

ASX/MEDIA ANNOUNCEMENT**ASX: YPB | 22 January 2018****YPB placement and suspension update**

- **YPB raises \$5m part of which is subject to shareholder approval**
- **Stock suspension requested until February 15th pending final execution of strategic relationship**

Capital raise

Brand Protection and Customer Connection solutions company YPB Group Ltd (ASX: YPB) has raised \$5.0m via a placement to sophisticated and institutional investors. The placement will be in two tranches. The first tranche is \$3.8m with the balance of \$1.2m subject to shareholder approval at an EGM at the earliest possible date, presently expected to be March 2nd. Tranche 1 accounts for 76% of the funds raised with an issue price of \$0.04557 in accord with the specific shareholder approval of 27 November 2017 and each share has 0.3307 of a free attaching 12 month option with an exercise price of \$0.001. The option issue is subject to shareholder approval. Tranche 1 shares and options total approximately 109.3m. Tranche 2 shares total approximately 34.6m and will have an issue price of \$0.035. Following approval of and conversion of the options and issuance of the tranche 2 shares the average placement price will be \$0.035 and a total of approximately 143.9m shares will have been issued. Funds will be used to complete the purchase of Motif Micro, to terminate the Bracknor convertible funding facility and for general working capital.

Voluntary trading suspension

YPB has fully agreed a strategic relationship which Directors believe will prove material to the Company's future and stock price. Final contractual execution is imminent but is subject to the partner's internal processes and a date for final execution cannot presently be specified. Consequently, the company has requested the voluntary suspension be extended to February 15th 2018. Should contractual execution occur before that date application will be made to the ASX to lift the voluntary suspension.

YPB Executive Chairman John Houston said: "While it is again most disappointing to be raising equity with such a weak stock price, the strong participation by long-standing supporters should be encouraging to all shareholders. 2018 will be a transformational year for YPB and with some exciting developments in train, we anticipate being able to demonstrate significant strategic progress to shareholders in the near term."

For further information please contact;

Mr. John Houston
Executive Chairman
YPB Group Limited
T: +61 458 701 088
E: john.houston@ypbsystems.com

Mr. Gerard Eakin
Director
YPB Group Limited
T: +61 427 011 596
E: eakin@manifestcapital.com



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.

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.