

Announcement Summary

Entity name

SECURITY MATTERS LIMITED

Announcement Type

New announcement

Date of this announcement

Wednesday April 28, 2021

The Proposed issue is:

- A standard pro rata issue (including non-renounceable or renounceable)
- A placement or other type of issue

Total number of +securities proposed to be issued for a standard pro rata issue (including non-renounceable or renounceable)

ASX +security code	+Security description	Maximum Number of +securities to be issued
SMX	ORDINARY FULLY PAID	2,861,848

Ex date

Monday May 3, 2021

+Record date

Tuesday May 4, 2021

Offer closing date

Friday May 14, 2021

Issue date

Friday May 21, 2021

Total number of +securities proposed to be issued for a placement or other type of issue

ASX +security code	+Security description	Maximum Number of +securities to be issued
SMX	ORDINARY FULLY PAID	14,706,000

Proposed +issue date

Tuesday May 4, 2021



Refer to next page for full details of the announcement



Part 1 - Entity and announcement details

1.1 Name of +Entity

SECURITY MATTERS LIMITED

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

1.2 Registered Number Type

ABN

Registration Number

78626192998

1.3 ASX issuer code

SMX

1.4 The announcement is

New announcement

1.5 Date of this announcement

Wednesday April 28, 2021

1.6 The Proposed issue is:

A standard +pro rata issue (non-renounceable or renounceable)

A placement or other type of issue

1.6a The proposed standard +pro rata issue is:

+ Non-renounceable



Part 3 - Details of proposed entitlement offer issue

Part 3A - Conditions

3A.1 - Are any of the following approvals required for the entitlement offer to be unconditional?

- **+Security holder approval**
- **Court approval**
- **Lodgement of court order with +ASIC**
- **ACCC approval**
- **FIRB approval**
- **Another approval/condition external to the entity**

No

Part 3B - Offer details

Class or classes of +securities that will participate in the proposed issue and class or classes of +securities proposed to be issued

ASX +security code and description

SMX : ORDINARY FULLY PAID

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

Existing class

Will the proposed issue of this +security include an offer of attaching +securities?

No

If the entity has quoted company options, do the terms entitle option holders to participate on exercise?

No

Details of +securities proposed to be issued

ASX +security code and description

SMX : ORDINARY FULLY PAID

ISIN Code (if Issuer is a foreign company and +securities are non CDIs)

ISIN Code for the entitlement or right to participate in a non-renounceable issue (if Issuer is foreign company and +securities are non CDIs)

Offer ratio (ratio to existing holdings at which the proposed +securities will be issued)



The quantity of additional +securities to be issued	For a given quantity of +securities held
1	49

What will be done with fractional entitlements?	Maximum number of +securities proposed to be issued (subject to rounding)
Fractions rounded up to the next whole number	2,861,848

Offer price details for retail security holders

In what currency will the offer be made?	What is the offer price per +security for the retail offer?
AUD - Australian Dollar	AUD 0.35000

Oversubscription & Scale back details

Will individual +security holders be permitted to apply for more than their entitlement (i.e. to over-subscribe)?

Yes

Describe the limits on over-subscription

Eligible Shareholders who take up their Entitlements in full may apply for Additional Shares under a Top-up Facility, provided that the issue of those Additional Shares does not result in a breach of the Listing Rules, Corporations Act or any applicable law.

Will a scale back be applied if the offer is over-subscribed?

Yes

Describe the scale back arrangements

If there is an oversubscription of New Shares, a scale back will be determined at the Board's absolute discretion.

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

Yes

Part 3C - Timetable

3C.1 +Record date

Tuesday May 4, 2021



3C.2 Ex date

Monday May 3, 2021

3C.4 Record date

Tuesday May 4, 2021

3C.5 Date on which offer documents will be sent to +security holders entitled to participate in the +pro rata issue

Wednesday May 5, 2021

3C.6 Offer closing date

Friday May 14, 2021

3C.7 Last day to extend the offer closing date

Tuesday May 11, 2021

3C.9 Trading in new +securities commences on a deferred settlement basis

Monday May 17, 2021

3C.10 Last day for entity to announce the results of the offer to ASX, including the number and percentage of +securities taken up by existing +security holders and any shortfall taken up by underwriters or other investors

Monday May 17, 2021

3C.11 +Issue date

Friday May 21, 2021

3C.12 Date trading starts on a normal T+2 basis

Monday May 24, 2021

3C.13 First settlement date of trades conducted on a +deferred settlement basis and on a normal T+2 basis

Wednesday May 26, 2021

Part 3E - Fees and expenses

3E.1 Will there be a lead manager or broker to the proposed offer?

No

3E.2 Is the proposed offer to be underwritten?

No



3E.3 Will brokers who lodge acceptances or renunciations on behalf of eligible +security holders be paid a handling fee or commission?

No

3E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed offer

Part 3F - Further Information

3F.1 The purpose(s) for which the entity intends to use the cash raised by the proposed issue

For development of industrial scale plastic circular economy solution; accelerate trueGold Consortium, and entering wood, forestry and cement segment sectors, working capital purposes and to cover the costs of the Offer..

3F.2 Will holdings on different registers or subregisters be aggregated for the purposes of determining entitlements to the issue?

No

3F.3 Will the entity be changing its dividend/distribution policy if the proposed issue is successful?

No

3F.4 Countries in which the entity has +security holders who will not be eligible to participate in the proposed issue

All countries other than Australia and New Zealand

3F.5 Will the offer be made to eligible beneficiaries on whose behalf eligible nominees or custodians hold existing +securities

Yes

3F.5a Please provide further details of the offer to eligible beneficiaries

The Company intends to send a notice to eligible nominees.

3F.6 URL on the entity's website where investors can download information about the proposed issue

3F.7 Any other information the entity wishes to provide about the proposed issue

3F.8 Will the offer of rights under the rights issue be made under a disclosure document or product disclosure statement under Chapter 6D or Part 7.9 of the Corporations Act (as applicable)?

No



Part 7 - Details of proposed placement or other issue

Part 7A - Conditions

7A.1 - Are any of the following approvals required for the placement or other type of issue?

- **+Security holder approval**
- **Court approval**
- **Lodgement of court order with +ASIC**
- **ACCC approval**
- **FIRB approval**
- **Another approval/condition external to the entity**

No

Part 7B - Issue details

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

Existing class

Will the proposed issue of this +security include an offer of attaching +securities?

No

Details of +securities proposed to be issued

ASX +security code and description

SMX : ORDINARY FULLY PAID

Number of +securities proposed to be issued

14,706,000

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

Yes

In what currency is the cash consideration being paid?

AUD - Australian Dollar

What is the issue price per +security?

AUD 0.35000

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

Yes



Part 7C - Timetable

7C.1 Proposed +issue date

Tuesday May 4, 2021

Part 7D - Listing Rule requirements

7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the entire issue under listing rule 7.1?

No

7D.1b Are any of the +securities proposed to be issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?

Yes

7D.1b (i) How many +securities are proposed to be issued without security holder approval using the entity's 15% placement capacity under listing rule 7.1?

1713048

7D.1c Are any of the +securities proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A (if applicable)?

Yes

7D.1c (i) How many +securities are proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A?

12992952

7D.2 Is a party referred to in listing rule 10.11 participating in the proposed issue?

No

7D.3 Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules?

No

7D.4 Will any of the +securities to be issued be subject to +voluntary escrow?

No

Part 7E - Fees and expenses

7E.1 Will there be a lead manager or broker to the proposed issue?

No

7E.2 Is the proposed issue to be underwritten?

No



7E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue

Part 7F - Further Information

7F.01 The purpose(s) for which the entity is issuing the securities

For development of industrial scale plastic circular economy solution; accelerate trueGold Consortium, and entering wood, forestry and cement segment sectors, working capital purposes and to cover the costs of the issue.

7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds?

No

7F.2 Any other information the entity wishes to provide about the proposed issue