

CFOAM LIMITED

ASX ANNOUNCEMENT

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WEST PERTH WA 6005

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17 March 2023

Companies Announcement Office
ASX Limited
Level 6, 20 Bridge Street
Sydney NSW 2000

CFOAM makes Strategic Investment into CarBon New Energy

- Turnkey solution for zero emission commercial vehicle transition
- Highly experienced and proven Management Team in new energy sector
- Strong Government support and funding
- Revenue generating in first year of operations – highly scalable
- Blue-Chip national customer engagement and adoption

CFOAM Limited (ASX:CFO) has made a strategic investment of \$200,000 for a 3.29% stake in CarBon Investment Co Pty Ltd (CarBon), a national **first to market** Electric Vehicle (EV) only leasing and subscription business, with a strong focus on accelerating the decarbonisation of Australian Commercial Fleets.

Founded by experienced logistics specialist Scott Gillespie, CarBon is spearheading the green transition of Australia's commercial transport sector by delivering fit-for-purpose EV integration solutions to help drive ESG strategies within businesses.



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The CarBon Offering

CarBon is Australia's first purely Electric Vehicle Leasing, Subscription & Rental company. CarBon connects with EV manufacturers and new energy technology participants to provide a tailored model for EV vehicles to be deployed into commercial and passenger settings. CarBon partners with each customer to provide information, support and guidance throughout the EV transition process.

CARBON PRODUCT OFFERING

DIRECT TO CUSTOMER

- Long term lease – 48 or 60 month term
- Set residual values where client hands back the vehicle or pays the residual and owns it.
- Reduced weekly payments for client
- Exclusive arrangements with dealers such as Foton and SEA Electric
- Nil vehicle return vehicle risk
- \$2.5 billion car leasing market in Australia
- Competitors in this space include SG fleet, Eclix Group, McMilan Shakespeare

SUBSCRIPTION

- Fixed weekly rate for vehicle (incl of insurance, rego, maintenance, roadside assistance etc.)
- OPEX instead of CAPEX, no residual value risk.
- 26 weeks minimum term on passenger cars and 52 weeks for commercial vehicles.
- Forbes estimated that 10% of the 1.9m cars on the roads would be subscription by 2025
- Splend and Carbar are considered competitors in this sector

NOVATED LEASING

- Salary packaging allows an Employee to pay for their new vehicle and its running costs from their Pre-Tax Salary.
- Legislation passed by the Federal Government and backdated to 1 July 2022 state that Electric Vehicles Under \$84,916 are exempt from Fringe Benefits Tax
- No post tax contributions and no logbook!
- Results in a significant saving as Income Tax is calculated AFTER the Novated Lease deductions are made.
- Other market players include Maxxia and Fleetcare.

CarBon has generated first revenues from a Q4 2022 ramp up and has immediate contracted opportunities to accelerate further growth and a strong commercial pipeline.

CFOAM's Chairman Gary Steinepreis said: "CFOAM is pleased to be part of CarBon's journey as it commercialises and executes its business plan to be the leader in commercial fleet decarbonisation in Australia and in time, globally."

"We recognise the potential of the business and its strong pipeline, which is already translating into revenue generating sales. CarBon is using its first mover advantage to generate significant commercial interest, enquiries and immediate revenue."

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Commenting on the Investment, CarBon CEO Scott Gillespie said: “This investment is an important milestone and we are pleased to welcome CFOAM as a shareholder as we accelerate our commercialisation strategy.”

“We have a solid platform and great depth of existing and new customers and we look forward to driving the growth of EV uptake and fleet transition in Australia.”

This ASX release has been approved for release by Gary Steinepreis on behalf of the Board of Directors

For further details, please contact:

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