ASX RELEASE

30 November 2021

SECOS Group Chairman's AGM Address

Dear fellow Shareholders,

On behalf of the Board of SECOS Group Ltd (ASX: SES), I am pleased to present our Annual Report for the year ending 30 June 2021.

The success of SECOS during a year where the operating environment was hampered by ongoing disruption due to Covid-19 and global supply chain interruptions makes the results delivered by the Company's management even more impressive. Year on year, revenue grew by 43% to $30.2 million, NPAT was up 318% with the company posting a maiden profit of $2.59 million (included $2.0 million gain on recognition of deferred tax assets) and the Company's net assets grew 156% to over $29 million. These results, which our CEO, Ian Stacey will talk to in more detail shortly, were driven mainly by the strong increase in biopolymer sales which grew by over 126% year on year.

Delivering a strong set of numbers offers SECOS shareholders reason to celebrate however more importantly your Company can confidently claim that it has now established itself as a global player in the bioplastic market with sales to over 15 countries, four manufacturing plants across two countries, dedicated sales offices in Australia, China, Malaysia and the USA, and high performing distribution partners in South America and Europe. The combination of these key assets, our integration across the value chain, our product range and market reach enable the SECOS Group to continue to take advantage of the expanding and emerging bioplastic market.

Your Company's place in the bioplastic market has continued to evolve during this year with the successful expansion of SECOS' MyEco™ branded range into multiple retail chains in Australia and the USA. Launching a retail brand for fast moving consumer goods across the transatlantic is an achievement even some of the largest Australian conventional plastic bag retail brands have not been able to achieve.

SECOS is now established as a fully integrated manufacturer from the development and production of bio-resins to biofilms to finished biobased-products, sold to customers either under their own brand or sold directly under our MyEco™ brand.

SECOS has launched B2C e-commerce sales of its pet product range in the USA via the MyEcoPet.com domain. SECOS will also look to capture B2C sales through this site as well as expanding its product range beyond the pet market with both B2B and B2C sales of bin liners and other compostable products.

In Australia our retail activities have been focused on supplying Woolworths with MyEcoBag™ branded bin liners, and we are now working to expand that range as well as launching our MyEcoPet™ range of products here. Collectively, SECOS' global footprint, technology and capability sets a strong growth platform while also offering a compelling competitive advantage or moat around the business.

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The ongoing disruption of Covid-19 together with the lead time required to set up the Company's new Malaysian biopolymer plant indicates that most of the Company's growth is expected to flow through in the second half of this financial year with the first two quarters representing somewhat of a consolidation period off the back of significant growth in the prior year.

The focus of the SECOS board and management during this period has been to establish the next step change for further growth with investments made in new plant and equipment, marketing investment for its MyEco™ branded range, development of new products to market, the establishment of a global research and development centre and the expansion of key personnel to bolster the SECOS team as we take on the challenge of driving ongoing growth over the coming years.

Your Company is on track to benefit from these investments in the short to medium term and the bulk of extra capacity from the new Malaysian plant is expected to come online in December/January as planned.

Your board of directors remain very optimistic about the future of SECOS and have confidence that the key leadership team and management located around the world can continue to deliver growth and navigate the ongoing very difficult business conditions being experienced due to Covid-19.

I would like to congratulate the entire worldwide SECOS team. They have delivered excellent results under very difficult conditions and remain resolute in their ambition for continued growth of the business.

I would also like to thank each of the shareholders who have supported the company and shared in our vision to become the world leader in sustainable packaging. Our shareholder base has grown significantly over the last year with now over 4000 shareholders on the register.

We look forward to sharing our continued success and bringing each of our key stakeholders along with us for this remarkable journey to make the world we live in more sustainable.

Regards,

Richard Tegoni
Chairman
SECOS Group Ltd

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About SECOS Group Limited

SECOS Group Limited (ASX: SES) is a leading developer and manufacturer of sustainable packaging materials. SECOS supplies its proprietary biodegradable and compostable 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 and USA, with a network of leading distributors across North Americas, Mexico and Latin 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.

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