



ASX ANNOUNCEMENT

ASX: YPB | 24th May 2024

Digital-first strategy pivot yielding strong early results

- **Addera Peru now ordered over 4 million codes exceeding year 1 minimum**
- **Entire first year quantity of codes ordered and paid by Ecocan Recycling**
- **Additional scanners ordered for US pull tab lottery contract delivered**
- **ConnectQR engagement rate encouraging**

Authentication and consumer engagement solutions creator **YPB Group Limited (ASX: YPB)** is pleased to update shareholders on the achievement of important project milestones. These projects demonstrate diversity of application and markets, increasing revenue reach, and focus on the best opportunities, and follow the Company's digital-first strategy pivot.

Addera Peru

On November 16th 2023 YPB signed a Master Services Agreement with Addera Peru as announced to the ASX [here](#). Addera is a substantial contract packaging company especially in the rice packaging industry in Peru. It applies YPB's digital consumer engagement and authentication technology QR codes, ProtectCode, to its participating customers' packaging.

Addera has now purchased over 4 million Protect Codes, covering 22 companies and 63 Stock Keeping Units (SKUs). Six months in, the Minimum Order Quantity (MOQ) for codes per annum specified in the MSA has already been exceeded for year 1 of the 3-year term.

This project was a first in that it proved the potential of our new digital marketing capacity to:

- Demonstrate low-cost global reach for our products, in this case Peru - South America; and
- Validate our strategy of emphasising consumer engagement opportunities.

This project and the rapid take up of codes by Addera and its customers are indicative of the major opportunity in the QR generation and management market globally.


Ecocan Recycling Africa

YPB first announced a relationship with ECOCAN Africa in December 2023 and signed a Master Services Agreement in April 2024 to use ProtectCode to address fraud in recyclable beverage Reverse Vending machines (RVMs) in Africa. RVMs offer redeemable value for the recycling of bottles and cans and seek to increase the volume and speed of the circular economy. ECOCAN is driving a new initiative in a potentially very large market partnered by corporations seeking to reduce the waste burdens of their products.

ProtectCode, originally launched in 2016 to secure export products against counterfeit, and via the benefits of YPB's now modular IP library, was successfully adapted in Q1 2024 to RVMs to ensure only



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single redemption per item. The project is being funded by large bottlers and brands initially in the Africa market. We are pleased to confirm that the order announced in early May which fulfilled the first year's minimum order quantity has been delivered and fully paid.

US Pull Tab instant lottery contract

In March 2023, Smart-tab Systems LLC contracted to use YPB's tracer / scanner technology to address copying and fraudulent redemption of winning pull tab/instant lottery tickets in the US market. YPB developed a bespoke OEM scanner module for integration into ticket vending/redemption machines to prevent multiple fraudulent prize claims. While the technical solutions were largely complete in 2023, the pace of the project is being determined by an exacting regulatory and compliance approvals process.

Pleasingly, Smart Tab Systems has ordered, and on May 17th 2024 received, ten additional YPB OEM scanners to be used in further approval validation steps. While the timing of the ultimate conclusion of this project is indeterminate, its potential scale remains very significant.

ConnectQR gaining momentum

On March 4th 2024, YPB fully launched a new web based service, [ConnectQR](#), marking its entry into the burgeoning US\$3.5 billion QR code generation and management market⁽¹⁾. More recently on May 14th 2024, ConnectQR added Artificial Intelligence (AI) based codes on the platform.

ConnectQR has great potential for rapid and profitable growth due to its self-service, SaaS structure. It is also likely to magnetise demand for YPB's premium ProtectCode and Brand Reporter applications.

Early interest in the product has been pleasing and its engagement rates are encouraging.

YPB Executive Chairman and Group CEO John Houston said: *"I am pleased to be able to update shareholders on the substantial progress being made with these four key projects. More importantly, they all represent an exciting new chapter for YPB with global reach for digital products into potentially very large markets at minimal marginal cost. While continuing to support and develop our legacy physical authentication products,, our digital-first strategy pivot is early in demonstrating much greater potential to drive revenues and push toward profitability."*

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

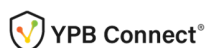
(1) <https://www.websiteplanet.com/blog/qr-code-statistics/>

Ends.

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About YPB Group


YPB Group Limited (ASX: YPB) is listed on the Australian Stock Exchange and has developed and sells a suite of physical, digital, and AI-based authentication technologies with a vast range of applications. Our solutions can easily authenticate a myriad of items, such as FMCG (fast-moving consumer goods) products, official identification documents, pharmaceuticals, nutraceuticals, dairy products, tax stamps, transactions - and even people.

Our solutions trigger engagement with consumers in a consented, cost-effective, and direct manner. Our proprietary technologies utilize Bluetooth and/or smartphones to capture and analyse invaluable authentication data in our Connect™ global intelligence platform, providing real-time, first-party, and worldwide market intelligence data. This actionable data enables brands to establish digital and direct marketing channels with their customers.

The markets YPB is targeting comprise many billions of items, and this number is growing rapidly, providing YPB with significant growth opportunities for its authentication and consumer engagement technologies.



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