

## ASX ANNOUNCEMENT

ASX:YPB | 4 March 2021

### MotifMicro™ first revenues and launched in USA

- **First revenues for revolutionary MotifMicro™ authentication technology**
- **Commerical launch in massive collectible sneaker market, initially in USA**

Product authentication and consumer engagement solutions provider **YPB Group Limited (ASX:YPB)** is pleased to confirm that the first of two steps in the maiden commercialisation of its revolutionary MotifMicro™ (MM) authentication technology, as foreshadowed to ASX on 14 January 2021, has been achieved.

YPB previously advised the market of a Master Services Agreement with Wireless Applications Pty Ltd (WAPL) to employ YPB's authentication solutions in the collectible sneaker market in the USA.

YPB is now pleased to confirm that the first products, YPB tracer embedded labels has been delivered and that YPB has received first revenues, roughly 33% of the minimum contracted year 1 revenues. Over the 5 year life of the MSA, YPB is to receive minimum revenue of \$1m with progressive annual step-ups over the 5 years.

As previously explained, the maiden commercialisation plan has two steps, the first of which has now been completed:

- Phase one – supply of labels and scanners:
  - YPB has supplied scanners and a serialised, branded, anti-tamper and anti-counterfeit QR label embedded with YPB tracer. This allows WAPL's USA based retailers to confirm product authenticity in-store and attract customers in-store. The serialised tags and labels assign a unique digital identity to each collectable item and YPB's tracer is a physical means to prevent the substitution of fake digital IDs by interjecting fake QR codes. This combined digital and physical counterfeit protection is unique to YPB.
  - In anticipation of the MM launch, YPB has also embedded MM1 technology in the first supplied products so that when MM goes fully live in the next few months, consumers will be able to self-authenticate sneakers tagged prior to MM1's launch.
  - The following link demonstrates the scanning of the labels by both smartphone and YPB's scanner to confirm the presence of both MM1 and YPB tracer:

Images and links can be found at [www.ypb systems.com/news](http://www.ypb systems.com/news)

- Phase two – MM1 smartphone authentication.
  - MM1 technology will roll out when YPB releases an enhanced, “B2C” MM1 consumer app, expected in Q2 2021, and WAPL completes its own specialised collectibles app with embedded blockchain records, also due imminently.

The sneaker and collectibles reseller market is vibrant, enormous and increasingly considered an investment market in its own right as described in these two articles:

<https://www.smh.com.au/business/small-business/the-new-world-of-investing-air-jordans-banksys-and-cat-gifs-20210225-p575q6.html>

<https://www.inputmag.com/style/nike-air-jordan-1-trophy-room-snkrs-resell-backdoor-bots>

WAPL has also advised of its go to market strategy to be launched soon which will adopt the market-facing identity of SLiIP (powered by Legitifli) and can be found at:

<https://getsliip.com>

**YPB Group CEO John Houston said:** “In initially announcing this contract, I emphasised its importance to YPB, being the first monetisation of our large investment in MotifMicro and an explicit acknowledgement of MM’s commercial value, relevance and appeal. The receipt of first revenues is early confirmation of that claim.

Partnering with WAPL gives us leveraged access at negligible cost to an exciting opportunity in the USA collectibles market. Collectibles are a vibrant, global, well-defined market with critical need for product authentication solutions.

MM1 is the first truly mass-market, forensic-quality solution able to assure authenticity and be rolled out rapidly due to the ubiquity of the enabling implementation technology, the smartphone. Our technology is based on years of advanced materials science development and Artificial Intelligence (AI) skills in smartphone app development.

I’ve been convinced of MotifMicro’s enormous nascent value for years and with our first implementation being in area of such need and scale I’m excited that we are starting to now crystallise that value for shareholders via a leveraged model of partnering with innovators in big markets such as the upcoming launch of SLiIP.”

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

**Ends.**

**For further information please contact:**

**Investor enquiries**

[investors@ypbsystems.com](mailto:investors@ypbsystems.com)

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](http://ypbsystems.com)