

16 November 2020

Completion of \$2 million private placement and confirmation of a commercial service contract with trueGold Consortium Pty Ltd

- Security Matters continues to strengthen its balance sheet with a financial runway to Q1, 2022.
- Security Matters successfully raises \$2 million before costs in a well received private placement that was supported by new and existing sophisticated and professional investors
- Proceeds will be used to progress ongoing pilot projects into commercial contracts.
- A commercial service contract was signed with trueGold in which Security Matters will receive \$800k over a period of 12 months, as remuneration for its R&D work.

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 it has successfully completed a \$2 million (before costs) private placement to existing sophisticated and professional investors.

This round of capital raising is in addition to two earlier placements this year in March 2020 for \$5 million and \$1.4 million, bringing the total capital raised this year including this round to \$8.4 million. Thus, further strengthening the balance sheet of SMX.

The Placement is by way of the issue of 5,263,160 fully paid ordinary shares at \$0.38 per share. The Company also issued 1 attaching option for every 2 ordinary shares subscribed for in the placement and each attaching option has a three-year expiry and is exercisable at \$0.60. A further 325,000 options were issued to the broker to the issue on the same terms. Both the shares and options were issued utilising the Company's placement capacity under Listing Rule 7.1.

Proceeds from the Placement will significantly strengthen the Company's cash position and provide more than a year of financial runway until Q1, 2022. The funds raised will be used to provide working capital for SMX and allow it to progress its pilot projects towards commercial agreements.

Commercial Service Contract signed with trueGold

trueGold Consortium Pty Ltd agreed to a commercial service contract whereby SMX will be remunerated \$800k over 12 months, for research and development carried out under a specified works program and schedule.

trueGold is utilising SMX's unique molecular marking technology and blockchain platform to launch what it believes to be, the world's first fully transparent mine-to-marketplace ESG focussed gold supply chain assurance solution. SMX has designated a team to work on the development of the marker and adaptation of a reader for marking and identifying gold. The team will consist of chemists, physicists, engineers and external advisors. The team will visit refining sites and work closely with trueGold.

Haggai Alon, Founder and CEO comments:

SMX would like to thank our current shareholders for their continual support in our capital raising efforts. As well as welcome new investors who recognise the commercial potential of our technology.

We have a clear and strategic roadmap for SMX technology to be adopted and scale up across diverse market segments globally. With SMX's generation 3.0 blockchain platform and the ability to create a digital twin, SMX believes its technology will be an essential part of operating in a sustainable circular economy. SMX will connect different companies from different industries, at various stages of production and different stages of product lifecycles on a singular platform for safe and secure transactions to re-use/recycle, buy, sell and communicate with value chain players both upstream and downstream.

SMX is continuously progressing towards its goal and trueGold is an important part of our plan to provide a complete mine-to-marketplace ethical supply chain assurance and digital platform for all value chain players to monitor the complete lifecycle and origination of its raw materials.

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By order of the Chief Executive Officer.

For further information, please contact:

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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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