

## ASX RELEASE

9 September 2020

### **\$15 Million Placement to Accelerate Production Expansion**

Sustainable and eco-friendly bioplastics developer SECOS Group Limited (ASX: SES) (“SECOS” or the “Company”) is pleased to announce that it has received firm commitments from institutions and sophisticated investors qualifying under s708 of the Corporations Act 2001 (Cth) to subscribe for a placement of 88.24 million fully paid ordinary shares (“Shares”) in the Company at an issue price of \$0.17 per Share to raise gross proceeds of \$15 million (“Placement”).

The Placement was oversubscribed, with strong cornerstone support from leading institutions and broad support from both existing shareholders and a wide group of institutional investors. The Placement Shares will be issued in a single tranche using the Company’s existing capacity under ASX Listing Rules 7.1 and 7.1A and will not require general shareholder approval. Director Don Haller Jr. has subscribed for US\$100,000 in the Placement which will be subject to shareholder approval at the Annual General Meeting.

Canaccord Genuity (Australia) Limited acted as Lead Manager to the Placement with PAC Partners Securities Pty Ltd acting as Co-Lead Manager to the Placement.

The Placement Price of A\$0.17 per share represents a 12.8% discount to the last traded price of the Company’s shares on 7 September 2020. New Shares issued under the Placement will rank equally with existing ordinary shares from the date of issue.

Net proceeds from the Placement will primarily be used for capital expenditure, including production capacity expansion and plant optimisation, accelerating research and development, increased sales and marketing and general working capital.

SECOS’ Executive Chairman, Richard Tegoni, said: “This exceptionally well-supported Placement will allow SECOS to hit the ground running in FY21 to deliver on significant opportunities to increase production and sales of the Company’s compostable and biodegradable products. Building on the Company’s recently announced supply contracts with Woolworths in Australia and NASDAQ listed Jewett-Cameron Trading Company in the US. SECOS sees significant opportunities to capitalise on the need for a sustainable solution as the market moves away from environmentally damaging single use plastics.”

“The funds raised will support a significant expansion of SECOS’ compostable bioplastics production to meet the needs of customers globally.” – added Mr Tegoni.

This ASX release has been approved for release to ASX by the Board of Directors of SECOS.

#### **For more information, please contact:**

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## **About SECOS Group Limited**

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**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**

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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.