

ASX RELEASE

13 August 2020

SECOS Achieves Material Improvement in FY20 Results

Highlights:

- SECOS anticipates a significantly improved profit/loss position for the year ended 30 June 2020, with net loss for the full year down 71.5% to \$1.2 million (unaudited)
- SECOS achieved positive EBITDA in the second half, with a net loss of less than \$0.1 million
- Financial improvement driven by growing demand for the Company's biodegradable products, significantly increased plant utilization, lower interest costs, and operational and manufacturing efficiencies
- Significant new biopolymer contracts, increased biopolymer pipeline, product mix, improved efficiencies, and a continued focus on costs positions SECOS to grow margins and profits during FY21

In accordance with ASX Listing Rules 3.1, the Board of Sustainable and eco-friendly bioplastics developer, SECOS Group Limited (ASX:SES "the Company") is pleased to advise of material improvements in results for the fiscal year ending 30 June 2020 with a strong run rate going into 2021.

Headline numbers, based on management accounts, are subject to the completion of year-end audit:

	1HFY20 \$'000	2HFY20 \$'000	FY20 \$'000	FY19 \$'000	Variance %	
Revenue from ordinary activities	10,614	10,425	21,039	20,848	Up	0.9%
Gross profit	1,236	2,147	3,383	1,478	Up	129.0%
Expenditure	1,751	1,760	3,512	5,257	Down	(33.2%)
Net Loss for the period	(1,101)	(86)	(1,186)	(4,170)	Down	(71.5%)

SECOS expects to publish its fully audited accounts on Thursday 27th August 2020.

For more information, please contact:

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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 Group is integrated from resin production, into film (cast and blown) production 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 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 China and resins plant in Malaysia. The Company also has manufacturing plants for high quality cast films in Malaysia.

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

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.

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