



CHANGING THE WORLD OF PACKAGING



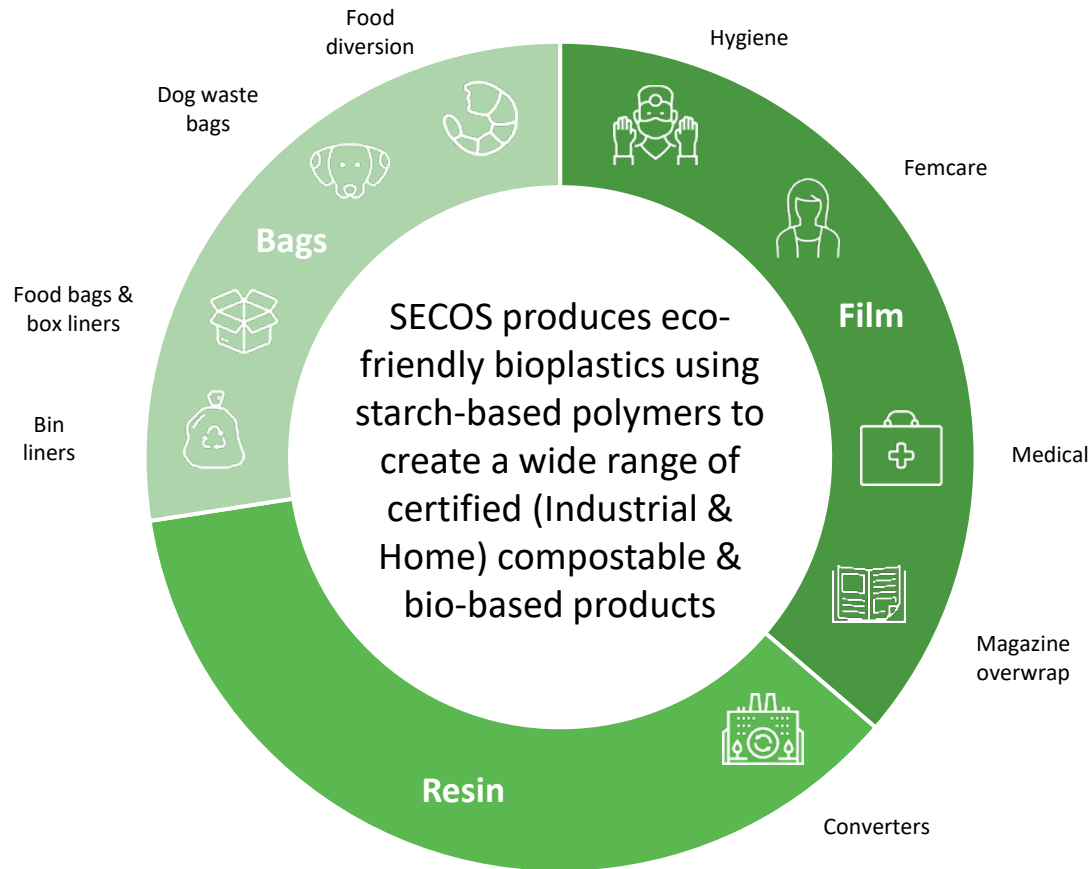
Investor Presentation
May 2021

ASX:SES

SECOS COMPANY PROFILE

SECOS Group Limited (ASX: SES) is a leading developer and manufacturer of sustainable packaging materials

Sales split by product type, 1H FY21



- 129% increase in bioproduct sales in 1HFY21 vs PCP
- Bio-based sales as a % of total sales increased to 73% in 1H FY21 vs 39% PCP



- Maiden half-year profit at \$66k (Dec Qtr \$210K) vs \$1.1m net loss PCP
- Gross margin 18.2% in H1 FY21 up from 14.2% PCP



- First phase expansion of China plant completed (adds \$3m in sales capacity)
- Launching a new biopolymer plant in Malaysia (expected to add \$25m)



- Global sales to 20 countries
- Protected by strong patents and technical knowhow
- Established distribution channels

THE PLASTIC PROBLEM

Increasing volume of plastics produced, consumed and wasted detrimental to health and humanity



3.5m tonnes

Plastics used
by Australians in
2018-19



1m tonnes

Annual single-use
plastic use by
Australians



70B pieces

Annual use of soft food
wrappers by Australians



113,000

Estimated number of
pieces of microplastic
that are digested by a
human annually



2X

Expected increase use
of plastic globally by
2040



\$419m

Economic value lost by
not recovering PET
and HDPE



130,000 tonnes

Plastics reaching the
marine environment in
Australia annually



84%

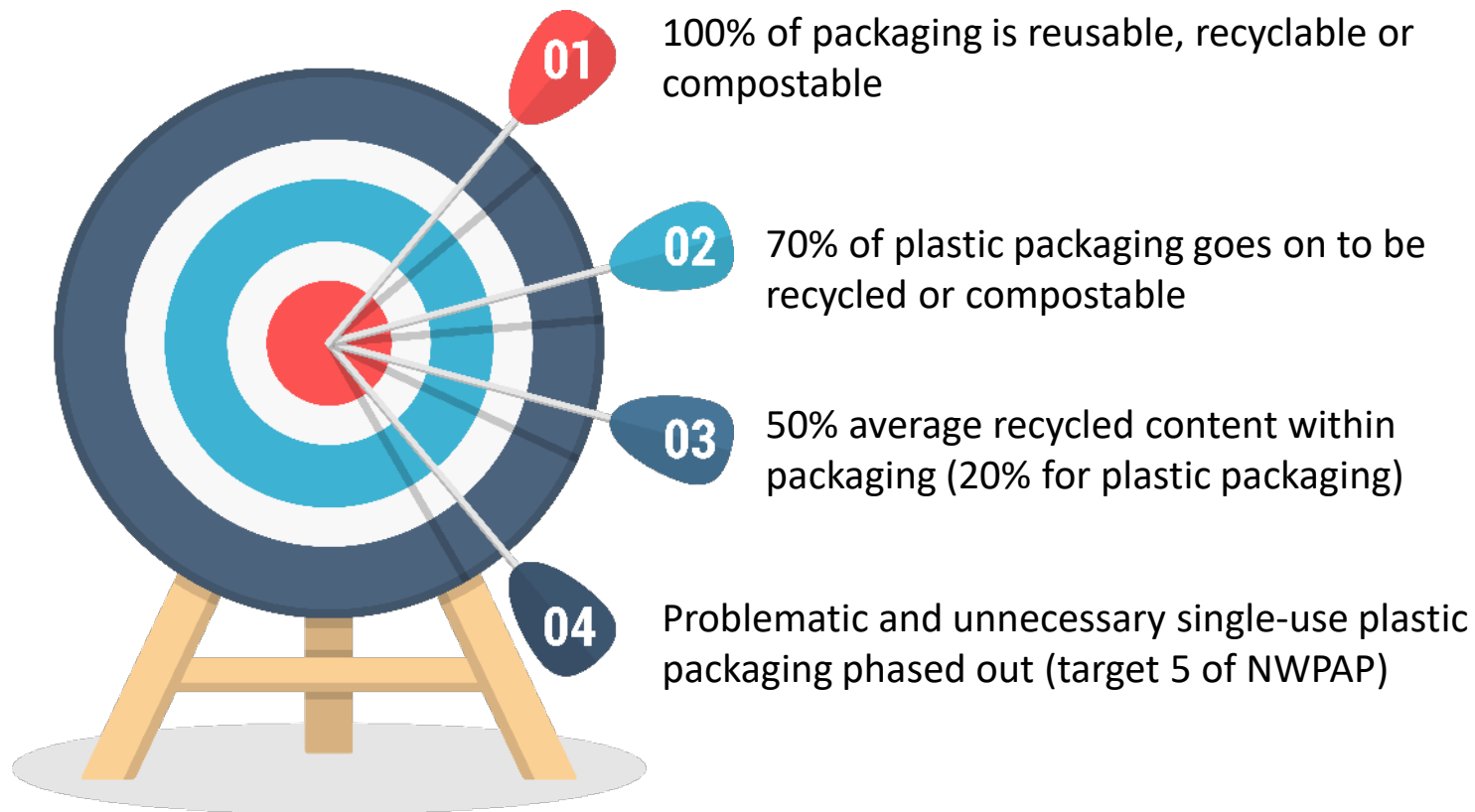
Plastic used in sent
to landfill

Source: Australian National Plastics Plan 2021

SECOS ROLE IN THE SOLUTION

SECOS positioned to assist in delivering outcomes aligned to the National Plastics Plan 2021

National Packaging Targets for industry:



Source: Australian National Plastics Plan 2021

Compostable plastics play a key role in each of the National Packaging Targets for industry and SECOS is well positioned to meet the growing demand in this space

SECOS INTEGRATED BUSINESS MODEL

Provides cost and supply chain efficiencies, and flexibility in best utilising production capacity

Fully vertically integrated production capacity from raw materials to finished product

Cardia Biopolymer Resin

Cardia Biopolymer Film

Film converted to bags

Direct sales under MyEcoBag brand



B2B

Sold to converters



B2B

Sold to converters such as Hygiene & Femcare manufacturers

B2B

Sold to directly to retailers under Cardia or retail brands

B2B & B2C

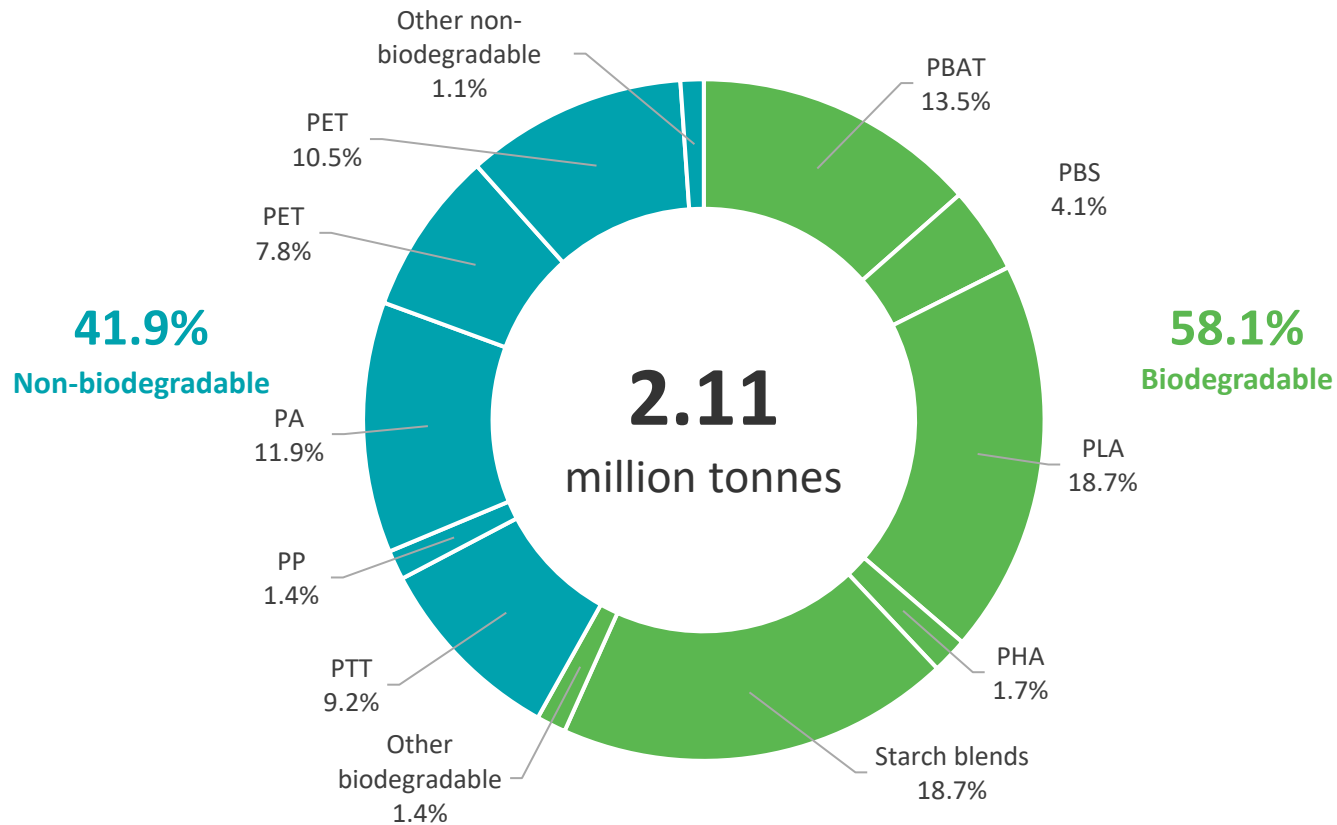
Sold directly to retailers and direct under MyEcoBag™ or MyEcoWorld™

At each stage SECOS can sell globally to converters or use internally to create & sell end product, either resin film or bags

SECOS HAS PROVEN EXPERTISE

SECOS is an integrated developer of bioplastics technology

Global production capacities of bioplastics by material type (2020)



Source: European Bioplastics, nova-Institute (2020)

- There are multiple biopolymer precursors and each offer unique benefits and application properties.
- SECOS has expertise in developing and compounding resin grades best suited to commercial applications with a strong track record and sales success so far.
- Ongoing investment in R&D will ensure SECOS can continue its success in bringing new resin grades to market for commercial use across a growing range of new applications and products
- SECOS' vertical integration from compounding to retail sales offers a unique competitive advantage due to the ongoing demand for new compostable products and changing regulations

SECOS' MARKET FOCUS - 70% OF PLASTICS ARE FLEXIBLE OR FILMS

More countries and governments are embracing compostable technologies



Food and organic diversion

Local government rolling out food and garden organic waste diversion programs (FOGO) that use Cardia™ compostable bags to allow households to separate their food waste



Food packaging

Compostable food packaging provides a safe alternative to traditional plastics known for causing Microbeads and plastic leaching



Retail

Consumer demanding environmentally friendly products driving sales in retail outlets for a range of compostable bags and packaging products e.g. retail bags, courier bags



Hygiene and Femcare

Nappy and femcare brands moving to manufacture fully compostable nappies, pads and other hygiene products.



Pet market

Pet waste driving boom in compostable pet bags worldwide



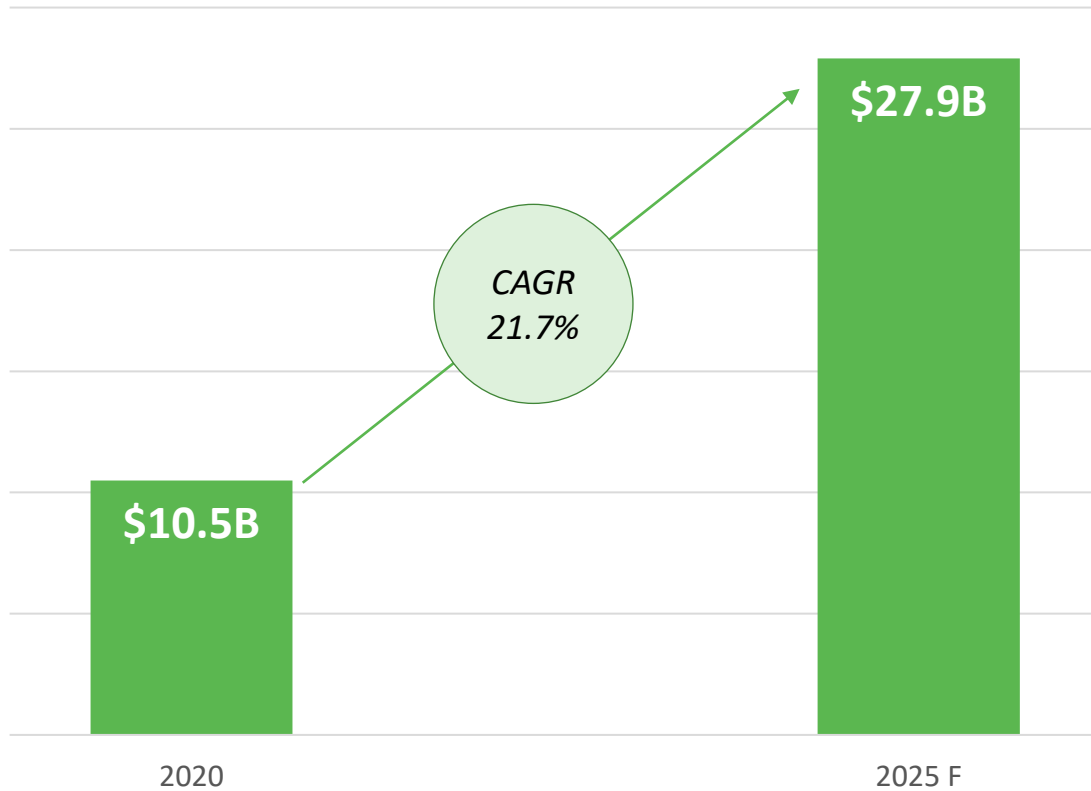
Agriculture

Compostable agricultural film offers an environmentally superior and safer alternative to using traditional plastics when growing crops

THE OPPORTUNITY

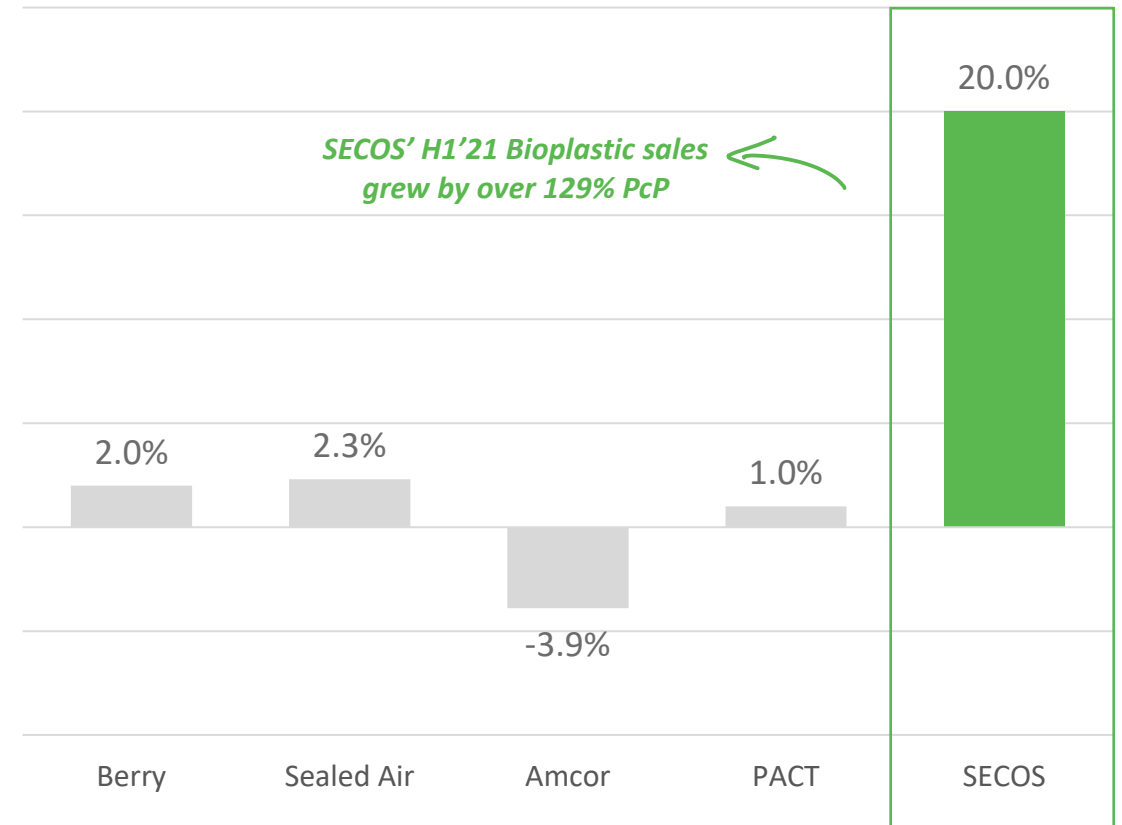
Compostable production capacity is anticipated to grow at 31% p.a. from 2020 to 2023 (10x of conventional plastics growth)

Anticipated growth in the Bioplastics and Biopolymers market (US\$)



Source: Markets and Markets, Bioplastics & Biopolymers Market

% growth from 2019 to 2020 between conventional flexible plastic production companies and SECOS Biopolymers



Source: Company reports

GROWTH STRATEGY

Strategic approach to creating value

The recent Malaysian investment bringing capacity available to deliver up to \$60m in sales when fully utilised



1. Production capacity



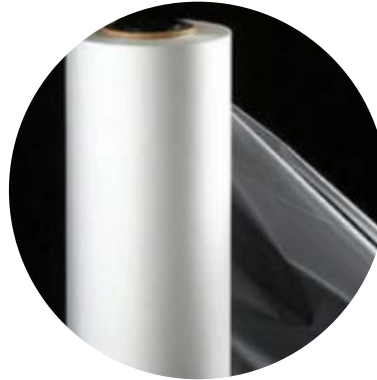
Invest in capacity to support \$100m in sales over next three to four years

2. New product development



Invest in state of the art R&D capability to extend commercialisation of new products and applications

3. Focus on core product categories



Continue sales of resin, films and bags for sales growth

4. Branding and distribution

finally, the garbage bag that isn't garbage



Develop a strong global retail brand and distribution network for compostable products – MyEcoWorld

5. Expand global footprint



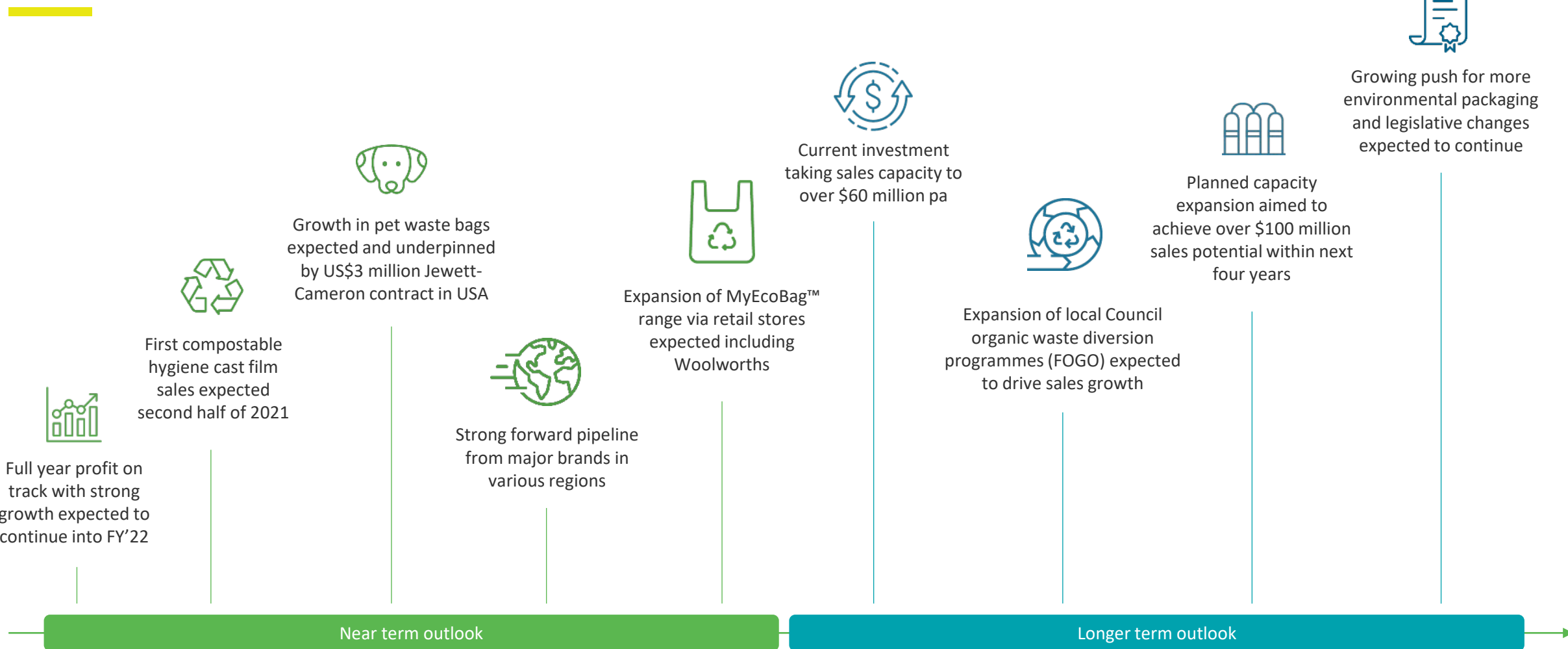
To service world markets and achieve strong operational redundancies

KEY STRENGTHS & HIGHLIGHTS



OUTLOOK

SECOS at a tipping point for future growth with significant number of upcoming events



DIVERSE GLOBAL CLIENT BASE

Over 358 Clients across 20 countries across government, industrial and consumer verticals



CORPORATE OVERVIEW

ASX Code: SES

Share Price (24 May 2021)	\$0.24
Market capitalisation @ 24 cents	\$125m
Shares on issue (listed)	535m
Cash on hand (30 April 2021)	\$12.3m



Open	0.24	Mkt cap	125.49M	Prev close	0.24
High	0.24	P/E ratio	-	52-wk high	0.35
Low	0.24	Div yield	-	52-wk low	0.052

Substantial Shareholders

R&K Edwards Investments LLC	10.7%
Belgravia Strategic Equities	9.6%
Donald Haller Jr	8.5%
Top 20	60.8%
Total Board and management shareholdings*	20.2%

*Includes indirect holdings

Board & Executive Members

Richard Tegoni	Executive Chairman
Ian Stacey	Chief Executive Officer
Donald Haller Jr	Non-Executive Director
David Wake	Non-Executive Director
Jim Walsh	Non-Executive Director
Stephen Walters	Executive Director
Edmond Tern	Chief Financial Officer, Company Secretary

FORWARD-LOOKING STATEMENTS DISCLAIMER



This presentation contains “forward-looking statements.” Such forward-looking statements may include, without limitation:

- estimates of future earnings;
- estimates of future production and sales;
- estimates of future cash costs;
- estimates of future cash flows;
- statements regarding future debt repayments; and
- estimates of future capital expenditures.

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.

All financial amounts are expressed in Australian dollars unless otherwise indicated. The Company trades globally using over four different currencies which may materially impact the consolidation of the group’s accounts and may impact the outcome of future events or results expressed or implied in this presentation.

