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ASX: YPB

ASX/MEDIA ANNOUNCEMENT
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Acquisition of consumer engagement company nTouch finalised

- **YPB completes acquisition of proximity marketing & B2C engagement technology company nTouch**
- **Excellent product and path to revenue synergies adding to YPB's CONNECT strategy**
- **nTouch to provide additional distribution channels within Australia, India & USA**
- **\$4.5 million all scrip acquisition**

Anti-counterfeiting technology company YPB Group Limited (ASX: YPB) has signed a Share Sale and Purchase Agreement to acquire all the issued shares of proximity marketing technology company nTouch Holdings Pty Ltd ("nTouch"). The closing date of the transaction is 30 October 2015.

Under the all scrip acquisition nTouch vendors will be issued \$4.5 million in fully paid ordinary shares of YPB at \$0.35 per share. Of the 12,857,143 shares issued 7,728,937 will be subject to voluntary escrow for 12 months and 5,128,206 subject to voluntary escrow for 18 months.

nTouch has a unique marketing platform that leverages proximity technologies to allow business clients to engage with customers (B2C) based on time, location, product packaging and specific user characteristics. It has launched a fully tested platform encompassing near field communication (NFC), Bluetooth low energy (BLE) beacons, image recognition and Wi-Fi technology offerings that integrate with YPB's customer engagement (CONNECT) strategy around product authenticity.

A custom-built data analytics engine that aggregates continually evolving data from multiple sources backs nTouch's technology. Its platform has been built to integrate across international borders and the company has established high quality distribution channels with access to clients across Australia, India, USA and the Middle East.

nTouch founders Simon Szewach (CEO) and Dr Isaac Balbin (CTO) will join YPB's senior team and will be based in Melbourne.

"With the potential technological synergies we will be offering a world first integration of proximity based marketing and anti-counterfeit protection for brands and companies. nTouch, coupled with YPB's existing Brand Reporter software creates a very powerful consumer engagement platform that significantly enhances YPB's PROTECT - DETECT - CONNECT anti counterfeit solutions," said Mr Szewach.

"There are immediately enhanced revenue opportunities for the Group and global applications for the technology. nTouch's technology takes advantage of the burgeoning global growth in smartphone adoption with 2.9 billion handsets anticipated by 2018 and global mobile payment transactions set to reach \$617 billion in 2016."

The nTouch acquisition gives YPB the opportunity to control the end-to-end client lifecycle by capturing core customer analytics and profiling driven by anti counterfeit protection. There are immediate potential applications in products using nTouch's proximity marketing technology for YPB's patented anti-counterfeit tracer and scanner. YPB is the first company of its kind to synergise anti-counterfeit technology with advanced customer engagement and analytics. YPB clients will now be in a position to protect their brands, understand who and where their customers are, and effectively and efficiently CONNECT with them in real time.

"We have positioned YPB as a global leader in anti-counterfeit solutions offering the first end-to-end brand protection through synergising our PROTECT (B2B), DETECT and CONNECT (B2C) model, and this acquisition is another milestone in that direction," said YPB CEO and Executive Chairman John Houston.

"The addition of nTouch's offering will allow YPB to deliver our vision to CONNECT consumers to brands and set YPB apart not only in anti-counterfeit, but also in the realm of consumer engagement. We are extremely confident that nTouch will deliver strong revenues and a huge B2C upside opportunity for YPB's investors."

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About YPB

YPB Group (ASX: YPB) is a pioneer in advanced anti-counterfeit and product authentication solutions. Listed on the Australian Securities Exchange, we are expanding our global footprint with an established presence in China, USA, Australia and South East Asia.

YPB's patented anti-counterfeit technology combined with its security packaging solutions, consulting and forensic services enables businesses to protect their high value brands from the risks of counterfeit and product diversion.

YPB's full range of services will give businesses the ability to cost effectively protect their brands, easily detect counterfeits and give them the opportunity to connect with their consumers about the authenticity of their brand.

PROTECT

Anti-counterfeit print packaging and labeling

YPB offers a wide range of security packaging and labeling solutions that can be included into almost any material and is a cost effective anti-counterfeit solution for companies wanting to protect the integrity of their brands in high-risk markets. YPB's patent protected tracer technology is state-of-the art and cannot be copied or destroyed.

IP solutions & forensic services

YPB's anti-counterfeit specialists will work with quality brands and Governments, to develop personalised anti-counterfeit strategies and solutions that will deliver real protection and safety for brands and their products.

DETECT

Scanner and tracer protection solutions

Brand owners that 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 service laboratory will consult with a brand owner to develop strategies to fight counterfeiting and product diversion.

CONNECT

Smartphone applications to detect and connect

YPB has developed a simple to use smartphone application called Brand Reporter that allows consumers to identify and report suspected counterfeit or divergent products and allows brands to connect and engage with consumers via QR codes, near field communication, track and trace, product scanning and consumer engagement. Giving brand owners valuable and actionable data about their consumers and products.

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