



Update Summary

Entity name

SECURITY MATTERS LIMITED

Announcement Type

Update to previous announcement

Date of this announcement

Tuesday November 17, 2020

Reason for update to a previous announcement

Correction to the number of shares and options noted in the placement announcement of 16 November 2020.

Refer to next page for full details of the announcement



Part 1 - Entity and announcement details

1.1 Name of +Entity

SECURITY MATTERS LIMITED

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

1.2 Registered Number Type

ABN

Registration Number

78626192998

1.3 ASX issuer code

SMX

1.4 The announcement is

Update/amendment to previous announcement

1.4a Reason for update to a previous announcement

Correction to the number of shares and options noted in the placement announcement of 16 November 2020.

1.4b Date of previous announcement(s) to this update

Monday November 16, 2020

1.5 Date of this announcement

Tuesday November 17, 2020

1.6 The Proposed issue is:

A placement or other type of issue



Part 7 - Details of proposed placement or other issue

Part 7A - Conditions

7A.1 - Are any of the following approvals required for the placement or other type of issue?

- **+Security holder approval**
- **Court approval**
- **Lodgement of court order with +ASIC**
- **ACCC approval**
- **FIRB approval**
- **Another approval/condition external to the entity**

No

Part 7B - Issue details

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

Existing class

Will the proposed issue of this +security include an offer of attaching +securities?

Yes

Details of +securities proposed to be issued

ASX +security code and description

SMX : ORDINARY FULLY PAID

Number of +securities proposed to be issued

5,526,316

Reason for the update of 'Maximum Number of +securities proposed to be issued'

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

Yes

In what currency is the cash consideration being paid?

AUD - Australian Dollar

What is the issue price per +security?

AUD 0.38000



Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

Yes

Attaching +Security

Is the proposed attaching security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional +securities in a class that is already quoted or recorded by ASX)?

New class

Attaching +Security - New class (+securities in a class that is not yet quoted or recorded by ASX)

Details of attaching +securities proposed to be issued

ISIN Code (if Issuer is a foreign company and +securities are non CDIs)

Have you received confirmation from ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1?

No

Will the entity be seeking quotation of the 'new' class of +securities on ASX?

No

ASX +security code

New class-code to be confirmed

+Security description

Options exercisable at \$0.60 per share at any time up to three (3) years from the date of issue.

+Security type

Options

Number of +securities proposed to be issued

3,088,158

Reason for the update of 'Maximum Number of +securities proposed to be issued'

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

No

Please describe the consideration being provided for the +securities

1. For each 2 New Shares subscribed for, subscribers will also receive 1 option at Nil consideration with an exercise price of \$0.60 and an expiry date 3 years from the date of issue, total 2,763,158 options
2. Broker options for nil consideration on the same terms as above, total 325,000 options

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities



Will all the +securities issued in this class rank equally in all respects from their issue date?

Yes

Options details

+Security currency

AUD - Australian Dollar

Exercise price

AUD 0.6000

Expiry date

Details of the type of +security that will be issued if the option is exercised

SMX : ORDINARY FULLY PAID

Number of securities that will be issued if the option is exercised

One Fully Paid Ordinary Share (ASX:SMX)

Please provide a URL link for a document lodged with ASX setting out the material terms of the +securities proposed to be issued or provide the information by separate announcement.

Part 7C - Timetable

7C.1 Proposed +issue date

Wednesday November 18, 2020

Part 7D - Listing Rule requirements

7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the entire issue under listing rule 7.1?

No

7D.1b Are any of the +securities proposed to be issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?

Yes

7D.1b (i) How many +securities are proposed to be issued without security holder approval using the entity's 15% placement capacity under listing rule 7.1?

5,526,316 Fully Paid Ordinary Shares and 3,088,158 Unlisted Options

7D.1c Are any of the +securities proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A (if applicable)?

No



7D.2 Is a party referred to in listing rule 10.11 participating in the proposed issue?

No

7D.3 Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules?

No

7D.4 Will any of the +securities to be issued be subject to +voluntary escrow?

No

Part 7E - Fees and expenses

7E.1 Will there be a lead manager or broker to the proposed issue?

Yes

7E.1a Who is the lead manager/broker?

P.A.C. Capital Pty Ltd acted as partial broker to the issue

7E.1b What fee, commission or other consideration is payable to them for acting as lead manager/broker?

325,000 options issued on the same terms as the placement options

7E.2 Is the proposed issue to be underwritten?

No

7E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue

Part 7F - Further Information

7F.01 The purpose(s) for which the entity is issuing the securities

For commercialisation activities of pilot projects and working capital purposes.

7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds?

No

7F.2 Any other information the entity wishes to provide about the proposed issue