



HyreCar Announces First Quarter 2022 Financial Results

May 16, 2022

LOS ANGELES--(BUSINESS WIRE)--May 16, 2022-- 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 first quarter ended March 31, 2022.

First Quarter 2022 Financial Highlights

- Revenue was \$9.6 million, compared to \$7.4 million during the same period of 2021, an increase of approximately 28% from the same quarter last year
- Net loss was \$(5.3) million and earnings per share of \$(0.24), compared to \$(7.2) million and \$(0.37) in the same period last year
- Adjusted EBITDA of \$(4.1) million and adjusted EBITDA per share of \$(0.20), also referred to as adjusted net loss per share, compared to \$(3.4) million or \$(0.18) per share in the same period last year
- Cash, Cash Equivalents and Restricted Cash were approximately \$11.0 million as of March 31, 2022

Additional First Quarter 2022 Highlights and Recent Developments

- New driver signups to the platform in the first quarter of 2022 were up 10% quarter over quarter
- Entering Q2, revenue growth has accelerated and is currently pacing towards \$10.2 million to \$10.7 million for the second quarter of 2022
- Recurring operating expenses decreased by close to 20% compared to Q1 of 2021
- Commercial bookings represented more than 70% of all cars rented on the platform
- Utilization remained high for large commercial fleets listed on the platform, hovering between 80%-90% during Q1

"HyreCar's first quarter revenue rose to \$9.6 million in the quarter and our gross margins remained in excess of 30% even in a more seasonally challenged quarter with weather-related insurance claims. March was our strongest revenue month in the company's history and that momentum has continued in the second quarter with similarly strong April and the first half of May. Based on quarter to date performance, we are forecasting Q2 revenue of \$10.2 million to \$10.7 million. We also expect continued gross margin growth and anticipate ending the year around 40%," said Joe Furnari, HyreCar's Chief Executive Officer. "We anticipate macro tailwinds to continue to drive revenue and ADRs higher as used car prices level off, car supply is anticipated to be supported by our warehouse credit facility initiative, and demand continues to grow for gig services."

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.

First Quarter 2022 Financial Discussion

Total revenue in the first quarter of 2022, increased approximately 28% to \$9.6 million, compared to \$7.4 million, in the first quarter of 2021. Revenue growth over and above the 5% increase in rental days was driven by favorable pricing in the first quarter.

Gross profit totaled \$2.9 million for the three months ended March 31, 2022, an increase of \$0.2 million or 3.4% from \$2.7 million recognized during the three months ended March 31, 2021. On a sequential basis, gross margin experienced a slight seasonal decline to 31% from 34% in the December 31, 2021 quarter due to more accidents per rental day in the winter season as well as continued trends in inflation for car parts and vehicles.

Operating expenses, consisting of general and administrative, sales and marketing, and research and development expenses, totaled \$8.3 million for the three months ended March 31, 2022, a decrease of approximately 17% compared to \$9.9 million recognized during the three months ended March 31, 2021. On a cash basis, operating expenses were \$7.1 million during the quarter, down \$0.3 million from the December 31, 2021 quarter already close to the medium-term Company's targeted recurring goal of \$7 million cash operating expenditures per quarter. The first quarter savings were achieved through renegotiating agreements and a continued focus on reducing non-growth related expenses.

Net loss totaled \$(5.3) million for the three months ended March 31, 2022, a favorable decrease of \$1.9 million or approximately 26.1% over the \$(7.2) million net loss recognized during the three months ended March 31, 2021. The decrease in net loss was attributable to a slightly higher gross profit coupled with the aforementioned significant reduction in operating expenses realized in the first quarter.

Adjusted EBITDA (which is a non-GAAP financial measure as described above) totaled \$(4.1) million for the three months ended March 31, 2022, an increased loss of \$(0.7) million or 20.6% from \$(3.4) million recognized for the prior year quarter ended March 31, 2022.

Cash, Cash Equivalents and Restricted Cash totaled \$11.0 million as of March 31, 2022.

Conference Call

Management will host an investor conference call at 1:30 p.m. PDT (4:30 p.m. EDT) on Monday, May 16, 2022, to discuss HyreCar's first quarter 2022 financial results, provide a corporate update, and conclude with Q&A from participants. To listen to the conference call, interested parties within the

U.S. should dial 1-866-777-2509 (domestic) or 1-412-317-5413 (international). All callers should dial in approximately 10 minutes prior to the scheduled start time and ask to be joined into the HyreCar Inc. conference call.

The conference call will also be available through a live webcast that can be accessed at <https://services.choruscall.com/mediaframe/webcast.html?webcastid=ngAwla2L>. The webcast replay will be available for three months and can be accessed through the above links.

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

HYRE is presenting these non-GAAP financial measures to assist investors in seeing HYRE’s operating results through the eyes of management and because HYRE believes that these measures provide a useful tool for investors to use in assessing HYRE’s operating performance against prior period operating results and against business objectives. HYRE 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. HYRE has not reconciled adjusted EPS guidance to GAAP net income or GAAP net income per diluted share, respectively, because HYRE 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, HYRE 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 March 31, 2022 and 2021:

	Three Months Ended	Three Months Ended
	March 31,	March 31,
	2022	2021
Net loss	\$ (5,327,483)	\$ (7,206,535)
Adjusted to exclude the following:		
Other expense (income), net	(3,162)	423
Provision for income taxes	—	—

Depreciation and amortization	6,767	19,270
Stock-based compensation expense	1,179,288	3,767,674
Adjusted EBITDA	\$ (4,144,590)	\$ (3,419,168)

HYRECAR INC.

CONSOLIDATED BALANCE SHEETS

(Unaudited)

	March 31,	December 31,
	2022	2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 7,977,260	\$ 11,499,136
Restricted cash	2,994,542	3,248,271
Accounts receivable	405,893	162,586
Insurance and security deposits	140,564	95,000
Other current assets	870,959	1,061,520
Total current assets	12,389,218	16,066,513
Property and equipment, net	4,654	5,265
Intangible assets, net	574,898	372,592
Right of use assets	939,706	—
Total assets	\$ 13,908,476	\$ 16,444,370
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 7,044,065	\$ 5,567,233
Accrued liabilities	2,252,427	2,877,438

Insurance reserve	2,105,773	2,330,190
Right of use liabilities (current)	329,625	—
Deferred revenue	50,846	52,192
Total current liabilities	11,782,736	10,827,053
Right of use liabilities	656,618	—
Total liabilities	12,439,354	10,827,053
Commitments and contingencies	—	—
Stockholders' equity:		
Preferred stock, 15,000,000 shares authorized, par value \$0.00001, 0 shares issued and outstanding as of March 31, 2022 and December 31, 2021, respectively	—	—
Common stock, 50,000,000 shares authorized, par value \$0.00001, 21,761,283 and 21,609,409 issued and outstanding as of March 31, 2022 and December 31, 2021, respectively	218	216
Additional paid-in capital	76,986,139	75,806,853
Accumulated deficit	(75,517,235)	(70,189,752)
Total stockholders' equity	1,469,122	5,617,317
Total liabilities and stockholders' equity	\$ 13,908,476	\$ 16,444,370

HYRECAR INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	Three Months Ended	Three Months Ended
	March 31,	March 31,
	2022	2021
Net Revenue	\$ 9,550,592	\$ 7,448,400

Cost of revenue	6,603,621	4,716,150
Gross profit	2,946,971	2,732,250
Operating Expenses:		
General and administrative	4,546,350	5,704,453
Sales and marketing	2,227,456	2,707,191
Research and development	1,503,810	1,526,718
Total operating expenses	8,277,616	9,938,362
Operating loss	(5,330,645)	(7,206,112)
Other (income) expense		
Interest expense	288	1,906
Other income	(3,450)	(1,483)
Total other (income) expense	(3,162)	423
Loss before provision for income taxes	(5,327,483)	(7,206,535)
Provision for income taxes	—	—
Net loss	\$ (5,327,483)	\$ (7,206,535)
Weighted average shares outstanding - basic and diluted	21,747,675	19,234,382
Weighted average net loss per share - basic and diluted	\$ (0.24)	\$ (0.37)

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