

YPB wins first dairy sector contract with exporter Nature One Dairy

- **YPB's consumer engagement and serialised authentication solution, Connect to be embedded in Nature One Dairy manufactured milk powder tins**
- **Nature One Dairy manufactures nutritionally-enhanced milk powders**
- **China a key focus for Nature One Dairy export products**
- **Nature One Dairy is one of the elite China CNCA approved producers**
- **First manufacturing run incorporating Connect scheduled for January 2020 with sales materialising at that time**

Product authentication and consumer engagement solutions provider YPB Group Limited (ASX:YPB) is pleased to announce a 2+2 year sales contract for the integration of its smartphone based, consumer engagement and serialised authentication solution, **Connect**, into Nature One Dairy milk powder tins.

Nature One Dairy (NOD) is the first dairy sector client for YPB's **Connect** platform and this sales contract, which is a Master Services Agreement (MSA), is aligned with YPB's strategy of focusing on high need, mass market verticals such as dairy, wine, pharmaceuticals, health and beauty, and legal cannabis.

YPB will provide Nature One Dairy with products and services which will primarily generate re-occurring revenue in three ways:

1. Supply of YPB's Connect QR codes on a fee per unit volume basis as each can is marked;
2. SaaS fees for the provision and management of **Connect**; and
3. Website and other consumer marketing content development as required.

First tins incorporating Connect will be manufactured in January 2020 and first revenue will materialise shortly thereafter.

Nature One Dairy is a Victorian, wholly Australian-owned producer of nutritionally-enhanced milk powders for its own NATURE ONE DAIRY® label and white-label brands. It is one of Australia's milk formula manufacturers that is accredited by the Certification and Accreditation Administration of the People's Republic of China (CNCA) for export to China and is one of the few Australian manufacturers CNCA approved that has the ability to restock domestic shelves in China.

The MSA covers both the NATURE ONE DAIRY® brand and Nature One Dairy's white-label customers. Nature One Dairy will promote YPB's solutions to its third-party customers to enhance and differentiate its own product offering.

YPB will provide Nature One Dairy with its SaaS **Connect** consumer engagement solution. Consumers will scan product QR codes which will see Connect capture valuable individual data (with consent). This information allows brands whose end consumers were previously remote and invisible to build clear consumer profiles and develop ongoing relationships via a direct-to-smartphone digital channel.



The scan will also open an authentication window in which entry of a serial number checked against the **Connect** database confirms product authenticity.

Nature One Dairy's products are specifically formulated to the varying nutritional needs right through infants to the elderly. Its own branded products are sold domestically and internationally with its export emphasis on China, South-East Asia and the Middle East.

Nature One Dairy has a broad range of domestic, Chinese and ASEAN customers for whom it produces white label products marketed under the customer's own brands. Two of its more prominent customers are Chinese pharmacy giant Sinopharm and Chinese food and beverage multinational Bright Foods.

YPB will also be working with Matthews Intelligent Identification to directly print YPB **Connect** codes into Nature One Dairy's cans during the production process. Matthews is the leading supplier of intelligent product identification, product inspection and software traceability solutions to Australian manufacturers and is an industry leader in serialisation technology.

The initial term of the MSA is two years with an automatic renewal for a further two years. The MSA anticipates substantial volume growth over the contract life from the Nature One Dairy™ brand's own volume growth and adoption by its white-label customers over time.

Ends.

For further information please contact:

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About YPB Group

YPB Group Limited (ASX:YPB) is an Australia-based product authentication and consumer engagement solutions provider. YPB's proprietary smartphone enabled technology suite allows consumers to confirm product authenticity and, for brands, that triggers consumers' engagement.

The combination of YPB's smartphone authentication solutions and its SaaS Connect platform, creates 'smart' product packaging, opening cost-effective, digital and direct marketing channels between brands and their consumers. Connect gathers actionable data on consumer preferences. It can then host tailored marketing campaigns directly back to the scanning smartphone.

YPB's technology is also trusted by the world's largest passport issuing nation to ensure the authenticity of its passports. YPB is currently focused on the rapidly growing Australian, South East Asian, and Chinese markets. Its focus is dairy, cannabis, alcohol and cosmetics where the viral growth of fake products, particularly in Asia, affects brand value and endangers consumers. To learn more please visit: www.ypbsystems.com