

ASX ANNOUNCEMENT

ASX: YPB | 16 March 2023

YPB to licence AI authentication solution from NVISO

- **AI expert NVISO has granted YPB a 10 year licence to extend their core technology for the development of an AI authentication solution of video and media**
- **Initial target *Deepfake* videos with other media to follow**
- **A\$2 million capital raise envisaged**

Authentication and consumer engagement solutions creator **YPB Group Limited (ASX: YPB)** is pleased to announce that it has signed a 10-year licence with NVISO SA of Switzerland to allow YPB to develop applications to determine the authenticity of video and media.

NVISO's Artificial Intelligence (AI) applications detect human behaviour and have successfully been deployed to work with next generation human machine interfaces such as autonomous vehicles, companion robots and other applications. Under the agreement, NVISO will work with YPB to develop interfaces to its core technology to allow YPB to build applications to determine the authenticity of a digitally generated video product. In its second phase, YPB will seek to develop applications to determine other AI-generated media.

The release of ChatGPT and competing Artificial Intelligence platforms will make the creation of fake videos and media an increasing risk. The applications YPB will jointly develop with NVISO on the core NVISO technology base are intended to allow videos and media created by AI to be identified, measured and commented upon to assist those who have the need to authenticate their content.

The ability to identify fake video and media has the potential to become critical to brand, institutional and personal integrity. YPB's will seek to develop a range of solutions to offer a simple, accurate means of authentication against the probable harm of things such as compromising faked videos, apparently perfect but faked documents, AI-generated essays and assignments, automated spam avalanches, and AI mass impersonation and disinformation campaigns.

YPB will also use NVISO technology to enhance and deepen the accuracy and capabilities of its revolutionary MotifMicro product authentication solution.

YPB's objective is for its AI-detection solutions to be marketed and distributed online and be widely available to corporates, governments, institutions, and individuals. YPB's development timetable for this AI-detection solution using NVISO's technology to be integrated into YPB's authentication platforms is around 3 months with an estimated external contractor cost of approximately A\$140,000 in addition to the use of YPB's internal development team of full stack and mobile developers who





would be allocated to this project. The first development solution targeting Deepfake videos is targeted to be released in Q3 2023.

NVISO, founded in 2009, is headquartered in Switzerland and has operations in Japan. It has partnered and licensed its AI solutions to multiple ASX listed companies and has agreements with global OEM brands such as Panasonic and Siemens Healthineers. NVISO's present applications include Gaming and Avatars, Consumer Robots, Healthcare Patient Monitoring, and Automotive Interior Sensing.

The key elements of the licence with NVISO are contained in the Schedule annexed to this ASX announcement. YPB is also proposing to conduct a capital raising via a placement of 450,546,153 fully paid ordinary shares at an issue price of A\$0.00444 per share to professional and sophisticated investors to raise a targeted amount of A\$2,000,000. The issue of the shares is pursuant to the approval received at the shareholders meeting held on 23 December 2022. Subject to shareholder approval, investors will also be issued up to 337,909,615 free attaching options (exercise price A\$0.005 strike, expiring 16 January 2026) on the basis of three free attaching options for every four shares subscribed for under the placement. The funds from the placement will be used by YPB for the payments owed to NVISO under the licence agreement, development costs for YPB's applications, reduction of debt, marketing, business development and working capital.

EverBlu Corporate Capital Pty Ltd (**EverBlu**) is acting as lead manager for the capital raising and is entitled to a fee of 6% of the total amount raised and subject to shareholder approval, the issue of 86,334,459 options (exercise price A\$0.005 strike, expiring 16/01/2026).

YPB Executive Chairman and Group CEO John Houston said: "We are excited to leverage the proven power of NVISO to rapidly extend our existing digital authentication capabilities into an expanding space. We believe that the recent developments in the world of AI offers a myriad of opportunities and the need for authentication offers potential to YPB and our shareholders."

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

Ends.

For further information please contact:

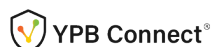
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About YPB Group

YPB Group Limited (ASX: YPB) is listed on the Australian Stock Exchange and has developed and sells of a suite of physical, digital, and AI-based authentication technologies with a vast range of applications. Our solutions can easily authenticate a myriad of items, such as FMCG (fast-moving consumer goods) products, official identification documents, pharmaceuticals, nutraceuticals, dairy products, tax stamps, transactions - and even people.

Our solutions trigger engagement with consumers in a consented, cost-effective, and direct manner. Our proprietary technologies utilize Bluetooth and/or smartphones to capture and analyse invaluable authentication data in our Connect™



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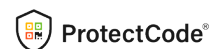
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 ypbsystems.com



global intelligence platform, providing real-time, first-party, and worldwide market intelligence data. This actionable data enables brands to establish digital and direct marketing channels with their customers.

The markets YPB is targeting comprise many billions of items, and this number is growing rapidly, providing YPB with significant growth opportunities for its authentication and consumer engagement technologies.



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Schedule - Summary of Licence Agreement

Parties	NVISO SA (CHE-112.479.650) (NVISO) and YPB Group Limited (ABN 68 108 649 421) (YPB).
Licence	NVISO grants YPB a worldwide non-transferrable, non-exclusive licence to use, reproduce, copy, modify, sell and distribute the NVISO AI Solution and intellectual property rights that subsist in the NVISO AI Solution for the purpose of verification and authentication of people or content depicting people or text (Licence).
Term of Licence	10 years (automatically renewed for a further 10 years unless terminated).
Payments	<p>YPB has paid NVISO A\$50,000 and issued 10,000,000 shares to NVISO in consideration for the grant of the Licence. The shares are subject to voluntary escrow for 12 months.</p> <p>An additional fee of A\$50,000 is payable in 30 days.</p> <p>YPB shall pay quarterly royalties to NVISO for the term of the Licence of:</p> <ul style="list-style-type: none"> • 7.5% of the net invoice price of any product developed by YPB substantially based on or incorporating the NVISO AI Solution and sold or otherwise supplied by YPB to a third party (on arm's length terms); and • 7.5% of the net amount of any payments or the value of non-monetary payments received by YPB from the development or sub-licensing of the NVISO AI Solution.
Intellectual Property	<p>NVISO retains all intellectual property rights in the NVISO AI Solution and content of NVISO accessible by using the NVISO AI Solution.</p> <p>NVISO has no intellectual property rights in the work created by YPB based on or incorporating the NVISO AI Solution.</p>
Confidentiality	The agreement contains customary confidentiality obligations provided by the parties for an agreement of this nature.

Termination	<p>YPB may terminate the agreement at any time on 12 months' notice to NVISO.</p> <p>Either party may terminate the agreement at any time by notice in writing to the other party if the other party is in material breach of the agreement and the breach is not remedied (or capable of being remedied) within 90 days of notice of the other party receiving notice specifying the breach.</p> <p>Material breach is defined to include:</p> <ul style="list-style-type: none"> • non-payment of fees, royalties or taxes; • YPB or NVISO not meeting its obligations under the agreement; • a party failing to indemnify the other party; or • use of NVISO's name, logo, trademark etc. in violation of branding guidelines or other damage to NVISO's brand or reputation.
Consequences of Termination	<p>If NVISO validly terminates the agreement, the Licence will terminate immediately and YPB must return or, at NVISO's request, destroy any documents or other materials that contain NVISO's confidential information.</p>