



Appendix 4D – Half Year Report

(ASX Listing rule 4.2A)

Company Name:	Carly Holdings Limited (the Company)
ABN:	60 066 153 982
Reporting Period:	Half year ended 31 December 2023
Previous Reporting Period:	Half year ended 31 December 2022

Results for Announcement to the Market

The results of Carly Holdings Limited for the half year ended 31 December 2023 are as follows:

Revenue	Up	84.2%	to	\$1,622,627
Loss from continuing operations	Up	32.3%	to	(\$2,141,366)
Net loss for the period attributable to members	Up	32.3%	to	(\$2,141,366)

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

	31 December 2023	31 December 2022
Net Tangible (Liabilities)/Assets per Share (cents)	(0.49)	0.43

Explanation of results

Carly Holdings Limited recorded operating revenue of \$1,622,627 for the half year ended 31 December 2023 (2022: \$880,715), being an increase of 84.2% compared to the prior year period. The loss from continuing operations for the half year was \$2,141,366 (2022: \$1,618,522) and the net loss for the period attributable to members was \$2,141,366 (2022: \$1,618,522).

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

Interim review of accounts

The interim financial statements have been reviewed by the Group's independent auditor. The independent auditor's review report is included within the interim financial report which accompanies this Appendix 4D.

The independent auditor's review report contains an emphasis of matter in relation to going concern. The emphasis of matter draws attention to Note 1(b) of the interim financial report and states that the factors described in that going concern note to the interim financial statements, indicate the existence of material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

In Note 1(b), the Directors confirm their belief that the factors described in that note to the interim financial statements demonstrate that the Group will be able to pay its debts as and when they become due and payable and continue as a going concern.



Carly Holdings Limited

ACN 066 153 982

**INTERIM FINANCIAL REPORT
31 DECEMBER 2023**



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Directors

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

Company Secretary

Mr Max Crowley

Registered Office and Principal Place of Business

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Share Registry

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Sydney NSW 2000
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Email: hello@automic.com.au
Website: www.automic.com.au

Auditor

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

Stock Exchange

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

Bankers

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

The Directors present the interim financial report of the consolidated entity consisting of Carly Holdings Limited (the **Company** or **Parent Entity**) and its controlled entities (the **consolidated entity** or **Group**) for the half year ended 31 December 2023 and the independent auditor's review report thereon.

Directors and Company Secretary

The following persons held office as Directors of the Company during or since the end of the half year period ended 31 December 2023 until the date of this report. Directors were in office for the entire period unless stated otherwise.

Name	Position
Mr Chris Noone	Chief Executive Officer and Executive Director
Mr Adrian Bunter	Non-Executive Chairman
Ms Michelle Vanzella	Non-Executive Director
Mr Stephen Abolakian	Non-Executive Director
Mr Robert (Robbie) Blau	Non-Executive Director (Resigned 1 November 2023)
Mr Todd Hunter	Non-Executive Director (Resigned 21 July 2023)
Mr Kevin Wundram	Alternate Director to Mr Blau (Resigned 1 November 2023)

The following persons held office as Company Secretary of the Company during the half year ended 31 December 2023 until the date of this report.

Ms Karen Logan	Company Secretary (Resigned 6 October 2023)
Mr Max Crowley	Company Secretary (Appointed 6 October 2023)

Results

The net loss after tax of the Group for the half-year was \$2,141,366 (2022: loss of \$1,618,522).

The Group's gross revenue from continuing operations increased by 84.2% to \$1,622,627 in this half year, and gross profit from continuing operations increased by 38.0% to \$444,062. The net loss from continuing operations increased by 32.3% to \$2,141,366. Net assets decreased by 352.2% to net liabilities of \$1,302,976 as at 31 December 2023.

Review of Operations

Carly Holdings Limited has continued to deliver strong revenue growth in H1 FY24 with subscription revenue growing to \$1.57m, an increase of 91% vs H1 FY23. This result has been driven by Carly's strategic objective, to increase the size of the owned fleet, diversify customer acquisition channels and retain a higher proportion of receipts as revenue.

During H1 FY24 Carly added a further 62 vehicles to its owned and financed fleet representing growth of 18% vs H1 FY23. By 31 December 2023 Carly's total fleet reached 377 vehicles with 262 vehicles being owned or financed and the remaining 115 vehicles provided on an asset light basis by automotive manufacturers and dealers.

With the growth in Carly's owned fleet of vehicles, Carly no longer solely relies on an asset light model, for which supply of the most suitable vehicles cannot always be assured. Carly has continued to finance the acquisition of vehicles to gain more control over fleet size and composition in a changing vehicle market environment. The investment made in expanding the fleet, has had a direct impact on the H1 FY24 gross profit through the higher vehicle depreciation rate and general vehicle costs, including vehicle registrations, vehicle trackers and vehicle servicing. Excluding the impact of depreciation, gross profit increased by 99.8% over the period compared to H1 FY23. Carly has increased its Australian based staff levels by 3, with all roles customer facing and focused on growing the subscriber base, particularly corporate customers and managing the handover of vehicles.

At the 26 July 2023 Extraordinary General Meeting of Carly Holdings Limited, the Shareholders approved the issuing of 14,000,000 fully paid ordinary shares (Tranche 2) and 32,000,000 new CL80 Options exercisable at \$0.06 per option, with an expiry date of 31 October 2024, to raise an additional \$0.35 million under the Tranche 2 Placement. 25,000,000 of the new 32,000,000 new CL80 Options were issued on 31 July 2023. The 14,000,000 fully paid ordinary shares (Tranche 2) and 7,000,000 options were issued on 24 August 2023.

On 30 November 2023, Shareholders approved the issuing of 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. This has provided the funding to deliver substantial growth in fleet size and subscription revenue in coming months.

In H2 FY23 Carly continues to focus on the growth of the car subscription revenue stream, with a major emphasis on the acquisition and supply of vehicles from multiple sources to meet the level of demand from consumers and businesses. For the first time, Carly has purchased electric vehicles to cater for the increasing demand from individuals and corporates seeking to trial EVs to build knowledge and confidence to make often substantial long term purchase decisions in the future.

Auditor's independence declaration under Section 307C of the Corporations Act 2001

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the Directors of the Company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on page 5 and forms part of this Directors' Report for the half-year ended 31 December 2023.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to section 306(3) of the Corporations Act 2001.

A handwritten signature in black ink, appearing to read 'Chris Noone'.

Chris Noone
CEO and Executive Director

Dated at Sydney, New South Wales, this 28th day of February 2024.

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Carly Holdings Limited for the half-year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
28 February 2024



M R Ohm
Partner

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HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

		Consolidated	
	Notes	31 Dec 2023	31 Dec 2022
		\$	\$
Revenue from continuing operations	3	1,622,627	880,715
Cost of sales ¹		(1,178,565)	(558,967)
Gross profit		444,062	321,748
Other income		17,601	20,319
Corporate and administrative expenses ^{1,2}		(1,870,894)	(1,414,204)
Research and development expenses		(518,572)	(532,237)
		(2,371,865)	(1,926,122)
Results from continuing activities		(1,927,803)	(1,604,374)
Finance income		16,038	4,685
Finance costs ²		(229,601)	(18,833)
Net financing costs		(213,563)	(14,148)
Loss before income tax		(2,141,366)	(1,618,522)
Income tax benefit		-	-
Loss from continuing operations		(2,141,366)	(1,618,522)
Other comprehensive income		-	-
Total comprehensive loss for the period		(2,141,366)	(1,618,522)
Loss per share from continuing operations:			
Basic loss per share (cents per share)	14	(0.81)	(1.12)
Diluted loss per share (cents per share)	14	(0.81)	(1.12)

¹ Depreciation expense associated with motor vehicles used by subscribers has been reclassified from Corporate and Administrative Expenses to Cost of Sales for HY24 and HY23. The impact to Total Comprehensive Loss for both periods is nil.

² Finance costs associated with motor vehicle leases and borrowings used to acquire vehicles has been reclassified from Corporate and Administrative Expenses to Finance costs for HY24 and HY23. The impact to Total Comprehensive Loss for both periods is nil.

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023**

		Consolidated	
	Notes	31 Dec 2023 \$	30 Jun 2023 \$
CURRENT ASSETS			
Cash and cash equivalents		3,115,984	1,662,787
Trade and other receivables	4	160,850	157,267
Other current assets	5	245,622	261,959
Total Current Assets		3,522,456	2,082,013
NON-CURRENT ASSETS			
Property, plant and equipment	6	4,108,895	2,965,683
Right of use assets	10(a)	1,066,023	917,804
Intangible assets		7,967	7,967
Other non-current assets	5	203,187	201,819
Total Non-Current Assets		5,386,072	4,093,273
TOTAL ASSETS		8,908,528	6,175,286
CURRENT LIABILITIES			
Trade and other payables	7	1,134,567	1,037,882
Loans payable	8	380,540	373,098
Lease liability	10(b)	397,960	346,770
Other liabilities	9	133,026	146,249
Total Current Liabilities		2,046,093	1,903,999
NON-CURRENT LIABILITIES			
Loans payable	8	7,288,886	3,104,841
Lease liability	10(b)	743,784	640,557
Derivative liability	8	120,480	-
Other non-current liabilities	9	12,260	9,170
Total Non-Current Liabilities		8,165,410	3,754,568
TOTAL LIABILITIES		10,211,503	5,658,567
NET (LIABILITIES)/ASSETS		(1,302,976)	516,719
EQUITY			
Issued capital	11	26,853,043	26,570,302
Reserves		964,568	946,141
Accumulated losses	13	(29,120,587)	(26,999,724)
TOTAL (DEFICIENCY)/EQUITY		(1,302,976)	516,719

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2023**

	Notes	Issued Capital \$	Reserves \$	Accumulated losses \$	Total \$
Balance at 1 July 2022		23,534,881	905,610	(23,915,279)	525,212
Loss for the period		-	-	(1,618,522)	(1,618,522)
Total comprehensive loss for the period		-	-	(1,618,522)	(1,618,522)
Issue of share capital	11	2,113,162	-	-	2,113,162
Share issue costs	11	(181,233)	-	-	(181,233)
Share-based payment expense	12	-	55,378	-	55,378
Transfer from reserves on lapse of options	13	-	(4,380)	4,380	-
Balance at 31 December 2022		25,466,810	956,608	(25,529,421)	893,997
Balance at 1 July 2023		26,570,302	946,141	(26,999,724)	516,719
Loss for the period		-	-	(2,141,366)	(2,141,366)
Total comprehensive loss for the period		-	-	(2,141,366)	(2,141,366)
Issue of share capital	11	350,000	-	-	350,000
Share issue costs	11	(67,259)	-	-	(67,259)
Share-based payment expense	12	-	38,930	-	38,930
Transfer from reserves on lapse of options	13	-	(20,503)	20,503	-
Balance at 31 December 2023		26,853,043	964,568	(29,120,587)	(1,302,976)

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2023**

	Note	Consolidated	
		31 Dec 2023 \$	31 Dec 2022 \$
Cash flows from operating activities			
Receipts from customers		2,343,776	1,714,436
Payments to suppliers and employees		(3,183,623)	(2,750,011)
Interest received		10,502	4,199
Interest paid on lease liability	10(c)	(94,094)	(44,906)
Payments for short term leases		(9,000)	(2,550)
Finance costs		(144,263)	-
Research and development refundable tax offset		-	168,472
Net cash used in operating activities		(1,076,702)	(910,360)
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(1,695,581)	-
Transfer from rental bond guarantee account		12,417	-
Net cash used in investing activities		(1,683,164)	-
Cash flows from financing activities			
Proceeds from issue of convertible notes	8	2,850,000	-
Payment of convertibles notes costs	8	(188,100)	-
Proceeds from borrowings	8	1,800,000	-
Payment of borrowing costs		(154,105)	-
Proceeds from issue of shares	11	350,000	2,113,162
Payment of share issue costs	11	(64,591)	(141,874)
Payment of principal amounts on loans payable and lease liabilities – office and vehicles	8	(380,141)	(248,147)
Net cash provided by financing activities		4,213,063	1,723,141
Net increase in cash held		1,453,197	812,781
Cash and cash equivalents at the beginning of the period		1,662,787	805,407
Cash and cash equivalents at the end of the period		3,115,984	1,618,188

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting entity

Carly Holdings Limited (**Company** or **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 half-year ended 31 December 2023 comprise the Company and its subsidiaries (**Consolidated Entity** or **Group**). The Company is domiciled in Australia.

The annual financial report of the consolidated entity for the year ended 30 June 2023 is available upon request from the Company's registered office or may be viewed on the Company's website, <https://investors.carly.co>.

(b) Basis of Preparation

Statement of Compliance

The consolidated interim financial statements are general purpose financial statements which have been prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

The interim financial statements were authorised for issue by the Board on 28 February 2024.

The interim financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the group as in the full financial report.

It is recommended that this interim financial report be read in conjunction with the annual financial report for the year ended 30 June 2023 and considered together with any public announcements made by the Company during the half-year ended 31 December 2023 in accordance with the continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

Basis of measurement

The interim financial statements have been prepared on the accruals basis and the historical cost basis. All amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim financial statements, the half-year has been treated as a discrete reporting period.

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 of \$2,141,366 during the half year (31 December 2022: loss of \$1,618,522), that there is a net liability position of \$1,302,976 (31 December 2022: net assets of \$516,719) and a net cash outflow from operating activities of \$1,076,702 (31 December 2022: outflow of \$910,360).

The Directors are of the opinion there are reasonable grounds to believe that the Group will be able to continue as a going concern after consideration of the following factors:

- The Group held cash and cash equivalents of \$3,115,984 as at 31 December 2023;
- The Directors remain committed to the long-term business plan, including ongoing review of current products and the potential introduction of new products that are anticipated to contribute to improved results as the business progresses;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- The plans and forecasts reviewed by the Directors for the next twelve months anticipate the business will continue to produce improved results;
- The Group has a demonstrated ability to access various capital raising mechanisms as and when required. These capital funding mechanisms are available via existing investors of the Group as well as potential new investors. For example, the Company raised:
 - (a) \$2,850,000 before costs through the issue of Convertible Notes in December 2023;
 - (b) \$350,000 before costs through a Tranche 2 Placement in August 2023;
 - (c) \$1,250,000 before costs through a Tranche 1 Placement in June 2023, which was oversubscribed and subsequently scaled back;
 - (d) \$2,113,162 before costs through a renounceable rights issue of shares and free-attaching quoted options in November 2022, which was supported by the three largest shareholders and officers of the Company;
 - (e) \$654,810 before costs through a Tranche 2 Placement in December 2021, which was supported by the two largest shareholders; and
 - (f) \$4,846,925 before costs through a renounceable rights issue and placement in May 2021, which was supported by a lead manager and corporate adviser.

The Directors believe that the above indicators demonstrate that the Group will be able to pay its debts as and when they become due and payable and to continue as a going concern. Accordingly, the Directors also believe that it is appropriate to adopt the going concern basis in the preparation of the financial statements. Should the Group not be successful in generating sufficient funds from the above initiatives and improved businesses performance, 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.

Significant accounting judgements, estimates and assumptions

The preparation of the interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this consolidated interim financial report, the significant judgments made by management in applying the consolidated entity's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2023, except for:

- i) The significant judgements and estimates involved with assessing the fair value of the embedded derivative liability for the convertible notes. Refer to note 15 for further details; and
- ii) The impact of new standards and interpretations effective from 1 July 2023 as described below.

Significant accounting policies

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

(i) Adoption of new and revised standards

The Group has adopted new and revised Accounting Standards that are mandatory for the current reporting period.

(ii) Standards and interpretations in issue not yet adopted

The Directors have also reviewed new and revised standards and interpretations in issue not yet adopted that are relevant to the Group and effective for the reporting periods beginning on or after 1 January 2024. 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 material change is necessary to the Group's accounting policies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SEGMENT INFORMATION

The Group operates one business segment, being the vehicle subscription business. Accordingly, only one operating segment has been identified and no further disclosure is required in the financial statements.

3. REVENUE FROM CONTRACTS WITH CUSTOMERS

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

	Six months to 31 Dec 2023 \$	Six months to 31 Dec 2022 \$
<i>Timing of recognition</i>		
Revenue from vehicle subscription and services over time	1,622,627	880,715
Total revenue	1,622,627	880,715

The Group recognised an impairment loss on receivables from customers in cost of sales in the condensed consolidated statement of profit or loss and other comprehensive income, amounting to \$52,557 for the six months ended 31 December 2023 (2022: \$60,000).

4. TRADE AND OTHER RECEIVABLES

	31 Dec 2023 \$	30 Jun 2023 \$
Trade receivables	136,023	72,960
Other receivables	24,827	84,307
	160,850	157,267

5. OTHER ASSETS

Current

Prepayments	202,348	206,268
Office lease deposit	40,924	53,341
Other deposits	2,350	2,350
	245,622	261,959

Non-Current

Vehicle lease security guarantee account	203,187	201,819
	203,187	201,819

6. PROPERTY, PLANT AND EQUIPMENT

	Motor Vehicles \$	Furniture and Fittings \$	Leasehold Improvements \$	Total \$
Cost	4,557,487	85,074	48,499	4,691,060
Accumulated depreciation	(462,796)	(77,103)	(42,266)	(582,165)
Net book value at 31 December 2023	4,094,691	7,971	6,233	4,108,895
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

Depreciation of Motor Vehicles is calculated on a straight-line basis at the rate of 14% per annum. Furniture and Fittings and Leasehold Improvements are depreciated on a straight-line basis over the estimated useful life of the specific asset, which ranges over 2 to 5 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. PROPERTY, PLANT AND EQUIPMENT (continued)

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:

	Motor Vehicles \$	Furniture and Fittings \$	Leasehold Improvements \$	Total \$
31 December 2023				
Opening net book value at 1 July	2,955,389	10,294	-	2,965,683
Additions during the year	1,427,709	816	6,625	1,435,150
Depreciation expense	(288,407)	(3,139)	(392)	(291,938)
Closing net book value at 31 December	4,094,691	7,971	6,233	4,108,895
30 June 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

There was no impairment loss relating to property, plant and equipment during the interim period (2022: nil). \$1,427,709 of motor vehicle additions were financed by the Group (refer to note 8).

7. TRADE AND OTHER PAYABLES

	31 Dec 2023 \$	30 Jun 2023 \$
Trade creditors	279,434	381,854
Deposits held	33,545	34,035
Other payables and accruals	815,701	616,087
Deferred revenue	5,887	5,906
	1,134,567	1,037,882

8. LOANS & BORROWINGS PAYABLE

Total Facilities Available

	31 Dec 2023 \$	30 Jun 2023 \$
iPartners Facility A and B	10,000,000	4,000,000
Convertible Note	2,850,000	-
Vehicle Financing Facilities	2,200,000	2,200,000
	15,050,000	6,200,000

Total facilities used at balance date (Gross liability)

	31 Dec 2023 \$	30 Jun 2023 \$
iPartners Facility A	4,000,000	2,200,000
Convertible Note – Financial Liability	2,729,520	-
Convertible Note – Derivative Liability	120,480	-
Vehicle Financing Facilities	2,000,000	2,000,000
	8,850,000	4,200,000

Unused at balance date

	31 Dec 2023 \$	30 Jun 2023 \$
iPartners Facility A	6,000,000	1,800,000
Convertible Note	-	-
Vehicle Financing Facilities	200,000	200,000
	6,200,000	2,000,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8. LOANS & BORROWINGS PAYABLE (continued)

	31 Dec 2023 \$	30 Jun 2023 \$
Amortised Cost		
Current		
Loans Payable – amount expected to be settled within 12 months	380,540	-
	380,540	-
Non-Current		
Loans Payable – including derivative liability, amount expected to be after more than 12 months	7,409,366	-
	7,409,366	-

	31 Dec 2023 \$	31 Dec 2022 \$
Balance at 1 July	3,477,939	-
Proceeds from vehicle loan borrowings	1,800,000	-
Proceeds from convertible notes - financial liability	2,729,520	-
Proceeds from convertible notes – derivative liability	120,480	-
Chattel Mortgage finance	-	1,175,826
Repayment of loans payable	(167,692)	(69,013)
Net transaction costs	(170,341)	(15,278)
Balance at 31 December	7,789,906	1,091,535

The vehicle loans payable are secured by the underlying funded assets and financing agreements. These facilities are interest-bearing and are repaid monthly in accordance with the contractual amortisation schedule of the facility.

The 2,850,000 issued convertible notes have a face value of \$1 each and have a maturity date of 6 June 2025. The convertible notes are interest bearing at 12% p.a., accrued daily and payable quarterly in arrears. Conversion of the convertible notes are at the holder's election, any time prior to the maturity date. Refer to note 15 for details of the significant judgements and estimates associated with the convertible notes.

9. OTHER LIABILITIES

	31 Dec 2023 \$	30 Jun 2023 \$
Current		
Annual leave liability	86,871	108,787
Provision for long service leave	46,155	37,462
	133,026	146,249
Non-current		
Provision for long service leave	12,260	9,170
	12,260	9,170

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	Motor Vehicle Leases \$	Office Lease \$	Total Leases \$
10. LEASES			
31 December 2023			
(a) Right of use assets			
Opening balance at 1 July	865,263	52,541	917,804
Additions to right-of-use assets	-	351,576	351,576
Depreciation charge for the period	(135,104)	(68,253)	(203,357)
Balance at 31 December 2023	730,159	335,864	1,066,023
(b) Lease liabilities			
Current	289,804	108,156	397,960
Non-Current	507,406	236,378	743,784
Balance at 31 December 2023	797,210	344,534	1,141,744
(c) Amounts recognised in profit or loss			
Interest on lease liabilities	32,201	10,400	42,601
Depreciation of right-of-use assets	135,104	68,254	203,358
30 June 2023			
(a) Right of use assets			
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)
Balance at 30 June 2023	865,263	52,541	917,804
(b) Lease liabilities			
Current	286,468	60,302	346,770
Non-Current	640,557	-	640,557
Balance at 30 June 2023	927,025	60,302	987,327
(c) Amounts recognised in profit or loss			
Interest on lease liabilities	63,329	1,274	64,603
Depreciation of right-of-use assets	216,101	157,625	373,726

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10. LEASES (continued)

	Carrying amount \$	< 12 months \$	> 12 months \$
(d) Lease liabilities (undiscounted contractual maturity)			
31 December 2023			
Office lease	416,057	144,229	271,828
Motor Vehicle leases	899,426	348,102	551,324
Balance at 31 December 2023	1,315,483	492,331	823,152
30 June 2023			
Office lease	64,204	64,204	-
Motor Vehicle leases	1,045,572	339,379	706,193
Balance at 30 June 2023	1,109,776	403,583	706,193

Office Lease – from 1 September 2023

The Group elected to early surrender its property lease at Level 7, 189 Kent Street, Sydney and to move within the same building, to Level 3, 189 Kent Street, Sydney on 31 August 2023. As a result of the early surrender date, which was 2 months prior to the official lease end date of 31 October 2023, the carrying value of the right of use asset on the surrendered lease was reduced by \$26,271, whilst the carrying value of the lease liability on the surrendered lease was reduced by \$30,151. These two adjustments had a net favourable impact to the profit and loss of \$3,880 for the reporting period.

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

Motor Vehicle Leases

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. As of 31 December 2023, the Group was leasing 56 vehicles (30 June 2023: 56).

11. ISSUED CAPITAL

	31 Dec 2023 \$	30 Jun 2023 \$
268,370,391 (30 June 2023: 254,370,391) fully paid ordinary shares	26,853,043	26,570,302

(a) Ordinary shares

The following movements in issued capital occurred during the period:

	Six months to 31 December 2023	
	Number of Shares	\$
At beginning of financial period	254,370,391	26,570,302
Issue of shares at \$0.025 each: Placement Tranche 2	14,000,000	350,000
Less: transaction costs arising from share issue	-	(67,259)
At end of financial period	268,370,391	26,853,043

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11. ISSUED CAPITAL (continued)

(b) Options

The following options were issued during the period:

Class	Expiry Date	Exercise Price	Number of Options
Quoted CL80 Options	31 October 2024	\$0.0600	42,000,000
Employee Options	1 September 2026	\$0.0238	1,950,586
Employee Options	18 September 2026	\$0.0380	200,000
Employee Options	18 September 2026	\$0.0285	200,000
Employee Options	27 November 2026	\$0.0255	300,000
Employee Options	27 November 2026	\$0.0340	300,000

The following options expired during the period:

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

The following options lapsed during the period:

Class	Expiry Date	Exercise Price	Number of Options
Employee Options	1 September 2023	\$0.2500	227,609
Employee Options	1 September 2024	\$0.0750	94,124
Employee Options	1 September 2025	\$0.0437	52,137

There were no options exercised during the period.

As at the end of the period, options on issue were as follows:

Class	Expiry Date	Exercise Price	Number of Options
Employee Options	1 September 2024	\$0.0750	616,740
Quoted CL80 Options ¹	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 2025	\$0.0213	91,414
Employee Options	1 September 2026	\$0.0238	1,950,586
Employee Options	18 September 2026	\$0.0380	200,000
Employee Options	18 September 2026	\$0.0285	200,000
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
Total number of options			98,350,592

Notes to the tables of options:

1. Subscribers under the Rights Issue received free-attaching Quoted Options on a 1-for-2 basis.

Other than the Quoted Options, none of these options are quoted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12. SHARE BASED PAYMENTS

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

Class of Option	Grant date	Expiry date	Exercise Price	Balance at the start of the year	Granted	Exercised/ Lapsed/ Consolidation	Vested during the period	Balance at the end of the period
Employee	12 Sep 2023	1 Sep 2026	\$0.0238	-	1,950,586	-	1,950,586	1,950,586
Employee	21 Sep 2023	18 Sep 2026	\$0.0380	-	200,000	-	200,000	200,000
Employee	21 Sep 2023	18 Sep 2026	\$0.0285	-	200,000	-	200,000	200,000
Employee	27 Nov 2023	27 Nov 2026	\$0.0255	-	300,000	-	300,000	300,000
Employee	27 Nov 2023	27 Nov 2026	\$0.0340	-	300,000	-	300,000	300,000

The inputs used to determine the fair value of Employee Options at the date of grant are outlined below:

Item	Employee Options				
Grant date	12 September 2023	21 September 2023	21 September 2023	27 November 2023	27 November 2023
Share price at grant date	\$0.0170	\$0.0180	\$0.0180	\$0.0170	\$0.0170
Expiry date	1 September 2026	18 September 2026	18 September 2026	27 November 2026	27 November 2026
Exercise price	\$0.0238	\$0.0380	\$0.0285	\$0.0255	\$0.0340
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)
Expected volatility	80%	80%	80%	80%	80%
Risk-free rate	3.85%	4.04%	4.04%	4.22%	4.22%
Dividend yield	Nil	Nil	Nil	Nil	Nil
Number of options	1,950,586	200,000	200,000	300,000	300,000
Valuation per option	\$0.0077	\$0.0065	\$0.0077	\$0.0075	\$0.0064
Valuation of options	\$15,084	\$1,291	\$1,541	\$2,261	\$1,906

The fair value of the Employee Options were calculated internally using a Black-Scholes valuation model and fully expensed in the reporting period. Total expense recognised in corporate and administrative expenses during the period was \$22,083 (2022: \$13,578) in respect of options granted and vested.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12. SHARE BASED PAYMENTS (continued)

Nil Executive Options were issued during the period.

Executive Options

2021 financial year

Following receipt of shareholder approval at the annual general meeting held on 19 November 2020, the Company issued to Mr Chris Noone, CEO and Executive Director, 1,620,000 Executive Options as set out in the tables above.

Each Executive Option entitles the holder to subscribe for one share as follows (on a post-consolidation basis):

Executive Options Tranche	Exercise Price	Vesting Date	Expiry Date	Number of Executive Options
Tranche 1	\$0.3750	19 November 2020	19 November 2025	135,000
Tranche 1	\$0.3750	19 November 2021	19 November 2025	135,000
Tranche 1	\$0.3750	19 November 2022	19 November 2025	135,000
Tranche 1	\$0.3750	19 November 2023	19 November 2025	135,000
Tranche 2	\$0.3750	19 November 2020	19 November 2025	135,000
Tranche 2	\$0.3750	19 November 2021	19 November 2025	135,000
Tranche 2	\$0.3750	19 November 2022	19 November 2025	135,000
Tranche 2	\$0.3750	19 November 2023	19 November 2025	135,000
Tranche 3	\$0.3750	19 November 2020	19 November 2025	135,000
Tranche 3	\$0.3750	19 November 2021	19 November 2025	135,000
Tranche 3	\$0.3750	19 November 2022	19 November 2025	135,000
Tranche 3	\$0.3750	19 November 2023	19 November 2025	135,000

The Executive Options have a cashless exercise mechanism and will vest upon achievement of performance conditions linked to growth in the market price of CL8 shares as follows (on a post-consolidation basis):

Executive Options Tranche	Number of Executive Options	Performance condition
Tranche 1	540,000	None
Tranche 2	540,000	Volume weighted average market price (VWAP) of \$0.625 for CL8 Shares as traded on ASX for a continuous 20-day period
Tranche 3	540,000	VWAP of \$0.75 for CL8 Shares as traded on ASX for a continuous 20-day period

The fair value of the Executive Options was calculated by an independent expert. The vested portions of the Executive Options were fully expensed in the reporting period. The total expense recognised in corporate and administrative expenses during the period was \$4,641 (2022: \$12,530) in respect of Executive Options granted and vested.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12. SHARE BASED PAYMENTS (continued)

Executive Options (continued)

2022 financial year

Following receipt of shareholder approval at the annual general meeting held on 18 November 2021, the Company issued to Mr Chris Noone, CEO and Executive Director, 5,000,000 Executive Options as set out in the tables above.

Once vested, each Executive Option entitles the holder to subscribe for one Share as follows:

Executive Options Tranche	Exercise Price	Vesting Date	Expiry Date	Number of Executive Options
Tranche A	\$0.10	18 November 2022	18 November 2026	250,000
Tranche A	\$0.10	18 November 2023	18 November 2026	250,000
Tranche A	\$0.10	18 November 2024	18 November 2026	375,000
Tranche A	\$0.10	18 November 2025	18 November 2026	375,000
Tranche B	\$0.18	18 November 2022	18 November 2026	250,000
Tranche B	\$0.18	18 November 2023	18 November 2026	250,000
Tranche B	\$0.18	18 November 2024	18 November 2026	375,000
Tranche B	\$0.18	18 November 2025	18 November 2026	375,000
Tranche C	\$0.24	18 November 2022	18 November 2026	250,000
Tranche C	\$0.24	18 November 2023	18 November 2026	250,000
Tranche C	\$0.24	18 November 2024	18 November 2026	375,000
Tranche C	\$0.24	18 November 2025	18 November 2026	375,000
Tranche D	\$0.30	18 November 2022	18 November 2026	250,000
Tranche D	\$0.30	18 November 2023	18 November 2026	250,000
Tranche D	\$0.30	18 November 2024	18 November 2026	375,000
Tranche D	\$0.30	18 November 2025	18 November 2026	375,000

The Executive Options have a cashless exercise mechanism.

The fair value of the Executive Options was calculated by an independent expert. The vested portions of the Executive Options were fully expensed in the reporting period. The total expense recognised in corporate and administrative expenses during the period was \$12,206 (2022: \$20,869) in respect of Executive Options granted and vested.

Lead Manager Options

On 16 September 2022, the Company entered into a mandate with Mahe Capital Pty Ltd (**Mahe Capital**) to act as lead manager of the 2022 Rights Issue (**Lead Manager Mandate**). Pursuant to the Lead Manager Mandate and upon completion of the Rights Issue, the Company issued 1,083,792 Quoted CL8O Options to Mahe Capital (**Lead Manager Options**).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12. SHARE-BASED PAYMENTS (continued)

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:

	Six months to 31 Dec 2023 \$	Six months to 31 Dec 2022 \$
Employee Options	16,847	13,578
Executive Options	22,084	33,398
	38,930	46,976

Share-based payment transactions recognised in share issue costs

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

	Six months to 31 Dec 2022 \$	Year to 30 June 2023 \$
Lead Manager Options	-	8,402
Lead Placement Manager Options ¹	-	28,095
	-	36,497

¹ Lead Placement Manager Options were recognised at 30 June 2023 as share issue costs. The options were issued on 24 August 2023.

Movements during the year

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

Options	Issue Date	Expiry Date	Exercise Price \$	Number Expired	Number Lapsed
Employee Options	4-Sep-20	1-Sep-23	\$0.2500	(31,610)	-
Employee Options	1-Sep-20	1-Sep-23	\$0.2500	-	(227,609)
Employee Options	12-Oct-21	1-Sep-24	\$0.0750	-	(94,124)
Employee Options	1-Sep-22	1-Sep-25	\$0.0437	-	(52,137)

13. ACCUMULATED LOSSES

Movement in accumulated losses were as follows:

Accumulated losses at beginning of the year
Transfer from reserves
Loss for the period
Accumulated losses at end of the period

Consolidated Group	
Six months to 31 Dec 2023 \$	Year to 30 June 2023 \$
(26,999,724)	(23,915,279)
20,503	57,780
(2,141,366)	(3,142,225)
(29,120,587)	(26,999,724)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14. LOSS PER SHARE

Basic loss per share

The calculation of basic loss per share at 31 December 2023 was based on the loss attributable to ordinary shareholders of \$2,141,366 (2022: \$1,618,522) and a weighted average number of ordinary shares of 264,261,696 (2022: 145,033,417) calculated as follows:

	Consolidated Group	
	Six months to 31 Dec 2023 \$	Six months to 31 Dec 2022 \$
Loss attributable to ordinary shareholders (basic)		
Loss attributable to the ordinary shareholders	(1,618,522)	(1,618,522)
	2023 Number	2022 Number
Weighted average number of ordinary shares for the purpose of basic earnings per share	264,261,696	145,033,417
Weighted average number of ordinary shares for the purpose of diluted earnings per share	264,261,696	145,033,417
	2023	2022
Basic and diluted loss per share from continuing operations (cents per share)	(0.81)	(1.12)

15. FINANCIAL INSTRUMENTS

The Group has a number of financial instruments which are not measured at fair value on a recurring basis. The carrying amounts of these financial instruments approximate their fair value. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the prevailing contract interest rate.

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 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 31 December 2023 was determined to be \$120,480.

16. 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 timing of delivery. As of the date of this report, the Group had not yet accepted delivery of vehicles of value totalling \$2,743,442 (74 vehicles).

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

17. EVENTS SUBSEQUENT TO REPORTING DATE

Carly through the course of February 2024, has further draw down on the available financing facilities for the acquisition vehicles, with up to \$1,500,000 either drawn or pending settlement as at the date of this report.

Other than the matters described above, there has not arisen in the interval between the end of the period 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 significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

DIRECTORS' DECLARATION

1. In the opinion of the Directors of Carly Holdings Limited:
 - (a) the accompanying interim financial statements and notes are in accordance with the *Corporations Act 2001* including:
 - (i) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year then ended; and
 - (ii) complying with Australian Accounting Standards, the *Corporations Regulations 2001*, professional reporting requirements and other mandatory requirements.
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
 - (c) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the *Corporations Act 2001*.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to section 303(5) of the *Corporations Act 2001*.



Chris Noone
CEO and Executive Director

Dated at Sydney, New South Wales this 28th day of February 2024.

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Carly Holdings Limited

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Carly Holdings Limited ("the Company") and its controlled entities ("the Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2023, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes, and the directors' declaration, for the Group comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Carly Holdings Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
28 February 2024

M R Ohm
Partner