

Dear Mr. Mischewski,

31 October 2018

John Bridgeman Limited (The “Company” or “JBL”)

Periodic Disclosure Query

The National Stock Exchange of Australia (NSX) refers to the Annual Financial Report¹ lodged on 22 October 2018. NSX has reviewed this report against the Company’s Preliminary Financial Report² and would be grateful if the Company could now provide the Exchange with the information requested below.

Variance between accounts

NSX has noted the following significant and material discrepancies between the Company’s Preliminary Financial Report and the Audited Annual Financial Report.

Please complete the table below with reasons for the variance between the figures recorded in the Preliminary Financial Report and the Annual Financial Report for the same accounting period.

Account \ Amount	Preliminary Financial Report	Annual Financial Report	Difference	Percentage (%)	Reason for variance
Other income/(losses)	\$(2,325,979)	\$(2,737,440)	\$411,461	17.7%	
Impairment expenses	\$(2,124,346)	\$(7,678,926)	\$5,554,580	261%	
Cash and cash equivalents	\$22,349,172	\$18,919,136	\$3,430,036	15.3%	
Trade and other receivables	\$9,794,510	\$9,087,701	\$706,809	7.2%	
Balances held with brokers	\$0	\$3,414,108	\$3,414,108	N/A	
Intangibles	\$47,304,820	\$42,880,855	\$4,423,965	9.4%	
Income tax	\$3,029,626	\$80,851	\$2,948,775	97.3%	

The status of the Company as a going concern

We note that the Independent Auditor’s Report states the following:

“Material uncertainty related to going concern

We draw attention to Note 2, “Going Concern” in the Financial Report. The conditions disclosed in Note 2, indicate a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the Financial Report. Our opinion is not modified in respect of this matter.

In concluding there is a material uncertainty related to going concern we evaluated the extent of uncertainty regarding events or conditions casting significant doubt on the Group’s assessment of going concern. This included:

- *analysing the cash flow projections by:*
 - *evaluating the underlying data used to generate the projections for consistency with other information tested by us, our understanding of the Group’s intentions, and past results and practices; and*
 - *assessing the planned levels of operating and capital expenditures for consistency of relationships and trends to the Group’s historical results and our understanding of the business, industry and economic conditions;*
- *assessing significant non-routine forecast cash inflows and outflows for feasibility, quantum and timing. We used our knowledge of the Group, its industry and financial position to assess the level of associated uncertainty; and*
- *evaluating the Group’s going concern disclosures in the Financial Report by comparing them to our understanding of the matter, the events or conditions incorporated into the cash flow projection assessment, the Group’s plans to address those events or conditions and accounting standard*

¹ <https://www.nsx.com.au/ftp/news/021735985.PDF>

² <https://www.nsx.com.au/ftp/news/021735733.PDF>

requirements. We specifically focused on the principal matters giving rise to the material uncertainty."

In light of the material uncertainty identified please respond to the following:

- a. Please explain going forward how the Company intends to resolve the material uncertainty of its continuous operation.
- b. Please explain what impact the material uncertainty has on the proposed off-market takeover offers to acquire Henry Morgan Limited and Benjamin Hornigold Limited.

Your response should be provided no later than 4pm AEST on 2 November 2018. Your response will be released to the market along with a copy of this letter. If you wish to discuss the content of your response, please do not hesitate to contact me as soon as possible.

Please be reminded that the Issuer must comply with Chapter 6CA of the Corporations Act and Listing Rules Section IIA 6.4, 6.5 and 6.5A under continuous disclosure.

Yours sincerely,

Ingrid Wei
Market Surveillance Analyst