

## ASX Announcement

4th September 2023

# Jayride FY23 Results Conference 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 FY23 Results Presentation held on 31st August 2023 at 2.30pm AEST.

## Start of Transcript

**Rod Bishop (Jayride Group Managing Director):** Jayride is pleased to present another year of growth towards our vision of door-to-door rides to suit every traveler's needs in every country from anywhere to anywhere. That is a once in a generation opportunity to become the world leader in rides for travelers.

Quarter four FY23 concludes Jayride's biggest year yet. And if there are two things to take away from this call, it is that one, we've doubled the business in FY23. We saw Europe and Asia growth coming. We attacked it and we landed it. And two that we've launched during FY23, a suite of major initiatives leave us in a position to grow again in FY24, ahead to cash flow positive for FY24. And then in July, we reached 85,000 trips for a full month, a run rate of a million passenger trips booked per year for the first time.

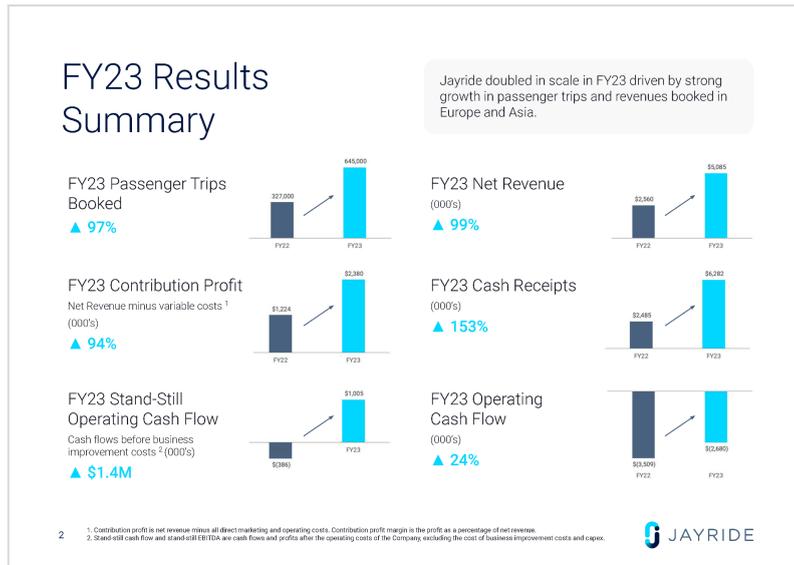
We have a positive FY24 outlook on the basis of this and on the basis of this and also the key business improvement initiatives that we've delivered throughout the year.

Good afternoon and thanks for coming.

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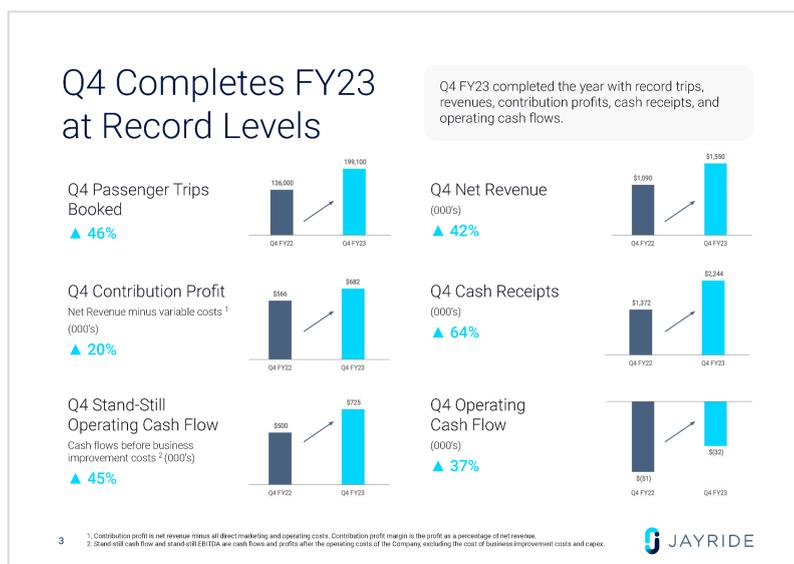
Today we've released our FY23 annual result, which covers the year that was, and sets the scene for the continued growth towards our objectives in FY24.

On today's call, first, I'll cover the annual result itself and include a focus on some of the key business improvement initiatives that we launched throughout the year. Then second Peter, will take you through how we're converting these results to cash. And then third, I'll talk about how we see ourselves unfolding and capturing the opportunity from here as we drive towards cash flow positive for FY24 and beyond.



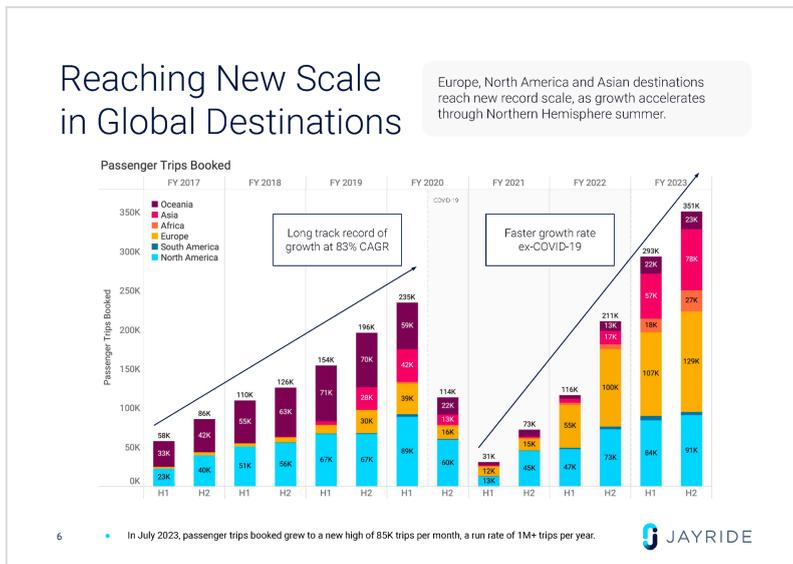
First, our annual result for FY23. Passenger trips booked grew to a new high of 645,000, up 97%. Net revenue grew to a new high of \$5.1 million, up 99%. Contribution profit grew to a new high of \$2.4 million, up 94%. Cash receipts from customers grew to a new high of \$6.3 million, up 153%. Standstill operating cash flow grew to a new high of \$1 million. That's up \$1.4 million versus the prior corresponding period and that's a key inflection point to have passed for the first time as we've gone from negative to positive. And then operating cashflow improved to a new high of minus \$2.7 million. That's up 24% versus the prior corresponding period.

I think it's important to note just how much growth came in the final part of the year. Quarter four completed the year with record trips, revenues, contribution profits, cash receipts, and operating cash flows significantly above the remainder of the year.



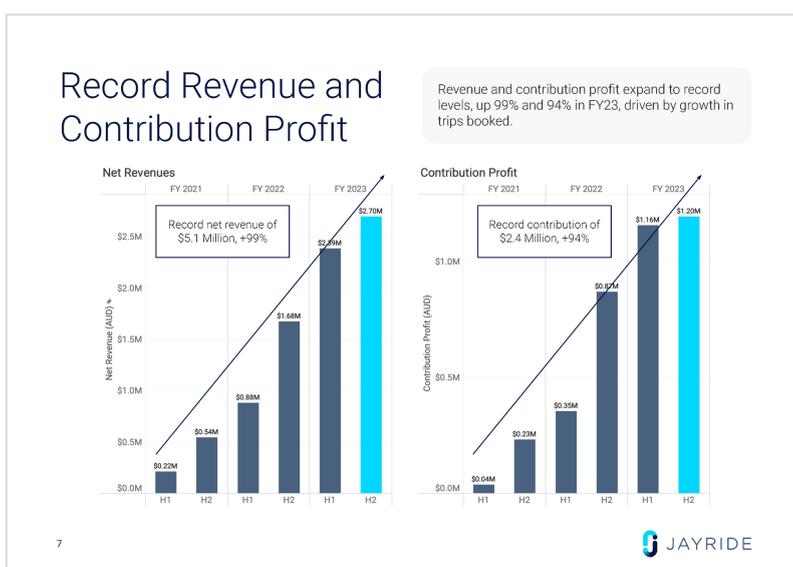
In particular, I'd note of the year's total stand still operating cash flow surplus of \$1 million we generated \$750,000 of that in quarter four. And of the year's total operating cash outflow of minus \$2.7 million, we had only an outflow of \$32,000 in quarter four. These are both record

results and I think that they demonstrate that the Jayride operating model works and scales our cash flows.



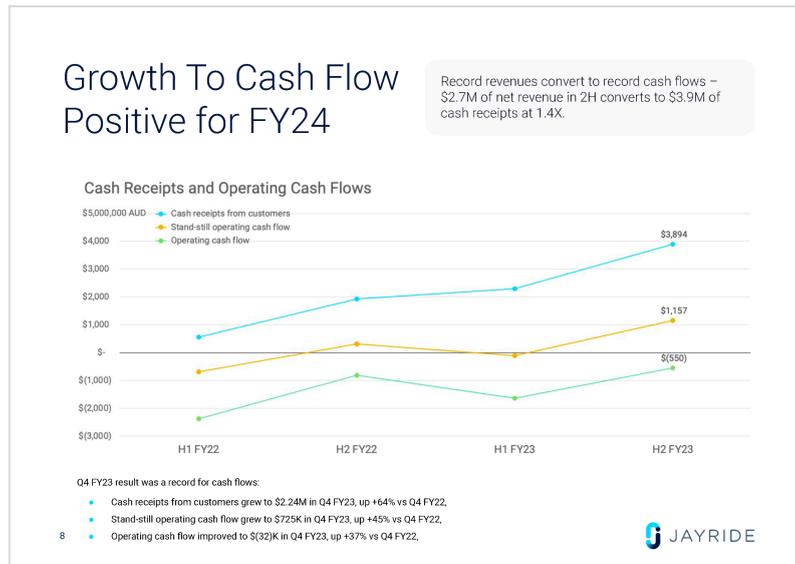
Results are driven by growth in passenger trips booked at 97%. We've reaching record scale in global destinations. All of our international markets scaled. That's Europe, North America, Asian destinations all reaching record scale in the second half.

That growth trajectory ex-COVID is our fastest ever growth rate, and it's the culmination of years of work. In 2019, Jayride did its global rollout that set the stage, and then a two-year pause for pandemic era border closures, but now we start to see the return on that investment. Now 90% of Jayride's revenue is globally sourced, and I think it's truly gratifying to see Jayride trading as a truly global business.



Passenger trips drive financial results. We have here financial results at, again, record levels. Revenue and contribution profit up 99% and 94% respectively, essentially doubling since last

year.



Then that revenue is converting into cash, which also has expanded to record levels. In particular cash flow in the second half of \$2.7 million of revenue generating \$3.9 million of cash receipts from customers. And that's due in large part again as I've said due to the passenger trips booked growth, flowing to revenues, flowing to cash.

As cash receipts improve, you can see that directly translate into operating cash flows with a \$550,000 outflow for the second half, which is again, best result yet. We finished the year with \$2.5 million in cash, \$1 million of undrawn credit line, and no debt.

In summary, we're successfully driving trips that's driving growth in revenues and contribution profits, that's driving cash receipts and operating cash flows.

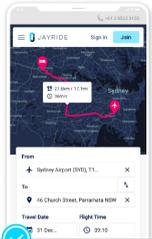
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These results are a direct outcome of the strategies that we've been implementing to improve traveler experience, to expand our traveler offer, and to win more travelers' volume – more market share.

In the second half of FY23, we successfully launched more new major initiatives than at any prior time in the history of the company. That is, following our placement in November where we welcomed Fidelity International as shareholders, we accelerated growth investment to a peak level in Q3 and then wound it down in Q4 with intent to, again, incrementally wind it down. We have a whole suite of improvements shipped now that will drive performance across FY24.

## 2H FY23 Growth Initiatives Launched

Successful launch of major business improvement initiatives to accelerate Jayride growth to cash flow positive for FY24.

<p>New Jayride brand launched</p>  <p>Increased traveller trust, average order values, conversion rates, and retention.</p>	<p>AirportShuttles.com acquired</p>  <p>Increased website traffic with organic and paid search presence for US market share.</p>	<p>Spanish language launched</p>  <p>Increased total addressable market and conversion rate. First of many new languages.</p>	<p>Ride Tracker launched</p>  <p>Increased booking volume with major travel brand partner and improved customer experience.</p>
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In particular, I'd like to highlight four very significant improvements that we launched in the second half of FY23 as being material drivers of the year ahead.

Those four are, first, our new brand which launched – our whole new consumer platform, improving traveler trust, average order values, conversion rates, and retention of B2C travels.

Second, our first acquisition of AirportShuttles.com, which gives us increased website traffic and increased search presence in the US market.

Third, Spanish language which launched – and this is an N+1 model so all the investment done to launch Spanish, we can now use to add additional languages as we go throughout FY24 – and this also increases both our total addressable market into new customer segments, but also our conversion rate, where people can now book in their native language.

Then lastly, Ride Tracker, which is a special delivery for a large travel brand partner, which is increasing booking volume with that partner, and also improving the travel experience.

These initiatives which all shipped within FY23, and our momentum in key markets, which I've shown on previous slides, and with key partners, they set us up for growth in FY24, to cash flow positive for FY24.

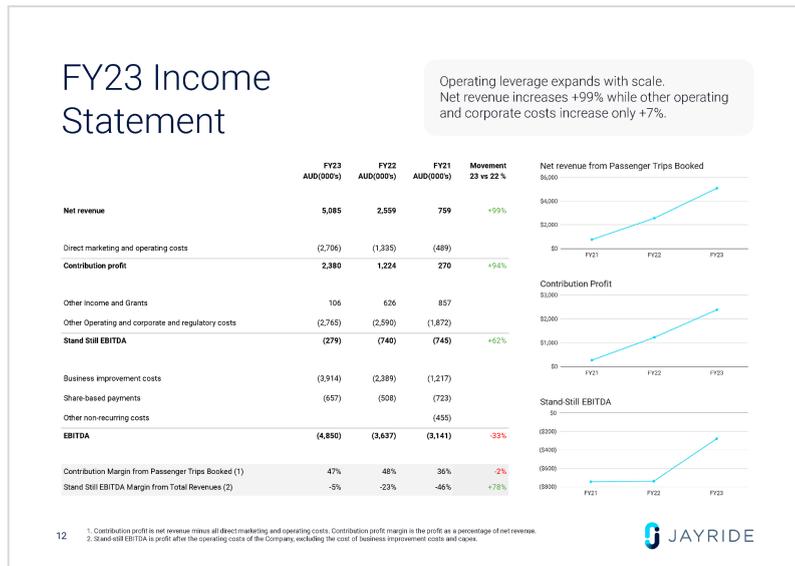
I'll now hand over to Peter to speak about financial performance and how we're converting these results to cash.

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**Peter McWilliam (Jayride Group Chief Financial Officer):** Thanks, Rod.

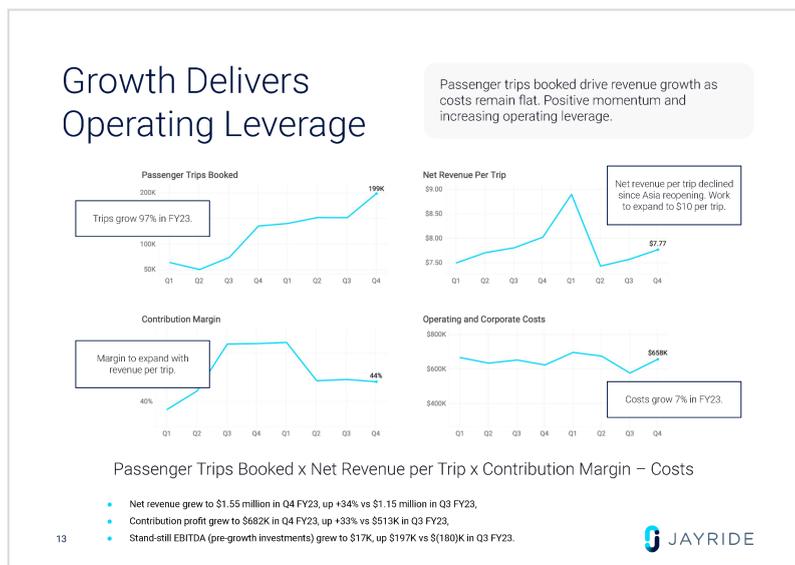
FY23 has been a solid year where we doubled net revenue, demonstrated operating leverage,

and laid the foundation for key milestones in FY24.



Let's take a look at how this played out on the income statement. From the top, net revenue was up 99% following the important expansion into Asia and Europe. We were effective at increasing contribution profit by 94% off of a more diverse revenue base.

Stand-still EBITDA, which is the profit of the underlying business, excluding business improvement costs, increased by 62%. If we excluded grants and other income, which is probably a better reflection of the underlying business performance, then the result would've been 72%. As expected, there were no gains at the EBITDA level, with management electing to increase its discretionary business improvement costs to target key milestones in FY24.



The performance dashboard shows the key drivers behind our improved net revenue contribution and stand-still EBITDA on a quarterly basis. There are really four key points to take

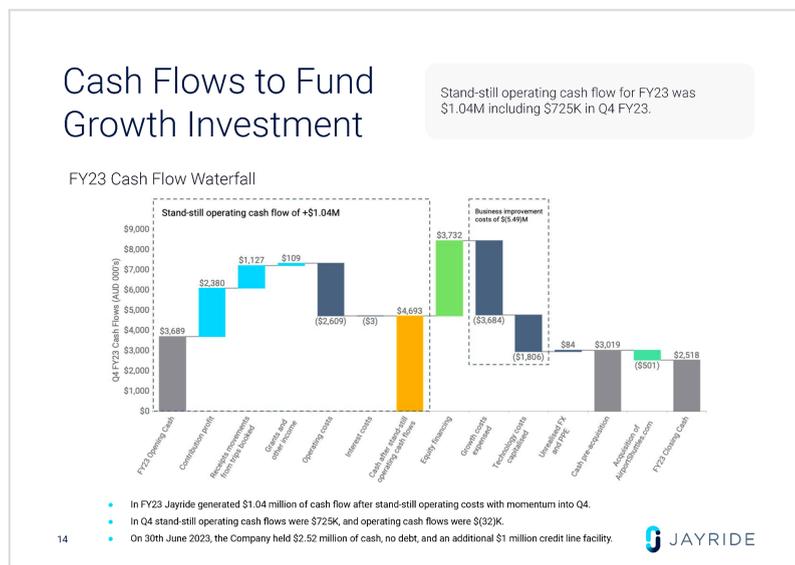
from this slide.

Number one, passenger trips booked in the top left are growing strongly and consistently, ahead of our recent enhancements to the platform and commercial execution.

Two, net revenue per trip, in the top right, was impacted by the company's push into new geographical markets, but is already improving, again, and is expected to benefit from growth in the high net revenue agent channel on top of the regular optimization that we do.

Three, contribution margin was impacted by net revenue per trip, but we reaffirmed the 50% margin target for the midterm and beyond.

Four, finally, the operating costs are stable, again, despite passenger trips growth of 94% in FY23, which is a sign of strong operating leverage.



Let's now take a look at the cash performance across the year, before I hand back to Rod.

On screen, we have the stand-still cash waterfall chart. This chart makes it very easy to see the cash generated from the underlying business, which we've referred to as stand-still cash flow, versus the investments made to improve those cash flows and future cash flows.

This period, the underlying business generated over \$1.0 million of stand-still cash flow, which was up \$1.4 million from the previous year. To build future cash flows, the company deployed a material \$5.5 million of cash into discretionary growth investments this period. We reached peak levels of investment in Q3, following the November capital raise, and have reduced investment since then, and expect to continue this across H1.

At 30th June, the company held \$2.5 million of cash and an undrawn working capital facility of \$1.0 million, which together provide the company with its liquidity. We will turn cash flow

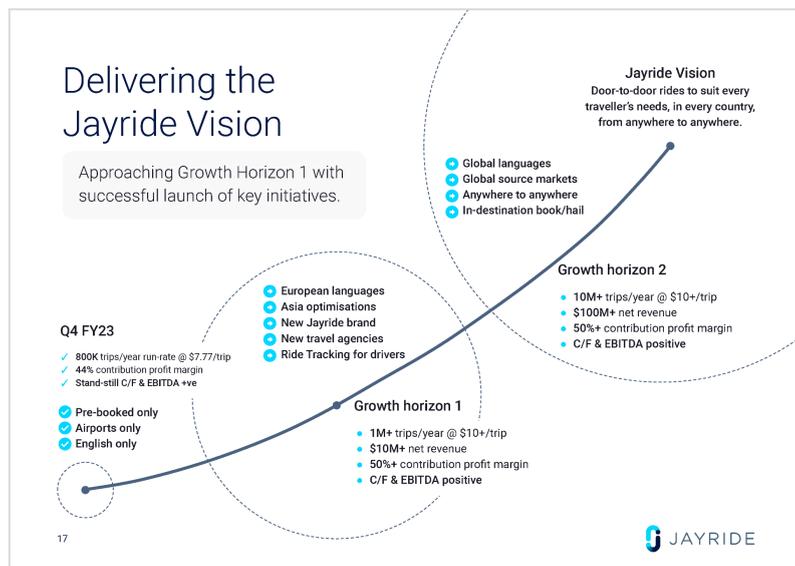
positive during FY24 and will be cash flow positive across the whole of FY24.

Thanks, and back to Rod.

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**Rod Bishop:** Thank you, Peter.

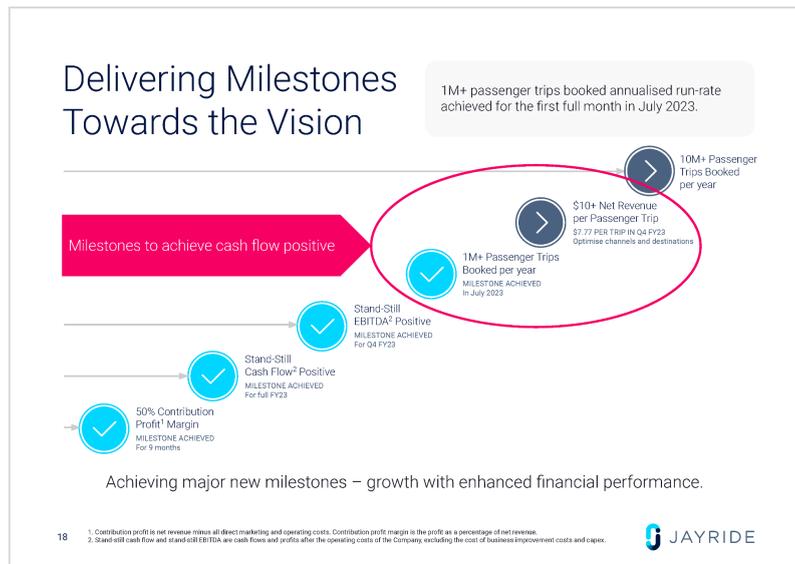
All right, so why are we so confident that we're going to continue to grow in FY24? Travel is back, and our major business improvement initiatives have launched, and they're set to carry the business through the year and the years ahead.



Our growth gets to continue through two growth horizons, and with these results, we're on the cusp of Growth Horizon 1, at a million plus trips per year, with right unit economics, a cash flow positive growth company. And these results, we are building the platform that is going to take us to Growth Horizon 2.

Key strategic initiatives that provide this platform have launched in FY23, and are now in place. Our first European language, and as I said, that can now extend to many languages; Asia destination optimization can continue for more net revenue per trip; the new Jayride brand for more conversion rate and more retention; and so on, all the things that I've mentioned that we launched in FY23, and more.

At Growth Horizon 1, Jayride becomes a very special thing. Jayride becomes a cash flow positive high growth company, and we're almost there. This is just the start though of the next stage, towards building that much larger, much more profitable Jayride at 10 times the scale in the future, that is our Growth Horizon 2.



We've outlined key milestones along this path, and today I'm pleased to say that we've made substantial progress through FY23 on those milestones.

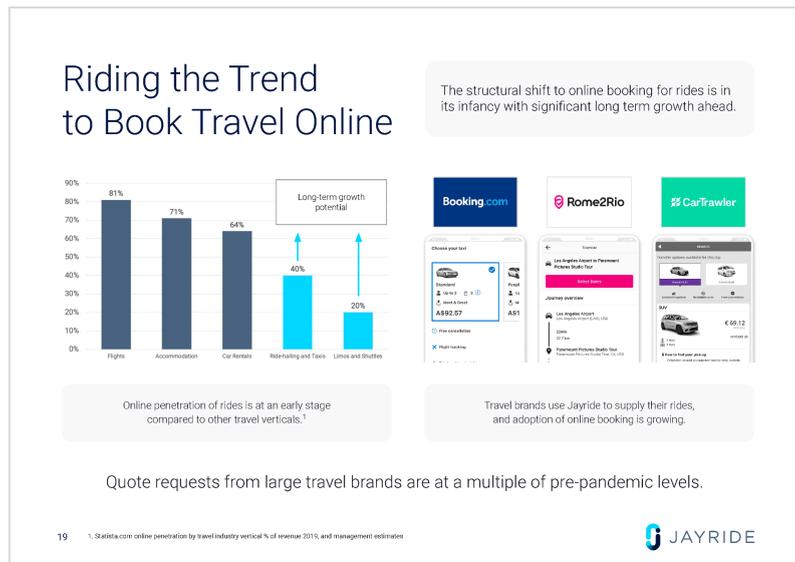
Jayride is, as Peter has said, cashflow positive after the stand-still operating costs of the company for the full year of FY23, and approaching, in fact, operating cash flow positive in quarter four, with only a \$32,000 operating cash loss. Jayride is also EBITDA positive after those stand-still operating costs in quarter four.

And now in July, also we've achieved a whole new milestone and that is that we've reached a one million passenger trips booked run rate for a full month for the first time ever.

We set up these milestones quite a long time ago with an intent to dust them off and take us to new places, and we continue to progress. We see it as a sign of improving financial performance as we scale.

That key upcoming milestone, the one that remains to improve our unit economics towards \$10 net revenue per trip. Alongside further growth, that's the key focus area of the company now, and together with one million plus trip volume, that delivers cash flow positive for Jayride for FY24.

Our growth outlook is strong, and we've only scratched the surface on growth. We're still early in a long-term growth trajectory. It's the structural shift towards the online booking of rides that's still in its infancy, that provides us this significant long-term growth ahead.



Online booking penetration of rides is an early stage compared to other verticals. It wasn't 10 years ago that you would go into a physical store to book a flight. Now, online penetration for flight bookings is 80%. So too hotels, so too rental cars. And so too in Jayride view rides will follow. We see all rides coming online over time.

Our opportunity – which we would say is to cannibalize the taxi rank, or to empower the connected trip for a brand like Booking.com, that is the online booking of rides – it's never been stronger.

Travel brands use Jayride to supply their rides, and adoption of that online booking from those brands is growing. Quote requests – that is when a travel brand requests a price from Jayride API – they've never been higher. They're at a multiple of pre-pandemic levels. They have further scope to expand.

Which brings me to, I guess, my "one more thing" for the release that I wanted to talk about. That is, in July, Jayride has expanded again by completing the launch of its new travel agent portal.

This project has been years in the making. It brings all of the power of the Jayride B2C website, all of the brand, all of the UX enhancements, all of the global coverage, plus additional power user tools, to the travel agency segment for the first time.

Travel agencies are a major global market for booking all-inclusive travel, including transfers, and Jayride has a long track record with agencies in Australia and New Zealand, including, for example, Flight Centre.

## New Travel Agents Portal Launched in July

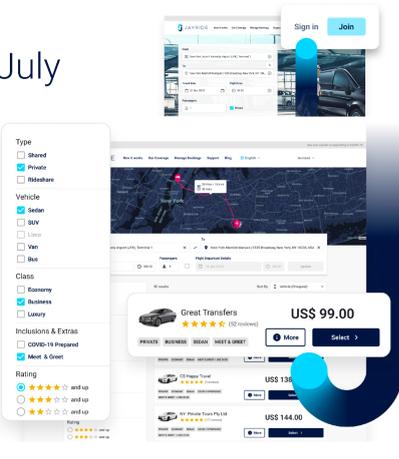
Expanded total addressable market.  
Higher average order values.

- Travel agencies are a major global market for booking all-inclusive travel including transfers.
- Jayride has a long track record with agencies in Australia and New Zealand including Flight Centre.
- Jayride's new travel agent portal launched in July and has now rolled out globally – a step change increase in Jayride's Total Addressable Market.
- Agents can now access premium vehicles, luxury classes, in multiple languages, with high order values.
- Agencies with 3,000+ agents have signed on at launch.
- The launch provides a clear path to grow trips booked with attractive unit economics across FY24.

Travel agency customers include:







**JAYRIDE**

What this new portal does is it rolls that out now globally, so that we can have take up from key travel agencies, for example, in the US and UK markets. This means much more significant agency brands, in much larger markets with far more travelers and far more travel. It's a step change increase in Jayride's total addressable market for the segment.

It gives us that larger market, but it also gives us that larger order value that we've been craving, because travel agents like to book premium products like business and luxury rides, or multiple legs. Their bookings have great unit economics. We know this from our work in Australia and New Zealand with Flight Centre. That takes us towards, as Peter has said, our net revenue per trip objective, which of course underpins cash flow positive for FY24.

And, I'm pleased to say that as of this launch, agencies with over 3,000 travel agents have signed up to use the platform. So the launch provides just a very clear path for us to grow trips booked with attractive unit economics across FY24.

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For the second to last point today, I would consider our summary and outlook.

Our outlook is positive. Jayride is a fundamentally enhanced and more profitable business.

We've increased our scale and market share, and expanded our operating leverage. We've built a platform in FY23 to expand further revenues and profits in FY24.

As we continue to focus on execution and just building the business, initiative by initiative, customer by customer, with the execution of our growth strategy, we feel set to capture that once in a generation opportunity to become the world leader in rides for travelers, as we move through Growth Horizon 1, and that is towards our objective of cash flow positive for FY24.

## Summary and Outlook

Delivering on a generational opportunity to become the world leader in rides for travellers.

### Result Summary

- **A fundamentally enhanced and more profitable business** moving to cash flow positive for FY24.
- **Increased scale and market share.** All key financial metrics achieve record levels in FY23, above pre-pandemic highs, with high growth rates: Passenger trips booked (+97%), net revenues (+99%), contribution profits (+94%).
- **Expanded operating leverage.** Trips, revenue, and contribution profit growth have occurred with stable operating and corporate cost base. Stand-still EBITDA margin of (5%) in FY23 up from (23%) in FY22.
- **Q4 completes FY23 at record levels** with Q4 operating cash flows of at a record level of \$(32)K.
- **Balance Sheet** at 30th June 2023 with \$2.5M in cash, undrawn \$1.0M credit line facility, and no debt.
- **Momentum into FY24** with a record 85K trips booked in July 2023, up +74% vs July 2022, achieving an annualised run rate of 1 million passenger trips booked for a full month for the first time.

### Growth Outlook

- **Continued execution of growth strategy** to capture once-in-a-generation opportunity and become the world leader in rides for travellers.
- **Growth to continue in FY24** as a result of the multiple growth initiatives launched throughout FY23.
- Jayride to be **cash flow positive for FY24.**



Net Revenue Growth

Year	H1	H2
FY 2021	\$0.0M	\$0.0M
FY 2022	\$0.5M	\$0.8M
FY 2023	\$1.2M	\$1.8M

21

This ends the results part of the call, and if there's two things I would say, just to take away from this call, it is this.

First, we doubled the business in FY23, we saw Europe and Asia growth coming, we attacked it, and we landed it.

Then second, we've launched during FY23 a suite of major initiatives that leave us positioned to grow again in the year ahead to cash flow positive for the year ahead. It leaves us in the position to continue to deliver.

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And so which is why, I guess, as a last and final point for today's call, I do have one more piece of news. And before I finally hand over for any questions, I'm sure you've seen that extra announcement that we put out this morning about putting the company in a position to deliver the next phase of growth.

Our intent is to appoint a new CEO to deliver Jayride in that next phase of growth. And it's my intent to transition from the role of managing director following the appointment of that CEO.

Personally, I always take the view to grow this company systematically, step by step, and that includes with talent. Recently, when we launched our European Growth Hub, we recruited Darren Carbine to lead it. More recently, we've appointed Delphine Cassidy to our board of directors. Always taking, I think, take opportunities to bring the very best people into the company. And today, we get to create that opportunity again to bring in the very best CEO for Jayride.

I'm super pleased and excited to take this next step with attracting talent to the company. I look forward to recruiting and supporting a new CEO to carry that growth forward.

I really appreciate, also, all the kind words I've had from shareholders today, and I look forward

to being a shareholder with you and aligned with shareholders to go forward.

Thank you for coming to today's FY23 results conference call. And thank you to shareholders for your support of the company this year and every year, to our team for shipping the enhancements that are going to underpin next year's growth and performance. And to every other stakeholder in the Jayride ecosystem, thank you very much.

That ends the formal part of today's call. I'd like to open the room for questions. Thanks.

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**Michael Brown (Pegasus Advisors):** Very good, thank you, Rod. Looks like we might have our first question from Dominic Ryan, although the yellow hand has just gone down. Dominic, would you like to start the Q&A?

**Dominic Ryan (Speaker 1) :** Actually, that was the yellow hands of applause. So, that was my only comment. Job well done. And congratulations, Rod, and thank you for the update on growth from, as you describe it, one to 10. Exciting times ahead.

**Rod Bishop:** You're welcome, Dom. It's a pleasure.

**Michael Brown:** Nice emoji work there too, Dom, if I can say that. Very impressive. Okay, let's open the line for questions. Please, if you'd like to ask a question, put yourself on camera and identify yourself, or use the chat or Q&A functions online as well. I see James. Good afternoon, James.

**James Tracey (Veritas Securities Analyst):** Hi, Michael, thanks for taking my question. Congratulations, Rod. Well done. Obviously, a bit of a surprise for me, you're not particularly old, so a few more years to go yet.

Just wondering, obviously, it sounds like the CEO search has just begun, and what you're looking for in a new CEO, and do you anticipate or does the board anticipate any change in strategic direction around some of those milestones that you've laid out?

**Rod Bishop:** Well, first of all, thank you, James. Look, it's a pleasure and it will continue to be a pleasure until the new CEO is in the door. I'm here until that process has completed. And also, thank you. Look, it is a good result.

First, at a high level, Jayride's strategic vision is the direction that we're heading. And today, my message would be one of continuity. And I think the other question is in terms of what we are expecting. It probably also comes to why now?

Jayride has, and I like this as it's catchy, has scaled from zero to one. And I say that figuratively, but it's also true literally. We've scaled from zero trips to 1 million trips now. And so, as we look forward to that next growth horizon, we want to locate, I think the best CEO who's familiar with

that scale-up journey, so that they can take Jayride from 1 million trips to 10 million trips, from \$7 million revenue run rate to \$70 million, to preside over the company's next 10X growth story.

And so, what we've announced today is just our intention to make that change. And as you say, there is a search process underway to identify and appoint that new CEO. And the board of directors will run that process to ground with intent to land the best scale-up CEO who can really make that next 10X journey.

**James Tracey:** All right. Well, you've done a great job. Congratulations and best of luck.

**Rod Bishop:** Thank you, James.

**Michael Brown:** Thanks, James. Who else would like to ask a question? Rod, I might ask one as a queue forms or to give people time to form a queue. In terms of the new travel agents channel, what are your growth targets for that? How significant could it become?

**Rod Bishop:** Pre-pandemic when we had an Australia and New Zealand domiciled business, the travel agents channel was quite a larger share of our business than it is now.

In 2019, when we rolled out globally, we brought some channels like travel brand partners along for the ride, and others, we decided we would launch next. And then, next got delayed, of course, because there was a pandemic. And so, now as we're at the other side of this, we're bringing this last channel along for the ride. It has potential to grow again, to be a significant part of our business.

Think about the major travel agency brands that exist out there. I've mentioned that Flight Centre is a customer, but still other major brands, Amex GBT, BCD Travel, these sorts of brands, they're not yet Jayride customers with global contracts, but they can be.

Even thinking outside of English language markets now, that we have multilingual capability. We can cultivate travel agency relationships that span Europe or span LATAM. And so, each one of these things, as we brought travel agents now into the B2C platform, each one of these things is unlocked.

And so again, pre-pandemic agents were a significant share of our business. Now, potentially, to go forward, it can again be the case. The thing to really focus on here is their unit economics. Travel agents book larger carts, with higher average order values, with business and luxury classes, with larger vehicles. These things command more revenue and they will be a driver of the net revenue objective that we believe takes us through cash flow positive for FY24.

**Peter McWilliam:** They pay upfront as well, Rod.

**Rod Bishop:** Haha, yes. So also a good working capital cycle. Thank you, Peter.

**Michael Brown:** Thanks, guys. Who would like to ask a question?

**Roger Taylor (Morgans Stockbroking):** Hi, Rod. Can you please tell us about the European summer and how long that strength may be likely to continue this financial year? Are there any macro travel conditions or changes, lower international fares, return capacity, et cetera, that could provide Jayride with a further boost?

**Rod Bishop:** Thank you, Roger. European summer, in our experience, starts in March and builds through July, August and then starts to roll off again October through February. And so, we've had, at this point, the major run-up of European summer at the start of this financial year. And then, what we'll expect is we'll expect it to come back at the tail end of this financial year.

It started this year very strongly in March. A lot of pre-booking activity ahead of what turned into be also, I think a higher and longer and later European summer, which if it continues again next year would be very, very good. There will be that seasonal lull in Europe. What we're hoping is that that will be offset by a seasonal high and the potential return of international tourism to Australia and New Zealand, which should take place across the Southern Hemisphere summer.

And so, as the European market rolls off, we're hoping that Oceania and Asian destinations roll on, and we start to see the same kind of overall seasonal effect that we had in the prior year, which is to say that from the top of European summer, you hit kind of a new high water level and you build incrementally on that for a few quarters, and then you go again with rapid growth at the start of the next European summer.

The wild card here is Asia. We had our first Asian season when it opened, really, in November of last calendar year. Pandemic-era border restrictions were eased for the first time. People took off to places like Japan to go skiing in January. This could be a real wild card. This could be a really good driver of performance across the tail end of this calendar year.

Right now, as a team we're looking for it, we're leaning into it. It's about making sure we've got the right suppliers at the right prices, and let's see if that also drives performance across the coming two quarters before the next Europe summer hits.

**Michael Brown:** We've got a similar-ish question from Scott Crowe. "Can you comment on how August is tracking versus July in terms of trips booked?"

**Rod Bishop:** Thank you Scott. Apologies I didn't publish that in the release. There was just a lot of other content to get in the release. What I can say is that seasonally what you would expect is that June, July, August kind of marks the peak of Northern Hemisphere summer. And then, from a Jayride point of view, what you would hope is, you would hope that levels becomes your new watermark that you then build upon into the Christmas trading season.

And so, conceptually you'd expect therefore August may be ever so slightly down on July, but

still one of our top months ever. And that would be a continuation of normal seasonality then until you get another build in that November, December period.

All up then, for the quarter, we've already announced July's figure as a great result with 85K trips, should August again follow the seasonal trend, and I won't predict September for you, but it does start to look like a great Jayride quarter again in Q1 FY24.

**Michael Brown:** Well, I can't see any more questions online, can you?

**Rod Bishop:** No. But thank you for all the questions.

**Michael Brown:** Very good. Over to you for closing remarks.

**Rod Bishop:** Thank you, everyone, for attending the call.

We're pleased to present another year of Jayride's growth towards our vision.

To conclude in the same way I started, if there are two things to take away from the call, it's:

One, we've doubled the business in FY23. We saw Europe and Asia seasonality coming, we've attacked it and we've landed it.

And then two, we've launched during FY23 a suite of major initiatives that leave us positioned to grow again in the year ahead to cash flow positive for FY24.

Thank you very much, and I look forward to keeping you up to date.

## **End of Transcript**

### **For more information please contact**

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Managing Director

Email: [corporate@jayride.com](mailto:corporate@jayride.com)

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](http://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.