

ASX ANNOUNCEMENT

ASX:YPB | 3 October 2022

Chairman provides A\$1m Convertible Loan Facility

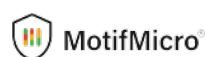
- The Executive Chairman has advanced A\$500,000 of the A\$1m facility
- The Loan has a term of 12 months and subject to shareholder approval, is convertible and secured
- Allows sufficient headway to realise current and future business opportunities

Anti-counterfeit and consumer engagement technology group **YPB Group Limited (ASX: YPB)** is pleased to advise that it has secured an A\$1m convertible loan facility from the Executive Chairman.

YPB appreciates the continued financial and executive support of the founder and Executive Chairman John Houston.

The loan facility agreement was entered into by J F Houston Holdings Pty Limited (**JFH**) (a company associated with John Houston) and the key terms of the facility are summarised below:

1. Agreement to provide an A\$1m facility to YPB for 12 months.
2. Interest is payable on amounts advanced under the facility at a reference NAB facility rate plus 9%.
3. The loan and interest are repayable by YPB in 12 months, unless converted at Mr Houston's election or repaid earlier.
4. The loan facility is intended to be secured pursuant to a general security deed against the assets of YPB. The grant of the security and entry into the general security deed is subject to shareholder approval or the grant of a waiver from ASX.
5. A facility fee of \$20,000 and the issue of 200,000,000 options (at an exercise price of \$0.005 per option, expiring 3 years from the date of issue and transferable) will be paid by YPB for the loan facility. The issue of the options to Mr Houston (via JFH) is subject to shareholder approval.
6. Subject to shareholder approval, the outstanding amount of the loan facility are convertible at the election of Mr Houston at a conversion price which is the lower of a 25% discount to the 20 day volume weighted average price ending on the first





advance date or the conversion date, but subject to a conversion floor price of no lower than \$0.002 per share.

7. The loan facility is also subject to customary events of default and representations and warranties given by YPB.

YPB is considering repaying the loan through the issue of convertible notes to Mr Houston, the terms of which are yet to be agreed by the parties and the issue of such convertible notes being subject to shareholder approval in accordance with the Listing Rules.

YPB Group CEO John Houston said: "I am pleased to show my continued support for YPB by providing this facility and loan fund. This is a clear mark of confidence in the technology, the team we have at YPB and the market potential for our technology and solutions."

This announcement is authorised by the board of directors of YPB.

Ends.

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About YPB Group

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

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

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



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