

11 June 2019

## Commercial discussions commence with leading animal feed producer, Ambar

- SMX has commenced commercial discussions with leading Israeli animal feed producer, Ambar
- Commercial discussions follow the completion of the Phase II pilot project that commenced in Q1 2019
- Independently validated tests conclude SMX's markers have been successfully integrated and have **no negative impact** on the animal feed's properties or Ambar's production process

**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 delighted to announce it has commenced commercial discussions with leading Israeli animal feed supplier Ambar, following the completion of Phase II testing.

The Phase II pilot project involved SMX incorporating its disruptive technology into Ambar's animal feed via a drop-in solution during the production process. The tests concluded that SMX's technology can be successfully incorporated into Ambar's supply chain with **no negative impact** to any of the animal feed's properties, and the markers can be successfully read indefinitely using SMX's proprietary reader.

All results have been independently validated by Ambar and also concluded that use of the markers has **no impact** on Ambar's production processes and production costs.

As a result, SMX and Ambar have entered commercial discussions regarding future collaboration agreements, and these are expected to complete during Q3 2019.

The commencement of commercial discussions provides further validation of SMX's technology and progresses the Company towards full commercialisation of its agricultural offering. It also demonstrates SMX's ability to partner with leading corporations across multiple sectors.

SMX has also demonstrated its commitment to executing its farm-to-plate business model and enter agreements that will have long-term commercial benefits for the Company.

### Ambar commented:

"Ambar continues to drive changes in the sector by trialling and implementing new and innovative technologies that not only add integrity, but also ensure it retains its leading position in the market. Ambar is delighted to have such a great working relationship with SMX and is certain SMX's technology has a significant amount to offer the agriculture sector."

### Haggai Alon, Founder and CEO comments:

"I would firstly like to extend my many thanks to the entirety of the Ambar team."

“The completion of Phase II testing and the commencement of negotiations with Ambar is a milestone reached in our relationship. This has progressed us towards commercialisation within the animal feed/agriculture sector and now that we have demonstrated how impactful our technology will be for the sector, we are actively targeting the EU and Australian markets.”

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**About Ambar**

Ambar is the largest and most technologically advanced feed institutes within Israel and is the largest producer of livestock foodstuff. Ambar was established in the 1960's by farmers from the Sharon region and now employs over 300 staff.

**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.

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