
MARCH 2022 QUARTERLY ACTIVITIES REPORT

Carly Holdings Limited (ASX:CL8) is pleased to present its consolidated cash flow report and business update for the quarter ended 31 March 2022.

Key highlights include:

- **10% increase in Receipts from Customers** vs December 2021 Qtr and 17% increase vs March 2021 Qtr
- **39% reduction in Net Cash Used in Operating Activities** vs December 2021 Quarter and 50% decrease vs March 2021 Quarter
- **6% increase in Subscription Transaction Value** vs December 2021 Qtr and 68% increase vs March 2021 Qtr
- **18% increase in Subscription Revenue** vs December 2021 Qtr and 104% increase vs March 2021 Qtr
- **Subscription Revenue contributed 91% of Total Revenue** in the March 2022 Quarter vs 89% in the December 2021 Quarter
- **Subscription Revenue from Owned and Leased Vehicles increased by 58%** vs December 2021 Qtr and contributed 41% of Subscription Revenue
- **Subscription Transaction Value increased to 90% of Rental & Subscription Receipts** vs 89% in the December 2021 Qtr and 62% vs the March 2021 Qtr
- **8% reduction in Product Manufacturing and Operating Costs** vs the December 2021 Qtr, despite 10% increase in Receipts from Customers
- **13% reduction in Total Expenses** vs the December 2021 Qtr

Carly continued to deliver a stronger business in all key aspects in the March 2022 Quarter, recording increases in receipts, a higher proportion of gross revenue to receipts, material decreases in costs and the second consecutive quarter of significant reduction in net cash used in operating activities.

Receipts from Customers increased by 10% vs the December 2021 Quarter and Subscription Transaction Value increased by 6%, while Subscription Revenue increased by 18%. Subscription Revenue is increasing at a faster rate than Subscription Transaction Value due to continued success in upselling customers to higher value, and higher margin, subscription plans and also the addition of more leased vehicles to the fleet during the March 2022 Quarter.



Carly has traditionally operated an exclusively asset-light vehicle fleet, where third party owners provide vehicles in return for owner fees. Since Covid-19 caused global disruptions to vehicle supply, Carly commenced purchasing and leasing vehicles to access more vehicle supply channels and meet the increasing demand for car subscription services. This strategy has been very successful to date, with owned and leased vehicles generating more revenue per vehicle compared to vehicles in the asset-light fleet.

In the March 2021 Quarter, prior to the introduction of owned and leased vehicles, Subscription Revenue comprised 38% of Subscription Transaction Value, increasing to 41% in the December 2021 Quarter and reaching 46% in the March 2022 Quarter.

The success of the owned and leased fleet strategy demonstrates a positive track record of asset selection and monetisation which positions Carly to secure additional asset financing for vehicles to continue growing fleet size and profitability. Carly has maintained revenue and utilisation of owned and leased vehicles in excess of initial modelling and expectations. Carly intends to continue expanding the vehicle fleet via financing mechanisms to substantially grow the vehicles available for subscription.

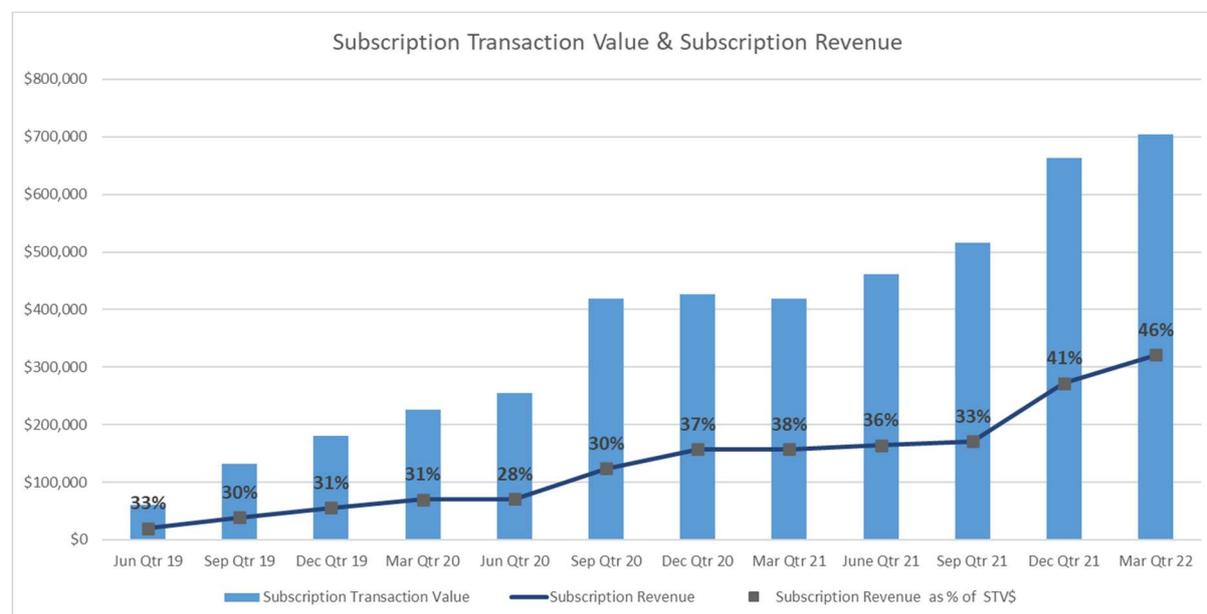
Carly took advantage of ongoing vehicle supply restrictions to increase subscription fees in March 2022 and rental fees in advance of the Easter and school holiday periods. As there were no impacts on demand or vehicle utilisation and due to the continued constraints on vehicle supply, the higher pricing models remain in place.

Significant effort has been deployed to search engine optimisation and customer acquisition cost reductions with considerable success. Advertising and Marketing Costs declined by 55% to \$47,000 vs the December 2021 Quarter with the business continuing to deliver revenue growth and maintaining high fleet utilisation.

Product Manufacturing and Operating Costs decreased by 8% to \$568,000 vs the December 2021 Quarter despite a 10% increase in Receipts from Customers. The positive difference between receipts and costs is due to the increasing size of the owned and leased fleet which incurs lower costs than the asset-light fleet. Principal payments relating to the lease fleet (item 3.9 in the Appendix 4C) increased by 32% to \$87,000 vs the December 2021 Quarter due to expansion of the leased fleet. Staff Costs decreased by 13% to \$328,000 and Administration & Corporate Costs decreased by 26% to \$64,000 vs the December 2021 Quarter.

The achievement of higher cash receipts while reducing costs resulted in a 39% decrease in Net Cash Used in Operating Activities vs the December 2021 Quarter. This is the second consecutive quarter of material reductions in Net Cash Used in Operating Activities, falling to \$397,000 in the March 2022 Quarter vs \$795,000 in the December 2021 Quarter and \$1,035,000 September 2021 Quarter.

The graph below illustrates the uplift in Subscription Transaction Value and Revenue which is being driven by the high utilisation and lower costs of the expanding owned and leased vehicle fleet.



Cash flows during the quarter included payments for:

- Research and development of \$220,000 (YTD: \$780,000)
- Product manufacturing and operating costs of \$568,000 (YTD: \$1,840,000)
- Advertising and marketing costs of \$47,000 (YTD \$244,000)
- Staff costs of \$328,000 (YTD: \$1,146,000)
- Administration and corporate costs of \$64,000 (YTD \$265,000)
- Leased vehicles comprising:
 - Interest amounts of \$19,000 (YTD: \$41,000)
 - Principal amounts of \$87,000 (YTD: \$187,000).

Further details of the cash flows of the group are set out in the attached Appendix 4C.

Corporate

Payments to related parties and their associates in the March 2022 Quarter of \$100,000 related to remuneration of the executive and non-executive directors for the period.

Cash Balance at Quarter End and Funding

At the end of the March 2022 Quarter, the Company maintained a cash balance of \$1.61 million, a decrease of \$0.49 million from the December 2021 Quarter.

This announcement was authorised to be given to ASX by the Board of Directors of Carly Holdings Limited.

Authorised by:

Chris Noone
CEO and Director
Carly Holdings Limited

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About Carly Holdings Limited

Carly Holdings Limited (ASX:CL8) <https://investors.carly.co/> is listed on the Australian Securities Exchange. It is Australia's leading listed company focused on providing innovative mobility solutions for consumers and the automotive industry. Carly Holdings operates www.DriveMyCar.com.au Australia's leading peer-to-peer car rental business, and www.Carly.co, Australia's first flexible car subscription service.

Appendix 4C

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

Name of entity

Carly Holdings Limited (ASX:CL8)

ABN

60 066 153 982

Quarter ended ("current quarter")

31 March 2022

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	847	2,252
1.2 Payments for		
(a) research and development	(220)	(780)
(b) product manufacturing and operating costs	(568)	(1,840)
(c) advertising and marketing	(47)	(244)
(d) leased assets (interest amounts)	(19)	(41)
(e) staff costs	(328)	(1,146)
(f) administration and corporate costs	(64)	(265)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	9
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(397)	(2,054)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	(265)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
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 (transfer to vehicle lease security account)	-	(200)
2.6 Net cash from / (used in) investing activities	-	(465)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	655
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	(72)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (principal amounts on lease liability)	(87)	(187)
3.10 Net cash from / (used in) financing activities	(87)	396

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	2,096	3,735
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(397)	(2,054)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	(465)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(87)	396

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,612	1,612

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,612	2,096
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,612	2,096

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	100
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

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	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
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.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(397)
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,611
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	1,611
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	4.1
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 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?	
Answer: Not applicable	
8.6.2 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?	
Answer: Not applicable	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: Not applicable	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

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

Date: **29 April 2022**

Authorised by: **Board of Directors**
(Name of body or officer authorising release – see note 4)

Notes

- 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.
- 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.

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

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.