



APPENDIX 4D AND INTERIM FINANCIAL REPORT

For the half-year ended 31 December 2017

Lodged with the ASX under listing Rule 4.2A. Jayride Group Limited ABN 49 155 285 528



Jayride Group Limited

Appendix 4D

Company details

Name of entity:	Jayride Group Limited
ABN:	49 155 285 528
Reporting period:	For the half-year ended 31 December 2017
Previous period:	For the half-year ended 31 December 2016

Results for announcement to the market

		Change %		Amount \$
Revenues from commissions and fees booked	up	121.5%	to	946,550
Total earnings from ordinary activities	up	121.5%	to	793,835
(Loss) from ordinary activities after tax	up	154.5%	to	(3,129,519)
(Loss) for the half-year attributable to members	up	154.5%	to	(3,129,519)

Dividends

	Amount per security	Franked amount per security
No dividends were paid for the period ended 31 December 2017.	-	-

Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	7.05	(3.07)

Control gained over entities

Not applicable

Loss of control over entities

Not applicable

Details of associates and joint venture entities

Not applicable

Audit qualification or review

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

Signed

A handwritten signature in black ink, appearing to be 'Rodney Bishop', written in a cursive style.

Signed

Rodney Bishop
Managing Director

A handwritten signature in black ink, appearing to be 'Andrey Shirben', written in a cursive style.

Signed

Andrey Shirben
Director

Date: 28 February 2018

Jayride Group Limited

ABN 49 155 285 528

Financial Statements

For the Half Year Ended 31 December 2017

Contents

For the Half Year Ended 31 December 2017

Financial Statements	Page
Corporate Directory	1
Directors' Report	2
Auditors Independence Declaration under Section 307C of the Corporations Act 2001	4
Condensed Statement of Profit or Loss and Other Comprehensive Income	5
Condensed Statement of Financial Position	6
Condensed Statement of Changes in Equity	7
Condensed Statement of Cash Flows	8
Notes to the Financial Statements	9
Directors' Declaration	13
Independent Audit Report	14

Corporate Directory

Directors

Rodney Bishop
Zhongyuan (Ross) Lin
Andrey Shirben
Samuel Saxton
Yifat Shirben (appointed on 15/09/2017)
Jamila Gordon (appointed on 29/01/2018)

Company Secretary

Henry Kinstlinger

Share Registry

Computershare Investor Services
GPO Box 2975
Melbourne VIC 3001

Auditor

RSM Australia Partners
Level 21 55 Collins Street
MELBOURNE VIC 3000

Stock Exchange Listing

Jayride Group Limited's fully paid ordinary shares are quoted on the Australian Securities Exchange (ASX: JAY).

Registered Office

Suite 1101 Level 11
55 Clarence Street
Sydney NSW 2022

Principal Place of Business

Suite 1101 Level 11
55 Clarence Street
Sydney NSW 2022
Website www.jayride.com

Solicitor

Piper Alderman
Level 23
Governor Macquarie Tower
1 Farrer Place
Sydney NSW 2000

Bankers

National Australia Bank
Northpoint Building
Level 36, 100 Miller Street
North Sydney NSW 2000

Directors Report

The directors present their report on Jayride Group Limited for the half year ended 31 December 2017.

Information on directors

The names of each person who has been a director during or since the half year up to the date of this report are:

- Rod Bishop
- Zhongyuan Lin
- Andrey Shirben
- Sam Saxton
- Yifat Shirben (appointed on 15/09/2017)
- Jamila Gordon (appointed on 29/01/2018)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities

The principal operating activity during the financial year was the provision of systems and technology for the comparison and booking of passenger transport services.

No significant changes in the nature of the Company's activity have occurred during the period.

Operating results

The Company increased its revenue from commissions and fees booked during the half year to \$946,550, an increase of 122% compared to the corresponding period, and increased its ratio of gross profit after paid acquisition to 12.1%. After all activities the Company recognised a loss after providing for income tax of \$3,129,519.

The performance was in line with the Company's strategy to grow revenue through market capture including increased capital allocation into developing our technological advantage, building team capabilities and improving unit economics for future economic returns at scale, as well as completing the process of listing the Company on the Australian Stock Exchange.

Dividends paid or recommended

No dividends were paid or declared during the financial year. No recommendation for payment of dividends has been made.

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the year.

Events after the reporting date

The Company successfully listed on the Australian Stock Exchange on 29 January 2018 after an oversubscribed IPO which raised an additional \$1,500,000 of capital. Upon listing non-executive director Jamila Gordon was appointed to the board.

Other than the above matters, and the other matters set out in Note 13, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Shares under option

Prior to the IPO the Company had an employee share options plan. During the period the remaining balance of the employee share options available under this plan was allocated.

Directors Report (continued)

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 December 2017 has been received and can be found on page 4 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

A handwritten signature in black ink, appearing to be 'RB' followed by a stylized flourish.

Managing Director
Rod Bishop

A handwritten signature in black ink, appearing to be 'Andrey' followed by a stylized flourish.

Director
Andrey Shirben

Dated 28 February 2018

Auditors Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors Jayride Group Limited



RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Jayride Group Ltd for the half year ended 31 December 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

A handwritten signature in blue ink that reads 'RSM'.

RSM AUSTRALIA PARTNERS

A handwritten signature in blue ink that reads 'J S Croall'.

J S CROALL
Partner

Dated: 28 February 2018
Melbourne, Victoria

Condensed Statement of Profit or Loss and Other Comprehensive Income
For the Half Year Ended 31 December 2017

	Note	31 December 2017 \$	31 December 2016 \$
Revenue and other income			
Commission and fees booked		946,550	427,256
Refunded commission and fees booked		(167,600)	(69,801)
Other income		14,885	936
Total income		793,835	358,391
Advertising and marketing costs			
Total advertising and marketing costs		(664,174)	(378,397)
Operations and support costs			
Employee and contractor costs		(435,283)	(162,860)
Other operating costs		(480,869)	(294,494)
Total operational costs		(916,152)	(457,354)
Growth costs			
Engineering not capitalised	4	(158,001)	(67,981)
Employee and contractor costs		(814,824)	(442,292)
Share based payments	5	(1,091,370)	(191,500)
Other growth costs		(157,608)	(44,770)
Total growth costs not capitalised		(2,221,803)	(746,543)
Other costs			
Amortisation and Depreciation		(115,427)	(5,627)
Interest Expense		(5,798)	0
Total other costs		(121,225)	(5,627)
Total operating expenses		(3,923,355)	(1,587,921)
Loss for half year		(3,129,519)	(1,229,530)
Earnings per share attributable to the owners of Jayride Group Limited:			
Losses per share (cents per share) - basic	10	(5.06)	(2.74)
Losses per share (cents per share) - diluted	10	(5.06)	(2.74)

The above condensed statement of Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Condensed Statement of Financial Position
As at 31 December 2017

	Note	31 December 2017 \$	30 June 2017 \$
Current assets			
Cash and cash equivalents		4,543,065	767,190
Trade receivables		442,528	264,388
GST receivable		86,289	15,338
R&D receivable		355,640	355,640
Prepayments		29,835	-
Total current assets		5,457,357	1,402,556
Non-current assets			
Deposits and bank guarantees		361,421	37,530
Plant and equipment	6	160,400	65,381
Capitalised technology costs	7	2,351,418	2,080,461
Total non-current assets		2,873,239	2,183,372
Total assets		8,330,596	3,585,928
Current liabilities			
Trade and other payables	8	739,891	759,483
Future transport payments		316,118	358,873
Annual leave provision		117,093	88,057
Short term loan		-	424,728
Total current liabilities		1,173,102	1,631,140
Non-current liabilities			
Convertible note - debt component		-	1,235,385
Long service leave provision		35,192	17,846
Total non-current liabilities		35,192	1,253,231
Total liabilities		1,208,294	2,884,371
Net assets		7,122,302	701,557
Equity			
Issued capital	9	14,321,572	5,694,277
Reserves		1,683,918	592,548
Convertible notes reserve – equity component		-	168,400
Accumulated losses		(8,883,188)	(5,753,669)
Total equity		7,122,302	701,557

The above condensed statement of financial position should be read in conjunction with the accompanying notes.

Condensed Statement of Changes in Equity
For the Half Year Ended 31 December 2017

	Ordinary Shares	Share Payments Reserve	Convertible Notes Reserve	Accumulated losses	Total
Balance at 1 July 2016	5,694,277	411,778	-	(3,457,074)	2,648,981
Shares issued	-	-	-	-	-
Share based payments	-	191,500	-	-	191,500
Convertible notes issued	-	-	168,400	-	168,400
Loss attributable to members of the Company	-	-	-	(1,229,530)	(1,229,530)
Balance at 31 December 2016	5,694,277	603,278	168,400	(4,686,604)	1,779,351

	Ordinary Shares	Share Payments Reserve	Convertible Notes Reserve	Accumulated losses	Total
Balance at 1 July 2017	5,694,277	592,548	168,400	(5,753,669)	701,556
Shares issued	8,627,295	-	-	-	8,627,295
Share based payments	-	1,091,370	-	-	1,091,370
Convertible notes issued	-	-	(168,400)	-	(168,400)
Loss attributable to members of the Company	-	-	-	(3,129,519)	(3,129,519)
Balance at 31 December 2017	14,321,572	1,683,918	-	(8,888,188)	7,122,302

The above condensed statement of changes in equity should be read in conjunction with the accompanying notes.

Condensed Statement of Cash Flows
For the Half Year Ended 31 December 2017

	Note	31 December 2017 \$	31 December 2016 \$
Cash flows from operating activities			
Net Receipts from customers		524,882	436,258
Payments to suppliers and employees and contractors		(2,743,204)	(1,362,919)
Grants received		-	381,726
Interest received		14,885	936
Foreign exchange gains		(8,634)	1,568
Net cash (outflow) from operating activities		(2,212,071)	(542,431)
Cash flows from investing activities			
Deposit (paid) refunded		(323,890)	28,093
Payment for intangible asset		(372,127)	(235,216)
Purchase of equipment		(109,277)	(13,116)
Net cash (outflow) from investing activities		(805,294)	(220,239)
Cash flows from financing activities			
Proceeds of share issues		7,199,815	-
Proceeds from borrowings		-	1,263,000
Financing costs		(405,810)	-
Net cash (outflow) from financing activities		6,794,005	1,263,000
Net increase in cash and cash equivalents		3,776,640	500,330
Cash and cash equivalents at beginning of period		767,190	692,037
Unrealised foreign exchange movement		(765)	(745)
Cash and cash equivalents at the end of the half-year		4,543,065	1,191,622

The above condensed statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statement

The financial report covers Jayride Group Limited (“the Company”) as an individual entity. Jayride Group Limited is a for profit Company, incorporated and domiciled in Australia.

The functional and presentation currency of Jayride Group Limited is Australian dollars.

The financial report was authorised for issue by the Directors on 28 February 2018.

1. Basis of Preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2017 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

2. Summary of Significant Accounting Policies

Adoption of new and revised accounting standards

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

3. Segment Reporting

Due to the current size of operations the Company does not differentiate its revenue and expenses by geographical locations and all internal management reporting is prepared on a consolidated basis. The board of Directors evaluates the results on a group wide basis as it is not practical to determine financial results on a location basis at this point.

4. Engineering Costs not capitalised

	31 December 2017	31 December 2016
	\$	\$
The balance consists of:		
Engineering Costs	530,128	287,707
Engineering Costs Recognised as intangible asset	(372,127)	(219,726)
	<hr/> 158,001	<hr/> 67,981

Notes to the financial statement (continued)

5. Share Based Payments	31 December 2017		31 December 2016	
	Share based payments	Number of Options/Shares	Share based payments	Number of Options/Shares
Opening balance	592,548	2,573,520	364,559	1,752,864
Standard allocation of options to team members	354,012	928,800	128,965	547,572
One off allocation of options ahead of IPO transaction	645,840	1,296,216	-	-
Forfeited options recognised in line with AASB2	91,518	-	-	-
At end of period	1,683,924	4,798,536	493,524	2,300,436

Prior to the IPO the Company had an employee share options plan, designed to attract, retain and motivate high performing team members as well as align shareholder and team member interests.

During the period as part of the Company's standard remuneration policies, an allocation of 928,800 options were issued to team members. In addition, as part of the Company's preparation for IPO an allocation of 1,296,216 options were issued as a one-off transaction.

On 18 December, option holders exercised 4,798,536 options and received the same number of ordinary shares. The employee share options plan was then ended. Any unvested options at that time were forfeited. However, in accordance with AASB2 the future share based payments associated with these options must be recognised in the current period.

Immediately upon exercising the options, the Company entered into a limited recourse loan arrangement with each option holder to fund the option holder's payment of the option strike price. The total amount of all limited recourse loans is \$390,148. In accordance with AASB2 the loan is not recognised as an asset, and the option reserve is not transferred to issued capital.

6. Plant and equipment	31 December 2017	30 June 2017
	\$	\$
Computer equipment at cost	122,015	70,159
Accumulated depreciation	(32,693)	(20,813)
Total plant and equipment	89,322	49,346
Furniture and fittings at cost	70,886	17,483
Accumulated depreciation	(2,249)	(1,595)
Total furniture and fittings	68,637	15,888
Office equipment at cost	2,645	164
Accumulated depreciation	(204)	(17)
Total office equipment	2,441	147
Total plant and equipment	160,400	65,381

Notes to the financial statement (continued)

7. Capitalised technology costs	31 December 2017
	\$
Balance at 1 July 2017	2,296,581
Additions for the period	372,127
Amortisation Expense	(101,169)
R&D Tax offset	(216,121)
Balance at 31 December 2017	<u>2,351,418</u>

The Company commenced amortising its technology costs in the current period. These have deemed to have an average useful economic life of eight years.

8. Trade and Other Payables	31 December 2017	30 June 2017
	\$	\$
Accounts payable	608,963	640,544
Other payables	130,928	118,939
Total	<u>739,891</u>	<u>759,483</u>

9. Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Opening balance	1 July 2017	44,870,772	0.127	5,694,277
Issue of shares to new investors	18 August 2017	22,583,196	0.400	9,033,104
Issue of shares to promoters	21 December 2017	247,520	0.500	123,760
Share issue costs	31 December 2017	-	-	(529,570)
Closing balance	31 December 2017	<u>67,701,488</u>	<u>0.211</u>	<u>14,321,572</u>

In addition to the above listed shares an additional 4,798,536 shares are currently classified as reserves on the balance sheet. These shares have limited recourse loans connected to them (see note 5).

10. Earnings per share	31 December 2017	31 December 2016
	\$	\$
Basic and diluted earnings per share (cents per share)	(5.06)	(2.74)

The following inputs have been used in the basic and diluted earnings per share calculations:

Loss attributable to shareholders of the Company	(3,129,519)	(1,229,530)
Number of shares for basic earnings per share calculation	<u>61,882,186</u>	<u>44,870,772</u>

Notes to the financial statement (continued)

11. Related Parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

12. Contingent liabilities

There are no contingent liabilities as at 31 December 2017 (2016: Nil)

13. Events Occurring After the Reporting date

The Company successfully listed on the Australian Stock Exchange on 29 January 2018 after an oversubscribed IPO which raised an additional \$1,500,000 of capital. Upon listing non-executive director Jamila Gordon was appointed to the board.

Other than the above matters, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Directors' Declaration

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Managing Director
Rod Bishop



Director
Andrey Shirben

Dated 28 February 2018

Independent Audit Report to the members of Jayride Group Limited



RSM Australia Partners

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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF

JAYRIDE GROUP LTD

We have reviewed the accompanying half-year financial report of Jayride Group Ltd ("the Company") which comprises the interim statement of financial position as at 31 December 2017, the interim statement of profit or loss and other comprehensive income, interim statement of changes in equity and the interim statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the entity's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Jayride Group Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Jayride Group Ltd, would be in the same terms if given to the directors as at the time of this auditor's review report.

Page 14

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RSM Australia Partners ABN 36 965 185 036

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Jayride Group Ltd is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

A handwritten signature in blue ink that reads 'RSM'.

RSM AUSTRALIA PARTNERS

A handwritten signature in blue ink that reads 'J S Croall'.

J S CROALL
Partner

Dated: 28 February 2018
Melbourne, Victoria