

ASX Announcement

28th April 2023

Quarterly Business Review Call Transcript

Jayride Group Limited (ASX:JAY) (“**Jayride**” or the “**Company**”) the world leading online travel marketplace for airport transfers today releases the transcript of the Jayride Quarterly Business Review Presentation held on 26th April 2023 at 1.00pm AEST.

Start of Transcript

Rod Bishop (Jayride Group Managing Director): Good afternoon. Jayride is now pleased to present another growth quarter towards our objective of 1 million plus passenger trips booked at \$10 net revenue each, and operating cash flow positive.

Right now looking at a surge of bookings ahead of that Northern Hemisphere summer peak leisure travel season with more to come. If there's one thing to take away from this call, it's that travel is back and our opportunity, that is the ongoing structural transition for travellers to get their rides online, is bigger than ever.

This is our moment to really capture this opportunity, to capture Northern Hemisphere Summer peak season this quarter, right now, to accelerate our path to cash flow positive, towards becoming the world leader in rides for travellers.

Good afternoon and thanks for coming.

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Today we've released our quarterly business review in Appendix 4C, which covers the quarter that was of Q3, but just as importantly covers the quarter that we're having right now in Q4 with latest trading in Northern Hemisphere markets.

On today's call, first, I'll cover the quarterly result for quarter three. Second, Peter will take you through how we're converting these results to cash. Then third, I'll talk about the latest trading where I'll cover what we are seeing and doing right now, what this means towards our objectives, and then also what this all means for our longer-term structural opportunity to deliver our vision and millions of travellers to book their rides online.

Q3 FY23 Results Summary

A fundamentally enhanced and more profitable business with strong balance sheet, moving quickly towards cash flow positive.

Passenger Trips Booked

▲ 104%



Net Revenue

(000's)

▲ 97%



Contribution Profit

Net Revenue minus variable costs ¹
(000's)

▲ 69%



Stand-Still EBITDA

EBITDA before business improvement costs ² (000's)

▲ 28%



Cash Receipts

(000's)

▲ 198%



Stand-Still Cash Flows

Cash flows before business improvement costs ² (000's)

▲ 226%



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¹ Contribution profit is net revenue minus all direct marketing and operating costs. Contribution profit margin is the profit as a percentage of net revenue.
² Stand-still cash flow and stand-still EBITDA are cash flows and profits after the operating costs of the Company, excluding the cost of business improvement costs and capex.

So first, our quarterly result in Q3. Cash flow positive after stand-still operating costs, which grew to \$432,000. That's our third-ever quarter with cash positive at this level, and it's up 226% versus the prior corresponding period. Cash receipts from customers grew to \$1.65 million. That's a record high, and that's up 198% versus the prior corresponding period. Passenger trips booked grew to 153,000. That's up 103% versus the prior corresponding period. Net revenue grew to \$1.15 million. That's up 97% versus the prior corresponding period and contribution profit grew up to \$513,000. That's up 69% versus the prior corresponding period.

Within that, March grew most, with most of our growth coming at the tail end of the quarter now continuing into April as a result of the work that we've done to capture the Northern Hemisphere summer peak season. Northern Hemisphere markets are our top markets, our largest markets. They account for over two-thirds of Jayride's trips. The Northern Hemisphere summer peak season from March to July is set to accelerate our growth. This season should start to build in March and then run upward to July, and that's what we've been seeing. In March, passenger trips booked grew to a record high, 61,000 for the month of March. That's a 734,000 run rate. Net revenue also grew to a record high. That's \$475,000 for the month of March, a \$5.7 million revenue run rate. Now, April continues to grow from here.

Our results are a direct outcome of the strategies that we've been implementing to capture more volume. We've been preparing for quarter four and Northern Hemisphere summer season since November, and now here we are. Our strategy has been to accelerate the business improvement initiatives, the launch of those initiatives ahead of this Northern Hemisphere summer peak

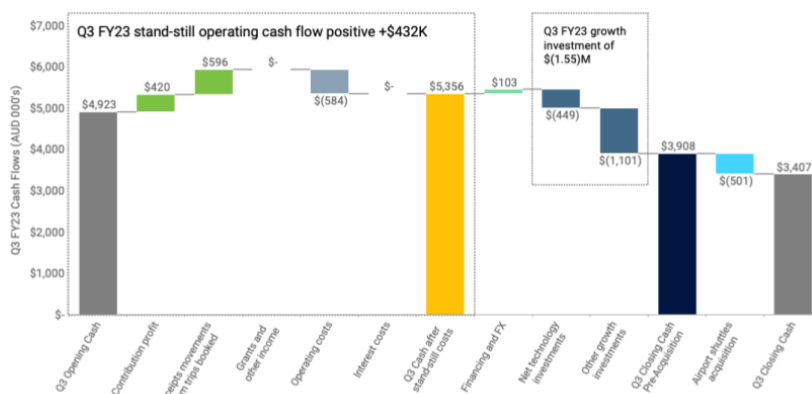
season this quarter. Funded by the company's successful capital raise from Fidelity in November of 2022, to deploy extra capital across quarter two and quarter three into those business improvement initiatives. Those initiatives in general completed in quarter three, for trading across now quarter-four Northern Hemisphere summer peak season with those costs incurred in Q3 rolled off by the end of March. So we're to accelerate our company's path to cashflow positive. I'll now hand you over to Peter who will cover how we're converting this into cash.

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Peter McWilliam (Jayride Group CFO): Thanks, Rod. Today I want to cover how current performance is converting into cash, and how we are positioned ahead of peak travel season. I will primarily be referring to the waterfall chart shown on page two of the quarterly business review, and appendix 4C released earlier today.

Towards Cash Flow Positive

Towards operating cash flow positive, the Company is increasing cash inflows and reducing cash outflows into Q4.



- Cash flow positive after stand-still operating costs of \$432K in Q3 FY23 up 226% vs Q3 FY22,
- Net cash flow \$(1.0) million ex acquisition costs in Q3 FY23,
- Operating cash flow positive from 1 million+ trips run-rate at \$10 net revenue per trip.

3 1. Stand-still cash flow is cash flow after the operating costs of the Company, excluding the cost of business improvement costs and capex.

This cash waterfall chart shows how much cash the underlying business is generating, how much cash we are investing to improve future performance, whether there are any investments that should be considered separately, and what the opening and closing cash positions are.

In Q3, off the back of accelerating revenue growth, Jayride produced its second-highest stand-still cash result of \$432,000. This result is up 226% PCP, and takes our stand-still cash performance to +\$815,000 over the trailing 12 months.

During Q3, Jayride temporarily accelerated its deployment of growth investments over and above normal deployment so that we could maximise the probability of rapidly scaling volumes in Q4 and beyond.

This acceleration pushed growth and business improvement investments up to \$1.5 million when it is typically \$1.25 million. The movements between the opening balance and the closing balance after stand-still operating cash flow and growth investments, excluding the AirportShuttles acquisition for the quarter, was a little over \$1 million.

As at 31 March, the company finished the quarter with gross cash of \$3.4 million in the bank, and net cash of \$3.25 million. In addition to this, the company has access to an additional \$800,000 through a working capital facility and expects to receive its R&D rebate in Q1.

Let's now take a deeper look at stand-still cash flow and growth and business improvement investments. The key drivers behind the stand-still cash result were, the continuation of profitable unit economics producing surplus contribution, the continuation of stable fixed operating costs, and increased cash receipts relative to contribution due to trading volumes finishing at record levels in March.

The key growth investments worked on this quarter include the jayride.com brand refresh, the expansion of the European growth hub, the development of multilingual operations and website, and the development of the new travel agent portal. Outside of these investments, Jayride also completed the one-off acquisition of AirportShuttles.com. The assets have been secured, are stabilised, and are generating early cash flows for the company.

Considering the impact of European summer on cash flows, contribution profits and receipts movement are expected to increase in line with passenger trips. Should passenger trips volumes grow, as is typical with peak season, then it is reasonable to assume that the 1.4 ratio of cash receipts to contribution should hold. Operating costs are expected to remain stable, and growth investments are expected to revert to normal levels. I'll let you do the maths, but at a minimum, these positive movements should see Jayride increasingly self-fund its growth investments from its own balance sheet.

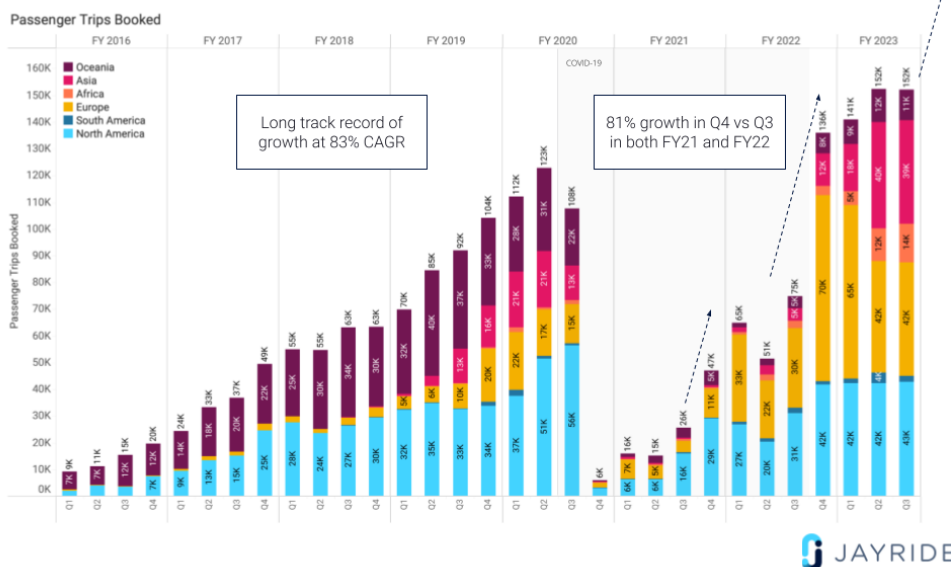
Thanks for your time and consideration. Back to you, Rod.

Rod Bishop (Co-founder and Managing Director): Thank you, Peter. I'll now talk about the latest trading and outlook.

First, what we're seeing and doing right now. Second, what this means towards our objectives. Then thirdly, what this all means for that long-term structural opportunity for us to deliver our vision and millions of traveller rides online.

Set for Northern Hemisphere Summer

Europe and North America are two thirds of Jayride's business – Northern Hemisphere summer peak season in Q4 accelerates growth.



Let's start with what we're seeing now. We're seeing the Northern Hemisphere summer start to build. The typical trajectory of Northern Hemisphere summer is a start in March and then a build, April, May, June, July. We've anticipated this, we've seen it in each of the last two years with 81% growth in quarter four over quarter three in each of FY21 and FY22. Our travel brand partners have told us to expect it from them, and we're now seeing it.

Right now our growth continues into April, and I've provided in the release April latest trading. April today is larger than March. In the first 23 days of trading in April, passenger trips booked are up 77% versus April in the prior corresponding period.

This is coming as a result of what we expected with Q4 Northern Hemisphere summer trading, but also with the business improvement initiatives we've delivered in quarter three to get ahead of it, and the ongoing structural trend for travellers to book their rides online. If this season plays out like in a typical year, those three trends build from here into May, into June, and onwards.

Second, let's discuss what this means. It means we expect continued growth in quarter four FY23 in passenger trips booked, net revenues, and cash flows towards major milestones. We're heading towards passenger trips booked at an annualised run rate of 1 million plus trips booked

per year, towards net revenue per trip growth of an average towards \$10 per trip, and we're looking for growth in cash flows towards operating cash flow positive.

Towards operating cash flow positive, as you've heard from Peter, we're increasing cash inflows and also reducing outflows. We have increasing inflows from operations as a result of a number of drivers, which I'll cover in a moment. Also, reducing cash outflows through the unwinding of some business improvement costs, together accelerating that path to cash positive.

Within growth drivers, some key highlights are worth mentioning. First, the launch of Jayride's brand refresh in January and the enhancements to that in February. Building on that, then the optimization of our Asian destination markets, which began to improve net revenue per trip in March. Then also the expansion of our European Growth Hub, which is now prepared for our launch of jayride.com in Spanish in May, just the first of many languages.

Also, worth a special note on the acquisition and integration of AirportShuttles.com in February, and the optimizations that we continued into March. Just to spend a minute on AirportShuttles as it's gone very well to date. AirportShuttles asset has exceeded our expectations with no negative surprises. The technology integration was completed quickly, and the first bookings were received ahead of schedule. Work has begun now then to continue growing the bookings through that asset. Methods include improving the website UX for higher conversion rates, and also through the launch of new marketing activities. For example, search engine marketing and social channels. These things for AirportShuttles.com really set it up for the US peak season in Q4, noting that this asset has 80% of its revenue derived from that US market. Very good quarter ahead. I think, with the asset in hand and all those optimizations made, we're expecting payback on that purchase within 12 months.

Also, a special note on the scalability of our systems and our team. For the team, we are increasing staffing in customer service teams in anticipation of that Northern Hemisphere summer. Preparing as if that 77% uplift will apply to the full quarter-four FY23 quarter, and that is a continuation of 77% growth on FY2 volume for each of the months of May and June that are on the way. For this, for example, hiring 17 customer service people as a part of our variable cost base, so that's before we get to contribution profit. We're far more ready for it than this time last year.

Our chief growth officer, Darren, has seen to that. We have workforce management in place, training management, talent management functions, they're all in place in-house to help us manage that scale-up and service the demand, and the technology's ready. Infrastructure's scalable, it's all available to pick up the demand.

These things, they give us confidence that we'll be able to capture the volume, that we'll be able to retain the high service levels across the season, that we'll be able to then not just capture it and service it, but also retain those travellers for the future.

Overall, these things move us towards our objectives. Now the season is here and our key initiatives have shipped or are shipping now, we get to pick up the incremental revenues and cash flows of these enhancements, service and retain these travellers for the future, and all on a cost base that's headed back towards prior Q1 levels.

In short, we'll see relative to that cash waterfall on page two, contribution increase through trips, and revenues, and margin expansion, receipts growth through cash conversion to revenue at the same in Q4 as in Q3, whilst operating costs remain stable, incremental business improvement costs have rolled off, and the acquisition costs have rolled off with no more acquisition costs to be incurred in Q4.

It all sets us up very nicely, we think, to capture these increasing inflows on a reduced cost base towards our targets of cash flow positive, and capturing this generational opportunity to be the world leader in rides for travellers.

Now that's the final thing I would like to kind of quickly cover is what all of this means for our long-term structural growth opportunity to deliver the vision of millions of travellers online, and really cannibalising the taxi rank, because Jayride's here to cannibalize the taxi rank. We're here to move trips from offline to online. We're going to empower comparison and choice so that travellers can find and compare and get the best price. We're going to get them the ride they need. We're going to help every travel brand make every itinerary be door-to-door. It's just a fundamentally better travel experience.

Our product is sticky. If you're a traveller that needs this or a travel brand that's implementing our API, you just keep coming back. For me and for the team, this Northern Hemisphere summer right now is our opportunity to get out there, meet new travellers, meet new travel brands, serve them really well, and just give them that fundamentally better traveller experience for the first time so that they keep coming back. That's why I'm excited about Europe Summer, and that's why I'm excited about Spanish language. It's going to be new customers that get our proposition for the first time.

It's going to be a great quarter four. Also, it's not just about that. It's about propelling us towards our vision of a door-to-door ride for every traveller in every country, from anywhere to anywhere.

It's about that long-lasting structural trend to the online booking of rides, the sticky adoption of travellers and travel brands that are going to carry us into FY24 and beyond.

We're looking forward to keeping you up to date on that.

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That ends the formal part of today's call. In conclusion, if there's one thing to take away from the call, it's this, travel is back and our opportunity, that ongoing structural transition to get travellers to get their rides online, is bigger than ever. This is our moment now to really capture that opportunity to accelerate our path to cash flow positive towards becoming the world leader in rides for travellers. Northern Hemisphere Summer is right now, we're ready, we've been preparing for it. This is a great period of trading ahead for us in the next few months.

We think even more so that it's our moment to deliver that fundamentally improved traveller experience to new travellers for the first time so that they keep coming back next year and beyond. These things together accelerate our path to cash flow positive, towards our milestone of a million trips run rate at \$10 net revenue per trip towards becoming the world leader in rides for travellers. I'd say thank you for all the work to the team to get ready for this quarter. Also, thanks to everyone on the call for coming this afternoon. I know it's a short week. I'd like to open the room for questions. Thank you.

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Guy Hedley: Yeah, Rod, Guy Hedley. Can I go with the first question please?

Rod Bishop (Co-founder and Managing Director): Absolutely.

Guy Hedley: Yeah. First up, congratulations to you and the team on another stunning result. Well done. Just a question around the AirportShuttles acquisition. Obviously, you sort of said it was ahead of schedule and obviously it's been a very, very successful acquisition with a very short payback period. Are there any sense that there are other similar types of acquisitions you might look to make to turbocharge the growth?

Rod Bishop (Co-founder and Managing Director): Thank you, Guy. Yeah, I appreciate the feedback. First of all, we've always historically only done organic growth and we've got very good, strong organic growth potential with the initiatives and the season, and just the ongoing business development and growth of the company. That said, I think it makes sense for us to be

exploring incremental, additive, strategic, inorganic growth opportunities too. That might mean an acquisition like AirportShuttles or similar that gives us a new path to market for our wheelhouse, that is the best rides comparison engine on earth. We are in general interested in the opportunities that acquisitions present. We've been shopping ever since the onset of the pandemic, looking at things that maybe they didn't really kind of want to continue trading. AirportShuttles was such an opportunity to pick up a premium asset with a compelling fit to strategy, whilst also at a bargain price just because of the way that it was being sold.

I think that to the extent that really compelling and clear opportunities present themselves, we should be exploring it. Examples of where that might come up as we go into new languages, for example, and new regions, we might find small players without our technology stack that nonetheless have a good local foothold where the different customer base could be additive. Even also in our core markets, we might find something in the US or English language in Europe might also be additive. We will keep our eyes open and if we see something truly compelling, we'll take a look.

Guy Hedley: Great, thank you.

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Rod Bishop (Co-founder and Managing Director): Thank you all for coming, and I appreciate your time to tell you about the company. Just to recap, if there's one key message to take away, it is that travel is back, and our opportunity, the ongoing structural transition to get travellers to get their rides online, is bigger than ever. That's happening now with our view that we can reach out to new customers this quarter four, Northern Hemisphere peak season, and retain them for the long term towards our objectives of a million-plus passenger trips booked online at \$10 net revenue each and operating cash flow positive.

Thank you very much. I appreciate your time. Have a great afternoon.

End of Transcript

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

About Jayride Group Limited (ASX:JAY)

Jayride Group is the world's leading publicly listed airport transfers marketplace, where travellers compare and book rides around the world. With Jayride, travellers can compare and book with 3,700+ ride service companies, servicing 1,600+ airports in 110+ countries around the world which cover 95% of world airport trips, including across the Americas, Europe, Middle East, Africa, Asia and the Pacific.

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

Founded in 2012, Jayride Group is a global remote-first company incorporated in Australia and listed on the Australian Securities Exchange (ASX:JAY).

For more information, please visit www.jayride.com

Forward-looking statements

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