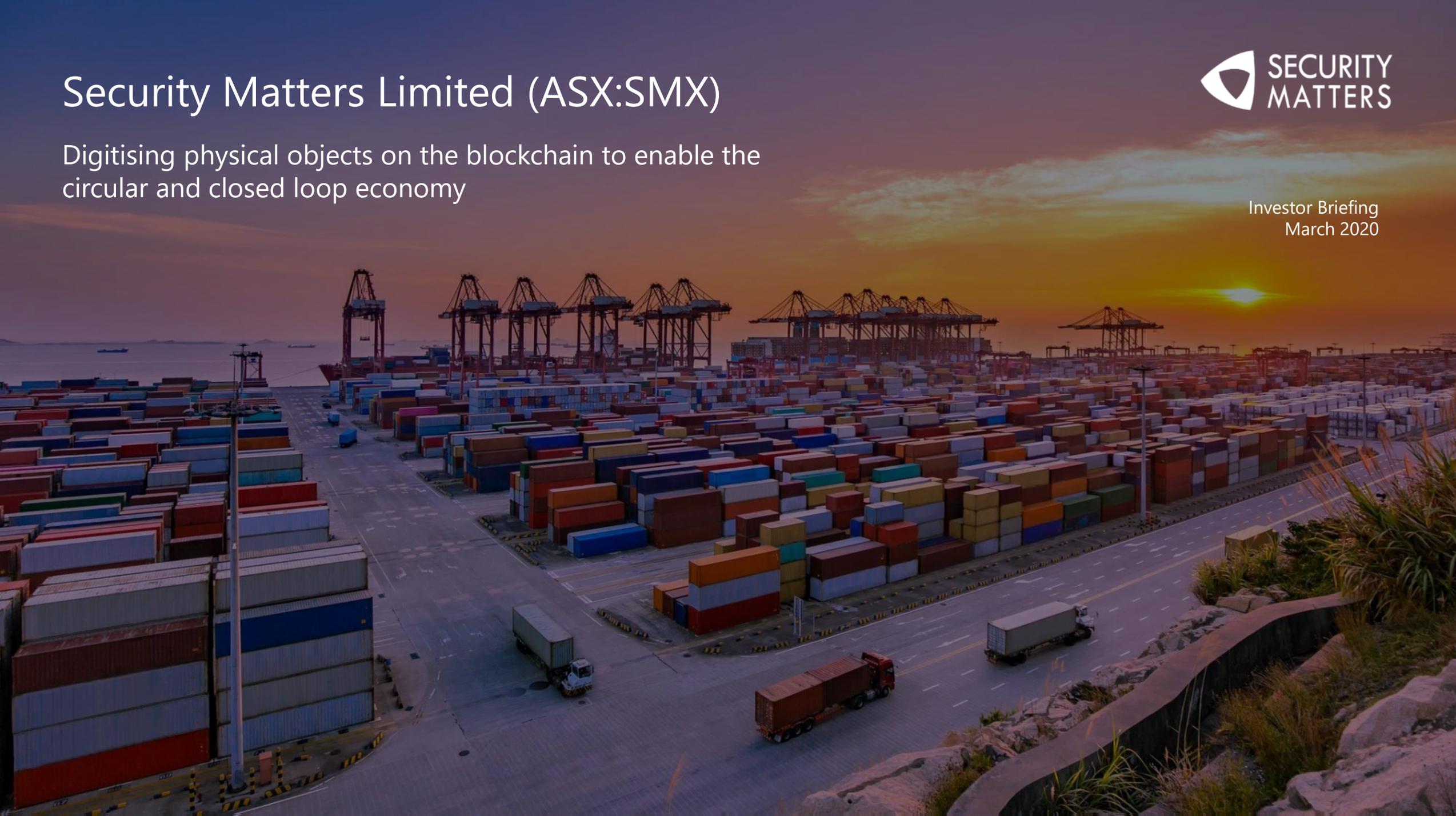


Security Matters Limited (ASX:SMX)

Digitising physical objects on the blockchain to enable the circular and closed loop economy



Investor Briefing
March 2020



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Our Vision

“Be the global standard & best practice for recording & connecting all physical goods with a digital twin on the blockchain”

Security Matters - Overview



Turnkey Technology Solution

A track & trace solution utilising a sub-molecular hidden 'marker' system, a unique 'reader', and a 'blockchain record' providing transparency and authentication



Industry Disrupting Technology

Product authentication, brand accountability and quality assurance solution creates an auditable closed loop supply chain



Market Agnostic

Currently active in chemistry, plastics, electronics, precious metals & minerals, food & beverage and agriculture markets



Global Collaboration Partners

Key collaboration partners include BASF (chemicals), The Perth Mint (precious metals) and SMX-B (wine)



Business Model Enabler

Disruptive tech solution addresses critical business needs (eg food security) and enables ESG initiatives such plastics credits recording and recycling

End to End Technology Solution



A chemical-based hidden marker system

- Permanent mark of any object either solid, liquid or gas
- Apply marks to multiple layers
- Combination of 500,000+ marker molecules ensure each mark is unique



A unique reader to identify these codes

- Patented sensitive reader receives response signal from marker
- Patented algorithm returns information on product retrieved from blockchain



A blockchain record to store and verify ownership data

- Records datasets through the supply chain
- Transfer of ownership
- Ensures proof of authenticity and quality assurance
- Visibility of supply chain movements

Case Study: Food Security in a Post-Coronavirus World

Making farm-to-plate possible

Coronavirus has changed world

Australia bio-security strategy needs to change

Global food chains in need of transparency & liability

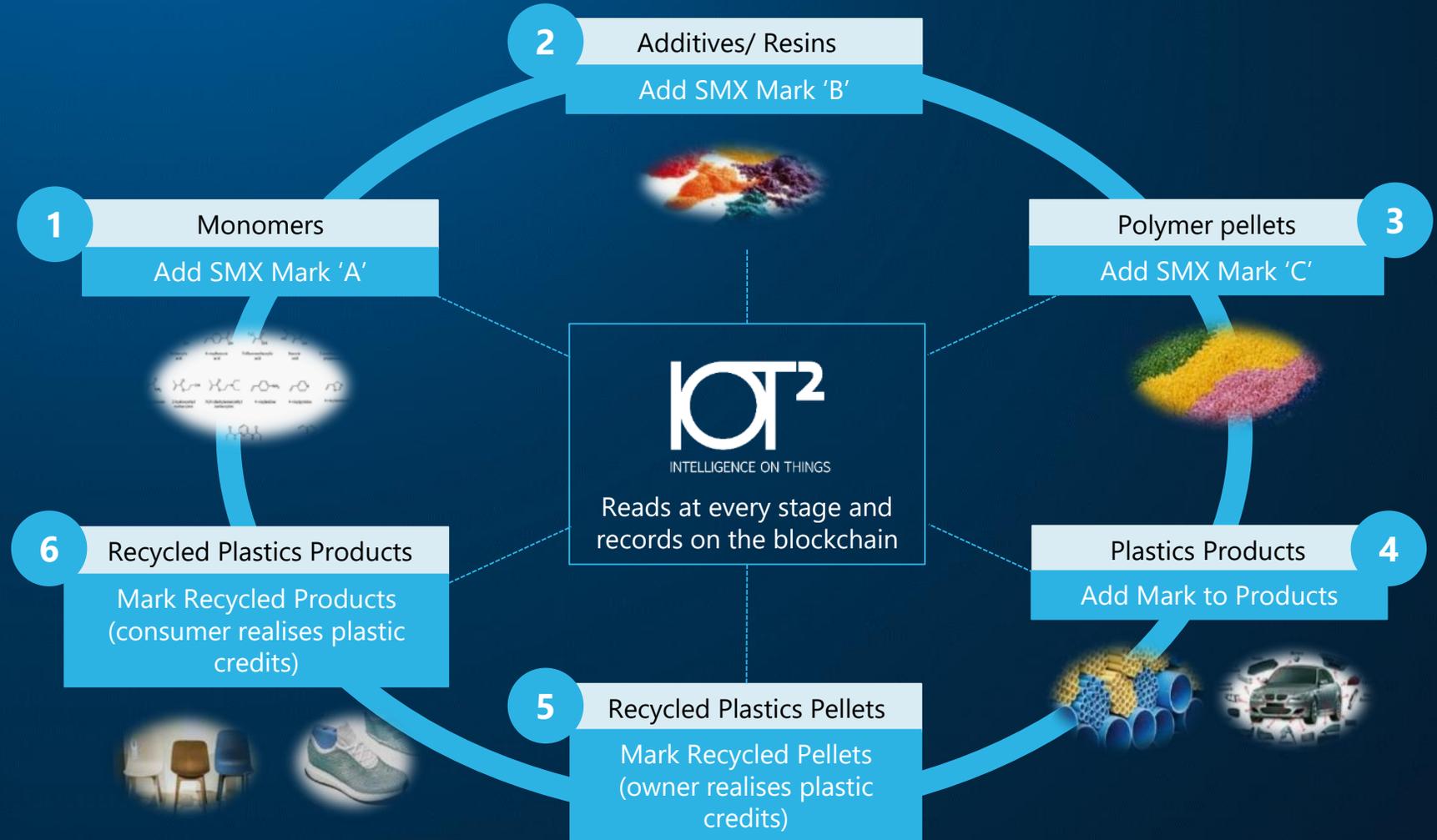
No technology covers integrity from origin to production to consumption



Traceability
Authenticity
Transparency
=
Food Security

Case Study: The Circular Economy Enabling 'Plastic Credits'

- Data granularity:
For the full life-cycle from
production to recycling
- Plastic footprint
transparency:
Accountability for
businesses, government &
households
- Regulation: Enables tax
deductions and liability
- A new economy:
Tradeable along the
supply chain



Key Value Proposition

Enables the next
industrial
generation:
Intelligence
On Things



- Drop-in solution: Toolkit available for industry with no change of production processes necessary
- Not replicable: Embedded markers in all layers, non-destructive reader and blockchain layer guarantees authenticity
- Best-in-class offering: Considerable value and operational advantages against competing technologies
- Supply chain integrity: First reliable technology to provide end-to-end transparency to increase trust and reduce liability
- Brand Authenticity: Gives brands a strong tool in the global fight against counterfeiting
- Unlocks ESG Value: Carbon credit reporting, product lifecycle monitoring, recycling, anti-conflict

Growth Plan & Business Model

White Label B2B Strategy



Collaboration and partnership with industry leaders in each target segment to accelerate speed of adoption



Multiple revenue streams that grow and compound over time



Current



Chemicals



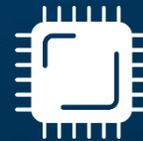
Precious Metals



Pharma



Food, Bev & Agri



Electronics



Implementation Fee
One-off for set-up

Technology License Fee
Recurring SaaS payment

Service Fee
Recurring based on usage

By End 2020

Timber

Lumber

Plastics

Cement

Ore & Rare Earths

Projects Overview

Each project making commercial progress providing revenue potential and newsflow to the business over the coming 18 months



Chemistry & Plastics

- Joint Development Program multinational chemical company
- Plastics & Packaging project initiated



Precious Metals & Minerals

- Ethical & Conflict Minerals – Supply Chain Traceability
- Diamonds and Gold projects initiated



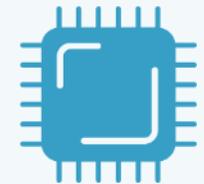
Pharmaceutical

- Supply Chain Traceability of Medicinal Cannabis



Food, Beverage & Agriculture

- Seeds & Animal Feed – Tracking & Anti Counterfeiting
- JV on anti-counterfeiting of wine



Electronics

- Ongoing project on cyber hardware, chip and components assembly and supply chain authenticity

Primary Strategic Projects: 2020



BASF Performance Chemicals Collaboration

- Evaluating collaboration opportunities by bundling competences to jointly develop best practices and deliver solutions for a sustainable future
- BASF is a founding member of the Alliance to End Plastic Waste



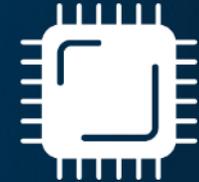
SMX-B: Wine trace origin

- Leverage SMX system to tag, track and verify wine
- Joint venture formed with Peter Yates AM and Leon Kempler AM



Perth Mint: Gold

- Creating the world's first 'mine to product' transparency solution following responsible gold mining principles
- trueGold will be approaching key industry players to participate in the initiative



Electronics

- Chosen to be in the Intel Integrity Partner Program

Growing Expert Team



- 1 **Haggai Alon**, Founder, Executive Director & CEO
- 2 **Tehila Nahum**, Ph.D., Head of Polymeric Solution Department
- 3 **David Rosenblatt**, Executive Director and Vice-Chairman
- 4 **Yair Seroussi**, CPA, Advisory Board Member
- 5 **Jovanka Naumoska**, Australian based Non-Executive Director and Independent Director
- 6 **Nadav Yoran**, Ph.D., Head of IP, Algorithm and Blockchain
- 7 **Yair Grof**, Ph.D., Vice President and Chief Scientist
- 8 **Michal Firstenberg**, Ph.D., Head of Marker Department
- 9 **Dr Gregory J Clark AC**, Australian based Non-Executive and Independent Director
- 10 **Hagit Sade**, Ph.D., Head of Physical Chemistry application
- 11 **Yifat Bareket**, Ph.D., VP Global Product Manager
- 12 **Everardus (Ed) Hofland**, Executive Chairman
- 13 **Eng. Nachum Holin**, Thermoplastic Markers Product Manager
- 14 **Yonatan Musnikow**, CFO
- 15 **Nataly Tal**, Ph.D., Head and Manager of R&D Department
- 16 **Eng. Mor Kaplinsky**, Physics Applications Manager
- 17 **Dmitrijs Docenko**, Ph.D., Head of Physics Application Development Department and Scientific Programming
- 18 **Avital Trachtman**, Bs.C, Account and Product Manager
- 19 **Amir Bader**, Non-Executive Director
- 20 **Gal Shmueli**, CTO
- 21 **John Poynton**, AO, Advisory Board Member
- 22 **Leon Kempler AM**, Advisory Board Member
- 23 **Major General Ami Shafran**, Head of Advisory Board
- 24 **Maria Chuchae**, M.Sc., Production and R&D lab technician

Appendices



Appendix: Market Tailwinds

US\$284 billion

Amount spent by companies and governments globally to combat counterfeiting in 2020

US\$153 billion

Size of the anti-counterfeit technology market in 2020



Food and Beverage



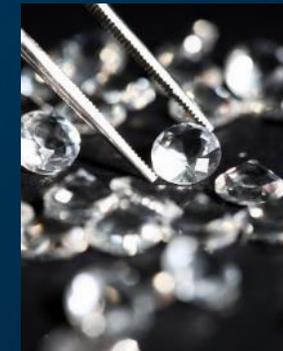
Pharmaceuticals



Electronics



Fashion Brands



Precious Metals & Stones



Resources & Ore



Counterfeit & provenance issues



Conflict & sourcing issues

Appendix: Company Highlights

Turnkey technology suite optimised over 10 years of development, testing and results

Positioned to become the industry standard for automated product authentication, supply chain integrity and quality assurance globally

Ready solution for markets that have no viable solution such as food security and minerals traceability

Powering “Intelligence on Things” solves intractable industry issues to capture market share in the US\$153 billion anti-counterfeit technology market

Platform in place to secure additional strategic partnerships and collaborations to enter new industry verticals and broaden the company’s global reach

World class technical and operational team, Board, management and advisors

Corporate Directory



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