

3 March 2023

SMX LIONHEART SCHEME OF ARRANGEMENT IMPLEMENTATION

Further to previous updates to the market, Security Matters Ltd (ASX.SMX) has applied to ASX for removal from the official list.

The proposed merger with Lionheart III Corp (Lionheart, NASDAQ.LION) described in announcements of 26 July and 8 September 2022 is expected to be completed on 8 March 2023, following approval being granted by the Federal Court of Australia on 28 February 2023 to the Schemes of Arrangement giving effect to the transaction.

The merged entity will be named "SMX (Security Matters) PLC" and is expected to commence quotation on NASDAQ on or about 8 March 2023 with the symbols "SMX" (common stock) and "SMXWW" (warrants).

The transaction between SMX Lionheart involves the following steps:

- 1. under the option scheme, the options in SMX will be exercised on a cashless basis and option-holders issued shares in SMX (based on the value of the options, as determined by a Black-Scholes calculation);
- all the shares in SMX (including those issued under the options scheme) will be cancelled under a reduction of capital (which was approved by the general meeting of SMX's shareholders held on 20 February 2023);
- 3. under the option scheme and the share scheme, an Irish company, Empatan PLC (Empatan), will issue shares in itself to SMX's shareholders (including those persons who had been option-holders before the option scheme) one share in Empatan for every 10.3624 SMX shares;
- 4. SMX will issue a share in itself to Empatan, thereby becoming a wholly-owned subsidiary of Empatan; and
- 5. Empatan and Lionheart will merge, and the merged entity named SMX (Security Matters) plc will be listed on NASDAQ.

Thus SMX and its business will be owned by a NASDAQ-listed company, in which SMX's current shareholders and relevant option-holders will be shareholders.

Once SMX is removed from the official list, its shares can no longer be traded. As the Effective date has passed and SMX is currently suspended from trading, SMX shares can no longer be traded.

SMX has received in-principle advice from ASX that it will agree to the request unconditionally on confirmation of implementation of the Schemes.

The proposed date for removal of SMX from the official list is 8 March 2023.

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This announcement has been approved by release to ASX by the Chief Executive Officer.







For further information, please contact:

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