



ASX/MEDIA ANNOUNCEMENT

ASX: YPB | 31 August 2018

YPB delivers certainty of authenticity to third cannabis industry partner in under a month

- **Totem Vaporisers expected to become the largest selling vaporiser for 21-30 year olds in 2018-19**
- **Initial volume estimates of 10,000 units a month and growing**
- **Clear sign the YPB/Namaste Cannabis Confirmed initiative can become a major revenue source**

Anti-counterfeit and customer engagement solutions provider YPB Group Ltd (ASX:YPB) is pleased to announce further success with the joint "Cannabis Confirmed" initiative with the signing of an Authentication Services Agreement with Totem Vaporizers Inc., a leading vaporiser manufacturer in the cannabis industry. This is the third such agreement for YPB in under a month, which falls under its partnership with leading Canadian cannabis company, Namaste Technologies Inc. (TSXV: N) (OTCQB: NXTTF) (FRA: M5BQ).

This closely follows YPB's announcement last week that in the most significant technical advance in its history, it has developed a robust and reliable prototype of smartphone readability of a highly secure, anti-counterfeit mark with no need for any additional attachment.

Namaste is a global leader in cannabis e-commerce and has partnered with YPB to provide an industry-wide authentication and consumer engagement solution called "Cannabis Confirmed" to global cannabis companies including vaporiser manufacturers such as Totem, for which Namaste has exclusive online distribution rights. YPB is well under way to significantly boosting its client base by offering its services to the cannabis industry through the partnership with Namaste.

Designed by engineers in Europe, the Totem Vaporizer is the first vaporiser that is able to be interconnected end to end to deliver both convection and conduction. The brand is expected to become the largest selling vaporiser for 21-30 year olds in 2018-19, with initial volume estimates of 10,000 units a month with significant growth expected.



YPB will leverage its partnership with Namaste to offer its innovative YPB Connect customer engagement platform to both Namaste's hardware vendors and legal cannabis cultivators for the benefit of this rapidly emerging industry.

As with many industries including pharmaceuticals, cosmetics and alcoholic beverages, counterfeit is equally prevalent in the cannabis industry. Almost all major vaporiser brands have counterfeit versions out in the market and more recently this has extended to fake cannabis oils and the proliferation of synthetic cannabinoids.

The Cannabis Confirmed initiative seeks to stamp out fakes by empowering cannabis brand customers to confirm the authenticity of their product after purchasing online by scanning a unique serialised QR code - called a ProtectCode - on the product packaging to authenticate their product. Authenticity triggers engagement and this interaction connects the physical product to the digital world, enabling direct brand to customer engagement via their smartphone.

In the rapidly growing cannabis market, both manufacturers and cultivators are seeing the enormous added value of YPB's technology to enable them to build a more engaged relationship with their customers and gaining a deeper understanding of their buying habits and needs. Backed by the support of Namaste Technologies, with a CAD \$514M market capitalisation, YPB will leverage its industry-leading technology to offer a more comprehensive authenticity solution for companies globally.

This relationship with Totem is expected to become a moderate revenue contributor to YPB. In aggregate, Namaste's relationships are expected to become major revenue contributors to YPB.*

YPB's Executive Chairman John Houston said: "We are excited to announce our third services agreement with a vaporiser company and so quickly after partnering with Namaste. The Totem vaporiser is being exclusively distributed by Namaste and we anticipate the agreement to be highly beneficial to YPB, Namaste and to Totem Vaporizers. We have identified a strong need for our technology in the cannabis industry. While the Canadian market approaches federally legal recreational cannabis, YPB's technology can provide the security and authentication requirements needed for consumers to buy cannabis and cannabis-related products with great confidence. YPB's solutions are also likely to assist in regulatory oversight of the industry. We anticipate securing further service agreements with leading companies in the cannabis industry."

Totem Vaporizers President and CEO Ronan Woods comments: "We are elated to be working with YPB and Namaste. As we launch what we believe to be one of the most innovative vaporisers to reach the market, we are confident in the Cannabis Confirmed initiative and YPB's ability to provide both Totem and our consumers with added value and security. We've been involved in the vaporiser industry for several years and have witnessed many counterfeit products reaching the market. YPB's technology will provide Totem with technology and comprehensive reporting on our customers via product validation on a global scale. Thanks to YPB's team for providing us with this opportunity and we're looking forward our official program launch."



*Please note:

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

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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