



SECOS GROUP LTD
(ACN 064 755 237) (ASX:SES)

Prospectus

For the Offers as follows:

- (1) an offer to Placement Subscribers of up to 43,332,569 New Shares at an issue price of A\$0.065 per New Share, together with one (1) free attaching New Option for every one (1) New Share subscribed for and issued, to raise approximately \$2,816,617 (**Placement**);
- (2) an offer to Non- Executive Director (Mr Donald Haller Jr) of up to 3,129,360 New Shares at an issue price of A\$0.065 per New Share, together with one (1) free attaching New Option for every one (1) New Share subscribed for and issued, subject to shareholder approval, to raise approximately \$203,408 (**Conditional Placement**); and
- (3) an offer to Eligible Shareholders of up to 15,384,616 New Shares at an issue price of A\$0.065 per New Share, together with one (1) free attaching New Option for every one (1) New Share subscribed for and issued, to raise approximately \$1,000,000 (**SPP Offer**).

OPENING DATE: Tuesday, 14 March 2023

CLOSING DATE: 5.00pm AEST on Tuesday, 4 April 2023

Lead Manager: Canaccord Genuity (Australia) Limited



IMPORTANT NOTICE

This document is a transaction specific prospectus issued in accordance with section 713 of the Corporations Act. This Prospectus contains important information about the Offers. This Prospectus is an important document and requires immediate attention. It should be read in its entirety. If you do not understand it, or are in doubt as to how to act, you should consult your financial or other professional adviser. The securities offered by this Prospectus should be considered a speculative investment.

Table of Contents

Important Notices	4
Chairman's Letter	8
Key Information	10
Summary of the Offers	10
Indicative Offer timetable.....	10
Corporate Directory	12
1. Overview of the Company	13
1.1 SECOS Group Ltd.....	13
2. Details of the Offer	13
2.1 The Offers	13
2.2 Placement	14
2.3 SPP Offer.....	14
2.4 Oversubscription of the SPP Offer	15
2.5 Eligibility.....	15
2.6 Applications.....	16
2.7 Offers in Australia and New Zealand.....	16
2.8 Custodians and nominees.....	18
2.9 Issue of New Securities under the Offers.....	20
2.10 ASX Quotation	20
2.11 Further Taxation implications.....	20
3. Purpose and Effect of the Offers	20
3.1 Purpose of the Offers	20
3.2 Effect of the Offers.....	21
3.3 Effect of the Offers on capital structure	21
3.4 Dilution	22
3.5 Effect of the Offers on financial position	23
3.6 Effect of the Offers on the control of the Company.....	25
4. How to participate in the SPP Offer	26
4.1 Applying under the SPP Offer	26
4.2 Lapse of rights	26
4.3 Payment.....	26
4.4 Effect of application	27
5. Rights and Liabilities Attaching to New Shares.....	27
5.1 Rank equally	28
5.2 Voting rights	28
5.3 Dividends	28

5.4	Meetings and notices	28
5.5	Winding up	28
5.6	Transfer of shares	28
5.7	Future increases in Capital	29
5.8	Variation of rights	29
6.	Rights and Liabilities Attaching to New Options	29
6.1	Rights	29
6.2	Exercise	29
6.3	Rank equally	29
6.4	Rights attaching to Options	30
6.5	Quotation of the Options	30
6.6	Compliance with Listing Rules	30
7.	Risk Factors	30
7.1	Introduction	30
7.2	Specific risks	31
7.3	General risks	33
8.	Additional Information	35
8.1	Continuous disclosure obligations	35
8.2	No financial product advice	37
8.3	Authorised and unauthorised information and representations	37
8.4	Market price of shares	38
8.5	Directors' interests	38
8.6	Interests of experts and advisers	40
8.7	Consents	40
8.8	Expenses of the Offers	41
8.9	Financial forecasts	42
8.10	Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship	42
8.11	Further information	42
9.	Directors' Authorisation	42
10.	Defined Terms	43

Important Notices

This Prospectus has been issued by SECOS Group Ltd (ACN 064 755 237) (ASX: SES) (**SES, SECOS** or the **Company**) and was today lodged with ASIC and ASX and is dated 14 March 2023. Neither ASIC nor ASX takes any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

Application for Quotation of the New Shares will be made to ASX. The fact that ASX may quote the New Shares is not to be taken in any way as an indication of the investment to which this Prospectus relates. You should note that the New Options offered under this Prospectus will be unlisted.

No New Securities will be allotted or issued on the basis of this Prospectus later than 12 months after the date of this Prospectus.

SECOS is an ASX listed company whose Shares are granted official Quotation by ASX. In preparing this Prospectus, regard has been had to the fact that SECOS is a disclosing entity for the purpose of the Corporations Act and that certain matters may reasonably be expected to be known to investors and professional advisers whom investors may consult.

Before deciding whether to accept the Offer, you should read and understand the entire Prospectus and, in particular, you should consider the risk factors that could affect SECOS's performance. You should carefully consider these factors in light of your personal circumstances (including financial and taxation issues) and seek advice from your professional adviser before deciding to invest. **Investing in SECOS involves risks. Refer to the 'Risk Factors' in Section 7 for a discussion of certain risk factors that you should consider before deciding to accept the Offer.**

No person is authorised to give any information or to make any representation in connection with this Prospectus which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

Nature of this Prospectus

The New Securities that will be issued under this Prospectus are either continuously quoted securities or options to acquire continuously quoted securities (as defined in the Corporations Act). This Prospectus is a transaction specific prospectus to which the special content rules under section 713 of the Corporations Act apply. That provision allows for the issue of a more concise prospectus in relation to an offer of securities in a class that has been continuously quoted by ASX in the three (3) months prior to the date of the prospectus. In general terms transaction specific prospectuses are only required to contain information in relation to the effect of the issue of New Securities on the Company and the rights attaching to the New Securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus contains information only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in it. It does not include all of the information that would be included in a prospectus for an initial public offer.

This Prospectus provides general information to assist you with your own evaluation of the Company's assets. This Prospectus is not, and is not intended to be, advice on legal, financial, taxation or investment matters nor is it intended to be financial product advice from the Company or any of its directors, employees, agents or advisers.

The information contained in this Prospectus has been prepared by the Company.

Application of ASIC Class Order on Share Purchase Plans

In certain circumstances, a listed company may undertake a share purchase plan in accordance with *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547*. The *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547* allows a body which is admitted to the official list of the ASX not to comply with Part 6D.2 or 6D.3 of the Act (other than sections 736 and 738) for an offer of shares for issue under a share purchase plan, allowing the share purchase plan to be conducted without the use of a prospectus subject to compliance with the conditions of the *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547*.

The Company is unable to rely on the *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547* to the extent it applies to the SPP Options because the SPP Options proposed to be issued under the SPP Offer are a new class of securities not quoted on the ASX and are not covered by the disclosure and advertising relief that is the subject of the ASIC Instrument. Accordingly, the Company is undertaking the SPP Offer under this Prospectus.

Exposure Period

No exposure period applies to the New Shares offered under this Prospectus due to the relief granted by *ASIC Corporations (Exposure Period) Instrument 2016/74*, as the Shares offered are in a class of securities that are quoted on the ASX.

Forward-looking statements

This Prospectus includes or may include forward-looking statements that have been based on current expectations about future acts, events and circumstances. These forward-looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward-looking statements. These factors include, among other things, commercial and other risks associated with the meeting of objectives and other investment considerations, as well as other matters not yet known to the Company or not currently considered material by the Company. Forward-looking statements include those containing such words as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', 'intends', 'anticipates' and other similar words that involve risks and uncertainties. The statements reflect views held only at the date of this Prospectus. In light of these risks, uncertainties, and assumptions the forward-looking statements contained in this Prospectus might not occur. Investors are therefore cautioned not to place undue reliance on these statements.

Prospectus availability

This Prospectus will be issued as an electronic Prospectus. An electronic copy of this Prospectus can be downloaded from <https://secosgroup.com.au/> and www.asx.com.au, and complies with the conditions detailed at paragraph 107.21 of *ASIC Regulatory Guide 107*.

In accessing the electronic version of this Prospectus, you should ensure that you download and read the entire Prospectus.

If you are accessing the electronic version of this Prospectus for the purposes of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing on to another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company.

Restrictions on distribution

This Prospectus contains an offer to Eligible Shareholders in Australia and New Zealand. This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to lodge this Prospectus in

any jurisdiction outside of Australia or to otherwise permit a public offering of New Securities in any jurisdiction outside Australia. This Prospectus is not to be distributed in, and no offer of New Securities is to be made in, countries other than Australia or New Zealand.

It is the responsibility of Applicants to ensure compliance with any laws of the country relevant to their application. Return of a duly completed Application Form will be taken by SECOS as a representation by the Applicant that there has been no breach of such laws, that the Applicant is an Eligible Shareholder and that the Applicant is physically present in Australia or New Zealand.

Neither this Prospectus nor the New Securities have been, or will be, registered under the *Securities Act of 1933* (US) or the securities laws of any state of the United States and the Offer is not being made in the United States or to persons resident in the United States. Without limitation, neither this Prospectus nor the accompanying Application Form may be sent to investors in the United States or otherwise distributed in the United States.

New Zealand

The New Securities are not being offered or sold to the public within New Zealand other than to existing Shareholders with registered addresses in New Zealand, to whom the offer of New Securities is being made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2013* (New Zealand).

This Prospectus has been prepared in accordance with section 713 of the Australian Corporations Act. This Prospectus has not been registered, filed with, or approved by any New Zealand regulatory authority under the *Securities Act 1978* (New Zealand). This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

Representations and warranties

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

Defined terms and time

Defined terms used in this Prospectus are contained in Section 10. All references to time are references to AEDT or AEST unless otherwise specified.

Privacy

If you complete an Application for New Securities, you will be providing personal information to the Company (directly or via the Share Registry). The Company will collect, hold and will use that information to assess your Application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

The Corporations Act requires the Company to include information about the Shareholder (including name, address and details of the Shares held) in its public register.

The information contained in the Company's public register must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other

information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus. A fee may be charged for access and such requests must be made in writing to the Company's registered office.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

Chairman's Letter

14 March 2023

Dear Investor,

On behalf of the Directors of SECOS Group Ltd (ACN 064 755 237) (ASX:SES) (**SECOS** or the **Company**) I am pleased to offer you the opportunity to acquire Shares and Options in the Company.

This Prospectus contains an offer to existing Eligible Shareholders of the Company to participate in a Share Purchase Plan to raise up to \$1,000,000. On Tuesday, 7 March 2023, SECOS announced that the Company would be inviting offers for subscription of up to 15,384,616 Shares (**New Shares**) at an issue price of \$0.065 per New Share (**Offer Price**), together with one (1) free attaching Option for every one (1) New Share applied for and issued (**SPP Options**), to raise up to \$1,000,000 (**SPP Offer**).

Shareholders with a registered address in Australia or New Zealand (**Eligible Shareholder**) on Monday 6 March 2023 (**Record Date**) have the opportunity to apply for a maximum of \$30,000 worth of Shares (representing 461,538 Shares at an issue price of \$0.065 per Share), together with one (1) free attaching SPP Option for every one (1) New Share applied for and issued. This represents a 7.1% discount to SES's last closing price of \$0.07 prior to the announcement of the SPP Offer.

In conjunction with the SPP Offer, the Company also announced that it has received binding commitments for a private placement to institutional, professional and sophisticated investors (**Placement**) of 43,332,569 Shares to raise a total of approximately \$2,816,617 on the same basis as the offer in this Prospectus. The Company also announced a conditional placement to Mr Don Haller Jr (non-executive director of the Company) to raise approximately US\$137,500 (A\$203,408) on the same terms as the Placement but subject to shareholder approval (**Conditional Placement**).

The funds raised under the Placement, Conditional Placement and the SPP under this Prospectus will be applied towards the following.

Use of Funds	Amount (\$m)
Expansion of the MyEco range, including both biodegradable products and the new 95% post-consumer waste recycle soft plastics range	0.5
A national marketing campaign to support the MyEco product range	0.8
Implementation of Global ERP System	0.2
Working Capital	2.3
Expenses of the Offers	0.2
Total	4.0

In the event that circumstances change or other more favourable opportunities arise, the Company may vary the proposed use of funds to maximise the benefit to Shareholders and, to the extent that the Company does not raise the full amount of funds it is seeking to raise, the Company will reduce its expenditure as required.

This Prospectus contains detailed information about the Offers and the Company's business, as well as the risks of investing in the Company. I encourage you to read it carefully.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'J Walsh', is displayed within a light blue rectangular box.

Mr Jim Walsh
Non-Executive Chairman

Key Information

Summary of the Offers

Offer Price of New Shares	\$0.065 per New Share.
Maximum number of New Securities to be issued under the Offers	(a) Up to 61,846,545 New Shares. (b) Up to 61,846,545 New Options.
Maximum number of Securities on issue immediately after Completion of the Offers	(a) Approximately 597,748,407 Shares (based on the Company's undiluted share capital as at Friday, 3 March 2023, without taking into account the impact of rounding). * (b) Approximately 61,846,545 Options (refer to Section 6 for further information regarding the terms and conditions of the exercise of the New Options).
Placement and Conditional Placement	(a) an offer to Placement Subscribers of up to 43,332,569 New Shares at an issue price of A\$.065 per New Share, together with one (1) free attaching New Option for every one (1) New Shares subscribed for and issued, to raise approximately \$2,816,617; and (b) a Conditional Placement subject to shareholder approval to Mr Don Haller Jr (being a non-executive director of the Company) to raise approximately US\$137,500 (A\$203,408) through the issue of 3,129,360 New Shares together with one (1) free attaching New Option for every one (1) New Share subscribed for and issued at an issue price of \$0.065.
SPP Offer	an offer to Eligible Shareholders of up to 15,384,616 New Shares at an issue price of A\$0.065 per New Share, together with one (1) free attaching New Option for every one (1) New Share subscribed for and issued, to raise approximately \$1,000,000.
Maximum amount to be raised from the Offers	\$4,020,025

* This figure assumes no further Shares are issued prior to the Record Date.

Indicative Offer timetable

The indicative timetable for the Offers is as follows.

Date	Event
Monday, 6 March 2023	SPP Record Date Identify those shareholders who may participate in the SPP Offer

Date	Event
Tuesday, 7 March 2023	Trading Halt Ends
	SPP Offer and Placement Announcement Date
Tuesday, 14 March 2023	SPP Offer Opening Date Lodgement of Prospectus with ASIC and ASX
	Allotment of Placement Shares and Placement Options
Wednesday, 15 March 2023	Appendix 2A (Placement)
Tuesday, 4 April 2023	SPP Offer Closing Date
Wednesday, 5 April 2023	SPP Offer Announcement of Results Company announces results of SPP Offer
Tuesday, 11 April 2023 (before noon)	SPP Offer Allotment Date Issue date under Offer – Deferred settlement trading ends Lodgement of Appendix 2A (SPP Offer)
	SPP Offer Dispatch Date Dispatch of holding statements
Wednesday, 12 April 2023	SPP Offer Trading Date Normal trading of SPP Offer Shares

This timetable is indicative only. Subject to the ASX Listing Rules and the Corporations Act, and any other applicable laws, the Directors reserve the right to vary any or all of the dates for the Offers at their discretion, without prior notice. Should this occur, then the extension will have a consequential effect on the anticipated date of issue and normal trading of the New Shares.

Shareholders should consult their professional advisers in regard to the definition of Record Date to ensure their entitlement to participate in the SPP Offer is assured.

Corporate Directory

Directors

Richard Tegoni
Donald Haller Jr
James Edmund (Jim) Walsh
Stephen John Walters

Website: <https://secosgroup.com.au/>

Share Registry

Advanced Share Registry
110 Stirling Highway
Nedlands WA 6009

Secretary

Colin Lai

Lead Manager

Canaccord Genuity (Australia) Limited
Level 42, 101 Collins Street
Melbourne VIC 3000

Chief Financial Officer

Colin Lai

Auditor*

William Buck
Level 20, 181 William Street
Melbourne Vic 3000

ASX Code: SES

Lawyers

CBW Partners
Level 1, 159 Dorcas Street
South Melbourne VIC 3205

Registered Office

Unit 1, 247 Ferntree Gully Road
Mount Waverley VIC 3149

* The name of the Auditor is included for information purposes only. They have not been involved in the preparation of this Prospectus, and have not consented to being named in this Prospectus.

1. Overview of the Company

1.1 SECOS Group Ltd

SECOS Group Ltd (SECOS, SES or the Company) is a Victorian based ASX listed developer and manufacturer of sustainable packaging materials. SECOS supplies its proprietary biodegradable and compostable 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 fuelling 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 and USA, with a network of leading distributors across North Americas, Mexico and Latin Americas, Europe, Asia, the Middle East, Africa and India. SECOS offers its own MyEco™ branded bio-product range which is sold in Australia and USA and is growing rapidly with a reach of over 2000 retail stores as at 31 December 2022.

SECOS's market focus targets the following sectors:

- (a) Food and organic diversion: Local government rolling out food and garden organic waste diversion programs (FOGO) that use compostable bags to allow households to separate their food waste;
- (b) Food packaging: Compostable food packaging provides a safe alternative to traditional plastics known for causing Microbeads and plastic leaching;
- (c) Retail: Consumer demanding environmentally friendly products driving sales in retail outlets for a range of compostable bags and packaging products e.g. retail bags, courier bags;
- (d) Hygiene and Femcare: Nappy and femcare brands moving to manufacture fully compostable nappies, pads and other hygiene products;
- (e) Pet Market: Pet waste driving boom in compostable pet bags worldwide;
- (f) Compostable Resin: The Company sells its proprietary blend of compostable resin to all global markets including the US, LATAM, Europe and the Middle East.

2. Details of the Offer

2.1 The Offers

By this Prospectus, the Company offers for subscription up to 61,846,545 ordinary shares (**New Shares**) at \$0.065 per New Share, together with one (1) attaching Option for every one (1) New Share subscribed for and issued (**New Options**), to raise up to \$4,020,025.

The Offers comprise of the:

- (a) Placement to Placement Subscribers;
- (b) Conditional Placement to Non-Executive Director Mr Donald Haller Jr; and
- (c) SPP Offer to Eligible Shareholders.

Further information regarding the Placement, Conditional Placement and the SPP Offer is set out in Sections 2.2 to 2.4 below. The New Shares offered under this Prospectus will rank equally with the existing Shares on issue.

Rights and liabilities attaching to the New Shares and New Options (together, the **New Securities**) are summarised in Sections 5 and 6 respectively of this Prospectus.

The purpose of the Offers and the intended use of funds raised are set out in Section 3 of this Prospectus.

2.2 Placement

On Tuesday 7 March 2023, the Company announced a placement to sophisticated and professional investors (**Placement Subscribers**) to raise approximately \$2,816,617 through the issue of 43,332,569 New Shares at an issue price of \$0.065 (**Placement**), using its existing placement capacity.

The Company also announced an allocation to non-executive director Mr Don Haller Jr to raise approximately US\$137,500 (A\$203,408) through the issue of a further 3,129,360 New Shares at an issue price of \$0.065, which is subject to shareholder approval (**Conditional Placement**).

Further details of the Placement and Conditional Placement are set out in the Company's ASX announcement dated 7 March 2023, which is available on the Company's ASX announcements platform (ASX:SES).

The Company therefore offers one (1) free attaching Option (**Placement Options**) for every one (1) New Share subscribed for and issued under the Placement and the Conditional Placement.

The Placement Options will be issued on the terms and conditions set out in Section 6 of this Prospectus. All Shares issued on conversion of the New Options will rank equally with the Shares on issue at the date of this Prospectus.

2.3 SPP Offer

As announced on Tuesday, 7 March 2023, the Company is undertaking an offer of New Shares and New Options to Eligible Shareholders pursuant to a share purchase plan (**SPP or Share Purchase Plan**).

The Company offers New Securities under this Prospectus to Eligible Shareholders, who are those Shareholders that:

- (a) are the registered holders of Shares as at 7:00pm (AEDT) on the Record Date; and
- (b) have a registered address in Australia or New Zealand.

The Company reserves the right to reject any Application that it believes comes from a person who is not an Eligible Shareholder.

By this Prospectus, the Company offers for subscription up to 15,384,616 New Shares at \$0.065 per New Share (**Offer Price**), together with one (1) free attaching New Option for every one (1) New Share subscribed for and issued (**SPP Options**), to raise up to \$1,000,000 (**SPP Offer**).

Eligible Shareholders have the opportunity to apply for a maximum of \$30,000 worth of New Shares (representing 461,538 Shares at an issue price of \$0.065 per Share), together with one (1) free attaching SPP Option for each one (1) Share subscribed for and issued. This is a 7.1% discount to SES's last closing price of \$0.07 prior to the announcement of the SPP.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 5 for further information regarding the rights and liabilities attaching to the New Shares.

All of the SPP Options offered under this Prospectus will be issued on the terms and conditions set out in Section 6 of this Prospectus. All Shares issued on conversion of the New Options will rank equally with the Shares on issue at the date of this Prospectus.

2.4 Oversubscription of the SPP Offer

In relation to the SPP Offer only, the Company reserves the right to scale back applications in its absolute discretion. It is intended that as many Eligible Shareholders as possible will have the opportunity to participate in the SPP Offer, however there is no guarantee that all Eligible Shareholders who subscribe for New Securities under the SPP Offer will have their Applications accepted in part or in full. Any level of oversubscriptions will be scaled back and all excess application monies will be refunded by cheque to the Applicant's address on the register as soon as practicable following the SPP Offer Allotment Date. All scale back decisions made by the Board are final. The Board also reserves the right to close the SPP Offer early should the SPP Offer be fully subscribed.

2.5 Eligibility

Only Eligible Shareholders may participate in the SPP Offer. 'Eligible Shareholders' for the purpose of the SPP Offer are Shareholders:

- (a) who were registered holders of Shares on the Record Date; and
- (b) whose registered address was in Australia or New Zealand.

If you are the only registered Shareholder of a holding of Shares, but you receive more than one SPP Offer (for example because you hold Shares in more than one capacity), you may only apply for in aggregate a parcel of Shares with a value of up to \$30,000. The Company reserves the right to reject any application for Shares under this Prospectus to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with these requirements.

Participation in the SPP Offer is optional and is subject to the terms and conditions set out in this Prospectus.

2.6 Applications

An application for the SPP Offer must be made on the Application Form which shall be sent to all Eligible Shareholders. Pursuant to the SPP Offer, Eligible Shareholders may apply for in aggregate a maximum of \$30,000 worth of Shares. Eligible Shareholders may participate by selecting one of the following options (**SPP Application Amount**) to purchase New Shares and attaching New Options under the SPP Offer:

	SPP Application Amount (\$)	Number of New Shares which may be purchased	Number of free New Options
Offer A	1,000	15,385	15,385
Offer B	2,500	38,462	38,462
Offer C	5,000	76,924	76,924
Offer D	7,500	115,385	115,385
Offer E	10,000	153,846	153,846
Offer F	15,000	230,769	230,769
Offer G	20,000	307,692	307,692
Offer H	30,000	461,538	461,538

Where the amount applied for results in a fraction of a Security the number of New Shares and free attaching SPP Options issued will be rounded up to the nearest whole Security.

Any application monies received for more than an Applicant's final allocation of New Shares, including any scale back of the amount of New Shares applied for by the Applicant at the discretion of the Board of the Company will be refunded (only where the amount is \$1.00 or greater).

Eligible Shareholders may apply under the SPP Offer by completing the SPP Application Form accompanying this Prospectus in accordance with the instructions outlined on the Application Form. Eligible Shareholders are encouraged to submit their Application Form as early as possible, as the Directors reserve the right to close the SPP early if oversubscribed.

If you require assistance in completing an SPP Application Form, please contact the Company directly on **+613 8566 6800** or at **info@secosgroup.com.au**.

2.7 Offers in Australia and New Zealand

The Company has determined that it would be unreasonable on this occasion to extend the Offer to Ineligible Shareholders having regard to the number of securities held by Ineligible Shareholders and the costs of complying with the legal and regulatory laws which would apply to an offer of securities to Ineligible Shareholders in those jurisdictions.

This Prospectus is not to be distributed in, and no offer of New Securities is to be made in, countries other than Australia or New Zealand.

(a) **New Zealand**

The Offers contained in this Prospectus to Eligible Shareholders with registered addresses in New Zealand are made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2013* (New Zealand).

Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any New Securities.

This Prospectus has been prepared in accordance with section 713 of the *Corporations Act 2001* (Cth) (Australia). This Prospectus has not been registered, filed with, or approved by any New Zealand regulatory authority under the *Securities Act 1978* (New Zealand). This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

(b) **Applicants outside Australia and New Zealand**

This Prospectus contains an offer to Eligible Shareholders in Australia and New Zealand.

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

No action has been taken to:

- (i) register or qualify the New Securities or the Offer, or to otherwise permit an offering of the New Securities, in any jurisdiction other than as set out in this Section 2.7; or
- (ii) lodge this Prospectus in any jurisdiction outside of Australia or to otherwise permit a public offering of New Securities in any jurisdiction outside Australia.

This Prospectus is not to be distributed in, and no offer of New Securities is to be made in, countries other than Australia or New Zealand.

It is the responsibility of Applicants to ensure compliance with any laws of country relevant to their application. Return of a duly completed Application Form will be taken by SECOS as a representation by the Applicant that there has been no breach of such laws, that the Applicant is an Eligible Shareholder and that the Applicant is physically present in Australia or New Zealand.

This document is not for publication or distribution, directly or indirectly, in or into the United States. This document is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons.

Neither this Prospectus nor the New Securities have been, or will be, registered under the *Securities Act of 1933* (US) or the securities laws of any state of the United States and the Offer is not being made in the United States or to persons resident in the United States. Without limitation, neither this Prospectus nor the accompanying Application Form may be sent to investors in the United States or otherwise distributed in the United States. No public offering of securities is being made in the United States.

Recipients may not send or otherwise distribute this Prospectus or the Application Form to any person outside of Australia or New Zealand (other than to Eligible Shareholders).

2.8 Custodians and nominees

Eligible Shareholders who hold Shares as a "custodian" (as defined in *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547*) (**Custodian**) may participate in the SPP Offer on behalf of one or more persons on behalf of whom the Custodian holds Shares (**Custodian Beneficiaries**). If a Custodian applies for New Shares on behalf of a Custodian Beneficiary, the Company may not issue New Shares to the Custodian under the SPP Offer with a total application price exceeding \$30,000 in any 12 month period unless, the Custodian provides the Company with a notice in writing certifying the following matters required by *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547* section 8(3) (**Custodian Certificate**):

- (a) either or both of the following:
 - (i) that the Custodian holds the Shares on behalf of one or more persons that are not custodians (**Participating Beneficiaries**); or
 - (ii) that another custodian (**Downstream Custodian**) holds beneficial interests in Shares on behalf of a Participating Beneficiary, and the Custodian holds the Shares to which those beneficial interests relate on behalf of the Downstream Custodian or another Custodian,

on the Record Date, and that each Participating Beneficiary has subsequently instructed the following persons:

 - (iii) where sub-paragraph (a)(i) applies – the Custodian; and
 - (iv) where sub-paragraph (a)(ii) applies – the Downstream Custodian,

to apply for New Shares under the Offer on their behalf;
- (b) the number of Participating Beneficiaries;
- (c) the name and address of each Participating Beneficiary, and that each Participating Beneficiary's address is located in Australia or New Zealand;
- (d) that each Custodian Beneficiary is not in the United States and it is not acting for the account or benefit of a person in the United States, and that the Custodian has not sent any materials relating to the Offer to any person in the United States;
- (e) in respect of each Participating Beneficiary:
 - (i) where sub-paragraph (a)(i) applies – the number of Shares that the Custodian holds on their behalf; and
 - (ii) where sub-paragraph (a)(ii) applies – the number of Shares to which the beneficial interests relate;
- (f) in respect of each Participating Beneficiary:
 - (i) where sub-paragraph (a)(i) applies – the number or the dollar amount of New Shares they instructed the Custodian to apply for on their behalf; and
 - (ii) where sub-paragraph (a)(ii) applies – the number or the dollar amount of New Shares they instructed the Downstream Custodian to apply for on their behalf;

- (g) there are no Participating Beneficiaries in respect of which the total of the application price for the following exceeds \$30,000:
 - (i) the New Shares applied for by the Custodian under the Offer in accordance with the instructions referred to in sub-paragraph (f); and
 - (ii) any other Shares issued to the Custodian in the 12 months before the application as a result of an instruction given by them to the Custodian or the Downstream Custodian to apply for Shares on their behalf under an arrangement similar to the Offer;
- (h) that a copy of the SPP Offer was given to each Participating Beneficiary; and
- (i) where sub-paragraph (a)(ii) applies – the name and address of each Custodian who holds beneficial interests in the Shares held by the Custodian in relation to each Participating Beneficiary.

For the purposes of the *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547* you are a 'Custodian' if you provide a custodial or depository service in relation to shares of a body or interests in a registered scheme and who:

- (a) holds an Australian Financial Services Licence (**AFSL**) covering the provision of a custodial or depository service;
- (b) is exempt from the requirement to hold an AFSL covering the provision of a custodial or depository service;
- (c) holds an AFSL covering the operation of an IDPS or is a responsible entity of an IDPS-like scheme;
- (d) is a trustee of a self-managed superannuation fund or a superannuation master trust; or
- (e) is a registered holder of shares or interests in the class and is noted on the register of members of the body or scheme as holding the shares or interests on account of another person.

If you hold Shares as a trustee or nominee for another person or persons but are not a Custodian as defined above, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings (see Section 2.6 above) apply.

Custodians should request a Custodian Certificate when making an application on behalf of Participating Beneficiaries. To request a Custodian Certificate and if you would like further information on how to apply, you should contact the Company during the Offer period.

SECOS reserves the right to reject any application for Shares to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with these requirements. The Company also reserves the right to reject applications in accordance with these terms and conditions.

The Offers are being made to all Eligible Shareholders. SECOS is not required to determine whether or not any Eligible Shareholder is acting as a Custodian, nominee or the identity or residence of any beneficial owners of Shares.

Where any registered holder that qualifies as an Eligible Shareholder is acting as a Custodian or nominee for a foreign person, that registered holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offers is compatible with applicable foreign laws.

Any person in the United States, or any person that is, or is acting for the account or benefit of a US Person with a holding through a Custodian or nominee, may not participate in the Offers and the

Custodian or nominee must not take up any entitlement or send any materials into the United States or to any person that is, or is acting for the account or benefit of, a US Person.

2.9 Issue of New Securities under the Offers

New Securities issued pursuant to the Offers will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the SPP Offer Allotment Date.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Securities issued under the SPP Offer will be mailed in accordance with the timetable set out at the commencement of this Prospectus.

2.10 ASX Quotation

Application for official Quotation by ASX of the New Shares offered under this Prospectus has been made. If the New Shares are not admitted to official Quotation by ASX before the expiration of 3 months after the date of issue of this Prospectus, or such other period as varied by ASIC, the Company will not issue any New Shares and will repay all application monies for the New Securities within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant official Quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares offered for subscription.

2.11 Further Taxation implications

Applicants should be aware that there may be taxation implications in participating in the Offers and subscribing for New Securities. The taxation consequences of participating in the Offers or acquiring New Securities may vary depending upon the individual circumstances of each Applicant. Before making a decision on whether or not to participate in this Offers, Applicants should consult their own professional taxation advisers to obtain advice in relation to the taxation laws and regulations applicable to their personal circumstances.

3. Purpose and Effect of the Offers

3.1 Purpose of the Offers

The funds raised from the issue of New Shares through the Placement, Conditional Placement and the SPP Offer, are expected to provide the Company with approximately \$4,020,025 in additional capital (before costs of the issue) on a fully subscribed basis. No funds will be raised from the issue of the Placement Options or SPP Options as they are being issued free to subscribers under the Placement, Conditional Placement and the SPP Offer (as applicable).

The Company intends to allocate the funds raised under the Placement, Conditional Placement and the SPP Offer as set out in the tables below. However, in the event that circumstances change or other more favourable opportunities arise, the Directors reserve the right to vary the proposed use of funds to maximise the benefit to Shareholders.

To the extent that the Company does not raise the full amount of funds it is seeking to raise under the Placement, Conditional Placement and the SPP Offer, the Company will reduce its expenditure proportionally as required.

Source of Funds	Amount (A\$m)
Placement and Conditional Placement	3.0
SPP Offer (fully subscribed)	1.0
Proposed funds on completion of the Offers	4.0

Use of Funds	Amount (\$m)
Expansion of the MyEco range, including both biodegradable products and the new 95% post-consumer waste recycle soft plastics range	0.5
A national marketing campaign to support the MyEco product range	0.8
Implementation of Global ERP System	0.2
Working Capital	2.3
Expenses of the Offers	0.2
Total	4.0

Notes:

- (1) The above Use of Funds table is a statement of current intentions as at the date of lodgement of this Prospectus with ASIC. As with any budget, intervening events and new circumstances have the potential to affect the ultimate way in which funds may be applied. The Company reserves the right to alter the way in which funds are applied on this basis.
- (2) The Company intends to allocate its existing funds on towards existing working capital expenditure items.
- (3) Corporate development and working capital will allow the Company to pursue commercial opportunities that have presented.

On completion of the SPP Offer, the Board believes the Company will have sufficient working capital to achieve the above objectives. However, to the extent the SPP Offer is not fully subscribed, additional funding may be required to advance the projects as deemed appropriate.

3.2 Effect of the Offers

The principal effects of the Offers will be to, assuming the Company issued the maximum number of Shares under the SPP Offer and all applicable shareholder approvals are received, will be to:

- (a) increase the Company's current cash reserves after the Offers by approximately \$3,772,412 after taking into account the costs of the Offer;
- (b) provide the Company will additional capital for the purposes referred to in Section 3.1; and
- (c) increase the total number of issued Shares and Options (refer Section 3.3).

3.3 Effect of the Offers on capital structure

The effect of the Offers on the capital structure of the Company will be as follows:

Shares	Full Subscription
Number of Shares on issue at Friday, 3 March 2023 (the last practicable trading day prior to announcement of the Offers).	535,901,862
Number of New Shares to be issued to sophisticated and professional investors under the Placement.	43,332,569
Number of New Shares to be issued under the Conditional Placement subject to shareholder approval to Donald Haller Jr (being a non-executive director of the Company)	3,129,360
Maximum number of New Shares to be issued under the Placement and the Conditional Placement	46,461,929
Maximum number of New Shares to be issued under the SPP Offer	15,384,616
Maximum number of Shares on issue following the Placement, Conditional Placement, and the SPP Offer	597,748,407
Options	Number
Number of Existing Options on issue at Monday 13 March 2023.	0
Maximum number of New Options to be issued under the Placement, Conditional Placement and SPP Offer.	61,846,545
Maximum number of New Options on issue following the Placement, Conditional Placement and SPP Offer.	61,846,545
Shares resulting from exercise of Options	Number
Maximum number of Shares to be issued on exercise of New Options (assuming all New Options are exercised by the Exercise Date and applicable Shareholder approvals are granted).	61,846,545
Maximum number of Shares on issue following the exercise of all New Options (assuming no other issue of Shares by SECOS).	659,594,952

The figures in the table above are approximate as individual entitlements will be rounded up to the nearest whole figure.

3.4 Dilution

Shareholders should note that if they do not participate in the SPP Offer, their shareholdings are likely to be diluted at the conclusion of the Offers (assuming the Offers are fully subscribed and Shareholder approval is obtained for the Conditional Placement), as compared to their holdings and number of Shares on issue as at the date of the Prospectus.

The proportional interests of Ineligible Shareholders will be diluted because those Ineligible Shareholders are not entitled to participate in the Offers.

Examples of how the dilution may impact Shareholders is set out in the table below. The dilutionary effect shown assumes full participation in the SPP Offer by each Shareholder.

Holder	Holding as at Record Date	% as at Record Date	% as at date of the Prospectus	% if SPP Offer 50% subscribed	% if SPP Offer full subscribed
Shareholder 1	50,000,000	9.33	8.58	8.55	8.44
Shareholder 2	15,000,000	2.79	2.57	2.62	2.58
Shareholder 3	4,000,000	0.74	0.68	0.76	0.75
Shareholder 4	500,000	0.093	0.0858	0.16	0.16

Notes:

- (1) The dilutionary effect shown in the table assumes that the example Shareholders did not participate in the Placement or Conditional Placement.
- (2) The dilutionary effect shown in the table is the maximum percentage on the assumption that the Company raises an aggregate of \$1,000,000 under the SPP Offer.
- (3) The dilutionary effect shown in the table assumes that no Options are exercised prior to the completion of the Offers.

3.5 Effect of the Offers on financial position

A principal effect of the Offers on the Company, assuming that all New Shares under the Placement, Conditional Placement and SPP Offer are taken up, will be that cash reserves will increase from \$4,500,000 as at 31 December 2022 (unaudited) to \$8,272,412 based on the pro forma balance sheet as at 31 December 2022 (assuming that the Offers were completed as at this date) set out below.

A pro forma balance sheet as at 31 December 2022 has been prepared, and is set out below for illustrative purposes, but it has not been audited or reviewed. The pro forma balance sheet has been prepared on the basis of the accounting policies normally adopted by the Company, and reflect the changes to its financial position (assuming that the Offers were completed as at Wednesday, 12 April 2023).

The pro forma balance sheet has been prepared on the basis that the SPP Offer is fully subscribed, and there have been no material movements in assets and liabilities of the Company between 31 December 2022 and the date of this Prospectus other than:

- (a) impact of the Placement and Conditional Placement (net of expenses) on the cash balance;
- (b) impact of the SPP Offer (net of expenses) on the cash balance; and
- (c) expenses of the Offers of approximately \$247,613

The pro forma balance sheet has been prepared to provide Shareholders with information on the pro forma assets and liabilities of the Company as noted below. The historical and pro forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by the Australian Accounting Standards applicable to annual financial statements.

Pro Forma Balance Sheet as at 31 December 2022

	31 December 2022 (audited)	31 December 2022 (post Placement and SPP) (unaudited)
	\$'000	\$
CURRENT ASSETS		
Cash and cash equivalents	4,500	8,272
Trade and other receivables	5,529	5,529
Inventories	6,229	6,229
Prepayments	808	808
Other assets	34	34
TOTAL CURRENT ASSETS	17,100	20,872
NON-CURRENT ASSETS		
Other Assets	15	15
Deferred Tax Assets	1,887	1,887
Plant and Equipment	4,769	4,769
Right-of-use asset	2,145	2,145
Intangible assets	3,591	3,591
TOTAL NON-CURRENT ASSETS	12,407	12,407
TOTAL ASSETS	29,507	33,279
CURRENT LIABILITIES		
Trade and other payables	1,890	1,890
Employee benefits	320	320
Accrued expenses	819	819
Lease Liability	909	909
TOTAL CURRENT LIABILITIES	3,938	3,938
NON-CURRENT LIABILITIES		
Employee benefits	76	76
Lease Liability	1,413	1,413
TOTAL NON-CURRENT LIABILITIES	1,489	1,489
TOTAL LIABILITIES	5,427	5,427
NET ASSETS	24,080	27,852
EQUITY		
Share Capital	44,730	48,502
Reserves	(356)	(356)
Accumulated losses	(20,294)	(20,294)
TOTAL EQUITY	24,080	27,852

Notes:

- (1) The Placement and Conditional Placement as announced on 7 March 2023 raised \$3,020,025 through the issue of 46,461,929 fully paid ordinary shares at an issue price of \$0.065 per share.
- (2) In the event that the maximum number of New Shares are issued under the Offers, the Company's cash and issued capital balances will increase by approximately \$4,020,025.
- (3) The Company will also pay the expenses of the Placement and the SPP of approximately \$247,613

- (4) The Pro Forma Balance Sheet does not reflect the issue or exercise of any of the New Options, and the post-Placement and SPP position is as at immediately following completion of the Offers.
- (5) The values in respect of the Placement, Conditional Placement and the SPP assumes no further Shares or convertible securities are issued prior to the Record Date, and that the Placement, Conditional Placement and SSP Offer are fully subscribed.

3.6 Effect of the Offers on the control of the Company

- (a) if all Eligible Shareholders take up their maximum SPP Application Amount under the SPP Offer, then each Eligible Shareholder's percentage ownership interest (and voting power) in the Company will remain the same and there will be no effect on the control of SECOS; and
- (b) if an Eligible Shareholder does not take up their maximum SPP Application Amount under the SPP Offer, its percentage ownership interest (and voting power) in SECOS will be diluted.

The proportional ownership (and voting power) of Ineligible Shareholders will be diluted because such Shareholders are not entitled to take up New Shares under the SPP Offer.

As the Company does not propose to apply to ASIC for approval of the appointment of a nominee for the purposes of section 615 of the Corporations Act, no person will be permitted to acquire New Shares under the Offers to the extent that such acquisition results in that person holding a relevant interest exceeding 20% of the issued share capital of the Company on a post issue basis.

The current substantial shareholders of SECOS as at the date of this Prospectus, according to substantial holding notices lodged with the Company, are as follows:

Substantial Shareholder	No. of Shares	% of current issued Share Capital
R&K Edwards Investments	57,295,825	10.7
Belgravia Strategic Equities Pty Ltd	53,158,413	9.9

Examples of how the dilution resulting from the SPP Offer may impact Shareholders is set out in the table below:*

Holder	Holding as at date of Prospectus	% as at date of Prospectus	% post Offers if SPP Offer not taken up	% post Offers if SPP Offer taken up
R&K Edwards Investments	57,295,825	10.7	9.58	9.66
Belgravia Strategic Equities Pty Ltd	53,158,413	9.9	8.89	8.97

* The dilutionary effect shown in the table is the maximum percentage on the assumption of full participation in the SPP Offer.

The dilutionary effect of the SPP is detailed on the basis of the resulting total capital of the Company. For information regarding the effect on the capital of the Company.

4. How to participate in the SPP Offer

4.1 Applying under the SPP Offer

To subscribe for New Securities under the SPP Offer, please:

- (a) complete the accompanying **SPP Application Form** according to the instructions on the form; and
- (b) forward the completed form together with payment of the appropriate application monies to the Company's Share Registry in the manner provided in Section 4.3.

If you apply and pay via BPAY, you do not need to return the SPP Application Form, you simply need to make payment in accordance with the instructions on the accompanying the SPP Application Form for the number of New Shares you wish to apply for, multiplied by the Offer Price.

You should be aware that your own financial institution may implement earlier cut-off times with regard to BPAY and you should therefore take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY are received by 5:00pm (AEDT) on the Closing Date.

Acceptances will not be valid if they are received after the Closing Date. If the Company does not accept an application under the SPP Offer for any reason, the Company will refund any excess application monies by cheque sent to the Applicant's address recorded on the register, without any interest, as soon as practicable after the SPP Offer Allotment Date.

Noting the potential for significant delays in postage services resulting from COVID-19, the Company would urge all Applicants to leave sufficient time for their SPP Application Form to be received prior to the Closing Date, and would encourage Applicants to use BPAY.

4.2 Lapse of rights

If you decide not to apply for SPP Shares or fail to do so by the Closing Date, your SPP will lapse. You will receive no benefit or New Securities.

4.3 Payment

Payments must be made with your SPP Application Form by **5.00pm (AEST) on the Closing Date**, or such later date as the Directors determine, and must be made in Australian currency and by:

- (a) cheque drawn on and payable at any Australian bank;
- (b) bank draft drawn on and payable at any Australian bank; or
- (c) BPAY.

Your SPP Application Form, together with your cheque or bank draft for the appropriate application monies (at \$0.065 per New Share subscribed) must be sent to the Company's Share Registry, Advanced Share Registry Limited, at:

By Post:

Advanced Share Registry
110 Stirling Highway, Nedlands, WA 6009

so that they are received by the registry **by no later than 5.00pm (AEST) on the Closing Date** or such later date as the Directors determine. The Company again urges all Applicants to leave sufficient time for their SPP Application Form to be received prior to the Closing Date.

If you wish to pay by BPAY you do not need to return the SPP Application Form, you simply need to follow the instructions on the relevant SPP Application Form. Different financial institutions may implement earlier cut off times with regards to electronic payment, so please take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY for the SPP Offer are received by the Closing Date.

You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any application monies received for more than your final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

Your cheques or bank draft must be made payable to 'SECOS Group Ltd' and crossed 'Not Negotiable'. Cash payments will not be accepted and receipts for payment will not be provided.

Application monies received under this Prospectus will be held on trust until the New Securities are issued or the application monies are returned (without interest) to the Applicants.

4.4 Effect of application

By applying for New Securities under the SPP Offer (including by way of payment through BPAY), an Applicant is taken to:

- (a) agree to be bound by the terms and conditions set out in this Prospectus and the accompanying Application Form;
- (b) acknowledge the statement of risks in Section 7 of this Prospectus and that investments in SECOS are subject to risk;
- (c) represent and warrant that they satisfy the criteria of being an Eligible Shareholder or Applicant as set out in this Prospectus;
- (d) authorise the Company to place the Applicant's name on the Company's shareholder register in respect of those New Securities; and
- (e) agree to be bound by the Company's Constitution.

Any application for New Securities under the SPP Offer (including by way of payment through BPAY), once lodged, cannot be withdrawn.

5. Rights and Liabilities Attaching to New Shares

The New Shares will rank equally in all respects with existing Shares.

The following is a summary of the more significant rights and liabilities attaching to New Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive

statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

5.1 Rank equally

New Shares are ordinary shares in the capital of the Company and rank equally with all other ordinary shares issued by the Company. Currently all Shares issued by the Company are ordinary shares.

5.2 Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of Shareholders:

- (a) each Shareholder is entitled to vote and may vote in person, or by proxy, attorney or representative;
- (b) on a show of hands, each person present who is a Shareholder, or a proxy, attorney or representative of a Shareholder has one vote; and
- (c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder will, in respect of each fully paid Share held, or in respect of which the Shareholder appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid Shares will have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

5.3 Dividends

Subject to the Corporations Act, the Listing Rules, and any rights or restrictions attached to a class of shares, the Company may pay dividends as the Directors authorise.

5.4 Meetings and notices

Each Shareholder is entitled to receive notice of, and to attend, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution of the Company, the Corporations Act or the Listing Rules.

Shareholders may requisition meetings in accordance with the Corporations Act.

5.5 Winding up

If the Company is wound up and the property of the Company is more than sufficient to pay the debts and liabilities of the Company and the costs of winding up, Shareholders will have the right to participate equally in the distribution of its property subject to any amounts unpaid on the Share.

5.6 Transfer of shares

Subject to the Company's Constitution, the Corporations Act and any other laws and ASX Settlement Operating Rules and ASX Listing Rules, Shares are freely transferable.

5.7 Future increases in Capital

The allotment and issue of any Shares is under the control of the Directors. Subject to restrictions on the allotment of Shares in the ASX Listing Rules, the Company's Constitution and the Corporations Act, the Directors may allot Shares on such terms and conditions as they determine in their absolute discretion.

5.8 Variation of rights

Under the Corporations Act, the Company may, with the approval of a special resolution passed at a meeting of Shareholders, vary or abrogate the rights attaching to Shares. If at any time the share capital is divided into different classes of shares unless the terms of issue of the Shares of a class state otherwise, the rights attaching to any class may be varied or abrogated with the approval of a special resolution passed at a meeting of Shareholders, together with the consent in writing of the holders of three quarters of the issued shares of that class, or a special resolution passed at a separate meeting of the holders of the shares of that class.

6. Rights and Liabilities Attaching to New Options

The New Options entitle the Optionholder to subscribe for Shares on the following terms and conditions:

6.1 Rights

Each New Option gives the Optionholder the right to subscribe for one Share. To obtain the right afforded by each Option, the Optionholder must exercise the relevant Options in accordance with the terms and conditions attaching to the Options. Subject to variation in the share capital of the Company, the amount payable by the Optionholder on the exercise of each New Option shall be \$0.10 (**Exercise Price**).

6.2 Exercise

The Options will be exercisable within a two year-term and will expire on 11 April 2025 (**Option Expiry Date**), unless exercised earlier pursuant to the terms and conditions of the Options. Any Option not exercised before the Option Expiry Date will automatically lapse on the Option Expiry Date.

The Options shall be exercisable at any time on or prior to the Option Expiry Date by the Optionholder providing a notice in writing to the Company and payment of the Exercise Price in cleared funds (**Exercise Notice**). Within 15 Business Days of receipt of the Exercise Notice, the Company will:

- (a) allot and issue such number of Shares in the Company as required by the terms and conditions with reference to the number of Options specified in the Exercise Notice and for which cleared funds have been received by the Company; and
- (b) if required, provide the ASX with a notice that complies with section 708A(5)(e) of the Corporations Act or, if the Company is unable to issue such a notice or such notice is not effective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all things necessary to ensure that an offer for sale of Shares does not require disclosure to investors pursuant to section 708A(11) of the Corporations Act.

6.3 Rank equally

Shares issued on the exercise of the Options will rank equally with the Shares on issue at the time of the exercise. If the Company is admitted to the official list of the ASX on the date of the exercise of the Options, application will be made by the Company to the ASX for official Quotation of the Shares that result from the exercise of the relevant Options.

6.4 Rights attaching to Options

If at any time the issued capital of the Company is reconstructed, the number of Options and the Exercise Price will be adjusted accordingly, in a manner that the auditors of the Company advise is fair and reasonable in their opinion, and in all cases in accordance with the provisions of the Listing Rules and the Corporations Act. Other than for such an adjustment, an Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option is capable of exercise.

There are no participation rights or entitlements inherent in the Options, and Optionholders will not be entitled to participate in new issues of capital offered to shareholders by virtue of the Options. The Company will notify all Optionholders that hold Options capable of exercise prior to the relevant qualifying date for the new issue of capital no less than 10 business days prior to the closing date of that offer, so as to enable those Optionholders to exercise some or all of their Options such that they may then participate in the relevant issue of capital.

6.5 Quotation of the Options

The Company will not apply to ASX for Quotation of the Options as the Options will not be Quoted.

6.6 Compliance with Listing Rules

If, and to the extent, any of the preceding terms and conditions in respect of the Options are inconsistent with the Listing Rules, the Listing Rules will prevail in all respects to the extent of the inconsistency.

7. Risk Factors

7.1 Introduction

An investment in the Company carries risks, including those broader risks which affect the packaging industry and those more general risks associated with investing in the share market.

This section identifies some of the major risks associated with an investment in the Company. Intending Applicants should consider the risk factors described below, together with information contained elsewhere in this Prospectus, before any decision is made to subscribe for Shares.

There are numerous risks which could materially and adversely affect the financial and operating performance of the Company, which in turn could impact the value of the Shares. The Directors and management have implemented internal controls and processes to mitigate some of these risks. There are however risks over which the Company, the Directors and management will be unable to exert significant influence.

Any potential investor should be aware that subscribing for Shares involves various risks. The Shares to be issued pursuant to the Prospectus carry no guarantee with respect to the payment of dividends, return of capital or the market value of those Shares.

An investment in Shares of the Company should therefore be considered speculative. The following risk factors in this Section 7 are not intended to be an exhaustive list of the risk factors to which the Company is exposed. In addition, this section has been prepared without taking into account Applicants' individual financial objectives, financial situation and particular needs. Applicants should seek professional investment advice if they have any queries in relation to making an investment in the Company.

7.2 Specific risks

(a) Reliance on foreign markets

Due to the Company's reliance on the Asian market (in particular, Malaysia and China), it is exposed to potential disruption or volatility. For example, the Company is exposed to risks relating to labour practices, environmental matters, costs associated with enforcing contracts, changes to and uncertainty in the relevant legal and regulatory regime (including in relation to taxation and foreign investment and practices of government and regulatory authorities) and other issues in those markets.

(b) Additional Expenditure

From time to time there may be a need to undertake expenditure that has not been taken into account in this Prospectus. Although the Company is not presently aware of any additional expenditure requirements, if such expenditure is subsequently incurred, this may have an adverse effect of the current expenditure proposals of the Company and negatively impact the business plan of the Company.

(c) Additional Funding

Although the funds to be raised under the Offers are considered sufficient to meet the immediate objectives of the Company (see the Use of Funds Table in Section 3.1), additional funding may be required by the Company in the event that costs exceed estimates or revenues do not match expectations. For example, additional funding may be required in order to undertake further operations or to acquire complementary assets.

Accordingly, the Company may need to engage in equity or debt financings to secure additional funds. Any additional funding may be dilutive to Shareholders, may be undertaken at lower prices than the Offer Price or may involve restrictive covenants that limit the Company's operations.

There can be no assurance that such funding will be available on satisfactory terms or at all and any inability to obtain sufficient funding for the Company's activities and current or future projects may result in the delay or cancellation of those activities or projects.

The Company's ability to raise capital may also be affected by COVID-19 (refer to Section 7.2(g) for more detail).

(d) Option Exercise Risk

There is a risk that the prevailing market price for the Shares in the Company at the time of the exercise of the New Options may be less than the Exercise Price (refer to Section 6 for more detail), which shall have an effect on the value of the New Options.

The exercise of a New Option, and the allotment and issue of the Share to which that Option relates, may also have taxation consequences depending on each Shareholder's particular circumstances. Shareholders should seek their own taxation advice before exercising a New Option.

(e) Competition

The bioplastics and hygiene films market is competitive, and include companies with greater financial, technical, human, research and development and marketing resources than the Company. As a result, the Company's current and future technologies and products may

become obsolete or uncompetitive, resulting in adverse effects on revenue, margins and profitability.

(f) **Changes in Laws and Government Policy**

The Company's operation may be adversely affected by changes in government policy and laws. The impact of actions by government may affect the Company's activities, including its access to land and infrastructure, compliance with environmental regulations, and exposure to taxation and royalties.

(g) **COVID-19**

The strain of severe acute respiratory syndrome coronavirus 2 (and associated infectious disease referred to as COVID-19) has been declared a global pandemic by the World Health Organisation.

COVID-19 continues to have widespread and significant effect on global markets, business operation and is materially affecting the ability of many companies to conduct their planned or ongoing activities. The pandemic may delay, disrupt or prevent the Company from undertaking certain projects.

The effect of COVID-19 may also delay, disrupt or prevent the Company's business partners from providing the Company with necessary goods or services, or accessing the Company's goods or services, as a result of policies implemented to address the pandemic either internally by the business or externally by a government or regulator.

The Company's share price and its ability to raise capital may be adversely affected in the short to medium term due to the ongoing economic uncertainty and disruption resulting from COVID-19.

(h) **Foreign Currency Risk**

Revenue and expenditures in overseas jurisdictions are subject to the risk of fluctuations in foreign exchange markets. Any payment obligations of the Company in foreign currencies may exceed the budgeted expenditure if there are adverse currency fluctuations against the Australian dollar.

(i) **Operating Risk**

The operations of the Company may be affected by various factors, including (without limitation) contractual disputes, disruptions, supply shortages and threat of labour union action where the Company provides services.

(j) **Volatility of petroleum prices**

The traditional plastics market is subject to fluctuations in petroleum prices. This hydrocarbon is a critical raw material in the development and manufacturing of plastics. Recently, these prices have been volatile and moved increasingly toward conditions that are supportive of the bioplastics market. With the bioplastic market currently commanding a premium price, any fall in petroleum prices could render bioplastics less competitive as the gap between bioplastic and traditional plastic pricing narrows.

(k) **Loss of key customers**

There is no guarantee that the Company will be able to retain existing customers, or attract new customers in the future. This would materially adversely impact the Company's operating results and viability.

(l) **External Suppliers**

The Company relies on many external suppliers for the provision of services and feedstocks. There can be no assurance given that the failure of an external supplier(s) will not adversely affect the business of the Company.

(m) **Environmental Risk**

The Company's business model is based on the development and manufacture of environmental products. The Company may be subject to the market's appetite and uptake of environmental products and other unforeseen events, such as changes in methodology and regulations, which may have adverse financial implications on the Company's business model.

7.3 General risks

(a) **Forecasts**

The Directors consider that it is not possible to accurately predict the future revenues or profitability of the Company or whether any revenues or profitability will eventuate. The business of the Company is dependent upon a number of factors and many of these factors are outside the control of the Company. Consequently the Company and the Directors do not make any forecast or representation in relation to the Company's future financial position or performance.

(b) **Economic**

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's business activities and potential development programmes, as well as on the ability to fund those activities.

(c) **Force majeure**

The Company's business may be adversely affected by risks outside the control of the Company, including (but not limited to) labour unrest, civil disorder, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics, pandemics or quarantine restrictions.

(d) **Uninsured loss and liability**

There is a risk that the Company may not be insured against all or any potential losses or liabilities that could arise from its activities. If the Company incurs losses or liabilities that are not covered by its insurance policies, the funds available for its business and activities will be reduced and could create risk for the value of the Company's assets.

(e) **Dependence upon outside parties**

The Company may pursue a strategy that forms strategic business relationships with other organisations in relation to potential products and services. There can be no assurance that the Company will be able to attract such prospective organisations and to negotiate appropriate terms and conditions with these organisations or that any potential agreements with such organisations will be complied with.

(f) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) the COVID-19 pandemic;
- (iii) introduction of tax reform or other new legislation;
- (iv) interest rates and inflation rates;
- (v) changes in investor sentiment toward particular market sectors;
- (vi) the demand for, and supply of, capital; and
- (vii) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. Neither the Company nor the directors warrant the future performance of the Company or any return to Shareholders arising from the Offer or any other event or occurrence.

(g) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially upon senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment or if one or more of the Directors leaves the Board.

(h) **Government regulation risk**

Compliance with laws and regulations may increase the costs of operations. There can be no assurance that future government policy will not change, and this may adversely affect the long-term prospects of the Company. In addition, future changes in governments, regulations and policies may have an adverse impact on the Company.

(i) **Investment speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Securities offered under this Prospectus.

Therefore, the New Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those New Securities.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for New Securities pursuant to this Prospectus.

(j) **Litigation Risk**

Legal proceedings may arise from time to time during the Company's business and the Company cannot preclude the possibility that litigation may be brought against it, or that the Company may be impelled to initiate litigation against other parties in order to protect its legal rights. Litigation involves considerable cost, uncertain outcomes and possibly adverse publicity which negatively impact on the trading price and liquidity of Shares.

(k) **Bribery and corruption**

The Company may incur fines or penalties, damage to its reputation or suffer other adverse consequences if its Directors, officers, employees, consultants, agents, service providers or business partners violate, or are alleged to have violated, anti-bribery and corruption laws in any of the jurisdictions in which it operates. Whilst the Company has system and procedure to protect itself from reckless or criminal acts committed by individuals, the Company cannot guarantee that its internal policies and controls will be effective in each case to ensure that the Company is protected from reckless or criminal acts committed by its Directors, officers, employees, consultants, agents, service providers or business partners that would violate Australian laws or the laws of any other country in which the Company operates. Any such improper actions could subject the Company to civil or criminal investigations in Australia or overseas, lead to substantial civil or criminal monetary or non-monetary penalties against the Company and damage the Company's reputation. Even the allegation or appearance of improper or illegal actions could damage the Company's reputation and result in significant expenditures in investigating and responding to such actions and in turn have an adverse effect on the Company's future financial performance and position.

8. Additional Information

8.1 Continuous disclosure obligations

The Company is a 'disclosing entity' (as defined in the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

This Prospectus is a 'transaction specific prospectus'. In general terms a 'transaction specific prospectus' is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all the assets and liabilities, financial position, profits and losses or prospectus of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act, states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, the offices of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report of the Company most recently lodged with ASIC before the lodgement of this Prospectus with ASIC;
 - (ii) any half-year financial report lodged by the Company with ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with ASIC; and
 - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with ASIC.

Copies of all documents lodged with ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with ASIC are set out in the table below:

Date	Description of Announcement
7 Mar 2023	Proposed issue of securities – SES
7 Mar 2023	SEOCs Placement and Share Purchase Plan
6 Mar 2023	Trading Halt
20 Feb 2023	SECOS Launches New 95% Certified Recycled MyEcoBag
16 Feb 2023	FY23 Half Year Results Investor Presentation
16 Feb 2023	FY23 Half Year Appendix 4D
27 Jan 2023	SECOS Board and CEO Changes
25 Jan 2023	Quarterly Activities/Appendix 4C Cash Flow Report
22 Dec 2022	Appendix 4G and Corporate Governance Statement
19 Dec 2022	Strategic USA Contract & Business Update

Date	Description of Announcement
30 Nov 2022	Results of Meeting
30 Nov 2022	2022 AGM Presentation
30 Nov 2022	Chairman's Address to Shareholders
11 Nov 2022	Coles Group to launch SECOS MyEcoBag in 770 Retail Stores
10 Nov 2022	Trading Halt
10 Nov 2022	Pause in Trading
7 Nov 2022	Annual General Meeting Access Details
28 Oct 2022	Notice of Annual General Meeting/Proxy Form
27 Oct 2022	Quarterly Activities/Appendix 4C Cash Flow Report
25 Oct 2022	Date of 2022 Annual General Meeting
4 Oct 2022	Notification of cessation of securities
14 Sep 2022	Notification regarding unquoted securities
9 Sep 2022	Appendix 4G and Corporate Governance Statement
9 Sep 2022	Notification of cessation of securities

8.2 No financial product advice

This document, and any document which accompanies it, are not, and may not be taken to be, financial product advice or a recommendation to acquire Shares. They have been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision you should consider all relevant information having regard to your own objectives, financial situation and needs, and consult your stockbroker or other professional adviser.

8.3 Authorised and unauthorised information and representations

No person is authorised to give any information or make any representation in relation to the Offers which is not contained in this document, or in any document that accompanies it, or in any release by SECOS to ASX. Any information or representation in relation to the Offers which is not contained in this document or in any document that accompanies it may not be relied upon as having been authorised by SECOS or any of its officers.

8.4 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX. The Placement Options offered under this Prospectus are not currently trading on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and most recent dates of those sales were:

	Sale Price	Date
Highest	\$0.12	15/12/2022
Lowest	\$0.06	7/3/2022
Last	\$0.06	13/3/2022

8.5 Directors' interests

Other than as set out in this Prospectus, no Director or any entity in which a Director is a partner or director, has, or has had in the last 2 years before the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offers; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid, and no benefits have been given or agreed to be given to any Director or to any entity in which a Director is a partner or a Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with the formation or promotion of the Company or the Offers.

Interest in existing securities

As at the date of this Prospectus, the Directors have a direct or indirect interest in the following securities of the Company:

Shareholder	Shares	Options
Directors		
Richard Tegoni	14,606,231	-
Donald Haller Jr	45,748,826	-
James Edmund Walsh	3,761,189	-
Stephen John Walters	29,044,639	-

Subject to Shareholder approval at the General Meeting, Mr Donald Haller Jr will also be issued with a further 3,129,360 New Shares at a total value of A\$203,408 together with 3,129,360 New Options as part of the Conditional Placement.

Remuneration

Directors are entitled to be remunerated out of the funds of the Company.

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options and/or performance rights, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The Directors are currently or have been entitled to the following remuneration or directors' fees for the current and previous financial years:

Director	2021/2022 (A\$)	2022/2023 (A\$)
Richard Tegoni	145,000	252,500 ^(a)
Donald Haller Jr	55,000	60,000
James Edmund Walsh	50,000	80,000 ^(b)
Stephen John Walters	218,974	209,950
David Wake	50,000	— ^(c)

(a) On 1 February 2023, Richard Tegoni, who was previously the Executive Chairman, was appointed as CEO and Executive Director.

(b) On 1 February 2023, James Walsh, who was previously Non-Executive Director, was appointed as Non-Executive Chairman.

(c) Indicates that the Director was not a director of the Company for the relevant period.

The Company also pays premiums to insure all of the Directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct whilst acting in the capacity as a Director of the Company. The Company has entered into indemnity, insurance and access deeds with each of the Directors (**Deeds**). Under the Deeds, the Company agrees to indemnify each of the Directors to the extent permitted by the Corporations Act against certain liabilities incurred by the Directors whilst acting as an officer of the Company, and to insure each Director against certain risks to which the Company is exposed as an officer of the Company. The Deeds also grant each Director a right of access to certain records of the Company for a period of up to 7 years after the Director ceases to be an officer of the Company.

8.6 Interests of experts and advisers

Except as set out in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) firm in which any of those persons is or was a partner; or
- (c) company in which any of those persons is or was associated with,

holds, or has had held in the 2 years preceding lodgement of this Prospectus with ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offers; or
- (f) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offers.

Canaccord Genuity (Australia) Limited (**Canaccord**) has acted as lead manager to the Company in respect of the Offers. The Company agrees to pay the following fees (exclusive of GST) to Canaccord:

- (i) a management fee of 1.0% of the Gross Proceeds raised under the Offer;
- (j) a capital raising fee of 4.0% of the Gross Proceeds raised under the Placement (excluding participation from Company Directors); and
- (k) an SPP fee of 4.0% on applications under the SPP from clients of Canaccord.

The Company will also pay approximately \$10,930.25 in connection with the services provided to the Company in respect of the Offers for printing and distribution, and including share registry services provided by Advanced Share Registry Limited.

CBW Partners have acted as solicitors to the Offers. In respect of this work, the Company will pay approximately \$27,500 (excluding GST and disbursements) in connection with the legal advice provided to the Company in respect of the Offer and the preparation or negotiation of documentation in connection with the Offers, including this Prospectus and associated documents. CBW Partners have acted for the Company prior to the work in connection with the Offers in respect of providing legal advice to Company in relation to associated matters for a total remuneration of approximately \$37,943 excluding the amount detailed above.

8.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as proposed directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears

primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this section:

- (a) has not authorised or caused the issue of this Prospectus;
- (b) has not made, or purported to make any statement in this Prospectus, or on which any statement made in this Prospectus is based, other than the statements referred in this Section 8.7;
- (c) does not assume responsibility for any part of this Prospectus except for the statements referred to in this Section 8.7; and
- (d) to the maximum extent permitted by law, disclaims any responsibility or liability for any part of this Prospectus, other than a reference to it or a statement to be included in this Prospectus with their consent as specified in this Section 8.7.

Each of the following has consented in writing to being named in this Prospectus in the capacity noted below and in the form and context in which they have been named, and has not withdrawn such consent prior to the lodgement of this Prospectus with ASIC:

- (a) Canaccord Genuity (Australia) Limited as the lead manager in respect of the Offers;
- (b) CBW Partners as legal adviser to the Company; and
- (c) Advanced Share Registry Limited as the Company's share registry.

As permitted by *ASIC Corporations (Consents to Statements) Instrument 2016/72*, this Prospectus may include or be accompanied by certain statements:

- (a) fairly representing a statement by an official person; or
- (b) from a public official document or published book, journal or comparable publication,

including but not limited to where the statement was not made, or published, in connection with the Offers. Pursuant to *ASIC Corporations (Consents to Statements) Instrument 2016/72*, the consent of persons to which such statements are attributable is not required for the inclusion of those statements in this Prospectus.

8.8 Expenses of the Offers

The total expenses of the Offers are estimated to be approximately \$247,613 (excluding GST) and are expected to be applied towards the items set out in the table below:

Cost	A\$
ASIC fees	3,206
ASX fees	13,112
Legal fees	27,500
Lead Manager fees	192,865

Cost	A\$
Share registry, printing and distribution	10,930
Total	247,613

8.9 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

8.10 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing share or option certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

8.11 Further information

If you have any questions about the Offers or New Securities, please contact either:

- (a) SECOS Group Ltd on +613 8566 6800 or info@secosgroup.com.au; or
- (b) your stockbroker or professional adviser.

9. Directors' Authorisation

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Dated: 14 March 2023



Mr Jim Walsh
Non-Executive Chairman
SECOS GROUP LTD

10. Defined Terms

In this Prospectus, the following words have the following meanings unless the context requires otherwise:

A\$ or \$	Australian Dollars.
AEDT	Australian Eastern Daylight Time.
Applicant	A Shareholder or other party who applies for New Securities pursuant to one or more of the Offers.
Application	The application to participate in the Offers in accordance with a validly submitted Application Form.
Application Form	The Placement Application Form or the SPP Application Form as the case may be.
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange or ASX Limited (ACN 008 624 691), as the context requires.
ASX Listing Rules	The official listing rules of ASX Limited.
Board	The board of Directors of the Company.
Business Day	Has the meaning given in the Listing Rules.
Closing Date	The closing date of the SPP Offer being 5:00pm (AEDT) on Monday Tuesday, April 4 2023.
Company or SECOS	SECOS Group Ltd (ACN 064 755 237).
Conditional Placement	Has the meaning given in Section 2.2.
Constitution	The Company's constitution as at the date of this Prospectus.
Corporations Act	<i>Corporations Act</i> 2001 (Cth).
Directors	The directors of the Company (and each a Director).
Eligible Shareholder	A registered holder of Shares with a registered address in Australia or New Zealand at the Record Date.
Existing Options	The Options the Company currently has on issue, being a total of 0 Options comprising.
General Meeting	The general meeting of the Company to be held on or about November 2023
Gross Proceeds	The gross amount raised under the Offers.
Ineligible Shareholder	A registered holder of Shares on the Record Date with a registered address in a country outside of Australia or New Zealand.

New Options	The Options to acquire Shares in the Company that are to be issued as free attaching options pursuant to the Offers.
New Securities	The New Shares and the New Options.
New Share	A Share to be issued pursuant to this Prospectus at the Offer Price.
Offers or Offer	The Placement, Conditional Placement and the SPP Offer.
Offer Price	The price payable for each New Share, being \$0.065 per New Share.
Official List	The official list of ASX.
Option	An option to acquire a Share in the Company.
Optionholder	A holder of an Option.
Placement	Has the meaning given in Section 2.2.
Placement Application Form	The application form which will be provided to Placement Subscribers by the Directors.
Placement Options	Has the meaning given in Section 2.2.
Placement Subscriber	Has the meaning given in Section 2.2.
Prospectus	The prospectus constituted by this document.
Record Date	7.00pm AEDT on Monday, 6 March 2023.
Quotation	Official quotation on ASX.
Securities	Shares and/or Options.
Share	A fully paid ordinary share in the capital of the Company.
Shareholder	A holder of a Share as recorded in the register of the Company.
Share Registry	Advanced Share Registry Limited of 110 Stirling Highway, Nedlands, WA 6009
SPP	Has the meaning given in Section 2.3.
SPP Application Form	The SPP Offer application form either attached to or accompanying this Prospectus.
SPP Offer	The offer of New Shares and SPP Options to Eligible Shareholders set out in Section 2.3.
SPP Options	Has the meaning given in Section 2.8.
Placement	Has the meaning given in Section 2.2.
US	The United States of America.

US Person	Has the meaning given to that term in Regulation S under the US Securities Act.
US Securities Act	The <i>United States Securities Act of 1933</i> , as amended.

Record Date

6 March 2023

Offer opens

14 March 2023

Offer closes

5.00pm (Sydney time) 4 April 2023

SHARE PURCHASE PLAN ("SPP") APPLICATION FORM

How do I apply for Shares under the SPP?

- Carefully read the Terms and Conditions in the SPP Documents (SPP Terms and Conditions) accompanying this form and the Important Information on the reverse of this form.
- Decide on the amount of Shares you wish to apply for.
- Pay for the Shares in accordance with the instructions outlined in the SPP Terms and Conditions and the further instructions on the reverse of this form.
 - Option 1: Paying by BPAY®.
 - Option 2: Paying by cheque, bank draft or money order.
- Payments must be made in Australian dollars.

PAYMENT OPTIONS

Option 1: Paying by BPAY®

If paying by BPAY®, you do NOT need to complete or return this Application Form. By paying by BPAY® you will be deemed to have made the statements and certifications that are set out in the Important Information notice on the reverse of this form.

Payment must be received by the Registry by BPAY® by 5.00pm (Sydney time) 4 April 2023. By paying by BPAY®, you will be deemed to have completed an Application Form for the number of Shares the subject of your application payment. If you make a payment by BPAY® and SECOS Group Ltd ("Company") receives an amount which is not equal to either \$1,000, \$2,500, \$5,000, \$7,500, \$10,000, \$15,000, \$20,000 or \$30,000, Company may round down the dollar amount of Shares that you are applying for to the next lowest parcel at their discretion. Your payment must be for a minimum of A\$1,000.



Telephone & Internet Banking – BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account.

More info: www.bpay.com.au

® Registered to BPAY Pty Ltd ABN 69 079 137 518

Option 2: Paying by Cheque, Bank Draft or Money Order

If paying by cheque, bank draft or money order complete and return the Application Form with your payment.

- Tick the box beside the amount you wish to apply for, either \$1,000, \$2,500, \$5,000, \$7,500, \$10,000, \$15,000, \$20,000 or \$30,000.
- Enter your cheque, bank draft or money order details. The amount of your application payment should be equal to the amount applied for in section A. Cheques, bank drafts or money orders must be drawn on an Australian financial institution in Australian currency, made payable to "SECOS Group Ltd" and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. If you provide a cheque, bank draft or money order for an amount that is not equal to either \$1,000, \$2,500, \$5,000, \$7,500, \$10,000, \$15,000, \$20,000 or \$30,000, Company may round down the dollar amount of Shares that you are applying for to the next lowest parcel at their discretion. Your payment must be for a minimum of A\$1,000.
- Enter your contact telephone number at which we may contact you regarding your application for Shares, if necessary.

A I/we wish to purchase a parcel of Shares to the dollar amount of (tick one box only):

<input type="checkbox"/> A\$1,000	OR	<input type="checkbox"/> A\$2,500	OR	<input type="checkbox"/> A\$5,000	OR	<input type="checkbox"/> A\$7,500	OR	<input type="checkbox"/> A\$10,000	OR	<input type="checkbox"/> A\$15,000	OR	
<input type="checkbox"/> A\$20,000	OR	<input type="checkbox"/> A\$30,000										

B Make your cheque, bank draft or money order payable to "SECOS Group Ltd" and crossed "Not Negotiable"

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	A\$ <input type="text"/> .00

C Telephone Number – Business Hours

Telephone Number – After Hours

Contact Name

IMPORTANT INFORMATION

1. This is an important document which requires your immediate attention. If you are in any doubt as to how to deal with this Application Form, please consult a professional adviser.
2. If you do not wish to purchase Shares under the SPP, there is no need to take action.
3. Please ensure you have read and understood the SPP Terms and Conditions and this Important Information, before you make the application payment by BPAY® or you submit your Application Form with your Application Monies.
4. This SPP is non-renounceable. Applications can only be accepted in the name printed on the Application Form.
5. If you are a custodian, trustee or nominee within the definition of "custodian" in ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 you must complete and submit an additional certificate certifying the matter sets out in section 8(3) of ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (the "Certificate") before your application for Shares is accepted. The Certificate can be obtained by contacting the Registry: 08 9389 8033 (in Australia) or +61 8 9389 8033 (outside of Australia). Applications received by custodians that are not accompanied by the Certificate will be rejected.
6. For applicants that are not required to complete the Certificate, by submitting the Application Form (with a cheque, bank draft or money order) or making payment by BPAY®, **you certify** that the aggregate of the payment made by you for:
 - the parcel of Shares indicated on the Application Form or BPAY® payment; and
 - any other Shares applied for by you, or which you have instructed a Custodian to acquire on your behalf under the SPP or any other similar arrangement in the 12 months prior to the date of submission of the Application Form or payment by BPAY®does not exceed A\$30,000.
7. By submitting the Application Form (with a cheque, bank draft or money order) or making payment by BPAY®, you will be deemed to have made the representations and declarations set out in the SPP Terms and Conditions.
8. The Company reserves the right to make amendments to this Application Form where appropriate.
9. Applicants are not assured of receiving the Shares for which they have applied as the Company may scale back applications in accordance with the SPP Terms and Conditions.

How to Lodge your Application Form and Application Monies

The Application Form and the Application Monies must be received by the Registry no later than the closing date shown overleaf. If paying by BPAY® you do not need to complete or return the Application Form. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry by the close of the offer.

Mailing Address

Advanced Share Registry
PO Box 1156
Nedlands WA 6909

or

Hand Delivery

Advanced Share Registry
110 Stirling Highway
Nedlands WA 6009

Make sure you send your Application Form and the Application Monies allowing enough time for mail delivery, so Advanced Share Registry Services Ltd receives them no later than 5.00pm (Sydney time) 4 April 2023. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. The Company reserves the right not to process any Application Form and the Application Monies received after the closing date referred to above.

If you require information on how to complete this Application Form, please contact the Share Registry on: 08 9389 8033 (in Australia) or +61 8 9389 8033 (outside of Australia).