

Lodged by ASX Online

27 October 2022

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 and Appendix 4C Report for the quarter ended 30 September 2022.

During the quarter ending 30 September 2022, the principal activity of the consolidated entity consisted of mortgage broking, aggregation and management services.

EXECUTIVE SUMMARY

Key areas to note for the three months ended 30 September 2022 are as follows (with comparisons to last quarter):

- YBR's cash balances as at 30 September 2022 were \$8.1m, down \$2m on the \$10.1m at the end of the prior quarter. The decrease in cash resulted from a net operating cash deficit of \$1.4m, which is explained below, \$0.2m for system development costs, the repayment of \$237k for the CBA corporate debt facility and \$880k in legal settlements and related fees and costs.
- YBR's net cash (gross cash less gross drawn debt) as at 30 September 2022 was \$6.2m (Q4 FY2022: \$7.9m) with \$10.1m available in total funding (Q4 FY2022: \$12.1m). These balances exclude YBR's \$4.5m holdings of Class C notes in RWF.
- The net cash flow from operating activities was a deficit of \$1.4m (Q4 FY2022: \$1.9m surplus). Gross receipts were in line with the previous quarter with broker commission payments increasing by 5.8% reflecting timing differences between the receipt of commissions from lenders and corresponding payment to brokers. In addition, sponsorship collections reduced as expected in the September quarter.
- Operating Outflows (excluding branch and broker share of revenue) were relatively stable at \$6.9m (Q4 FY2022: \$6.9m). The level of operating outflows was impacted by increased insurance premiums which are progressively recovered from brokers. In addition, higher, one-off legal costs were incurred during the quarter.
- Underlying Loan Book size increased by 2.7% to \$59.5b (Q4 FY2022: \$57.9b).
- Residential and commercial loan settlements totalled \$5.4b in the September Quarter which was 4.5% higher than last quarter.

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

Kind regards

A handwritten signature in black ink, appearing to read 'A Symes'.

Andrew Symes
Company Secretary
Yellow Brick Road Holdings Limited

A handwritten signature in black ink, appearing to read 'S McKenzie'.

Stephen McKenzie
Group Executive and CFO
Yellow Brick Road Holdings Limited

Yellow Brick Road Group

FINANCIAL COMMENTARY

Summary

The reported net operating cash deficit for Q1 FY2023 was \$1.4m (Q4 FY2022: \$1.9m surplus).

As at 30 September 2022, the Company had \$8.1m in cash and cash equivalents and \$3.9m in borrowing facilities (\$1.9m drawn and \$2.0m undrawn). In addition, \$4.5m was held in Class C notes in RWF's securitised lending program.

Operating Cash Receipts

Receipts from customers marginally increased to \$67.8m (Q4 FY2022: \$67.7m).

The surplus in receipts from customers, after branch and supplier pay away (Net Receipts) was \$5.5m (Q4 FY2022: \$8.8m).

Operating Cash Outflows

Operating cash outflows, excluding branch and broker share of revenue, were \$6.9m (Q4 FY2022: \$6.9m).

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 \$571,875 is comprised of:

- Golden Wealth Holdings Pty Ltd (GWH), a director related entity of Mark Bouris received contracted payments of \$309,375 (incl. GST).
- BBB Capital Pty Ltd, a director related entity of Adrian Bouris, received fees of \$82,500 (incl. GST) for the provision of corporate finance services on significant projects and initiatives.
- TCN Channel Nine Pty Ltd, a related entity received \$180,000 for marketing related services rendered in previous financial years.

Key Cash Outcomes	Q1 FY2023	Chg. Vs Q4 FY2022
Gross Receipts	\$67.8m	0.2%
Net Receipts	\$5.5m	-37.2%
Other Op. O'flows	\$6.9m	-
Operating deficit	\$1.4m	-173%
Cash and investments at call	\$8.1m	-19.7%

Key Operating Outcomes	Q1 FY2023	Chg. Vs Q4 FY2022
Settlements	\$5.4b	4.5%
Underlying Mortgage Book	\$59.5b	2.7%

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")

30 Sept 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	67,845	67,845
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(62,299)	(62,299)
(c) advertising and marketing	(1,145)	(1,145)
(d) leased assets	-	-
(e) staff costs	(2,841)	(2,841)
(f) administration and corporate costs	(2,854)	(2,854)
1.3 Dividends received	-	-
1.4 Interest received	22	22
1.5 Interest and other costs of finance paid	(115)	(115)
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	(1,386)	(1,386)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	(36)	(36)
	(d) investments	-	-
	(e) intellectual property	(151)	(151)
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) property, plant and equipment	-	-
	(c) businesses	-	-
	(d) investments (net of direct expenses)	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows for 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	(187)	(187)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	(414)	(414)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	(414)	(414)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	10,088	10,088
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,386)	(1,386)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(187)	(187)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(414)	(414)
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	8,101	8,101

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	5,549	7,543
5.2	Call deposits	2,552	2,545
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)	8,101	10,088

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
572
-

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 \$82,500 (incl. GST) for the provision of corporate finance services on significant projects and initiatives.
- TCN Channel Nine Pty Ltd, a related entity received \$180,000 for marketing related services rendered in previous financial years

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
3,900	1,900
-	-
-	-
3,900	1,900

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 1.86% p.a.

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,386)
8.2	Cash and cash equivalents at quarter end (item 4.6)	8,101
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)	10,101
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	7.28
<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>		
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	
<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>		

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: 27/10/2022

Print name: Andrew Symes

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.