

ASX RELEASE

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Woolworths increases SECOS' Compostable Bags

SECOS Group Limited (SES: ASX) (Company) is pleased to provide the market with an update on commercialisation activities.

Highlights:

- Woolworths increases SECOS' certified compostable bin liners from initial 88 stores to 203 stores
- SECOS was selected by Woolworths to supply certified compostable 8L Kitchen Caddy Bag and 36L Bin Liners which retail under the MyEcoBag™ brand commencing July last year
- The initial rollout to 88 Eco Stores has performed above expectations resulting in SECOS being awarded an additional 115 stores within Woolworths' retail network
- The availability of SECOS' compostable bags via a broader network of Woolworths stores will give more households participating in approved council food organic waste programs the option to dispose of the bags and food waste in their green waste bin
- The acceptance by Woolworths together with a long list of government Councils requiring the use of SECOS' compostable bag range further validates the Company's reputation as a leader in sustainable and environmental products
- Volumes will be subject to instore sales growth, however current demand for compostable bags via retail chains is a significant and growing market as consumers adopt products that comply with circular economy principles
- SECOS anticipates further opportunities for growth in new markets for its branded MyEcoBag™ and MyEcoPet™ line of products and is working to garner market share in grocery and convenience stores in Australia, Latin America and in the US

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Key Achievements:

- SECOS Group is pleased to announce that it has been approved to supply additional Woolworths stores with its certified compostable products consisting of two certified compostable bin liners from 88 to 203 Woolworths Eco Stores.
- SECOS is an Australian based company with significant Intellectual Property around the formulation and production of compostable resin, film and bags. Our aim is to replace traditional single use plastic packaging and traditional plastic bags with our Certified Compostable products and bags to facilitate the diversion of household food waste to organic treatment stations. Food diversion programs or FOGO programs as they are called have been in place for many years and have been proven to save landfill costs by diverting food waste to Organic waste treatment stations.
- Many Australian Councils are in the process of issuing householders with Kitchen Caddies and Compostable Bin Liners that enable householders to divert food waste from the landfill via 'green bin' waste collection. Woolworths' selection of SECOS Group products will enable consumers to access these compostable caddy bags directly from Woolworths ECO Supermarket Stores.

Ian Stacey, SECOS CEO said: "This expansion, along with growth being experienced across various customer groups, is expected to continue strong revenue growth for SECOS into FY2022 and beyond".



"SECOS is pleased to broaden the store number with Woolworths and is pleased to see the hard work in launching new brands with Woolworths is yielding positive results. SECOS also will see its products move to a more prominent position with the Woolworths store shelf plan".

SECOS Group was one of the first companies in Australia to have its compostable biopolymer resin & film products certified as compostable in 2012. SECOS now has a range of certified Industrial Compostable and Home Compostable biopolymer resins. These resins can go into a wide range of film applications which are often in the form of a bag including Items such as Bin Liners, Kitchen Caddy Bags and Dog Waste Bags.

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SECOS sees its mission to replace single use plastics with compostable alternatives. Of the 80 million¹ tonnes of plastic produced each year for single use flexible packaging, 20 million tonnes of plastic are used to create between 0.5 to 1 trillion² single-use plastic bags each year. On average each bag is utilized for 12 minutes. Compostable alternatives made with Cardia's patented formulas and annually renewable resources make sense as they reduce the environmental pollution caused by the proliferation of plastic bags which can take decades to break down. And Cardia's bioplastic solutions are much more environmentally friendly than paper. It would take 150 million trees each year to produce paper bag alternatives as well as a 6x higher energy use to manufacture paper bags.

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¹ Ellen Macarther Foundation

² <https://conservingnow.com/plastic-bag-consumption-facts>

About SECOS Group Limited

SECOS Group Limited (ASX: SES) is a leading developer and manufacturer of sustainable packaging materials. Based in Melbourne, Australia, SECOS supplies its proprietary biodegradable resins, packaging products and high-quality cast films to a blue-chip global customer base. SECOS Group is integrated from resin production, into film (cast and blown) production and can develop bespoke compostable solutions for a range of applications.

SECOS holds a strong patent portfolio and the global trend toward sustainable packaging is fueling the Company's growth.

The Company's headquarters and Global Application Development Centre are based in Melbourne, Australia. SECOS has a Product Development Centre and manufacturing plant for resins and finished products in China and resins plant in Malaysia. The Company also has manufacturing plants for high quality cast films in Malaysia.

SECOS has sales offices in Australia, Malaysia, China, Mexico and USA, with a network of leading distributors across the Americas, Europe, Asia, the Middle East, Africa, and India.

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 SECOS' 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 SECOS 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. SECOS 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.