

ASX RELEASE

28 April 2025

Quarterly Activities and Appendix 4C March 2025

MyEco Group Ltd (ASX: MCO, “MyEco Group” or “the Company”), a leading developer and manufacturer of sustainable packaging and materials, presents its Quarterly Activities Report and Appendix 4C Quarterly Cash Flow Statement for the March 2025 quarter. All figures are in A\$ and are provided on an unaudited basis.

Summary

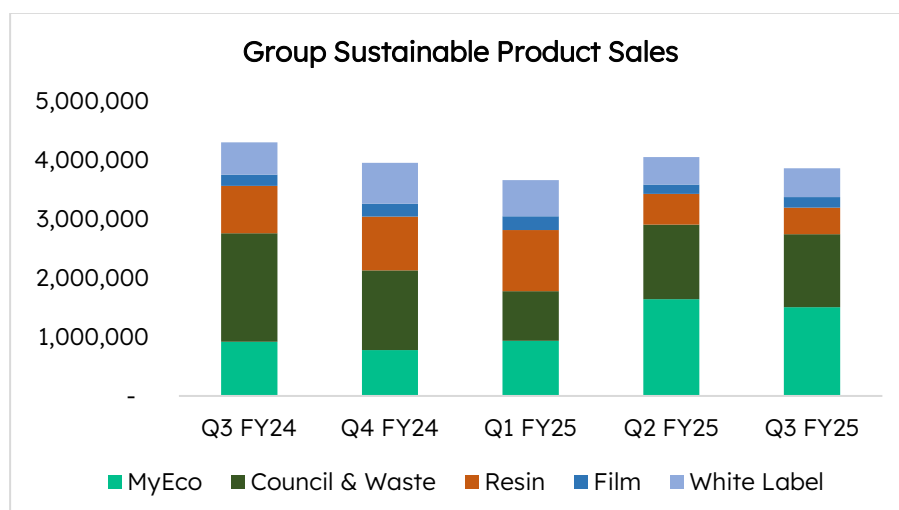
- Total sales of sustainable products were \$3.9m in Q3 FY25, down 4.6% QOQ. FY25 YTD sales as of 31 March 2025 were \$11.6m, up 10.3% on PCP
- Global sales of MyEco® branded products were up 63.6% PCP to \$1.5m in Q3 FY25
- Gross margins increased to 24.6% in Q3 FY25 versus 21.4% in PCP
- Operational restructures are expected to be completed by June 2025 and are anticipated to deliver a circa \$2.5m to \$3.0m reduction in annual fixed costs with expanded, more flexible production capacity. One-off costs of circa \$0.7m to implement the restructure to be recognised in FY25.
- Net operating cash flows of -\$0.8m in Q3 FY25
- Cash balance of \$2.6m at 31 March 2025, no debt and an unused financing facility of up to \$1.0m¹

Sales Update

FY25 YTD sales of sustainable products to 31 March 2025 were up 10.3% on PCP.

Total sales were \$3.9m in Q3 FY25, down 4.6% QOQ and down 10.2% on PCP. The decrease in sales is mainly due to timing of shipping departures which led to \$0.4m of white label orders being delayed to April instead of March, and lower resin and council sales, partially offset by strong growth of MyEco® branded sales in Australia.

The following sales update was provided in our 7 April 2025 ASX release.



¹ The drawn amount at any given time is a maximum of \$1.0 million and cannot exceed 80% of eligible trade receivables held by Cardia Bioplastics Australia (wholly owned subsidiary of MyEco Group)

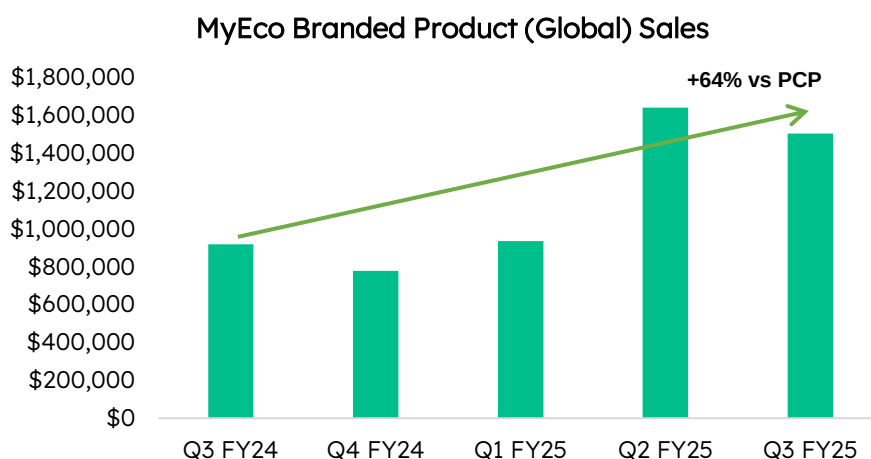
- MyEco® branded global sales of \$1.5m in Q3 FY25 were up 63.6% on PCP driven by strong growth in Australia (up 75.1% on PCP), fuelled by sales of reuseable compostable carry-bags to 80 Ritchies stores. MyEco® branded global sales were down 8.3% QOQ due to timing of orders in the USA (\$0.3m in Q3 FY25 versus \$0.5m in Q2 FY25).
- Council and waste management sales were \$1.2m in Q3 FY25, down 32.7% on PCP and down 2.2% QOQ due to a change in ordering pattern from several councils who ordered in Q2 FY25 rather than Q3 FY25
- Sustainable resin sales were \$0.5m in Q3 FY25, down 43.8% on PCP and down 13.8% QOQ
- Sustainable film sales were \$0.2m in Q3 FY25, down 7.4% on PCP and up 16.1% QOQ
- Gross margins of 24.6% in Q3 FY25, up from 21.4% in PCP, down versus 26.3% in Q2 FY25 due to changes in sales volumes and customer mix

Sustainable Bags

MyEco® branded sustainable products

MyEco Group achieved sales of \$1.5m of MyEco® sustainable products to retailers in Australia and USA, up 63.6% on PCP.

Sales in Q3 FY25 include \$0.3m in the USA to MyEco Group distributor Jewett Cameron Company (JCC) who supply Costco.com and Costco Mexico and continue to introduce MyEco Group products to KeHe and UNFI (United Natural Foods Inc.), two of the largest wholesale distributors in North America.



The launch of compostable carry-bags into Ritchies stores in Q1 FY25 has contributed to the Company's growing market presence and this sales momentum has continued in Q3 FY25. Replacing paper and plastic retail check-out bags with reuseable compostable bags will be an area of focus as MyEco Group looks to leverage its success to increase the numbers of stores and retailers using this sustainable solution to the world's plastic problem.

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.

Council and Waste Management, Australia

Council and waste management sales in Q3 FY25 were down 2.2% QOQ and 32.7% on PCP. Council sales in the second half of each financial year are typically stronger, and MyEco Group still expects this to be the case for FY25 due to the preference for Council FOGO rollouts and renewals to occur in the months transitioning from summer to autumn. This is further demonstrated by the recent successful tender in Western Australia for Rockingham Council, servicing 65,000 residential households, which is projected to add \$0.5m in revenue in Q4 FY25.

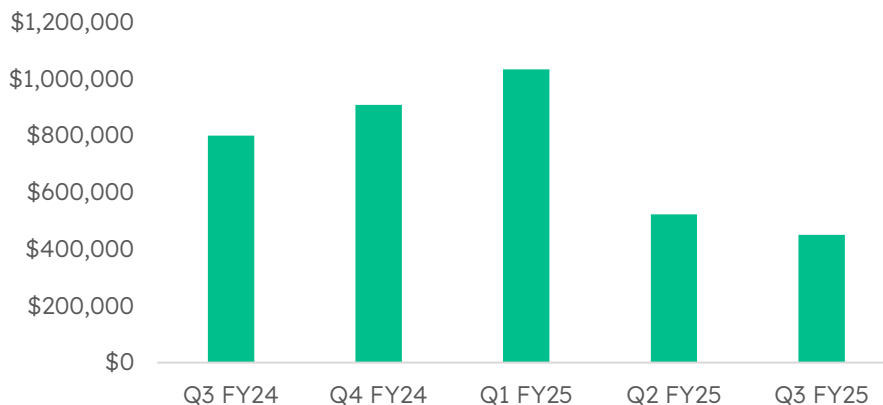
Councils/Waste Sales



Sustainable Resin

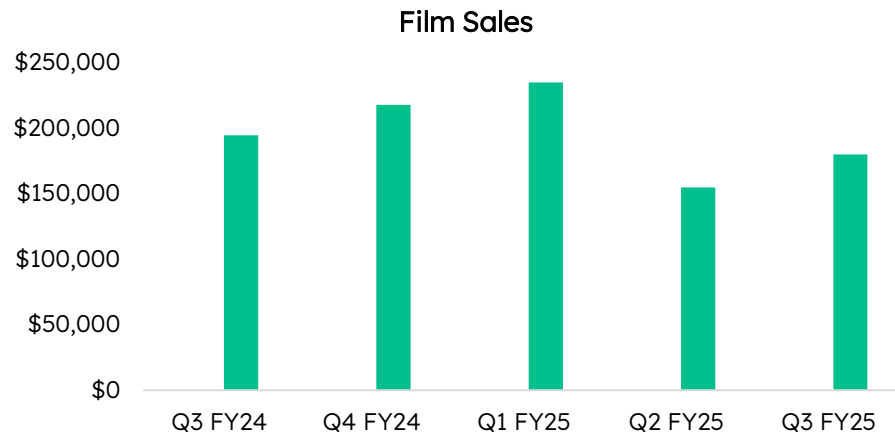
Sustainable resin sales were down 13.8% QOQ and 43.8% on PCP. MyEco Group's strategy is to utilise resin capacity primarily for manufacture of its own MyEco® branded products, which are performing at record levels. In terms of third-party sales, market conditions for the sale of resin products remain volatile, especially in Latin America. Despite this, the Company is committed to maintain its presence through mutually beneficial partnerships with key distributors and the sale of resins to key converters. MyEco Group is continuing 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.

Resin Sales



Sustainable Film

Sustainable film sales representing a relatively small component of the business (\$0.2m for Q3 FY25), were down 7.4% on PCP and up 16.1% QOQ. As part of the medium-term strategy, MyEco Group will continue development of high-speed compostable wrapping film products, targeting the growing, high-volume sustainable pallet and magazine wrap markets, which are being trialled with several prospective customers. In parallel, the Company is developing distribution channels to support the sale of our compostable and sustainable film products in major geographical markets.



Draft Service Standard Update

The Company continues to play a major role in advocating for government support of certified compostable products and addressing misinformation surrounding compostable plastics. While the Victorian Government has yet to release a formal decision on the Draft Service Standard, that initially proposed a ban on compostable bin liners, the Company has continued to actively engage with the Victorian Minister for Environment and has held productive discussions with the Minister's office. These engagements have helped dispel misconceptions and incorrect public claims about compostable caddy liners. Whilst no decision has been announced, the Company continues to advocate for a policy outcome that aligns with other Australian jurisdictions and supports certified compostable solutions.

Cash Update

Net operating cash flows were negative \$0.8m in Q3 FY25. Cash receipts from customers in Q3 FY25 were \$4.7m, down \$0.3m QOQ due to lower sales in Q3 FY25 compared to the previous quarter. Cash payments to suppliers/employees in Q3 FY25 were \$5.8m, down \$0.6m QOQ due to less production as inventory had already been built up to the required levels to fulfill expected sales in H2 FY25. Capital expenditure amounted to \$0.03m during the quarter.

The cash balance as at 31 March 2025 was \$2.6m, with no debt, and an unused financing facility of up to \$1.0 million²

² The drawn amount at any given time is a maximum of \$1.0 million and cannot exceed 80% of eligible trade receivables held by Cardia Bioplastics Australia (wholly owned subsidiary of MyEco Group)

Pursuant to ASX Listing Rule 4.7C, as noted in Section 6.1 of the Company's Appendix 4C Cashflow Statement, payments made to related parties and their associates totals \$168,051 for Q3 FY25 relating to Directors' remuneration and fees.

Outlook

The recent volatility experienced on global financial markets due to the USA Government tariff policies has seen a higher level of uncertainty in trading conditions around the world, which the Company is monitoring and assessing in relation to its US sales strategy. MyEco Group predominately sells and supplies into the Australian market with approximately 90% of year-to-date sales made to non-US countries.

Based on the current FOGO orders and contracts in place for Q4 FY25, growth in sales to Councils is expected to increase in the second half of FY25 as Councils continue to introduce FOGO programs and householders adopt food scrap diversion to organic composting programs. This is further reinforced by the recent landmark decision by the New South Wales Government to mandate FOGO services for all households by July 2030 as noted in MyEco Group's ASX Announcement on 26 February 2025.

The Company is confident that its refocused sales strategy and operational restructuring initiatives position it to support long-term sales growth while aiming to improve margins and provide a meaningful path to profitability. The implementation of the operational restructure initiatives is expected to deliver annual fixed cost savings of circa \$2.5m to \$3.0m commencing in the first quarter of FY26.

MyEco Group continues to work with the Australian Government funded Solving Plastic Waste Cooperative Research Centre, as well as RMIT scientists, to develop new compound formulations and film structures to substitute plastic packaging and to generate additional data to enable more informed decisions regarding the acceptance of flexible compostable alternatives to conventional plastic packaging by stakeholders.

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

For more information, please contact:

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About MyEco Group Ltd (ASX: MCO)

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

MyEco Group holds a strong patent portfolio and a brand that is growing both domestically and internationally.

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

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

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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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

MYECO GROUP LTD

ABN

89 064 755 237

Quarter ended ("current quarter")

31 March 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	4,677	13,911
1.2 Payments for		
(a) research and development	(105)	(396)
(b) product manufacturing and operating costs	(4,005)	(11,362)
(c) advertising and marketing	(392)	(1,331)
(d) leased assets		
(e) staff costs	(916)	(2,929)
(f) administration and corporate costs	(379)	(1,161)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	36
1.5 Interest and other costs of finance paid	(24)	(55)
1.6 Income taxes paid		
1.7 Government grants and tax incentives	379	379
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(765)	(2,910)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(34)	(123)

	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment	8	43
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(26)	(80)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (principal component of lease payments)	(190)	(573)
3.10	Net cash from / (used in) financing activities	(190)	(573)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,548	6,108
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(765)	(2,910)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(26)	(80)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(190)	(573)
4.5	Effect of movement in exchange rates on cash held	(1)	20
4.6	Cash and cash equivalents at end of period	2,566	2,566

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,566	3,548
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,566	3,548

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	168
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term “facility” includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A’000	Amount drawn at quarter end \$A’000
7.1	Loan facilities	1,000	-
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities		
7.5	Unused financing facilities available at quarter end		1,000
	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
7.6	MyEco Group Ltd (ASX: MCO) (“the Company”) entered into a \$1.0 million secured debt facility with Tradeplus24 (TP24) to help fund the working capital requirements necessary to meet future sales growth expected in the second half of FY25, while being non-dilutive to existing shareholders. Key Terms of the Facility • The drawn amount at any given time is a maximum of \$1.0 million and cannot exceed 80% of eligible trade receivables held by Cardia Bioplastics Australia (wholly owned subsidiary of MyEco Group) • The current interest rate of the Facility is 12.3176% per annum, with a portion tied to the 30-day bank bill swap rate bid rate as at midday on the first working day of each month plus a fixed margin of 8.0%. Interest is only payable on amount drawn out of the facility at any given time. • The facility is repayable by 28 February 2026 and can be renewed by mutual agreement • The Facility is secured by a security interest over the trade receivables of Cardia Bioplastics Australia and all of the Company’s assets, a Deed of Subordination over intercompany loans of Cardia Bioplastics Australia, and the Company’s guarantee of the performance of Cardia Bioplastics Australia’s obligations		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(765)
8.2	Cash and cash equivalents at quarter end (item 4.6)	2,566
8.3	Unused finance facilities available at quarter end (item 7.5)	1,000
8.4	Total available funding (item 8.2 + item 8.3)	3,566
	Estimated quarters of funding available (item 8.4 divided by item 8.1)	4.7
8.5	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	
	<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28 April 2025

Authorised by: **By the board**

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.