Appendix 4E – Preliminary Final Report

(ASX Listing rule 4.3A)

Company Name:	Carly Holdings Limited (the **Company**)
ABN:	60 066 153 982
Reporting Period:	Financial year ended 30 June 2024
Previous Reporting Period:	Financial year ended 30 June 2023

Results for Announcement to the Market

The results of Carly Holdings Limited for the year ended 30 June 2024 are as follows:

Revenue	Up	71%	to	$3,600,138
Loss from continuing operations	Up	33%	to	($4,177,330)
Net loss for the period attributable to members	Up	33%	to	($4,177,330)

Dividends

No dividends have been paid or declared by the Company since the beginning of the current reporting period. No dividends were paid for the previous reporting period.

Net Tangible Assets per Share

	2024	**2023**
Net Tangible Assets per Share (cents)	(1.25)	0.20

Explanation of results

The Group revenue from continuing operations increased by $1,499,707 or 71% to $3,600,138. Gross profit increased by $331,136 or 40%. The Group incurred a loss of $4,177,330 for the year (2023: $3,142,225).

The reduction in the Net Tangible Asset per Share result in 2024 reflects the 2024 capital raise and increase in debt to fund the acquisition of new vehicles.

For further information on the current year results, refer to the Review of Operations contained within this document.

Status of Audit of Accounts

The accounts are in the process of being audited.

As with prior year audits, the Directors expect that due to the losses incurred in the business that the auditors will highlight the material uncertainty related to going concern of the Company as an emphasis of matter.

The Preliminary Financial Report for the year ended 30 June 2024 is attached.

Signed in accordance with a resolution of the Directors:

Chris Noone
Chief Executive Officer/ Executive Director
Dated at Sydney, New South Wales this 30th day of August 2024

Carly Holdings Limited

ACN 066 153 982

2024 UNAUDITED PRELIMINARY FINANCIAL REPORT

Carly

CORPORATE DIRECTORY

Directors

Mr Adrian Bunter - Non-Executive Chairman
Mr Chris Noone - Chief Executive Officer and Executive Director
Mr Stephen Abolakian - Non-Executive Director
Ms Michelle Vanzella - Non-Executive Director

Company Secretary

Ms Priyamvada (Pia) Rasal

Registered Office and Principal Place of Business

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189 Kent Street
Sydney NSW 2000
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Email: shareholder@carly.co
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Automic Registry Services
Level 5, 126 Phillip Street
Sydney NSW 2000
Telephone: 1300 288 664 / +61 2 9698 5414
Email: hello@automic.com.au
Website: www.automic.com.au

Stock Exchange

Carly Holdings Limited is listed
on the Australian Securities Exchange
ASX Codes: CL8, CL8O

Auditor

HLB Mann Judd
Level 4, 130 Stirling Street
Perth WA 6000

Bankers

National Australia Bank
Level 14, 100 St George's Terrace
Perth WA 6000

REVIEW OF OPERATIONS

Operating review

Carly continued to deliver strong revenue growth in FY24 supported by a significant increase in fleet size and a balanced move into electric vehicles, supported by the launch of EV Trial. Fleet growth was achieved by additions of asset heavy vehicles supported by access to asset finance facilities and growth in the asset light fleet as automotive manufacturers and dealers seek alternative revenue streams for vehicles as inventory levels increase following easing of the Covid-19 and other supply related issues.

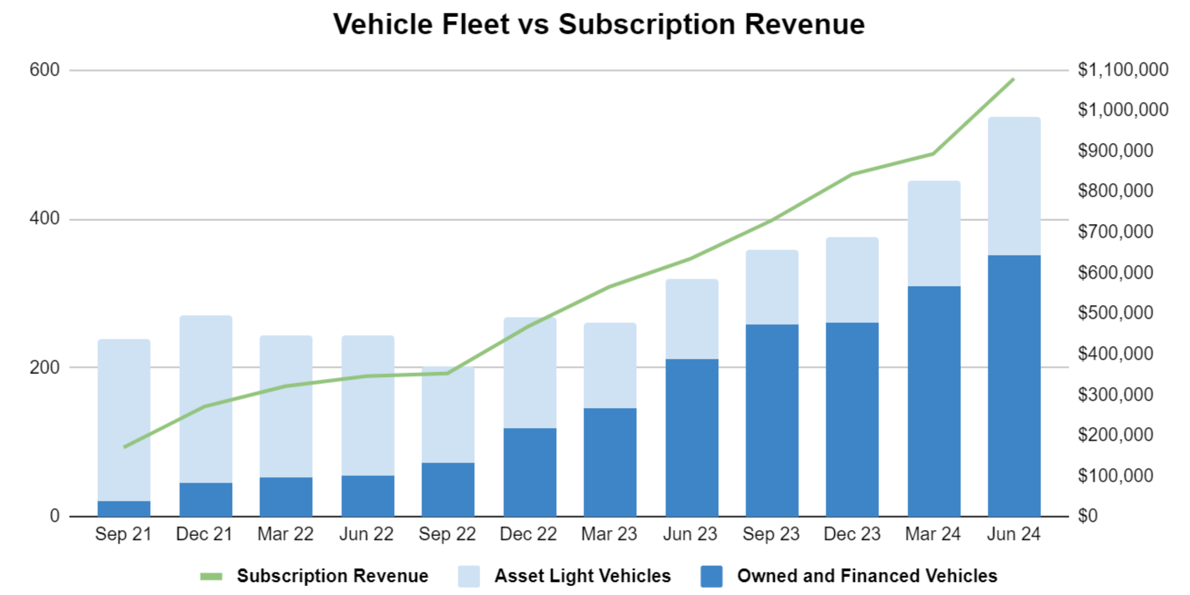
Significant improvements were recorded in revenue metrics in FY24 as compared to FY23:

- Subscription Revenue* increased by 75%
- Total Revenue** increased by 71%
- Gross Profit increased by 40%
- Subscription Revenue from owned and financed vehicles reached 80% of Total Subscription Revenue compared to 66% in FY23
- 68% growth in overall fleet size, supported by growth of both the asset heavy and asset light fleets

*Subscription revenue is the income from subscribers, net of external third-party owner fees.
**Revenue includes subscriber revenue, net of external third-party owner fees, plus platform licensing fees.

	FY24	HY1	HY2	HY2 vs HY1
Group Revenue ($)	3,600,138	1,622,627	1,977,511	+22%
Fleet Additions	218	57	161	+182%

Revenue and fleet growth accelerated in HY2, increasing 22% and 182% respectively vs HY1 with fleet additions and new demand channels fuelling the growth. As a large number of vehicles were delivered in the latter part of FY24, these vehicles will support further revenue growth in FY25, without any additional vehicle acquisition costs.



Active subscriptions continued to increase throughout FY24 and the retention period averaged 5.1 months for the year. As Carly grows, it is delivering material increases in revenue and gross profit through successful implementation of price increases, upselling to higher value subscription plans and retaining an increased share of the subscription transaction value from owned and leased vehicles when compared to 'asset-light' vehicles (i.e. vehicles owned by third parties). Carly's proprietary online customer verification platform, PeerPass, and telematics systems continued to de-risk the operation of the fleet and contributed to the receipt of a rebate for achieving low claims loss ratio targets for the motor fleet insurance policy as well as a reduction in per vehicle insurance premium.

Taking advantage of the high degree of uncertainty and confusion about the transition to electric vehicles, Carly proactively launched EV Trial https://www.carly.co/evtrial and EV Trial for Business https://www.carly.co/evtrialbusiness to provide 'try before you buy' opportunities for individuals and businesses to trial electric vehicles for a month or more to answer the many questions about charging infrastructure, range and charging time. EV Trial provides subscription access to a range of EVs including MG MG4, BYD Seal & Atto 3, Genesis GV 60 and Hyundai Kona, IONIQ 5 and IONIQ 6. An EV Trial also includes a free 200 kWh charge pack for use at over 1,500 chargers on the Chargefox network. Upon completion of a trial, customers will have greater confidence to purchase an electric vehicle from Carly's leasing and automotive dealer partners or continue subscribing.

Carly entered the electric vehicle market in 2020 with EVs provided on an asset light basis via the long-term relationship with Hyundai to service the increasing demand from individual and corporate customers while learning about the nuances of the emerging market. Carly commenced purchasing electric vehicles in December 2023 once retail prices had begun to approach parity with internal combustion engine vehicles and the high depreciation risk had dissipated. This strategy ensured that Carly avoided some of the large EV write downs experienced by competitors. Throughout HY2 Carly continued to add both asset heavy and asset light electric vehicles to the fleet and generate demand through its car subscription product and the targeted EV Trial proposition.

Carly continued to draw down on the $10m asset finance facility announced in March 2023 to support acquisition of vehicles which resulted in the asset heavy fleet size increasing by 66% vs FY23 and the asset light fleet increasing by 72%. Much of this growth occurred in HY2 with overall fleet size increasing by 182% compared to HY1. Asset heavy fleet size increased by 80% and asset light fleet size increased by 914% vs HY1.

Carly is witnessing a softening in the retail new car sales market as post Covid supply delays have largely been resolved and cost of living pressures weaken demand for new vehicle purchases. Both of these impacts are positive for Carly, increasing the potential supply of asset light vehicles as automotive dealers and manufacturers seek alternative revenue streams for excess vehicles and, on the demand side, consumers and businesses delay financing new vehicle purchases and opt for the lower risk and more flexible subscription option.

CarlyNow was deployed in multiple dealerships in the June Quarter. CarlyNow enables automotive dealers to subscribe vehicles to customers who visit their dealership by leveraging Carly's technology and operational expertise. A subscription can be created 'on the fly' by adding subscriber and vehicle details. Carly performs ID verification and affordability checks, processes payments, applies insurance to the vehicle and provides fleet management services. CarlyNow was developed to broaden customer acquisition channels and support growth of the asset light fleet.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 30 June 2024

	Notes	Consolidated Group 2024 $	2023 $
Revenue from continuing operations	2	3,600,138	2,100,431
Cost of sales		(2,449,083)	(1,280,512)
Gross profit		1,151,055	819,919
Other income	3	37,400	26,400
Corporate and administrative expenses	3	(3,851,686)	(2,965,400)
Research and development expenses		(1,044,156)	(1,050,587)
Gain on fair value of derivatives	3	90,028	-
Results from continuing activities		(4,768,414)	(3,989,587)
Finance income		47,610	10,787
Finance costs		(722,441)	(110,834)
Net financing costs		(674,831)	(100,047)
Loss before income tax		(4,292,190)	(3,269,715)
Income tax benefit	4	114,860	127,490
Loss from continuing operations		**(4,177,330)**	**(3,142,225)**
Total comprehensive loss for the period		**(4,177,330)**	**(3,142,225)**
Basic and diluted loss per share (cents)	5	(1.57)	(1.78)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION
as at 30 June 2024

		Consolidated Group	
		2024	2023
	Notes	$	$
CURRENT ASSETS			
Cash and cash equivalents	6	1,312,588	1,662,787
Trade and other receivables	7	38,135	157,267
Other current assets	8	326,433	261,959
Total Current Assets		1,677,156	2,082,013
NON-CURRENT ASSETS			
Property, plant & equipment	9	6,713,894	2,965,683
Right of use asset	10(a)	877,993	917,804
Intangible assets	11	7,967	7,967
Other non-current assets	8	205,195	201,819
Total Non-Current Assets		7,805,049	4,093,273
TOTAL ASSETS		**9,482,205**	**6,175,286**
CURRENT LIABILITIES			
Trade and other payables	12	1,005,303	1,037,882
Loans payable	14	9,906,016	373,098
Lease liability	10(b)	430,174	346,770
Derivative liability	14	30,452	-
Other liabilities	13	187,695	146,249
Total Current Liabilities		11,559,640	1,903,999
NON-CURRENT LIABILITIES			
Loans payable	14	722,755	3,104,841
Lease liability	10(b)	515,466	640,557
Other non-current liabilities	13	17,748	9,170
Total Non-Current Liabilities		1,255,969	3,754,568
TOTAL LIABILITIES		**12,815,609**	**5,658,567**
NET ASSETS/(LIABILITIES)		**(3,333,404)**	**516,719**
EQUITY			
Issued capital	15	26,849,904	26,570,302
Reserves	16	973,243	946,141
Accumulated losses	17	(31,156,551)	(26,999,724)
TOTAL EQUITY		**(3,333,404)**	**516,719**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2024

Consolidated Group	Notes	Issued Capital $	Reserves $	Accumulated Losses $	Total $
Balance as at 1 July 2022		23,534,881	905,610	(23,915,279)	525,212
Loss for the period		-	-	(3,142,225)	(3,142,225)
Total comprehensive loss for the year		-	-	(3,142,225)	(3,142,225)
Issue of share capital	15	3,363,162	-	-	3,363,162
Share issue costs	15	(327,741)	-	-	(327,741)
Share-based payments	16	-	102,787	-	102,787
Transfer from reserves on conversion/lapse	15, 16, 17	-	(62,256)	57,780	(4,476)
Balance as at 30 June 2023		**26,570,302**	**946,141**	**(26,999,724)**	**516,719**
Balance as at 1 July 2023		26,570,302	946,141	(26,999,724)	516,719
Loss for the period		-	-	(4,177,330)	(4,177,330)
Total comprehensive loss for the year		-	-	(4,177,330)	(4,177,330)
Issue of share capital	15	350,000	-	-	350,000
Share issue costs	15	(70,398)	-	-	(70,398)
Share-based payments	16	-	47,605	-	47,605
Transfer from reserves on lapse of options	15, 16, 17	-	(20,503)	20,503	-
Balance as at 30 June 2024		**26,849,904**	**973,243**	**(31,156,551)**	**(3,333,404)**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS
for the year ended 30 June 2024

	Notes	Consolidated Group 2024 $	2023 $
Cash flows from operating activities			
Receipts from customers		5,251,960	3,649,989
Payments to suppliers and employees		(6,658,205)	(5,681,335)
Interest received		38,473	9,079
Interest paid on lease liability	10	(69,606)	(76,791)
Payments for short term leases	3	(18,426)	(9,300)
Finance costs		(665,959)	(79,398)
Government grants received	4	114,860	295,962
Net cash used in operating activities	21	**(2,006,903)**	**(1,891,794)**
Cash flows from investing activities			
Payments for property, plant and equipment	9	(5,143,347)	(1,763,441)
Net cash used in investing activities		**(5,143,347)**	**(1,763,441)**
Cash flows from financing activities			
Proceeds from issues of shares		350,000	3,363,162
Payment of share issue costs		(252,691)	(301,257)
Proceeds from issue of convertible notes		2,850,000	-
Proceeds from borrowings		4,800,000	2,200,000
Payment of transaction costs for borrowings		(187,105)	(130,160)
Payment of principal *{TFM & Pepper Chattel Mortgage}*		(344,575)	(214,112)
Payment of principal amounts on lease liability	10	(415,578)	(405,018)
Net cash from financing activities		**6,800,051**	**4,512,615**
NET INCREASE/(DECREASE) IN CASH HELD		(350,199)	857,380
Cash and cash equivalents at the beginning of the financial year		1,662,787	3,734,729
Cash and cash equivalents at the end of the financial year	6	**1,312,588**	**1,662,787**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTE 1. STATEMENT OF MATERIAL ACCOUNTING POLICIES

(a) Reporting entity

These consolidated financial statements are of Carly Holdings Limited for the year ended 30 June 2024.

Carly Holdings Limited (**Parent Entity**) is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The consolidated financial statements of the Company for the year ended 30 June 2024 comprise the Company and its subsidiaries (**Consolidated Entity** or **Group**).

(b) Basis of preparation

Statement of compliance

These financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards (**AASBs**) and other authoritative pronouncements of the Australian Accounting Standards Board (**AASB**). The financial statements of the consolidated entity also comply with International Financial Reporting Standards (**IFRSs**) as issued by the International Accounting Standards Board.

Basis of measurement

The financial statements have been prepared on the accruals and the historical cost bases.

The financial statements are presented in Australian dollars and all values are rounded to the nearest dollar unless otherwise stated.

Going concern

These financial statements have been prepared on a going concern basis which assumes the Group realising its assets and extinguishing its liabilities in the normal course of business. The Directors acknowledge that stakeholders may be concerned regarding the ability of the Group to continue as a going concern due to the Group having incurred a net loss during the financial year of $4,177,330 (2023: loss of $3,142,225) and that there is a net working capital deficit of $9,882,484 (2023: $178,014 surplus).

Should the Group not be successful in generating sufficient funds there will exist a material uncertainty that may cast significant doubt on the ability of the Group to continue as a going concern and, therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should it not continue as a going concern.

Material accounting policies

Below are the material accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the periods presented, unless otherwise stated. The financial statements are for the Group consisting of Carly Holdings Limited and its subsidiaries.

(c) Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are outlined below:

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience. The condition of the assets is assessed at least once per year and considered against the remaining useful life. Depreciation charges are included in Note 9.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees and executives by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes model, using the assumptions detailed in Note 18.

Revenue from contracts with customers

The Group applied the following judgements that affect the determination of the amount and timing of revenue from contracts with customers:

- *Principal versus agent considerations*

The Group acts as an agent to administer the subscription of cars (www.carly.co), except where the vehicles are owned by ElevenX Operations Pty Ltd and OneX Operations Pty Ltd, wholly owned subsidiaries of Carly Holdings, and the Group acts directly with its subscribers as owner of the vehicles. The Group's car subscription service (www.carly.co) provides subscribers access to the use of cars including a choice of options which may suit them in exchange for a subscription fee. These contracts are enforced for the mutual benefit of owners and subscribers and the Group in creating a safe and trusted transactions. The following factors indicate that the Group does not control the goods before they are transferred to customers and that it acts as agent in these contracts: (i) it does not assume inventory risk before or after the subscription arrangement; (ii) does not have significant latitude in determining price of subscription fees (the consideration to the Group is based on the difference between the quoted subscription fee based on market rates of cars for rent, their model and make and agreed prices negotiated by the Group with the owner of cars, vehicles or assets). All cars offered under the subscription options are based on agreed terms with owners.

- *Identifying performance obligations as a distinct service*

The Group's rendering of services according to terms of subscription contracts form one distinct service. The provision of service arrangements for subscribers with varying options according to subscription tiers together form a distinct service within the terms of subscription agreements because subscribers are not able to benefit from the use of cars separately from these service options on their own.

- *Determining the timing of satisfaction of revenue from car subscription services*

The Group concluded that revenue from arranging car subscription services is performed over-time because the customer benefits from the service over the period of the subscription arrangement. Performance obligation of the Group is satisfied over-time because subscribers simultaneously receive the benefits from their subscription during the subscription period.

Provision for expected credit losses of trade receivables

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation. The Group uses a provision matrix to calculate expected credit loss for trade receivables. The provision rates are based on a matrix which approximates expected credit loss based on management's assessment of probable default rates based on aging categories.

Leases (renewal of office lease term)

The Group entered into a non-cancellable 3-year lease for its office premises on 1 September 2023. The Group measures the right-of-use asset and lease liability for its office premises lease using a 10.47% discount rate (based on commercial borrowing rate at the time of renewal of the office lease).

Leases (Vehicle Leases)

The Group measures the right-of-use assets and lease liabilities for the vehicle leases using a 6.61% discount rate (based on commercial borrowing rate at the time of entering into the leases) over 4-year lease terms. As of 30 June 2024, the Group was leasing 56 vehicles (30 June 2023: 56).

(d) Basis of consolidation

The consolidated financial statements comprise the financial statements of the companies in the Group (as outlined in Note 22).

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a Group controls another entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Entity, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Investments in subsidiaries held by Carly Holdings are accounted for at cost in the separate financial statements of the Parent Entity less any impairment charges. Dividends received from subsidiaries are recorded as a component of other revenues in the separate statement of profit or loss and other comprehensive income of the Parent Entity, and do not impact the recorded cost of the investment. Upon receipt of dividend payments from subsidiaries, the Parent Entity will assess whether any indicators of impairment of the carrying value of the investment in the subsidiary exist. Where such indicators exist, to the extent that the carrying value of the investment exceeds its recoverable amount, an impairment loss is recognised.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values.

The difference between the above items and the fair value of the consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or a bargain purchase.

A change in the ownership interest of a subsidiary that does not result in a loss of control is accounted for as an equity transaction.

Non-controlling interests are allocated their share of net profit after tax in the statement of profit or loss and other comprehensive income and are presented within equity in the statement of financial position, separately from the equity of the owners of the parent.

Losses are attributed to the non-controlling interest even if that results in a deficit balance.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences, recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the Parent Entity's share of components previously recognised in other comprehensive income to profit or loss.

(e) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Board of Directors of Carly Holdings.

(f) Foreign currency translation

Functional and presentation currency

Both the functional and presentation currency of Carly Holdings and its Australian subsidiaries is Australian Dollars ($).

(g) Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in profit or loss as incurred. Depreciation is calculated on a straight-line basis over the estimated useful life of the specific assets as follows:

Property and equipment	over 2 to 5 years
Motor vehicles	over 7 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

(h) Revenue from contracts with customers

<u>*Revenue from rendering services*</u>

The Group's car subscription service (www.carly.co) provides customers with access to cars with varying options which could suit them. The subscription service includes varying free km allowance options, damage liability and eligible car 'switch' options packaged into a single monthly recurring payment. Subscribers may start and stop their subscription as their needs change. The Group concludes that it is acting as agent in these arrangements, because it administers the cars under subscription and provides service options according to pre-determined price and conditions negotiated with third party owners involved in these arrangements. The Group is deemed to be acting as a principal, where the owner of the vehicle is a Group entity. The Group recognises revenue from amounts received from subscribers less amounts paid to third party owners. The performance obligation of the Group is satisfied over-time over the duration of the subscription period as subscribers receive the benefits from use of cars. Revenue is recognised rateably over subscription periods, billed at inception of subscription and subsequently thereafter every 15 days for 2 weeks subscription each time.

For disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers see Note 1 (c).

<u>*Deferred revenue*</u>
Deferred revenue consists of subscription fees received in advance at confirmation which relate to future subscription periods. The Group recognises these amounts as other liabilities on the statement of financial position (see Note 12).

(i) Earnings per share

The consolidated Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Parent Entity by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributed to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

(j) Leases – right of use asset and lease liability

A lease arrangement established by a contract conveys to the user (lessee) the right to control the use of the underlying asset for a period of time in exchange for consideration. For leases with terms not exceeding twelve months the Group has exercised the optional application exemptions. The lease payments under these contracts are recognised on a straight-line basis over the lease term as other operating expenses. The lessee is required to apply another systematic basis if that basis is more representative of the pattern of the lessee's benefit. In all other leases which the Group acts as lessee, the present value of future lease payments is recognised as a lease liability. Lease payments are segregated into principal and interest portions, using the effective interest method. Correspondingly, the right-to-use asset is recognised at the present value of liability including any directly attributable costs at the commencement date of the lease. Payments made before commencement date and incentives received from the lessor are included in the carrying amount of the right-of-use asset. The right-of-use asset is depreciated on a straight-line basis over the lease term, or if shorter, over the useful life of the leased asset.

A remeasurement of lease liabilities is performed where required to reflect any reassessment or lease modifications. Reassessment of lease liabilities is required to reflect any changes to lease payments. The amount of the remeasurement is recognised as an adjustment to the right-of-use asset. However, if the carrying amount of the right-of-use asset is reduced to zero and a further reduction in the measurement of lease liabilities, any remaining amount of the remeasurement is recognised in profit and loss. For lease modifications, these are accounted for as a separate lease if the modification increases both the scope of the lease (by adding the right to use) and the consideration increases commensurate with the stand-alone price for the scope increase. If the lease modification is not accounted for as a separate lease, remeasurement of lease liabilities is done at the effective date of the lease modification.

(k) Borrowing costs

Borrowing costs are expensed in the period they occur and consist of interest and other costs that the entity incurs in connection with the borrowing of funds

(l) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Group recognises financial assets or liabilities when it becomes party to the contractual provisions of the financial instrument.

Financial assets

Financial assets of the Group are classified according to the Group's business model for managing financial assets and their contractual cash flow characteristics. Financial assets are measured at amortised costs if the business holds assets to collect contractual cash flows and contractual terms represent cash flows which are payments of principal and interest and not designated as fair value through profit and loss.

The Group initially recognises financial assets at its fair value plus, transaction costs (where applicable). For the purpose of subsequent measurement (other than those designated and effective as hedging instruments) financial assets are subsequently measured at amortised cost, fair value through profit or loss (FVPL), or fair value through other comprehensive income (FVOCI).

The new classification and measurement of the Group's financial assets which are held within a business model of 'hold to collect' contractual cash flows relate to the Group's trade and other receivables. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. A financial asset is derecognised when the rights to receive cash flows from the asset have expired or the Group has transferred its right to receive cash flows from the asset. The Group considers if transfer of substantially all the risks and rewards of the asset has occurred or if transfer of control of the asset has occurred. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

- *Impairment of Financial Asset*

The Group applied AASB 9 'Financial Instruments' impairment model in its assessment of allowance for impairment loss on trade receivables. The Group applies an expected credit loss methodology and uses a provisions matrix to estimate expected credit loss. The provision matrix is based on management's assessment of probable default rates based on ageing categories.

Financial liability

The Group's financial liabilities include trade and other payables and borrowings. All financial liabilities are initially recognised at fair value less any transaction costs directly attributable to its issue. After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when liabilities are derecognised.

Expected credit loss estimate

The Group applies a simplified approach to measuring expected credit losses in accordance with AASB 9. The Group uses a provision matrix to calculate expected credit loss for trade receivables. The provision rates are based on a matrix which approximates expected credit loss based on management's assessment of probable default rates based on ageing categories. However, where there is no reasonable expectation of recovery, trade receivables are written off.

(m) Comparative figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year and impact, due to adoption of accounting standards described in (y) below.

(n) Changes in accounting policies on initial application of Accounting Standards

Standards and Interpretations applicable to 30 June 2024

The Group adopted AASB 2021-2 which amends AASB 7, AASB 101, AASB 108 and AASB 134 to required disclosure of "material accounting policy information" rather than significant accounting policies in an entity's financial statements. It also updates AASB Practice Statement 2 to provide guidance on the application of the concept of materiality to accounting policy disclosure.

The Group's adoption of the amendments did not have a material impact on the financial statements.

Standards and Interpretations issued but not yet adopted

The Directors have also reviewed all Standards and Interpretations issued and not yet adopted for the year ended 30 June 2024. As a result of this review, the Directors have determined that there is no material impact of the new and revised standards and interpretations in issue not yet adopted and therefore no other material change is necessary to the Group's accounting policies.

NOTE 2: REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group derives its revenue from the provision of services over time in the following major category.

	Consolidated Group	
	2024	**2023**
Over time	**$**	**$**
Revenue from vehicle subscription services	3,600,138	2,100,431
Total Revenue	**3,600,138**	**2,100,431**

NOTE 3: OTHER PROFIT AND LOSS ITEMS

(a) Other income		
Sundry income	37,400	26,400
Gain on fair value of derivatives	90,028	-
	127,428	**26,400**
(b) Corporate and administrative expenses		
Depreciation	7,033	13,004
Depreciation office (ROU asset)	131,228	157,625
Short term lease payments	18,426	9,300
Share-based payments	47,605	98,604
Salaries and wages	2,271,157	2,088,471
Superannuation costs	247,886	214,076
Employee leave entitlements	50,034	(43,919)
Audit fees	55,404	51,072
Interest expense (lease liability)	88,005	49,322
Other corporate and administrative expenses	934,908	327,845
	3,851,686	**2,965,400**

NOTE 4: INCOME TAX

	Consolidated Group 2024 $	Consolidated Group 2023 $
(a) Income tax benefit		
The major components of income tax benefit are:		
Current income tax	-	-
Current R&D Tax offset	114,860	127,490
Under/(over) provision in prior year	-	-
Income tax benefit/(expense)	**114,860**	**127,490**
(b) The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:		
Accounting loss before income tax	(4,292,190)	(3,269,715)
Income tax expense calculated at 25.0% (2023: 25.0%)	(1,073,048)	(817,429)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses	447,574	347,700
Share-based payments	11,901	17,627
Other deferred tax assets and tax liabilities not recognised	613,572	452,102
Current R&D Tax offset	114,860	127,490
(Under)/over provision in prior year	-	-
Total Income tax benefit/(expense) for the year	**114,860**	**127,490**
(c) Unrecognised deferred tax balances		
The following deferred tax assets have not been brought to account:		
Losses available for offset against future taxable income	5,275,343	4,661,771
Accrued expenses and liabilities	111,780	114,054
Unrecognised deferred tax assets	**5,387,123**	**4,775,825**

Deferred tax assets arising from tax losses are, to the extent noted above, not recognised at reporting date as realisation of the benefit is not regarded as probable. This deferred income tax benefit will only be obtained if:

- future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
- the conditions for deductibility imposed by tax legislation is complied with, including Continuity of Ownership and/or Same Business Tests; and
- no changes in tax legislation adversely affect the Group in realising the benefit.

(d) Tax rates

The potential tax benefit at 30 June 2024 in respect of tax losses not brought to account has been calculated at 25.0% for Australian entities (2023: 25.0%).

NOTE 5: LOSS PER SHARE

Basic loss per share

The calculation of basic loss per share at 30 June 2024 was based on the loss attributable to ordinary shareholders of $4,177,330 (2023: $3,142,225) and a weighted average number of ordinary shares of 266,266,566 (2023: 176,512,848) calculated as follows:

	Consolidated Group	
Loss attributable to ordinary shareholders (basic)	**2024 $**	**2023 $**
Loss attributable to the ordinary shareholders	(4,177,330)	(3,142,225)
	2024 Number	**2023 Number**
Weighted average number of ordinary shares for the purpose of basic earnings per share	266,266,566	176,512,848
Weighted average number of ordinary shares for the purpose of diluted earnings per share	266,266,566	176,512,848
	2024	**2023**
Basic and diluted loss per share from continuing operations (cents per share)	(1.57)	(1.78)

NOTE 6: CASH AND CASH EQUIVALENTS

Cash at bank and on hand	1,312,588	1,662,787
	1,312,588	**1,662,787**

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods up to three months, depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.

NOTE 7: TRADE AND OTHER RECEIVABLES

Current		
Trade receivables (net)	57,473	72,960
Other receivables	(19,338)	84,307
	38,135	**157,267**

NOTE 8: OTHER ASSETS

	2024	**2023**
Current	**$**	**$**
Prepayments	281,648	206,268
Rental Deposit	42,435	53,341
Other deposits	2,350	2,350
	326,433	**261,959**

Non-Current		
Vehicle lease security guarantee account	205,195	201,819
	205,195	**201,819**

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

	Consolidated Group			
	Motor Vehicles $	Furniture and Fittings $	Leasehold Improvements $	Total $
Cost	7,443,309	87,692	48,499	7,579,500
Accumulated depreciation	(742,735)	(79,777)	(43,094)	(865,606)
Net book value at 30 June 2024	**6,700,574**	**7,915**	**5,405**	**6,713,894**
Cost	**3,129,778**	**84,258**	**41,874**	**3,255,910**
Accumulated depreciation	**(174,389)**	**(73,964)**	**(41,874)**	**(290,227)**
Net book value at 30 June 2023	**2,955,389**	**10,294**	**-**	**2,965,683**

The reconciliation of the carrying amounts of each class of property, plant and equipment and leasehold improvements at the beginning and the end of the reporting period:

	Consolidated Group			
	Motor Vehicles $	Furniture and Fittings $	Leasehold Improvements $	Total $
2024				
Opening net book value at 1 July	2,955,389	10,294	-	2,965,683
Additions during the year	4,313,531	3,434	6,625	4,323,590
Depreciation expense	(568,346)	(5,813)	(1,220)	(575,379)
Closing net book value at 30 June	**6,700,574**	**7,915**	**5,405**	**6,713,894**
2023				
Opening net book value at 1 July	253,846	10,114	7,317	271,277
Additions during the year	2,837,332	5,867	-	2,843,199
Depreciation expense	(135,789)	(5,687)	(7,317)	(148,793)
Closing net book value at 30 June	**2,955,389**	**10,294**	**-**	**2,965,683**

The addition of new motor vehicles in FY24 was a result of using the available funding under the iPartners facility.

The depreciation expense associated with motor vehicles is recognised in the Statement of Profit and Loss and Other Comprehensive Income as a cost of sale, whilst the depreciation expense associated with furniture and fittings, and leasehold improvements are recognised as corporate and administrative expenses.

In January 2024, the Group adjusted its estimate for the expected residual value of the motor vehicle fleet. Prior to January 2024 the Group applied a zero value to the expected residual value of the motor vehicles it acquired. From 1 January 2024, the Group began applying an estimated residual value, by individual motor vehicle, based upon external industry data. The change applied to the estimated residual value resulted in a reduction to the monthly depreciation charge of $32,632.

There was no impairment loss relating to property, plant and equipment during the 2024 financial year (2023: nil).

NOTE 10: LEASES

The Group entered into a non-cancellable 3-year lease for its office premises on 1 September 2023. The Group measures the right-of-use asset and lease liability for its office premises lease using a 10.47% discount rate (based on commercial borrowing rate at the time of renewal of the office lease).

The Group measures the right-of-use assets and lease liabilities for the vehicle leases using a range of 6.47% to 7.17% discount rate (based on commercial borrowing rate at the time of entering into the leases) over 4-year lease terms.

(a) Right of use asset

The reconciliation of the Right of use of each class of asset at the beginning and the end of the reporting period:

	Consolidated Group		
	Motor Vehicle Leases $	Office Lease $	Total $
2024			
Opening balance at 1 July	865,263	52,541	917,804
Additions to right-of-use assets	-	351,577	351,577
Depreciation charge for the period	(260,160)	(131,228)	(391,388)
Closing balance at 30 June	**605,103**	**272,890**	**877,993**
2023			
Opening balance at 1 July	725,318	210,166	935,484
Additions to right-of-use assets	386,454	-	386,454
Depreciation charge for the period	(246,509)	(157,625)	(404,134)
Closing balance value at 30 June	**865,263**	**52,541**	**917,804**

The depreciation charge associated with motor vehicles is recognised in the Statement of Profit and Loss and Other Comprehensive Income as a cost of sale, whilst the depreciation charge associated with the office lease is recognised as a corporate and administrative expense.

(b) Lease Liabilities

	Consolidated Group		
	Motor Vehicle Leases $	Office Lease $	Total $
2024			
Current	309,691	120,483	430,174
Non-Current	341,384	174,082	515,466
Closing balance at 30 June	**651,075**	**294,565**	**945,640**
2023			
Current	286,468	60,302	346,770
Non-Current	640,557	-	640,557
Closing balance value at 30 June	**927,025**	**60,302**	**987,327**

NOTE 10: LEASES (Continued)

(c) Amounts recognised in profit or loss

	Consolidated Group		
	Motor Vehicle Leases $	Office Lease $	Total $
2024			
Interest on lease liabilities	58,915	29,090	88,005
Depreciation on right-of-use assets	260,160	131,228	391,388
2023			
Interest on lease liabilities	35,996	19,434	55,430
Depreciation on right-of-use assets	246,509	157,625	404,134

(d) Lease Liabilities

Maturity analysis – contractual undiscounted cash flows

	Consolidated Group		
	Total undiscounted cash flows $	< 12 Months $	> 12 Months $
2024			
Office Lease	346,308	151,325	194,983
Vehicle Lease	706,193	339,379	366,814
Closing balance at 30 June	**1,052,501**	**490,704**	**561,797**
2023			
Office Lease	64,204	64,204	-
Vehicle Lease	1,045,572	339,379	706,193
Closing balance value at 30 June	**1,109,776**	**403,583**	**706,193**

NOTE 11: INTANGIBLE ASSETS

The reconciliation of the carrying amounts of each class of intangibles at the beginning and the end of the reporting period:

	Trademarks $	Total $
Cost	13,136	13,136
Accumulated amortisation	-	-
Accumulated impairment losses	(5,169)	(5,169)
Carrying value at 30 June 2024	**7,967**	**7,967**
Cost	13,136	13,136
Accumulated amortization	-	-
Accumulated impairment losses	(5,169)	(5,169)
Carrying value at 30 June 2023	**7,967**	**7,967**
2024		
Carrying value at 1 July 2023	7,967	7,967
Amortisation charge	-	-
Impairment loss	-	-
Carrying value at 30 June 2024	**7,967**	**7,967**
2023		
Carrying value at 1 July 2022	7,967	7,967
Amortisation charge	-	-
Impairment loss	-	-
Carrying value at 30 June 2023	**7,967**	**7,967**

(a) Description of the Group's intangible assets

(i) Trademarks

Trademarks were acquired through acquisition and are carried at cost less accumulated impairment losses. This intangible asset has been assessed as having an infinite life and therefore is not amortised however is subject to impairment testing on an annual basis or whenever there is an indication of impairment. If an impairment indication arises, the recoverable amount is estimated and an impairment loss is recognised to the extent that the recoverable amount is lower than the carrying amount.

NOTE 12: TRADE AND OTHER PAYABLES

	Consolidated Group	
	2024 $	2023 $
Trade creditors [1]	102,318	381,854
Deposits held [2]	33,545	34,035
Other creditors and accruals [3]	867,658	616,087
Deferred revenue	1,782	5,906
	1,005,303	**1,037,882**

Notes:

1. Trade creditors are non-interest bearing and are normally settled on 30-60 day terms.
2. Deposits held being amounts owing to renters.
3. Accruals include amounts owing to directors for fees.

NOTE 13: OTHER LIABILITIES

	Consolidated Group 2024 $	2023 $
Current		
Provision for annual leave	136,736	108,787
Provision for long service leave [1]	50,959	37,462
	187,695	**146,249**
Non-Current		
Provision for long service leave [1]	17,748	9,170
	17,748	**9,170**

Note:

1. A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of the provision, the probability of long service leave being taken is based on managements' expectations of employee retention.

NOTE 14: LOANS & BORROWINGS

The Group had access to asset finance facilities, which enable Carly to finance motor vehicle purchases of up to an aggregate facility limit of $9,200,000. At balance date the value drawn on this facility was $9,000,000 (2023: $4,200,000).

Each finance agreement will be based on an interest rate agreed by Carly at the time the vehicle is financed. The facility will be secured by a security interest in each vehicle acquired.

The issuing of convertible notes is on an unsecured basis. The interest rate for each issued convertible note is interest bearing at 12% p.a., accrued daily and payable quarterly in arrears.

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

The Group has access to the following lines of credit:

	Consolidated Group 2024 $	2023 $
Total facilities available		
iPartners Facility A and B	6,903,226	4,000,000
Convertible Notes	2,850,000	-
Vehicle Financing Facilities	2,200,000	2,200,000
	11,953,226	**6,200,000**
Total facilities used at balance date (Gross liability)		
iPartners Facility A and B	6,903,226	2,200,000
Convertible Notes – Financial Liability	2,729,520	-
Convertible Notes – Derivative Liability	30,452	-
Vehicle Financing Facilities	2,000,000	2,000,000
	11,663,198	**4,200,000**
Unused at balance date		
iPartners Facility A	-	1,800,000
Convertible Notes	-	-
Vehicle Financing Facilities	200,000	200,000
	200,000	**2,000,000**

NOTE 14: LOANS & BORROWINGS (continued)

	Consolidated Group 2024 $	Consolidated Group 2023 $
Current		
Loans Payable – amount expected to be settled within 12 months	9,906,016	373,098
Convertible Notes – Derivative Liability	30,452	-
	9,936,468	**373,098**
Non-Current		
Loans Payable – amount expected to be settled after more than 12 months	722,755	3,104,841
	722,755	**3,104,841**

Carrying amount of the non-current assets pledged as security

	Consolidated Group 2024 $	Consolidated Group 2023 $
Total of all facilities		
Motor vehicle net book value at 30 June	6,700,574	2,955,389
	6,700,574	**2,955,389**

The terms and conditions of the iPartners Facility A and B are as follows:

- First ranking general security deed has been provided by the OneX Operations Pty Ltd ("OneX") as the Borrower and each Guarantor, which is defined as Carly Car Subscription Pty Ltd and Carly Holdings Limited;
- The interest rate of Facility A is 9.00% p.a., the interest rate of Facility B is 10.04% p.a.;
- In the event of a Covenant Event or Event of Default, the Lender has access to the Secured Proceeds Account of OneX, which had a balance of $1,938 at 30 June 2024;
- The Borrower must ensure the Gearing Limit does not exceed 90% of the lesser of the Written Down Value and the Wholesale Value of the Funded Vehicles plus the balance of the Secured Proceeds Account; and
- The Group retains minimum cash balances of greater than $250,000.

The iPartners Facility A has a maturity date of 1 April 2025. The iPartners Facility B has a maturity date of 1 October 2025. All other facilities, including lease liabilities are secured by the underlying acquired vehicle or leased vehicle and have a term of 48 months from the initial acquisition or lease start date.

The entity requested and was granted a waiver request from its external funder, iPartners. The waiver request was made as a result of a breach of the entity exceeding its 90% LVR requirement for the facility A and B loan covenants with iPartners. As a result of the breach and issuing of the waiver request, the Group has reclassified the loans payable to iPartners as current.

On the 30 November 2023, the Group issued 2,850,000 convertible notes at an issue price of $1.00 per note, raising an additional $2,850,000 (Convertible Note) before transaction costs. The convertible notes have a maturity date of 6 June 2025, are interest bearing at 12% p.a., accrued daily and payable quarterly in arrears.

NOTE 14: LOANS & BORROWINGS (continued)

The key features of the convertible notes, included conversion at the holder's election at any time prior to the maturity date (6 June 2025), volume weighted average price (VWAP) over the previous 60 days on which CL8 shares were traded on the ASX if the trigger share price (TSP):

- If TSP is between $0.048 and $0.080; Conversion Price is a 25% discount to the TSP
- If TSP is less than $0.048; Conversion Price = $0.036
- If TSP is greater than $0.080; Conversion Price = $0.060

An independent assessment and valuation of the convertible notes was undertaken to determine the classification of the convertible notes. It was determined that there are 2 separate components to the Convertible Note; an embedded derivative liability arising due to the variable issue of ordinary shares, and a financial liability. A Monte Carlo simulation approach was taken to determine the value of the embedded derivative, which at 30 June 2024 was determined to be $30,452.

	Consolidated Group	
Movement in borrowings:	**2024**	**2023**
	$	**$**
Opening balance at 1 July	**3,477,939**	-
Proceeds from vehicle loan borrowings	4,800,000	2,200,000
Proceeds from convertible notes	2,819,548	-
Proceeds from convertible notes – derivative liability	30,452	-
Chattel Mortgage finance	-	1,666,245
Repayment of borrowings	(344,575)	(214,112)
Net transaction costs	(124,141)	(174,194)
Closing balance at 30 June	**10,659,223**	**3,477,939**

NOTE 15: ISSUED CAPITAL

	Consolidated Group	
	2024	**2023**
	$	**$**
268,370,391 (2023: 254,370,391) fully paid ordinary shares	**26,849,904**	**26,570,302**

(a) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds from winding up of the Parent Entity in proportion to the number and amounts paid on the shares held.

On a show of hands every holder of ordinary securities present at a shareholder meeting in person or by proxy is, entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

The following movements in issued capital occurred during the year:

	Year to 30 June 2024		Year to 30 June 2023	
	Number of Shares	**$**	**Number of Shares**	**$**
Balance at beginning of financial period	254,370,391	26,570,302	116,321,978	23,534,881
Issue of shares at $0.024 each: October 2022 Rights Issue	-	-	88,048,413	2,113,162
Issue of shares at $0.025 each: June 2023 Tranche 2 Placement	-	-	50,000,000	1,250,000
Issue of shares at $0.025 each: August 2023 Tranche 1 Placement	14,000,000	350,000	-	-
Less: transaction costs arising from share issues	-	(70,398)	-	(327,741)
Balance at end of financial period	**268,370,391**	**26,849,904**	**254,370,391**	**26,570,302**

NOTE 15: ISSUED CAPITAL (continued)

During FY 2024, the Company undertook one capital raise:

(a) At the EGM on the 26 July 2023 the Company shareholders approved the issue of a further 14,000,000 fully paid ordinary shares (Tranche 2) and 32,000,000 new CL8O Options exercisable at $0.06 per option, with an expiry date of 31 October 2024, raising an additional $0.35 million under the Tranche 2 Placement. In addition to the 32,000,000 new CL8O Options, the Company shareholders approved the issuing of 10,000,000 new CL8O Options in consideration for Peak Asset Management acting as corporate advisor for the Tranche 1 and Tranche 2 Placement. CL8O Options are exercisable at $0.06 per option, with an expiry date of 31 October 2024.

(b) Options

The following options were issued during the year:

Class	Expiry Date	Exercise Price	Number of Options
Quoted CL8O Options	31 October 2024	$0.0600	42,000,000
Employee Options	1 September 2026	$0.0238	1,950,586
Employee Options	18 September 2026	$0.0285	200,000
Employee Options	18 September 2026	$0.0380	200,000
Employee Options	27 November 2026	$0.0213	384,767
Employee Options	27 November 2026	$0.0255	300,000
Employee Options	27 November 2026	$0.0340	300,000

The following options expired during the financial year:

Class	Expiry Date	Exercise Price	Number of Options
Employee Options	1 September 2023	$0.2500	31,610

The following options lapsed in accordance with the terms of the Company's Incentive Option Plan during the financial year due to the cessation of an employee holding options:

Class	Expiry Date	Exercise Price	Number of Options
Employee Options	1 September 2023	$0.2500	52,137
Employee Options	1 September 2024	$0.0750	227,609
Employee Options	1 September 2025	$0.0437	94,124
Employee Options	18 September 2026	$0.0285	200,000
Employee Options	18 September 2026	$0.0380	200,000

There were no options exercised during the period.

At 30 June 2024, unissued ordinary shares of the Company under option were as follows:

Class	Expiry Date	Exercise Price	Number of Options
Employee Options	1 September 2024	$0.0750	616,740
Quoted CL8O Options	31 October 2024	$0.0600	87,107,979
Employee Options	30 May 2025	$0.0540	250,000
Employee Options	30 May 2025	$0.0720	250,000
Employee Options	1 September 2025	$0.0437	463,873
Executive Options	19 November 2025	$0.3750	1,620,000
Employee Options	14 February 2026	$0.0213	91,414
Employee Options	1 September 2026	$0.0238	1,950,586
Executive Options	18 November 2026	$0.1000	1,250,000
Executive Options	18 November 2026	$0.1800	1,250,000
Executive Options	18 November 2026	$0.2400	1,250,000
Executive Options	18 November 2026	$0.3000	1,250,000
Employee Options	27 November 2026	$0.0255	300,000
Employee Options	27 November 2026	$0.0340	300,000
Employee Options	27 November 2026	$0.0213	384,767
Total number of options			**98,335,359**

Notes to the tables of options:

Except for the Quoted CL8O Options, none of these options are quoted. There are no voting or dividend rights attaching to the options.

NOTE 16: SHARE-BASED PAYMENT RESERVES

	Consolidated Group 2024 $	Consolidated Group 2023 $
Balance at beginning of the year	946,141	905,610
Options issued	50,437	102,787
Transfer to accumulated losses (options lapsed and expired)	(23,335)	(62,256)
Transfer to issued capital (options exercised)	-	-
Balance at the end of the year	**973,243**	**946,141**

Nature and purpose of reserves

Share-based payment reserve

This reserve records the value of options issued including the value of equity benefits provided to employees, Directors and lead managers supporting Company capital raises as part of their remuneration. Refer to Note 18 for further details of these grants.

NOTE 17: ACCUMULATED LOSSES

	Consolidated Group 2024 $	Consolidated Group 2023 $
Reconciliation of movements in accumulated losses:		
Accumulated losses at beginning of the year	(26,999,724)	(23,915,279)
Transfer from reserves	20,503	57,780
Loss for the period	(4,177,330)	(3,142,225)
Accumulated losses at end of the year	**(31,156,551)**	**(26,999,724)**

NOTE 18: SHARE-BASED PAYMENTS

The following share-based payment arrangements were entered into during the year:

Class of Option	Grant date	Expiry date	Exercise Price	Balance at the start of the year	Granted	Exercised/ Lapsed	Vested during the year	Balance at the end of the year
Employee	12 September 2023	1 September 2026	$0.0238	-	1,950,586	-	-	1,950,586
Employee	21 September 2023	18 September 2026	$0.0285	-	200,000	(200,000)	-	-
Employee	21 September 2023	18 September 2026	$0.0380	-	200,000	(200,000)	-	-
Employee	27 November 2023	27 November 2026	$0.0255	-	300,000	-	-	300,000
Employee	27 November 2023	27 November 2026	$0.0340	-	300,000	-	-	300,000
Employee	15 April 2024	27 November 2026	$0.0213	-	247,844	-	-	247,844
Employee	15 April 2024	27 November 2026	$0.0213	-	136,923	-	-	136,923

NOTE 18: SHARE-BASED PAYMENTS (continued)

The valuation model inputs used to determine the fair value at grant dates are outlined below:

Item	Employee Options	Employee Options	Employee Options	Employee Options	Employee Options	Employee Options	Employee Options
Grant date	12 September	21 September 2023	21 September 2023	27 November 2023	27 November 2023	15 April 2024	15 April 2024
Share price at grant date	$0.0170	$0.0180	$0.0180	$0.0170	$0.0170	$0.0170	$0.0170
Expiry date	1 September 2026	18 September 2026	18 September 2026	27 November 2026	27 November 2026	27 November 2026	27 November 2026
Exercise price	$0.0238	$0.0285	$0.0380	$0.0255	$0.0340	$0.0213	$0.0213
Valuation methodology	Black Scholes option pricing model (internal)	Black Scholes option pricing model (internal)	Black Scholes option pricing model (internal)	Black Scholes option pricing model (internal)	Black Scholes option pricing model (internal)	Black Scholes option pricing model (internal)	Black Scholes option pricing model (internal)
VWAP Barrier	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Performance period (years)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Expected volatility[1]	80%	80%	80%	80%	80%	80%	80%
Risk-free rate	3.85%	4.04%	4.04%	4.22%	4.22%	4.13%	4.16%
Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Number of options	1,950,586	200,000	200,000	300,000	300,000	247,844	136,923
Valuation per option	0.00773	0.00771	0.00646	0.00754	0.00635	0.00849	0.00828
Valuation of options	$15,084	$1,541	$1,291	$2,261	$1,905	$2,104	$1,133

Notes to the share-based payments tables:

1. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

Employee Options

During the year, the Company granted options to employees under the Incentive Option Plan approved by shareholders on 19 November 2018 (**Employee Options**) as set out in the tables above. The fair value of the Employee Options was calculated internally using a Black-Scholes valuation model and fully expensed in the reporting period. All Employee Options vested immediately.

NOTE 18: SHARE-BASED PAYMENTS (continued)

Executive Options

Nil Executive Options were issued during the year.

Refer to the Share-based Compensation section of the Remuneration Report for details of performance conditions attaching to the Executive Options as well as the number of Executive Options that vested during the year.

Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the year as part of corporate and administrative expenses were as follows:

	Consolidated Group	
	2024 $	2023 $
Employee Options	22,489	10,147
Executive Options	25,116	51,961
	47,605	**62,108**

Share-based payment transactions recognised in share issue costs

On the 31 May 2023, the Company entered into a mandate with Copeak Corporate Pty Ltd ATF Peak Asset Management Unit Trust (**Peak Asset Management**) to act as lead manager of the 2023 Placement (**Lead Placement Manager Mandate**). Pursuant to the Lead Placement Manager Mandate and upon completion of the Tranche 1 and Tranche 2 Placements, the Company was to issue 10,000,000 Quoted CL8O Options to Peak Asset Management (**Lead Placement Manager Options**). At the Company EGM on the 26 July 2023, the shareholders approved the issuing of 10,000,000 CL8O Options exercisable at $0.06 per option, with an expiry date of 31 October 2024, to Peak Asset Management. These options were accrued at 30 June 2023. and recognised as share issue costs. These options were issued on 24 August 2023.

Total share-based payment transactions recognised during the year as part of share issue costs were as follows:

	Consolidated Group	
	2024 $	2023 $
Lead Manager Options	-	8,402
Lead Placement Manager Options	-	28,095
	-	**36,497**

NOTE 18: SHARE-BASED PAYMENTS (continued)

Movements during the year

The following options granted to executives and employees expired or lapsed during the financial year:

Options	Grant Date	Expiry Date	Exercise Price $	Number Expired	Number Lapsed
Employee Options	4 September 2020	1 September 2023	$0.2500	(31,610)	-
Employee Options	4 September 2020	1 September 2023	$0.2500	-	(52,137)
Employee Options	12 October 2021	1 September 2024	$0.0750	-	(227,609)
Employee Options	1 September 2022	1 September 2025	$0.0437	-	(94,124)
Employee Options	21 September 2023	18 September 2026	$0.0285	-	(200,000)
Employee Options	21 September 2023	18 September 2026	$0.0380	-	(200,000)

The following table illustrates the number and weighted average exercise prices of and movements in options issued during the year:

	2024		2023	
	Number	WAEP $	Number	WAEP $
Outstanding at the beginning of year	8,697,508	0.2055	9,156,534	0.2105
Options granted				
Employee Options	1,950,586	0.0238	806,451	0.0437
Employee Options	200,000	0.0285	91,414	0.0213
Employee Options	200,000	0.0380	-	-
Employee Options	300,000	0.0255	-	-
Employee Options	300,000	0.0340	-	-
Executive Options	384,767	0.0213	-	-
Options exercised				
Employee Options	-	-	-	-
Expired during the year				
Employee Options	(31,610)	0.2500	(33,562)	0.2500
Employee Options	-	-	(13,980)	0.5000
Employee Options	-	-	(60,000)	0.2500
Employee Options	-	-	(120,000)	0.2500
Lapsed during the year				
Lead Manager Options	-	-	(327,405)	0.1600
Employee Options	(52,137)	$0.2500	(48,646)	0.2500
Employee Options	(227,609)	$0.0750	(504,844)	0.0750
Employee Options	(94,124)	$0.0437	(248,454)	0.0437
Employee Options	(200,000)	$0.0285	-	-
Employee Options	(200,000)	$0.0380	-	-
Outstanding at the end of year	**11,227,381**	**0.1608**	**8,697,508**	**0.2055**
Exercisable at the end of year	4,607,380	0.0374	2,077,507	0.0684

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.96 years (2023: 2.79 years).

Modifications of equity-settled share-based payment transactions

No terms of equity-settled share-based payment transactions have been altered or modified by the Company during the 2024 financial year or the 2023 financial year.

NOTE 19: COMMITMENTS AND CONTINGENCIES

The Group places cancellable orders for new motor vehicles in order to grow its vehicle fleet. The orders are cancellable at the discretion of the Group and are placed in advance to manage the delivery timing. As of the date of this report, the Group did not have any outstanding deliveries.

The Group does not have any other commitments or contingent liabilities at reporting date.

NOTE 20: SEGMENT INFORMATION

The Group had one reportable segment at the end of the period being the vehicle subscription business segment. The Group has identified its segment based on the internal reports that are reviewed on a monthly basis and used by the executive management team (the chief operating decision maker) in assessing performance and in determining the allocation of resources.

Accordingly, the Group operates predominantly in one business segment being the vehicle subscription business. Under the management approach outlined above only one operating segment has been identified and no further disclosure is required in the financial statements.

NOTE 21: CASH FLOW STATEMENT RECONCILIATION

	Consolidated Group	
	2024	**2023**
	$	**$**
(a) Reconciliation of net loss after tax to net cash flow from operating activities		
Net loss after income tax	(4,177,330)	(3,142,225)
Adjustments for:		
Depreciation	624,780	248,506
Depreciation (ROU)	347,330	373,726
Amortisation	-	-
Provision for expected credit loss	117,621	89,562
Impairment loss (trademark/goodwill)	-	-
Other non-cash items (including share-based payments)	47,605	70,509
Changes in operating assets and liabilities:		
Change in trade and other receivables	119,131	91,656
Change in prepayments and other assets	(67,850)	(188,666)
Change in trade and other payables	(32,579)	193,934
Change in other liability	1,014,389	371,204
Net cash flows from operating activities	**(2,006,903)**	**(1,891,794)**

(b) Non-cash operating, investing and financing activities

During the year, the Company granted options to employees to assist with the reward, retention and motivation of employees of the Group (refer Note 18).

These transactions are not reflected in the statement of cash flows.

NOTE 21: CASH FLOW STATEMENT RECONCILIATION (continued)

(c) Changes in liabilities arising from financing activities

Consolidated	Chattel Mortgage Facilities $	Borrowings $	Lease Liabilities $
Balance at 1 July 2022	-	-	971,310
Acquisition of borrowings	-	2,200,000	
Net cash from / (used in) financing activities	(214,112)	(130,160)	(405,018)
Acquisition of vehicles	1,424,602	-	386,454
Capitalised costs associated with acquired vehicles*	241,643	-	34,580
Transaction costs net of accumulated amortisation	-	(44,034)	-
Balance at 30 June 2023	**1,452,133**	**2,025,806**	**987,326**
Acquisition of borrowings	-	7,559,972	373,892
Net cash from / (used in) financing activities	(344,575)	(187,105)	(415,578)
Acquisition of vehicles	-	-	-
Capitalised costs associated with acquired vehicles*	-	-	-
Transaction costs net of accumulated amortisation	-	(80,837)	-
Balance at 30 June 2024	**1,107,558**	**9,317,836**	**945,640**

*Capitalised costs include registration, stamp duty and documentation fees.

NOTE 22: INTEREST IN SUBSIDIARIES

(a) Subsidiaries

The consolidated financial statements include the financial statements of Carly Holdings Limited and its subsidiaries listed in the following table:

Subsidiary	Country of Incorporation	Date of Incorporation	Equity Interest 2024 %	Equity Interest 2023 %
Carly Car Subscription Pty Ltd	Australia	5 September 2009	100	100
Drive My Fleet Pty Ltd	Australia	15 December 2010	100	100
ElevenX Operations Pty Ltd	Australia	28 May 2021	100	100
OneX Operations Pty Ltd	Australia	15 March 2023	100	100

(b) Ultimate parent

Carly Holdings Limited is the ultimate parent entity, incorporated in Australia on 20 September 1994.

NOTE 23: EVENTS SUBSEQUENT TO REPORTING DATE

The entity requested, and was granted, a waiver request from its external funder, iPartners. The waiver request was made as a result of a breach by the entity exceeding its 90% LVR requirement for the facility A and B loan covenants with iPartners.

Other than the matters described above, there has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.