

ASX ANNOUNCEMENT

ASX: YPB | 29th January 2024

YPB's connect™ reaches 250 Million codes issued milestone

- **Major milestone - 250 million codes issued by YPB's Connect™**
- **Connect's consumer engagement power has driven this milestone**
- **Uptake accelerating due to Connect's consumer engagement potency**
- **YPB ideally placed to leverage viral global growth of QR code adoption**

Authentication and consumer engagement solutions creator **YPB Group Limited (ASX: YPB)** is pleased to advise it has reached a major milestone of 250 million codes issued by its proprietary Connect platform.

Connect™ was first launched in 2016 allowing brands to protect their products against counterfeit by using YPB's ProtectCode™. As Connect™ evolved it enabled brands to turn packaging into digital marketing assets via consumer QR code scanning and subsequent data collection and direct engagement brand to consumer. On 29th July & 2nd August 2019 the Company announced a Milestone of reaching 100 Million codes issued. (see 1 & 2 below).

This 250 million codes issued milestone demonstrates the commercial payoff from intense Connect™ R&D during the covid-caused business hiatus. The resulting accelerating trend of customer adoption of Connect™ is due to the platform's depth of functionality and the actionable, first-party marketing intelligence it captures and analyses.

A pertinent example of Connect's benefits to brands and businesses is one YPB customer that has rolled out ProtectCodes™ across its nutraceutical product range and by the end of 2023 was experiencing over 50,000 consumer scans of its products, an increase of over 2000% since 2020 – partly reflecting greater product coverage, partly the customer's greater familiarity with Connect™ and its richness, and increased consumers' willingness to scan QR codes. Each of these 50,000 scans can represent unique, individual pieces of previously unavailable first-party data that illuminates precise global location and the demographic profile of end-consumers. Such data is invaluable in driving business and marketing decisions.





YPB expects that Connect's customer base will be increasingly global. A recent example of the low-cost global distribution achievable by this purely digital platform is the market entry into South America in the rice packaging market in Peru (ASX: November 16th 2023 see 3 below). This contract was initiated by YPB's in-house digital marketing team and converted and serviced by YPB's sales team in Sydney. It showcased the simplicity and efficiency of Digital Transfer technology to supply ProtectCodes™ globally, almost instantly.

YPB also expects that the rate of issuance of QR codes by Connect™ will escalate. There is an inevitable worldwide momentum in the adoption of QR-based digital engagement solutions underway that YPB is ideally placed to leverage. The usage of QR codes has been accelerating worldwide since the pandemic sparked global familiarisation with the technology for contactless engagement but which remains in its infancy relative to its potential. The use of QR codes in advertising, hospitality, payments, business cards, and more is becoming widespread and accelerating – one forecaster expects 100 million businesses and brands to adopt QR codes in the USA alone by 2025⁽⁴⁾.

YPB has a rich heritage in the QR domain, first deploying QR codes in Brand Protection as an anti-counterfeit solution in 2016. While still a valuable tool in the anti-counterfeit armoury, the true potential and commercial interest in QR codes is revealed when a powerful SaaS marketing, engagement and track'n'trace platform such as Connect™ transforms inert packaging into a powerful digital tool of direct consumer engagement.

The Company considers that the revenue associated specifically with reaching the 250 million codes issued milestone is not in itself material, but the milestone certainly is as it evidences that the hub of the company's Connect™ intellectual property suite is:

1. Functional and has seen accelerated adoption;
2. Durable and scalable as a Cloud based SaaS platform;
3. Increasingly commercially relevant as QR code uptake accelerates globally; and
4. Is seeing adoption in new territories such as South America.

YPB Group Executive Chairman & CEO John Houston said: "I am proud we have achieved this remarkable codes issued milestone, but it is only a step in realising Connect's potential. The viral growth in QR adoption now underway will only accelerate and our existing and soon-to-be-released products see us ideally placed to ride that tailwind to greater revenues at minimal incremental cost and to be transformative for YPB."

This announcement is authorised by the board of directors of YPB.

Ends.

1. <https://announcements.asx.com.au/asxpdf/20190729/pdf/446vgr3z754vt4.pdf>
2. <https://announcements.asx.com.au/asxpdf/20190802/pdf/4474xtfymft02h.pdf>
3. <https://announcements.asx.com.au/asxpdf/20231116/pdf/05xdnjdzjfgj0.pdf>



4. Source <https://www.websiteplanet.com/blog/ar-code-statistics/>

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About YPB Group

Trusted by brands since 2011 YPB Group Limited (ASX: YPB) develops and sells technologies that trigger engagement between brands and their consumers. Our technology leverages existing brand resources to enable consented consumer data, the most valuable marketing asset, while also offering brand protection. YPB is increasingly demonstrating ultra-low-cost global reach via its proprietary Connect platform's SaaS offerings. To learn more please visit:
<https://www.ypbsystems.com>

