

## ASX RELEASE

10 February 2025

# Strategic Repositioning for Growth

MyEco Group Ltd (ASX: MCO), continues to pursue its strategy of becoming a recognized global brand and leading developer and manufacturer of sustainable packaging and materials.

As announced in the Company's December 2024 Quarterly Report, the Board and management have been refining the sales strategy and conducting a strategic review of operations to cost-effectively support both existing record MyEco® branded sales and anticipated accelerated growth in overall sales volumes for its identified products and markets.

This review is a further step in a significant strategic repositioning, which began with the wind-down and sale of the Company's petroleum-based plastic film production assets in Q2 FY24. This allowed the Company to focus entirely on the development and production of sustainable, environmentally friendly packaging products. This change also resulted in the Company's decision to rename itself to MyEco Group Ltd, to further highlight and reinforce its focus and growing market presence.

## Strategic Focus

The Company's strategy is to make MyEco® branded products the focal point of its growth strategy with ongoing innovation in biopolymer technology underpinning the longer-term value of the business. The MyEco® brand has grown to be the number one product line in the compostable bin liner and kitchen caddy category of Australian supermarkets and continues to build recognition across international markets, including the United States and Mexico. These efforts and initiatives have produced record growth in branded product sales as reported in the Company's recently released December 2024 Quarterly Report, reinforcing the Company's decision to concentrate on sustainable products and focus exclusively on these related markets.

Given this context, the Board and management have been refocusing the Company's sales strategy, conducting a review of operations with the aim of transforming the operational structure to better align it with branded sales growth, and repositioning its resin business. These repositionings and initiatives aim to support the Company's goal to achieve positive EBITDA in the medium term.

## Production Strategy

The increased sales volumes of MyEco® sustainable products have opened opportunities to scale production capacity through strategic partnerships with high-end converters, instead of investing further in building manufacturing assets. Multiple new partners have been identified to provide overflow options for production and supply to different geographies at more competitive prices and with greater redundancy of supply chains. Options associated with this initiative have also identified the ability to consolidate and rationalize manufacturing assets in Malaysia to reduce costs.

In addition to rationalizing manufacturing assets in Malaysia, the Company will relocate its larger pilot line equipment from its Melbourne office to its commercial plant in Nanjing, China. Having new product pilot trial equipment operating in our commercial production facilities is expected to reduce costs for product trials and realize efficiencies in upscaling commercial production trials.

The company's fully integrated approach, utilizing internal assets and key partnerships, positions MyEco Group to meet increasing demand in a cost-effective manner while maintaining the high-quality standards that the brand is known for. These improvements are expected to enable MyEco Group to streamline operations, scale production efficiently, and increase product margins while minimizing the requirement for capital investment. Improvements and initiatives are expected to occur in Q4 FY25/Q1 FY26.

### Sales and Distribution Strategy

In addition to operational and manufacturing enhancements, MyEco Group has refined its sales strategy. The company is now focusing on securing new global distributors with the potential to drive significant sales growth. By leveraging the MyEco® brand in Australia and expanding its product offerings across all sales channels, MyEco Group is poised to achieve continued success. Recent wins with major partners, including Jewett-Cameron Company who have been driving sales in Costco in the US, Canada, and Mexico, along with increased market penetration in Australia through the Australian Council business, highlight the effectiveness of this strategy. Furthermore, the introduction of innovative, reusable compostable carry-out bags to Ritchies has contributed to the Company's growing market presence.

Market conditions for the sale of the Company's resin products remain volatile, especially in Latin America. Despite this, the Company is dedicated to maintaining its presence through mutually beneficial partnerships with key distributors and the selective sale of its resins to key converters and will utilize its resin capacity primarily for the manufacture of its own MyEco® branded products, which are currently performing at record levels and are expected to continue growing. Additionally, MyEco Group will continue to develop more technologically advanced resins, in collaboration with the Solving Plastic Waste Cooperative Research Centre and leading Australian universities, to further enhance sustainability and broaden the array of applications for compostable packaging.

MyEco Group's commitment to focused innovation and active development of new products to extend its product range underpins the longer-term growth and value of the Company.

### Head Office Relocation

MyEco Group will relocate its Melbourne-based head office and product development centre to lower-cost premises in Q3 FY25. This relocation is expected to deliver savings associated with both rental expense and annual fixed overhead costs.

### Outlook

The Company expects its strategic repositioning and operational restructuring to reduce costs materially, with increased flexibility to scale production through the use of strategic partners better aligned to support sales growth expected in the second half of FY25 and beyond.

MyEco Group is confident that its approach, focused on improving margins through its refined sales strategy and a more cost-effective manufacturing model, will significantly enhance its ability to achieve positive EBITDA in the medium term.

An update will be provided in the coming months as the review initiatives are implemented.

This announcement was authorised for release by the Board of MyEco Group Ltd.

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### **About MyEco Group Ltd (ASX: MCO)**

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MyEco Group Ltd (ASX: MCO) is a leading developer and manufacturer of sustainable packaging and materials. MyEco Group supplies its proprietary biodegradable and compostable resins, packaging products and films to a blue-chip global customer base. MyEco Group is integrated from resin production, into film and bags and can develop bespoke compostable solutions for a range of applications.

MyEco Group holds a strong patent portfolio and the global trend toward sustainable packaging is fuelling the Company's growth.

The Company's headquarters and Global Application Development Centre are based in Melbourne, Australia. MyEco Group has a Product Development Centre and manufacturing plants for resins and finished products in China and Malaysia.

MyEco Group has sales offices in Australia, Malaysia, China Mexico and the USA, with a network of reputable distributors across the Americas, Europe and Asia.

### **Disclaimer and Explanatory Notes Forward Looking Statements**

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This document may include forward looking statements. Forward looking statements include, but are not necessarily limited to, statements concerning MyEco Group's planned operational program and other statements that are not historic facts. When used in this document, the words such as "could", "plan", "budget", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward looking statements. Although MyEco Group believes its expectations reflected in these are reasonable, such statements involve risks and uncertainties, including but not limited to risks and uncertainties relating to impacts that may arise from Covid-19, and no assurance can be given that actual results will be consistent with these forward-looking statements. MyEco Group confirms that it is not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning this announcement continue to apply and have not materially changed.

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