Carma Limited (ASX: CMA)
ABN 20 648 091 418

ASX Announcement
31 July 2026

Quarterly Activity Report and Appendix 4C

Carma Limited (ASX: CMA) ("Carma" or "the Company") is pleased to provide its Quarterly Activity Report and Appendix 4C for the quarter ended 30 June 2026 (Q4 FY2026).

Key highlights:

- 1,848 total units sold, up 133% on prior corresponding period ("pcp"), comprising 1,003 retail units sold (+112% on pcp) and 845 wholesale units sold (+165% on pcp)
- Total revenue of $34.2m, up 84% on pcp
- Gross profit of $2.8m (+81% on pcp) and gross profit per retail unit of $2,800 (-14% on pcp)
- Average retail units reconditioned per shift of 21.7 for the quarter, up 155% on pcp
- Total vehicles purchased of 2,202 for the quarter, up 157% on pcp
- Cash used in operating activities of $5.9m (excluding the increase in vehicle inventory of $10.7m)

Carma Co-founder and CEO, Lachlan MacGregor said:

"Carma has delivered its best quarter yet. Retail sales crossed 1,000 units for the first time, at 1,003 units, up 112% on pcp, and total units sold reached 1,848, up 133% on pcp, driving revenue growth of 84% to $34.2m. This is an outstanding result, delivered by the whole Carma team, and a fitting cap to an extraordinary year.

This result is despite the challenging market conditions flowing from the conflict in Iran. The used car market faced significant headwinds in the fourth quarter. Volatile movements in fuel prices, together with broader macroeconomic pressures, softened demand across the market. As sales slowed, used car dealer inventories increased prompting price reductions by dealers.

Gross profit rose 81% on pcp to $2.8m. Total gross profit per retail unit of $2,800 was down 14% on pcp, reflecting the unusual market conditions where some vehicles were sold into weaker conditions than those in which they were acquired. Encouragingly, the retail component of gross profit for vehicles sold within 30 days of listing achieved a new record, reflecting continued operational improvement across the business.

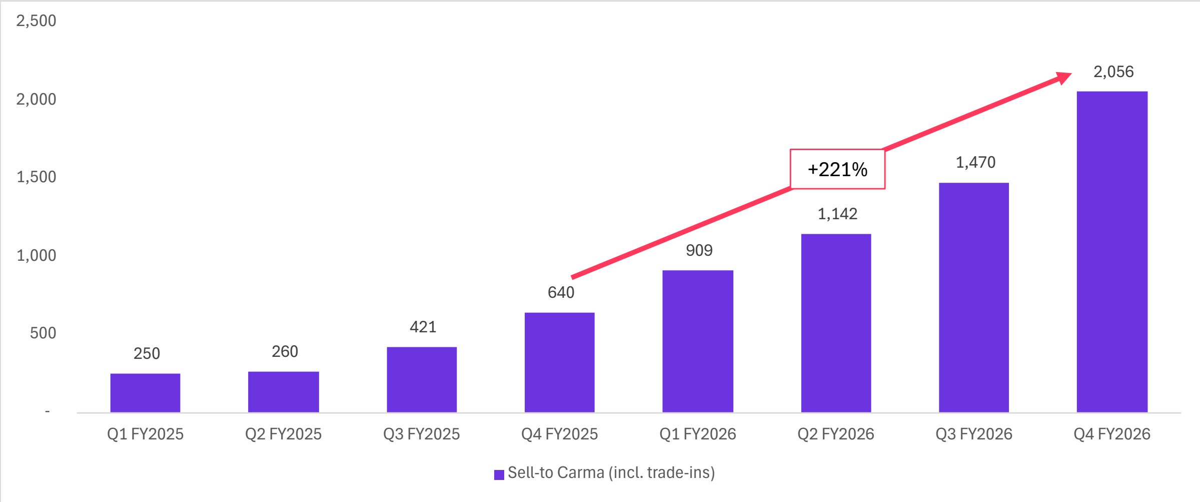
We are particularly pleased with the pace at which we exit the financial year. Average retail units reconditioned per shift reached 21.7 for the quarter, 10% ahead of our prospectus forecast, leaving Carma well placed to be the premier destination for quality used cars and to continue our growth into FY27."

Q4 FY2026 Commentary

Sell-to Carma growth accelerates

Total vehicles purchased in the quarter was 2,202 units, up 157% on pcp. Sell-to Carma and trade-ins remain the dominant source of vehicle acquisitions, accounting for 93% of total purchases in the quarter. The Sell-to Carma network grew to nine centres as at 30 June 2026, with a new location opened in Wollongong during the quarter. Together with the operational improvements over FY2026, this network positions the Company well to support increased reconditioning volumes. The chart below shows the growth in quarterly Sell-to Carma (incl. trade-ins) purchases:

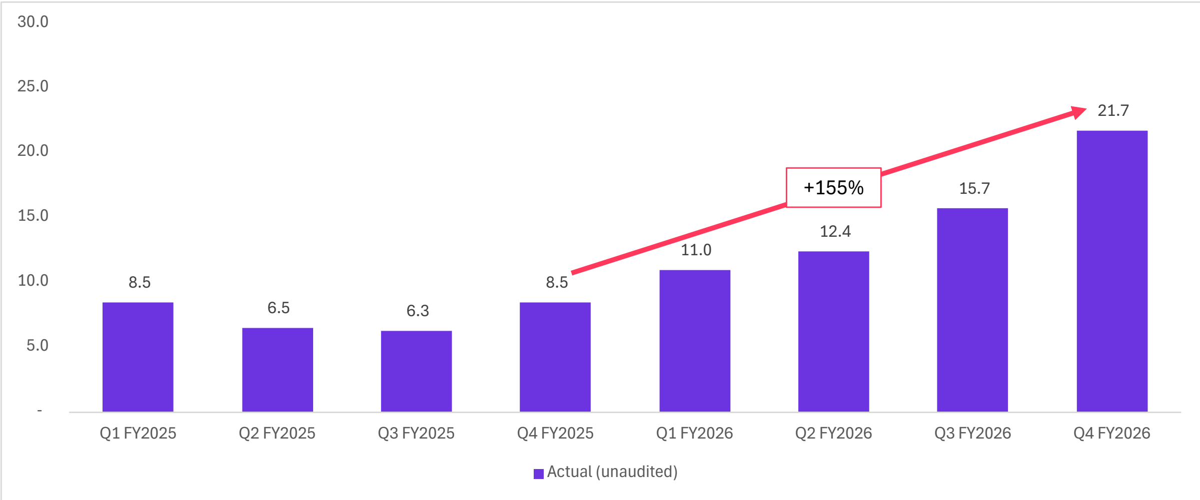
Total vehicles purchased through Sell-to Carma (incl. trade-ins) channel:



Reconditioning throughput reaches new highs

Retail units reconditioned was 1,322 for the quarter, up 154% on pcp. Average retail units reconditioned per shift increased to 21.7 for the quarter, up 155% on pcp. Sufficient flow of retail vehicles from the Sell-to Carma channel and continued operational efficiency gains resulted in retail vehicles reconditioned per shift increasing by 38% over the prior quarter, from 15.7. The chart below shows the average number of retail vehicles reconditioned per shift by quarter:

Average retail vehicles reconditioned per shift:



Underlying gross profit remains strong

Total gross profit for the quarter was $2.8m, an increase of 81% on pcp, driven by growth in retail units sold. Gross profit per retail unit was $2,800, down 14% on pcp, primarily as a result of lower wholesale gross profit given challenging wholesale market conditions.

Used car market conditions declined from March through June, driven by higher fuel prices and broader macroeconomic pressures. Demand softened and sales slowed, prompting price reductions with dealer prices falling 3.8% in the June quarter.

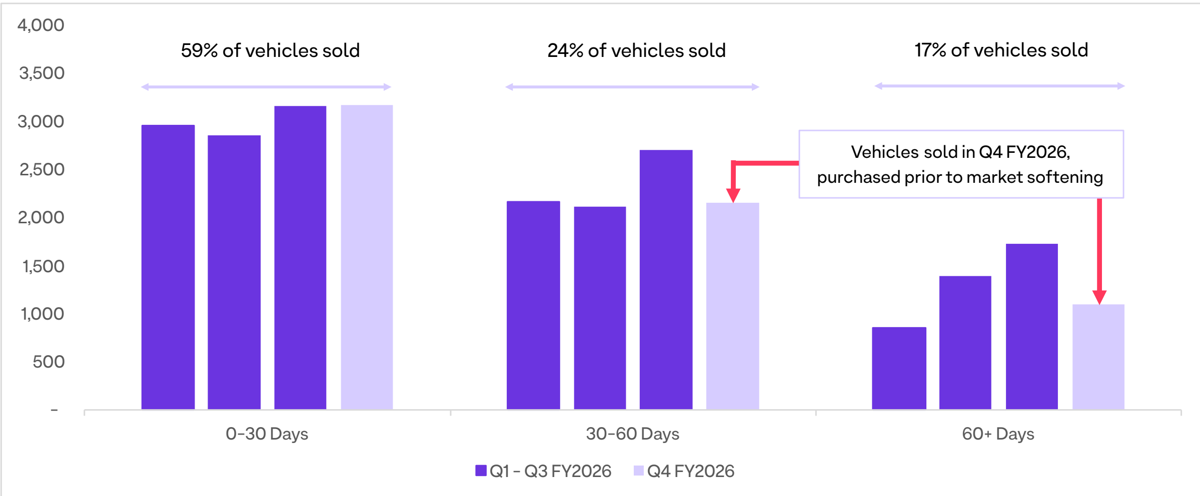
In a falling market, vehicles held for longer periods are sold into weaker conditions than those in which they were acquired, reducing per-unit margins for longer held vehicles.

The same conditions also slowed the rate of sale for Carma, expanding Online Inventory Days to 52 for the quarter (up 15 days on the pcp). The combination of these two effects, lower margins on aged stock and more stock ageing, accounts for the decline in blended gross profit per retail unit.

As market conditions stabilise and Online Inventory Days return to historic levels, both of these effects unwind.

The chart below sets out retail gross profit per unit according to the number of days a vehicle was available for sale online before being sold, for each quarter. Only 3% of vehicles are held for greater than 120 days and 83% are sold within 60 days (including the impacts of Online Inventory Days expanding to 52 days in Q4 FY2026).

Gross profit cohort analysis – Quarterly retail gross profit by days online (per unit, excludes wholesale and other gross profit):



Where vehicles are bought and sold within broadly the same market conditions, Carma's profitability is the strongest it has ever been. Retail vehicles sold within 30 days of listing online generated retail gross profit per unit of $3,200 in Q4 FY2026 - the highest of any 30-day cohort in the Company's history - with vehicles sold between 30 and 60 days also delivering healthy retail gross profit margins of $2,200 per unit.

Cash and cashflow updates
Carma held $16.0m in cash and funds on deposit at quarter end, with a further $25.3m of unused finance facilities available[1], representing $41.3m in available funding.

The value of the Company's vehicle inventory increased by $10.3m during the quarter to $32.1m at 30 June 2026, funded from cash reserves on balance sheet. Carma also repaid $1.9m of its bailment finance facility during the quarter, reducing the drawn balance to $0.4m as at 30 June 2026.

Net cash used in operating activities for the quarter was $16.6m. Excluding the $10.7m in cash outflow associated with the increase in vehicle inventory, the operating cash outflow for the quarter was $5.9m.

The table below details the movements in available funding and vehicle inventory[2]:

Description	Q3 FY2026 ($m)	Q4 FY2026 ($m)	Change ($m)
Cash and funds on deposit	36.3	16.0	(20.2)
Unused finance facilities available	12.1	25.3	13.2
Total available funding	**48.4**	**41.3**	**(7.1)**
Vehicle inventory	21.8	32.1	10.3
Total available funding and vehicle inventory	**70.2**	**73.5**	**3.2**

Prospectus Forecast

Statutory and Proforma Forecast
Carma's prospectus dated 16 October 2025 included forecast financial information for the year ended 30 June 2026, prepared on both a statutory and pro forma basis. With the prospectus forecast period now complete, Carma sets out its FY2026 performance against the prospectus forecast for key operating and financial metrics and cash flow.

Carma finished FY2026 ahead of the prospectus forecast on reconditioning productivity, its key operating metric, with average retail vehicles reconditioned per shift of 15.1 against a forecast of 14.5, 4% ahead of forecast. An unusual shift in used car market conditions through Q4 FY2026 softened demand and expanded Online Inventory Days across the industry, slowing Carma's rate of sale and compressing margins, with retail units finishing FY2026 6% below the prospectus forecast at 3,156.

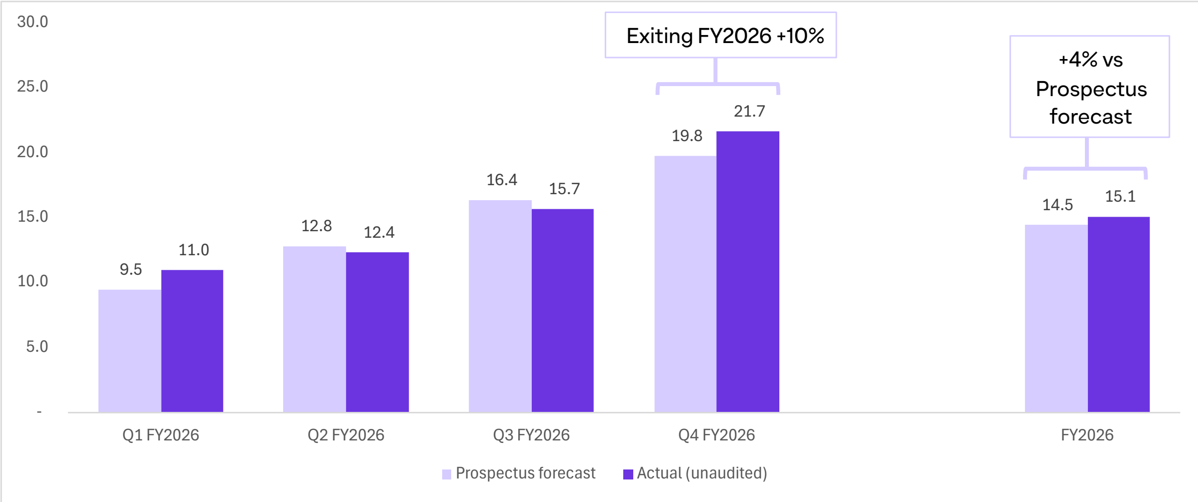
Notwithstanding these conditions, Carma exits the year with a quarterly reconditioning run-rate 10% ahead of the prospectus forecast and 50% more Online Inventory available at quarter end, positioning the Company well as it enters FY2027.

The table below details the FY2026 performance against the prospectus forecast for key operating and financial metrics and cash flow[2]:

Key operating and financial metrics	Pro Forma Forecast[3]	Unaudited FY2026[4]	Variance	
Operating metrics				
Retail Units (#)	3,346	3,156	-190	-5.7%
Wholesale Units (#)	1,868	2,260	+392	+21.0%
Total Units (#)	**5,214**	**5,416**	**+202**	**+3.9%**
Average retail vehicles reconditioned per shift	14.5	15.1	+0.6	+4.1%
Average Online Inventory	287	313	+26	+9.1%
Online Inventory (30 June 2026)	418	625	+207	+49.5%
Online Inventory Days	31	36	+5	N/A
Financial metrics				
Revenue ($m)	127.6	113.8	-13.8	-10.8%
Gross profit ($m)	11.8	10.5	-1.2	-10.5%
Financial metrics (per Retail Unit)				
Retail average selling price ($'000)	32.1	28.9	-3.2	-10.0%
Gross profit per retail unit (pre write-down) ($'000)	3.6	3.5	-0.1	-4.7%
Gross profit per retail unit ($'000)	3.5	3.3	-0.2	-5.1%

Reconditioning productivity finished FY2026 ahead of the prospectus forecast, with an average of 15.1 retail vehicles reconditioned per shift against a forecast of 14.5, an increase of 4%. The chart below illustrates the growth in the reconditioning throughput through the prospectus forecast year - highlighting a 10% higher exit run-rate compared with the prospectus forecast.

Average retail vehicles reconditioned per shift:



Despite this stronger-than-forecast reconditioning output, retail units delivered for FY2026 were 3,156, 6% below the prospectus forecast of 3,346. The macro-driven slowdown in inventory turnover, with Online Inventory Days rising to 52 in Q4 FY2026 against a prospectus forecast of 37, meant reconditioned vehicles took longer to sell, tempering deliveries notwithstanding the higher throughput.

Retail average selling price of $28,900 was 10% below the prospectus forecast of $32,100, reflecting the success of the strategic shift in sourcing mix towards the Sell-to Carma channel. Sell-to Carma has driven a higher proportion of older vehicles through the business, which carry lower purchase and lower selling prices than the forecast mix. Pleasingly, increased throughput and efficiency in reconditioning allow Carma to add greater value to these older vehicles, supporting gross profit at these lower prices.

The prospectus forecast assumed that the bailment finance facility was drawn at an 80% loan-to-value ratio against vehicle inventory (refer to Section 4 of the Prospectus). At the end of FY2026 Carma held excess cash and therefore elected not to draw down on the facility, funding vehicle inventory mostly from cash reserves instead. In addition, vehicle inventory at 30 June 2026 of $32.1m was $7.1m higher than the prospectus forecast.

The table below compares available funding and vehicle inventory against the Statutory Forecast, illustrating the differences due to utilising cash reserves rather than bailment and higher vehicle inventory[2]:

Description	Statutory Forecast[5] ($m)	Q4 FY2026 ($m)	Change ($m)
Cash and funds on deposit	42.9	16.0	(26.9)
Unused finance facilities available	-	25.3	25.3
Total available funding	**42.9**	**41.3**	**(1.6)**
Vehicle inventory	25.0	32.1	7.1
Total available funding and vehicle inventory	**67.9**	**73.5**	**5.6**

Use of Funds

In accordance with ASX Listing Rule 4.7C.2, Carma provides the following update on its use of funds:

Use of funds	Funds received per prospectus ($m)	Expenditure since IPO ($m)	Status
Payment of proceeds by SaleCo to Selling Shareholders	28	28	Paid in full
Offer costs attributable to Selling Shareholders	2	2	Paid in full
Total SaleCo uses	**30**	**30**	
Brand and marketing	12	5	On track
Property, plant and equipment and software development	4	3	On track
Fund operating cash flows	13	8	On track
Public company costs	3	2	On track
Working capital	32	32	On track
Offer costs	6	6	Paid in full
Total Company uses	**70**	**56**	
Total uses	**100**	**86**	

In accordance with ASX Listing Rule 4.7C.3, related party payments in Q4 FY2026 totalled $379k, comprising payments to non-executive and executive directors for Director's fees, salaries, post-employment benefits and expense reimbursements.

All numbers are unaudited.

[1] *Refer to item 7.6 of Appendix 4C for further detail.*
[2] *Numbers presented may not add due to rounding. Percentages are calculated on unrounded numbers.*
[3] *Pro Forma balances and figures are unaudited non-IFRS measure that, in the opinion of the Directors, are useful in understanding and appraising the Company's performance against the forecasts made in the Company's prospectus.*
[4] *Unaudited non-IFRS measures that, in the opinion of the Directors, are useful in understanding and appraising the Company's performance.*
[5] *Statutory balances and figures are unaudited non-IFRS measure that, in the opinion of the Directors, are useful in understanding and appraising the Company's performance against the forecasts made in the Company's prospectus.*
[6] *All references to gross profit per unit are rounded to the nearest $100.*

This announcement has been authorised by the Board of Directors.

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About Carma Limited

Carma is transforming the way Australians buy and sell pre-owned cars. Headquartered in Sydney, Australia, Carma is a fully digital platform that delivers a simpler, smarter and more transparent experience. With an extensive range of quality vehicles, every car is rigorously inspected and reconditioned through a process that's verified by the NRMA, who have named Carma their Preferred Used Car Dealership.

Customers can buy online and checkout in under 10 minutes with fixed pricing, integrated finance, extended coverage, and a 7-day return policy. Selling is just as seamless: customers receive a fast, data-driven offer and instant payment. It's a safer, smarter alternative to private sales, without the hassle or risk. Visit carma.com.au to learn more.

Appendix 4C

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

Name of entity

Carma Limited

ABN	**Quarter ended ("current quarter")**
20 648 091 418	30 June 2026

Consolidated statement of cash flows			**Current quarter $A'000**	**Year to date (12 months) $A'000**
1.	**Cash flows from operating activities**			
1.1	Receipts from customers		35,848	117,483
1.2	Payments for			
	(a)	research and development	-	-
	(b)	product manufacturing and operating costs	(31,059)	(104,675)
	(c)	advertising and marketing	(2,482)	(6,687)
	(d)	leased assets	-	-
	(e)	staff costs	(5,759)	(21,406)
	(f)	administration and corporate costs	(2,966)	(10,681)
1.3	Dividends received (see note 3)		-	-
1.4	Interest received		557	1,009
1.5	Interest and other costs of finance paid		(15)	(272)
1.6	Income taxes paid		-	-
1.7	Government grants and tax incentives		-	-
1.8	Other			
	(a)	IPO Costs	-	(3,233)
	(b)	increase in vehicle inventory	(10,701)	(18,282)
1.9	**Net cash from / (used in) operating activities**		**(16,577)**	**(46,744)**

2.	**Cash flows from investing activities**			
2.1	Payments to acquire or for:			
	(a)	entities	-	-
	(b)	businesses	-	-
	(c)	property, plant and equipment	(264)	(3,196)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
	(d) investments	-	-
	(e) intellectual property	(700)	(2,609)
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	4
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other – term deposits	-	(410)
2.6	**Net cash from / (used in) investing activities**	**(964)**	**(6,211)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	70,000
3.2	Proceeds from issue of convertible debt securities	-	1,010
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(3,209)
3.5	Proceeds from borrowings	549	39,961
3.6	Repayment of borrowings	(2,408)	(41,450)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – Lease liabilities	(827)	(3,642)
3.10	**Net cash from / (used in) financing activities**	**(2,686)**	**62,670**

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	36,271	6,329
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(16,577)	(46,744)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(964)	(6,211)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(2,686)	62,670
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**16,044**	**16,044**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	16,044	36,271
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**16,044**	**36,271**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	379
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	30,000	409
7.2	Credit standby arrangements	-	-
7.3	Other – term deposits guarantee facility	-	-
7.4	**Total financing facilities**	30,000	409

7.5	**Unused financing facilities available at quarter end**	25,297

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Bailment finance facility

Carma has a bailment financing arrangement which it uses to fund inventory (in combination with cash). The movement in the facility's balance is reflected under financing activities, and the movement in vehicle inventory is reflected in operating activities.

Carma's bailment finance facility is provided by Volkswagen Financial Services who retains legal ownership of the vehicle during the period of bailment. Legal ownership passes to Carma 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 Carma. 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 Carma and is subject to bi-annual renewal.

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 7.33% p.a. applicable as at 30 June 2026.

The Bailment Finance Facility has a total limit of $30.0m, with $0.4m drawn at quarter end. The amount that can be drawn at any point is limited to the vehicle inventory on hand at an 80% Loan-to-Value Ratio ("LVR"). Based on vehicle inventory at quarter end, the undrawn capacity was $25.3m.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(16,577)
8.2	Cash and cash equivalents at quarter end (item 4.6)	16,044
8.3	Unused finance facilities available at quarter end (item 7.5)	25,297
8.4	Total available funding (item 8.2 + item 8.3)	41,341
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	2.5

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:
Net cash used in operating activities for the quarter included $10.7m disclosed in item 1.8(b) which reflects the cash outflow associated with the increase in vehicle inventory during the quarter.

Excluding the increase in vehicle inventory, the operating cash outflow for the quarter was $5.9m. On this basis, the calculation of estimated quarters of funding available would increase by 4.5 quarters to 7.0 quarters.

In addition, if the Company had chosen to finance the increase in inventory through the bailment facility (at 80% LVR) the net cash outflow from the increase in vehicle inventory would have reduced to $2.1m, with the $8.6m facility drawdown reflected in financing activities. On this basis, the estimated quarters of funding available would increase by 2.7 quarters to 5.2 quarters.

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

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

Answer: N/A

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

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 31 July 2026

Authorised by: The Board of Directors of Carma Limited