

ASX AND MEDIA RELEASE

26 October 2018

Dear Shareholder,

SECOS completes Placement to Sophisticated and Institutional Investors

SECOS Group Limited (ASX: SES) (**Company**) is pleased to announce that it has completed the private placement announced to the market on Monday, 23 October 2018, in so far as it relates to sophisticated and institutional investors who are not related parties of the Company (**Placement**). From these investors, the Company has raised approximately \$941,135 by way of the issue of 15,179,600 shares at an issue price of \$0.062 per share (**Placement Shares**). The Placement Shares were issued without shareholder approval pursuant to the Company's placement capacity under Listing Rule 7.1 and Listing Rule 7.1A as follows:

- (a) 4,975,879 shares were issued within the Company's placement capacity under Listing Rule 7.1; and
- (b) 10,203,721 shares were issued within the Company's placement capacity under Listing Rule 7.1A.

The Company has also received commitments in relation to a further proposed private placement of approximately 4,516,130 shares to directors of the Company on the same terms as the Placement Shares (**Director Placement**), subject to the approval of shareholders at the Company's Annual General Meeting to be held on 30 November 2018, with the relevant notice of meeting to be dispatched to shareholders on 26 October 2018. The Director Placement, if approved, will raise a further \$280,000.

Information required under Listing Rule 3.10.5A

As outlined above, 10,203,718 of the Placement Shares were issued pursuant to the Company's 10% placement capacity under Listing Rule 7.1A (**LR7.1A Shares**).

As required under Listing Rule 3.10.5A, the Company provides the following information:

- (a) The dilutive effect of the LR7.1A Shares on the Company's existing shareholders is as follows:

Number of shares on issue prior to Placement	238,300,903
Shares issued under Listing Rule 7.1A	10,203,721
Dilution as a result of the issue of the LR7.1A Shares	4.28%

- (b) The issue price of the Placement Shares, which includes the LR7.1A Shares, represents a 7% discount to the volume weighted average price in the prior 15 trading days of \$0.066.

SECOS Group Limited (ASX: SES)

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- (c) The Placement was undertaken as part of a more extensive capital raising by the Company that includes the Director Placement and a pro-rata non-renounceable rights issue announced to the market on 23 October 2018 (**Rights Issue**). The Placement, and issue of the LR7.1A Shares, was the most efficient and expedient method of raising funds required to achieve the Company's objectives.
- (d) The Placement was led by Patersons Securities Limited who charged a fee of 6% of the amount raised under the Placement.
- (e) There was no underwriting agreement in relation to the Placement.

Further details regarding the issue of the LR7.1A Shares are contained in the Appendix 3B lodged by the Company in respect of the Placement on 23 October 2018.

Edmond Tern
Company Secretary

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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 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 Nanjing, China, with manufacturing plants for high quality cast films in Melbourne and Kuala Lumpur, Malaysia. SECOS' annual production capacity is 8,000 tonnes of bioplastic resins, 18,000 tonnes of cast film and 2,000 tonnes of blown film and finished products.

SECOS has sales offices in Australia, Malaysia, China and the US, with a network of leading distributors across the Americas, Europe, Asia, the Middle East, Africa and India.