

1 May 2019

SMX signs Commercial Agreement with leading diamond manufacturer together with US\$500,000 funding commitment

- SMX signs commercial agreement with Trifecta Industries Inc. to commercialise SMX's trace technology for diamonds. SMX has been working with Trifecta for more than 2 years and referred to this working relationship in its IPO prospectus
- Trifecta has committed US\$500,000 in four tranches upon completion of various milestones, projected to be over a 10-month period, to fully fund the project
- Under the agreement, the parties will establish a new Company, to be jointly owned by Trifecta and SMX. Once development is complete, Trifecta will commercialise and scale the technology
- A Trace commercial solution for diamonds is expected to be available to strategic customers from mid-2020

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 Trifecta Industries Inc. (Trifecta) to commercialise the Company's trace technology for diamonds.

Under the agreement, Trifecta will invest US\$500,000 in four tranches over a projected 10 months to commercialise and scale SMX's patented technology for the diamond industry. A new company will be established and jointly owned (50% each) by SMX and Trifecta to develop the solution. Trifecta will commercialise and scale the technology through their vast existing networks within the diamond industry.

A commercial solution is expected to be available to preferred strategic customers in the middle of 2020.

About Trifecta Industries Inc.

Trifecta Industries Inc. is a leading player in the diamond industry and specialises in the development and commercialisation of new technologies in the diamond industry, based in Canada. Through various affiliates Trifecta produces some of the world's finest cut and polished loose diamonds.

Trifecta Industries Inc. comments:

"We are delighted to have signed this agreement with SMX as the next step in our collaboration towards launching a commercial product for diamonds. SMX's technology has enormous commercial application within the industry and has the potential to increase traceability and transparency throughout the entire supply chain."

"In addition to providing protection against fraud and theft, it has the potential to provide a clear traceable path for each diamond from mine to consumer."

Haggai Alon, Founder and CEO comments:

“This agreement is a fantastic next step towards commercialising our identification technology for diamonds from mines all the way to the end consumer. It also demonstrates our commitment and ability to deliver on our commercialisation strategy with the existing relationships noted in the prospectus.”

“SMX has enjoyed a strong and collaborative relationship with Trifecta over more than 2 years, and we are excited that they recognise the huge potential of our technology and are investing a substantial sum to commercialise it.”

“We expect to have a commercial solution by mid-2020 and will initially offer this to select strategic partners.”

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For further information, please contact:

Corporate Enquiries

Nathan Barbarich
RM Corporate Finance
P: 08 6380 9200
E: nbarbarich@rmcf.com.au

Media Enquiries

Hannah Howlett
Media and Capital Partners
P: 04 5064 8064
E: Hannah.howlett@mcpartners.com.au

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.