assets

The following tables present assets and liabilities information for the Group's operating segments as at 31 December 2025 and 30 June 2025, respectively.

| | Australia | New Zealand | Total |
|------------------|-----------|-------------|-----------|
| | \$ | \$ | \$ |
| 31 December 2025 | 5,804,501 | 39,244 | 5,843,745 |
| 30 June 2025 | 8,035,832 | 80,859 | 8,116,691 |

Notes to the consolidated financial statements**For the half-year ended 31 December 2025**

| | Half-year ended 31 Dec | |
|---|------------------------|------------------|
| | 2025 \$ | 2024 \$ |
| 3. Revenue and other income | | |
| Sales by product at a point in time: | | |
| - Mylo® | 332,030 | 781,477 |
| - Great Land Plus® | 97,591 | 130,120 |
| - Terragen Probiotic® for Ruminants | 241,037 | - |
| - Other sales | 1,388 | - |
| | 672,046 | 911,597 |
| Other income | | |
| Interest received | 42,700 | 84,290 |
| Other income | 18,124 | - |
| Total other income | 60,824 | 84,290 |
| Total revenue and other income | 732,870 | 995,887 |
| 4. Research and development expenses | | |
| Direct research | 280,466 | 824,925 |
| Employee benefits | 262,615 | 261,856 |
| Depreciation and amortisation | 37,791 | 43,138 |
| Other Expenses | 37,007 | 63,697 |
| Total research and development expenses | 617,879 | 1,193,616 |
| 5. Depreciation and amortisation | | |
| Depreciation of right-of-use assets | 65,464 | 86,736 |
| Depreciation of property, plant, and equipment (refer to note 10) | 86,197 | 48,617 |
| Amortisation of intangible assets | 79,287 | 16,360 |
| Total depreciation and amortisation | 230,948 | 151,713 |

Notes to the consolidated financial statements**For the half-year ended 31 December 2025**

| | 31 Dec 25 | 30 Jun 25 |
|---|------------------|------------------|
| | \$ | \$ |
| 9. Current tax asset | | |
| Tax incentive on research and development | 235,370 | 869,192 |

Movements in the tax incentive during the half-year ended 31 December 2025 and year ended 30 June 2025 are set out below:

| | | |
|--|----------------|----------------|
| Opening balance | 802,667 | 869,192 |
| Tax incentive on research and development received | (989,242) | (974,726) |
| Under provision of prior year R&D benefit | 186,575 | 105,534 |
| Accrual of tax incentive for the period | 235,370 | 802,667 |
| Closing balance at the end of the half-year | 235,370 | 802,667 |

10. Property, plant and equipment

Carrying amounts of:

| | | |
|------------------------|----------------|----------------|
| Plant and equipment | 127,304 | 166,099 |
| Office equipment | 957 | 94 |
| Motor Vehicles | 362,291 | 384,526 |
| Research equipment | 56,925 | 66,956 |
| Leasehold improvements | 12,529 | 22,124 |
| | 560,006 | 639,799 |

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 period.

| | Plant & equipment | Office equipment | Motor Vehicles | Research equipment | Leasehold improvements | Total |
|--|------------------------------|-------------------------|-----------------------|---------------------------|-------------------------------|----------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| <u>Cost</u> | | | | | | |
| Balance 1 July 2025 | 549,858 | 99,574 | 412,725 | 1,017,727 | 527,125 | 2,607,009 |
| Additions | 6,338 | - | - | - | - | 6,338 |
| Balance 31 December 2025 | 556,196 | 99,574 | 412,725 | 1,017,727 | 527,125 | 2,613,347 |
| <u>Accumulated depreciation</u> | | | | | | |
| Balance 1 July 2025 | (383,759) | (99,480) | (28,199) | (950,771) | (505,001) | (1,967,210) |
| Depreciation | (45,133) | 863 | (22,235) | (10,031) | (9,595) | (86,131) |
| Balance 31 December 2025 | (428,892) | (98,617) | (50,434) | (960,802) | (514,596) | (2,053,341) |
| Carrying amount at 31 December 2025 | 127,304 | 957 | 362,291 | 56,925 | 12,529 | 560,006 |

Notes to the consolidated financial statements**For the half-year ended 31 December 2025**

| | 31 Dec 25 | 30 Jun 25 |
|--------------------------------|------------------|------------------|
| | \$ | \$ |
| 11. Intangible Assets | | |
| <u>Carrying amounts of:</u> | | |
| Patents and trademarks | 275,338 | 281,639 |
| Capitalised development costs | 544,559 | 605,066 |
| Total Intangible Assets | 819,897 | 886,705 |

Movements in carrying amounts

Movement in the carrying amounts for each class of intangibles between the beginning and the end of the current financial period.

| | Patents and trademarks | Capitalised development costs | Total |
|---------------------------------|-----------------------------------|--|----------------|
| | \$ | \$ | \$ |
| <u>Cost</u> | | | |
| Opening balance | 281,639 | 605,066 | 886,705 |
| Additions | 145,713 | - | 145,713 |
| Balance at period end | 427,352 | 605,066 | 1,032,418 |
| <u>Accumulated amortisation</u> | | | |
| Opening balance | (133,234) | - | (133,234) |
| Charge for the year | (18,780) | (60,507) | (79,287) |
| Balance at period end | (152,014) | (60,507) | (212,521) |
| Carrying amount at period end | 275,338 | 544,559 | 819,897 |

| | 31 Dec 25 | 30 Jun 25 |
|---------------------------|------------------|------------------|
| | \$ | \$ |
| 12. Other assets | | |
| Capital works in progress | 24,188 | - |
| | 24,188 | - |

Notes to the consolidated financial statements**For the half-year ended 31 December 2025**

| | 31 Dec 25 | 30 Jun 25 |
|--------------------------------------|------------------|------------------|
| | \$ | \$ |
| 13. Trade and other payables | | |
| At amortised cost | | |
| Trade payables | 107,787 | 204,958 |
| Accrued expenses | 212,490 | 89,402 |
| Other payables | 84,657 | 254,568 |
| | 404,934 | 548,928 |
| 14. Financial liabilities | | |
| <i>Current at amortised cost</i> | | |
| Hire purchase | 105,696 | 100,872 |
| Insurance premium funding | 43,933 | 176,121 |
| | 149,629 | 276,993 |
| <i>Non-current at amortised cost</i> | | |
| Hire purchase | 237,776 | 292,843 |
| | 237,776 | 292,843 |

15. Share-based payments

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

| Number | Grant date | Vesting date | Expiry date | Exercise price (\$) | Share price at grant date (\$) | Fair value at grant date (\$) |
|---------------|-------------------|---------------------|--------------------|----------------------------|---------------------------------------|--------------------------------------|
| 750,000 | 26/9/2025 | 26/3/2026 | 26/9/2030 | 0.025 | 0.022 | 0.0162 |
| 750,000 | 26/9/2025 | 26/9/2026 | 26/9/2030 | 0.025 | 0.022 | 0.0162 |
| 750,000 | 26/9/2025 | 26/3/2027 | 26/9/2030 | 0.040 | 0.022 | 0.0147 |
| 750,000 | 26/9/2025 | 26/9/2027 | 26/9/2030 | 0.040 | 0.022 | 0.0147 |
| 750,000 | 26/9/2025 | 26/3/2028 | 26/9/2030 | 0.060 | 0.022 | 0.0133 |
| 750,000 | 26/9/2025 | 26/9/2028 | 26/9/2030 | 0.060 | 0.022 | 0.0133 |
| 750,000 | 26/9/2025 | 26/3/2029 | 26/9/2030 | 0.085 | 0.022 | 0.0121 |
| 750,000 | 26/9/2025 | 26/9/2028 | 26/9/2030 | 0.085 | 0.022 | 0.0121 |
| 750,000 | 26/9/2025 | 26/3/2030 | 26/9/2030 | 0.110 | 0.022 | 0.0111 |
| 750,000 | 26/9/2025 | 26/9/2030 | 26/9/2030 | 0.110 | 0.022 | 0.0111 |

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

- Share price at grant date: \$0.022 per share.
- Expected price volatility: 98.064% 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: 3.773% 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 2025**

| | 31 Dec 25 | | 30 Jun 25 | |
|--|--------------------|--------------------|-------------------|-------------------|
| | \$ | | \$ | |
| 16. Issued capital | | | | |
| Ordinary shares | 51,302,054 | | 51,302,054 | |
| | 31 Dec 25 | 30 Jun 25 | 31 Dec 25 | 30 Jun 25 |
| | shares | shares | \$ | \$ |
| <u>Ordinary shares issued and fully paid</u> | | | | |
| Beginning of the period | 505,017,174 | 369,081,126 | 51,302,054 | 46,903,663 |
| Issue of shares | - | 135,936,048 | - | 4,757,762 |
| Capital raising costs | - | - | - | (359,371) |
| Balance at period end | 505,017,174 | 505,017,174 | 51,302,054 | 51,302,054 |
| | | | 31 Dec 25 | 30 Jun 25 |
| | | | \$ | \$ |
| 17. Reserves | | | | |
| Share-based payments reserve (a) | | | 511,452 | 2,256,609 |
| Foreign currency translation reserve (b) | | | (333) | 2,686 |
| Total reserves | | | 511,119 | 2,259,295 |

Movements in reserves during the half-year comprised:

a) Share-based payment reserve

| | 31 Dec 25 | 30 Jun 25 | 31 Dec 25 | 30 Jun 25 |
|---|-------------------|-------------------|------------------|------------------|
| | Options | Options | \$ | \$ |
| Outstanding at the beginning of the period | 62,500,000 | 8,000,000 | 2,256,609 | 1,679,050 |
| Additions | 7,500,000 | 54,500,000 | 274,340 | 577,559 |
| Deductions | (25,300,000) | - | (2,019,497) | - |
| Outstanding at the end of the period | 44,700,000 | 62,500,000 | 511,452 | 2,256,609 |

b) Foreign currency translation reserve

The movement in foreign currency translation reserve represents the loss on translation of the Group's foreign operations of \$3,019 for the half-year ended 31 December 2025 (2024: gain of \$169).

Notes to the consolidated financial statements**For the half-year ended 31 December 2025****18. 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 | |
|--|------------------------|-------------|
| | 2025 | 2024 |
| | \$ | \$ |
| Loss attributable to the owners of the Company | (1,776,439) | (2,299,294) |
| | 2025 | 2024 |
| | No. | No. |
| Weighted average number of shares used in basic loss per share | 505,017,174 | 378,125,968 |
| Weighted average number of shares used in diluted loss per share | 561,693,261 | 382,550,011 |

19. 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:

- On 6 February 2026 the Company announced a successful equity raising by way of a placement to Professional and Sophisticated investors which raised \$7.0 million to accelerate Global Commercialisation of the Company's products. The placement is in two tranches with the first tranche comprising of 126,254,293 ordinary shares which were issued on 16 February 2026 raising \$2,777,594. The second tranche is conditional on shareholder approval at an EGM to be held on 25 March 2026. If approved a further 191,927,526 shares will be issued which will raise a further \$4,222,406.
- On 6 February 2026 the Company also announced changes to the Board of Directors with existing Non-executive Director, Dr Michele Allan AO being appointed as Non-executive Chair to replace Mike Barry who will remain on the Board as a Non-executive Director.

Terragen Holdings Limited and Controlled Entity
Directors' Report
For the half-year ended 31 December 2025

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2025 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the Directors



Richard Norton
Managing Director and CEO
19 February 2026

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TERRAGEN HOLDINGS LIMITED AND CONTROLLED ENTITY
ABN 36 073 892 636REPORT ON THE HALF-YEAR REPORT TO THE MEMBERS OF TERRAGEN HOLDINGS LIMITED AND
CONTROLLED ENTITY**Conclusion**

We have reviewed the half-year financial report of Terragen Holdings Limited (the Company) and its controlled entity (the Group) which comprises the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit and 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, a summary of material accounting policies 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 the Group does not comply with the Corporations Act 2001 including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
- (b) 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 Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and 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.

Other Matter

The financial report for the year ended 30 June 2025 was audited by another auditor who expressed an unmodified opinion on that financial report dated 26 August 2025.

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 (including Australian Accounting Interpretations) 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 Responsibility 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 2025 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*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.



MVAB ASSURANCE
Chartered Accountants



WAYNE TARRANT
Partner

Signed at Melbourne this 19th day of February 2026

Melbourne

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