

ASX RELEASE

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Update on Stellar Films Australian plant closure

Sustainable and eco-friendly bioplastics developer SECOS Group Limited (ASX: SES, “SECOS” or “the Company”) wishes to provide an update on the Company’s decision to cease its Australian film manufacturing operations announced on 19 November 2018. Since the decision to cease film manufacturing operations in Australia the Company has explored options to sell its Australian subsidiary, Stellar Films Group Pty Ltd (“Stellar Australia” or “SFA”) and/or its assets as recommended in the independent strategic review (“Strategic Review”) conducted by Promentor and announced on 10 October 2018.

At this stage a buyer for Stellar Australia or its assets have not been identified. The Board of SECOS have therefore resolved that in the best interests of the Company’s shareholders that Messers Jason G. Stone and Petr Vrsecky of PKF Melbourne be appointed as joint and several liquidators for the purposes of winding up the SFA business. As announced on 19 November 2018, the Company currently expects that one-off cash charges in respect of the winding up of SFA will not exceed \$0.9 million in FY19.

The Company’s Malaysian film manufacturing subsidiary (“SFM”) will offer Australian film customers ongoing support as required to ensure continuity of supply. The Company expects some loss of Australian film customers however the overall net result for SECOS will be positive due to the significant reduction in fixed costs and cash outflows required to continue the financial support of this loss incurring entity.

For more information, please contact:

Richard Tegoni

Executive Chairman

+61 411 110 901

r.tegoni@secosgroup.com.au

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 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.

SECOS Group Limited (ASX: SES)

ACN 064 755 237

Level 2, Suite 6, 205-211 Forster Road Mount Waverley VIC 3149 Australia

t: +613 8566 6800 e: info@secosgroup.com.au www.secosgroup.com.au