

Consolidated ClickCar Holdings Pty Ltd

ACN 648 091 418

Annual report for the financial year
ended 30 June 2023

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Consolidated ClickCar Holdings Pty Ltd

Directors' report

For the year ended 30 June 2023

The directors of ClickCar Holdings Pty Ltd (the Company) submit herewith the annual report of the company and its subsidiary (the Group) for the financial year ended 30 June 2023, with comparison financial period from inception, being 19 February 2021 to 30 June 2022.

It is noted that the comparison financial statements are over a 16 month period versus the most recent financial statements over a 12 month period. In order to comply with the provisions of the Corporations Act 2001, the directors report is as follows:

The names of the directors of the company during or since the end of the financial year are:

Yosuke Sandy Hall	Appointed 19 February 2021
Jason Sonny Lenga	Appointed 19 February 2021
Lachlan Ross MacGregor	Appointed 6 April 2021
Adam Alexander Valkin	Appointed 31 March 2022

Principal activities

The company is a fully digital used car dealership, headquartered in Sydney, Australia. Its principal activities in the course of the financial year were the purchase, reconditioning and sale of used cars online.

Review of operations

The net loss for the financial period ended 30 June 2023 after income tax was \$26,424,598 (2022: \$10,406,625).

Significant Changes in state of affairs

There was no significant change in the state of affairs of the company during the financial period.

Environmental regulation

The Company is not subject to any significant environmental regulation under Australian Commonwealth or State Law.

Shares under Option

The Group has unissued ordinary shares under option that carry no dividends or voting rights prior to vesting. Shares under option in the employee share option plan are subject to a service condition and vest over a period up to 4 years. There were no shares under options exercised during the year ended 30 June 2023.

Shares issued on the exercise of options

There were no ordinary shares of the Company issued on the exercise of options during the period ended 30 June 2023 and up to the date of this report.

Matters subsequent to the end of the financial period

There has not been any material matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Dividends

No dividends have been paid since the start of the financial year.

Indemnification of officers and auditors

During the financial year, the company paid a premium in respect of a contract insuring the directors of the company (as named above) and all executive officers of the company and of any related body corporate against a liability incurred as such a director or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as an officer or auditor.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Auditor's independence declaration

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included on page 5.

Rounding off of amounts

The company is a company of the kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the directors' report and the financial statements are rounded off to the nearest dollar, unless otherwise indicated.

This directors' report is signed in accordance with a resolution of directors made pursuant to s.298(2)(a) of the Corporations Act 2001.

On behalf of the Directors



Lachlan Ross MacGregor
Director

27th October 2023

The Directors'
ClickCar Holdings Pty Ltd
134 Euston Road
Alexandria, NSW, 2015

Dear Directors'

Auditor's Independence Declaration to ClickCar Holdings Pty Ltd

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Directors' of ClickCar Holdings Pty Ltd.

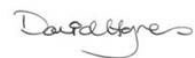
As lead audit partner for the audit of the financial report of ClickCar Holdings Pty Ltd for the year ended 30th June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



David Haynes
Partner
Chartered Accountants

Independent Auditor's Report to the Directors' of ClickCar Holdings Pty Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of ClickCar Holdings Pty Ltd (the "Company") and its subsidiary (the "Group") which comprises the consolidated statement of financial position as at 30th June 2023, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Company and Group's financial position as at 30 June 2023 and of their financial performance for the year then ended; and
- Complying with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30th June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.



We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in dark ink that reads "Deloitte Touche Tohmatsu".

DELOITTE TOUCHE TOHMATSU

A handwritten signature in dark ink that reads "David Haynes".

David Haynes

Partner

Chartered Accountants

Sydney, 27th October 2023

Directors' declaration

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with Australian Accounting Standards – Simplified Disclosures, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to s.295(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Lachlan Ross MacGregor
Director
Sydney, 27 October 2023

Consolidated ClickCar Holdings Pty Ltd

Consolidated statement of comprehensive income

For the year ended 30 June 2023

	Notes	Year ended 30 June 2023 \$	Period ended 30 June 2022 \$
Continuing operations			
Revenue - vehicles		47,577,934	10,367,213
Revenue - other		412,535	73,968
Total Revenue		47,990,469	10,441,181
Total Cost of sales		(46,166,374)	(9,901,748)
Gross profit - vehicles		1,439,672	466,008
Gross profit - other		384,423	73,425
Total gross profit		1,824,095	539,433
Employee benefit expenses	4	(12,418,894)	(6,620,207)
Marketing expenses		(5,778,718)	(1,372,322)
Occupancy expenses		(3,894,110)	(1,700,230)
Depreciation & amortisation expenses	4	(2,642,912)	(1,406,253)
Other expenses		(4,457,384)	(3,908,091)
Finance income/(costs)	4	499,956	(77,063)
Foreign exchange gains		443,369	4,138,108
Loss before tax		(26,424,598)	(10,406,625)
Income tax expense	5	-	-
Loss after tax for the period		(26,424,598)	(10,406,625)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the period		(26,424,598)	(10,406,625)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated ClickCar Holdings Pty Ltd

Consolidated statement of financial position

For the year ended 30 June 2023

	Notes	2023 \$	2022 \$
Assets			
<i>Current assets</i>			
Cash and cash equivalents		22,827,294	63,539,159
Trade and other receivables	6	1,729,918	1,455,139
Inventories		32,896,654	18,074,202
Other assets		577,801	531,728
<i>Total current assets</i>		58,031,667	83,600,228
<i>Non-current assets</i>			
Right-of-use assets	7	3,578,506	1,755,127
Property, plant and equipment	8	3,100,957	2,860,001
Intangible assets	9	2,458,257	706,204
Other financial assets	10	533,066	532,800
<i>Total non-current assets</i>		9,670,786	5,854,132
<i>Total assets</i>		67,702,453	89,454,360
Liabilities			
<i>Current liabilities</i>			
Trade and other payables	11	4,768,895	2,996,751
Lease liabilities	12	1,571,400	1,686,339
Provisions	13	787,844	282,863
<i>Total current liabilities</i>		7,128,139	4,965,953
<i>Non-current liabilities</i>			
Lease liabilities	12	2,203,432	435,463
<i>Total non-current liabilities</i>		2,203,432	435,463
<i>Total liabilities</i>		9,331,571	5,401,416
<i>Net assets</i>		58,370,882	84,052,944
Equity			
Issued capital	14	94,961,888	94,459,569
Share-based payments reserves		240,217	-
Accumulated losses		(36,831,223)	(10,406,625)
<i>Total equity</i>		58,370,882	84,052,944

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

Consolidated ClickCar Holdings Pty Ltd

Consolidated statement of changes in equity

For the year ended 30 June 2023

		Issued capital	Share-based payments reserves	Accumulated losses	Total equity
	Notes	\$	\$	\$	\$
Balance at inception					
Issuance of share capital	14	94,459,569	-	-	94,459,569
Total comprehensive loss for the year		-	-	(10,406,625)	(10,406,625)
Balance at 30 June 2022		<u>94,459,569</u>	<u>-</u>	<u>(10,406,625)</u>	<u>84,052,944</u>
Balance as at 1 July 2022		94,459,569	-	(10,406,625)	84,052,944
Issuance of share capital	14	502,319	-	-	502,319
Share-based payment expenses		-	240,217	-	240,217
Total comprehensive loss for the year		-	-	(26,424,598)	(26,424,598)
Balance at 30 June 2023		<u>94,961,888</u>	<u>240,217</u>	<u>(36,831,223)</u>	<u>58,370,882</u>

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

Consolidated ClickCar Holdings Pty Ltd

Consolidated statement of cash flows

For the year ended 30 June 2023

		Year ended 30 June 2023	Period ended 30 June 2022
	Notes	\$	\$
Cash flows from operating activities			
Receipts from the sale of goods		48,017,459	10,190,268
Payments to suppliers for goods and services		(85,024,297)	(36,280,030)
Interest paid		(3,988)	(8,294)
Interest received		617,836	8,367
<i>Net cash used in operating activities</i>	15	<i>(36,392,990)</i>	<i>(26,089,689)</i>
Cash flows from investing activities			
Payments to acquire property, plant and equipment		(834,232)	(3,213,179)
Payments to acquire intangible assets		(2,251,767)	(321,204)
Payments for funds on deposit		(266)	(532,800)
<i>Net cash used in investing activities</i>		<i>(3,086,265)</i>	<i>(4,067,183)</i>
Cash flows from financing activities			
Proceeds from issuance of shares		502,319	94,459,569
Net lease payments		(1,734,929)	(763,538)
<i>Net cash (used in)/generated by financing activities</i>		<i>(1,232,610)</i>	<i>93,696,031</i>
Net increase in cash and cash equivalents		(40,711,865)	63,539,159
Cash and cash equivalents at the beginning of the year		63,539,159	-
Effects of exchange rate changes on the balance of cash held in foreign currencies		-	-
<i>Cash and cash equivalents at the end of the year</i>		<i>22,827,294</i>	<i>63,539,159</i>

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

Notes to the consolidated financial statements

1. Reporting entity

ClickCar Holdings Pty Ltd (the Company) is a company limited by shares that is incorporated and domiciled in Australia. The Group's principal place of business is at 134 Euston Road, Alexandria NSW 2015.

These consolidated financial statements comprise the company and its subsidiary (the Group) and represent the 12 month financial period from 1 July 2022 to 30 June 2023, with a comparison financial period of 16 months being from date of inception (19 February 2021) to 30 June 2022.

The Group is a for profit entity and primarily is involved in the purchase, reconditioning and sale of used cars online.

2. Basis of preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB), and comply with other requirements of the law for profit making entities.

Amounts in these financial statements are stated in Australian dollars unless otherwise noted.

The financial statements comply with the recognition and measurement requirements of Australian Accounting Standards, the presentation requirements in those Standards as modified by AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* (AASB 1060) and the disclosure requirements in AASB 1060. Accordingly, the financial statements comply with Australian Accounting Standards – Simplified Disclosures.

Going concern

The consolidated financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Group reported an operating loss of \$26,424,598 for the year ended 30 June 2023 (2022: loss of \$10,406,625) and is in a net asset position of \$58,370,882 (2022: \$84,052,944).

Based on the above, the Company has adequate cash resources to meet its day-to-day working capital requirements.

3. Judgements and key sources of estimation uncertainty

There are no significant judgements made in applying accounting policies that have significant effect on the amounts recognised in the financial statements.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Management applies judgement in determining whether there is reasonable certainty that an option to extend the lease will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Group's operations; comparison of terms and conditions to prevailing market rates; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Inventory revaluation

A significant component of the carrying value of inventory is the assessment of the net realisable value. In determining the net realisable value, management has after consideration of third party published vehicle prices, made judgements on the net realisable value on a vehicle by vehicle basis. Current market trends, historic industry data and extensive internal industry experience has been used in determining the net realisable value. Vehicles that have yet to progress through the reconditioning process or are in progress are considered in this assessment and are adjusted to reflect the average cost to recondition a vehicle in the period.

4. Expenses

	Year ended 30 June 2023 \$	Period ended 30 June 2022 \$
Loss before income tax includes the following specific expenses		
<i>Depreciation and amortisation</i>		
Leasehold improvements	256,374	159,185
Transport fleet	85,422	20,529
Workshop equipment	103,358	59,519
Computer equipment	93,328	29,563
Furniture and fittings	54,028	25,805
Right-of-use assets	1,450,688	1,053,076
Software	599,714	58,576
Total depreciation and amortisation	<u>2,642,912</u>	<u>1,406,253</u>
<i>Finance (income)/costs *</i>		
Net interest income	(613,848)	(73)
Interest charges on lease liabilities	113,892	77,136
Total finance (income)/costs	<u>(499,956)</u>	<u>77,063</u>
<i>Superannuation expense</i>		
Defined contribution superannuation expense	1,150,001	485,648

* Finance costs are expensed in the period in which they are incurred

5. Income Tax

	Year ended 30 June 2023	Period ended 30 June 2022
	\$	\$
<i>Income tax expense</i>		
Current tax expense	-	-
Deferred tax - organisation and reversal of temporary differences	-	-
Aggregate income tax expense	-	-

Deferred tax included in income tax expense comprises:

Increase in deferred tax

Numerical reconciliation of income tax benefit and tax at the statutory rate

Loss before income tax expense	(26,424,598)	(10,406,625)
Tax at the statutory tax rate of 25%	6,606,150	2,601,656
Tax effect amounts which are not deductible in calculating taxable income:		
Non-deductible expenses	(732,246)	645,311
Tax losses not recognised	(5,160,292)	(2,108,320)
Adjustment for prior periods	49,469	-
Deferred tax not recognised	(763,081)	(1,138,647)
Income tax expense	-	-

Deferred tax

Deferred tax comprises temporary differences attributable to:

Amounts recognised other than in equity:

Property, plant and equipment	82,208	36,411
Right-of-use assets	49,081	91,669
Provision for employee benefits	116,836	54,216
Contract liabilities	263,728	71,010
Accrued expenses	132,593	139,435
Unrealised foreign exchange gains	-	657,764
Tax losses not recognised	(763,081)	(1,138,647)
Other items	118,635	88,142
Deferred tax	-	-

6. Trade and other receivables

	2023 \$	2022 \$
Trade receivables	115,548	137,950
GST receivable and notional GST	1,506,538	1,204,769
Other receivables	107,832	112,420
	<u>1,729,918</u>	<u>1,455,139</u>

7. Right-of-use assets

	2023 \$
Net carrying amounts	
Buildings	3,578,506
Balance as at 1 July 2022	1,755,127
Lease modification*	3,274,067
Depreciation	(1,450,688)
Balance at 30 June 2023	<u>3,578,506</u>
	<u>2022 \$</u>
Net carrying amounts	
Buildings	1,755,127
Balance at inception	-
Additions	2,808,203
Depreciation	(1,053,076)
Balance at 30 June 2022	<u>1,755,127</u>

*As at 1st April 2023, the Group exercised its rights to a lease extension of 24 months, and a modification was performed at this date.

No new lease contracts were entered into during the year.

8. Property, plant and equipment

	Leashold improvements	Transport fleet	Workshop equipment	Computer equipment	Furniture and fittings	Total
Year Ended 2023	\$	\$	\$	\$	\$	\$
Cost						
Balance as at 1 July 2022	1,042,325	699,044	727,411	295,987	389,835	3,154,602
Additions	(31,162)	693,703	63,697	86,550	21,444	834,232
Disposals	-	-	-	(637)	(725)	(1,362)
Balance as at 30 June 2023	1,011,163	1,392,747	791,108	381,900	410,554	3,987,472
Accumulated depreciation						
Balance as at 1 July 2022	(159,185)	(20,529)	(59,519)	(29,563)	(25,805)	(294,601)
Depreciation	(256,374)	(85,422)	(103,358)	(93,328)	(54,028)	(592,510)
Disposals				362	234	596
Balance as at 30 June 2023	(415,559)	(105,951)	(162,877)	(122,529)	(79,599)	(886,515)
Carrying amounts						
At 30 June 2023	595,604	1,286,796	628,231	259,371	330,955	3,100,957
Year Ended 2022						
Cost						
Balance at inception	-	-	-	-	-	-
Additions	1,042,325	699,044	727,411	295,987	389,835	3,154,602
Balance as at 30 June 2022	1,042,325	699,044	727,411	295,987	389,835	3,154,602
Accumulated depreciation						
Balance at inception	-	-	-	-	-	-
Depreciation expense	(159,185)	(20,529)	(59,519)	(29,563)	(25,805)	(294,601)
Balance as at 30 June 2022	(159,185)	(20,529)	(59,519)	(29,563)	(25,805)	(294,601)
Carrying amounts						
At 30 June 2022	883,140	678,515	667,892	266,424	364,030	2,860,001

9. Intangible Assets

	Software	Work in Progress	Total
	\$	\$	\$
Year Ended 2023			
Cost			
Balance as at 1 July 2022	379,780	385,000	764,780
Additions	2,251,767	100,000	2,351,767
Transfer to additions	385,000	(385,000)	-
Balance as at 30 June 2023	3,016,547	100,000	3,116,547
Accumulated depreciation			
Balance as at 1 July 2022	(58,576)	-	(58,576)
Depreciation	(599,714)	-	(599,714)
Balance as at 30 June 2023	(658,290)	-	(658,290)
Carrying amounts			
At 30 June 2023	2,358,257	100,000	2,458,257
Year Ended 2022			
Cost			
Balance at inception	-	-	-
Additions	379,780	385,000	764,780
Balance as at 30 June 2022	379,780	385,000	764,780
Accumulated depreciation			
Balance at inception	-	-	-
Depreciation expense	(58,576)	-	(58,576)
Balance as at 30 June 2022	(58,576)	-	(58,576)
Carrying amounts			
At 30 June 2022	321,204	385,000	706,204

10. Other financial assets

	2023	2022
	\$	\$
Non current		
Term deposit held to maturity*	533,066	532,800

*Term deposits are held for 36 months

11. Trade and other payables

	2023	2022
	\$	\$
Trade payables	145,084	660,791
Accruals	2,286,054	1,362,374
Employee related payables	1,283,416	693,545
Unearned revenue	1,054,341	280,041
	4,768,895	2,996,751

12. Lease liabilities

	2023 \$	2022 \$
<i>Secured</i>		
Current	1,571,400	1,686,339
Non-current	2,203,432	435,463
	<u>3,774,832</u>	<u>2,121,802</u>

Future minimum lease payments

The future minimum lease payments arising under the Group's lease contracts at the end of the reporting period are as follows:

	2023 \$	2022 \$
Not later than one year	1,785,829	1,734,927
Later than one year but not later than five years	2,299,096	436,913
	<u>4,084,925</u>	<u>2,171,840</u>

13. Provisions

	2023 \$	2022 \$
Current		
Employee benefits	780,344	276,863
Warranties	7,500	6,000
	<u>787,844</u>	<u>282,863</u>

Movement in provisions

	Employee Benefits \$	Warranties \$	Total \$
<i>Opening balance at 1 July 2022</i>	276,863	6,000	282,863
Additions	1,170,577	1,500	1,172,077
Amounts utilised	(667,096)	-	(667,096)
<i>Balance at 30 June 2023</i>	<u>780,344</u>	<u>7,500</u>	<u>787,844</u>

14. Issued Capital

	2023 Shares	2023 \$	2022 Shares	2022 \$
Fully paid ordinary shares issued	2	22	2	22
Founder shares issued	44,000,000	44	44,000,000	44
Preference Seed shares issued	24,719,801	25,467,809	24,719,801	25,467,809
Preference Series A shares issued	20,210,486	69,494,013	20,074,060	68,991,694
<i>Balance at 30 June 2023</i>	88,930,289	94,961,888	88,793,863	94,459,569

Ordinary and founder shares have the same rights to vote and attend general meetings.
Ordinary and founder shares shall act together as a single class on all matters.
Founder shares shall count to one ordinary shares upon conversion.

Preference Seed and Series A shares shall at any time convert into ordinary shares.
Preference Seed and Series A shares shall carry voting rights at general meetings, being equal to the amount of ordinary shares into which the Preference Seed and Series A shares shall convert.

Preference Seed and Series A shares shall be entitled to a dividend, if declared to ordinary shareholders, equivalent to the amount that would have been declared on the Preference Seed and Series A shares, upon conversion to ordinary shares.

15. Notes to the statement of cash flows

	2023 \$	2022 \$
Loss after tax for the period	(26,424,598)	(10,406,625)
<i>Adjustments for:</i>		
Loss on disposal of assets	766	-
Depreciation and amortisation	1,192,224	353,177
Depreciation of right of use assets	1,450,688	1,053,076
Interest expense on lease liabilities	113,892	77,136
Share-based payment expenses	240,217	-
<i>(Increase) in:</i>		
Trade and other receivables	(274,779)	(1,773,351)
Inventory - vehicles	(14,822,452)	(18,074,201)
Other current assets	(46,073)	(213,515)
<i>Increase in:</i>		
Trade and other payables	1,672,144	2,611,751
Provisions	504,981	282,863
Net cash used in operating activities	(36,392,990)	(26,089,689)

16. Share-based payments

Equity settled share option plan

The Group has an employee share option plan for certain employees of the Group as approved by the directors. Shares under option in the employee share option plan may be subjected to a service condition and vest over a period up to 4 years. There were no shares under options exercised during the year ended 30 June 2023.

Share-based payment expense for the year was \$240,217.

17. Related Party Transactions

Parent Entity

ClickCar Holdings Pty Ltd is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 19.

Transactions with related parties

There were no material transactions with related parties at the current reporting date.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current reporting date.

Loans from related parties

There were no loans to or from related parties at the current reporting date.

18. Key Management Personnel Disclosures

	2023 \$	2022 \$
<i>Compensation</i>		
The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:		
Short-term employee benefits	396,172	520,497

19. Subsidiaries

Details of the Group's material subsidiaries at the end of the reporting period are as follows.

Name of subsidiary	Place of incorporations and operation	% of ownership interest and voting power held by the Group 2023	% of ownership interest and voting power held by the Group 2022
Clickcar Australia Pty Ltd	Australia	100%	100%

20. Parent entity information

	2023 \$	2022 \$
<i>Assets</i>		
Current assets	20,526,189	59,986,079
Non-current assets	79,258,350	38,247,396
<i>Total assets</i>	99,784,539	98,233,475
<i>Liabilities</i>		
Current liabilities	121,149	108,113
<i>Total liabilities</i>	121,149	108,113
<i>Equity</i>		
Issued capital	94,961,888	94,459,569
Reserves	240,217	-
Retained earnings	4,461,285	3,665,793
<i>Total equity</i>	99,663,390	98,125,362
Financial performance		
Profit for the period	795,492	3,665,793
Other comprehensive income	-	-
<i>Total comprehensive income</i>	795,492	3,665,793

21. Remuneration of auditors

	2023 \$	2022 \$
Audit or review of financial reports*:	110,000	75,000

*The auditor of the Group is Deloitte Touche Tohmatsu.

22. Subsequent events

There has not been any material matter of circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

23. Significant accounting policies

Basis of accounting

The financial statements have been prepared on the basis of historical cost, except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services.

The principal accounting policies are set out below.

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) up to the reporting date. The Group 'controls' an entity which it has the power over the investee, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

(b) Revenue recognition

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability.

Used Vehicles

The Group recognises revenue upon the delivery of a vehicle to a customer or the pickup of a vehicle by a customer.

23. Significant accounting policies (continued)

(b) Revenue recognition (continued)

Other revenue

Finance income, commission and volume bonuses are recognised to the extent that the Group expects to receive the related income in the period in which the related sale or rendering of service is provided.

(c) Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date
- The amount expected to be payable by the lessee under residual value guarantees
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options.

Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

23. Significant accounting policies (continued)

(c) Leases (continued)

The group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liabilities are remeasured by discounting the revised lease payments using a revised discount rate
- The lease payments change due to changes in an index or rate or a change in expected payment under guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised leased payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used)
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under *AASB 137 Provisions, Contingent Liabilities and Contingent Assets*. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies *AASB 136 Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, plant and equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Other expenses' in the statement of profit or loss.

23. Significant accounting policies (continued)

(c) Leases (continued)

As a practical expedient, AASB 16 permits a lessee not to separate non-lease components, and instead account for any lease and associates non-lease component as a single arrangement. The Group has not used this practical expedient.

(d) Foreign currencies

Transactions in currencies other than the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

(e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful lives of property, plant and equipment are as follows:

Leasehold improvements	4 years
Computing equipment	1-5 years
Workshop equipment	1-10 years
Furniture and fittings	2-10 years
Transport fleet	15 years

23. Significant accounting policies (continued)

(f) Right-of-use assets

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(g) Intangible assets

Intangible assets acquired separately

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- The intention to complete the intangible asset and use or sell it
- The ability to use or sell the intangible asset
- How the intangible asset will generate probable future economic benefits
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

23. Significant accounting policies (continued)

(h) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(i) Warranties

Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognised at the date of sale of the relevant products, at the directors' best estimate of the expenditure required to settle the Group's obligation.

(j) Inventories

Inventories consist mainly of vehicles for the purpose of resale. Costs incurred directly related to the reconditioning of vehicles such as parts, labour and inbound logistics are capitalised to the cost of the vehicles on a specific identification basis. Vehicles are stated at the lower of cost and net realisable value. Net realisable value is determined with reference to the estimated selling price less estimated costs to recondition the vehicle. Selling prices are determined based on industry and market data. Each reporting period or if impairment is specifically identified, adjustments are made to the carrying value of vehicles to reflect the lower of cost and net realisable through cost of sales.

(k) Trade and other receivables

Trade receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

23. Significant accounting policies (continued)

(k) Trade and other receivables (continued)

Other receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(l) Cash and cash equivalents

Cash and cash equivalents includes cash on hand and deposits held at call with financial institutions which are subject to an insignificant risk of changes in value.

(m) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition

(n) Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

(o) Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

(p) Issued capital

Ordinary shares, founders shares and preference shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

23. Significant accounting policies (continued)

(q) Taxation

The income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The directors

23. Significant accounting policies (continued)

(q) Taxation (continued)

reviewed the Group's investment property portfolios and concluded that none of the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, the directors have determined that the 'sale' presumption set out in the amendments to AASB 112 is not rebutted. As a result, the Group has not recognised any deferred taxes on changes in fair value of the investment properties as the Group is not subject to any income taxes on the fair value changes of the investment properties on disposal.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The directors reviewed the Group's investment property portfolios and concluded that none of the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, the directors have determined that the 'sale' presumption set out in the amendments to AASB 112 is not rebutted. As a result, the Group has not recognised any deferred taxes on changes in fair value of the investment properties as the Group is not subject to any income taxes on the fair value changes of the investment properties on disposal.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Additional information on accounting policies should be included where the entity has other material tax balances not covered by the above analysis, such as in relation to tax deductible share-based payment arrangements or impacts of tax consolidation.

23. Significant accounting policies (continued)

(r) Share-based payments

Equity-settled share-based compensation benefits are provided to employees. Equity-settled transactions are options over shares that are provided to employees in exchange for the rendering of services.

Equity-settled share-based payments are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis, with a corresponding increase in equity over the vesting period.

Consolidated ClickCar Holdings Pty Ltd

ACN 648 091 418

Annual report for the financial year
ended 30 June 2024

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Consolidated ClickCar Holdings Pty Ltd

Directors' report

For the year ended 30 June 2024

The directors of ClickCar Holdings Pty Ltd (the Company) submit herewith the annual report of the company and its subsidiary (the Group) for the financial year ended 30 June 2024.

In order to comply with the provisions of the Corporations Act 2001, the directors report is as follows:

The names of the directors of the company during or since the end of the financial year are:

Yosuke Sandy Hall	Appointed 19 February 2021
Jason Sonny Lenga	Appointed 19 February 2021
Lachlan Ross MacGregor	Appointed 6 April 2021
Adam Alexander Valkin	Appointed 31 March 2022

Principal activities

The company is a fully digital used car dealership, headquartered in Sydney, Australia. Its principal activities in the course of the financial year were the purchase, reconditioning and sale of used cars online.

Review of operations

The net loss for the financial period ended 30 June 2024 after income tax was \$33,407,741 (2023: \$26,424,598).

Significant Changes in state of affairs

There was no significant change in the state of affairs of the company during the financial period.

Environmental regulation

The Company is not subject to any significant environmental regulation under Australian Commonwealth or State Law.

Shares under Option

The Group has unissued ordinary shares under option that carry no dividends or voting rights prior to exercising. Shares under option in the employee share option plan are subject to a service condition and vest over a period up to 4 years.

Shares issued on the exercise of options

There were no ordinary shares of the Company issued on the exercise of options during the period ended 30 June 2024 and up to the date of this report.

Matters subsequent to the end of the financial period

Convertible notes committed

Subsequent to year end, the Company received commitment of \$30,000,000 for the issuance of convertible notes. The convertible notes are unsecured with accrued interest capitalised.

Floorplan settlement

In December 2024, the Group settled the full Floorplan liability and has no outstanding Floorplan liability as at the date of this report.

Other than the matters disclosed, the directors are not aware of other matters or circumstances arising subsequent to the reporting date up to the approval date of the Financial Statements, which will require disclosure in these results.

Dividends

No dividends have been paid since the start of the financial year.

Indemnification of officers and auditors

During the financial year, the company paid a premium in respect of a contract insuring the directors of the company (as named above) and all executive officers of the company and of any related body corporate against a liability incurred as such a director or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as an officer or auditor.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Auditor's independence declaration

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included on page 5.

Rounding off of amounts

The company is a company of the kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the directors' report and the financial statements are rounded off to the nearest dollar, unless otherwise indicated.

This directors' report is signed in accordance with a resolution of directors made pursuant to s.298(2)(a) of the Corporations Act 2001.

On behalf of the Directors



Lachlan Ross MacGregor
Director

20 February 2025

The Directors'
ClickCar Holdings Pty Ltd
134 Euston Road
Alexandria, NSW, 2015

Dear Directors,

Auditor's Independence Declaration to ClickCar Holdings Pty Ltd

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Directors' of ClickCar Holdings Pty Ltd.

As lead audit partner for the audit of the financial report of ClickCar Holdings Pty Ltd for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



David Haynes
Partner
Chartered Accountants

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Independent Auditor's Report to the Directors' of ClickCar Holdings Pty Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of ClickCar Holdings Pty Ltd (the "Company") and its subsidiary (the "Group") which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 30 June 2024 and of their financial performance for the year then ended; and
- Complying with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed,

we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible:

- For the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group in accordance with Australian Accounting Standards – Simplified Disclosures; and
- For such internal control as the directors determine is necessary to enable the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Company, and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



DELOITTE TOUCHE TOHMATSU



David Haynes
Partner
Chartered Accountants
Sydney, 20 February 2025

Directors' declaration

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with Australian Accounting Standards – Simplified Disclosures, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to s.295(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Lachlan Ross MacGregor
Director
Sydney, 20 February 2025

Consolidated ClickCar Holdings Pty Ltd

Statement of comprehensive income

For the year ended 30 June 2024

		Year ended 30 June 2024	Year ended 30 June 2023
	Notes	\$	\$
Continuing operations			
Revenue - vehicles		68,207,963	47,577,934
Revenue - other		719,906	412,535
Total revenue		68,927,869	47,990,469
Total cost of sales		(67,995,966)	(46,166,374)
Gross profit - vehicles		210,632	1,439,672
Gross profit - other		721,271	384,423
Total gross profit		931,903	1,824,095
Employee benefit expenses		(15,386,996)	(12,418,894)
Marketing expenses		(4,621,797)	(5,778,718)
Occupancy expenses		(4,914,476)	(3,894,110)
Depreciation & amortisation expenses	4	(4,864,558)	(2,642,912)
Other expenses		(4,574,270)	(4,457,384)
Net finance income	4	22,000	499,956
Foreign exchange gain		453	443,369
Loss before tax		(33,407,741)	(26,424,598)
Income tax expense	5	-	-
Loss after tax for the Year		(33,407,741)	(26,424,598)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the Year		(33,407,741)	(26,424,598)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated ClickCar Holdings Pty Ltd

Statement of financial position For the year ended 30 June 2024

	Notes	2024 \$	2023 \$
Assets			
<i>Current assets</i>			
Cash and cash equivalents		7,890,516	22,827,294
Trade and other receivables	6	1,203,832	1,729,918
Inventories		20,525,348	32,896,654
Other assets		637,859	577,801
<i>Total current assets</i>		30,257,555	58,031,667
<i>Non-current assets</i>			
Right-of-use assets	7	3,039,504	3,578,506
Property, plant and equipment	8	2,612,382	3,100,957
Intangible assets	9	3,331,927	2,458,257
Other financial assets	10	1,018,444	533,066
<i>Total non-current assets</i>		10,002,257	9,670,786
<i>Total assets</i>		40,259,812	67,702,453
Liabilities			
<i>Current liabilities</i>			
Trade and other payables	11	3,252,133	4,768,895
Lease liabilities	12	2,608,154	1,571,400
Provisions	13	1,031,683	787,844
Borrowings	14	7,576,267	-
<i>Total current liabilities</i>		14,468,237	7,128,139
<i>Non-current liabilities</i>			
Lease liabilities	12	688,376	2,203,432
<i>Total non-current liabilities</i>		688,376	2,203,432
<i>Total liabilities</i>		15,156,613	9,331,571
<i>Net assets</i>		25,103,199	58,370,882
Equity			
Issued capital	15	94,961,888	94,961,888
Share-based payments reserves	17	380,275	240,217
Accumulated losses		(70,238,964)	(36,831,223)
<i>Total equity</i>		25,103,199	58,370,882

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

Consolidated ClickCar Holdings Pty Ltd

Statement of changes in equity

For the year ended 30 June 2024

		Issued capital	Share-based payments reserves	Accumulated losses	Total equity
	Notes	\$	\$	\$	\$
Balance as at 1 July 2022		94,459,569	-	(10,406,625)	84,052,944
Issuance of share capital	15	502,319	-	-	502,319
Share-based payment expenses		-	240,217	-	240,217
Total comprehensive loss for the year		-	-	(26,424,598)	(26,424,598)
Balance at 30 June 2023		<u>94,961,888</u>	<u>240,217</u>	<u>(36,831,223)</u>	<u>58,370,882</u>
Balance as at 1 July 2023		94,961,888	240,217	(36,831,223)	58,370,882
Share-based payment expenses	17	-	140,058	-	140,058
Total comprehensive loss for the year		-	-	(33,407,741)	(33,407,741)
Balance at 30 June 2024		<u>94,961,888</u>	<u>380,275</u>	<u>(70,238,964)</u>	<u>25,103,199</u>

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

Consolidated ClickCar Holdings Pty Ltd

Statement of cash flows

For the year ended 30 June 2024

	Notes	Year ended 30 June 2024 \$	Year ended 30 June 2023 \$
Cash flows from operating activities			
Receipts from the sale of goods		69,072,675	48,017,459
Payments to suppliers for goods and services		(85,994,291)	(85,024,297)
Interest paid		(104,360)	(3,988)
Interest received		420,159	617,836
Net cash used in operating activities	15	<u>(16,605,817)</u>	<u>(36,392,990)</u>
Cash flows from investing activities			
Proceeds from sales of property, plant and equipment		7,616	-
Payments to acquire property, plant and equipment		(160,151)	(834,232)
Payments to acquire intangible assets		(2,814,848)	(2,251,767)
Payments for funds on deposit		(485,378)	(266)
Net cash used in investing activities		<u>(3,452,761)</u>	<u>(3,086,265)</u>
Cash flows from financing activities			
Proceeds from issuance of shares		-	502,319
Repayment of borrowings		(3,244,241)	-
Proceeds from borrowings		10,820,508	-
Net lease payments		(2,454,467)	(1,734,929)
Net cash generated/ (used) by financing activities		<u>5,121,800</u>	<u>(1,232,610)</u>
Net decrease in cash and cash equivalents		(14,936,778)	(40,711,865)
Cash and cash equivalents at the beginning of the		<u>22,827,294</u>	<u>63,539,159</u>
Cash and cash equivalents at the end of the year		<u><u>7,890,516</u></u>	<u><u>22,827,294</u></u>

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

Notes to the consolidated financial statements

1. Reporting entity

ClickCar Holdings Pty Ltd (the Company) is a company limited by shares that is incorporated and domiciled in Australia. The Group's principal place of business is at 134 Euston Road, Alexandria NSW 2015.

These consolidated financial statements comprise the company and its subsidiary (the Group) and represent the 12 month financial period from 1 July 2023 to 30 June 2024.

The Group is a for profit entity and primarily is involved in the purchase, reconditioning and sale of used cars online.

2. Basis of preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB), and comply with other requirements of the law for profit making entities.

Amounts in these financial statements are stated in Australian dollars unless otherwise noted.

The financial statements comply with the recognition and measurement requirements of Australian Accounting Standards, the presentation requirements in those Standards as modified by AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* (AASB 1060) and the disclosure requirements in AASB 1060. Accordingly, the financial statements comply with Australian Accounting Standards – Simplified Disclosures.

Going concern

The consolidated financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Group reported an operating loss of \$33,407,741 for the year ended 30 June 2024 (2023: loss of \$26,424,598) and is in a net asset position of \$25,103,199 (2023: \$58,370,882).

Subsequent to year end, the Company received commitment of \$30,000,000 for the issuance of convertible notes. The convertible notes are unsecured with accrued interest capitalised.

Based on the above, the Company has adequate cash resources to meet its day-to-day working capital requirements at the date of this report and for the subsequent twelve months.

3. Judgements and key sources of estimation uncertainty

There are no significant judgements made in applying accounting policies that have significant effect on the amounts recognised in the financial statements.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Management applies judgement in determining whether there is reasonable certainty that an option to extend the lease will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Group's operations; comparison of terms and conditions to prevailing market rates; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Inventory revaluation

A significant component of the carrying value of inventory is the assessment of the net realisable value. In determining the net realisable value, management has after consideration of third party published vehicle prices, made judgements on the net realisable value on a vehicle by vehicle basis. Current market trends, historic industry data and extensive internal industry experience has been used in determining the net realisable value. Vehicles that have yet to progress through the reconditioning process or are in progress are considered in this assessment and are adjusted to reflect the average cost to recondition a vehicle in the period.

4. Expenses

	Year ended 30 June 2024	Year ended 30 June 2023
	\$	\$
Loss before income tax includes the following specific expenses		
<i>Depreciation and amortisation</i>		
Leasehold improvements	265,250	256,374
Transport fleet	92,707	85,422
Motor vehicles	4,054	-
Workshop equipment	114,455	103,358
Computer equipment	108,875	93,328
Furniture and fittings	56,495	54,028
Right-of-use assets	2,221,314	1,450,688
Software	2,001,408	599,714
Total depreciation and amortisation	<u>4,864,558</u>	<u>2,642,912</u>
<i>Finance (income)/costs*</i>		
Interest income	(420,159)	(617,836)
Finance costs	104,360	3,988
Interest charges on lease liabilities	293,799	113,892
Total finance income	<u>(22,000)</u>	<u>(499,956)</u>
<i>Superannuation expense</i>		
Defined contribution superannuation expense	1,518,776	1,150,001

* Finance costs are expensed in the year in which they are incurred

5. Income Tax

	Year ended 30 June 2024	Year ended 30 June 2023
	\$	\$
<i>Income tax expense</i>		
Current tax expense	-	-
Deferred tax - organisation and reversal of	-	-
Aggregate income tax expense	-	-
Deferred tax included in income tax expense comprises:		
Increase in deferred tax	-	-
<i>Numerical reconciliation of income tax benefit and tax at the statutory rate</i>		
Loss before income tax expense	(33,407,741)	(26,424,598)
Tax at the statutory tax rate of 30% (2023: 25%)	10,022,322	6,606,150
Tax effect amounts which are not deductible in calculating taxable income:		
Non-deductible expenses	(67,172)	(732,246)
Tax losses not recognised	(8,342,218)	(5,160,292)
Adjustment for prior years	(93,900)	49,469
Deferred tax not recognised	(1,519,032)	(763,081)
Income tax expense	-	-
<i>Deferred tax</i>		
Deferred tax comprises temporary differences attributable to:		
Amounts recognised other than in equity:		
Property, plant and equipment	170,923	82,208
Right-of-use assets	77,108	49,081
Provision for employee benefits	193,339	116,836
Contract liabilities	394,815	263,728
Accrued expenses	156,862	132,593
Capitalised software development costs	359,375	-
Deferred tax assets not recognised	(1,519,032)	(763,081)
Other items	166,611	118,635
Deferred tax	-	-

Unused tax losses carried forward for which no deferred tax has been recognised is \$64,606,081 (2023: \$33,746,364). The amounts can be carried forward indefinitely, subject to meeting certain criteria of the relevant taxation law.

The Group has considered whether it is within the scope of the Pillar Two top up tax bills that were introduced by the Government to the Australian Parliament on 4 July 2024. As the scope of the legislation is that it will apply to large multinational entities with annual global revenue of EUR750,000,000 or more, the Group has concluded that it will not be within the scope of the legislation and therefore is not impacted at this time.

6. Trade and other receivables

	2024 \$	2023 \$
Trade Receivables	59,268	115,548
GST receivable and notional GST	1,053,678	1,506,538
Other receivables	90,886	107,832
	<u>1,203,832</u>	<u>1,729,918</u>

7. Right-of-use assets

	2024 \$
Net carrying amounts	
Buildings	3,039,504
Balance as at 1 July 2023	3,578,506
Lease modifications*	1,682,312
Depreciation	(2,221,314)
Balance at 30 June 2024	<u>3,039,504</u>
	2023 \$
Net carrying amounts	
Buildings	3,578,506
Balance as at 1 July 2022	1,755,127
Lease modifications**	3,274,067
Depreciation	(1,450,688)
Balance at 30 June 2023	<u>3,578,506</u>

*Lease modification relates to rent increase in line with market rates. No new lease contracts were entered into during the financial year ended 30 June 2024.

**As at 1st April 2023, the Group exercised its rights to a lease extension of 24 months, and a modification was performed at this date.

8. Property, plant and equipment

	Leasehold improvements	Transport fleet	Motor vehicles	Workshop equipment	Computer equipment	Furniture and fittings	Total
Year Ended 2024	\$	\$	\$	\$	\$	\$	\$
Cost							
Balance as at 1 July 2023	1,011,163	1,392,747	-	791,108	381,900	410,554	3,987,472
Additions	933	1,300	53,627	30,114	67,519	6,658	160,151
Disposals	-	-	-	-	(10,793)	-	(10,793)
Balance as at 30 June 2024	1,012,096	1,394,047	53,627	821,222	438,626	417,212	4,136,830
Accumulated depreciation							
Balance as at 1 July 2023	(415,559)	(105,951)	-	(162,877)	(122,529)	(79,599)	(886,515)
Depreciation	(265,250)	(92,707)	(4,054)	(114,455)	(108,875)	(56,495)	(641,836)
Disposals	-	-	-	-	3,903	-	3,903
Balance as at 30 June 2024	(680,809)	(198,658)	(4,054)	(277,332)	(227,501)	(136,094)	(1,524,448)
Carrying amounts At 30 June 2024	331,287	1,195,389	49,573	543,890	211,125	281,118	2,612,382
Year Ended 2023	\$	\$	\$	\$	\$	\$	\$
Cost							
Balance as at 1 July 2022	1,042,325	699,044	-	727,411	295,987	389,835	3,154,602
Additions	(31,162)	693,703	-	63,697	86,550	21,444	834,232
Disposals	-	-	-	-	(637)	(725)	(1,362)
Balance as at 30 June 2023	1,011,163	1,392,747	-	791,108	381,900	410,554	3,987,472
Accumulated depreciation							
Balance as at 1 July 2022	(159,185)	(20,529)	-	(59,519)	(29,563)	(25,805)	(294,601)
Depreciation	(256,374)	(85,422)	-	(103,358)	(93,328)	(54,028)	(592,510)
Disposals	-	-	-	-	362	234	596
Balance as at 30 June 2023	(415,559)	(105,951)	-	(162,877)	(122,529)	(79,599)	(886,515)
Carrying amounts At 30 June 2023	595,604	1,286,796	-	628,231	254,303	330,955	3,100,957

9. Intangible Assets

	Software	Work in Progress	Total
	\$	\$	\$
Year Ended 2024			
Cost			
Balance as at 1 July 2023	3,016,547	100,000	3,116,547
Additions	2,814,848	60,230	2,875,078
Transfer to additions	100,000	(100,000)	-
Balance as at 30 June 2024	5,931,395	60,230	5,991,625
Accumulated depreciation			
Balance as at 1 July 2023	(658,290)	-	(658,290)
Amortisation expense	(2,001,408)	-	(2,001,408)
Balance as at 30 June 2024	(2,659,698)	-	(2,659,698)
Carrying amounts			
At 30 June 2024	3,271,697	60,230	3,331,927
Year Ended 2023			
Cost			
Balance as at 1 July 2022	379,780	385,000	764,780
Additions	2,251,767	100,000	2,351,767
Transfer to additions	385,000	(385,000)	-
Balance as at 30 June 2023	3,016,547	100,000	3,116,547
Accumulated depreciation			
Balance as at 1 July 2022	(58,576)	-	(58,576)
Amortisation expense	(599,714)	-	(599,714)
Balance as at 30 June 2023	(658,290)	-	(658,290)
Carrying amounts			
At 30 June 2023	2,358,257	100,000	2,458,257

10. Other financial assets

	2024	2023
	\$	\$
Non current		
Term deposit held to maturity*	1,018,444	533,066

*Term deposits are held between 15 months and 25 months.

11. Trade and other payables

	2024	2023
	\$	\$
Trade payables	46,742	145,084
Accruals	1,559,581	2,286,054
Employee related payables	418,535	1,283,416
Unearned revenue	1,227,275	1,054,341
	3,252,133	4,768,895

12. Lease liabilities

	2024	2023
	\$	\$
<i>Secured</i>		
Current	2,608,154	1,571,400
Non-current	688,376	2,203,432
	<u>3,296,530</u>	<u>3,774,832</u>

Future minimum lease payments

The future minimum lease payments arising under the Group's lease contracts at the end of the reporting year are as follows:

	2024	2023
	\$	\$
Not later than one year	2,750,525	1,785,829
Later than one year but not later than five years	692,675	2,299,096
	<u>3,443,200</u>	<u>4,084,925</u>

13. Provisions

	2024	2023
	\$	\$
Current		
Employee benefits	926,065	780,344
Warranties	105,618	7,500
	<u>1,031,683</u>	<u>787,844</u>

Movement in provisions

	Employee Benefits	Warranties	Total
	\$	\$	\$
<i>Opening balance at 1 July 2023</i>	780,344	7,500	787,844
Additions	1,315,947	98,118	1,414,065
Amounts utilised	(1,170,226)	-	(1,170,226)
<i>Balance at 30 June 2024</i>	<u>926,065</u>	<u>105,618</u>	<u>1,031,683</u>

14. Borrowings

	2024 \$	2023 \$
Current		
Floorplan	7,576,267	-
	<u>7,576,267</u>	<u>-</u>

Floorplan

Floorplan finance is on a vehicle by vehicle basis and secured by the underlying vehicle.
The weighted average interest rate is 8.01% (2023: nil).

15. Issued Capital

	2024 Shares	2024 \$	2023 Shares	2023 \$
Fully paid ordinary shares issued	2	22	2	22
Founder shares issued	44,000,000	44	44,000,000	44
Preference Seed shares issued	24,719,801	25,467,809	24,719,801	25,467,809
Preference Series A shares issued	20,210,486	69,494,013	20,210,486	69,494,013
Balance	<u>88,930,289</u>	<u>94,961,888</u>	<u>88,930,289</u>	<u>94,961,888</u>

Ordinary and founder shares have the same rights to vote and attend general meetings.

Ordinary and founder shares shall act together as a single class on all matters.

Founder shares shall count to one ordinary shares upon conversion.

Preference Seed and Series A shares shall at any time convert into ordinary shares.

Preference Seed and Series A shares shall carry voting rights at general meetings, being equal to the amount of ordinary shares into which the Preference Seed and Series A shares shall convert.

Preference Seed and Series A shares shall be entitled to a dividend, if declared to ordinary shareholders, equivalent to the amount that would have been declared on the Preference Seed and Series A shares, upon conversion to ordinary shares.

16. Notes to the statement of cash flows

	2024 \$	2023 \$
Loss after tax for the Year	(33,407,741)	(26,424,598)
<i>Adjustments for:</i>		
(Gain)/loss on disposal of assets	(726)	766
Depreciation and amortisation	2,643,244	1,192,224
Depreciation of right-of-use assets	2,221,314	1,450,688
Interest expense on lease liabilities	293,799	113,892
Share-based payment expenses	140,058	240,217
<i>(Increase)/decrease in:</i>		
Trade and other receivables	526,086	(274,779)
Inventory - vehicles	12,371,306	(14,822,452)
Other current assets	(60,058)	(46,073)
<i>Increase/(decrease) in:</i>		
Trade and other payables	(1,576,938)	1,672,144
Provisions	243,839	504,981
Net cash used in operating activities	(16,605,817)	(36,392,990)

17. Share-based payments

Equity settled share option plan

The Group has an employee share option plan for certain employees of the Group as approved by the directors. Shares under option in the employee share option plan may be subject to a service condition and vest over a period up to 4 years. There were no shares under options exercised during the year ended 30 June 2024.

Share-based payment expense for the year was \$140,058 (2023: \$240,217).

18. Related Party Transactions

Parent Entity

ClickCar Holdings Pty Ltd is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 20.

Transactions with related parties

There were no material transactions with related parties at the current reporting date.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current reporting date.

Loans from related parties

There were no loans to or from related parties at the current reporting date.

19. Key Management Personnel Disclosures

	2024	2023
	\$	\$
<i>Compensation</i>		
The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:		
Short-term employee benefits	404,275	396,172

20. Subsidiaries

Details of the Group's material subsidiaries at the end of the reporting year are as follows.

Name of subsidiary	Place of incorporations and operation	% of ownership interest and voting power held by the Group 2024	% of ownership interest and voting power held by the Group 2023
Clickcar Australia Pty Ltd	Australia	100%	100%

21. Parent entity information

	2024 \$	2023 \$
Assets		
Current assets	6,052,651	20,526,189
Non-current assets	98,674,408	79,258,350
Total assets	104,727,059	99,784,539
Liabilities		
Current liabilities	6,500	121,149
Non-current liabilities	4,939,570	-
Total liabilities	4,946,070	121,149
Equity		
Issued capital	94,961,888	94,961,888
Reserves	380,275	240,217
Retained earnings	4,438,826	4,461,285
Total equity	99,780,989	99,663,390
Financial performance		
(Loss)/profit for the year	(22,459)	795,492
Other comprehensive income	-	-
Total comprehensive (loss)/income	(22,459)	795,492

22. Remuneration of auditors

	2024 \$	2023 \$
Audit or review of financial reports*:	95,000	110,000

*The auditor of the Group is Deloitte Touche Tohmatsu.

23. Subsequent events

Convertible note finalisation

Subsequent to year end, the Company received commitment of \$30,000,000 for the issuance of convertible notes. The convertible notes are unsecured with accrued interest capitalised.

Floorplan settlement

In December 2024, the Group settled the full Floorplan liability and has no outstanding Floorplan liability as at the date of this report.

Other than the matters disclosed, the directors are not aware of other matters or circumstances arising subsequent to the reporting date up to the approval date of the Financial Statements, which will require disclosure in these results.

24. Material accounting policies

Basis of accounting

The financial statements have been prepared on the basis of historical cost, except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services.

The principal accounting policies are set out below.

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) up to the reporting date. The Group 'controls' an entity which it has the power over the investee, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

(b) Revenue recognition

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability.

Used Vehicles

The Group recognises revenue upon the delivery of a vehicle to a customer or the pickup of a vehicle by a customer.

24. Material accounting policies (continued)

(b) Revenue recognition (continued)

Other revenue

Finance income, commission and volume bonuses are recognised to the extent that the Group expects to receive the related income in the period in which the related sale or rendering of service is provided.

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful lives of property, plant and equipment are as follows:

Leasehold improvements	4 years
Computing equipment	1-5 years
Workshop equipment	1-10 years
Furniture and fittings	2-10 years
Transport fleet	15 years

(d) Right-of-use assets

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(e) Intangible assets

Intangible assets acquired separately

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in

24. Material accounting policies (continued)

(e) Intangible assets (continued)

estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets are amortised over a period of three years.

Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- The intention to complete the intangible asset and use or sell it
- The ability to use or sell the intangible asset
- How the intangible asset will generate probable future economic benefits
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

(f) Inventories

Inventories consist mainly of vehicles for the purpose of resale. Costs incurred directly related to the reconditioning of vehicles such as parts, labour and inbound logistics are capitalised to the cost of the vehicles on a specific identification basis. Vehicles are stated at the lower of cost and net realisable value. Net realisable value is determined with reference to the estimated selling price less estimated costs to recondition the vehicle. Selling prices are determined based on industry and market data. Each reporting period or if impairment is specifically identified, adjustments are made to the carrying value of vehicles to reflect the lower of cost and net realisable through cost of sales.

24. Material accounting policies (continued)

(g) Taxation

The income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The directors

24. Material accounting policies (continued)

(g) Taxation (continued)

reviewed the Group's investment property portfolios and concluded that none of the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, the directors have determined that the 'sale' presumption set out in the amendments to AASB 112 is not rebutted. As a result, the Group has not recognised any deferred taxes on changes in fair value of the investment properties as the Group is not subject to any income taxes on the fair value changes of the investment properties on disposal.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Additional information on accounting policies should be included where the entity has other material tax balances not covered by the above analysis, such as in relation to tax deductible share-based payment arrangements or impacts of tax consolidation.

(h) Share-based payments

Equity-settled share-based compensation benefits are provided to employees. Equity-settled transactions are options over shares that are provided to employees in exchange for the rendering of services.

Equity-settled share-based payments are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis, with a corresponding increase in equity over the vesting period.

Carma Limited (formerly ClickCar Holdings Pty Ltd)

ACN 648 091 418

Annual report for the financial year
ended 30 June 2025

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Carma Limited (formerly ClickCar Holdings Pty Ltd)

Directors' report

For the year ended 30 June 2025

Directors

The directors of Carma Limited (formerly ClickCar Holdings Pty Ltd) ("the Company") submit herewith the financial report of the company and its subsidiary ("the Group") for the year ended 30 June 2025.

In order to comply with the provisions of the Corporations Act 2001, the directors report is as follows:

The names of the Company's Directors in office during the financial year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Names	Position
Owen Wilson	Independent Non-Executive Chairman
Lachlan MacGregor	Co-founder and Chief Executive Officer
Melinda Snowden	Independent Non-Executive Director
Nicole Sparshott	Independent Non-Executive Director
Yosuke Hall	Co-founder and Chief Commercial Officer
Jason Lenga (resigned 16 September 2025)	Non-Executive Director
Adam Valkin (resigned 16 September 2025)	Non-Executive Director

Following the transition of the Company to a public company and subsequent to the end of the financial year, the Group appointed Owen Wilson, Melinda Snowden and Nicole Sparshott as Independent Non-Executive Directors. Owen Wilson has been appointed as the Independent Non-Executive Chair and Melinda Snowden will Chair the Audit and Risk committee.

Information on Directors

The Directors of the Group are listed below together with details of position and experience.

Name:	Owen Wilson
Title:	Independent Non-Executive Chairman
Experience and expertise:	With more than 30 years' experience working across the information technology, recruitment and banking industries, Owen is a strategic leader who is passionate about building high performing teams and creating personalised consumer experiences. Owen has been the CEO of REA Group since 2019 and will retire from this position on 31 October 2025 after which he will take on the role of Chair of REA India. He has overseen significant growth during his time leading REA, building a culture that is renowned in Australia. Prior to his current role he was REA Group's Chief Financial Officer for four years and looked after all aspects of REA Group's finance portfolio including strategy, M&A and operations, as well as REA Group's Financial Services businesses. Previously, Owen was Chief Financial Officer and Company Secretary of Chandler MacLeod Group. He has previously held positions with ANZ and KPMG across Australia, Asia and the UK. During his 15 years at ANZ, his roles included Chief Operating Officer of ANZ's Institutional and Investment Bank and Managing Director Retail Banking and International Partnerships Asia. Owen has significant board experience and is currently a director of REA Group and Property Finder in Dubai. He is also a Director of the Hawthorn Football Club along with being the Chair of Carma. Owen holds a Bachelor of Commerce in Accounting and Computer Science from Deakin University and is a fellow of the Australian Institute of Company Directors.
Appointed:	16 September 2025
Special responsibilities:	Member of the Audit and Risk Committee

Carma Limited (formerly ClickCar Holdings Pty Ltd)

Directors' report

For the year ended 30 June 2025

Name:	Lachlan MacGregor
Title:	Co-founder and Chief Executive Officer
Experience and expertise:	Lachlan's prior experience includes roles as senior investor at Platinum Asset Management (2010–2015), a Director in Private Equity at Oceania Capital Partners (2006–2010), and a Director in Investment Banking at UBS (1999–2006) advising private equity clients. He has also founded and operated a consumer venture, Hello Brands (2014–2019), and began his career with Colgate-Palmolive in the marketing team during University. Lachlan assisted with the management buyout of Hudson and served as a Non-Executive Director (2018–2024) but currently holds no external board roles. Lachlan holds a Bachelor of Commerce (Finance, Economics, Marketing) from the University of Sydney.
Appointed:	06 April 2021
Special responsibilities:	Chief Executive Officer

Name:	Melinda Snowden
Title:	Independent Non-Executive Director
Experience and expertise:	Melinda has over 30 years of experience in corporate advisory roles and has been a professional non-executive director since 2010 in a broad range of industries. Melinda is currently a non-executive director of ASX-listed companies Temple & Webster Group Ltd where she is the Chair of the Audit & Risk Committee, Megaport Limited, where she is Chair of the Board and WAM Leaders Limited. Melinda has held previous non-executive director roles at Newmark REIT Management, Best & Less Group Holdings Ltd, MLC, Vita Group, Mercer Investments (Australia), Sandon Capital Investments, Our Ark Mutual, Kennards Self Storage and SANE Australia. Prior to her non-executive career, Melinda held investment banking roles with Grant Samuel, Merrill Lynch, and Goldman Sachs and was a solicitor in the corporate division of Herbert Smith Freehills. Melinda holds a Bachelor of Economics and Laws from the University of Sydney, is a graduate member of the Australian Institute of Company Directors and a Fellow of FINSIA.
Appointed:	16 September 2025
Special responsibilities:	Chair of the Audit and Risk Committee

Name:	Nicole Sparshott
Title:	Independent Non-Executive Director
Experience and expertise:	Nicole is a seasoned CEO and change agent with 30 years of consumer goods and retail experience in some of the world's leading blue-chip organisations – Unilever, Coca-Cola Company and Procter & Gamble. Nicole's former executive roles include Global Chief of Transformation for Unilever, CEO of Unilever Australia & New Zealand and Global CEO of T2 Tea. In addition, she has held several regional executive roles spanning Asia Pacific. Nicole brings rounded commercial and consumer-focused experience to building brands, creating demand, driving value-creating transformation at scale and building high-performance teams.
Appointed:	16 September 2025
Special responsibilities:	Member of the Audit and Risk Committee

Carma Limited (formerly ClickCar Holdings Pty Ltd)

Directors' report

For the year ended 30 June 2025

Name:	Yosuke Hall
Title:	Co-founder and Chief Commercial Officer
Experience and expertise:	A seasoned entrepreneur and business leader with a strong background in e-commerce and finance, Yosuke co-founded Carma in 2021 and serves as its Chief Commercial Officer. Prior to Carma, Yosuke spent nearly a decade at Zanui, at the time one of Australia's leading online furniture and homewares retailers backed by Rocket Internet. After joining in 2011, he served as CEO for seven years from 2013 to 2020, where he was instrumental in scaling the business, building a world-class customer experience, and developing new product lines. Yosuke began his career as an Analyst at Goldman Sachs JBWere.
Appointed:	19 February 2021
Special responsibilities:	Chief Commercial Officer and Company Secretary

Meetings of Directors

During the financial year, 3 meetings of directors were held. Attendances by each Director who was a member of the Board during the year were as follows:

Names	Board of Directors Meetings	
	Attended	Held
Owen Wilson	-	-
Lachlan MacGregor	3	3
Melinda Snowden	-	-
Nicole Sparshott	-	-
Yosuke Hall	3	3
Jason Lenga (resigned 16 September 2025)	3	3
Adam Valkin (resigned 16 September 2025)	3	3

Principal activities

The Group is a technology-led, full-stack digital platform for buying and selling used vehicles in Australia. It operates a vertically integrated business model that spans direct-from-consumer sourcing, inspection and in-house reconditioning, AI-powered pricing, online retail, dealer-only wholesale auctions, financing and delivery. The Group is headquartered in Sydney, Australia.

Significant changes in state of affairs

There was no significant change in the state of affairs of the Group during the financial period.

Operating and financial review

Excluding the impacts of the Convertible Note liabilities on the current year Statement of Profit and Loss of \$(3,330,000) the Group's net loss after income tax from the year ended 30 June 2025 improved to \$32,525,000 (2024: 33,408,000).

Issuance of convertible notes

During the financial year the Company received \$29,920,000 for the issuance of convertible notes. The convertible notes have a maturity date of 30 June 2026 and include features that allow for conversion into ordinary shares under specified conditions.

Carma Limited (formerly ClickCar Holdings Pty Ltd)

Directors' report

For the year ended 30 June 2025

Environmental regulation

The Group is committed to sustainable and responsible practices that create long-term value. As the Group continues to scale, the Group plans to establish a formal ESG framework aligned with its growth stage.

Shares under option

The Group has unissued ordinary shares under option that carry no dividends or voting rights prior to exercising. Shares under option in the employee share option plan are subject to a service condition and vest over a period up to 4 years.

Shares issued on the exercise of options

There were no ordinary shares of the Group issued on the exercise of options during the year ended 30 June 2025 and up to the date of this report.

Dividends

No dividends have been paid or proposed since the start of the financial year.

Indemnification of officers and auditors

During the financial year, the Group paid a premium in respect of a contract insuring the directors of the company (as named above) and all executive officers of the company and of any related body corporate against a liability incurred as such a director or executive officer to the extent permitted by the Corporations Act 2001.

The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium. The company has not otherwise, during or since the end of the half year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as an officer or auditor.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Auditor's independence declaration

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included on page 5.

Rounding off of amounts

Refer to note 28 of the Consolidated Financial Statements for rounding of amounts

The financial statements were authorised for issue, in accordance with a resolution of directors, on 1 October 2025. The directors have the power to amend and reissue the financial statements.

On behalf of the Directors



Lachlan MacGregor

Director

Sydney, 1 October 2025

The Directors'
Carma Limited
Suite 5.03, 219-241 Cleveland Street
Strawberry Hills, NSW, 2016

Dear Directors

Auditor's Independence Declaration to Carma Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Directors' of Carma Limited.

As lead audit partner for the financial report of Carma Limited for the year ended 30 June 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Tara Hill
Partner
Chartered Accountants

Independent Auditor's Report to the Members of Carma Limited (formerly ClickCar Holdings Pty Ltd)

Report on the Audit of the Financial Reports

Opinion

We have audited the financial report of Carma Limited (the "Company") and its subsidiary (the "Group") which comprises the consolidated statement of financial position as at 30 June 2025 and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, the Consolidated Entity Disclosure Statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & 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 financial reports in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Material Uncertainty Related to Going Concern

We draw attention to Note 2 of the financial statements which indicates that the Group incurred losses of \$35,855,000 and net operating cash outflows of \$19,256,000 for the year ended 30 June 2025. As at 30 June 2025 the Group had a net current asset deficiency of \$19,099,000 and a deficiency in net assets of \$10,341,000. These conditions, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about the Company's and the Group's ability to continue as going concerns. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Reports

The directors are responsible:

- For the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group in accordance with Australian Accounting Standards; and
- For such internal control as the directors determine is necessary to enable the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and are free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group and the Company to continue as going concerns, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group or the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group or the Company's ability to continue as going concerns. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Company to cease to continue as going concerns.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Tara Hill
Partner
Chartered Accountants

Sydney, 1 October 2025

Carma Ltd (formerly ClickCar Holdings Pty Ltd)

Directors' declaration

30 June 2025

In the directors' opinion:

- a) the attached consolidated financial statements and notes are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2025 and its performance for the year ended on that date; and
 - (ii) complying with the Australian Accounting Standards and the Corporations Regulations 2001;
- 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 attached consolidated financial statements are in compliance with IFRS Accounting Standards, as stated in note 28 to the consolidated financial statements; and
- d) the attached consolidated entity disclosure statement is true and correct.
- e) At the date of this declaration, the company is within the class of companies affected by ASIC Corporations (Wholly-owned Companies) Instrument 2016/785. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee.

In the directors' opinion, there are reasonable grounds to believe that the company and the companies to which ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 applies, as detailed in note 26 to the financial statements will, as a group, be able to meet any liabilities to which they are, or may become, subject because of the deed of cross guarantee.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors



Lachlan MacGregor

Director

Sydney, 1 October 2025

Carma Limited (formerly ClickCar Holdings Pty Ltd)
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2025

		2025	2024
	Note	\$'000	\$'000
Revenue	4	71,413	68,928
Cost of sales	4	(66,219)	(67,996)
Gross profit		5,194	932
Expenses			
Employee benefit expenses	4	(15,901)	(15,387)
Occupancy expenses		(4,495)	(4,914)
Marketing expenses		(4,086)	(4,227)
Depreciation and amortisation expenses	4	(6,658)	(4,865)
Other expenses		(6,135)	(4,969)
Finance income		327	420
Finance cost	4	(4,101)	(398)
Total expenses		(41,049)	(34,340)
Loss before income tax expense		(35,855)	(33,408)
Income tax expense	5	-	-
Loss after income tax expense for the year attributable to the owners of Carma Limited (formerly ClickCar Holdings Pty Ltd)		(35,855)	(33,408)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year attributable to the owners of Carma Limited (formerly ClickCar Holdings Pty Ltd)		(35,855)	(33,408)
		Cents	Cents
Basic and diluted loss per share	3	(40.3)	(37.6)

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

Carma Limited (formerly ClickCar Holdings Pty Ltd)

Consolidated statement of financial position

As at 30 June 2025

		2025	2024
	Note	\$'000	\$'000
Assets			
Current assets			
Cash and cash equivalents	6	6,329	7,891
Trade and other receivables	7	1,379	1,204
Inventories	8	14,484	20,525
Other assets	9	967	638
Total current assets		23,159	30,258
Non-current assets			
Right-of-use assets	10	10,291	3,040
Property, plant and equipment	11	2,097	2,612
Intangible assets	12	3,602	3,332
Other assets	9	990	1,018
Total non-current assets		16,980	10,002
Total assets		40,139	40,260
Liabilities			
Current liabilities			
Trade and other payables	13	3,884	3,252
Lease liabilities	10	2,558	2,608
Provisions	14	1,161	1,032
Borrowings	15	1,897	7,576
Financial liabilities	16	32,758	-
Total current liabilities		42,258	14,468
Non-current liabilities			
Lease liabilities	10	8,222	689
Total non-current liabilities		8,222	689
Total liabilities		50,480	15,157
Net (liabilities)/assets		(10,341)	25,103
Equity			
Issued share capital	17	94,962	94,962
Share-based payments reserve	20	791	380
Accumulated losses		(106,094)	(70,239)
Total equity		(10,341)	25,103

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

Carma Limited (formerly ClickCar Holdings Pty Ltd)

Consolidated statement of changes in equity

For the year ended 30 June 2025

		Issued share capital	Share- based payments reserve	Accumulated losses	Total equity
	<i>Note</i>	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2023		94,962	240	(36,831)	58,371
Loss after income tax expense for the year		-	-	(33,408)	(33,408)
		94,962	240	(70,239)	24,963
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments	20	-	140	-	140
Balance at 30 June 2024		94,962	380	(70,239)	25,103

		Issued share capital	Share- based payments reserve	Accumulated losses	Total equity
	<i>Note</i>	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2024		94,962	380	(70,239)	25,103
Loss after income tax expense for the year		-	-	(35,855)	(35,855)
		94,962	380	(106,094)	(10,752)
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments	20	-	411	-	411
Balance at 30 June 2025		94,962	791	(106,094)	(10,341)

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

Carma Limited (formerly ClickCar Holdings Pty Ltd)
Consolidated statement of cash flows
For the year ended 30 June 2025

	2025	2024
	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers	74,266	69,073
Payments to suppliers and employees	(93,524)	(85,994)
	<u>(19,258)</u>	<u>(16,921)</u>
Interest received	327	420
Interest and other finance cost paid	(325)	(104)
Income taxes paid	<u>-</u>	<u>-</u>
Net cash used from operating activities	<u>(19,256)</u>	<u>(16,605)</u>
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	596	8
Payments for property, plant and equipment	(591)	(160)
Payments for intangible assets	(2,706)	(2,815)
Payments for funds on deposit	<u>(150)</u>	<u>(486)</u>
Net cash used in investing activities	<u>(2,851)</u>	<u>(3,453)</u>
Cash flows from financing activities		
Proceeds from issuance of convertible notes	29,920	-
Proceeds from borrowings	23,241	10,821
Repayment of borrowings	(28,922)	(3,244)
Repayment of lease liabilities, excluding the financing component	<u>(3,694)</u>	<u>(2,455)</u>
Net cash generated in financing activities	<u>20,545</u>	<u>5,122</u>
Net decrease in cash and cash equivalents	(1,562)	(14,936)
Cash and cash equivalents at the beginning of the financial year	<u>7,891</u>	<u>22,827</u>
Cash and cash equivalents at the end of the financial year	<u><u>6,329</u></u>	<u><u>7,891</u></u>

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

Carma Limited (formerly ClickCar Holdings Pty Ltd)

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 1. Operating segments

Identification of reportable segments

Reportable segments are based on the internal reports that are reviewed by the Directors, who are identified as the Chief Operating Decision Makers ("CODM"), in assessing the Group's performance and in making decisions about the allocation of resources in accordance with AASB 8 *Operating Segments* ("AASB 8").

Carma Limited (formerly ClickCar Holdings Pty Ltd) ("The Group") operates as a single reportable operating segment. This segment consists of the purchase, reconditioning, and sale of used vehicles primarily through online channels, with operations conducted exclusively within Australia.

The CODM reviews financial information on a consolidated basis and monitors the performance of the business using monthly management reports. As performance and resource allocation decisions are based on consolidated financial information, the consolidated financial statements represent the results of the Group's single operating segment. Accordingly, no separate segment disclosures are presented.

Major customers

There is no significant reliance on any single customer.

Note 2. Going concern

The consolidated financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

For the year ended 30 June 2025, the Group reported a loss of \$35,855,000 (2024 loss: \$33,408,000) and experienced net operating cash outflows of \$19,256,000 (2024: net operating cash outflows: \$16,605,000). As at 30 June 2025, current liabilities exceeded current assets by \$19,099,000 (2024: net current assets: \$15,790,000) and total liabilities exceeded total assets by \$10,341,000 (2024: net assets: \$25,103,000). Net current liabilities is predominantly due to a \$32,758,000 liability for convertible notes recognised as current at the reporting date.

In accordance with the contractual terms, the convertible notes will convert into ordinary shares upon completion of the Group's planned initial public offering ("IPO"), which is expected to occur within a few months after the reporting date. As a result, this liability is not expected to require repayment in cash at its expiration in June 2026 and is not anticipated to impact the Group's liquidity following the IPO.

The directors have considered the binding terms of the convertible notes, the advanced stage of the IPO process, the availability of the Group's bailment facility, and the Group's cash flow forecasts until October 2026. These forecasts incorporate key assumptions including a capital raise of \$44,900,000 (net of IPO costs), revenue growth of 79%, and gross profit margin improvement to 9.2%. Based on these assumptions, including a successful completion of the planned IPO, the directors expect the Group to meet its obligations as they fall due for at least twelve months from the date of signing these financial statements.

Furthermore, the directors expect that an underwriting agreement will be executed prior to the IPO, which would further strengthen the Group's funding position and provide additional assurance regarding the success of the offering.

Carma Limited (formerly ClickCar Holdings Pty Ltd)

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 2. Going concern (continued)

If the Group is unable to complete its IPO as planned, the directors would seek to renew and/or extend the maturity of the existing convertible notes, renew the bailment facility to maintain short-term liquidity support, or raise additional alternative capital. At the date of this report, no such alternative arrangements are in place, but the directors believe these could be implemented if required.

Accordingly, while the directors remain confident in the completion of the IPO, its successful execution remains subject to market conditions, regulatory approvals and the execution of key agreements including the underwriting agreement. In the event the IPO does not proceed and renewal of the bailment facility does not occur and/or the Group is unable to achieve its forecast, a material uncertainty would exist that may cast significant doubt on the Company and the Group's ability to continue as going concerns and, therefore, whether they will realise their assets and discharge their liabilities in the normal course of business and at the amounts stated in the financial statements.

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 the Company and the Group be unable to continue as going concerns.

Carma Limited (formerly ClickCar Holdings Pty Ltd)

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 3. Loss per share

	2025 \$'000	2024 \$'000
Loss after income tax attributable to the owners of Carma Limited (formerly ClickCar Holdings Pty Ltd)	(35,855)	(33,408)
	Number	Number
Weighted average number of ordinary and founder shares (basic and diluted)	44,000,002	44,000,002
	Cents	Cents
Basic and diluted loss per share	(40.3)	(37.6)

Accounting policy for earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share adjusts the weighted average number of shares for the effects of all dilutive potential ordinary shares. Potential ordinary shares are treated as dilutive only when their conversion to ordinary shares would decrease earnings per share or increase loss per share.

When the Group is in a loss-making position, potential ordinary shares are considered anti-dilutive and are therefore excluded from the diluted earnings per share calculation. As a result, diluted earnings per share equals basic earnings per share.

Note 4. Revenue and expenses

Revenue

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	2025 \$'000	2024 \$'000
Revenue disaggregated by nature		
Sale of vehicles (retail and wholesale)	70,355	68,208
Other revenue	840	657
Extended coverage	218	63
	<u>71,413</u>	<u>68,928</u>

Carma Limited (formerly ClickCar Holdings Pty Ltd)

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 4. Revenue and expenses (continued)

Timing of revenue recognition

At a point in time	71,195	68,865
Over time	218	63
	<u>71,413</u>	<u>68,928</u>

Revenue accounting policy

Revenue is recognised in accordance with AASB 15 *Revenue from Contracts with Customers* ("AASB 15") when the Group satisfies its performance obligations by transferring control of goods or services to customers. Control is transferred when the customer can direct the use of, and obtain substantially all the benefits from, the goods or services. Revenue is measured at the transaction price, being the amount of consideration expected.

Sale of vehicles (retail and wholesale)

Revenue from the sale of vehicles is recognised at a point in time when control of the vehicle transfers to the customer. Control transfers when the vehicle has been delivered or collected, and the Group has an enforceable right to payment.

Amounts received in advance of delivery or collection are recorded as unearned revenue (contract liability), since revenue is only recognised once control passes to the customer. Revenue is measured at the transaction price, net of discounts. A refund liability is recognised for the 7-day (12 days in some instances) return right provided to customers.

Other revenue

Other income arises from ancillary services provided to customers and third parties in connection with the sale of vehicles. This includes consideration received for facilitating arrangements between customers and external parties, such as finance and insurance. The Group acts as an agent in these transactions and recognises revenue on a net basis, representing only the commission or fee retained, at the point in time when the related service has been performed, the transaction between the customer and the external party is complete, and the Group has an enforceable right to payment.

Carma Limited (formerly ClickCar Holdings Pty Ltd)

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 4. Revenue and expenses (continued)

Revenue (continued)

Extended coverage

The Group offers customers optional extended coverage for repairs and defects over a specified period. These are treated as a separate performance obligation under AASB 15 as they are distinct from the sale of the vehicle.

Revenue from extended coverage is recognised over time in line with the coverage period, reflecting the transfer of services to the customer. The amount allocated to this obligation is recorded as unearned revenue at the time of sale and released systematically over the term of the coverage.

Carma Limited (formerly ClickCar Holdings Pty Ltd)**Notes to the consolidated financial statements****For the year ended 30 June 2025****Note 4. Revenue and expenses (continued)****Expenses**

	2025 \$'000	2024 \$'000
Depreciation and amortisation		
Leasehold improvements	265	265
Transport fleet	61	93
Motor vehicles	82	4
Workshop equipment	114	114
Computer equipment	105	110
Furniture and fittings	55	57
Right-of-use assets	3,480	2,221
Software	2,496	2,001
	<u>6,658</u>	<u>4,865</u>
Employee benefit expense excluding amounts recognised in cost of sales		
Short-term employee benefits	13,892	13,728
Superannuation	1,598	1,519
Share-based payments	411	140
	<u>15,901</u>	<u>15,387</u>
Finance costs		
Finance cost on convertible note host liability*	4,651	-
Fair value gain on derivative liability *	(1,321)	-
Finance cost on floorplan liability	325	104
Finance cost on lease liabilities	446	294
	<u>4,101</u>	<u>398</u>

* Please refer to note 16 for further information on the convertible notes.

Cost of sales

Cost of sales comprises the purchase cost of vehicles and consumables, including directly attributable costs incurred in bringing the inventory to its present location and condition, net of rebates and discounts. When inventories are sold, the carrying amount is recognised as an expense in the period in which the related revenue is recognised.

Carma Limited (formerly ClickCar Holdings Pty Ltd)

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 5. Income tax

	2025 \$'000	2024 \$'000
Income tax expense		
Current tax	-	-
Deferred tax - current year	-	-
Aggregate income tax expense	-	-
Deferred tax included in income tax expense comprises:		
Increase in deferred tax assets	-	-
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(35,855)	(33,408)
Tax at the statutory tax rate of 30%	10,756	10,022
Tax effect amounts which are not deductible/(taxable) in calculating taxable income		
Tax losses not recognised	(9,538)	(9,851)
Adjustment for prior years	(80)	(94)
Non-deductible expenses	(1,138)	(67)
Income tax expense	-	-

Deferred tax

Deferred tax comprises temporary differences attributable to:

Property, plant & equipment	243	171
Right-of-use asset	(3,207)	(912)
Lease liability	3,234	989
Capitalised software development costs	713	359
Provision for employee benefits	210	193
Contract liabilities	191	395
Accrued expenses	203	157
Other items	161	167
Tax losses not recognised	(1,748)	(1,519)
Deferred tax	-	-

Carma Limited (formerly ClickCar Holdings Pty Ltd)

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 5. Income tax (continued)

At 30 June 2025, the Group has unused tax losses carried forward of \$95,902,000 (2024: \$64,606,000) for which no deferred tax asset has been recognised in the statement of financial position. These tax losses can be carried forward indefinitely, subject to the satisfaction of applicable tax legislation requirements. At 30 June 2025, the Group had no franking credits available for subsequent reporting periods.

Carma Ltd (formerly ClickCar Holdings Pty Ltd) and its wholly owned Australian controlled entity are part of a tax consolidated group under Australian taxation law. Carma Ltd is the head entity of the tax consolidated group. Under the tax consolidation system, Carma Ltd and its subsidiary continue to account for their own current and deferred tax amounts. Carma Ltd also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and tax credits assumed from subsidiaries in the tax consolidated group.

The Group has considered the introduction of the Organisation for Economic Co-operation and Development Pillar Two rules in Australia and concluded they do not apply to the Group.

Refer to note 28 for the Group's accounting policy on income taxes.

Carma Limited (formerly ClickCar Holdings Pty Ltd)

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 6. Cash and cash equivalents

	2025 \$'000	2024 \$'000
Cash at bank	6,329	7,891

Cash and cash equivalents accounting policy

Cash and cash equivalents include cash on hand and cash held in interest bearing bank accounts that are available for immediate use and subject to an insignificant risk of changes in value.

Note 7. Trade and other receivables

	2025 \$'000	2024 \$'000
Trade receivables	-	68
GST and notional GST	1,260	1,054
Other receivables	119	82
	1,379	1,204

Trade and other receivables accounting policy

There are ordinarily no material trade receivables at period end, as consideration for vehicles is received on delivery of the vehicle. Other receivables, when they arise, primarily relate to agency fees earned from finance and insurance partners and timing differences on settled customer payments. These balances are typically short-term and measured at amortised cost.

Note 8. Inventories

	2025 \$'000	2024 \$'000
Raw materials and consumables	158	135
Finished goods (vehicles)	14,326	20,390
	14,484	20,525

During the year, included in the finished goods balance above, the Group recognised a write-down of \$421,000 to net realisable value (2024: \$2,474,000)

Carma Limited (formerly ClickCar Holdings Pty Ltd)

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 8. Inventories (continued)

Inventory accounting policy

Inventories are stated at the lower of cost and net realisable value in accordance with AASB 102 *Inventories* ("AASB 102"). Cost comprises the purchase price of the inventory together with an allocation of reconditioning operational costs, including parts, labour and attributable overheads incurred in preparing the vehicle for sale, and transport and delivery costs necessary to bring the vehicle to its current location and condition for sale. Finished goods are presented net of any net realisable value ("NRV") adjustments.

Raw materials and consumables are mainly purchased on a just-in-time basis, reflecting their specialised nature, thus NRV write-downs are generally negligible. Any write-downs or reversals are recognised in profit or loss when they occur.

Critical accounting estimates – NRV write downs

Determining the net realisable value of inventory requires judgement. Management assesses whether any write-down is necessary based on current and expected market conditions. Factors considered in this assessment include historical experience, published valuations for used vehicles, the ageing of inventory held, and recent trends or observable losses. Where the estimated net realisable value is lower than the carrying value, inventory is written down to that lower amount.

Note 9. Other assets

	2025 \$'000	2024 \$'000
Current		
Other assets *	967	638
Non-current		
Term deposit **	990	1,018

* Other assets are made up of mainly prepayments for services. This unwinds within 12 months and is classified as current.

** Term deposits are held between 15 and 25 months and are subject to restrictions as they have been pledged as security under a bank guarantee. The bank is entitled to hold or apply the deposits if the Group does not meet its contractual obligations. Refer to note 18 for further information.

Carma Limited (formerly ClickCar Holdings Pty Ltd)

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 10. Leases

10(a). Right-of-use assets

	2025 \$'000	2024 \$'000
Right-of-use assets	13,771	5,261
Less: Accumulated depreciation	(3,480)	(2,221)
	<u>10,291</u>	<u>3,040</u>

The Group leases buildings for its offices and warehouses under agreements of between 3 to 5 years.

Reconciliation

A reconciliation of the right-of-use assets at the beginning and end of the current and previous financial year are set out below:

	2025 \$'000	2024 \$'000
Opening balance	3,040	3,579
Additions	10,731	-
Lease modifications	-	1,682
Depreciation	(3,480)	(2,221)
	<u>10,291</u>	<u>3,040</u>

During the year the Group entered into a lease arrangement for land and buildings, resulting in an increase in right-of-use assets. The corresponding lease liability has been recognised, reflecting the Group's commitment to long-term use of the premises.

Right-of-use accounting policy

At the commencement of a lease, the Group recognises a right-of-use (ROU) asset and a corresponding lease liability in accordance with AASB 16 *Leases* ("AASB 16"). The ROU asset is initially measured at cost, comprising the lease liability amount, adjusted for any payments made at or before commencement, less lease incentives, plus any initial direct costs and estimated dismantling or restoration costs where applicable. Right-of-use assets are subject to impairment in accordance with AASB 136 *Impairment of assets* ("AASB 136") or adjusted for any remeasurement of lease liabilities.

ROU assets are depreciated on a straight-line basis over the lease term or the asset's useful life, whichever is shorter, and are adjusted for impairment or lease liability remeasurements as required.

The Group applies the recognition exemption for short-term leases (12 months or less) and leases of low value assets. Payments for these leases are recognised as an expense in profit or loss as incurred.

Carma Limited (formerly ClickCar Holdings Pty Ltd)

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 10. Leases (continued)

10(b). Lease liabilities

	2025 \$'000	2024 \$'000
Current	2,558	2,608
Non-current	8,222	689
	<u>10,780</u>	<u>3,297</u>

Reconciliation

A reconciliation of the lease liabilities at the beginning and end of the current and previous financial year are set out below:

	2025 \$'000	2024 \$'000
Opening balance	3,297	3,775
Additions	10,731	-
Lease modifications	-	1,682
Lease payments	(3,694)	(2,454)
Interest charge	446	294
	<u>10,780</u>	<u>3,297</u>

Future lease payments relating to lease liabilities are disclosed in note 18.

Critical accounting estimates – Incremental borrowing rate

Where the interest rate implicit in a lease is not readily available, the Group estimates an incremental borrowing rate to discount lease payments. This rate reflects what the Group would pay to borrow funds over a similar term and security in a similar economic environment and requires judgement in considering credit risk, lease term, and market conditions.

Lease liability accounting policy

Lease liabilities are recognised at the commencement date of the lease and measured at the present value of lease payments to be made over the lease term. Payments are discounted using the interest rate implicit in the lease or, if that cannot be readily determined, the Group's incremental borrowing rate. Lease payments include fixed payments (less any incentives), variable payments linked to an index or rate, amounts under residual value guarantees, the exercise price of purchase options where reasonably certain, and penalties for termination if applicable.

Subsequently, lease liabilities are measured at amortised cost using the effective interest method and are remeasured when there is a change in future lease payments due to reassessments or modifications. Any remeasurement is adjusted against the corresponding right-of-use asset or recognised in profit or loss if the asset is fully depreciated. Variable lease payments not linked to an index or rate are expensed as incurred.

Carma Limited (formerly ClickCar Holdings Pty Ltd)

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 10. Leases (continued)

Short-term lease expense

During the previous financial year and part of the current financial year, the Group leased its St Peters facility under a short-term arrangement. Lease payments recognised as an expense were:

	2025 \$'000	2024 \$'000
Short-term lease expense	1,960	3,082

The short-term lease expired during the current financial year and a long-term lease for the same facility was entered into during the current financial year.

Consistent with the short-term lease exemption under AASB 16, no right-of-use asset or lease liability was recognised. Payments under the lease were recognised as an expense on a straight-line basis over the term of the lease.

Note 11. Property, plant and equipment

	Leasehold improvements \$'000	Motor vehicles \$'000	Transport fleet \$'000	Workshop equipment \$'000	Computer equipment \$'000	Furniture & fittings \$'000	Work in progress \$'000	Total \$'000
Cost								
Balance at 1 July 2024	1,012	54	1,394	821	439	417	-	4,137
Additions	-	259	212	21	30	4	325	851
Disposals	-	(104)	(681)	-	(2)	-	-	(787)
Impairment	-	(12)	-	-	-	-	-	(12)
Balance at 30 June 2025	1,012	197	925	842	467	421	325	4,189
Accumulated depreciation								
Balance at 1 July 2024	(681)	(4)	(199)	(277)	(228)	(136)	-	(1,525)
Depreciation	(265)	(82)	(61)	(114)	(105)	(55)	-	(682)
Disposals	-	16	98	-	1	-	-	115
Balance at 30 June 2025	(946)	(70)	(162)	(391)	(332)	(191)	-	(2,092)
Carrying amount								
at 30 June 2025	66	127	763	451	135	230	325	2,097

Carma Limited (formerly ClickCar Holdings Pty Ltd)

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 11. Property, plant and equipment (continued)

	Leasehold improvements \$'000	Motor vehicles \$'000	Transport fleet \$'000	Workshop equipment \$'000	Computer equipment \$'000	Furniture & fittings \$'000	Total \$'000
Cost							
Balance at 1 July 2023	1,011	-	1,393	791	382	411	3,988
Additions	1	54	1	30	68	6	160
Disposals	-	-	-	-	(11)	-	(11)
Balance at 30 June 2024	1,012	54	1,394	821	439	417	4,137
Accumulated depreciation							
Balance at 1 July 2023	(416)	-	(106)	(163)	(122)	(79)	(886)
Depreciation	(265)	(4)	(93)	(114)	(110)	(57)	(643)
Disposals	-	-	-	-	4	-	4
Balance at 30 June 2024	(681)	(4)	(199)	(277)	(228)	(136)	(1,525)
Carrying amount at 30 June 2024	331	50	1,195	544	211	281	2,612

Property, plant and equipment accounting policy

Property, plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses, in accordance with AASB 116 *Property, plant and equipment* ("AASB 116"). Cost includes expenditure directly attributable to the acquisition of the asset and any costs necessary to bring the asset to its intended location and condition for use.

Subsequent expenditure is capitalised when it is probable that future economic benefits will flow to the Group and the cost can be measured reliably. All other repairs and maintenance costs are expensed as incurred.

Gains and losses on disposals are calculated by comparing the proceeds with the carrying amount of the asset and are recognised in profit or loss.

Depreciation is recognised on a straight-line basis over the asset's estimated useful life, commencing when the asset is available for use. Residual values, useful lives, and depreciation methods are reviewed at each reporting date and adjusted prospectively where appropriate.

Carma Limited (formerly ClickCar Holdings Pty Ltd)

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 11. Property, plant and equipment (continued)

The useful life of property, plant and equipment has been estimated as follows:

Leasehold improvements	3-5 years
Motor vehicles	5 years
Transport fleet	15 years
Workshop equipment	1-10 years
Computer equipment	1-5 years
Furniture and fittings	2-10 years

Impairment of non-current assets

In accordance with AASB 136, property, plant and equipment is assessed for indicators of impairment at each reporting date. If indicators exist, the recoverable amount is estimated as the higher of fair value less costs of disposal and value in use. An impairment loss is recognised when the carrying amount exceeds recoverable amount.

Impairment losses are reversed if the recoverable amount increases, but only to the extent that the asset's carrying amount does not exceed the amount that would have been determined had no impairment loss been recognised. Reversals are recognised in profit or loss.

Note 12. Intangible assets

	Software \$'000	Work in progress \$'000	Total \$'000
Cost			
Balance as at 1 July 2024	5,932	60	5,992
Additions	2,706	60	2,766
Transfer to additions	60	(60)	-
Balance as at 30 June 2025	8,698	60	8,758
Accumulated depreciation			
Balance as at 1 July 2024	(2,660)	-	(2,660)
Amortisation expense	(2,496)	-	(2,496)
Balance as at 30 June 2025	(5,156)	-	(5,156)
Carrying amount as at 30 June 2025	3,542	60	3,602

Carma Limited (formerly ClickCar Holdings Pty Ltd)

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 12. Intangible assets (continued)

	Software \$'000	Work in progress \$'000	Total \$'000
Cost			
Balance at 1 July 2023	3,017	100	3,117
Additions	2,815	60	2,875
Transfer to additions	100	(100)	-
Balance at 30 June 2024	5,932	60	5,992
Accumulated depreciation			
Balance at 1 July 2023	(659)	-	(659)
Amortisation expense	(2,001)	-	(2,001)
Balance at 30 June 2024	(2,660)	-	(2,660)
Carrying amount at 30 June 2024	3,272	60	3,332

During the year, the Group incurred development expenditure of \$2,136,000 (2024: \$2,209,000) and research costs of \$319,000 (2024: \$345,000). Research costs relate to activities that did not yet meet the recognition criteria under AASB 138 *Intangible Assets* ("AASB 138") and were therefore recognised in profit or loss.

Intangible assets accounting policy

Intangible assets are recognised and measured in accordance with AASB 138. Intangible assets are measured at cost, less accumulated amortisation and impairment losses. Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives, currently three years. The amortisation method and useful life are reviewed at each reporting date and adjusted prospectively where necessary.

Critical accounting judgment - Internally generated intangible assets

Management exercises significant judgement in distinguishing research from development activities and in assessing whether development expenditures meet the capitalisation criteria.

Expenditure on research activities is expensed as incurred. Development expenditure is capitalised as an intangible asset only when the Group can demonstrate that the software is technically feasible to complete, that there is an intention and ability to complete and use the asset, that the asset will generate probable future economic benefits, that adequate resources are available to complete the development, and that the expenditure attributable to the asset can be measured reliably.

Capitalised development costs are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over the estimated useful life of the software and is reviewed at each reporting date. Costs that do not meet the recognition criteria are expensed as incurred.

Carma Limited (formerly ClickCar Holdings Pty Ltd)

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 12. Intangible assets (continued)

Impairment of non-current intangible assets

In accordance with AASB 136, intangible assets are assessed for impairment at different stages of their lifecycle.

Intangible assets with finite useful lives that are available for use are tested for impairment only when there are indicators that the carrying amount may not be recoverable.

The recoverable amount is the higher of fair value less costs of disposal and value in use. Any impairment loss is recognised in profit or loss, and reversals are permitted only to the extent that the carrying amount does not exceed the amount that would have been determined had no impairment been recognised in prior periods.

Note 13. Trade and other payables

	2025 \$'000	2024 \$'000
Trade payables	153	46
Accruals	1,746	1,560
Employee related payables	710	419
Unearned revenue	1,275	1,227
	<u>3,884</u>	<u>3,252</u>

Trade and other payables

Trade and other payables represent obligations for goods and services received prior to the end of the reporting period that remain unpaid. These liabilities are unsecured, non-interest bearing, and are typically settled within 30 days. They are recognised at amortised cost, which is equivalent to their nominal value due to their short-term nature.

Trade payables further include amounts received in advance of delivery or collection, recorded as unearned revenue. This balance also incorporates revenue still to be recognised from extended coverage sales, which will unwind over the contractual service periods.

Note 14. Provisions

	2025 \$'000	2024 \$'000
Current		
Employee benefits	971	926
Warranties	190	106
	<u>1,161</u>	<u>1,032</u>

Carma Limited (formerly ClickCar Holdings Pty Ltd)

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 14. Provisions (continued)

Reconciliation

A reconciliation of the provision balance at the beginning and end of the current and previous financial year is set out below:

	Employee benefits \$'000	Warranties \$'000	Total \$'000
Opening balance as at 1 July 2024	926	106	1,032
Additions	1,713	121	1,834
Utilised	(1,668)	(37)	(1,705)
Closing balance as at 30 June 2025	971	190	1,161

Provisions accounting policy

Employee benefit provisions

Provisions for employee benefits are recognised in accordance with AASB 119 *Employee Benefits* ("AASB 119") when the Group has a present obligation arising from past service that can be reliably measured and is expected to result in future payments. These provisions are measured at the amounts expected to be paid when the obligations are settled and are classified as current, as the Group does not have an unconditional right to defer settlement beyond 12 months.

Warranty provisions

Warranty provisions are recognised in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* ("AASB 137"). The provision represents the present obligation for estimated future claims and is based on historical claim data and any trends or circumstances expected to impact future claims.

Carma Limited (formerly ClickCar Holdings Pty Ltd)

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 15. Borrowings

	2025 \$'000	2024 \$'000
Current		
Bailment finance facility	1,897	7,576

Bailment finance

The Group has a \$30,000,000 bailment financing arrangement which it uses to fund inventory (in combination with cash). The Group's bailment finance facility provider retains legal ownership of the vehicle during the period of bailment. Legal ownership passes to the Group immediately prior to delivery to a customer. Draw down and repayment of the bailment finance facility occurs on an individual vehicle basis and typically draw down occurs post-purchase by the Group. Repayment is completed immediately before or post sale.

The bailment finance facility is provided on a secured basis, which includes security over all assets of the Group. Interest is charged under the bailment finance facility at a margin above the 90-day Bank Bill Swap rate.

The bailment finance facility is provided at a weighted average interest rate of 8.05% p.a. applicable at 30 June 2025 (2024: 8.01%).

At the reporting date, the Group had undrawn borrowing capacity of \$28,103,000 under this facility (2024: \$22,424,000).

Refer to note 18 for further details on classification, fair value and associated risks.

Carma Limited (formerly ClickCar Holdings Pty Ltd)

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 16. Convertible notes

	2025 \$'000	2024 \$'000
Convertible notes – initial recognition of components		
Nominal value of convertible notes issued	29,920	-
Transaction costs	(492)	-
Derivative liability component (level 3)	(16,160)	-
At inception	13,268	-
Host liability at inception	13,268	-
Finance cost on convertible notes	4,651	-
Closing balance at 30 June 2025	17,919	-
Derivative liability at inception	16,160	-
Remeasurement of fair value through profit or loss	(1,321)	-
Closing balance at 30 June 2025	14,839	-
Total	32,758	-

During the financial year, the Group executed a funding arrangement structured as unsecured convertible notes, raising total proceeds of \$29,920,000 across multiple tranches. The notes have a maturity date of 30 June 2026 and include features that allow for conversion into ordinary shares under specified conditions.

Classification and accounting treatment

The convertible note is accounted for as a hybrid financial instrument under AASB 9, because it includes a host liability and an embedded derivative component. The embedded derivative arises from the conversion feature, which does not meet the definition of equity under AASB 132 *Financial Instruments: Presentation* ("AASB 132") as settlement requires delivering a variable number of shares. As this embedded derivative is not closely related to the host debt contract, it is separated from the host liability and measured at fair value through profit or loss in accordance with AASB 9.

On initial recognition, the fair value of the embedded derivative was determined using a Monte Carlo simulation model and recognised as a derivative financial liability. The residual amount of the proceeds, after deducting the derivative's fair value, was allocated to the host liability and recognised at fair value.

Subsequently, the derivative liability is remeasured at fair value at each reporting date, with gains or losses recognised in profit or loss, while the host liability is subsequently measured at amortised cost using the effective interest method until conversion or redemption.

Carma Limited (formerly ClickCar Holdings Pty Ltd)

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 16. Convertible notes (continued)

Transaction costs

Transaction costs incurred on issuance were allocated between the embedded derivative and the host liability based on their relative fair values. Transaction costs allocated to the embedded derivative recognised at fair value were expensed immediately in profit or loss.

Valuation and fair value hierarchy

The embedded derivative is classified as Level 3 in the fair value hierarchy under AASB 13 *Fair Value Measurement* ("AASB 13") as the valuation relies on significant unobservable inputs. Key assumptions include the valuation, discount rates, and volatility. The derivative's fair value was determined using a Monte Carlo simulation model at inception and will continue to be remeasured at each reporting date. The residual amount after deducting the derivative's fair value represents the fair value of the host liability at inception. No conversions or redemptions occurred during the reporting period.

Further information on the Group's exposure to liquidity risk, financial management risk and fair value hierarchy is disclosed in note 18.

Note 17. Issued share capital

	2025 Shares	2025 \$	2024 Shares	2024 \$
Ordinary shares				
Fully paid ordinary shares	2	22	2	22
Founder shares	44,000,000	44	44,000,000	44
	<u>44,000,002</u>	<u>66</u>	<u>44,000,002</u>	<u>66</u>
Preference shares				
Preference Seed shares	<u>24,719,801</u>	<u>25,467,809</u>	<u>24,719,801</u>	<u>25,467,809</u>
Preference Series A shares	<u>20,210,486</u>	<u>69,494,013</u>	<u>20,210,486</u>	<u>69,494,013</u>

There were no movements in the number of ordinary shares or preference shares during the year.

Ordinary shares

Ordinary and founder shares carry equal voting rights and entitle holders to attend general meetings. Both classes of shares vote together as a single class on all matters. Each founder share converts into one ordinary share upon conversion.

Carma Limited (formerly ClickCar Holdings Pty Ltd)

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 17. Issued share capital (continued)

Preference shares

Preference Seed and Series A shares shall convert into ordinary shares automatically under specified conditions. These shares carry voting rights at general meetings equivalent to the number of ordinary shares into which they would convert.

Preference Seed and Series A shares are also entitled to dividends, if declared to ordinary shareholders, shareholders, on the same basis as if they had been converted into ordinary shares.

Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders.

Issued capital accounting policy

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Preference shares

Preference shares are classified as equity as they do not impose a contractual obligation on the Group to deliver cash or another financial asset. Incremental costs directly attributable to the issue of preference shares are recognised in equity as a deduction, net of tax, from the proceeds.

Carma Limited (formerly ClickCar Holdings Pty Ltd)

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 18. Financial instruments

Financial risk management objectives

The Group's activities expose it to financial risks, including liquidity risk and interest rate risk. The Group does not engage in trading or speculative derivative instruments and has no exposure to foreign exchange risk. Risk management is overseen by the Board, which monitors funding, liquidity, and capital structure to support the Group's operations and growth objectives.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Group's income or the value of its financial instruments. The Group's exposure to market risk is primarily limited to interest rate risk on its floating-rate financial instruments. The Group does not have exposure to foreign currency risk or other price risk.

Interest Rate Risk

Interest rate risk arises from the Group's cash and cash equivalents, which earn variable interest income, and from its short-term credit facility, which incurs interest at floating rates. The Group monitors interest rate movements and considers the impact on funding costs and investment returns. Convertible notes and lease liabilities carry fixed contractual terms and are not exposed to interest rate variability.

Interest Rate Sensitivity Analysis

The following table summarises the estimated impact on the loss before tax and equity of a reasonably possible change in interest rates of +/- 100 basis points, assuming all other variables remain constant:

	+100 bps	-100 bps
	\$'000	\$'000
Impact on loss before tax	44	(44)

Assumptions:

The analysis is based on cash and cash equivalents of \$6,329,000 and a short-term credit facility of \$1,897,000 outstanding at reporting date. Convertible notes and lease liabilities are excluded from the analysis because they bear fixed interest rates.

Credit risk

Credit risk is the risk of financial loss if a counterparty fails to meet its obligations. The Group's exposure is minimal as customers are required to pay in full for vehicle purchases and extended coverage contracts before delivery or commencement.

As a result, the Group holds no material trade receivables at year end, and no expected credit loss allowance has been recognised. Credit risk is therefore limited to cash and cash equivalents and other financial assets, which are held with reputable financial institutions.

Carma Limited (formerly ClickCar Holdings Pty Ltd)

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 18. Financial instruments (continued)

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages this risk by maintaining adequate cash reserves, monitoring forecast cash flows, and having access to committed credit facilities.

The Group's financial instruments exposed to interest rate and liquidity risk are:

- a) Cash and cash equivalents are held with major financial institutions and are readily available to meet short-term obligations. These balances carry minimal exposure to interest rate risk.
- b) Lease liabilities represent contractual obligations arising under lease agreements. Payments are fixed over the lease term and are presented on an undiscounted basis in the maturity analysis. As the interest rates are fixed in the contracts, there is no exposure to variability in future interest rates.
- c) Trade and other payables are obligations to suppliers and other creditors that generally fall due within normal operating terms, typically within twelve months of the reporting date.
- d) The floorplan facility is an interest-bearing arrangement used to fund vehicle inventory. The facility is generally repaid when the underlying vehicles are sold and therefore gives rise to both liquidity and refinancing risk.

Maturity profile

The table below sets out the contractual maturities of the Group's financial liabilities and lease liabilities, presented as gross undiscounted cash flows of principal and interest. The amounts are based on contractual terms in place at the reporting date.

	< 6 months	<12 months	1 – 2 years	2-5 years	> 5 years
Trade and other payables	2,609	-	-	-	-
Floorplan facility	1,897	-	-	-	-
Lease liabilities	1,841	1,184	2,420	6,684	-
Total	6,347	1,184	2,420	6,684	-

Carma Limited (formerly ClickCar Holdings Pty Ltd)

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 18. Financial instruments (continued)

Fair value measurement

The carrying amounts of cash and cash equivalents, trade and other payables, and the short-term credit facility approximate their fair values due to their short-term nature.

The Group's only financial instrument measured at fair value is the derivative liability associated with the convertible note, which is classified as a financial liability at fair value through profit or loss. This derivative is categorised as Level 3 in the fair value hierarchy under AASB 13, as the valuation incorporates significant unobservable inputs, including discount rates and assumptions regarding the timing and probability of conversion events.

The derivative liability had a fair value of \$14,839,000 at reporting date (2024: nil). There were no transfers between levels during the period.

Changes in key unobservable inputs, such as the discount rate or probability of conversion, would have an impact on the fair value of the derivative liability. However, a reasonably possible change in these assumptions would not have resulted in a material change to the fair value at the reporting date. Refer to note 16 for reference to these unobservable inputs.

The table below sets out the carrying amounts and fair value levels of the Group's financial liabilities, in accordance with AASB 13:

As at 30 June 2025

	Carrying Value			Fair Value		
	Financial Liabilities			Level		
	FVTPL	Amortised	Total	1	2	3
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current						
Floorplan	-	1,897	1,897	-	-	-
Non-current						
Host liability	-	17,919	17,919	-	-	-
Derivative liability	14,839	-	14,839	-	-	14,839
	14,839	17,919	32,758	-	-	14,839

Carma Limited (formerly ClickCar Holdings Pty Ltd)

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 18. Financial instruments (continued)

As at 30 June 2024

	Carrying Value			Fair Value		
	Financial Liabilities			Level		
	Amortised					
	FVTPL \$'000	Cost \$'000	Total \$'000	1 \$'000	2 \$'000	3 \$'000
Current						
Floorplan	-	7,576	7,576	-	-	-
Non-current						
Host liability	-	-	-	-	-	-
Derivative liability	-	-	-	-	-	-
	-	-	-	-	-	-

Note 19. Cash flow information

Reconciliation of profit after income tax to net cash from operating activities

	2025 \$'000	2024 \$'000
Loss after income tax expense for the year	(35,855)	(33,408)
Adjustments for:		
Depreciation and amortisation	6,658	4,865
Impairment of assets	12	-
Share-based payments	411	140
Gain on disposal of assets	(12)	(1)
Finance cost on lease liabilities	446	294
Fair value gain on derivative liability	(1,321)	-
Finance cost on convertible note	4,159	-
Changes in operating assets and liabilities		
(Increase)/decrease in trade and other receivables	(175)	526
Increase in other assets	(151)	(60)
Decrease in inventories	5,871	12,372
Increase/(decrease) in trade and other payables	572	(1,577)
Increase in provisions	129	244
Net cash used from operating activities	(19,256)	(16,605)

Carma Limited (formerly ClickCar Holdings Pty Ltd)

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 20. Share-based payments

Equity settled share option plan

The Group operates an equity-settled share option plan under which options over ordinary shares are granted to employees and directors in tranches. Grants were made across windows from 19 February 2021 through 28 June 2024. The options are subject to time-based vesting conditions that are set out in the respective option offer letters with vesting over four years. Options expire 15 years after grant date and do not carry voting or dividend rights before exercise and settle in ordinary shares on exercise. The Group has not issued or granted new options during the current year.

Reconciliation of share options on issue

	2025 number	2024 number
Outstanding at the beginning of the financial year	7,240,087	4,564,670
Granted during the year	-	2,727,500
Exercised during the year	-	-
Forfeited/cancelled during the year	(80,937)	(52,083)
Outstanding at the end of the financial year	7,159,150	7,240,087
Exercisable at end of year	5,074,051	3,547,385

The weighted average exercise price of outstanding share options on issue was \$0.61 for the current financial year (2024: \$0.17).

Expense recognised and share-based payment ("SBP") reserve movement

	2025 \$'000	2024 \$'000
Opening SBP reserve	380	240
SBP expense	411	140
Closing SBP reserve	791	380

SBP accounting policy

The Group applies AASB 2 *Share-based Payment* ("AASB 2") in accounting for equity-settled share-based payment arrangements.

Equity-settled options are measured at grant-date fair value and recognised as an expense on a straight-line basis over the vesting period, based on the best estimate of the number of options expected to vest and the estimated exercise of these options. The corresponding credit is recognised in the SBP reserve. Estimates of expected vesting are updated at each reporting date, with differences recognised in profit or loss. On exercise, the cumulative amount in the reserve is transferred to share capital.

Modifications are accounted for by recognising any incremental fair value over the remaining vesting period. When options are cancelled, the Group ceases recognising further SBP expense from the cancellation date, and reverses any cumulative expense previously recognised for those options.

Carma Limited (formerly ClickCar Holdings Pty Ltd)

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 20. Share-based payments (continued)

Fair value measurement

No options were granted during the current financial year, accordingly, no current year grant-date valuation inputs are presented.

Critical accounting judgements and estimates

The determination of the fair value of share options granted requires significant judgement in selecting valuation inputs and assumptions at the grant date. Key estimates include expected volatility, exercise date, and the risk-free interest rate, which are determined by reference to historical data and market conditions at grant date.

Judgement is also required in estimating the number of options that are expected to vest, which is based on the likelihood of meeting service or performance conditions. These estimates are reviewed at each reporting date, and adjustments are made to reflect actual and expected outcomes.

Note 21. Related party transactions

Parent entity

Carma Limited (formerly ClickCar Holdings Pty Ltd) is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 23.

Transactions and balances with related parties

Convertible note transaction

The following related parties participated in the Group's convertible note issuance:

1. Annie Imogen MacGregor - The spouse of Lachlan MacGregor (Co-founder and Chief Executive Officer)
2. Janajena Pty Ltd - Trustee for the Lenga Family Trust of Jason Lenga (outgoing Non-Executive Director)

These related parties subscribed on the same terms and conditions as external investors. The notes will convert into ordinary shares under the same conditions as set out in note 16.

See below subscription values and balances related to the transaction:

	2025 \$'000	2024 \$'000
Balance at beginning of financial year	-	-
Subscriptions during the year	200	-
Balance at end of financial year	200	-

Carma Limited (formerly ClickCar Holdings Pty Ltd)

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 21. Related party transactions (continued)

Other related party transactions

The Group periodically engages the services of Hudson Global Resources (Aust) Pty Limited (Hudson) to perform psychometric testing as part of the hiring process of the Group's employees. Lachlan MacGregor (Co-founder and Chief Executive Officer) was previously a non-executive director of Hudson and is currently a minority shareholder. The engagement is valued at \$21,000 for the current financial year (2024: \$18,000).

The arrangement is at arm's length.

All related party balances are unsecured, and no amounts have been written off or provided for in respect of these balances during the year.

Note 22. Key management personnel

Compensation

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	2025 \$'000	2024 \$'000
Short-term employee benefits	410	404

Note 23. Interest in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described at the end of each relevant note:

Name	Principal place of business/ Country of incorporation	Ownership interest	
		2025 %	2024 %
Carma Auto Pty Ltd	Australia	100	100

Carma Limited (formerly ClickCar Holdings Pty Ltd)
Notes to the consolidated financial statements
For the year ended 30 June 2025

Note 24. Parent entity information

Statement of profit or loss and other comprehensive income

	2025	2024
	\$'000	\$'000
Loss after income tax	(4,142)	(22)
Total comprehensive loss	(4,142)	(22)

Statement of financial position

	2025	2024
	\$'000	\$'000
Assets		
Current assets	4,609	6,053
Non-current assets	124,347	93,734
Total assets	128,956	99,787
Liabilities		
Current liabilities	32,906	6
Total liabilities	32,906	6
Equity		
Issued share capital	94,962	94,962
Reserves	791	380
Retained earnings	297	4,439
Total equity	96,050	99,781

Related party transactions

There were no related party transactions and balances other than those disclosed in note 21.

Guarantees

There are no unrecognised contingent liabilities of the parent entity as at 30 June 2025, other than those disclosed in note 26 relating to the deed of cross guarantees.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 28 and throughout the accounts.

Carma Limited (formerly ClickCar Holdings Pty Ltd)

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 25. Auditors' remuneration

During the financial year the following fees were paid or payable for services provided by Deloitte, the auditor of the Group, and unrelated firms:

	2025 \$'000	2024 \$'000
Deloitte		
Audit or review of financial reports	133,040	95,000
Other network firms		
Tax consulting services	18,253	23,792
	151,293	118,792

Note 26. Deed of cross guarantee

The following entities are party to a deed of cross guarantee under which each company guarantees the debts of the others:

Carma Limited (formerly ClickCar Holdings Pty Ltd)

Carma Auto Pty Ltd

Carma Limited (formerly ClickCar Holdings Pty Ltd) and its wholly owned subsidiary, Carma Auto Pty Ltd, entered into the Deed pursuant to ASIC Corporations (Wholly owned Companies) *Instrument 2016/785*. Under the Deed, each entity guarantees the debts of the other and, as a result, these entities have been relieved from the requirement to prepare separate financial reports under the Corporations Act 2001.

These entities together form the Closed Group for the purposes of the Corporations Instrument. As the Closed Group comprises only the parent and its wholly owned subsidiary, and these entities make up the consolidated financial statements, no separate financial information is presented.

Note 27. Subsequent events

Board changes

After the reporting date, the Company appointed new Non-Executive Directors. Appointment dates and related details are set out in the Directors' Report.

Convertible notes issued to newly appointed Non-Executive Directors

After the reporting date, the Group issued convertible notes to the newly appointed Non-Executive Directors on the same terms and conditions as the convertible notes disclosed in note 16 of these financial statements.

This event does not affect the statement of financial position as at the reporting date or the results for the year then ended.

Other matters

Other than the matters noted above, no subsequent events have occurred since the reporting date that have significantly affected, or may significantly affect, the Group's operations, results or state of affairs.

Carma Limited (formerly ClickCar Holdings Pty Ltd)

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 28. Basis of preparation and other accounting policies

Carma Limited (formerly ClickCar Holdings Pty Ltd) is a proprietary company limited by shares, incorporated and domiciled Australia. The address of the Group's registered office and principal place of business at the date of this report is:

Suite 5.03, 219-241 Cleveland Street
Strawberry Hills NSW 2016

Prior to this, the Group's headquarters was located at 134 Euston Road, Alexandria NSW 2015.

A description of the nature of the Group's operations and its principal activities is included in the directors' report.

Basis of preparation

The accounting policies that are material to the Group are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated. The Group has adopted all of the new, revised or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for each reporting period.

The Group transitioned from preparing financial statements under the Tier 2 Simplified Disclosures framework to Tier 1 General Purpose Financial Statements during the half-year ended 31 December 2024. This transition was undertaken in accordance with AASB 1 *First-time Adoption of Australian Accounting Standards*. Accordingly, these annual financial statements for the year ended 30 June 2025, and the comparative information presented, comply with Australian Accounting Standards and IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), as appropriate for for-profit entities.

During the year, the Group reclassified certain expenses. This reclassification has been applied retrospectively to the comparative period. The reclassification did not impact profit or total comprehensive income for the prior period.

The financial statements are presented in Australian dollars, which is the functional currency of Carma Limited (formerly ClickCar Holdings Pty Ltd), and the presentation currency for the consolidated financial statements.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, financial assets and liabilities at fair value through profit or loss.

Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities, and results of Carma Limited (formerly ClickCar Holdings Pty Ltd) and its wholly owned subsidiary for the year ended 30 June 2025. The Group controls an entity when it has power over the entity, is exposed to or has rights to variable returns, and can influence those returns through its power over the entity's activities. The subsidiary is consolidated from the date control is obtained and deconsolidated from the date control ceases.

Rounding of amounts

All amounts in the consolidated financial statements have been rounded to the nearest thousand dollars (\$'000) in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) *Instrument 2016/191*, unless otherwise stated.

Carma Limited (formerly ClickCar Holdings Pty Ltd)

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 28. Basis of preparation and other accounting policies (continued)

Current and non-current classification

Assets and liabilities are classified in the statement of financial position as either current or non-current.

An asset is classified as current when it is expected to be realised or consumed in the Group's normal operating cycle, held for trading, expected to be realised within twelve months after the reporting date, or is cash or a cash equivalent (unless restricted from use for at least twelve months). All other assets are classified as non-current.

A liability is classified as current when it is expected to be settled in the Group's normal operating cycle, held for trading, due within twelve months after the reporting date, or when the Group does not have an unconditional right to defer settlement for at least twelve months. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are presented as non-current.

Financial assets at amortised cost

Financial assets are classified and measured at amortised cost when the Group's business model is to hold the assets to collect contractual cash flows and those cash flows consist solely of payments of principal and interest on the principal amount outstanding. These assets are subsequently carried at amortised cost using the effective interest method, less any impairment losses.

Financial liabilities at amortised cost

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.

Finance costs are expensed in the period in which they are incurred.

Income taxes

Income tax expense comprises current and deferred tax. It is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In those cases, the tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax

Current tax represents the amount payable or recoverable based on taxable income or loss for the period. It is calculated using tax rates and laws enacted or substantively enacted by the reporting date. As the Group incurred a tax loss for the year, no current tax liability has been recognised.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and their tax bases using the liability method. Deferred tax liabilities are recognised for all taxable temporary differences, while deferred tax assets are recognised for deductible temporary differences and unused tax losses only when it is probable that future taxable profits will be available against which they can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that sufficient taxable profits are no longer considered probable. Deferred tax is measured at the tax rates expected to apply when the asset is realised or the liability settled, based on tax laws enacted or substantively enacted at the reporting date.

Carma Limited (formerly ClickCar Holdings Pty Ltd)

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 28. Basis of preparation and other accounting policies (continued)

Income taxes (continued)

At 30 June 2025, the Group has unused tax losses of \$95,902,000. These tax losses have no expiry date under current Australian tax legislation. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when they relate to income taxes levied by the same taxation authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

At the date of authorisation of these financial statements, the Group has not applied the following new and revised Australian Accounting Standards and Interpretations that have been issued but are not yet effective and may have an impact on the Group:

AASB 18	Presentation and disclosure of financial statements
AASB 2024-2	Amendments to Australian Accounting Standards - Classification and measurement of financial instruments
AASB 2023-5	Amendments to Australian Accounting Standards Lack of Exchangeability
AASB 2014-10	Sale or contribution of assets between investor and its associate or joint venture

The directors are assessing the impact of the adoption of the Standards listed above and the potential impact on the financial statements of the Group in future periods.

Carma Limited (formerly ClickCar Holdings Pty Ltd)

Consolidated entity disclosure statement

As at 30 June 2025

Entity name	Entity type	Bodies corporate		Tax Residency	
		Place		Australian tax resident	Foreign jurisdictions
		formed or incorporated	% of share capital held*		
Carma Auto Pty Ltd	Body corporate	Australia	100%	Yes	N/A

*Represents the economic interest in the entity as consolidated in the consolidated financial statements.