
SEPTEMBER 2024 QUARTERLY ACTIVITIES REPORT

Carly Holdings Limited (ASX:CL8) is pleased to present its consolidated cash flow report and business update for the quarter ended 30 September 2024.

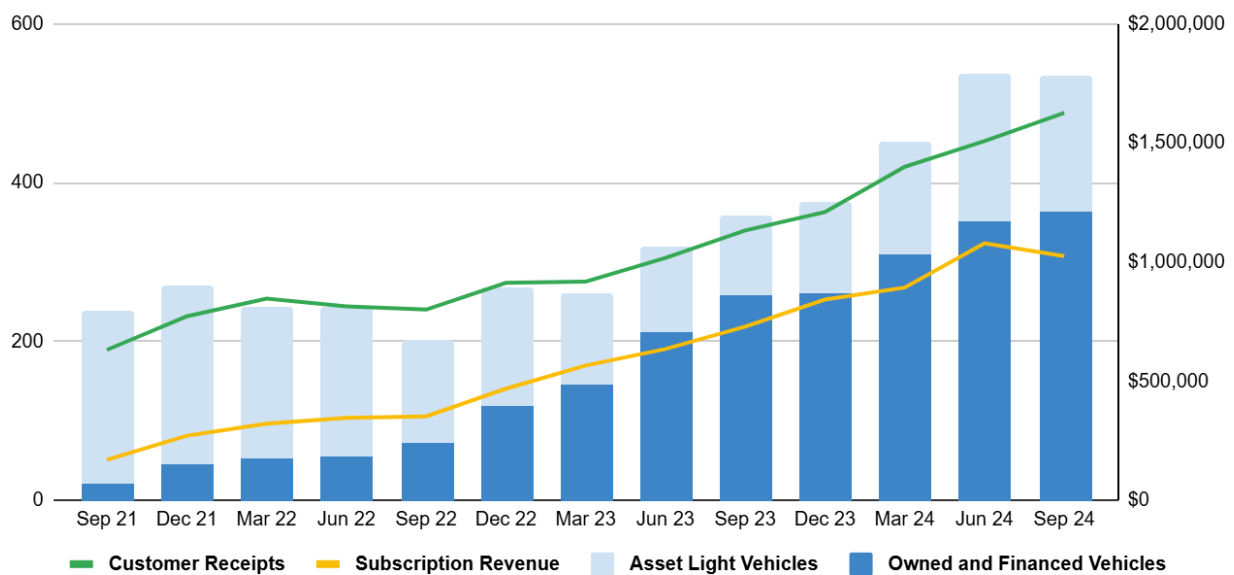
Carly has continued to deliver on its business objectives, achieving growth in active subscribers while reducing net cash used in operating activities. Growth in subscribers was attributed to increases in consumer subscribers, expansion of the corporate customer base and an increase in electric vehicle subscriptions driven by EV Trial. New product deployments continued with the deployment of CarlyNow in multiple automotive dealerships.

Key highlights include:

- 41% increase in Subscription Revenue vs September 2023 Quarter
- 44% increase in Customer Receipts vs September 2023 Quarter and 8% increase vs June 2024 Quarter, exceeding \$1.6 million for the first time
- 24% decrease in Staff Costs vs September 2023 Quarter and 32% decrease vs June 2024 Quarter
- 8% decrease in Net Cash Used vs June 2024 Quarter
- Total fleet size of 536 which is an increase of 50% vs September 2023 Quarter
- The asset light fleet increased by 72% vs September 2023 Quarter and represented 32% of total fleet size as more automotive dealers and manufacturers seek subscription monetisation for their vehicles via Carly
- Owned vehicle fleet increased by 40% vs September 2023 Quarter and represented 68% of total fleet size
- The in-dealer subscription tool, CarlyNow and the try before you buy electric vehicle proposition, EV Trial continued to support growth in overall subscription numbers



Vehicle Fleet vs Customer Receipts & Subscription Revenue



The September 2024 Quarter saw the number of subscribers continue to increase and Customer Receipts increase by 8% vs June Quarter 2024, exceeding \$1.6 million for the first time. Quarterly subscription revenue declined due to end of year positive revenue adjustments in the month of June 2024, which were reflected in the June 2024 Quarter. In the corporate sector, Carly has identified a number of industry segments that have a higher propensity for use of subscription vehicles due to the nature of demand or employee situation. Following success with early customers in these segments, Carly has continued to sign up multiple similar customers.

EV Trial www.evtrial.com.au, a simple and cost-effective way for car buyers to try an EV before they buy, continued to expand in the September Quarter, supported by the addition of owned and asset light electric vehicles. Corporate referral relationships have been established to drive demand for [EV Trial for Business](#).

As highlighted in previous updates, 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 deployments continued in multiple dealerships in the September 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.



Significant reductions were achieved in Staff Costs, reducing by 32% compared to the June 2024 Quarter. Product Manufacturing & Operating Costs increased as a natural consequence of a larger fleet and timing related items such as annual registration renewals and third party owner costs expensed in the prior quarter but invoiced and paid in the September 2024 Quarter.

Corporate

Payments to related parties and their associates in the September 2024 Quarter of \$72,000 a reduction of \$33,000 from the prior quarter.

Cash Balance at Quarter End and Funding

At the end of the June 2024 Quarter, the Company maintained a cash balance of \$625,000, a decrease of \$688,000 from the June 2024 Quarter.

Carly is currently assessing a range of options in relation to the funding and financing arrangements of the business and the Directors continue to closely monitor cash flows.

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

Investor Relations

w: <https://investors.carly.co>
e: shareholder@carly.co

About Carly

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



Appendix 4C

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

Name of entity

Carly Holdings Limited (ASX:CL8)

ABN

60 066 153 982

Quarter ended ("current quarter")

30 September 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,626	1,626
1.2 Payments for		
(a) research and development	(258)	(258)
(b) product manufacturing and operating costs	(948)	(948)
(c) advertising and marketing	(136)	(136)
(d) leased assets (interest amounts)	(40)	(40)
(e) staff costs	(338)	(338)
(f) administration and corporate costs	(129)	(129)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	3
1.5 Interest and other costs of finance paid	(199)	(199)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(419)	(419)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (transfer to vehicle lease security account)	-	-
2.6 Net cash from / (used in) investing activities	-	-

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	(75)	(75)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (principal amounts on lease liability)	(194)	(194)
3.10 Net cash from / (used in) financing activities	(269)	(269)

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	1,313	1,313
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(419)	(419)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(269)	(269)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	625	625

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	625	1,313
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)	625	1,313

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	72
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 (Asset Finance Facility)	9,125	8,925
7.4 Total financing facilities	9,125	8,925
7.5 Unused financing facilities available at quarter end		200
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
<p>The Company currently has access to a number of asset finance facilities which enables Carly to finance motor vehicle purchases of up to an aggregate facility limit of \$9.125 million. The prevailing asset finance market interest rate is applied at the time vehicles are acquired and are fixed for the term of the loan, and the term will be a maximum of four years from the date of acquisition of the relevant vehicle. The average interest rate at 30 September 2024 was 8.98% on acquired vehicles. The facilities are secured against the asset value of the vehicles acquired.</p>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(419)
8.2 Cash and cash equivalents at quarter end (item 4.6)	625
8.3 Unused finance facilities available at quarter end (item 7.5)*	-
8.4 Total available funding (item 8.2 + item 8.3)	625
* The unused asset finance facilities of \$0.2 million disclosed under item 7.5 has not been included in the calculation of total available funding for future operating activities as that funding is reserved solely for the purchase of motor vehicles.	
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.5
<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>The Company expects to have reduced negative operating cash flows for the time being due to the current stage of development of its businesses. The Company had been aggressively growing the size, scale and market presence of the business, and the level of operating expenditure had been reflective of the ongoing investment being made in the continued development of the business processes to support the fleet expansion. The business has stable fixed operational costs which do not materially increase with the scale of the existing business and the business is looking to reduce operating expenditures where possible, whilst still growing the number of subscribers. As the number of subscribers within the portfolio continues to grow the negative operating cash flows are expected to reduce.</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?

Answer:

The entity is currently assessing a range of options in relation to the funding of the business and the Directors are closely monitoring cash flows.

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

The business is currently assessing a range of options in relation to the funding of the business and based on those discussions expects that there is a reasonable basis to be able to continue its operations.

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: **31 October 2024**

Authorised by: **Board of Directors**
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg *Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.