

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following management's discussion and analysis ("**MD&A**") dated May 7, 2025 is intended to assist the readers in the understanding of EcoSynthetix Inc. and its wholly owned subsidiaries ("**EcoSynthetix**" or the "**Company**"), its business environment, strategies and performance and risk factors. It should be read in conjunction with the audited annual consolidated financial statements for the year ended December 31, 2024. Financial data has been prepared in conformity with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") and using the same accounting policies and methods as those used in the Company's audited consolidated financial statements for the year ended December 31, 2024.

The Company, together with its consolidated subsidiaries, is referred to as the "Company", "we", "us", or "our". Our functional currency and reporting currency is the U.S. dollar. Unless otherwise indicated, all references to "\$" and "dollars" in this discussion and analysis mean U.S. dollars.

Certain measures used in this MD&A do not have any standardized meaning under IFRS. When used, these measures are defined in such terms as to allow the reconciliation to the closest IFRS measure. It is unlikely that these measures could be compared to similar measures presented by other companies. See "IFRS and non-IFRS Measures".

Forward-looking statements are included in this MD&A. See "Forward-Looking Statements" below for a discussion of risks, uncertainties and assumptions relating to these statements. For a description of the risks relating to the Company, refer to the "Risk Factors" section of this MD&A and the "Risk Factors" section of the Company's Annual Information Form dated February 18, 2025.

Forward-looking Statements

Certain statements contained in this MD&A constitute forward-looking statements. All statements other than statements of historical fact may be forward-looking statements. These statements relate to, but are not limited to, future events or future performance, our expectations regarding the Company's growth, results of operations, estimated future revenues, and requirements for additional capital, production costs, future demand for latex-based products, business prospects and opportunities, our ability to successfully commercialize our products, expectations as to the amount of reduction that the Company's products may have on a manufacturer's carbon footprint. Forward-looking statements are often, but not always, identified by use of words such as "may", "will", "should", "could", "seek", "anticipate", "contemplate", "continue", "expect", "intend", "plan", "potential", "budget", "target", "believe", "estimate" and similar expressions. The forward-looking statements in this document include, but are not limited to, statements regarding the Company's expected product pipeline, plans to expand the Company's business into new markets, the Company's ability to achieve organizational efficiencies, and other statements regarding the Company's plans and expectations in 2025. Such statements reflect our current views and beliefs with respect to future events, are subject to risks and uncertainties, and are based upon several estimates and assumptions that, while considered reasonable by us, are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Those assumptions and risks include, but are not limited to, the Company's ability to successfully allocate capital as needed and to develop new products, as well as the fact that our results of operations and business outlook are subject to significant risk, volatility, and uncertainty. Many factors could cause actual results, performance, or achievements to be materially different from any future results, performance, or achievements that may be expressed or implied by such forward-looking statements.

We have made material assumptions regarding, among other things: that our intellectual property rights are adequately protected; our ability to obtain the materials or services necessary for the production of our products; our ability to convert prospects from the industrial trial phase into full commercial customers; our ability to market products successfully to our customers; that we will continue to possess unique intellectual property rights; changes in demand for and prices of our products or the materials required to produce those products; labour and material costs remaining consistent with our current expectations; the price and availability of substitute or competitive products; and that we do not and will not infringe third party intellectual property rights. Some of our assumptions are based upon internal estimates and analysis of current market conditions and trends, management plans and strategies, economic conditions and other factors and are necessarily subject to risks and uncertainties inherent in projecting future conditions and results.

Some of the risks that could affect our future results and could cause those results to differ materially from those expressed in the forward-looking information include, among other things: the impact of the conflict in Ukraine including the potential expansion of the conflict into other countries or regions; the availability and price of natural feedstocks used in the production of our products; agricultural risks that could impact crop yields and bio-based materials; a significant decrease in the market price of petroleum related feedstocks; changes in government regulations and policies relating to our business; inflationary pressures that may affect labor, raw materials, energy, agricultural commodities and other input costs; fluctuations in energy costs used to run production facilities; the inability to effectively expand our production facilities; dependence on certain customers and changes in customer demand; credit and concentration risk associated with cash and cash equivalents as well as accounts receivable; the risk of volatility in global financial conditions, as well as significant decline in general economic conditions; increase in industry competition; variations in our financial results; our ability to effectively commercially market and sell our products; the inability to retain key personnel; the inability to develop new technologies and products; an inability to protect, defend or use our intellectual property and/or infringement of third-party intellectual property; enforcement of intellectual property rights; the ability to acquire intellectual property; the risk of litigation with respect to intellectual property and other matters; our ability to protect our know-how and trade secrets; changes to regulatory requirements, both regionally and internationally, governing development, production, exports, taxes, labour standards, waste disposal, and use, environmental protection, project safety and other matters; the impact of infectious disease outbreaks on our business; a shortage of supplies, equipment and parts; a breach in cybersecurity; company growth and the impact of significant operating and capital cost increases; changes in the current political and regulatory environments in which we operate; the inability to secure additional government grants; a deterioration in our cash balances or liquidity; the inability to obtain equity or debt financing; insufficient product liability insurance; the impact of issuance of additional equity securities on the trading price of the common shares; the impact of ethical, legal and social concerns relating to genetically modified organisms and the food versus fuel debate; the risk of business interruptions; the impact of volatile market price for common shares; the impact of changes in interest rates; the impact of changes in foreign currency exchange; losses from hedging activities and changes in hedging strategy, as well as the factors identified in the “Risk Factors” section of the Company’s Annual Information Form dated February 18, 2025. Such factors are not intended to represent a complete list of the factors that could affect us. These factors should be considered carefully, and prospective investors should not place undue reliance on forward-looking information.

IFRS and Non-IFRS Measures

This MD&A makes reference to certain non-IFRS measures. These non-IFRS measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing a further understanding of the results of operations of the Company from management’s perspective. Accordingly, they should not be considered in isolation or as a substitute for analysis of the financial information of the Company reported under IFRS. We use non-IFRS measures such as Adjusted EBITDA to provide investors with a supplemental measure of operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS financial measures. We also believe that securities analysts, investors, and other interested parties frequently use non-IFRS measures in the evaluation of issuers. Our management also uses non-IFRS measures in order to facilitate operating performance comparisons from period to period, prepare annual operating budgets and assess its ability to meet its capital expenditure and working capital requirements.

Adjusted EBITDA as presented herein is not a recognized measure under IFRS and should not be considered as an alternative to operating income or net income as measures of operating results or an alternative to cash flows as measures of liquidity. Adjusted EBITDA is defined as consolidated net income (loss) before interest, income taxes, depreciation, amortization, impairment loss on property, plant and equipment (PP&E), gain or loss on disposals of PP&E, accretion, and other non-cash expenses deducted in determining consolidated net income (loss).

Overview

We are a renewable chemicals company specializing in bio-based materials that are used as inputs in a wide range of products that allow customers to reduce their use of harmful materials, such as formaldehyde and styrene-based chemicals and enable carbon footprint reductions. Our flagship products, DuraBind™, Bioform™, Surflock™, and EcoSphere®, are used to manufacture wood composites, personal care, paperboard, graphic paper, and tissue

products and enable performance improvements, economic benefits and sustainability. Our strategy is to commercialize a broad range of bio-based polymer and monomer products within specific market segments. We have developed processes that leverage “green” technology to produce bio-based materials from natural polysaccharide feedstocks, such as corn starch, as an alternative to petroleum-derived feedstocks.

To date, we have developed the following two bio-based technology platforms that support broad application across a wide range of industries: (i) a biopolymer nanosphere technology that has been fully scaled and validated; and (ii) a bio-based sugar macromer technology. Our biopolymer nanosphere technology has generated four product families, EcoSphere, Bioform, Surflock, and DuraBind biopolymers. Our bio-based sugar macromer technology has generated two product families, EcoMer® biomonomers and EcoStix® bio-based pressure sensitive adhesives. Substantially all our revenue has been generated from the sale of our biopolymer nanosphere technology into the graphic paper, paperboard, tissue and wood composite markets.

Factors Affecting the Results of Operation

Commercialization

Our customers typically go through the following evaluation stages prior to commercial adoption of our products:

- (i) laboratory evaluation;
- (ii) pilot scale production testing; and
- (iii) industrial trials representing full scale production.

Our performance is influenced by our ability to convert prospects from the industrial trial phase into full commercial customers. The industrial trial stage is an important part of the sales cycle; it requires potential customers to invest significant resources, including labour and operating expenditures, and the product must meet or surpass rigorous qualification procedures. Successfully reaching the mill trial stage with a potential customer reflects substantial interest and commitment from them.

Our financial condition and results of operations are influenced by a variety of other factors, including:

- Optimizing the formulation of existing products to allow higher substitution rates by current and new customers and the ability to effectively develop products for new markets which could be a significant source of revenue growth in the future
- Pricing of incumbent technologies and other substitutes for our products
- Feedstock, other input and production costs and availability

Net Sales

Revenue is recognized when the Company has satisfied its performance obligations as set out in the contract with the customer, the contract has commercial substance, and it is probable that the Company will collect the consideration it is entitled to on performance of its obligations in the contract. These criteria are generally met when the transfer of control of goods has occurred, which typically occurs at the time of shipment or delivery, depending on the terms of the agreement. Net sales are measured based on the price specified in the sales contract, net of any discounts and estimated returns at the time of sale.

Cost of sales and gross profit

Our gross profit is derived from our net sales less our cost of sales. Cost of sales includes raw material costs, contract manufacturing costs, direct labor associated with manufacturing, freight costs and depreciation related to manufacturing equipment. Direct materials consist of the costs of natural feedstock and process chemicals. Cost of sales is mainly affected by natural feedstock costs and manufacturing costs.

Selling, general and administrative

Selling, general and administrative expenses (SG&A) primarily relates to salaries & benefits and other employee related costs which collectively represent approximately 50% of total SG&A. In addition to this, SG&A includes travel expenses, professional fees, facility costs, foreign exchange gains and losses, insurance, marketing costs and share-based compensation.

Foreign exchange represents the revaluation of monetary assets and liabilities denominated in foreign currencies. The change in foreign exchange gains and losses are primarily due to foreign exchange rate fluctuations between the U.S. dollar (our functional currency) and foreign currencies on our net monetary position in those respective currencies.

Research and development

Expenditures during the research phase are expensed as incurred. Expenditures during the development phase are expensed as incurred unless they meet certain capitalization criteria. No development costs have been capitalized to date.

Our research and development expenses (R&D) consist of costs incurred to develop and test our products. Salaries & benefits related to employees directly involved in research and development activities represent approximately 60% of total R&D. In addition, R&D includes costs related to consultants, facility costs including depreciation on property, plant and equipment not utilized in our production process, supplies and other costs directly associated with product development.

Results of operations

The following is a summary of our results of operations for the three months ended March 31, 2025 and March 31, 2024:

	Three months ended		Change	
	March 31, 2025	March 31, 2024	\$	%
Net sales	4,042,161	4,685,819	(643,658)	-14%
Gross profit	868,039	1,134,890	(266,851)	-24%
Loss from operations	(976,076)	(1,036,395)	60,319	-6%
Net loss	(606,526)	(619,346)	12,820	-2%
Weighted average number of shares outstanding	58,531,759	58,613,145	(81,386)	0%
Basic and diluted loss per share	(0.01)	(0.01)	0.00	-2%
Adjusted EBITDA ¹ (loss)	(501,011)	(529,817)	28,806	-5%

¹ Refer to "IFRS and Non-IFRS Measures" and "Adjusted EBITDA" sections in this MD&A

Net Sales – Net sales for the three months ended March 31, 2025 were \$4.0 million compared to \$4.7 million in the same period last year, a decrease of \$0.6 million or 14%. The decrease was primarily due to lower volumes of \$0.5 million, or 12%, due to an inventory buildup by a distributor in the prior period and uncertain market conditions.

Gross profit – Gross profit for the three months ended March 31, 2025, was \$0.9 million compared to \$1.1 million in the same period last year, a decrease of \$0.3 million, or 24%. The decrease in gross profit was primarily due to lower volumes and a lower average selling price.

Gross profit as a percentage of sales for the three months ended March 31, 2025 was 21.5% compared to 24.2% in the same period last year. Gross profit as a percentage of sales adjusted for manufacturing depreciation during the three months ended March 31, 2025 was 27.2% compared to 29.2% in the same periods last year. The decrease in both metrics over the three months ending March 31, 2025 was due to a lower average selling price.

Operating Expenses

The following table sets forth the breakdown of our operating expenses by category during the three months ended March 31, 2025 and 2024:

	Three months ended		Change	
	March 31, 2025	March 31, 2024	\$	%
Selling, general and administrative	1,459,547	1,722,468	(262,921)	-15%
Research and development	384,568	448,817	(64,249)	-14%
Total operating expenses	1,844,115	2,171,285	(327,170)	-15%

Selling, general and administrative (SG&A) – SG&A expenses for the three months ended March 31, 2025 were \$1.5 million compared to \$1.7 million in the same period last year, a decrease of \$0.3 million or 15%. The decrease is primarily due to asset relocation costs incurred in the period ended March 31, 2024 associated with the Company's manufacturing footprint realignment project.

Research and development (R&D) – R&D expenses for the three months ended March 31, 2025 were comparable to the same period last year. R&D expense as a percentage of sales for the three ended March 31, 2025 was 10% and was also comparable to the same period last year. The Company's R&D efforts continue to focus on further enhancing the value of our existing products and expanding our addressable opportunities.

Loss from operations – Loss from operations for the three months ended March 31, 2025 was \$1.0 million and was comparable to the same period last year as reduced gross margin of \$0.3 million, primarily due to lower volumes, was offset by lower operating expenses of \$0.3 million primarily due to the asset relocation costs incurred in period ended March 31, 2024.

Net loss – Net loss for the three months ended March 31, 2025 was \$0.6 million, or \$0.01 net loss per common share was comparable to the same period last year. Both loss from operations and net interest income during the three months ended March 31, 2025 were comparable to the same period last year.

Financial Condition

Current assets

	March 31	December 31	Change	
	2025	2024	\$	%
Cash	6,756,790	7,721,403	(964,613)	-12%
Term deposits	24,676,266	24,473,985	202,281	1%
Accounts receivable	2,362,743	2,325,369	37,374	2%
Inventory	3,458,615	2,828,748	629,867	22%
Prepaid expenses	103,089	90,306	12,783	14%
Total current assets	37,357,503	37,439,811	(82,308)	0%

Total current assets – Total current assets as of March 31, 2025 were \$37.4 million and were comparable to December 31, 2024. The decrease in cash of \$1.0 million is primarily due to cash used in investing activities of \$0.8 million and financing activities of \$0.4 million, offset by cash generated from operating activities of \$0.1 million. The increase in term deposits of \$0.2 million was primarily due to \$0.7 million in new term deposit purchases, net of term deposit receipts, offset by lower accrued interest on term deposits. The increase in inventory of \$0.6 million was due to higher raw materials.

Total assets and liabilities

	March 31 2025	December 31 2024	Change	
			\$	%
Total assets	41,013,045	41,284,821	(271,776)	-1%
Total liabilities	2,359,523	1,938,831	420,692	22%

Total assets – Total assets as of March 31, 2025 were \$41.0 million compared to \$41.3 million at December 31, 2024, a decrease of \$0.3 million or 1%. The change was primarily due to \$0.1 million in lower total current assets and \$0.3 million in depreciation expense offset by \$0.1 million in PP&E additions relating to manufacturing equipment.

Total liabilities – Total liabilities as of March 31, 2025 were \$2.4 million compared to \$1.9 million at December 31, 2024, an increase of \$0.4 million, or 22%. The increase was primarily due to the timing of trade accounts payable and accrued liabilities offset by a reduction in accrued variable compensation.

Liquidity and Capital Resources

We currently fund our business operations through cash flow generated from our operations and from existing cash and term deposits. We believe that ongoing operations, working capital and associated cash flow in addition to our cash resources provide sufficient liquidity to support our ongoing business operations for the foreseeable future.

Below is a summary of our cash flows provided by (used in) operating activities, financing activities, and investing activities for the three months ended March 31, 2025, and 2024:

	Three months ended		Change	
	March 31, 2025	March 31, 2024	\$	%
Cash provided by operating activities	121,539	1,065,096	(943,557)	-89%
Cash (used in) investing activities	(753,165)	(352,386)	(400,779)	114%
Cash (used in) financing activities	(370,046)	(596,303)	226,257	-38%
Effect of exchange rate changes on cash	37,059	2,321	34,738	1497%
Change in cash	(964,613)	118,728	(1,083,341)	-912%
Beginning cash	7,721,403	4,915,445	2,805,958	57%
Ending cash	6,756,790	5,034,173	1,722,617	34%

Cash provided by operating activities – During the three months ended March 31, 2025, cash provided by operating activities was \$0.1 million compared to \$1.1 million in the same period last year. During the three months ended March 31, 2025, cash provided by operating activities of \$0.1 million primarily relates to \$0.8 million in cash received from term deposits offset by cash used in working capital of \$0.2 million, and a \$0.5 million net loss and comprehensive loss adjusted for non-cash items and accrued interest. During the three months ended March 31, 2024, cash provided by operating activities of \$1.1 million primarily relates to cash generated from working capital of \$1.3 million.

Cash (used in) investing activities – Cash used by investing activities for the three months ended March 31, 2025 was \$0.8 million and was primarily due to \$0.7 million in term deposit purchases, net of term deposit receipts. Cash used in investing activities for the three months ended March 31, 2024 was \$0.4 million and related primarily to \$0.2 million in term deposits purchases, net of term deposit receipts, as well as purchases of PP&E relating to machinery and equipment of \$0.2 million.

Cash (used in) financing activities – Cash used in financing activities of \$0.4 million during the three months March 31, 2025, primarily related to the purchase of common shares through the normal course issuers bid (NCIB). Cash used in financing activities of \$0.6 million during the three months ended March 31, 2024, primarily related to the purchases of common shares through the NCIB.

Effect of exchange rate changes on cash – The effect of exchange rate changes on cash is primarily due to the revaluation of cash denominated in Canadian dollars and the impact of currency fluctuations between the Canadian dollar and U.S. dollar.

Capital Management

The Company's objective in managing capital is to ensure sufficient liquidity to pursue its growth strategy and fund research and product development, while at the same time taking a conservative approach towards managing financial risk. The Company's capital is composed of the net cash primarily received related to common shares, and cash flows generated from operating activities. Our primary uses of capital are financing operations, increasing non-cash working capital and capital expenditures. We currently fund these requirements from existing cash resources. Our objectives when managing capital are to ensure that we will continue to have enough liquidity to provide our products and services to our customers and a return to our shareholders. We monitor our capital on the basis of the adequacy of our cash resources to fund our business plan. In order to maximize the capacity to finance our ongoing growth, we do not currently pay a dividend to the holders of our common shares.

Commitments

The Company entered the following contractual obligations in the normal course of operations that were not recognized as liabilities as at March 31, 2025:

- I. The Company is committed to purchasing \$0.9 million of raw materials and other costs associated with production.

Summary of Quarterly Results

The following table sets out selected financial information for each of the eight most recent quarters, the latest of which ended March 31, 2025. This information has been prepared on the same basis as the annual financial statements and all necessary adjustments have been included in the amounts stated below to present fairly the unaudited quarterly results when read in conjunction with the quarterly and annual financial statements of the Company and the related notes to those statements.

	March 31, 2025	December 31, 2024	September 30, 2024	Three months ended				June 30, 2023
				June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	
Net sales	4,042,161	5,432,916	5,233,974	3,183,961	4,685,819	2,843,437	3,800,564	2,954,114
Gross profit	868,039	1,571,481	1,742,453	858,279	1,134,890	464,048	1,151,985	549,875
Loss from operations	(976,076)	(622,261)	(299,955)	(1,222,759)	(1,036,395)	(1,441,361)	(588,702)	(1,238,551)
Net loss	(606,526)	(206,884)	143,191	(683,887)	(619,346)	(584,624)	(267,947)	(980,221)
Weighted average number of shares outstanding	58,531,759	58,593,194	58,758,013	58,705,545	58,613,145	58,635,640	58,711,122	59,098,730
Basic and diluted loss per share	(0.01)	(0.00)	0.00	(0.01)	(0.01)	(0.01)	(0.00)	(0.02)
Adjusted EBITDA ⁽¹⁾ (loss)	(501,011)	92,341	364,714	(785,283)	(529,817)	(969,092)	(189,102)	(777,074)

The following table reconciles net loss to Adjusted EBITDA (loss) for the three months ended:

	March 31, 2025	December 31, 2024	September 30, 2024	Three months ended				June 30, 2023
				June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	
Net income (loss)	(606,526)	(206,884)	143,191	(683,887)	(619,346)	(584,624)	(267,947)	(980,221)
Depreciation	270,403	352,162	269,945	238,433	304,199	247,690	234,516	298,885
Share-based compensation	204,662	362,440	394,724	199,040	202,379	224,579	165,084	162,592
Gain on disposal of property, plant and equipment	-	-	-	(90,000)	-	(511,038)	-	-
Net interest income	(369,550)	(415,377)	(443,146)	(448,869)	(417,049)	(345,699)	(320,755)	(258,330)
Adjusted EBITDA ⁽¹⁾ (loss)	(501,011)	92,341	364,714	(785,283)	(529,817)	(969,092)	(189,102)	(777,074)

Notes:

- (1) Refer to "IFRS and Non-IFRS Measures" section in this MD&A

Adjusted EBITDA (loss)

The following table reconciles net income (loss) to Adjusted EBITDA (loss) for the three months ended March 31, 2025.

	Three months ended		Change	
	March 31, 2025	March 31, 2024	\$	%
Net loss	(606,526)	(619,346)	12,820	-2%
Depreciation	270,403	304,199	(33,796)	-11%
Share-based compensation	204,662	202,379	2,283	1%
Net interest income	(369,550)	(417,049)	47,499	-11%
Adjusted EBITDA ⁽¹⁾ (loss)	(501,011)	(529,817)	28,806	-5%

Notes:

(1) Refer to "IFRS and Non-IFRS Measures" section in this MD&A

Adjusted EBITDA for the three months ended March 31, 2025, was comparable to the same period last year as lower gross profit, due primarily to lower volumes, was reduced by lower operating expenses adjusted for non-cash items when compared to the same period last year.

Internal control over financial reporting

There were no changes in the Company's internal control over financial reporting during the three months ended March 31, 2025 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Additional Information

Additional information relating to EcoSynthetix Inc., including continuous disclosure documents, are available on SEDAR at www.sedarplus.ca.

Common Share Trading Information

The Company's common shares trade on the Toronto Stock Exchange under the symbol "ECO". As at May 7, 2025 the Company had **58,433,917** common shares issued and outstanding. If all outstanding share options were exercised and assuming the settlement of outstanding RSU's and DSU's through common shares, there would be the equivalent of **62,078,976** common shares issued and outstanding on a fully diluted basis.

Outlook

The Company has key strategic commercial accounts or partners in its wood composites, pulp and personal care end markets. These players are global leaders in their respective industries. The Company has established strong relationships with each of these manufacturers through multiple years of development and commercial activity. Their scale and influence across their supply chains support industrial change away from conventional petroleum-based binders toward the healthier and safer bio-based binders offered by EcoSynthetix.

The Company's commercial strategy consists of 1) growing the usage of its biopolymers within the manufacturing lines and customers that it is already commercial with; 2) expanding across new lines and customers these global leaders operate or serve; and 3) winning new commercial accounts, both within the supply chain that serves the Company's key wood composites accounts and more broadly across each of its end markets. EcoSynthetix is focused on the following core priorities to drive sustainable growth and profitability.

- Continue to execute the Company's commercial strategy across target end markets – The Company's focused offering of sustainable biopolymers displaces conventional petroleum-based chemicals. The contributions from wood composites, pulp, tissue, paperboard, and personal care end markets are the primary drivers of growth. The legacy graphic paper end market, while no longer material to the growth

of the business, has demonstrated the ability to offer performance and cost savings at scale and has provided foundational relationships for the Company's biopolymers targeting the pulp, tissue and paperboard end markets.

- Drive growth in pulp, tissue and paperboard – Progress continues to be made within the pulp, tissue and paperboard end markets. The Company has secured its first commercial account for SurfLock in the pulp end market and is commercial on its first line with a large global pulp manufacturer that has run industrial scale trials across multiple lines. The performance and economic benefits of using SurfLock are material to both the manufacturer and EcoSynthetix. At the same time, the Company continues to see growth opportunities in the paperboard and tissue end markets, where it has established multiple commercial accounts by leveraging regional distribution partners. Trial activity and the opportunity pipeline for SurfLock continue to build. EcoSynthetix believes SurfLock will be a material growth driver in the coming years.
- Drive growth in wood composites markets – A top 15 global manufacturer of wood composite products that is backward integrated into a leading international retailer uses the DuraBind resin commercially at one of its manufacturing lines and is in late-stage commercial trials at a second. The international retailer has identified the use of bio-based glues as a key driver of its sustainability objectives. Opportunities to expand the usage of DuraBind exist at the retailer's other manufacturing lines and across the other supply chain partners it buys from, as well as other global wood composites manufacturers. EcoSynthetix believes DuraBind is well-positioned to capitalize on the carbon footprint and air quality benefits it delivers to rapidly grow its share of the \$15 billion annual wood composite binder market.
- Drive growth in personal care markets – Dow Chemicals ("Dow") has an exclusive agreement with EcoSynthetix to bring innovative bio-based, biodegradable and low-carbon solutions to the personal care industry based on the Company's Bioform biopolymer technology. The Dow engagement currently includes the all-natural Dow MaizeCare polymers portfolio. During the past year, Dow has expanded the portfolio from the original focus on hair fixatives to include new applications in skin care and colour cosmetics. These new applications significantly expand the addressable market for MaizeCare.
- Product Development – The Company's product development efforts focus on applications for DuraBind, EcoSphere, Surflock, and Bioform biopolymer products in market segments where their value proposition is strong, and on further improvements to the product lines to further enhance value and expand addressable opportunities. The Company is also pursuing new product categories in specific markets where strong commercial interest from recognized leaders exists and the development of our existing commercial products with alternative feedstocks beyond corn-based starch.