

**24 December 2021**

## **SMX Acquires interest in SMX Beverages Joint Venture**

**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,

SMX and Global BevCo Pty Ltd (**Global BevCo**) as trustee for the Global BevCo Unit Trust (**Global BevCo Unit Trust**) entered into a Joint Venture Agreement dated 10 February 2020 in respect of their 50/50 joint venture company, SMX Beverages Pty Ltd (**SMXB**) (**Joint Venture**). Global BevCo Unit Trust currently holds 50% of the shares in SMXB and SMX holds the other 50%.

SMX has offered, and Global BevCo has accepted an offer to acquire the remaining 50% in the Global BevCo Unit Trust (**Transaction**). The Transaction is proposed to be as follows:

- the sale of Global BevCo Unit Trust's interest in SMXB by transferring the units in the Global BevCo Unit Trust to SMX so that SMXB becomes a fully owned subsidiary of SMX, following which SMX will appoint a new trustee to Global BevCo Unit Trust;
- the issue of 2,666,667, 5 year, \$0.40 options in SMX to the outgoing unitholders of Global BevCo Unit Trust, being entities controlled by Peter Yates, Nick Yates and Leon Kempler; and
- the offer of a consulting agreement to Global BevCo including a A\$13,500 per month retainer and a 5% revenue share for referred clients.
- Retainer and referral fees are payable 6 monthly in arrears.
- Following termination of the agreement, Global BevCo will be subject to certain restraints in respect of involvement with competing businesses within the alcoholic beverage industries including in relation to the prevention of counterfeit alcoholic beverages, circular economy concepts and packaging and supply chain within those industries, for a period of up to 12 months post termination

### **Peter Yates AM, Chairman of Roadknight Investments comments:**

The power of SMX's marking and tracing technology is beyond question, however the significant reduction in Australian wine exports and the uncertain timeline for their recovery means this is no longer the best geography to commercialise. As investors in SMX and believers in Haggai and his team, we are confident in their game-changing technology and their ability to drive growth in other markets, and want to ensure they have the best opportunity to do so.

### **Haggai Alon, Founder and CEO comments:**

Nick and Peter have been wonderful partners through the JV, bringing invaluable commercial experience and networks to the SMXB J.V. To ensure that we continue to have the benefit of their capability, and in a broader capacity we have retained BevCo as a their services to further assist us commercialising our patented circular economy technology".

**--Ends--**

By order of the Chief Executive Officer.

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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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