

June 27, 2024

Extracta Manufacturing Partnership

Extracta is Partnering with Coastal Feeds, Tweed Heads, NSW, Australia.

Background

Coastal Feeds is a family-owned company that has operated within the Northern Rivers, Gold Coast and SE QLD for over 10 years. The company offers management of waste streams through leading edge removal, disposal and repurposing methods. They also provide recycling processes which are consistent with Extracta environmental policy.

<https://www.thecfgroup.com.au/>



Their knowledge and involvement in valuable waste streams makes them an ideal partner for Extracta, so we engaged. Coastal's initial role with Extracta was to freight cane bagasse from our supplier (Husk Distilleries) to the plant. Coastal has an excellent network and has introduced Extracta to several additional waste streams. They also have the ability to manage our first plant.

Recent Developments

The two parties (Extracta and Coastal) have decided to partner in a full scale processing plant in the Tweed Valley. The owners of Coastal Feeds have agreed to purchasing the equipment and engaging crew and contractors to build and operate the plant under Extracta's instructions.



The owners of Coastal Feeds are funding the equipment to enable production of bagasse, citrus, apple and grape fibres. This capacity will satisfy current and expected demand till December 2025. Extracta and Coastal have briefed site supervisors, electricians and contract engineers.



Immediate Next Steps

The owners of Coastal Feeds are Warren & Adam Dickinson and others in their family have committed an investment into Extracta of \$300,000 to finalise the fit-out of the processing plant being built in a new facility Extracta is leasing. These assets will be owned by Extracta.



Structure of Partnership

The directors of Coastal are being issued shares for their direct cash investments for equipment, and the options of Convertible Notes or equity to the value of the cost of labour, outgoings and transport of raw materials and finished goods to the Extracta warehouse.

The facility being finalised will provide capacity to take Extracta well beyond the breakeven point. Further investment will be considered at that point for expansion.

Significance

This is the most significant step Extracta has taken since establishing a partnership with QUT. We have growing numbers of customers requesting product in Australia and USA. This step will see Extracta trading profitably this year and reduce the need for short term external investment.