



HyreCar Announces Second Quarter 2022 Financial Results

August 15, 2022

LOS ANGELES, Aug. 15, 2022 (GLOBE NEWSWIRE) -- [HyreCar Inc.](#) (NASDAQ: HYRE), the carsharing marketplace for ridesharing and food and package delivery services, today reported financial results and provided a corporate update for the second quarter ended June 30, 2022.

Second Quarter 2022 Financial Highlights

- Revenue was \$10.5 million, compared to \$9.1 million during the same period of 2021, an increase of approximately 16% from the same quarter last year, achieving the strongest revenue quarter in the company's history
- Gross margin hit a twelve month high of 35% in Q2 of 2022, improving by over 11 points compared to Q2 of 2021 normalized gross margin of 24%
- Net loss was (\$4.4) million and earnings per share of (\$0.20), compared to (\$9.3) million and (\$0.45) per share in the same period last year
- Adjusted EBITDA of (\$3.4) million down from (\$4.1) million in Q1 of 2022, and (\$7.1) million in Q2 of 2021
- Cash, Cash Equivalents and Restricted Cash were approximately \$6.7 million as of June 30, 2022

Additional Second Quarter 2022 Highlights and Recent Developments

- Driver demand continued to increase compared to the first quarter, with new driver signups increasing 10% and a 28% increase in first driver rentals
- Cars rented for the first time increased 2% while total transacting cars increased by 5% quarter-over-quarter on a sequential basis
- The Company welcomed Greg Tatem as its new Chief Technology Officer to lead HyreCar's Product Management and Engineering teams

"HyreCar generated record revenue in the second quarter of 2022, with the highest gross margin in the trailing twelve months despite a challenging macroeconomic environment," said Joe Furnari, CEO. "We continued to invest in strategic initiatives to significantly increase car supply. We also continued to see positive indicators in the broader economy that point to sustained and growing driver demand."

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.

Second Quarter 2022 Financial Discussion

Total revenue increased approximately 10% quarter-over-quarter to \$10.5 million, compared to \$9.6 million in the first quarter of 2022 and increased 16% year-over-year versus \$9.1 million in the second quarter of 2021.

Gross margin hit a 12-month high in the second quarter, reaching 35% versus 31% in the first quarter, reflecting an improvement of 11 points over normalized Q2 of 2021 gross margin of 24%. Margin improvements were driven by cost control, better processes, and appropriate risk pricing.

Total operating expenses, consisting of general and administrative, sales and marketing, and research and development expenses, totaled \$8.1 million for the three months ended June 30, 2022, a decrease of \$0.2 million over the prior quarter. On a cash basis, we achieved our medium-term operating expense target of \$7 million a quarter, down from over \$8 million three quarters ago.

Adjusted EBITDA (a non-GAAP financial measure as described above) totaled (\$3.4) million for the three months ended June 30, 2022, an improvement from (\$4.1) million in Q1 of 2022, and (\$7.1) million in Q2 of 2021.

Cash, Cash Equivalents and Restricted Cash totaled \$6.7 million as of June 30, 2022.

Conference Call

Management will host an investor conference call at 1:30 p.m. PDT (4:30 p.m. EDT) on Monday, August 15, 2022, to discuss HyreCar's second 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://event.choruscall.com/mediaframe/webcast.html?webcastid=w1p26nww>. 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 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. For more information, please visit hyrecar.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 June 30, 2022 and 2021:

	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
Net loss	\$ (4,379,007)	\$ (9,335,160)	\$ (9,706,490)	\$ (16,541,695)
Adjusted to exclude the following:				
Other expense (income), net	(6,671)	(169)	(9,833)	254
Provision for income taxes	800	800	800	800
Depreciation and amortization	46,236	19,269	53,003	38,539
Stock-based compensation expense	942,600	2,193,869	2,121,888	5,961,543
Adjusted EBITDA	\$ (3,396,042)	\$ (7,121,391)	\$ (7,540,632)	\$ (10,540,559)

HYRECAR INC. CONSOLIDATED BALANCE SHEETS (Unaudited)

	June 30, 2022	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 3,573,595	\$ 11,499,136
Restricted cash	3,111,107	3,248,271
Accounts receivable	418,771	162,586
Insurance and security deposits	47,897	95,000
Other current assets	532,014	1,061,520
Total current assets	7,683,384	16,066,513

Property and equipment, net	4,044	5,265
Intangible assets, net	546,152	372,592
Right of use assets	864,413	—
Total assets	<u>\$ 9,097,993</u>	<u>\$ 16,444,370</u>
Liabilities and Stockholders' Equity (Deficit)		
Current liabilities:		
Accounts payable	\$ 4,350,234	\$ 5,567,233
Accrued liabilities	3,536,145	2,877,438
Insurance reserve	2,270,553	2,330,190
Right of use liabilities (current)	245,736	—
Deferred revenue	52,305	52,192
Total current liabilities	<u>10,454,973</u>	<u>10,827,053</u>
Right of use liabilities	635,305	—
Total liabilities	<u>11,090,278</u>	<u>10,827,053</u>
Commitments and contingencies	—	—
Stockholders' equity (deficit):		
Preferred stock, 15,000,000 shares authorized, par value \$0.00001, 0 shares issued and outstanding as of June 30, 2022 and December 31, 2021, respectively	—	—
Common stock, 50,000,000 shares authorized, par value \$0.00001, 21,843,648 and 21,609,409 issued and outstanding as of June 30, 2022 and December 31, 2021, respectively	218	216
Additional paid-in capital	77,903,739	75,806,853
Accumulated deficit	(79,896,242)	(70,189,752)
Total stockholders' equity (deficit)	<u>(1,992,285)</u>	<u>5,617,317</u>
Total liabilities and stockholders' equity (deficit)	<u>\$ 9,097,993</u>	<u>\$ 16,444,370</u>

HYRECAR INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
Net Revenue	\$ 10,508,180	\$ 9,057,866	\$ 20,058,772	\$ 16,506,266
Cost of revenue	<u>6,795,721</u>	<u>8,253,164</u>	<u>13,399,342</u>	<u>12,969,314</u>
Gross profit	3,712,459	804,702	6,659,430	3,536,952
Operating Expenses:				
General and administrative	4,885,825	6,090,899	9,432,175	11,795,352
Sales and marketing	1,843,751	2,875,084	4,071,207	5,582,275
Research and development	<u>1,367,761</u>	<u>1,173,248</u>	<u>2,871,571</u>	<u>2,699,966</u>
Total operating expenses	8,097,337	10,139,231	16,374,953	20,077,593
Operating loss	(4,384,878)	(9,334,529)	(9,715,523)	(16,540,641)
Other (income) expense				
Interest expense	—	3,893	288	5,799
Other income	<u>(6,671)</u>	<u>(4,062)</u>	<u>(10,121)</u>	<u>(5,545)</u>
Total other (income) expense	(6,671)	(169)	(9,833)	254
Loss before provision for income taxes	(4,378,207)	(9,334,360)	(9,705,690)	(16,540,895)
Provision for income taxes	<u>800</u>	<u>800</u>	<u>800</u>	<u>800</u>

Net loss	\$	(4,379,007)	\$	(9,335,160)	\$	(9,706,490)	\$	(16,541,695)
Weighted average shares outstanding - basic and diluted		21,792,707		20,521,674		21,770,156		19,881,584
Weighted average net loss per share - basic and diluted	\$	(0.20)	\$	(0.45)	\$	(0.45)	\$	(0.83)

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Source: HYRECAR