

Security Matters Recognized for

2021

Technology Innovation Leadership

Global Waste Management and
Recycling Digitalization Industry

Excellence in Best Practices



Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Security Matters excels in many of the criteria in the digitalization of the waste management and recycling space.

AWARD CRITERIA	
<i>Technology Leverage</i>	<i>Business Impact</i>
Commitment to Innovation	Financial Performance
Commitment to Creativity	Customer Acquisition
Stage Gate Efficiency	Operational Efficiency
Commercialization Success	Growth Potential
Application Diversity	Human Capital

Security Matters: Leading Provider of Digitalization of the Waste Management and Recycling Solutions

Founded in 2014 in Ketura, Israel, Security Matters provides next-generation supply chain integrity solutions to resolve authentication and track and trace challenges to advance quality assurance, enhance supply chain integrity and brand accountability of goods manufacturers.

“Frost & Sullivan believes that its sizeable funding will enable Security Matters to advance the commercialization and implementation of its cutting-edge trace and track technology solutions in the precious metals, plastics, electronics, food and beverage, agriculture, and other market segments and attract new potential customers around the globe.”

**- Maksym Beznosiuk,
Best Practices Research Analyst**

By leveraging its industry-leading supply chain integrity expertise and maintaining an excellent position among its customers in chemistry, plastics, electronics, food and beverage, and agriculture, the company outpaces its competitors in the digitalization of the waste management and recycling market.

At the same time, Security Matters advances its trace and track portfolio despite intense competition, bringing advanced technologies to clients worldwide. In this regard, currently, the company actively pursues research and development activities in various sectors, including palm oil, cocoa, and soybeans, where it holds discussions with multiple companies to potentially

deploy its technology across the supply chain.¹ Frost & Sullivan believes that its sizeable funding will enable Security Matters to advance the commercialization and implementation of its cutting-edge trace and track technology solutions in the precious metals, plastics, electronics, food and beverage, agriculture, and other market segments and attract new potential customers around the globe.

Moreover, Security Matters builds successful partnerships with various technology companies around the globe. For instance, in 2020, Security Matters partnered with some of the largest global base chemistry manufacturers, to step up progress towards a circular economy for plastics.^{2,3} Specifically, the partnership focused on developing solutions for plastics traceability and circularity. To this end, Security Matters contributed its next-generation track and trace technology to ensure physical and digital tracking of closed-loop recycling, authenticate sustainability claims and advance sorting of plastic waste.

Also, in September 2021, Security Matters entered into collaboration with Continental, one of the largest automotive manufacturers in the world.⁴ Continental deployed the company's tracking and marking technology to improve the transparency of the natural rubber supply chain. In this regard, Security Matters' technology helped Continental ensure that its tire manufacturing processes comply with the responsible procurement of raw materials and efficient recycling practices.

Frost & Sullivan recognizes that Security Matters meets customers' needs and exceeds their expectations as various clients and partners value the top-performance and business influence of its supply chain integrity solutions:

"We believe in harnessing advanced technologies like SMX to protect and benefit our growers and enable our customers to obtain digital blockchain certification and be able to tangibly verify that the cotton purchased from ICB is 100 percent BCI certified, and the conventional and organic cotton grown in Israeli is genuine."

- Izhar Landau, chief executive of the Israeli Cotton Board⁵

Helping Companies with Effective Digitalization of Waste Management and Recycling for Multiple Industries

Today, companies in plastics, electronics, precious metals, raw materials, and agriculture segments seek ways to implement track and trace solutions to enable identification, proof of authenticity, and traceability of products they use. Specifically, they strive to know if the materials they utilize come from trusted sources to ensure consumers and producers have complete confidence in the origin and authenticity of goods. Security Matters is at the forefront of providing trace and track technology that helps clients track various components along a production process to the end product, ensuring

¹ <https://stockhead.com.au/tech/security-matters-is-cashed-up-and-poised-for-growth-after-hitting-key-milestones-in-the-june-quarter/>

² <https://www.basf.com/lk/en/media/news-releases/global/2020/04/p-20-183.html>

³ <https://www.chemeuropa.com/en/news/1165911/basf-and-security-matters-collaborate-to-accelerate-progress-towards-a-circular-economy-for-plastics.html>

⁴ <https://stockhead.com.au/tech/security-matters-strengthens-ties-with-multinational-automotive-giant-continental-in-new-rd-partnership/>

⁵ <https://stockhead.com.au/tech/security-matters-working-with-israeli-cotton-board-to-certify-and-trace-from-seed-to-product-of-organic-and-conventional-cotton/>

efficiency and reliability, unmatched by the competition. Its industry-leading trace and track technology offers several competitive advantages:

- **Cutting-edge Trace and Track Technology.** Security Matters' technology operates as a track and trace system utilizing a Marker, special Reader, and unique algorithm to locate embedded sub-molecular particles. Markers can denote special meanings for each marked product and geographical origin, paving the way to quickly identifying products. They may contain data on the origins of manufacture, product provenance, and production date to the end-users. In turn, Reader, patented wavelength spectral profiling system can read Markers via detection of energy from the scanned object in response to an energy-ray applied to it. In this regard, clients can alter its specifications according to their preferences. As a result, such a situation allows users to track and trace any marked goods along a supply chain tracing their history to the end product.
- **Efficiency.** Security Matters utilizes different types of building blocks to tag products and materials. To this end, the company selects building blocks of the Marker from a range of molecules. In this regard, Security Matters applies varied combinations of molecules catered to customers' requirements and specifications of marked material. In turn, the company's Reader can then identify the Marker and produce a response at a sub-molecular building block level, ensuring Marker identification's high precision and efficiency.
- **Versatility.** The company's market possesses unique properties, allowing clients to mark solids or liquids infrastructures during and after manufacturing goods. At the same time, Security Matters' technology enables users to utilize a minimal concentration of markers without influencing the product properties. In this regard, the companies can imprint visible or invisible markers with high durability and unique code that unique readers can only detect. In this regard, Security Matters ensures that client readers possess unique properties that provide complete privacy of authentication of company products thanks to unique configuration and wavelength of accessed data.
- **Security and Transparency.** Security Matters allows users to store all the product-related information on cloud servers or on a blockchain record to safeguard data ownership. The company produced an algorithm that effectively and safely connects its Reader to its technology platform while recording all the data on ownership and product movement to the blockchain automatically by a Reader.

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- Maksym Beznosiuk, Best Practices Research Analyst

Thus, clients can check the information on a marked material or goods every time they scan it to identify the Marker. Namely, they can promptly verify the data on producer and date of production, supplier, and previous owners on the blockchain. As a result, the company's innovative technology allows users to ensure high transparency of product lifecycles, paving a way towards a holistic ecosystem that facilitates circularity and sustainability for different

materials like plastics, raw materials, etc. Thus, Security Matters speeds up the progress of various industries (e.g., plastics) towards a more sustainable and resilient operation model.

Thus, Security Matters' trace and track technology allows clients across different verticals to ensure adequate identification, proof of authenticity, and traceability of products they utilize in their activities. As a result, clients can make sure that the products they use in their activities fully comply with their specifications and live up to the highest environmental standards.

Conclusion

Today, electronics, agriculture, healthcare, mining, and other industries strive to incorporate track and trace solutions to ensure adequate identification, proof of authenticity, and traceability of products they utilize in their activities. Namely, they seek to verify if products come from trusted sources.

Security Matters is at the forefront of providing track and trace technology materials that enable customers in various markets to ensure quick identification, proof of authenticity, and traceability of goods, unmatched by the competition. At the same time, its technology allows users to access all the project-related data via accessing cloud servers and verify the history of origin and ownership of products when required.

With its unrivaled expertise, high-performance smart technology, and customer-centric approach, Security Matters earns Frost & Sullivan's 2021 Global Technology Innovation Leadership award in the digitalization of the waste management and recycling industry.

What You Need to Know about the Technology Innovation Leadership Recognition

Frost & Sullivan's Technology Innovation Leadership Award recognizes the company that has introduced the best underlying technology for achieving remarkable product and customer success while driving future business value.

Best Practices Award Analysis

For the Technology Innovation Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Technology Leverage

Commitment to Innovation: Continuous emerging technology adoption and creation enables new product development and enhances product performance

Commitment to Creativity: Company leverages technology advancements to push the limits of form and function in the pursuit of white space innovation

Stage Gate Efficiency: Technology adoption enhances the stage gate process for launching new products and solutions

Commercialization Success: Company displays a proven track record of taking new technologies to market with a high success rate

Application Diversity: Company develops and/or integrates technology that serves multiple applications and multiple environments

Business Impact

Financial Performance: Strong overall financial performance is achieved in terms of revenues, revenue growth, operating margin, and other key financial metrics

Customer Acquisition: Customer-facing processes support efficient and consistent new customer acquisition while enhancing customer retention

Operational Efficiency: Company staff performs assigned tasks productively, quickly, and to a high-quality standard

Growth Potential: Growth is fostered by a strong customer focus that strengthens the brand and reinforces customer loyalty

Human Capital: Commitment to quality and to customers characterize the company culture, which in turn enhances employee morale and retention

About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at <http://www.frost.com>.

The Growth Pipeline Engine™

Frost & Sullivan's proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.

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Key Impacts:

- **Growth Pipeline:** Continuous Flow of Growth Opportunities
- **Growth Strategies:** Proven Best Practices
- **Innovation Culture:** Optimized Customer Experience
- **ROI & Margin:** Implementation Excellence
- **Transformational Growth:** Industry Leadership



The Innovation Generator™

Our 6 analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

Analytical Perspectives:

- Mega Trend (MT)
- Business Model (BM)
- Technology (TE)
- Industries (IN)
- Customer (CU)
- Geographies (GE)

