PROTECT | DETECT | CONNECT

ASX/MEDIA ANNOUNCEMENT

ASX: YPB | 12th December 2017

YPB releases updated presentation

- **Focus on ANZ brands selling into China**
- **Motif Micro mass market value proposition**
- **YPB CONNECT strategy is the key to success in Australia – China – SE Asia E-Commerce**

Brand Protection and Consumer engagement Company YPB Group Co Ltd is pleased to release it's updated Media, Client and Investor Presentation.

For further information please contact;

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

PROTECT | DETECT | CONNECT

Ensuring Trust and Building Connection
by
Protecting and Connecting Brands and Consumers

December 2017

YPB™
PROTECT | DETECT | CONNECT

WWW.YPBSYSTEMS.COM ASX:YPB

YPB POISED FOR PAYOFF

Payoff from business building imminent

Business refocused
Costs cut

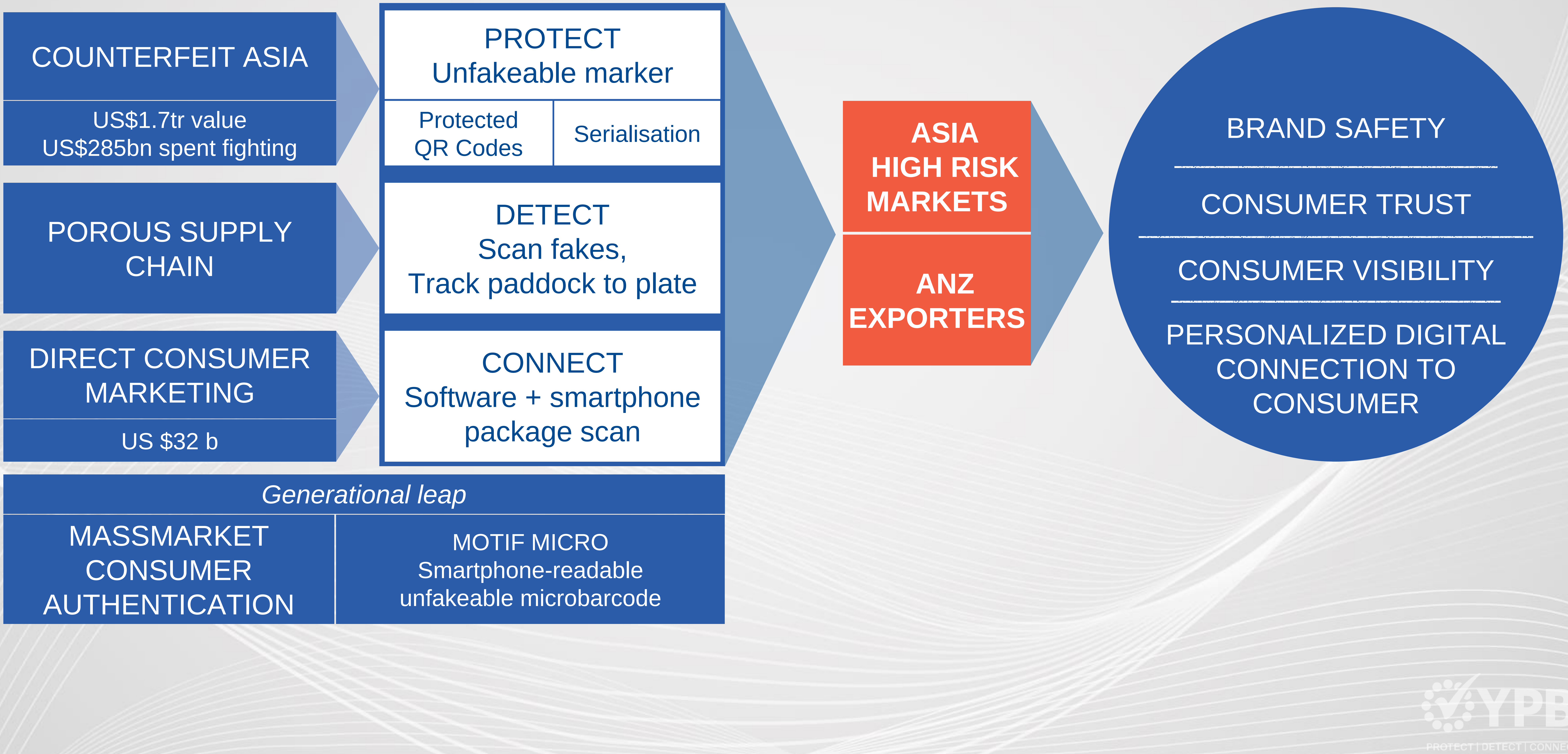
Major macro tailwinds

Clear path to profit

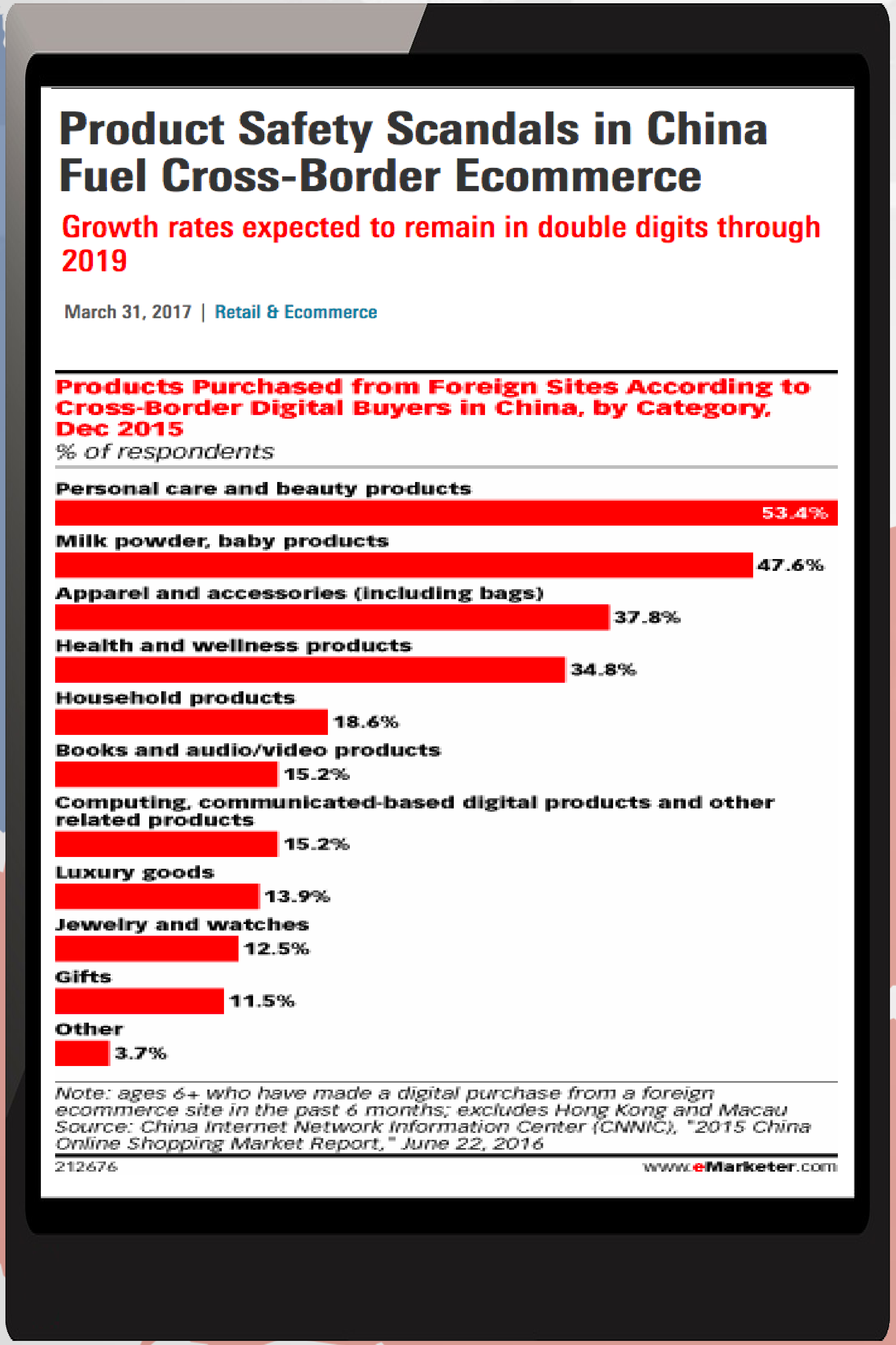
Monetise revolutionary technology

YPB IS IN THE EYE OF POWERFUL MACRO TRENDS

OPPORTUNITY, SOLUTION, STRATEGY



LACK OF TRUST FOR CHINA PRODUCTS DRIVES DEMAND FOR AUSTRALIAN PRODUCTS



Consumers in China have developed an inherent suspicion of locally produced or sold goods

Rampant Counterfeiting
Environmental Pollution
Food & Safety scandals

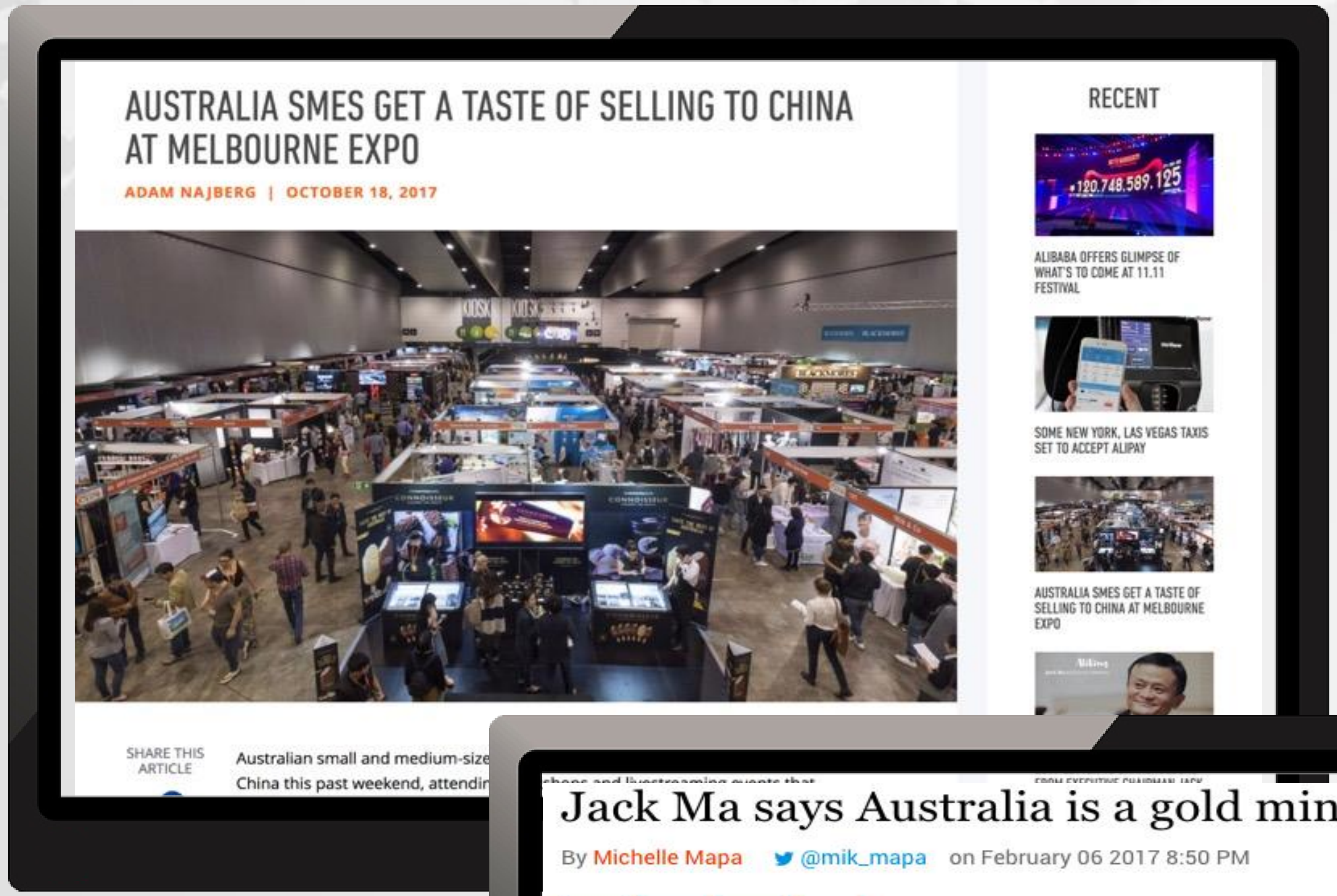
Resulting in high imported consumer goods demand

Food
Skincare & Beauty
Wine

Vitamins & Supplements
Infant Formula

https://www.emarketer.com/Article/Product-Safety-Scandals-China-Fuel-Cross-Border-Ecommerce/1015546

74% OF AUSTRALIAN BRANDS PLAN TO SELL TO CHINA IN NEXT 2 YEARS BUT DAIGOU AND E-MARKET SALES ARE TO INVISIBLE CONSUMERS


AUSTRALIA SMES GET A TASTE OF SELLING TO CHINA AT MELBOURNE EXPO

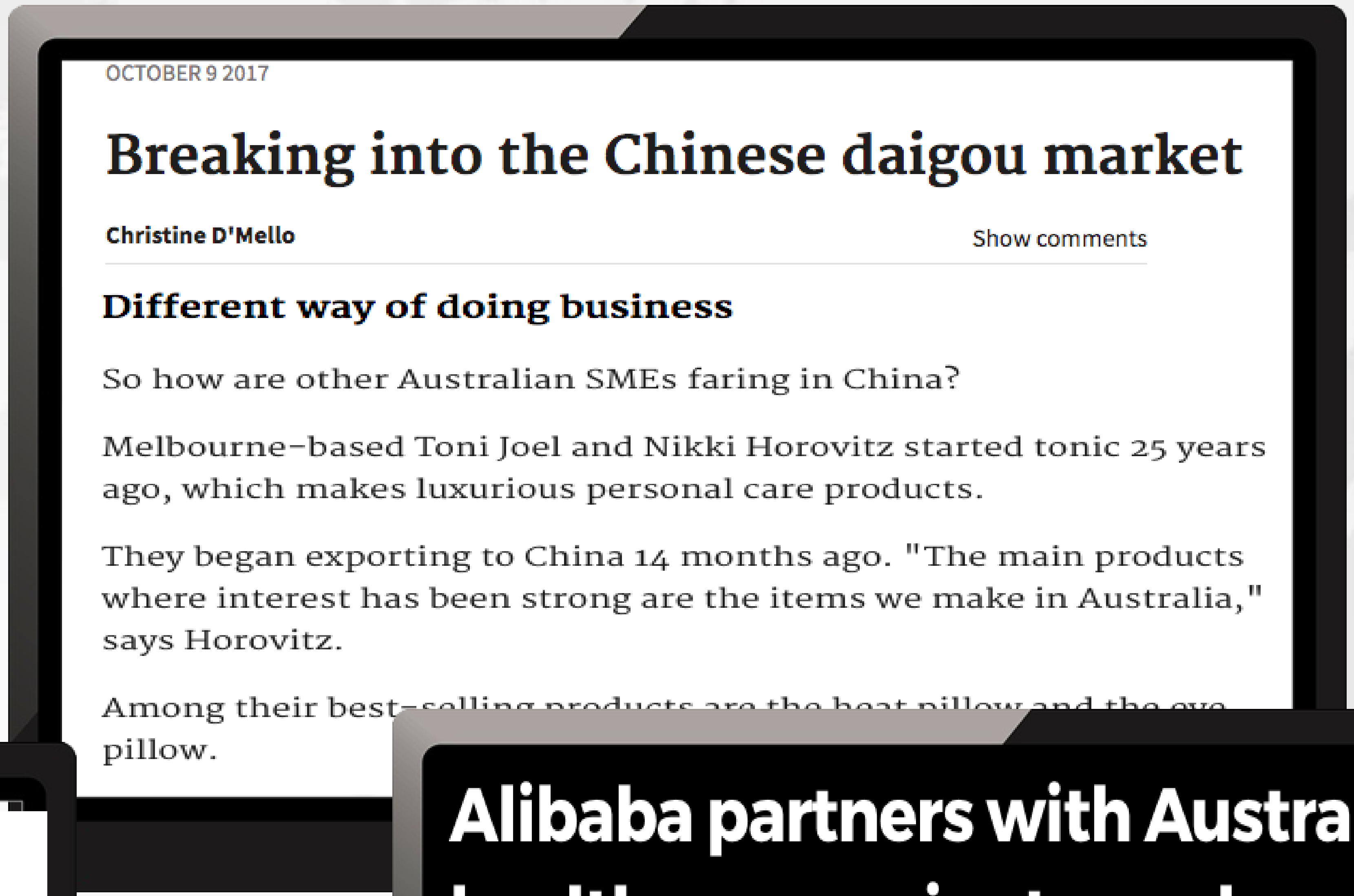
ADAM NAJBERG | OCTOBER 18, 2017

RECENT

ALIBABA OFFERS GLIMPSE OF WHAT'S TO COME AT 11.11 FESTIVAL

SOME NEW YORK, LAS VEGAS TAXIS SET TO ACCEPT ALIPAY

AUSTRALIA SMES GET A TASTE OF SELLING TO CHINA AT MELBOURNE EXPO


OCTOBER 9 2017

Breaking into the Chinese daigou market

Christine D'Mello

Show comments

Different way of doing business

So how are other Australian SMEs faring in China?

Melbourne-based Toni Joel and Nikki Horovitz started tonic 25 years ago, which makes luxurious personal care products.

They began exporting to China 14 months ago. "The main products where interest has been strong are the items we make in Australia," says Horovitz.


Jack Ma says Australia is a gold mine

By Michelle Mapa @mik_mapa on February 06 2017 8:50 PM

BUSINESS

Alibaba wants Australia to move up online sales ranks

Alibaba helping Australian businesses target China's middle class

innovation

Australia and NZ food and wine producers embrace technology to fight Chinese knock-offs

AUSSIE wine and food makers are getting ripped off by fake Chinese replicas to the tune of billions each year. Now they're fighting back in a big way.


Alibaba partners with Australian health companies to push products into China

http://www.smh.com.au/small-business/trends/breaking-into-the-chinese-daigou-market-20171005-gyup54.html

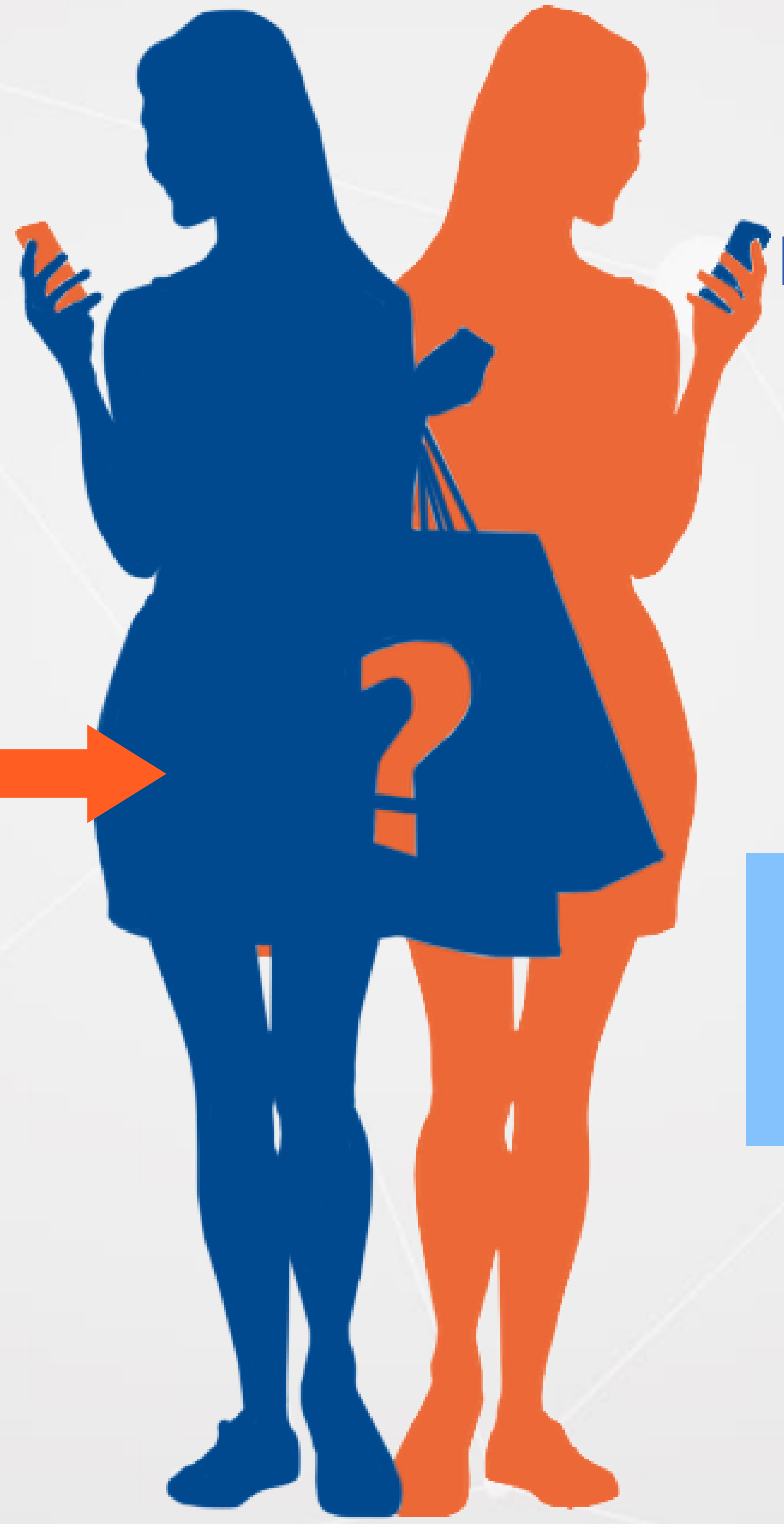
http://www.alizila.com/australia-smes-get-a-taste-of-selling-to-china-at-melbourne-expo/

http://www.startupdaily.net/2017/09/alibaba-partners-australian-health-companies-push-products-china

AUTHENTICITY TRIGGERS TRUST & CONNECTION
THE GATEWAYS TO THE CONSUMER

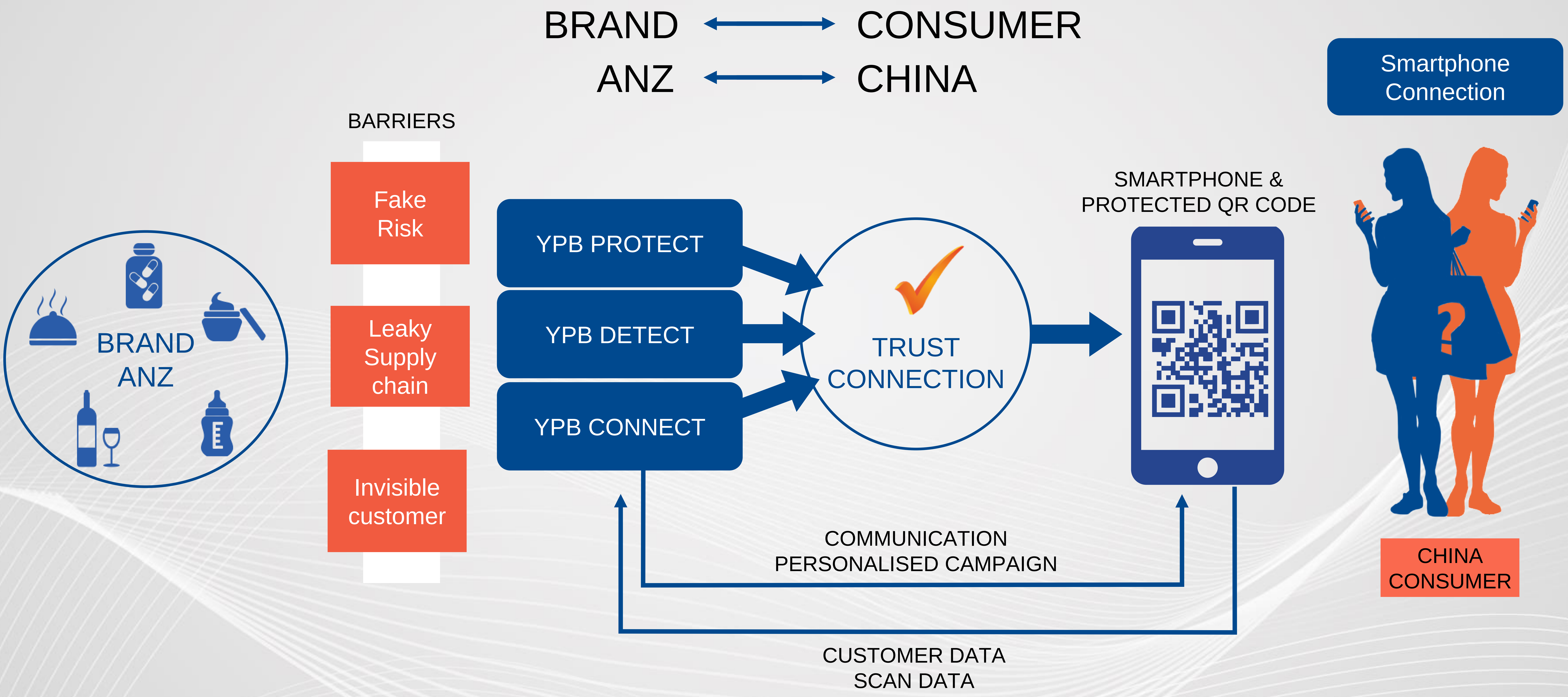
Trust
Connection

Brand
Authenticity



Daigous thrive on lack of trust
Brands thrive on trust & connection

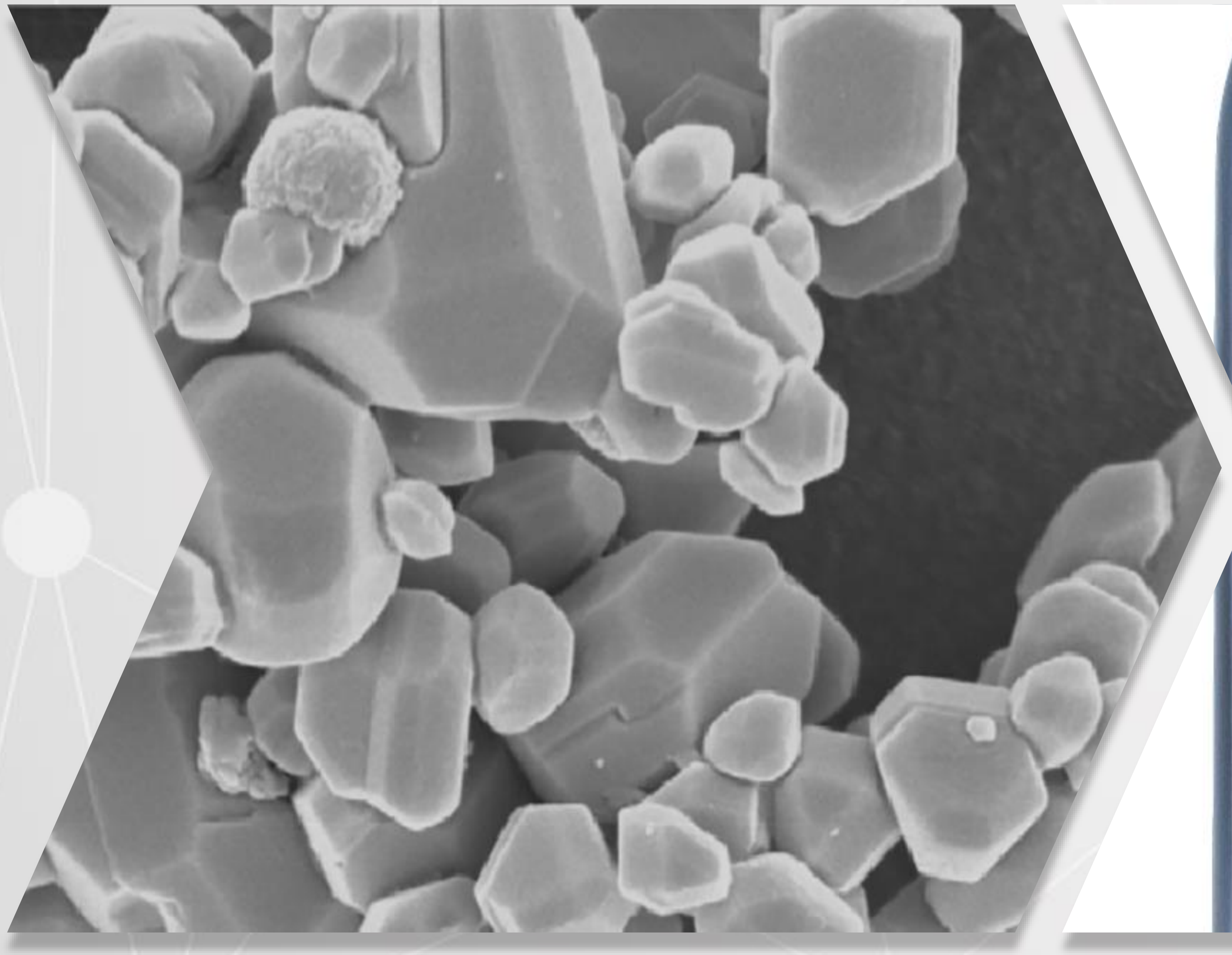
YPB'S TRUST AND CONNECTION GATEWAY



YPB'S MAJOR TECHNOLOGY ADVANTAGE FROM TOTAL INVISIBILITY

Patented forensic covert tracer - invisible, uncopiable, indestructible, safe

YPB particle size 2.5 microns

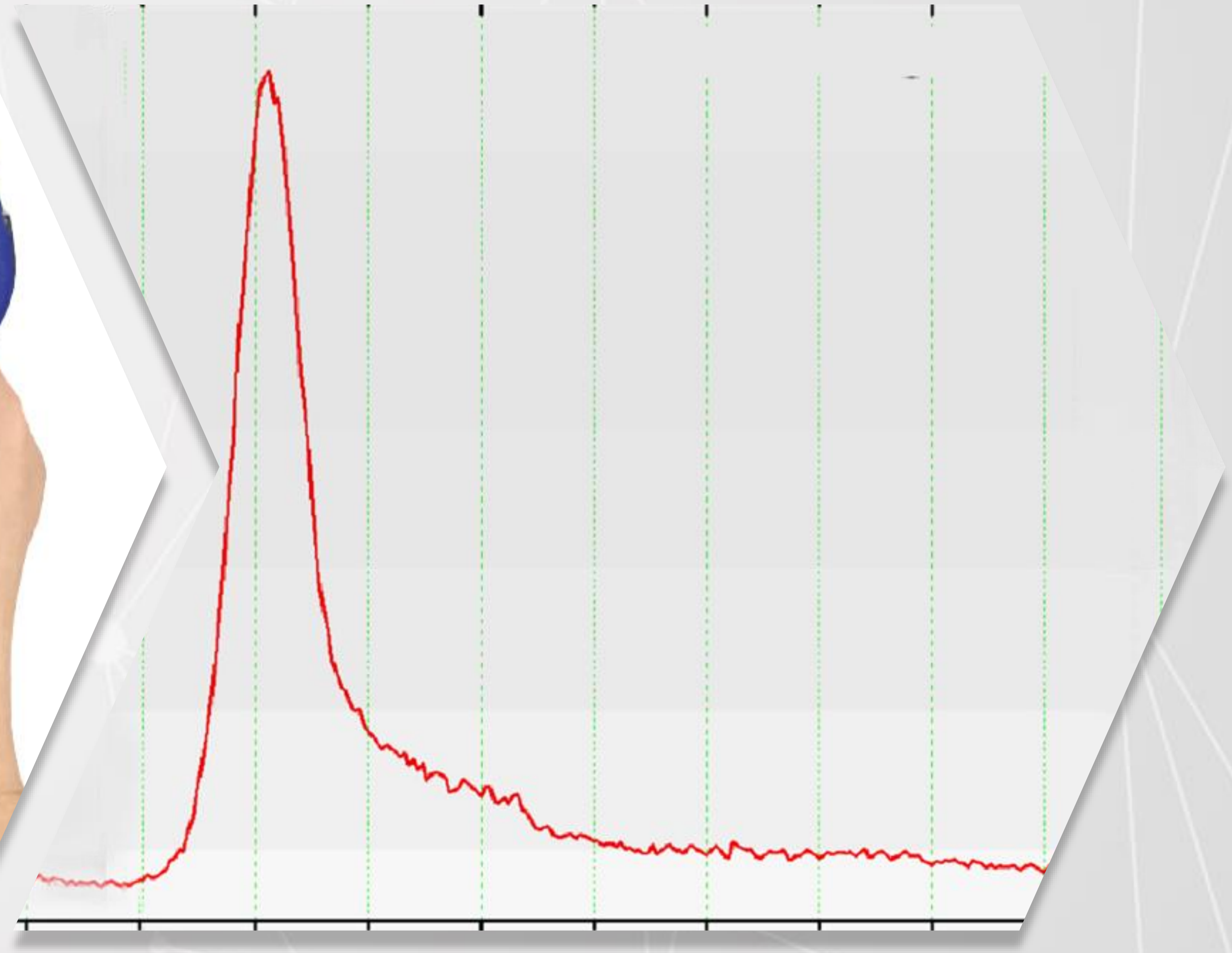


YPB invisible tracer

YPB tracer ON product

YPB scanner excites the tracer

YPB scanner reads the signature



YPB tracer emits an invisible response

12 PATENTS GRANTED

8 PATENTS PENDING

YPB THE SOLE CERTIFIED COMPANY IN CHINA WITH INVISIBLE TRACER

75

Companies certified in China by CTAAC to sell Anti Counterfeit technology in PRC

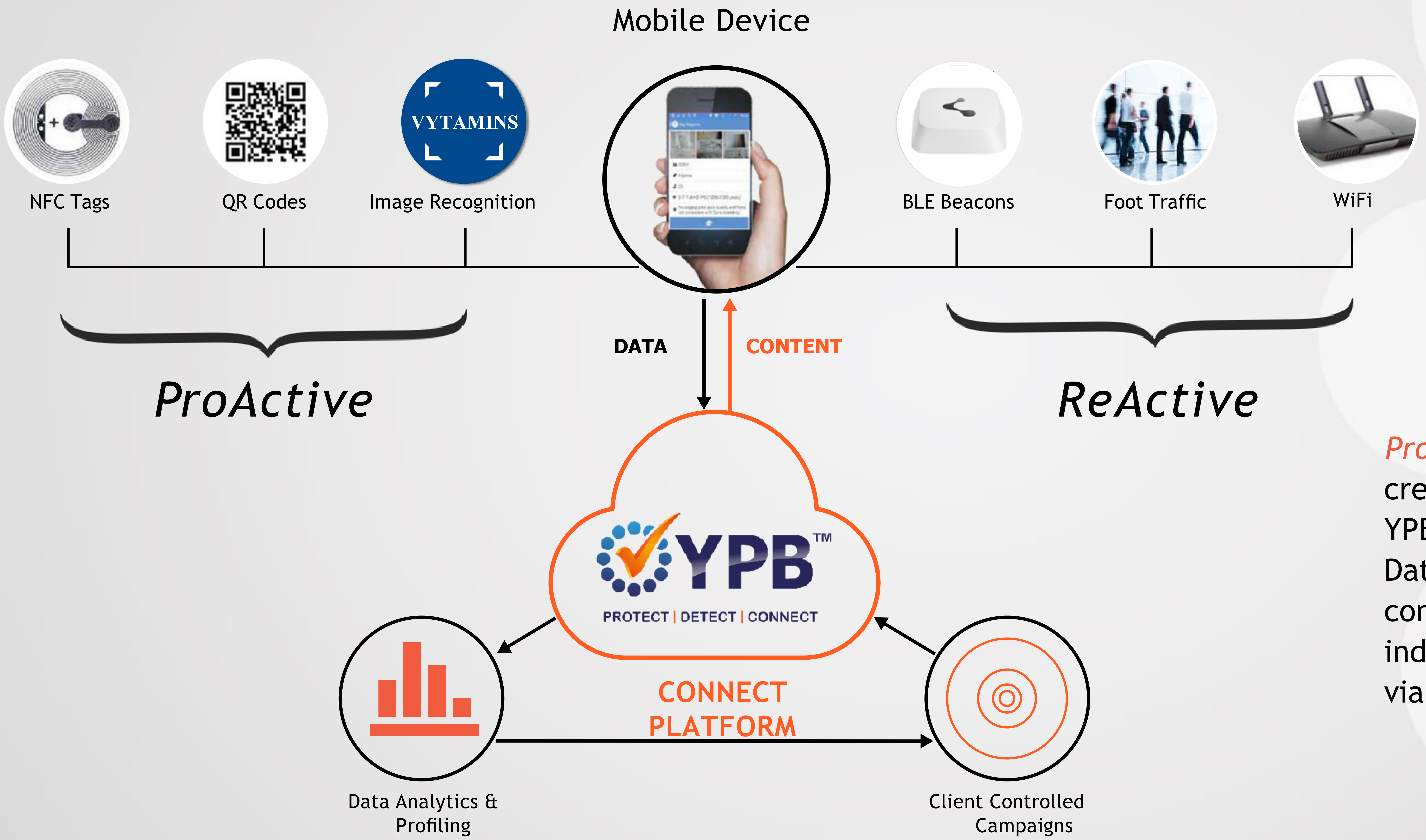
15

Companies certified to sell Tracers

1

YPB the only company certified by CTAAC in China that sells invisible tracers

YPB'S UNIQUE MULTI-TECH CUSTOMER CONNECT PLATFORM



ProActive and *ReActive* connection creates valuable dataset, captured on YPB's cloud-based CONNECT platform. Data analytics generate actionable consumer insights and support individualised marketing campaigns via the targeting engine.

BRAND PROTECTION INTEGRATED WITH CONSUMER CONNECTION

YPB's Tracer-Scanner confirms authenticity

Verified

Not Verified

Digital authentication & information display

NFC

QR

Image Rec

Technology integrated onto the label / bottle / cap provides digital verification of authenticity as well as consumer connection such as detailed product information or videos.

The Covert Forensic Tracer cannot be copied, seen or destroyed - and integrates directly into packaging or labels.

YPB proprietary Scanner provides immediate confirmation of authenticity from point-of-manufacture through logistics chain and at point-of-sale.

REVOLUTIONARY UNFAKEABLE MASS-MARKET SMARTPHONE AUTHENTICATION & ITEM-SPECIFIC SERIALISATION

Micro Motif can be embedded into Product packaging or QR code & labels

Smartphone camera

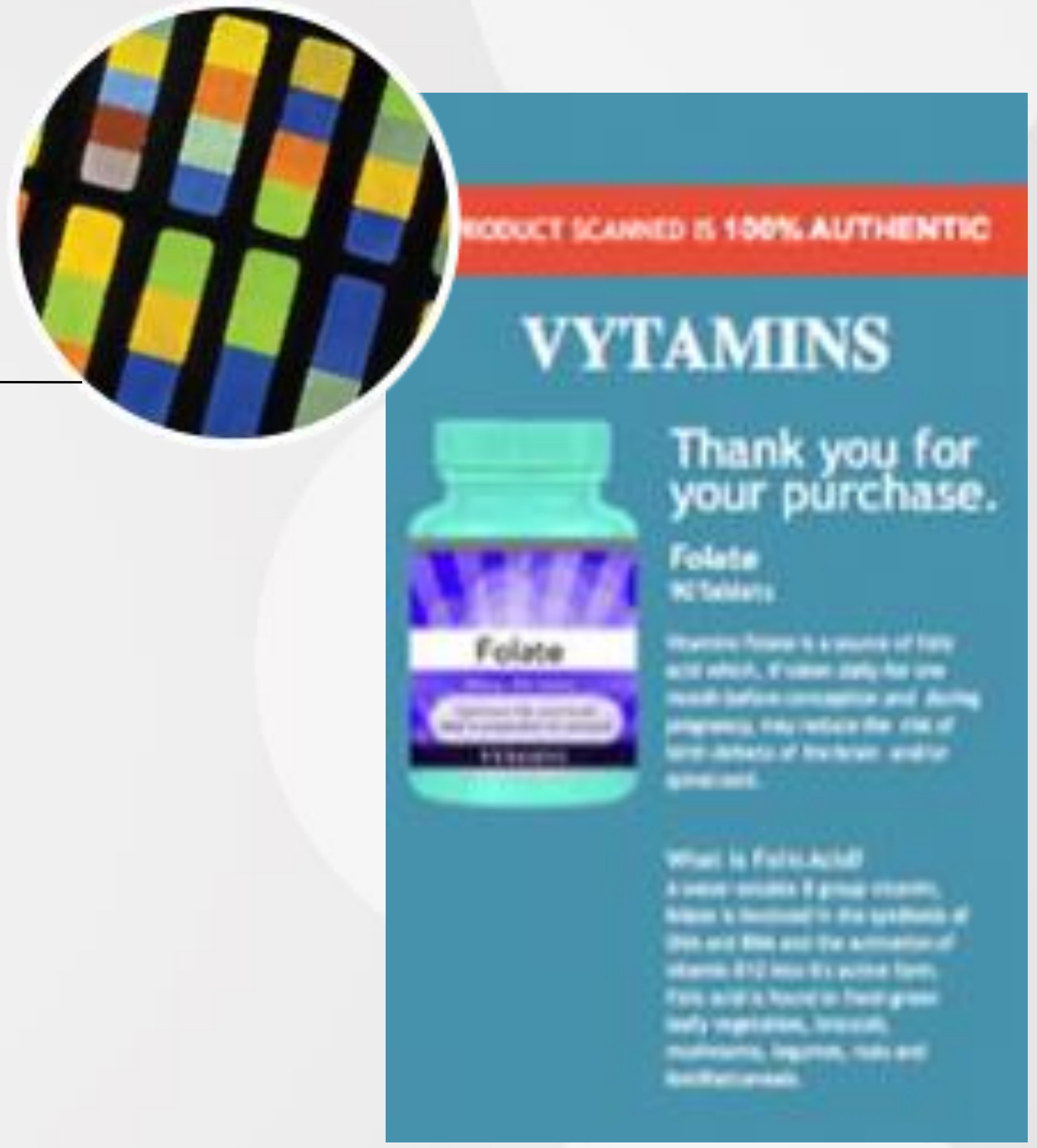
1. Reads the presence of Motif Micro
2. Unique product serialisation data is found

PROTECT

Product is authenticated by matching unique product data against product database

CONNECT

YPB CONNECT Platform provides brand with data & consumer can be further engaged with brand marketing



Single-scan, multi-stage authentication PROTECTs and CONNECTs via the smartphone camera

MOTIF MICRO: MASS-MARKET VALUE POTENTIAL

Unfakeable smartphone authentication
Uncopiable serialisation

- Acquired in 2 stages for US$6.0m of which US$4m in YPB equity

  Stage 1 cash US$0.81m, 10.4m shares
  Stage 2 cash US$1.15m, balance shares end Dec 2017
  US$1m of US$4.0m in shares subject to milestones

- Developed by MIT Chemical Engineering Team

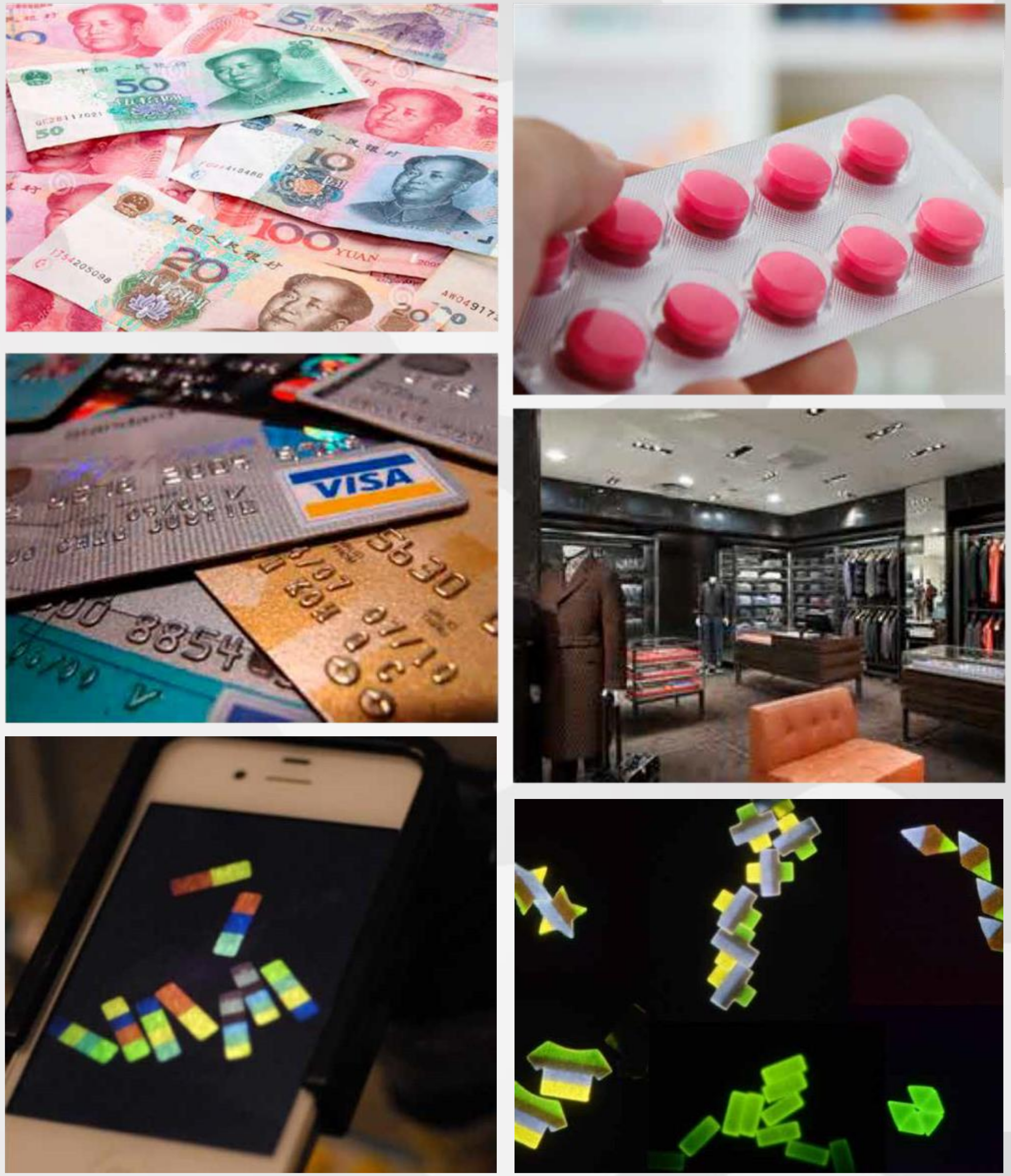
  Paul Bisso PhD and Prof. Patrick Doyle
  Dr Bisso has joined YPB

- Opportunities for early monetisation

  Industry licencing e.g. currency, pharma, aerospace
  Geographic licencing e.g. China, UK

- Exploited via existing YPB sales channels in core geographies
- Combines perfectly with existing YPB technology suite
- Almost unlimited end use applications

  Currency, credit card, art, high end consumer, food, pharma, auto parts, aero parts etc all with individual item codes



Potential applications shown above.

PIPELINE CONVERSION CLEAR PATH TO $5M PROFIT 2018

INCREASE PIPELINE CONVERSION	REVENUE	GROSS MARGIN	OVERHEAD	PROFIT
$124m annual value	$23.0m	$11.5m	$6.5m	$5.0m
circa 100 projects				
range $0.025m - $20.0m	Assume 19% conversion	Assume 50%	2017 cost cut 40% ($4.5m)	Tax losses
median circa $0.500m		Pipeline weighted actual 61%		Thai BOI low tax status
Operational Reset				
CEO exit, Exec Chair resumed CEO				
Management reset				
Geographic refocus				
Tightened industry focus				
Improved prioritisation				
More rapid execution				
Projects maturing with time				

YPB POISED FOR PAYOFF

- Costs cleaned up
- Strategy refined
- Ambition sharpened, focussed
- Management reset, revitalised
- Tempo of contract closure and execution increased
- Powerful macro tailwinds increasing
- Path to profit clear, profit imminent

APPENDIX:OPPORTUNITY, SOLUTION, STRATEGY

Opportunity	Premise	Technology	Revenue Model	Geographies	Industry
Counterfeit rampant Asia US $1.7 Trillion value US $285 Billion on anti-fake	Exporters need protection In-Market Asia need protection	Patented Tracer – Scanner Patented micro barcode	Per unit (cents)	ANZ Exporters South Asia China	Wine Dairy Fresh Foods Beauty Infant Nutrition Vitamins & Supplements Pharmaceutical
Supply chain porous	Protect against leakage Detect substitution	Patented Tracer – Scanner Mobile based tracking software	Per unit (cents) SaaS licence	South Asia China	
Direct consumer connection US$32 Billion on direct marketing	Maximizes brand value Packaging & mobile tech ideal solution	Consumers' mobile device SaaS data capture & analysis SaaS personalised marketing	Saas Licence Plus per unit QR, NFC	ANZ South Asia China	
Item serialisation	IOT needs unique identification Regulator mandated	Patented micro barcode	Per unit	ANZ South Asia China	
Mass market consumer authentication	Anti-counterfeit 'holy grail'	Consumers' mobile device Patented micro barcode	Geo & industry licensing And per unit (B2B)	Global ANZ South Asia	
Vital Government Documents	Increased security required	Tracer scanner Other patented technology	Per unit supplied document	South Asia Mexico (JV)	Government

DISCLAIMER

This presentation has been prepared by YPB Group (ACN 108 649 421) (YPB, YPB Group or the Company) in relation to our most recent financial reports and other forms and information about the Company that we may file or disclose publicly from time to time.

The information contained in this presentation is current at the date of this presentation and remains subject to change without notice. The information is a summary overview of the current activities of the Company and does not purport to be complete or to contain all the information that a prospective investor may require in evaluating a possible investment. This presentation is for general information purposes only and is not intended to be and does not constitute a prospectus, product disclosure statement, pathfinder document for the purposes of the Corporations Act and has not been, and is not required to be, lodged with ASIC. It is to be read in conjunction with the Company's periodic and continuous disclosures with the Australian Securities Exchange (ASX) which are available at www.asx.com.au, and other forms and information about the Company that we may file or disclose publicly from time to time. You are advised to read this disclaimer carefully before reading or making any other use of this presentation or any other information contained in this presentation. In accepting this presentation you agree to be bound by the following terms and conditions including any modifications to them.

The material contained in this presentation is not, and should not be considered as, financial product investment advice, nor legal advice. This presentation is not (and nothing in it should be construed as) an offer, invitation, solicitation or recommendation with respect to the subscription for, purchase or sale of any security in any jurisdiction, and neither this document nor anything in it shall form the basis of any contract or commitment. In particular, this presentation does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the UnitedStates.

This presentation is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation of needs of any particular investor which need to be considered, with or without professional advice, when deciding whether or not an investment is appropriate.

This presentation contains information as to the past performance of the Company. Such information is provided for illustration purposes only, and is not, and should not be relied upon as, an indication of future performance of the Company, including the future trading prices of YPB Group shares. The historical information in this presentation is, or is being based on, information contained in previous announcements made by the Company to the market.

This presentation contains information as to the past performance of the Company. Such information is provided for illustration purposes only, and is not, and should not be relied upon as, an indication of future performance of the Company, including the future trading prices of YPB Group shares. The historical information in this presentation is, or is being based on, information contained in previous announcements made by the Company to the market.

This presentation contains information as to the past performance of the Company. Such information is provided for illustration purposes only, and is not, and should not be relied upon as, an indication of future performance of the Company, including the future trading prices of YPB Group shares. The historical information in this presentation is, or is being based on, information contained in previous announcements made by the Company to the market.

This document may contain certain "forward-looking statements" and comments about future events, including the Company's expectations about the performance of its business, future product development and certain strategic transactions. The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "outlook", "upside", "likely", "intend", "look", "should", "may", "target", "plan", and other similar expressions are intended to identify forward looking statements. Indications of, and guidance on, future earnings and financial position and performance, including YPB's FY 2016 through FY 2017outlook, are also forward looking statements, as are statements regarding YPB's plans and strategies, the development of the market and any pricing illustrations included here in. Such forward looking statements are not guarantees of future performance and involve known and unknown risks including but not limited to the risk factors described in our public filings on the ASX, uncertainties and other factors, many are beyond the control of YPB Group, its officers, employees, agents and associates, which may cause actual results to differ materially from those expressed or implied in such statements. A number of figures, amounts, percentages, estimates, calculations of value and fractions in this presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this presentation. YPB Group cannot give any assurance or guarantee the assumptions upon which management based its forward-looking statements will prove to be correct or exhaustive beyond the date of its making, or that YPB's business and operations will not be affected by other factors not currently foreseeable by management or beyond its control. Such forward-looking statements only speak as at the date of this announcement and YPB Group assumes no obligation to update such information. The release, publication or distribution of this presentation in jurisdictions outside Australia may be restricted by law. Any failure to comply with such restrictions may constitute a violation of our pricing laws.

To the maximum extent permitted by law, YPB Group makes no representation or warranty (express or implied) as to the accuracy, reliability or completeness of any information contained in this document. To the maximum extent permitted by law, YPB Group shall have no liability (including liability to any person by reason of negligence or negligent misrepresentation) for any statements, opinions or information (express or implied), arising out of, contained in or derived from or for any omissions from this document, except liability under statute that cannot be excluded.