ASX Announcement

1st March 2021

1H FY21 Result Call Transcript

Jayride Group Limited (ASX:JAY) ("**Jayride"** or the "**Company"**) the world leading global travel marketplace for airport transfers today releases the transcript of the 1H FY21 Half-Year Results Presentation held on Thursday 25th February 2021 at 9.30am AEDT.

Start of transcript

Rod Bishop (Jayride Group Managing Director): Welcome everyone to what we call a world of opportunity ahead. These are bold words. I don't say them just for effect, I mean our market has been to hell, so i'm not going to say them lightly. But I'm confident to call it, because of what we've done, and because of what we're seeing.

Three things. One we've controlled the controllable to navigate COVID-19 including to control costs, and improve fundamentals. Two, we've had a significant milestone in positive contribution and we can show you how that is scaling to our recovery. And, three we've begun the work of capturing market share and have early positive indications of success there.

I've said it before that this is the year we win the market, and we're investing to build a better business.

Vaccinations are going to serve as a tailwind to our recovery, but more importantly I think we've got the right offer for today's times and today's cautious travelers and the things that they need when they travel.

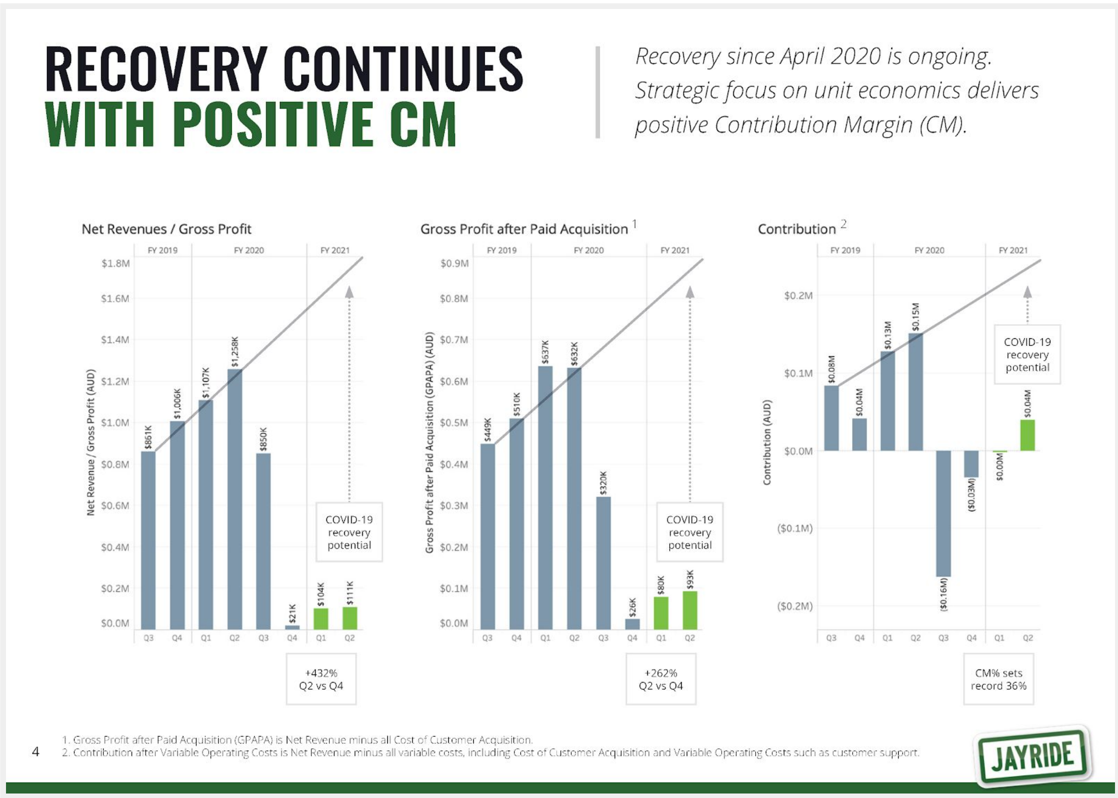
We've made continuous improvements to our technology, to our platform, to our customer service, to our traveller experience, to our operational efficiency, and added to the brands we work with like stepping up our business with Booking.com and Expedia.

We're executing well with a great team that has a track record of 26 quarters of growth, and a CAGR of 98% revenue growth pre-COVID, showing the caliber that they've got to deliver and bring us back to those levels again.

We're executing well with three major growth drivers. Again, first, that recovery out of COVID-19 led by vaccinations, and also the two more important drivers, the capturing of market share, and the accelerating of the online adoption of rides, that i'll talk about in this presentation. Also, the success of that contribution margin, a record contribution margin which I want to focus on a lot.

We're well placed, especially with vaccination roll-out and so there's one key message here. While we're very proud of the 98% CAGR leading up to COVID-19, and while we're very proud of being up off the bottom threefold since April of last year. The one key message is that we're confident in the return of travel, there is nothing that I can see that prevents us from accelerating back to our historical trendline.

So every financial measure at the top here – net revenue, gross profit after paid acquisition (GPAPA), and contribution – continues to improve since April of last year. Furthermore, we are contribution positive for only the third half in the history of the company.



Contribution is an important number. This is the profitability that scales. Our non-variable cost base is low. If our contribution margin is high, and we scale trips, we have a very successful and highly profitable business into the long term.

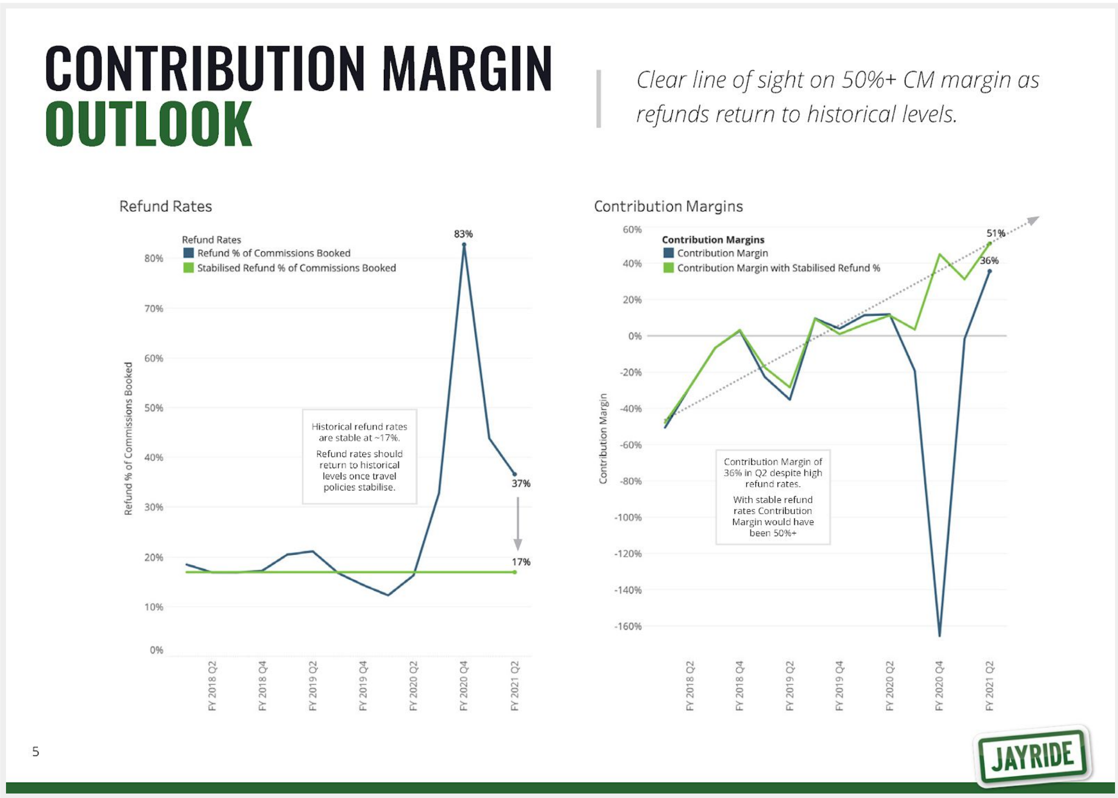
Our success in 1H is counterintuitive. Right now operational gearing is coming through at a time when our revenues are depressed, when we don't have economies of scale, as a result of our fundamental work that we've been delivering for the last 24 months.

It's sustainable. It scales into the recovery. It represents a record contribution margin of 35%. It's more profitable than we've ever been per-booking before.

I want to spend a moment to really unpack it for you, because it's an important deliverable, and given the improvements that we're seeing we're also now comfortable to issue a 50% Contribution Margin (CM) target, even despite the turbulent times. A 50% CM target.

We want to give a really clear signal that we're confident and we can give this full transparency through unpacking it with these two graphs. Because, this is not conditional on, you know, a startling macro recovery. So to give this context, I really want to spend a moment here and just talk about three points.

One where CM goes next and why – that's the two graphs that we've got here. Two, show how to interpret our P&L in the context of high contribution margin. Three, our opportunities to scale and what that does to contribution margin.



So, first just to just take a moment with these graphs. The left hand graph shows refund rates, the right hand graph shows contribution margin. On the left hand refund rate, you can see historically and for many halves, we gravitate around a 17% refund rate.

For clarity that's not 17% of missed pickups, or failed bookings, or bad service. That 17% of travelers changing their mind. This is a really key pillar on which we build our customer service proposition: That any traveler at any point can get all their money back. That's a critical part of our customer promise, and typically that cost is 17% of gross revenue, consistently for a long time.

Then you can see what's happened through COVID-19. It spiked at the onset of COVID-19 with many, many, cancellations, and it's coming back to normal.

Typically, this number is hidden. The net revenue we present is net of these refunds. This time, we wanted to bring it out here to show you that we're still operating at an elevated refund rate versus our 17% historical rate. We're currently operating for 1H FY21 at a 37% rate so we've got more improvements to come.

And that'll come as border policy stabilizes. They don't need to normalize, they just need to have travellers not be taken by surprise. We expect that we will see fewer and fewer surprises as the world navigates from here through COVID-19.

So stabilisation, and to see what that does to contribution margin is that graph on the right. Actual contribution margin is in blue, and stabilised as if we would have applied a 17% refund rate throughout COVID-19 is represented in green.

Two things you'll see. One is the constant upward trajectory of CM. Two is a 50%+ plus CM margin in 1H FY21 if it wasn't for that refund rate.

What that means in terms of thinking about our fundamentals to go forward is that, without any further operational improvement at all, only a stabilization of border policies and large event policies, do we realize a 51% contribution margin.

The second thing to talk to here, then, is what that does for an understanding of our P&L. In our latest quarter we posted $800,000 of non-variable cash costs. That's inclusive of all capitalized expenses, for example, the building out of our IP. With 50% CM to achieve a level where we become cash generative, $1.6 million of net revenue is all you need. It’s a low bar to cross.

Third, considering how that scales into the recovery. I've just got to reiterate this is the scalable profitability. So our non-variable costs don't need to scale, and as our trip volume scales, so we realize more and more returns.

When we think about what goes next in our strategy, it’s any form of scale that yields those returns. It does so because we have now built the two engines that matter.

We've built the scaling transport aggregation engine which gets us any transport anywhere on earth at that low cost per contract. And we've built the scaling unit profitability engine that gives us bookings with high yield anywhere. With these two pieces of engine built were set for any kind of creative scale to be profitable.

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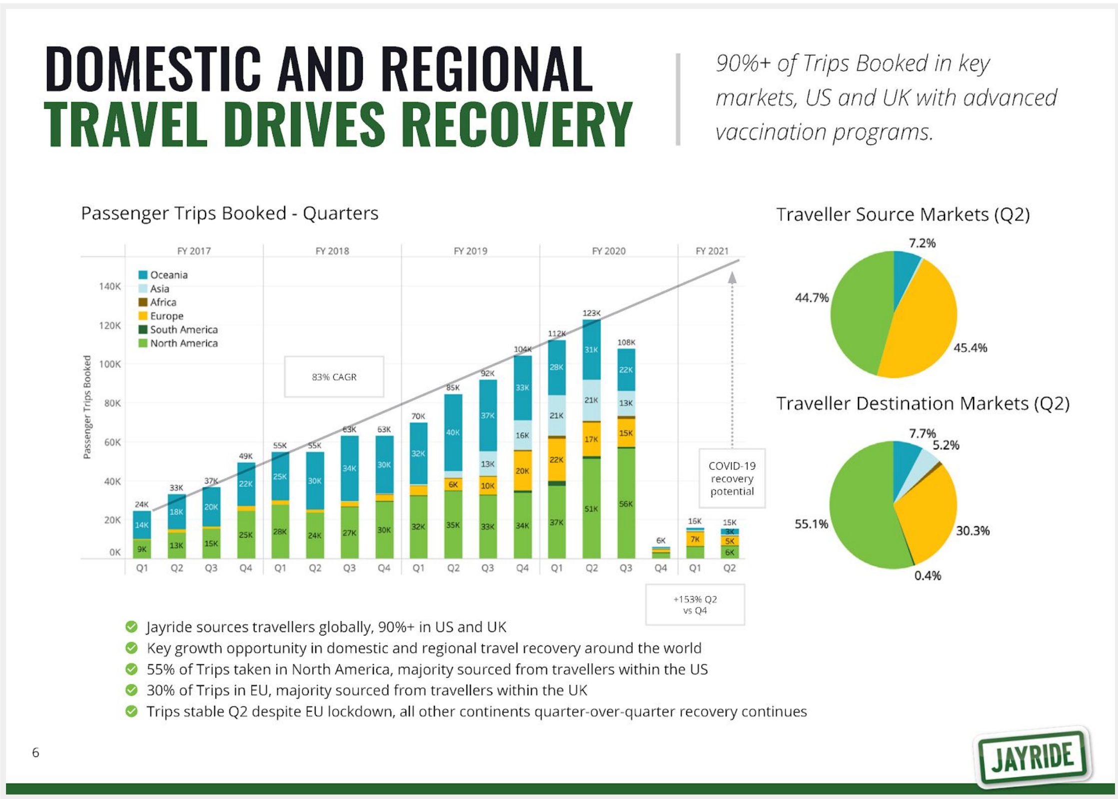
Onwards to trips. Jayride, I must always say, is not significantly impacted by Australia’s international travel restrictions. We are not basing any of our outlook on assumptions around returns to long-haul international travel from Australia, or indeed globally.

90% of our trips are regional and domestic. And, 90% are US and UK markets, for example, which are countries that have really advanced vaccination roll-outs at the moment.



I want to give you just a tangible example, one of our top travel corridors it's US english language travel outbound to North and Central America. We're talking Caribbean, we're talking Mexico. These travel corridors are open at the moment there's an increasingly vaccinated – or just fed up with restrictions – population that is willing to travel, and we're trading on this at the moment. So that kind of recovery is continuing globally.

We've seen recovery incrementally quarter-over-quarter since April in every continent we traded in, except for Europe which obviously had a drawdown of 30% in the latest quarter. But our overall travel volumes remained stable, despite Europe, and I think that goes to the defensibility we’ve built in being a really truly global company.

We see continuation in terms of passengers growth moving and scaling around the world, and we expect, or at least one would expect in general, that vaccinations would give rise to further travel and the changing and loosening of travel restrictions in the medium term.

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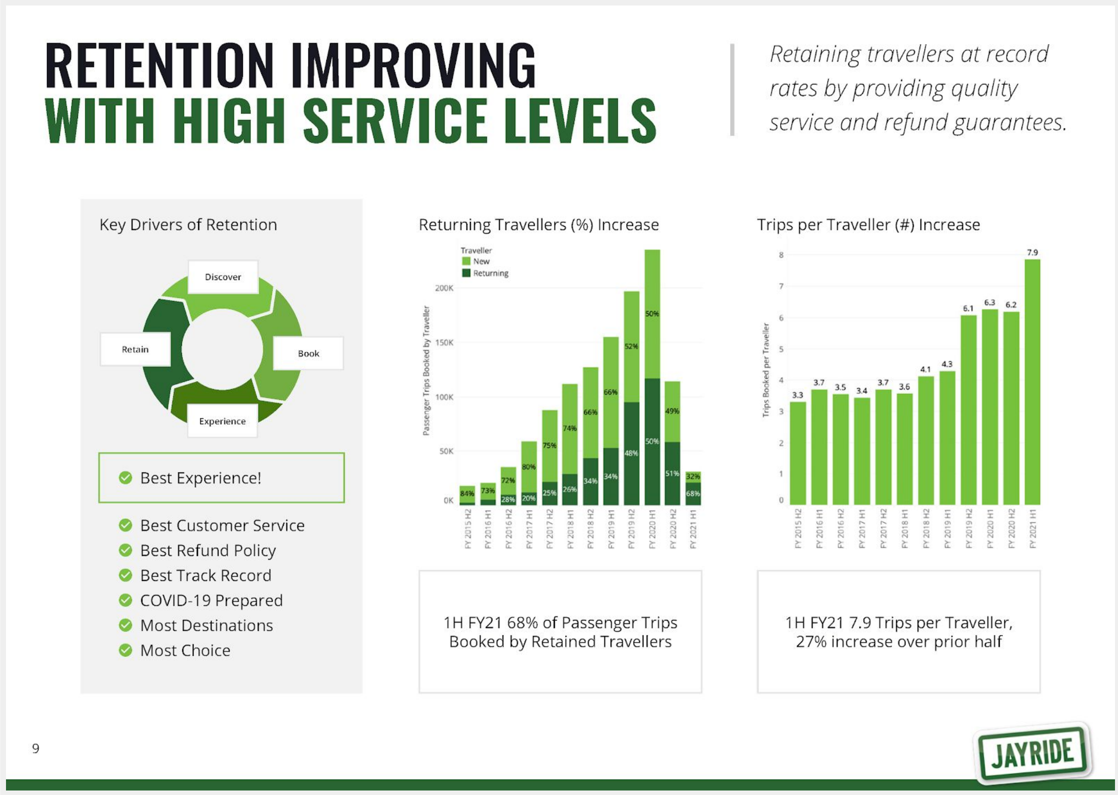
Throughout COVID-19 we're getting things done, and we're using our time well. We've spoken repeatedly about three drivers of recovery. I've emphasized that capturing market shares is the most relevant and most immediate thing that we can get into. We are investing, as of the capital raise from last year, to win this market towards our vision.

Here is how we're doing it. There are three key strategies towards that capturing of market share and that future vision. One, building out traveler retention. Two, building out traveler conversion. And three, building up cheaper traveler acquisition.

Each one had a number of milestones to deliver and I'm proud to say that the team has successfully delivered every milestone in the latest half, and we are well capitalized to continue to deliver those things.

Here is how it looks. I've talked about the membership system at our quarterly results release. It's a fundamental improvement to our platform towards retaining travelers as members. This is a critical piece of our infrastructure. In some ways for travel brands, this is hygiene, but again in the history of Jayride we've been building transport tooling as a core priority and core IP for years, and now we get to add the hygiene, the things that travelers expect, a membership system that they can log into where they can have a great experience. It welcomes them back, it remembers who they are, it gives them access to manage the bookings. It will ultimately drive further repeat rates, and higher conversion rates. These things are going to still further improve unit economics.

It's not the only thing that we're doing which is driving further traveler retention. In fact throughout COVID-19 high service levels have been driving traveler retention, and you can see it's working. Traveler retention is up. Two graphs.



One of them is new disclosure which I'd like to take a moment on, which is returning travelers percentage. 68% of travelers who booked in 1H FY21 are returning travelers. They are returning from previous periods and returning to book again. This is a great new record number for us. In terms of percentage it has gone up every period, and has again now albeit on low volume, and you can see it here. Then, also our trips-per-traveler is a new record 7.9 trips-per-traveler for the half – a 27% increase half-over-half.

How we're doing it is on the left hand side. We're delivering the best experience in a way that is not imitable by our competitors. We're winning on refund policy, we're the only brand in our cohort that issued traveller refunds throughout COVID-19, not coupons, full cash back. It's causing travelers to bias and preference to us. They need that certainty because they don't know what's going to happen to border policies. You can see what it's costing us in contribution, but it's the right investment to make.

We're stepping up our engagement as a result, with large travel brands like booking.com reimplementing our API in December. They've decided that transfers are strategic, and to go with us, a recognized leader in the US, which is one of their key markets, and they're building out their scale with us on the basis of the service promises we deliver.

So it's working, this retention. The loyalty to the customer that we've been demonstrating has been proving itself in terms of retention and that again also scales into the recovery.

We retain these loyal travelers now and for the life of the business we go forward.

And it really is a story about the life of the business, you know despite all these challenges, we're on a multi year trajectory to build the traveller’s trusted transport brand. And despite the challenges during 1H FY21 we've landed a seriously important strategic milestone in the history of the company. It’s important, this contribution milestone, because it validates our earnings potential as we scale. We've proven the model around making profit on tiny cart sizes. No other large travel brand ever invested the time and tooling and systems to make profitable transactions on such small cart sizes, and we've done it.

You can see it here in the context of years and years of delivery. We've had multiple years and milestones hit from launching our marketplace, cracking the aggregation model, rolling it out globally. Now here we deliver that last piece of the engine, that is the profitability of our booking systems and our operational leverage.

Six milestones delivered already, and now six months throughout the middle of the pandemic another one, as we prove the unit economics for high margins at scale. It gives us a confident outlook toward achieving the rest of our vision in years to come.

From this point on I'd like to hand over to Peter to talk through our financials. Peter McWilliams, CFO.

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Peter McWilliam (Jayride Group, CFO): Thank you Rod.

Starting on the income statement on page 12. Jayride's income statement reveals a successful navigation of the pandemic with improved unit economics and material cost savings being the highlights.

Improvements in unit economics drove contribution margin up from prior periods to 18% in 1H. You can see this number in the first grey box on the income statement. This result included Q1 contribution margin of -1.6% and a momentum-building 36% in Q2.

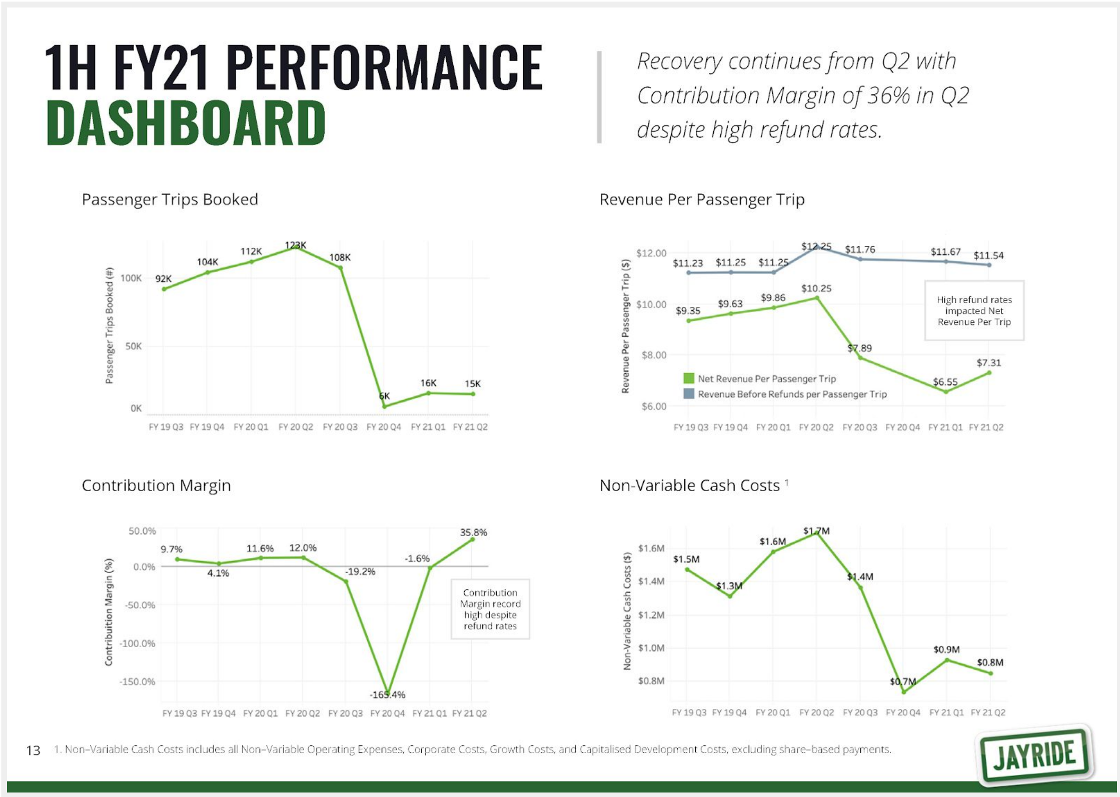
As Rod mentioned earlier, the result provides line of sight to 50%+ contribution margin when travel stabilises, without any improvements from our ongoing investment into the platform. 50%+ contribution provides a lot of future scope to both grow the business and generate free cash flows. It's a big milestone.

Disciplined cost control initiatives resulted in a 54% reduction in total non-variable cash costs compared to the PCP (Previous Corresponding Period). The number can be found in the middle of the page on the far right of the table. Management had to find the balance between preserving cash runway in a high cost-of-capital environment and ensuring that we are positioned to capitalise on a once a generation opportunity to capture market share. Looking forward we currently have significant latent capacity in our operations teams to deal with a return to pre-COVID-19 bookings levels and to work on any opportunity to build scale or improve operational efficiencies in the interim.

The progress made with contribution and non variable cash costs enabled Jayride to limit operating losses before non cash costs to $573,000 this period. You can see this number in the middle of the page on the far left. It is a 76% improvement PCP.

Moving on to page 13, performance dashboard. This slide includes everything you need to quickly build a simple financial model. When you're doing your modeling you'll note that improved contribution margin has significantly decreased the number of passenger trips booked that are required to cover the non-variable costs. The decrease is from 2.7 million to 900,000 per annum. And, at a 50% contribution margin would decrease the required passenger trips booked to only 640,000 per annum. These numbers exclude grants and other income, which will obviously decrease the number lower.

JAYRIDE

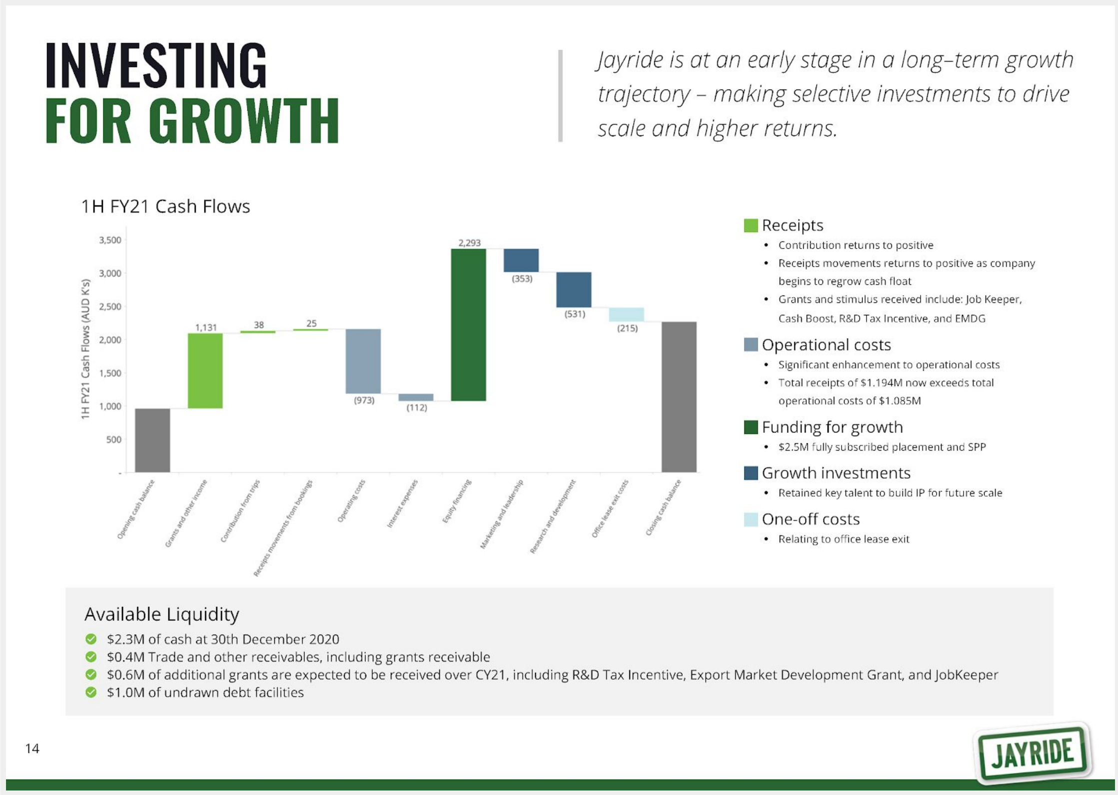


Before moving to the next slide I just want to unpack the top right as it is a major driver of our contribution margin potential. The blue line shows the revenue per passenger trip booked, before refunds. The green line shows revenue per trip after refunds. The difference is abnormal and is a major driver of contribution margin potential in coming periods.

Moving to page 14, investing for growth. Jayride is at an early stage in a long term growth trajectory making selective investments to drive scale and higher returns.

Net receipts covered operational costs and interest expense to deliver positive free cash flow in 1H. The Company benefited from high contributions this period and decided to retain talent for capacity in the operational costs to ensure we are well positioned to take advantage of today's market and the recovery.

Looking forward, we expect to see reductions in grants being offset by material positive movements in contributions and receipts as booking volume increases.



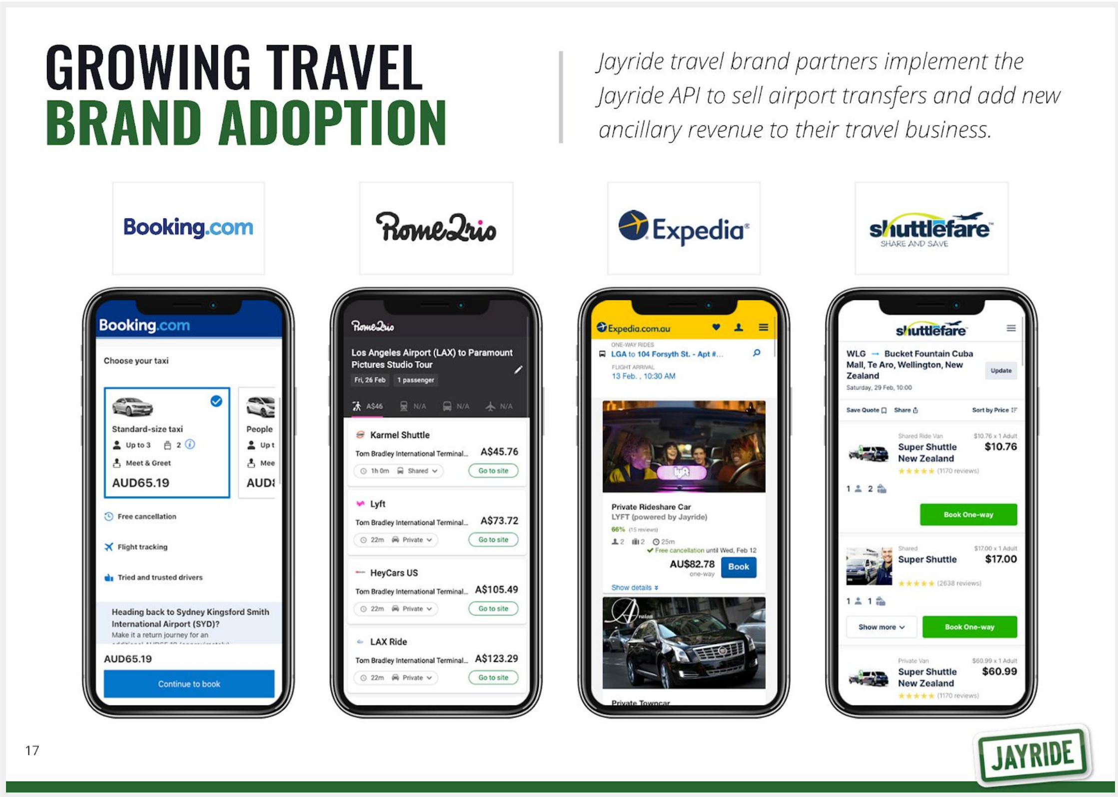
Growth capital of $2.5 million was secured and then partially deployed into $1.1 million of selective investments. These investments include the launch of our membership systems and winning market share with new travel brands or developing deeper relationships with existing travel brand partners.

We finished the period with $2.3 million in cash with receivables grants and working capital facilities increasing the available liquidity to $4.3 million.

Thank you everyone, I'll hand it back to Rod.

Rod Bishop: Thank you Peter. Now, to our outlook. We have three tailwinds to increase scale from here.

First and foremost, people are aware of vaccinations and the ending of COVID-19 travel restrictions. Then we have two trends which are most important to talk about. They are the capturing of online market share and the acceleration of online adoption, which is about bringing transfers online for the first time.



The key moves for acceleration of online adoption are that we see large online travel agencies treating transfers as more strategic. Pictured on the left hand side is Booking.com's implementation, which includes Jayride's API now available at taxi.booking.com. We're not the exclusive supplier but we are a major supplier there and a the strategic part of the mix in America.

Next to the competitive landscape which has been, again, wiped out – it's been hard yakker – but we are best positioned amongst all competitive brands in the world and the thing that's changed is when we put away a successful $2.5 million dollar capital raise to capture market share and really leapfrog all the competition.

Third, the return to normal travel is the forecast that we presented six months ago. It's still here, it still represents a return to travel, and the thing that's changed here obviously is the further confidence that everybody has at the potential successful vaccination rollouts around the world, foremost in our key markets US and UK.

Accordingly, we're confident that we should continue to build for that future of return to travel, as strategic deliveries towards that "north star" Jayride vision, and here still focus on the same core three tenants of retaining travelers, converting travelers and acquiring them cheaper.

We're leaning heavily into membership again. We're leaning heavily into having the right offers for travelers so they can book and feel confident with us. And we're leaning heavily into capturing market share winning new B2B contracts with the large travel brands, who are newly feeling that transfers are strategic.

In summary: Passenger trips booked are impacted but initial recovery continues since April. Non-variable cash costs reduced significantly, 54% versus PCP. And more, we are contribution positive for 1H FY21 with a record 36% CM, and proven unit economics now. It's a material milestone in the history of Jayride that we've delivered, and a successful fully subscribed placement and SPP of $2.5 million to invest further and apply pressure to capturing market share.

For outlook, we describe it as positive, and are well placed with vaccinations, as they continue to roll out. We feel well positioned to capture that ongoing rebound across Northern Hemisphere markets, irrespective of the being restrictions on long-distance international travel. We are positioned to catch domestic and regional travel.

There are three recovery drivers they remain in effect, and we're in pole position to win market share with that successful capital raise under our belt, and with the strong relationships that we've retained with travel brands, transport companies, and our team throughout the pandemic.

Now happy to say we are targeting a 50% CM percentage as refund rates stabilise – not necessarily normalise – just stabilise, and without considering any further opportunities to improve our operating effectiveness.

Much thanks for joining our call, and now for questions, thank you.

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Guy Hedley (Atlas Advisors): All right, it's Guy can you hear me?

Rod Bishop: Yes, I can. How are you Guy?

Guy Hedley: Congratulations, that's a really, really solid result.

Rod Bishop: Thank you.

Guy Hedley: My question is around the board, Where are you at with the chairman’s replacement and what's your current timeline for that?

Rod Bishop: Very good. So with regards to the board and Andrey Shirben. Our chairman has announced an intent to resign, with the effective resignation date set at 31st of March 2021, at the end of this quarter, and our process to appoint a new, independent non-executive chair is ongoing and we look forward to an announcement within that timeline. It's going well. We're meeting some great people, and we have already obviously got some good relationships there in place whom we are also considering.

James Tracey (Veritas Securities, Analyst): Hi Rod, James Tracy here, and how are you?

Rod Bishop: Great James, how are you?

James Tracey: Good thanks. Are you able to give us an update on how you are seeing the trading on the passenger numbers throughout January and February so far?

Rod Bishop: Thanks. The latest weeks are good weeks. EU did slow us down in Q2, but you can't go any lower in the EU so it's just that continuation of the overall trend.

James Tracey: So, like so, in short, you would expect more than 15,000 in the third quarter, is that fair?

Rod Bishop: We wouldn't expect any change to the current trajectory. There's nothing that we can see that would change our current upward trajectory.

James Tracey: Okay, because the second quarter was pretty much the same as the first quarter, so I was just wondering if we would say that again in the third quarter, or yeah, that it is ticking up a little bit more?

Rod Bishop: Happy to unpack that. Yeah, so, the delta between Q1 and Q2 was mostly driven by the fact that Europe came off the boil with second wave lockdowns, and they lost 35% for us in Q1 versus Q2. But all other continents grew incrementally quarter-on-quarter. Europe doesn't have further losses to make, right? It's as bad as it gets as a continent and has to grow from where it is. Meanwhile, all other continents were continuing the same trajectory.

James Tracey: Yeah all right.

That's good on the contribution margin like really, you know, it's improved and then if the proportion of refunds goes back to normal then it improves further.

I suppose one, you know sort of, note of caution is around you know the cost of customer acquisition. You know I think isn't it the case that because there's much fewer people traveling, that there's less competition for internet advertising, and so therefore, that the cost component of paid search has come down massively for everybody, but as travel resumes that, you know, that will increase because more people will be competing. So you know, in light of the, you know, that dynamic, is it a bit, you know, could you still expect that 50%? Or is it maybe you know, maybe a bit risky to say that, you know, notwithstanding the benefit you get from refunds coming down.

Rod Bishop: No i'm happy to say that 36% is a record for a number of reasons, it's not all about cost of acquisition. We've built and invested really significantly in all kinds of things, including traveller retention and improving conversion. For any dollar of advertising spent that gets you more bookings, and it also gets you more repeat bookings.

And still further we've been investing in operational gearing. So that's investments in more efficient operating processes, better customer service tools, better self service tools, more automation in terms of refund and cancellation handling. You know, each one of these areas, it reduces operating costs, whether it's in customer service team, or transaction fees, so no it isn't definitely not all a CAC (cost of customer acquisition) game.

The 36% driven by a suite of measures, and so, then when we think about where we'd stand today, ex those refunds, it's 50%+. This doesn't take into account the extra retention membership should yield, the extra opportunities to provide more automation, more self service.

Thinking kind of “forward outlook” in terms of how travel might rebuild. We will be focused on rebuilding and reinvesting CAC as contribution margin goes still higher. You know as travel volume recovers, and we start to get those operational gearings and economies of scale back, that's where we will be able to invest more liberally in CAC.

James Tracey: Yeah, okay. So you know, as your bottom-line improves as you get, you know, higher revenues because of increased passenger numbers and you might, you know, lower the margin or invest more in customer acquisition, sort of drive more sales and then maybe have a stable margin at around that level?

Rod Bishop: Yes that's correct, The higher the margin goes, the more we can invest in customer acquisition, and so then that's about making sure that we can outperform everyone else on margin, so that we can outperform everyone else on acquisition.

And that's again, kind of the booking.com playbook you know. At scale Jayride ends up looking something like rentalcars.com. They're investing three times the average travel purchase in paid acquisition, because they know that their retention rates and their repeat purchase rates are so good, unit profits so high. And, as a result they're able to just win market share. And again you point to the fact that Adwords is competitive, and so with that high retention, they can just outperform everyone.

So, in the long term you know, the opportunity to drive CM% still even higher through further efficiencies just goes to market dominance. It's just going to allow you to outperform everyone else on customer acquisition.

James Tracey: And yeah, sorry this is just my final question that I want to ask, not to take too much of everyone's time, but just do you have any idea how that contribution margin compares to your competitors? And you know I know you've done a lot of work, the system integration with your suppliers and that's one of the reasons why booking.com uses you as a partner for their service, so you know, do you think it's higher or lower, or is there any like better out there, you know among your competitors?

Rod Bishop: Not from public data, but I suggest our contribution margin is high.

James Tracey: Okay right, alright thanks.

Geoffrey Waring (Stoic Venture Capital): Geoff Waring here. I just have a question about the assumptions of recovery from the vaccine rollout, and to what degree is your travel recovery expecting inter-country travel, versus intra-country travel, like making the most of intra-country?

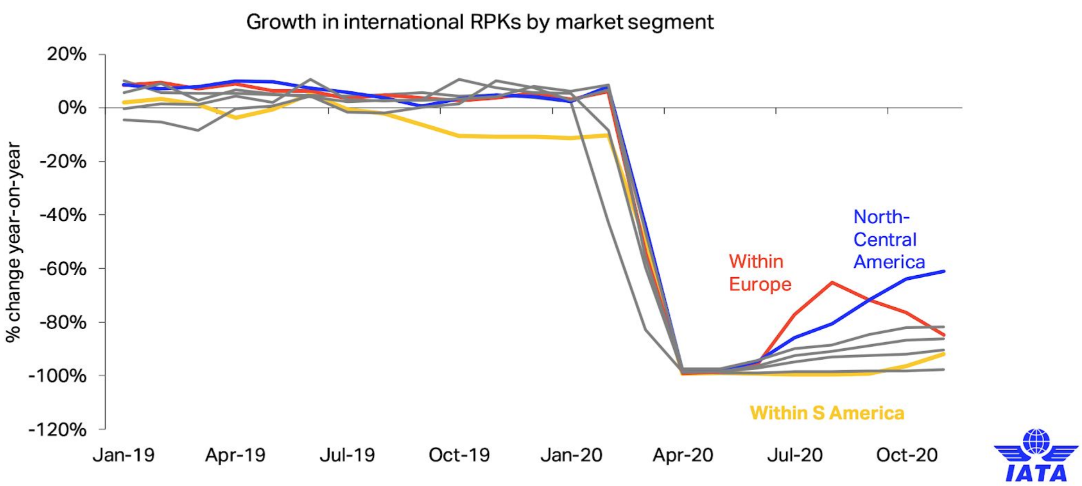
Can you just clarify that, because that makes a difference, you know international travel depends on countries agreeing on these travel passport programs so obviously if it's more intra-country then you are less reliant on that.

Rod Bishop: A really good point Jeff, thank you. So, domestic and regional travel globally is what's driving our recovery. And that comes to key segments like US traveler and UK traveler and the destinations that we serve them.

We've spoken about traveller-source-and-destination markets in the past. You might, for example, have a Australian travel brand that sources their travellers from Australia and sends their travellers to international destination markets, but with a hard international border closure in place they actually can't then marry their source to their demand, and they don't have a very good trading opportunity. Jayride doesn't operate this way. Jayride is sourcing it's travelers typically from the destination markets or regions where they travel around the world.

And so examples. For example, US travelers outbound from their US home to either a US domestic destination, or regional international destination. So, for example, you might see MCO airport Orlando, you might see Cancun, you might see Punta Cana and the Dominican Republic are key high volume destinations and travel corridors.

This is Jayride's data I'm talking about, and it also comes through very clearly in what IATA.org has published. And you can see, when you look at the public IATA data across the course of last year, EU summer recovery was strong in European regional which then obviously has come down, but then that's been picked up by really strong US regional.



We trade these sorts of opportunities for domestic and regional travel around the world wherever we find them. Certain other corridors we do have to wait, for example Australia outbound Asia will be something that may recover last. But we are dominant in terms of supply in the US and have really great supply across Europe from the International roll out that we completed. And so it's about leveraging those travel corridors at the moment. That's not contingent on any assumptions around vaccination, that's happening already.

Geoffrey Waring: What percentage is that roughly like intra-country vs inter-country travel?

Rod Bishop: That's an interesting question. So, pre-COVID-19 domestic and regional travel would have been 60%-75% of our business – I'm doing that number off the top of my head at the moment. So certainly a huge amount of recovery potential, without any kind of long-distance international.

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Rod Bishop: Thank you everyone for joining our results call. I really appreciate your time and attention and great questions.

To recap the key messages. Outlook is positive and we're set to benefit from three key tailwinds.

First and foremost amongst them is the capturing of market share. Despite market size, we can win business in this environment as evidenced by great traveler retention and great new B2B deals and adoption from brands like Booking.com and Expedia.

And we've delivered a major milestone in the life of the company, the validating and proving of our unit economics with a record 35% contribution margin, and a good line of sight to 50% without further operational improvement, just as the macro environment stabilizes.

So we're looking forward to continuing to grow and navigate the environment from here and we'll keep you all up to date. Thank you very much for joining the call.

End of transcript

For more information please contact

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ASX release authorised by Rod Bishop, Managing Director, Jayride Group Limited.

About Jayride Group Limited (ASX:JAY)

Jayride.com is the world's leading publicly listed airport transfers marketplace, where travellers compare and book rides around the world. With Jayride.com, travellers can compare and book with 3,700+ ride service companies, servicing 1,600+ airports in 110+ countries around the world, including the Americas, Europe, Middle East, Africa, Asia and the Pacific.

The Jayride.com platform aggregates ride service companies and distributes them to travellers at Jayride.com; and via travel brand partners including other technology platforms, travel agencies and wholesalers. These travel brands implement Jayride APIs to sell door–to–door ride services that build traveller confidence and defend their core travel business.

Founded in 2012, Jayride.com is headquartered in Sydney, Australia.

For more information, please visit www.jayride.com

Forward-looking statements

This announcement contains forward-looking statements that involve risks and uncertainties. Indications of, and guidelines or outlook on, future earnings, distributions or financial position or performance and targets, estimates and assumptions in respect of production, prices, operating costs, results, capital expenditures, reserves and resources are also forward-looking statements. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions and estimates regarding future events and actions that, while considered reasonable as at the date of this announcement and are expected to take place, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the directors and management. We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and readers are cautioned not to place undue reliance on these forward-looking statements. These forward-looking statements are subject to various risk factors that could cause actual events or results to differ materially from the events or results estimated, expressed or anticipated in these statements.