

**Lodged by ASX Online**

27 January 2021

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 quarter ended 31 December 2020.

#### **EXECUTIVE SUMMARY**

Areas to highlight for the three months ended 31 December 2020 are as follows (with comparisons to last quarter):

- YBR’s cash balances at 31 December 2020 were \$12.2m, up \$1.3m on the \$10.9m at the end of the prior quarter. The increased cash balance reflected the surplus in net operating cashflows for the quarter together with the receipt of the third and final tranche of \$0.5m from sale of 50% equity interest in Smarter Money Investments Pty Limited and \$479k second tranche receipt from the sale of YBR’s wealth business.
- The Net cash flow from operating activities was a surplus of \$0.7m (Q1 FY2021 -\$1.3m). The increased cashflow resulted primarily from higher Net Receipts, some of which related to timing differences between the receipt of commissions from lenders and corresponding payment to brokers. Also reflected in the surplus was the repayment of \$1.0m of deferred PAYG and BAS tax payments under the Governments COVID-19 measures and \$0.4m in payments for the acquisition of loan books.
- Operating Outflows (excluding branch and broker share of revenue) increased by 3.7% to \$6.4m (Q1 FY2021 \$6.2m) reflecting deferred PAYG and BAS payments and a moderate increase in marketing expenses.
- Underlying Loan Book increased by 0.8% to \$50.2b (Q1 FY2021 \$49.8b).
- As per the ASX announcement on 17 December 2020, YBR renewed its corporate debt facility with the Commonwealth Bank of Australia. This resulted in a \$2m increase in the facility to \$6.2m of which \$4.2m was drawn at quarter end.

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

Kind regards



**Sean Preece**  
Company Secretary  
Yellow Brick Road Holdings Limited

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**Yellow Brick Road Holdings Limited | ABN 44 119 436 083**

# Yellow Brick Road Group



## FINANCIAL COMMENTARY

### Summary

The reported net operating cash surplus for Q2 FY2021 was \$0.66m (Q1 FY2021: \$1.32m deficit).

As at 31 December 2020, the Company had \$12.2m in cash and cash equivalents and \$6.2m in borrowing facilities (\$4.2m drawn and \$2.0m undrawn).

### Operating Cash Receipts

Receipts from customers increased to \$50.6m (Q1 FY2021 \$47.3m).

The surplus in receipts from customers, after branch and supplier pay away (Net Receipts) was \$7.1m (Q1 FY2021 \$4.9m).

### Operating Cash Outflows

Operating cash outflows, excluding branch and broker share of revenue, increased by \$0.23m (3.7%) to \$6.40m (Q1 FY2021 \$6.17m).

Key Cash Outcomes	Q2 FY2021	Chg. Vs Q1 FY2021
Gross Receipts	\$50.6m	7%
Net Receipts	\$7.1m	46%
Other Op. O'flows	\$6.4m	-4%
Operating surplus	\$0.66m	-
Cash and investments at call	\$12.2m	12%

Key Operating Outcomes	Q2 FY2021	Chg. Vs Q1 FY2021
Settlements	\$3.2b	1.8%
Underlying Mortgage Book	\$50.2b	0.8%

## 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 December 2020

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>			
1.1 Receipts from customers		50,578	97,910
1.2 Payments for			
(a) research and development		-	-
(b) product manufacturing and operating costs		(43,516)	(85,997)
(c) advertising and marketing		(388)	(568)
(d) leased assets		-	-
(e) staff costs		(2,366)	(4,650)
(f) administration and corporate costs		(3,586)	(7,152)
(g) net payment to insurance underwriters on behalf of clients <sup>(1)</sup>		1	(74)
1.3 Dividends received		-	-
1.4 Interest received		9	18
1.5 Interest and other costs of finance paid		(70)	(144)
1.6 Income taxes paid		-	-
1.7 Government grants and tax incentives		-	-
1.8 Other (provide details if material)		-	-
<b>1.9 Net cash from / (used in) operating activities</b>		<b>662</b>	<b>(657)</b>

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 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 less than receipts from clients by \$1,000.

	Net operating cash flows (carried forward)	662	(657)
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(2)	(8)
	(b) businesses	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment		
	(b) businesses	479	629
	(c) investments (net of direct expenses)	500	2,500
	(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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>977</b>	<b>3,121</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Payment for buy-back of shares	(7)	(7)
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	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings and lease liabilities	(279)	(1,581)
3.7	Transaction costs related to loans and borrowings	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(286)</b>	<b>(1,588)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	10,850	11,327
4.2	Net cash from / (used in) operating activities (item 1.9 above)	662	(657)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	977	3,121
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(286)	(1,588)
4.5	Effect of movement in exchange rates on cash held		
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>12,203</b>	<b>12,203</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> 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	9,674	8,328
5.2	Call deposits	2,529	2,522
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>12,203</b>	<b>10,850</b>

6. <b>Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
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: 5px;"> <p>-      Directors' fees \$39,375</p> </div>	

7. <b>Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
7.1      Aggregate amount of payments to these parties included in item 1.2	310
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: 5px;"> <p>-      Golden Wealth Holdings Pty Ltd (GWH), a director related entity of Mark Bouris received contracted payment of \$309,375 (incl. GST).</p> </div>	

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1      Loan facilities	6,200	4,200
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.		
<div style="border: 1px solid black; padding: 5px;"> <p>For the majority of the quarter, the Company was charged 4% p.a. fixed rate on the finance facility plus a variable rate of 0.14% p.a.</p> </div>		

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Research and development	-
9.2 Product manufacturing and operating costs *	(43,852)
9.3 Advertising and marketing	(464)
9.4 Leased assets	-
9.5 Staff costs	(2,505)
9.6 Administration and corporate costs	(2,734)
9.7 Other (loan facility repayment)	(450)
<b>9.8 Total estimated cash outflows</b>	<b>(48,005)</b>

\* 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: 27 January 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.