

15 October 2018

## Security Matters commences trading on ASX

- Initial public offer raises \$6 million before costs, closing over-subscribed, with offers scaled back
- Strong support was received from a broad base of high net worth, professional and institutional investors, with over 370 new investors added to the register
- Commercialisation of SMX's unique, patented technology that allows the permanent and irrevocable marking and tracing of any solid, liquid or gas has commenced
- Proven technology utilises a hidden chemical-based barcode and reader to track supply chain movements, provide quality assurance and store and protect ownership of data on blockchain
- The Company commences trading with a strong pipeline of commercial opportunities in the advanced stages of discussion and a positive short-term outlook

**Security Matters Limited (ASX:SMX)** (Security Matters or 'the Company'), a Brand Protection, supply chain integrity and blockchain technology company focussed on becoming the global record of physical goods, is pleased to announce it has commenced trading on the Australian Securities Exchange ('ASX'), following a successful initial public offer ('IPO').

The Company raised \$6 million before costs, issuing 30,000,000 fully paid ordinary shares at \$0.20 per share. The raise was oversubscribed, with offers scaled back. RM Corporate Finance acted as Corporate Adviser to the Company and Lead Manager to the IPO.

The offer received strong support from a broad base of institutional, high net worth and institutional investors, with over 370 new shareholders joining the register.

### Unique, proven technology targeting a large, growing market

Security Matters owns a unique and patented technology, that allows any solid, liquid or gas to be invisibly and irrevocably 'marked' using a chemical-based barcode, and 'read' using a unique proprietary reader. The technology provides a safe, effective and unique way to track items starting with raw materials, through to manufacturing and sale, providing a tamperproof record of physical good movements throughout the supply chain. The technology also enables proof of authenticity, can provide quality assurance and store and protect ownership of data, using blockchain technology.

SMX's concept is known as *The Intelligence On Things* and encompasses resilient physical marking & tagging. This translates to creating a 'digital twin' connected to original and innovative blockchain technology for brand protection, supply chain integrity, track and trace, product liability.

The technology provides a viable solution across a wide variety of sectors, including the global anti-counterfeit market, which *Allied Research* estimates was valued at USD\$1.77 trillion in 2015 alone.

The Company has commenced commercialisation of this technology – initially developed and proven by the Israeli Government. Security Matters owns the rights to use this technology and has further developed this source IP for non-defence-based applications, which it owns.

Already, SMX has a number of Memorandums of Understanding and proof of concept trials with a number of leading global companies as outlined in the Company's Prospectus. These demonstrate the broad appeal and flexibility of Security Matters' technology and the huge commercial potential of developing solutions that could be implemented by leading global manufacturers.

The Company is also in discussion with several parties and is progressing its discussions across a range of potential opportunities, which it expects to result in positive commercial outcomes for the Company over the coming months.

**Commenting on the Company's listing, Haggai Alon, Founder and CEO states:**

"We are proud to be the 18<sup>th</sup> Israeli company to have listed on the ASX and I'd like to thank Australia for welcoming us with open arms. The Australian markets not only offers a financial structure but is also a market where our technology can thrive. Perth Mint is only the beginning."

"The ASX has given us a house and we intend on making the Australian markets our home."

"I would like to thank our shareholders, both existing and new, for your overwhelming support during this process. Your board and management team are focussed on the successful commercialisation of our unique technology and building long term value for our shareholders."

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**About Security Matters Limited**

Security Matters has commenced the commercialisation of its unique, patented technology that uses a hidden chemical-based 'barcode' to permanently and irrevocably 'mark' any object, be it solid, liquid or gas. The barcode is read using the company's unique 'reader' to access the corresponding stored data, recorded and protected using blockchain technology.