

1. Company details

Name of entity:	YPB Group Ltd
ACN:	108 649 421
Reporting period:	For the year ended 31 December 2020
Previous period:	For the year ended 31 December 2019

2. Results for announcement to the market

		\$'000	%		2020 \$'000	2019 \$'000
Revenues from ordinary activities	down	503	45.0%	to	616	1,119
Loss from ordinary activities after tax for the year attributable to the owners of YPB Group Ltd	up	2,737	34.3%	to	(10,724)	(7,987)
Loss for the year attributable to the owners of YPB Group Ltd	up	2,737	34.3%	to	(10,724)	(7,987)

Comments

The loss for the Consolidated Entity, after providing for income tax amounted to \$10,724,000 (2019: \$7,987,000). The operating loss includes a number of non-cash and significant items including fair value adjustments, share-based payments and foreign exchange losses which leaves an underlying cash outflow from operations of \$3,462,000 (2019: \$4,719,000). Revenue for the year was \$616,000 (2019: \$1,119,000) which represents a 45% decrease from the prior year.

3. Net tangible assets/(liabilities)

	2020 Cents	2019 Cents
Net tangible assets/(liabilities) per ordinary security	(0.02)	(0.08)

The net tangible assets/(liabilities) backing per ordinary security of (0.02) cents presented above is inclusive of right-of-use assets and lease liabilities. The net tangible asset/(liabilities) backing per security, as at 31 December 2020, would decrease to (0.019) cents if right-of-use assets were excluded, and lease liabilities were included in the calculation.

Net tangible assets are showing a negative value for the reporting and comparative periods due to the majority of recorded assets being intangible.

4. Gain and loss of control over entities

On 17 September 2020, the Consolidated Entity lost control of three non-operating dormant entities domiciled in Australia as these were deregistered with ASIC as of that date.

A further two non-operating dormant entities domiciled in Australia are currently under strike-off action with ASIC and the Consolidated Entity still maintains control over them.

On 29 December 2020, the Consolidated Entity lost control of one of the entities domiciled in USA as this was a non-operating dormant entity and deregistered with the California Secretary of State as of that date.

There were no gain and loss of control over entities for the year ended 31 December 2019.

Further details are contained in Note 15 to the financial statements.

5. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

6. Dividend reinvestment plans

There are no dividend reinvestment plans for the year ended 31 December 2020 (2019: Nil).

7. Details of associates and joint venture entities

No changes since the previous annual report was released.

8. Foreign entities

Details of origin of accounting standards used in compiling the report:

There has been no change in foreign-owned subsidiaries to those reported for the year ended 31 December 2020 other than as outlined in item 4 above. All group entities comply with International Financial Reporting Standards ('IFRS').

9. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements for the year ended 31 December 2020 are in the process of being audited.

10. Attachments

Details of attachment (if any):

Not applicable.

11. Signed

A handwritten signature in black ink, appearing to be 'John Houston', written over a horizontal line.

John Houston

Date: 26 February 2021



YPB Group Ltd

ACN: 108 649 421

Full Year Preliminary Report 31 December 2020

YPB Group Ltd
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For the year-ended 31 December 2020

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YPB Group Ltd
Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December 2020

	Note	2020 \$'000	2019 \$'000
Revenue	2	616	1,119
Expenses			
Consulting		(706)	(1,760)
Depreciation and amortisation expense		(225)	(223)
Directors' fees		45	(82)
Employee benefits expense		(2,064)	(2,399)
Finance costs	3	(231)	(394)
Impairment of goodwill and other intangible assets		-	(2,006)
Marketing costs		(135)	(313)
Production costs		(36)	(176)
Professional fees		(417)	(355)
Rental expenses		(77)	(214)
Research and development costs		(355)	(319)
Regulatory expenses		(96)	(180)
Share-based payments		(161)	(104)
Travelling expenses		(65)	(277)
Other expenses		(836)	(619)
Gain/(loss) on extinguishment of financial liabilities via equity settlement		(4,828)	261
Exchange loss		(1,148)	(64)
Loss before income tax (expenses)/benefit	4	(10,719)	(8,105)
Income tax (expense)/benefit		(5)	118
Loss after income tax (expense)/benefit from continuing operations for the full-year attributable to the owners of YPB Group Ltd		(10,724)	(7,987)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		1,011	6
Other comprehensive income for the full-year, net of tax		1,011	6
Total comprehensive loss for the year period attributable to the owners of YPB Group Ltd		(9,713)	(7,981)
		Cents	Cents
Basic and diluted earnings per share	17	(0.61)	(0.80)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

YPB Group Ltd
Consolidated statement of financial position
As at 31 December 2020

	Note	2020 \$'000	2019 \$'000
Assets			
Current assets			
Cash and cash equivalents	5	1,559	774
Trade and other receivables	6	312	269
Other assets	7	385	115
Inventories	8	216	240
		2,472	1,398
Non-current assets			
Plant and equipment	9	61	119
Right-of-use assets	9	78	234
Intangibles	10	5,913	6,500
		6,052	6,853
Total assets		8,524	8,251
Liabilities			
Current liabilities			
Trade and other payables	11	1,862	1,421
Lease liabilities		68	141
Financial liabilities	12	1,462	1,462
		3,392	3,024
Non-current liabilities			
Lease liabilities		-	75
Total liabilities		3,392	3,099
Net assets		5,132	5,152
Equity			
Issued capital	13	77,665	69,126
Reserves	14	4,981	2,499
Accumulated losses		(77,514)	(66,473)
Total equity		5,132	5,152

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

YPB Group Ltd
Consolidated statement of changes in equity
For the year ended 31 December 2020

Consolidated	Issued capital \$'000	Foreign currency translation reserve \$'000	Issued options \$'000	Share-based payment reserve \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 January 2020	69,126	1,139	960	400	(66,950)	4,675
Reclassification of prior periods foreign exchange gain/(loss) relating to net investment entities	-	791	-	-	(791)	-
Prior period adjustment ¹	-	-	-	-	(9)	(9)
Adjusted balance at 1 January 2020	69,126	1,930	960	400	(67,750)	4,666
Loss after income tax benefit for the year	-	-	-	-	(10,724)	(10,724)
Other comprehensive income for the year, net of tax	-	1,011	-	-	-	1,011
Total comprehensive loss for the year	-	1,011	-	-	(10,724)	(9,713)
<i>Transactions with owners in their capacity as owners:</i>						
Shares issued, net of transaction costs	7,978	-	-	-	-	7,978
Performance rights exercised during the year	561	-	-	(561)	-	-
Performance rights issued during the year	-	-	-	161	-	161
Options granted during the year	-	-	2,040	-	-	2,040
Options lapsed during the year	-	-	(960)	-	960	-
Balance at 31 December 2020	77,665	2,941	2,040	-	(77,514)	5,132

Note 1: The prior period adjustment arose from YPB Limited (“YPB HK”), a wholly-owned subsidiary of the Consolidated Entity, resulting from the audit of its financial statements for periods 1 April 2019 to 31 March 2020 completed during 2020.

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

YPB Group Ltd
Consolidated statement of changes in equity
For the year ended 31 December 2020

Consolidated	Issued capital \$'000	Foreign currency translation reserve \$'000	Issued options \$'000	Share-based payment reserve \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 January 2019	61,980	1,133	1,106	1,146	(58,707)	6,658
Adjustment on initial application of AASB 16, net of tax	-	-	-	-	9	9
Prior period adjustment ²	-	-	-	-	(477)	(477)
Adjusted balance at 1 January 2019	61,980	1,133	1,106	1,146	(59,175)	6,190
Loss after income tax benefit for the year	-	-	-	-	(7,987)	(7,987)
Other comprehensive income for the year, net of tax	-	6	-	-	-	6
Total comprehensive loss for the year	-	6	-	-	(7,987)	(7,981)
<i>Transactions with owners in their capacity as owners:</i>						
Shares issued, net of transaction costs	5,950	-	-	-	-	5,950
Options lapsed during the year	-	-	(212)	-	212	-
Options granted during the year	-	-	66	-	-	66
Share-based payments	1,146	-	-	(746)	-	400
Conversion of convertible notes to equity	50	-	-	-	-	50
Balance at 31 December 2019	69,126	1,139	960	400	(66,950)	4,675

Note 2: The prior period adjustment arose from YPB Limited ("YPB HK"), a wholly-owned subsidiary of the Consolidated Entity, resulting from the audit of its financial statements for periods 1 April 2014 to 31 March 2019 completed during 2020.

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

YPB Group Ltd
Consolidated statement of cash flows
For the year ended 31 December 2020

	Note	2020 \$'000	2019 \$'000
Cash flows from operating activities			
Receipts from customers		548	1,523
Payments to suppliers and employees		(3,780)	(5,856)
Interest received		2	3
Finance costs		(219)	(370)
Net cash used in operating activities	16	<u>(3,449)</u>	<u>(4,700)</u>
Cash flows from investing activities			
Payments for plant and equipment		(24)	(14)
Funds on deposit in escrow		(130)	-
Net cash used in investing activities		<u>(154)</u>	<u>(14)</u>
Cash flows from financing activities			
Proceeds from issue of shares (net of costs)		3,949	5,389
Proceeds from borrowings		1,200	1,000
Repayment of borrowings		(600)	(1,207)
Payment of lease liabilities		(148)	(162)
Net cash from financing activities		<u>4,401</u>	<u>5,020</u>
Net increase in cash and cash equivalents		798	306
Cash and cash equivalents at the beginning of the financial year		774	487
Effect of movements in exchange rates on cash held		(13)	(19)
Cash and cash equivalents at the end of the financial year	6	<u>1,559</u>	<u>774</u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

YPB Group Ltd
Notes to the consolidated financial statements
For the year ended 31 December 2020

Note 1. Operating segments

The Consolidated Entity is organised into operating segments as outlined below.

Management determines operating segments based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the consolidated financial statements.

Types of products and services

For the year ended 31 December 2020, management considers the company to offer its client base a complete end-to-end service and product offering, hence considering its main operations to be represented by one business segment.

The bundled “complete solution offering” encompasses a range of products and services which are available to customers, including:

- Covert forensic products which are invisible particles ('tracers') fused into a product or packaging during or after the manufacturing process and are detectable using YPB's proprietary scanner or smartphone mobile devices.
- Forensic laboratory services for the examination of counterfeit products.
- Security consulting services provided to governments, corporations and intellectual property owners for the deterrence of counterfeiting, grey markets, product diversions and fraud.

Geographical segment information

2020

	Reportable segments				
	Australia	People's Republic of China	Thailand	United States of America	Total
<i>In \$'000</i>					
External revenue	201	328	45	-	574
Interest income	2	7	-	-	9
Other income	33	-	-	-	33
Total revenue	<u>236</u>	<u>335</u>	<u>45</u>	<u>-</u>	<u>616</u>
Geographical assets	1,809	352	435	5,928	8,524

2019

	Reportable segments				
	Australia	People's Republic of China	Thailand	United States of America	Total
<i>In \$'000</i>					
External revenue	279	257	284	206	1,026
Interest income	6	-	-	-	6
Other income	-	87	-	-	87
Total revenue	<u>285</u>	<u>344</u>	<u>284</u>	<u>206</u>	<u>1,119</u>
Geographical assets	808	400	515	6,528	8,251

YPB Group Ltd
Notes to the consolidated financial statements
For the year ended 31 December 2020

Note 2. Revenue

	Consolidated	
	2020	2019
	\$'000	\$'000
<i>Revenue</i>		
Sale of goods and services	574	1,029
<i>Other revenue</i>		
Interest	2	3
Other income	40	87
	616	1,119
	616	1,119

During the year, the Group received a total of \$40,000 (2019: nil) as subsidies from the government of local jurisdictions relating to the various COVID-19 financial assistance packages such as the Cash Flow Boosts 1 and 2 in Australia, and rental and social security insurance subsidies in China.

Note 3. Finance cost

		Consolidated	
	Note	2020	2019
		\$'000	\$'000
Interest and finance charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	4	231	394
		231	394
		231	394

Note 4. Loss for the year

The loss for the year includes the following expenses:

		Consolidated	
	Note	2020	2019
		\$'000	\$'000
Finance costs	3	231	394
Research and development costs		355	319
Depreciation and amortisation		225	223
Inventories written off		13	-
Bad debts written off		33	-
Impairment of intangible assets		-	2,006
Rental expense on operating leases – minimum lease payments		77	214
Loss/(gain) on extinguishment of financial liabilities via equity settlement		4,828	(261)
		5,762	2,895
		5,762	2,895

YPB Group Ltd
Notes to the consolidated financial statements
For the year ended 31 December 2020

Note 5. Cash and cash equivalents

	Consolidated	
	2020	2019
	\$'000	\$'000
Cash on hand	2	2
Cash at bank	1,545	772
Undeposited funds	12	-
	1,559	774

Note 6. Trade and other receivables

	Consolidated	
	2020	2019
	\$'000	\$'000
Trade receivables	137	128
Less: allowance for doubtful debts	(53)	(56)
	84	72
GST/VAT receivables	205	147
Other receivables	23	50
	312	269

Note 7. Other assets

	Consolidated	
	2020	2019
	\$'000	\$'000
Escrow account – (i)	130	-
Rental deposits	58	80
Prepaid rent	4	16
Prepayments	192	14
Other receivables	1	5
	385	115

(i): On 6 October 2020, the Group deposited \$130,000 into an escrow account for the purpose of a commercial dispute against an external party. The monies are placed in an interest-bearing account for a period of six months from the date of deposit.

Note 8. Inventories

	Consolidated	
	2020	2019
	\$'000	\$'000
Finished goods – at cost	218	312
Less: provision for slow-moving stock	(2)	(72)
	216	240

YPB Group Ltd
Notes to the consolidated financial statements
For the year ended 31 December 2020

Note 9. Plant and equipment & Right-of-use assets

	Consolidated	
	2020	2019
	\$'000	\$'000
Plant and equipment – at cost	552	804
Less: accumulated depreciation	(491)	(451)
	61	353
	61	353

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial years are set out below:

Consolidated	Right-of-use assets \$'000	Plant and equipment \$'000	Total \$'000
Balance at 1 January 2019	-	184	184
Recognition of initial application of AASB 16	381	-	381
Adjusted balance at 1 January 2019	381	184	565
Additions	-	14	14
Depreciation expense	(147)	(76)	(223)
Exchange differences	-	(3)	(3)
Balance at 31 December 2019	234	119	353
Balance at 1 January 2020	234	119	353
Additions	-	27	27
Depreciation expense	(144)	(81)	(225)
Exchange differences	(12)	(4)	(16)
Balance at 31 December 2020	78	61	139

YPB Group Ltd
Notes to the consolidated financial statements
For the year ended 31 December 2020

Note 10. Intangibles

	Consolidated	
	2020	2019
	\$'000	\$'000
Goodwill – at cost	3,089	3,089
Less: Accumulated impairment losses	(3,089)	(3,089)
	<u>-</u>	<u>-</u>
Intellectual property – at cost	16,250	16,250
Less: Accumulated amortisation	(4,942)	(4,942)
Less: Accumulated impairment losses	(11,308)	(11,308)
	<u>-</u>	<u>-</u>
Customer relationships – at cost	206	206
Less: Accumulated amortisation	(28)	(28)
Less: Accumulated impairment losses	(178)	(178)
	<u>-</u>	<u>-</u>
Patent licence rights – at cost	7,738	8,506
Less: Accumulated impairment losses	(1,825)	(2,006)
	<u>5,913</u>	<u>6,500</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial years are set out below:

Consolidated	Patent licence rights \$'000	Total \$'000
Balance at 31 December 2019	<u>6,500</u>	<u>6,500</u>
Balance at 1 January 2020	6,500	6,500
Effect of movement in exchange rates	(586)	(586)
Balance at 31 December 2020	<u>5,914</u>	<u>5,914</u>

Intangible assets, other than goodwill, have finite useful lives. The current period amortisation charge for intangible assets is included under the depreciation and amortisation expense in the consolidated statement of profit or loss and other comprehensive income.

YPB Group Ltd
Notes to the consolidated financial statements
For the year ended 31 December 2020

Patent Licence Rights

Effective in December 2017, the Group acquired MotifMicro's patented licence rights to develop and commercialise its secure smartphone readable authentication technology. The non-replicable invisible micro-barcode technology works whereby the smartphone becomes the authentication device for uncopyable, invisible and indestructible physical marking technology.

In February 2018, a specific milestone under the agreement was successfully achieved with MotifMicro under which an additional \$851,000 was payable to the vendors. The corresponding payable was settled via the issue of ordinary shares in October 2018.

As the technology was still in the development phase and not commercially available for use during the year ended 31 December 2020, the patent licence rights have not been amortised. The progress of the MotifMicro development in 2020 was advanced through a number of technological achievements together with two customers that signed first-adopter agreements in 2019 to expedite its commercialisation in the market. The company is pursuing further opportunities to commercially release MotifMicro in the near future.

Management is in the process of obtaining an independent valuation of the Patent Licence Rights to support the carrying value as at 31 December 2020. Details of the valuation method and key assumptions will be disclosed in the audited annual report.

Note 11. Trade and other payables

	Consolidated	
	2020	2019
	\$'000	\$'000
Trade payables	972	781
Other payables and accruals	890	640
	<u>1,862</u>	<u>1,421</u>

YPB Group Ltd
Notes to the consolidated financial statements
For the year ended 31 December 2020

Note 12. Financial liabilities

	Consolidated	
	2020	2019
	\$'000	\$'000
Convertible notes (Sophisticated investors) – (i)	1,462	1,462
	<u>1,462</u>	<u>1,462</u>

(i): These convertible notes will accrue interest on their face value daily at an interest rate of 10% per annum, and the noteholders may elect by issuing a conversion notice to the Group to convert the note on or prior to, the maturity date of 22 October 2021.

As at 31 December 2020, \$12,000 (2019: \$12,000) of convertible loan notes interest was accrued.

(ii): During the year, the Consolidated Entity obtained a total of \$1,200,000 (2019: Nil) of short-term borrowings from a related party to the Consolidated Entity, repayable within 180 days from the commencement date, and at an interest of 8% per annum (or part thereof).

\$600,000 of the short-term borrowings was to be repaid via issuance of 600,000,000 shares at \$0.001 per share, and 600,000,000 unquoted options at \$0.002 per option. The remaining \$600,000 of short-term borrowing was to be repaid in cash.

On 31 July 2020, the first short-term borrowing of \$600,000 was repaid by issue of shares. The fair value of the shares at the time of payment was \$3,000,000, and the fair value of the unquoted options was valued at \$1,494,000 using the Binomial Tree Method. This resulted in a net loss on settlement of \$4,440,000 which is included in loss on extinguishment of financial liabilities via equity settlement in the consolidated statement of profit or loss.

The second short-term borrowing of \$600,000 was repaid on 30 October 2020 in cash along with the accrued interest. No short-term borrowing is outstanding as at 31 December 2020 (2019: Nil).

Total interest cost of the two short-term borrowings paid during the year was \$37,000 (2019: Nil).

Note 13. Equity – Issued capital

Consolidated	2020	2019	2020	2019
	Shares	Shares	\$'000	\$'000
Ordinary shares – fully paid	<u>4,228,358,979</u>	<u>1,694,369,386</u>	<u>77,665</u>	<u>69,126</u>

YPB Group Ltd
Notes to the consolidated financial statements
For the year ended 31 December 2020

Movements in ordinary share capital

Details	Date	Shares	\$'000
Balance	1 January 2020	1,694,369,386	69,126
Performance rights exercised and converted	22 June 2020	12,000,000	60
<i>Share placements</i>	13 July 2020	75,000,000	150
Issues to extinguish liabilities	13 July 2020	45,000,000	180
Performance rights exercised and converted	14 July 2020	69,424,658	347
Issued for repayment of loan	31 July 2020	600,000,000	3,000
Issues to extinguish liabilities	31 July 2020	170,028,571	850
<i>Share placements</i>	27 August 2020	260,000,000	650
<i>Share placements</i>	21 October 2020	1,272,084,848	3,600
Performance rights exercised and converted	5 November 2020	4,000,000	20
Issued under share-based payments	5 November 2020	26,451,516	133
Less: Transaction costs on shares issued, net of tax			(451)
Balance	31 December 2020	<u>4,228,358,979</u>	<u>77,665</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital. On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 14. Equity – Reserves

	Note	Consolidated	
		2020	2019
		\$'000	\$'000
Issued options reserve	(a)	2,040	960
Share-based payment reserve	(b)	-	400
Foreign currency translation reserve	(c)	2,941	1,139
		<u>4,981</u>	<u>2,499</u>

(a) Issued options reserve

The option reserve records items recognised as expenses on valuation of share options issued.

Details	Date	Options	\$'000
Balance	1 January 2020	343,402,313	960
Options lapsed	4 March 2020	(1,000,000)	(60)
Options lapsed	19 May 2020	(272,846,758)	(893)
Options granted	31 July 2020	600,000,000	2,040
Options lapsed	1 September 2020	(5,555,555)	(7)
Balance		<u>664,000,000</u>	<u>2,040</u>

YPB Group Ltd
Notes to the consolidated financial statements
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(b) Share-based payment reserve

The share-based payment reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services rendered.

Details	Date	\$'000
Balance	1 January 2020	399
Performance Rights exercised and converted to ordinary shares	22 June 2020	(60)
Performance rights lapsed	5 Feb 2020	(1)
	January to June	
Performance Rights issued under share-based payments	2020	29
Performance Rights exercised and converted to ordinary shares	14 July 2020	(347)
	July to December	
Performance Rights issued under share-based payments	2020	133
Performance Rights exercised and converted to ordinary shares	5 November 2020	(153)
	31 December	
Balance	2020	-

(c) Foreign currency translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Note 15. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities, and results of the following subsidiaries:

Name	Principal Place of Business / Country of Incorporation	Ownership Interest	
		2020 %	2019 %
YPB Limited	Hong Kong	100	100
YPB Technology (Beijing) Ltd	People's Republic of China	100	100
Product ID & Quality Systems (Beijing) Ltd	People's Republic of China	100	100
YPB Group (USA) Inc.	USA	100	100
YPB Intellectual Product Protection Inc.	USA	100	100
YPB Group International Co., Ltd	Thailand	100	100
YPB Group Co., Ltd	Thailand	100	100
nTouch Agency Pty Ltd	Australia	100	100
nTouch Pty Ltd	Australia	100	100
nTouch IP Pty Ltd	Australia	100	100
YPB Product Development Pty Ltd	Australia	100	100

YPB Group Ltd
Notes to the consolidated financial statements
For the year ended 31 December 2020

During the year, the Consolidated Entity restructured the legal entity organisation structure, and the following subsidiaries were deregistered as a result:

Name	Date of Deregistration	Principal Place of Business / Country of Incorporation	Ownership Interest	
			2020 %	2019 %
Brand Reporter Pty Ltd	17 September 2020	Australia	-	100
nTouch Holdings Pty Ltd	17 September 2020	Australia	-	100
Wall Mall Pty Ltd	17 September 2020	Australia	-	100
YPB Print Solutions Inc.	29 December 2020	USA	-	100

Note 16. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2020 \$'000	2019 \$'000
Loss after income tax benefit for the year	(10,724)	(7,987)
Adjustments for:		
Foreign exchange differences	1,055	(58)
Depreciation and amortisation expense	225	223
Impairment of intangible assets	-	2,006
Option expense	-	67
Share-based payments	161	38
Finance costs	12	25
Equity-settled transactions	285	1,111
Net loss on settlement of debts	4,828	(261)
Provision for slow-moving stocks	-	72
Change in operating assets and liabilities, net of the effects of purchase and disposals of subsidiaries:		
(Increase)/decrease in trade and other receivables	(43)	342
(Increase)/decrease in other assets	(140)	(25)
Decrease/(increase) in inventories	24	42
Increase/(decrease) in deferred revenue	-	(144)
Increase/(decrease) in trade and other payables	868	(151)
Net cash used in operating activities	<u>(3,449)</u>	<u>(4,700)</u>

YPB Group Ltd
Notes to the consolidated financial statements
For the year ended 31 December 2020

Note 17. Earnings per share

	2020	2019
	\$'000	\$'000
Loss after income tax attributable to the owners of YPB Group Limited	(10,724)	(7,987)
	Number	Number
Weighted average number of ordinary shares used in calculating basic/diluted earnings per share	1,755,907,764	998,465,494
	Cents	Cents
Basic/Diluted earnings per share	(0.61)	(0.80)

There are 664,000,000 in share options issued but not included in diluted earnings per share as these would have an antidilutive effect on earnings per share. These potential ordinary shares are anti-dilutive as their conversion to ordinary shares would decrease loss per share. If these share options were included in the calculation of diluted earnings per share, the weighted average number of shares used in the denominator would be 2,419,907,764.