

## ASX RELEASE

22 April 2025

# Update on Operational Restructure Initiatives

## Highlights

- Implementation of operational restructure initiatives to be completed by June 2025 which are expected to deliver circa \$2.5m to \$3.0m reduction in fixed costs with expanded, more flexible production capacity. One-off costs of circa \$0.7m to implement the restructure to be recognised in FY25.
- Fixed costs reduced by consolidating three manufacturing plants into MyEco Group's global manufacturing plant in Nanjing, China which will provide a centralised fully integrated low-cost facility to manufacture resin, film and bags
- Expanding capacity to produce finished goods through multiple outsourced manufacturing partners in south-east Asia
- Restructuring program supports the Company's strategy of becoming a recognised global brand for sustainable packaging
- Initiatives will significantly enhance ability to achieve positive EBITDA in the medium term

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**MyEco Group Ltd** (ASX: MCO, "MyEco Group" or "the Company"), a leading developer and manufacturer of sustainable packaging and materials, is pleased to provide an update on its operational restructure initiatives.

On 10 February 2025, the Company announced a strategic review of its manufacturing and production operations to support its record MyEco® branded sales growth more cost effectively, and to reposition the cost base of its manufacturing and production supply chain. The following initiatives from the operational restructure are all expected to be completed by June 2025:

- The ability to scale production capacity through strategic partnerships with high-end converters in south-east Asia, to reduce production costs, increase redundancy of supply chains, and increase flexibility to meet demand in different geographies
- Reduced cost from the rationalisation of manufacturing assets in Malaysia
- Relocation of larger pilot production equipment from Melbourne to our commercial plant in Nanjing, China to reduce costs for new product trials and realise efficiencies in upscaling to commercial production
- Relocation of our head office and product development centre to lower-cost premises within Melbourne to reduce both rent and overheads

The implementation of these initiatives is expected to deliver annual fixed cost savings of circa \$2.5m to \$3.0m commencing in the first quarter of FY26. They will streamline MyEco Group's operations and scale production more efficiently with an aim to improve product margins, while minimising the requirement for capital investment. The company's fully integrated approach, utilising 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.

MyEco Group is now focussed entirely on the development and production of sustainable, environmentally friendly packaging products. The Company's strategy is to make MyEco® branded products the focal point of its growth strategy, underpinned by ongoing innovation in biopolymer technology to drive the longer-term value of the business. The MyEco® brand has grown to be the number one product 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.

## **Outlook**

The Company is confident that its refocused sales strategy and operational restructuring initiatives position it to support long-term sales growth whilst aiming to improve margins. 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. This approach will significantly enhance the Company's ability to achieve positive EBITDA in the medium term and has established a meaningful path to profitability.

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)**

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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**

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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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