



10 May 2019

George Tharian

Adviser

Listings Compliance (Sydney)

ASX Compliance Pty Ltd

20 Bridge Street

Sydney NSW 2000

By email: [ListingsComplianceSydney@asx.com.au](mailto:ListingsComplianceSydney@asx.com.au)

Dear Mr Tharian,

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

I refer to your letter dated 7 May 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, and for the foreseeable future.

The Company notes, as per the Appendix 4C Query for the December quarter (Q2 FY19), that the Appendix 4C provides disclosure of current cash position and forecasted cash expenditure but does not provide for a forecast of revenues. 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 revenues, which may not be immediately evident in 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 that the Company presently has, and will continue to have for the foreseeable future sufficient cash to continue funding its operations.

Particularly, the Company notes from its Quarterly Business Review that:

- 1) JAY has now had 23 quarters of consecutive growth in Net Revenue from Passenger Trips Booked, the Company's core revenue, and has forecasted that Net Revenue from Passenger Trips Booked will grow again for a 24<sup>th</sup> quarter in the June quarter (Q4 FY19).
- 2) In the March quarter (Q3 FY19), JAY Net Revenue was \$0.90 million, ahead of the forecasted \$0.87 million, and an 18% increase on the previous quarter. Cash receipts in the Q3 FY19 Appendix 4C reported a lower figure because the Company strongly grew revenue from sources which had longer payment terms and accordingly funds were not received by 31<sup>st</sup> March, but remain payable, and have or will be received in the current Q4 FY19.
- 3) JAY expects that the September quarter (Q1 FY20) will be cash-flow positive on the basis of receipt of its Research and Development Tax Incentive payment, which the Company has been eligible for in the past, and expects to be eligible for again, and in prior years has been received during the month of September.

Jayride Group Limited

ACN 155 285 528

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

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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 but notes that these will progressively reduce as revenues continue to increase, and further notes that the Company forecasts that Q1 FY20 will be cash flow positive on the basis of the expected receipt of its Research and Development Tax Incentive payment, in addition to continued growth of 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 has recently secured a \$3 million finance facility, of which \$1 million remains to draw down, 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 achievement of 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 March 2019 Appendix 4C disclosure form, the Company has now achieved 23 consecutive quarters of revenue growth and expects to see this trend continue. JAY has demonstrated its ability to easily enter new international markets, to secure new high-value partnerships, and where necessary, decrease its cost base and focus on profitable revenue streams.

- 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,

Henry Kinstlinger  
Company Secretary

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7 May 2019

Reference: ODIN01528

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 March 2019 lodged with the ASX Market Announcements Platform and released on 30 April 2019 (the 'Appendix 4C').

ASX notes that JAY has reported:

- negative net operating cash flows for the quarter of \$1,816,000;
- cash at the end of the quarter of \$2,376,000; and
- estimated cash outflows for the next quarter of \$2,148,000.

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.

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### 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 AEST Friday, 10 May 2019**.

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](mailto: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

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**George Tharian**  
Adviser, Listings Compliance (Sydney)