

Lodged by ASX Online

29 August 2014

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

Dear Sir/Madam

### **COMPLETION OF VOW AND RESI ACQUISITIONS AND SHARE PLACEMENT**

Yellow Brick Road Holdings Limited (ASX: **YBR**) ("**YBR**" or the "**Company**") is pleased to announce that it has today:

- (a) completed the previously announced acquisitions of:
  - mortgage aggregator Vow Financial Holdings Pty Limited (**Vow**); and
  - mortgage manager and originator RESI Mortgage Corporation Pty Limited (**Resi**);
- (b) completed the previously announced \$42.05 million share placement for the purpose of funding the Vow and Resi acquisitions and raising additional working capital;
- (c) satisfied all outstanding conditions under its new \$13.835 million facility with Commonwealth Bank of Australia to allow YBR to be able to drawdown under that facility; and
- (d) entered into the new consultancy agreement providing for the services of its executive chairman, Mark Bouris, for a further 5 year term to 31 July 2019.

As part of the completion of the above transactions and as approved at the YBR shareholders' meeting on 27 August 2014, the Company advises that it has today:

- (i) issued 17,124,384 new ordinary shares to the vendor shareholders of Vow and Resi, which shares remain subject to voluntary escrow until 29 August 2015;
- (ii) issued 60,071,429 new ordinary shares under the share placement, raising \$42,050,000 before costs; and
- (iii) issued 6,000,000 new ordinary shares and 10,000,000 share rights to Golden Wealth Holdings Pty Limited pursuant to the new consultancy agreement for the Company's executive chairman, Mark Bouris. The 6,000,000 shares are subject to voluntary escrow and are to be released from voluntary escrow on the following dates:

- 1,500,000 shares on 30 August 2015
- 1,500,000 shares on 30 August 2016
- 1,500,000 shares on 30 August 2017
- 1,500,000 shares on 30 August 2018.

The Company has separately lodged with the ASX today a cleansing notice under section 708A(5) of the Corporations Act 2001 in respect of the issue of the above shares.

YBR's Executive Chairman, Mark Bouris, said: "The acquisition of Vow and Resi is another important milestone in our strategy to become a leader in the 'non-bank' segment of the financial services market. We now look forward to working with the employees, brokers, franchisees and other business partners of Vow and Resi to develop and enhance their relationships with Vow and Resi as members of the YBR Group."

An Appendix 3B is enclosed with respect to the issue of the above shares and share rights.

Yours faithfully



Richard Shaw  
Company Secretary  
Yellow Brick Road Holdings Limited

**ENDS**

For more information, contact:  
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# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Yellow Brick Road Holdings Limited

ABN

44 119 436 083

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |   |  |
|---|---|--|
| 1 | +Class of +securities issued or to be issued  | (a) Ordinary shares<br>(b) Unquoted performance rights                       |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | (a) 83,195,813 ordinary shares<br>(b) 10,000,000 unquoted performance rights |

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+ See chapter 19 for defined terms.

- |   |  |
|---|--|
| <p>3 Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)</p>  | <p>(a) Same terms as existing ordinary shares.<br/>(b) The performance rights are zero exercise price options to acquire ordinary shares, issued on the terms set out in the YBR Notice of EGM and Explanatory Memorandum lodged with ASX on 25 July 2014 (<b>EGM Notice</b>). In broad summary, the rights may vest in four tranches of 2.5m (with the first tranche potentially vesting on the second anniversary of the issue date, and each subsequent tranche at annual intervals thereafter), subject to the YBR share price (daily VWAP on 20 trading days out of any 30) reaching or exceeding certain specified hurdles (starting at \$1.01 for the first tranche, \$1.21 for the second tranche, \$1.45 for the third tranche and \$1.74 for the fourth tranche), and subject to Mark Bouris remaining as Executive Chairman of YBR. Each right entitles the holder to receive one ordinary share without payment, if the relevant vesting conditions are satisfied.</p> |
| <p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul> | <p>(a) Yes<br/>(b) No. The performance rights do not carry the right to vote, receive dividends or generally to participate in other corporate actions.</p>  |

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+ See chapter 19 for defined terms.

5	Issue price or consideration	<p>(a) 77,195,813 shares were issued and credited as fully-paid at \$0.70 per share in consideration of:</p> <ul style="list-style-type: none"> <li>- in respect of 60,071,429 shares issued to share placement investors, payment to YBR in cash;</li> <li>- in respect of 9,267,240 shares, the transfer to YBR of shares in Vow Financial Holdings Pty Ltd (<b>Vow</b>); and</li> <li>- in respect of 7,857,144 shares, the transfer to YBR of shares in RESI Mortgage Corporation Pty Ltd (<b>Resi</b>).</li> </ul> <p>A further 6,000,000 shares were issued and credited as fully-paid in consideration of the Lock-In/Lock-Out arrangement under the new Consultancy Agreement relating to the services of the Executive Chairman, as described in the EGM Notice.</p> <p>(b) Nil issue price for the performance rights. The consideration is the services of the Executive Chairman under the new Consultancy Agreement described in the EGM Notice.</p>
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	<p>(a) 60,071,429 shares issued under share placement for the purpose of funding payment of cash component of purchase consideration for acquisitions of Vow and Resi and to provide general working capital.</p> <p>9,267,240 shares issued as part consideration for acquisition of shares in Vow.</p> <p>7,857,144 shares issued as part consideration for acquisition of shares in Resi.</p> <p>6,000,000 shares to secure services of Executive Chairman with Lock-In/Lock-Out arrangement under new Consultancy Agreement.</p> <p>(b) Performance rights issued as long term incentive plan for Executive Chairman.</p>

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+ See chapter 19 for defined terms.

6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?  If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i	Yes
6b	The date the security holder resolution under rule 7.1A was passed	25 November 2013
6c	Number of +securities issued without security holder approval under rule 7.1	Nil
6d	Number of +securities issued with security holder approval under rule 7.1A	Nil
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	77,195,813 ordinary shares  Approved at meeting held on 27 August 2014
6f	Number of +securities issued under an exception in rule 7.2	6,000,000 ordinary shares 10,000,000 unquoted performance rights
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	69,083,351

+ See chapter 19 for defined terms.

7	<p><b>+Issue dates</b></p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	29 August 2014						
8	<p>Number and +class of all +securities quoted on ASX (<i>including</i> the +securities in section 2 if applicable)</p>	<table><tr><th>Number</th><th>+Class</th></tr><tr><td>278,060,641</td><td>Fully paid ordinary shares (of which 23,124,384 are subject to voluntary escrow restrictions).</td></tr></table>	Number	+Class	278,060,641	Fully paid ordinary shares (of which 23,124,384 are subject to voluntary escrow restrictions).		
Number	+Class							
278,060,641	Fully paid ordinary shares (of which 23,124,384 are subject to voluntary escrow restrictions).							
9	<p>Number and +class of all +securities not quoted on ASX (<i>including</i> the +securities in section 2 if applicable)</p>	<table><tr><th>Number</th><th>+Class</th></tr><tr><td>8,564,903</td><td>Options expiring 30 September 2017, exercise price at the greater of \$0.40 and \$0.75 of Average Yearly VWAP</td></tr><tr><td>10,000,000</td><td>Performance rights (zero exercise price options) described in 3 above</td></tr></table>	Number	+Class	8,564,903	Options expiring 30 September 2017, exercise price at the greater of \$0.40 and \$0.75 of Average Yearly VWAP	10,000,000	Performance rights (zero exercise price options) described in 3 above
Number	+Class							
8,564,903	Options expiring 30 September 2017, exercise price at the greater of \$0.40 and \$0.75 of Average Yearly VWAP							
10,000,000	Performance rights (zero exercise price options) described in 3 above							
10	<p>Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)</p>	Unchanged. New shares rank pari passu with all existing ordinary shares.						

## Part 2 - Pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the <b>+securities</b> will be offered	N/A

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+ See chapter 19 for defined terms.

14	+Class of +securities to which the offer relates	N/A
15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has security holders who will not be sent new offer documents  Note: Security holders must be told how their entitlements are to be dealt with.  Cross reference: rule 7.7.	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A

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+ See chapter 19 for defined terms.



26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	<sup>+</sup> Issue date	N/A

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of <sup>+</sup>securities  
(tick one)

(a) ☒ <sup>+</sup>Securities described in (a) of Part 1 (NB: **SHARES ONLY**)

(b) ☐ All other <sup>+</sup>securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

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<sup>+</sup> See chapter 19 for defined terms.

## Entities that have ticked box 34(a)

### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

- 35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over
- 37 ☐ A copy of any trust deed for the additional +securities

## Entities that have ticked box 34(b)

- 38 Number of +securities for which +quotation is sought
- 39 +Class of +securities for which quotation is sought

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+ See chapter 19 for defined terms.

40	<p>Do the <sup>+</sup>securities rank equally in all respects from the <sup>+</sup>issue date with an existing <sup>+</sup>class of quoted <sup>+</sup>securities?</p> <p>If the additional <sup>+</sup>securities do not rank equally, please state:</p> <ul style="list-style-type: none"><li>• the date from which they do</li><li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li><li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li></ul>	N/A	
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another <sup>+</sup>security, clearly identify that other <sup>+</sup>security)</p>	N/A	
42	Number and <sup>+</sup> class of all <sup>+</sup> securities quoted on ASX ( <i>including</i> the <sup>+</sup> securities in clause 38)	Number	<sup>+</sup> Class
		N/A	N/A

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<sup>+</sup> See chapter 19 for defined terms.

## Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: ..... Date: 29 August 2014  
(Company secretary)

Print name: .....Richard Shaw.....

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+ See chapter 19 for defined terms.

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# Appendix 3B – Annexure 1

## Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

### Part 1

Rule 7.1 – Issues exceeding 15% of capital	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>Insert</b> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	194,519,381
<b>Add</b> the following: <ul style="list-style-type: none"> <li>Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval</li> <li>Number of partly paid +ordinary securities that became fully paid in that 12 month period</li> </ul> <b>Note:</b> <ul style="list-style-type: none"> <li>Include only ordinary securities here – other classes of equity securities cannot be added</li> <li>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</li> <li>It may be useful to set out issues of securities on different dates as separate line items</li> </ul>	6,000,000  77,195,813  nil
<b>Subtract</b> the number of fully paid +ordinary securities cancelled during that 12 month period	nil
<b>“A”</b>	277,715,194

+ See chapter 19 for defined terms.

<b>Step 2: Calculate 15% of “A”</b>	
<b>“B”</b>	0.15 <i>[Note: this value cannot be changed]</i>
<b>Multiply “A” by 0.15</b>	41,657,279
<b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>	
<b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: <ul style="list-style-type: none"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <b>Note:</b> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	345,447
<b>“C”</b>	345,447
<b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>	
<b>“A” x 0.15</b> <i>Note: number must be same as shown in Step 2</i>	41,657,279
<b>Subtract “C”</b> <i>Note: number must be same as shown in Step 3</i>	345,447
<b>Total [“A” x 0.15] – “C”</b>	41,311,832 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

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+ See chapter 19 for defined terms.

## Part 2

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>“A”</b> <i>Note: number must be same as shown in Step 1 of Part 1</i>	277,715,194
<b>Step 2: Calculate 10% of “A”</b>	
<b>“D”</b>	0.10 <i>Note: this value cannot be changed</i>
<b>Multiply “A” by 0.10</b>	27,771,519
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A  <b>Notes:</b> <ul style="list-style-type: none"> <li>• This applies to equity securities – not just ordinary securities</li> <li>• Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</li> <li>• Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</li> <li>• It may be useful to set out issues of securities on different dates as separate line items</li> </ul>	nil
<b>“E”</b>	nil

+ See chapter 19 for defined terms.



<b>Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A</b>	
<b>“A” x 0.10</b> <i>Note: number must be same as shown in Step 2</i>	27,771,519
<b>Subtract “E”</b> <i>Note: number must be same as shown in Step 3</i>	nil
<b>Total [“A” x 0.10] – “E”</b>	27,771,519 <i>Note: this is the remaining placement capacity under rule 7.1A</i>