
SECOS GROUP LIMITED

Canaccord Sustainability Conference

APRIL 2023

ASX: SES

A large graphic on the right side of the slide features a green leafy branch in the foreground, partially overlapping a stylized green globe in the background. The globe shows the outlines of continents.

CHANGING THE WORLD OF PACKAGING

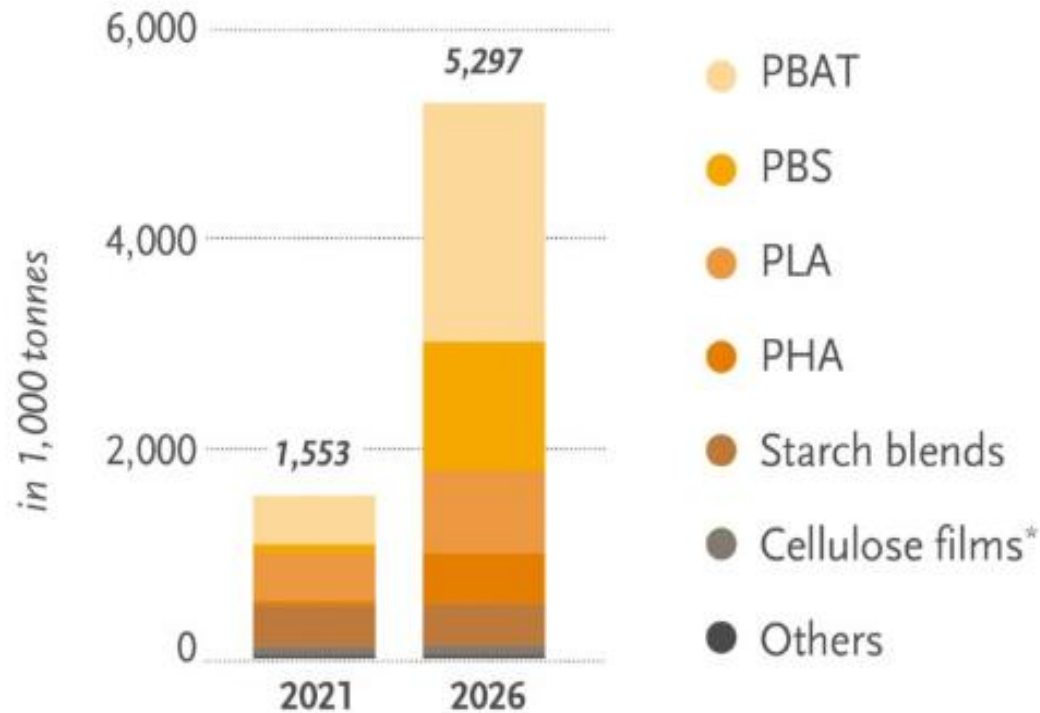
THE PLASTIC PROBLEM

- Since 1950, 8.3 billion tonnes of conventional plastic has been produced, 9% recycled, 12% incinerated, 79% landfill or to the environment.
- By 2050 if we do nothing, we have more plastic in the sea than fish, 8 million tonnes entering the ocean every year!
- By 2050 if we do nothing, conventional plastic output will grow to 600-800 million tonnes annually
- Conventional plastic producers already have \$3 trillion in sunk cost invested in conventional plastic production assets



BIOPLASTICS – ADDRESSABLE MARKET GROWING

Biodegradable bioplastics 2021 vs. 2026



- Global Bioplastics and Biopolymers Market Size Estimated to Reach a Value USD 63.09 Billion by 2030, at a 22.8% CAGR
- There is a compostable bioplastic alternative for almost all conventional plastic material.
- Often biopolymer products will be a blend of different bio-based precursors in order adjust mechanical properties & renewable content
- Compostable bioplastics can be captured in Organic waste streams (FOGO) - the organic capture and recycle capacity is more developed and larger than plastic recycle infrastructure – **Composting Works**
- Governments and taxpayers are paying for the disposal costs of conventional plastic, but this is expected to change.

STRONG BIOPLASTIC TAILWINDS POST-COVID

- BIDEN ADMINISTRATION ANNOUNCES 90% OF PLASTIC MUST BE MADE FROM BIOMATERIALS
- COUNCILS RECOMMENCE RAMP UP OF FOGO PROGRAMS DURING H2 FY23 WITH INCREASED TENDERS
- SECOS ANNOUNCES A 95% POST CONSUMER WASTE (PCR) RECYCLED SOFT PLASTIC BAG RANGE
- SECTOR RECOVERING FROM SUPPLY CHAIN SQUEEZE & INFLATION
 - Over-supply of inventory globally is normalising
 - Margins recovering as over-priced stock overhang reduces and freight costs normalise
 - Sales revenue picking up as excess inventory unwinds
 - Councils recommencing rollout of FOGO programs
- RECYCLING TRADITIONAL PLASTIC THEME BECAME MORE PROMINENT
 - Industry roundtables with government over-represented by plastic incumbents
 - Large political donations by traditional plastic incumbents called out
 - Large government grants given back to traditional plastic incumbents for investment in recycling
 - EPA NSW announces banning of PFAS used in some hard bioplastics damaging industry reputation
 - Greenwashed claims with some recycled products containing less than 30% recycled content
 - Most recycled products in market using waste from virgin plastic instead of post consumer waste
- FAILURE OF REDCYCLE PROGRAM
 - RedCycle program stockpiled tons of soft plastics that could not be recycled
 - Program failure led to refocus on alternative sustainability options such as bioplastics



SECOS STRATEGIC POSITIONING

SECOS has established a global business with a unique set of strategic advantages

- **RESIN COMPOUNDER**
 - therefore not wedded to any one precursor
- **FULLY INTEGRATED**
 - from resin – soft films – finished products – own brand, MyEco® or white label, Lucky Dog® and Login®
- **MULTI-ASIAN MANUFACTURING**
 - 4 plants across Malaysia and China
 - access to raw materials
 - global distribution access points
 - low cost/high quality production
- **EXCLUSIVE AND PROVEN STRATEGIC DISTRIBUTION PARTNERS**
 - JCC, ISOI, SM RESINAS, HIPPLE provides global market reach to over 25 countries
- **PROVEN SUCCESS ON OUR HOME TURF**
 - MyEcoBag® represents over 35% of Woolworth's compostable bin liner & kitchen caddy segment⁽¹⁾
 - MyEcoBag® represents over 25% of Coles' compostable bin liner & kitchen caddy segment⁽²⁾
 - In approximately 25% of all Councils within Australia that have switched to FOGO
- **R&D DRIVEN**
 - offers customers solution based relationships in an emerging market – “ Can SECOS make my packaging sustainable? ”



¹ Quantum Scan Data between 17/3/22 to 16/3/23

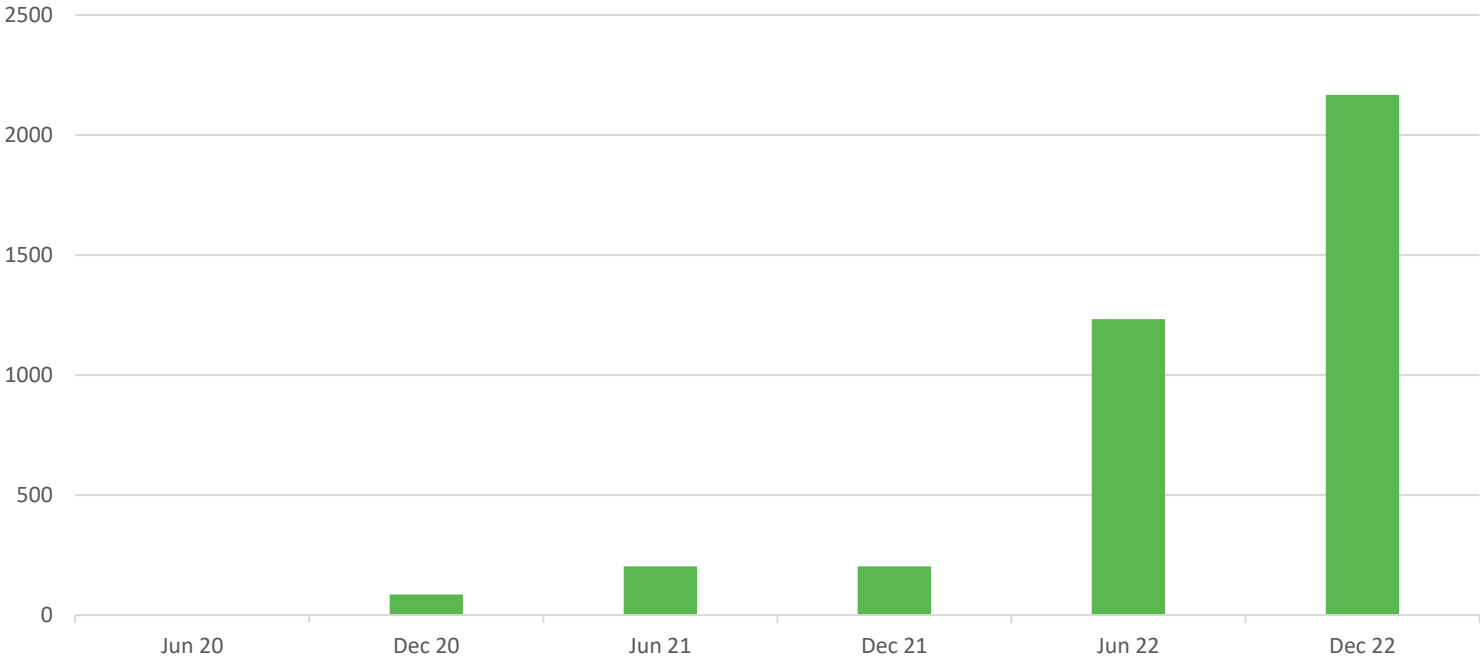
² IRI Scan Data between 23/11/22 to 14/3/23

MYECO® HIGHLIGHTS

- Over **100% growth** in MyEco® Branded products in H1 FY23 vs PCP driven by consumer demand for sustainable products
- SECOS to expand the highly successful MyEco® product range with a new product launch expected during H2 FY23



Growth in Retail Store Numbers



EXCLUSIVE SALES AGREEMENT WITH JCC

my eco
WORLD
PUT THE PLANET FIRST



- For the supply of **MyEcoWorld**[®] product range and other converted compostable products in USA and Canada
- Jewett Cameron Trading Company (JCC) will launch MyEcoWorld[®] branded range to **major US retailers**
- NASDAQ listed, JCC are the exclusive distributor of MyEcoWorld[®] products in the USA
- Commencing 31 March 2023, sales target of **US\$2.8m (AU\$4.0m)** in 12 months to maintain exclusivity with increase in subsequent years – **first container ordered**
- In addition to the supply of MyEcoWorld[®], JCC will continue sales of **Lucky Dog**[®] branded pet waste bags manufactured by SECOS' white label division

MYECO® 95% POST CONSUMER RECYCLE WASTE

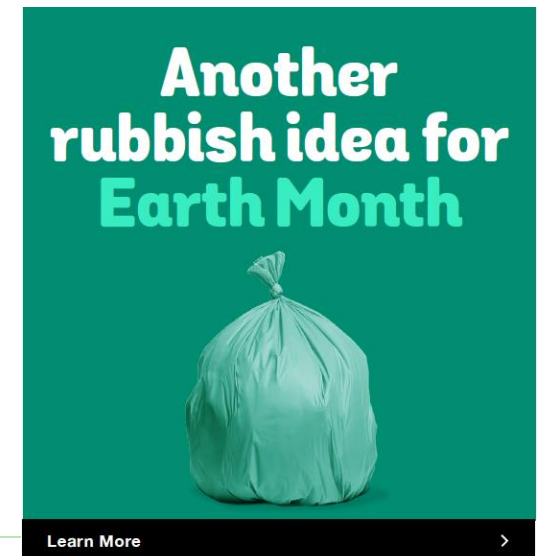
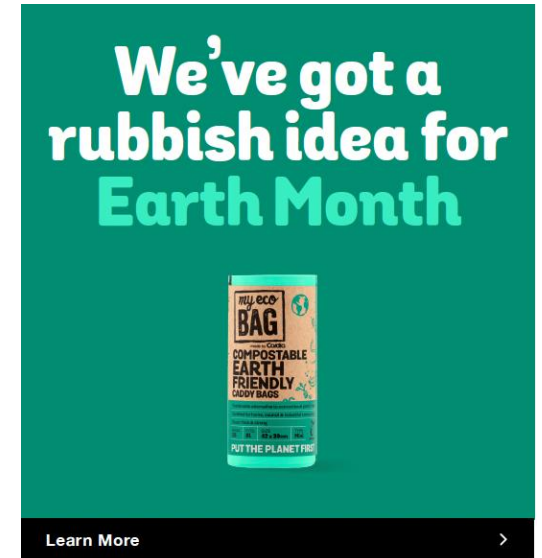
- SECOS has developed a unique solution for the global problem of **recycling soft plastic waste**
- MyEco® bin liners are manufactured from **95% recycled** post-consumer soft plastic waste
- Is certified to meet Global Recycled Standards (GRS)
- Will be supported by a national marketing campaign along with SECOS' other MyEco® compostable bag products
- The new certified recycle range will come in multiple bag sizes and will be marketed by SECOS in Australia and in the USA via SECOS' exclusive distributor, Jewett Cameron Trading Company ("JCC")



MYECO® NATIONAL MARKETING CAMPAIGN

“WE’VE GOT A RUBBISH IDEA...”

- Everyone seems to have a great idea about how to solve the world’s waste problem but at SECOS, *we have a rubbish idea*
- *SECOS’ MyEco® product range achieves over 30% market share in the compostable category with little or no marketing spend to date*
- Marketing and Ad campaign launched in April in line with Earth Month
- Campaign will be targeted and utilize social media and *low-cost ad spend* to
 - drive sales in key retailers such as Woolworths and Coles
 - build MyEco® as a household brand name in sustainability
 - drive further store expansion
 - educate market about compostable plastics
 - support local council waste diversion programs - FOGO
- Offer key learnings to launch into new markets



GLOBAL MARKETS DRIVING SALES GROWTH

| Market | Product | | Sales Channel | Branding | Status |
|--------------------|-------------------|--------------|---|------------------|----------------------|
| Australia | Bags - Retail | Compostable | Direct Major Retailers (Coles/Woolworths) | MyEcoBag® | In Market/Growing |
| | Council FOGO Bags | Compostable | Direct to Council | Cardia® | In Market/Growing |
| | Pet Waste Bags | Compostable | White Label (EzyDog) & Councils | Login® /MyEcoPet | In Market/Growing |
| | Commercial Range | Compostable | Ecommerce | MyEco® | In Market/Developing |
| | Courier Bags | Compostable | Direct | MyEco® | Soon to launch |
| | Pallet Wrap | Compostable | Direct to Customer | Cardia® | In Development |
| | Bin Liners | 95% Recycled | Major Retailers and DTC | MyEcoBag® | Soon to launch |
| USA | Pet Waste Bags | Compostable | White Label (JCC) | Lucky Dog® | In Market/Growing |
| | Pet Waste Bags | Compostable | Direct via Distributor (JCC) | MyEcoPet | In Market/Growing |
| | Bin Liners | Compostable | Direct via Distributor (JCC) | MyEcoWorld | Soon to launch |
| | Bin Liners | 95% Recycled | Direct via Distributor (JCC) | MyEcoWorld® | Soon to launch |
| | Resin | Compostable | Direct to Converter | Cardia® | In Market/Developing |
| | Pallet Wrap | Compostable | Direct via Distributor (JCC) | Cardia® | In Development |
| LATAM | Resin | Compostable | Exclusive Distributor (ISOI) & Sub-Agent across several countries | Cardia Resin® | In Market/Growing |
| | Films | Compostable | Direct to Customer | White Label | In Market/Developing |
| | Pallet Wrap | Compostable | Direct to Customer | Cardia® | In Development |
| Malaysia | Bags | Compostable | White Label | White Label | Soon to launch |
| | Resin/Films | Compostable | Direct to Converter | Cardia Resin® | In Market/Growing |
| | Pallet Wrap | Compostable | Direct to Customer | Cardia® | In Development |
| China | Bags | Compostable | White Label | White Label | In Market/Developing |
| | Resin/Films | Compostable | Direct to Converter | Cardia Film® | In Market/Developing |
| | Pallet Wrap | Compostable | Direct to Customer | Cardia® | In Development |
| Middle East | Resin/Films | Compostable | Direct to Converter | Cardia Resin® | In Market/Developing |
| | Pet Waste Bags | Compostable | Direct to Retailers | White label | Soon to launch |
| | Pallet Wrap | Compostable | Direct to Customer | Cardia® | In Development |
| Europe | Resin/Films | Compostable | Direct to Converter | Cardia Resin® | In Market/Developing |
| | Bags | Compostable | Direct to Retailers | MyEco® | Soon to launch |
| | Pallet Wrap | Compostable | Direct to Customer | Cardia® | In Development |

OUTLOOK

Improving outlook driven by growth initiatives and normalisation of supply chain disruptions

SALES OUTLOOK IS STRENGTHENING

- Commencement of exclusive sales agreement with **JCC** to supply MyEcoWorld in USA and Canada
- Continuing **retail momentum** with adoption of MyEco branded products in over **2000 stores**
- **Council and waste business** continues to increase as FOGO waste programs expand in new markets around the world
- Beginning to supply **new markets** including: Middle East, Europe
- Increasing sales with **domestic and international partner brands**
- **New product developments** to drive sales e.g.- compostable pallet wrap and new MyEco[®] product expansion

MARGINS ARE IMPROVING

- Improving from **normalisation** of raw material and freight costs and **scale-led efficiencies**

CONSUMER MARKETING FOCUS

- Key marketing campaign planned for Q4 FY23 to support further growth

R & D ACTIVITIES

- Ongoing development of new resin formulations & film applications (including food applications) to expand products and markets

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.

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