

ASX RELEASE

14 November 2024

SECOS Group Chairman's AGM Address

Dear fellow Shareholders,

On behalf of the Board of SECOS Group Ltd (ASX: SES), I am pleased to welcome you all here to our 2024 Annual General Meeting.

Our mission is to help solve the conventional plastic problem with a safe and independently certified compostable alternative that leaves behind no microplastics or toxic waste. Political and environmental momentum is building as the false claims about genuine certified compostable products gives way to the reality that recycling conventional plastics will not solve but a fraction of its associated waste problem. Equally, uncertified and unregulated paper alternatives are simply unfit for purpose unless they are lined with waterproofing materials and reinforced with potentially dangerous glues to secure their base and carrying capacity. Overall, the facts and science remain strongly in favour of our compostable alternatives.

Until recently, your company hasn't held a seat at the policy setting table which is overwhelmingly stacked with plastic and paper company representatives vying to protect their share in the trillion-dollar market of plastic and packaging. Having the technology to address the plastic problem hasn't been enough, so this year we focused on addressing that imbalance and with great success.

SECOS played an active leadership role that has challenged the false claims published by the Victorian Government relating to the use of certified compostable bin liners in Food, Organic, and Garden Organic ("FOGO") waste collection programs. The claims went as far as suggesting compostable bin liners should be banned in Victoria, which is inconsistent with the overwhelming evidence that supports the use of compostable bin liners. Our public relations and social media campaign achieved excellent reach and was embraced by many media outlets, local governments, and political parties who supported and understood the benefits of the use of compostable bin liners. Becoming a thought leader in this space has led to strong engagement with both policy makers and industry and despite the initial fear of losing business, we have been more engaged with brands, retailers, and customers than ever before. Although the shifting legislative framework for compostable materials and environmental policy remains an ongoing risk (and potential benefit), we believe that we have made significant progress in educating the market on the benefits of compostable plastics with interest in our products growing globally.

Further to this goal, SECOS was selected as one of the lead partners in the Federal Government's Collaborate Research Centre ("CRC") for Solving Plastic Waste. SECOS's contribution of \$0.6m cash and \$0.3m of in-kind activity to the CRC over three years unlocks an additional \$1.6m of cash and in-kind contribution in funding out of the \$140.6m allocated to the CRC. The relevant CRC projects for SECOS are aimed at developing compostable barrier film for food packaging and with a social license project aimed to educate the community and policy makers on the importance of compostable plastics as one solution to solving plastic waste.

Our most recent quarter produced record results for our MyEco® branded global sales which were up 62.8% from the prior comparative period and up 20% from the prior quarter. MyEco® branded products are central to the Company's growth strategy and we are now pleased to recommend the change of our Company's name from SECOS Group Ltd to MyEco Group Ltd to underpin our push to become a major player in sustainable products and packaging.

SECOS Group Limited (ASX: SES)

ABN 89 064 755 237

Unit 1, 247 Ferntree Gully Road, Mount Waverley, VIC 3149 Australia

T: +613 8566 6800 E: info@secosgroup.com.au E: www.secosgroup.com.au

Investment in establishing a research and development centre has led to a strong pipeline of product development projects, a number of which we hope to take to market over the coming year under the company's successful MyEco® brand banner. The company's product development pipeline includes MyEco® Pallet Wrap, MyEco® Netting, MyEco® Produce Bags, MyEco® Matting (for erosion control), MyEco® Gloves, MyEco® Mailers together with a range of new and improved compostable resin grades and other projects that are currently under confidential development with prospective customers. In addition to the new MyEco® products, the launch of the new MyEco® Post Consumer Recycled (PCR) products is starting to generate interest in the domestic and export markets, including the USA. The new product ranges have been developed to the highest standards, suitable to carry our highly regarded MyEco® brand name and are expected to open new markets and contribute to the business's sales revenues within the next twelve months and beyond.

MyEcoBag® products achieved 33% growth in FY24 compared to FY23 which are sold in over 2,400 Australian stores and is the category leader in compostable bin liner and kitchen caddy sales in both Coles and Woolworths. More recently SECOS began supplying carry-bags to 76 stores in the independent grocery chain, Ritchies with demand for our new compostable carry-bags showing early signs that this product range has strong growth potential in retail stores nationally.

SECOS and Jewett Cameron Corporation (JCC) agreed to renew our existing exclusive sales agreement and both companies believe this positions us well for sales growth. We look forward to working with JCC to introduce MyEcoWorld® to the increasing consumer demand for sustainable alternatives to conventional plastics in the USA and Canada. In just over twenty months, they have added new wholesale distributors, successfully begun selling MyEcoWorld™ products on Amazon.com and Costco.com, have recently made our first sales of MyEcoWorld™ branded products into Costco. Additionally, they are in the process of having our MyEcoWorld™ product ranged more broadly into major retail stores throughout the USA.

On a continuing operations basis, while FY24 sales of \$14.4 million were disappointing, down 8% on FY23, our sales pipeline is strong, and it was pleasing to see that our gross margin of 21.5% compared favorably with 16.5% in FY23. The loss before tax of \$8.4 million includes non-cash impairment of intangibles of \$3.6 million. On another positive note, working capital reduced by \$1.7 million compared to FY23, mainly driven by the divestment of our traditional plastic business in December 2023. The Company continues to operate with no debt and finished with a cash balance of \$5.2 million as of 30 September 2024.

On behalf of the board, I would like to thank everyone on the SECOS team for their hard work and I welcome the new customers that have made the choice to support a better future for our world. I would also like to thank each of the almost 3,500 shareholders who have supported the company and shared our vision to become a major player in sustainable packaging. The board fully understands the frustration many shareholders feel at the rate of progress over the past couple of years, but I want to reiterate that the level of interest in the company's MyEco® products and technology has never been greater, and the order book is growing. We remain optimistic about the company's future.

We look forward to sharing our future success and bringing each of our key stakeholders along with us on this remarkable journey to make the world more sustainable.

Regards,
James (Jim) Walsh
Chairman
SECOS Group Ltd

SECOS Group Limited (ASX: SES)

ABN 89 064 755 237

Unit 1, 247 Ferntree Gully Road, Mount Waverley, VIC 3149 Australia

T: +613 8566 6800 E: info@secosgroup.com.au E: www.secosgroup.com.au

For more information, please contact:

Richard Tegoni

Chief Executive Officer and Executive Director

+61 411 110 901

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 films to a blue-chip global customer base. SECOS Group is integrated from resin production, into film 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 fuelling 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 a resins plant in Malaysia.

SECOS has sales offices in Australia, Malaysia, China Mexico and the USA, with a network of reputable distributors across the Americas, Europe and Asia.

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.

SECOS Group Limited (ASX: SES)

ABN 89 064 755 237

Unit 1, 247 Ferntree Gully Road, Mount Waverley, VIC 3149 Australia

T: +613 8566 6800 E: info@secosgroup.com.au E: www.secosgroup.com.au