



HyreCar Announces Fourth Quarter and Full-Year 2020 Results

March 30, 2021

Full-Year Revenues Increase 59% to \$25.2 Million; Fourth Quarter Revenues Increase 42% to \$7.0 million; Rental Days increase 41% to 277,000 in the fourth quarter and 63.3% to 1,014,000 for the Year

LOS ANGELES--(BUSINESS WIRE)--Mar. 30, 2021-- HyreCar Inc. (NASDAQ: HYRE), the carsharing marketplace for ridesharing and food/package delivery services, today reported financial results and provided a corporate update for the fourth quarter and year ended December 31, 2020.

Full-Year 2020 Financial Highlights

- Revenue was \$25.2 million, compared to \$15.9 million in 2019, an increase of 59%.
- Net Loss of (\$15.2) million and earnings per share of (\$0.87), compared to (\$12.5) million and (\$0.90) in 2019.
- Adjusted EBITDA of (\$11.0) million and adjusted EBITDA per share of (\$0.63), also referred to as adjusted net loss per share, compared to (\$0.69) in 2019.

Fourth Quarter 2020 Financial Highlights

- Revenue was \$7.0 million, compared to \$4.9 million in 2019, an increase of 42%.
- Net Loss of (\$5.4) million and earnings per share of (\$0.31), compared to (\$4.9) million and (\$0.35) in 2019.
- Adjusted net loss of (\$4.1) million and adjusted net loss per share of (\$0.23), also referred to as adjusted net loss per share, compared to (\$0.27) in 2019.

Additional Fourth Quarter 2020 Highlights

- New drivers to the platform in Q4 2020 were up 29% year-over-year
- Cost per Rental improved by 58% year-over-year through marketing automation and advancements in driver data
- Number rental days on our platform increased 41% from approximately 197,000 in Q3 2020 to 277,000 in Q4 2020
- Commercial bookings represented more than 75% of all cars rented on the platform
- Cars listed from existing accounts was over 65% of the total gross cars listed

"HyreCar's fourth-quarter revenues grew to \$7.0 million in a tough quarter, overshadowed by a resurgence in COVID," said Joe Furnari, Chief Executive Officer of HyreCar. "With the additional cars we are onboarding on a daily basis our rental rates continue to grow and we are well-positioned to take advantage of opportunities in rideshare and delivery as states continue to re-open."

Adjusted net income per share is a non-GAAP financial measure. See the reconciliations of these measures to their respective most directly comparable GAAP measure below in this press release.

Fourth Quarter 2020 Financial Discussion

Total revenue for the fourth quarter of 2020 increased 42%, to a record \$7.0 million, compared to \$4.9 million, in the fourth quarter of 2019. Revenue growth in the fourth quarter was primarily driven by rental days increasing 41% to approximately 277,000, in the fourth quarter. Revenues were also impacted by the shutdown of California in the fourth quarter. Total operating expenses, consisting of sales and marketing, general and administrative, and research and development expenses, were \$6.0 million in the fourth quarter of 2020, compared to \$6.5 million in the same year-ago quarter. Operating expenses increased 29% from \$4.7 million in the prior quarter. The increase in operating expenses was primarily due to an increase in marketing, legal, and technology expenses.

Net loss in the fourth quarter of 2020 totaled \$5.4 million, or (\$0.31) per share, compared to a net loss of \$4.9 million, or \$(0.35) per share, in the prior year's quarter. The adjusted net loss for the fourth quarter was \$4.1 million, or \$(0.23) per share. A reconciliation of net loss to adjusted net loss per share is included within this press release.

Cash and cash equivalents at December 31, 2020, totaled \$4.9 million.

Full-Year 2020 Financial Discussion

Total revenue for the full year of 2020 increased 59%, to a record \$25.2 million, compared to \$15.9 million, in the full year of 2019. Revenue growth in the full year was primarily driven by increased rental days that rose 63% during the year as net rental days increased from approximately 621,000 in 2019 to approximately 1,014,000 in 2020.

Total operating expenses, consisting of sales and marketing, general and administrative, and research and development expenses were \$23.5 million in the full year of 2020, compared to \$18.7 million in the same period a year ago. This was primarily due to increased operations, sales, and technology expenses to drive higher business levels, and invest in operations and technology, in particular, to further accelerate the platform in 2021.

Net loss in the full year of 2020 totaled \$15.2 million, or (\$0.87) per share, compared to a net loss of \$12.5 million, or \$(0.90) per share, in the prior

year. Adjusted net loss for the full year, after excluding certain non-cash stock-based compensation, depreciation and amortization, was \$11.0 million, or \$(0.63) per share. A reconciliation of net loss to adjusted net loss per share is included within this press release.

Conference Call

Management will host an investor conference call at 1:30 p.m. PDT (4:30 p.m. EDT) on Tuesday, March 30, 2021, to discuss HyreCar's full-year 2020 financial results, provide a corporate update, and conclude with Q&A from participants. To participate in the call, please dial (866) 670-5260 (domestic) or (409) 217-8773 (international). The conference code is 2883798. This call is being webcast and can be accessed on the Investor Relations section of HyreCar's website at: <https://ir.hyrecar.com/>.

A replay of the webcast will be available approximately two hours after the conclusion of the call and remain available for approximately 90 calendar days.

About HyreCar

HyreCar Inc. (NASDAQ: HYPE) is a national carsharing marketplace for ridesharing, food, and package delivery via its proprietary technology platform. The Company has established a leading presence in Mobility as a Service (MaaS) through individual vehicle owners, dealers, rental agencies, and OEMs that wish to participate in new mobility trends. By providing a unique opportunity through our safe, secure, and reliable marketplace, HyreCar is transforming the industry by empowering all to profit from Mobility as a Service.

Forward-Looking Statements

Statements in this release concerning HyreCar Inc.'s ("HyreCar" or the "Company") future expectations and plans, including, without limitation, HyreCar's future earnings, partnerships and technology solutions, its ability to add and maintain additional car listings on its platform from car dealers, and consumer demand for cars to be used for ridesharing, may constitute forward-looking statements for the purposes of the safe harbor provisions under the Private Securities Litigation Reform Act of 1995 and other federal securities laws and are subject to substantial risks, uncertainties and assumptions. You should not place reliance on these forward-looking statements, which include words such as "could," "believe," "anticipate," "intend," "estimate," "expect," "may," "continue," "predict," "potential," "project" or similar terms, variations of such terms or the negative of those terms. Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, the Company cannot guarantee such outcomes. HyreCar may not realize its expectations, and its beliefs may not prove correct. Actual results may differ materially from those indicated by these forward-looking statements as a result of various important factors, including, without limitation, market conditions and the factors described in the section entitled "Risk Factors" in HyreCar's most recent Annual Report on Form 10-K and HyreCar's other filings made with the U.S. Securities and Exchange Commission. All such statements speak only as of the date made. Consequently, forward-looking statements should be regarded solely as HyreCar's current plans, estimates, and beliefs. Investors should not place undue reliance on forward-looking statements. HyreCar cannot guarantee future results, events, levels of activity, performance or achievements. HyreCar does not undertake and specifically declines any obligation to update, republish, or revise any forward-looking statements to reflect new information, future events or circumstances or to reflect the occurrences of unanticipated events, except as may be required by applicable law.

Non-GAAP Financial Information

To supplement HYPE's financial information presented in accordance with generally accepted accounting principles in the United States of America, or GAAP, HYPE presents certain financial measures that are not prepared in accordance with GAAP, specifically adjusted EPS. These non-GAAP financial measures, which are defined below, should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. These non-GAAP financial measures are not based on any standardized methodology prescribed by GAAP and are not necessarily comparable to similarly-titled measures presented by other companies.

HYPE is presenting these non-GAAP financial measures to assist investors in seeing HYPE's operating results through the eyes of management and because HYPE believes that these measures provide a useful tool for investors to use in assessing HYPE's operating performance against prior period operating results and against business objectives. HYPE uses the non-GAAP financial measures in evaluating its operating results and for financial and operational decision-making purposes.

The accompanying tables provide more detail on the GAAP financial measures that are most directly comparable to the non-GAAP financial measures described above and the related reconciliations between these financial measures. HYPE has not reconciled adjusted EPS guidance to GAAP net income or GAAP net income per diluted share, respectively, because HYPE does not provide guidance for the reconciling items between these measures and GAAP net income or GAAP net income per diluted share, respectively. As certain of the items that impact GAAP net income and/or GAAP net income per diluted share cannot be reasonably predicted at this time, HYPE is unable to provide such guidance. Accordingly, a reconciliation to GAAP net income or GAAP net income per diluted share is not available without unreasonable effort.

The following table provides a reconciliation of net loss to Adjusted EBITDA for the years ended December 31, 2020 and 2019:

	Year ended	Year ended
	December 31,	December 31,
	2020	2019
Net loss	\$ (15,220,901) \$ (12,518,377)
Adjusted to exclude the following:		
Other expense (income), net	(32,588) (171,981)

Provision for income taxes	800	800
Depreciation and amortization	76,834	70,400
Stock-based compensation expense	3,303,211	1,988,626
Payroll tax expense related to stock-based compensation expense	77,303	-
Changes in insurance reserves	780,147	984,450
Adjusted EBITDA	\$ (11,015,194) \$ (9,646,082

**HYRECAR INC.
CONSOLIDATED BALANCE SHEETS**

	December 31,	December 31,
	2020	2019
Assets		
Current assets:		
Cash and cash equivalent	\$ 4,923,515	\$ 10,657,140
Accounts receivable	109,366	84,680
Deferred offering costs	33,164	—
Insurance deposits	749,454	—
Other current assets	313,812	379,425
Total current assets	6,129,311	11,121,245
Property and equipment, net	8,425	9,138
Intangible assets, net	80,031	153,905
Other assets	95,000	95,000
Total assets	\$ 6,312,767	\$ 11,379,288
Liabilities and Stockholders' Equity (Deficit)		
Current liabilities:		
Accounts payable	\$ 2,275,559	\$ 2,232,629
Accrued liabilities	4,359,348	903,912
Insurance reserve	2,113,039	1,332,892
Note payable, current portion	1,554,548	—
Deferred revenue	76,059	64,808

Related party advances	—	9,629
Total current liabilities	10,378,553	4,543,870
Note payable, net of current portion	444,627	—
Total liabilities	10,823,180	4,543,870
Commitments and contingencies (Note 3)	—	—
Stockholders' equity (deficit):		
Preferred stock, 15,000,000 shares authorized, par value \$0.00001, 0 shares issued and outstanding as of December 31, 2020 and 2019, respectively	—	—
Common stock, 50,000,000 shares authorized, par value \$0.00001, 17,741,713 and 16,393,171 shares issued and outstanding as of December 31, 2020 and 2019, respectively	177	164
Additional paid-in capital	39,725,445	35,857,835
Subscription receivable - related party	—	(7,447)
Accumulated deficit	(44,236,035)	(29,015,134)
Total stockholders' equity (deficit)	(4,510,413)	6,835,418
Total liabilities and stockholders' equity (deficit)	\$ 6,312,767	\$ 11,379,288

HYRECAR INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

	Year ended	Year ended
	December 31,	December 31,
	2020	2019
Revenues	\$ 25,231,741	\$ 15,854,924
Cost of revenues	16,961,450	9,842,543
Gross profit	8,270,291	6,012,381
Operating Expenses:		
General and administrative	12,332,147	8,561,755
Sales and marketing	8,141,675	7,644,019
Research and development	3,049,158	2,496,165

Total operating expenses	23,522,980	18,701,939
Operating loss	(15,252,689)	(12,689,558)
Other (income) expense		
Interest expense	24,299	2,500
Other (income) expense	(56,887)	(174,481)
Total other (income) expense	(32,588)	(171,981)
Loss before provision for income taxes	(15,220,101)	(12,517,577)
Provision for income taxes	800	800
Net loss	\$(15,220,901)	\$(12,518,377)
Weighted average shares outstanding - basic and diluted	17,557,868	13,956,793
Weighted average net loss per share - basic and diluted	\$(0.87)	\$(0.90)

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