

ASX ANNOUNCEMENT ASX:YPB | 13 October 2020

YPB signs partner to access tobacco and tax stamps in Thailand

- Partnering to access Thailand tobacco and tax stamps market
- Channel partner strategy opening doors to high volume industries with major counterfeit problems

Product authentication and consumer engagement solutions provider YPB Group Limited (ASX:YPB) is pleased to advise that it has secured a Master Services Agreements ("MSA") with a new channel partner in Thailand, Specific Products Co. Ltd ("Specific Products").

Bangkok-based Specific Products Co. is well established as a reseller of gravure inks and adhesives mainly to Thailand tobacco products manufacturers for their packaging and cigarette filters. It also works in the Thailand tax stamps industry.

YPB is optimistic Specific Products can secure meaningful revenue for the Company in Thailand over time, as Specific and YPB are already progressing sales opportunities in the significant tobacco and tax stamps markets.

This MSA follows considerable due diligence by Specific Products, with particular focus on YPB's Connect Platform and T2 Tracer. Specific's decision to promote YPB's current generation products reflects well on both their technical strength and commercial relevance.

This new partnership follows the first Thailand relationship with OPP Gravure Printing which is focused on novel products, initially security shrink wrap, based on the technical leap of YPB's Motif Micro smartphone readable forensic product authentication solutions.

The MSA is for a three year term and gives Specific Products the right to promote and sell YPB's product authentication technologies to both its existing customer base and new potential customers in Thailand. Under the agreement, Specific Products will earn a commission of 12% of YPB's revenues on every purchase order. The Company notes that the impact on revenue is indeterminate at this time as it is driven by the ability of Specific Products to secure purchase orders.

Counterfeiting is a major problem in Thailand, and the nation is ranked as one of the top sources of counterfeit goods by the Organisation for Economic Cooperation and Development (OECD) and the European Union's Intellectual Property Office. Specific Products and YPB are confident that YPB's solutions offer a cost effective, easily adopted means of reducing the cost and harm of counterfeit in Thailand.

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YPB Group CEO John Houston said: "Our sales strategy of reinvigorated focus on channel partners able to take us into the heart of high-volume industries continues to gain momentum. It is proving its power in China, with our successful new partnerships there driving revenues. Now with Specific Products, we are opening doors to high volume, large industries in Thailand but at low cost and with low risk. Given we are already engaging with Specific's customers, we are hopeful of first revenues from this channel in coming months.

We have also become much more astute in customer relationship management and are working far more carefully and closely with all our channel partners to leverage what is becoming a powerful sales asset as effectively as possible, certainly much more so than we have done in the past. The quality and reach of our channel partners is a key reason in our optimism of much better sales results ahead.

"The awareness of the need for product authentication and consumer engagement solutions is undoubtedly growing and our effective, low cost and easily adopted technologies offer elegant solutions to major problems. Our channel partner strategy has the potential to build a large customer base with great profit leverage given minimal cost and risk, as our sales resources are multiplied manyfold by powerful partners with existing customers in need of solutions. Further channel partner developments are in train and should provide the base for driving revenue higher over the coming year."

This announcement has been authorised by the Board of YPB Group Limited.

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 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: ypb.io

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