

## Fleet growing, subscriptions following

Carly Holdings Limited (ASX:CL8) operates a vehicle subscription business, which it launched in March 2019, leveraging existing operations, strategic relationships, and technology. Car subscription allows business and retail customers to pay a single monthly fee to access a car for 30 days or more and is an alternative to purchasing or financing a vehicle. Carly has attracted larger automotive industry businesses as shareholders, with a direct offering and services to support automotive manufacturers and dealers to generate revenue from car subscriptions. Carly is now ramping up fleet size through vehicle purchases and leases. Carly increased fleet size 32% and subscription revenue 82% in the FY23 year. Further fleet growth in the December half year has driven strong subscription growth which accelerated further in January 2024. Carly's revenue is directly linked to fleet size which will grow substantially again in H2 FY24 with 109 vehicles, including electric vehicles, due to be delivered between January and April 2024. The company raised additional finance of \$2.85m in November via a convertible note issue and retains draw-down capacity to finance further fleet growth. Overall fleet growth remains largely in-line with our expectations, however, management is under pressure to manage utilisation rates as new vehicles arrive. This lag can result in cost and revenue mismatches.

### Business model

Carly provides vehicles to business and retail customers for periods exceeding 30 days under a subscription model. The subscriber pays a flat monthly subscription fee which includes exclusive use of the vehicle, insurance, registration, and servicing, otherwise they are responsible for fuel and tolls. Vehicles are sourced by Carly via two models: an external owner provides a vehicle in return for a share of receipts (asset light); or the vehicle is secured through a vehicle finance lease or purchase of the vehicle by Carly (asset heavy).

### Fleet grows, timing hurts cash flow

Carly's December quarter update showed 5% growth in total fleet size vs September quarter to 377 vehicles with an additional 109 vehicles ordered in January. Costs rose +26% over Q1 and +31% relative to pcp, largely due to fleet costs which are driven by growth, one-off staff and recruitment costs and an increase in marketing, while subscription revenue grew +16% over September quarter, accelerating in the month of December. The company retains draw-down capacity of \$2m of the \$6m Facility B component of the \$10m facility announced in March and has staggered vehicle deliveries until June quarter. Carly also raised \$2.85m in November via a convertible note issue.

### Valuation base case at \$24.4m (\$0.091/share)

We have retained our valuation at \$24.4m and our forecasts are unchanged prior to half-year reporting, however, we anticipate a moderation of FY24 revenue expectations due to fleet delivery timing with Q1 and Q2 cash receipts about \$600k behind our H1 FY24 forecast in Exhibit 6. Our valuation is based on the discounted cash-flow methodology using a discount rate of 13.75% (risk-free rate 4%). We have modelled three cases differentiated by available finance for vehicles, subscription levels, and vehicle-related costs. Our base case values Carly at \$0.091/share suggesting strong share price growth is possible as Carly builds fleet size and consequently revenue. The downside case values CL8 at \$16.1m (\$0.06/share), while we can estimate upside to \$63.7m (\$0.237/share) using a range of factors.

#### Historical earnings and RaaS' estimates (in A\$m unless otherwise stated)

Year end	Revenue	Gross profit	EBITDA	NPAT	EPS (c)	EV/Sales (x)	Price / Book (x)
06/22a	1.3	0.5	(3.0)	(3.0)	(2.2)	1.6	1.1
06/23a	2.1	0.5	(3.0)	(3.1)	(1.1)	2.7	1.5
06/24e	7.2	0.8	0.7	(1.7)	(0.6)	1.7	3.2
06/25e	13.0	5.2	4.5	0.2	0.1	1.2	4.1

Source: Company data; RaaS estimates for FY24f and FY25f

## Vehicle Subscription Services

31 January 2024

### Share Details

ASX code	CL8
Share price (30 Jan)	\$0.014
Market capitalisation	\$3.8M
Shares on issue	268.4M
Net cash 31-Dec-2023	\$3.1M
Free float	~75%

### Share Performance (12 months)



### Upside Case

- CL8 is successful in raising additional vehicle finance
- Competitors remain less committed to growth due to business-related distractions
- Subscription rates remain attractive relative to car purchase values

### Downside Case

- Limited finance is available for car purchases; CL8 relies on corporate owners of vehicles for supply
- Competitors strengthen their focus on subscription business
- Cost pressures reduce retained share of subscription transaction value

### Latest Company Interview

[Carly Holdings RaaS 2024 Outlook Interview 22 January 2024](#)

### Board of Directors

Adrian Bunter	Non-Executive Chairman
Stephen Abolakian	Non-Executive Director
Michelle Vanzella	Non-Executive Director
Chris Noone	CEO / Executive Director

### Company Contact

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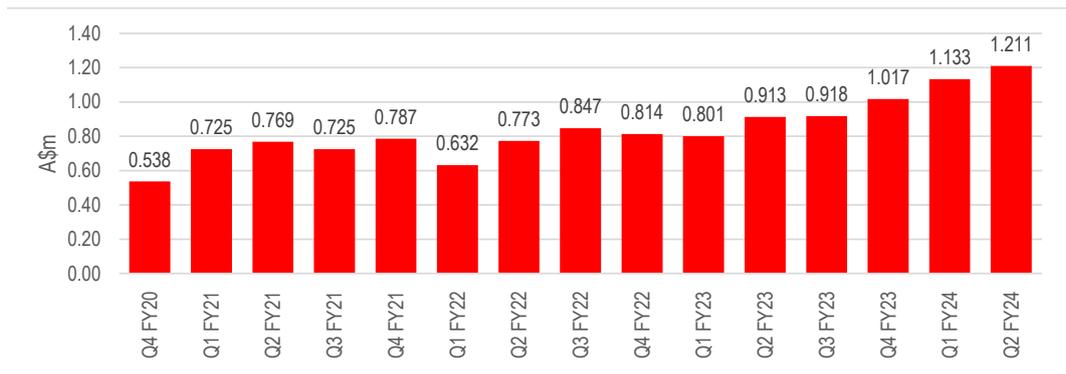
### RaaS Contacts

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## Q2 FY24 Results Analysis

December quarter receipts rose +7% relative to the September quarter, +37% on the previous December. Costs were again well controlled, however, the decision to increase marketing and sales resources drove a +26% increase versus the September quarter and +31% versus the previous December quarter. Lease costs were flat reflecting a current preference for owned vehicles and other cost categories rose modestly driven in part by prepaid advertising costs and some one-off staff payments in the period.

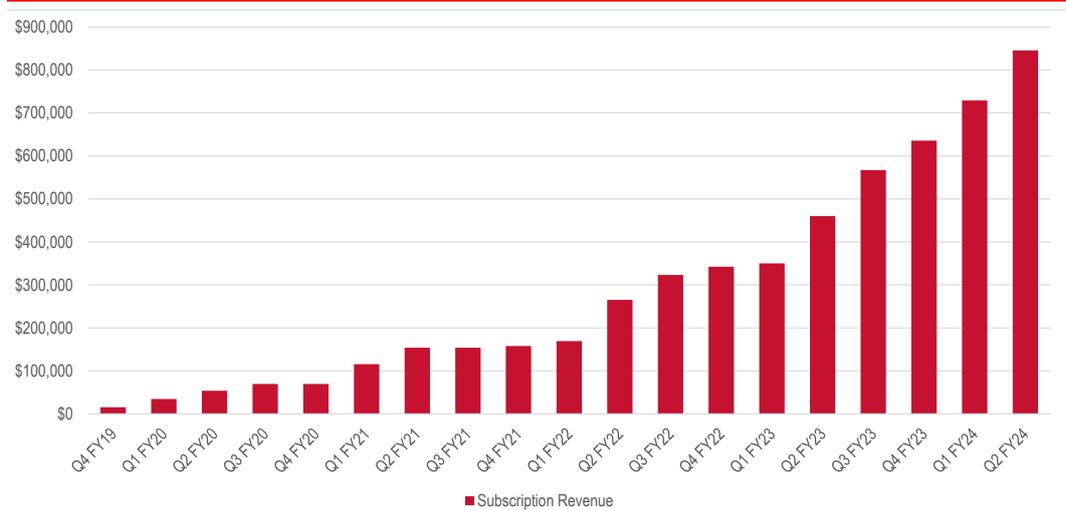
**Exhibit 1: Quarterly receipts from customers**



Source: Company reports

Carly reported that subscription revenue rose 16% versus the September quarter with an increase in Average Monthly Subscription Revenue from \$243,000 in September quarter to \$281,000 per month in December quarter. Carly reported an annualised run-rate of \$3.7m based on the December month of \$309,000. Subscription revenue was 70% of reported cash receipts from customers in the quarter, rising from 42% of receipts in the June quarter 2022 and flat on the September 2023 quarter. The company did not disclose fleet utilisation or subscriber transaction value in this report.

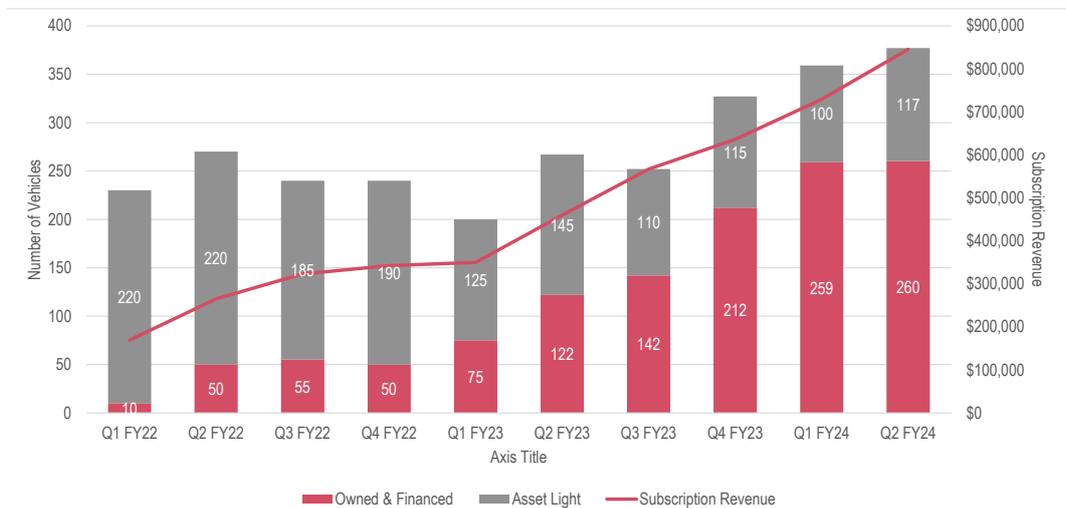
**Exhibit 2: Quarterly subscription revenue**



Source: Company reports, RaaS estimates

Fleet size grew to 377 vehicles from 359 on September 30 with an additional 17 “asset light” vehicles (which offer a lower operating margin). Carly has received an additional 25 vehicles in January and expects a further 84 during Q3 and Q4 FY2024. The order includes 44 electric vehicles.

**Exhibit 3: Subscription revenue vs fleet size**



Source: Company reports, RaaS estimates

Including capital from the issue of convertible notes in November Carly has \$3.12m in cash at period end and a further \$2m available for vehicle purchases following orders placed in December.

**Exhibit 4: Q2 FY24 versus previous quarters (A\$m)**

	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24
Cash receipts	0.85	0.81	0.80	0.91	0.92	1.02	1.13	1.21
Payments to suppliers	(1.03)	(1.25)	(1.15)	(1.12)	(1.14)	(1.90)	(1.21)	(1.55)
R&D	(0.22)	(0.28)	(0.25)	(0.28)	(0.27)	(0.26)	(0.24)	(0.28)
Other	-	-	-	-	-	-	-	-
Operating cash flow	(0.40)	(0.72)	(0.43)	(0.48)	(0.48)	(1.01)	(0.38)	(0.68)
<b>Free cash flow</b>	<b>(0.40)</b>	<b>(0.72)</b>	<b>(0.43)</b>	<b>(0.48)</b>	<b>(0.48)</b>	<b>(1.01)</b>	<b>(0.38)</b>	<b>(0.68)</b>
Net cash at the end of the period	1.61	0.81	0.28	1.62	0.96	1.54	0.97	3.12
Monthly operating cash burn	(0.13)	(0.24)	(0.14)	(0.16)	(0.16)	(0.34)	(0.13)	(0.23)
<b>Quarters of cash on hand - reported</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>5</b>
- Including vehicle finance	4	1	3	8	9	3	19	8

Source: Company data

## Key Events

Events in the quarter included:

- 80% increase in subscription revenue vs December 2022 quarter and 16% increase vs September 2023 quarter.
- 19% increase in Subscription Revenue Annualised Run Rate, reaching >\$3.7 million (based on \$309,000 in the month of December) compared to ~\$3.1 million at September 2023.
- Gained access to \$6 million Facility B of the \$10 million asset finance facility announced on 22 March 2023 and placed orders for 109 vehicles.
- 18 vehicles added to the fleet in the December 2023 quarter, reaching a fleet size of 377 vehicles.
- A Sales and Customer Experience Manager commenced to oversee growth, subscriber experience, and rollout of new subscription product features to consumers, corporate, government, and not-for-profit sectors.
- Completed a \$2.85m convertible note issue at \$1 per note to support ongoing growth.

**Exhibit 6: Financial Summary**

Carly Holdings Ltd						Share price (Date)		30/01/2024				A\$	0.014								
Profit and Loss (A\$m)						Interim (A\$m)						1H22 A	2H22 A	1H23 A	2H23 A	1H24 F	2H24 F				
Y/E 30 June	FY21A	FY22A	FY23A	FY24F	FY25F	Revenue	EBITDA	EBIT	NPAT (normalised)	Minorities	NPAT (reported)	EPS (normalised)	EPS (reported)	Dividend (cps)	Imputation	Operating cash flow	Free Cash flow				
Sales Revenue	1.0	1.3	2.1	7.2	13.0	(1.6)	(1.5)	(1.6)	(0.7)	-	(1.7)	(1.34)	(1.27)	0.00	30	(1.65)	(1.92)				
Gross Profit	0.6	0.5	0.5	0.8	5.2	(1.7)	(1.7)	(1.6)	(1.6)	-	(1.7)	(0.97)	(0.97)	-	30	(1.1)	(1.1)				
EBITDA	(3.1)	(3.0)	(3.0)	0.7	4.5	(1.7)	(1.3)	(1.6)	(1.2)	-	(1.7)	(0.80)	(0.79)	-	30	(0.9)	(0.9)				
Depn	(0.2)	(0.4)	(0.0)	(1.8)	(3.1)	(1.7)	(1.3)	(1.6)	(1.2)	-	(1.7)	(0.42)	(0.45)	-	30	(0.9)	(0.9)				
Amort	(0.0)	0.0	(0.2)	0.0	0.0	(1.7)	(1.3)	(1.6)	(1.2)	-	(1.7)	(0.36)	(0.41)	-	30	(0.5)	(0.5)				
EBIT	(3.3)	(3.4)	(3.2)	(1.0)	1.4	(1.7)	(1.3)	(1.6)	(1.2)	-	(1.7)	(0.22)	(0.22)	-	30	0.3	0.3				
Interest	(0.1)	(0.0)	(0.1)	(0.1)	(0.9)	(1.7)	(1.3)	(1.6)	(1.2)	-	(1.7)	(0.45)	(0.41)	-	30	(0.5)	(0.5)				
Tax	0.0	0.2	0.1	0.3	0.5	(1.7)	(1.3)	(1.6)	(1.2)	-	(1.7)	(0.22)	(0.22)	-	30	(0.5)	(0.5)				
Minorities	0.0	0.0	0.0	0.0	0.0	(1.7)	(1.3)	(1.6)	(1.2)	-	(1.7)	(0.22)	(0.22)	-	30	(0.5)	(0.5)				
Equity accounted assoc	0.0	0.0	0.0	0.0	0.0	(1.7)	(1.3)	(1.6)	(1.2)	-	(1.7)	(0.22)	(0.22)	-	30	(0.5)	(0.5)				
NPAT pre significant item	(3.4)	(3.0)	(3.1)	(1.7)	0.2	(1.7)	(1.3)	(1.6)	(1.2)	-	(1.7)	(0.22)	(0.22)	-	30	(0.5)	(0.5)				
Significant items	0.0	0.0	0.0	0.0	0.0	(1.7)	(1.3)	(1.6)	(1.2)	-	(1.7)	(0.22)	(0.22)	-	30	(0.5)	(0.5)				
NPAT (reported)	(3.4)	(3.0)	(3.1)	(1.7)	0.2	(1.7)	(1.3)	(1.6)	(1.2)	-	(1.7)	(0.22)	(0.22)	-	30	(0.5)	(0.5)				
Cash flow (A\$m)						Divisions						1H22 A	2H22 A	1H23 A	2H23 A	1H24 F	2H24 F				
Y/E 30 June	FY21A	FY22A	FY23A	FY24F	FY25F	Car Subs	Licence Revenue	Other Revenue	COGS	Employment	Technology, licence fees	Other costs	EBITDA	Margins, Leverage, Returns							
EBITDA	(3.1)	(3.0)	(3.0)	0.7	4.5	0.52	0.00	0.00	(0.39)	(0.82)	(0.55)	(0.32)	(1.56)	EBITDA	n.a.	n.a.	n.a.	10.3%	35.1%		
Interest	(0.0)	(0.1)	(0.1)	(0.9)	(1.8)	0.00	0.00	0.00	(0.39)	(1.20)	(0.50)	(0.10)	(1.46)	EBIT	n.a.	n.a.	n.a.	n.a.	11.2%		
Tax	0.0	0.0	0.0	0.0	0.0	0.03	0.01	0.00	(0.39)	(1.90)	(0.53)	0.34	(1.60)	NPAT pre significant items	n.a.	n.a.	n.a.	n.a.	1.6%		
Working capital changes	0.4	0.3	1.2	(0.0)	0.0				(0.39)	(0.50)	(0.53)	0.34	(1.60)	Net Debt (Cash)	3.4	(0.2)	(1.8)	(8.2)	(11.6)		
Operating cash flow	(2.8)	(2.8)	(1.9)	(0.2)	2.8				(0.39)	(0.50)	(0.53)	0.34	(1.60)	Net debt/EBITDA (x)	(x)	n/a	n/a	n/a	(11.1)	(2.5)	
Mtce capex	(0.1)	(0.3)	0.0	0.0	0.0				(0.39)	(0.50)	(0.53)	0.34	(1.60)	ND/ND+Equity (%)	(%)	609%	23%	78%	105%	101.8%	
Free cash flow	(2.8)	(3.0)	(1.9)	(0.2)	2.8				(0.39)	(0.50)	(0.53)	0.34	(1.60)	EBIT interest cover (x)	(x)	n/a	n/a	n/a	n/a	0.6	
Growth capex	0.0	0.0	(1.8)	(6.9)	(6.1)				(0.39)	(0.50)	(0.53)	0.34	(1.60)	ROA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Acquisitions/Disposals	0.0	0.0	0.0	0.0	0.0				(0.39)	(0.50)	(0.53)	0.34	(1.60)	ROE	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Other	0.0	(0.2)	0.0	0.0	0.0				(0.39)	(0.50)	(0.53)	0.34	(1.60)	ROIC	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Cash flow pre financing	(2.8)	(3.2)	(3.7)	(7.1)	(3.3)				(0.39)	(0.50)	(0.53)	0.34	(1.60)	NTA (per share)	0.02	0.00	0.00	n.a.	n.a.	n.a.	
Equity	5.6	0.7	3.4	0.0	0.0				(0.39)	(0.50)	(0.53)	0.34	(1.60)	Working capital	(0.9)	(0.6)	(0.9)	0.5	0.9		
Debt	(0.2)	(0.3)	1.6	6.9	6.1				(0.39)	(0.50)	(0.53)	0.34	(1.60)	WC/Sales (%)	(85%)	(48%)	(42%)	7%	7%		
Dividends paid	n.a.	n.a.	(0.3)	0.0	0.0				(0.39)	(0.50)	(0.53)	0.34	(1.60)	Revenue growth	n.a.	25%	68%	245%	79%		
Net cash flow for year	2.6	(2.9)	1.0	(0.2)	2.8				(0.39)	(0.50)	(0.53)	0.34	(1.60)	EBIT growth pa	n.a.	n/a	n/a	n/a	-239%		
Balance sheet (A\$m)						Pricing						FY21A	FY22A	FY23A	FY24F	FY25F					
Y/E 30 June	FY21A	FY22A	FY23A	FY24F	FY25F	No of shares (y/e)	Weighted Av Dil Shares	EPS Reported	EPS Normalised/Diluted	EPS growth (norm/dil)	DPS	DPS Growth	Dividend yield	Dividend imputation	PE (x)	PE market	Premium/(discount)	EV/EBITDA	FCF/Share	Price/FCF share	Free Cash flow Yield
Cash	3.7	0.8	1.7	2.1	4.9	(m)	135	(2.5)	(2.2)	n.a.	-	n.a.	0.0%	30	n.a.	15.3	n.a.	0.5	-2.3	n.a.	n.a.
Accounts receivable	0.0	0.3	0.2	0.7	1.2	(m)	59	(5.7)	(2.2)	n.a.	-	n.a.	0.0%	30	n.a.	15.3	n.a.	0.5	-2.0	n.a.	n.a.
Inventory	0.0	0.0	0.0	0.0	0.0			n.a.	n.a.	n.a.	-	n.a.	0.0%	30	n.a.	15.3	n.a.	0.5	-0.9	n.a.	n.a.
Other current assets	0.1	0.1	0.3	0.2	0.2			n.a.	n.a.	n.a.	-	n.a.	0.0%	30	n.a.	15.3	n.a.	0.5	-0.7	n.a.	n.a.
Total current assets	3.8	1.1	2.1	3.0	6.3			n.a.	n.a.	n.a.	-	n.a.	0.0%	30	n.a.	15.3	n.a.	0.5	-0.7	n.a.	n.a.
PPE	0.4	1.2	3.0	8.3	11.2			n.a.	n.a.	n.a.	-	n.a.	0.0%	30	n.a.	15.3	n.a.	0.5	-0.7	n.a.	n.a.
Intangibles and Goodwill	0.0	0.0	0.0	0.0	0.0			n.a.	n.a.	n.a.	-	n.a.	0.0%	30	n.a.	15.3	n.a.	0.5	-0.7	n.a.	n.a.
Investments	0.0	0.0	0.0	0.0	0.0			n.a.	n.a.	n.a.	-	n.a.	0.0%	30	n.a.	15.3	n.a.	0.5	-0.7	n.a.	n.a.
Deferred tax asset	0.0	0.0	0.0	0.0	0.0			n.a.	n.a.	n.a.	-	n.a.	0.0%	30	n.a.	15.3	n.a.	0.5	-0.7	n.a.	n.a.
Other non current assets	0.0	0.2	1.1	0.3	0.8			n.a.	n.a.	n.a.	-	n.a.	0.0%	30	n.a.	15.3	n.a.	0.5	-0.7	n.a.	n.a.
Total non current assets	0.5	1.4	4.1	8.6	12.1			n.a.	n.a.	n.a.	-	n.a.	0.0%	30	n.a.	15.3	n.a.	0.5	-0.7	n.a.	n.a.
Total Assets	4.3	2.6	6.2	11.6	18.4			n.a.	n.a.	n.a.	-	n.a.	0.0%	30	n.a.	15.3	n.a.	0.5	-0.7	n.a.	n.a.
Accounts payable	0.9	0.9	1.0	0.2	0.3			n.a.	n.a.	n.a.	-	n.a.	0.0%	30	n.a.	15.3	n.a.	0.5	-0.7	n.a.	n.a.
Short term debt	0.2	0.4	0.4	0.7	0.7			n.a.	n.a.	n.a.	-	n.a.	0.0%	30	n.a.	15.3	n.a.	0.5	-0.7	n.a.	n.a.
Tax payable	0.0	0.0	0.0	0.0	0.0			n.a.	n.a.	n.a.	-	n.a.	0.0%	30	n.a.	15.3	n.a.	0.5	-0.7	n.a.	n.a.
Other current liabilities	0.2	0.2	0.5	0.2	0.2			n.a.	n.a.	n.a.	-	n.a.	0.0%	30	n.a.	15.3	n.a.	0.5	-0.7	n.a.	n.a.
Total current liabilities	1.3	1.4	1.9	1.0	1.2			n.a.	n.a.	n.a.	-	n.a.	0.0%	30	n.a.	15.3	n.a.	0.5	-0.7	n.a.	n.a.
Long term debt	0.2	0.6	3.1	9.7	15.8			n.a.	n.a.	n.a.	-	n.a.	0.0%	30	n.a.	15.3	n.a.	0.5	-0.7	n.a.	n.a.
Other non current liabs	0.0	0.0	0.6	1.3	1.6			n.a.	n.a.	n.a.	-	n.a.	0.0%	30	n.a.	15.3	n.a.	0.5	-0.7	n.a.	n.a.
Total long term liabilities	0.3	0.6	3.8	11.0	17.4			n.a.	n.a.	n.a.	-	n.a.	0.0%	30	n.a.	15.3	n.a.	0.5	-0.7	n.a.	n.a.
Total Liabilities	1.5	2.0	5.7	12.0	18.6			n.a.	n.a.	n.a.	-	n.a.	0.0%	30	n.a.	15.3	n.a.	0.5	-0.7	n.a.	n.a.
Net Assets	2.8	0.5	0.5	(0.4)	(0.2)			n.a.	n.a.	n.a.	-	n.a.	0.0%	30	n.a.	15.3	n.a.	0.5	-0.7	n.a.	n.a.
Share capital	22.9	23.5	26.6	27.1	27.1			n.a.	n.a.	n.a.	-	n.a.	0.0%	30	n.a.	15.3	n.a.	0.5	-0.7	n.a.	n.a.
Accumulated profits/losse	(20.1)	(23.0)	(27.0)	(28.4)	(28.2)			n.a.	n.a.	n.a.	-	n.a.	0.0%	30	n.a.	15.3	n.a.	0.5	-0.7	n.a.	n.a.
Reserves	n.a.	n.a.	0.9	1.0	1.0			n.a.	n.a.	n.a.	-	n.a.	0.0%	30	n.a.	15.3	n.a.	0.5	-0.7	n.a.	n.a.
Minorities	n.a.	n.a.	0.0	0.0	0.0			n.a.	n.a.	n.a.	-	n.a.	0.0%	30	n.a.	15.3	n.a.	0.5	-0.7	n.a.	n.a.
Total Shareholder func	2.8	0.5	0.5	(0.4)	(0.2)			n.a.	n.a.	n.a.	-	n.a.	0.0%	30	n.a.	15.3	n.a.	0.5	-0.7	n.a.	n.a.

Source: Company data for actuals; RaaS analysis



# FINANCIAL SERVICES GUIDE

**RaaS Advisory Pty Ltd**

**ABN 99 614 783 363**

**Corporate Authorised Representative, number 1248415**

**of**

**BR SECURITIES AUSTRALIA PTY LTD**

**ABN 92 168 734 530**

**AFSL 456663**

**Effective Date: 6<sup>th</sup> May 2021**

### About Us

BR Securities Australia Pty Ltd (BR) is the holder of Australian Financial Services License (“AFSL”) number 456663. RaaS Advisory Pty Ltd (RaaS) is an Authorised Representative (number 1248415) of BR.

This Financial Service Guide (FSG) is designed to assist you in deciding whether to use RaaS’s services and includes such things as

- who we are
- our services
- how we transact with you
- how we are paid, and
- complaint processes

Contact Details, BR and RaaS

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P: +61 414 354712

E: [finola.burke@raasgroup.com](mailto:finola.burke@raasgroup.com)

RaaS is the entity providing the authorised AFSL services to you as a retail or wholesale client.

**What Financial Services are we authorised to provide?** RaaS is authorised to

- provide general advice to retail and wholesale clients in relation to
  - Securities
- deal on behalf of retail and wholesale clients in relation to
  - Securities

The distribution of this FSG by RaaS is authorized by BR.

### Our general advice service

Please note that any advice given by RaaS is general advice, as the information or advice given will not take into account your particular objectives, financial situation or needs. You should, before acting on the advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a particular financial product you should read any relevant Prospectus, Product Disclosure Statement or like instrument. As we only provide general advice we will not be providing a Statement of Advice. We will provide you with recommendations on securities

### Our dealing service

RaaS can arrange for you to invest in securities issued under a prospectus by firstly sending you the offer document and then assisting you fill out the application form if needed.

### How are we paid?

RaaS earns fees for producing research reports. Sometimes these fees are from companies for producing research reports and/or a financial model. When the fee is derived from a company, this is clearly highlighted on the front page of the report and in the disclaimers and disclosures section of the report.

We may also receive a fee for our dealing service, from the company issuing the securities.

### Associations and Relationships

BR, RaaS, its directors and related parties have no associations or relationships with any product issuers other than when advising retail clients to invest in managed funds when the managers of these funds may also be clients of BR. RaaS’s representatives may from time to time deal in or otherwise have a financial interest in financial products recommended to you but any material ownership will be disclosed to you when relevant advice is provided.

### Complaints

If you have a complaint about our service you should contact your representative and tell them about your complaint. The representative will follow BR’s internal dispute resolution policy, which includes sending you a copy of the policy when required to. If you aren’t satisfied with an outcome, you may contact AFCA, see below. BR is a member of the Australian Financial Complaints Authority (AFCA). AFCA provide fair and independent financial services complaint resolution that is free to consumers.

Website: [www.afca.org.au](http://www.afca.org.au); Email: [info@afca.org.au](mailto:info@afca.org.au); Telephone: 1800931678 (free call)

In writing to: Australian Financial Complaints Authority, GPO Box 3, Melbourne, VIC, 3001.

### Professional Indemnity Insurance

BR has in place Professional Indemnity Insurance which satisfies the requirements for compensation under s912B of the Corporations Act and that covers our authorized representatives.

#### DISCLAIMERS and DISCLOSURES

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Assessment of risk can be subjective. Portfolios of equity investments need to be well diversified and the risk appropriate for the investor. Equity investments in listed or unlisted companies yet to achieve a profit or with an equity value less than \$50 million should collectively be a small component of a balanced portfolio, with smaller individual investment sizes than otherwise.

The science of climate change is common knowledge and its impacts may damage the global economy. Mitigating climate change may also disrupt the global economy. Investors need to make their own assessments and we disclaim any liability for the impact of either climate change or mitigating strategies on any investment we recommend.

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