

YPB ProtectCodes™ Milestone Update

2 August 2019 – Product authentication and consumer engagement solutions provider YPB Group Limited (ASX:YPB) ("YPB" or the "Company") refers to its market release dated 29 July 2019 announcing a significant milestone in the Company's history by reaching 100 million ProtectCodes™ issued on the YPB Connect platform ("Milestone"). This followed an announcement dated 28 May 2019 which advised that the Company had issued 75 million ProtectCodes™ at that time.

By way of clarification, the Company is of the view that the revenue generated specifically by reaching the milestone is not material to the Company, but the milestone is material.

The Company considers the Milestone to be significant and material due to a number of qualitative factors other than the effect on the Company's revenues, such as:

1. The Milestone represents an unprecedented acceleration in the uptake of the ProtectCodes™ which is underpinned by the Connect platform.
2. QR codes are abundant and rapidly growing on product packaging in China but are scarce on products outside China. Together with the rise of serialised coding on products, this indicates a significant market for YPB's ProtectCodes™
3. The fact that an increasing number of exporters and Brands are considering some form of product authentication solution on packaging such as the YPB ProtectCodes™.
4. The Milestone is indicative of YPB customer confidence in the Company's authentication and consumer engagement product offering, validating its value to customers and their brands.

Based on tangible achievements such as the Milestone being reached, the Company believes that it will be able to grow the range of existing client product offerings as well as continue to attract new opportunities.

The Company is now working on reaching further significant milestones with the Connect platform and hopes to accelerate these activities thanks to investors who have committed to contribute to the recent capital raise.

YPB Group CEO John Houston said: "YPB has announced commitments to a placement of \$1.6m. This bolsters the balance sheet and allows YPB to continue to achieve further milestones. I am looking forward to reaching further significant milestones with the Connect platform and our revolutionary smartphone technology Motif Micro and I thank investors who have committed to contribute to the recent capital raise."

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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