

Status Update – Extracta Commercialisation

August 14, 2024

Extracta's commercialisation progress has been in each of the following areas:

- Generating demand; Sampling; Early sales; Foundation for sales growth
- Plant construction and funding
- Raw Material supply sources
- Partnerships in Australia and USA

Sales - Today

Current sales are focused on Red Grape Fibre (RGF) and Citrus Fibre (CF). Teelixir, a customer, has recently introduced a pure powdered product. They have been placing orders for 6 months, and initial stages show a very positive response from their customers. Teelixir is now considering Extracta's white grape fibre and citrus fibre for potential future development.

A prominent privately owned Australian pharmaceutical and wellness manufacturer with operations across five locations in Australia has progressed to the next testing phase with our CF. They have received numerous 250g samples and a 10 kg sample for trials. They have also shown interest in exploring our other dietary fibres, and we have just provided a quote for a new order of half a tonne of dietary fibre.

We have pending orders for Sugarcane Fibre (SCF), totalling around 50 tonnes, scheduled for delivery when supplies become available this season (October 2024). Supply constraints are expected this season. SCF is currently priced at \$20 per 100g pack in our online store. Additionally, we have distributed citrus samples to over 20 companies, many we connected with at the 'Naturally Good Show' in Sydney recently. Citrus and grape fibres have attracted significant interest. Due to the effectiveness of our apple products, we are currently developing exclusive fibre blends for two local customers.

Sales – Developing

We are also in line to supply the Pharma noted above 'fill and pack's supplier with our ingredients.

We recently sent citrus samples and pricing to 23 customers including three large companies who regularly use citrus and grape products. We are following up to convert their interest into orders.

Extracta is sponsoring the upcoming "D'Vine Wine and Food Festival" in The Hunter Valley with our Devine Connoisseur range where we have shareholder, customer and supply bases.

Export Sales

Columbus Street Partners:

- Bulk ingredients for the US military and Veteran Affairs
- Products supplied in Bulk and 'Bulk-Broken' to retail packs for companion animals
 - Samples have been supplied to two US pet distributors and we await their response
- Products supplied for the US Equine markets
 - The equine opportunity in the US is significant
 - We have shown (anecdotally but not clinically) that our product has a healing effect on 'Kissing Disease' and ulcer gut management in horses. As such the locals (US) want to make a bigger launch of the product and send it into three separate distributors

US Other

- A US logistics company has requested rights to distribute Extracta ingredients in bulk. Extracta has agreed and progress will be reported as we move ahead.

Buy2Sell

- A Vietnamese company we have known for some time has requested supply for their manufacturing and supplement markets in Vietnam and South Asia.

IP Development

Extracta is developing additional Product IP with Macquarie Uni's support. This involves projects by PhD students who are: Improving the value of our grape product; Conducting pre-clinical trials for animal products; Conducting a clinical trial on pro and prebiotic products.

Extracta is in partnership with QUT who provide engineering resources and developing Process IP.

Production Facilities

Extracta has raised sufficient funding to build and operate a plant for SCF, CF and RGF. The plant is currently being commissioned on CF and SCF. It will be commissioned on RGF/WGF in February 2025 (Grape Season). The plant will be fully accredited and is readily expandable.

Raw Material Supply Sources

Multiple sources of all key products have been found except SCF. Total supply volume in F'25 is 4 times the established demand.

Funding

The funding plan is divided into:

- A. Immediate – Complete the plant (all products except pectin)
- B. Early Growth – Increase sales to existing customers and networked customers
– Sell to companies that committed Letters of Intent
- C. Focus on Export markets – build volume
- D. Build pectin plant – sell pectin in Australia and New Zealand
- E. Drive volume in US – Duplicate Australian plant in South Carolina with partners

The first stage (Item A) is fully funded with the assistance of a supply chain partner; Second stage (Item B) is partially funded; Item D will likely be co-funded with a partner.

Demand

Current demand is 115 tonne – GP ≈ \$2.2 M p.a.

Estimated total demand for F'25 is – 140 tonne ≈ GP of \$2.5 M

Longer term demand (24 months) is 300 tonne – GP ≈ \$4.0 M p.a.

These are principally sales to Australia and New Zealand.

Demand for both companion animal and horses is gaining traction and not included in the projections.

Forecast F'25

Updated from MM sales projections - 5/8/24

Ingredient	Prod'n Rate per hour (kg)	Prod'n Rate per shift (kg)	Prod'n Rate per month (kg)	Production (Months)	Capacity per annum (kg)	Supply side (kg)	Demand per annum (kg)	Wholesale selling price (\$/kg)	Year 1 Revenue (A\$)
Citrus Fibre	275	2,750	66,000	4	264,000	200,000	24,300	\$26.30	\$639,090
RGF	275	2,750	66,000	1	66,000	20,000	10,658	\$26.85	\$286,167
WGF	275	2,750	66,000	1	66,000	40,000	9,850	\$26.85	\$264,473
SCF	50	500	12,000	4	48,000	150,000	52,973	\$35.00	\$1,680,000
Apple Fibre	275	2,750	66,000	1	66,000	100,000	15,975	\$26.50	\$423,338
Pectin	0	0	0	N.A.*	60,000	200,000	25,000	\$36.85	\$921,250
* Pectin production uses separate manufacturing equipment									
				11	570,000	710,000	138,756	\$29.73 GM	\$4,214,317 66%
								GP AUD	\$2,796,549
								GP USD	\$1,789,791