

YELLOW BRICK ROAD HOLDINGS LIMITED
ACN 119 436 083

**NOTICE OF EXTRAORDINARY GENERAL MEETING
AND EXPLANATORY MEMORANDUM**

*For a meeting to be held on Tuesday, 24 October 2023 commencing at 10:00am
(Sydney time) in the Maple Room at the Swissotel Sydney, 68 Market Street,
Sydney NSW 2000*

**THIS IS AN IMPORTANT DOCUMENT
AND SHOULD BE READ IN ITS ENTIRETY**

**If you do not understand any part of this document,
please contact a professional adviser immediately**

YELLOW BRICK ROAD HOLDINGS LIMITED
ACN 119 436 083

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is given that an Extraordinary General Meeting (**EGM**) of the members of Yellow Brick Road Holdings Limited (**YBR** or the **Company**) will be held in the Maple Room at the Swissotel Sydney, 68 Market Street, Sydney NSW 2000 at 10:00am (Sydney time) on Tuesday, 24 October 2023.

The business to be considered at the EGM is set out below. Information on the proposal to which the business relates is set out in the Explanatory Memorandum which accompanies this Notice. This Notice should be read in conjunction with the accompanying Explanatory Memorandum.

BUSINESS

Removal from the Official List of ASX

To consider and, if thought fit, pass the following as a special resolution of the Company:

Resolved, as a special resolution, to approve the removal of Yellow Brick Road Holdings Limited from the official list of the Australian Securities Exchange under ASX Listing Rule 17.11.

IMPORTANT INFORMATION

Voting entitlement

The Board of Directors of the Company has determined in accordance with regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that for the purpose of voting at the EGM, shares will be taken to be held by those who hold them at 7.00 pm (Sydney time) on Sunday, 22 October 2023. This means that if you are not the registered holder of a relevant share at that time, you will not be entitled to vote in respect of that share.

If more than one joint holder of shares attends the EGM (whether personally, by proxy or by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

Voting Procedures

As a Shareholder, you can vote on the Resolution to be considered at the EGM by:

- casting a vote in person at the meeting; or
- appointing:
 - an attorney or, in the case of corporate shareholders, a corporate representative (please refer to the further information below); or
 - a proxy (online or using a hard copy proxy form returned by post or fax).

The Resolution will be decided by a poll.

Voting by Proxy

Each Shareholder who is entitled to attend and vote at the EGM may appoint a proxy to attend and vote on behalf of that Shareholder. The proxy need not be a Shareholder. Please note that a proxyholder need not vote on a show of hands (but if the proxy does so, the proxy must vote as directed), can speak at the meeting (this authority is suspended while the member is present at the meeting) and can vote on a poll.

A Shareholder who is entitled to cast two or more votes may appoint one or two proxies and may specify the proportion or number of votes that each proxy is appointed to exercise. If a Shareholder appoints two proxies and the appointment does not specify the proportion, or number, of the Shareholder's votes, each proxy may exercise half the votes (disregarding fractions). Neither proxy may vote on a show of hands.

In the event that a Shareholder appoints a proxy and specifies the way the proxy is to vote on the Resolution:

- (a) where the proxy is not the Chairman:
 - (i) the proxy need not vote on a poll but if the proxy does so then the proxy must vote the way that the Shareholder specifies; and
 - (ii) if a poll is demanded and the proxy does not attend or vote, then the Chairman is taken to have been appointed as the proxy; and
- (b) where the Chairman is the proxy (including where the Chairman is taken to have been appointed the proxy as set out above) the proxy must vote on a poll and must vote the way that the Shareholder specifies.

The Chairman intends to exercise all undirected proxies in favour of the Resolution. If the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on the Resolution, by signing and returning the proxy form, the Shareholder is considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

Online proxy appointment before the EGM

You may appoint and direct your proxy online, by using your smartphone or by visiting www.investorvote.com.au.

To use this option, you will need your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) and your allocated Control Number as shown on your proxy form. You will be taken to have signed the proxy form if you lodge it in accordance with the instructions on the www.investorvote.com.au website. To use your smartphone voting service, scan the QR code which appears on your proxy form and follow the instructions provided. To scan the code you need to have already downloaded a free QR code reader app to your smartphone. When scanned, the QR code will take you directly to the mobile voting site. A proxy cannot be appointed electronically if they are appointed under a power of attorney or similar authority. The online proxy facility may not be suitable for Shareholders who wish to appoint two proxies with different voting directions. Please read the instructions for online proxy submissions carefully before you lodge your proxy.

Custodians and other intermediaries may appoint and direct their proxy online by visiting www.intermediaryonline.com (subscribers only).

Proxy Appointment by post or fax

A proxy can also be appointed by using the proxy form enclosed with this notice of meeting. Information on how to complete the proxy form is included on the form.

For the appointment of a proxy using a proxy form, the following documents must be lodged:

- (a) the completed proxy form; and
- (b) if the proxy form is signed by the appointer's attorney – the authority under which the proxy form was signed or a certified copy of the authority.

Lodgement of proxy appointments

For the appointment of a proxy to be effective for the meeting, the Company must receive an online proxy appointment through the www.investorvote.com.au website or a duly completed proxy form (and if signed by an attorney, the attorney's authority or a certified copy), in either case by **10.00am on Sunday, 22 October 2023**.

Proxy forms may be posted or faxed to the Company's share registry at:

Computershare Investor Services Pty Limited

GPO Box 242

MELBOURNE VIC 3001

Australia

Facsimile: 1800 783 447 (within Australia)
+61 3 9473 2555 (outside Australia)

If posting, please allow sufficient time for your form to be received by 10.00am on Sunday, 22 October 2023.

Corporate representatives

A corporate Shareholder wishing to appoint a person to act as its representative at the Meeting may do so by providing that person with:

- a properly executed letter, certificate, form, or other document, such as an "Appointment of Corporate Representative" confirming that they are authorised to act as the corporate Shareholder's representative. A form may be obtained from www.investorcentre.com under the help tab "Printable Forms"; or
- a copy of the resolution appointing the representative, certified by a director or secretary of the corporate Shareholder.

Evidence of the appointment, including a copy of the signed appointment document, must be lodged with the Company before the EGM (unless it has previously been given to the Company). Evidence of the appointment can be provided to the Company's share registry, Computershare, ahead of the EGM through the contact details provided in this Notice.

By order of the Board of Directors
of Yellow Brick Road Holdings Limited



Stephen McKenzie
Company Secretary

25 September 2023

YELLOW BRICK ROAD HOLDINGS LIMITED
ACN 119 436 083
Extraordinary General Meeting
Explanatory Memorandum

Important Information

This Explanatory Memorandum has been prepared for the information of the Shareholders of Yellow Brick Road Holdings Limited (**YBR** or the **Company**) in connection with the business to be conducted at the Extraordinary General Meeting of the Company to be held at 10:00am (Sydney time) on Tuesday, 24 October 2023.

The purpose of this Explanatory Memorandum is to provide information that the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolution set out in the Notice.

You should read this document carefully.

This Explanatory Memorandum and the accompanying Notice are important. You should read each document in its entirety before deciding how to vote on the Resolution at the Meeting. If you are in doubt as to what you should do, you should consult your financial, legal or other professional adviser.

No Investment Advice

This Explanatory Memorandum does not constitute financial product advice and it does not purport to contain all of the information that a prospective investor may require in evaluating a possible subscription, acquisition, sale, buy-back or retention of shares in the Company. This Explanatory Memorandum has been prepared without taking account of any person's particular investment objectives, financial situation or needs.

Glossary

Unless otherwise defined in this document, capitalised terms have the meaning set out in the Glossary at the end of this Explanatory Memorandum.

RESOLUTION

Special Resolution to approve Company's removal from the ASX official list

1 Background

The Company has applied to ASX to be removed from the Official List under Listing Rule 17.11 (the **Delisting**).

As is its usual practice, ASX has imposed a requirement under Listing Rule 17.11 and ASX *Guidance Note 33 – Removal of Entities from the ASX Official List*, that the Company obtain Shareholder approval to its Delisting.

The Resolution seeks the required Shareholder approval to the Delisting. It is proposed as a special resolution and, as such, will only be passed if at least 75% of the votes cast on the Resolution are in favour.

If the Resolution is passed, the Company will be able to proceed with the Delisting. This means that after the Delisting, the Company's Shares will no longer be quoted on (or be able to be traded on) the ASX. Further information regarding the consequences of the Delisting is set out in section 9 below.

If the Resolution is not passed, the Company will not proceed with the Delisting at this time. In those circumstances, the Company's Shares would remain quoted on the ASX.

2 ASX's conditional agreement to the Delisting

ASX has provided the Company with notice of a decision in response to an application by the Company, confirming that ASX has agreed to remove the Company from the Official List pursuant to Listing Rule 17.11, subject to compliance with certain conditions (as set out below in the terms of the decision).

The full terms of the ASX decision are as follows:

"DECISION

Confirmation Decision

1. Based solely on the information provided, ASX Limited ('ASX') agrees to the removal of Yellow Brick Road Holdings Limited ('YBR' or the 'Company') from the Official List pursuant to Listing Rule 17.11, on a date to be determined by ASX in consultation with YBR, subject to the following conditions:
 - 1.1. The request for removal of YBR from the Official List of ASX is approved by a special resolution of ordinary security holders of YBR.
 - 1.2. The notice of meeting seeking security holder approval for YBR's removal from the Official List of ASX ('Notice') must include a statement, in form and substance satisfactory to ASX, setting out:
 - 1.2.1. a timetable of key dates, including the time and date at which YBR will be removed from the Official List of ASX if that approval is given;
 - 1.2.2. include a statement to the effect that the removal will take place no earlier than one month after approval is granted;
 - 1.2.3. include a statement to the effect that if holders wish to sell their securities on ASX, they will need to do so before the entity is removed from the ASX Official List; and if they do not, details of the processes that will exist after YBR is removed from the Official List to allow security holders to dispose of their holdings and how they can access those processes; and
 - 1.2.4. include, to ASX's satisfaction, the information prescribed in section 2.11 of ASX Guidance Note 33.
 - 1.3. The removal of YBR from the Official List must not take place any earlier than one month after security holder approval has been obtained so that security holders have at least that period to sell their securities on ASX should they wish to do so.
 - 1.4. YBR must apply for its securities to be suspended from quotation at least two (2) business days before its proposed delisting date.
2. ASX has considered Listing Rule 17.11 only and makes no statement as to YBR's compliance with other Listing Rules.

Basis for Confirmation Decision

Listing Rule 17.11

3. ASX may remove an entity from the Official List of ASX at the request of an entity. Removal from the Official List of ASX at an entity's request recognises that remaining listed may no longer be suitable for a listed entity at a particular stage in its existence. There is no requirement for ASX to act on the request. ASX's power not to agree to requests for delisting enables it to ensure that delisting is not sought for inappropriate reasons or conducted in a way that is clearly harmful to the market or to security holders' legitimate interests. ASX may impose conditions on granting the request. The power to impose conditions enables ASX to ensure that an orderly market is maintained in the period leading up to the delisting, and that the listed entity makes appropriate arrangements in connection with its delisting.

Facts/Reasons for granting the confirmation

4. The circumstances faced by YBR are those to which 2.7 of Guidance Note 33 applies. Where an entity requests removal from the Official List of ASX and its ordinary securities are not readily able to be traded on another exchange, ASX will usually require the entity to obtain security holder approval for removal from the Official List and that the removal does not take place any earlier than one month after security holder approval has been obtained. An exception to these conditions are certain circumstances where the entity has been the subject of a successful takeover bid for its ordinary securities, however this exception does not apply in YBR's case. The standard conditions will therefore be enforced in these circumstances to ensure that the interests of security holders as a group are addressed, and that all security holders have an opportunity to express a view on whether or not the entity should be removed from the Official List. In order to provide security holders with the opportunity to sell their securities in YBR prior to its delisting, YBR will provide security holders at least one month from the delisting approval being obtained to sell their securities on-market prior to being delisted. Further, the standard conditions will in effect be imposed as a safeguard to minority security holders so that they are not denied a market for their securities.

ASX's power to vary or revoke decision

It should be noted that under ASX Listing Rule 18.3, ASX may vary or revoke this decision at any time."

In accordance with paragraph 1.1 of the ASX decision, the Resolution seeks Shareholder approval, as a special resolution, to remove the Company from the Official List.

In accordance with paragraph 1.2 of the ASX decision, the timetable, statements and information required to be included in this Notice of Meeting are set out in this Explanatory Memorandum.

In accordance with paragraph 1.2.3 of the ASX decision, the Company notifies Shareholders that if they wish to sell their YBR shares on the market operated by ASX, they will need to do so before the Company's suspension from trading with effect from the close of trade on Thursday, 23 November 2023. Thereafter, Shareholders will only be able to sell their YBR shares by way of off-market private transactions (subject to compliance with the Constitution and the Corporations Act). See section 11 for further details.

3 Board recommendation

The Board considers that it is in the best interests of the Company and its Shareholders for the Company to be removed from the Official List for the reasons set out in this Explanatory Memorandum.

The potential advantages and disadvantages of being removed from the Official List are set out below in this Explanatory Memorandum.

The Board unanimously recommends to Shareholders that they vote in favour of the Resolution.

The Chairman intends to vote any undirected proxies held by him in favour of the Resolution.

Shareholders who are uncertain about what action to take should seek guidance from their professional advisers. In particular, Shareholders should seek appropriate legal, financial and tax advice about the potential impacts of holding shares in a company that is not listed on ASX.

4 Voting exclusions

As at the date of this Notice, ASX has not imposed any voting exclusion preventing any Shareholder from voting on the Resolution.

5 Time and date for removal

If the Resolution is passed, the removal of the Company from the Official List will take place no earlier than one month after the date on which the Resolution is passed, on a date and at a time determined by ASX, which is expected to be at close of trading on Monday, 27 November 2023.

An indicative timetable for the Delisting is set out in **Annexure A** to this Notice.

Following the Meeting, if the Resolution has been passed, a further announcement will be made to ASX confirming the official date of the Delisting.

6 Reasons for seeking removal and potential advantages

The Board's key reasons for requesting removal of the Company from the Official List, and the potential advantages of the Company being removed from the Official List, are as follows:

(a) Trading price does not reflect underlying value

The Board believes that the prices at which YBR shares are trading on ASX are materially lower than the underlying value of its net tangible assets (**NTA**), and have been for several years.

In recent years, YBR has reported NTA per share as set out in Table 1 below:

Table 1 – YBR NTA per share vs share price			
As at financial report date	NTA per share (after consolidation of 50% of NTA of Resi Wholesale Funding Pty Ltd)	Share price (closing price on ASX end of month of release of financial report)	Share price discount to NTA per share
30 June 2020	16.01 cents	7.8 cents	51.3%
30 June 2021	15.54 cents	8.5 cents	45.3%
30 June 2022	14.77 cents	9.0 cents	39.1%
30 June 2023	13.86 cents	6.0 cents	56.7%

As the above table shows, the persistent discount of YBR's share trading price to its NTA per share is significant. This discount could be attributable to matters including:

- The significant size, volatility and misunderstood nature of the movements over the last few years in the net present value of YBR's future trail commissions receivable and payable (**NPV**) from its "book" of underlying mortgage loans originated by its existing and past YBR, Vow, Resi and Loan Avenue brokers. In order to comply with Australian accounting standards, these movements have resulted in substantial non-cash adjustments to YBR's reported earnings and assets.

- Low trading volumes and liquidity in YBR shares on ASX have resulted in very limited trading opportunities for shareholders to exit their positions and for new investors to gain stock. Accordingly, micro/small cap fund managers and other significant investors are unlikely to invest or trade in YBR shares.
- With a current market capitalisation of circa \$18-20m, there is very little to no interest from stockbroking firms and financial analysts to do research on YBR, let alone recommend YBR as “undervalued” or a “buy” to their clients.

(b) Limited trading and liquidity

The Board believes that the current spread of shareholders is not sufficient to maintain an orderly and liquid market for trading in YBR shares, and does not believe that there will be a significant increase in shareholder spread or liquidity in the foreseeable future.

There are 326,381,450 YBR shares currently on issue. The volumes and \$ values of YBR shares traded on ASX for the last 4 calendar months were as set out in Table 2 below:

Table 2 – Recent monthly trading volumes of YBR Shares					
Month	Actual days traded / Available trading days (#)	Monthly volume (#)	Monthly volume /Total issued shares (%)	Average daily volume traded in month (#)	Average daily \$value traded in month (\$)
August 2023	6/23	782,894	0.24%	130,482	\$7,275
July 2023	15/21	2,367,382	0.73%	157,825	\$8,928
June 2023	15/21	1,425,116	0.44%	95,008	\$5,430
May 2023	16/23	1,550,700	0.48%	96,919	\$6,740

The percentage of YBR’s issued capital held by the Top 20 YBR shareholders in each year since YBR was re-listed on the ASX in 2011 has been between 78 - 82%. A significant percentage of these holdings have not changed during that time. The current Top 4 YBR shareholders hold in aggregate approximately 62% of YBR’s issued capital. This represents a large concentration of shareholdings in a few hands.

In the past, major offers of holdings of YBR shares on the ASX have led to significant reductions in the YBR share price. Between 30 June 2014 – 2016, YBR’s share price fell from circa \$0.65 to \$0.18, approximately \$0.47 per share. Furthermore, in recent times, given the tiny volume of YBR shares being traded as shown in Table 2 above, the effect of trading even tiny parcels of YBR shares on the YBR share price has become disproportionately significant. There are examples of trades of as little as \$7,000 of YBR shares in a day where the share price has closed down by 1 cent, which results in a reduction of YBR’s market cap by circa \$3.3m.

In the Board's opinion these matters are having an unacceptable effect on YBR shareholder value.

(c) Raising capital is highly dilutive

One of the major reasons for a company to be listed is to facilitate the raising of capital at reasonable prices. However, due to YBR's depressed share price over the last few years, raising a material capital sum at a typical discount to the current YBR share price would be highly dilutive to current shareholders and would further depress the share price. The Board believes that YBR's share price performance on ASX, in both price and liquidity terms, is an impediment to YBR seeking to raise capital while it remains listed.

(d) Removal of daily "mark to market" valuation methodology

The Board believes that, by delisting YBR, a valuation of YBR would no longer be distorted by the application of the Company's depressed share price and market capitalisation as the primary valuation methodology, allowing future valuations to be based solely on an appraisal of YBR's business and asset fundamentals and prospects.

In addition, the removal of daily "mark-to-market" pricing of YBR shares would assist those shareholders for whom daily pricing is not relevant or causes unnecessary fluctuations in their portfolio valuations.

(e) Cost savings

The Board believes that the ongoing administrative and compliance obligations and costs associated with maintaining the listing of the Company's shares on ASX are disproportionate to the benefit obtained from being listed. The Company estimates that delisting its shares would save approximately \$350,000 per annum in expenses.¹

(f) Strategic matters

YBR has recently updated the market on its business strategies and initiatives in its FY2023 Investor Presentation.² The Board considers that the Company will have greater flexibility to pursue and execute these strategies and initiatives, as well as other potential value-enhancing strategic opportunities and corporate transactions following a Delisting.

(g) Management time and effort

A significant portion of the Company's management time is presently being dedicated to time-intensive matters relating to the Company's ASX listing. If the Company Delists, management's time will be able to be spent on other value-add matters for the benefit of the Company and its Shareholders.

7 Potential disadvantages of Delisting

The potential advantages of the Delisting are set out in section 6. The potential disadvantages of the Delisting include the following:

(a) Less liquidity

After the Delisting, Shares will only be able to be traded by way of private transactions. Accordingly, since Shares will no longer be able to be traded on ASX, the liquidity of the Shares may be diminished.

¹ Estimate includes c.\$40,000 in listing fees, c.\$130,000 in accounting and audit fees and c.\$180,000 in other costs.

² Released to ASX on 29 August 2023.

(b) More limited means of raising capital

In general terms, an unlisted company has a more restricted ability to raise capital from the issue of securities using limited disclosure fundraising documents, than is presently the case for the Company with its Shares being quoted on ASX. As set out in section 9(c), should the Company seek to raise capital following Delisting, it will be required to offer Shares pursuant to a full prospectus or by way of a disclosure exempt placement under section 708 of the Corporations Act, such as to sophisticated and institutional investors or for a "small scale offering", for which prospectus disclosure is not required.

(c) Less onerous regulatory obligations

If the Delisting proceeds, the requirements of the Listing Rules will no longer apply to the Company (see section 9(d) for further details). This includes the removal of restrictions on the issue of securities by the Company, removal of restrictions concerning significant changes to the Company's activities and relief from requirements to address ASX's Corporate Governance Principles and Recommendations. The absence of continued restrictions in these areas may be perceived to be a disadvantage to some Shareholders, particularly minority Shareholders.

(d) Increased dilution risk

As noted in section 8(d), following the Delisting the Company will no longer be subject to limits on the issue of new Shares under non-pro rata offerings without prior Shareholder approval under the Listing Rules. As a result, Shareholders may be subject to dilution of their proportionate interests in the Company's issued capital due to future equity fundraising, without the opportunity to vote on the relevant fundraising proposals. See section 9(d) for further details.

8 Potential advantages and disadvantages of remaining on the Official List

Potential advantages

The potential advantages of remaining listed on the Official List include the following:

(a) Trading on ASX

If the Company remains listed, Shares will continue to be able to be traded on ASX. Some Shareholders may find it easier to trade their Shares on ASX rather than selling their Shares by way of off-market, private transactions if the Delisting were to proceed.

(b) Raising capital without a disclosure document

By remaining listed, the Company would be able to raise capital from the issue of securities using limited disclosure fundraising documents, without the requirement to issue a full prospectus. This would result in the Company incurring lower transaction costs in relation to the disclosure requirements in a capital raising.

(c) Application of Listing Rules

By remaining listed, the Company would continue to be subject to the Listing Rules. The Company's obligations under the Listing Rules include:

- (i) limits on the number of Securities that may be issued by the Company in each 12 month period without obtaining Shareholder approval;

- (ii) the requirement to prepare a Corporate Governance Statement informing Shareholders of the Company's corporate governance practices and comparing those practices to the ASX Corporate Governance Council's Principles and Recommendations; and
- (iii) the requirement to obtain Shareholder approval before disposing of the Company's main undertaking.

Potential disadvantages

The potential disadvantages of remaining listed on the Official List include the following:

(a) Continuation of undervalued securities

As a listed company, one common method of determining the Company's valuation is by reference to the market capitalisation of its Shares based on the prevailing share price from time to time. As noted above in sections 6(a) and 6(d), the Board does not consider that the Company's current share price reflects the underlying value of the Company's business or its net assets. In recent years as a listed company, the YBR share trading price has persistently been significantly lower than its NTA per share. If the Company were to remain listed, the Board expects that this discount would continue, and that daily "mark-to-market" pricing of YBR shares would continue to deter investment in YBR shares by investors for whom daily pricing is relevant.

(b) Continuation of limited trading and liquidity

As noted above in section 6(b), there has been limited trading in the Company's shares in recent years. Small trading volumes have had a disproportionate effect on the YBR share price and the Company's market capitalisation. The Board expects that these circumstances would continue if the Company were to remain listed.

(c) Raising capital would continue to be highly dilutive

As noted above in section 6(c), due to YBR's depressed share price over the last few years, raising a material capital sum at a typical discount to the current YBR share price would be highly dilutive to current shareholders and would further depress the share price. The Board believes that YBR's share price performance on ASX, in both price and liquidity terms, would continue to be an impediment to YBR seeking to raise capital if it remains listed.

(d) Costs of continued listing

As noted above in section 6(e), if the Company remains listed then it will continue to incur substantial costs as a result of its listing. The Company expects that this figure will increase in subsequent years.

(e) Management time and effort

As noted above in section 6(f), if the Company remains listed, then its management team will continue to dedicate a significant portion of their time to time-intensive matters relating to the Company's ASX listing, rather than spending that time on value-add matters for the benefit of the Company and its shareholders.

9 Consequences for the Company and its Shareholders following removal

Some of the key consequences for the Company and Shareholders if the Company is removed from the Official List include:

(a) Trading of Shares

Following Delisting, the Shares will cease to be quoted on the ASX and Shareholders will no longer be able to sell their Shares and realise their investment in the Company via trading on ASX.

(b) Sales via off-market transactions

The Shares will only be capable of sale via off-market private transactions, which will require Shareholders to identify and agree terms with potential purchasers of the Shares in accordance with the Constitution and the Corporations Act.

The Company does not have any present intention to list any securities of the Company on any securities exchange.

The Company can provide no assurances or guarantees that a liquid market for the Company's securities will exist.

For shareholders who retain their shares after the Delisting, the Company will consider engaging a third party private share trading platform service, to facilitate periodic off-market sale and purchase transactions in YBR shares, by matching buyers and sellers who register their interest on the platform. However, there is no assurance or guarantee that there will be sufficient demand from buyers registered on any such private share trading platform to allow shareholders to sell their shares on the platform, or at what price any such sale might occur.

(c) Raising new capital

As an unlisted public company, the Company will no longer be able to raise capital from the issue of securities to the public by means of a limited disclosure fundraising document.

Should the Company seek to raise capital following Delisting, it will be required to offer its Shares pursuant to a full prospectus or by way of a disclosure exempt placement under section 708 of the Corporations Act, such as to sophisticated and institutional investors or for a “small scale offering”, for which prospectus disclosure is not required.

(d) Listing Rules

The Company will no longer have to comply with the Listing Rules, including the following:

- (i) the requirement under Listing Rule 7.1 to obtain prior approval of Shareholders for an issue of equity securities if the equity securities would, when aggregated with the ordinary securities issued by the Company during the previous 12 months, exceed 15% of the number of ordinary securities on issue at the commencement of that 12 month period;
- (ii) the requirement to seek prior Shareholder approval for the issue of Shares to Directors and other related parties as required under Listing Rule 10.11;
- (iii) the requirement to obtain Shareholder approval under Listing Rules 11.1 or 11.2 for changing the nature and scale of the Company's activities or disposing of its main undertaking; and
- (iv) the requirement for the Company to prepare a Corporate Governance Statement comparing its own corporate governance practices to the ASX Corporate Governance Principles and Recommendations.

(e) Corporations Act

Although the Listing Rules will cease to apply to the Company if it Delists, the Company will still be subject to the requirements of the Corporations Act and the Constitution, including:

(i) Unlisted disclosing entity

For so long as the Company has 100 or more shareholders, it will be an "unlisted disclosing entity" under the Corporations Act. This means that it will still be required to make continuous disclosure of matters that a reasonable person would expect to have a material effect on the price or value of the Company's Shares, by filing notices with ASIC under section 675 of the Corporations Act.

As an unlisted disclosing entity, the Company will also still be required to lodge annual audited and half-yearly financial statements in accordance with the requirements of the Corporations Act.

The Company would continue to make its continuous disclosure notices and financial reports available to Shareholders on its website.

If the Company ceases to be an unlisted disclosing entity (by ceasing to have at least 100 shareholders), there will be no ongoing requirement to make continuous disclosure of matters under section 675 of the Corporations Act or to lodge half-yearly statements reviewed by an auditor. The Company would still however be required to prepare and lodge annual audited financial statements with ASIC.

(ii) Chapter 6

For as long as the Company has more than 50 shareholders, it will continue to be subject to the "takeover" provisions in Chapter 6 of the Corporations Act and, as such, increases in voting power in the Company would continue to be regulated by Chapter 6 for Shareholders who hold between 20% and 90% of the voting power in the Company.

(iii) Related party benefits

The restrictions on the giving of a financial benefit by the Company to a related party under Chapter 2E of the Corporations Act would continue to apply.

(f) Constitution

The Company's Constitution will remain unchanged immediately following the Delisting. As such, Shareholders would continue to have the right to:

- (i) exercise the voting rights attached to their Shares;
- (ii) receive notices of meetings and other notices issued by the Company; and
- (iii) receive dividends (if any) declared and payable by the Company from time to time.

10 Buy-back or other sale facility

The Company is currently undertaking an off-market "minimum holding" buy-back of "unmarketable parcel" Shareholdings, prior to the Delisting and regardless of whether or not the Delisting proceeds. These "unmarketable parcel" Shareholdings are held by approximately 740 Shareholders and represent in total approximately 0.63% of the Shares on issue.

The Company does not presently intend to offer Shareholders any other buy-back or other sale facility in connection with the Delisting. Shareholders who wish to sell their Shares prior to the Delisting may do so before or during the one month window between the date that Shareholder approval is obtained and the date on which trading in the Company's shares is suspended prior to the Company being formally removed from the Official List.

11 How to sell securities before and after removal from the Official List

If Shareholders wish to sell their Shares prior to the Delisting, they may do so on the ASX. If the Resolution is passed and the Company is to be removed from the Official List, Shareholders must sell their Shares before close of trade on Thursday, 23 November 2023 after which trading of the Company's shares will be suspended prior to the Delisting.

Following the Delisting, Shares in the Company will only be capable of sale by private transaction and there will be no formal securities market or exchange in place to allow investors to dispose of their holdings following the Delisting. Shareholders wishing to trade their Shares will be entitled to transfer their Shares off-market to a willing third-party purchaser in accordance with the requirements of the Constitution and the Corporations Act. Shareholders can access a share transfer form at the following link:

<https://www-au.computershare.com/Investor/#Company>

12 Shareholder remedies

Part 2F.1 of the Corporations Act

In circumstances where a Shareholder considers the Delisting to be contrary to the interests of Shareholders as a whole, or oppressive to, unfairly prejudicial to, or discriminatory against a Shareholder or Shareholders, that Shareholder may apply to the court for an order under Part 2F.1 of the Corporations Act.

The court can make any order under section 233 of the Corporations Act that it considers appropriate in relation to the Company. This may include an order that the Company be wound up or an order regulating the conduct of the Company's affairs in the future.

Part 6.10 Division 2 Subdivision B of the Corporations Act

In circumstances where a Shareholder considers that the Delisting involves "unacceptable circumstances", that Shareholder may apply to the Takeovers Panel to make a declaration of unacceptable circumstances or orders under Part 6.10 Division 2 Subdivision B of the Corporations Act (see also *Guidance Note 1: Unacceptable Circumstances* issued by the Takeovers Panel).

Pursuant to section 657D of the Corporations Act, if the Takeovers Panel has declared circumstances to be unacceptable under section 657A of the Corporations Act, it may make any order (except for an order directing a person to comply with a requirement of Chapter 6, 6A, 6B or 6C of the Corporations Act) that it thinks appropriate to (among others) protect the rights or interests of any person or group of persons where it is satisfied that those rights or interests have been or are being affected, or will be or are likely to be affected, by the circumstances.

12 Other material information

Small shareholdings buy-back

As stated above in section 10, the Company is undertaking an off-market "minimum holding" buy-back of "unmarketable parcel" Shareholdings, prior to the Delisting and regardless of whether or not the Delisting proceeds. These "unmarketable parcel" Shareholdings are held by approximately 740 Shareholders and represent in total approximately 0.63% of the Shares on issue.

Details of this buy-back were announced to ASX on Monday, 18 September 2023 and the announcement can be found in the announcements by YBR on the ASX website (www.asx.com.au) and on the Company's website (www.ybr.com.au/about/investor-centre).

The buy-back price payable to the eligible shareholders is \$0.055 per share. The eligible shareholders can elect to "opt-out" of the buy-back.

The abovementioned "minimum holding" buy-back will continue and be completed by the Company regardless of the outcome of the Delisting proposal.

Share Purchase Plan

The Company also separately announced to ASX on Monday, 18 September 2023 that it would make an offer to its existing shareholders resident in Australia or New Zealand by way of a Share Purchase Plan, under which each of those eligible shareholders may subscribe for up to \$30,000 of new YBR shares at \$0.055 per share.

Details of the Share Purchase Plan can be found in the announcements by YBR on the ASX website (www.asx.com.au) and on the Company's website (www.ybr.com.au/about/investor-centre).

The Share Purchase Plan offer is expected to open on Monday, 25 September 2023 and to close for acceptances on Monday, 16 October 2023. Shares are expected to be issued to applicants under the Share Purchase Plan offer prior to the Meeting date on Tuesday, 24 October 2023.

GLOSSARY

In this Explanatory Memorandum:

ASX means ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires.

ASX Listing Rules means the listing rules of the ASX.

Board means the board of directors of the Company.

Company means Yellow Brick Road Holdings Limited ACN 119 436 083.

Corporations Act means the Corporations Act 2001 (Cth).

Delisting means the removal of the Company from the Official List, and **Delist** has a corresponding meaning.

Director means a director of the Company.

Explanatory Memorandum means the Explanatory Memorandum accompanying the Notice.

Meeting or **Extraordinary General Meeting** or **EGM** means the general meeting convened by the Notice.

Notice means the notice of meeting accompanying this Explanatory Memorandum.

Official List means the official list of entities that ASX has admitted and has not removed.

Resolution means the proposed special resolution set out in the Notice.

Share or **Shares** means an ordinary fully paid share or shares in the capital of the Company.

Shareholder means a holder of Shares.

Annexure A – Indicative timetable

Key Event	Key Dates
Formal application submitted to ASX to Delist	Thursday, 14 September 2022
Announcement to ASX of proposal to Delist	Monday, 18 September 2023
Notice of Extraordinary General Meeting dispatched to Company shareholders	Monday, 25 September 2023
General Meeting held to approve the Delisting	Tuesday, 24 October 2023
Suspension from quotation	Thursday, 23 November 2023
Removal of the Company from the Official List	Monday, 27 November 2023

The above timetable is indicative only and may be subject to change by the Company or ASX.



YellowBrickRoad
Home Loans

Yellow Brick Road Holdings Limited
ABN 44 119 436 083

Need assistance?



Phone:

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (Sydney Time) Sunday 22 October 2023.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 133091

SRN/HIN:

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark ☒ to indicate your directions

Step 1

Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Yellow Brick Road Holdings Limited hereby appoint

☐

the Chairman
of the Meeting

OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Extraordinary General Meeting of Yellow Brick Road Holdings Limited to be held at Swissotel Sydney 68 Market Street, Sydney NSW, 2000 on Tuesday 24 October 2023 at 10:00am (Sydney Time) and at any adjournment or postponement of that meeting.

Step 2

Item of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Resolution 1 Removal from the Official List of ASX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of item 1 (if required). In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on the resolution, in which case an ASX announcement will be made.

Step 3

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

