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28 April 2020

The Manager, Company Announcements Office
ASX Limited
Level 4, 20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

APPENDIX 4C: QUARTERLY COMMITMENTS REPORT

Yellow Brick Road Holdings Limited (“YBR” or the “Company”) attaches the Company’s Appendix 4C Report for the nine months ended 31 March 2020.

EXECUTIVE SUMMARY

Highlights for the three months ended 31 March 2020 are as follows (with comparisons to last quarter):

- YBR had cash balances at 31 March 2020 of \$8.6m.
- Operating Outflows (excluding branch and broker share of revenue) decreased by 5% to \$6.82m (Q2 FY2020 \$7.21m).
- Per the Company’s announcement to the ASX dated 31 March 2020, YBR has received the first tranche cash payment from the sale of the YBR Wealth business.
- The Net Cash Flow from Operating Activities was -\$0.1m in Q3 (Q2 FY2020 \$0.35m). The small outflow was impacted by the payment of YBR’s annual insurance premiums of \$1.4m. Included in these premiums is \$0.65m which relates to various insurances for the broker network. This amount will be recouped from the network over the next twelve months.
- During the quarter, the Company successfully closed a \$144m capital raising for Resi Wholesale Funding Pty Ltd (**RWF**), a now 50% owned associate of YBR, comprised of:
 - \$18m in equity, received in cash into RWF from our Magnetar partner, to be used as:
 - \$6m for direct funding of 1st loss junior debt (C Class Notes) in the Resi Wholesale Funding Warehouse Trust No.1 (**RFWFT1**);
 - the balance of \$12m for RWF working capital;
 - \$6m binding commitment from our Magnetar partner for further 1st loss junior debt (C Class Notes) in RFWFT1; and
 - \$120m binding commitment from a major Australian bank for senior debt funding (A Class Notes) in RFWFT1.

RWF is also pleased to announce that it has settled its 1st loan into RFWFT1 on 24 April 2020.

- Underlying Loan Book increased to \$50.1b (Q2 FY2020 \$49.7b)

Yellow Brick Road Holdings Limited | ABN 44 119 436 083

For details please see the attached financial commentary and Appendix 4C.

Kind regards



Sean Preece
Company Secretary
Yellow Brick Road Holdings Limited

Yellow Brick Road Group



FINANCIAL COMMENTARY

Summary

The reported net operating cash deficit for Q3 FY2020 is \$0.10m (Q2 FY2020: \$0.35m surplus).

As at 31 March 2020, the Company has \$8.6m in cash and cash equivalent and \$5.7m in borrowing facilities (\$5.2m drawn and \$0.5m undrawn).

Operating Cash Receipts

Receipts from customers decreased to \$47.9m (Q2 FY2020 \$49.4m).

The surplus in receipts from customers, after branch and supplier pay away (Net Receipts), is \$6.7m (Q2 FY2020 \$7.6m).

Operating Cash Outflows

Operating cash outflows, excluding branch and broker share of revenue, decreased by \$0.39m (5%) to \$6.82m (Q2 FY2020 \$7.21m).

Key Cash Outcomes	Q3 FY2020	Chg. Vs Q2 FY2020
Gross Receipts	\$47.9m	-3%
Net Receipts	\$6.7m	-11%
Other Op. O'flows	\$6.8m	5%
Operating deficit	-\$0.1m	-
Cash and investments at call	\$8.6m	-8%

Key Operating Outcomes	Q3 FY2020	Chg. Vs Q2 FY2020
Settlements	\$2.9b	-7%
Underlying Mortgage Book	\$50.1b	0.6%

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Yellow Brick Road Holdings Limited

ABN

44 119 436 083

Quarter ended ("current quarter")

31 March 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers		47,932	144,065
1.2 Payments for			
(a) research and development		-	-
(b) product manufacturing and operating costs		(41,205)	(121,767)
(c) advertising and marketing		(471)	(1,726)
(d) leased assets		-	-
(e) staff costs		(2,335)	(7,973)
(f) administration and corporate costs		(3,813)	(11,279)
(g) net payment to insurance underwriters on behalf of clients ⁽¹⁾		(126)	(53)
1.3 Dividends received		-	-
1.4 Interest received		14	31
1.5 Interest and other costs of finance paid		(91)	(314)
1.6 Income taxes paid		-	-
1.7 Government grants and tax incentives		-	-
1.8 Other (provide details if material)		-	-
1.9 Net cash from / (used in) operating activities		(95)	984

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
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(1) The Company receives general insurance premiums from clients and remits these to underwriters between 60 and 90 days after receipt. The difference between premiums received and paid is recorded as an underwriter deficit or surplus. As a consequence of these timing differences, payment to underwriters in the period were more than receipts from clients by \$126,000.

	Net operating cash flows (carried forward)	(95)	984
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(7)	(108)
	(b) businesses	-	-
	(c) investments	(720)	(720)
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment		
	(b) businesses	347	347
	(c) investments (net of direct expenses)	-	4,586
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(380)	4,105

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	2,400
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(144)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings and lease liabilities	(264)	(2,808)
3.7	Transaction costs related to loans and borrowings	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(264)	(552)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	9,333	4,057
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(95)	984
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(380)	4,105
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(264)	(552)
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of quarter	8,594	8,594

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	6,094	8,333
5.2	Call deposits	2,500	1,000
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	8,594	9,333

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	39
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	
<div style="border: 1px solid black; padding: 10px;"> <ul style="list-style-type: none"> - Directors' fees \$39,375 </div>	

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	891
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	
<div style="border: 1px solid black; padding: 10px;"> <ul style="list-style-type: none"> - BBB Capital Pty Ltd, a director related entity of Adrian Bouris, received fees of \$478,500 (incl. GST) for consulting services performed by its team in relation to securitisation, share capital raising, the sale of the wealth business and various other strategic initiatives. - Golden Wealth Holdings Pty Ltd (GWH), a director related entity of Mark Bouris received contracted payment of \$412,500 (incl. GST). This includes \$309,375 consultancy fees for the period and \$103,125 of the amounts outstanding at 30 June 2019 (refer FY2019 Annual Report). </div>	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	5,700	5,200
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

For the majority of the quarter, the Company was charged 4% p.a. fixed rate on the finance facility plus a variable rate of 0.97% p.a.

The Company has secured bank overdraft facilities with CBA. The company pays interest at overdraft index rate less 2.00% p.a.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs *	(29,528)
9.3 Advertising and marketing	(249)
9.4 Leased assets	-
9.5 Staff costs	(2,108)
9.6 Administration and corporate costs	(2,063)
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	(33,948)

* Product Manufacturing and Operating costs are predominantly branch and franchisee share of commission revenue received. This is a direct variable cost that may fluctuate significantly in line with variations in receipts from customers.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:
(Company secretary)

Date: 28 April 2020.

Print name: Sean Preece

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.