

Lodged with the ASX Online

31 March 2020

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

Dear Sir/Madam

FIRST COMPLETION OF YBR WEALTH TRANSACTION

Further to the ASX Announcement dated 27 December 2019 by Yellow Brick Road Holdings Limited (ASX:YBR) (**YBR** or the **Company**), YBR is pleased to advise its shareholders, YBR Wealth advisers, YBR franchisees and the market that first completion has occurred in relation to the sale of its Yellow Brick Road Wealth Division (**YBR Wealth**) to, and strategic alliance with, Sequoia Financial Group Limited (ASX:SEQ) (**Sequoia Group**).

First completion has involved the following:

- (i) The transfer by mutual agreement of a significant majority of YBR's current Wealth advisers to become licenced advisers of InterPrac Financial Planning Pty Ltd (**InterPrac**), the holder of an AFSL within the Sequoia Group, following these transferring advisers having entered into a new agreement with InterPrac and completing an onboarding process;
- (ii) The sale to Interprac Pty Ltd, a wholly owned subsidiary of Sequoia Group, of YBR Wealth's share of the rights to the recurring revenue streams derived from its wealth advice and life insurance distribution businesses involving those YBR Wealth advisers who have transferred to InterPrac in (i) above;
- (iii) The transfer of employment of two YBR Wealth staff engaged in head office operational and business functions to InterPrac; and
- (iv) Payment of the first completion payment to YBR.

A second completion is scheduled for 30 April 2020, involving:

- (i) The transfer of remaining YBR Wealth advisers to InterPrac who had not entered into a new agreements with InterPrac by the first completion date and who are not selling elsewhere or leaving the industry;
- (ii) The finalisation of the sale or transfer of a small number of YBR Wealth advisers' rights to income from their client book to other transferring YBR Wealth advisers or other advisers in the Sequoia Group;
- (iii) The finalisation of the sale of YBR Super;
- (iv) Payment of the second completion payment; and
- (v) The finalisation of a Cross-Referral agreement between the parties.

Consistent with its ASX Announcement dated 27 December 2019, the remainder of the purchase price is payable to YBR in three equal half yearly payments following the second completion date. The final purchase price will be determined once the transfer of the YBR Wealth advisers has completed and other potential adjustments made as noted therein.

YBR Executive Chairman, Mark Bouris, said: "The completion of the YBR Wealth transaction is another key milestone in YBR's strategy to focus 100% on its mortgage business and its commitment to the implementation of its Australian mortgage securitisation initiative.

We are confident that YBR's advisers will benefit significantly from the support, guidance and future opportunities provided by InterPrac, so that they can deliver the very best advice possible to their clients."

For and on behalf of
YELLOW BRICK ROAD HOLDINGS LIMITED

A handwritten signature in black ink that reads "Mark Bouris". The signature is written in a cursive, flowing style.

Mark Bouris
Executive Chairman

ENDS