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Friday 16 February 2018

**Ben Secrett**  
**Senior Advisor, ASX Listings Compliance (Perth)**  
**ASX Compliance Pty Ltd**

Dear Mr Secrett

**YONDER & BEYOND GROUP LIMITED ("COMPANY"): APPENDIX 4C QUERY**

I refer to your letter dated 13 February 2018, and on behalf of the Board provide the following responses.

- 1. Does the Company expect to have negative operating cash flows for the time being and, if not, why not?**

Yes.

- 2. Has the Company taken steps or does it propose to take steps to raise further capital to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?**

The Company is in direct discussions with a number of potential investors who have expressed an interest in an equity investment in the Company, both as a result of the synergies resulting from the proposed acquisition of High Line Alternative Investments Pty Ltd and more generally as a result of interest in the Company's existing business. Engagement with these potential investors is ongoing, but to this point not finalized.

The Company has obtained approval from its shareholders to conduct a placement of up to 30 million shares at its Annual General Meeting on 28 November 2017, which approval is valid until 28 February 2018. If this approval is not utilised, the Company currently has the capacity to issue 8.7 million shares, without shareholder approval, under Rule 7.1 and is seeking to refresh this capacity under Rule 7.1 at an upcoming General Meeting scheduled for 5 March 2018 – current proxy votes indicate that this resolution is likely to be passed. Considering the above and noting the Company's history of being able to raise capital as and when required, the Board is confident that it will have the capacity, both commercially and under the ASX Listing Rules, to raise further capital to fund its existing operations.

- 3. Does the Company expect to be able to continue its operations and to meet its business objective, and if so, on what basis?**

Yes.

YNB expects to be able to continue its operations and to meet its business objectives on the basis that it expects to be able to raise further capital as described in item 2 above.

The Company also notes that its trade debtors as at 31 December 2017 was in excess of £350,000 (A\$600,000), which is higher than usual, (September quarter approximated A\$200,000) due to the increased sales during the December quarter. These funds have been and are expected to be received as receipts during the current quarter.

Furthermore, although it has no intention to do so, if necessary, the Company has the capacity to reduce certain aspects of its expenditure in the short to medium term without significantly compromising its operations and objectives. In particular reductions could be applied to certain aspects of research and development, advertising and marketing and administration costs.

- 4. Please provide any other information that the Company considers may be relevant to ASX forming an opinion on whether the Company is in compliance with Listing Rule 12.2 (a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing).**

None, other than as set out in this response above.

- 5. Please confirm that the Company is in compliance with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with the rule that has not already been released to the market.**

YNB confirms that it is compliance with Listing Rule 3.1 and there is no information about its financial condition that should be given to ASX in accordance with that Rule that has not already been released to the market.

- 6. Please confirm that the Company's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its Board or an officer of the Board with delegated authority from the Board to respond to ASX on disclosure matters.**

The responses to the question above haven been authorised and approved by the Board.

Christopher Shearer  
Company Secretary



13 February 2018

Christopher Shearer  
Yonder & Beyond Group Limited  
Level 4, 11 Bank Place  
MELBOURNE VIC 3000

By email

Dear Mr Shearer

**YONDER & BEYOND GROUP LIMITED ("COMPANY"): APPENDIX 4C QUERY**

I refer to the Company's Appendix 4C quarterly report for the period ended 31 December 2017 released on the ASX Market Announcements Platform on 1 February 2018 (the "Appendix 4C").

ASX notes that the Company has reported:

- negative net operating cash flows for the quarter of \$675,000;
- cash at the end of the quarter of \$205,000; and
- estimated cash outflows for the next quarter of \$2,310,000.

It is possible to conclude, based on the information in the Appendix 4C, that if the Company were to continue to expend cash at the rate indicated by the Appendix 4C, the Company may not have sufficient cash to continue funding its operations. In view of that, ASX asks the Company to respond separately to each of the following questions and requests for information:

1. Does the Company expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has the Company 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?
3. Does the Company expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please provide any other information that the Company considers may be relevant to ASX forming an opinion on whether the Company is in compliance with Listing Rule 12.2 (a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing).
5. Please confirm that the Company is in compliance with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that Rule that has not already been released to the market.

6. Please confirm that the Company's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of the Company with delegated authority from the board to respond to ASX on disclosure matters.

### **When and where to send your response**

This request is made under, and in accordance with Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, **by not later than 12 noon AWST on Friday, 16 February 2018**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Company's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Company's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at [tradinghaltspert@asx.com.au](mailto:tradinghaltspert@asx.com.au). It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

### **Listing Rule 3.1**

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to the Company's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that the Company's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

### **Trading halt**

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in the Company's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

*[sent electronically without signature]*

Ben Secrett

**Senior Adviser, ASX Listings Compliance (Perth)**