



Leading the Transition to Car Subscription

Investor Presentation

March 2021



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Carly Holdings Overview

The Company

Carly Holdings is innovating in the rapidly evolving automotive and mobility markets in Australia.

Major shareholders include leaders in the automotive industry **SG Fleet, Turners Automotive and RACV**

Industry Experience

10+ years' experience operating DriveMyCar, Australia's largest peer-to-peer car rental platform.

Leveraging proprietary technology and extensive industry partnerships.

The Ideal Solution

Carly, **Australia's first flexible car subscription service** launched in March 2019.

A monthly recurring payment covers all expenses, just add fuel.

The use of a car without the long-term burden of debt or ownership; Carly offers a more flexible alternative to finance or outright purchase.

Uniquely Positioned

We enable the existing \$55 billion p.a. auto industry to derive a **new source of revenue from their vehicles** by providing a complete car subscription solution.

Our capital light business model means we **invest in technology and marketing**, not in purchasing vehicles.

Market Opportunity

38% of Australians* would consider subscribing to a car rather than purchasing or leasing.

New car sales have been declining and dealer profit margins are being squeezed.

Consumers and businesses are wary of long-term debt.

Car subscription adoption has been accelerating during COVID-19.

*Carly commissioned Omnipoll survey (June 2020)

What is a Carly Car Subscription?

A fast, flexible and low-risk way for individuals and businesses to access quality new or used vehicles online for 30 days+

The key benefits of Carly Subscription are:

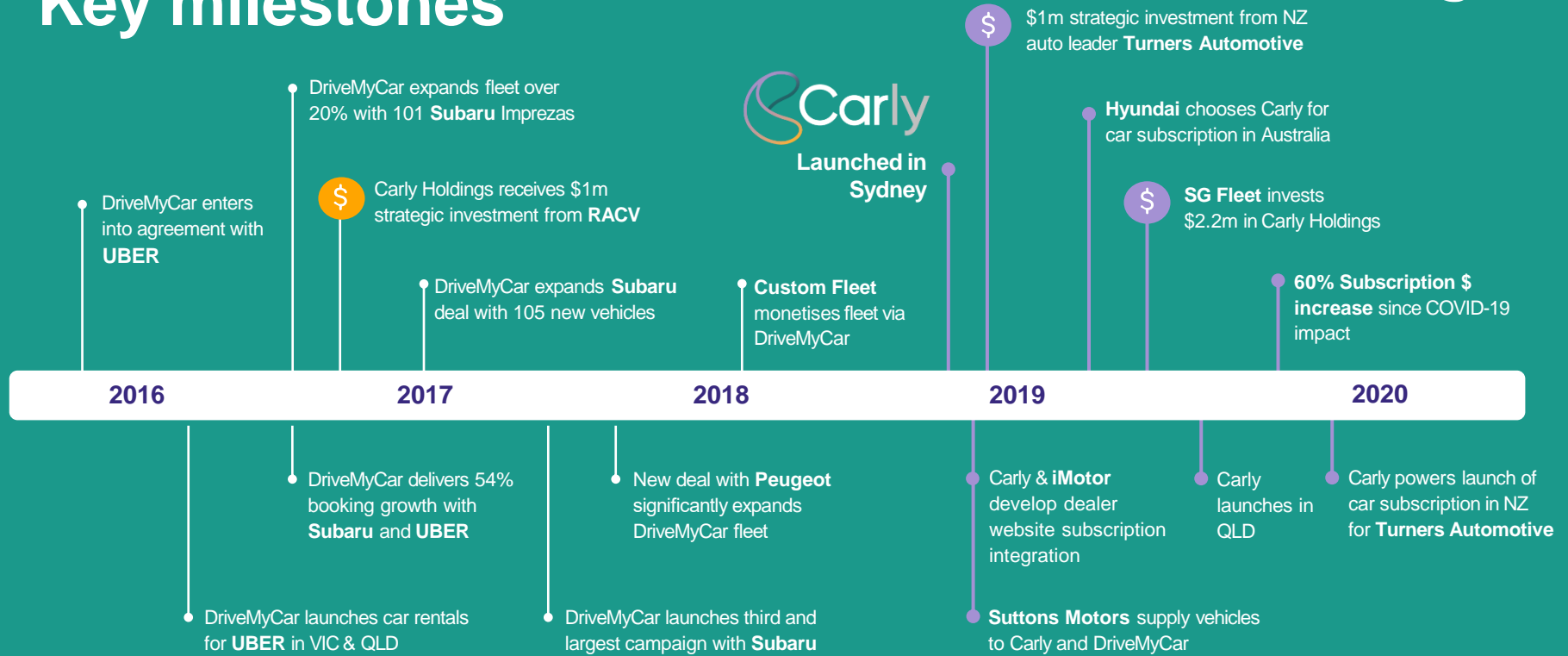
- one simple monthly subscription fee includes registration, insurance, maintenance and roadside assistance costs
- exclusive car use
- no break fees
- no upfront deposits
- minimum 30 day term and cancel with 30 days notice
- ability to switch the vehicle to suit changing needs
- **not** a long-term financial commitment or debt

The subscriber simply covers the cost of fuel and tolls



Carly business customer
Lust Liquor, Sydney

Key milestones



The way people access cars is changing rapidly



Shift from Car Ownership to Access

Ownership is increasingly being seen as a burden as it is inflexible and requires long-term financial commitment. People value access to cars that meet their needs at a particular time.



Rise in use of Subscription Services

From mobile phones to on-demand movies and food, subscription offers an attractive and effective solution to accessing a range of products with a simple recurring payment.



Automotive Industry Disruption

New car sales are in decline, dealer profit margins are shrinking and customers are being refused credit. The auto industry knows it must evolve its offering.



Uptake of Multiple Mobility Solutions

Individuals and businesses of all sizes are seeking a range of mobility solutions to match their lifestyle or commercial requirements, which can vary hourly, daily or monthly.

Carly website

***NEW*
Homepage**

The homepage features a top navigation bar with links for Home, About Us, How it works, Contact Us, and Sign Up. The main content area includes a 'Subscribe to your next car' banner with a silver SUV image and a 'FIND YOUR CAR' button. Below this is a 'Why Carly Subscription?' section with a smartphone image and a list of benefits: Flexibility and Control, No Unexpired or Unused Credit, Saving You Money, All Inclusive Payment, and Subscribe Online and Save Time. A 'Featured cars' section displays four car models: Sedan, Hatchback, Wagon, and SUV. At the bottom, a 'How it works?' section is divided into five numbered steps: 1. Choose a car, 2. Sign up and subscribe in minutes, 3. Drive away, and 4. Cancel anytime.

The search results page shows a filter bar at the top with options for Availability, Price, Make, Body type, Year, Distance, Number of seats, and Lifestyle. The main content area is titled 'Choose from 123 cars' and displays a grid of car listings. Each listing includes a car image, model name, year, price per week, and distance. The cars shown are: 2019 Hyundai IONIQ (3 models), 2016 Holden Captiva, 2020 Hyundai Tucson, 2020 SKODA Octavia (2 models), and another 2020 SKODA Octavia.

Results page

The car details page for a 2018 Hyundai i30 features a large image of the car and a pricing table with three options: Entry (\$210/week), Medium (\$245/week), and Large (\$294/week). The pricing table also lists weekly costs for various services like Switch, Finance per month, Excess km rate, Damage liability, Warrantee, Servicing, and Roadside assistance. Below the pricing table, there are sections for 'Specifications' and 'Features'.

Car details page

A start-up with a head start

Carly is a first-mover in the Australian car subscription market; leveraging the experience, partnerships and proprietary technology developed by **DriveMyCar**, Australia's first and largest peer-to-peer car rental platform



Carly has strong market potential:

- No dominant competitors
- 59% of Carly Holdings revenue
- Significant industry partnerships

Turners.
Automotive Group

 **HYUNDAI**

 **sgfleet**



DriveMyCar operates in key rental markets:

- Long-term car rental
- Rideshare rental
- Accident replacement rental
- 10+ years' experience
- Over \$10.4m paid to owners
- Over 466,000 rental days delivered

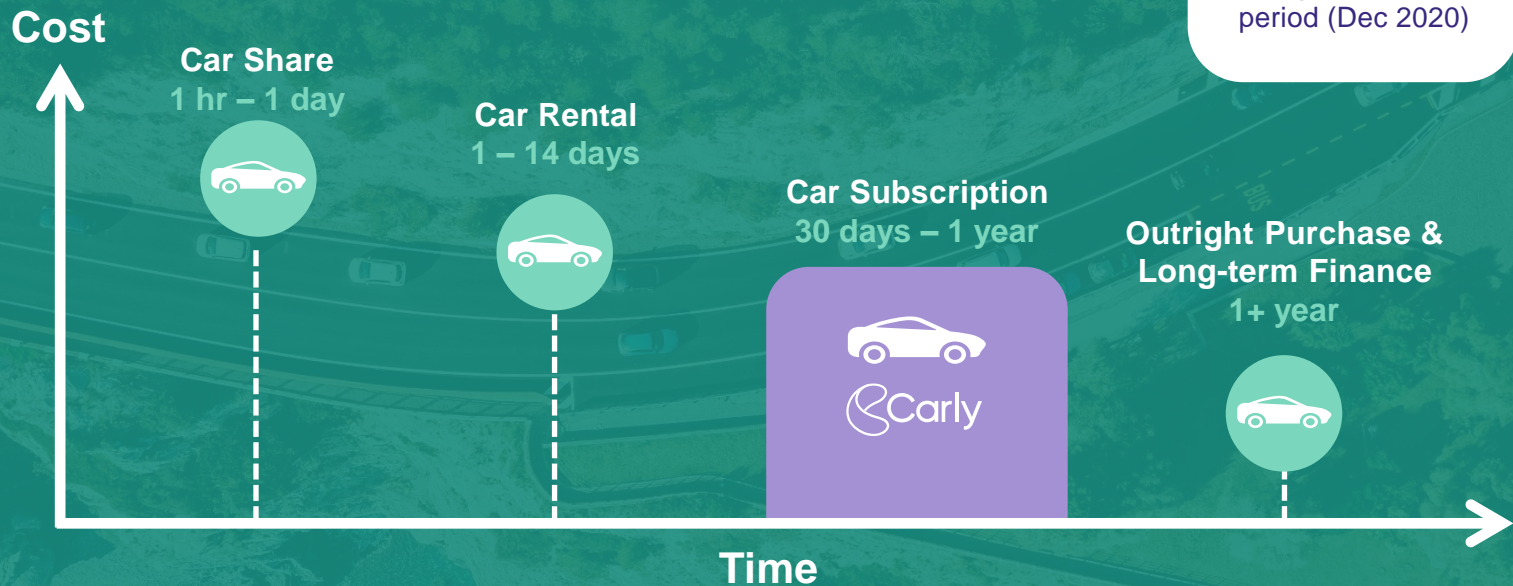
Car subscription has been identified as a larger opportunity with fewer competitors than car rental and is **the primary focus for Carly Holdings in the future**



Subscription fills a large gap in the mobility market

5.22 months

Average subscription period (Dec 2020)



Carly connects subscribers with suppliers of vehicles



Carly does not compete with the automotive industry, Carly enables the industry to *evolve* and *survive*

Car subscription market potential

The new and used car sales market in Australia is valued at **\$55 billion p.a**

AFR - Apr 2020



38%

of Australians would consider a car subscription for their next vehicle

Carly commissioned OmniPoll research conducted (Jun 2020).

59%

'Probably Would' or 'Definitely Would' be interested in car subscription in the US

JD. Power Mobility Disruptors © 2018 J.D. Power (Jun 2018).

10%

of all new vehicle sales in the US and Europe could be via vehicle subscription programs by 2025 - 2026

Frost & Sullivan: Future of Vehicle Subscription-Business Models and Opportunities in North America & Europe, 2025 (Oct 2018).

Car Subscription Market Penetration Potential

(Value of cars on subscription as a proportion of new and used car sales)

1%
\$550m

5%
\$2.75b

10%
\$5.5b

The right time for Car Subscription

Many businesses have been severely impacted by COVID-19, however **Carly** **increased revenue** as people sought lower risk, vehicle access solutions that do not require long-term financial commitment.

76%

Growth in subscribers
Subscription growth continued despite COVID-19 and movement restrictions

MAR 2020

DEC 2020

89%

Growth in subscription transaction value
Growth since the period prior to COVID-19 restrictions

MAR QTR 2020

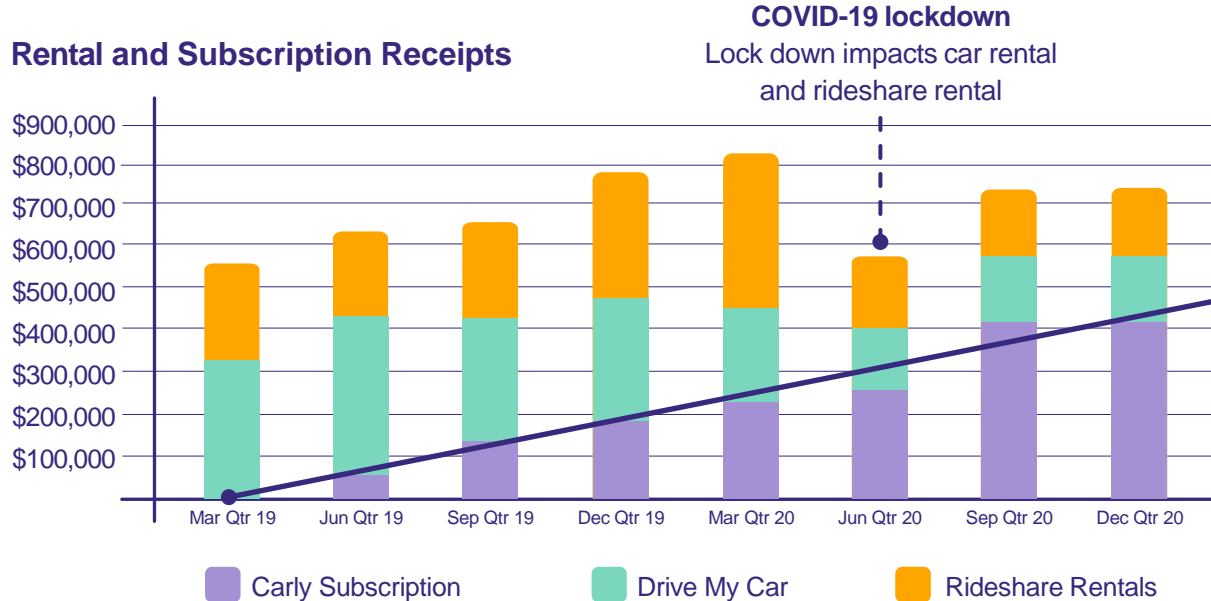
DEC QTR 2020

It's likely that COVID-19-related concerns about strength of the economy will accelerate the shift to car subscription.



Car subscription grows despite COVID-19

Rental and Subscription Receipts

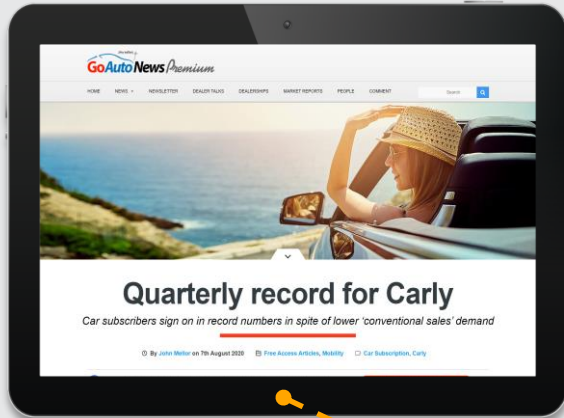


Consistent growth of Carly Car Subscription
Exceeds pre-COVID 19 revenue

5.22 months
Avg retention period (Dec 2020)

20 months
Longest subscription period

The auto industry and consumers realise the value of Car Subscription

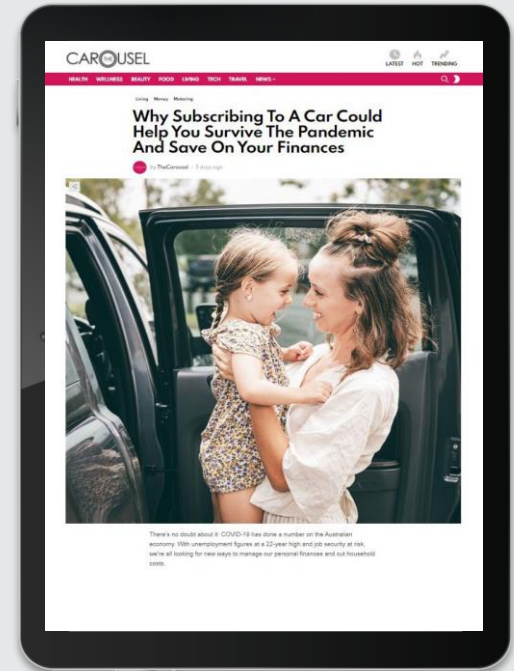


CARLY, the Australian car subscription provider has had all-time record subscription sales in the quarter to June 2020 in spite of, or possibly because of, the challenging sales numbers in the 'conventional' car market.

The company says that the number of live Carly car subscriptions increased by 43 percent during the June 2020 quarter.

“Like many businesses, Carly had to deal with the impact of COVID-19 during the June 2020 quarter but it proved resilient and achieved the highest quarterly growth in subscriptions since the beginning of FY20.”

7 AUG 2020 | **Go Auto News**



3 SEP 2020 | **The Carousel**

Media Coverage

Sophia

Consumer Case Study



Lust Liquor

Business Case Study



Sunrise

Carly featured on Sunrise

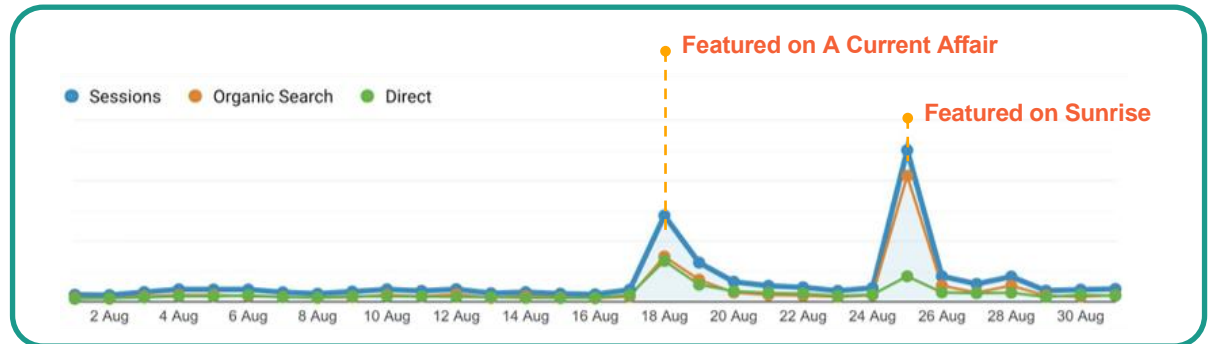


A Current Affair

Carly featured on A Current Affair



After Carly was featured on **Sunrise** and **A Current Affair**, the number of people searching for Carly on Google **increased dramatically**



Carly in the News



Car Subscriptions soaring



Tax win for Carly subscribers

BUSINESS
INSIDER

Australians are swapping their wheels for car subscriptions

Money
CREATING FINANCIAL FREEDOM

Car subscriptions are revving up

Auto Rental
NEWS

Carly has joined forces with one of Victoria's leading automotive groups

CAROUSEL

Subscribing to a car could help you survive the pandemic and save on your finances

FINANCIAL
REVIEW

The \$700 million fleet management group SG Fleet has taken a stake in Carly

FINANCIAL
REVIEW

Netflix Style Car Subscription Company Reboots

carsguide

Hyundai pairs with Carly car subscription service

TechInvest

Genesis Chooses Carly for Car Subscription in Australia

38%

of Australians would consider subscribing to a car rather than purchasing or leasing

47%

of people with children would consider subscribing to, rather than purchasing their next car

69% + 50%

GEN Z
(18-24 yrs)

MILLENNIALS
(25-34 yrs)

indicated they'd prefer a no-strings-attached car subscription option

Australians' attitudes towards Car Subscription

Interest in Car Subscription has increased since COVID-19...

Of those considering car subscription,

42%

are more likely to consider a subscription now compared to 6 months ago.

46%

would consider car subscription *and...*

24%

are more likely to choose it **NOW**

31% of people surveyed were **extremely or very worried about their financial situation** due to the pandemic. Of these...

**OmniPoll**

Carly commissioned Omnipoll* survey (Jun 2020)

* Survey conducted in June 2020 by OmniPoll amongst a national sample of 1228 people aged 18+. Respondents were drawn from the online consumer panel managed by Lightspeed Research, OmniPoll's online partner. Sample quotas were set for each state, city and regional area, by sex and age. To reflect the overall population distribution, results were post-weighted to Australian Bureau of Statistics data (Census 2016) on age, highest level of schooling completed, sex and area.

ATO Product Ruling

Carly has secured a product ruling from the **Australian Taxation Office** that provides a clear framework for Carly subscribers using cars for **business or work purposes to claim tax deductions**.

The ATO Product Ruling is **exclusive to Carly** and does not apply to any other car subscription offerings.

Carly is the only car subscription offering that can currently provide certainty of tax deductibility on car subscription payments.

Benefits for Carly's customers



Businesses that use Carly can claim the full dollar amount of the Subscription Fee as a deduction if the cars are used in carrying out business and/or provided to employees for their usage.



Businesses that reimburse employees can claim a deduction for the full dollar amount of all the Subscription Fees reimbursed to employees for the period of the subscription, as long as the car is used for business.



Individuals can claim Subscription Fee payments as a deduction in their income tax return if the vehicle is being used for business or work purposes.

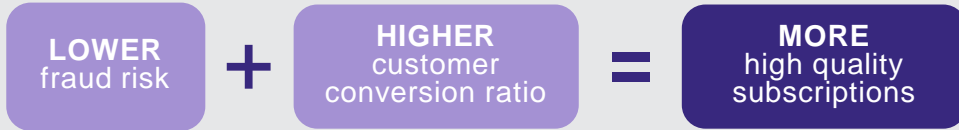
The Product Ruling (PR 2020/11) is only a ruling on the application of taxation law. It is only binding on the ATO if the Scheme is implemented in the specific manner outlined in the product ruling.



Experience delivers lower risk and higher conversion

Competitors compensate by charging large upfront fees that restrict customer uptake or ignore risk altogether.

The experience of completing over 4,000 monthly recurring vehicle transactions **means that Carly can deliver:**



Other subscription providers do not have the experience, knowledge or technical capability to reduce risk the way that Carly can deliver through **peerpass>>**

*The effectiveness of the PeerPass platform enabled the achievement of a lower than industry average Claims Loss Ratio for its insurance policy in 2019/20 and continuing into 2020/21.



peerpass>>

Developed by Carly, **peerpass>>** is used to verify customers and reduce risk.

It's effectiveness has been proven through year-on-year lower Claims Loss Ratios than most traditional rental companies*

Industry leading partnerships



Rentals for rideshare drivers and the first accident replacement rental solution for Uber



Supply of new Mitsubishi, Renault, KIA, Subaru, Nissan vehicles



Supply of new and ex-lease vehicles



Carly launched the first manufacturer subscription service in Australia



Integrated subscription functionality developed for I-Motor's 700 dealer websites



DriveMyCar is preferred car rental provider for fleet management clients



No. 3 Carly Holdings shareholder. Carly platform powers Turners Subscription in New Zealand



Supply of rental fleet in key locations



Rideshare rental program for Peugeot vehicle range



Accident replacement rental solution developed for RACV insurance customers



Supplier of near new vehicles



Supply of new vehicles



No. 2 Carly Holdings shareholder. Demand referral agreement and supply of vehicles

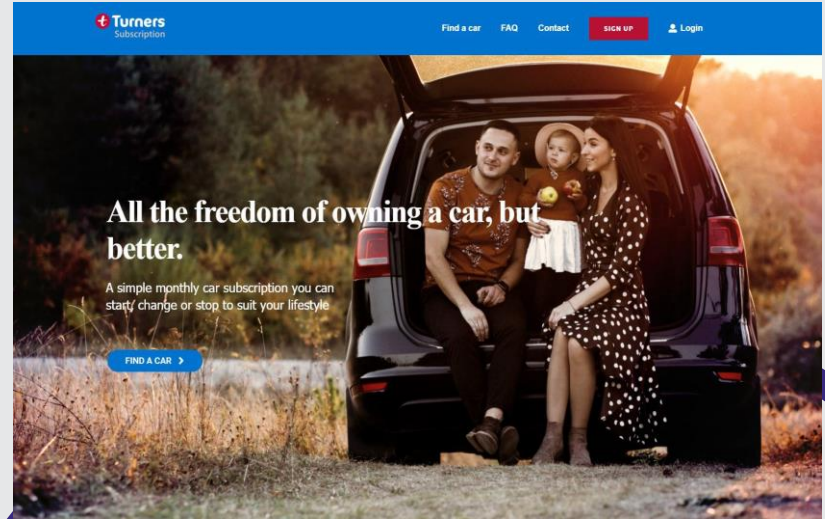


Experiential marketing campaigns for launch of Impreza and XV featuring over 200 vehicles

Turners Automotive launch car subscription in New Zealand, powered by Carly

The key benefits of Carly Subscription are:

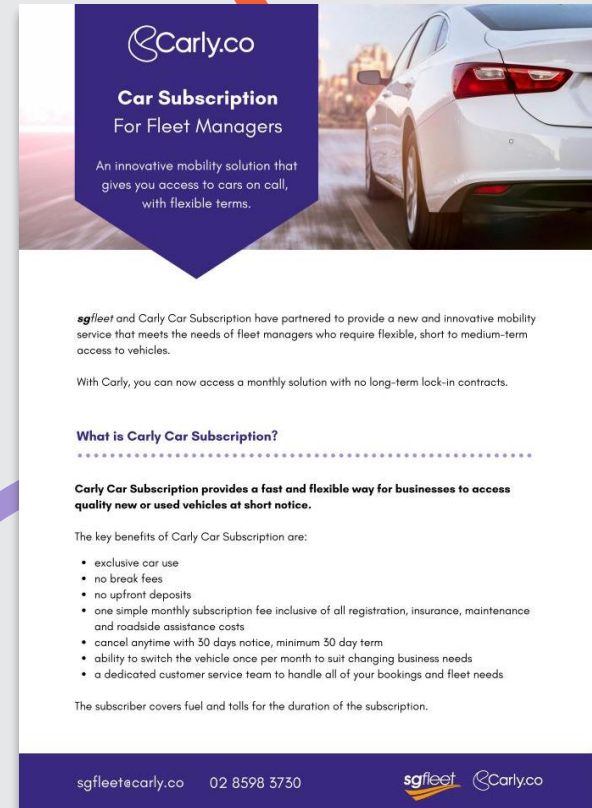
- Follows on from AUD \$1M in investment from Turners Automotive Group - the largest seller of cars in NZ
- The platform was launched in September 2020 as Turners Subscription - 'Powered by Carly'
- Technology licensing and service fee income



Carly provides:	Turners manages:
Subscription Platform Software	Fleet Management & Operations
Customer Service	Marketing

SG Fleet strategic investment, vehicle supply and B2B referral partnership

- SG Fleet invested **A\$2.2 million in Carly Holdings** in November 2019
- A dominant player in fleet management and leasing, SG Fleet **manage over 140,000 vehicles and supply Carly and DMC with vehicles**
- The B2B collaboration enables SG Fleet to **offer subscription services to its customers and derive a new revenue stream**, and provides Carly with access to business and government demand channels
- Ongoing development of this partnership provides an opportunity to further **leverage SG Fleet's operational experience and auto industry relationships**

Carly.co

Car Subscription
For Fleet Managers

An innovative mobility solution that gives you access to cars on call, with flexible terms.

sgfleet and Carly Car Subscription have partnered to provide a new and innovative mobility service that meets the needs of fleet managers who require flexible, short to medium-term access to vehicles.

With Carly, you can now access a monthly solution with no long-term lock-in contracts.

What is Carly Car Subscription?

Carly Car Subscription provides a fast and flexible way for businesses to access quality new or used vehicles at short notice.

The key benefits of Carly Car Subscription are:

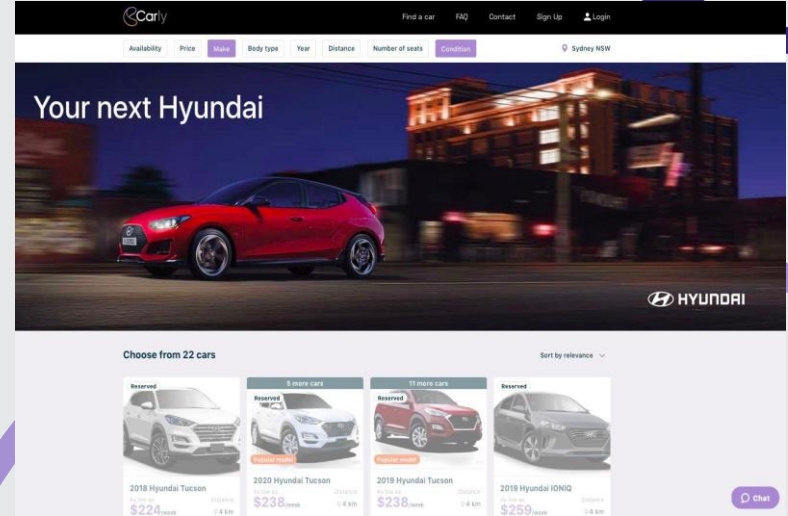
- exclusive car use
- no break fees
- no upfront deposits
- one simple monthly subscription fee inclusive of all registration, insurance, maintenance and roadside assistance costs
- cancel anytime with 30 days notice, minimum 30 day term
- ability to switch the vehicle once per month to suit changing business needs
- a dedicated customer service team to handle all of your bookings and fleet needs

The subscriber covers fuel and tolls for the duration of the subscription.

sgfleet@carly.co 02 8598 3730 **sgfleet** Carly.co

The first subscription service to partner with a manufacturer and their dealer network

- Hyundai is the **third largest car brand in Australia**
- Working with Carly to offer a **co-branded subscription** offering for its vehicle range
- Includes participation of Hyundai dealer network to **provide broad market coverage**
- Supported by **Hyundai-funded marketing campaign**
- Provides a **new way for consumers to access Hyundai vehicles**
- Delivers **both supply and demand** for Carly



Improving subscription plan economics

REVENUE SHARE

2.1%

Increase in **average Carly revenue share** from new subscription plans*

New subscription plans were launched on 1 Sep 2020. The 2.1% increase will support improvements in profit margin in future quarters

AVERAGE RETENTION PERIOD

5.0

Months
Jun 2020

5.2

Months
Dec 2020

↑ 4.4%

Longer retention periods **decrease** customer acquisition and vehicle handover costs

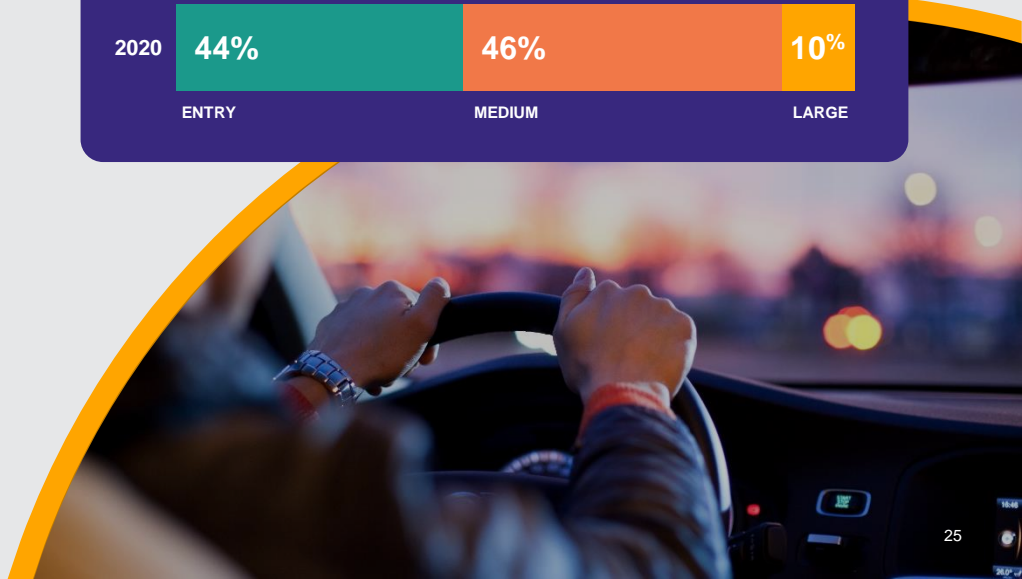
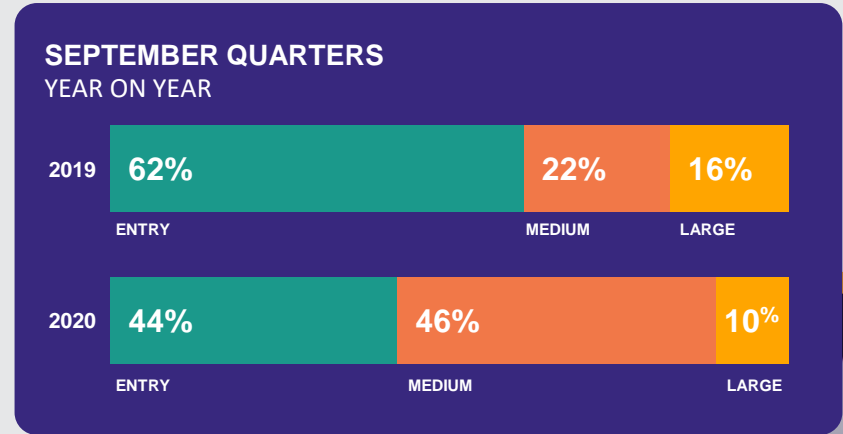


*Old plan vs new plan based on average vehicle value and subscription plan split Sep Qtr 2020

Upselling to Higher Price Subscription Plans

Through sales and marketing initiatives, Carly upsold a higher proportion of customers from ‘**Entry**’ to ‘**Medium**’ subscription plans, resulting in revenue and margin improvements.

ENTRY	MOST POPULAR MEDIUM	LARGE
From \$115 / week	From \$133 / week	From \$147 / week
1	1	2
\$3,000	\$2,000	\$1,000
1,000 km	2,000 km	2,800 km
30 cents	15 cents	10 cents



Revenue and margins are improving

COMPARISON OF QUARTERLY RESULTS

	AVERAGE SUBSCRIPTION VALUE		COST OF SALES		GROSS MARGIN	
SEP 2019	\$799		\$169		\$93	
DEC 2020	\$839	5% increase	\$143	15% decrease	\$117	25.8% increase

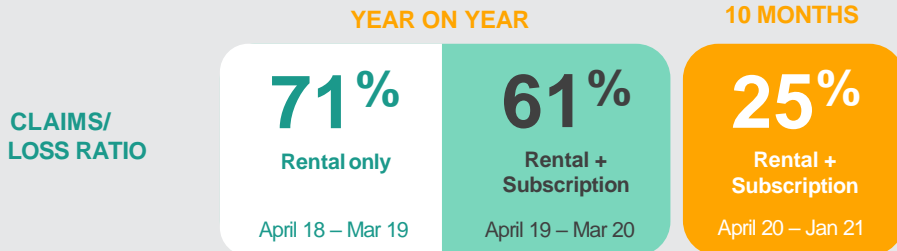
*All values are per month, per vehicle excluding GST

Upselling to higher value subscription plans, as well as increases in average end user prices supported by lower cost of sales, have driven material increases in revenue and gross margin.

Improving insurance metrics



Improvements to the performance of the motor fleet insurance policy have been achieved due to **substantially lower claims arising from Carly’s subscription model** vs. the traditional car rental model.



The **Claims/Loss Ratio** is a measure of the value of insurance claims vs premium paid. As car subscription accounts for 59% of total rental and subscription receipts (Dec Qtr 2020) the lower incidence of claims resulting from the car subscription model is having a significantly positive impact on the Claims/Loss Ratio

Carly's competitive advantage



10+ years experience in the industry



Substantial industry partnerships



Online customer acquisition



Capital light business model



Proprietary technology platform



No deposit and no long-term financial commitment



Direct and licensing income



Industry enabler, not a competitor



Mass market proposition



PeerPass verification platform



ATO Product Ruling



FY21 Growth Opportunities

White Label Opportunities

Carly will leverage the capability developed to launch Hyundai subscription in Australia, and Turners Subscription in New Zealand, to pursue platform licensing opportunities with automotive manufacturers, dealers and new market entrants

Referral Partnerships

Car subscription is a simple online proposition that is suited to customer referrals from aligned companies. Carly will expand on existing referral relationships with ServCorp, Student VIP, I-Motor and Hyundai

Business & Government

Carly will leverage the relationship with SG Fleet to offer subscription to its customers and will focus on acquisition of business and corporate customers

Electric, Hybrid & Hydrogen Vehicles

Subscription is an ideal model to introduce consumers and businesses to new vehicle technologies in a low risk and flexible way that alleviates initial concerns about driving range, battery life and depreciation

Corporate Structure

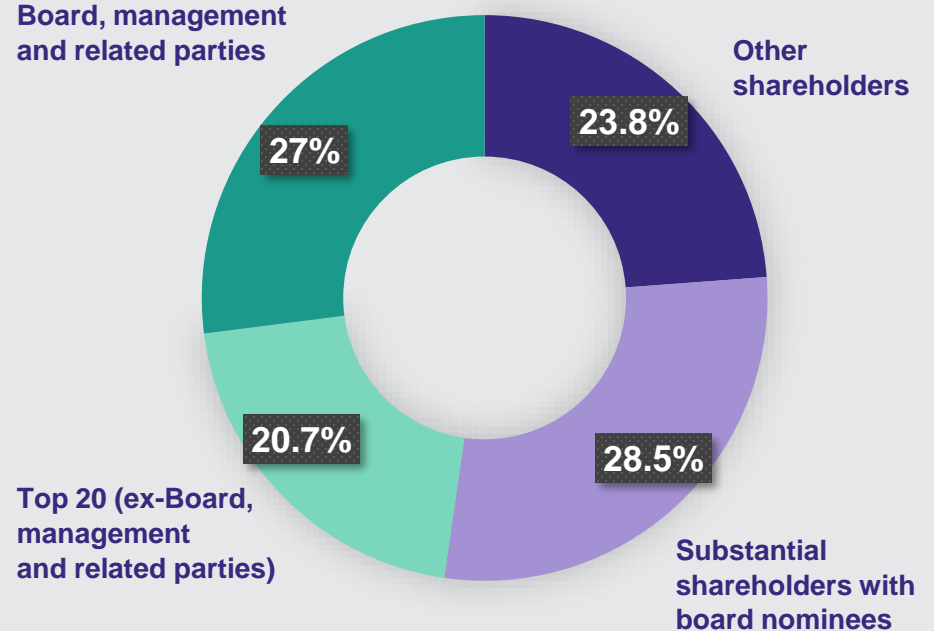
As at 29 January 2021

Shares on issue	56.5 m*
Options on issue	4.3 m*
Market capitalisation	\$9.9 m
Cash at bank 31 Dec 2020	\$1.325 m

Top Shareholders

Willoughby Capital Pty Ltd	24.7%
SG Fleet Management Pty Limited	19.6%
Turners Automotive Group Limited	8.8%
RACV Investment Holdings Pty Ltd	2.6%
Top 20 Shareholders	76.2%
Number of Shareholders	729

Board, management
and related parties



Carly Holdings Board of Directors



Chris Noone

**Chief Executive Officer
and Director**

Chris has led the evolution of Carly Holdings since 2014 and forged transformative automotive partnerships with Uber, RACV and Hyundai, SG Fleet and Turners Automotive. He has been responsible for development and launch of many innovative companies that have defined the digital market in Europe, Asia and Australia incl. Hasbro Interactive, Vodafone and ninemsn.



Robbie Blau

Non-Executive Director

Robbie is CEO of ASX-listed company SG Fleet. He has significant experience in the fleet management and leasing industry. Previously, Robbie founded Nucleus Corporate Finance in South Africa in 1999, where he advised a listed entity Super Group Limited, on corporate advisory and strategic projects. He also worked as a commercial attorney for 5 years at Werksmans Attorneys.



Todd Hunter

Non-Executive Director

Todd is the Group CEO of Turners Automotive, a New Zealand based integrated automotive financial service group. Todd is a strong and experienced senior executive, with a background in marketing, sales and accounting in both large global and domestic businesses. He is a Chartered Accountant and has worked with (EY, Microsoft and NZ Post.



Adrian Bunter

Non-Executive Director

Adrian has over 25 years' experience in accounting, finance and corporate advisory. He is an executive director of Venture Advisory, one of Australia's leading specialist technology, media and telecommunications financial advisory firms. Adrian is a member of the Executive Committee of leading angel investing group, Sydney Angels & is a director of 8common Ltd.



Stephen Abolakian

Non-Executive Director

Stephen is an accomplished executive with experience across property development, finance, capital raising and operations. He is the Managing Director of Hycorp Property Group. Hycorp is associated with Willoughby Capital, Carly Holding's largest shareholder. Stephen has a Bachelor of Economics from USYD and holds a Diploma of Financial Markets from FINSIA



Michelle Vanzella

Non-Executive Director

Michelle has an extensive combination of customer, marketing, digital, data and commercial legal skills built up across multiple industries including technology, retail, property and financial services. She practiced Corporate and Commercial Law at Allens and has held senior executive positions with iconic brands including Westfield, Suncorp and AAMI.



Paul Morris

Strategic Advisor

Paul has had a long and distinguished career in the automotive industry in Australia and Europe working in senior strategy, operational and sales roles with Inchcape and other leading companies. Most recently he was Chief Operating Officer of the ASX- listed Automotive Holdings Group Limited, Australia's largest automotive retailer

Why invest in Carly Holdings?

Consumers & businesses are ready

Access to vehicles is increasingly preferred to ownership. Carly provides flexible and cost-effective ways to access vehicles instead of relying on traditional car rental, outright purchase and long-term finance. 38% of Australians would consider subscription for their next car.

The automotive industry is ready

The automotive industry is ready. The industry is experiencing enormous challenges - manufacturers and dealers must evolve to survive.

Carly Holdings is creating **new ways to access vehicles** that consumers and businesses are demanding in a \$55 billion p.a. market

Car Subscription is gaining traction

Carly has grown steadily since launch in March 2019 and has secured partnerships with leading automotive industry players. Average subscription period is 5.22 months

Carly is best placed to win

Over 10 years experience in an adjacent market, industry partnerships, capital-light business model, proprietary technology and a market-leading car subscription offering, already on a growth trajectory.

Carly Holdings is the **only ASX-listed business** focusing on the sizeable car subscription opportunity in Australia and New Zealand





W: www.carly.co/investors

E: shareholder@carly.co

Sign up to our investor newsletter

<http://carly.co/investors/newsletter>

