

18 December 2020

Security Matters successfully completed a A\$1.1 million private placement at a premium

- Security Matters successfully raised a total of \$1.1 million at a premium in a private placement that was supported by new and existing sophisticated and professional investors.
- This placement signalled a strong vote of confidence from investors (including founding investors) following the recent announcements in Q4, 2020:
 - Launch of Security Matters' 3.0 blockchain platform;
 - Opening of a Sustainability Competence Centre for Fashion; and
 - Confirmation of a A\$800k commercial contract with trueGold Consortium Pty Ltd.
- Security Matters raised a total of \$10.36 million in 2020, which includes: \$760k by Psagot as part of its ESG investment portfolio & strategy in November 2020;
- Security Matters is well positioned to progress ongoing projects into commercial contracts with a financial runway into 2022.

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 delighted to announce it has successfully completed a private placement of \$1.1 million.

The placement issued 2,683,627 fully paid ordinary shares at a price of \$0.41 per share. The Company also issued 1 attaching option for every 2 ordinary shares subscribed for in the placement and each attaching option has a three-year expiry and is exercisable at \$0.70. Both the shares and options were issued utilising the Company's placement capacity under Listing Rule 7.1.

This round of capital raising is in addition to four earlier placements, announced in November 2020 for \$760k by Psagot (Israel's largest institutional investor) and \$2.1 million, and in March 2020 for \$5 million and \$1.4 million, bringing the total capital raised this year to \$10.36 million. As a result, SMX's balance sheet has been significantly strengthened and is currently expected to provide the company financial runway into 2022.

Proceeds from the placement will be used to accelerate the speed of adoption and commercialisation of its technology across SMX's strategic target market segments (i.e. Ethical Mining & Raw Minerals, Fashion & Cosmetics, Circular Economy & Supply Chain, Electronics & Components, Sustainability & Food Security). The investment will enable SMX to maintain a strong momentum as it progresses ongoing pilot projects into commercial contracts for companies transitioning to the sustainable circular economy.

Haggai Alon, Founder and CEO comments:

“This most recent round of private placement signalled a strong vote of confidence and valuable support from new and existing shareholders. Following the achievement of key milestones with Intel with its successful proof of concept; the launch of a commercial ready 3.0 Blockchain platform that will be the key enabler for a sustainable circular economy; the opening of a Sustainability Competence Centre to enable fashion brands to successfully transition to a closed loop circular economy; and a \$800k commercial contract with trueGold consortium to launch a fully transparent mine-to-marketplace ESG focussed gold supply chain assurance solution.

SMX is continuously progressing along its clear strategic roadmap for the SMX technology to be adopted and scale up across diverse market segments globally. SMX is the spearhead for credible and transparent ESG adoption as it addresses directly the issue of sustainable circularity from a tangible and physical aspect with its invisible molecular markers; digitally via its blockchain platform and financially it is an attractive investment for ESG funds.”

--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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