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SMX has Successfully Launched a Complete End-To-End 'Plastic Circular Economy' Digital Platform Service

- SMX has successfully integrated its latest Generation 2.0 'Plastic Circular Economy Online Unit' with its blockchain digital platform especially designed for the circular economy, which is also connected to its unique IP for the tokenisation of plastic credits to be a tradable asset on a stock exchange. Combining all three of SMX's unique tech IP for the plastic industry into a single complete service platform.
- SMX's generation 2.0 'Plastic Circular Economy Online Unit', allows clients to sort, reclaim and reuse their plastic products more accurately and efficiently for both chemical and mechanical recycling.
- The patented technology combines SMX's innovative physical marking, track and trace solutions with a digital twin blockchain platform solution to store key information about plastic products of any plastic and polymer type, colour, shape, and size, including the ability to detect the number of times the polymer has been recycled (loop counts).
- SMX's Computerized Exchange Platform (EXP) is a blockchain-based distributed management of electronic certificates that will provide proof of ethical sourcing which can be converted into plastic credits that are given a monetised trading value.
- SMX's plastic circular platform service is commercially ready and can be fully customized and easily integrated into the client's existing facilities and operations.

Security Matters Limited (ASX: SMX) (Security Matters or the Company), a company focused on digitising physical objects on the blockchain to create a circular and transparent solution for the closed loop economy, is pleased to announce the launch of a complete end-to-end 'Plastic Circular Economy' Digital Platform Service.

This complete end-to-end Circular Economy service for the plastic industry will combine all three of SMX's unique tech IP for the plastic industry, into a single interconnected platform service. To enable companies within the plastic industry to grade, certify and comply with global ESG regulations.

(i) **SMX 2nd Generation 'Plastic Circular Economy Online Unit'**

The Generation 2.0 Online Unit is a blockchain-enabled industrial scale identification, authentication smart sorting reader integrated on top of conveyor belts that is specifically designed for the plastic industry.

In addition to its current ability to detect and differentiate plastic products of any plastic and polymer type, shape, and size, including the ability to detect the number of times the polymer has been recycled (loop counts), the latest version is:

- ✓ Colour agonistic
- ✓ The ability to detect SMX 'marked' polymers among other waste
- ✓ Improved ability to read SMX 'marked' samples in more formats (e.g., different containers, bottles & flat wrappers etc)

(ii) SMX 3rd Generation Blockchain Platform

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 downstream.

(iii) SMX Patented System for the Computerized Exchange Platform (EXP)

The EXP SMX Platform will provide for the blockchain-based distributed management of electronic certificates associated with plastic units that meet the sustainability standards enforced by SMX's technology. In that context, the certificates will provide proof of ethical sourcing which can be converted into plastic credits that are given a monetised trading value, thereby allowing SMX's technology to act as the platform for a new clean-energy marketplace.

The EXP is configured to:

- Use chemical marking to associate the plastic units with digital certificates representative of rights to produce the units of virgin plastic material.
- Keep certified recording of parties that, at each given point-in-time, are in possession of the plastic units and the parties that, at each given point-in-time, are in possession of the digital certificates.
- Enable transforming the digital certificates into Plastic Credits characterized by a monetized trading value.
- Enable trading of Plastic Credits on a Stock Exchange.

Market Opportunity and SMX Strategy

The deployment of the Generation 2.0 Online Unit is an important addition to SMX's overall recycling solution and strategically aligns with the Company's focus on creating a closed loop economy for the plastic industry. According to Frost and Sullivan, the plastic packing recycling industry was estimated at \$5.55 billion (28.8 Mn tons) in 2017 and is expected to increase to \$102 billion (102 Mn Tons) by 2030.

SMX has recently been recognized for its innovative work in the waste recycling sector and was awarded Frost and Sullivan's 2021 Global Waste Management and Recycling Digitisation Technology Innovation Leadership Award. SMX's technology allows users to ensure transparent product lifecycles, commit to environmental standards and ultimately progress towards a more sustainable operation model.

SMX Founder and CEO, Haggai Alon, commented:

“This is a step forward for SMX, proving our technology has the potential to become industry standard for the grading and certification of plastic recycling and waste reduction.

SMX is now able to provide a fully integrated platform service that will help to set a new benchmark for plastic recycling and traceability that will enable our clients to meet the increasing consumer demands and global regulatory requirements. As well as enhance the sorting capability and drive the demand and value for recycled plastics, resulting in higher rates of plastic recycling content.”

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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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