

**[Lodged by ASX Online]**

28 July 2023

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 June 2023.

During the quarter ending 30 June 2023, 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 30 June 2023 are as follows (with comparisons to last quarter):

- YBR's cash balances as at 30 June 2023 were \$8.1m, down \$0.2m on the \$8.3m at the end of the prior quarter. The June quarter cashflows included \$0.9m from operating activities, cash outflow of \$0.4m for system development costs and the repayment of \$237k for the CBA corporate debt facility. In addition, short-term loans of \$0.3m was provided to branches/brokers for commercial purposes.
- YBR's net cash (gross cash less gross drawn debt) as at 30 June 2023 was \$6.9m (Q3 FY2023: \$6.9m) with \$10.1m available in total funding (Q3 FY2023: \$10.3m).
- The net cash flow from operating activities was a surplus of \$0.9m (Q3 FY2023: \$1.5m deficit). This was driven by:
  - Net customer receipts +\$1.0m – through a combination of a \$185m increase in settlements, +\$0.4m increase in sponsorship income and the timing differences between the receipt of commissions from lenders and corresponding payment to brokers.
  - Operating Outflows: \$1.5m reduction from \$7.6m to \$6.1m which was mostly driven by cost cutting measures introduced by the company in the third quarter of FY23.
- Underlying Loan Book size increased over the quarter by 1.1% to \$62.0b (Q3 FY2023: \$61.4b). The Underlying Loan Book is 7.1% higher compared to Q4 FY22.
- Residential and commercial loan settlements totalled \$4.6b in the June Quarter which was 4.1% higher than last quarter.

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

Kind regards

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

**Stephen McKenzie**

Company Secretary, Group Executive and CFO  
Yellow Brick Road Holdings Limited

# Yellow Brick Road Group

## FINANCIAL COMMENTARY

### Summary

The reported net operating cash surplus for Q4 FY2023 was \$0.9m (Q3 FY2023: \$1.5m deficit).

As at 30 June 2023, the Company had \$8.1m in cash and cash equivalents and \$3.2m in borrowing facilities (\$1.2m drawn and \$2.0m undrawn).

### Operating Cash Receipts

Receipts from customers increased to \$63.5m (Q3 FY2023: \$61.4m).

The surplus in receipts from customers, after branch and supplier pay away (Net Receipts) was \$7.0m (Q3 FY2023: \$6.0m). This was driven through a combination of increased settlements and the timing differences between the receipt of commissions from lenders and corresponding payment to brokers.

### Operating Cash Outflows

Operating cash outflows, excluding branch and broker share of revenue, were \$6.1m (Q3 FY2023: \$7.6m).

### 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 \$829,375 is comprised of:

- Golden Wealth Holdings Pty Ltd, a director related entity of Mark Bouris received contracted payments of \$309,375 (incl. GST).
- TCN Channel Nine Pty Ltd, a related entity received \$520,000 for marketing related services rendered in previous financial years.

Key Cash Outcomes	Q4 FY2023	Chg. Vs Q3 FY2023
Gross Receipts	\$63.5m	3.3%
Net Receipts	\$7.0m	15.8%
Other Op. O'flows	\$6.1m	19.5%
Operating surplus	\$0.9m	158%
Cash and investments at call	\$8.1m	-2.7%

Key Operating Outcomes	Q4 FY2023	Chg. Vs Q3 FY2023
Settlements	\$4.6b	4.1%
Underlying Mortgage Book	\$62.0b	1.1%

## 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 June 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	63,476	259,146
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(56,482)	(232,212)
(c) advertising and marketing	(1,241)	(4,639)
(d) leased assets	-	-
(e) staff costs	(2,559)	(11,453)
(f) administration and corporate costs	(2,247)	(11,894)
1.3 Dividends received	-	-
1.4 Interest received	57	155
1.5 Interest and other costs of finance paid	(109)	(426)
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>895</b>	<b>(1,323)</b>

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(7)	(47)
	(d) investments	-	(245)
	(e) intellectual property	(351)	(1,392)
	(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	(335)	2,665
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(693)</b>	<b>981</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
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	(422)	(1,687)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
3.7	Transaction costs related to loans and borrowings	-	-
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>(422)</b>	<b>(1,687)</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 period	8,279	10,088
4.2	Net cash from / (used in) operating activities (item 1.9 above)	895	(1,323)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(693)	981
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(422)	(1,687)
4.5	Effect of movement in exchange rates on cash held		
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>8,059</b>	<b>8,059</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	5,059	5,279
5.2	Call deposits	3,000	3,000
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>8,059</b>	<b>8,279</b>

**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 (ex gst)

Current quarter \$A'000
829
-

*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).
- TCN Channel Nine Pty Ltd, a related entity received \$520,000 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
3,188	1,188
-	-
-	-
<b>3,188</b>	<b>1,188</b>

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

<b>2,000</b>
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- 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.

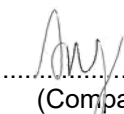
The company has existing finance facility with CBA for \$3.2m (\$2m undrawn). The facility is repaid in agreed instalments and has a expiry date of 30 September 2024. On expiry, any balance outstanding would be repaid. The facility is secured against the assets of the company.

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 3.76% p.a.

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	895
8.2	Cash and cash equivalents at quarter end (item 4.6)	8,059
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)	10,059
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	N/A
<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: 28/07/2023.

Print name: Stephen McKenzie



**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.