

ASX RELEASE

17 May 2021

SECOS NEW MALAYSIAN PLANT UPDATE

Highlights:

- SECOS completes installation of new biopolymer compounding line at its existing Malaysian facility which will double resin capacity.
- New bag and film assets are being installed at its new Malaysian facility with initial production trials expected within weeks.
- SECOS is on track to produce first commercial volumes from the new plant in September quarter 2021.
- Expansion set to increase SECOS compostable bag production capacity by half a billion bags by March quarter 2022, effectively doubling existing capacity.
- The Malaysian expansion coupled with the recent Chinese expansion has added sufficient capacity to supply additional sales of \$25 million per year to the Group.

Sustainable and eco-friendly bioplastics developer SECOS Group Limited (ASX: SES “the Company”) is pleased to provide an update on the progress of its manufacturing plant expansion (refer ASX announcement 18 March 21 “SECOS Launches New Biopolymer Plant in Malaysia”). Since signing the new lease in March 2021, the Company is pleased to report that the installation of new compounding, film and bagging lines is on track.

The plant fit-out has been completed in accordance with local and international manufacturing standards and the first shipment of new manufacturing assets has arrived. The installation of each new line is in progress and on track to produce initial qualifying orders over the coming weeks. First commercial orders are expected in volume during September quarter 2021.

Along with the installation of new film and bag lines, SECOS has successfully installed a new compounder at its existing biopolymer resin plant to support increased production of finished products and to meet demand of resin sales globally.

Collectively, both plants will provide capacity to produce extra circa half a billion compostable bags a year and the combined expansion of the China and Malaysian facilities will allow SECOS to increase certified compostable product sales to new and existing customers by over \$25 million per annum.

SECOS CEO, Ian Stacey, said: “We are extremely pleased with the progress of our Malaysian plant and capacity expansion which comes at the perfect time to meet the growing sales demand for our resins and finished products globally”.

SECOS Group Limited (ASX: SES)

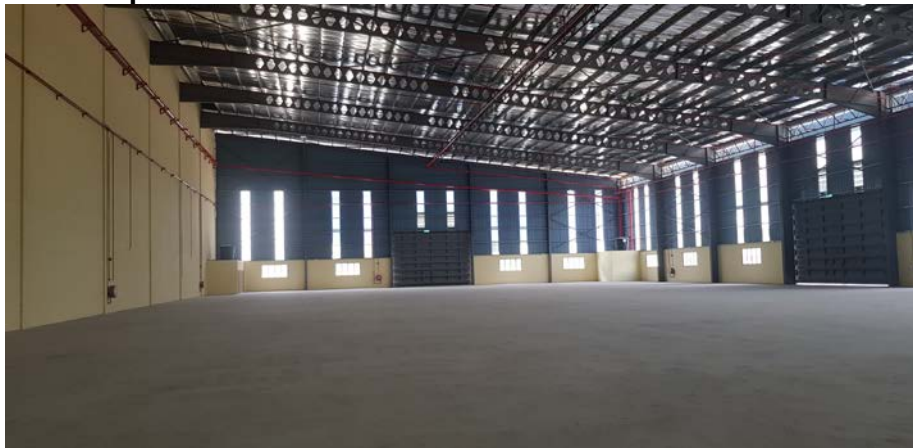
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Some photos of the new lines being installed in SECOS' new Malaysian plant:

SECOS' new compounder full installed and producing resin:



4200 m2 plant before machines installation:



Extruders being installed:



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This ASX release has been approved for release to ASX by the Board of Directors of SECOS.

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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.

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