

ASX RELEASE

6 May 2025

MyEco Group raises \$1.6m from issue of Convertible Notes

Summary:

- MyEco Group has received commitments to raise \$1,605,000 less costs through the issue of unsecured convertible notes to sophisticated investors¹
- The fund raising complements recent operational restructure initiatives, and is designed to minimise dilution in current market conditions
- The Convertible Note issue will fund the Company's growth plans and one-off costs to implement the operational restructure initiatives which are expected to reduce annual fixed costs by \$2.5m to \$3.0m
- The Convertible Notes accrue interest at 10.5% per annum paid quarterly over a three-year term, and are convertible at a 15% discount to the 14-day VWAP at conversion, subject to a maximum conversion price of \$0.05 and a minimum conversion price of \$0.019 per share
- Conversion is permitted twelve months after the draw down date, with mandatory conversion at maturity
- The Company may redeem the Convertible Notes in whole or in part at any time, with 30 days notice to noteholders who may convert all or part of their outstanding principal and accrued interest during this 30 day notice period.
- The \$1.6m raised from the convertible note issue supplements MyEco Group's \$2.0m of cash as of 30 April 2025 and the Company's unutilised \$1.0m secured debt facility²

MyEco Group Ltd (ASX: MCO, "MyEco Group" or "the Company"), a leading developer and manufacturer of sustainable packaging and materials, is pleased to announce that it has received commitments to raise \$1,605,000 through the issue of unsecured convertible notes ("Notes") from sophisticated investors.¹

An amount of \$355,000 of the Notes issue has been subscribed by directors of MyEco Group: James (Jim) Walsh, Richard Tegoni, Don Haller Jr and Stephen Walters and is subject to shareholder approval.

Proceeds of the issue are to fund the Company's growth plans and one-off costs to implement the operational restructure initiatives, which are expected to deliver circa \$2.5m to \$3.0m reduction in annual fixed costs. The following initiatives from the operational restructure are 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

¹ As defined under the requirements of the Corporations Act 2021 (Cth)

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)

- 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

These initiatives 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.

MyEco Group is focussed entirely on the development and production of sustainable, environmentally friendly packaging products.

MyEco Group CEO and Executive Director, Richard Tegoni, said:

"We are pleased to receive support for the Convertible Note issue from both existing shareholders and new investors during the current challenging global market conditions. This capital will enable us to continue with growth plans whilst protecting shareholder value by minimising dilution to existing shareholders."

"We are confident that our focus on improving margins through a more refined sales strategy and a more cost-effective manufacturing model will significantly enhance our ability to achieve positive EBITDA in the medium term."

Convertible note details

The Notes have a three year term with a face value of \$1.00 and will be convertible into fully paid ordinary shares in the Company at a 15% discount to the 14-day volume weighted average price (VWAP) preceding the date of the conversion notice, subject to a maximum conversion price of \$0.05 per share and a minimum conversion price of \$0.019 per share.

The Convertible Notes will accrue interest at a rate of 10.5% per annum with interest paid quarterly until conversion into shares or maturity of the Convertible Notes.

Conversion is permitted during the period commencing the date which is twelve months following the draw down date until maturity, with mandatory conversion at maturity date.

The Company may redeem the Convertible Notes in whole, or in part, at any time from the draw down date until Maturity with 30 days notice to noteholders who may convert all or part of their outstanding principal and accrued interest during this 30 day notice period.

The Convertible Notes issued to the directors of the Company are on the same terms as those issued to the sophisticated investors³ and are subject to shareholder approval at the 2025 Annual General Meeting.

All shares issued on conversion of the Convertible Notes will rank equally with the existing shares in the capital of the Company.

³ As defined under the requirements of the Corporations Act 2021 (Cth)

Convertible Notes will be issued under the Company's 15% placement capacity pursuant to Listing Rule 7.1.

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

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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.