

ASX ANNOUNCEMENT

ASX: YPB | 27th July 2023

YPB upgrades NVISO AI licence to exclusive

- **AI expert NVISO has granted YPB a 10-year exclusive licence to its AI technology for use in YPB's consumer engagement, brand protection and authentication solutions**
- **Exclusive licence replaces and “upgrades” earlier non-exclusive licence**
- **NVISO AI has the potential to extend YPB's Product range**
- **NVISO's AI technology is used by global brands like Panasonic and global automakers**

Authentication and consumer engagement solutions creator **YPB Group Limited (ASX: YPB)** is pleased to advise that it has upgraded its previously announced (ASX 16/03/23) licence with Nviso SA (Nviso SA) to a 10-year licence with NVISO Group Limited (NVISO), providing YPB exclusivity in YPB's core domains of consumer engagement, brand protection and authentication.

NVISO through its wholly owned subsidiaries in Switzerland and Japan has existing agreements with global OEM brands such as Panasonic, and major global automakers. Their present applications include Consumer Robots, Gaming and Avatars, Healthcare Patient Monitoring, and Automotive Interior Sensing and is a pioneer in Artificial Intelligence (AI) with heavy investment and EU government support over its fourteen-year life. Nviso SA was founded in 2009 in Switzerland with operations in Japan and recently, as part of its management and Board changes, has its Corporate Headquarters in Australia under NVISO Group Limited.

YPB and NVISO have developed a close working relationship and the Group's rich background in Artificial Intelligence (AI) will be employed in the acceleration of development and extension of YPB's product range into key targeted verticals and applications. YPB's product quality, range and relevance is expected to increase and thereby the realisable value of its intellectual property.

NVISO's solutions have successfully been deployed to work with next generation human machine interfaces such as autonomous vehicles, companion robots and other applications.

NVISO Neuro Models™ use high quality datasets and low-cost access to powerful computing resources to train powerful and highly accurate deep learning models. NVISO Neuro Models™ are designed for ultra-low power edge devices. YPB has used AI in its product development for some time, but the depth of NVISO's expertise will allow YPB to accelerate and automate feature development of existing and new products. This will allow the extension of YPB's capability into the development of a wide and valuable range of AI-based solutions across its established markets.



MotifMicro®



YPB Connect®



UnifAI



ProtectCode®



YPB Tracer®





A prime example is NVISO's profound expertise in deep learning models which will be engaged in improving the accuracy, speed, and smartphone portfolio coverage of YPB's revolutionary smartphone-based authentication product MotifMicro.

The prior agreement with Nviso SA was signed under their previous CEO who has since been replaced by leadership with extensive IT commercialisation expertise and that previous agreement (announced 16/3/2023) has now been terminated with the mutual consent of the Parties.

As a consequence of entering into an exclusive License with NVISO, YPB has refined its roadmap for leveraging NVISO's skills and the focus for the balance of 2023 will be on upgrading the AI content of YPB's development processes and products. Prior expectations of new products for authentication of content across a range of media by Q3 2023 has been deferred into 2024 with YPB instead focusing on projects with the most immediate and certain payback.

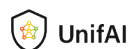
The key elements of the licence with NVISO are contained in the Schedule annexed to this ASX announcement.

YPB Executive Chairman and Group CEO John Houston said: *"The recognition by NVISO's new management of the proximity of the two companies' missions, plus the potential value to NVISO from the application of its expertise to YPB's domains, has seen NVISO pleased to grant YPB lengthy exclusivity. Upgrading our AI skills via this relationship with an undoubted world leader has the potential to rapidly enhance and magnify the realisation of the latent value in our IP portfolio."*


NVISO Group CEO Virpi Pennanen commented: *"We are excited about the extended partnership with YPB, and the execution of the contract to showcase NVISO award winning AI solutions in the field of consumer engagement and authentication. Our strong expertise in connecting humans with automated systems efficiently and effectively by sensing and interpreting human behaviour will truly enhance YPB portfolio and create great future potential for both companies."*

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

Ends.



 investors@ypbsystems.com

 YPB Group Limited
Level 5
126 Phillip Street
SYDNEY NSW 2000

 ypbsystems.com

Schedule - Summary of Licence Agreement

Parties	NVISO Group Limited (ACN 627 584 847) (NVISO) and YPB Group Limited (ABN 68 108 649 421) (YPB).
Licence	NVISO grants YPB a worldwide non-transferrable, exclusive licence to use, reproduce, copy, modify, sell and distribute the NVISO AI Solution and intellectual property rights that subsist in the NVISO AI Solution for the purpose of authentication, brand protection and consumer engagement (Licence). The Licence also includes diligence requirements for reporting at the end of each calendar year and sale of Licensed products must begin by March 1 st 2025
Term of Licence	10 years (renewable) effective from July 27 th 2023
Payments	<p>YPB has paid NVISO A\$250,000 for the exclusive licence</p> <p>YPB shall pay quarterly royalties to NVISO for the term of the Licence of:</p> <ul style="list-style-type: none"> 7.5% of the net amount of any receipts or the value of non-monetary payments received by YPB from the development or sub-licensing of the NVISO AI Solution.
Intellectual Property	<p>NVISO retains all intellectual property rights in the NVISO AI Solution and content of NVISO accessible by using the NVISO AI Solution.</p> <p>NVISO has no intellectual property rights in the work created by YPB based on or incorporating the NVISO AI Solution.</p>
Confidentiality	The agreement contains customary confidentiality obligations provided by the parties for an agreement of this nature.

Termination	<p>YPB may terminate the agreement at any time on 12 months' notice to NVISO.</p> <p>Either party may terminate the agreement at any time by notice in writing to the other party if the other party is in material breach of the agreement and the breach is not remedied (or capable of being remedied) within 90 days of notice of the other party receiving notice specifying the breach.</p> <p>Material breach is defined to include:</p> <ul style="list-style-type: none"> • non-payment of fees, royalties or taxes; • YPB or NVISO not meeting its obligations under the agreement; or • use of NVISO's name, logo, trademark etc. in violation of branding guidelines or other damage to NVISO's brand or reputation.
Consequences of Termination	<p>If NVISO validly terminates the agreement, the Licence will terminate immediately and YPB must return or, at NVISO's request, destroy any documents or other materials that contain NVISO's confidential information.</p>

For further information please contact:

YPB investor enquiries
investors@ypbsystems.com

Ben Jarvis
0413 150 448
Ben.jarvis@mdir.com.au
Six Degrees Investor Relations

About YPB Group

YPB Group Limited (ASX: YPB) is listed on the Australian Stock Exchange and has developed and sells of 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.

