

ASX ANNOUNCEMENT

ASX: YPB | 9th February 2022

Leading brand protection agency appointed as global distributor for MotifMicro

- **Appointment of Brand Armor LLC as Global Distributor for MotifMicro**
- **Over 20 years' experience and established client list in anti-counterfeit solutions**
- **High-volume markets, industries and applications targeted to drive sales growth**
- **Distributor incentivised to achieve revenues of AUD 5 million within the first two years and AUD 8 million within the first three years**

Anti-counterfeit and consumer engagement solutions provider **YPB Group Limited (ASX: YPB)** is pleased to advise it has appointed Brand Armor LLC (BAR) (www.brand-armor.com) as a global distributor for its products and solutions.

Distribution Services Agreement

Under the agreement, BAR will be responsible for identifying and contracting sales and distribution opportunities globally for YPB's technology portfolio initially focussing on MotifMicro, YPB's revolutionary forensic anti-counterfeit solution readable by an unmodified smartphone.

This appointment provides YPB with extensive expertise and significantly expanded access to the security printing, tax stamps and government sectors around the world. BAR intends to engage regional and/or industry specific partners to increase YPB's industry profile through industry-relevant conferences and events, while also engaging in additional business development initiatives.

BAR's expertise, network and extensive client base is expected to accelerate market penetration and drive significant sales growth in MotifMicro and YPB's entire anti-counterfeit solution suite.

BAR is led by Mr Anthony Belasco, who has over 20 years' experience in anti-counterfeit technology business development, selling to brand owners and governments in fast growing markets in Asia and the Americas.

BAR has over 70 customers in high volume anti-counterfeit applications internationally and has a strong sub-distribution network across the sub-continent.

Key fees and incentives under the agreement are:

- A fixed annual retainer fee of USD 175,000
- A commission of 10% on all gross sales earned and collected, but only after exceeding gross sales of USD 1,750,000 each year
- Issuance of 150 million performance rights comprised of:
 - 75 million performance rights, escrowed for 24 months from the date of the agreement, and convertible into fully paid ordinary YPB shares (Shares) upon the distributor achieving gross sales of AUD 5 million within two years of the date of the agreement; and



- 75 million performance rights, escrowed for 36 months from the date of the agreement, and convertible into Shares upon the distributor achieving gross sales of AUD 8 million within three years of the date of the agreement.
- The performance rights will expire 3 years from the date of issue.

YPB Executive Chairman, John Houston said: *"We are delighted to be working with Brand Armor as our key sales channel for MotifMicro. BAR's commitment to drive the sales of MotifMicro is a strong endorsement of our technologies and their relevance to the global marketplace for anti-counterfeit solutions.*

"We see this appointment as an important step in accelerating revenue growth via more rapid penetration of ultra-high-volume markets by our suite of leading technologies."

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

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 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: ypbsystems.com