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26 April 2019

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

Dear Sir/Madam

APPENDIX 4C: QUARTERLY COMMITMENTS REPORT

We attach the Company's Appendix 4C Report for the three months ended 31 March 2019.

EXECUTIVE SUMMARY

Highlights for the 3 months ended 31 March 2019 are as follows (with comparisons to last quarter):

- The operating cash surplus has improved by \$0.11m to \$0.07m (Q2 FY2019: deficit \$0.04m)
- Total operating cash outflows, excluding branch and broker share of revenue, decreased by 5% (\$0.43m) to \$8.01m (Q2 FY2019: \$8.44m)
- Underlying Loan Book increased by 1% to \$49.2b (Q2 FY2019 \$48.9b)
- Funds Under Management (FUM) attributable to YBR increased by 3% to \$0.97b* (Q2 FY2019 \$0.94b)
- Premiums Under Management (PUM) increased by 3% to \$19.1m (Q2 FY2019 \$18.5m).

*excludes \$0.425b of institutional funds in SMI that sit outside YBR's 50% interest in assets under management. Total SMI is \$1.24b.

Summary of operating cash flows (\$m)	Q3 2019	Q2 2019	vs PP \$ Change (+ ve is favourable)	vs PP % Change (+ ve is favourable)
Receipts from customers	45.36	48.08	(2.72)	-6%
Branch and supplier pay away	(37.29)	(39.68)	2.40	6%
Surplus of receipts over COGS	8.08	8.40	(0.32)	-4%
Marketing	(0.93)	(0.40)	(0.52)	-130%
Other operating	(7.08)	(8.04)	0.96	12%
Total operating cash outflows	(8.01)	(8.44)	0.43	5%
Reported operating surplus/(deficit)	0.07	(0.04)	0.11	264%

At 31 March 2019, the Company holds \$4.2m in cash and cash equivalents.
 For details please see the attached financial commentary and Appendix 4C.



Kind regards

Richard Shaw

Chief Financial Officer

Yellow Brick Road Holdings Limited

FINANCIAL COMMENTARY

Summary

The reported net operating cash surplus for Q3 FY2019 is \$0.07m (Q2 FY2019: deficit \$0.04m).

As at 31 March 2019, the Company has \$4.2m in cash and \$8.00m in borrowing facilities (\$7.5m drawn and \$0.5m undrawn).

Operating Cash Receipts

Lending markets have been impacted by regulatory factors and the Royal Commission into Banking and Financial Services. As a consequence, settlement volumes, \$2.5m, were 20% lower than last quarter (Q2 FY2019: \$3.1b).

Receipts from customers decreased by 6% to \$45.4m (Q2 FY2019 \$48.1m). The majority of the reduction in settlements in Q3 occurred in the low margin Vow business. In addition, from January 2019, in response to regulatory requirements, lenders now report settlements on drawn amounts rather than limit. The drawn amount of a loan is the value of the funds advanced to the borrower. The limit is the value of the facility available to the borrower. The drawn amount is typically 85-90% of limit.

The surplus in receipts from customers, after branch and supplier pay away (Net Receipts), is \$8.1m (Q2 FY2019 \$8.4m).

Operating Cash Outflows

Operating cash outflows, excluding branch and broker share of revenue, decreased by \$0.43m (5%) to \$8.01m (Q2 FY2019 \$8.44m).

Key Cash Outcomes	Q3 FY2019	Chg. Vs Q2 FY2019
Gross Receipts	\$45.4m	-6%
Net Receipts	\$8.1m	-4%
Other Op. O'flows	\$8.1m	-5%
Operating surplus	\$0.07m	264%
Cash and investments at call	\$4.2m	-12%

Key Operating Outcomes	Q3 FY2019	Chg. Vs Q2 FY2019
Settlements	\$2.5b	-20%
Underlying Mortgage Book	\$49.2b	1%
Underlying FUM*	\$0.97b	3%
PUM	\$19.1m	3%

*excludes \$0.425b of institutional funds in SMI that sit outside YBR's 50% interest in assets under management. Total SMI is \$1.24b.

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

Name of entity

Yellow Brick Road Holdings Limited

ABN

44 119 436 083

Quarter ended ("current quarter")

31 March 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	45,364	144,175
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(37,287)	(119,310)
(c) advertising and marketing	(928)	(2,554)
(d) leased assets		
(e) staff costs	(3,003)	(9,495)
(f) administration and corporate costs	(3,940)	(12,697)
(g) net payment to insurance underwriters on behalf of clients ⁽¹⁾	(29)	(69)
1.3 Dividends received (see note 3)		
1.4 Interest received	10	35
1.5 Interest and other costs of finance paid	(119)	(383)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	68	(298)

+ See chapter 19 for defined terms

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
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(1) The Company receives general insurance premiums from clients and remits these to underwriters between 60 and 90 days after receipt. The difference between premiums received and paid is recorded as an underwriter deficit or surplus. As a consequence of these timing differences, payment to underwriters in the period were more than receipts from clients by \$29,000.

Net operating cash flows (carried forward)	68	(298)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(15)	(37)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	(323)
2.2 Proceeds from disposal of:		
(a) property, plant and equipment		
(b) businesses (see item 10)	-	-
(c) investments	-	352
(d) intellectual property	-	-
(e) other non-current assets	-	200
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material) ³	-	-
2.6 Net cash from / (used in) investing activities	(15)	192

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings (see 9.7)	(600)	(1,150)
3.7 Transaction costs related to loans and borrowings	-	-

+ See chapter 19 for defined terms

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(600)	(1,150)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	4,706	5,415
4.2	Net cash from / (used in) operating activities (item 1.9 above)	68	(298)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(15)	192
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(600)	(1,150)
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of quarter	4,159	4,159

5.	Reconciliation of cash and cash equivalents 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	4,159	4,706
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,159	4,706

+ See chapter 19 for defined terms

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	58
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	
- Directors' fees \$58,125	

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	392
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	
- BBB Capital Pty Ltd, a director related entity of Adrian Bouris, received fees of \$82,500 (incl. GST) for consulting services and various other strategic initiatives.	
- Golden Wealth Holdings Pty Ltd (GWH), a director related entity of Mark Bouris received contracted payment of \$309,375 (incl. GST) covering consultancy fees for the period.	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	8,000	7,500
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

For the majority of the quarter, the Company was charged 4% p.a. fixed rate on the finance facility plus a variable rate of 2% p.a.

The Company has secured bank overdraft facilities with CBA. The company pays interest at overdraft index rate less 2.00% p.a.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs *	(39,974)
9.3 Advertising and marketing	(800)
9.4 Leased assets	-
9.5 Staff costs	(2,928)
9.6 Administration and corporate costs	(4,070)
9.7 Other (provide details if material) **	(300)
9.8 Total estimated cash outflows	(48,072)

* Product Manufacturing and Operating costs are predominantly branch and franchisee share of commission revenue received. This is a direct variable cost that may fluctuate significantly in line with variations in receipts from customers.

** Repayment of principle on bank debt facility.

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:
(Director/Company secretary)

Date: 26 April 2019.

Print name: Richard Shaw

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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.

+ See chapter 19 for defined terms