



HyreCar Announces Third Quarter 2021 Financial Results

November 9, 2021

LOS ANGELES--(BUSINESS WIRE)--Nov. 9, 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 third quarter ended September 30, 2021.

Third Quarter 2021 Financial Highlights

- Revenue was approximately \$9.7 million, compared to approximately \$6.8 million during the same period of 2020, an increase of approximately 43% from the same quarter last year.
- Net loss was (\$6.1) million and earnings per share of (\$0.29), compared to (\$1.8) million and (\$0.10) in the same period last year. Adjusted EBITDA of (\$5.1) million and adjusted EBITDA per share of (\$0.29), also referred to as adjusted net loss per share, compared to \$(1.6) million or (\$0.10) per share in the same period last year.
- Cash, Cash Equivalents and Restricted Cash were \$18.3 million as of September 30, 2021.

Additional Third Quarter 2021 Highlights and Recent Developments

- HyreCar expanded its agreements with AmeriDrive and Cogent Bank to drive vehicle supply to its platform
- Signed an Official Vehicles Partnership Agreement with Uber in July of 2021
- New drivers to the platform in the third quarter of 2021 were up 22% year over year
- Number rental days on our platform increased 20% from approximately 273,000 the third quarter of 2021 to 329,000 compared to the same period last year
- Commercial bookings represented more than 76% of all cars rented on the platform
- Cars listed from existing accounts were 62% of the total gross cars listed

"HyreCar's third quarter revenues rose \$9.7 million in the quarter and our gross margins passed 30%. We expect to see those margins continue to grow, with the expectation that we will be around 40% by the end of 2022," said Joe Furnari, HyreCar's Chief Executive Officer. "In addition, recently secured millions of dollars of financing for our fleet partners, supports our efforts to ensure sufficient supply of vehicles, and secures additional financing for future efforts."

Adjusted EBITDA 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.

Third Quarter 2021 Financial Discussion

Total revenue in the third quarter of 2021, increased approximately 43% to a record \$9.7 million, compared to \$6.8 million, in the third quarter of 2020. Revenue growth in the third quarter was primarily driven by the higher net rental rate and days.

Gross profit totaled \$3.0 million for the three months ended September 30, 2021, an increase of \$0.1 million or 3.4% from \$2.9 million recognized during the three months ended September 30, 2020. The modest increase in revenues and gross profit were primarily attributed to higher net rental rate and days, partially offset by an increase in insurance premiums, claims and merchant fees.

Operating expenses, consisting of general and administrative, sales and marketing, and research and development expenses, totaled \$9.1 million for the three months ended September 30, 2021, an increase of \$4.4 million or 93.6% over \$4.7 million recognized during the three months ended September 30, 2020. These additional operating expenses were incurred to enable and support growth and scale across all functional areas. These expenses included costs incurred for the enhancement of the technology platform, on-going efforts at stimulating demand and visibility through marketing, as well as growing our customer support/sale organization.

Net loss totaled \$(6.1) million for the three months ended September 30, 2021, an increase of \$(4.3) million or approximately 238.9% over the \$(1.8) million net loss recognized during the three months ended September 30, 2020. The increase in net loss was driven by the higher cost of revenue and operating expenses as noted above, partially offset by the higher net revenue recognized during the three months ended September 30, 2021.

Adjusted EBITDA (which is a non-GAAP financial measure as described above) totaled \$(5.1) million for the three months ended September 30, 2021, an increase of \$(3.5) million or 217.5% from \$(1.6) million recognized for the prior year quarter ended September 30, 2020.

Cash, Cash Equivalents and Restricted Cash totaled \$18.3 million as of September 30, 2021.

Conference Call

Management will host an investor conference call at 1:30 p.m. PST (4:30 p.m. EST) on Tuesday November 9, 2021, to discuss HyreCar's Second quarter 2021 financial results, provide a corporate update, and conclude with Q&A from participants.

To participate in the call, please dial (866) 777-2509 (domestic) or (412) 317-5413 (international). This call is being webcast and can be accessed on the Investor Relations section of HyreCar's website at: <https://ir.hyrekar.com/> or via <https://services.choruscall.com/mediaframe>

[/webcast.html?webcastid=BrkXHvQ6](#).

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: HYRE) is a nationwide leader operating a carsharing marketplace for ridesharing through our proprietary platform. The Company has established a leading presence in Transportation-as-a-Service (“TaaS”) through vehicle owners and institutions, such as franchise car dealerships, independent car dealerships and rental car companies, who have been disrupted by automotive asset sharing. By providing a unique opportunity through our safe, secure, and reliable marketplace, HyreCar is transforming the industry by empowering all to profit from TaaS. For more information please visit hyre.com.

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 HIRE’s financial information presented in accordance with generally accepted accounting principles in the United States of America, or GAAP, HIRE 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.

HIRE is presenting these non-GAAP financial measures to assist investors in seeing HIRE’s operating results through the eyes of management and because HIRE believes that these measures provide a useful tool for investors to use in assessing HIRE’s operating performance against prior period operating results and against business objectives. HIRE 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. HIRE has not reconciled adjusted EPS guidance to GAAP net income or GAAP net income per diluted share, respectively, because HIRE 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, HIRE 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.

HYRECAR INC.

CONSOLIDATED BALANCE SHEETS

(Unaudited)

	September 30,	December 31,
	2021	2020
Assets		
Current assets:		

Cash and cash equivalent	\$ 16,743,483	\$ 4,923,515
Restricted cash	1,593,060	—
Accounts receivable	155,512	109,366
Deferred offering costs	—	33,164
Insurance deposits	2,211,625	749,454
Other current assets	886,386	313,812
Total current assets	21,590,066	6,129,311
Property and equipment, net	6,023	8,425
Intangible assets, net	24,625	80,031
Other assets	—	95,000
Total assets	\$ 21,620,714	\$ 6,312,767
Liabilities and Stockholders' Equity (Deficit)		
Current liabilities:		
Accounts payable	\$ 3,662,728	\$ 2,275,559
Accrued liabilities	6,277,940	4,359,348
Insurance reserve	1,963,609	2,113,039
Note payable, current portion	—	1,554,548
Deferred revenue	42,819	76,059
Total current liabilities	11,947,271	10,378,553
Note payable, net of current portion	1,999,175	444,627
Total liabilities	13,946,271	10,823,180
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 September 30, 2021 and December 31, 2020, respectively	—	—
Common stock, 50,000,000 shares authorized, par value \$0.00001, 21,420,137 and 17,741,713 issued and outstanding as of September 30, 2021 and December 31, 2020, respectively	214	177
Additional paid-in capital	74,600,606	39,725,445
Accumulated deficit	(66,926,377)	(44,236,035)
Total stockholders' equity (deficit)	7,674,443	(4,510,413)
Total liabilities and stockholders' equity (deficit)	\$ 21,620,714	\$ 6,312,767

HYRECAR INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	Three Months Ended	Three Months Ended	Nine Months Ended	Nine Months Ended
	September 30,	September 30,	September 30,	September 30,
	2021	2020	2021	2020
Revenue	\$ 9,651,340	\$ 6,813,825	\$ 26,157,606	\$ 18,177,626
Cost of revenue	6,691,358	3,917,365	19,660,672	10,568,392
Gross profit	2,959,982	2,896,460	6,496,934	7,609,234
Operating Expenses:				
General and administrative	4,705,542	2,080,037	16,601,006	9,219,274
Sales and marketing	2,451,645	1,824,938	8,033,920	5,986,209
Research and development	1,953,582	759,686	4,553,436	2,118,965
Total operating expenses	9,110,769	4,664,661	29,188,362	17,324,448

Operating loss	(6,150,787	)	(1,768,201	)	(22,691,428	)	(9,715,214)
Other (income) expense								
Interest expense	1,755		22,787		7,554		34,116	
Other income	(3,895	)	48,632		(9,440	)	1,181	
Total other income	(2,140	)	71,419		(1,886	)	35,297	
Loss before provision for income taxes	(6,148,647	)	(1,839,620	)	(22,689,542	)	(9,750,511)
Provision for income taxes	—		—		800		800	
Net loss	\$ (6,148,647	)	\$ (1,839,620	)	\$ (22,690,342	)	\$ (9,751,311)
Weighted average shares outstanding - basic and diluted	21,215,836		17,711,132		20,331,222		17,108,075	
Weighted average net loss per share - basic and diluted	\$ (0.29)	\$ (0.10)	\$ (1.12)	\$ (0.57)

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Scott Arnold
CORE IR
scotta@coreir.com

John Evans
Corporate Development
HyreCar
415-309-0230
j.evans@HyreCar.com

Source: HyreCar Inc.