

Announcement Summary

Entity name

SECURITY MATTERS LIMITED

Announcement Type

New announcement

Date of this announcement

8/12/2021

The Proposed issue is: A placement or other type of issue**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
New class-code to be confirmed	OPTIONS EXPIRING 31-MAR-2022 EX \$0.40	4,702,664
New class-code to be confirmed	OPTIONS EXPIRING 10-DEC-2023 EX \$0.35	1,321,000
New class-code to be confirmed	OPTIONS EXPIRING 10-DEC-2026 EX \$0.70	667,000
New class-code to be confirmed	OPTIONS EXPIRING 21-MAR-2023 EX \$0.40	1,321,000
SMX	ORDINARY FULLY PAID	134,584

Proposed +issue date

10/12/2021

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.

If the +securities are being offered under a +disclosure document or +PDS and are intended to be quoted on ASX, we also apply for quotation of all of the +securities that may be issued under the +disclosure document or +PDS on the terms set out in Appendix 2A of the ASX Listing Rules (on the understanding that once the final number of +securities issued under the +disclosure document or +PDS is known, in accordance with Listing Rule 3.10.3C, we will complete and lodge with ASX an Appendix 2A online form notifying ASX of their issue and applying for their quotation).

1.2 Registered Number Type

ACN

Registration Number

626192998

1.3 ASX issuer code

SMX

1.4 The announcement is

New announcement

1.5 Date of this announcement

8/12/2021

1.6 The Proposed issue is:

A placement or other type of issue



Part 7 - Details of proposed placement or other issue

Part 7A - Conditions

7A.1 Do any external approvals need to be obtained or other conditions satisfied before the placement or other type of issue can proceed on an unconditional basis?

Yes

7A.1a Conditions

Approval/Condition	Date for determination	Is the date estimated or actual?	** Approval received/condition met?
+Security holder approval	6/12/2021	<input checked="" type="checkbox"/> Actual	Yes

Comments

Security holder approval was obtained at the EGM held on 6 December 2021.

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

134,584

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 0.30650

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

Yes

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)?

New class

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

No

Details of +securities proposed to be issued

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

Have you received confirmation from ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1?

No

Will the entity be seeking quotation of the 'new' class of +securities on ASX?

No

ASX +security code

New class-code to be confirmed

+Security description

OPTIONS EXPIRING 31-MAR-2022 EX \$0.40

+Security type

Options

Number of +securities proposed to be issued

4,702,664

Offer price details

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

No

Please describe the consideration being provided for the +securities

Options are attaching securities to fully paid ordinary shares subscribed for and issued in the Placement - refer Appendix 2A lodged on 27 October 2021. Placement shares are \$0.30 per share.



Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities

Will all the +securities issued in this class rank equally in all respects from their issue date?

Yes

Options details

+Security currency	Exercise price	Expiry date
AUD - Australian Dollar	AUD 0.4000	31/3/2022

Details of the type of +security that will be issued if the option is exercised

SMX : ORDINARY FULLY PAID

Number of securities that will be issued if the option is exercised

4,702,664

Please provide a URL link for a document lodged with ASX setting out the material terms of the +securities proposed to be issued or provide the information by separate announcement.

https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02445317-3A579907?access_token=83ff96335c2d45a094df02a206a39ff4

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)?

New class

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

No

Details of +securities proposed to be issued

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

Have you received confirmation from ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1?

No

Will the entity be seeking quotation of the 'new' class of +securities on ASX?

No

ASX +security code

New class-code to be confirmed

+Security description

OPTIONS EXPIRING 10-DEC-2023 EX \$0.35



+Security type

Options

Number of +securities proposed to be issued

1,321,000

Offer price details

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

No

Please describe the consideration being provided for the +securities

Options to be issued to brokers pursuant to placement of shares - refer to Appendix 2A lodged with with ASX on 27 October 2021.

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities

Will all the +securities issued in this class rank equally in all respects from their issue date?

Yes

Options details

+Security currency	Exercise price	Expiry date
AUD - Australian Dollar	AUD 0.3500	10/12/2023

Details of the type of +security that will be issued if the option is exercised

SMX : ORDINARY FULLY PAID

Number of securities that will be issued if the option is exercised

1,321,000

Please provide a URL link for a document lodged with ASX setting out the material terms of the +securities proposed to be issued or provide the information by separate announcement.

https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02445317-3A579907?access_token=83ff96335c2d45a094df02a206a39ff4

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)?

New class

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

No



Details of +securities proposed to be issued

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

Have you received confirmation from ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1?

No

Will the entity be seeking quotation of the 'new' class of +securities on ASX?

No

ASX +security code

New class-code to be confirmed

+Security description

OPTIONS EXPIRING 10-DEC-2026 EX \$0.70

+Security type

Options

Number of +securities proposed to be issued

667,000

Offer price details

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

No

Please describe the consideration being provided for the +securities

Options are being issued under the Company's 2018 Employee Share Option Plan to remunerate Directors.

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities

Will all the +securities issued in this class rank equally in all respects from their issue date?

Yes

Options details

+Security currency

AUD - Australian Dollar

Exercise price

AUD 0.7000

Expiry date

10/12/2026

Details of the type of +security that will be issued if the option is exercised

SMX : ORDINARY FULLY PAID

Number of securities that will be issued if the option is exercised

667,000



Please provide a URL link for a document lodged with ASX setting out the material terms of the +securities proposed to be issued or provide the information by separate announcement.

https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02445317-3A579907?access_token=83ff96335c2d45a094df02a206a39ff4

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)?

New class

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

No

Details of +securities proposed to be issued

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

Have you received confirmation from ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1?

No

Will the entity be seeking quotation of the 'new' class of +securities on ASX?

No

ASX +security code

New class-code to be confirmed

+Security description

OPTIONS EXPIRING 21-MAR-2023 EX \$0.40

+Security type

Options

Number of +securities proposed to be issued

1,321,000

Offer price details

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

No

Please describe the consideration being provided for the +securities

Options to be issued to brokers pursuant to placement of shares - refer to Appendix 2A lodged with with ASX on 27 October 2021.

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities

Will all the +securities issued in this class rank equally in all respects from their issue date?

Yes



Options details

+Security currency	Exercise price	Expiry date
AUD - Australian Dollar	AUD 0.4000	21/3/2022

Details of the type of +security that will be issued if the option is exercised

SMX : ORDINARY FULLY PAID

Number of securities that will be issued if the option is exercised

1,321,000

Please provide a URL link for a document lodged with ASX setting out the material terms of the +securities proposed to be issued or provide the information by separate announcement.https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02445317-3A579907?access_token=83ff96335c2d45a094df02a206a39ff4

Part 7C - Timetable

7C.1 Proposed +issue date

10/12/2021

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? Yes**7D.1a Date of meeting or proposed meeting to approve the issue under listing rule 7.1**

6/12/2021

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

Please refer to Notice of Extraordinary General Meeting lodged on the ASX on 1 November 2021.

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

Further details of the proposed issue of shares and options are set out in the Notice of Extraordinary General Meeting lodged with the ASX on 1 November 2021.

7F.3 Any on-sale of the +securities proposed to be issued within 12 months of their date of issue will comply with the secondary sale provisions in sections 707(3) and 1012C(6) of the Corporations Act by virtue of:

The publication of a cleansing notice under section 708A(5), 708AA(2)(f), 1012DA(5) or 1012DAA(2)(f)