



14 February 2019

George Tharian
Adviser
Listings Compliance (Sydney)
ASX Compliance Pty Ltd
20 Bridge Street
Sydney NSW 2000

By email: ListingsComplianceSydney@asx.com.au

Dear Mr Tharian,

Re: Jayride Group Limited ('JAY'): Appendix 4C Query

I refer to your letter dated 11 February 2019 identifying concerns that Jayride Group Limited (**JAY** or the **Company**) may not have sufficient cash to continue funding its operations for the next two quarters.

The directors are confident that the Company will have sufficient cash to continue funding its operations for the next two quarters.

Generally, the Appendix 4C provides disclosure of current cash position and forecasted cash expenditure but does not provide for a forecast of cash receipts from customers. The Company supplements its Appendix 4C disclosures with Quarterly Business Reviews released at the same time which seek to provide broader information to the ASX and to the market on the Company's cash receipts which may not be immediately evident from the form of the Appendix 4C. The Company refers to these disclosures in confirming that it has kept both the ASX and the market aware of the Company's financial position, and particularly notes that those disclosures show the Company has now and will continue to have for the foreseeable future sufficient cash to continue funding its operations.

Particularly, the Company notes that cash receipts from customers are expected to be in the order \$876,000 for Q3 FY19, consistent with the QoQ growth the Company has experienced historically. Further, revenues have increased over the past 22 consecutive quarters and the Company is confident that this will continue.

The following table details cash receipts from customers for the previous two quarters and expected cash receipts for the current quarter.

Quarter	Q1 FY19	Q2 FY19	Q3 FY19 Projection
Cash receipts from customers (Appendix 4C 1.1)	\$686,000	\$796,000	\$876,000

Jayride Group Limited

ACN 155 285 528

Level 11, 55 Clarence Street, Sydney NSW 2000, Australia

For personal use only



We answer your specific request for information as follows using the same paragraph numbering as your letter.

- 1. Does JAY expect that it will continue to have negative operating cash flows for the time being and, if not, why not?**

Yes, JAY will continue to have negative operating cash flows. These will progressively reduce by increased revenues.

- 2. Has JAY 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?**

JAY recently concluded a capital raise in the order of AUD\$1.7 million and no further funding is required to meet JAY's business objectives at this time. Notwithstanding this, the Company is confident of securing additional funds in a timely manner, should the Company decide to do so to accelerate its business objectives.

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

Yes, JAY expects to be able to continue its operations and to meet its business objectives. As stated in the Company's most recent Quarterly Business Review which was released in conjunction with the Company's December 2018 Appendix 4C disclosure form (ASX: 23 January 2019), JAY has increased its revenue each quarter for 22 straight quarters, most recently through the process of international expansion, and furthermore, JAY has decreased its costs of international expansion. As a result of increasing revenues, and decreasing costs, Jayride is able to continue its operations and meet its business objectives.

- 4. Please confirm that JAY is complying with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition under that rule that has not already been released to the market.**

Yes. JAY is in compliance with respect to its obligations under the Listing Rules. In particular, JAY is complying with Listing Rule 3.1 and there is no information that should be given to ASX about its financial condition under that rule that has not already been released to the market.

- 5. Please confirm that JAY'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 JAY with delegated authority from the board to respond to ASX on disclosure matters.**

Yes. The directors of JAY have reviewed and concur with the above comments and responses, and further confirm that the Company remains in compliance with its published continuous disclosure policy.

Yours sincerely,

A blue ink signature of Henry Kinstlinger, consisting of a stylized, cursive script.

Henry Kinstlinger
Company Secretary



11 February 2019

Mr Henry Kinstlinger
Company Secretary
Jayride Group Limited
Level 11
55 Clarence Street
Sydney NSW 2000

By email:

Dear Mr Kinstlinger

Jayride Group Limited ('JAY'): Appendix 4C Query

ASX refers to JAY's Appendix 4C quarterly report for the period ended 31 December 2018 lodged with the ASX Market Announcements Platform and released on 23 January 2019 (the 'Appendix 4C').

ASX notes that JAY has reported:

- negative net operating cash flows for the quarter of \$1,839,000;
- cash at the end of the quarter of \$2,288,000; and
- estimated cash outflows for the next quarter of \$1,983,000.

It is possible to conclude, based on the information in the Appendix 4C, that if JAY were to continue to expend cash at the rate indicated by the Appendix 4C, JAY may not have sufficient cash to continue funding its operations for the next two quarters.

Request for Information

In view of that, ASX asks JAY to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market under Listing Rule 18.7A:

1. Does JAY expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has JAY 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 JAY expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that JAY is complying with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition under that rule that has not already been released to the market.
5. Please confirm that JAY'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 JAY with delegated authority from the board to respond to ASX on disclosure matters.

Please also provide any other information that JAY considers may be relevant to ASX forming an opinion on whether JAY is complying with Listing Rule 12.2 that 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.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:00 AM AEDT Thursday, 14 February 2019**.

For personal use only

If we do not have your response by then, ASX will have no choice but to consider suspending trading in JAY'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, JAY'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 ListingsComplianceSydney@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 and 3.1A

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 JAY'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 JAY'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 JAY's securities under Listing Rule 17.1. If you wish to request 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*.

Enquiries

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

Yours sincerely

George Tharian
Adviser, Listings Compliance (Sydney)