
DECEMBER 2021 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 December 2021.

Key highlights include:

- **22% increase in Receipts from Customers** vs September 2021 Qtr
- **28% increase in Subscription Transaction Value** vs September 2021 Qtr and 56% increase vs December 2020 Qtr
- **55% increase in Carly Revenue** vs September 2021 Qtr and 69% increase vs December 2020 Qtr
- **Carly Revenue from Owned and Leased Vehicles increased by 440%** vs September 2021 Qtr and contributed 28% of Total Carly Revenue
- **Carly Subscription increased to 89% of Rental & Subscription Receipts** vs 82% in the September 2021 Qtr
- **Carly Revenue increased to 40% of Subscription Transaction Value** vs 33% in the September 2021 Qtr
- **34% reduction in Net Cash Used in Operating Activities** vs the September Qtr and 10% reduction vs the December 2020 Qtr
- **29% reduction in Research & Development Costs** vs the September Qtr
- **6% reduction in Product Manufacturing Costs** vs the September Qtr, despite 22% increase in Receipts from Customers
- **15% reduction in Staff Costs** vs the September 2021 Qtr
- **24% reduction in Administration & Corporate Costs** vs the September 2021 Qtr.

Despite the re-emergence of Covid-19 uncertainty with the onset of the Omicron variant, Carly Car Subscription continued to achieve strong growth across key metrics versus the September 2021 Quarter. Subscription Transaction Value increased by 28% and Carly Revenue increased by 55% compared to the September 2021 Quarter. The higher increase in Carly Revenue compared to Subscription Transaction Value is due to the implementation of the strategy to bring owned and leased vehicles into the fleet, in addition to vehicles secured through the traditional asset light model. Under the new vehicle acquisition strategy Carly retains a higher proportion of the Subscription Transaction Value as revenue, which increased to 40% in the December 2021 Quarter vs 33% in the September 2021 Quarter. Carly Subscription receipts increased to 89% of Rental & Subscription Receipts, an increase of 7% since the September 2021 Quarter as the Company continues to reduce its focus on the more volatile car rental and rideshare rental revenue streams.

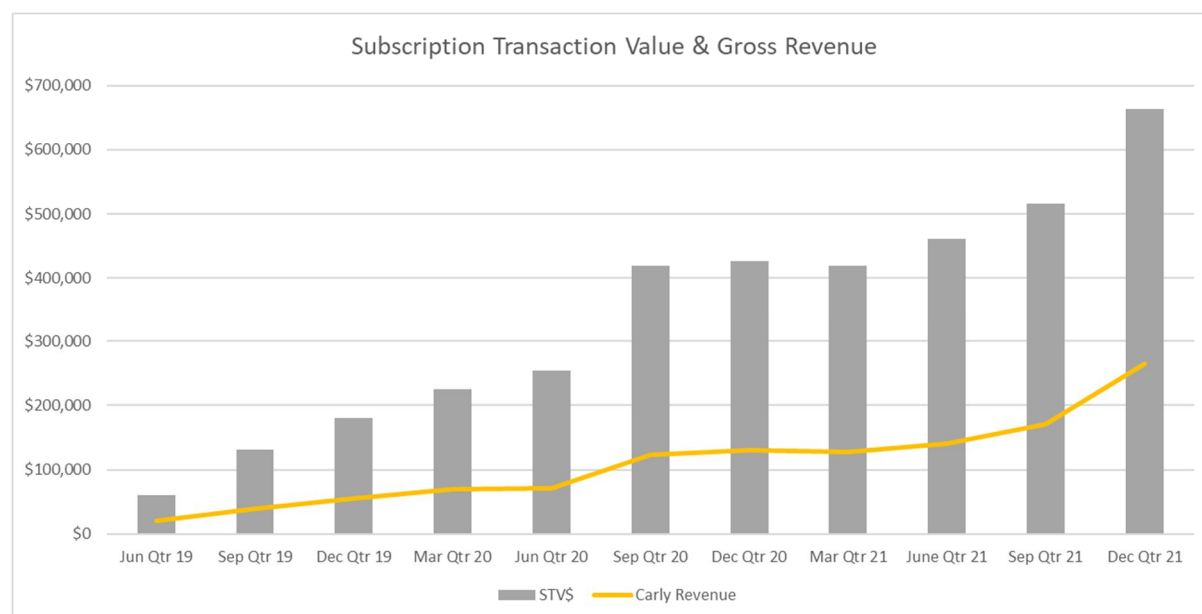


As previously announced, a new subsidiary of Carly Holdings was established to control vehicles, via owning and financing, to provide a more reliable source of vehicles to match the increasing level of demand and achieve the substantial growth potential of car subscription. As of 31 December 2021, 46 vehicles were owned or leased and contributed 28% of Total Carly Revenue. This is an increase from 24 vehicles owned or leased as at 30 September 2021. The utilisation of owned and leased vehicles is currently ahead of initial modelling and expectations.

While the Carly revenue from owned/leased vehicles increased by 440% in the December 2021 Quarter versus the September 2021 Quarter, the quarterly results alone do not fully reflect the rapid growth in revenue and utilisation that was attained by the month of December 2021. The revenue for the month of December 2021 for owned/leased vehicles was 58% higher than the average monthly revenue recognised for the December 2021 Quarter. Given the recurring nature of a Carly Car Subscription, the revenue generated by these vehicles can be expected to continue into the March 2022 Quarter.

Over the last two quarters, Carly has sought to confirm the thesis that it can acquire high demand vehicles, quickly have them subscribed by customers and generate a strong return on those assets. Given the performance to date, Carly has proven this thesis, and will look to expand the fleet of owned and leased vehicles.

The ongoing focus on cost control delivered substantial savings in all cost areas except Advertising and Marketing which increased by a modest 18% vs the September 2021 Quarter as Carly increased marketing with the easing of restrictions and improved vehicle supply. Total cash outflow for expenses reduced by 12% in the quarter vs the September 2021 Quarter.



Corporate

As announced on 6 August 2021 Carly Holdings Limited proposed to undertake the selective buy-back and cancellation of 800,000 fully paid ordinary shares (on a post-consolidation basis) (Collateral Shares) issued under the controlled placement deed with Acuity Capital (CPD), the details of which were announced on 10 January 2019. Under the CPD with Acuity Capital, the Company had access to up to \$3,000,000 of equity over a 30-month period. As noted in the

Quarterly Activities Report released to the ASX on 29 July 2021, the CPD expired on 31 July 2021. In accordance with the terms of the CPD, the Company and Acuity Capital have entered into a buy-back agreement in order for the Company to buy-back and cancel the Collateral Shares for nil consideration (Buy-Back). Shareholder approval was received at the annual general meeting (**AGM**) held on 18 November 2021 and the buy-back was completed on 19 November 2021.

On 3 December 2021 Carly Holdings Limited issued 8,185,125 fully paid ordinary shares and 2,728,374 quoted options exercisable at \$0.16 per option, with an expiry date of 31 May 2023 raising \$0.65 million under the Tranche 2 Placement. Shareholder approval was received at the AGM for major shareholders of the Company, SG Fleet Management Pty Limited and Willoughby Capital Pty Ltd as trustee for the Willoughby Capital Trust, to participate in the Tranche 2 Placement.

During the quarter, Carly Holdings Limited transferred \$200,000 to a restricted cash account to provide security associated with the provision of a vehicle leasing facility. This is disclosed as a cash outflow in "Cash flows from investing activities". The restrictions on these funds will be released upon completion of the leasing facility.

Payments to related parties and their associates in the December 2021 Quarter of \$106,000 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 December 2021 Quarter, the Company maintained a cash balance of \$2.09 million, a decrease of \$0.35 million from the September 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) www.carly.co/investors 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 December 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	773	1,405
1.2 Payments for		
(a) research and development	(233)	(559)
(b) product manufacturing and operating costs	(615)	(1,272)
(c) advertising and marketing	(106)	(196)
(d) leased assets (interest amounts)	(14)	(22)
(e) staff costs	(377)	(818)
(f) administration and corporate costs	(87)	(201)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	7
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	(656)	(1,657)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(60)	(265)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 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)	(200)
2.6 Net cash from / (used in) investing activities	(260)	(465)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	655	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	(25)	(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)	(66)	(100)
3.10 Net cash from / (used in) financing activities	564	483

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	2,448	3,735
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(656)	(1,657)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(260)	(465)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	564	483

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,096	2,096

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	2,096	2,448
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)	2,096	2,448

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	106
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

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)	(656)
8.2 Cash and cash equivalents at quarter end (item 4.6)	2,096
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	2,096
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	3.2
<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?	
<p>Answer:</p> <p>Not applicable</p>	
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?	
<p>Answer:</p> <p>Not applicable</p>	
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?	
<p>Answer:</p> <p>Not applicable</p>	
<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

- 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: **31 January 2022**

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.

Appendix 4C

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.