



ASX/MEDIA ANNOUNCEMENT

ASX: YPB 24 August 2018

YPB in world leading technology breakthrough

- **Smartphone readability of highly secure anti-counterfeit mark**
- **Major technical leap, material to company value due to mass market relevance and uniqueness of solution**
- **To accelerate revenue and Motif Micro licencing**

Anti-counterfeit and customer engagement solutions provider YPB Group Ltd (ASX: YPB) has achieved the most significant technical advance in its history - a robust and reliable prototype of smartphone readability of a highly secure anti-counterfeit mark. Smartphone readability is the "holy grail" of the anti-counterfeit industry and was a key reason for YPB's acquisition of Motif Micro in January 2018.

Smartphone readability of a highly secure anti-counterfeit mark with no need for any additional attachment is so highly prized due to the almost unlimited opportunity for universal, mass market application. The ability to protect against counterfeit and offer customers *certainty of authenticity* and to then use authenticity as a means to trigger seamless, direct customer engagement is highly valuable to brands across the consumer goods spectrum.

YPB's beta ProtectCode smartphone authentication "app" can reliably scan for and confirm the presence of covert tracer and then confirm digital identity as part of a highly secure two factor authentication process combining the best of physical and digital anti-counterfeit protection. (Please see video link below)

Further development work of the code-reading smartphone "app" is needed for commercial release and primarily involves software development to capture a broad range of smartphone brands and models. Commercial release of Generation 1 smartphone readable ProtectCode will be in H2 2018 and will feature tracer-infused QR codes. Generation 2, due for release in 2019, will be built on the Motif Micro platform resulting in a secure, covert serialisation solution independent of QR codes. This is particularly attractive to premium brands.

Motif Micro is a low cost, high security, invisible-to-the-human-eye technology developed in Cambridge Massachusetts by YPB's CTO, Dr Paul Bisso, in the lab of the world-renowned Professor Patrick Doyle. It is protected by three patents and YPB has the exclusive global rights to those patents.

The prototype's ability to demonstrate commercial proof of concept is advancing interest from brands and is expected to accelerate contract closures and revenue generation. It is also helping progress discussions with numerous parties seeking rights for certain geographies and/or industries.



YPB's Executive Chairman John Houston said: "I cannot overemphasise the significance of a highly secure smartphone driven anti-counterfeit solution to YPB. We have rapidly combined expertise in material science, software engineering and the security industry to develop an IP-protected, world-beating secure serialisation solution that can be read with just an unmodified smartphone. The commercial prospects of this breakthrough are enormous and we are intent on converting potential to tangible shareholder value as quickly as possible".

Video link: <https://youtu.be/0UHLsRzvg6I>

- ProtectCode app authenticating Motif Micro embedded product packaging

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About YPB:

YPB Group Ltd (ASX:YPB) lives by three words - certainty of authenticity. We deliver on this through our experience in creating revolutionary, patented anti-counterfeit and customer engagement solutions. Solutions that detect and prove certainty of authenticity and connect brands directly to their customers, empowering them to engage one-on-one.

In an evolving marketplace and with the rapid growth of cross border commerce, our expertise presently focuses on the rapidly growing markets of Australia, South East Asia and China.

www.ypbsystems.com