

17 December 2018

SMX to commence project with leading German identity solutions provider

- Pilot project agreement signed with leading German identity security solutions provider, Veridos GmbH (**'Veridos'**), to embed SMX's disruptive technology into two ID solutions
- Veridos is an international leader in ID systems and solutions with several production sites and sales branches across Brazil, Mexico, the USA, Canada, Greece, the United Arab Emirates and Singapore
- SMX to provide additional multi-layered security solutions for the protection of ID documents produced by Veridos
- The project is expected to commence in February 2019 and consideration of US\$46,000 will be paid to the Company on completion
- Veridos is a joint venture company founded by Giesecke+Devrient, with revenues of Euro 2.4 billion in 2017 and Bundesdruckerei GmbH with revenues of Euro 475 million in 2016

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 announce it has signed an agreement with leading German identification solutions provider, Veridos GmbH.

Veridos GmbH, founded by the two largest German high-end security technology providers - Giesecke+Devrient GmbH - Munich and Bundesdruckerei GmbH - Berlin, combines specialist expertise and many years of experience to offer customers a unique product portfolio of security solutions utilised by the government, immigration departments and commercial sectors.

The agreement is to commence a proof of concept pilot project to explore how SMX's pioneering technology can be incorporated into two of Veridos' ID systems by embedding additional multi-layered security into ID documents. The project is to assess how the technology can be used to enhance the security and reliability of all documents used for identification purposes including international travel.

The project's expected successes will in turn increase the safety and efficiency of airports, international immigration departments and the global identification market.

The project is expected to commence in February 2019 and is expected to be complete within four months. Consideration of US\$46,000 will be paid to the Company on completion.

The global security document market was valued at US\$27.2billion¹ in 2017 and Veridos is well positioned for strong growth.

This agreement represents a milestone achieved for SMX as it increases its international footprint. It also supports the Company's business model of building relationships with leading players in the security market globally to demonstrate the technology's elite capabilities ahead of its mass market rollout.

Haggai Alon, Co-Founder and CEO Comments

"Security Matters' core IP was originally developed by the Government of Israel and the signing of this agreement demonstrates how versatile the technology is. We have been successful in developing the technology even further, allowing for it to be used by Governments and security agencies globally."

"We continue to develop and improve our offering and are excited to showcase how much further we have pushed innovation in the sector."

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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.

About Veridos GmbH

Veridos GmbH creates secure and pioneering identification and identity solutions for the international market. The Veridos portfolio includes complete solutions for the production and personalization of passport documents, ID cards, driver's licenses, and healthcare cards. These are complemented by state-of-the-art management systems for personalization, issuance, and documentation, as well as solutions for personal identification, voter registration, and border control. With these solutions, Veridos offers its customers a unique product portfolio from a single source.

Veridos is a joint venture of Giesecke+Devrient GmbH, Munich, and Bundesdruckerei GmbH, Berlin,

Giesecke+Devrient (G+D) is an internationally leading Group providing security technology, headquartered in Munich, Germany. It has 72 subsidiaries, joint ventures, and associated companies in 32 countries worldwide. G+D had around 11,300 employees as of the end of 2016. In the fiscal year 2016, G+D generated total revenues of around 2.1 billion euros.

¹ Smithers Pira, 2018

Bundesdruckerei GmbH, based in Berlin, is a world leader when it comes to developing and supplying system solutions and services for secure identification both in the analog and digital world. In addition to comprehensive passport and ID card systems, the company supplies German and international customers in both the public and private sectors with ID documents, high-security cards, document verification hardware and security software along with trust center and eID services. Bundesdruckerei also produces banknotes, postage and revenue stamps as well as electronic publications.