

Lodged by ASX Online

30 April 2021
The Manager, Company Announcements Office
ASX Limited
Level 4, 20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

QUARTERLY ACTIVITY REPORT & APPENDIX 4C: QUARTERLY COMMITMENTS REPORT

Yellow Brick Road Holdings Limited (“YBR” or the “Company”) attaches the Company’s Quarterly Activity Report & Appendix 4C Report for the quarter ended 31 March 2021.

During the quarter ending 31 March 2021, the principal activity of the consolidated entity consisted of mortgage broking, aggregation and management services.

EXECUTIVE SUMMARY

Areas to highlight for the three months ended 31 March 2021 are as follows (with comparisons to last quarter):

- YBR’s cash balances as at 31 March 2021 were \$12.3m, up \$0.1m on the \$12.2m 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 tranche of \$480k from the sale of YBR’s wealth business offset by the repayment of \$450k of the CBA corporate debt facility.
- YBR’s net cash (gross cash less gross drawn debt) as at 31 March 2021 was \$8.5m (Q2 FY2021 \$8.0m) and \$14.3m is available in total funding (Q2 FY 2021 \$14.2m).
- The net cash flow from operating activities was a surplus of \$0.5m (Q2 FY2021 \$0.7m). The slightly lower surplus cashflow resulted primarily from lower net receipts, relating to timing differences between the receipt of commissions from lenders and corresponding payment to brokers. Also reflected in the reduced surplus was the payment of \$0.3m of deferred PAYG and BAS tax payments under the Governments COVID-19 measures.
- Operating Outflows (excluding branch and broker share of revenue) decreased by 20.3% to \$5.1m (Q2 FY2021 \$6.4m) reflecting reduced deferred PAYG and BAS payments and a moderate decrease in marketing expenses.
- Underlying Loan Book increased by 1.3% to \$50.9b (Q2 FY2021 \$50.2b).
- Home and commercial loan settlements totalled \$3.3b in the March Quarter representing an 3.7% increase on the prior quarter.

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 surplus for Q3 FY2021 was \$0.53m (Q2 FY2021: \$0.66m surplus).

As at 31 March 2021, the Company had \$12.3m in cash and cash equivalents and \$5.75m in borrowing facilities (\$3.75m drawn and \$2.0m undrawn).

Operating Cash Receipts

Receipts from customers decreased to \$49.7m (Q2 FY2021 \$50.6m).

The surplus in receipts from customers, after branch and supplier pay away (Net Receipts) was \$5.6m (Q2 FY2021 \$7.1m).

Operating Cash Outflows

Operating cash outflows, excluding branch and broker share of revenue, decreased by \$1.3m (20.3%) to \$5.1m (Q2 FY2021 \$6.4m).

Listing Rule 4.7C.3

In item 6 of the attached Appendix 4C of the cashflow report for the quarter, payments to related parties of \$441,375 is comprised of:

- Golden Wealth Holdings Pty Ltd (GWH), a director related entity of Mark Bouris received contracted payment of \$309,375 (incl. GST).
- BBB Capital Pty Ltd, a director related entity of Adrian Bouris, received fees of \$132,000 (incl. GST) for consulting services performed in relation to the capital raising for the Resi Wholesale Funding Warehouse Trust No. 1.

Key Cash Outcomes	Q3 FY2021	Chg. Vs Q2 FY2021
Gross Receipts	\$49.7m	-1.8%
Net Receipts	\$5.6m	-20.2%
Other Op. O'flows	\$5.1m	20.3%
Operating surplus	\$0.53m	-20.1%
Cash and investments at call	\$12.3m	0.6%

Key Operating Outcomes	Q3 FY2021	Chg. Vs Q2 FY2021
Settlements	\$3.3b	3.7%
Underlying Mortgage Book	\$50.9b	1.3%

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, 23/04/21

Name of entity

Yellow Brick Road Holdings Limited

ABN

44 119 436 083

Quarter ended ("current quarter")

31 March 2021

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	49,662	147,572
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(44,027)	(130,024)
(c) advertising and marketing	(237)	(805)
(d) leased assets	-	-
(e) staff costs	(2,257)	(6,907)
(f) administration and corporate costs	(2,537)	(9,689)
1.3 Dividends received	-	-
1.4 Interest received	5	23
1.5 Interest and other costs of finance paid	(75)	(219)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	(5)	(79)
1.9 Net cash from / (used in) operating activities	529	(128)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(85)	(93)
	(d) investments	(120)	(120)
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) property, plant and equipment		
	(c) businesses	480	1,109
	(d) investments (net of direct expenses)	-	2,500
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	275	3,396

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	(7)
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings and lease repayments	(732)	(2,313)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(732)	(2,320)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	12,203	11,327
4.2	Net cash from / (used in) operating activities (item 1.9 above)	529	(128)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	275	3,396
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(732)	(2,320)
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	12,275	12,275

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	9,743	9,674
5.2	Call deposits	2,532	2,529
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)	12,275	12,203

6. Payments to related entities of the entity and their associates

6.1 Aggregate amount of payments to related parties and their associates included in item 1

6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
309
132

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

- Golden Wealth Holdings Pty Ltd (GWH), a director related entity of Mark Bouris received contracted payment of \$309,375 (incl. GST).
- BBB Capital Pty Ltd, a director related entity of Adrian Bouris, received fees of \$132,000 (incl. GST) for consulting services performed in relation to the capital raising for the Resi Wholesale Funding Warehouse Trust No. 1.

7. Financing facilities

Note: the term 'facility' includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

7.1 Loan facilities

7.2 Credit standby arrangements

7.3 Other (please specify)

7.4 **Total financing facilities**

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
5,750	3,750
-	-
-	-
5,750	3,750

7.5 **Unused financing facilities available at quarter end**

2,000

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing 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 limit plus a variable rate of 0.12% p.a.

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	529
8.2	Cash and cash equivalents at quarter end (item 4.6)	12,275
8.3	Unused finance facilities available at quarter end (item 7.5)	2,000
8.4	Total available funding (item 8.2 + item 8.3)	14,275
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
<p><i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i></p>		
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	
<p><i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i></p>		

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: 30 April 2021.

Print name: Sean Preece

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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.
4. "By the board"
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.