

ASX/MEDIA ANNOUNCEMENT

ASX: YPB | 15th September 2017

YPB SECURES RIGHTS TO GENERATIONAL LEAP IN AUTHENTICATION TECHNOLOGY

- **Motif Micro the Anti-Counterfeit 'Holy Grail': non-replicable identifier technology which turns a smartphone into an Anti-Counterfeit scanner.**
- **Potential to become global serialisation standard.**
- **Virtually unlimited end applications.**
- **Highly complementary with current YPB solution set.**
- **PATENTED technology developed in Massachusetts USA.**
- **Potential value exceptional.**

Brand Protection and Customer Connection solutions company YPB Group Ltd (ASX:YPB) is excited to announce that it has secured the global Patent License rights to the Motif Micro microbarcode technology. Motif Micro is a revolutionary technology that is expected to leapfrog the execution of YPB's PROTECT, DETECT, CONNECT strategy to a new plane.

Motif Micro's platform is considered the 'Holy Grail' of non-replicable invisible barcode technology as it achieves Anti-Counterfeit world firsts in two important facets with exceptional potential value:

1. The smartphone becomes the authentication device for an uncopiable, invisible and indestructible physical marking technology. That creates the potential for ubiquitous adoption as the global marking standard with every consumer a product authenticator at minimal incremental cost to a brand owner; and
2. Unlimited serialisation capacity but in a form that is impossible to fake. Serialisation will become increasingly important in a range of applications from Anti-Counterfeit to stock control to Customer Connection.

Motif Micro's appeal to brand owners is enormous due to its ability to uniquely encode products at the item level while maintaining low cost, high physical security, exceptional visual appeal and smartphone scanning. That makes product *Authentication* and *Customer Connection* one seamless process. The brand owner achieves the highest level protection with no disruption to existing packaging and branding while motivating the customer to connect directly with the brand via authenticating the product with a smartphone. Motif Micro is a powerful tool in executing a core YPB premise that is of great value to brand owners – namely, that *authenticity triggers engagement*.

The Motif Micro technology is based on nanoparticle barcodes from proprietary polymer nanocomposites and will be applied in-line by a proprietary micro-fluidic production process. It is applicable to a vast array of goods from FMCG goods to pharmaceuticals to high end fashion, art and collectibles.

The final step to full commercialisation is smartphone readability of the microcodes and is expected within twelve months with modest further development expenditure. YPB will hold the rights to a perpetual, exclusive world-wide license to develop and commercialise the technology.

YPB has previously announced the details of the acquisition of Motif Micro and the initial share based consideration of 10,244,025 shares has been issued to the Vendors. The remainder of the consideration in cash and shares will be effected prior to December 29th 2017 and be subject to agreed milestones and escrow provisions.

The economics of the Motif Micro microbarcode technology are highly favorable, and include low production line cost, low unit cost and industrial scalability, without sacrificing security. In addition, the ability to produce a broad spectrum of distinct particles with various shapes, sizes, physical properties and sensors will enable YPB to offer unique authentication solutions based on serialisation for each client or product.

Key commercial advantages include:

- Consumer-facing capability – most importantly, and unlike other non-replicable identifiers, Motif Micro's solution will be readable by a smartphone;
- Security – multiple layers of security can be embedded within each individual microparticle, making the microbarcodes impossible to reverse engineer;
- Production – the technology is based on a cutting-edge microfluidic printing press that enables low cost production of the microbarcodes;
- Specificity – microbarcodes are capable of lot-and item-level serialisation with a high degree of physical security; and
- Applications – the technology can be applied to almost any product, such as currency, 3D printed objects, any kind of packaging (i.e. food, pharma) and high end consumer goods

Motif Micro's micro-barcodes and YPB's core tracer technology are highly complementary. YPB's core tracer technology can be embedded into any medium at massive scale and is an ideal supply chain solution for binary authentication of products. Motif Micro's microbarcodes, in turn, can mass produce vast quantities of unique codes at ultralow cost, making them ideal for products that require or benefit from serialised or customised identification.

The Motif Micro microbarcode technology was developed at a world renowned institution in USA, with funding from a number of US Government agencies. It has been peer-reviewed in top scientific journals such as *Science* and *Nature Materials*, has won significant recognition for its commercial potential, and is covered by multiple U.S. and international patents, as well as closely held trade secrets.

Professor Patrick Doyle of MIT, co-inventor of the technology and co-founder of Motif Micro, said: "We have been looking for a partner with the talent, reach and ambition to commercialise our technology on a global scale. This platform attracted significant (and unsolicited) venture capital interest on its own, but YPB's market position, vision and team represent an unparalleled opportunity in the industry. We're excited about the prospect of jointly realising the global potential of microbarcodes in the fight against counterfeiting."

YPB CEO and Executive Chairman John Houston commented: "The Motif Micro technology takes us towards the 'Holy Grail' of anti-counterfeiting: inexpensive, uncopyable, smartphone-readable barcodes that are visually attractive, able to be serialised as well as capable of connecting customers. It fits perfectly with our PROTECT DETECT CONNECT strategy and once fully commercialised, these

microbarcodes will perfectly complement our mass-product tracer solution and enable us to provide clients with an even more comprehensive, market leading solution. Motif Micro is a generational leap breakthrough technology in product marking for *Fighting Fakes* and *Connecting Customers*."

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ABOUT YPB

YPB Group (ASX: YPB) is a pioneer in advanced brand protection solutions. Listed on the Australian Securities Exchange, YPB is expanding its global footprint with an established presence in Australia, China, Thailand, USA, Mexico, India and Pakistan.

YPB's patented Anti-Counterfeit technology combined with its Security Packaging and Anti-Theft solutions, Consulting Services and YPB's proprietary CONNECT platform enables clients to PROTECT their high value brands from the risks of counterfeit, product diversion and theft while providing the tools to CONNECT directly with their customers.

PROTECT

Smart Security Packaging and labeling for Brands

YPB offers a wide range of Smart Security Packaging and Labeling solutions that can be incorporated into almost any material and offer cost effective strategies to PROTECT the integrity and value of products and brands in high-risk markets.

Government Vital Documents

YPB offers solutions to Governments to PROTECT their Vital Documents that include ID cards, Visas, Passports, Vehicle Labels and many other applications.

Retail Anti-theft

YPB offers clients the latest technology in Retail Anti-Theft and Labeling solutions effective for mainstream retailers, boutiques and exporters to PROTECT against theft.

IP solutions & forensic services

YPB's IP solution specialists work with quality brands and Governments, to develop bespoke brand protection strategies and solutions that will deliver real protection and safety for brands, products and consumers.



PROTECT | DETECT | CONNECT

Secure Supply Chain

YPB offers secure supply chain solutions to Governments, banks and companies wanting to ensure the integrity of their supply chain using a combination of YPB's authentication technology and secure track and trace solutions, delivering real protection for high value documents, brands, products and consumers.

DETECT

Scanner and Tracer protection solutions

YPB's patent protected state-of-the art Tracer technology is invisible, cannot be copied or destroyed.

Brand owners who include YPB's tracers in their packaging can use YPB's scanners to verify their product's authenticity. If a counterfeit is detected YPB's forensic services can consult with a brand owner to develop strategic, tailored solutions to protect the brand against counterfeiting and product diversion.

CONNECT

Smartphone applications to Detect and Connect

YPB's sophisticated, user friendly and powerful smartphone applications allow brand owners and consumers to identify and report suspected counterfeit or diverted products. They also allow brands to connect and engage directly with their customers via QR codes, Near Field Communication, secure track and trace and product scanning. The YPB CONNECT platform delivers brand owners valuable and actionable intelligence about their products and customers to measure, tailor and individualise direct marketing campaigns through a 'big data' analytics capability.

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