

ASX RELEASE

7 July 2021

SECOS to establish a Global Research Centre for Bioproducts

Highlights:

- SECOS is investing \$2 million over three years to develop a world class Research and Development (R&D) Centre in Australia to support burgeoning demand for bio-based resin, film, and products. Projects will include developing compostable film in mono and multi-layer forms as well as bringing enhanced certified compostable resins and bags to market.
- Key focus of the Centre will be to develop better compostable biopolymer products for a wide array of food and packaging applications for use by converters and brands throughout the world.
- The R&D Centre leverages SECOS' existing and leading-edge proprietary Intellectual Property (IP) together with its significant experience and proven track record in the use of compostable biopolymers to replace conventional plastics.
- SECOS will employ additional staff with leading edge material science competencies and invest in specialist compounding and film lines to develop high-end certified compostable biopolymer resin, film, bag, and injection molded rigid products.
- The Global R&D Centre will be unique to Australia and will build on SECOS's already strong international R&D resources and expertise.
- SECOS intends to build on existing and form new alliances with Australian and offshore Universities to accelerate new product developments and to access global technical expertise in the biopolymer field.

Sustainable and eco-friendly bioplastics developer SECOS Group Limited (ASX: SES) ("SECOS" or the "Company") is pleased to announce it has committed to the establishment of a new world class Research and Development Centre to be based in Melbourne, Australia. The \$2 million investment will significantly expand the Company's technical expertise and capabilities in the development of innovative new compostable products and applications.

SECOS Group Limited (ASX: SES)

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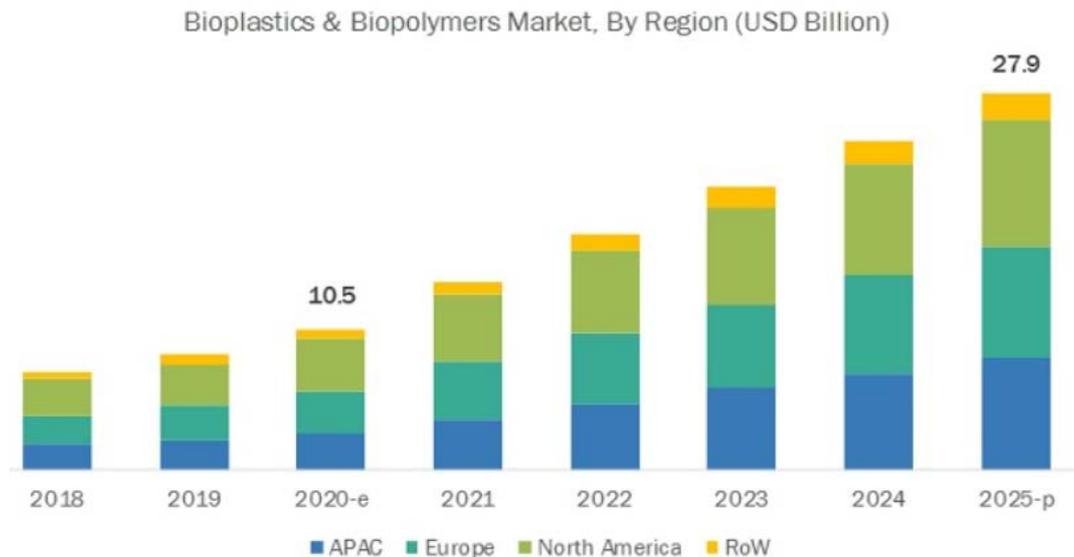
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SECOS is experiencing strong demand for compostable biopolymer products, including film and certified compostable resins and bags, based on the Company’s proprietary compostable biopolymer platform. A key focus of the new R&D facility will be to accelerate development of compostable solutions for the packaging sector, including food, and for waste management applications.

Growth in biopolymer demand

The bio-product 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.



(Source: Bioplastics & Biopolymers Market Global Forecast to 2025, www.marketsandmarkets.com)

Biopolymer & Bioproduct demand by segment

SECOS head of Global Research and Development, Mr. Markus Leufgens noted, “Over the next decade we will continue to see certified compostable materials disrupt the use of conventional plastics. In Australia, the National Plastics Plan mandates the use of compostable alternatives. We are seeing this trend globally with over 130 countries regulating or banning conventional plastic bags or single use plastics”.

“As a consequence, we see demand from Retail Brands for certified compostable products, which is most significant in the flexible packaging market segment. The new SECOS Global Research and Development Centre, will focus on opportunities for development of new compostable structures both mono-layer and multi-layer that offer enhanced properties for branded retailers”.

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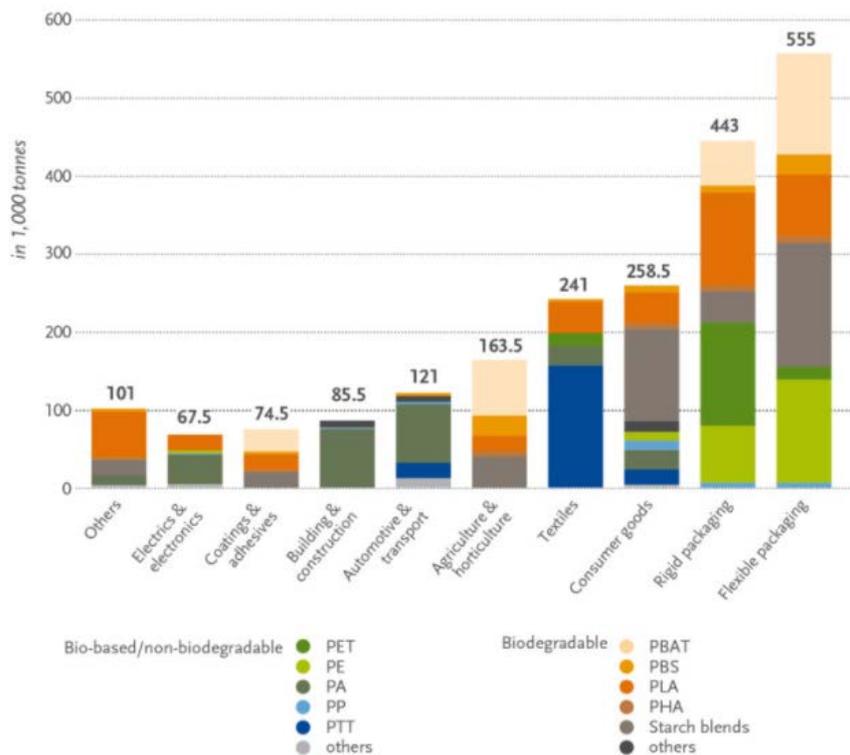
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SECOS CEO, Mr. Ian Stacey commented that, “we are extremely excited with our decision to invest in a leading global Research and Development Centre in Australia that will complement our already strong technical expertise across our global operations. We are looking forward to sharing breakthroughs with new technology in the fast-growing biopolymer market which is already seeing a rapid expansion in the use of compostable products and applications that replace conventional plastic use”.

Global production capacities of bioplastics 2020 (by market segment)



Source: European Bioplastics, nova-Institute (2020). More information: www.european-bioplastics.org/market and www.bio-based.eu/markets

The investment in the new Research and Development Centre follows expansion in production capacity at SECOS Group’s China and Malaysia plants. This expansion will enable the certified compostable bag capacity to double and will triple the compostable resin capacity by the end of 2021. The enhanced R&D capability announced today is expected to underpin ongoing growth.

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

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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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