



ASX/MEDIA ANNOUNCEMENT

ASX: YPB | 30 August 2018

YPB cannabis opportunity grows into recreational market

- Partner Namaste launches recreational market strategy
- *Cannabis confirmed* powered by YPB integral to plan
- Global legal market size expected to reach USD 146.4 billion by end of 2025

Anti-counterfeit and customer engagement solutions provider YPB Group Ltd ([ASX:YPB](#)) is pleased to announce that its channel partner in the legal cannabis industry, Namaste Technologies (TSXV: N), has released its recreational cannabis market strategy to the TSX Venture Exchange.

YPB is integral to Namaste's plans and the move into recreational cannabis by Namaste magnifies the opportunity for YPB. The U.S. legal marijuana market size was estimated at USD 7.06 billion in 2016 and is expected to grow at a CAGR of 24.9% from 2017 to 2025*. Medical marijuana was the largest marijuana type segment in 2016 and is estimated to be valued at USD 100.03 billion by 2025*.

Namaste is a global leader in the sale of all elements of medical cannabis consumption and aspires to become the world's "one stop shop" of the cannabis industry. Namaste has nine offices with multiple distribution centres around the globe and operates 32 websites under various brands in 20 countries. Namaste's e-commerce sites have over 600,000 monthly visits and a database of 1.5 million users and are growing rapidly. Its market capitalisation is approximately CND500 million.

In Canada, Namaste has built a fully integrated e-commerce hub whereby patients can be seamlessly connected to doctors and a range of high quality cannabis products, cannabis cultivators (both domestic and international), cannabis brands and cannabis consumption systems. Namaste will now extend this capability into the recreational cannabis market which is expected to be legalised by the Canadian Federal Parliament in October 2018. Namaste's ambition is to become the Amazon of cannabis, the central hub in a well controlled, safe environment that aids regulators in keeping the cannabis supply chain free of criminal elements.

Central to Namaste's strategy is ensuring the integrity of the whole industry from producers to consumers and regulators. The core of Namaste's integrity drive is offering certainty of authenticity to consumers, including provenance visibility and supply chain security, and to allow producers to engage closely with their consumers. To that end YPB and Namaste recently launched *Cannabis Confirmed* which is driving to become the global standard for cannabis authenticity and supply chain integrity. YPB's solutions provide the technology backbone and Namaste brings unparalleled market access. (<https://www.cannabisconfirmed.com>).



The scope of the opportunity and the centrality of YPB to Namaste's ambitions is best conveyed to shareholders via the following extracts from Namaste's release:

..... Namaste is extremely confident that many of its technology assets will lend themselves to improving the security and distribution of recreational cannabis online and in provincially operated dispensaries. Namaste's platforms, including its exclusive partnership with YPB Group Ltd. ("YPB") (ASX: YPB), have the potential to provide far superior authentication and security for provincially approved cannabis products. In addition, the Company's age and identity verification, with exclusive rights to its facial recognition technology, could help provide a much safer protocol for online retail platforms.

.....Namaste has also identified the need for its global customers to have confidence in the products they are purchasing, and for vendors to have access to granular data on their end-users. As such, Namaste has introduced YPB's solutions across its network of manufacturers, including Canadian Licensed Producers, to help bring certainty of authenticity and supply chain transparency to the entire legal cannabis industry globally. This coalition furthers Namaste's agenda in providing leading technology platforms for its global marketplace and for enhancing the user experience for its customers.

.....there is little doubt that this technology brings value to those who adopt YPB's technology. Namaste believes YPB's technology could provide a far superior solution to all provinces, especially considering the Ontario Provincial Government's decision regarding online dispensaries. The use of product QR codes would allow those who adopt the technology the ability to not only verify the authenticity of a cannabis product being provincially approved, but also provide valuable product information, including strain data and origin.

Namaste will be initiating the development of a private-label line of cannabis products through its Licensed Producer partners that will include a unique offering of premium strains and products that will be targeted to both medical and recreational markets. By securing numerous agreements with a multitude of Licensed Producers, Namaste has successfully guaranteed its supply channel on a going forward basis, and pending approval of Cannmart's sales license, the Company is well positioned to launch its fully-integrated marketplace by introducing cannabis sales into its online platform.

The Company will be actively pursuing opportunities in online recreational cannabis sales within provinces that permit. Through its partnerships with Licensed Producers, Namaste will offer a comprehensive online platform for recreational cannabis including integration of its various technology components that will bring significant value to Namaste and its partners.



YPB's Executive Chairman John Houston said: "We are working very actively with Namaste to secure the vacant position of authentication standard for the cannabis industry. Given Namaste's reach into all significant legal, or pending legal, cannabis markets the opportunity for YPB is genuinely global. Namaste is a dynamic group and together we are moving rapidly to capture centre stage and the very significant opportunity in the burgeoning legal cannabis market."

*Source: Legal Marijuana Market Size, Share & Trends Analysis Report By Type, By Product Type, By Medical Application And Segment Forecasts, 2018 - 2025

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About YPB (ASX: YPB)

YPB Group Ltd (ASX:YPB) lives by three words - certainty of authenticity. We deliver on this through our experience in creating revolutionary, patented anti-counterfeit and customer engagement solutions. Solutions that detect and prove certainty of authenticity and connect brands directly to their customers, empowering them to engage one-on-one.

In an evolving marketplace and with the rapid growth of cross border commerce, our expertise presently focuses on the rapidly growing markets of Australia, South East Asia and China.

www.ypbsystems.com

About Namaste Technologies

Listed on the TSX Venture Exchange and headquartered in Vancouver, Canada, Namaste is a global leader in the sale of all elements of medical cannabis consumption and aspires to become the world's "one stop shop" of the industry. Namaste has nine offices with multiple distribution centres around the globe and operates 32 websites under various brands in 20 countries.

www.namastetechnologies.com