

# ASX Announcement 30th April 2024

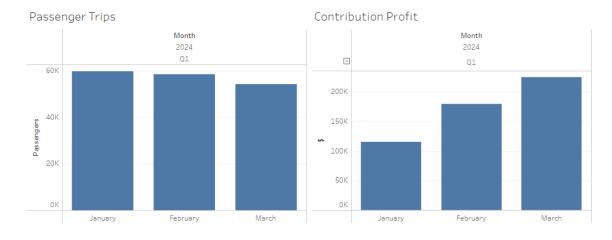
# Q3 FY24 Quarterly Results and Appendix 4C

# Moving towards Cash Flow Positive with peak season to come

Jayride Group Limited (ASX:JAY) ("**Jayride**" or the "**Company**"), the global online travel marketplace for airport transfers, is pleased to present its Quarterly Business Review and Appendix 4C for the guarter ended 31 March 2024 (Q3 FY24).

# **Highlights**

- Continued increase in performance metrics following ongoing delivery of the strategic review outcomes – modest increases in passenger trips booked, net revenues, contribution profit, cash receipts, and free cash flows;
- Further seasonal benefits to be realised over the coming quarter, Q4 FY24, through the Northern Hemisphere summer;
- Cost reduction activities were largely realised towards the end of Q3 FY24 with core performance metrics holding or improving despite a reduction in costs and headcount;
- The month of March 2024 returned promising performance, which we attribute to the new pricing model and other operational improvements:
  - March represented 31% of Q4 FY24's total trips however, 38% of the quarter's net revenue and 43% of total contribution was earned in March – lower volume but higher contribution is a good strategy;
  - Net revenue per trip was \$8.65 and contribution per trip was \$4.14 for the month – both strong results and improvements over prior periods.
- Continued focus towards delivering cash flow positive in the coming quarter.





Executive Chairman, Rod Cuthbert, commented:

"We are seeing promising early signals from the delivery of our strategic review outcomes in late February 2024. The month of March 2024 has proved to us that we can achieve more with less, and that our focus on profitability over volume is working well.

"As we continue to iterate on these initiatives, we are well placed to capitalise on the opportunity that Northern Hemisphere summer will deliver to us, and we look forward to reporting on that over the coming months."

### **Strategic Review Outcomes**

Jayride's Strategic and Operational review, announced in November 2023, was completed end February 2024. The review identified five key outcomes with an overarching focus on achieving near term profitability, driven by higher margins, and advancing opportunities for acquisitive growth.

Those five key outcomes were:

- 1. Completing a 44% reduction in fixed costs, saving \$3.75 million per year, whilst not impacting future growth capabilities;
- 2. Stricter focus on higher margin, larger average order value segments, abandoning the "anyone, anywhere" approach;
- 3. A new pricing strategy "net plus" aimed at improving contribution per trip;
- 4. Improving supplier relationships including delivering technological and process enhancements to improve net rates; and
- 5. Advancing opportunities to acquire operationally efficient businesses towards scaling Jayride.

March 2024 has shown significant promise in this regard. On a passenger trips basis, March was 31% of Q4 FY24's total; however, 38% of net revenue and 43% of total contribution was earned in March. This is concept validation for Jayride, proving that outcomes derived from the strategic review – stricter focus on increased contribution, even at lower volumes - are effective and the most beneficial path forward.

The new pricing model combined with a focus on profitability over volume has resulted in the Company accepting fewer low-contribution bookings and earning higher margins in the less price sensitive market segments.

#### **Business Performance Update**

- Passenger trips booked increased to 172,565 in Q3 FY24 from 152,171 in Q3 FY23.
- Net revenues increased to \$1.25m in Q3 FY24 from \$1.15m in Q3 FY23.
- Contribution profits increased to \$520K in Q3 FY24 from \$513K in Q3 FY23.
- Cash receipts from customers increased to \$1.7m in Q3 FY24 from \$1.65m in Q3 FY23.



Free cash flows improved to \$(939)K in Q3 FY24 from \$(1.6)m in Q3 FY23.

These results demonstrate marginal improvements over prior periods, and reflect Jayride's ability to perform at the same level, or greater, after the +44% fixed cost reduction.

Cost savings completed throughout the strategic review are yet to be fully reflected in Q3 FY24, with full realisation of the \$3.75 million per annum savings expected in Q4 FY24 and onward.

Other business and operational improvements following the strategic review continue to be in development and will be additive to this early outcome.

The Company also notes that operational expenditure in Q3 FY24 appears higher than normal however this is due to the Company no longer capitalising its technology development costs as of this quarter as part of a simplification of its financial reporting. On an ordinary basis, operational expenditure has reduced and will continue to reduce as the full effect of the \$3.75 million per annum fixed cost saving takes full effect amongst other cost rationalisation activities.

#### **Outlook Towards Cash Flow and Contribution Positive**

Historically, Q4 is the peak of Jayride's annual business cycle, coinciding with Northern Hemisphere summer. Initial data from April 2024 indicates the Company is continuing to generate more net revenue from less trips vs April 2023 and that trading is following seasonal patterns. The Company is confident that with ongoing improvements to its operating model driven by the strategic review, cash flow positive is in sight.

Our focus in Q4 FY24 remains strictly on improving cash flows and contribution and less on delivering volume increases.

#### **Corporate and Financing**

During the Quarter, the Company paid out and closed its prior credit line facility, which was secured against accounts receivable, resulting in a \$429K cash repayments against debt during the quarter. Subsequently, the Company announced a \$1.5 million convertible note raising. The first tranche of those funds (of \$525k) was completed in February 2024, with the balance being completed after Quarter end following shareholder approval at a general meeting held 8 April 2024.

Related party payments totalled \$28K during the quarter, being remuneration. This is materially lower compared to prior periods noting the end of the former Managing Director's contract with the Company. Mr Bishop remains a non-executive director and significant shareholder in the Company.



# For more information please contact

#### **Rod Cuthbert**

**Executive Chairman** 

Email: corporate@jayride.com

ASX release authorised by Rod Cuthbert, Executive Chairman, Jayride Group Limited.

# About Jayride Group Limited (ASX:JAY)

Jayride Group is a leading publicly listed online travel marketplace for airport transfers, 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 company incorporated in Australia and listed on the Australian Securities Exchange (ASX:JAY).

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

Jayride Group Limited		

ABN	Quarter ended ("current quarter")
49 155 285 528	31 March 2024

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	1,689	4,689	
	1.2 Payments for			
	(a) research and development	0	0	
	(b) product manufacturing and operating costs	0	0	
	(c) advertising and marketing	(473)	(1,464)	
	(d) leased assets	0	0	
	(e) staff costs	(1,571)	(4,606)	
	(f) administration and corporate costs	(585)	(1,906)	
	1.3 Dividends received (see note 3)	0	0	
	1.4 Interest received	0	0	
	1.5 Interest and other costs of finance paid	0	(4)	
	1.6 Income taxes paid	0	0	
	1.7 Government grants and tax incentives	0	37	
	1.8 Other (provide details if material)	0	0	
	1.9 Net cash from / (used in) operating activities	(940)	(3,254)	

Notes

1.2(e) Includes expenditure previously recognised under 2.1 (e). Jayride changed this accounting policy in Q1 to simplify its financial reporting.

Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	0	0
(b) businesses	0	0
(c) property, plant and equipment	(3)	(7)
(d) investments	0	0
(e) intangible assets	0	(1,141)
(f) other non-current assets	0	0
2.2 Proceeds from disposal of:		
(a) entities	0	0
(b) businesses	0	0
(c) property, plant and equipment	4	10
(d) investments	0	0
(e) intangible assets	0	0
(f) other non-current assets	0	0
2.3 Cash flows from loans to other entities	0	0
2.4 Dividends received (see note 3)	0	0
2.5 Other (R&D Tax incentive)	0	0
2.6 Net cash from / (used in) investing activities	1	(1,138

Cons	olidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000	
3.	Cash flows from financing activities			
	Proceeds from issues of equity securities 3.1 (excluding convertible debt securities)	(0)	2,000	
	3.2 Proceeds from issue of convertible debt securities	0	0	
	3.3 Proceeds from exercise of options	0	0	
	3.4 Transaction costs related to issues of equity securities or convertible debt secu	(72)	(279)	
	3.5 Proceeds from borrowings	964	1,557	
	3.6 Repayment of borrowings	(488)	(651)	
	3.7 Transaction costs related to loans and borrowings	0	(4)	
	3.8 Dividends paid	0	0	
	3.9 Other (provide details if material)	(59)	(76)	
3.10	Net cash from / (used in) financing activities	345	2,546	

#### Notes

- 3.5 In the quarter, the Company received \$525K in funds for Tranche 1 of the \$1.5m Convertible Notes issuance. Additionally, \$439K was received relating to Tranche 2 from certain parties in advance of the Tranche 2 issuance. Some of those funds were later returned to investors upon being identified as over-payments (\$59K with the balance being held by the Company pending issuance of securities post quarter). Funds so received were not expended.
- 3.6 Includes \$429K in repayment of prior invoice lending facility and \$59k in payments to convertibe note holders (see above).

4.	Net increase / (decrease) in cash and cash equivalents for the period		
	4.1 Cash and cash equivalents at beginning of period	1,214	2,518
	4.2 Net cash from / (used in) operating activities (item 1.9 above)	(940)	(3,254)
	4.3 Net cash from / (used in) investing activities (item 2.6 above)	1	(1,138)
	4.4 Net cash from / (used in) financing activities (item 3.10 above)	345	2,546
	4.5 Effect of movement in exchange rates on cash held	(33)	(85)
	4.6 Cash and cash equivalents at end of quarter	587	587

5.	Reconciliation of cash and cash equivalents	Current quarter	Previous quarter
	5.1 Bank balances	587	1,214
	5.2 Call deposits	0	0
	5.3 Bank overdrafts	0	0
	5.4 Other (bank guarantee)	0	0
	5.5 Cash and cash equivalents at end of quarter (should equal item 4.6)	587	1.214

### Notes

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	28
	6.2 Aggregate amount of payments to related parties and their associates included in item 2	0

#### Notes

7.	Financing facilities  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.	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	7.1 Loan facilities	0	
	7.2 Credit standby arrangements	0	
	7.3 Other	525	525
	7.4 Total financing facilities	525	525

#### 7.5 Unused financing facilities available at quarter end

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 7.6 well.

# Notes

In February 2024 the Company announced it had secured \$1.5 million in convertible note financing, which was to settle in two tranches. The first tranche was 7.3 completed in Ferbuary 2024, raising \$525K. The second tranche was completed post quarter end following shareholder approval on 8 April 2024. The terms of the Notes have been first summarised in announment dated 5 February 2024. The Company provides the following information as required by 7.6.

0

Lender: various convertible note holders

Interest rate: The first year's interest was capitalised and included in the note face value (hence \$1.5m in borrowing resuts in \$2m owed). If the notes run into a second year, interest of 15% per annum is due on the face value.

Maturity: 24 months

Security: Secured against the company's assets by general security deed.

During the quarter the Company received funds from certain investors for their Tranche 2 allocations notwithstanding they were not yet due. Those funds were either returned on request from the investor or held by the Company pending the issuance of the tranche 2 notes. Those funds held were retained by the Company and not expended.

		\$A'000
8.	Estimated cash available for future operating activities	
	8.1 Net cash from / (used in) operating activities (Item 1.9)	(940)
	8.2 Cash and cash equivalents at quarter end (Item 4.6)	587
	8.3 Unused finance facilities available at quarter end (Item 7.5)	0
	8.4 Total available funding (Item 8.2 + Item 8.3)	587
	8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	0.6

- 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?

The Company does not expect that it will continue to have the current level of net operating cash flows for the time being, and notes the following in this regard.

Historical seasonality indicates Jayride will see significant improvement in performance during Q4 being the Northern Hemisphere summer season. Seasonality alone should result in a material improvement in net operating cash flows as the Company looks to achieve positive cash flows. Jayride has recently completed a cost reduction programme reducing fixed costs by \$3.75 million per year as previously disclosed. Jayride expects to see the full realisation of this cost reduction on and from Q4 FY24, further improving net operating cash flows.

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 The Company has taken steps to raise further cash to fund its operations. Jayride announced in February 2024 that it would raise \$1.5 million through the issuance of Convertible Notes. Tranche 1 of these Notes were issued in February 2024, totalling \$525k. The balance \$975k was completed following shareholder approval in April 2024.

The Company notes that due to timing of receipts of these funds – with some Tranche 2 participants remitting funds earlier than due – the Company's cash position at 31 March 2024 reflects \$380K in cash received from Convertible Notes, exceeding the amount for which Convertible Notes were issued. Funds which were received by the Company in advance of Tranche 2 being approved by shareholders were not expended by the Company.

In the event that further capital is required, the Company considers that it will be able to raise those funds as and when they are required.

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

The Company does expect to be able to continue its operations and meet its business objectives. The Company refers to its responses above in respect of expected business performance improvements, and notes additional capital has been raised to support its working capital requirements.

#### 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:	30/4/2024		
Authorise	d by:	Rod Cuthbert, Executive Chairman	
	(Nan	ne 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, he
- 2 If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 107: State
- 3 Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy c
- 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
- 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