

## ASX ANNOUNCEMENT

ASX: YPB | 16<sup>th</sup> December 2021

### Second critical smartphone anti-counterfeit patent granted

- **Patent granted by China's SIPO Patent Office over smartphone anti-counterfeit technology**
- **Adds to US Patent granted in October 2021**
- **Enhances the value of YPB MotifMicro anti-counterfeit technology**
- **Extensive coverage of possible smartphone-based anti-counterfeit technologies achieved**

Anti-counterfeit and consumer engagement solutions provider **YPB Group Limited (ASX: YPB)** is delighted to advise that the China Patent Office (SIPO) has granted YPB a China patent for its smartphone readable technology.

YPB's China patent (No. 201310109929.3) provides coverage over technologies employing a mobile device to determine the presence of a security tracer containing 2 or more light energy responsive materials and read by a smartphone using the camera and flash.

The patent further protects MotifMicro, the Company's revolutionary forensic anti-counterfeit solution that is readable by an unmodified smartphone to determine the authenticity of a product via confirmation of the presence of invisible tracer material(s).

Key coverage items of the Chinese patent include:

- An article identification system, for packaged goods sold to consumers manufactured and distributed by the genuine brand.
- A security tracer comprising at least two different light energy responsive materials within the UV visible and optional near infrared spectrum compounded, premixed or otherwise provided in a widely popular common substrate, including but not limited to polymers, surface coatings, inks, paints and textiles.
- It has the form of security marks that can be read by standard and commonly used handheld mobile communication devices connected to a mobile communication network / data transmission subsystem, including but not limited to wireless link or linked Internet connection connected to the Internet.
- To provide a convenient identification and system software download and update for the device, so that consumers can easily, safely and flexibly verify and identify authentic products from unqualified, illegally produced and / or illegally distributed products and related products and supply information before and / or at the time of purchase and / or after purchase.

The grant of the patent adds strong support to the USPTO Patent issued in October 2021 and announced on October 5<sup>th</sup> 2021 (<https://www.asx.com.au/asxpdf/20211005/pdf/4518z9yvr66wgq.pdf>) and supports the carrying value of the intellectual property of MotifMicro which is the largest asset on YPB's balance sheet. The patent granted comes after a rigorous and lengthy process conducted by the SIPO following the first lodgment on 29<sup>th</sup> March 2013 which is the China priority date. The patent grant confirms the novelty and originality of YPB's technology first conceived in 2013.



Since commercially launching MotifMicro1 in mid-2021, the Company has signed trial agreements with Opal ANZ (announced 8 September 2021) and Holographic Label Snd Bhd (announced 7 October 2021). The patent grant provides further validation of the Company's market leadership in valuable smartphone anti-counterfeit technologies.

Executive Chairman John Houston said:

*"This second smartphone related patent grant in 2021 is a further critical milestone for YPB. It confirms to shareholders the uniqueness of YPB's ground-breaking lead in smartphone-based anti-counterfeit technologies. Smartphones are likely the only practical avenue for making forensic anti-counterfeit protection deployable in mass consumer markets. Obviously, the scale of this opportunity is vast and more than underwrites the carrying value of our key balance sheet asset MotifMicro. I'd also observe that the balance sheet does not reflect the value of the rest of our substantial, patent-protected intellectual property portfolio."*

*YPB now has very broad IP protection across possible smartphone-based anti-counterfeit technologies with coverage of Phosphor, PLUS any smartphone readable technology using 2 or more materials in the UV and /or IR spectrums. From our extensive knowledge of these technologies around the world, we now have the widest IP protection that we could have hoped for. We are now intent on converting this privileged position into shareholder wealth."*

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

**For further information please contact:**

YPB investor enquiries  
[investors@ypbsystems.com](mailto:investors@ypbsystems.com)

Ben Jarvis  
0413 150 448  
[Ben.jarvis@sdir.com.au](mailto:Ben.jarvis@sdir.com.au)  
Six Degrees Investor Relations

**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, Southeast 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: [ypbsystems.com](https://ypbsystems.com)