

4 February 2019

Phase II seed solution testing successfully completes, progressing technology towards commercialisation

Highlights

- Phase II testing of **SMX**'s seed authentication solution has **completed successfully**, supporting **SMX**'s farm-to-plate growth strategy and propelling it towards full commercialisation of its agricultural offering
- Positive results were confirmed by an independent **external expert** and prove **SMX**'s innovative technology can be successfully incorporated into seeds during the entire process cycle with **no impact** to the quality or process cycle
- Phase III testing is expected to commence in Q2 2019 and is expected to successfully complete in June 2019
- Completion of Phase III testing will symbolise the Company's full agricultural commercialisation and revenues are expected to be generated immediately after completion
- **Global seeds market** is estimated to reach **US\$113 billion** by **2022** with an average annual growth rate of **9.9%**
- The **Australian agriculture market** represents the first sector of commercialisation for the Company as it now dedicates its resources to other sectors and geographies

Security Matters Limited (ASX: SMX) ('Security Matters' or 'the Company'), a brand protection, supply chain integrity and blockchain technology company that provides a global immutable record of physical goods, is pleased to announce that it has successfully completed phase II testing of its seed integrity solution as part of an existing proof of concept project with a global leading seed supplier.

Phase II tests saw **SMX** apply its ecological markers into seeds using a drop-in method during the production process, with the tests confirming the markers have successfully been integrated and can be read using **SMX**'s proprietary reader.

The tests were conducted by an independent external expert that also confirmed **SMX**'s markers have **no negative impact** on any of the seeds' key properties, including its genetic code or physical characteristics. The markers have also been proven to have **no impact** on any of the material processes involved including conservation, delivery, marketing, sprouting or growth.

Completion of Phase II testing represents a milestone for the Company further validating the technology's capabilities and demonstrating its agility and efficacy in commercial applications. The positive results propel **SMX** towards commercialisation with commercial discussions between **SMX** and the leading seeds supplier reaching advanced stages.

Phase III testing is expected to be conclude June 2019 and completion will symbolise full commercialisation of **SMX**'s agricultural offering.

The **total global seeds market** is estimated to reach **US\$113 billion** by **2022** with an average annual growth rate of **9.9%**¹. This alongside increasing regulation provides **SMX** a huge opportunity to capitalise on the growing market by securing further projects globally with market leaders looking to enhance the safety of their products.

Haggai Alon, Founder and CEO comments:

“Completion of this testing phase represents a significant milestone for us and progresses the Company towards commercialisation of its track and trace seeds solution. This is part of our ongoing strategy to become the global standard for supply chain integrity, authenticity and quality assurance for the agricultural industry.”

“This supports **SMX’s** agriculturally focussed farm-to-plate growth strategy of ensuring genuine food provision to consumers globally by providing quality assurance across the entire production process and supply chain. **SMX’s** technology is the only authentication solution addressing the end-to-end process cycle, from the ground through to sale and consumption.”

“**SMX** has targeted Australia as its first strategic market to launch its breakthrough agricultural **track and trace** technology, with the goal of ensuring Australian consumers their food is safe and made from high-quality products.”

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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.

¹ Quantified B2B research providers, **MarketsandMarkets™**,