
SEPTEMBER 2023 QUARTERLY ACTIVITIES REPORT

Carly Holdings Limited (ASX:CL8) is pleased to present its consolidated cash flow report and business update for the quarter ended 30 September 2023.

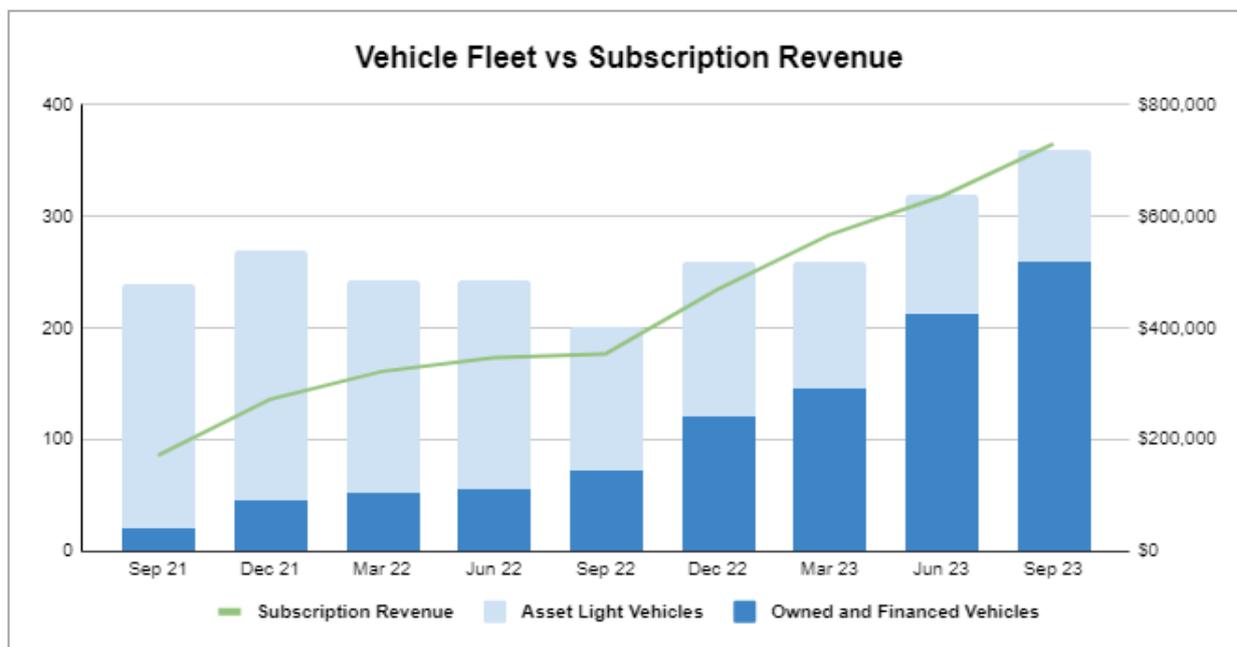
Carly has continued to deliver on key objectives, achieving a material increase in fleet size and a record number of active subscribers which delivered an 106% increase in subscription revenue YOY. Following on from a strong June 2023 Quarter, subscription revenue increased by a further 15% in the September 2023 Quarter.

While growth accelerated and investments were made in marketing and the vehicle fleet, Net Cash Used in Operating Activities decreased by 38% compared to the June 2023 Quarter on a like for like basis (i.e. excluding receipt of R&D Tax Refund in June 2023 Quarter).

Key highlights include:

- 106% increase in Subscription Revenue vs September 2022 Quarter and 15% increase vs June 2023 Quarter
- Average Monthly Subscription Revenue continues to grow, reaching \$243,000 per month in the quarter (\$212,000 June 2023 Quarter) - another new record for the business. Annualised Run Rate of >\$3.1 million based on \$258,000 in the month of September.
- Customer Receipts again exceeded \$1m for the quarter, up 41% on the September 2022 Quarter and up 11% vs June 2023 Quarter
- Continued focus on cash management delivered a 38% reduction in Net Cash Used compared to June 2023 Quarter (excluding R&D Tax Refund of \$127,000 in the June 2023 Quarter). Net Cash Used in the September 2023 Quarter decreased 36% compared to the September 2022 Quarter (excluding R&D Tax Refund received in September 2022 Quarter) despite growing vehicle fleet and investment in marketing
- 47 vehicles were added to the owned and financed vehicle fleet, reaching 259 vehicles at the end of the September 2023 Quarter, an increase of 255% since the September 2022 Quarter. Overall fleet size was 359 vehicles at 30 September
- 22% decrease in Product Manufacturing and Operating Costs vs September 2022 Quarter and 19% decrease vs June 2023 Quarter despite significantly growing the fleet
- A Business Development Manager commenced to spearhead the growth of car subscriptions in the corporate, government and not for profit sectors.
- Successfully completed \$0.35m Tranche 2 capital raise





Subscription Revenue increased by 15% compared to the June 2023 Quarter, and increased 106% compared to the September 2022 Quarter, driven by continued growth in the number of subscriptions and an increase in the number of new 2023 model vehicles. Total fleet size at the end of September 2023 was 359 vehicles, with owned and financed vehicles representing 72% of the fleet.

These latest results reaffirm that Carly is continuing to demonstrate success in three key objectives:

- Securing supply of vehicles in a timely manner that are then highly utilised
- Increasing overall Subscription Transaction Value and retaining a higher proportion as revenue.
- Reducing operating cash outflows while supporting accelerated growth

Subsequent Events

Since the end of the September 2023 Quarter, Carly has laid the foundations for continued growth in the consumer and corporate markets:

Chargefox EV Charging Agreement

An agreement was signed with Chargefox, Australia’s leading EV charging network enabling Carly to bundle EV charging packs with electric vehicle subscriptions, increasing the value provided to retail and corporate customers and simplifying the adoption of EVs for our customers. This relationship enhances Carly’s ‘try before you buy’ EV subscription proposition and reduces the barriers to entry for individuals and companies transitioning to electric vehicles. Carly and Chargefox intend to work together to jointly promote the proposition.

Employee Rewards

Carly has signed agreements to enable the distribution of educational information and promotional offers to over 990,000 Australian employees via employer benefits programs. Carly will use this channel to access a large segment of retail customers and establish car subscription as the more flexible alternative to long term finance and debt.

CarlyNow

The first agreements for the CarlyNow dealership subscription product have been signed with leading dealerships representing key automotive brands.

Radio Advertising

Carly will commence radio advertising in the Sydney region during October/November in anticipation of increasing fleet size. 15 and 30 second commercials will air on commercial stations and across digital radio platforms.

Out of Home Advertising

Radio advertising will be supported by OOH advertising (e.g. digital signage, bus advertising, billboards etc). The advertising will be specifically targeted in key areas with favourable demographics and where Carly achieves high customer conversion rates.

Corporate

Payments to related parties and their associates in the September 2023 Quarter of \$169,000 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 September 2023 Quarter, the Company maintained a cash balance of \$970,000, a decrease of \$693,000 from the June 2023 Quarter.

On 26 July 2023, Shareholders approved the issuing of 14 million shares at an issue price of \$0.025 per share, raising an additional \$350,000 (Tranche 2 of Placement). The shares were issued on 24 August 2023.

The Directors closely monitor cash flows and funding requirements and are assessing all funding alternatives to ensure that the Company can continue to pursue the growth opportunities of the businesses. The Directors are very conscious of the cash flow requirements of the Group but also seek to ensure that funding is accessed at appropriate valuations so as to preserve value and limit dilution for all shareholders.

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

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Investor Relations

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About Carly

Carly Holdings Limited (ASX:CL8) is an Australian company leading the growth of the car subscription industry in Australia & New Zealand and supporting the transition to electric vehicles. Launched in 2019, [Carly Car Subscription](#) is a flexible alternative to buying or financing a vehicle, for individuals and businesses, with insurance, registration and servicing included in one monthly payment. Average subscription period is over 5 months. Carly has secured auto industry leaders SG Fleet (ASX:SGF) and Turners Automotive (ASX:TRA) as significant shareholders, joining long-term shareholder, RACV and OEM partner, Hyundai. For more information visit: <https://investors.carly.co>

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")

30 September 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,133	1,133
1.2 Payments for		
(a) research and development	(239)	(239)
(b) product manufacturing and operating costs	(479)	(479)
(c) advertising and marketing	(107)	(107)
(d) leased assets	(47)	(47)
(e) staff costs	(444)	(444)
(f) administration and corporate costs	(130)	(130)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	6	6
1.5 Interest and other costs of finance paid	(73)	(73)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(380)	(380)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(1,117)	(1,117)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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 (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(1,117)	(1,117)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	350	350
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	(65)	(65)
3.5	Proceeds from borrowings	800	800
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(87)	(87)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(194)	(194)
3.10	Net cash from / (used in) financing activities	804	804

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,663	1,663
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(380)	(380)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,117)	(1,117)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	804	804
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	970	970

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	970	1,663
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)	970	1,663

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	169
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.

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	6,200	5,000
7.4 Total financing facilities	6,200	5,000
7.5 Unused financing facilities available at quarter end		1,200
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.		
<p>The Company currently has access to a number of asset finance facilities which enables Carly to finance motor vehicle purchases of up to an aggregate facility limit of \$6.2 million. The prevailing asset finance market interest rate is applied at the time vehicles are acquired and are fixed for the term of the loan, and the term will be a maximum of four years from the date of acquisition of the relevant vehicle. The average interest rate at 30 September 2023 was 8.12% on acquired vehicles. The facilities are secured against the asset value of the vehicles acquired.</p>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(380)
8.2 Cash and cash equivalents at quarter end (item 4.6)	970
8.3 Unused finance facilities available at quarter end (item 7.5)*	-
8.4 Total available funding (item 8.2 + item 8.3)	970
* The unused asset finance facilities of \$2.0 million disclosed under item 7.5 has not been included in the calculation of total available funding for future operating activities as that funding is reserved solely for the purchase of motor vehicles.	
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	2.6
<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

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.

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: **23 October 2023**

Authorised by: **Board of Directors**
(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.