



March Quarter Results and Appendix 4C

Impacted by COVID-19, Positioned to Outlast and Rebound

24th April 2020 – Jayride Group Limited (ASX: JAY) (“Jayride” or the “Company”), the global online marketplace for airport transfers, presents its Quarterly Business Review and Appendix 4C for the quarter ended 31st March 2020 (Q3 FY20).

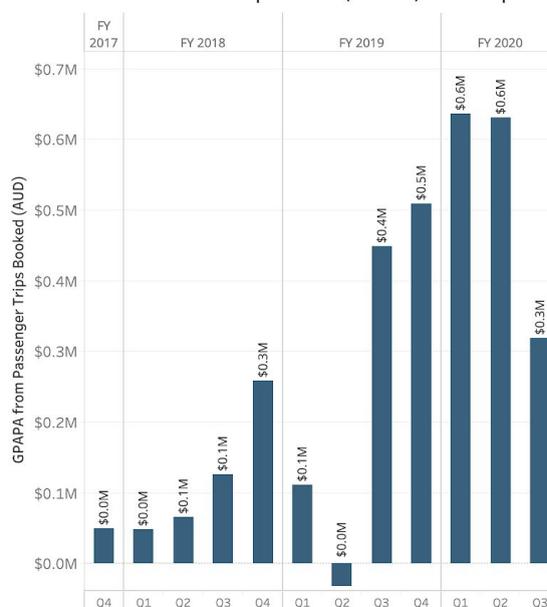
Rod Bishop, Managing Director, said: *“After 26 consecutive quarters of revenue growth, we report the first quarter-over-quarter revenue decline in the Company’s history. January and February growth was strong as the Company scaled into its new international foundations. Then in March, in response to COVID-19, we saw a severe impact on the travel industry. We have moved quickly to make material cost reductions while maintaining our product and engineering group to continue to build our core platform. With these cost savings, we are well positioned to outlast a downturn without additional equity capital. And, with over \$21 million invested to date to build the intrinsic value in our platform, we are ready to rebound with strong growth once global travel returns.”*

- Net Revenue declines to \$0.85 million in Q3 FY20 down 1% year-on-year
- Growth in Passenger Trips Booked to 108K in Q3 FY20, an increase of 17% year-on-year
- Net Cash from Operating Activities in Q3 is \$(2.58) million as a result of COVID-19, including reduced receipts in March, and \$(0.74) million of extra traveller refunds and overdue receivables
- \$7 million annualised cost reductions implemented with full cost saving benefit from 1st April 2020
- Estimated Net Cash from Operating Activities in Q4 reduce to \$0.67 million
- Cash balance available is \$1.95 million, plus an additional \$1 million of undrawn loan facility
- Jayride expects to receive an estimated \$1.50 million of cash inflows from grants, stimulus and other sources with the first \$0.47 million to be received in Q4 and the balance in 1H FY21
- Jayride reaffirms 12-months+ cash runway even if COVID-19 downturn is prolonged and severe

Net Revenues / Gross Profits from Trips



Gross Profits after Paid Acquisitions (GPAPA) from Trips





The Company experienced strong growth in January and February with Net Revenue for the two months up 64% PCP. Then, COVID-19 severely impacted March. For the quarter overall, Net Revenue which includes refunds, declined 1% year-on-year to \$0.85 million, and GPAPA declined 29% year-on-year to \$0.32 million.

Passenger Trips Booked Growth of 17% Year-on-Year led by new US Partners



Passenger Trips Booked experienced strong growth in January and February as the Company scaled into its new international foundations. Growth was led by new partnerships with US travel brands which book Jayride transfers via API integration. Then COVID-19 severely impacted the travel industry in March. Despite these impacts, new travel brands continued to launch Jayride partnerships during the quarter. These new partnerships are expected to contribute accelerated revenue growth once the travel industry rebounds.

On 9th April 2020, Jayride disclosed the following monthly trading detail, repeated below.

Month	Trips Booked	Revenues Booked	Revenues Refunded	Net Revenues
January 2020	48,600	\$536,700	\$(104,000)	\$432,700
February 2020	43,200	\$533,300	\$(89,000)	\$444,300
March 2020	15,900	\$216,800	\$(244,300)	\$(27,500)
Q3 FY20	107,700	\$1,286,800	\$(437,300)	\$849,500

As previously disclosed, traveller refunds peaked during March and have subsequently returned to pre-COVID-levels. Normalising for these refunds, Revenue per Trip continues to increase, and points to an emerging trend of travellers preferring higher-quality, COVID-prepared, private door-to-door rides when they travel.



COVID-19 Impacts Cash Burn, Cost Reductions Implemented

Net Cash Receipts from Customers¹ in Q3 FY20 were \$0.25 million, which declined materially from \$1.15 million in Q2 FY20.

Net Cash Receipts from Customers in Q3 FY20 were impacted by COVID-19 through reduced passenger trips booked in March, and further impacted to a total of \$(0.74) million by two one-off factors which are not expected to recur in future periods –

- **Traveller Refunds:** To retain strong relationships with travellers facing travel bans, the Company offered 100% refunds on cancellation to travellers impacted by COVID-19. This increase in refunds impacted Net Receipts in March by \$(0.47) million. Refunds peaked in March and have since returned to normal pre-COVID-19 rates. No further spike in refunds is expected during COVID-19 as there are significantly fewer bookings made prior to COVID-19 remaining in the system.
- **Overdue Receivables:** Travel brand partners who book Jayride transfers did not pay their invoices issued by Jayride when they fell due during the period, citing cash flow concerns. This increase in overdue accounts impacted Net Receipts in March by \$(0.28) million. The Company has offered extended payment terms to these partners to maintain strong relationships. These amounts are still due and payable. In addition, Jayride has insurance on key accounts with limits in excess of a combined \$0.9 million.

Net Cash used in Operating Activities in Q3 FY20 was \$2.58 million.

Estimated Net Cash to be used in Operating Activities for Q4 FY20 is strongly reduced to \$0.67 million.

The improvement to Estimated Net Cash in Q4 FY20 is as a result of the \$7 million annualised cost savings implemented during March that took effect on 1st April 2020 and the other cash inflows listed below. The one off cash costs to deliver these savings were \$110K paid in Q4 FY20.

The Company will receive an estimated \$1.50 million of cash inflows from other sources. These sources include the Research and Development Tax Incentive, Export Market Development Grant, the return of the Company's office bond, plus state and federal government stimulus packages including JobKeeper. The first \$0.47 million from these sources is estimated to be received in Q4 FY20 and the remainder in 1H FY21.

As at 31st March 2020, the Company held \$1.95 million in cash.

Jayride also has \$1 million of undrawn debt under its existing loan facility, and the strong support of its debt provider. This became available on 1st January 2020 subject to the terms of the facility disclosed to the market on 11th March 2019. The Company does not expect to draw upon this headroom at this time.

¹ Net Cash Receipts from Customers is calculated as the Total Transaction Value (TTV) paid by travellers and partners who book transfers, less refunds to travellers, less the Net Fares paid by Jayride to transport companies for travel.



Material Cost Reductions Implemented

The Company has implemented material cost reduction measures to ensure Jayride can outlast a prolonged and severe market downturn.

In total cash cost savings of \$7 million annualised have been implemented including:

- Non-variable cash cost savings of \$3 million annualised, commenced from 1st April 2020
- Variable cash cost savings of \$4 million annualised have been implemented to maintain a positive contribution margin from April onwards

Cost savings measures include:

- 63 team members stood down, 47 made part-time with ability to scale up. These figures include further scale backs in the customer service team since the Company's disclosure on 24th March
- Chairman and Directors have foregone cash remuneration until 30th June²
- Managing Director Rod Bishop and the senior leadership team have taken a 40% salary cut

16.3 million Share Options expired unexercised on 31st March 2020.

Business Case Assumptions Support Cash Runway of 12+ Months

Jayride has assumed a highly conservative outlook for the travel industry, with the following Business Case assuming a prolonged and severe COVID-19 impact. This model is designed to be a "highly conservative scenario" that Jayride is positioned to outlast.

- Jayride Business Case assumes 18-months total impact:
 - For 6-months (commenced March 2020), zero Net Revenues
 - For the following 6-months (commencing October 2020), Net Revenues slowly rebuild from zero to 90% of January 2020 levels
 - For the following 6-months (commencing April 2021), no additional Net Revenue growth
- Cost savings of \$7 million annualised
- Cash inflows from government grants, stimulus and subsidies of estimated \$1.5 million

Using these assumptions, with the cost reduction measures implemented in March, Jayride has at least a twelve month cash runway without need to raise further equity capital.

² Directors, being related parties of the Company, were paid remuneration in the amount of \$97,000 during the March Quarter. No other related party payments were made.



Well Placed to Rebound Once Travel Returns

Rod Bishop, Managing Director, said *"Jayride can assure investors that we are well placed to outlast a downturn in the travel industry and rebound once travel volumes return.*

"The Company's product and engineering group is intact and we continue to work on new enhancements and value adding features for travellers, travel brands and transport companies. With \$21 million of capital invested to date to build the intrinsic value in our platform, we have significant leverage going into an industry recovery.

"No matter where travel rebounds first, we are well positioned. Jayride's global footprint lets us service domestic and international travel needs in over 100 destination countries. We also source travellers from around the world, not just one location. So, no matter where travel rebounds, whether it's domestic or international, whether it's in Australia and New Zealand or elsewhere – we are already online in those countries, and will lean into those opportunities with focus.

"Given our relative financial strength and the support of our major equity and debt providers, we are beginning to explore strategic opportunities to accelerate our growth and scale and add long term value to shareholders.

"We look forward to keeping investors up to date as we outlast the downturn and prepare for the rebound."



For more information please contact

Rod Bishop

Managing Director

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

About Jayride Group Limited

Jayride.com is a world leading global airport transfers marketplace, which creates seamless experiences for travellers by allowing them to compare and book airport transfers around the world. With Jayride.com, travellers can compare and book with 3,600+ transport companies, servicing 1,500+ airports in 100+ countries around the world, including the Americas, Europe, Middle East, Africa, Asia and the Pacific.

The Jayride.com platform aggregates ground transport companies and distributes them to travellers at Jayride.com; and via partnerships with other travel technology platforms, travel agencies and wholesalers. These partners implement Jayride.com APIs to sell ground transport and add new incremental ancillary revenue to their travel businesses.

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.

Appendix 4C
Quarterly cash flow report for entities
subject to Listing Rule 4.7B

Name of entity

Jayride Group Limited

ABN

49 155 285 528

Quarter ended ("current quarter")

31 March 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	247.0	2,559.0
1.2 Payments for	-	-
(a) research and development	(391.0)	(1,160.0)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(531.0)	(1,592.0)
(d) leased assets	(147.0)	(375.0)
(e) staff costs	(909.0)	(2,569.0)
(f) administration and corporate costs	(758.0)	(1,710.0)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(89.0)	(311.0)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	959.0
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(2,578)	(4,199)

Notes

1.1	Net receipts from customers were \$247K during Q3 FY20. Net Receipts from customers were impacted as a result of COVID-19 including through reduced receipts in March and a \$(740)K movement in traveller refunds and overdue receivables
1.2(a)	Research and development is the proportion of engineering cost recognised as an intangible asset on the balance sheet. Each period, Jayride may be eligible for a research and development tax incentive; for that purpose, the eligible amount that may be claimed for the R&D tax incentive also includes other non-capitalised expenses.

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(14)	(16)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	(10)
2.2 Proceeds from disposal of:	-	-
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(14)	(26)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	270	5,003
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	8	38
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(238)
3.5	Proceeds from borrowings	-	296
3.6	Repayment of borrowings	(374)	(374)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(96)	4,725

Notes

3.5 & 3.6 In the 1H FY20 audit an adjustment was made to Jayride's accounting policies with regards to accounts receivables. These cash flows have subsequently been recategorised as short term borrowings instead of a contra receivable that showed in previous 4C releases as Receipts from Customers. The change in policy resulted in \$296K of FY20 borrowing added to the YTD column. In this period that amount has been unwound with a repayment of \$(374)K.

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,573	1,446
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,578)	(4,199)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(14)	(26)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(96)	4,725
4.5	Effect of movement in exchange rates on cash held	66	5
4.6	Cash and cash equivalents at end of quarter	1,951	1,951

5.	Reconciliation of cash and cash equivalents <i>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts</i>	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,951	4,573
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (bank guarantee)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,951	4,573

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	97
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Notes

6.1 Directors, being related parties of the Company, were paid remuneration in the amount of \$97,000 during the March Quarter. No other related party payments were made. Directors elected to forego cash remuneration from 1st March 2020 until 30th June 2020.

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	3,000	2,000
7.2	Credit standby arrangements	-	-
7.3	Other (Short term borrowings)	500	76
7.4	Total financing facilities	3,500	2,076

7.5 Unused financing facilities available at quarter end

1,424

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Notes

7.1 Jayride holds a \$3 million secured loan facility with Pure Asset Management. The facility currently incurs interest of 10.5% on \$2 million drawn down.
7.3 Jayride holds a \$500K secured facility with Invigo. The facility currently incurs interest of 9.5% interest on the outstanding balance of \$76K drawn down.

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(2,578)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	1,951
8.3	Unused finance facilities available at quarter end (Item 7.5)	1,424
8.4	Total available funding (Item 8.2 + Item 8.3)	3,375
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	1.3

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Jayride has strongly reduced Net Cash to be used in Operating Activities.

The Company expects Net Cash to be used in Operating Activities in Q4 FY20 (item 8.1) to be \$(674)K.

This material improvement is as a result of the following which will effect Q4 and subsequent quarters:

- a) Q3 FY20 containing an extraordinary \$(0.74) million of COVID-19-related movement in traveller refunds and overdue receivables that is not likely to reoccur in Q4 FY20 or other future quarters;
- b) \$7 million in annualised cost savings announced to market on 24th March 2020 in full effect from 1st April 2020;
- c) \$1.5 million of new expected cash inflows from sources including government stimulus packages, of which the first \$0.47 million is expected to be received in Q4 and the balance in 1H FY21.

As a result of these steps taken, the Company expects Net Cash to be used in Operating Activities in Q4 FY20 (item 8.1) to be \$(674)K. Accordingly on this reduced cash burn rate, Jayride's estimated quarters of funding available (item 8.5; calculated as item 8.4 divided by \$(674)K) is 5.0 quarters. The Company has disclosed further information as to the assumptions made in making this assessment and the action it has taken to date in its Quarterly Business Review to which this Appendix 4C is attached.

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Jayride does not require or propose to raise any cash to fund its operations as the Company has over 12-months of cash runway. Net Cash to be used in Operating Activities in Q4 FY20 (item 8.1) is expected to be \$(674)K. Jayride's estimated quarters of funding available (item 8.5; calculated as item 8.4 divided by \$(674)K) is 5.0 quarters.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Jayride expects to be able to continue its operations and meet its business objectives as the Company has over 12-months of cash runway based on a highly conservative outlook of its industry, assuming a prolonged and severe impact from COVID-19. Net Cash to be used in Operating Activities in Q4 FY20 (item 8.1) is expected to be \$(674)K. On that basis, Jayride's estimated quarters of funding available (item 8.5; calculated as item 8.4 divided by \$(674)K) is 5.0 quarters.

The Company has disclosed further information as to the Business Case Assumptions made in making this assessment and the action it has taken to date in its Quarterly Business Review to which this Appendix 4C is attached.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 24th April 2020

Authorised by: Rod Bishop, Co-founder and Managing Director

(Name of body or officer authorising release – see note 4)

Notes

- 1 This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- 2 If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 107: Statement of Cash Flows apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
- 3 Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
- 4 If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
- 5 If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.