

12 October 2021

SMX completes strongly supported \$3.1m placement to further ESG commercialisation

- Security Matters successfully raises \$3.1 million via a strongly supported placement to strategic and sophisticated investors at \$0.30 per share.
- Proceeds from the Placement will be used for the advancement and commercialisation of SMX's technology in the following:
 - Industrial scale identification, authentication and quantification of both virgin & recycled plastics using a conveyor belt reader system;
 - Progression to the next stage in the commercial phase that focuses on traceability, ethic sourcing and circularity for natural rubber & synthetic rubber with Continental, a global tier 1 tyres and conveyor belt manufacturer;
 - Launch additional traceability, anticounterfeiting, origination verification and circularity projects for the Fashion Sustainability Centre;
 - Launch new collaborative projects and initiatives in the wood, forestry, and cement sectors.

Security Matters Limited (ASX: SMX) (Security Matters or the Company), a company focused on digitising physical objects on the blockchain to enable a circular and closed loop economy, is pleased to announce it has successfully completed a \$3.1 million private capital raise (**Placement**) with strong demand received from strategic and sophisticated investors.

The Company raised \$3.1 million before costs, issuing 10,291,662 new fully paid ordinary shares at \$0.30 per share ("New Shares"). As part of this Placement, the Company will issue one unlisted option for every two shares issued in the Placement, with each option exercisable at \$0.40 per share, expiring on 31 March 2022 (**Attaching Option**). Upon exercise of each Attaching Option, investors will receive one new ordinary share in SMX and one option exercisable at \$0.70, expiring on 20 January 2023 (**Second Option**). SMX will also issue 2,655,000 options to brokers (**Broker Options**) to Euroz Hartleys in relation to the Placement, 1,327,500 of which have an exercise price of \$0.35 and expire 24 months from issue date and the balance on the same terms as the Attaching Options. SMX will seek to have the Attaching Option and Second Option listed on the ASX.

Proceeds from the Placement will be used for a range of ESG business development initiatives and projects as outlined above and for general working capital requirements as the Company continues to commercialize its technology offering.

The issue of Placement shares will not be subject to shareholder approval within the Company's 7.1 and 7.1A placement capability. The Attaching Options and Broker Options will be issued subject to shareholder approval at the meeting of shareholders in November 2021.

The New Shares will rank equally with existing ordinary shares of the Company on issue.

Haggai Alon, Founder and CEO commented:

“SMX would like to thank our existing shareholders for their continued support in our capital raising efforts, as well as welcome new strategic and sophisticated investors. We are very pleased with the demand we have received; the placement results acknowledge our progress this financial year, including the significant support for the Company’s project pipeline and ESG business developments. We look forward to updating shareholders as we continue to commercialise the SMX technology.”

--Ends--

By order of the Chief Executive Officer.

For further information, please contact:

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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.

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