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Question and Answer session with SMX CEO, Haggai Alon, on the Company's 1st half performance and development

Security Matters Limited (ASX: [SMX](#)) (Security Matters or the Company), a brand protection, supply chain integrity and blockchain technology company focussed on becoming the global record of physical goods, is pleased to provide the following Q&A with CEO and Co-Founder Haggai Alon, on the progress and developments achieved during the first half of 2019.

In simple terms, can you explain how SMX's unique and patented technology works?

The technology has three scientific foundations; chemistry, physics and the data science behind it, giving it the capability to mark any object whether solid, liquid and gas.

In simple terms, we use cutting edge chemistry to generate compounds (molecular sequences) which we call 'markers' that are then applied onto or incorporated into the customer's product. We have also created a unique proprietary hand-held reader/scanner that detects the markers when they are present, in turn authenticating the product as being genuine as well as providing a virtually unlimited amount of other information about the product, its origins, manufacture etc. All the markers, results, product information and customer information are logged on the blockchain creating a digital twin, meaning that the information is entirely reliable and verifiable.

The technology is versatile and can be used across all sectors, industries and product types.

Tell me about your recent R&D achievements.

We have taken some major steps towards commercialisation through our R&D team recently. Most notably, surpassing our 2019 target and creating 500,000 library codes of [SMX](#) markers.

The [SMX](#) marker codes act as a type of barcode and are the technological infrastructure needed to provide the highest quality and most secure service to customers. This means we can provide the same customer an array of different products to cater to all their needs. This is a significant achievement for the team as it demonstrates the huge range of applications and diverse uses there are for our technology.

We also recently lodged a patent application for the detection of microplastics in the agriculture sector. Opening up what we anticipate being a huge potential market for us.

You listed on the ASX in October last year, what have been your biggest achievements to date?

We have partnered with leading players across the technology, agriculture, electronics, blockchain and mining industries, and have signed a number of agreements across these sectors.

We are focused on building our exposure in the market, building meaningful relationships with large and powerful corporations and developing our technology to ensure it remains at the forefront of innovation.

You have signed a number of agreements, how are these progressing?

Thus far in 2019 we've signed agreements with The Perth Mint, CliniCann and leading diamond manufacturer, Trifecta that includes a US\$500,000 funding commitment. We continue to work closely with the management teams at these companies and things are progressing well.

We have also commenced multiple pilot and testing initiatives, including with Ambar, Hazera Seeds (Limagrain Group) and Bluestar Adisseo. We are at various stages of progress with these initiatives, however they are all on track and we will keep the market updated with developments where appropriate.

Our primary focus is to deliver on our core strategy which is to build relationships and grow in a strategically important way. We are working within sectors that have strategic opportunities and importance for us, and in each case, we are working with important and significant players within these industries.

You recently completed a \$6 million raise and are very well funded, what do you intend to do with the cash over the next 12 months?

Yes, we were very pleased to have such strong support from the market and our existing shareholders. Having such strong support and being well funded allows us to concentrate solely on the job at hand, which is to support our commercialisation strategy in collaboration with big multinational corporations, and to speed up the growth and adoption rates of the technology.

You have clearly focussed heavily on the global agricultural sector, why is that? What are the Company's main objectives in this space?

Australia has a huge agriculture market both domestically and outbound into the Asia Pacific region.

As Australia is such a large manufacturer of agricultural products and has such strict biosecurity, food security and high food quality, it opens up a huge amount of opportunities for us. Authentication and seed to final sale protection are imperative to ensuring high standards are maintained domestically and internationally.

How long will it be until you have fully commercialised the technology?

We are at various stages of development across all of our agreements and projects. Our growth strategy is to partner with the right corporations that are going to support our growth and development. Currently, we are on track to deliver material developments and we will update the market accordingly.

Can you tell us a bit more about some of your work across other sectors?

We have partnerships in the mining and precious metals space with The Perth Mint and diamond manufacturer Trifecta Industries Inc. This is a very interesting space and there are a lot of opportunities for us here.

We've also been working very closely with Intel, as part of our participation in the Intel Ingenuity Partner Program. This has provided us access to build relationships with a number of big players within the electronics and other sectors. I am excited about our growth and work with such huge multinationals.

Where do you see the Company in five years?

Five years from now, I believe we will be significantly larger, delivering on a number of commercial agreements.

Over the next five years I believe we will see [SMX](#) progress from being a small company into a leading tech company that has created an industry standard of quality by providing a white-labelled B2B offering. Our growth strategy is to partner with leading companies and create a new market encouraging organic adoption of the technology. This will ensure we are the first port of call for corporations looking for protection and authentication services by creating a digital twin for any physical object.

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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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