

10 February 2020

SMX develops tech solution to trace origin and drive brand integrity of wine

- Solution to address the approx. \$500bn per annum alcohol counterfeiting market
- Patented system leverages world-class Israeli technology to tag, track and verify wine
- Joint Venture (SMX Beverages) formed with Peter Yates AM and Leon Kempler AM to complete and commercialise the system

Security Matters Limited (ASX:SMX) (Security Matters or the Company), announces the incorporation of a new joint venture company, Security Matters Beverages (“**SMX-B**”) in collaboration with Global Bevco Pty Ltd (“**Global Bevco**”) to complete the development of SMX’s patented wine anti-counterfeit and adulteration system and commercialise its application.

SMX-B will be 50% owned by Security Matters and 50% owned by Global Bevco, a company owned by former Macquarie banker Mr Peter Yates AM and Mr Leon Kempler AM.

SMX-B will licence SMX’s supply chain integrity and asset tracking technology, which irrevocably marks a range of fungible products and substances to allow for their tracking.

The technology comprises an invisible, liquid-based barcode system, a proprietary reader to identify these codes and a blockchain record to store and protect ownership data. The newly formed partnership will apply Security Matters’ solution to alcoholic beverages globally, with work already underway with key stakeholders to develop global standards and test the technology.

Haggai Alon, Security Matters Founder and CEO said: “We are focused on assisting FMCG companies to demonstrate brand integrity and production visibility - from raw material to recycling - with all information stored on the block chain. Through the joint venture we will be executing an aggressive strategy in 2020, targeting the FMCG market and specifically the alcohol industry which accounts for over \$500 billion annually¹ of counterfeit goods.

“Following the successful demonstration of our pioneering technology incorporated in different types of wine, we are finalising the markers to embed into wines within Australia and Europe while solving the regulatory issues surrounding wine provenance, quality and production methods.

“In simple terms, we introduce a trace of a unique marker that effectively represents the DNA of the product right down to the batch number that can be read by a proprietary analyser at every stage of the supply chain,” said Mr Alon

Peter Yates, Director of Global Bevco said: “The sale of counterfeit wine is a significant threat to the industry that occurs at all price points and is particularly prevalent in China.”

“Moreover, it is a social problem that deprives communities of the value they have created, especially growers of premium product. SMX’s technology, pioneered in Israel, is a unique commercial solution to this social problem and represents the holy grail for preventing counterfeiting of wine.”

Opportunity to Lead Development of Global Standard

SMX-B is beginning to assemble a wider team of regulatory experts and industry leaders, including wine experts and global leading wine brands to ensure the solution meets all global requirements and explore further uses of SMX's technology.

"Security Matters is focussed on becoming the global record of all physical goods with an Equilibrium Economy® sustainability model," said Mr Alon.

-ENDS-

Enquiries please contact:

Media Enquiries

Melissa Hamilton


Media and Capital Partners

P: 04 1775 0374

E: Melissa.hamilton@mcpartners.com.au

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.

Follow us through our social channel  @secmattersltd

¹ Source: WHO Global Status Report on Alcohol and Health (2018), Statista, Global Newswire, Allied Market Research