

Salvador Caldwell
Adviser
Listings Compliance (Sydney)
ASX Compliance Pty Ltd
20 Bridge Street
Sydney NSW 2000

By email: ListingsComplianceSydney@asx.com.au

17 October 2023

Dear Salvador,

Re: Jayride Group Limited: Aware Query

We, Jayride Group Limited (ASX:JAY) (**Jayride** or the **Company**), refer to the ASX Aware Query received by the Company on 12 October 2023 (the **Query Letter**). We note the Query Letter predominantly relates to a cleansing statement released by the Company on 9 October 2023 (the **Cleansing Notice**) and the Q1 FY24 Market Update released by the Company on 11 October 2023 (the **Q1 FY24 Update**). Capitalised terms in this letter are otherwise as defined in your Query Letter.

We respond to the Query Letter as follows:

1. Does JAY consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

Yes, the Company considers the Information (being the information set out in the Q1 FY24 Update) to be information that a reasonable person would expect to have a material effect on the price or value of its securities.

2. If the answer to question 1 is “no”:

- 2.1. Please explain the basis for that view.

- 2.2. Please explain the Listing Rule basis which required the Announcement to be lodged on MAP, and why it was submitted as market-sensitive to MAP.

- 2.3. Please explain whether JAY considers it contravened the ramping announcement provisions outlined in section 7.10 of Guidance Note 8.

The Company does not respond to these queries having regard to the Company’s response to the first query above. The Company does however address any concerns that ASX may have as to ‘ramping’ in the following response to query 3.1.

3. If the answer to question 1 is “yes”:

3.1. Was JAY aware of the Information (or a substantive proportion of the Information) at the time that it released the Cleansing Notice on MAP?

No, the Company was not aware of the Information (or a substantive proportion of the Information) at the time that the Cleansing Notice was released.

The Company notes the following:

Post-Quarter Market Updates

- Jayride has a long-standing practice of releasing market updates on the prior quarter's performance within 7-15 days following the end of quarter.
- The Company considers that such updates provide early pointers to the market on our performance in the preceding quarter in advance of the Quarterly Activities Report and Appendix 4C in the weeks following.
- The Company considers this information to be material information and contains much 'in substance that has not already been disclosed to market', and accordingly rejects any implication that its market updates were ramping announcements of the kind described in section 7.10 of Guidance Note 8.

Prior Quarter Performance

- Given the global nature, the transactional complexity, and the large number of individual transactions which make up Jayride's operations, it is not possible for the Company to accurately know details of the Company's performance in a given period until at least 5-10 business days following the end of that period – with that time being used to aggregate data from multiple sources, conduct various reconciliations and undertake quality control and verification on that data.
- The earliest point that the Company could have been considered to be 'aware' of the Information in a form that could be disclosed was once the raw data was fully received, compiled and processed by the Company in the manner set out above which did not occur, at the absolute earliest, until the morning of Tuesday, 10 October 2023.
- In this regard, the Company refers to the ASX guidance in Guidance Note 8 at section 4.4 (“When does an entity become aware of information?”) where it is noted that information may become available in instalments over time, and an entity may not be able to determine if it is market sensitive until it has additional information and a more complete picture is available.

- The Company considers that any raw data, management interpretations of raw data, trend based analysis, or similar syntheses that were available in respect of prior quarter performance at the time of the Cleansing Notice were not sufficient to make a determination of market sensitivity, and were likely too unreliable to form the basis of a public announcement, given that as at that time the full compilation of prior quarter data let alone any review, assessment, and verification had yet to occur.
- On that basis, there was no ‘excluded information’ at the time of the Cleansing Notice because any raw data or other information the Company had was not that which it would have been reasonable for investors and their professional advisers to expect to find in a disclosure document.
- The Company considers that it has complied with Listing Rule 3.1 in respect of its Q1 FY24 performance.

Cost Reduction Activities & Aim to be Cash Flow Positive in FY24

- The Company notes the fact of the Company undertaking cost reduction activity across its fixed cost base and business improvement costs is not new disclosure. It has been a long standing stated aim of the Company to achieve cash flow positive state for FY24 and that achieving this would require cost reduction activities.¹
- The Q1 FY24 Update disclosed that the Company had achieved its prior stated intention to reduce business improvement costs to a forward run rate of \$1.25 million per quarter, and provided commentary on the cumulative value of its fixed cost savings activities (the **Cost Savings Achieved**).
- The earliest point that the Company could have been considered to be ‘aware’ of the Cost Savings Achieved was once management had confirmed it had been achieved and had both calculated and validated that information which did not occur until late in the evening of 10 October 2023 – with the Q1 FY24 Market Update being released prior to market open of the following trading day.
- Again, the Company confirms that in respect of the Cost Savings Achieved;
 - there was no ‘excluded information’ at the time of the Cleansing Notice because any raw data or other information the Company had was not that which it would have been reasonable for investors and their professional advisers to expect to find in a disclosure document;
 - referring to the ASX guidance in Guidance Note 8 at section 4.4, the Company considers it was not ‘aware’ of the information until, at the earliest, the evening of 10 October 2023.

¹ Most recent disclosures of this include: Quarterly Business Review and Appendix 4C released 27 July 2023, page 5-7; Placement and Entitlement Offer released 28 September 2023, page 1.

- the Company considers that it has complied with Listing Rule 3.1 in respect of its disclosures towards cost reduction activities and its stated aim of achieving cash flow positive for FY24.

3.2. If the answer to question 3.1 is “no”, when does JAY consider it became aware of the Information, given the Announcement was released just two business days after the Cleansing Notice.

The Company refers ASX to its response to the preceding query for a more fulsome explanation.

In short, the absolute earliest the Company could be said to have become aware of the Information (or a substantive proportion of the Information) in a form in which could have been announced was Tuesday, 10 October 2023.

3.3. If the answer to question 3.1 is “yes”, does JAY consider the Cleansing Notice to be defective? Please note that if JAY forms the view that its cleansing notice may be defective, JAY may need to consider whether it has an obligation to correct a defective cleansing notice pursuant to section 708A of the Corporations Act, or through any alternative action it considers appropriate.

Notwithstanding the Company’s view on when it became aware of the Information as elicited above, for the avoidance of doubt the Company confirms the following:

- The Company does not consider the Cleansing Notice was defective for the reasons set out above.
- In any case, section 708A(9) of the Corporations Act only requires a company which had issued a defective cleansing notice to update ASX with the relevant information within a reasonable time after becoming aware of the defect.

4. Please confirm that JAY is complying with the Listing Rules and, in particular, Listing Rule 3.1.

The Company confirms that it is complying with the Listing Rules, and in particular, Listing Rule 3.1.

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.

The Company confirms that this letter has been authorised and approved by the directors of Jayride.

Yours sincerely,



Sony Didugu
Company Secretary



12 October 2023

Reference: 81965

Mr Sonny Didugu
Company Secretary
Jayride Group Limited
Level 2, 11-17 York St
Sydney NSW 2000

By email

Dear Mr Didugu

Jayride Group Limited ('JAY'): Aware Query

ASX refers to the following:

- A. JAY's announcement titled 'Cleansing Statement' lodged on the ASX Market Announcements Platform ('MAP') on 9 October 2023 (the '**Cleansing Statement**'), which stated (relevantly, emphasis added):

"3) as at the date of this notice there is no information

a) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and

b) that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:

i) the assets and liabilities, financial position and performance, profits and losses and prospects of the body; or

ii) the rights and liabilities attaching to the relevant securities"

- B. JAY's announcement titled 'Q1 FY24 Market Update - Record Trips Booked' (the '**Announcement**'), lodged on MAP on 11 October 2023 which provided an update on revenues, costs, and cash flow guidance (the '**Information**').
- C. Listing Rule 3.1, which requires a listed entity to immediately give ASX 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.
- D. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."

- E. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following 5 situations applies:

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed."*

F. Section 14 of Guidance Note 14, which states (relevantly):

"MAP should only be used to publish information that is appropriately given to ASX under the Listing Rules or the Corporations Act for publication to the market. It should not be used as a guise to publish material that is really promotional, political or tendentious in nature."

G. Section 7.10 of Guidance Note 8, which states (relevantly):

"ASX is alive to listed entities making market announcements with a view to "ramping up" the price of their securities. Ramping announcements come in many forms, including:

- *the release of a "business update" or something similar, which will typically be worded in an exuberant fashion but which on closer examination contains little in the way of substance that has not already been disclosed to the market;*

...

Whenever ASX detects what it suspects to be a ramping announcement, it will give careful consideration to suspending the entity's securities from trading and issuing a query letter to the entity asking the entity:

- *if it marked the announcement as market sensitive when it was lodged on MAP, to identify what information in the announcement the entity considered was market sensitive and why"*

Request for information

Having regard to the above, ASX asks JAY to respond separately to each of the following questions and requests for information:

1. Does JAY consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is "no":
 - 2.1 Please explain the basis for that view.
 - 2.2 Please explain the Listing Rule basis which required the Announcement to be lodged on MAP, and why it was submitted as market-sensitive to MAP.
 - 2.3 Please explain whether JAY considers it contravened the ramping announcement provisions outlined in section 7.10 of Guidance Note 8.
3. If the answer to question 1 is "yes":

-
- 3.1 Was JAY aware of the Information (or a substantive proportion of the Information) at the time that it released the Cleansing Notice on MAP?
 - 3.2 If the answer to question 3.1 is “no”, when does JAY consider it became aware of the Information, given the Announcement was released just two business days after the Cleansing Notice.
 - 3.3 If the answer to question 3.1 is “yes”, does JAY consider the Cleansing Notice to be defective? Please note that if JAY forms the view that its cleansing notice may be defective, JAY may need to consider whether it has an obligation to correct a defective cleansing notice pursuant to section 708A of the Corporations Act, or through any alternative action it considers appropriate.
4. Please confirm that JAY is complying with the Listing Rules and, in particular, Listing Rule 3.1.
 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.

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 Wednesday, 18 October 2023**. 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 and may require JAY to request a trading halt immediately.

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.

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 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 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*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in JAY’s securities under Listing Rule 17.3.

Listing Rules 3.1 and 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.

Release of correspondence between ASX and entity

ASX reserves the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

Salvador Caldwell
Adviser
Listings Compliance