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ASX: YPB

ASX/MEDIA ANNOUNCEMENT

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## YPB to acquire nTouch to leverage outstanding B2C consumer engagement opportunity

- YPB to acquire proximity marketing & B2C engagement technology company nTouch with high profile investors including cricket hall of fame inductee Steve Waugh
- Excellent product and path to revenue synergies
- nTouch to provide additional distribution channels within Australia, India & USA
- \$4.5 million all scrip acquisition based on YPB share price of \$0.35

Anti-counterfeiting technology company YPB Group Limited (ASX: YPB) has signed a letter of intent to acquire all the issued shares of proximity marketing technology company nTouch Holdings Pty Ltd ("nTouch").

Under the all scrip acquisition nTouch will be issued \$4.5 million in fully paid ordinary shares of YPB at \$0.35 per share. The newly issued shares will be subject to voluntary escrow on terms to be agreed.

nTouch is a unique marketing platform that leverages proximity technologies to allow business clients to engage with customers (B2C) based on time, location and specific user characteristics. It has launched a fully tested platform encompassing near field communication (NFC), Bluetooth low energy (BLE) beacons, image recognition and Wi-Fi technology offerings that integrate with YPB's customer engagement strategy around product authenticity.

nTouch's technology is backed by a custom built data analytics engine that aggregates continually evolving data from multiple sources. The company has established high quality distribution channels giving it access to clients across Australia, India, USA and the Middle East. This includes an exclusive distribution agreement with leading Australian printing and branding solutions business Selby's, providing access to over 7,500 clients.

YPB is pursuing the acquisition given the clear synergies between the two companies. This includes immediate potential applications in products using nTouch's proximity marketing technology for YPB's patented anti-counterfeit tracer and scanner. Similarly the combination of YPB's Brand Reporter with the nTouch platform provides an end-to-end solution for brands from the perspective of protection, engagement and data analytics.

"We are eager to position YPB as offering a global brands services spanning both PROTECT (B2B) and ENGAGE (B2C), and this acquisition is a big step in that direction," said YPB Group CEO John Houston.

"nTouch will provide us with the opportunity to offer and improve consumer engagement for Brands. While we are highly impressed with the prospects of nTouch in its own right, the synergies with YPB's existing product offerings made the acquisition a very attractive choice."

As part of the transaction nTouch CEO Simon Szewach and CTO Dr Isaac Balbin, co-founders of the company, will join YPB's team.

"With the potential technological synergies we will be able to offer a world first integration of proximity based marketing and anti-counterfeit protection for brands and companies," said Mr Szewach.

"There are immediately enhanced revenue opportunities for both parties and global applications for the technology."

nTouch's technology takes advantage of the burgeoning global growth in smartphone adoption with 2.9 billion handsets anticipated by 2018 and global mobile payment transactions set to reach \$617 billion in 2016.

nTouch is backed by a number of high profile investors including ICC and Australian Cricket Hall of Fame inductee Steve Waugh.

YPB as part of the acquisition will commit, upon closing of the transaction, approximately \$300,000 to working capital requirements of nTouch.

The acquisition is subject to board and shareholder approval from both parties as well as accounting and legal due diligence, to be carried out prior to 15 September 2015. The anticipated Closing date of the transaction is 30 September 2015.

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## **About YPB Group**

YPB Group (ASX:YPB) is a leading global provider in a world calling for anti-counterfeit and product authentication solutions. Listed on the Australian Securities Exchange and operating in China, USA, Australia and South East Asia, YPB has developed innovative technologies that offer brands solutions to PROTECT and ENGAGE around product authentication and brand protection. YPB's patented tracer and scanner solutions combine with its anti-counterfeit packaging and forensic services to PROTECT from the risks of counterfeit and diversion. Brand Reporter allows brands to ENGAGE with end consumers on a Software as a Service (SaaS) platform powered by YPB.

YPB's solutions are customisable to market needs and it continues to create innovative new products for brands, manufacturers, retailers, governments and consumers.

### **PROTECT**

YPB has developed patented invisible tracer material that can be embedded into products and packaging during or after the manufacturing process. The tracers are inexpensive and cannot be seen, removed or destroyed and by using YPB's handheld scanner the tracer can then be detected in products to determine if they are real or fake.

YPB's tracer is used in our packaging solutions to provide anti-counterfeit packaging and labeling in conjunction with YPB's scanner and Brand Reporter applications.

YPB currently has contracts in place with major packaging and product manufacturers in China and is growing in the USA, Australia and Thailand.

### **ENGAGE**

Brand Reporter is YPB's Software as a Service (SaaS) platform designed for brands to ENGAGE with consumers to identify, manage, track and report counterfeit or divergent products within supply chains or at point of sale. The customised solutions are simple and easily deployed applications available on all popular smartphones.

Brand Reporter offers brands interaction-using QR codes, track and trace, product scanning and consumer engagement features which can be customised to specific needs.

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