

ASX/MEDIA ANNOUNCEMENT

ASX: YPB | 12th December 2017**YPB releases updated presentation**

- **Focus on ANZ brands selling into China**
- **Motif Micro mass market value proposition**
- **YPB CONNECT strategy is the key to success in Australia – China – SE Asia E-Commerce**

Brand Protection and Consumer engagement Company YPB Group Co Ltd is pleased to release it's updated Media, Client and Investor Presentation.

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ABOUT YPB

YPB Group (ASX: YPB) is a pioneer in advanced brand protection solutions. Listed on the Australian Securities Exchange, YPB is expanding its global footprint with an established presence in Australia, China, Thailand, USA, and Mexico.

YPB's patented Anti-Counterfeit technology combined with its Security Packaging and Anti-Theft solutions, Consulting Services and YPB's proprietary CONNECT platform enables clients to PROTECT their high value brands from the risks of counterfeit, product diversion and theft while providing the tools to CONNECT directly with their customers.

PROTECT**Smart Security Packaging and labeling for Brands**

YPB offers a wide range of Smart Security Packaging and Labeling solutions that can be incorporated into almost any material and offer cost effective strategies to PROTECT the integrity and value of products and brands in high-risk markets.



PROTECT | DETECT | CONNECT

Government Vital Documents

YPB offers solutions to Governments to PROTECT their Vital Documents that include ID cards, Visas, Passports, Vehicle Labels and many other applications.

Retail Anti-theft

YPB offers clients the latest technology in Retail Anti-Theft and Labeling solutions effective for mainstream retailers, boutiques and exporters to PROTECT against theft.

IP solutions & forensic services

YPB's IP solution specialists work with quality brands and Governments, to develop bespoke brand protection strategies and solutions that will deliver real protection and safety for brands, products and consumers.

Secure Supply Chain

YPB offers secure supply chain solutions to Governments, banks and companies wanting to ensure the integrity of their supply chain using a combination of YPB's authentication technology and secure track and trace solutions, delivering real protection for high value documents, brands, products and consumers.

DETECT

Scanner and Tracer protection solutions

YPB's patent protected state-of-the art Tracer technology is invisible, cannot be copied or destroyed.

Brand owners who include YPB's tracers in their packaging can use YPB's scanners to verify their product's authenticity. If a counterfeit is detected YPB's forensic services can consult with a brand owner to develop strategic, tailored solutions to protect the brand against counterfeiting and product diversion.

CONNECT

Smartphone applications to Detect and Connect

YPB's sophisticated, user friendly and powerful smartphone applications allow brand owners and consumers to identify and report suspected counterfeit or diverted products. They also allow brands to connect and engage directly with their customers via QR codes, Near Field Communication, secure track and trace and product scanning. The YPB CONNECT platform delivers brand owners valuable and actionable intelligence about their products and customers to measure, tailor and individualise direct marketing campaigns through a 'big data' analytics capability.

PROTECT | DETECT | CONNECT

*Ensuring Trust and Building Connection
by
Protecting and Connecting Brands and Consumers
December 2017*



WWW.YPBSYSTEMS.COM

ASX:YPB

YPB POISED FOR PAYOFF

Payoff from
business building
imminent

Business refocused
Costs cut

Major macro
tailwinds

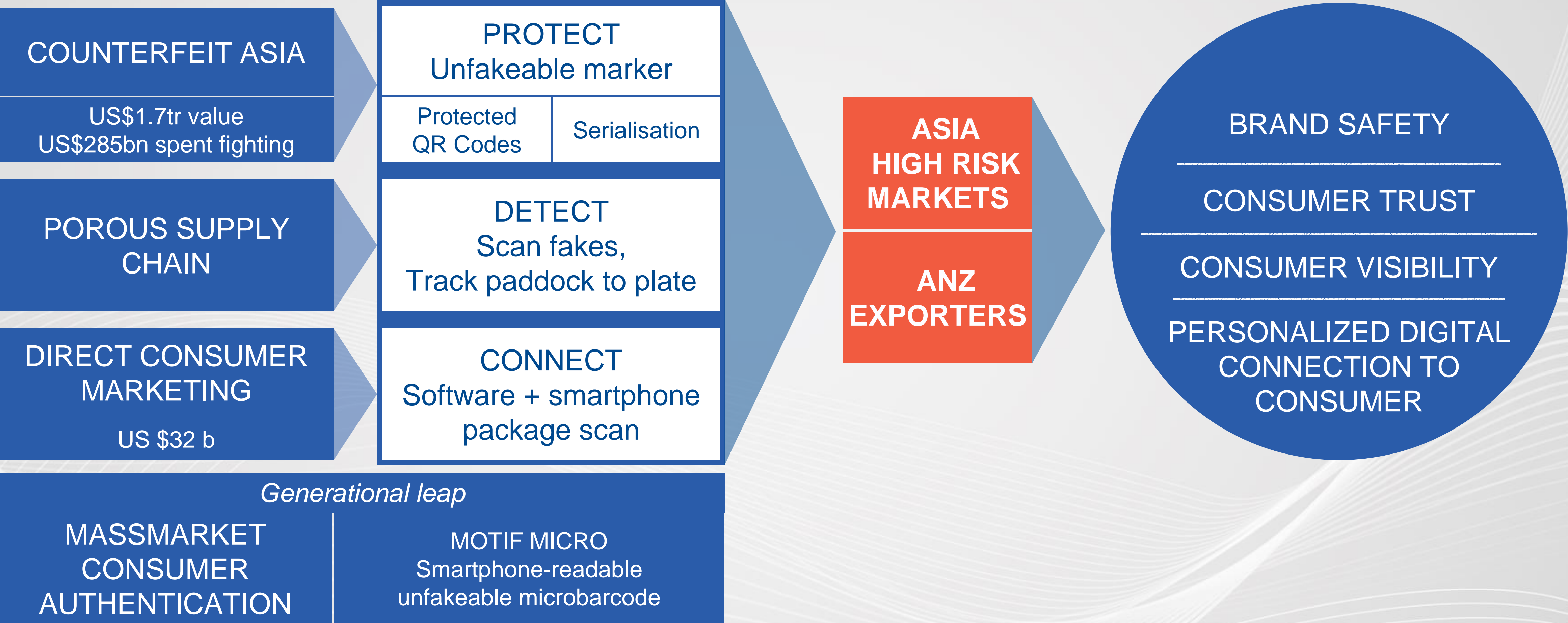
Clear path to
profit

Monetise
revolutionary
technology

YPB IS IN THE EYE OF POWERFUL MACRO TRENDS



OPPORTUNITY, SOLUTION, STRATEGY



LACK OF TRUST FOR CHINA PRODUCTS DRIVES DEMAND FOR AUSTRALIAN PRODUCTS

Consumers in China have developed an inherent suspicion of locally produced or sold goods

Rampant Counterfeiting
Environmental Pollution
Food & Safety scandals

Resulting in high imported consumer goods demand

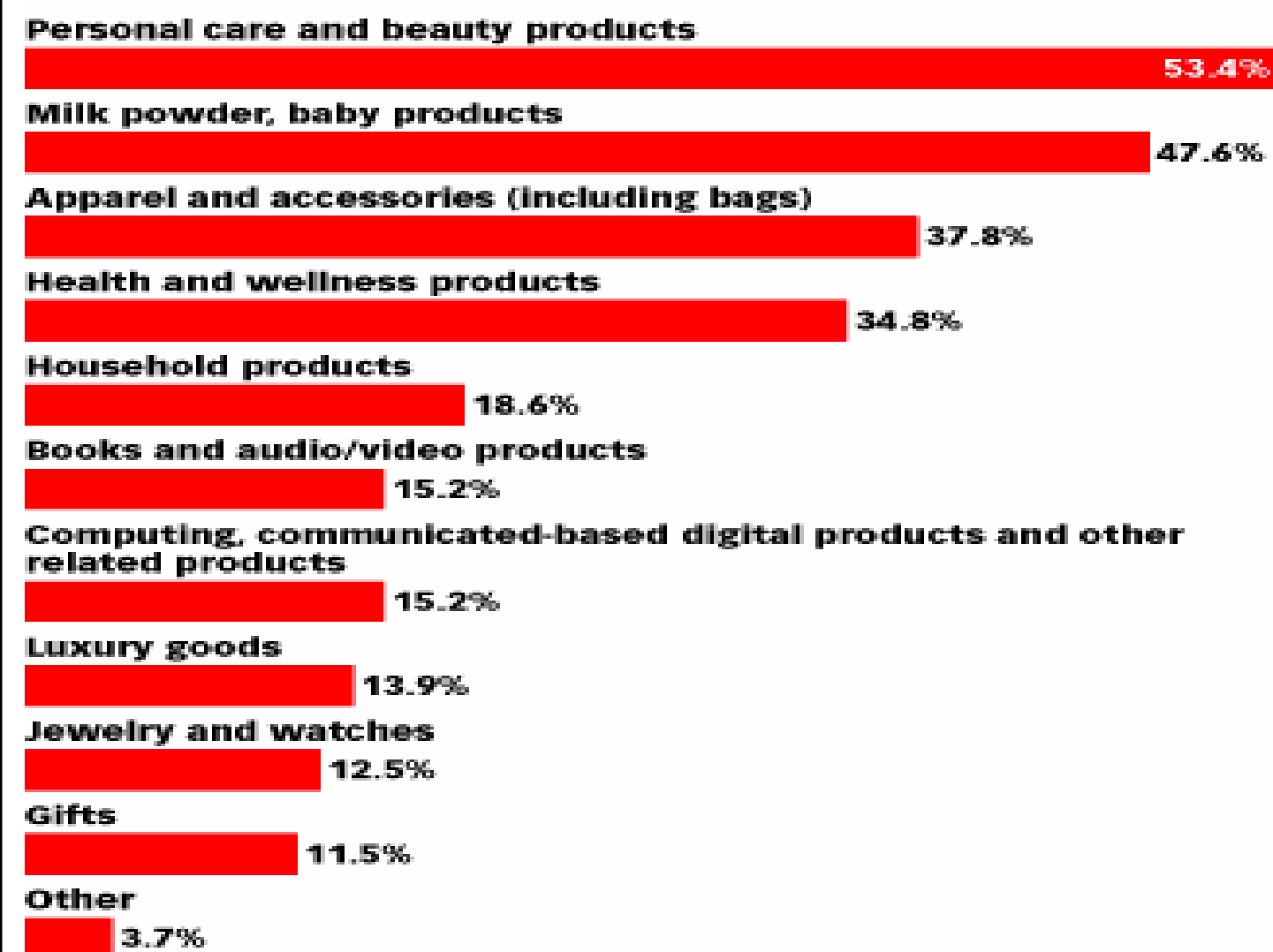
Product Safety Scandals in China Fuel Cross-Border Ecommerce

Growth rates expected to remain in double digits through 2019

March 31, 2017 | Retail & Ecommerce

Products Purchased from Foreign Sites According to Cross-Border Digital Buyers in China, by Category, Dec 2015

% of respondents



Note: ages 6+ who have made a digital purchase from a foreign ecommerce site in the past 6 months; excludes Hong Kong and Macau
Source: China Internet Network Information Center (CNNIC), "2015 China Online Shopping Market Report," June 22, 2016

212676

www.eMarketer.com

Food



Skincare & Beauty



Wine



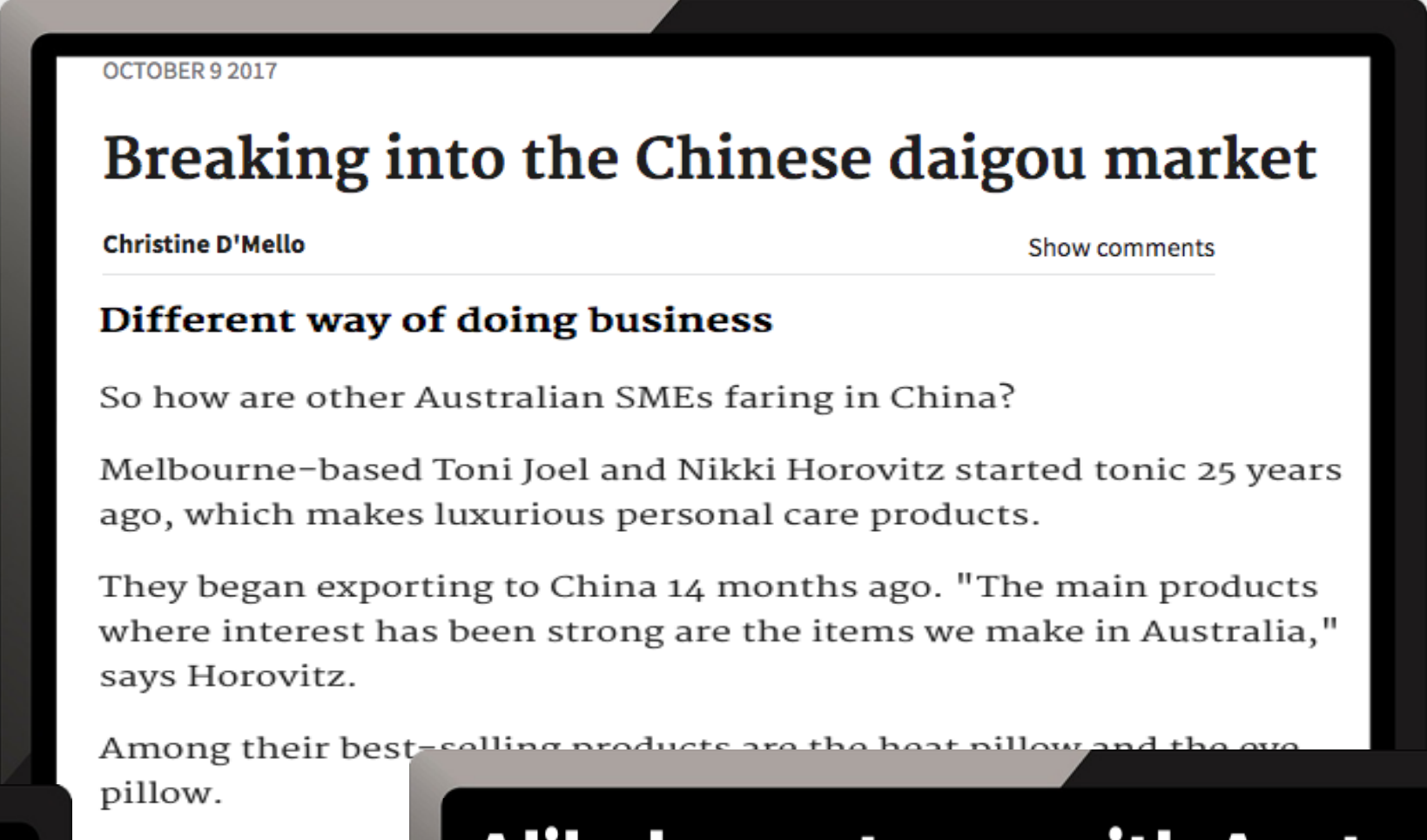
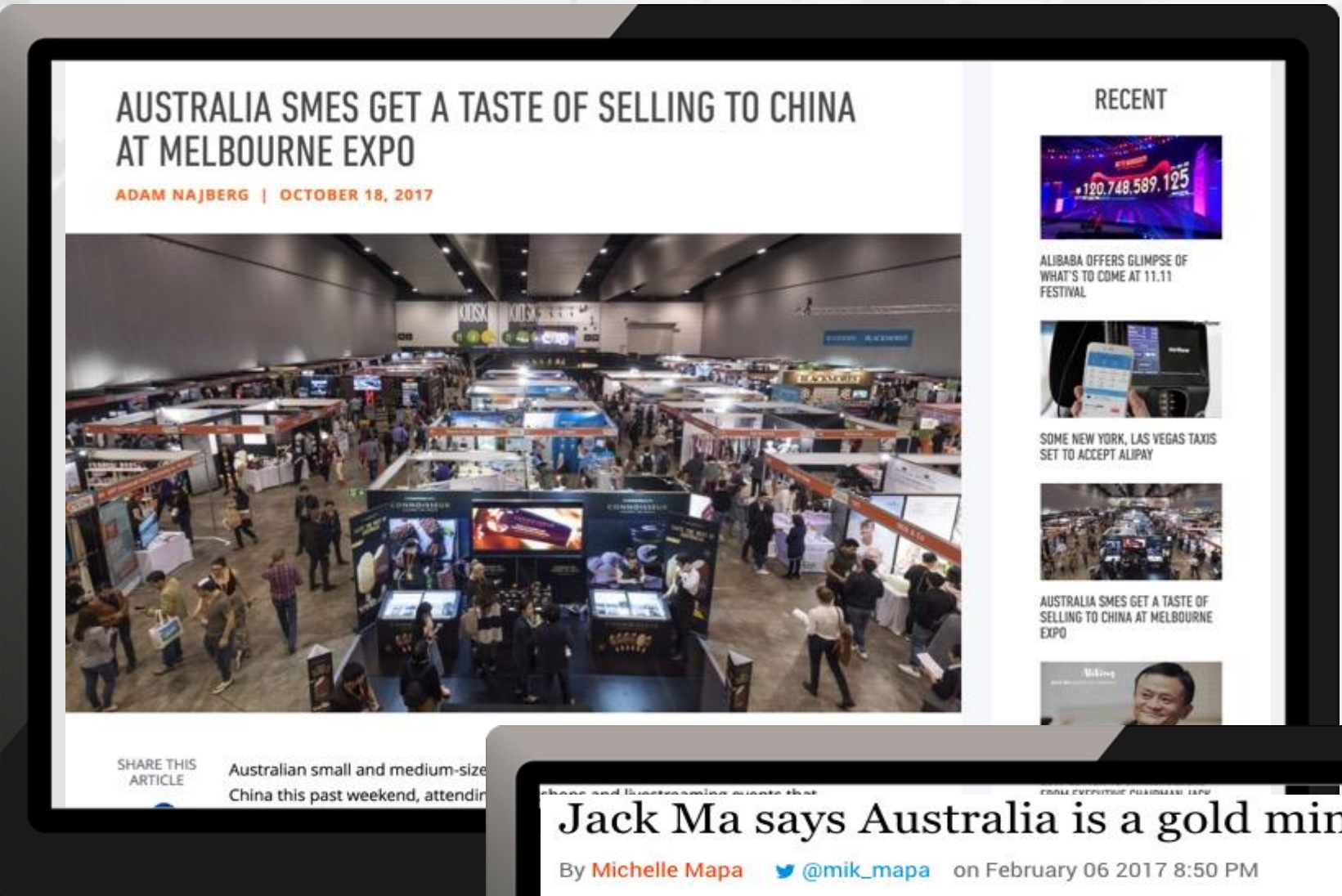
Vitamins & Supplements



Infant Formula



74% OF AUSTRALIAN BRANDS PLAN TO SELL TO CHINA IN NEXT 2 YEARS BUT DAIGOU AND E-MARKET SALES ARE TO INVISIBLE CONSUMERS

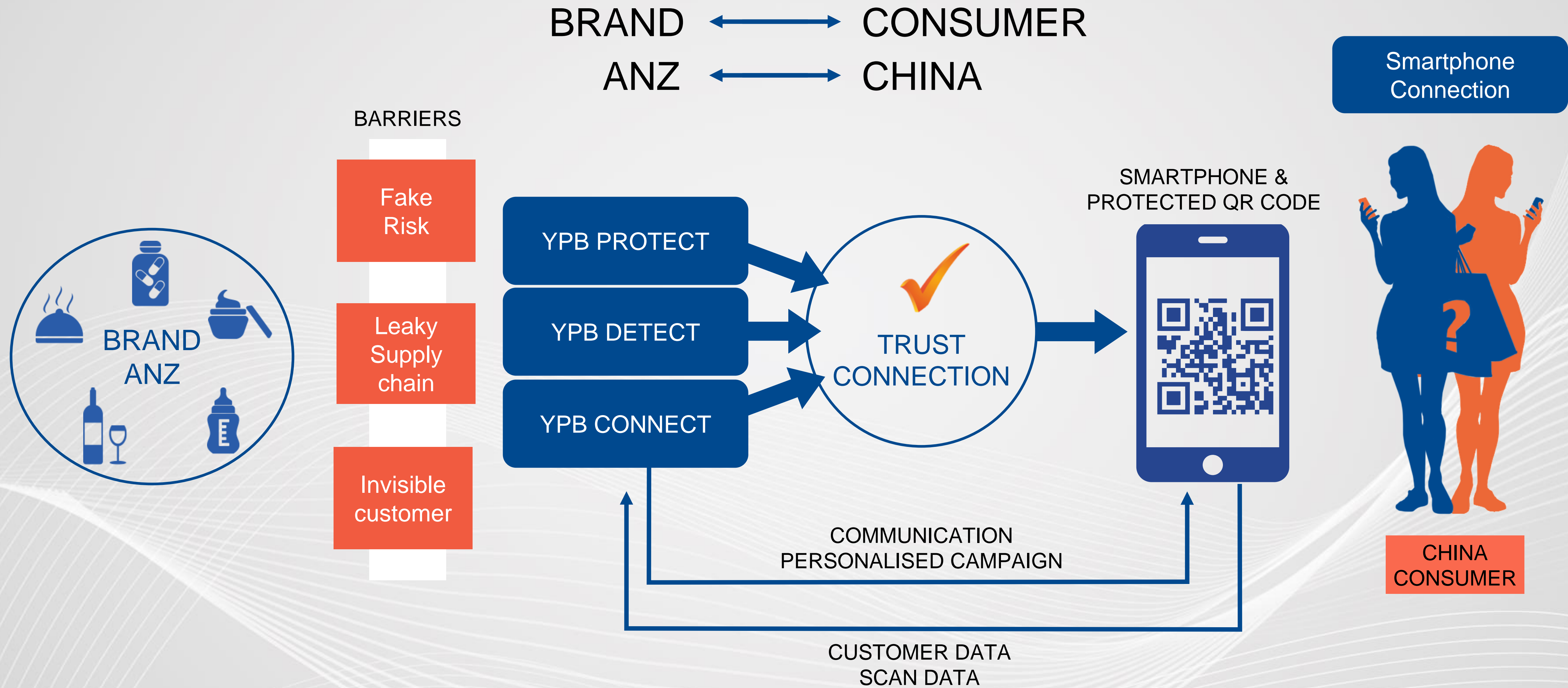


AUTHENTICITY TRIGGERS TRUST & CONNECTION THE GATEWAYS TO THE CONSUMER



Daigous thrive on lack of trust
Brands thrive on trust & connection

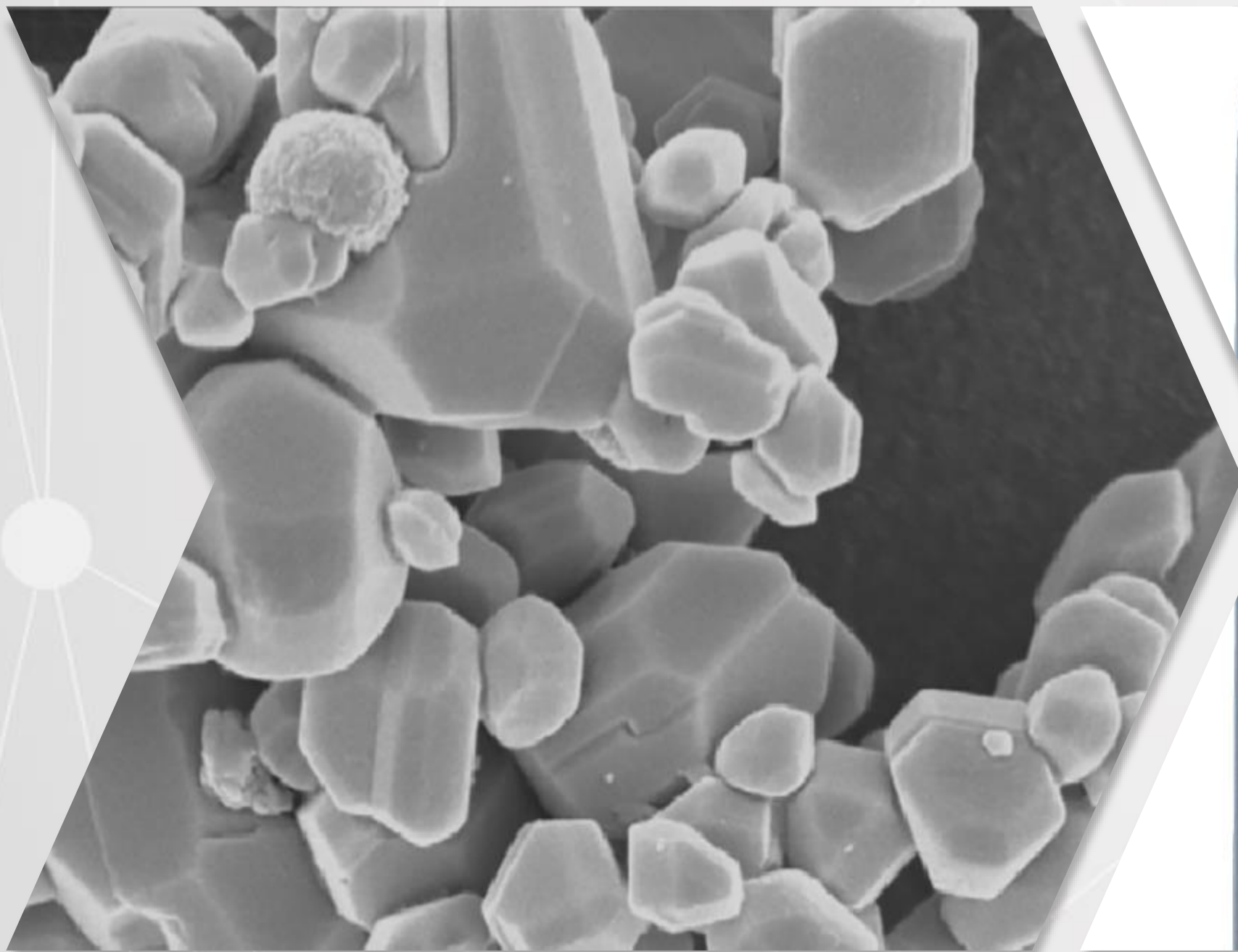
YPB'S TRUST AND CONNECTION GATEWAY



YPB'S MAJOR TECHNOLOGY ADVANTAGE FROM TOTAL INVISIBILITY

Patented forensic covert tracer - invisible, uncopiable, indestructible, safe

YPB particle size 2.5 microns



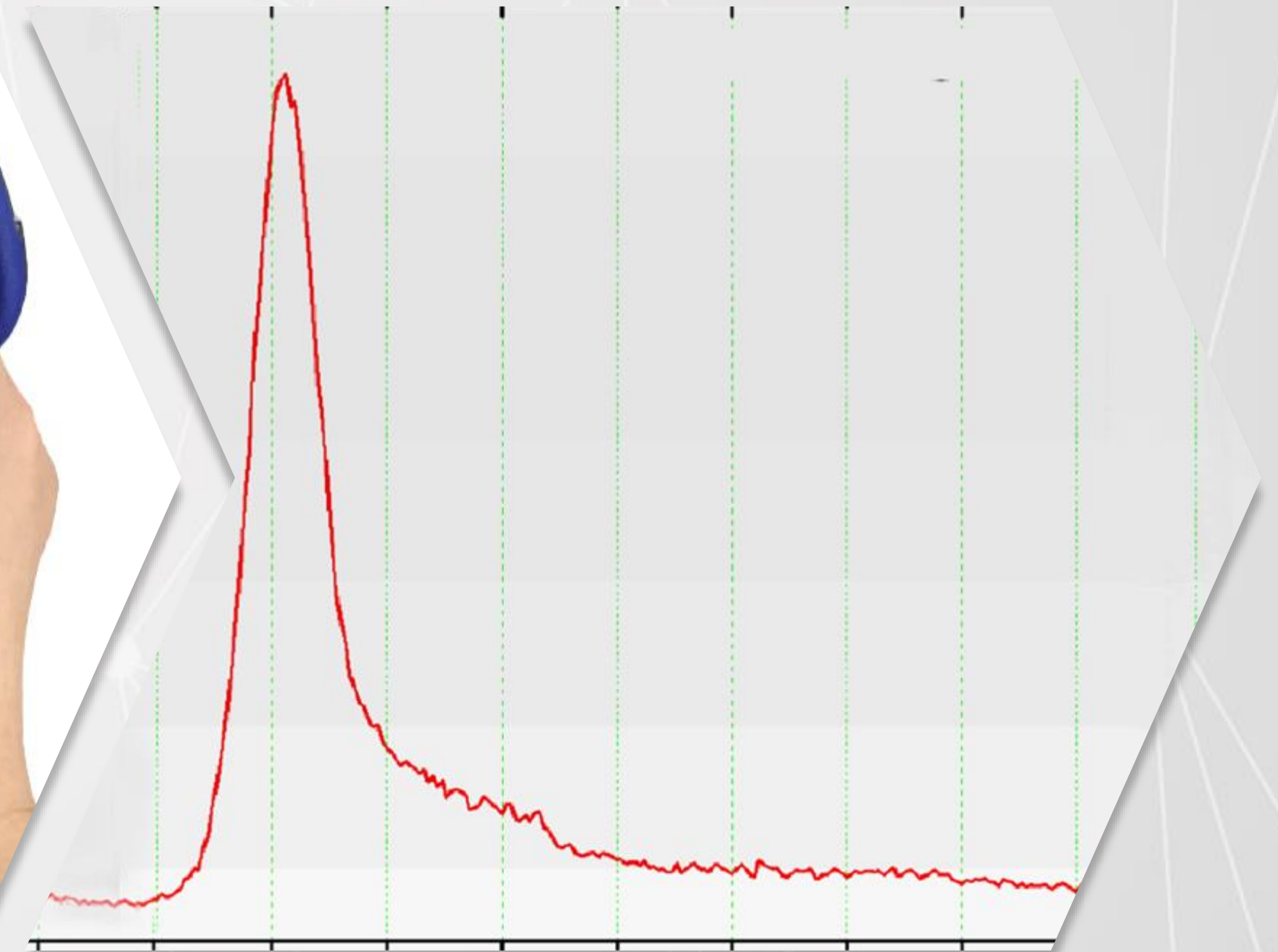
YPB invisible tracer

YPB tracer ON product



YPB scanner excites the tracer

YPB scanner reads the signature



YPB tracer emits an invisible response

12 PATENTS GRANTED

8 PATENTS PENDING

YPB THE SOLE CERTIFIED COMPANY IN CHINA WITH INVISIBLE TRACER

75

Companies certified in
China by CTAAC to sell
Anti Counterfeit technology in PRC

15

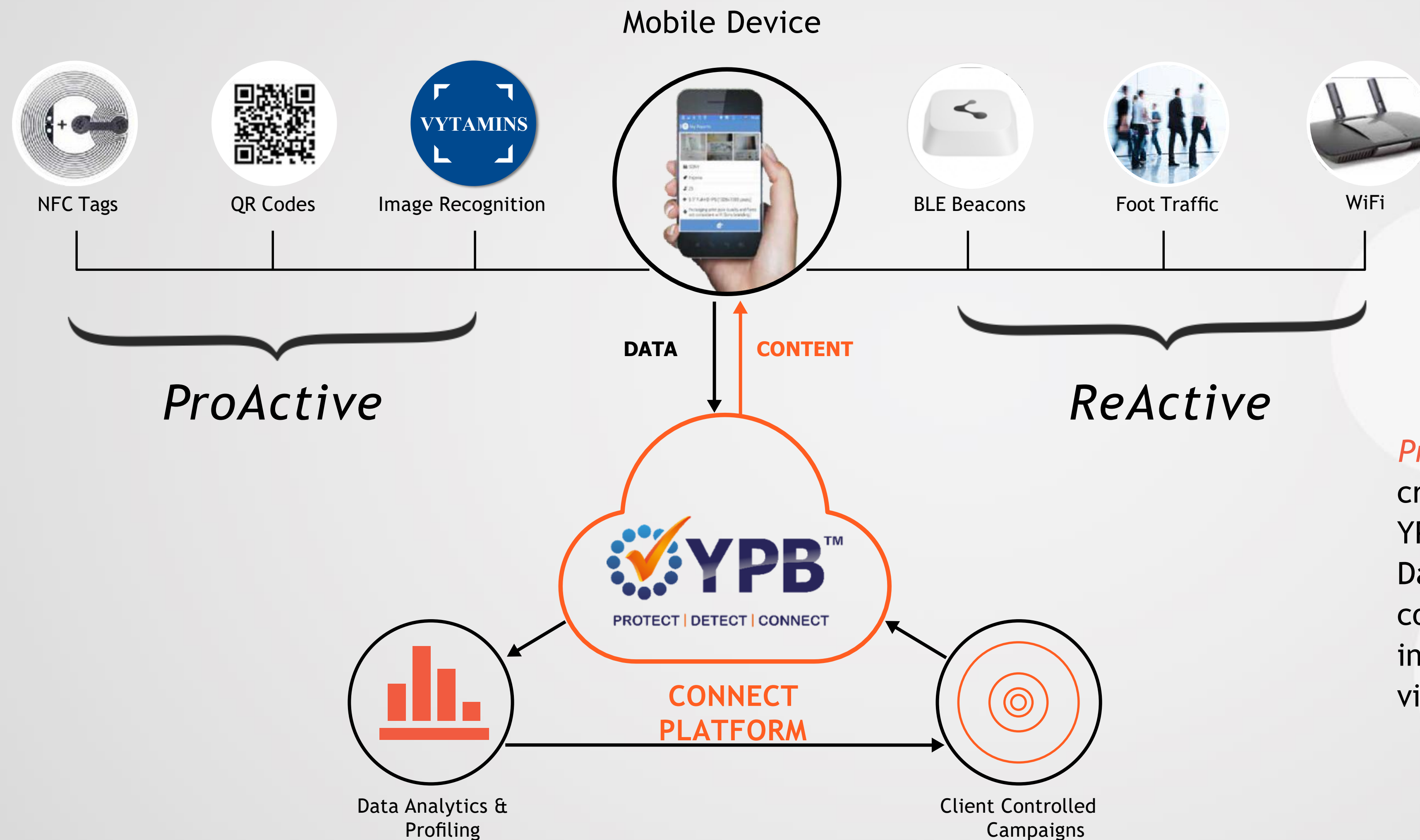
Companies certified to sell Tracers

1

YPB the only company certified
by CTAAC in China that sells
invisible tracers



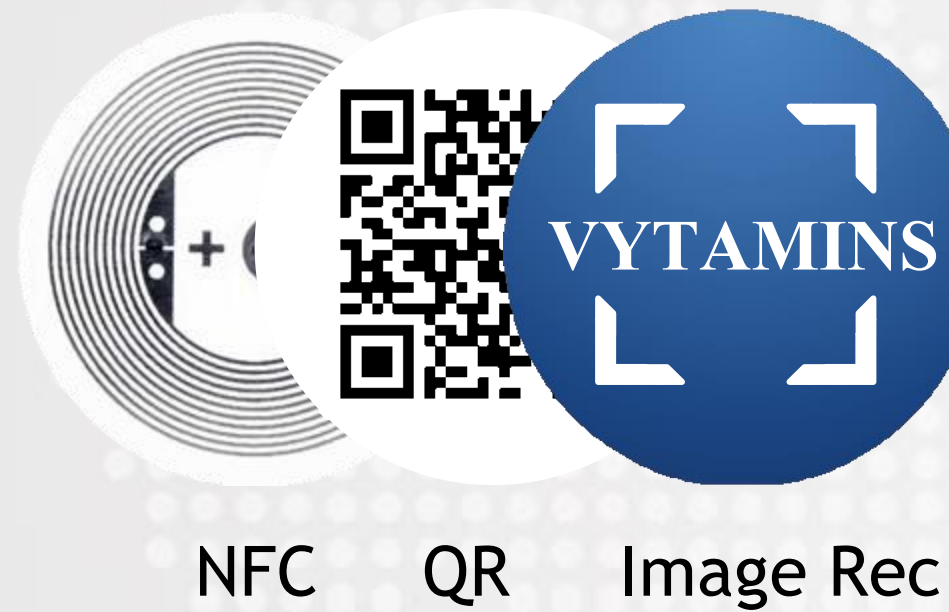
YPB'S UNIQUE MULTI-TECH CUSTOMER CONNECT PLATFORM



ProActive and *ReActive* connection creates valuable dataset, captured on YPB's cloud-based CONNECT platform. Data analytics generate actionable consumer insights and support individualised marketing campaigns via the targeting engine.

BRAND PROTECTION INTEGRATED WITH CONSUMER CONNECTION

Digital authentication
& information display



Technology integrated onto the label / bottle / cap provides digital verification of authenticity as well as consumer connection such as detailed product information or videos.



YPB's Tracer-Scanner confirms authenticity



Verified



Not Verified

The Covert Forensic Tracer cannot be copied, seen or destroyed - and integrates directly into packaging or labels.

YPB proprietary Scanner provides immediate confirmation of authenticity from point-of-manufacture through logistics chain and at point-of-sale.



REVOLUTIONARY UNFAKEABLE MASS-MARKET SMARTPHONE AUTHENTICATION & ITEM-SPECIFIC SERIALISATION



Micro Motif can be embedded into Product packaging or QR code & labels

Smartphone camera

- 1.Reads the presence of Motif Micro
- 2.Unique product serialisation data is found

PROTECT

Product is authenticated by matching unique product data against product database

CONNECT

YPB CONNECT Platform provides brand with data & consumer can be further engaged with brand marketing

Single-scan, multi-stage authentication PROTECTs and CONNECTs via the smartphone camera

MOTIF MICRO: MASS-MARKET VALUE POTENTIAL

Unfakeable smartphone authentication
Uncopiable serialisation

- Acquired in 2 stages for US\$6.0m of which US\$4m in YPB equity

Stage 1 cash US\$0.81m, 10.4m shares

Stage 2 cash US\$1.15m, balance shares end Dec 2017

US\$1m of US\$4.0m in shares subject to milestones

- Developed by MIT Chemical Engineering Team

Paul Bisso PhD and Prof. Patrick Doyle

Dr Bisso has joined YPB

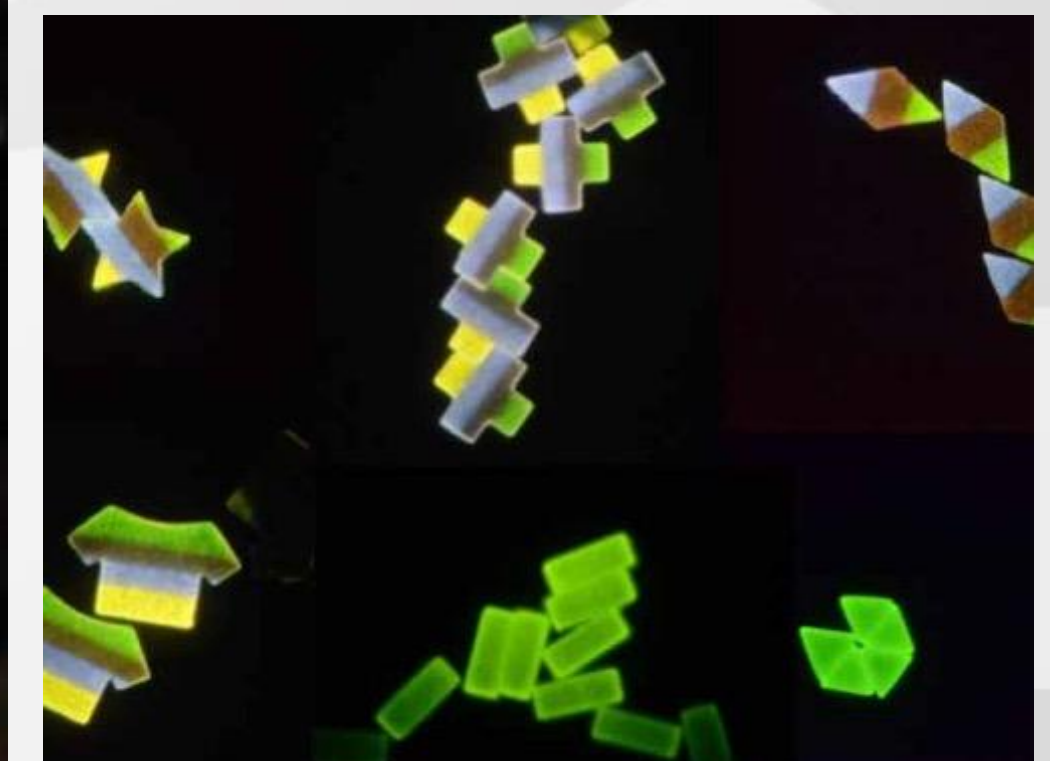
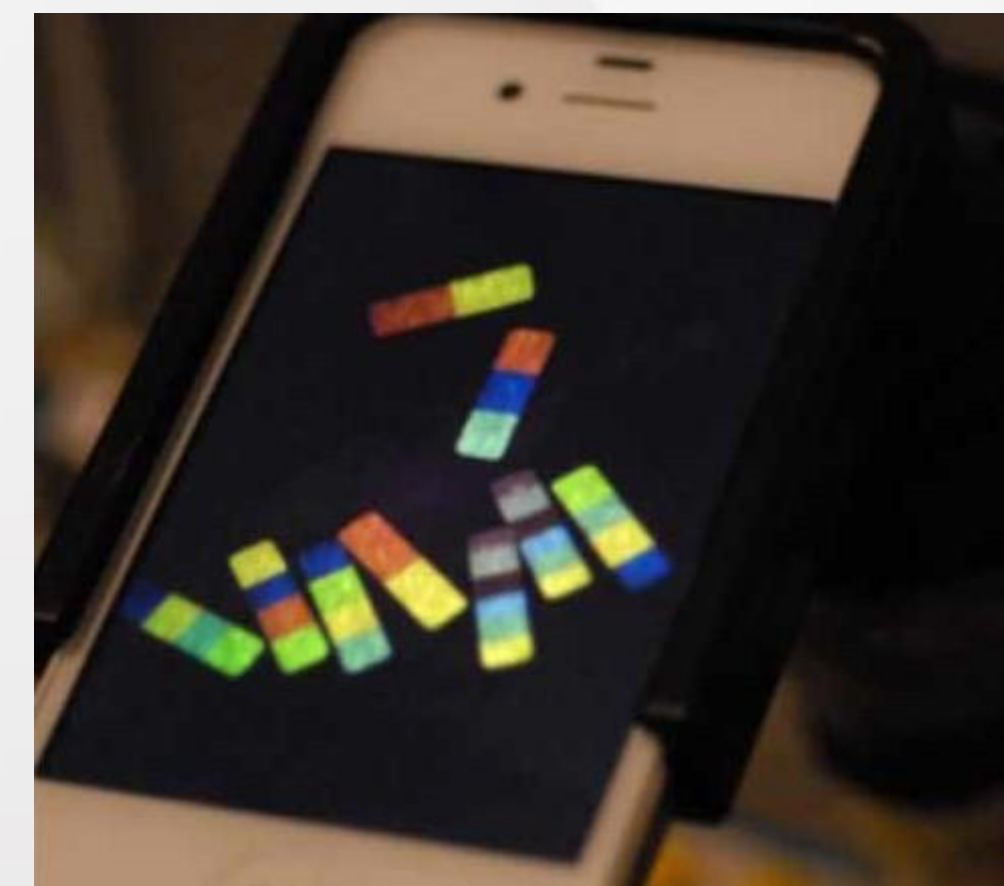
- Opportunities for early monetisation

Industry licencing e.g. currency, pharma, aerospace

Geographic licencing e.g. China, UK

- Exploited via existing YPB sales channels in core geographies
- Combines perfectly with existing YPB technology suite
- Almost unlimited end use applications

Currency, credit card, art, high end consumer, food, pharma, auto parts, aero parts etc all with individual item codes



Potential applications shown above.

PIPELINE CONVERSION CLEAR PATH TO \$5M PROFIT 2018



INCREASE PIPELINE CONVERSION	REVENUE	GROSS MARGIN	OVERHEAD	PROFIT
\$124m annual value	\$23.0m	\$11.5m	\$6.5m	\$5.0m
circa 100 projects				
range \$0.025m - \$20.0m	Assume 19% conversion	Assume 50%	2017 cost cut 40% (\$4.5m)	Tax losses
median circa \$0.500m		Pipeline weighted actual 61%		Thai BOI low tax status
Operational Reset				
CEO exit, Exec Chair resumed CEO				
Management reset				
Geographic refocus				
Tightened industry focus				
Improved prioritisation				
More rapid execution				
Projects maturing with time				



YPB POISED FOR PAYOFF

- Costs cleaned up
- Strategy refined
- Ambition sharpened, focussed
- Management reset, revitalised
- Tempo of contract closure and execution increased
- Powerful macro tailwinds increasing
- Path to profit clear, profit imminent

APPENDIX: OPPORTUNITY, SOLUTION, STRATEGY

Opportunity	Premise	Technology	Revenue Model	Geographies	Industry
Counterfeit rampant Asia US \$1.7 Trillion value US \$285 Billion on anti-fake	Exporters need protection In-Market Asia need protection	Patented Tracer – Scanner Patented micro barcode	Per unit (cents)	ANZ Exporters South Asia China	Wine Dairy Fresh Foods Beauty Infant Nutrition Vitamins & Supplements Pharmaceutical
Supply chain porous	Protect against leakage Detect substitution	Patented Tracer – Scanner Mobile based tracking software	Per unit (cents) SaaS licence	South Asia China	
Direct consumer connection US\$32 Billion on direct marketing	Maximizes brand value Packaging & mobile tech ideal solution	Consumers' mobile device SaaS data capture & analysis SaaS personalised marketing	Saas Licence Plus per unit QR, NFC	ANZ South Asia China	
Item serialisation	IOT needs unique identification Regulator mandated	Patented micro barcode	Per unit	ANZ South Asia China	
Mass market consumer authentication	Anti-counterfeit 'holy grail'	Consumers' mobile device Patented micro barcode	Geo & industry licensing And per unit (B2B)	Global ANZ South Asia	
Vital Government Documents	Increased security required	Tracer scanner Other patented technology	Per unit supplied document	South Asia Mexico (JV)	Government

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