



16 April 2021

Dear Shareholder

### RENOUNCEABLE ENTITLEMENT ISSUE

Carly Holdings Limited (ACN 066 153 982) (the **Company** or **Carly**) is undertaking a renounceable entitlement issue to shareholders of up to 42,401,561 new fully paid ordinary shares (**New Shares**) at an issue price of \$0.08 each, together with free attaching options on a one-for-three basis, with an exercise price of \$0.16 per option and expiry date of 31 May 2023 (**New Option**) to raise up to approximately \$3,392,125 before costs (**Entitlement Issue** or **Offer**). The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC and ASX on 15 April 2021. The minimum subscription under the Offer is \$3,150,000.

Mahe Capital Pty Ltd (AFSL 517246) will act as lead manager to the Offer. In consideration for Mahe Capital Pty Ltd acting as lead manager of the Offer, the Company will pay/issue Mahe Capital Pty Ltd: 1 New Option for every \$2 raised under the Entitlement Offer; a lead manager fee of \$60,000; a management fee of 1% of the total amount raised under the Entitlement Offer; and a placement fee of 5% of any shortfall placed, including any additional amount that might be placed under the Company's Listing Rule 7.1 and 7.1A placement capacity (if applicable).

The funds raised from the Offer are currently intended to be used to accelerate the growth in the supply of vehicles available for subscription and towards customer acquisition, sales and marketing activities, working capital and expenses of the Offer.

The Entitlement Issue will be offered to shareholders registered at the Record Date (as defined below) with a registered address in Australia and New Zealand (**Eligible Shareholders**) on the basis of three (3) New Shares for every four (4) Shares held (together with one (1) free attaching New Option for every three (3) New Shares subscribed for and issued).

New Shares will rank equally with all fully paid ordinary shares in the capital of the Company already on issue. All Shares issued on conversion of the New Options will rank equally with the Shares on issue at the date of the Prospectus. Following completion of the Offer (assuming maximum subscription) and based on the number of Shares currently on issue, the Company will have issued approximately 42,401,561 New Shares and 15,829,916 New Options (inclusive of 1,696,062 New Options to be issued to Mahe Capital Pty Ltd in part consideration for lead manager services provided to the Company in relation to the Offer) resulting in total Shares on issue of approximately 98,936,975 and total Options of approximately 20,212,548.

Carly announces the record date of 5:00 pm (AEST) on 20 April 2021 for the purposes of determining shareholders entitled to participate in the Entitlement Issue (**Entitlement Record Date**). A prospectus containing full details of the Entitlement Issue was lodged with ASIC on 15 April 2021 and Eligible Shareholders will be sent letters on 21 April 2021 containing details of how to access the prospectus online. The Prospectus is available on the ASX website (company announcements section, ASX code: CL8).





## Ineligible Shareholders

A Shareholder who has a registered address outside of Australia or New Zealand (**Ineligible Shareholder**) will not be eligible to participate in the Entitlement Offer.

You are not eligible to participate in the Entitlement Offer and you will not be sent a copy of the Prospectus. This decision has been made pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules after taking into consideration the costs of complying with legal and regulatory requirements in jurisdictions outside of Australia and New Zealand compared with the small number of Ineligible Shareholders and the number and value of New Shares to which they would otherwise be entitled.

The Company has appointed Mahe Capital Pty Ltd (AFSL 517246) (**Nominee**) (who is also the lead manager to the Offer) as nominee to sell the rights to subscribe for New Shares pursuant to the Prospectus (**Entitlements**) to which Ineligible Shareholders are entitled. The Nominee will have the absolute and sole discretion to determine the timing and price at which the Entitlements may be sold and the manner of any such sale.

Any interest earned on the proceeds of the sale of these Entitlements will firstly be applied against expenses of such sale, including brokerage, and any balance will accrue to Ineligible Shareholders.

The net proceeds of the sale of these Entitlements will then be forwarded by the Company as soon as practicable to the Ineligible Shareholders, in proportion to their share of such Entitlements (after deducting brokerage commission and other expenses). If any such net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company.

Notwithstanding that the Nominee may sell Entitlements, Ineligible Shareholders may nevertheless receive no net proceeds if the costs of the sale are greater than the sale proceeds.

There is no guarantee that the Nominee will be able to sell Entitlements of Ineligible Shareholders on ASX and Ineligible Shareholders may receive no value for the Entitlements. Both the Company and the Nominee take no responsibility for the outcome of the sale of such Entitlements or the failure to sell such Entitlements.

If you have any queries concerning the Entitlement Offer, please contact your financial adviser or Karen Logan, the Company Secretary, by email at [shareholder@carly.co](mailto:shareholder@carly.co).

Yours faithfully

**CARLY HOLDINGS LIMITED**

A handwritten signature in black ink, appearing to read 'Chris Noone', written over a white background.

Chris Noone  
CEO and Executive Director