

ASX/MEDIA ANNOUNCEMENT

ASX: YPB | 26th March 2018

YPB partners with Australian Made

- **YPB to PROTECT Australian Exporters from fakes and help CONNECT to end consumers**
- **MOU gives YPB access to Australian Made's 2700 Licensees**
- **Opens potentially high-volume web-sales channel with shorter sales cycle and accelerated market penetration**

Brand Protection and Consumer Connection solutions company YPB Group Ltd (ASX: YPB) has signed a MOU with the Australian Made Campaign to offer its full PROTECT DETECT CONNECT product suite to Australian Made licensees. This collaboration is effective immediately and has no fixed term. Under the agreement Australian Made commits to (amongst other things) recommend YPB's solutions to its 2700+ licensees.

Australian Made has been helping Australian Brands certify their products as 'Australian made' for over 30 years. The familiar green and gold kangaroo Australian Made logo was first launched by Prime Minister Bob Hawke in the late 1980's and has become a trusted mark for manufacturers and consumers alike of authentically Australian products.

Australian Made has long recognised the flourishing export opportunity for Australian exporters to Asia comes with high counterfeit risk. Strategies to preserve the integrity of both the Australian Made logo and that of individual brands is a vital element of a well-executed Asian export strategy. YPB's PROTECT and DETECT anti-counterfeit solutions provide forensic level security at low cost to minimise brand damage and consumer harm.

In addition, YPB CONNECT consumer engagement software enables brands to leverage their investment in packaging to both build detailed profiles of otherwise invisible and unknowable consumers and, more importantly, to operate a personalised, digital marketing channel directly to the consumer's smartphone. The effectiveness of this channel at minimal cost is substantially greater than other marketing spend.

Information about YPB's products will be available via the Australian Made website (www.australianmade.com.au). This will be YPB's first online referral portal with the potential to reach 2,700+ Australian Made licensees and over 20,000 individual products. This development is expected to contribute to shortened sales cycles and accelerated market penetration when launched.

YPB's solutions include the soon to be released revolutionary protected QR code, 'PROTECTcode'. QR codes dominate e-commerce in Asia, particularly in China, making them effectively mandatory for exporters to Asia. In addition to being the dominant and convenient entry point for an online relationship with the consumer, QR codes provide a further layer of product integrity via individual item serialisation.

Unfortunately, QR codes have a fatal flaw in that they are easily copied and this is proving a growing problem in China. YPB's PROTECTcode will incorporate forensic level confirmation of authenticity. In H2 2018, a major breakthrough in mass-market forensic confirmation of authenticity via consumer smartphone, believed to be a world first, is due for release based on YPB's recently acquired Motif Micro technology.

YPB expects this partnership with Australian Made to deliver a moderate revenue contribution in 2018 with the potential to become a major revenue contributor in subsequent years.*

Ian Harrison, CEO of Australian Made Campaign Ltd (AMCL), said: "Australian Made is pleased to be working with YPB to provide our licensees with access to leading brand protection technology. As product copying and brand appropriation become a global market issue, it is important that Australian producers adopt appropriate technology that will help ensure supply chain integrity and combat counterfeiting, both in Australia and overseas. Combining the Australian Made logo with technological solutions can contribute to product and brand integrity."

YPB Executive Chairman John Houston said: "This partnership with Australian Made is clear evidence of the growing recognition by Australian brands of the need for active protection for exporters from the risk and cost of counterfeit. The potential damage to 'Brand Australia' from fakes is enormous as various food scandals, particularly in China over the last ten years, demonstrate. The fact that YPB is also able to CONNECT Australian brands with their end consumers while protecting against counterfeit is a complete and powerful solution. Our web-sales channel is an important leg in accelerating our market penetration. Our ambition is to become a mission critical partner of every Australian consumer brand exporting to Asia and look forward to working with Australian Made to achieve that goal."

*YPB's expected revenue bands:

- Modest revenue contribution: <AUD100K per annum
- Moderate revenue contribution: >AUD100K <AUD1m per annum
- Major revenue contribution: >AUD1m per annum



PROTECT | DETECT | CONNECT

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ABOUT YPB (ASX: YPB)

In a rapidly changing world, brands need to do more than make great products, they need to **PROTECT** their consumer by allowing them to verify that their purchase is real and as a result buy with confidence. This is a proven initiative to trigger the consumer to **CONNECT** with brands.

YPB provides real protection for quality brands with a focus on product authenticity. Simultaneously, we provide a gateway for brands to connect with their consumers and engender trust in authenticity by utilising the power of the smartphone.

In an evolving marketplace and with the rapid growth of cross border commerce, YPB leverages serialisation and patented authentication solutions so that insightful data can flow between brands and their consumers.

YPB is the obvious choice to **PROTECT**, **DETECT** and **CONNECT**.

www.ypbsystems.com