



Tech

IPO watch: Blockchain play Security Matters launches \$6.5m offer ahead of ASX listing

Special Report

Special report: Blockchain technology company Security Matters is preparing a \$5 million to \$6.5 million initial public offering to advance a technology that can 'mark' any object in solid, liquid or gas form.

The offer is priced at 20c and the stock is due to make its ASX debut on September 18.

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The Security Matters technology – which can permanently and irrevocably ‘mark’ any object – is used in the large addressable markets of product identification, proof of authenticity, track and tracing of supply chain movements and quality assurance for a limitless range of raw materials, components and products across industries.

The global counterfeit market alone is estimated at \$US284 billion in corporate and government spend.

“The company’s vision is to be the global record of all physical goods by linking between the digital economy and the physical economy through our solution which combines proprietary markers and readers with the use of blockchain,” said co-founder and CEO Haggai Alon.

“We have developed a suite of integrated solutions to solve both authentication and track and trace challenges to uphold supply chain integrity, and provide quality assurance and brand accountability to producers of goods.”

The company is eyeing an indicative market cap of \$18.5 million to \$20 million.

The funds raised – which add to a \$US4.4 million seed investment and a \$A1.7 million pre-IPO capital raising – will be used primarily to expand the company’s capacity in human resources, and to invest in its foundational technology and sales initiatives.

[The prospectus can be downloaded here at www.securitymattersltd.com.](http://www.securitymattersltd.com)

A next-generation bar code

The Security Matters technology, originally created by the Israeli Government, provides a chemical-based covert next generation ‘barcode’ system, along with a unique ‘reader’ to identify the codes.

It uses a blockchain record to store and protect ownership data. Blockchain is a technology that provides an encrypted, online ledger of transactions.

The technology can be applied across industries, with current applications including diamonds, plastics, technology components and proprietary raw materials.

The company also has a lineup of additional pipeline opportunities spanning electronics, gold, art, food and agriculture.

Partnerships and agreements have already been signed with leading plastic, electronic and precious metal companies, including Kafrit, a leading producer in the plastic industry.

Impressive leadership team

An impressive leadership team has been assembled to take the company through the listing process and its concurrent commercialisation phase.

It includes Haggai Alon, formerly the chief coordinator of the Israeli military industry body at the Israel Ministry of Defense, and two highly prominent startup entrepreneurs in David Rosenblatt and Ed Hofland.

Mr Rosenblatt has extensive experience in both Silicon Valley and Wall Street, including as Managing Director at BlackRock, and has led companies from startup phase to IPO.

Mr Hofland has extensive experience in Israel building global businesses, including as chairman of three companies in the energy, technology and agriculture industries respectively.

The advisory board comprises several Australian and Israeli business heavyweights, including Director of Crown Perth John Poynton, AO, Leon Kempler, AM, Yair Seroussi, CPA and Major General Ami Shafran, former head of the Israeli Defence Force ICT Command and current Chairman of Elight (ASX:ELS), one of the most successful Israeli tech companies to list on the ASX in recent years.

They will play an active role in driving commercialisation with customers both in Australia and across the globe.

RM Capital is the corporate advisor and lead manager of the IPO.

RM Capital's head of corporate finance Nathan Barbarich said: "Security Matters is bringing a revolutionary technology to market, which could dramatically alter how physical goods are tracked and managed in the future.

"We've already had a significant amount of interest from Australian investors ahead of the IPO who can see the potential of this new technology."

The Security Matters management team will be in Melbourne to provide investors with a free investor briefing directly from the company ahead of its upcoming IPO.

The investor briefing — on **Friday August 17 at 2pm** — will provide an opportunity to hear directly from the company, meet with management and ask questions directly. Refreshments will be provided, followed by drinks after the event.

Register for the free event by clicking here.

This special report is brought to you by Security Matters.

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If this advice relates to the acquisition, or possible acquisition, of a particular financial product, the recipient should obtain a disclosure document, a Product Disclosure Statement or an offer document (PDS) relating to the product and consider the PDS before making any decision about whether to acquire the product.

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The offer of securities is made in the disclosure document. Investors wanting to acquire the securities must complete the application form in the disclosure document.

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