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SMX signs exclusive agreement with CliniCann to create a global quality standard for the medicinal cannabis industry

- SMX signs an exclusive development and supply agreement with medicinal cannabis distributor, CliniCann to provide its proprietary brand protection and authentication technology for medicinal cannabis packaging
- CliniCann was established by the founders of ASX-listed medical cannabis companies, AusCann Group, Zelda Therapeutics and CannPal Animal Therapeutics
- CliniCann is building a multi-national medical cannabis distribution business covering the United Kingdom, Asia-Pacific and South America
- It has distribution rights for pharmaceutical grade products manufactured by German medical cannabis company HAPA Medical
- This agreement represents a huge achievement for the Company as it provides accelerated access to the growing medicinal cannabis market and wider pharmaceutical industry, supporting the business model of commercialising brand protection and supply chain integrity

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 exclusive agreement with medicinal cannabis distributor, CliniCann Limited (www.clinicann.com) to provide its brand protection and authentication technology for medicinal cannabis product packaging.

CliniCann is a growing global distributor of medicinal cannabis products established by the pioneering founders of ASX listed medicinal cannabis companies Zelda Therapeutics, AusCann Group and CannPal Animal Therapeutics. Since its inception in 2017, CliniCann has secured agreements to distribute medicinal cannabis products from German group HAPA Medical for certain territories including the United Kingdom, Australia, New Zealand, South Korea, Thailand and South America. CliniCann has extensive global networks and deep industry relationships allowing it to rapidly penetrate markets where the supply of medicinal cannabis products is legal.

Under the agreement, SMX has the exclusive rights to incorporate its revolutionary track and trace technology into the primary and secondary packaging of all products manufactured by CliniCann customers distributed into all territories, excluding the USA. As a result, SMX's technology provides a solution that protects the integrity and authenticity of the medicinal cannabis market and provides an additional layer of safety for consumers, prescribers and regulators.

The exclusive 3-year agreement includes an option to extend exclusivity on the achievement of certain KPIs that are in the process of being agreed.

Under the terms of the agreement, payments to SMX for services provided will be made under a SAAS payment model and all direct costs incurred for the duration of the agreement will be the responsibility of CliniCann. The Company will also be involved in any subsequent operations relating to monitoring of industry quality standards.

The agreement represents a major achievement for the Company as it provides access to the rapidly growing medicinal cannabis sector and an expedited pathway to building relationships within the broader global pharmaceutical industry. The agreement also supports the Company's business strategy of providing and commercialising brand and supply chain protection globally using its propriety technology.

CliniCann Ltd Chairman David Wheeler said:

"The signing of this with Security Matters is a milestone step for CliniCann as it develops its medical cannabis distribution footprint ahead of a proposed listing on the London Stock Exchange in 2019."

"Security Matters will work with CliniCann to build track and trace solutions for the medical cannabis markets giving the critical supply chain integrity that customers, prescribers and regulators will demand as these markets emerge and grow."

"We are excited to be involved with such an innovative and technically strong organisation and look forward to bringing these technologies and innovations to the global cannabis space."

Haggai Alon, Founder and CEO comments:

"The signing of this agreement demonstrates how we plan on utilising our technology to create international industry quality standards globally and working with CliniCann represents a fantastic opportunity for us to access the ever-growing medicinal cannabis sector globally."

"The CliniCann team is comprised of high-profile medicinal cannabis experts with a successful track record and global networks in the sector and we look forward to working together in what we envisage to be a long and fruitful relationship."

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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.