



ASX ANNOUNCEMENT

ASX:YPB | 1 May 2024

NOTICE OF ANNUAL GENERAL MEETING AND RELATED DOCUMENTS

YPB Group Limited (ASX: YPB) (YPB or the Company) is pleased to announce that the following documents, in relation to its Annual General Meeting to be held on Thursday, 30 May 2024 at 1.00 pm (AEST), were dispatched to Shareholders today in accordance with their communication preference:

- Letter to Shareholders;
- Notice of Annual General Meeting; and
- Proxy Form.

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

Ends.

For further information please contact:

YPB investor enquiries
investors@ypbsystems.com

Ben Jarvis
0413 150 448
Ben.jarvis@sdir.com.au
Six Degrees Investor Relations

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 utilise Bluetooth and/or smartphones to capture and analyse invaluable authentication data in our Connect™ global 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. To learn more please visit: ypbsystems.com



 investors@ypbsystems.com

 Level 5
126 Phillip Street
SYDNEY NSW 2000

 YPB Group Limited
ypbsystems.com



Wednesday, 1 May 2024

Dear Shareholder

Annual General Meeting – Letter to Shareholders and Proxy Form

YPB Group Limited (ASX: YPB) (YPB or the Company) advises that its Annual General Meeting (**AGM**) will be held at 1.00pm (AEST) on Thursday, 30 May 2024 as a **virtual meeting**.

In accordance with Part 1.2AA of the *Corporations Act 2001*, the Company will only be dispatching physical copies of the Notice of Meeting (**Notice**) to Shareholders who have elected to receive the Notice in physical form. The Notice is being made available to Shareholders electronically and can be viewed and downloaded online from the Company’s website at: <https://ypbsystems.com/en/invest/investor-relations>

Alternatively, the Notice will also be available on the Company’s ASX market announcements page (ASX:YPB).

Your vote is important

The business of the AGM affects your Shareholding and your vote is important.

To vote by proxy please use one of the following methods:

Online	Lodge the Proxy Form online at https://www.votingonline.com.au/ypbagm2024 by following the instructions provided on the website.
By post	Boardroom Pty Limited GPO Box 3993, Sydney NSW 2001 Australia
By Fax	+ 61 2 9290 9655
By hand	Boardroom Pty Limited Level 8, 210 George Street Sydney NSW 2000 Australia

Your Proxy instruction must be received not later than 48 hours before the commencement of the Meeting. **Proxy Forms received later than this time will be invalid.**

The Chair intends to vote all open proxies in favour of all resolutions, where permitted.

Yours faithfully

Lucy Rowe
Joint Company Secretary



YPB Group Limited

Level 5, 126 Phillip Street
, Sydney, NSW 2000
ACN: 108 649 421

investors@ypbsystems.com

<https://ypbsystems.com/en/>



YPB Group Limited

Notice of 2024 Annual General Meeting

Explanatory Memorandum | Proxy Form

Thursday, 30 May 2024

1.00pm AEST

Address

Held as a **Virtual Meeting**

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

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Important Information for Shareholders about the Company's 2024

This Notice is given based on circumstances as at Friday, 26 April 2024. Should circumstances change, the Company will make an announcement on the ASX market announcements platform and on the Company's website at <https://ypbsystems.com/en/>. Shareholders are urged to monitor the ASX announcements platform and the Company's website.

Venue and Voting Information

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 1.00pm (AEST) on Thursday, 30 May 2024 as a **virtual meeting**.

Shareholders wishing to attend the virtual General Meeting (which will be broadcast as a live webinar) should register in advance by contacting the Joint Company Secretary by email at shelby.coleman@automicgroup.com.au.

Shareholders can also submit, and are encouraged to submit, any questions in advance of the Meeting by emailing the questions to investors@ypbsystems.com by no later than 5:00pm (AEST) on Wednesday, 29 May 2024.

If the above arrangements with respect to the Meeting change, Shareholders will be updated via the ASX Market Announcements Platform and on the Company's website at <https://ypbsystems.com>.

The business of the Meeting affects your shareholding and your vote is important. This Notice and the accompanying Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their stock broker, investment advisor, accountant, solicitor or other professional adviser prior to voting.

Voting virtually at the Meeting

Voting by proxy

To vote by proxy, please use one of the following methods:

Online	Lodge the Proxy Form online at https://www.votingonline.com.au/ypbagm2024 by following the instructions provided on the website.
By post	Boardroom Pty Limited GPO Box 3993, Sydney NSW 2001 Australia
By Fax	+ 61 2 9290 9655
By hand	Boardroom Pty Limited Level 8, 210 George Street Sydney NSW 2000 Australia

Your Proxy instruction must be received not later than 48 hours before the commencement of the Meeting. **Proxy Forms received later than this time will be invalid.**

Power of Attorney

If the proxy form is signed under a power of attorney on behalf of a shareholder, then the attorney must make sure that either the original power of attorney or a certified copy is sent with the proxy form, unless the power of attorney has already provided it to the Share Registry.

Corporate Representatives

If a representative of a corporate shareholder or a corporate proxy will be attending the Meeting, the representative should provide the Share Registry with adequate evidence of their appointment, unless this has previously been provided to the Share Registry.

Notice of Annual General Meeting

Notice is hereby given that an Annual General Meeting of Shareholders of YPB Group Limited ACN 108 649 421 will be held at 1.00pm (AEST) on Thursday, 30 May 2024 as a **virtual meeting (Meeting)**.

The Explanatory Memorandum to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Memorandum and the Proxy Form forms part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders at 1.00pm (AEST) on Tuesday, 28 May 2024.

Terms and abbreviations used in this Notice of Meeting and Explanatory Memorandum are defined in the Glossary.

Agenda

Ordinary business

Financial statements and reports

“To receive and to consider the Annual Financial Report of the Company for the financial year ended 31 December 2023 together with the declaration of the Directors, the Directors’ Report, the Remuneration Report and the Auditor’s Report for that financial year.”

Note: This item of ordinary business is **for discussion only and is not a resolution**.

Pursuant to the Corporations Act, Shareholders will be given a reasonable opportunity at the Meeting to ask questions about, or make comments in relation to, each of the aforementioned reports during consideration of these items.

Resolutions

1. Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's Annual Financial Report for the financial year ended 31 December 2023."

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Exclusion Statement: A vote on this Resolution must not be cast:

- (a) by or on behalf of a member of the Key Management Personnel or a Closely Related Party of such member, regardless of the capacity in which vote is cast; or
- (b) by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such persons if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as a proxy that specifies the way the proxy is to vote on this Resolution; or
- (b) the person is the Chairperson and the appointment of the Chairperson as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chairperson to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

2. Resolution 2 – Re-Election of Mr John Houston as Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, pursuant to and in accordance with Listing Rule 14.5, articles 7.14 and 7.17 of the Constitution and for all other purposes, Mr John Houston, Director, retires and being eligible for re-election is elected as Director on the terms and conditions in the Explanatory Memorandum."

3. Resolution 3 – Approval to Issue up to \$4,000,000 worth of Shares

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders authorise and approve the issue of up to the number of Shares determined by \$4,000,000 divided by the Proposed Share Issue Price on the terms and conditions in the Explanatory Memorandum (**Proposed Share Issue**)."*

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of:

- (a) a person who is expected to receive the securities as a result of the proposed issue;
- (b) a person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (c) an Associate of that person or those persons described in (a) or (b).

However, this does not apply to a vote cast in favour of Resolution 3 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with direction given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chairperson of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder vote on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Note: the proposed allottees of any Shares issued under Resolution 3 is not as yet known or identified. In accordance with Listing Rule 14.11.1 and the relevant note under that rule concerning Listing Rule 7.1, as at the date of this Notice it is not known who may participate in the Proposed Share Issue (if any). Accordingly, no Shareholders are currently excluded from voting on this Resolution 3.

4. **Resolution 4 – Approval to issue 1,500,000,000 Shares and 500,000,000 Options to J F Houston Holdings Pty Ltd (and/or its nominee(s)) (on a pre-Consolidation basis)**

To consider, and if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 10.11 and section item 7 section 611 of the Corporations for all other purposes, approval is given for:

- (a) *the Company to issue J F Houston Holdings Pty Ltd (and/or its nominee(s)) 1,500,000,000 Shares and 500,000,000 Options;*
- (b) *upon the exercise of all Options held by J F Houston Holdings Pty Ltd, the Company to issue such number of Shares determined in accordance with the Options terms and conditions; and*
- (c) *the acquisition by J F Houston Holdings Pty Ltd (and/or its nominee(s)) a relevant interest in the issued voting Shares of the Company otherwise prohibited by section 606(1) of the Corporations Act, by virtue of the issue of the Shares referred to in paragraphs (a) and (b),*

with a resulting increase in the voting power of J F Houston Holdings Pty Ltd (and/or its nominee(s)) and its associates in the Company from 18.22% (at the date of this Notice) to a maximum of 79.02% (immediately following the issue of those Shares), and on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of:

- (a) J F Houston Holdings Pty Ltd (and/or its nominee(s));
- (b) a person who is expected to receive the securities as a result of the proposed issue;
- (c) a person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (d) an Associate of that person or those persons described in (a), (b) or (c).

However, this does not apply to a vote cast in favour of Resolution 4 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with direction given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chairperson of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder vote on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

5. Resolution 5 – Ratify the Issue of Security Shares under Listing Rule 7.1

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, the Shareholders ratify the prior issue of 47,000,000 Shares for nil consideration to Dolphin Corporate Investments Pty Ltd on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of:

- (a) a person who participated in the issue or is a counterparty to the agreement being approved; or
- (b) an associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 5 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chairperson of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

6. Resolution 6 – Issue of Lead Manager Options

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.1 and for all other purposes, the Shareholders approve the issue of up to 250,000,000 Options to the Lead Managers (and/or their nominees) on terms and conditions in the Explanatory Memorandum."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of:

- (a) the Lead Managers (and/or their nominees); or
- (b) an Associate of that person or those persons described in (a).

However, this does not apply to a vote cast in favour of Resolution 6 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with direction given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chairperson of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder vote on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

7. Resolution 7 – Consolidation of capital

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of section 254H of the Corporations Act and for all other purposes, all of the issued capital of the Company be consolidated on the terms and conditions set out in the Explanatory Memorandum and on the basis that:

- (a) every (10) Shares be consolidated into one (1) Share; and*
- (b) all Options on issue be consolidated in accordance with Listing Rule 7.22.1;*

and where this consolidation results in a fraction of a Share or Option being held, the Company be authorised to round that fraction up to the nearest whole number."

8. Resolution 8 – Approval of 10% Placement Facility

To consider and, if thought fit, to pass with or without amendment the following as a **special resolution**:

"That, for the purposes of Listing Rule 7.1A and for all other purposes, the Shareholders approve the issue of equity securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 8 by or on behalf of:

- (a) a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 8 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Note: As at the date of this Notice, it is not known who may participate in any Equity Securities issued under Resolution 8 and the Company has not approached any Shareholder or identified a class of existing Shareholders to participate in any issue of Equity Securities under the 10% Placement Capacity. Accordingly, no Shareholders are excluded from voting on Resolution 8.

9. Resolution 9 – Change of Company Name

To consider and, if thought fit, to pass with or without amendment the following as a **special resolution**:

"That for the purposes of section 157(1)(a) and section 136(2) of the Corporations Act and for all other purposes, Shareholders adopt "Codeifai Limited" as the new name of the Company with effect from the date ASIC alters the details of the Company's registration on the terms and conditions in the Explanatory Memorandum and all references in the Company Constitution to 'YPB Group Ltd' be amended to 'Codeifai Limited' to reflect the Company's new name."

10. Resolution 10 – Approve the issue of Loan Shares

To consider and, if thought fit, to pass with or without amendment the following as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.1 and for all other purposes, the Shareholders approve the issue of up to 333,333,333 Shares to the Loan Provider on terms and conditions in the Explanatory Memorandum."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 10 by or on behalf of:

- (a) the Loan Provider
- (b) a person who is expected to receive the securities as a result of the proposed issue;
- (c) a person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (d) an Associate of that person or those persons described in (a), (b) or (c).

However, this does not apply to a vote cast in favour of Resolution 10 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with direction given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chairperson of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder vote on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Note: the Loan Provider and proposed allottees of any Shares issued under Resolution 10 is not as yet known or identified. In accordance with Listing Rule 14.11.1 and the relevant note under that rule concerning Listing Rule 7.1, as at the date of this Notice it is not known who will be a Loan Provider (if any). Accordingly, no Shareholders are currently excluded from voting on this Resolution 10.

11. Resolution 11 – Approve the issue of Loan Options

To consider and, if thought fit, to pass with or without amendment the following as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.1 and for all other purposes, the Shareholders approve the issue of up to 333,333,333 Options to the Loan Provider on terms and conditions in the Explanatory Memorandum."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 11 by or on behalf of:

- (a) the Loan Provider;
- (b) a person who is expected to receive the securities as a result of the proposed issue;
- (c) a person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (d) an Associate of that person or those persons described in (a), (b) or (c).

However, this does not apply to a vote cast in favour of Resolution 11 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with direction given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chairperson of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder vote on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Note: the Loan Provider and proposed allottees of any Shares issued under Resolution 11 is not as yet known or identified. In accordance with Listing Rule 14.11.1 and the relevant note under that rule concerning Listing Rule 7.1, as at the date of this Notice it is not known who will be a Loan Provider (if any). Accordingly, no Shareholders are currently excluded from voting on this Resolution 11.

BY ORDER OF THE BOARD

Lucy Rowe
Joint Company Secretary

Explanatory Memorandum

This Explanatory Memorandum has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 1.00pm (AEST) on Thursday, 30 May 2024 as a **virtual meeting**.

The purpose of this Explanatory Memorandum is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

If you are in any doubt about what to do in relation to the Resolutions contemplated in the Notice of Meeting and this Explanatory Memorandum, it is recommended that you seek advice from an accountant, solicitor or other professional advisor.

Full details of the business to be considered at the Annual General Meeting are set out below.

Unless otherwise stated, all references to the numbers of Shares, Options or performance rights in the Explanatory Memorandum are on a pre-Consolidation basis.

Agenda

Ordinary business

Financial statements and reports

In accordance with the Constitution and the Corporations Act, the business of the Annual General Meeting will include receipt and consideration of the Annual Financial Report of the Company for the financial year ended 31 December 2023 together with the declaration of the Directors, the Director's Report, the Remuneration Report and the Auditor's Report.

In accordance with the amendments to the Corporations Act, the Company is no longer required to provide a hard copy of the Company's Annual Financial Report to Shareholders unless a Shareholder has specifically elected to receive a printed copy.

Whilst the Company will not provide a hard copy of the Company's Annual Financial Report unless specifically requested to do so, Shareholders may view the Company Annual Financial Report on its website at <https://ypbsystems.com/>.

No resolution is required for this item, but Shareholders will be given the opportunity to ask questions and to make comments on the management and performance of the Company.

The Company's auditor will be present at the Meeting. During the discussion of this item, the auditor will be available to answer questions on the:

- Conduct of the audit;
- Preparation and content of the Auditor's Report;
- Accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- Independence of the auditor in relation to the conduct of the audit.

Written questions of the auditor

If you would like to submit a written question about the content of the Auditor's Report or the conduct of the audit of the Annual Financial Report of the Company's auditor, please send your question to the Company Secretary. A list of qualifying questions will be made available at the Meeting.

Please note that all written questions must be received at least five business days before the Meeting, which is by Thursday, 23 May 2024.

Resolutions

Remuneration Report

1. Resolution 1 – Adoption of Remuneration Report

In accordance with section 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of the Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for executive Directors, specified executives and Non-Executive Directors.

In accordance with section 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors of the Company. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

Shareholders will have the opportunity to remove the whole Board except the Managing Director if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings.

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the Managing Director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election of the Board.

The Chairperson will allow reasonable opportunity for Shareholders to ask questions about or comment on the Remuneration Report.

Resolution 1 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 1.

If the Chairperson is appointed as your proxy and you have not specified the way the Chairperson is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chairperson with an express authorisation for the Chairperson to vote the proxy in accordance with the Chairperson's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

2. Resolution 2 – Re-election of John Houston as Director

Listing Rule 14.5 provides that a company which has directors must hold an election of directors at each annual general meeting.

Article 7.14 of the Constitution requires that one third of the Directors must retire at each annual general meeting and article 7.17 of the Constitution provides that a Director who retires under Article 7.14 is eligible for re-election. Pursuant to articles 7.14 and 7.17, Mr Houston, Director, offers himself for re-election as a Director.

Mr Houston has over 40 years of international business experience in countries including Australia, New Zealand, Sri Lanka, Singapore, Thailand and Switzerland. Mr Houston initially privately funded YPB and listed the Company on the ASX in 2014. Mr Houston has extensive international experience including building a USD \$2 billion "Greenfield" mobile phone operation

in Thailand, running a USD \$350m EBITDA mobile Company in Switzerland, and selling an international Broadband Company for a 70x multiple of EBITDA in a cash sale to NTT DoCoMo of Japan.

Resolution 2 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 2.

Directors Recommendation

The Directors (excluding Mr Houston) recommend that Shareholders vote for this Resolution.

Issue of Securities

3. Resolution 3 – Approval to Issue up to \$4,000,000 worth of Shares

Background

Resolution 3 seeks Shareholder approval pursuant to and in accordance with Listing Rule 7.1 (and for all other purposes) for the issue of that number of Shares determined by \$4,000,000 divided by the proposed share issue price (**Proposed Shares**), (**Proposed Share Issue**).

The Proposed Share Issue price will not be less than 80% of the five (5) Trading Day VWAP of the Shares recorded prior to the announcement of the Proposed Share Issue (**Proposed Share Issue Price**).

Resolution 3 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 3.

Listing Rule 7.1

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period up to 15% of the fully paid ordinary securities it had on issue at the start of that period (**15% Placement Capacity**).

The issue of the Proposed Shares does not fall within any of the exceptions to Listing Rule 7.1 and, as it has not been approved by Shareholders, it effectively uses up part of the Company's 15% Placement Capacity, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue of the Proposed Shares.

If Resolution 3 is passed, the issue of the Proposed Shares can proceed without using any of the Company's 15% Placement Capacity on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

If Resolution 3 is not passed, the Company will not be able to proceed with the issue of the Proposed Shares and would have to rely on the 15% Placement Capacity to have any Proposed Shares or alternate funding options to raise additional funding for its business operations.

Specific information required under Listing Rule 7.3

The following information in relation to Resolution 3 is provided to Shareholders for the purposes of Listing Rule 7.3:

- (i) the Directors intend that the Proposed Shares will be issued to institutional, professional and sophisticated investors who are not related parties of the Company. The Company has not determined who will be issued any Proposed Shares and this will be determined by the Company and its lead manager (if any) assisting with the Proposed Share Issue;
- (ii) the maximum number of Proposed Shares to be issued is up to that number of Shares which, when multiplied by the Proposed Share Issue Price, equals \$4,000,000;

- (iii) the table below provides examples of the maximum number of Shares that may be issued if Shareholders approve this Resolution 3. The table uses various issue prices to calculate the maximum number of Proposed Shares that may be issued assuming \$4,000,000 is raised by the Company (rounded down to the nearest whole number):

Issue Price (\$ per Share)	Number of Proposed Shares
0.008	500,000,000
0.007	571,428,571
0.006	666,666,666
0.005	800,000,000
0.004	1,000,000,000
0.003	1,333,333,333
0.002	2,000,000,000
0.001	4,000,000,000

- (iv) all Proposed Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue;
- (v) the Proposed Shares will be issued no later than three months following the date of the Meeting. It is intended that the issue of the Proposed Shares will occur progressively;
- (vi) the issue price per Proposed Share will be calculated using the five (5) Trading Day VWAP for Shares. For the purposes of the below examples, it has been assumed that the issue price of the Proposed Shares will not be less than 80% of the five (5) Trading Day VWAP,

Example 1: Using the current Share price of \$0.002 at the time of preparing the Notice as being equivalent to the five (5) Trading Day VWAP for illustration purposes, the issue price will not be less than 80% of \$0.002, which is \$0.0016. Accordingly, the total number of Shares that may be issued pursuant to Shareholder approval for this Resolution 3 would be approximately 2,500,000,000 Shares.

Example 2: If the five (5) Trading Day VWAP is decreased by 50% which is equal to \$0.001, the issue price will not be less than 80% of \$0.001, which is \$0.0008. Accordingly, the total number of Shares that may be issued pursuant to Shareholder approval for this Resolution 3 would be approximately 5,000,000,000 Shares.

Example 3: If the five (5) Trading Day VWAP is increased by 50% which is equal to \$0.003, the issue price will not be less than 80% of \$0.003, which is \$0.0024. Accordingly, the total number of Shares that may be issued pursuant to Shareholder approval for this Resolution 3 would be approximately 1,666,666,667 Shares.

Potential Dilution Effect:

Total number of Shares on issue post issue of Shares	Total no. of Shares on issue post issue of Shares	Dilution Factor*
2,500,000,000	3,290,461,469	75.98%
5,000,000,000	5,790,461,469	86.35%
1,666,666,667	2,457,128,136	67.83%

*The dilution factor does not take into account the impact of any exercise of convertible Securities.

- (vii) the proceeds from the Proposed Share Issue will be used for the technical development of the Company's MotifMicro technology, software development of the Company's Connect platform, business development, marketing costs, research and development, and to pay for the transactions costs related to the Proposed Share Issue and for working capital and corporate purposes.
- (viii) a voting exclusion statement is included in the Notice for Resolution 3.

Board Recommendation

The Board recommends that Shareholders vote in favour of Resolution 3.

4. Resolution 4 – Approval to Issue JFH Shares and JFH Options to J F Houston Holdings Pty Ltd (and/or its nominee(s))

Background

The Company has entered into various loan arrangements with J F Houston Holdings Pty Ltd (and/or its nominee(s)), a related entity of Executive Director and Chairman, Mr John Houston to provide funding to the Company for working capital purposes. These loans arrangements comprise the following (together, the **JFH Loans**):

Loan arrangement name	Date	Loan amount	Repayment date
December 2022 Convertible Notes	23 December 2022	\$1,000,000	30 June 2024
September 2023 Loan	25 September 2023	\$500,000	25 September 2024
December 2023 Loan	27 December 2023	\$500,000	27 December 2024
April 2024 Loan	2 April 2024	\$250,000	2 April 2025

As at the date of this notice a total of \$29,811.78 of interest has accrued under the JFH Loans which will be paid in cash.

The Company has for a number of years incurred operating losses as it seeks to develop the Company's technology, such as the Company's tracer based technologies and the Connect suite of products. These operating losses have been supported by the Company undertaking a number of initiatives to reduce costs as well as securing funding from external sources. Due to market conditions, it has become challenging for the Company to securing funding for some time despite the best efforts of the Company to obtain equity and/or debt funding at various times. To ensure that the Company has been able to continue operations and pay its creditors, Mr John Houston has provided the Company with the JFH Loans at various times to support the Company as a lender of last resort.

The repayment date for the December 2022 Convertible Notes was required to be repaid by the Company on 3 October 2023. However, J F Houston Holdings Pty Ltd has agreed to allow the Company additional time until 30 June 2024 to repay those convertible notes.

In addition, there the repayment dates for a number of the other JFH Loans are due in the following months and the Company will need to raise a significant amount of funds relative to its size to repay these loans.

To provide further support to the Company to conserve its cash reserve, the Company proposes to settle all outstanding JFH Loans via the issue of 1,500,000,000 Shares (**JFH Shares**) and 500,000,000 Options (**JFH Options**), subject to shareholder approval. Upon the issue of the JFH Shares and the JFH Options to J F Houston Holdings Pty Ltd all outstanding amounts under the JFH Loans (including interests) will be deemed to have been repaid by the Company.

Resolution 4 seeks Shareholder approval for the issue of the JFH Shares and the JFH Options to J F Houston Holdings Pty Ltd (and/or its nominee(s)).

If Resolution 4 is not passed, the Company will not issue the JFH Shares or JFH Options to J F Houston Holdings Pty Ltd (and/or its nominee(s)) and the Company will need to raise funds to repay the JFH Loans. Based on discussions with brokers and current market conditions, any capital raising conducted by the Company will likely be conducted at a significant discount to the Company's Share price and will likely be significantly dilutive to existing Shareholders. There is also no guarantee that the Company will be able to raise the necessary funds to repay the JFH Loans and continue operations, raising concerns regarding the Company's going concern.

Accordingly, for the above reasons, the Board recommends that Shareholders approve Resolution 4.

Resolution 4 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 4.

Impact on Capital Structure and Voting Power

Mr John Houston and related parties (**Houston Parties**) currently hold a relevant interest of 144,032,101 Shares in the Company and voting power of approximately 18.22% of the issued share capital of the Company as at 10 April 2024, being the last practicable date prior to finalisation of this Notice.

The capital structure of the Company following the issue of the JFH Shares and JFH Options to J F Houston Holdings Pty Ltd, in various scenarios, will be as follows:

	Shares	Options	Performance Rights	Voting Power
Current Capital Structure				
Houston Parties' current holding (as at the date of this Notice)	144,032,101	290,308,769	0	18.22%
Other Shareholders	646,429,369	367,566,547	38,705,322	81.78%
Total securities currently on issue	790,461,470	657,875,316	38,705,322	100%

Capital Structure – Post Issue of JFH Shares and JFH Options				
Houston Parties' holding following issue of the JFH Shares and JFH Options	1,644,032,101	790,308,769	0	71.78%
Other Shareholders	646,429,369	367,566,547	38,705,322	28.22%
Total securities on issue post issue of JFH Shares.	2,290,461,470	1,157,875,316	38,705,322	100%
Capital Structure – Post Issue of JFH Shares and JFH Options and exercise of all Options held by J F Houston Holdings Pty Ltd				
Houston Parties' following issue of JFH Shares and exercise of all JFH Options	2,434,340,870	0	0	79.02%
Other Shareholders	646,429,369	367,566,547	38,705,322	20.98%
Total securities post issue of JFH Shares and exercise of all JFH Options.	3,080,770,239	367,566,547	38,705,322	100%

The table above makes the following assumptions:

- (1) No further securities are issued before the Meeting and any existing Options and existing Performance Rights are not exercised or converted into Shares other than as specified in the table above.
- (2) No further Shares are issued by the Company other than those to be issued to J F Houston Holdings Pty Ltd (and/or its nominee(s)) pursuant to Resolution 4.
- (3) J F Houston Holdings Pty Ltd (and/or its nominee(s)) elects to exercise all of its Options as expressed in the above scenarios.

Upon issue of the JFH Shares and the exercise of all the Options (including the JFH Options), Mr Houston will have a maximum relevant interest in 2,434,340,870 Shares and a maximum voting power of 79.02% in the Company.

The issue of the JFH Shares will constitute approximately 65.49% of the undiluted issue share capital. If Shareholders approve Resolution 4 and the JFH Shares are issued, Shareholders' (other than Mr Houston) holdings will be diluted from 81.78% to 28.22%.

The issue of the JFH Shares and the exercise of all Options (including the JFH Options) will constitute approximately 71.67% of the undiluted issued share capital. If the Shareholders approve Resolution 4 and JFH shares are issued and all Options (including the JFH Options) are exercised, Shareholders' (other than the Houston Parties) holdings will be diluted from 81.78% to 20.98%.

Independent Expert's Recommendation

The Company has appointed Nexia Australia (**Independent Expert**) or (**IE**) as an independent expert to prepare a report (**Independent Expert's Report**) (or **IER**) to provide an opinion as to whether or not the proposed issue of the JFH Shares and JFH Options is fair and reasonable to Shareholders.

The Independent Expert's Report was prepared to satisfy the recommendations of the ASIC Regulatory Guide 74. If Resolution 4 is passed, the Houston Parties will acquire a relevant interest of more than 20% in the Company.

The Independent Expert has concluded that the issue of JFH Shares and JFH Options pursuant to Resolution 4 is not fair but reasonable.

The Independent Expert considered the advantages and disadvantages of the proposed issue, and other significant factors, which are summarised below.

- Despite not being fair, but considering other significant factors, shareholders should obtain an overall benefit if the transaction proceeds.
- In forming the opinion, the Independent Expert has considered the following relevant factors:
 - the transaction is assessed to be not fair; however;
 - advised that the Company is unlikely to be able to raise sufficient capital to repay the various JFH loans by their due dates and that it is unlikely YPB could source alternate debt financing on the open market on acceptable commercial terms. We further understand, as set out in the NOM, that any such capital raise would likely be at a significant discount to the current listed share price, which would result in dilution of existing shareholdings;
 - the Company's capital raising advisors have advised that it is unlikely any capital raising could be successfully undertaken while these debts remain on the balance sheet;
- Resolution 4 does not result in additional cash funding for YPB, but instead results in significant short term cash outflows being avoided that would be payable but for Resolution 4. YPB is likely to need additional funding in the short to medium term, which is not provided for under Resolution 4, and as a result of the previous point we understand any such activities would be hindered if the JFH Loans remains; even if capital could be raised to repay the JFH Loans, this would result in the use of significant funds that could otherwise be utilised to further develop YPB's product offerings and to meet short-term and medium-term working capital requirements and the IE is not aware of any alternative proposals.

The Independent Expert's assessment of the proposed issue of JFH Shares and JFH Options is based on a number of assumptions.

Shareholders are strongly encouraged to read the Independent Expert's Reports (a full copy of which is set out in Schedule 2).

The Independent Expert's has consented to the use of the Independent Expert's Report in the form and context in which it appears.

Listing Rule 7.1

Listing Rule 7.1 provides that a company must not (subject to specified exceptions), without the approval of shareholders, issue or agree to issue during any 12 month period Equity Securities, or other securities with rights to convert to equity, if the number of those securities exceeds 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

An exception is where the issue is approved by Shareholders in a general meeting under Listing Rule 10.11 (see Listing Rule 7.2, exception 14) or item 7 of section 611 of the Corporations Act (refer to Listing Rule 7.2 exception 16).

If Resolution 4 is passed, and the Company obtains Shareholder approval under Item 7 of section 611 of the Corporations Act and Listing Rule 10.11, the Company will not require Shareholder approval under Listing Rule 7.1 for the issue of JFH Shares and JFH Options. And the issue will be excluded in calculating the Company's 15% placement capacity.

Chapter 2E of the Corporations Act

In order for a public company to give a financial benefit to a Related Party of the company, the company must:

- (i) obtain the approval of the members of the company in the manner set out in sections 221 to 227 of the Corporations Act; and
- (ii) give the benefit within 15 months following such approval, unless the giving of financial benefit falls within an exception set out in sections 210 to 216 applies.

The issue of the JFH Shares and JFH Options to J F Houston Holdings Pty Ltd falls within the definition of giving a "financial benefit" to a Related Party of the Company.

The Directors view the giving of a financial benefit to J F Houston Holdings Pty Ltd as a Related Party of the Company is on arm's length terms and falls within the exception in section 210 of the Corporations Act. Accordingly, Shareholder approval for the purposes of Chapter 2E of the Corporations Act is not being sought.

Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue Equity Securities to:

- (i) a related party;
- (ii) a person who is, or was or was at any time in the six months before the issue or agreement, a substantial (30%+) holder in the company;
- (iii) a person who is, or was at any time in the six months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- (iv) an associate of a person referred to in (a) to (c); or
- (v) a person whose relationship with the company or a person referred to in (a) to (d) is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains shareholder approval.

The issue of the JFH Shares and JFH Options to J F Houston Holdings Pty Ltd (and/or its nominee(s)) falls within Listing Rule 10.11 as Mr Houston, a Director of the Company controls J F Houston Holdings Pty Ltd is therefore considered to be a Related Party of the Company pursuant to Listing Rule 10.11.1 and the issue of the JFH Shares and JFH Options would require Shareholder approval pursuant to Listing Rule 10.11.

An exception is where the issue is approved for the purposes of item 7 of section 611 of the Corporations Act (refer to Listing Rule 11.2 exception 6). The Company is seeking Shareholder approval for the purposes of item 7 of section 611 for the issue of the JFH Shares and Shares issued upon exercise of the JFH Options. Accordingly, the Company is not seeking Shareholder approval under Listing Rule 10.11 for the issue for the JFH Shares.

The Company is seeking Shareholder approval pursuant to Listing Rule 10.11 for the issue of the JFH Options.

If Resolution 4 is passed, the Company will be able to proceed with the issue of JFH Options to J F Houston Holdings Pty Ltd and pursuant to Listing Rule 7.2 exception 14, the Company may issue the JFH Options without utilising the Company's 15% Placement Capacity under Listing Rule 7.1.

If Resolution 4 is not passed, the Company will not be able to proceed with the issue of the JFH Options to J F Houston Holdings Pty Ltd and consequently will also not be able to issue the JFH Shares. The consequences of Shareholders not approving Resolution 4 are outlined above in the "Background" section.

Specific information required by Listing Rule 10.13

The following information in relation to the issue of JFH Options pursuant to Resolution 4 is provided to Shareholders for the purposes of Listing Rule 10.13:

- (a) the JFH Options will be issued to J F Houston Holdings Pty Ltd;
- (b) J F Houston Holdings Pty Ltd is a related party for the purposes of Listing Rule 10.11.1 as it is controlled by Mr John Houston, a Director of the Company;
- (c) the maximum number of JFH Options to be issued to J F Houston Holdings Pty Ltd is 500,000,000 Options;
- (d) the JFH Options have an exercise price of \$0.003 per Option and will expire 3 years from the date of issue. The terms and conditions of the JFH Options are detailed in Schedule 1;
- (e) the JFH Options will be issued no later than one month after the date of the Meeting;
- (f) the JFH Options will be issued for nil cash consideration and no funds will be raised from the issue of JFH Options as they are being issued as settlement of the JFH Loans. If all the JFH Options are exercised, \$1.5 million will be raised and these funds will be applied by the Company towards development of the Company's technologies and working capital; and
- (g) a voting exclusion statement is included in the Notice for Resolution 4.

Section 611 of the Corporations Act

Section 606 of the Corporations Act prohibits a person acquiring in the issued voting shares of a public company if, because of the transaction, that person's or another person's voting power in the company increases from:

- (a) 20% or below to more than 20%; or
- (b) a starting point that is above 20% and below 90%.

The voting power of a person in a company is determined by reference to section 610 of the Corporations Act. A person's voting power in a company is the total votes attaching to the shares in the company in which that person and that person's associates (within the meaning of the

Corporations Act) have a relevant interest, divided by the total number of votes attaching to all voting shares in the Company.

Pursuant to section 608 of the Corporations Act, a person will have a relevant interest in shares if:

- (a) the person is the registered holder of the shares;
- (b) the person has the power to exercise or control the exercise of votes or disposal of the shares; or
- (c) the person has over 20% of the voting power in a company that has a relevant interest in shares, then the person has relevant interest in said shares.

Section 12 of the Corporations Act provides that a person (**first person**) will be an associate of the other person (**second person**) if:

- (a) the first person is a body corporate and the second person is:
 - (i) a body corporate the first person controls;
 - (ii) a body corporate that controls the first person; or
 - (iii) a body corporate that is controlled by an entity that controls the first person;
- (b) the second person has entered or proposes to enter into a relevant agreement with the first person for the purpose of controlling or influencing the composition of the Board or the conduct of the designated body's affairs; or
- (c) the second person is a person with whom the first person is acting or proposed to act, in concert in relation to the designated body's affairs.

The Corporation Act defines "control" and "relevant agreement broadly, as follows:

- (a) section 50AA of the Corporations Act defines "control" as the capacity to determine the outcome of decisions about the financial and operating policies of a company. In determining the capacity it is necessary to take into account the practical influence a person can exert and any practice or pattern of behaviour affecting the company's financial or operating policies; and
- (b) section 9 of the Corporations Act defines "relevant agreement" as an agreement, arrangement or understanding:
 - (i) whether formal or informal or partly formal or partly informal;
 - (ii) whether written or oral or partly written and partly oral; and
 - (iii) whether or not having legal or equitable force and whether or not based on legal or equitable rights.

Associates are determined by a matter of fact. For example, where a person controls or influences the board or the conduct of a company's business affairs, or acts in concert with a person in relation to the company's business affairs.

Section 611 of the Corporations Act contains exceptions to the prohibition in section 606 of the Corporations Act. Item 7 of section 611 of the Corporations Act provides a mechanism by which shareholders of a company may approve an issue of shares to a person which results in that person's or another person's voting power in the company increasing from:

- (a) 20% or below to more than 20%; or
- (b) a starting point that is above 20% and below 90%.

On completion of the issue of the JFH Shares and the exercise of all of the Options (including the JFH Options), the Houston Parties will have a maximum relevant interest in 2,434,340,870 Shares and a maximum voting power of 79.02%.

Information required by item 7 of section 611 of the Corporations Act and ASIC Regulatory Guide 74

<p>The identity of the parties to be issued the relevant Shares and their associates.</p>	<p>J F Houston Holdings Pty Ltd (or it's nominee(s)) will be issued the JFH Shares and up to 790,308,769 Shares upon the exercise of all Options (including the JFH Options). J F Houston Holdings Pty Ltd is an entity controlled by Mr John Houston. The Bimm Corporation Ltd is an associate of J F Houston Holdings Pty Ltd and Mr Houston as it is controlled by Mr Houston.</p>
<p>The maximum extent of the increase in that person's voting power in the Company</p>	<p>The Houston Parties have a relevant interest in 144,032,101 Shares and voting power of 18.22% as at the date of this Notice.</p> <p>On completion of the issue of JFH Shares and the issue of up to 500,000,000 Shares upon the exercise of all Options (including the JFH Options), the maximum increase in the voting power of the Houston Parties will be 60.8% (from 18.22% to 79.02%).</p>
<p>The voting power the person would have as a result of the acquisition</p>	<p>On completion of the issue of JFH Shares and the issue of up to 500,000,000 Shares upon the exercise of the JFH Options, the Houston Parties will have a relevant interest in a maximum of 2,434,340,870 Shares and a maximum voting power of 79.02%.</p>
<p>The maximum extent of the increase in the voting power of each of the acquirer's associates that would result from the acquisition</p>	<p>The voting power that the associates of the Houston Parties would acquire will be equivalent to the voting power of the Houston Parties, being 60.8% (from 18.22% to 79.02%).</p>
<p>The voting power that each of the acquirer's associates would have as a result of the acquisition</p>	<p>The voting power that the associates of the Houston Parties would acquire will be equivalent to the voting power of the</p>

	<p>Houston Parties, being 60.8% (from 18.22% to 79.02%).</p> <p>Mr John Houston: 0%</p> <p>J F Houston Holdings Pty Ltd: 70.86%</p> <p>The Bimm Corporation Ltd: 8.15%</p>
An explanation of the reasons for the proposed acquisition	The Shares (including upon exercise of the JFH Options) issued to J F Houston Holdings Pty Ltd, the subject of Resolution 4, are being issued to raise funds to repay the JFH Loans.
When the proposed acquisition is to occur	The Shares to be issued to J F Houston Holdings Pty Ltd, the subject of Resolution 4, will be issued as soon as possible and in any event no later than one (1) month after the date of the Meeting.
The material terms of the proposed acquisition	<p>The Company is seeking Shareholder approval to settle all outstanding debts owed to J F Houston Holdings Pty Ltd under the JFH Loans through the issue of 1,500,000,000 Shares and 500,000,000 Options.</p> <p>Other than the agreements disclosed above, there are no contracts or proposed contracts between the Company, J F Houston Holdings Pty Ltd and any of the other Houston Parties which is conditional upon, or directly or indirectly dependent on Resolution 4 being approved by Shareholders.</p>
Intentions regarding the future of the Company if Shareholders approve Resolution 4	<p>J F Houston Holdings Pty Ltd has advised the Company that it:</p> <ul style="list-style-type: none"> (a) has no current intention on making any significant change to the existing business of the Company; (b) has no current intention to inject further capital into the Company;

	<ul style="list-style-type: none"> (c) has no present intention of making changes regarding the future employment of the present employees of the Company; (d) does not intend for any assets to be transferred between the Company and J F Houston Holdings Pty Ltd; and (e) has no current intention to redeploy any of the Company's fixed assets.
Intention to significantly change the Company's financial or dividend policies	J F Houston Holdings Pty Ltd has advised the Company that it has no current intention to change the Company's financial or dividend policies.
The interests of the Directors in Resolution 4	Mr John Houston is a Director of the Company and the controller of J F Houston Holdings Pty Ltd. Mr Houston has abstained from expressing a view or making a recommendation to Shareholders in respect of Resolution 4.

Directors Recommendation

The Directors (excluding Mr John Houston) recommend that Shareholders vote in favour of Resolution 4.

5. Resolution 5 – Ratify the Issue of Security Shares under Listing Rule 7.1

Background

On 2 November 2023, the Company announced that it had entered an At-The-Market (**ATM**) Subscription Agreement (**ATM Agreement**) with Dolphin Corporate Investments Pty Ltd (**DCI**). The ATM Agreement provides, at DCI's election, the Company with up to \$2,000,000,000 of standby equity capital over 24 months.

Under the ATM Agreement, the Company has full discretion as to whether or not to utilise the ATM, the maximum number of shares to be issued, the minimum issue price of shares and the timing of each subscription (if any). There are not any requirements for the Company to utilise the ATM and the Company may terminate the ATM at any time, without cost or penalty. DCI and the ATM do not place any restrictions at any time on the Company raising capital through other methods.

If the Company decides to utilise the ATM, subject to DCI's acceptance, the Company is, at that time and from time to time, able to set an issue floor price at its sole discretion, with the final issue being calculated as the greater of the nominated floor price and up to a 5.5% discount to the VWAP over a period specified by the Company (at its sole discretion). Any Shares made available to DCI

following the Company's election to utilise the ATM will either be issued by the Company in accordance with the Listing Rules (i.e. through either obtaining Shareholder approval under Listing Rule 7.1, or using the Company's available capacity under Listing Rule 7.1 and/or 7.1A) or through the release of already issued Security Shares (see below).

The Company has issued 47,000,000 Shares (**Security Shares**) as security for the ATM utilising its existing Listing Rule 7.1 Capacity for nil consideration. DCI may only deal in these shares to the extent the Company elects to use the facility, in which case DCI will at the time pay the subscription price for that number of shares the subject of election. Any further share issues under the ATM in excess of the Security Shares (if any) will, at the time of issue, be in accordance with the Listing Rules, either through obtaining prior shareholder approval or utilising the then available capacity under Listing Rule 7.1 and/or 7.1A.

Upon early termination or maturity of the ATM, the Company may buy back (and cancel) any Security Shares not released to DCI for no cash consideration (subject to shareholder approval). CDI may also, and if the Company agrees, pay the Company a price for the Security Shares with such price and settlement date to be agreed by the parties. If none of the above occurs, CDI must transfer the Security Shares to a third party nominated by the Company for nil consideration.

Resolution 5 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 5.

ASX Listing Rule 7.1

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Listing Rule 7.4 allows the Shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1.

Resolution 5 seeks Shareholder approval to ratify the prior issue and allotment of an aggregate of 47,000,000 Security Shares comprising 37,000,000 Security Shares issued on 2 November 2023 and 10,000,000 Security Shares issued on 29 November 2023.

47,000,000 Security Shares were issued utilising the Company's Listing Rule 7.1 placement capacity.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

If Resolution 5 is passed, the issue of Security Shares will be excluded in calculating the Company's 15% limit under Listing Rule 7.1, effectively increasing the number of Equity Securities the Company can issue without shareholder approval over the next 12-month period from 29 November 2023.

If Resolution 5 is not passed, the issue of Security Shares will be included in calculating the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue without shareholder approval over the next 12-month period from 29 November 2023.

Information required by ASX Listing Rule 7.5

The following information is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) 47,000,000 Security Shares were issued to DCI;
- (b) 37,000,000 Security Shares were issued on 2 November 2023 and 10,000,000 Security Shares were issued on 29 November 2023;
- (c) the Security Shares were issued pursuant to Listing Rule 7.1, ratification of which is sought pursuant to Resolution 5;
- (d) the Security Shares are fully paid on issue and ranked equally in all aspects with all existing fully paid ordinary shares previously issued by the Company;
- (e) the Security Shares were issued as security under the ATM Agreement and no funds were raised under the issue;
- (f) other than those set out in this section, there are no other material terms in relation to the issue; and
- (g) a voting exclusion statement is included in the Notice for Resolution 5.

Directors Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 5.

6. Resolution 6 – Issue of Lead Manager Options to the Lead Managers

Background

On 15 February 2024, the Company engaged First Pacific Capital (**FPC**) to provide lead manager services in relation to various potential capital raising transactions that may be undertaken by the Company in the future. The agreement with FPC is for a period of 90 days. If FPC completes any of the capital raising transactions pursuant to its mandate the Company has agreed to issue, among others, up to 250,000,000 Options for services provided by FPC (subject to Shareholder).

Resolution 6 seeks shareholder approval to issue up to 250,000,000 Options (**Lead Manager Options**) to FPC or any other professional brokers that the Company may appoint as lead manager to assist with any future capital raising transactions undertaken by the Company (**Lead Managers**). The appointment of any additional Lead Managers by the Company will likely be on similar terms to the mandate with FPC. Resolution 6 seeks Shareholder approval for any future issue of the up to 250,000,000 Lead Manager Options to the Lead Managers.

Resolution 6 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 6.

Listing Rule 7.1

Refer to Section 3 for a summary of Listing Rule 7.1.

If Resolution 6 is passed, the issue of Lead Manager Options can proceed without using any of the Company's 15% Placement Capacity on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

If Resolution 6 is not passed, the issue of Lead Manager Options will not be issued and the Company will have to agree alternative fee arrangements with the Lead Managers.

Specific information required by Listing Rule 7.3

In accordance with Listing Rule 7.3, the following information is provided to Shareholders for the issue of Lead Manager Options:

- (a) up to 250,000,000 Lead Manager Options will be issued to the Lead Manager (and/or their nominee(s)) pursuant to Resolution 6;
- (b) the maximum number of Lead Manager Options that the Company will issue to the Lead Managers (and/or their nominee(s)) is 250,000,000 Options;
- (c) the Lead Manager Options have an exercise price of \$0.005 per Option and will expire 1 year from the date of issue. The terms and conditions of the Lead Manager Options are detailed in Schedule 2;
- (d) the Company will issue the Lead Manager Options to the Lead Managers (and/or its nominee(s)) no later than three months after the date of the Meeting;
- (e) the Lead Manager Options will be issued for nil consideration as part of the consideration for services provided under the mandate with FPC and any other Lead Manager. If all the Lead Manager Options are exercised, \$1.25 million will be raised and these funds will be applied by the Company towards development of the Company's tracer based technologies and working capital;
- (f) the Lead Manager Options are being issued pursuant to the FPC mandate or mandates with any other Lead Managers (with any capital raising to be undertaken by the Company pursuant to the mandate to be determined at a later date). FPC will also be entitled to an initial fee of \$15,000. The Company may also agree to pay other Lead Managers a cash fee as part of their mandates; and
- (g) a voting exclusion statement is included in the Notice for Resolution 6.

Directors Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 6.

7. Resolution 7 – Consolidation of Capital

Background

Section 254H of the Corporations Act provides that a company may consolidate its shares if the consolidation is approved by an ordinary resolution of shareholders at a general meeting.

The Company proposes to consolidate its share capital through the consolidation of every ten (10) Shares into one Share (**Consolidation**).

The Consolidation ratio was determined so that the share price of the Company following implementation of the Consolidation would be approximately \$0.02 per Share, based on the closing price of the Shares of \$0.002 on 16 April 2024. If the Consolidation is approved, it is expected that it will take effect on and from 14 June 2024.

Effect on Shareholders

The Consolidation applies equally to all Shareholders and individual shareholdings will be reduced in the same ratio as the total number of Shares (subject only to the rounding of fractions). Therefore, the Consolidation will have no material effect on the percentage interest of each individual Shareholder.

Similarly, other than minor changes as a result of rounding, the aggregate value of each Shareholder's Shares (and the Company's market capitalisation) should not change as a result of the Consolidation alone (that is, assuming no other market movements or impacts occur).

Shareholders should note that the Consolidation, if approved, would also have an effect on the Company's share price. The price per Share may increase proportionately to reflect the reduced

number of Shares on issue (although this is not certain and may be impacted by market movements or other events). As noted above, the Company has chosen the ratio of 10:1 to achieve a price per Share of approximately \$0.02.

If Resolution 7 is passed, the Consolidation will be implemented and binding upon all Shareholders, regardless of how (or if) they vote on the resolution.

Reasons for Consolidation

At the date of this Notice, the Company has a total of 790,461,468 Shares on issue. The Consolidation is expected to result in a more appropriate and effective capital structure for the Company and a more appealing share price to a wider range of investors.

The Board also considers the Consolidation will have the following benefits:

- (a) better market perception from investors who equate a low share price with the perception of a poorly performing company; and
- (b) interest from quality, long term institutional investors, equity funds and lending institutions who seek stability and long term growth.

Following implementation of the Consolidation, the Company expects there will be 79,046,147 Shares on issue (rounded up to the nearest whole number for each holder and assuming no further share issues occur between the date of this Notice and the effective date for the Consolidation).

Further, if Resolution 7 is passed, the Company will issue also an additional 2,000,000,000 Shares to J F Houston Holdings Pty Ltd, which will be consolidated into 200,000,000 Shares following implementation of the Consolidation.

Treatment of fractions

Where the consolidation of a Shareholder's Shares results in an entitlement to a fraction of a Share, the fraction will be rounded up to the next whole number of Shares.

Options and Performance Rights

At the date of this Notice, the Company has a total number of 696,580,638 Options and Performance Rights on issue.

The Options and Performance Rights comprise:

- (a) 140,000,000 Listed Options exercisable at \$0.0236, expiring 5 July 2024;
- (b) 200,000,000 Unlisted Options exercisable at \$0.005 expiring 16 January 2026;
- (c) 315,315,316 Unlisted Options exercisable at \$0.005 expiring 30 June 2024;
- (d) 640,000 Unlisted Options exercisable at \$11.25 expiring 12 December 2026;
- (e) 640,000 Unlisted Options exercisable at \$13.75 expiring 12 December 2026;
- (f) 640,000 Unlisted Options exercisable at \$16.25 expiring 12 December 2026;
- (g) 640,000 Unlisted Options exercisable at \$8.75 expiring 12 December 2026; and
- (h) 38,705,322 Unquoted Performance Rights.

Listing Rule 7.22 provides that, in a consolidation of capital, the number of options on issue must be consolidated in the same ratio as the entity's ordinary capital and the exercise price must be amended in inverse proportion to that ratio.

Accordingly, if Resolution 7 is passed, the Options will also be consolidated on a 10:1 basis, and the applicable exercise price will be revised upwards in inverse proportion to that ratio.

The following table sets out the number of Options that will be on issue and their applicable exercise price if the Consolidation is implemented:

Number of Options	Exercise Price	Number of Options	Exercise Price	Expiry Date
Pre-consolidation	Pre-consolidation	Post-Consolidation	Post-Consolidation	
140,000,000	\$0.0236	14,000,000	\$0.236	5 July 2024
200,000,000	\$0.005	20,000,000	\$0.105	16 January 2026
315,315,316	\$0.005	31,531,532	\$0.05	30 June 2024
640,000	\$11.25	64,000	\$112.50	12 December 2026
640,000	\$13.75	64,000	\$137.5	12 December 2026
640,000	\$16.23	64,000	\$162.30	12 December 2026
640,000	\$8.75	64,000	\$87.50	12 December 2026
657,875,316		26,315,013		

The Company has 38,705,322 Performance Rights on issue, which will also be consolidated on a 10:1 basis. If Resolution 7 is approved, the Company will have 3,870,532 Performance Rights on issue.

Timetable

The Consolidation will take effect in accordance with the following proposed reorganisation timetable:

Date	Event
30 April 2024	Company announces Consolidation and Consolidation with Effective Date of 7 June 2024
30 May 2024	Meeting to approve the Consolidation
7 June 2024 (day 0)	Consolidation Effective Date
11 June 2024 (day 1)	Last day for ASX trading of Shares on a pre-Consolidation basis
12 June 2024] (day 2)	Trading in post-Consolidation Shares commences on a deferred settlement basis
1132 June 2024 (day 3)	Record Date for Consolidation Last day for Company to register transfers on a pre-Consolidation basis

14 June 2024 (day 1 after record date)	First day for the Company to update its register and to send a notice to each security holder reflecting the change to the number of securities they hold
20 June 2024 (day 5 after record date)	Last day for the Company to update its register and to send a notice to each security holder reflecting the change to the number of securities they hold and to notify ASX this has occurred

Directors Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 7.

8. Resolution 8 – Approval for 10% Placement Capacity

General

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12-month period after the annual general meeting (**10% Placement Capacity**). The 10% Placement Capacity is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Capacity. The number of Equity Securities to be issued under the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.

If Resolution 8 is passed, the effect will be that the Company will be able to issue Equity Securities under the 10% Placement Capacity in addition to the Company's 15% placement capacity under Listing Rule 7.1.

If Resolution 8 is not passed, the effect will be that the Company will not be able to issue any Equity Securities under the 10% Placement Capacity and will have to rely upon its 15% placement capacity under Listing Rule 7.1 for the issue of Equity Securities.

Resolution 8 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Chairperson intends to exercise all available proxies in favour of Resolution 8.

Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Capacity is subject to Shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing quoted class of Equity Securities of the company.

The Company, as at the date of the Notice, has on issue one quoted class of Equity Securities, being Shares.

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities that have obtained Shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

(A x D) – E

- A** is the number of shares on issue 12 months before the date of issue or agreement:
- (i) plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2 (other than exception 9, 16 or 17),
 - (ii) plus the number of fully paid ordinary securities issued in the 12 months on the conversion of convertible securities within rule 7.2 (exception 9) where:
 - (A) the convertible securities were issued or agreed to be issued before the commencement of the 12 months; or
 - (B) the issue of, or agreement to issue, the convertible securities was approved, or taken under these Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4,
 - (iii) plus the number of fully paid ordinary securities in the 12 months under an agreement to issue securities within Listing Rule 7.2 (exception 16) where:
 - (A) the agreement was entered into before the commencement of the relevant period; or
 - (B) the agreement or issue was approved or taken under these rules to have been approved under Listing Rule 7.1 or Listing Rule 7.4,
 - (iv) plus the number of any other fully paid ordinary securities issued in the 12 months with approval under Listing Rule 7.1 or Listing Rule 7.4 (noting that this may include fully paid ordinary securities issued in the 12 months under an agreement to issue securities within Listing Rule 7.2 (exception 17) where the issue is subsequently approved under Listing Rule 7.1),
 - (v) plus the number of partly paid ordinary securities that became fully paid in the 12 months;
 - (vi) less the number of fully paid ordinary securities cancelled in the 12 months.

Note that A is has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months where the issue or agreement to issue has not been subsequently approved by Shareholders under Listing Rule 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of the Notice, the Company has on issue 790,461,470 Shares and therefore has a capacity to issue:

- (i) 118,569,220 Equity Securities under Listing Rule 7.1; and

- (ii) subject to Shareholder approval being sought under Resolution 8, 79,046,147 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2.

(e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 trading days on which trades were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) 10% Placement Period

Shareholder approval of the 10% Placement Capacity under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the first to occur of the following:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained.
- (ii) the time and date of the entity's next annual general meeting.
- (iii) the time and date of Shareholder approval of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(the 10% Placement Period).

Effect of Resolution

The effect of Resolution 8 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Specific Information Required by Listing Rule 7.3A

In accordance with Listing Rule 7.3A, information is provided as follows:

- (a) the Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 trading days on which trades in that class were recorded immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 10 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) if Resolution 8 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Capacity, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

- (c) the below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable 'A' calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of the Notice.
- (d) the table also shows:
- (i) two examples where variable 'A' has increased, by 50% and 100%. Variable 'A' is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
 - (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Issue Price		
		\$0.001 50% decrease in Current Share Price	\$0.002 Current Share Price	\$0.004 100% increase in Current Share Price
Current Variable A 790,461,470 Shares	Shares issued 10% voting dilution	79,046,147	79,046,147	79,046,147
	Funds raised	\$79,046.15	\$158,092	\$316,185
50% increase in current Variable A 1,185,692,205 Shares	Shares issued 10% voting dilution	118,569,221	118,569,221	118,569,221
	Funds raised	\$118,569.22	\$237,138.44	\$474,276.88
100% increase in Variable A 1,580,922,940 Shares	Shares issued 10% voting dilution	158,092,294	158,092,294	158,092,294
	Funds raised	\$158,092.29	\$316,184.59	\$632,369.18

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Capacity.
 - (ii) No Performance Rights or Options are exercised or converted into Shares before the date of the issue of the Equity Securities.
 - (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 - (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.
 - (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
 - (vi) The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. If the issue of Equity Securities includes Listed Options, it is assumed that those Listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
 - (vii) The issue price is \$0.002, being the closing price of the Shares on ASX on 12th April 2024. The Company will only issue the Equity Securities during the 10% Placement Period.
- (e) the Company may seek to issue Equity Securities for cash consideration, the proceeds of which will be applied to fund the Company's existing and future activities, appraisal of corporate opportunities, investments in new businesses (if any), the costs incurred in undertaking placement(s) of Securities under Listing Rule 7.1A and for general working capital;
 - (f) the Company will only issue the Listing Rule 7.1A Shares during the 10% Placement Period. The approval under Resolution 8 will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature of scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
 - (g) the Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.3 upon issue of any Equity Securities.
 - (h) the Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Capacity. The identity of the subscribers of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
 - (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
 - (ii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iii) the financial situation and solvency of the Company; and
 - (iv) advice from corporate, financial and broking advisers (if applicable).
 - (i) the subscribers under the 10% Placement Capacity have not been determined as at the date of the Notice but may include existing substantial Shareholders and/or new Shareholders who are not a related party or an associate of a related party of the Company and are likely to be sophisticated and professional investors.

- (j) the Company has previously obtained Shareholder approval under Listing Rule 7.1A at the AGM held on 31 May 2024. The approval granted on 31 May 2023 will cease to be valid as at the date of this AGM.
- (k) during the 12-month period preceding the proposed date of the Meeting, being on and from 31 May 2023, the Company did not issue any Equity Securities under Listing Rule 7.1A;
- (l) a voting exclusion statement is included in the Notice for Resolution 8; and
- (m) at the date of this Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

Directors Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 8.

9. Resolution 9 – Change of Company Name

The Company proposes to change its name from “YPB Group Ltd ” to “Codeifai Limited” which more accurately reflects the proposed future operations of the Company. The change of name will take effect from when ASIC alters the details of the Company's registration.

The Company also proposes to change its ASX ticker code from “YPB” to CDE to reflect this change, subject to confirmation by ASX.

This change in name will not in itself, affect the legal status of the Company or any of its assets or liabilities.

The proposed name has been reserved with ASIC by the Company and if this Resolution is passed the Company will lodge a copy of the special resolution with ASIC following the Meeting in order to effect the change.

Pursuant to section 157(1) of the Corporations Act, a change in Company name can only be effected by way of a special resolution passed by its Shareholders. Therefore, this Resolution is a special resolution that can only be passed if at least 75% of the total votes cast by Shareholders entitled to vote on this Resolution are voted in its favour.

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders. Resolution 9 is a special resolution which will enable the Company to amend its existing Constitution (**Amended Constitution**) to amend all references in the Company Constitution from 'YPB Group Ltd' to 'Codeifai Limited' to reflect the Company's new name.

A copy of the Amended Constitution is available for review by Shareholders at the office of the Company. A copy of the Amended Constitution can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

Directors Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 9.

10. Resolution 10 – Approval of Loan Shares

Background

The Company is engaged in a range of discussions with potential Loan Provider for the provision of loans of up to \$500,000 which may be entered into shortly after the Meeting. These loan arrangements with potential Loan Providers may include the ability for the loans to be converted into Shares and for Options to be provided to the Loan Providers as a fee for the provision of any loans. The terms of the loan arrangements are unknown as at the date of this Notice. However, the Company intends for the loan arrangements to be on arm's length terms reflecting the current financial position of the Company which may include fees being payable to the lenders including the potential issue of options (see Section 11 below for further details). If the loan agreements are entered into by the Company, the Company will disclose the material terms of the loan arrangement to the market by releasing an ASX announcement.

Resolution 10 seeks Shareholder approval for the proposed issue of up to 333,333,333 Loan Shares to Loan Provider(s) (and/or their nominee(s)), to be determined at a later date. The Loan Shares will be issued for nil consideration on conversion of loans.

Resolution 10 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 10.

Listing Rule 7.1

Refer to Section 3 for a summary of Listing Rule 7.1.

If Resolution 10 is passed the Company can proceed with the issue of Loan Shares to a Loan Provider without using any of the Company's 15% Placement Capacity without Shareholder approval.

If Resolution 10 is not passed the Company will not be able to issue any Loan Shares and any agreement with a Loan Provider for the issue of any Loan Shares will be subject to Shareholder approval.

Specific information required by Listing Rule 7.3

For the purposes of Shareholder approval for the issue of Loan Shares to Loan Provider(s), the following information is provided:

- (a) up to 333,333,333 Loan Shares will be issued to Loan Provider(s) (and/or their nominee(s)) pursuant to Resolution 10. The Company intends for the Loan Provider to be an institutional, professional or sophisticated investor who will not be a related party of the Company, a member of the Company's Key Management Personnel, a substantial shareholder of the Company, an adviser to the Company or an associate of any of the above. The Company has not determined who will be the Loan Provider as at the date of this Notice and this will be determined by the Company in consultation with Directors, Key Management Personnel and its advisers, including FPC, to determine the appropriate investor to be the Loan Provider;
- (b) the maximum number of Loan Shares that the Company will issue to Loan Provider(s) (and/or their nominee(s)) is 333,333,333 Shares;
- (c) the Loan Shares to be issued to Loan Provider(s) are fully paid ordinary shares and rank equally in all respects with the Company's existing Shares on issue;
- (d) the Company will issue the Loan Shares to Loan Provider(s) (and/or their nominee(s)) no later than three months after the date of this meeting;
- (e) no proceeds will be raised from the issue of Loan Shares themselves as the Loan Shares will

be issued for nil consideration on conversion of loans. However, the effective issue price of the Loan Shares based on the conversion of the principal amount of the loan of \$500,000 is \$0.0015 per Loan Share;

- (f) of the potential \$500,000 funds raised from loan, \$100,000 will be used for marketing costs associated with the Company's ConnectQR platform and the remaining \$400,000 will be used for general working capital purposes which includes payments for corporate expenses such as salaries, adviser fees and trade creditors;
- (g) the Loan Shares are to be issued to Loan Provider(s) in respect of the conversion of loan arrangements potentially entered into by the Company and Loan Provider(s) at a later date; and
- (h) a voting exclusion statement is included in the Notice for Resolution 10.

Directors Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 10.

11. Resolution 11 – Approval of Loan Options

Background

The Company is engaged in a range of discussions with potential Loan Provider for the provision of loans of up to \$500,000 which may be entered into shortly after the Meeting. These loan arrangements with potential Loan Providers may include the ability for the loans to be converted into Shares and for Options to be provided to the Loan Providers as a fee for the provision of any loans. A cash fee may be payable to the Loan Provider at market rates. Market rates for loan fees may be around 6% of the loan funding provided (equating to a fee of \$30,000) based on the Company's previous discussions with loan providers, however this is dependant upon market conditions for the funding provided to the Company and may be more or less than this estimated cash amount.

Resolution 11 seeks Shareholder approval for the proposed issue of Loan Options to Loan Provider(s) (and/or their nominee(s)), to be determined at a later date. The Loan Options will be issued for nil consideration on conversion of loans.

Resolution 11 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 11.

Listing Rule 7.1

Refer to Section 3 for a summary of Listing Rule 7.1.

If Resolution 11 is passed the Company can proceed with the issue of Loan Options to a Loan Provider without using any of the Company's 15% Placement Capacity without Shareholder approval.

If Resolution 11 is not passed the Company will not be able to issue any Loan Options and any agreement entered into with a Loan Provider for the issue of any Loan Options will be subject to Shareholder approval.

Resolution 11 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 11.

Specific information required by Listing Rule 7.3

For the purposes of Shareholder approval for the issue of Loan Options to Loan Provider(s), the following information is provided:

- (a) 333,333,333 Loan Options will be issued to Loan Provider(s) (and/or their nominee(s)) pursuant to Resolution 11;

- (b) the maximum number of Loan Options that the Company will issue to Loan Provider(s) (and/or their nominee(s)) is 333,333,333 Options;
- (c) the Loan Options have an exercise price of \$0.003 per Option and will expire one year from the date of issue. The terms and conditions of the Loan Options are detailed in Schedule 2;
- (d) the Company will issue the Loan Options to Loan Provider(s) (and/or their nominee(s)) no later than three months after the date of this meeting;
- (e) based on a Black Scholes Option Pricing Model, the value of the Loan Options is approximately \$150,000.00. Due to limited capital raising opportunities available in the current market climate, the Company has formed the view that this value is appropriate;
- (f) the Loan Options will be issued for nil consideration as part of the fee arrangements for the provision of any loan. If all of the Loan Options are exercised, \$1.67 million will be raised and these funds will be applied by the Company towards development of the Company's tracer based technologies and working capital;
- (i) the Loan Options are to be issued to Loan Provider(s) in respect of the conversion of loan arrangements potentially entered into by the Company and Loan Provider(s) at a later date; and
- (g) a voting exclusion statement is included in the Notice for Resolution 11.

Directors Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 11.

Glossary

\$ means Australian Dollars

10% Placement Capacity has the meaning given in Section 8.

10% Placement Period has the meaning given in Section 8.

15% Placement Capacity has the meaning given in Section 3.

AEST means Australian Eastern Standard Time as observed in Sydney, New South Wales.

Amended Constitution has the meaning in Section 9.

Annual Report means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ended 31 December 2023.

ASIC means Australian Securities and Investment Commission.

Associate has the meaning given to it by the ASX Listing Rules.

ASX means ASX Limited ACN 008 624 691 or the financial market operated by it, as the context requires, of 20 Bridge Street, Sydney, NSW 2000.

ASX Listing Rules or **Listing Rules** means the official ASX Listing Rules of the ASX and any other rules of the ASX which are applicable while the Company is admitted to the official list of the ASX, as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.

ATM has the meaning given to that term in Section 5.

ATM Agreement has the meaning given to that term in Section 5.

Auditor's Report means the auditor's report section of the Company's annual financial report for the year ended 31 December 2023.

Board means the current board of Directors of the Company.

Business Day means a day on which trading takes place on the stock market of ASX.

CDI means Dolphin Corporate Investments Pty Ltd (ACN 662 166 458).

Chairperson means the person appointed to chair the Meeting, or any part of the Meeting, convened by the Notice.

Closely Related Party of a member of the KMP means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependant of the member or of the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporation Regulations 2001* (Cth).

Company means YPB Group Limited ACN 108 649 421.

Consolidation has the meaning given to that term in Section 7.

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth) as amended or replaced from time to time.

Director means a director of the Company.

Directors' Report means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Explanatory Memorandum means the explanatory memorandum accompanying this Notice of Meeting.

Equity Securities has the same meaning as in the Listing Rules.

FPC means First Pacific Capital.

Houston Parties means Mr John Houston and related parties.

Independent Expert means Nexia.

Independent Expert's Report means the report produced by the Independent Expert.

JFH Loans has the meaning given to that term in Section 4.

JFH Shares has the meaning given to that term in Section 4.

JFH Options has the meaning given to that term in Section 4.

Key Management Personnel means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company. \

Lead Managers has the meaning given to that term in Section 6.

Lead Manager Options has the meaning given to that term in Section 6.

Listing Rule means a Listing Rule of the ASX.

Loan Shares has the meaning given to that term in Section 10.

Loan Options has the meaning given to that term in Section 11.

Loan Provider means any provider of a loan to the Company.

Meeting has the meaning in the introductory paragraph of the Notice.

Nexia means Nexia Brisbane Corporate Finance (ABN 67 603 962 429)

Notice of Meeting or **Notice of Annual General Meeting** means this notice of annual general meeting dated Friday, 26 April 2024 including the Explanatory Memorandum.

Option means an option to subscribe for a Share.

Performance Rights means a performance rights entitling the holder to a Share.

Proposed Shares has the meaning given to that term in Section 3.

Proposed Share Issue has the meaning given to that term in Section 3.

Proposed Share Issue Price has the meaning given to that term in Section 3.

Proxy Form means the proxy form attached to this Notice of Meeting.

Remuneration Report means the remuneration report set out in the Directors' Report.

Resolutions means the resolutions set out in this Notice of Meeting, or any one of them, as the context requires.

Restricted Voter means a member of the Company's KMP and any Closely Related Parties of those members.

Section means a section in the Explanatory Memorandum.

Security Shares has the meaning given to that term in Section 5.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Share Registry means Boardroom Pty Limited.

Trading Day has the meaning given to that term in ASX Listing Rule 19.12.

VWAP means the volume weighted average market (closing) price, with respects to the price of Shares.

Schedules

Schedule 1

Terms and Conditions of JFH Options

Entitlement

Each JFH Option entitles the holder (**Holder**) to subscribe for one Share upon exercise.

Exercise Price and Expiry Date

The exercise price of each JFH Option is \$0.003 (**Exercise Price**).

Each JFH Option will expire three (3) years from the date of issue (**Expiry Date**).

Exercise Period

Each JFH Option is exercisable at any time prior to the Expiry Date (**Exercise Period**). Any JFH Options unexercised within the Exercise Period will automatically lapse.

Notice of Exercise

The JFH Options may be exercised by notice in writing to the Company (**Notice of Exercise**) payment of the applicable Exercise Price for each JFH Option being exercised.

Shares Issued on Exercise

Shares issued on exercise of the JFH Options rank equally with the Shares on issue and will be free of all encumbrances, liens and third party interests.

Quotation of Shares

If admitted to the official list of ASX, the Company will apply to ASX for quotation of the Shares issued upon the exercise of the JFH Options.

Timing of Issue of Shares and Quotation of Shares on Exercise

- (a) Within 5 Business Days after the later of the following:
- (i) receipt of a JFH Option Exercise Form given in accordance with these terms and conditions and payment of the applicable Exercise Price for each JFH Option being exercised; and
 - (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the *Corporations Act 2001* (Cth) (**Corporations Act**)) (if any) ceases to be excluded information. If there is no such information the relevant date will be the date of receipt of a Director Option Exercise Form as set out above,
the Company will:
 - (iii) allot and issue the number of Shares required under these terms and conditions in respect of the number of JFH Options specified in the JFH Option Exercise Form and for which cleared funds have been received by the Company;
 - (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
 - (v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
- (b) If, for any reason, a notice delivered under paragraph 8.1.4 is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company

must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with the Australian Securities and Investments Commission (**ASIC**) a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

Participation in New Issues

There are no participation rights or entitlements inherent in the JFH Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the JFH Options.

However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least ten business days after the issue is announced. This will give the Holder the opportunity to exercise their JFH Options prior to the date for determining entitlements to participate in any such issue.

Adjustment for Bonus Issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

- (a) the number of Shares which must be issued on the exercise of a JFH Option will be increased by the number of Shares which the Holder would have received if the Holder of a JFH Option had exercised the option before the record date for the bonus issue; and
- (b) no change will be made to the Exercise Price.

Adjustment for Rights Issue

There will be no adjustment to the Exercise Price.

Adjustment for Reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of the Holder will be varied to comply with the Listing Rules that apply to the reconstruction at the time of the reconstruction.

Quotation of Director Options

The Company will not seek official quotation of any JFH Options.

Options Transferability

The JFH Options are non-transferrable.

Lodgement Requirements

Cheques shall be in Australian currency made payable to the Company and crossed 'Not Negotiable' for the application for Shares on the exercise of the JFH Options.

Schedule 2

Terms and Conditions of Lead Manager Options and Loan Options

Entitlement

Each Lead Manager Option and Loan Option (together, **Option**) entitles the holder (**Holder**) to subscribe for one Share upon exercise.

Exercise Price and Expiry Date

The exercise price of each Option is \$0.005 (**Exercise Price**).

Each Option will expire one (1) year from the date of issue (**Expiry Date**).

Exercise Period

Each Option is exercisable at any time prior to the Expiry Date (**Exercise Period**). Any Options unexercised within the Exercise Period will automatically lapse.

Notice of Exercise

The Options may be exercised by notice in writing to the Company (**Notice of Exercise**) payment of the applicable Exercise Price for each Option being exercised.

Shares Issued on Exercise

Shares issued on exercise of the Options rank equally with the Shares on issue and will be free of all encumbrances, liens and third party interests.

Quotation of Shares

If admitted to the official list of ASX, the Company will apply to ASX for quotation of the Shares issued upon the exercise of the Options.

Timing of Issue of Shares and Quotation of Shares on Exercise

- (c) Within 5 Business Days after the later of the following:
- (i) receipt of an Option Exercise Form given in accordance with these terms and conditions and payment of the applicable Exercise Price for each Option being exercised; and
 - (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the *Corporations Act 2001* (Cth) (**Corporations Act**)) (if any) ceases to be excluded information. If there is no such information the relevant date will be the date of receipt of a Director Option Exercise Form as set out above, the Company will:
 - (iii) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Option Exercise Form and for which cleared funds have been received by the Company;
 - (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
 - (v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
- (d) If, for any reason, a notice delivered under paragraph 8.1.4 is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with the Australian Securities and Investments Commission (**ASIC**) a

prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

Participation in New Issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.

However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least ten business days after the issue is announced. This will give the Holder the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

Adjustment for Bonus Issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

- (c) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Holder would have received if the Holder of an Option had exercised the option before the record date for the bonus issue; and
- (d) no change will be made to the Exercise Price.

Adjustment for Rights Issue

There will be no adjustment to the Exercise Price.

Adjustment for Reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of the Holder will be varied to comply with the Listing Rules that apply to the reconstruction at the time of the reconstruction.

Quotation of Director Options

The Company will not seek official quotation of any Options.

Options Transferability

The Options are non-transferrable.

Lodgement Requirements

Cheques shall be in Australian currency made payable to the Company and crossed 'Not Negotiable' for the application for Shares on the exercise of the Options.

Schedule 3
Independent Expert's Report



Independent Expert's Report

YPB Group Limited

Proposed Issued of Shares and Options J F Houston Holdings Pty Ltd
in Settlement of Loans from J F Houston Holding Pty Ltd (Resolution
4)

16 April 2024

**In our Opinion, the Proposed Transaction Under Resolution 4
is Not Fair but is Reasonable to the Non-Associated
Shareholders.**

FINANCIAL SERVICES GUIDE

Dated: 16 April 2024

What is a Financial Services Guide ("FSG")?

This FSG is issued in relation to the independent expert's report ("the Report" or "IER") prepared by Nexia Brisbane Corporate Finance Pty Ltd (ABN 67 603 962 429) ("Nexia") to help you decide whether to use any of the general financial product advice provided by Nexia, under its Australian Financial Services Licence ("AFSL"), Number 478 534.

This FSG includes information about:

- Nexia and how they can be contacted;
- the financial services Nexia is authorised to provide;
- how Nexia is paid;
- any relevant associations or relationships of Nexia;
- how complaints are dealt with as well as information about internal and external dispute resolution systems, and how you can access them; and
- the compensation arrangements that Nexia has in place.

Where you have engaged Nexia we act on your behalf when providing financial services. Where you have not engaged Nexia, Nexia acts on behalf of our client when providing these financial services and are required to provide you with an FSG because you receive a report or other financial services from Nexia.

Engagement

The Independent Expert's Report ("IER") is intended to accompany the Explanatory Memorandum required to be provided to the shareholders of YPB Group Limited (ACN 108 649 421) ("YPB" or "the Company") included in the Notice of 2024 Annual General Meeting ("NOM").

Financial Services that Nexia are Authorised to Provide

Nexia holds an Australian Financial Services Licence, which authorises it to provide, amongst other services, financial product advice for securities. We provide financial product advice when engaged to prepare a report in relation to a transaction relating to this type of financial product.

Nexia's Responsibility to You

Nexia has been engaged by the independent directors of YPB to provide general financial product advice in the form of an IER to be sent to the shareholders of YPB as part of the notice of general meeting to consider the proposed transaction under resolution 4 which, if approved, would result in the settlement of \$2,250,000 in debt owed to J F Houston Holdings Pty Ltd ("JFH") by issuing 1,500,000,000 fully paid ordinary shares in the Company and 500,000,000 options to acquire fully paid ordinary shares in the Company expiring three years from the date of issue at an exercise price of \$0.003 per share to JFH and/or its nominees. The IER will be included with the Explanatory Information Memorandum and the Notice of the General Meeting to be sent to shareholders. These documents are collectively referred to as the "Transaction Documents".

You have not engaged Nexia directly but have received a copy of the Report because you have been provided with a copy of an Explanatory Memorandum. Nexia or the employees of Nexia are not acting for any person other than our client which, in this case, is YPB.

Nexia Brisbane Corporate Finance Pty Ltd

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Nexia is responsible and accountable to you for ensuring that there is a reasonable basis for the conclusions in the IER.

General Financial Product Advice

As Nexia has been engaged by YPB, the IER only contains general advice as it has been prepared without taking into account your particular personal objectives, financial situation or needs. You should consider the appropriateness of the general advice in the IER having regard to your circumstances before you act on the general advice contained in the IER.

You should also consider the other parts of the Transaction Documents before making any decision in relation to the Proposed Transaction on which this IER is based.

Fees Nexia May Receive

Nexia charges fees for preparing reports. These fees will usually be agreed with and paid by the Client. Fees are agreed on either a fixed fee or a time cost basis. In this instance, the Client has agreed to pay Nexia a fee of up to \$35,000 (excluding GST and out of pocket expenses) for preparing the IER. Nexia and its officers, representatives, related entities and associates will not receive any other fee or benefit in connection with the provision of this IER.

Nexia officers and employees receive remuneration from certain Nexia associated entities. In the ordinary course of completion of their professional work, remuneration and benefits are not provided directly in connection with any engagement for the provision of general financial product advice in the IER.

Referrals

Nexia does not pay commissions or provide any other benefits to any person for referring customers to them in connection with the reports that Nexia is licensed to provide.

Associations and Relationships

Through a variety of business structures, Nexia is controlled by and operates as part of the Nexia Brisbane Group. Nexia's directors are members of the Nexia Brisbane Group. Mr Nigel Bamford, a director of Nexia and a member of the Nexia Brisbane Group, has prepared this Report. The financial product advice in the Report is provided by Nexia and not by the Nexia Brisbane Group.

From time-to-time Nexia, the Nexia Brisbane Group and its related entities may provide professional services, including audit, tax and financial advisory services, to companies and issuers of financial products in the ordinary course of their businesses.

No individual involved in the preparation of the IER holds a substantial interest in, or is a substantial creditor of, the Client or has other material financial interests in the Proposed Transaction.

Nexia's contact details are set out on our letterhead.

Nexia is unaware of any matters or circumstances that would preclude it from preparing the IER on the grounds of independence under regulatory or professional requirements. In particular, Nexia has had regard to the provisions of applicable pronouncements and other guidance statements relating to professional independence issued by Australian professional accounting bodies and the Australian Securities and Investment Commission ("ASIC").

Complaints Resolution

As the holder of an AFSL Nexia is required to have a system for handling complaints from persons to whom we provide financial product advice. If you have a complaint in relation to the preparation or completion of the IER, please let Nexia know. All complaints must be in writing, and in the first instance, should be sent to:

The Complaints Officer
Nexia Brisbane Corporate Finance Pty Ltd
GPO Box 1189
BRISBANE QLD 4001

If you have difficulty in putting your complaint in writing, please telephone the Complaints Officer, on (07) 3229 2022 for assistance.

Written complaints are recorded, acknowledged within five days and investigated as soon as practical, and not more than 45 days after receiving the written complaint, the response to your complaint will be advised in writing within this timeframe.

External Complaints Resolution Process

Nexia is a member of the Australian Financial Complaints Authority Limited ("AFCA") (member number 362 03). If Nexia cannot resolve the complaint to your satisfaction within 45 days, you may refer the matter to AFCA. AFCA is an external dispute resolution scheme for consumers who are unable to resolve complaints with members financial service organisations. From 1 November 2018, AFCA took over the responsibility of dealing with external complaints from the Financial Ombudsman Service ("FOS").

Further details about AFCA are available at the AFCA website www.afca.org.au or by contacting them directly at:

Australian Financial Complaints Authority Limited
GPO Box 3, Melbourne Victoria 3001
Telephone: 1800 931 678
Facsimile (03) 9613 6399
Email: info@afca.org.au

ASIC also has a free call information line which you may use to obtain information about your rights. The ASIC free call number is 1300 300 630.

Compensation Arrangements

Nexia has professional indemnity insurance cover as required by the Corporations Act 2001(Cth).

16 April 2024

The Directors
YPB Group Limited

Dear Sirs,

Independent Expert's Report on the Proposed Transaction

1. INTRODUCTION

Company Background

- 1.1. YPB Group Limited ("YPB" or "the Company") develops and offers a number of brand protection, anti-counterfeiting and retail consumer engagement products. YPB's anti-counterfeiting technologies and solutions are designed to detect and prove product authenticity throughout the supply chain and trigger engagement between brands and their customers.
- 1.2. YPB's offering can currently be categorised into three streams.

Anti-Counterfeiting (Motif Micro)

- 1.3. Currently under development is the MotifMicro product and associated offerings. MotifMicro uses nanoscale, sequence-encoded microcrystals to provide high security, covert and smartphone-readable anti-counterfeiting technology. The purpose of this product is to provide a highly effective anti-counterfeiting and brand protection offering with which consumers can readily engage, therefore simultaneously protecting brand name products while increasing consumer engagement. YPB is seeking to raise funds to provide working capital and to continued development and commercialisation.
- 1.4. The first stage of Motif Micro, being MM1, is a covert embedded security feature which provides a simple binary 'yes' or 'no' response when scanned indicating the presence, or lack thereof, of the security feature. YPB plan to develop a second stage product, being MM2, which will also be serialised and will therefore be a superior product. Both products are intended to be readable by smartphone.

Software as a Service (Connect QR)

- 1.5. In February 2024, YPB launched its Connect QR offering. Connect QR is a highly scalable, self-service, digital QR generation tool. Connect QR is intended to differentiate from other QR generation competitors in the market by offering a suite of capabilities, some of which are only available to paying customers, including:

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The trademarks NEXIA INTERNATIONAL, NEXIA and the NEXIA logo are owned by Nexia International Limited and used under licence.

- static and dynamic QR generation;
- customisable designs;
- scan analytics;
- track and trace capability; and
- serialisation capability

Connect QR is offered to subscribers on a limited free basis, as well as paid subscriptions ranging from between USD \$6 to USD \$35 per month, (or custom pricing for enterprise customers).

Digital Transfer (Protect Code)

- 1.6. Protect code is an existing offering by YPB and is already generating revenues. Protect code is a dynamic serialised QR code that can provide advance features and analytics through YPB’s proprietary YPB connect platform. Protect Code provides brands with the ability to engage customers, increase customer loyalty, increase repeat purchases, and improve trust through digitally connected packaging. Customers pay a recurring volume-based fee depending on the number of QR codes generated during the billing period.

The Proposed Transaction

Notice of 2024 Annual General Meeting Resolution 4 – Approval to Issue 1,500,000,000 Shares and 500,000,000 Options to J F Houston Holdings Pty Ltd (and/or its nominee(s)) (on a pre-Consolidation basis)

- 1.7. The Company has entered into various loan arrangements with JFH (and/or its nominee(s), a related entity of Executive Director and Chairman, Mr John Houston to provide funding to the Company for working capital purposes. These loans arrangements comprise the following (together, the JFH Loans):

Loan Arrangement Name	Date	Loan Amount	Repayment Date
December 2022 Convertible Notes	23 December 2022	\$1,000,000	30 June 2024
September 2023 Loan	25 September 2023	\$500,000	25 September 2024
December 2023 Loan	27 December 2023	\$500,000	27 December 2024
April 2024 Loan	2 April 2024	\$250,000	2 April 2025

- 1.8. It is noted that the December 2022 Convertible Notes of \$1,000,000 became due for repayment in October 2023, however JFH has agreed to allow YPB until 30 June 2024 to make repayment those convertible notes.
- 1.9. It is proposed under Resolution 4 to settle all outstanding JFH Loans by the issue of 1,500,000,000 Shares (“JFH Shares”) and 500,000,000 Options (“JFH Options”). Upon the issue of the JFH Shares

and the JFH Options to JFH (and/or its nominee(s)) all loan amounts under the JFH Loans (totalling \$2,250,000) will be deemed to have been repaid by the Company. Accrued interest as of the date of this IER of \$29,811.78 will be paid in cash. Resolution 4 seeks Shareholder approval for the issue of the JFH Shares and the JFH Options to JFH (and/or its nominee(s)).

- 1.10. The 500,000,000 JFH Options will be issued with an expiry of three years from the date of issue and an exercise price of \$0.003.
- 1.11. Currently, there are 790,461,470 ordinary shares on issue in YPB, in addition to 657,875,316 options and 38,705,322 performance rights. JFH and its associates currently own the following shares and options in YPB:

	Shares	Options	Performance Rights	Voting Power
J F Houston Pty Ltd (JFH)	92,795,549	90,308,769	0	11.74%
The Bimm Corporation Pty Ltd (TBC)	51,236,552	200,000,000	0	6.48%
Total Securities Held by JFH and its Associates	144,032,101	290,308,769	0	18.22%
Other Shareholders	646,429,369	367,566,547	38,705,322	81.78%
Total Securities Currently on Issue	790,461,470	657,875,316	38,705,322	100%

- 1.12. It should be noted that JFH and TBC are related parties of Mr John Houston, a director and CEO of YPB. As a result of this proposed transaction, the total shares in YPB will be between the following ranges:

	Shares	Options	Performance Rights	Voting Power
JFH and its Associates After the Issue of 1,500,000,000 JFH Ordinary Shares and 500,000,000 JFH Options	1,644,032,101	790,308,769	0	71.78%
Other Shareholders	646,429,369	367,566,547	38,705,322	28.22%
Total Securities on Issue Post JFH Shares	2,290,461,470	1,157,875,316	38,705,322	100%
JFH and its Associates After the Issue and Exercise of 500,000,000 JFH Options and 290,308,769 Existing Options	2,434,340,870	0	0	79.02%
Other Shareholders	646,429,369	367,566,547	38,705,322	20.98%
Total Securities on Issue Post JFH Shares and Exercise of All Options Held by JFH	3,080,770,239	367,566,547	38,705,322	100%

1.13. Note that the above analysis assumes that:

- The 367,566,547 options and 38,705,322 performance rights held by other shareholders are not exercised or converted into shares;
- That there are no other issues of securities before or after the date of the Notice of 2024 Annual General Meeting ("NOM"); and
- That JFH and its associates will exercise all existing options in addition to the 500,000,000 proposed options.

1.14. The above analysis also does not take into account the effect of any future capital raising activities, including the effect of the other proposed resolutions in the NOM.

1.15. The above analysis is presented prior to the proposed share consolidation listed under Resolution 7 in the NOM.

Other Resolutions

1.16. It is noted that the NOM which this IER accompanies include a number of other resolutions. The resolution that has been considered and analysed in this IER is Resolution 4 "Approval to Issue JFH Shares and JFH Options to J F Houston Holdings Pty Ltd (and/or its nominee(s))". The analysis and opinions presented in this report do not cover any other resolutions in the NOM and no opinion is expressed thereon.

2. PURPOSE OF THE INDEPENDENT EXPERT REPORT ("IER")

2.1. We have been engaged to prepare this IER in relation to the Proposed Transaction and to advise whether the proposed transaction is fair and reasonable.

2.2. Under s606 of the Corporations Act, a transaction that would result in an entity and its associates increasing their voting power in an entity from:

- 20% or below to great than 20%; or
- A position above 20% and below 90%

Is prohibited without making a takeover offer to all shareholders unless an exemption applies.

2.3. Item 7 of s611 of the Corporation Act provides an exemption from the above if the transaction is approved by shareholders in a general meeting. As set out above JFH and its Associates currently hold 18.22% (144,032,101 ordinary shares) of the current outstanding shares in YPB and set out above, as result of Resolution 4, JFH and its Associates will hold between 71.78% and 79.02% after the proposed transaction.

2.4. As provided for by s611 Item 7 of the Act a person may acquire shares in a public company where that acquisition takes that person from below 20% to over 20% where it is approved previously by a resolution passed at a general meeting of the company in which the acquisition is made, and

- (a) no votes were cast in favour of the resolution by:
 - (i) the person proposing to make the acquisition and their associates; or
 - (ii) the persons (if any) from whom the acquisition is to be made and their associates; and
- (b) the members of the company were given all information known to the person proposing to make the acquisition or their associates, or known to the company, that was material to the decision on how to vote on the resolution, including:
 - (i) the identity of the person proposing to make the acquisition and their associates; and
 - (ii) the maximum extent of the increase in that person's voting power in the company that would result from the acquisition; and
 - (iii) the voting power that person would have as a result of the acquisition; and
 - (iv) the maximum extent of the increase in the voting power of each of that person's associates that would result from the acquisition; and
 - (v) the voting power that each of that person's associates would have as a result of the acquisition.

- 2.5. The Company is seeking approval of the shareholders at the Annual General Meeting.
- 2.6. The purpose of this IER is to satisfy the requirements of Chapter 6 and specifically s611 item 7 of the Act.
- 2.7. Regulatory guidance issued by ASIC requires that a director has the obligation to provide shareholders with full and proper disclosure to enable them to assess the benefits of a proposed transaction for the purposes of assisting them to decide whether to approve any resolution relating to a proposed transaction.
- 2.8. This IER is to accompany the Notice of the Annual General Meeting of the Company, proposed to be held on 30 May 2024, and the Explanatory Memorandum ("the Transaction Documents") being sent to the shareholders. In addition, the IER will provide assistance to the Independent Directors in respect of meeting their obligations to provide the Shareholders with full and proper disclosure of matters relating to the Proposed Transaction so as to enable them to assess the benefits of the Proposed Transaction and to assist them in deciding on their voting intentions.

3. APPROACH

- 3.1. In preparing our IER, we have considered the requirements of:
 - ASIC Regulatory Guide 111 Content of Expert Reports ("RG 111"); and
 - ASIC Regulatory Guide 112 Independence of Experts ("RG 112").

- 3.2. As indicated above, we have also considered the impact of s611 Item 7 of the Act in terms of the proposed acquisition of shares where the person acquiring increases their holding from below 20% to greater than 20%. s611 Item 7 of the Act deals with the rules to be followed for such acquisitions. The purpose of Chapter 6 – Takeovers is to ensure that:
- acquisition of control takes place in an efficient, competitive and informed market;
 - holders of shares or interests and the directors of the company or body responsible for the scheme:
 - know the identity of any person who proposes to acquire a substantial interest in the company, body or scheme; and
 - have reasonable time to consider the proposal;
 - are given enough information to enable them to assess the merits of the proposal; and
 - as far as practicable, the holders of the relevant class of voting shares or interests all have a reasonable and equal opportunity to participate in any benefits accruing to the holders through any proposal under which a person would acquire a substantial interest in the company, body or scheme; and
 - an appropriate procedure is followed as a preliminary to compulsory acquisition of voting shares or interests or any other kind of securities under Part 6A.1 of the Act.
- 3.3. RG 111 sets out guidelines in respect of IER's and the matters an independent expert should consider to assist shareholders in making informed decisions about transactions such as the subject of this IER. RG 111 also states that the independent expert must provide separate assessments of fairness and reasonableness. In other words, fairness and reasonableness is not a single test but constitutes two different concepts.
- 3.4. RG 111.11 indicates that an offer is fair if the value of the offer price or consideration is equal to or greater than the value of the securities that are the subject of the offer. The value of the securities being the subject of the offer is determined assuming:
- a knowledgeable and willing, but not anxious, buyer and knowledgeable and willing, but not anxious seller acting at arm's length; and
 - 100% ownership of the 'company' and irrespective of whether the consideration is script or cash. The expert should not consider the percentage holding of the 'allottee' or its associates in the company when making this comparison. For example, in valuing securities in the target entity, it is inappropriate to apply a discount on the basis that the shares being acquired represent a minority or portfolio parcel of shares.
- 3.5. For the purpose of considering whether or not the Proposed Transaction is fair, we have compared the fair value of a share in YPB on a control basis prior to the Proposed Transaction to the fair value of a share in YPB on a minority basis after the Proposed Transaction. That is to say, is the value of the shares held by the non-associated shareholders at least equal to or higher than before the Proposed Transaction?

- 3.6. In order to determine the value of the securities in the Company prior to the Proposed Transaction on a control basis, it is necessary to adjust the value per share derived in Section 7 of this Report for a control premium.
- 3.7. A control premium is the premium an investor will pay to acquire shares in a company that will provide them a degree or complete control over the decision making of the company, including but not limited to the distribution of profits. A control premium adjustment is necessary as:
- prior to the proposed transaction, JFH and its associates did not have sufficient shares in the company to obtain control;
 - subsequent of the transaction, JFH and its associates will have a considerable degree of control over the company as:
 - they will own greater than 20% of the company's voting shares but less than 90%; and
 - there will be no one other shareholder or small group of shareholders with a significant enough shareholding to comprise control.
- 3.8. RG 111 states that an offer is reasonable if it is fair. It may also be reasonable if, despite being not fair the independent expert believes that there are sufficient reasons to accept the offer.
- 3.9. When deciding whether an offer is reasonable, in the current context, an expert might consider:
- the Allottee's pre-existing voting power in securities in the Company;
 - other significant security holding blocks in the Company;
 - the liquidity of the market in the Company's securities;
 - taxation losses, cash flow or other benefits through achieving 100% ownership of the Company;
 - any special value of the Company to the non-associated shareholders, such as a particular technology, the potential to write off outstanding loans from the Company, etc;
 - the likely market price if the Proposed Transaction is unsuccessful; and
 - the value to an alternative party and likelihood of an alternative proposal being made.
- 3.10. RG112 sets out guidelines in respect of the level of independence of experts preparing a report of this nature.

4. SUMMARY AND OPINION

- 4.1. This section is a summary of our opinion and cannot substitute for a complete reading of this IER. Our opinion is based solely on information available as at the date of this IER.
- 4.2. The principal factors that we have considered in forming our opinion are summarised below.

Assessment of Fairness

- 4.3. In accordance with RG 111, and in the current context, the Proposed Transaction is considered 'fair' if the value of the offer price or consideration paid (cash, shares or a combination of both) is equal to or greater than the market value of the shares & options being issued.
- 4.4. For the purpose of considering whether or not the Proposed Transaction is fair we have compared the fair value of a share in YPB on a control basis prior to the Proposed Transaction to the fair value of a share in YPB on a minority basis after the Proposed Transaction.
- 4.5. We have determined the value of the shares prior to the share issue on a control basis to be between **\$0.00225** and **\$0.00326** per share, with a mid-point of **\$0.00276**. the price of the shares on a minority interest basis after each transaction, and after all transaction taken together, is summarised below.

Table 4.1 – Value of Shares

	20 Day VWAP	Average	DCF
Value per Share on a Pre-Proposed Transaction, Control basis	\$ 0.00225	\$ 0.00276	\$ 0.00326
Value per Share on a Post-Proposed Transaction, Minority Interest Basis Under Resolution 4	\$ 0.00143	\$ 0.00159	\$ 0.00174

- 4.6. As the value of the shares post transaction are less than the value of the shares pre transaction under all scenarios, we have assessed the proposed transaction under Resolution 4 to be **not fair**.

Assessment of Reasonableness

- 4.7. In accordance with RG 111, a transaction is reasonable if:
- the transaction is fair; or
 - despite not being fair, but considering other significant factors, shareholders should obtain an overall benefit if the transaction proceeds.
- 4.8. In forming our opinion, we have considered the following relevant factors:
- the transaction is assessed to be not fair; however;
 - we are advised that the Company is unlikely to be able to raise sufficient capital to repay the various JFH loans by their due dates and that it is unlikely YPB could source alternate debt financing on the open market on acceptable commercial terms. We further understand, as set out in the NOM, that any such capital raise would likely be at a significant discount to the current listed share price, which would result in dilution of existing shareholdings;
 - the Company's capital raising advisors have advised that it is unlikely any capital raising could be successfully undertaken while these debts remain on the balance sheet;

- Resolution 4 does not result in additional cash funding for YPB, but instead results in significant short term cash outflows being avoided that would be payable but for Resolution 4. YPB is likely to need additional funding in the short to medium term, which is not provided for under Resolution 4, and as a result of the previous point we understand any such activities would be hindered if the JFH Loans remains;
- even if capital could be raised to repay the JFH Loans, this would result in the use of significant funds that could otherwise be utilised to further develop YPB's product offerings and to meet short-term and medium-term working capital requirements;
- we are not aware of any alternative proposals.

4.9. **We have determined therefore in consideration of the above factors that the transaction is reasonable.**

Summary of Opinion

4.10. **Accordingly, in our opinion, the Proposed Transaction is not fair but reasonable to the non-associated shareholders of YPB as a whole.**

5. OTHER MATTERS

Shareholders Individual Circumstances

- 5.1. Our analysis has been undertaken, and our conclusions are expressed at an aggregate level. Accordingly, Nexia Brisbane Corporate Finance Pty Ltd (ABN 67 603 962 429) ("Nexia") has not considered the effect of the Proposed Transaction on the particular circumstances of individual shareholders. Some individual shareholders may place a different emphasis on various aspects of the Proposed Transaction from those adopted in this IER. Accordingly, individual shareholders may reach different conclusions as to whether or not the Proposed Transaction gives a fair value in their individual circumstances.
- 5.2. The ultimate decision on whether to approve the Proposed Transaction should be based on shareholders' own assessment of their circumstances. After carefully reading all relevant documentation provided, including the Explanatory Memorandum to the Notice of General Meeting. We strongly recommend that shareholders consult their own professional advisers and consider their own specific circumstances before voting in favour of, or against approving the Proposed Transaction.

Sources of Information Relied Upon

- 5.3. The details of the information referred to and relied upon by Nexia in arriving at the opinions expressed in this IER are set out in Appendix B.
- 5.4. The statements and opinions contained in this IER are given in good faith and are based on our consideration and assessment of the information provided by YPB and that which is otherwise publicly available.

Current Market Conditions

- 5.5. The opinions set out in this IER are based on the economic, market and other conditions prevailing at the date of signing this IER. These conditions may change significantly over a relatively short period of time.
- 5.6. Any changes in those conditions may result in any valuation or other opinion becoming quickly outdated and in need of revision.

Disclaimer and Limitations

- 5.7. This IER has been prepared at the request of the independent directors of YPB and is intended to accompany the Transaction Documents that are to be sent to the shareholders. This IER may be relied upon only by those persons. Accordingly, this IER and the information and opinions contained within it may not be relied upon by any person other than the directors and shareholders without our written consent. Nexia accepts no responsibility to any person other than the directors or the shareholders in relation to this IER. Nexia acknowledges that this IER will be lodged with the regulatory authority, ASIC.
- 5.8. While we have agreed to the inclusion of this IER with the Transaction Documents to be sent to the shareholders, Nexia is not responsible for the contents of the Transaction Documents, or any other document associated with the Proposed Transaction.
- 5.9. Nexia and related entities ("Nexia Brisbane Group") disclaim liability to any other person relying upon this IER. This IER may not be disclosed, copied to any other person other than to those referred to in the immediately preceding two paragraphs without Nexia's express written authority.

Yours faithfully

Nexia Brisbane Corporate Finance Pty Ltd - AFSL No.478 534



Nigel Bamford

Director



David Williams

Director

INDEPENDENT EXPERT'S REPORT

Our Report is set out under the following headings:

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1. Outline of the Transaction

- 1.1. The Company has for a number of years incurred operating losses as it seeks to develop the Company's technology, such as the Company's tracer-based technologies and the Connect suite of products. To ensure continued operations and to meet ongoing development and working capital requirements, the Company has entered into various loan arrangements with JFH (and/or its nominee(s)), a related entity of Executive Director and Chairman, Mr John Houston. These loans arrangements comprise the following (together, the JFH Loans):

Loan arrangement name	Date	Loan amount	Repayment date
December 2022 Convertible Notes	23 December 2022	\$1,000,000	30 June 2024
September 2023 Loan	25 September 2023	\$500,000	25 September 2024
December 2023 Loan	27 December 2023	\$500,000	27 December 2024
April 2024 Loan	2 April 2024	\$250,000	2 April 2025

- 1.2. The repayment date for the December 2022 Convertible Notes was required to be repaid by the Company on 3 October 2023. However, JFH has agreed to allow the Company additional time until 30 June 2024 to repay those convertible notes.
- 1.3. In addition, there the repayment dates for a number of the other JFH Loans are due in the following months and the Company will need to raise a significant amount of funds relative to its size to repay these loans.
- 1.4. It is proposed under Resolution 4 to settle all outstanding JFH Loans via the issue of 1,500,000,000 Shares (JFH Shares) and 500,000,000 Options (JFH Options). Accrued interest of \$29,811.78 on those loans will be paid in cash. Upon the issue of the JFH Shares and the JFH Options to JFH (and/or its nominee(s)) all loan amounts under the JFH Loans (totalling \$2,250,000) will be deemed to have been repaid by the Company. Resolution 4 seeks Shareholder approval for the issue of the JFH Shares and the JFH Options to JFH (and/or its nominee(s)).
- 1.5. The 500,000,000 JFH Options will be issued with an expiry of three years from the date of issue and an exercise price of \$0.003.

2. Purpose of Report

- 2.1. In order to advise the shareholders, it is important to review relevant legislation and the regulatory guidelines issued by the Australian Securities and Investment Commission ("ASIC") for applicability to the Proposed Transaction. The purpose of this IER is to form an opinion and advise the shareholders on whether the share and option issue is fair and reasonable to the shareholders. This IER will accompany the Explanatory Memorandum and the Notice of Meeting ("Transaction Documents") required to be provided to the Shareholders to assist them in voting on whether or not to approve the Proposed Transaction.
- 2.2. We have identified the following regulatory requirements will apply to the Proposed Transaction:
- s606 of the Act;
 - s611 Item 7 of the Act;
 - ASIC Regulatory Guide 111 Content of Expert Reports (RG.111); and
 - ASIC Regulatory Guide 112 Independence of Experts (RG.112);
- s606 and s611 Item 7 of the Act**
- 2.3. The purpose of Chapter 6 – Takeovers is to ensure that:
- acquisitions of control take place in an efficient, competitive and informed market;
 - holders of shares or interests and the directors of the company or body responsible for the scheme:
 - know the identity of any person who proposes to acquire a substantial interest in the company, body or scheme; and
 - have reasonable time to consider the proposal;
 - are given enough information to enable them to assess the merits of the proposal; and
 - as far as practicable, the holders of the relevant class of voting shares or interests all have a reasonable and equal opportunity to participate in any benefits accruing to the holders through any proposal under which a person would acquire a substantial interest in the company, body or scheme; and
 - an appropriate procedure is followed as a preliminary to compulsory acquisition of voting shares or interests or any other kind of securities under Part 6A.1 of the Act.
- 2.4. Under s606 of the Act, an acquisition of an interest in voting shares in a publicly listed company where that acquisition would take the person's interest to greater than 20% are prohibited except as allowed for under s611. As provided for by s611 Item 7 of the Act a person may acquire shares in a public company where that acquisition takes that person from below 20% to over 20% where it is approved previously by a resolution passed at a general meeting of the company in which the acquisition is made, and

- (a) no votes were cast in favour of the resolution by:
 - (i) the person proposing to make the acquisition and their associates; or
 - (ii) the persons (if any) from whom the acquisition is to be made and their associates; and
- (b) the members of the company were given all information known to the person proposing to make the acquisition or their associates, or known to the company, that was material to the decision on how to vote on the resolution, including:
 - (i) the identity of the person proposing to make the acquisition and their associates; and
 - (ii) the maximum extent of the increase in that person's voting power in the company that would result from the acquisition; and
 - (iii) the voting power that person would have as a result of the acquisition; and
 - (iv) the maximum extent of the increase in the voting power of each of that person's associates that would result from the acquisition; and
 - (v) the voting power that each of that person's associates would have as a result of the acquisition.

2.5. The Company is seeking approval of the shareholders at the Annual General Meeting to be held on 30 May 2024.

ASIC Regulatory Guide 111 Acquisitions approved by members (RG.111)

2.6. RG.111 sets out guidelines in respect of IER's and the matters an independent expert should consider to assist shareholders in making informed decisions about transaction such as the Proposed Transaction that are the subject of this IER. Included in the guidelines is a recommended approach to analysing the Proposed Transaction and the choice of methodology to be used.

ASIC Regulatory Guide 112 Independence of Experts (RG.112)

2.7. RG. 112 sets out guidelines in respect of the level of independence of experts preparing a report of the nature required by RG.111.

3. Basis of Evaluation

3.1. RG 111 requires analysis of a transaction under two distinct criteria being:

- is the offer fair; and
- is the offer reasonable?

3.2. RG 111 states that fair and reasonable are regarded as two separate elements and are not regarded as a compound phrase.

- 3.3. In determining what is fair and reasonable in terms of a proposed transaction, RG 111 states that the transaction is fair if the value of the offer price or consideration is equal to or greater than the value of the securities that are the subject of the offer. This comparison should be made:
- assuming a knowledgeable and willing but not anxious buyer and a knowledgeable and willing but not anxious seller acting at arm's length; and
 - assuming 100% ownership of the Company and irrespective of whether consideration is cash or scrip.
- 3.4. For the purpose of considering whether or not the Proposed Transaction is fair we have compared the fair value of a share in YPB on a control basis prior to the Proposed Transaction to the fair value of a share in YPB on a minority basis after the Proposed Transaction. That is to say, is the value of the shares held by non-associated shareholders at least equal to or higher than before the transaction.
- 3.5. An offer is reasonable if it is fair, or if the offer is not fair, and the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of a higher bid before the close of an offer.
- 3.6. For the purpose of considering whether or not the Proposed Transaction are fair we have compared the calculated value under:
- firstly, the Discounted Cash Flow methodology; and
 - secondly, using the 90-day Volume Weighted Average Price (VWAP).
- 3.7. In our assessment of the reasonableness of the Proposed Transaction, our consideration has included the following matters:
- other significant security holding blocks in YPB;
 - the liquidity of the market in YPB's securities;
 - any special value to YPB, such as technology, the potential to write-off outstanding loans, etc;
 - the likely market price if the Proposed Transaction does not proceed;
 - the value to an alternate party and the likelihood of an alternative offer being made; and
 - the financial position of YPB in general, including its working capital / cashflow requirements in the next 12 months; and
 - the financial positions of YPB if the Proposed Transaction does not proceed and it is unable to secure additional working capital and development funding.

Individual Shareholders' Circumstances

- 3.8. The ultimate decision whether to approve the Proposed Transaction should be based on each shareholder's assessment of the Proposed Transaction, including their own risk profile, liquidity preference, tax position and expectations as to value and future market conditions. If in doubt about

the Proposed Transaction or matters dealt with in this IER, shareholders should seek independent professional advice.

Scope and Limitations on Reliance on Information

- 3.9. The scope of the procedures we undertook in forming our opinion on whether the Proposed Transaction is fair and reasonable to the Non-Associated Shareholders as a whole has been limited to those procedures, we believe are required in order to form our opinion. Our procedures did not include verification work nor constitute an audit or assurance engagement in accordance with Australian Auditing and Assurance Standards.
- 3.10. The documents and information relied on for the purposes of this IER are set out in Appendix B. We have considered and relied upon this information and believe that the information provided is reliable, complete and not misleading and we have no reason to believe that any documents and material facts have been withheld. The information provided was evaluated through analysis, enquiry and review for the purpose of forming an opinion as to whether the Proposed Transaction is fair and reasonable to the Non-Associated Shareholders. However, we do not warrant that our enquiries have identified or verified all of the matters which an audit or extensive examination might disclose.
- 3.11. We understand the accounting and other financial information that was provided to us has been prepared in accordance with generally accepted accounting principles.
- 3.12. An important part of the information used in forming an opinion of the kind expressed in this IER is the opinions and judgement of the directors and management. This type of information has also been evaluated through analysis, enquiry and review to the extent practical. However, it must be recognised that such information is not always capable of external verification or validation.
- 3.13. Nexia are not the auditors of YPB. We have analysed and reviewed information provided by the directors and management of YPB and made further enquiries where appropriate. Preparation of this IER does not imply that we have in any way audited the accounts or records of YPB.
- 3.14. In forming our opinion, we have assumed:
- matters such as title, compliance with laws and regulations and contracts in place are in good standing and will remain so and that there are no material legal proceedings, other than as publicly disclosed;
 - the information set out in the Explanatory Memorandum to the NOM to consider the Proposed Transaction including the Share Issue to be sent to shareholders is complete, accurate and fairly represented in all material respects; and
 - the publicly available information relied upon by Nexia in its analysis was accurate and not misleading.
- 3.15. This Report has been prepared after taking into consideration the current economic and market conditions. We take no responsibility for events occurring after the date of this IER which may impact upon this IER, or which may impact upon the assumptions referred to in the IER.

4. Overview of YPB Group Limited

Corporate Address

- 4.1. YPG's registered address is Level 5, 126 Philip Street, Sydney NSW Australia

Business Activities

- 4.2. YPB Group Limited ("YPB" or "the Company") develops and offers a number of brand protection, anti-counterfeiting and retail consumer engagement products. YPB's anti-counterfeiting technologies and solutions are designed to detect and prove product authenticity throughout the supply chain and trigger engagement between brands and their customers.
- 4.3. YPB's offering can currently be categorised into three streams.

Anti-Counterfeiting (Motif Micro)

- 4.4. Currently under development is the MotifMicro product and associated offerings. MotifMicro uses nanoscale, sequence-encoded microcrystals to provide high security, covert and smartphone-readable anti-counterfeiting technology. The purpose of this product is to provide a highly effective anti-counterfeiting and brand protection offering with which consumers can readily engage, therefore simultaneously protecting brand name products while increasing consumer engagement. YPB is seeking to raise funds to provide working capital and to continued development and commercialisation.
- 4.5. The first stage of Motif Micro, being MM1, is a covert embedded security feature which provides a simple binary 'yes' or 'no' response when scanned indicating the presence, or lack thereof, of the security feature. YPB plan to develop a second stage product, being MM2, which will also be serialised and will therefore be a superior product. Both products are intended to be readable by smartphone.

Software as a Service (Connect QR)

- 4.6. In February 2024, YPB launched its Connect QR offering. Connect QR is a highly scalable, self-service, digital QR generation tool. Connect QR is intended to differentiate from other QR generation competitors in the market by offering a suite of capabilities, some of which are only available to paying customers, including:
- static and dynamic QR generation;
 - customisable designs;
 - scan analytics;
 - track and trace capability; and
 - serialisation capability

- 4.7. Connect QR is offered to subscribers on a limited free basis, as well as paid subscriptions ranging from between USD \$6 to USD \$35 per month, (or custom pricing for enterprise customers)

Digital Transfer (Protect Code)

- 4.8. Protect code is an existing offering by YPB and is already generating revenues. Protect code is a dynamic serialised QR code that can provide advance features and analytics through YPB's proprietary YPB connect platform. Protect Code provides brands with the ability to engage customers, increase customer loyalty, increase repeat purchases, and improve trust through digitally connected packaging. Customers pay a recurring volume-based fee depending on the number of QR codes generated during the billing period.

Directors and Key Management

- 4.9. The directors and Key Management Personnel of YPB Group as obtained from the 2023 YPB Annual Report are:
- John Houston (CEO and related party of JFH and TBC);
 - Su (George) Su;
 - Gerard Eakin;
 - Lucy Rowe (Company Secretary); and
 - Shelby Coleman (Company Secretary).

Financial Information

- 4.10. YPB's financial report for the year ended 31 December 2023 was audited by PKF Brisbane and was unqualified. We note that the Audit Report includes a paragraph "Material Uncertainty Related to Going Concern":

"We draw attention to Note 2(i) in the financial report, which indicates that the Company incurred a net loss of \$4,459,632 during the year ended 31 December 2023 and, as of that date, the Company's current liabilities exceeded its total assets by \$3,408,431. As stated in Note 2(i), these events or conditions, along with other matters as set forth in Note 2(i), indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter".

Capital Structure and Ownership

- 4.11. YPB Limited's issued share capital as at 10 April 2024 comprised 790,461,470 fully paid ordinary shares. The top 20 shareholders of YPB's issued share capital, as at 10 April 2024 were as set out in Table 4.1 below.

Table 4.1 – Top 20 Shareholders

Shares Held By Top 20 Shareholders	Shares Held	% Held
J F HOUSTON HOLDINGS PTY LTD	90,308,769	11.42%
DOLPHIN CORPORATE INVESTMENTS PTY LTD	37,000,000	4.68%
THE BIMM CORPORATION PTY LTD <THE FJ FUND A/C>	36,236,552	4.58%
MARTIN DAVID ROSS & DAVID ARTHUR ROSS <D & M ROSS FAMILY S/F A/C	32,303,844	4.09%
RIMOYNE PTY LTD	23,253,254	2.94%
THE BIMM CORPORATION PTY LTD <THE FJ FUND A/C>	15,000,000	1.90%
DR PAUL VINCENT GRECH	13,000,000	1.64%
LEVROK SUPERANNUATION FUND PTY LTD <LEVROK SUPER FUND A/C>	13,000,000	1.64%
N K C PTY LTD <NK SETTLEMENT A/C>	12,809,451	1.62%
MR LINDSAY MALCOLM STAGGS	10,000,000	1.27%
NVISO SA	10,000,000	1.27%
G & S MART PTY LTD <RAVIOLA FAMILY A/C>	10,000,000	1.27%
SIXTY TWO CAPITAL PTY LTD	9,009,009	1.14%
MR COLIN JAMES SHARP	8,000,000	1.01%
MR SUFIAN AHMAD	8,000,000	1.01%
MR HONG SIAN TAN	7,793,688	0.99%
DRH SUPERANNUATION PTY LTD <DRH SUPERANNUATION NO 2 A/C>	7,785,860	0.98%
MR ROBERT BENTON STAGGS	7,000,000	0.89%
MR PHILLIP ANDREW EDDY	6,500,000	0.82%
STATE ONE CAPITAL GROUP P/L <CJZ - CSABA A/C>	6,377,369	0.81%
Total Top 20	363,377,796	45.97%
All Others	427,083,674	54.03%
TOTAL Ordinary Shares on Issue	790,461,470	100.00%

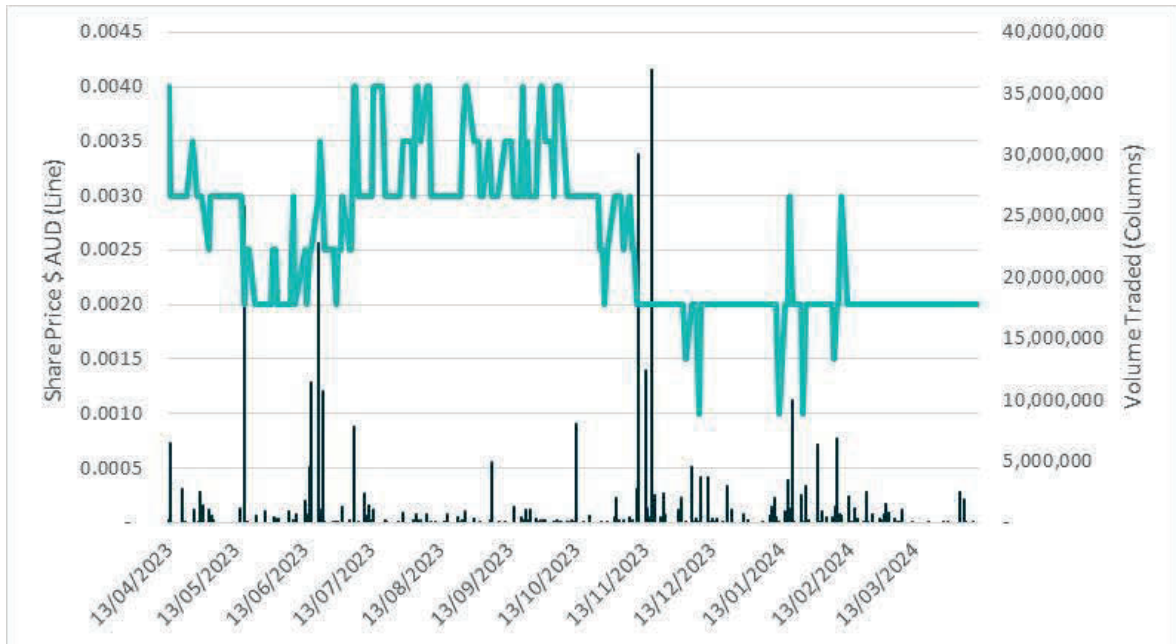
4.12. JFH and Associates currently hold 18.22% of the ordinary shares in YPB Ltd. J F Houston Holdings Pty Ltd and the Bimm Corporation Pty Ltd are associated entities.

4.13. YPB also has the following options and rights on issue:

Table 4.2 – Options and Performance Rights

Options & Performance Rights	JFH and Associates	Others
Listed Options \$0.0236 Expiry 5 July 2024	-	140,000,000
Unlisted Options \$0.005 Expiry 16 January 2026	200,000,000	-
Unlisted Options \$0.005 Expiry 30 June 2024	90,308,769	225,006,547
Unlisted Options Exercise \$11.25 Expiry 12 December 2026	-	640,000
Unlisted Options Exercise \$13.75 Expiry 12 December 2026	-	640,000
Unlisted Options Exercise \$16.25 Expiry 12 December 2026	-	640,000
Unlisted Options Exercise \$8.75 Expiry 12 December 2026	-	640,000
Unquoted Performance Rights	-	38,705,322
Total	290,308,769	406,271,869

4.14. The following chart provides a summary of the trading volumes and prices for YPB over the last 252 trading days to 10 April 2024:



- 4.15. The chart above indicates that the share price of YPB Ltd has traded between \$0.001 and \$0.004 over the past 252 trading days to 10 April 2024 with a closing price as at 10 April 2024 of \$0.002. The volume of YPB shares that have been traded over the last 252-day period represent 40.1% of the total shares outstanding as at 10 April 2024 as shown in the below table.

Period to 10 April 2024	Price High	Price Low	Volume Traded	VWAP
1 Day	\$ 0.0020	\$ 0.0020	-	\$ 0.0020
7 Days	\$ 0.0020	\$ 0.0020	4,494,588	\$ 0.0020
20 Days	\$ 0.0020	\$ 0.0020	4,657,771	\$ 0.0020
90 Days	\$ 0.0030	\$ 0.0010	80,668,866	\$ 0.0020
180 Days	\$ 0.0040	\$ 0.0010	200,706,199	\$ 0.0022
252 Days	\$ 0.0040	\$ 0.0010	317,071,170	\$ 0.0024

- 4.16. 90 days VWAP was selected for the purposes of assessing the value of YPB as set out in Section 7 of this IER.

Financial Performance

- 4.17. Set out in Table 4.3 below are the consolidated profit and loss results of YPB for the period from 1 January 2021 to 31 December 2023.

Table 4.3 – Historical Profit and Loss – Consolidated

	Year Ended 31 December		
	2023 AUD\$'000 Audited	2022 AUD\$'000 Audited	2021 AUD\$'000 Audited
Total Revenue	678	556	664
Less Expenditure			
Consulting Fees	(368)	(786)	(702)
Directors' Fees	(80)	(80)	(80)
Employee Benefits Expense	(886)	(1,252)	(1,667)
Production Costs	(17)	(27)	(32)
Rental Expenses	(139)	(99)	(85)
Research and Development Costs	(805)	(684)	(384)
Marketing Costs	(104)	(50)	(43)
Investor Relations	(102)	(129)	(322)
Traveling Expense	(74)	(130)	(39)
Share-Based Payments	(51)	(377)	(8)
Regulatory Expenses	(90)	(121)	(187)
Professional Fees	(212)	(211)	(184)
Impairment Loss	(908)	-	(503)
Exchange Gain/(Loss)	(30)	735	1,092
Other Expenses	(585)	(549)	(749)
Total Expenditure	(4,451)	(3,760)	(3,893)
EBITDA	(3,773)	(3,204)	(3,230)
Less Depreciation & Amortisation	(38)	(23)	(101)
EBIT	(3,811)	(3,227)	(3,331)
Finance Costs	(649)	(75)	(227)
Other Income/Expenditure	-	-	45
Net Profit / (Loss)	(4,460)	(3,302)	(3,513)
Exchange Differences on Translation of Foreign Operations	(60)	(415)	(749)
Total Net Profit Including Other Income	(4,520)	(3,717)	(4,262)

Source: YPB 31 December 2023 and 2022 audited financial statements

- 4.18. As shown in Table 4.3 above, YPB has generated consistent and substantial net losses in each of the past three years. As the MotifMicro product is still in the process of being commercialised and fully developed, significant revenues have not yet been derived. Similarly, no revenues for YPB new Connect QR offering, which was launched in February 2024, are included in the above accounts. Existing revenues are derived primarily from the sale of existing products such as Protect Code.

Financial Position

- 4.19. Set out in Table 4.4 below are the consolidated Balance Sheets of YPB as at 31 December 2021, 31 December 2022 and 30 December 2023.

Table 4.4 – Historical Balance Sheets - Consolidated

	As At 31 December		
	2023 AUD\$'000 Audited	2022 AUD\$'000 Audited	2021 AUD\$'000 Audited
Current Asset			
Cash and Cash Equivalents	568	641	531
Trade and Other Receivables	358	329	321
Inventories	175	193	209
Other Current Assets	97	375	330
Total Current Assets	1,199	1,539	1,392
Non-Current Assets			
Plant and Equipment	17	32	50
Intangibles	5,173	5,805	5,420
Total Non-Current Assets	5,190	5,837	5,470
Total Assets	6,389	7,375	6,862
Current Liabilities			
Trade and Other Payables	2,583	2,034	1,476
Borrowings	2,024	1,021	
Total Current Liabilities	4,607	3,055	1,476
Total Liabilities	4,607	3,055	1,476
Net Assets	1,782	4,320	5,386
Equity			
Issued Capital	85,427	83,877	81,774
Reserves	2,434	2,406	3,041
Accumulated Losses	(86,079)	(81,963)	(79,429)
Total Equity	1,782	4,320	5,386

Source: YPB 31 December 2023 and 2022 audited financial statements

- 4.20. The most significant asset on the YPB Balance Sheet is the capitalised value of the MotifMicro patent licence and capitalised development costs. Due to lack of profitability and significant revenue to date, the Company has funded its operations and development costs primarily through the issue of share capital, with more recent funding provided through borrowing from JFH.

5. Industry Overview

Industry Research

- 5.1. The Company operates within the global anti-counterfeiting packaging industry. This industry can be subdivided into overt and covert features designed to verify the authenticity of products and combat losses resulting from counterfeit products.
- 5.2. The industries which drive demand for anti-counterfeiting packaging are broad as a number of industries suffer from losses as a result of counterfeiting. Some of the current largest industry groups driving demand globally include:
- Pharmaceuticals;
 - food and beverage;
 - apparel and footwear;
 - personal care;
 - electronics; and
 - luxury goods.
- 5.3. This industry can be further divided into segments depending by technology, including Mass Encoding, RFID, Holograms, Forensic Markers and Tamper Evidence. Mass Encoding is the largest segment is expected to grow at a compound annual growth rate (CAGR) of 12.3% from 2023 through 2030 while RFID (radio frequency identification) is the fastest growing segment.
- 5.4. Overall, the industry is expected to achieve considerable growth in the coming years partly due to increasing prevalence of counterfeit products and growing demand for packaging products, in particular from the pharmaceutical, cosmetics and food and beverage industries.
- 5.5. We have set out in Table 5.1 below our analysis of comparable companies in the industry. It should be noted that that there is limited available data for companies similar to YPB. Each of the following companies are not exactly the same as YPB, and in some case differ considerably, in that:
- some companies, while offering an anti-counterfeiting solution, offer a different product (i.e. specialty inks that can be applied to a product and react in a unique way under certain testing methods) or utilise different technology.
 - each company is at a different stage with some being more established than YPB;
 - some companies' revenues are not derived exclusively from anti-counterfeit packaging; and
 - some companies do not operate with the same geographic profile as YPB.
- 5.6. It should be noted that a number of YPB's direct competitors are private, unlisted companies about which comparable data is not publicly available. Detailed business descriptions of the comparable companies along with Nexia's commentary is attached as Schedule 2.

Table 5.1 - Comparable Companies

Entity Name	Market Cap AUD\$M	TEV AUD\$M	TEV	TEV	Revenue	EBITDA	EBITDA
			Multiple LTM	Multiple LTM	LTM AUD\$'000	LTM AUD\$'000	% LTM
DataDot Technology Limited (ASX:DDT)	4.8	2.5	0.92 x	13.7 x	2,693	181	6.7%
Nocopi Technologies, Inc. (OTCPK:NNUP)	52.7	36.5	5.01 x	13.91 x	7,294	2,626	36.0%
Advanced Track & Trace SA	n/a	n/a	n/a	n/a	8,315	791	9.5%
VerifyMe, Inc. (NASDAQCM:VRME)	16.8	17.6	0.44 x	n/a	39,525		
Spectra Systems Corporation (AIM:SPSY)	213.9	192.3	5.88 x	12.99 x	32,683	14,807	45.3%
Securemetric Berhad (KLSE:SMETRIC)	25.2	17.9	1.51 x	35.61 x	11,897	503	4.2%
Applied DNA Sciences, Inc. (NASDAQCM:APDN)	15.7	6.5	0.32 x	n/a	20,087	(14,412)	(71.7)%

**Source: S&P Cap IQ*

LTM = Last 12 Months. Actual 12-month period for each company varies depending on most recent 12-month period data available.

6. Valuation Methodologies

Definition of Market Value

6.1. In forming our opinion as to whether or not the Proposed Transaction is fair and reasonable to the YPB Shareholders as a whole, we have assessed the value of the issued shares and options of YPB on a fair value basis. RG 111.11 indicates that an offer is fair if the value of the offer price or consideration is equal to or greater than the value of the securities that are the subject of the offer. The value of the securities being the subject of the offer is determined assuming:

- a knowledgeable and willing, but not anxious, buyer and knowledgeable and willing, but not anxious seller acting at arm's length; and
- 100% ownership of the 'target' and irrespective of whether the consideration is script or cash. The expert should not consider the percentage holding of the 'bidder' or their associates in the target when making this comparison. For example, in valuing securities in the target entity, it is inappropriate to apply a discount on the basis that the shares being acquired represent a minority or portfolio parcel of shares.

Selection of Methodology

6.2. RG 111 provides guidance on the valuation methods that an independent expert should consider. These methods include:

- the discounted cash flow method and the estimated realisable value of any surplus assets;

- the application of earnings multiples (appropriate to the business or industry in which the entity operates) to the estimated future maintainable earnings or cash flows of the entity, added to the estimated realisable value of any surplus assets;
 - the amount that would be available for distribution to security holders on an orderly realisation of assets;
 - the quoted price for listed securities, when there is a liquid and active market and allowing for the fact that the quoted price may not reflect their value, should 100% of the securities be available for sale;
 - any recent genuine offers received by the target for the entire business, or any business units or assets as a basis for valuation of those business units or assets; and
 - the amount that an alternative party might be willing to offer if all the securities in the target were available for purchase.
- 6.3. Each methodology is appropriate in certain circumstances. The decision as to which methodology to apply generally depends on the nature of the asset being valued, the methodology most commonly applied in valuing such an asset and the availability of appropriate information.
- 6.4. As such, we have considered the following commonly accepted valuation methodologies.

Table 6.1 – Valuation Methodologies Considered – Shares in YPB

Method	Adopted?	Note
Discounted Cashflow	Yes	Most technically advanced method. Forecast were available and provided by YPB. After review and necessary adjustment these were used as the basis for a DCF valuation.
Earnings Multiple	No	YPB has no earnings over which to apply an earnings multiple
Realisation of Net Assets	No	Fair value of primary asset, being intangibles is derived from its future cashflows.
Quoted Price of Listed Securities	Yes	YPB is a listed company and as such Volume Weighted Average Price (VWAP) of securities is an appropriate methodology to apply.
Recent Genuine Offers	No	No recent genuine offers that reflect current circumstances
Amount that an alternative bidder might	No	No evidence that an alternative bidder exists or information as to what they might offer.

- 6.5. In determining the fair value of YPB, we have applied the discounted cash flow method based on forecast information prepared by YPB. We have reviewed these forecasts and together with industry research, analysis of assumptions, discussions with management, review of historical performance and professional judgement, we have adjusted these forecasts. These forecasts have then been used as the basis for creating a discounted cashflow model to determine the enterprise value of the Company from which surplus net assets are added/(deducted) to arrive at total equity value.
- 6.6. Furthermore, Regulation 111.65 encourages the expert to consider two methodologies where possible. Accordingly, we have adopted as a secondary methodology the Quoted Price of Listed Securities methodology. As YPB is a listed company we have obtained the Company's 90-Day Volume Weighted Average Price of shares (VWAP) to facilitate a valuation using this methodology.

- 6.7. It should be noted that under Resolutions 4, JFH and or its nominees will receive 500,000,000 options under the following terms:
- 500,000,000 Options;
 - exercise price of \$0.003;
 - three-year term; and
 - one option entitles the holder to subscribe for one ordinary share.
- 6.8. For the purpose of analysing the maximum percentage of ordinary shares in YPB that JFH and Associates may hold as a result of Resolution 4, we have included the 500,000,000 options that may be potentially acquired through these options. For the purposes of considering whether resolution 4 is fair and reasonable to YPB's other shareholders, we have calculated the value of the options to be issued using the Black Scholes methodology, whereby the options are valued using the following key assumptions:
- volatility of 100%;
 - three-year term;
 - an appropriate risk-free rate for the term of the options of 3.71% (3-year government bond rate);
 - exercise price of \$0.003; and
 - share price of underlying security of \$0.002 at time of options issue.

7. Value of YPB

Discounted Cashflow Methodology

Cashflow Forecast

- 7.1. The first step in applying a discounted cashflow methodology is to develop a forecast of future cashflows. As discussed at paragraph 6.5, the future cashflows adopted for the purposes of this valuation are based on the detailed forecast prepared by YPB. We have adjusted these cashflow forecasts based on our own industry research, analysis of the assumptions, discussions with YPB's management, a review of historical performance and our professional judgment. The resulting detailed cashflow forecast, including detailed notes on how certain amounts have been forecast, is set out in Schedule 1 to this Report.
- 7.2. It should be noted that the cashflows set out in Schedule 1 are based on assumptions about the future including, but not limited to:
- expected industry growth;
 - timeframe for commercialisation of Motifmicro;
 - expected subscriber levels for Connect QR;

- expected costs; and
- likely size of the potential revenue opportunities.

7.3. It should be noted therefore that these future cashflows may be substantially different in the event that actual results differ from these assumptions.

Weighted Average Cost of Capital

- 7.4. The second step in determining the value of the company using the discounted cashflow method is to apply a discount rate to the future forecast cashflow using a Weighted Average Cost of Capital (WACC).
- 7.5. We have determined a WAAC of 42.94% as set out in Table 7.1 below. Note that we have not considered cost of debt on the basis that it is proposed under the resolutions subject to this Report to convert all of YPB's existing debt to equity. Historically, YPOB has operated on predominantly equity funding.

Table 7.1 – Weighted Average Cost of Capital

Discount Rate	Reference	%	Formula
Risk Free Rate (as at 3 April 2024)	A	4.14%	
Market Risk Premium	B	6.00%	
Beta	C	1.05	
	D	6.30%	B x C
Size Premium	E	5.00%	
Alpha Risk Premium	F	27.50%	
Cost of Equity	G	42.94%	A + D + E + F

Risk-Free Rate

- 7.6. The risk-free rate measures the rate of return an investor can earn without taking any additional risks. A measure of the risk-free rate in the Australian market is generally accepted as being the yield to maturity derived from ten-year Commonwealth Government Bonds.
- 7.7. The ten-year Commonwealth Government Bond rate as at 3 April 2024 was 4.14%.

Market Risk Premium

- 7.8. The next step is to establish an appropriate "market risk premium". Market risk premium refers to the investment return required by an investor, over and above the risk-free rate of return, which compensates the investor for the risk associated with that investment. To determine an appropriate market risk premium, we have given consideration to historical implied market risk premiums based on long-term historical market returns. We have determined an appropriate rate to be 6.0%.

Beta

- 7.9. A measure of the perceived risk of a stock is its beta rating, with a rating lower than 1 indicating a lower risk compared to the overall market, while a beta of greater than 1 indicating a higher perceived risk. The current three-year beta for YPB is 1.05.

Small Cap and Alpha Risk Premium

7.10. In the case of many smaller companies, there are additional risk associated with size (such as economies of scale. There can also be additional risk associated with companies such as dependence on a single or large customer and uncertainty in future operations. In the case of YPB, we have determined that there is significant risk that arises from the fact that:

- it is currently and historically a loss-making operation;
- significant reliance is placed on the successful development and commercialisation of the MotifMicro patent licence and associated products as well as attraction of paid subscribers to its Connect QR platform which is currently unproven. Accordingly, there is significant risk including but not necessarily limited to:
 - full development and commercialisation of Motif Micro may be further delayed (or never achieved). In this regard it is noted the development and commercialisation of Motif Micro has already been considerably delayed;
 - demand for Motif Micro and YPB's other products may be overestimated,
 - the mix or number of paid subscribers for Connect QR may be overestimated;
 - a competitor may develop similar or superior products to YPB's offerings / proposed offerings, including Motif Micro
 - costs associated with marketing, developing, and supporting future revenue projection may be greater than expected.
- this is additional to the typical risks faced by YPB due to its size which includes a comparatively small customer base, key person risk and lack of economies of scale.

7.11. Accordingly, in our professional opinion we have adopted an additional risk premium of 32.5% to reflect these risks, which we have further defined as a size premium of 5.0% (reflecting the normal risks faced by a company of YPB's size), and alpha risk of 27.5% which reflects the level uncertainty and risk specific to YPB. While this is in our opinion a considerably high discount rate, this is necessary to account for the considerable uncertainty and risk in management forecast expectations.

Enterprise Value – Discount Cashflow

7.12. The third step is to apply the discount rate (WACC) to the forecast cashflows to arrive at the current present value, representing the enterprise value of the Company's operations. Applying the discount rate of 42.94% to the cashflows as set out on Schedule 1 results in an enterprise value of **\$4,317,427**.

Equity Value and Surplus Net Asset/(Liabilities)

7.13. The final step in determining the equity value (and value per share) of the Company using the discounted cashflow model is adding/(deducting) any surplus net assets/(liabilities). As set out in

Table 7.2 below, we have determined the company's surplus net assets/(liabilities) to be a surplus liability of **\$(2,024,424)**.

- 7.14. It should be noted that Table 7.2 is based on the balance sheet as at 31 December 2023 as this is the most recent balance sheet made available to us. Accordingly, the discounted cashflows include expected cashflows for the entire 2024 financial year and beyond.

Table 7.2 – Surplus Net Assets/(Liabilities)

	Balance Sheet As at 31 Dec 2023 \$AUD'000	Net Operating Assets \$AUD'000	Surplus Net Assets/(Liabilities) \$AUD'000
Current Asset			
Cash and Cash Equivalents	568	568	-
Trade and Other Receivables	358	358	-
Inventories	175	175	-
Other Current Assets	97	97	-
Total Current Assets	1,199	1,199	-
Non-Current Assets			
Plant and Equipment	17	17	-
Intangibles	5,173	5,173	-
Total Non-Current Assets	5,190	5,190	-
	-	-	-
Total Assets	6,389	6,389	-
Current Liabilities			
Trade and Other Payables	2,583	2,583	-
Borrowings	2,024	-	2,024
Total Current Liabilities	4,607	2,583	2,024
	-	-	-
Total Liabilities	4,607	2,583	2,024
	-	-	-
Net Assets	1,782	3,806	(2,024)

- 7.15. Accordingly, using the discount cashflow methodology, we have determined an equity value of YPB as follows:

Enterprise Value	AUD \$4,317,427
Less: Surplus Liabilities	AUD \$(2,024,424)
Equity Value	AUD \$2,293,003
Shares on Issue	790,461,470
Value per Share	AUD \$0.00290

Alternative Methodology - Quoted Price of Listed Security

- 7.16. In order to validate the findings of our initial valuation methodology, being the discounted cashflow methodology, we have conducted a secondary valuation of the Company using the quoted price of listed security methodology, in this case the 90-day Volume Weighted Average Price (VWAP) of YPB's listed shares. We have adopted a long period in order to account for the comparatively low trading volumes and relatively static price in the weeks leading up to this Report.
- 7.17. Based on the 90 Day VWAP (to 10 April 2024), the value of the equity in the Company would be as follows:

Table 7.3 – Equity Value – 90 Day VWAP

	AUD \$
90 Day VWAP	\$ 0.00200
No. Shares on Issue	790,461,470
Equity Value	\$ 1,580,923

- 7.18. It is noted that the value as a result of the 90-day VWAP is lower than the value determined under the discounted cashflow model. the value derived in the discounted cashflow is still within the range of quoted prices in the past 90 days, with a minimum share price of \$0.00100 and maximum share price of \$0.00300.

8. Assessment of Fairness

- 8.1. As discussed in Section 3, RG.111 states that an offer is fair if the value of the offer price or consideration paid is equal to or greater than the value of the securities that are the subject of the offer. For the purpose of considering whether or not the Proposed Transaction is fair we have compared the fair value of a share in YPB on a control basis prior to the Proposed Transaction to the fair value of a share in YPB on a minority basis after the Proposed Transaction. That is to say, is the value of the shares held by the non-associated shareholders at least equal to or higher than before the Proposed Transaction?
- 8.2. In order to determine the value of the securities in the Company prior to the Proposed Transaction on a control basis, it is necessary to adjust the value per share derived in Section 7 of this Report for a control premium.
- 8.3. A control premium is the premium an investor will pay to acquire shares in a company that will provide them a degree or complete control over the decision making of the company, including but not limited to the distribution of profits. A control premium adjustment is necessary as:
- prior to the proposed transaction, JFH and its associates did not have sufficient shares in the company to obtain control;
 - subsequent of the transaction, JFH and its associates will have a considerable degree of control over the company as:
 - they will own greater than 20% of the company's voting shares but less than 90%; and

- there will be no one other shareholder or small group of shareholders with a significant enough shareholding to comprise control.

- 8.4. Thus, in considering these matters and in our professional opinion we have adopted a control premium of 25%.
- 8.5. A liquidity discount is the discount that an investor will apply to a share that cannot be quickly and easily converted into cash. While YPB is a publicly listed company it is unlikely, particularly given the historical trading volumes, that a single shareholder with over 20% of outstanding shares would be able to dispose of those shares in a short time frame on the open market, or if possible, then at least not likely without dramatically driving down the value of the shares.
- 8.6. Thus, in considering these matters and in our professional opinion, we have adopted a liquidity discount of 10%.
- 8.7. In applying these percentages to the values determined in Section 7 in order to arrive at a pre-Proposed Transaction price, we have calculated the following values as set out in Table 8.1 below.

Table 8.1 – Pre-Proposed Transaction Value of Securities in YPB

	Factor	90 Day VWAP	Average	DCF
Equity Value		1,580,923	1,936,963	2,293,003
Shares on Issue		790,461,470	790,461,470	790,461,470
Value Per Share		\$ 0.00200	\$ 0.00245	\$ 0.00290
Control Premium	25%	395,231	484,241	573,251
Liquidity Discount	(10%)	(197,615)	(242,120)	(286,625)
Adjusted Equity Value		1,778,538	2,179,083	2,579,628
Value Per Share		0.00225	0.00276	0.00326

- 8.8. The next step is to determine the post proposed transaction value of securities in YPB, which is achieved by:
- determining the value of shares in YPB pre-proposed transaction on a minority interest, liquid basis;
 - adding to that the value of consideration offered by JFH under the proposed transaction; and
 - adjusting the increased value for the effect of the dilution of shares under the proposed transaction.
- 8.9. It is necessary to calculate the post transaction value per share on a minority interest and liquid basis for the Proposed Transaction, as the existing shareholders will largely forgo the opportunity to be controlling shareholders or to share in control collectively.
- 8.10. Accordingly, by applying these steps, we have determined the value of the securities in YPB post the Proposed Transaction to be as set out the following sections.

Assessment of Fairness

Table 8.2 – Post-Proposed Transaction Value of Securities in YPB

Resolution 4 - Proposed Issue of Shares and Options in Settlement of JFH Loans	Low	Mid	High
Equity Value Minority Interest, Liquid	1,580,923	1,936,963	2,293,003
Proceeds from Settlement of Amounts Owed	2,250,000	2,250,000	2,250,000
Less Value of Options Granted	(555,365)	(555,365)	(555,365)
Fair Value of Equity on Minority Interest Basis After Proposed Transaction	3,275,558	3,631,598	3,987,638
Issue of Ordinary Shares to JFH and Associates	1,500,000,000	1,500,000,000	1,500,000,000
Ordinary Shares on Issue Post Transaction	2,290,461,470	2,290,461,470	2,290,461,470
Value Per Share on a Minority Interest Basis Post Transaction	0.00143	0.00159	0.00174
Value per Share Pre Transaction on Controlling, Illiquid Basis (Table 8.1)	0.00225	0.00276	0.00326

- 8.11. As shown in Table 8.2 above, under all scenarios, the value of the ordinary shares in YPB after the Proposed Transaction on a minority interest basis is less than it was before the Proposed Transaction on a majority interest basis (Table 8.1). Accordingly, we have assessed the Proposed Transaction to be **not fair**.
- 8.12. Note that:
- a) the proceeds of \$2,250,000 represents settlement of the JFH Loans:
 - b) The proceeds are reduced by the value of the JFH options. The value of the options is determined using the Black-Scholes methodology using the following key inputs:
 - 500,000,000 options;
 - exercise price of \$0.003;
 - 3-year term;
 - 3.71% Risk Free Rate (3-year Australian Government Bond Rate as at 18 March 2024)
 - 100% volatility; and
 - \$0.002 underlying share price as at 10 April 2024

Assessed Value: \$555,365

9. Assessment of Reasonableness

Approach to Assessing Reasonableness

- 9.1. In accordance with ASIC Regulatory Guide 111 an offer is reasonable if it is fair. In forming our conclusions in this Report, we have compared the advantages and disadvantages to YPB shareholders if the Proposed Transaction proceeds.

Advantages of the Transaction

- 9.2. We outline below potential advantages of the Proposed Transaction:

Advantage	Explanation
From the perspective of the non-associated shareholders	The Proposed Transaction represents an opportunity for the non-associated shareholders to retain some of the value of their shares in circumstances where the JFH loans are due for repayment in the coming months.
	We are advised that the Company is unlikely to be able to raise sufficient capital to repay the various JFH loans by their due dates and that it is unlikely YPB could source alternate debt financing on the open market on commercially acceptable terms. We further understand, as set out in the notice of meeting, that any such capital raise would likely be at a significant discount to the current listed share price, which would result in dilution of existing shareholdings.
	In circumstances where resolution 4 was not passed, and alternative sources of funding were not found in the short term, it is unclear how YPB would fund repayment of the JFH Loans. If repayment was enforced on the respective due dates, YPB may not be able to continue as a going concern. In that event the non-associated shareholders would be unlikely to see any return on their investment.
	The Company's capital raising advisors have advised that it is unlikely any capital raising could be successfully undertaken while these debts remain on the balance sheet.
	Resolution 4 does not result in additional cash funding for YPB, but instead results in significant short term cash outflows being avoided that would be payable but for Resolution 4. YPB is likely to need additional funding in the short to medium term, which is not provided for under resolutions 4. We understand any fund-raising activities would be hindered should the JFH Loans remain.
	Even if capital could be raised to repay the JFH Loans, this would result in the use of significant funds that could otherwise be utilised to further develop YPB's product offerings and to meet short-term and medium-term working capital requirements.
	The non-associated shareholders will retain the ability to participate in any potential valuation upside associated with the continued holding of shares, as well as the benefit of any future potential dividends or capital returns.

Disadvantages of the Transaction

9.3. We outline following the potential disadvantages of the Proposed Transaction:

Disadvantage	Explanation
From the perspective of the non-associated shareholders	While the proposed transaction results in the avoidance of an immediate / short term debt obligation to be repaid in cash, it remains likely that YPB will require further funding to continue the development of its products and IP, including Motif Micro, and to meet working capital obligations until such time as it becomes

	operationally cashflow positive. There is no certainty that future funding or partnering will occur in which case YPB may be unable to complete development and commercialisation of its products and IP, including Motif Micro, and may be unable to continue as a going concern. Funding issues for the Company are mentioned in Note 2(i) of the audited financial report for the year ended 31 December 2023.
	There is no certainty that even if future funding can be obtained that the resulting research and development will lead to successful commercialisation. Future funding may come with further dilutionary impacts on existing shareholdings.
	JFH and its Associates stand to obtain significant control and may hold as much as 79.02% of all issued ordinary shares in YPB.
	The Proposed Transaction is unlikely to provide the Company with the ability to pay dividends in the short to medium term.

Conclusion as to Reasonableness

9.4. In accordance with RG 111, a transaction is reasonable if:

- the transaction is fair; or
- despite not being fair, but considering other significant factors, shareholders should obtain an overall benefit if the transaction proceeds.

9.5. Although the proposed transaction is **not fair**, when taking into account other significant factors, we consider that overall, the advantages outweigh the disadvantages and therefore we conclude that the proposed transaction is **reasonable**.

10. Opinion

10.1. **Accordingly, in our opinion the proposed transaction under Resolution 4 is not fair but reasonable to the non-associated YPB shareholders.**

10.2. An individual's decision in relation to the Proposed Transaction may be influenced by his or her particular circumstances. If in doubt the individual should consult an independent adviser, who should have regard to their individual circumstances.

10.3. The ultimate decision on whether to approve the Proposed Transaction should be based on shareholders' own assessment of their circumstances. After carefully reading all relevant documentation provided, including the Explanatory Memorandum to the NOM we strongly recommend that shareholders consult their own professional advisers and consider their own specific circumstances before voting in favour of, or against approving the Proposed Transaction.

Schedule 1 – Detailed Discounted Cashflow Model

	Notes	2024 \$AUD'000	2025 \$AUD'000	2026 \$AUD'000	2027 \$AUD'000	2028 \$AUD'000	Terminal Value \$AUD'000
Revenue - Anti-Counterfeit	1	899	2,665	5,006	7,460	9,845	10,091
Revenue - Digital Transfer	2	540	816	1,126	1,474	1,762	1,806
Revenue - Self-Service Saas	3	335	1,489	2,977	5,954	11,908	12,206
Total Revenue		1,774	4,970	9,110	14,888	23,515	24,103
Product manufacturing and operating costs	4	(27)	(80)	(150)	(224)	(295)	(303)
Employee costs	4	(788)	(1,066)	(1,373)	(1,710)	(2,081)	(2,133)
Research and Development costs	4	(699)	(1,009)	(1,350)	(1,725)	(2,137)	(2,190)
Marketing costs	4	(318)	(541)	(951)	(1,786)	(3,361)	(3,445)
Rental costs	4	(151)	(156)	(161)	(165)	(170)	(175)
Admin & corporate costs	4	(629)	(692)	(761)	(837)	(921)	(944)
Bad Debts	5	(18)	(50)	(91)	(149)	(235)	(241)
Other Admin	6		-	(1,541)	(3,826)	(7,260)	(7,442)
Total Operating Expenditure		(2,629)	(3,593)	(6,377)	(10,422)	(16,461)	(16,872)
EBITDA		(855)	1,377	2,733	4,466	7,055	7,231
		(48)%	28%	30%	30%	30%	30%
Depreciation	7	(12)	(26)	(36)	(52)	(65)	(66)
Other Non-Operating Expenditure	4	(24)	(24)	(24)	(24)	(24)	(25)
EBIT		(891)	1,327	2,673	4,390	6,966	7,140
Less Income Tax at 25%	8	-	(555)	(668)	(1,098)	(1,741)	(1,785)
Less Capital Expenditure	4	(38)	(96)	(97)	(62)	(62)	(64)
Less Working Capital Movements	9	(206)	(293)	(331)	(442)	(637)	(48)
Add Depreciation	7	12	26	36	52	65	66
Free Cash Flows (f)		(1,122)	409	1,613	2,841	4,590	5,310
Terminal Value = $f/(r-g)$							13,130
Terminal Growth Rate (g)	2.50%						
Discount Rate (r)	42.94%						
Discount Period (t)		0.5	1.5	2.5	3.5	4.5	4.5
Discount Factor = $1/(1+r)^t$		0.836	0.585	0.409	0.286	0.200	0.200
Discounted Free Cash Flow		(938)	239	660	812	918	2,626
Total Discounted Value		4,317					
Add/(Less) Surplus Net Assets/(Liabilities)	10	(2,024)					
Equity Value - DCF Method		2,293					

Schedule 1.1 – Notes to Schedule 1

In preparing the discounted cashflow model, the YPB forecast was provided in both source currency and in Australian dollars. For the purposes of this discounted cashflow model, the cashflows from Motif Micro are converted into AUD using the following spot rates:

- USD to AUD = 1:0.6812
- RMB to AUD = 1:4.8249

The above are based on YPB forecast provided by YPB management, as approved by YPB directors, and is adjusted by Nexia where appropriate and as referenced in the following notes.

Note 1

Revenue from Anti-counterfeit is as provided by YPB and related predominantly to forecast revenue generation from Motif Micro 1. It is noted that YPB has yet to generate any significant revenues from Motif Micro 1 to date. We understand that delays to finalising development and commercialisation of the product include:

- Historical COVID-19 disruptions that limited access to facilities and international travel required to continue development. In particular, we understand that COVID impacted access to YPB's development hub Bangkok until 2022 as well as access to production lines and supply chain issues. It is our understanding the YPB is no longer experiencing these disruptions.
- Staffing difficulties, in particular due to COVID-19 disruptions, particularly in relation to the hiring and retention of machine learning engineers required to develop Motif Micro to be smartphone readable. We understand these staffing issues have been resolved.

We understand that there remain a number of potential customers for Motif Micro 1 who have signed or completed trial MSA's and who are now awaiting Motif Micro to complete development. We are advised by YPB management that these customers remain interested in the product despite the historical delays.

According, YPB is forecasting material revenue generation from Motif Micro 1 beginning in late 2024 and growing through 2028. Revenues from customers are a function of:

- Volume based price per application (pricing is expected in tiers depending on volume)
- Number of potential applications
- Probability of securing the prospect. This was assessed by YPB and depends on factors such as whether a trial has been conducted, whether an agreement has been signed and most recent meeting and discussions with the prospect. We understand that such meetings and discussions held with these parties were commercial in confidence. Probabilities for these customers ranged between 10% to 100%. A number of potential BlueSky customer were also allowed for based on generic industries and regions. Blue sky customers were assigned a probability of 10%.

From 2025 to 2028, potential revenue from prospects was grown at a CAGR of 12.5% to reflect overall industry growth in demand for secure packaging and anti-counterfeiting solutions. Growth is also expected from obtaining and converting new prospects over the years.

Note 2

Revenues from Digital Transfer relate predominantly from sale of YPB existing Protect Code offering. YPB already generates some revenue from this product. While revenues are expected to continue to grow, it is anticipated that this be only a small portion of YPB's overall income. Revenue growth is forecast to be generated both from growth in existing customer revenue (at 12.5% CAGR) as well as securing new customers. New customers are included at the average monthly revenue being generated from existing customers.

Note 3

Revenues from Self-Service SaaS relates to YPB's connect QR offering as is based on the following forecast subscriber numbers.

	Lite	Plus	Pro
2024	0 to 2,500	0 to 1,500	0 to 1,000
2025	3,250	1,950	1,300
2026	6,500	3,900	2,600
2027	13,000	7,800	5,200
2028	26,000	15,600	10,400

Note 4 – Operating & Capital Expenditures

Each of the expenditure referenced by Note 4 on Schedule 1 are as provided by YPB Management. It is noted in this regard that:

- Marketing expenditure is varied with revenue, with the large portion being driven by Seo marketing for Connect QR.
- Product Manufacturing costs represent the cost of manufacturing Motif Micro 1 and are allowed at 3% of revenue generated from the ant-counterfeit revenue stream.
- Employee Costs are based on current employment cost for 2024. In each year from 2025 onwards, employment cost have been increased by 10% of the previous year's cost, plus a specific allowance for two additional sales staff at \$100,000 per annum each.
- Development costs are also primarily driven by wages and salaries. 2024 is based on current costs. In each year from 2025 onwards, employment cost have been increased by 10% of the previous year's cost, plus a specific additional allowance of \$240,000 per annum.
- Rental costs are based on current rental costs plus an allowance of 3% increase per annum.
- Admin and Corporate Costs are based on historical plus an allowance of 10% increase per annum.

- Capital expenditure is based predominantly on the purchase of equipment to produce and develop Motif Micro 1 plus an allowance for purchase of general equipment such as computers and office equipment.

Note 5 – Bad Debts

YPB had originally forecast to collect only 80% of revenues generated. In our view, this collection rate was excessively conservative, and instead adopted a loss rate attributable to bad debts of 1% of total revenue. Any other costs or lost revenues associated with collection of debtors is, in our opinion, captured in the general operating expense allowance discussed in note 6 below.

Note 6 – Other Admin / Operating Costs

The original forecast provided by YPB, including only those costs referenced in note 4 and 5, resulted in forecast EBITA percentage of up to 60%. It is our view, particularly in light of the comparative analysis presented in Table 5.1 of this Report, that this is excessively optimistic. In our opinion, a more realistic EBITDA of 30% would be more achievable, based on the weighted average EBITDA percentage of comparable companies listed in Table 5.1 (excluding those companies not currently generating positive EBITDA). Accordingly, we have allowed additional general admin / operating costs sufficient to cap forecast EBITDA at 30% of total revenue. Where forecast EBITDA was already lower than 30%, no adjustment was made.

Note 7 – Depreciation

Depreciation is calculated as follows:

	Depreciation				
	2024	2025	2026	2027	2028
	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000
2023 closing balance	17	9	9		
2024 Additions	38	4	8	8	8
2025 Additions	96	10	19	19	19
2026 Additions	97		10	19	19
2027 Additions	62			6	12
2028 Additions	62				6
Depreciation	(12)	(26)	(36)	(52)	(65)

2023 Closing balance is representative of the closing balance of property plant and equipment in the 2023 balance sheet. Depreciation on these assets is forecast based on the assumption that they will be depreciated to \$Nil in two years.

The additions in 2024 and onwards are based on capital expenditures forecast in the cashflow forecast provided by YPB Management. Depreciation of these amounts is based on 20% p.a.

Depreciation is calculated purely for taxation purposes as it is a tax-deductible expenditure. As it is a non-cash item depreciation is added back to free cashflows after taxation is calculated.

Note 8 – Income Tax

Income tax is based on Australian Small to Medium Enterprise (SME) tax rate of 25%. It is assumed that losses incurred in the initial years will be used to offset taxable income in subsequent profitable years.

Note 9 – Working Capital

Working capital movements are based on working capital ratios such as debtor days, creditor days and working capital cash allowance etc. These ratios have been selected based on discussion with YPB's management, review of historical ratios and our professional judgement.

Note 10 – Terminal Value

The discount cashflow valuation includes a terminal value applied after 2028. This terminal value is based on a perpetual growth rate of 2.5% to reflect future CPI and the final free cash flows after tax derived in 2028.

Note 11 – Sensitivity

As set out in paragraph 7.2, the above cashflows are based on assumptions about the future including but not limited to:

- expected industry growth;
- timeframe for commercialisation of Motif micro;
- Assume subscriber levels and growth rates for Connect QR;
- expected costs and EBITDA percentages; and
- likely size of the potential revenue opportunities.

It should be noted therefore that these future cashflows may be substantially different in the event that actual results differ from these assumptions.

To demonstrate the sensitivity of these outcomes have models the result of an increase / decrease in revenue of +/- 5%. In this scenario, variable cost such as production costs and marketing were varied but the same amount, while costs such as employment were not changes. A cap of 30% was still applied to EBITDA.

Scenario 1: +/- 5% Revenue

Scenario	2024	2025	2026	2027	2028	Terminal Value	
	\$AUD'000	\$AUD'000	\$AUD'000	\$AUD'000	\$AUD'000	\$AUD'000	
+ 5%	Revenues	1,863	5,219	9,565	15,633	24,691	25,309
	Operating Expense	(2,647)	(3,653)	(6,696)	(10,943)	(17,284)	(17,716)
	EBITDA	(784)	1,566	2,870	4,690	7,407	7,593
	EBITDA %	-42%	30%	30%	30%	30%	30%
	Less Income Tax	-	(584)	(702)	(1,153)	(1,830)	(1,875)
	Less CAPEX	(38)	(96)	(97)	(62)	(62)	(64)
	Less Working Capital Movements	(213)	(306)	(342)	(461)	(665)	(50)
	Less Other Non-Operating Expenditure	(24)	(24)	(24)	(24)	(24)	(25)
	Free Cashflows	(1,059)	556	1,705	2,989	4,826	5,579
	Terminal Value						13,796
	Discounted Free Cashflows	(885)	325	699	858	965	2,759
	Discount Value	4,721					
	Add/(Less) Surplus Net Assets/(Liabilities)	(2,024)					
	Equity Value - DCF Method	2,697					
	- 5%	Revenues	1,686	4,722	8,654	14,144	22,340
Operating Expense		(2,611)	(3,560)	(6,058)	(9,901)	(15,638)	(16,029)
EBITDA		(925)	1,162	2,596	4,243	6,702	6,869
EBITDA %		-55%	25%	30%	30%	30%	30%
Less Income Tax		-	(519)	(634)	(1,042)	(1,653)	(1,695)
Less CAPEX		(38)	(96)	(97)	(62)	(62)	(64)
Less Working Capital Movements		(199)	(280)	(321)	(423)	(608)	(46)
Less Other Non-Operating Expenditure		(24)	(24)	(24)	(24)	(24)	(25)
Free Cashflows		(1,186)	243	1,521	2,692	4,354	5,041
Terminal Value							12,464
Discounted Free Cashflows		(991)	142	624	773	871	2,493
Discount Value		3,911					
Add/(Less) Surplus Net Assets/(Liabilities)		(2,024)					
Equity Value - DCF Method		1,886					

Schedule 2 – Business Descriptions of Comparable Companies

NAME	BUSINESS DESCRIPTION
DataDot Technology Limited (ASX:DDT)	DataDot Technology Limited, together with its subsidiaries, manufactures and distributes asset identification, management, protection, and authentication solutions in Asia, the Americas, Africa, Australia, and Europe. The company operates through three segments: OEMs and Distributors, Data TraceID, and Direct business and consumer sales. It offers DataDotDNA polymer and metallic microdots; asset registers, which are databases that record asset identification data from the public and commercial organisations; security DataTraceID authentication solutions; and DataDot-VAULT asset protection products and recovery services. The company also provides theft deterrence solutions to combat asset and equipment theft; and authentication solutions for liability reduction, warranty claims, counterfeit detection, track and trace, grey market/diversion, supply chain management, enhanced packaging, retail loss prevention, credentials/ID cards, and document security. In addition, it offers DataDotDNA National Register, a law enforcement resource center that allows customers to verify the original owner of assets protected by DataDotDNA. Further, the company, operates as a re-seller of PadJack's range of network security products. The company sells its products to governments, police, insurance, and other companies within the automotive industry through a network of distributors. DataDot Technology Limited was incorporated in 2000 and is based in Brookvale, Australia.
Nocopi Technologies, Inc. (OTCPK:NNUP)	Nocopi Technologies, Inc. develops and markets specialty reactive inks for applications in the educational and toy product markets, and technologies for document and product authentication. The company offers specialty inks for coloring books, activity kits, play sheets, single use place mats, greeting cards, board games, promotional products, or other paper-based applications; and anti-counterfeiting and anti-diversion technologies and products for various applications in the authentication of documents having intrinsic value, such as merchandise receipts, checks, travellers' checks, gift certificates, and event tickets, as well as product labelling and packaging services. It also licenses its patented reactive ink technologies for the entertainment and toy, and document and product authentication markets. The company operates in North America, South America, Europe, Asia, and Australia. Nocopi Technologies, Inc. was founded in 1983 and is headquartered in King of Prussia, Pennsylvania.
Nanotech Security Corp.	Nanotech Security Corp. researches, creates, and produces nano-optic structures and color shifting materials for authentication and brand enhancement applications in Canada and internationally. The company offers currency authentication products, such as security foils and stripes under the KolourDepth and M2 names; and colour-shifting foils and threads under the LumaChrome name for banknotes and government IDs. It also provides security foils, pressure sensitive adhesive labels, and online brand protection solutions under the LiveLogo, LivePortrait, and LumaChrome names for brand protection. The company was formerly known as Wireless2 Technologies, Inc. and changed its name to Nanotech Security Corp. in April 2010. Nanotech Security Corp. was founded in 1984 and is headquartered in Burnaby, Canada. As of October 5, 2021, Nanotech Security Corp. operates as a subsidiary of 1315115 BC Inc.
Advanced Track & Trace SA	Advanced Track & Trace SA develops authentication, identification, traceability tools, and third-party infrastructures that offer protection against identification (ID) fraud. The company's solutions offer protection for banknotes, tax documents, tax stamps, and sensitive documents using digital technologies. Its authentication solutions include HoloSeal, DiffractSeal, and Marker Materials; identification tools comprise private and public codes and Token Vector; and secured data containers include SealCrypt and SealStamp. It serves governments, banks, and businesses. The company was incorporated in 2003 and is based in Rueil Malmaison, France.
Applied DNA Sciences, Inc. (NASDAQCM:APDN)	Applied DNA Sciences, Inc., a biotechnology company, develops and commercializes technologies to produce and detect deoxyribonucleic acid (DNA) in the Americas, Europe, Asia, and internationally. It operates through three segments: Therapeutic DNA Production Services; MDx Testing Services; and DNA Tagging and Security Products and Services. The Therapeutic DNA Production Services segment develops and commercializes the LinearDNA platform, which enables a cell-free manufacture of high-fidelity synthetic DNA sequences for use in nucleic acid-based therapeutics. The MDx Testing Services segment provides clinical molecular diagnostics (MDx) testing and clinical laboratory testing services; COVID-19 testing services, including test scheduling, sample collection, and automated results reporting for higher education institutions, private clients, and businesses under the safeCircle trademark; polymerase chain reaction (PCR) for production and detection of DNA and RNA; and MDx test kits and related supplies, as well as Isotopic analysis testing services. The DNA Tagging and Security Products and Services segment offers SigNature Molecular Tags, which provides a methodology to authenticate goods within large and complex supply chains for materials, such as cotton, nutraceuticals, and other products; SigNify portable DNA readers and SigNify consumable reagent test kits; and fiberTyping, which uses PCR-based DNA detection to detect a product's naturally occurring DNA sequences for the purposes of product provenance authentication and supply chain security. The company was formerly known as Datalink Systems, Inc. and changed its name to Applied DNA Sciences, Inc. in 2002. Applied DNA Sciences, Inc. was founded in 1983 and is headquartered in Stony Brook, New York.

VerifyMe, Inc. (NASDAQCM:VRME)	VerifyMe, Inc., together with its subsidiary, PeriShip Global, LLC, operates as a technology solutions provider that specializes in products to connect brands with consumers and providing brands with end-to-end logistics management for their products. The company operates through two segments, VerifyMe Solutions and PeriShip Global Solutions. The VerifyMe Solutions segment offers technology solutions to connect brands with consumers allowing brand owners to gather business intelligence while engaging directly with their consumers. Its solutions provide brand protection and supply chain functions, such as counterfeit prevention, traceability, consumer engagement solutions, and authentication for labels, packaging, and products, as well as tamper-proof labels. The PeriShip Global Solutions segment offers predictive analytics for optimizing delivery of time and temperature sensitive perishable products. This segment's products include PeriTrack customer dashboard, an integrated web portal tool gives its customers an in-depth look at their shipping activities based on real-time data. It also provides call center, pre-transit, post-delivery, and weather/traffic services. The company has a strategic partnership with INX International Ink Company. The company was formerly known as LaserLock Technologies, Inc. and changed its name to VerifyMe, Inc. in July 2015. VerifyMe, Inc. was incorporated in 1999 and is headquartered in Lake Mary, Florida.
Spectra Systems Corporation (AIM:SPSY)	Spectra Systems Corporation invents, develops, and sells integrated optical systems in Rhode Island and internationally. It operates through three segments: Authentication Systems, Secure Transactions, and Banknote Cleaning. The company offers integrated solutions, including a system of taggant materials and sensor technology to authenticate banknotes that are used by central banks, as well as G7 country for security; banknote cleaning and disinfection systems that lifts sebum and other substances from the banknote through a dry process based on supercritical CO2 cleaning; and solutions to authenticate brand name products. It also provides optical materials for security and quality control, such as fluorescent and phosphorescent pigments and dyes, invisible pigments and dyes, and gasochromic response materials; customized materials and hardware solutions; and internal control systems used to verify the accuracy of transactions logged by providers of lottery and gaming operators. In addition, the company offers software and hardware systems comprising high-speed currency authentication sensors; quality control equipment for use in paper and polymer banknote; and security printers and papermakers. The company was formerly known as Spectra Science Corporation and changed its name to Spectra Systems Corporation in June 2001. Spectra Systems Corporation was incorporated in 1996 and is headquartered in Providence, Rhode Island.
Securemetric Berhad (KLSE:SMETRIC)	Securemetric Berhad engages in the provision of digital security solutions, trading of electronic identification products, and other related services in Malaysia, Vietnam, the Philippines, Indonesia, the United States, Singapore, and internationally. The company's products include software licensing protection dongles for the prevention of unauthorised access, copy, imitation, and distribution of software; two-factor authentication that enhance access security by enforcing a second authentication factor by a randomly generated one-time password; public key infrastructure tokens; CENTAGATE, a software that manages user authentication and supports multi-factor and multi-channel authentication, and digital signing solution, as well as offers electronic identification products and maintenance services. It also sells smart cards, smart card readers, fingerprint readers, barcode scanners, and barcode printers; and provides labelling and packaging services. Securemetric Berhad was founded in 2007 and is headquartered in Kuala Lumpur, Malaysia.

Source: S&P Cap IQ

Appendix A – Glossary

Term	Definition
Act	Corporations Act 2001 (Cth)
ACFA	Australian Financial Complaints Authority
AIHW	Australian Institute of Health and Welfare
ASIC	Australian Securities and Investment Commission
Board	The Board of Directors of the Company
Company or YPB	YPB Group Limited
Nexia	Nexia Brisbane Corporate Finance Pty Ltd (ABN 67 603 962 429)
The JFH Options	This issue of 500,000,000 options to J F Houston Holding Pty Ltd and/or its nominees
The JFH Shares	The issue of 1,500,000,000 shares to J F Houston Holding Pty Ltd and/or its nominees
JFH	J F Houston Holdings Pty Ltd
Non-Associated Shareholders	Those shareholders of the Company other than J F Houston and associated entities.
The Independent Directors	All Directors of YPB Limited as set out in paragraph 4.9 excluding Mr John Houston
FOS	The Financial Ombudsman Service which has now been replaced by AFCA
FSG	Financial Services Guide
IER	This independent Expert Report dated 4 June 2020
RG 111	ASIC Regulatory Guide 111: Content of Expert Reports
RG 112	ASIC Regulatory Guide 112: Independence of Experts
DCF	Discounted Cash Flow
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
EBIT	Earnings Before Interest and Tax
CAPEX	Capital Expenditure
WC	Working Capital
VWAP	Volume Weighted Average Price
AUD	Australian Dollars
USD	US Dollars
RMB	Renminbi (Chinese Yuan)

APPENDIX B - SOURCES OF INFORMATION

- ASIC database
- S&P Capital IQ market research database, including comparable company information.
- Audited consolidated financial statements of YPB covering the period from 1 January 2021 to 31 December 2023
- Regulatory Guide 111: Content of expert reports
- Regulatory Guide 112: Independence of experts
- Financial forecast for YPB for the period 1 January 2024 to 31 December 2028
- Information provided in discussions with YPB's management and Directors and in information provided in response to our queries.
- Notice of 2024 Annual General Meeting and Accompanying Explanatory Memorandum

APPENDIX C - STATEMENT OF DECLARATION & QUALIFICATIONS

Confirmation of Independence

Prior to accepting this engagement Nexia Brisbane Corporate Finance Pty Ltd ("Nexia") determined its independence with respect to YPB with reference to ASIC Regulatory Guide 112: Independence of expert's Reports ("RG 112"). Nexia considers that it meets the requirements of RG 112 and that it is independent of YPB.

Also, in accordance with s648(2) of the Corporations Act 2001 we confirm we are not aware of any business relationship or financial interest of a material nature with YPB or its related parties or associates that would compromise our impartiality.

Mr Nigel Bamford, Director of Nexia, has prepared this Report. Neither he nor any related entities of Nexia have any interest in the promotion of the Proposed Transaction nor will Nexia receive any benefits, other than normal professional fees, directly or indirectly, for or in connection with the preparation of this Report. Our fee is not contingent upon the success or failure of the Proposed Transaction and has been calculated with reference to the expected time to be spent on the engagement at normal professional fee rates for work of this type. Accordingly, Nexia does not have any pecuniary interests that could reasonably be regarded as being capable of affecting our ability to give an unbiased opinion under this engagement.

Nexia provided a draft copy of this Report to the Directors and management of YPB for their comment as to factual accuracy, as opposed to opinions, which are the responsibility of Nexia alone. Changes made to this Report, as a result of the review by the Directors and management of YPB, have not changed the methodology or conclusions reached by Nexia.

Reliance on Information

The statements and opinions given in this Report are given in good faith and in the belief that such statements and opinions are not false or misleading. In the preparation of this Report Nexia has relied upon information provided on the basis it was reliable and accurate. Nexia has no reason to believe that any information supplied to it was false or that any material information (that a reasonable person would expect to be disclosed) has been withheld from it. Nexia evaluated the information provided to it by YPB as well as other parties, through enquiry, analysis and review, and nothing has come to our attention to indicate the information provided was materially misstated or would not afford reasonable grounds upon which to base its Report. Accordingly, we have taken no further steps to verify the accuracy, completeness or fairness of the data provided.

Our procedures and enquiries do not include verification work, nor constitute an audit or review in accordance with Australian Auditing Standards. Nexia does not audit, and it should not be construed that it has audited or in any way verified any of the information provided to it, or that its enquiries could have verified any matter which a more extensive examination might disclose.

The sources of information that we relied upon are outlined in Appendix B of this Report.

Qualifications

Nexia carries on business at Level 28, 10 Eagle Street, Brisbane, QLD 4000. Nexia Brisbane Corporate Finance Pty Ltd holds Australian Financial Services Licence No: 478 534 authorising it to provide financial product advice on securities to retail clients.

Mr Nigel Bamford specifically was involved in preparing this Report. Mr Bamford is a Registered Company Auditor, Fellow of Chartered Accountants Australia and New Zealand and has over 40 years' experience in accounting and advisory services in audit and assurance, valuation, and corporate finance.

Mr David Williams has been involved in the preparation and review of this Report. Mr Williams is a Fellow of Chartered Accountants Australia and New Zealand, is a Chartered Accountant Business Valuation Specialist and has over 40 years' experience in accounting and advisory services in both valuation and corporate finance.

Consent and Disclaimers

The preparation of this Report has been undertaken at the request of the Directors of YPB. It also has regard to relevant ASIC Regulatory Guides. It is not intended that the Report should be used for any other purpose than to accompany the Explanatory Memorandum to the Notice of General Meeting to consider the Proposed Transaction which is to be sent to YPB shareholders. In particular, it is not intended that this Report should be used for any purpose other than as an expression of Nexia's opinion as to whether or not the Proposed Transaction is fair and reasonable to YPB shareholders.

Nexia consents to the issue of this Report in the form and context in which it is included in the Explanatory Memorandum to the Notice of General Meeting to consider the Proposed Transaction which is to be sent to YPB shareholders.

Shareholders should read all documents issued by YPB that consider the Proposed Transaction in their entirety prior to proceeding with a decision. Nexia had no involvement in the preparation of these documents, with the exception of our Report.

This Report has been prepared specifically at the request of the directors of YPB. Neither Nexia, nor any member or employee thereof undertakes responsibility to any person, other than a shareholder of YPB, in respect of this Report, including any errors or omissions howsoever caused. This Report is "General Advice" and does not take into account any person's particular investment objectives, financial situation and particular needs. Before making an investment decision based on this advice, you should consider, with or without the assistance of a securities advisor, whether it is appropriate to your particular investment needs, objectives and financial circumstances.

Our procedures and enquiries do not include verification work, nor constitute an audit or review in accordance with Australian Auditing Standards.

Our opinions are based on economic, market and other conditions prevailing at the date of this Report. Such conditions can change significantly over relatively short periods of time. Furthermore, financial markets have been particularly volatile in recent times. Accordingly, if circumstances change significantly, subsequent to the issue of this Report, our conclusions and opinions may differ from those stated herein. There is no requirement for Nexia to update this Report for information that may become available subsequent to its date.

APES 225

Our Report has been prepared in accordance with APES 225 Valuation Services.

Appendix D - VALUATION METHODOLOGIES

In preparing this Report we have considered valuation methods commonly used in practice and those recommended by RG 111. These methods include:

- the discounted cash flow method;
- the capitalisation of earnings method;
- asset based methods; and
- analysis of share market trading.

Discounted Cash Flow Method

Description

Of the various methods noted above, the discounted cash flow method has the strongest theoretical standing. It is also widely used in practice by corporate acquirers and company analysts. The discounted cash flow method estimates the value of a business by discounting expected future cash flows to a present value using an appropriate discount rate. A discounted cash flow valuation requires:

- a forecast of expected future cash flows;
- an appropriate discount rate; and
- an estimate of terminal value.

It is necessary to project cash flows over a suitable period of time (generally regarded as being at least five years) to arrive at the net cash flow in each period. For a finite life project or asset this would need to be done for the life of the project. This can be a difficult exercise requiring a significant number of assumptions such as revenue growth, future margins, capital expenditure requirements, working capital movements and taxation.

The discount rate used represents the risk of achieving the projected future cash flows and the time value of money. The projected future cash flows are then valued in current day terms using the discount rate selected.

A terminal value reflects the value of cash flows that will arise beyond the explicit forecast period. This is commonly estimated using either a constant growth assumption or a multiple of earnings (as described under capitalisation of future maintainable earnings below). This terminal value is then discounted to current day terms and added to the net present value of the forecast cash flows.

The discounted cash flow method is often sensitive to a number of key assumptions such as revenue growth, future margins, capital investment, terminal growth and the discount rate. All of these assumptions can be highly subjective sometimes leading to a valuation conclusion presented as a range that is too wide to be useful.

Use of the Discounted Cash Flow Method

A discounted cash flow approach is usually preferred when valuing:

- early-stage companies or projects;
- limited life assets such as a mine or toll concession;
- companies where significant growth is expected in future cash flows; or

- projects with volatile earnings.

It may also be preferred if other methods are not suitable, for example if there is a lack of reliable evidence to support a capitalisation of earnings approach. However, it may not be appropriate if reliable forecasts of cash flow are not available and cannot be determined.

Capitalisation of Earnings Method

Description

The capitalisation of earnings method is a commonly used valuation methodology that involves determining a future maintainable earnings figure for a business and multiplying that figure by an appropriate capitalisation multiple. This methodology is generally considered a short form of a discounted cash flow, where a single representative earnings figure is capitalised, rather than a stream of individual cash flows being discounted. The capitalisation of earnings methodology involves the determination of:

- a level of future maintainable earnings; and
- an appropriate capitalisation rate or multiple.

A multiple can be applied to any of the following measures of earnings:

Revenue – most commonly used for companies that do not make a positive EBITDA or as a cross-check of a valuation conclusion derived using another method.

EBITDA - most appropriate where depreciation distorts earnings, for example in a company that has a significant level of depreciating assets but little ongoing capital expenditure requirement.

EBIT - in most cases EBIT will be more reliable than EBITDA as it takes account of the capital intensity of the business.

NPAT - relevant in valuing businesses where interest is a major part of the overall earnings of the group (e.g. financial services businesses such as banks).

Multiples of EBITDA, EBITA and EBIT value the whole businesses, or its enterprise value irrespective of the gearing structure. NPAT (or P/E) values the equity of a business.

The multiple selected to apply to maintainable earnings reflects expectations about future growth, risk and the time value of money all wrapped up in a single number. Multiples can be derived from three main sources.

Using the guideline public company method, market multiples are derived from the trading prices of stocks of companies that are engaged in the same or similar lines of business and that are actively traded on a free and open market, such as the ASX or the NSX. The merger and acquisition method is a method whereby multiples are derived from transactions of significant interests in companies engaged in the same or similar lines of business. In Australia, this has been called the comparable transaction methodology.

Use of the Capitalisation of Earnings Method

The capitalisation of earnings method is widely used in practice. It is particularly appropriate for valuing companies with a relatively stable historical earnings pattern which are expected to continue. This method is less appropriate for valuing companies or assets if:

- there are no suitable listed company or transaction benchmarks for comparison;

- the asset has a limited life;
- future earnings or cash flows are expected to be volatile; or
- there are negative earnings, or the earnings of a business are insufficient to justify a value exceeding the value of the underlying net assets.

Asset Based Methods

Description

Asset based valuation methods estimate the value of a company based on the realisable value of its net assets, less its liabilities. There are a number of asset-based methods including:

- orderly realisation;
- liquidation value;
- net assets on a going concern basis;
- replacement cost; and
- reproduction cost.

The orderly realisation of assets method estimates Fair Market Value by determining the amount that would be distributed to shareholders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the company is wound up in an orderly manner. The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame.

Since wind up or liquidation of the company may not be contemplated, these methods in their strictest form may not necessarily be appropriate. The net assets on a going concern basis method estimate the market values of the net assets of a company but do not take account of realisation costs.

The asset / cost approach is generally used when the value of the business's assets exceeds the present value of the cash flows expected to be derived from the ongoing business operations, or the nature of the business is to hold or invest in assets. It is important to note that the asset approach may still be the relevant approach even if an asset is making a profit. If an asset is making less than an economic rate of return and there is no realistic prospect of it making an economic return in the foreseeable future, an asset approach would be the most appropriate method.

Use of Asset Based Methods

An asset-based approach is a suitable valuation method when:

- an enterprise is loss making and is not expected to become profitable in the foreseeable future;
- assets are employed profitably but earn less than the cost of capital;
- a significant portion of the company's assets are composed of liquid assets or other investments (such as marketable securities and real estate investments); or
- it is relatively easy to enter the industry (for example, small machine shops and retail establishments).

Asset based methods are not appropriate if:

- the ownership interest being valued is not a controlling interest, has no ability to cause the sale of the company's assets and the major holders are not planning to sell the company's assets; or

- a business has (or is expected to have) an adequate return on capital, such that the value of its future income stream exceeds the value of its assets.

Analysis of Share Trading

The most recent share trading history provides evidence of the Fair Market Value of the shares in a company where they are publicly traded in an informed and liquid market. There should also be some similarity between the size of the parcel of shares being valued and those being traded. Where a company's shares are publicly traded then an analysis of recent trading prices should be considered, at least as a cross-check to other valuation methods.



All Correspondence to:

- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** www.boardroomlimited.com.au
- ☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before XX:XXam/pm on Day Date Month 2024.**

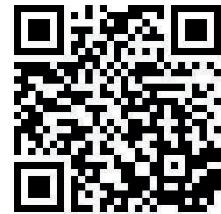
🖥 TO APPOINT A PROXY ONLINE

STEP 1: VISIT <https://www.votingonline.com.au/ypbagm2024>

STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)

STEP 3: Enter your Voting Access Code (VAC):

📱 BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **xxtime am/pm on DAY DATE MONTH 2024**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

🖥 **Online** <https://www.votingonline.com.au/ypbagm2024>

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia

👤 **In Person** Boardroom Pty Limited
Level 8, 210 George Street
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

Please note, you cannot change ownership of your securities using this form.

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **YPB Group Limited** (Company) and entitled to attend and vote hereby appoint:

the **Chair of the Meeting (mark box)**

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held virtually **on Day, Date Month 2024 at TIMEam/pm** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

The Chair of the Meeting intends to vote undirected proxies in favour of each of the items of business.

STEP 2 VOTING DIRECTIONS

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		FOR	AGAINST	ABSTAIN*			FOR	AGAINST	ABSTAIN*
Res 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 7	Consolidation of Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 2	Re-election of Mr John Houston as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 8	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 3	Approval to Issue up to \$4,000,000 worth of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 9	Change of Company Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 4	Approval to issue 1,500,000,000 Shares and 500,000,000 Options to JF Houston Holdings Pty Ltd (and/or its nominee(s)) (on a pre-Consolidation basis)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 10	Approve the issue of Loan Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 5	Ratify the Issue of Security Shares under Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 11	Approve the issue of Loan Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 6	Issue of Lead Manager Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					

STEP 3 SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2024