



HyreCar Announces Financial Results and Highlights for the Third Quarter 2022

November 14, 2022

LOS ANGELES, Nov. 14, 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 third quarter ended September 30, 2022.

Third Quarter 2022 Highlights

- The company's joint venture with AmeriDrive, HyreDrive LLC, has deployed over \$20 million from the \$100 million warehousing line, resulting in over 1,200 new cars purchased dedicated to the HyreCar platform
- AmeriDrive expects to add an additional 2,000 cars to the HyreCar platform in the next six to nine months
- Driver demand continued to increase, with new driver signups increasing 14% with cost per booking down 24%
- EVs available on the platform increased over 15% YoY, and EVs rented on the platform increased 126% in the third quarter YoY
- Cost control and loss recovery aided by improved driver underwriting and diligent claims oversight have the company trending towards 40% gross profit margins by the end of 2023

"Since closing the warehousing line, we have shifted our resources to executing with AmeriDrive to deploy over \$20 million worth of cars through our financing partnership with Credit Suisse and Medalist Partners. We anticipate the line of credit to continue unlocking unprecedented fleet scale for our platform and hundreds of thousands of drivers in the United States who are looking to rent cars to participate in the gig economy," said Joe Furnari, CEO of HyreCar. "Q4 is on track to be the strongest quarter in the company's history as we ramp supply through the line and maintain our focus on positive margins, incremental EV supply and expanding our relationship with rideshare and delivery platforms across the country."

Third Quarter 2022 Financial Discussion

Total revenue was \$10.3 million, declining marginally compared to the company's record \$10.5 million in the second quarter of 2022 and up 6% year-over-year versus \$9.7 million in the third quarter of 2021.

Gross margin again hit a 12-month high in the third quarter, reaching 37.5% versus 35.3% in the second quarter, and an improvement of nearly 7 points over normalized Q3 of 2021 gross margin of 30.7%.

Total operating expenses, consisting of general and administrative, sales and marketing, and research and development expenses, totaled \$9.2 million for the three months ended September 30, 2022, an increase of \$0.1 million over the same period in last year. On a cash basis, we continue to meet our medium-term operating expense target achieving \$8.0 million or \$7.2 million excluding one-time expenses and down from over \$8 million three quarters ago.

Adjusted EBITDA (a non-GAAP financial measure as described below) totaled (\$4.1) million for the three months ended September 30, 2022, a decline from (\$3.4) million in Q2 of 2022, and an improvement from (\$5.1) million in Q3 of 2021.

Cash, Cash Equivalents and Restricted Cash totaled \$12.1 million as of September 30, 2022.

Conference Call

Management will host an investor conference call at 1:30 p.m. PT (4:30 p.m. ET) on Monday, November 14, 2022, to discuss HyreCar's third 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=9KWbwxHk>. The webcast replay will be available for three months and can be accessed through the above link.

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 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. 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..

The following table provides a reconciliation of net loss to Adjusted EBITDA for the years ended September 30, 2022 and 2021:

	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Net loss	\$ (5,388,548)	\$ (6,148,647)	\$ (15,095,038)	\$ (22,690,342)
Adjusted to exclude the following:				
Other expense (income), net	(10,354)	(2,140)	(20,187)	(1,886)
Provision for income taxes	—	—	800	800
Depreciation and amortization	39,895	19,269	92,898	57,808
Stock-based compensation expense	1,216,030	1,028,399	3,337,918	6,989,942
Adjusted EBITDA	\$ (4,142,977)	\$ (5,103,119)	\$ (11,683,609)	\$ (15,643,678)

HYRECAR INC. CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

	September 30, 2022	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 9,109,046	\$ 11,499,136
Restricted cash	3,018,632	3,248,271
Accounts receivable, net of allowance	552,131	162,586
Insurance and security deposits	46,564	95,000
Other current assets	1,295,652	1,061,520
Total current assets	<u>14,022,025</u>	<u>16,066,513</u>
Property and equipment, net	65,184	5,265
Intangible assets, net	517,406	372,592
Right of use assets	797,939	—
Other long-term assets	2,532,423	—
Total assets	<u>\$ 17,934,977</u>	<u>\$ 16,444,370</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 8,103,827	\$ 5,567,233
Accrued liabilities	2,801,386	2,877,438

Insurance reserve	3,527,923	2,330,190
Right of use liabilities (current)	251,099	—
Deferred revenue	50,653	52,192
Notes payable - related party	500,000	—
Total current liabilities	15,234,888	10,827,053
Right of use liabilities	570,757	—
Total liabilities	15,805,645	10,827,053
Stockholders' equity:		
Preferred stock, 15,000,000 shares authorized, par value \$0.00001, 0 shares issued and outstanding as of September 30, 2022 and December 31, 2021, respectively	—	—
Common stock, 50,000,000 shares authorized, par value \$0.00001, 30,291,747 and 21,609,409 issued and outstanding as of September 30, 2022 and December 31, 2021, respectively	301	216
Additional paid-in capital	87,413,821	75,806,853
Accumulated deficit	(85,284,790)	(70,189,752)
Total stockholders' equity	2,129,332	5,617,317
Total liabilities and stockholders' equity	\$ 17,934,977	\$ 16,444,370

HYRECAR INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Net Revenue	\$ 10,271,719	\$ 9,651,340	\$ 30,330,491	\$ 26,157,606
Cost of revenue	6,424,035	6,691,358	19,823,377	19,660,672
Gross profit	3,847,684	2,959,982	10,507,114	6,496,934
Operating Expenses:				
General and administrative	5,842,842	4,705,542	15,275,017	16,601,006
Sales and marketing	2,196,588	2,451,645	6,267,795	8,033,920
Research and development	1,207,156	1,953,582	4,078,727	4,553,436
Total operating expenses	9,246,586	9,110,769	25,621,539	29,188,362
Operating loss	(5,398,902)	(6,150,787)	(15,114,425)	(22,691,428)
Other (income) expense				
Interest expense	—	1,755	288	7,554
Other income	(10,354)	(3,895)	(20,475)	(9,440)
Total other (income) expense	(10,354)	(2,140)	(20,187)	(1,886)
Loss before provision for income taxes	(5,388,548)	(6,148,647)	(15,094,238)	(22,689,542)
Provision for income taxes	—	—	800	800
Net loss	\$ (5,388,548)	\$ (6,148,647)	\$ (15,095,038)	\$ (22,690,342)
Weighted average net loss per share - basic and diluted	\$ (0.23)	\$ (0.29)	\$ (0.68)	\$ (1.12)
Weighted average shares outstanding - basic and diluted	23,583,303	21,215,836	22,361,568	20,331,222

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Source: HYRECAR