

29 August 2018

## **FGF LEADS INVESTMENT AND SECURES STRATEGIC PARTNERS IN YPB TRANSACTION**

**Sydney, 29 August 2018** – First Growth Funds Limited (ASX:FGF) is pleased to announce that it has successfully led an investment into YPB Group Limited (ASX:YPB) and has introduced, DigitalX Limited (ASX:DCC) and Blockchain Global Limited, as strategic partners to the transaction.

The placement includes \$1.5m in convertible notes and a further \$1.62m in equity in YPB securities. Both the convertible note (upon conversion) and equity placement will attract attaching options on a 1 for 1 basis, exercisable at 2.5c.

The funds will be applied to support YPB's growth strategies including the launch of their token as previously announced by YPB on 26 July 2018. FGF has strategically introduced DigitalX and Blockchain Global to advise and assist YPB with the development and distribution of the "YPB tokens" (**Tokens**).

In consideration for structuring the investment, FGF is entitled to the fees described in the table below which comprise an amount of up to US\$350,000 on account of activation fees, 6% capital raising fee and 6.25% sale commission on the sale of Tokens allocated to YPB. FGF **will also receive 20% of all Tokens generated by YPB on initial issuance.**

As part of the transaction FGF will make a \$500,000 convertible note investment in YPB. Where FGF elects to convert its notes into shares, the conversion price will be set at the lesser of 1.8c or a 50% discount to YPB's most recent capital raising prior to conversion, provided that the conversion price is no lower than \$0.009. Upon conversion, the convertible notes will attract attaching options on a 1 for 1 basis, exercisable at 2.5c (for an exercise period of 18 months).

The convertible notes will also be subject to a coupon rate, which will be reduced from 20% to 10% where YPB obtains the necessary shareholder approvals at a general meeting to approve the issue of shares and attaching options on conversion.

FGF will be entitled to the following fees, should the following triggers and events occur:

Trigger	FGF Fee
<p><b>ACTIVATION FEE:</b> FGF shall be entitled to activation fees in respect of the following tranches:</p> <p>YPB sells a minimum of US\$1M value of their Tokens on any digital currency exchange</p> <p>US\$175,000</p> <p>YPB sells a minimum of US\$2M value of their Tokens on any digital currency exchange</p> <p>US\$175,000</p>	
<p><b>TOKEN ALLOCATION:</b></p>	<p>20% of all Tokens generated by YPB at initial issuance</p>
<p><b>TOKEN SALE COMMISSION:</b> FGF shall be entitled to receive commission equivalent to 6.25% of the proceeds received from the sale of all Tokens allocated to YPB. The commission shall accrue until such time as YPB has raised at least US\$5 million from the sale of Tokens allocated to it.</p>	<p>6.25%</p>
<p><b>CAPTIAL RAISING FEE:</b> FGF shall receive a success fee equivalent to 6% of the principal sum made available to YPB, being AUD\$1.5m.</p>	<p>6%</p>

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### About YPB

YPB Group Ltd (ASX:YPB) provides revolutionary, patented anti-counterfeit and customer engagement solutions which detect and prove certainty of authenticity and connects brands directly to their customers, empowering them to engage one-on-one.

In an evolving marketplace and with the rapid growth of cross border commerce, YPB's expertise presently focuses on the rapidly growing markets of Australia, South East Asia and China.

## **About DigitalX**

DigitalX is positioned as the leading publicly listed ICO corporate advisory firm globally. DigitalX is based out of Perth and New York and provides ICO advisory services, Blockchain consulting services and software development. DigitalX's partners can use DigitalX's Blockchain technology expertise to deliver innovative products to global markets.

## **About First Growth Funds**

First Growth Funds Limited is an investment company which structures, manages and advises a portfolio of investments covering small and medium companies and cryptoassets ahead of an initial public offering or initial coin offering.

## **About Blockchain Global**

Blockchain Global is a leading multi-national enterprise with a vision to uplift trust throughout the digital spectrum.

With 8 offices across 5 countries, the company as a venture builder has invested blockchain knowhow and +US\$200m in over 50 blockchain enabled businesses.

Blockchain Global's investments create and commercialise platforms that increase data accessibility and transparency, with the mission to bring both public and private sector systems into a more efficient and integrated future.