ASX RELEASE

22 September 2021

SECOS' joint Research Project with University of Queensland

Highlights:

- SECOS signs Research and Development project agreement with University of Queensland to develop new enhanced compostable resins and films for advanced food packaging applications
- It is intended for the project to be run over a 12-month period, funded in equal proportions by SECOS Group and the Federal Government Innovations Connections Grant, with a total joint investment of up to $200,000.
- The Research and Development will focus on improving barrier properties via the use of different biomaterials and biopolymer precursors aimed at satisfying the growing demand from converters and consumers for new food and packaging applications.

Sustainable and eco-friendly bioplastics developer SECOS Group Limited (ASX: SES) ("SECOS" or the "Company") is pleased to announce it has signed an agreement with University of Queensland (UQ) to form a joint research program to identity new and enhanced compostable resin and film with emphasis on food packaging applications.

Following the 7 July 2021 ASX announcement (SECOS to establish Global Research Centre for Bioproducts) regarding the $2 million investment in the establishment of an Australian-based Research and Development Centre to support burgeoning demand for bioproducts, SECOS also announced the intention to form alliances with Australian Universities to accelerate new product developments and to access technical expertise in the biopolymer field.

University of Queensland is a leader in the development of biomaterials which will be used to alter the barrier properties of compostable films. UQ chemical engineers will be working with SECOS R & D staff to create films with desired barrier properties and characteristics for application to food packaging.

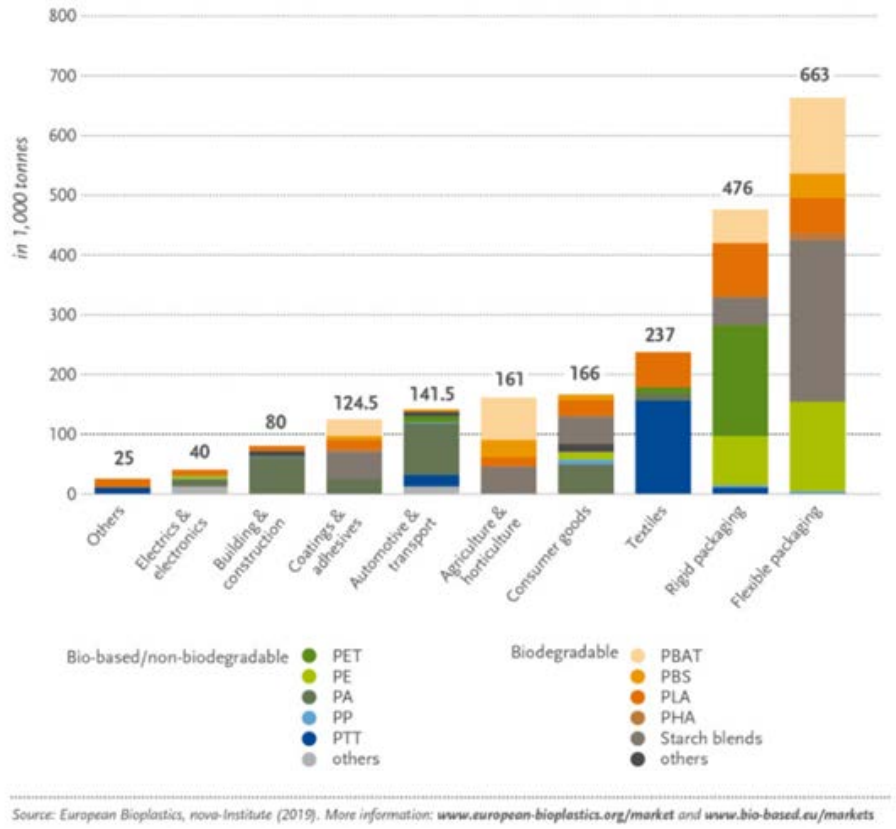
Other projects are being discussed that will seek to capture the environmental benefits of different renewable film structures that are compostable and able to fully replace conventional plastics.

SECOS expects this to be the first of a range of university collaborations.

SECOS Group Limited (ASX: SES)
ABN 89 064 755 237
Level 3, 302 Burwood Road, Hawthorn, VIC 3122 Australia
T: +613 8566 6800 **E**: info@secosgroup.com.au **E**: www.secosgroup.com.au

Growth in biopolymer demand

The biopolymer market is predicted to grow by more than 33% annually between 2020 and 2025 which is 10 times the growth rate of conventional polymer demand. The global bioplastics market segmentation (see graph below) shows that flexible packaging remains the largest segment by capacity.



(Source: https://www.european-bioplastics.org/market)

New Biopolymer development

SECOS head of Global Research and Development, Mr. Markus Leufgens, noted: ”We are excited to be working with UQ and their team in the School of Chemical Engineering headed by Professor Darren Martin and Dr. Celine Chaleat, who have expertise around the application and use of bio-composites in film structures.

We anticipate that the new SECOS Global Research and Development Centre, once established, will facilitate and complement the development work we conduct with universities such as that proposed with UQ. This work will focus on biopolymer formulations and then move to film structures, both mono-layer and multi-layer structures, that offer enhanced properties for branded retailers”.

SECOS CEO, Mr. Ian Stacey, commented that, “we are pleased that this project has also attracted Federal Government funding and are also enthused that SECOS is working to broaden the application of biopolymers leveraging Australian skills and knowhow. The

bioplastic market is huge and currently the overwhelming bulk of development work is conducted offshore. We are looking forward to sharing Australian breakthroughs in the fast-growing biopolymer market."

This announcement was authorized for release by the Board of SECOS Group Limited.

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 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.