



## ASX ANNOUNCEMENT

ASX: YPB | 27 June 2022

### YPB to raise \$500,000

Anti-counterfeit and consumer engagement solutions provider **YPB Group Limited (ASX: YPB)** (**YPB** or the **Company**) is pleased to advise that it has received commitments to raise \$500,000 from professional and sophisticated investors (**Investors**) whereby Company will issue, and the Investors will subscribe for, an aggregate of 500,000 convertible notes (**Convertible Notes**), together with 17,500,000 free attaching options each with an exercise price equal to a 40% premium of the 14 trading day VWAP of the Shares immediately prior to the date of issue and expiring two years from the date of grant (**Investor Options**) to raise approximately \$500,000 (before costs) (**Convertible Note Raising**). The terms and conditions of the Convertible Notes are summarised in Schedule 1. Funds raised under the Convertible Note Raising are set out in the notice of meeting dated 22 April 2022.

The issue of the Shares on conversion of the Convertible Notes and the issue of the Options has been approved by shareholders on 30 May 2022. Quotation of the Options is subject to the Options meeting the requirements for quotation of additional securities pursuant to Listing Rule 2.5. None of the Company's existing Listing Rule 7.1 and 7.1A capacity will be utilised as the convertibility of the Notes as well as the issue of the Options has been approved by shareholders.

EverBlu Corporate Capital Pty Ltd (**EverBlu**) acted as lead manager to the Convertible Note Raising, pursuant to an ongoing corporate mandate (**Mandate**). A summary of the Mandate with EverBlu is described in the announcement dated 28 March 2022. Pursuant to the Mandate, EverBlu received a fee of \$30,000 (6% of the total amount raised under the Convertible Note Raising). The Company has also agreed to issue 600,000 Shares (**Adviser Shares**) and 17,500,000 options (**Adviser Options**) each with an exercise price equal to a 40% premium of the 14-trading day VWAP of the Shares immediately prior to the date of issue and expiring two years from the date of grant. Assuming a subscription price of \$0.0178 the value of the Adviser Shares is \$10,680 and the value of the Adviser Options is \$52,500<sup>1</sup>. The Adviser Options will be issued on the same terms as the Investor Options and quotation of the Adviser Options is subject to the Adviser Options meeting the requirements for quotation of additional securities pursuant to Listing Rule 2.5.

This announcement has been authorised by the Board of YPB Group Limited.

#### For further information please contact:

YPB investor enquiries  
[investors@ypbsystems.com](mailto:investors@ypbsystems.com)

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<sup>1</sup> Based on a Black Scholes valuation of the Adviser Options assuming a \$0.02492 exercise price, risk free rate of 3.70% and estimated volatility rate of 50% for a value of \$0.003 per Option.



## About YPB Group

YPB Group Limited (ASX:YPB) develops and sells a suite of product authentication and consumer engagement technologies designed for a world where authenticity triggers engagement, and the value of consented first party data is ever increasing.

The combination of YPB's covert tracer and smartphone authentication technologies together with its proprietary Connect platform allows product packaging to become connected. YPB's technology opens cost-effective, digital, and direct marketing channels between brands and their consumers, while protecting both against counterfeits and allowing tailored marketing campaigns directly back to the scanning smartphone.

YPB is focused on the rapidly growing Australian, South-East Asian, and Chinese markets and our focus is dairy products, official identification documents, alcohol brands, FMCG manufacturers, global packaging partners and integrators. Our target markets represent billions of items and are growing rapidly. To learn more please visit: <https://www.ypbsystems.com>

## SCHEDULE 1

### Summary of the Terms of Convertible Notes

1.	<b>Face Value</b>	Each Convertible Note has a face value of \$1.00
2.	<b>Ceiling Price</b>	\$0.05 per Share.
3.	<b>Floor Price</b>	\$0.0125 per Share.
4.	<b>Interest</b>	10% per annum (accruing daily) capitalised at the earlier of conversion, redemption or termination.
5.	<b>Maturity Date</b>	Six (6) months from the date of issue ( <b>Issue Date</b> ) of the Convertible Notes ( <b>Maturity Date</b> )
6.	<b>Conversion</b>	<p>(a) All Convertible Notes shall automatically convert into fully paid ordinary shares in YPB (<b>Shares</b>) (<b>Conversion</b>) on the Conversion Date.</p> <p>(b) The number of Shares to be issued pursuant to a Conversion will be calculated by dividing the loan amount plus any interest accrued and capitalised (<b>Outstanding Amount</b>) for that Noteholder by a conversion price equal to 75% of the 14 Trading Day VWAP of Shares immediately prior to the Conversion Date, subject to a maximum Share price equal to the Ceiling Price and a minimum issue price per Share equal to the Floor Price (<b>Conversion Price</b>).</p> <p>(c) <b>Conversion Date</b> means 28 June 2022.</p> <p>(d) Unless the Convertible Notes have otherwise being converted or redeemed, on the Maturity Date or on the date that is 20 business days following receipt of written notice in accordance with Item 8(b) below, all the Convertible Notes will automatically be converted into such number of Shares as is determined by dividing the Outstanding Amount by the Conversion Price.</p>
7.	<b>Redemption and Repayment</b>	<p>(a) At anytime during the Outstanding Period, the Company may redeem all the Convertible Notes by giving the Noteholder 5 business days written notice of the redemption and paying the Outstanding Amount.</p> <p>(b) <b>Outstanding Period</b> means the period commencing on the Issue Date and concluding on the Maturity Date.</p> <p>(c) Unless fully converted or redeemed by the Company, the Company must redeem all Convertible Notes by repaying the Outstanding Amount on the Termination Date.</p> <p>(d) <b>Termination Date</b> means the earlier to occur of:</p>

		<ul style="list-style-type: none"> <li>(i) the Maturity Date; and</li> <li>(ii) the date that is 20 Business Days following receipt by the Company of a notice from the Convertible Noteholder which makes a declaration in accordance with Item 8(b) below.</li> </ul>
8.	<b>Events of Default</b>	<ul style="list-style-type: none"> <li>(a) Events of Default under the Convertible Note include: <ul style="list-style-type: none"> <li>(i) the Company fails to make, within 20 business days of the due date, any payment due in accordance with the Convertible Note Conditions; or</li> <li>(ii) the Company suffers an insolvency event.</li> </ul> </li> <li>(b) On the occurrence of an Event of Default, the Noteholder may by written notice to the Company declare all of the Convertible Notes due and payable and demand the payment of the Outstanding Amount.</li> </ul>