

11 November 2020

SMX launches generation 3.0 blockchain platform that is designed to be the cornerstone for the Equilibrium Circular Economy generating data to serve a wider range of potential clients.

- Security Matters launches its commercial ready third generation blockchain digital platform that will service and be a key enabler for the new equilibrium circular economy¹. The platform is ready for commercial scale up and deployment after the successful pilot project.
- This digital platform will have a Circular Value Chain Approach (CVCA) to data management, enabling companies to monetize data from their linear business model and transition to an equilibrium circular economy.
- By being able to create a digital twin, SMX's molecular marker is the SMX platform's tangible link to the digital blockchain token. This will provide full transparency and an irrefutable digital record of physical goods that connects different companies from different industries, at various stages of production and different stages of product lifecycles².
- SMX believes its generation 3.0 blockchain platform will be an essential part of operating in a sustainable circular economy – providing the SMX platform for safe and secure revenue flow and transactions in order to re-use/recycle, buy, sell and communicate with value chain players both upstream and downstream. The version 3.0 blockchain platform is the latest version for commercial application, having evolved from pilot programs that were conducted³. Version 3.0 differs from the earlier version as the blockchain is arranged such that the data management allows for the holding of more data and data of greater complexity, opening it up to wider commercial use by being industry agnostic.
- This latest version of SMX's blockchain platform was built and developed in collaboration with R3 and Quantum Crowd. SMX fully owns the intellectual property and relates to two patents filed that SMX developed for its blockchain platform.

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 the launch of its commercial ready third generation blockchain product in collaboration with R3 and Quantum Crowd.

An increasing number of industries from plastics, to fashion and electronics are acknowledging that the core challenge of climate change and protecting the environment is not only limited to carbon emissions or coal. It is about reusing products again, so we can reduce the amount of virgin materials we need.

Security Matters believes it is uneconomical and inefficient to use 100% new materials in every product you manufacture. By reclaiming and recycling the materials from unwanted products at the

¹ Refer SMX Investor Briefing announced to ASX on 21 September 2020

² Refer SMX announcement dated 26 October 2020.

³ Refer SMX announcement dated 26 October 2020.

end of their lifecycle – it will be more efficient and economical for the business and industry as a whole. There is a strong trend among many global consumer brands to reuse and produce 100% recyclable products within the next 3 to 5 years⁴.

The transformative solution of SMX's digital platform aims at building on the principles of the Sustainability Development Goals and especially SDG 12 of Responsible Consumption and Production and enable a transition from both a linear and regulatory driven linear approach to a B2B driven closed loop Circular Value Chain Approach (CVCA) that drives value for all participants in the circular economy – thereby to reach an Equilibrium Economy⁵.

By being able to create a digital twin, SMX's molecular marker is the SMX platform's tangible link to the digital blockchain token. This will provide full transparency and an irrefutable digital record of physical goods that connects different companies from different industries, at all stages of production and different stages of product lifecycles⁶. The data generated and recorded on the third generation SMX digital platform creates a new level of data for circularity which adds value to industry participants along the value chain.

SMX expanded the capabilities and flexibility of its third generation blockchain platform to enable the recording of value chain data from any production or value chain ecosystem from raw material to production to sorting, recycling and reusing. SMX believes its generation 3.0 blockchain platform will be an essential part of operating in a sustainable circular economy – providing the platform for safe and secure revenue flow and transactions in order to re-use/recycle, buy, sell and communicate with value chain players both upstream and downstream⁷.

The Company has also prepared a demonstrative video to explain its third generation blockchain product in more detail which can be found on the SMX website by clicking [here](#).

Haggai Alon, Founder and CEO comments:

“SMX aims to establish itself as the industry best practice benchmark for recording, tracking and connecting physical goods with a blockchain enabled digital twin. We are bringing to the companies and industries, their next phase of necessity due to the more restrictive global regulatory requirements and client demand, to operate in the Equilibrium Circular Economy. It will enable them to share accurate and irrefutable data along the value chain to close the loop so that the raw materials can be reuse and recycled more effectively and efficiently.”

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By order of the Chief Executive Officer.

⁴ Refer SMX ASX announcements dated 10 June 2020 and 6 August 2020 and the Investor Briefing dated 21 September 2020.

⁵ Refer Investor Briefing dated 21 September 2020.

⁶ Refer SMX announcement dated 26 October 2020 and Investor Briefing dated 21 September 2020.

⁷ Refer Investor Briefing dated 21 September 2020.

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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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