

## **YPB's Motif Micro – Major Technical Breakthrough**

- **World-first technical achievement.**
- **Smartphone readability of authentication mark on curved surface and at a distance.**
- **Sets up for commercial launch of smartphone authentication solution in H2 2019.**
- **Opens up mass consumer market for the first time.**
- **Brand and reseller partner interest high.**

Product authentication and consumer engagement solutions provider YPB Group Limited (ASX:YPB) is pleased to announce a major technical breakthrough in the development of its Motif Micro technology.

YPB has achieved smartphone readability of a high security authentication mark under “real world” conditions. YPB believes this to be a world first achievement. Commercially, it is a major breakthrough as it opens mass consumer goods markets to YPB by offering brands direct consumer engagement powered by assured product authentication. A demonstration is available on YPB's Youtube channel at [youtube.com/channel/UCDHfJ97-Bi6Hrn8Jcpm0oHg](https://youtube.com/channel/UCDHfJ97-Bi6Hrn8Jcpm0oHg).

The Motif Micro smartphone readability breakthrough enables YPB to create a next generation digital marketing channel to every consumer's pocket or purse. In a world first, YPB is able to empower mass market consumer engagement via assured authenticity through the combination of YPB's next generation rare earth tracer material, Motif Micro1, and the ProtectCode smartphone app.

Commercial launch of the solution is on track to meet the target of H2 2019 as previous advised. YPB has been pre-marketing the solution to existing and potentially new channel partners who have shown an interest in the product and will continue to keep shareholders abreast of these activities.

The key technical advances that have been made are:

- Successful confirmation of authentication mark with unmodified smartphone;
- Capability to scan at a distance;
- Smartphone readability under normal artificial lighting; and
- Readability even when printed on curved surfaces, such as bottle caps and labels.

YPB's first version of smartphone readability, announced in 2018, required the phone to be held flat against the surface being scanned creating practical commercial limitations. The latest breakthrough overcomes these restrictions which had previously limited YPB's ability to commercialise the MM technology.

The ability to read the tracer on a curved surface is also a commercial necessity that is now satisfied and greatly increases YPB's addressable market. Most consumer goods products of interest to YPB (pharmaceutical bottles, cosmetic tubes, wine bottles etc.) have curved surfaces.



The tracer material used in the solution is YPB's next generation of proprietary rare earths.

The “smarts” for the ProtectCode app heavily leverage machine learning and now reside in the cloud (not on the phone). This is a remarkable technical feat for YPB and leverages highly advanced IT technology – using a custom-trained machine learning model running on AWS SageMaker.

This first iteration of the ProtectCode app is running only on IOS presently but the technical challenge of adapting to android is modest.

Brands highly value direct consumer engagement. This has become increasingly so given the growth in remote Pan-Asian export customers, the decline of traditional marketing media and increased questioning of the effectiveness of spend on the two prominent digital channels.

Confirmation of product authenticity is a powerful trigger to engagement – the vast majority of consumers will willingly scan a product with their smartphone to confirm its authenticity. With YPB's integrated solution, the scan opens a direct digital channel to the brand via YPBConnect, allowing the brand to cultivate an ongoing relationship directly back to the consumer's smartphone.

A range of data of significant value to the brand is also recorded by Connect in this process (with the consumer's consent). Knowing and understanding and having a direct channel to the consumer is the penultimate objective of the marketing discipline. That fact hints at the commercial potential of this solution.

YPB Group CEO John Houston said: *“I'm extremely proud of this tremendous leap achieved by our technical team led by Dr Paul Bisso. For years, I've described smartphone readability of a high security authentication mark as the Holy Grail of anti-counterfeit as it potentially arms vast numbers of consumers to become product authenticators. It can be deployed immediately and comprehensively at negligible cost via the ubiquity of smartphones.”*

Given our long experience in selling anti-counterfeit solutions, we now know that consumer engagement is the real hot button for brands and that they understand the power of authenticity to drive willing engagement. Our smartphone solution empowers brands and consumers to engage over a new, low-cost digital channel driven by our capacity to assure product authenticity. Given the high value we now know brands place on direct consumer engagement, we expect early success in brand uptake of our new solution in H2 2019 with momentum gathering through 2020. We have been working toward this position for years now and are finally at the point where strong revenue growth will follow the uptake momentum we expect to develop over 2020 and to well exceed anything achieved to date.”

**Ends.**

**For further information please contact:**

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**About YPB Group**

YPB Group Limited (ASX:YPB) is an Australia-based product authentication and consumer engagement solutions provider. YPB's proprietary smartphone enabled technology suite



allows consumers to confirm product authenticity and, for brands, that triggers consumers' engagement.

The combination of YPB's smartphone authentication solutions and its SaaS Connect platform, creates 'smart' product packaging, opening cost-effective, digital and direct marketing channels between brands and their consumers. Connect gathers actionable data on consumer preferences. It can then host tailored marketing campaigns directly back to the scanning smartphone.

YPB's technology is also trusted by the world's largest passport issuing nation to ensure the authenticity of its passports. YPB is currently focused on the rapidly growing Australian, South East Asian, and Chinese markets. Its focus is dairy, cannabis, alcohol and cosmetics where the viral growth of fake products, particularly in Asia, affects brand value and endangers consumers. To learn more please visit: [www.ypbsystems.com](http://www.ypbsystems.com)