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Carma Limited
ACN 648 091 418

Prospectus

Initial Public Offering of Ordinary Shares

Joint Lead Managers

Canaccord Genuity

E&P



Important Notices

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OFFER

This Prospectus is issued by Carma Limited (ACN 648 091 418) (**Carma** or the **Company**) and Carma SaleCo Limited (ACN 691 516 211) (**SaleCo**) for the purposes of Part 6D of the *Corporations Act 2001* (Cth) (**Corporations Act**). The offer contained in this Prospectus is an initial public offer to acquire fully paid ordinary shares (**Shares**) in the capital of the Company (**Offer**).

LODGEMENT AND LISTING

This Prospectus is dated 16 October 2025 (**Prospectus Date**) and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. The Company will apply to ASX Limited (ACN 008 624 691) (**ASX**) within seven days of the Prospectus Date for admission of the Company to the Official List and quotation of the Shares on the ASX. None of ASIC, the ASX or their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

EXPIRY DATE

This Prospectus expires on the date that is 13 months after the Prospectus Date. No Shares will be issued or transferred on the basis of this Prospectus after the Expiry Date.

NOTE TO APPLICANTS

The information contained in this Prospectus is not personal financial product advice and does not take into account the investment objectives, financial situation and particular needs (including financial and taxation issues) of any prospective investor. This Prospectus should not be construed as financial, taxation, legal or other advice.

It is important that you read this Prospectus carefully and in full before deciding whether to invest in the Company and apply for Shares.

In considering the prospects of the Company, you should consider the risk factors that could affect the financial performance of the Company. You should carefully consider these factors in light of your investment objectives, financial situation and particular needs (including financial and taxation issues) and seek professional advice from your stockbroker, solicitor, accountant, financial or tax adviser or other independent professional adviser before deciding whether to invest in the Company and apply for Shares.

Some of the risk factors that should be considered by prospective investors are set out in Section 5. There may be risk factors in addition to these that should be considered in light of your personal circumstances. Except as required by law, and only to the extent required, no person named in this Prospectus, nor any other person, warrants or guarantees the performance of the Company, the repayment of capital by the Company or the payment of a return on the Shares.

EXPOSURE PERIOD

This Prospectus will be circulated in the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the processing of Applications.

Given that the Company currently has and is expected to have upon ASX listing a market capitalisation greater than A$100 million with no ASX imposed escrow, the Company has been eligible to participate in ASIC's fast-track IPO trial process, pursuant to which the Company informally submitted a pathfinder version of this Prospectus to ASIC for review during the pre lodgement period of not less than 14 days.

While the Corporations Act prohibits the Company and SaleCo from processing applications in the Exposure Period, the fast-track IPO trial process includes a class 'no-action' position where an eligible entity, such as the Company, may accept Applications during the Exposure Period. Accordingly, as an eligible entity, the Company will be able to accept Applications under this Prospectus during the Exposure Period without contravening the Corporations Act. Having regard to the no-action position announced by ASIC in its media release MR25 096 published on 10 June 2025, notwithstanding section 727(3) of the Corporations Act, Applications received during the Exposure Period may be processed during this period, although no preference will be conferred upon any Applications received during the Exposure Period. ASIC reserves the right to modify or withdraw the 'no-action' position at any time. In such circumstances, any Application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act.

OBTAINING A COPY OF THIS PROSPECTUS

The Company proposes to make this Prospectus available in electronic form on its Offer website (ipo.carma.com.au). The Offer constituted by this Prospectus in electronic form is available only to persons downloading it within Australia. It is not available to persons in other jurisdictions (including the United States) in which it would not be lawful to make such an offer or invitation. Persons having received a copy of this Prospectus in its electronic form may, before the Closing Date, obtain a paper copy of this Prospectus (free of charge) by telephoning the Offer Information Line on 1300 408 784 (within Australia) or +61 2 8072 1489 (outside Australia) from 8:30am to 7:00pm (Sydney Time), Monday to Friday during the Offer Period (excluding public holidays).

APPLICATIONS

Applications may only be made during the Offer Period by completing an Application Form. The Offer website (ipo.carma.com.au) and its content do not form part of this Prospectus and are not to be interpreted as part of, nor incorporated into, this Prospectus, which should form the sole basis of your investment decision. By making an Application, you represent and warrant that you were given access to this Prospectus. The Corporations Act prohibits any person from passing on to another person the Application Form unless it is attached to, or accompanied by, the complete and unaltered version of this Prospectus.

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FINANCIAL INFORMATION PRESENTATION

Section 4 sets out in detail the Financial Information referred to in this Prospectus. You should consider the basis of preparation and assumptions underlying the Financial Information as set out in Section 4. Unless stated otherwise, all amounts disclosed in Section 4 are presented in Australian dollars and are rounded to the nearest $'000. Some numerical tables in this Prospectus have been subject to rounding adjustments. Any differences between totals and sums of components in tables in this Prospectus are due to rounding.

The Financial Information in this Prospectus should be read in conjunction with, and is qualified by reference to, the information contained in Sections 4 and 5. Investors should be aware that certain financial data included in this Prospectus is 'non-IFRS financial information' under Regulatory Guide 230: Disclosing non-IFRS financial information, published by ASIC. The Company believes this non-IFRS Financial Information provides useful information to users in measuring the financial performance and financial condition of the Company. The non-IFRS measures do not have standardised meanings prescribed by AAS and therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with AAS. Investors are therefore cautioned not to place undue reliance on any non-IFRS financial information included in this Prospectus. Unless otherwise stated or implied, all pro forma data in this Prospectus includes the impacts of pro forma adjustments referred to in Section 4.

MARKET AND INDUSTRY DATA BASED PRIMARILY ON MANAGEMENT ESTIMATES

This Prospectus contains data and other information relating to the industries, segments and end markets in which the Company operates (**Market and Industry Data**). Such information includes, but is not limited to, statements and data relating to market share, estimated historical and forecast market growth, market trends and the Company's position. Unless otherwise stated, the information has been prepared by the Company using both publicly available data and its own internally generated data. The Company's internally generated data is based on estimates and assumptions that both the Directors and Carma's management believe to be reasonable, as at the Prospectus Date. The Market and Industry Data has not been independently prepared or verified and neither the Company nor the Joint Lead Managers can assure investors as to its accuracy or the accuracy of the underlying assumptions used to estimate such Market and Industry Data. The Company's estimates involve risk and uncertainties and are subject to change based on various factors, including those described in the risk factors set out in Section 5. In addition to the Market and Industry Data, this Prospectus uses third-party market data, estimates and projections. The Company has not independently verified this information. There is no assurance that any of the third-party projections contained in this information will be achieved.

STATEMENTS OF PAST PERFORMANCE

This Prospectus includes information regarding the past performance of the Company. Investors should be aware that past performance should not be relied upon as being indicative of future performance.

FORWARD-LOOKING STATEMENTS

This Prospectus includes forward-looking statements. These statements are based on present economic and operating conditions, and on a number of best estimate assumptions of the Directors regarding future events and actions that, as at the Prospectus Date, are expected to take place (including the assumptions set out in Section 4). The forward-looking statements are identified by words such as 'believes', 'considers', 'could', 'estimates', 'expects', 'intends', 'may', and other similar words. Any forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. Such statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors (including the risks set out in Section 5), many of which are beyond the control of the Company, the Directors, SaleCo, the SaleCo Directors and the Company's management. Forward-looking statements should therefore be read in conjunction with, and are qualified by reference to, the risk factors set out in Section 5, the sensitivity analysis set out in Section 4.10, and other information in this Prospectus. Nothing in this Prospectus is a promise or representation as to the future.

None of the Company, SaleCo or any other person warrants or gives any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward looking statements. The Company and SaleCo has no intention of updating or revising forward-looking statements, or publishing prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information, contained in this Prospectus, except where required by law.

NO COOLING OFF RIGHTS

Cooling off rights do not apply to an investment in Shares issued or transferred under this Prospectus. This means that, except as required by law, you cannot withdraw your Application. Photographs, diagrams and data used in this Prospectus that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the Prospectus Date.

DEFINED TERMS AND TIME

Some of the terms and abbreviations used in this Prospectus have defined meanings. These are generally capitalised and are defined in the Glossary. Unless otherwise stated or implied, references to times in this Prospectus are to Sydney, Australia time and references to years are to financial years ended 30 June.

Important Notices

CONTINUED

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DISCLAIMERS

Except as required by law, and only to the extent so required, none of the Company, the Directors, SaleCo, the Joint Lead Managers, any adviser to the Company or any other person in connection with the Offer warrants or guarantees the future performance of the Company, or any return on any investment made pursuant to this Prospectus. No person is authorised to give any information or make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Company, the Directors, SaleCo, the Joint Lead Managers, any adviser to the Company or any other person in connection with the Offer. Investors should rely only on information in this Prospectus.

The Company, the Directors, SaleCo, the Joint Lead Managers, the Company's advisers and the Company's Share Registry, disclaim all liability, whether in negligence or otherwise, to persons who trade Shares before receiving their holding statements. The Share Registry has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this Prospectus. The Joint Lead Managers have not authorised, permitted or caused the issue or lodgement, submission, despatch or provision of this Prospectus and there is no statement in this Prospectus which is based on any statement made by them or by any of their affiliates, officers or employees. To the maximum extent permitted by law, the Joint Lead Managers and each of their respective affiliates, officers, employees and advisers expressly disclaim all liabilities in respect of, and make no representations regarding, and take no responsibility for, any part of this Prospectus other than references to their name and makes no representation or warranty as to the currency, accuracy, reliability or completeness of this Prospectus. The Joint Lead Managers and their respective Related Bodies Corporate and affiliates, and any of their respective officers, directors, employees, partners, advisers or agents (**Lead Manager Parties**) are involved in, or in the provision of, a wide range of financial services and businesses including (without limitation) securities trading and brokerage activities and providing retail, private banking, commercial and investment banking, investment management, corporate finance, securities issuing, credit and derivative, trading and research products and services, including (without limitation) to, or in connection with, persons directly or indirectly involved with the Offer or interests associated with such persons, out of which conflicting interests or duties may arise. In the ordinary course of these activities, each of the Lead Manager Parties may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of clients, including (without limitation) in debt or equity securities, loans, financing arrangements, or other financial accommodation, financial products or services, in connection with, or which rely on the performance of obligations by, interests associated with the members of the Board or other persons that may be involved in the Offer.

To the extent the Lead Manager Parties provide any information contained in this Prospectus to any person (whether by distributing this Prospectus, or in verbal communications or otherwise), they do so as a mere conduit of the Company and in reliance on this Prospectus.

SELLING RESTRICTIONS

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offering of Shares, in any jurisdiction outside Australia. The distribution of this Prospectus outside Australia may be restricted by law and persons who come into possession of this Prospectus outside Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. In particular, the Shares have not been and will not be, registered under the U.S. Securities Act of 1933 or the laws of any state or other jurisdiction of the United States. Accordingly, the Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any applicable US state securities laws. The Offer is not being extended to any investor outside Australia, other than to certain Institutional Investors as part of the Institutional Offer. Refer to Section 9.9 for more detail on selling restrictions that apply to the Offer and sale of Shares in jurisdictions outside Australia.

PRIVACY

By filling out the Application Form to apply for Shares, you are providing personal information to the Company and SaleCo through the Share Registry, which is contracted by the Company to manage Applications. The Company , SaleCo and the Share Registry may collect, hold, use and disclose that personal information to process and assess your Application, service your needs as a Shareholder, provide facilities and services that you need or request, and carry out appropriate administration.

By completing an Application Form or authorising a broker to do so on your behalf, you agree to this information being collected, held, used and disclosed as set out in this Prospectus and the Company's privacy policy (as described below). If you do not provide the information requested in the Application Form, the Company, SaleCo and the Share Registry may not be able to process or accept your Application. Your personal information (e.g. your email) may also be used from time to time to inform you about other products and services offered by the Company, which it considers may be of interest to you.

Your personal information may also be provided to the Company's agents and service providers on the basis that they deal with such information in accordance with the Company's privacy policy (if you are based in Australia) and as authorised under the Privacy Act 1988 (Cth). The agents and service providers of the Company may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law.

The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- the Share Registry for ongoing administration of the register of Shareholders;
- the Joint Lead Managers to assess your Application;
- printers and other companies for the purposes of preparation and distribution of statements and for handling mail;
- market research companies for the purposes of analysing the Shareholder base and for product development and planning; and
- legal and accounting firms, auditors, contractors, consultants and other advisers for the purposes of administering, and advising on, the Shares and for associated actions.

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You may request access to and correction of your personal information held by (or on behalf of) the Company and SaleCo. You may be required to pay a reasonable charge to the Share Registry to access your personal information.

If an Applicant becomes a Shareholder, the Corporations Act requires the Company to include information about the Shareholder (including name, address and details of Shares held) in its public register of Shareholders. The information contained in the Company's register of Shareholders is also used to facilitate dividend payments and corporate communications (including financial results, annual reports and other information that the Company may wish to communicate to its Shareholders) and compliance by the Company with legal and regulatory requirements. An Applicant has the right to access and correct the information that the Company and the Share Registry hold about that person, subject to certain exemptions under law.

You can request access to and correction of your personal information by writing to or by telephoning the Share Registry on 1300 408 784 (within Australia) or +61 2 8072 1489 (outside Australia), from 8:30am to 7:00pm (Sydney Time), Monday to Friday during the Offer Period (excluding public holidays). If any of your information is not correct or has changed, please contact the Share Registry or the Company to update your information. In accordance with the requirements of the Corporations Act, information on the Company's register of Shareholders will be accessible to certain members of the public. You can obtain a copy of the Company's privacy policy for Australia by visiting the Company's website at https://carma.com.au/privacy-policy. The privacy policy contains further details regarding access, correction and complaint rights and procedures.

It is recommended that you obtain a copy of this privacy policy and read it carefully before making any investment decision.

INTELLECTUAL PROPERTY

This Prospectus may contain trademarks of third parties, which are the property of their respective owners. Third-party trademarks used in this Prospectus belong to the relevant owners and use is not intended to represent sponsorship, approval or association by or with us.

REPORT ON DIRECTORS' FORECASTS AND FINANCIAL SERVICES GUIDE

The provider of the Independent Limited Assurance Report is required to provide Australian retail clients with a financial services guide in relation to the review under the Corporations Act.

The Independent Limited Assurance Report and accompanying financial services guide are provided in Section 8.

COMPANY WEBSITE

Any references to documents included on the Carma website (www.carma.com.au) or the Offer website (ipo.carma.com.au), are for convenience only, and none of the documents or other information available on such websites is incorporated into this Prospectus by reference.

QUESTIONS

If you have any questions about how to apply for Shares, please call the Offer Information Line on 1300 408 784 (within Australia) or +61 2 8072 1489 (outside Australia) from 8:30am to 5:00pm (Sydney Time), Monday to Friday during the Offer Period (excluding public holidays) or contact your Broker. Instructions on how to apply for Shares are set out in Section 7 and on the back of the Application Form. If you have any questions about whether to invest in the Company and apply for Shares, you should seek professional advice from your stockbroker, solicitor, accountant, financial or tax adviser or other independent professional adviser.

This document is important and should be read in its entirety.

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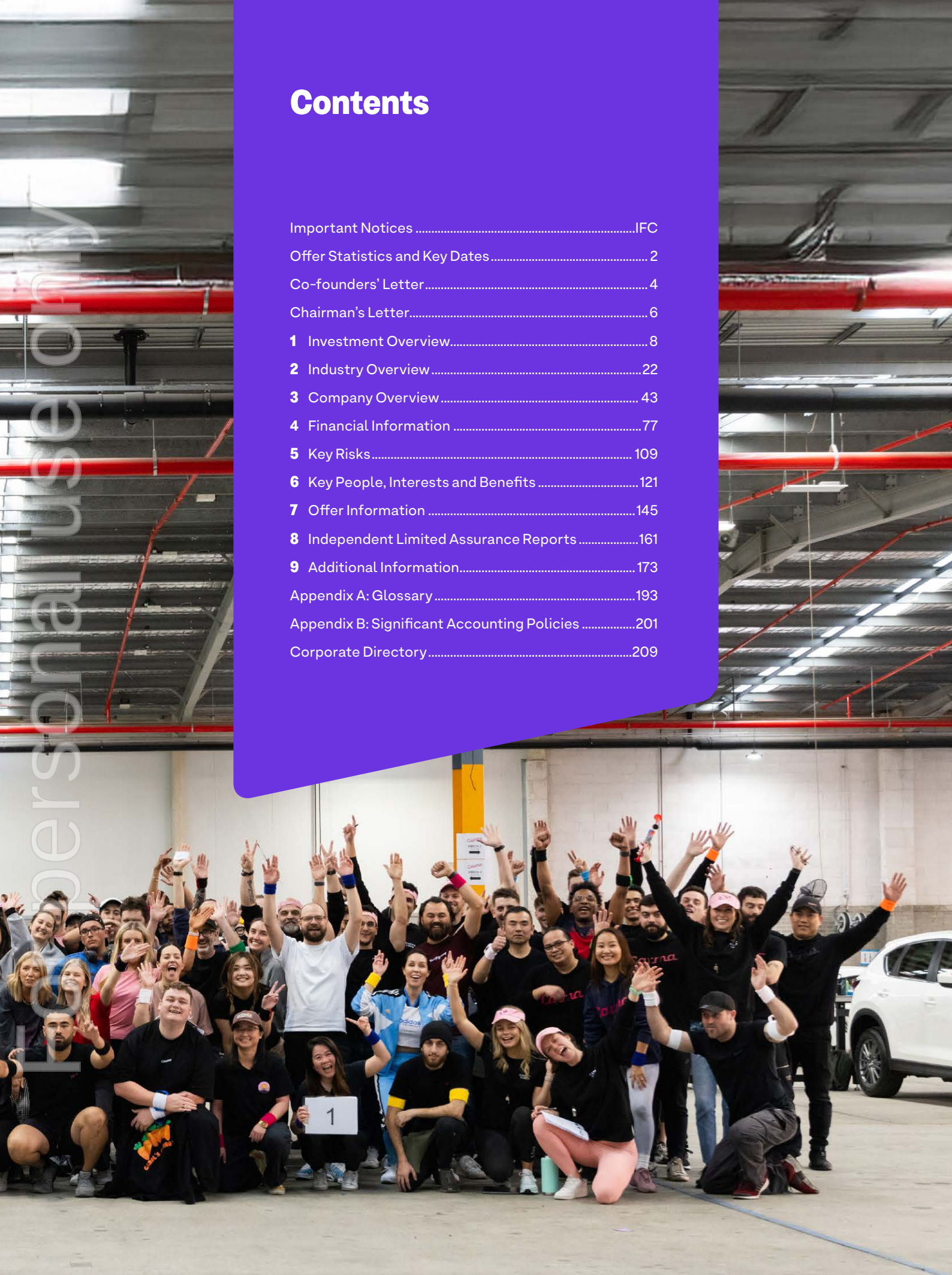

Offer Statistics and Key Dates

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Key Offer Statistics

Offer Price (Per Share)	$2.70
Total proceeds of the Offer	$100.0 million
– Proceeds of the Offer raised by the issue of New Shares; and	$70.0 million
– Proceeds of the Offer to be paid to Existing Shareholders	$30.0 million
Total number of New Shares to be issued under the Offer	25.9 million
Total number of Shares to be sold by SaleCo under the Offer	11.1 million
Total number of Shares to be held by Existing Shareholders at Completion of the Offer[1]	99.6 million
Total number of Shares on issue on Completion of the Offer	136.7 million
Market Capitalisation at the Offer Price[2]	$369.0 million
Pro Forma Net Cash (as at 30 June 2025)[3]	$69.0 million
Enterprise Value at the Offer Price[4]	$300.0 million

1. Fully paid ordinary shares only. The Company will also have 7,159,150 Options on issue. See Section 6 for further details. The Shares held by certain Existing Shareholders at Completion of the Offer will be subject to voluntary escrow arrangements as described further in Section 9.7.
2. Market Capitalisation is the Offer Price multiplied by the total number of Shares on issue at the Completion of the Offer.
3. Pro Forma Net Cash is cash and cash equivalents, less borrowings (excluding lease liabilities).
4. Enterprise Value is the indicative Market Capitalisation of the Company based on the Offer Price, less Pro Forma Net Cash (as at 30 June 2025).

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Important Dates

Prospectus Date	16 October 2025
Exposure Period begins	17 October 2025
Broker Firm Offer and Priority Offer opens	17 October 2025
Exposure Period ends	23 October 2025
Broker Firm Offer and Priority Offer closes	24 October 2025
Settlement of the Offer	28 October 2025
Allotment and transfer of Shares under the Offer (Completion of the Offer)	29 October 2025
Expected despatch of holding statements	30 October 2025
Shares expected to begin trading on the ASX on a normal settlement basis	5 November 2025

Dates may change

The above dates are indicative only and may be subject to change without notice. Unless otherwise indicated, all times and dates are to Sydney, Australia time.

Carma and SaleCo, in consultation with the Joint Lead Managers, reserve the right to vary the times and dates of the Offer including to close the Offer early, extend the Offer, defer the Closing Date, accept late Applications either generally or in particular cases, transfer or issue Shares at different times to investors, or to cancel or withdraw the Offer before settlement, in each case without prior notification. The quotation and commencement of trading of the Shares are subject to confirmation from the ASX. Applications received under the Offer are irrevocable and may not be varied or withdrawn except as required by law. If the Offer is cancelled or withdrawn before the allocation of Shares, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Application Forms as soon as possible after the Offer opens.

How to invest

Applications for Shares can only be made by Completion of the Offer and lodging the Application Form attached to or accompanying this Prospectus.

Instructions on how to apply for Shares are set out in Section 7 of this Prospectus and on the back of the Application Form.

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Co-founders' Letter

Dear Investor,

We founded Carma in 2021 because we, like so many others, had personally experienced the challenges associated with buying and selling pre-owned cars. Even if you're able to determine if a car is in good condition, it's a high-stakes transaction for most people that can involve large amounts of money, finance and trade-ins. We knew that there had to be a better way.

It was clear to us that if we were to dive into the $118 billion pre-owned automotive industry, and have a material positive impact, we needed to do pre-owned cars differently. To deliver a 5-star experience for buyers and sellers of pre-owned cars that transformed their expectations from fear to amazement.

Carma's vision was clear: to create a pre-owned car experience that's beautiful from every angle. We have broken down the entire process from start to finish, rebuilt each step from first principles, and ensured that Carma controls everything that impacts the customer experience.

Our dedicated team works tirelessly every day to achieve this vision by living and breathing our five values. Solving the challenging problems that are incumbent in the automotive industry requires us to "Stay Supercharged", "Win as One", "Flip the Map", "Do Right" and insert a little bit of "Magic, where you least expect it".

Today, our proprietary full-stack digital pre-owned car platform provides a seamless ecosystem for Australian car owners:

- **The trusted destination to buy a high-quality pre-owned vehicle** – a consumer marketplace for buyers to find and purchase a high quality vehicle. A fully digital experience through which you can purchase, finance and trade-in and have a car delivered without leaving home.
- **The destination to sell any car (Sell-to Carma)** – a fast seamless experience allowing anyone to sell any pre-owned car to Carma at a fair price.
- **Wholesale auctions** – a rapidly scaling enabler of the Sell-to Carma business. This dealer-only channel allows Carma to sell inventory that doesn't fit our consumer marketplace.

In the four years since our launch, we are delighted to see the positive impact that we have already had on thousands of Australians. For most people, the car is one of their largest and most important items and the risks associated with buying and selling can have significant consequences. Today, Carma has made that process easy and removes the traditional fears. We've had customers take delivery of their purchased car on the same day after finding it on Carma or get paid with funds in their account within hours of enquiring about selling their car to us. All of these positive experiences are highlighted by our Net Promoter Score (NPS) of 85 and over a thousand, 5-star ratings across the Google and ProductReview platforms.

The quality of Carma cars provides our customers with the peace of mind that they will be able to rely on their vehicle in a way that they haven't been able to before. Due to the fragmentation in the industry, the onus of identifying whether a car is in good condition or a lemon has historically been on the consumer. Carma's 35,000 square metre St Peters Inspection and Reconditioning Centre (IRC) facility flips this entirely as every vehicle goes through an intensive inspection and reconditioning process that is built on top of lean manufacturing principles. Expert team members and state-of-the-art equipment ensures that quality pre-owned vehicles are reconditioned at a quality and scale never before seen in the Australian market.

We've also focussed on leveraging technology in ways that haven't been done before. Automotive is an incredibly data rich industry but that data has been difficult for industry participants to harness. At Carma, we've built strong foundations through our AI driven machine learning pricing models which are able to accurately and fairly price vehicles of any make and model.

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We believe that we are still at an early stage in our journey and are excited by the opportunity to bring the Carma experience to all Australians. We hope that this Offer will also provide you the chance to join us as we embark on transforming the automotive retail industry.

Yours sincerely,

Yosuke Hall
Co-founder and Chief Commercial Officer

Lachlan MacGregor
Co-founder and Chief Executive Officer

"In the four years since our launch, we are delighted to see the positive impact that we have already had on thousands of Australians. All of these positive experiences are highlighted by our Net Promoter Score (NPS) of 85 and over a thousand, 5-star ratings."



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Chairman's Letter

Dear Investor,

On behalf of our Board of Directors, I am pleased to offer you the opportunity to become a Shareholder in Carma Limited (**Carma** or the **Company**).

Carma is transforming the way Australians buy and sell pre-owned cars.

Carma is a technology-led, full-stack digital platform that integrates sourcing, inspection, reconditioning, pricing, online retail, wholesale auctions, financing and delivery to provide a simpler, trusted experience for buyers and sellers.

I was attracted to the business because it improves one of the least enjoyable consumer experiences – buying and selling used vehicles. The last car my family sold involved random strangers coming to our house to drive our car on the freeway while I sat terrified in the passenger seat. Carma turns a once painful process into a seamless enjoyable experience.

In my career, I have been involved in building technology-led marketplaces which deliver great consumer experiences to disrupt existing traditional business models. I believe Carma is uniquely positioned to lead the digital transformation of the Australian automotive retail industry.

Founded in 2021 and headquartered in Sydney, Australia, Carma employs over 185 people, has sold over 6,000 retail cars, and is the exclusive preferred used car dealership of the NRMA.

The Company sells used vehicles to retail and wholesale customers, operating in the large Australian pre-owned automotive retail industry[1] characterised by a fragmented network of over 4,000 used car dealerships with the largest dealership player commanding less than a 2% market share of used cars. This industry also includes auction houses and classifieds.

Carma is loss making and is not forecast to reach profitability in the Prospectus forecast for FY26, which reflects its stage of development as it continues to grow.

Carma has established a strong operational foundation and I am excited to join the team as it naturally enters into a period focused on strong growth and reaching scale.

The Company is focused on expanding its proprietary sourcing platform, Sell-to Carma, leveraging the increased capacity from its new reconditioning facility and growing inventory to drive accelerated growth, stronger unit economics and to establish Carma as Australia's leading used car destination.

I have great respect for the co-founders Lachlan and Yosuke, who have extensive experience in building, leading and investing in technology and platform businesses. They have built a talented team with a strong culture.

The Founders are not selling any of their holdings in Carma in connection with the Offer and will remain substantial holders of Carma following Completion of the Offer.

The Offer will raise $100 million, comprising a $70 million primary raise, and the remaining $30 million will allow certain Existing Shareholders an opportunity to realise part of their investment in the Company. The Company's expected market capitalisation based on the Offer Price will be $369 million.

The Founders and major Shareholders Tiger Global and General Catalyst have agreed that, on the Completion of the Offer, their existing Shares will be subject to voluntary escrow restrictions. These restrictions will prevent them from disposing of their Shares until the relevant escrow period has expired subject to certain exceptions (see Section 9.7 for further details on escrow arrangements).

1. The Australian pre-owned automotive retail industry includes the sale of retail and wholesale used vehicles.

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Proceeds from the Offer (after transaction costs) will be applied to accelerate Carma's growth strategy including the acquisition of vehicle inventory. The Offer will provide Carma with access to capital markets, establish a freely tradeable market for Shares in Carma, boost the Carma brand and provide the management team with greater flexibility to execute growth initiatives.

This Prospectus contains detailed information about the Offer, the industry and the markets in which Carma operates, Carma's business, and its historical and forecast financial performance.

An investment into Carma is subject to a range of risks both within and outside of its control, including a failure to execute its growth strategy and meet its forecasts, and increased competition which could potentially reduce Carma's market share. Section 5 contains further details on these and other risks of investing in Carma. Please read the Prospectus carefully, and in its entirety, before making your investment decision.

On behalf of the Board of Carma, I thank you for considering this opportunity to invest in Carma and I look forward to welcoming you on this journey.

Yours sincerely,



Owen Wilson
Independent Non-Executive Chairman

"In my career, I have been involved in building technology-led marketplaces which deliver great consumer experiences to disrupt existing traditional business models. I believe Carma is uniquely positioned to lead the digital transformation of the Australian automotive retail industry."



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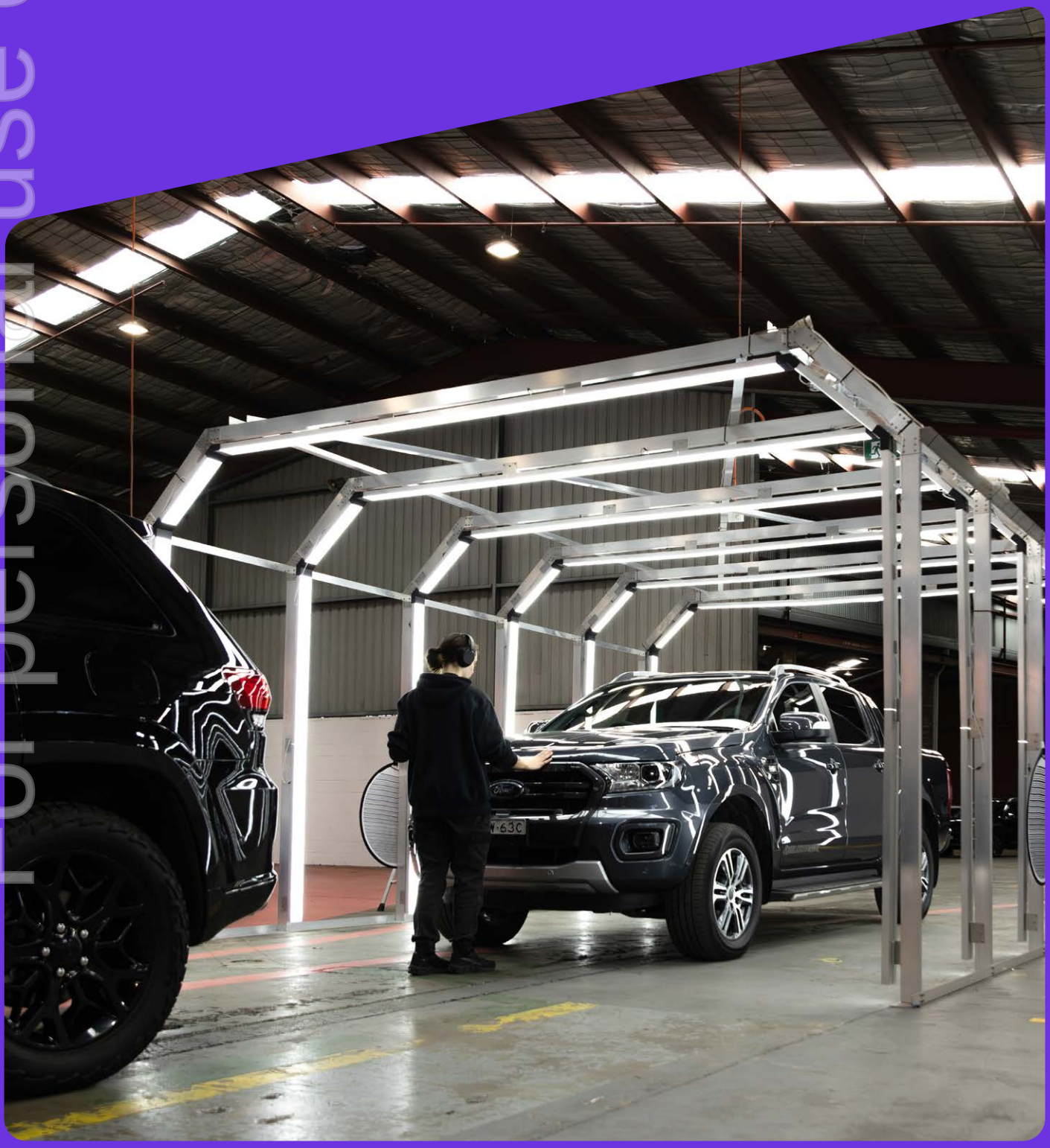
Section 1

Investment Overview



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1.1 Introduction

Topic	Summary
Who is Carma?	Carma is a technology-led, full-stack digital platform[1] 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[2], AI-powered pricing, online retail, dealer-only wholesale auctions, financing and delivery. The model is designed to deliver a simpler and more trusted experience for buyers and sellers, while capturing value across the full automotive retail chain. The adoption of full-stack digital platforms in used car retailing is well advanced in overseas markets. Businesses such as Carvana in the United States, AUTO1 Group in Europe and Constellation Automotive Group in the United Kingdom have demonstrated that vertically integrated, online-led models can scale and capture significant market share. **See Section 3 'Company Overview'**
What is Carma's history?	Founded in Sydney in 2021, Carma has grown rapidly and has delivered over 6,000 online retail cars, secured an exclusive NRMA partnership, opened three Sell-to Carma Centres and recently consolidated IRC operations to an expanded IRC facility at St Peters. The success of the Company's simplified, trustworthy customer experience is demonstrated by an NPS[3] of +85, over 1,000 five-star reviews and multiple industry awards. Backed by a founder-led team and integrated in-house operations, Carma's strategy centers on scaling its Sell-to Carma sourcing channel, growing inventory and extending its product range and geographical reach to enhance unit economics and cement its position as Australia's leading used vehicle platform. **See Section 3.1.5**
Why is the Offer being conducted?	The Offer will support Carma's continued growth and its operating costs, including: • expanding vehicle inventory, working capital and cash reserves; • funding growth initiatives; • boosting the Carma brand in the marketplace for customers and for attracting and retaining employees; and • establishing a freely tradeable market for the Shares and access to capital markets. See also the proposed use of funds as set out in Section 7.1.3. **See Section 7.1.3**

1.2 Key features of Carma's business model

Topic	Summary
What markets does Carma compete in?	Carma is currently focused on the pre-owned segment of the Australian vehicle retailing industry. The pre-owned vehicle market is large, accounting for $118 billion of purchases from about 3.6 million transactions annually. **See Section 2 'Industry Overview'**
How does Carma generate its revenue?	Carma generates revenue through the sale of used vehicles via its website to end customers and via its wholesale auctions to licensed dealers. It also generates supplemental revenue via referrals to third parties for originations of customer loans and other value-added products. **See Section 3.2, Section 4.9**

1. A vertically integrated business model owning and connecting the key stages of the vehicle lifecylce in one technology stack, with centralised physical operations and a single, unified customer journey.
2. Reconditioning of vehicles performed in-house as opposed to being contracted out to suppliers.
3. Net Promoter Score.

1. Investment Overview

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1.2 Key features of Carma's business model

Topic	Summary
Who does Carma compete with?	The Australian automotive retailing industry in which Carma operates in is fragmented and includes a variety of channels and competitors. Market participants include dealers (such as Eagers Automotive), classifieds businesses (such as carsales), auction houses (such as Pickles Auctions) as well as private buyers and sellers. These participants can be competitors of, suppliers to, or customers of Carma. See Section 2.1.2
How is Carma differentiated from market peers?	Carma operates a full-stack digital used car platform, which is a vertically integrated business model owning and connecting the key stages of the vehicle lifecycle in one technology stack, with centralised physical operations and a single, unified customer journey. Its full-stack digital used car platform: • sources vehicles directly from consumers and other channels; • inspects and reconditions vehicles in-house to a defined standard before listing; • sells retail-quality vehicles through a digital marketplace with integrated finance, warranties and logistics for delivery and collection; and • disposes of non-retail stock efficiently through a dealer-only wholesale auction channel. Carma differs from other market participants: • unlike traditional dealerships that run fragmented site-by-site processes, Carma centralises operations and systems to improve consistency, speed and unit economics at scale; and • unlike classifieds, which advertise listings without owning inventory or standardising quality, a full-stack platform controls the vehicle, the preparation process and the end-to-end transaction. Vehicles are still listed on classifieds sites, with the advantage of additional customer traffic from direct sources. See Section 2.1.2, Section 2.2.6
What is Carma's growth strategy?	Carma's growth strategy is built on scaling five key levers: • **Sell-to Carma**: Carma's largest sourcing channel (which generates the highest margins) enabled by machine learning pricing models, proprietary automation technology and low-cost inspection centres. Carma's expectation is that its NRMA partnership and brand recognition will continue to drive inbound supply; • **Reconditioning**: Expansion of the purpose-built St Peters Inspection and Reconditioning Centre (**IRC**) facility transitions annual vehicle reconditioning capacity up to 30,000 units. This is supported by lean manufacturing processes and proprietary systems that ensure quality and efficiency; • **Inventory growth**: Funded by an established Bailment Finance Facility, allowing sales to scale while maintaining balance sheet discipline; • **Product expansion**: Broadening financial and value-added products and scaling wholesale and remarketing services to capture greater value across the chain; and • **Geographic expansion**: Extending into other states and territories, while leveraging centralised operations to achieve national scale efficiently. These initiatives are intended to position Carma for accelerated growth, improved unit economics and deliver national scale as Australia's leading used vehicle retailer. See Section 3.4

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1.3 Key strengths and competitive advantages

Topic	Summary
Vehicle quality	Carma's operations combine disciplined sourcing, rigorous reconditioning and transparent merchandising: • **Sourcing**: Vehicles are primarily sourced directly from consumers via Sell-to Carma, screened for age, mileage, service history and condition to ensure high-quality inventory and stronger gross profit potential; • **Reconditioning**: Each vehicle undergoes a five-stage process (inspection, reconditioning, mechanical servicing, merchandising, pre-delivery) managed through the proprietary VROOM[1] system, with all work performed in-house and processes verified by the NRMA; and • **Merchandising**: Vehicles are comprehensively detailed, photographed and presented online with high-resolution images, 360-degree views, galleries of any imperfections, feature highlights and fixed/data-driven pricing to enable transparent, informed purchasing decisions. See Section 3.3.1
Technology	Carma's technology-first platform enables efficient scalable operations and enhances customer experience: • **Boomerang AI pricing & analytics**: Optimises inventory and sets fixed retail prices using real-time market data; • **Digital marketplace**: carma.com.au allows end-to-end online transactions with financing, extended coverage, and trade-in functionality; • **Boomerang**: Manages workflows and automates direct-from-consumer vehicle sourcing; • **VROOM**: Manages reconditioning and fulfilment in real time, for optimised quality and efficiency; and • **Middleware integration**: Connects all systems and partners, enabling seamless workflows and rapid scaling. See Section 3.3.2
Unit economics	Carma's digital, vertically integrated model supports scalable growth with unit economics benefitting from higher-margin sourcing channels, lower reconditioning costs and faster inventory turnover. Key drivers of Carma's unit economics: • **Sourcing advantage**: Direct-to-consumer Sell-to Carma channel eliminates intermediaries, broadens inventory and delivers robust sourcing margins; • **Reconditioning efficiency**: In-house inspection and reconditioning facility and VROOM system reduce costs, improve quality and leverage scale; • **Customer acquisition**: Brand growth, repeat buyers and word of mouth recommendations reduce reliance on paid channels, thereby lowering acquisition costs; • **Value-added products**: Integrated financing and extended coverage aim to improve attach rates and margins; and • **Fixed cost leverage**: Centralised infrastructure spreads cost base over higher volumes and reducing cost-to-serve. See Section 3.3.3

1. Vehicle reconditioning and outbound order management.

1. Investment Overview

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1.3 Key strengths and competitive advantages

Topic	Summary
Trusted brand and destination for buyers and sellers	Carma has established itself as a trusted and increasingly recognised brand in Australian used vehicle retailing. In 2025, Carma entered into a partnership with the NRMA as its exclusive preferred used car dealership, enhancing both brand awareness and credibility for Carma, with Carma's reconditioning processes verified by the NRMA. The Carma platform attracts both buyers and sellers, with the higher margin Sell-to Carma channel a core driver of growth, reducing reliance on third-party classifieds and lowering vehicle sourcing costs. Carma has also been recognised by multiple industry awards for customer experience, innovation and technology. **See Section 3.3.5**
Network effects	Carma's platform benefits from marketplace network effects that strengthen as it scales. The used car market is inherently fragmented and heterogeneous, and the seller with the broadest and deepest inventory becomes the natural destination for customers. Carma's breadth of inventory attracts more buyers, which enables it to make better offers and drives more Sell-to Carma vehicle supply, creating a self-reinforcing cycle. As Carma expands nationally, its digital reach allows inventory to be efficiently matched across regions, giving Carma a structural advantage over geographically constrained dealerships and classifieds. **See Section 3.3.6**
ESG	Carma is committed to sustainable and responsible practices that create long-term value. As Carma continues to scale, the Company plans to establish a formal ESG framework aligned with its growth stage. In the interim, Carma acknowledges the following initiatives already implemented across the organisation. Environmentally, it operates under regulations in relation to the use and disposal of paints, fluids and tyres. Carma extends vehicle lifecycles, minimises waste, improves operational efficiency and promotes fuel-efficient vehicle options. Socially, it prioritises customer trust, transparency and employee development. Strong governance is maintained through independent board oversight, NRMA-verified reconditioning operations and adherence to ethical and legal standards including data privacy and workplace health and safety. **See Section 3.3.7**

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1.4 Key risks for Carma

Topic	Summary
Failure to achieve growth objectives	Carma's growth and profitability are subject to multiple risks: • **Scaling operations**: Expanding into new markets requires new Sell-to Carma locations, reconditioning centres and capital, with no guarantee that growth strategies will succeed or be profitable; • **Marketing reliance**: The business depends heavily on advertising and classifieds platforms to attract and retain customers, with uncertain future traction; • **Rising operating costs**: Expansion may increase expenses across transport, IT, marketing, leases, licenses and reconditioning, which could be compounded by market conditions or competition; • **Capital requirements**: Carma is currently loss making and is not forecast to reach profitability in the Prospectus forecast for FY26F. It is currently unknown when the Company will become profitable. While it considers the Offer proceeds will be sufficient to meet Carma's objectives as set out in Section 7.1.3, there is a risk that Carma may need to raise additional funds to invest in the business if profitability is not achieved, or is not achieved in a timely manner. If Carma is unable to obtain such additional funding as required, this could have a material adverse effect on Carma's financial position and prospects; • **Intellectual property constraints**: Trademark limitations may restrict the expansion of Carma's service offerings into new categories; • **Inventory**: Carma's performance depends on reliable access to desirable vehicles and effective inventory management. Limited supply, competitive pressures, or misaligned vehicle valuations could reduce the ability to acquire inventory at attractive prices, while poor forecasting may lead to excess stock, discounted sales, or stockouts; • **Reconditioning facility accessibility**: Carma's reconditioning operations are conducted at its St Peters Premises under a long-term lease. Default or inability to access the premises, due to lease issues or external events like natural disasters, could disrupt reconditioning services, reduce available inventory and materially impact financial performance; and • **Availability of bailment finance**: Carma utilises its $30 million Bailment Finance Facility to fund vehicle inventory. The facility is subject to annual renewal. Changes or termination by the financier could disrupt capital management and force Carma to seek alternative, potentially less favourable, financing. These factors collectively create execution, financial and operational risks for achieving Carma's growth targets. **See Section 5.2.1**
Risk of data security breaches and performance and reliability of the Company's IT systems	Carma's business is exposed to operational and technology risks including: • **Business process disruption**: Reliance on end-to-end digital operations means outages, cyberattacks, system failures, or external events (e.g. power outages, natural disasters) could disrupt services and result in financial loss • **Data security**: Carma holds significant personal customer data, which could be compromised through cyberattacks or system failures despite ongoing monitoring and mitigation. This could lead to legal and financial consequences • **Third-party reliance**: Dependence on providers such as Adyen for payments, and potentially other critical software services, creates exposure to service interruptions or failures that could impact operations **See Section 5.2.2**

1. Investment Overview

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1.4 Key risks for Carma

Topic	Summary
Operations subject to regulations	Carma operates in a highly regulated environment and faces several regulatory risks: • **General regulation**: Non-compliance with laws in NSW or future markets could harm reputation and financial performance; • **Financial and extended coverage products**: Carma is subject to an increasingly complex and evolving regulatory environment, especially as its product offerings continue to grow; • **Australian Consumer Law**: Carma may be liable for consumer losses and face ACCC enforcement, financial penalties, and reputational damage if guarantees are breached; • **Unfair contract terms**: Standard form contracts with unfair terms can be void and attract significant penalties, enforcement action, and reputational risk; • **Motor vehicle dealer regulations**: The MDR Act imposes obligations on dealers, with new amendments introducing regulation to online dealerships; uncertainty in interpretation creates compliance risk; and • **Climate change and EV regulation**: Stricter emissions standards, EV adoption, and government policy could reduce demand and resale value for traditional vehicles, creating financial and reputational challenges. These regulatory and policy developments present ongoing compliance, operational, and strategic risks for Carma. See Section 5.2.3
Carma's brand and platform attractiveness to customers could be impacted by negative publicity	Carma's success depends on maintaining consumer trust in a low-confidence industry. While measures like fixed pricing, NRMA-verified reconditioning processes and a money-back guarantee support its reputation, negative publicity or complaints could harm brand perception, limit growth, and impact financial performance. See Section 5.2.4
New and existing competitors could adversely affect prices and demand for used motor vehicles and decrease Carma's market share	Carma operates in a fragmented and competitive used vehicle retailing market, facing threats from traditional dealerships, private sales, online marketplaces and potential offshore entrants. Increased competition could reduce market share, raise vehicle acquisition costs, or force lower sale prices. Maintaining competitiveness may require higher marketing or product development spend, all of which could negatively impact Carma's profitability, growth and overall financial performance. See Section 5.2.5
Retail environment and general economic conditions in Australia could deteriorate	Carma's performance is sensitive to macroeconomic conditions and shifting consumer preferences. Economic factors such as interest rates, inflation, credit availability, fuel prices, and broader consumer sentiment directly influence demand for used vehicles, which are discretionary purchases. External factors like OEM behaviour, regulatory changes, and supply disruptions also affect vehicle pricing. In addition, evolving consumer trends, such as greater demand for fuel-efficient or sustainable transport options and the rise of car-sharing, could reduce demand for owning vehicles, limiting Carma's addressable market and impacting future revenue and margins. See Section 5.2.6
Limited operating history which makes it difficult to assess the current business and its future prospects	Carma has a limited operating history, making future performance and profitability difficult to predict. Past results and recent growth may not be sustainable, and future expansion could require significantly higher investment, reducing profitability. Slower revenue growth or rising costs may adversely impact the Company's financial and operating performance. See Section 5.2.7

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1.4 Key risks for Carma

Topic	Summary
Carma's IP may be compromised or lost	Carma's proprietary technology (i.e. website, sourcing, pricing and production systems) is central to its operations and growth. While IP is protected through confidentiality agreements with employees and third parties, breaches could compromise Carma's competitive position. **See Section 5.2.8**
Founder and Senior Management reliance	Carma depends on its Senior Management team, including the Founders, and any key departure or delayed replacement could negatively impact the Company's ability to execute its growth strategy and harm future operating and financial performance. **See Section 5.2.9**
Carma's ability to obtain adequate insurance on its inventory or auto liability insurance	Carma relies on inventory and auto liability insurance to protect itself against losses, but coverage limits may be insufficient and affordable insurance may not always be available. An inability to secure adequate insurance could force self-insurance, limit investment capacity, increase financial risk and hinder the Company's ability to finance inventory pledged as collateral. **See Section 5.2.10**
Website may be excluded from or ranked lower in organic search results due to changes in search engine's algorithms or terms of services	Carma's reliance on search engine organic listings exposes it to algorithm changes; failure to adapt could reduce website traffic, lower customer conversions and negatively impact gross margins and overall financial and operating performance. **See Section 5.2.11**
Occupational health and safety	Carma faces workplace safety risks, particularly in reconditioning and vehicle handling. Employee injuries could result in liability, penalties, compensation, reputational damage and adverse financial impacts. **See Section 5.2.12**
Existing Shareholders retaining a significant stake in the company post-listing	Post-completion, Existing Shareholders will retain significant influence over Carma, which may not align with new investors' interests. Shares subject to escrow could impact share price or market liquidity if large sales occur after the escrow period, or if no sales reduce market liquidity. **See Section 5.2.13**
General risks	Once Carma becomes a publicly listed company on the ASX, it will become subject to general market risk that is inherent for all entities whose securities are listed on a securities exchange. Carma may elect to issue Shares or engage in capital raisings to fund investments or acquisitions that Carma may opportunistically decide to undertake. Shareholders' interests may be diluted and Shareholders may experience a loss in the value of their equity as a result of such issues of Shares and fundraisings. **See Section 5.3**

1. Investment Overview

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1.5 Financials and dividend policy

Topic	Summary
What is Carma's historical and forecast financial performance?	A select summary of Carma's Pro Forma Financial Information and Statutory Financial Information is set out below. The information presented below is intended as a summary only and contains measures which are not recognised under IFRS or Australian Accounting Standards. Investors should read this information in conjunction with the more detailed discussion of the Financial Information set out in Section 4, including the assumptions, management discussion and analysis and sensitivity analysis provided, alongside the key risks set out in Section 5.

	Pro Forma Historical			Pro Forma Forecast
$ millions	FY23	FY24	FY25	FY26F
Revenue	48.0	68.9	71.4	127.6
Gross profit	1.8	0.9	5.2	11.8
EBITDA	(27.3)	(31.5)	(27.8)	(27.7)
Loss after tax	(29.4)	(36.4)	(34.9)	(35.3)

	Statutory Historical			Statutory Forecast
$ millions	FY23	FY24	FY25	FY26F
Revenue	48.0	68.9	71.4	127.6
Gross profit	1.8	0.9	5.2	11.8
EBITDA	(24.3)	(28.5)	(25.4)	(30.4)
Loss after tax	(26.4)	(33.4)	(35.9)	(42.5)

See Section 4 'Financial Information'

What is Carma's intended dividend policy?	There is no current intention to pay a dividend in relation to the forecast period. Future decisions around dividend policy will be made by the Board at the appropriate time. See Section 4.12

1.6 Overview of the Offer

Topic	Summary
Who is the Issuer of this Prospectus?	The issuers of this Prospectus are Carma Limited (ACN 648 091 418) and Carma SaleCo Limited (ACN 691 516 211).
What is the Offer?	The Offer is an initial public offering of approximately 25.9 million New Shares by the Company and the sale of approximately 11.1 million Existing Shares by SaleCo to raise up to $100 million through an initial public offering. See Section 7 'Offer Information'
What is SaleCo?	SaleCo is a special purpose vehicle, established to acquire Existing Shares from Selling Shareholders and to sell them to Successful Applicants under the Offer. The Existing Shares which SaleCo acquired from Selling Shareholders will be sold to Successful Applicants at the Offer Price. See Section 7.2

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1.6 Overview of the Offer

Topic	Summary	
What are the key Offer statistics?	Total proceeds of the Offer	$100 million
	Total number of Shares to be issued under this Prospectus	25.9 million
	Total number of Shares to be sold by SaleCo under the Offer	11.1 million
	Number of Shares to be held by Existing Shareholders at Completion of the Offer	99.6 million
	Total number of Shares on issue on Completion of the Offer	136.7 million
	Offer Price	$2.70 per share
	Market Capitalisation at the Offer Price	$369 million
	Enterprise Value at the Offer Price	$300 million
What are the key investment metrics?	Enterprise Value/FY26 Pro Forma Revenue	2.4x

1.7 Proposed use of funds and key terms and conditions of the Offer

Topic

Summary

What is the proposed use of funds raised pursuant to the Offer?

Sources	($ millions)	Proposed uses of funds	($ millions)
Offer proceeds from sale of Existing Shares by SaleCo	30	Payment of proceeds by SaleCo to Selling Shareholders	28
Offer proceeds from issue of New Shares	70	Offer costs attributable to Selling Shareholders	2
		Brand and marketing	12
		PPE and software development	4
		Fund operating cash flows	13
		Public company costs	3
		Working capital	32
		Offer costs	6
Total sources	**100**	**Total uses**	**100**

The net proceeds from the funds raised under the Offer is being used to fund the ongoing growth and operating costs of the business in accordance with Carma's expenditure program and for SaleCo to pay the Selling Shareholders.

See Section 7.1.3

Will the Shares be quoted on the ASX?

The Company will apply to ASX within 7 days of the Prospectus Date for its admission to the Official List and quotation of Shares (under the code "CMA").

The issue and allotment of Shares is conditional on ASX approving this application. If approval is not given within 3 months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded (without interest), as soon as practicable in accordance with the requirements of the Corporations Act.

See Section 7.4

1. Investment Overview

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1.7 Proposed use of funds and key terms and conditions of the Offer

Topic	Summary
Who can participate in the Offer?	More information on who can participate in the Offer is set out in Section 7. **See Section 7 'Offer information'**
How is the Offer structured?	The Offer comprises: • **the Broker Firm Offer** – which is open to Australian resident retail clients of participating Brokers, who receive an invitation from a Broker to acquire Shares under this Prospectus; • **the Priority Offer** – which is open to selected investors nominated by the Company in eligible jurisdictions, who have received a Priority Offer invitation to acquire Shares under this Prospectus; and • **the Institutional Offer** – which consists of an offer to Institutional Investors in Australia and certain other jurisdictions around the world, made under this Prospectus. No general public offer of Shares will be made under the Offer. Members of the public wishing to apply for Shares under the Offer must do so through a Broker with a firm allocation of Shares under the Broker Firm Offer. **See Section 7.1.2**
Is the Offer underwritten?	Yes. The Offer is underwritten by the Joint Lead Managers. More detail on the underwriting arrangements is set out in Section 9.5. **See Sections 7.4 and 9.5**
What is the allocation policy?	The allocation of Shares between the Broker Firm Offer, the Priority Offer and the Institutional Offer was determined by the Joint Lead Managers, the Company and SaleCo having regard to the Corporations Act and Listing Rules (and the structure of the Offer). With respect to the Broker Firm Offer, the relevant Broker will decide how it allocates Shares among its eligible retail clients, and they (and not the Company, SaleCo or the Joint Lead Managers) will be responsible for ensuring that eligible retail clients who have received an allocation from it receive the relevant Shares. The allocation of Shares under the Priority Offer will be determined by the Company and SaleCo at its discretion. The allocation of Shares under the Institutional Offer was determined by the Company, SaleCo and the Joint Lead Managers. The Company, SaleCo and the Joint Lead Managers have absolute discretion regarding the allocation of Shares to Applicants under the Offer and may reject any Application, or scale back any Application, in their absolute discretion. **See Section 7.4**
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by Applicants on an acquisition of Shares under the Offer See Section 6.3.5 for details of various fees payable by the Company to the Joint Lead Managers. **See Section 7.4**
What are the tax implications of investing in the Shares?	The tax consequences of any investment in Shares will depend upon an investor's individual circumstances. Applicants should obtain independent tax advice having regard to their own specific circumstances before deciding whether to invest in Shares. You may be subject to Australian income tax or withholding tax on any future dividends paid. **See Section 7.4**
When will I receive confirmation that my Application has been successful?	It is expected that initial holding statements will be dispatched to Successful Applicants by post and electronically on or about 30 October 2025. Refunds (without interest) to Applicants who make an Application and receive an allocation of Shares, the value of which is smaller than the amount of the Application Monies, will be made as soon as practicable after Completion of the Offer. **See Section 7.4**

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1.7 Proposed use of funds and key terms and conditions of the Offer

Topic	Summary
What is the minimum allocation size under the Offer?	The minimum Application size under the Broker Firm Offer and Priority Offer is $2,000 of Shares in aggregate and in multiples of $500 thereafter. **See Section 7.4**
How can I apply?	More information on how to apply to the Offer (depending on your circumstance) is set out in Section 7. **See Section 7**
Can the Offer be withdrawn?	The Company, SaleCo and the Joint Lead Managers reserve the right to vary any and all of the times and dates without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the Offer Period relating to any component of the Offer, or to accept late Applications, either generally or in particular cases, or to cancel or withdraw the Offer before Settlement, in each case without notifying any recipient of this Prospectus or any Applicants). If the Offer is cancelled or withdrawn before the allocation of Shares, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. **See Section 7.4**
Where can I find more information about this Prospectus or Offer?	All enquiries in relation to this Prospectus should be directed to the Offer Information Line on 1300 408 784 (within Australia) or +61 2 8072 1489 (outside Australia) from 8.30am to 7.00pm (Sydney Time), Monday to Friday. All enquiries in relation to the Broker Firm Offer should be directed to your Broker. If you have any questions about whether to invest in the Company, you should seek professional advice from your accountant, financial advisor, stockbroker, lawyer or other professional adviser before deciding whether to invest. **See Section 7.4**

1.8 Significant interests of key people and related party transactions

Topic | **Summary**

Who are the Existing Shareholders and what will be their interest in Carma at Completion of the Offer?

Shareholders	Shares in Carma on Completion of the Offer (million)	Percentage holding (%)	Shares in Carma subject to escrow arrangements (million)
Invierta Pty Ltd[1] (affiliate of Lachlan MacGregor)	22,000,001	16.1%	22,000,001
Hallierke Pty Ltd[2] (affiliate of Yosuke Hall)	22,000,001	16.1%	22,000,001
Tiger Global	36,660,342	26.8%	36,660,342
General Catalyst	5,817,099	4.3%	5,817,099
Other existing shareholders[3]	13,154,716	9.6%	–
New investors	37,037,926	27.1%	–
Total	**136,670,085**	**100.0%**	**86,477,443**

See Section 7.3

1. As trustee for the Cliffbrook Trust.
2. As trustee for the Glerke Hall Family Trust.
3. Includes Shares held by the Non Executive Directors. Refer to Section 6.3.1.6.

1. Investment Overview

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1.8 Significant interests of key people and related party transactions

Topic	Summary
What significant benefits and interests are payable to directors and other persons connected with the issuer of the Offer?	Details on the Shares held by existing Directors are outlined in the table above. Non-Executive Directors will also receive fees for acting in that capacity. Executive Directors receive fixed remuneration and the opportunity to participate in Carma's short-term and long-term incentive plans. Carma's advisers that have provided services in connection with the Offer will receive fees for providing those services. **See Section 6.3**
Will any Shares be subject to restrictions on disposal following Completion?	Each Escrowed Shareholder has agreed to enter into an Escrow arrangement in respect of their shareholding following Completion, which prevents them from dealing with their Escrowed Shares for the applicable Escrow Period (summarised at Section 9.7.1), subject to certain exceptions as outlined in Section 9.7.2.

Escrowed shareholder	Number of escrowed shares[1]	Escrow period
Founders	44,000,002	The period from Listing until: • in respect of 25% of the Escrowed Shares, 4:15pm (Sydney Time) on the trading day after the date on which the Company releases to the ASX its financial results for the year ended 30 June 2026; and • in respect of the remaining 75% of the Escrowed Shares, 4:15pm (Sydney Time) on the trading date after the date on which the Company releases to the ASX its financial results for the year ended 30 June 2027.
Tiger Global	36,660,342	The period from Listing until 4:15pm (Sydney Time) on the trading day after the date on which the Company releases to the ASX its financial results for the year ended 30 June 2026.
General Catalyst	5,817,099	The period from Listing until 4:15pm (Sydney Time) on the trading day after the date on which the Company releases to the ASX its financial results for the year ended 30 June 2026.

See Section 9.7

1. Excludes any Shares that may be acquired under the Offer by these Escrowed Shareholders as such Shares will not be subject to voluntary escrow.

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1.8.1 Restrictions on disposing

The restriction on 'disposing' is broadly defined in the Escrow Deeds outlined in Section 9.7. It restricts the Escrowed Shareholder from, among other things, selling, assigning, transferring or otherwise disposing of any legal, beneficial or economic interest in the Escrowed Shares, creating or agreeing to create a security interest over the Escrowed Shares, doing, or omitting to do, any act if the act or omission would have the effect of transferring effective ownership or control of any of the Escrowed Shares or agreeing to do any of those things.

However, during the Escrow Period, Escrowed Shareholders whose Shares remain subject to escrow may deal in any of their Escrowed Shares to the extent that the dealing is:

- as a result of a bona fide third-party offer under a takeover bid or the transfer or cancellation of the Escrowed Shares under a scheme of arrangement;
- required by applicable law, including an order of a court of competent jurisdiction;
- a transfer by the personal representative of the Escrowed Shareholder to whom the Escrowed Shares have been bequeathed (provided that any recipient of the Escrowed Shares will be bound by any holding lock or restrictions on dealing with respect to the Escrowed Shares);
- to participate in an equal access buyback or equal return of capital or other similar pro rata reorganisation.
- an encumbrance of any or all Escrowed Shares to a bona fide third-party financial institution as securities for a loan, hedge or other financial accommodation (provided that any recipient of the Escrowed Shares will continue to be bound by any holding lock and restrictions on dealing with respect to the Escrowed Shares for the duration of the Escrow Period); or
- a transfer of Escrowed Shares to an affiliate provided the same escrow restrictions are imposed on the transferee and the transfer does not result in a change to the beneficial ownership of the Escrowed Shares.

1.9 Carma Directors and Senior Management

Topic	Summary
Who are the Directors of Carma?	• Owen Wilson (Independent Non-Executive Chairman) • Lachlan MacGregor (Co-founder and Chief Executive Officer, Executive Director) • Melinda Snowden (Independent Non-Executive Director) • Nicole Sparshott (Independent Non-Executive Director) • Yosuke Hall (Co-founder and Chief Commercial Officer, Executive Director) **See Section 6.1**
Who are the Senior Management[1] of Carma?	• Lachlan MacGregor (Co-founder and Chief Executive Officer) • Yosuke Hall (Co-founder and Chief Commercial Officer) (remainder of Senior Management are listed in alphabetical order) • Hugo Acosta (Director of Vehicle Operations) • Simon Bozzi (Director of Customer Finance) • Ricky Isserow (Director of Strategy and Business Operations) • Emily Meier-Murren (Director of Marketing) • Florian Pasquier (Chief Technology Officer) • Russell Phimister (Director of Program Delivery) • Rachel Russell (Director of People) • James Solomon (Chief Financial Officer) • Peter Willis (Director of Buying) **See Section 6.2**

1. Lachlan MacGregor and Yosuke Hall constitute Key Management Personnel as defined by the Corporations Act.

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Section 2

Industry Overview



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2.1 Overview of the Australian automotive retail industry

2.1.1 Introduction

Carma operates a full-stack digital used car platform in the Australian automotive retail industry. A full-stack digital used car platform is a vertically integrated business model that owns and connects the key stages of the vehicle lifecycle in one technology stack, with centralised physical operations and a single, unified customer journey.

The Australian automotive retail industry encompasses the purchase and sale of new and pre-owned cars. In 2024, this market had an estimated market size of $185 billion[1], of which pre-owned cars accounted for $118 billion[1].

The Australian automotive retail industry has a broad range of market participants, including private and institutional buyers and sellers, car dealerships, auction houses and online classifieds sites.

The dealership segment of the market is characterised by high fragmentation. Participants range from large corporate Australian and foreign owned dealerships to small and privately owned businesses. Similar to the experience in offshore markets such as North America and the UK in the last decade, the Australian industry is undergoing a transition as consumers embrace digital approaches to car buying and selling as opposed to the more traditional approaches.

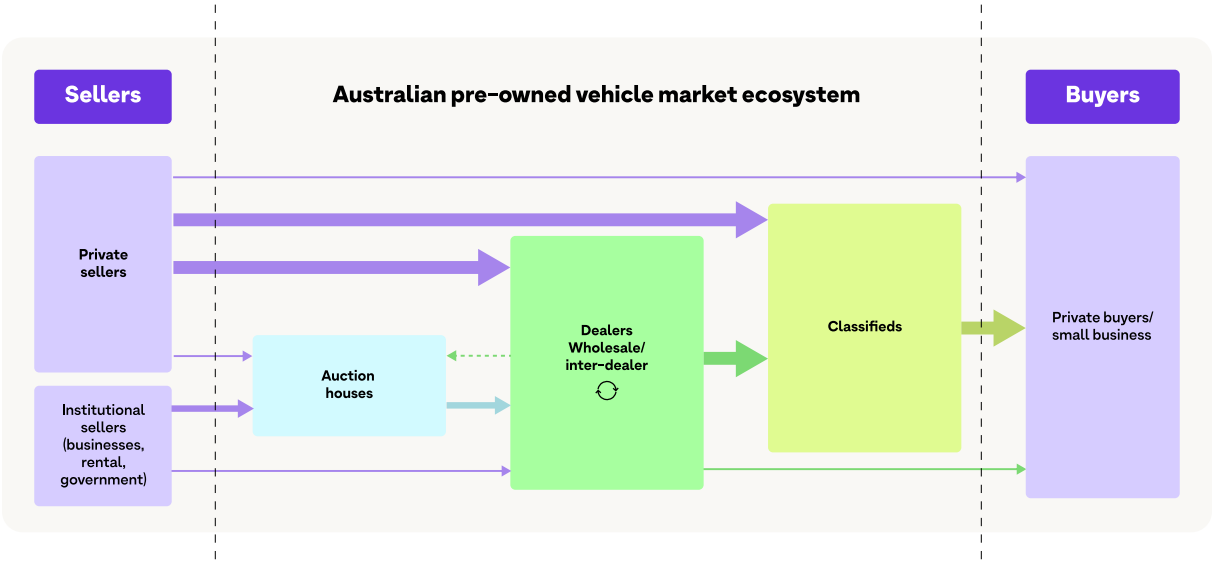
2.1.2 Industry structure and participants

(a) Pre-owned vehicle industry structure

Carma's operations are currently focused on the pre-owned or used car segment of the Australian automotive retail industry.

Used vehicles flow from private owners and institutional sellers to private buyers and small businesses. Vehicles can pass through wholesale commerce channels such as auction houses or wholesale brokers. Most vehicles, whether being sold by dealers or directly by private sellers, are listed on automotive classifieds websites. These fragmented flows often involve multiple handovers, opaque pricing, and inconsistent vehicle standards.

Figure 1: Australian pre-owned vehicle market ecosystem[2]



1. Frost & Sullivan Market Report (6 August 2025) analysis. New car market size estimate is from 2023.
2. Arrow width reflects Management's view of the relative size of flow between each channel.

2. Industry Overview

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	Auction houses	Dealers	Classifieds
Participants (non-exhaustive)	Pickles Auctions, Manheim, Carlins, Grays, Auto Auctions Other players	Eagers Automotive (<2% market share)[1] Autosports Group (<1% market share)[1] Peter Warren Automotive (<1% market share)[1]	carsales, Drive.com.au, Gumtree Group, Facebook
Concentration	Moderately concentrated	Highly fragmented (>4,000 dealerships)[2]	Concentrated
Revenue model	Success fee per listing, other fees	Margin on vehicle sale, financing and other fees	Fee per lead, fee per listing, or advertising

(b) Sellers

Used vehicles enter the market from two primary sources: private sellers and institutional sellers.

- **Private sellers** supply cars through trade-ins and peer-to-peer sales, and are the largest source of pre-owned vehicles. They sell through two main paths: many sell or trade-in their vehicle to a dealer; others sell directly to another consumer, typically using online classifieds such as carsales. Classifieds connect buyers and sellers but do not hold inventory.
- **Institutional sellers** include corporates, rental companies and government agencies disposing of vehicles on planned replacement cycles. Institutional sellers often have a structured process that is managed by specialist fleet managers.
  - **Businesses** refresh vehicles to manage age, kilometres and operating costs. De-fleeting involves preparing and selling vehicles that were part of corporate fleets, with many organisations outsourcing fleet management to companies. These vehicles are typically disposed of via auctions or direct wholesale to dealers.
  - **Rental** operators are a consistent source of late-model vehicles due to frequent refresh cycles tied to utilisation and model updates. As with corporates, rental de-fleets are channelled through wholesale auctions and dealer networks.
  - **Government departments** also de-fleet on structured schedules. A significant portion of these vehicles are sold via public or dealer-only auctions, creating an additional supply stream into wholesale channels.

(c) Dealerships

Dealers are the largest organised channel and include franchise, agency and hybrid operators that sell new and used cars (collectively referred to as franchised dealerships), independent used-only dealers, and large "big-box"[3] used operators. The sector is extremely fragmented, with an estimated 4,370 licensed motor vehicle dealers nationally and no single operator with material national market share; the largest group accounts for under 2 percent of the total used motor vehicle market.[4]

Dealers participate across multiple profit pools, including used vehicles, parts and accessories, service, finance and insurance, and aftermarket products, supported by relationships with retail lenders and floorplan financiers.

1. Based on Eagers Automotive, Autosports Group and Peter Warren Automotive used car revenues disclosed in their most recent annual reports respectively, divided by the $118 billion used car automotive retail market.
2. Frost & Sullivan Market Report (6 August 2025).
3. Large scale car dealership (for example CarMax in the US) characterised by its large footprint, extensive inventory and a business model focused on high-volume sales to offer competitive, often fixed prices on a wide range of used vehicles.
4. Based on Eagers Automotive used car revenues disclosed in its most recent annual report divided by the $118 billion used car automotive retail market.

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(d) Auction houses

Auction houses such as Pickles Auctions, Manheim, Carlins, Grays and Auto Auctions operate as wholesale intermediaries. They predominantly sell de-fleeted vehicles to dealers through physical or online auctions.

(e) Classifieds players

Online classifieds, including carsales, Drive.com.au, Gumtree Group (Gumtree, CarsGuide and Autotrader) and Facebook Marketplace provide lead-generation and listing services that are used by both dealers and private sellers.

These platforms do not hold inventory, so they are advertising for (and not direct competitors to) dealers or full-stack digital platforms.

(f) Financiers

Retail finance providers support end-customer purchases, while floorplan financiers fund dealer inventory. Some of the largest financiers in the market are captive financiers, owned by the manufacturers, such as Toyota Financial Services and Volkswagen Financial Services.

The broader value chain includes warranty and insurance providers, parts suppliers, and service and collision repair operators that create ongoing touchpoints with vehicle owners beyond the initial sale.

2.1.3 Industry size and characteristics

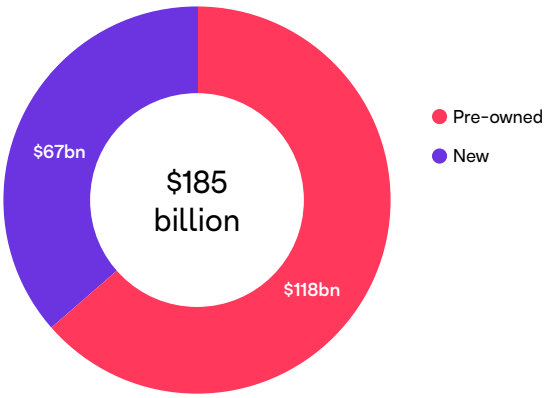
(a) Size of the Australian automotive retail market

Australia's automotive retail market is large, with an estimated $185 billion[1] of purchases of vehicles made by Australian consumers in 2024. The pre-owned market is the largest section of the market, accounting for $118 billion[2] of purchases from about 3.6 million transactions nationally[2]. Pre-owned transaction values are forecast to reach $150 billion per annum by 2030[2], supported by stable demand fundamentals and steady growth of the vehicle parc[3].

These industry estimates relate to vehicle sales only. However, vehicle sales transactions typically include related sources of revenue such as customer finance, extended warranties and insurance.

The Australian used car market is concentrated on the eastern side of the Australian mainland. New South Wales (NSW) is estimated to have represented approximately $34 billion or 29% of the total $118 billion market revenue in 2024. The combined population of NSW, Victoria, Queensland, South Australia and the ACT — the "eastern mainland" markets — represented 85% of the total Australian population at December 2024.[4]

Figure 2: Australian automotive retail purchases ($ billion, 2024)[1]



1. Frost and Sullivan Market Report (6 August 2025) analysis. New car market size estimate is from 2023.
2. Frost and Sullivan Market Report (6 August 2025).
3. "Parc" is an industry term which refers to the total number of vehicles actively registered and in operation.
4. Australian Government Centre for Population (as at December 2024).

2. Industry Overview

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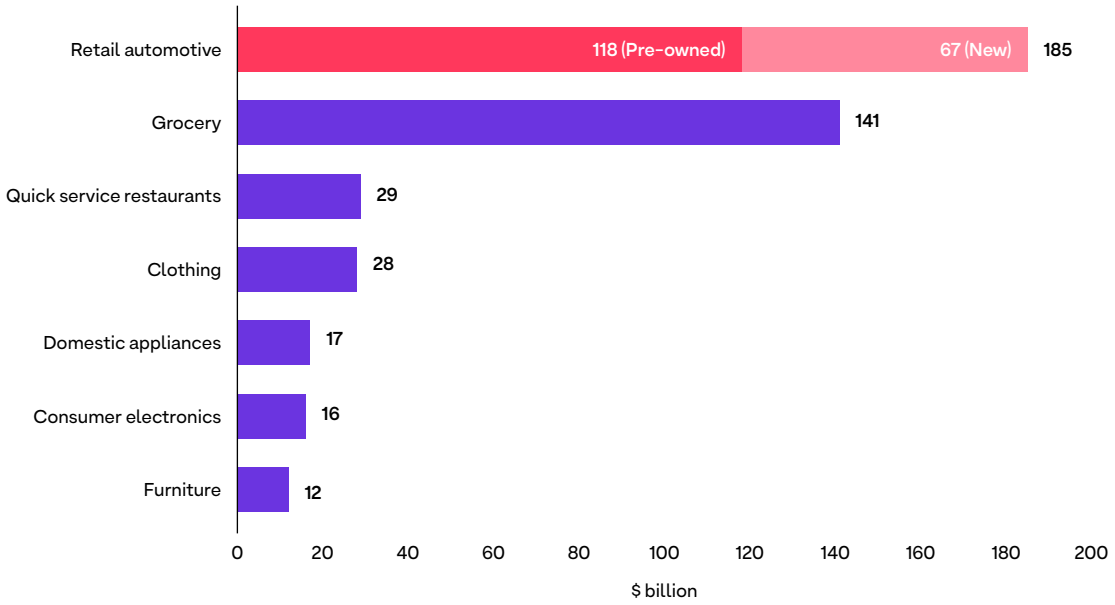
Figure 3: Australian Population by State and Territory[1]

	Population	Percent
New South Wales	8,545,000	31%
Victoria	7,011,000	26%
Queensland	5,619,000	21%
South Australia	1,892,000	7%
Australian Capital Territory	262,000	1%
Australian Eastern Mainland Population	**23,329,000**	**85%**
Western Australia	3,009,000	11%
Tasmania	576,000	2%
Northern Territory	482,000	2%
Total Australian Population	**27,396,000**	**100%**

Relative to other consumer retail expenditure categories, new and pre-owned automotive retail constitutes one of Australia's largest retail markets. As shown in the chart below, on 2024 estimates, this market is significantly larger than each of grocery, clothing, quick service restaurants, domestic appliances, consumer electronics and furniture markets.

Figure 4: Comparison of key consumer markets in Australia by market size ($ billion, 2024)[2]



1. Australian Government Centre for Population (as at December 2024).
2. Expert Market Report for grocery and quick service restaurants, Frost & Sullivan Market report (6 August 2025) for other categories.

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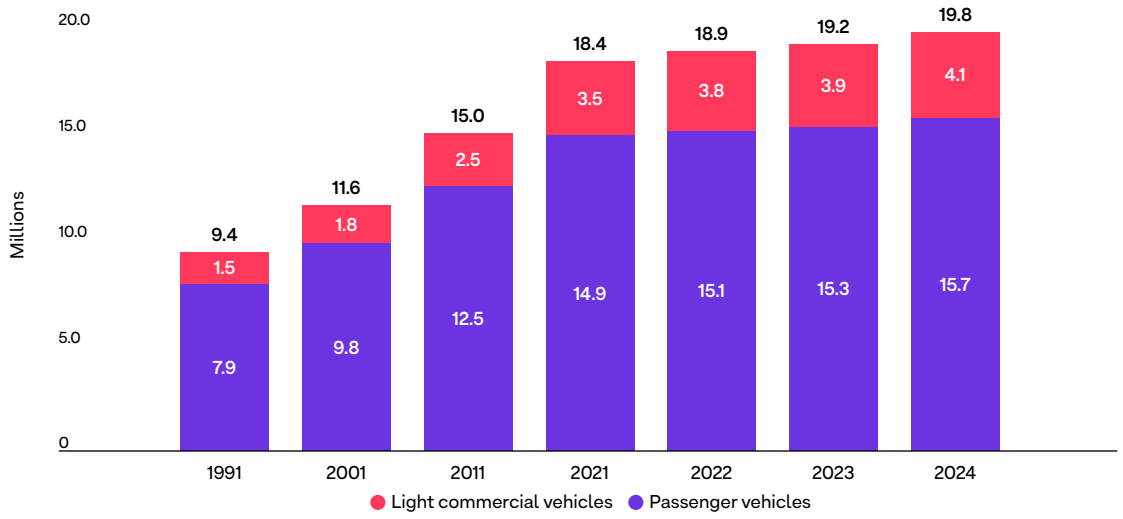
(b) Growing number of registered vehicles

The retail automotive market is underpinned by a large and growing base of registered vehicles. Between 1991 and 2024, registered passenger and light commercial vehicles increased from 9.4 million to 19.8 million. A growing number of vehicles supports ongoing transaction volumes in the used vehicle market as vehicles change hands over time.

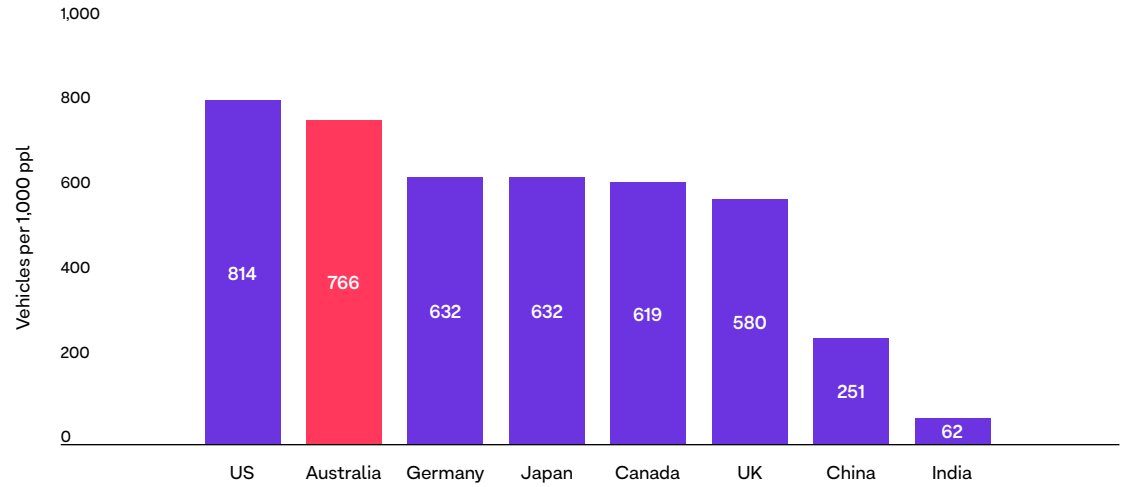
Figure 5: Registered passenger and light commercial vehicles in Australia (millions, 1991-2024)[1]



(c) Australia compared to international markets

The Australian market displays one of the highest rates of motor vehicles per capita with levels similar to the United States (**US**) and higher than other developed nations such as the United Kingdom (**UK**).

Figure 6: Motor vehicles per 1,000 people[2]



1. Frost & Sullivan Market Report, Australian Bureau of Statistics, BITRE, Motor Vehicle Census Data.
2. Management estimates. Sourced using the latest available data from governmental agencies. Data used in this analysis includes all motor vehicles excluding buses and motorcycles, except for China which is cars only.

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Australia is currently one of the most diverse automotive markets globally, with approximately 68 automotive brands[1] currently selling new cars in Australia versus around 40 in each of the US and the UK. As these vehicles enter the secondary market, the range of brands, models, ages and powertrains increases fragmentation and breadth of listings of used cars available for sale. As a consequence, the importance of consistent quality standards and transparent information to support decision-making in used car purchasing has become increasingly important.

The profitability of franchised dealerships in the US and Australia are broadly comparable. The Australian listed franchise dealerships were moderately more profitable than their US peers in 2024, with average Gross Profit margins of 17.6% vs 16.4% and average EBITDA margins of 5.7% vs 5.1%. Refer to Figure 7 below.

Franchised dealerships sell both new and used cars. CarMax is a specialist used car retailer. Carvana operates a full-stack digital platform and has significantly higher margins compared to the competition.

Figure 7: Profitability of US and Australian listed dealerships in 2024[2]



1. Frost & Sullivan Market Report (6 August 2025).
2. Company results, company announcements, public filings.

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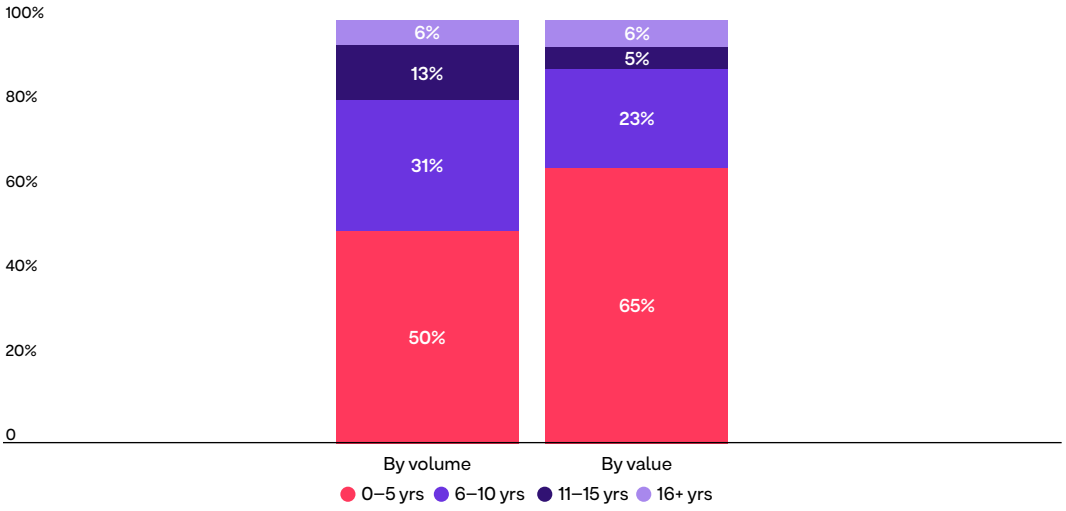
(d) Pre-owned transactions skew to newer vehicles

Pre-owned dealership vehicle transactions are skewed toward newer vehicles, which are of higher value. Approximately 90% of the dealers de-listing value is for vehicles less than 10 years old.

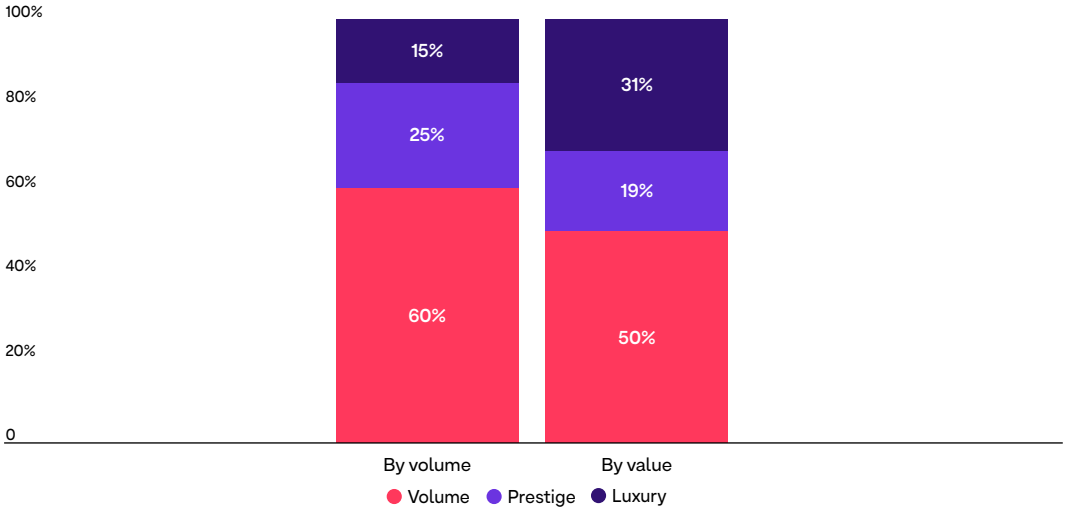
Figure 8: Dealership de-listings[1] by vehicle age (2024)[2]



(e) Pre-owned transactions skew to volume brands and lower prices

Pre-owned dealership vehicle transactions are skewed toward volume and prestige brands and lower price points.

Figure 9: Dealership de-listings[1] by vehicle segment (2024)[2]



1. Dealership vehicles removed from being listed for sale on Australian classified sites. Excludes vehicles with odometers less than 100km, and outlier de-list prices.
2. Management's analysis of market data on Australian classifieds listings.

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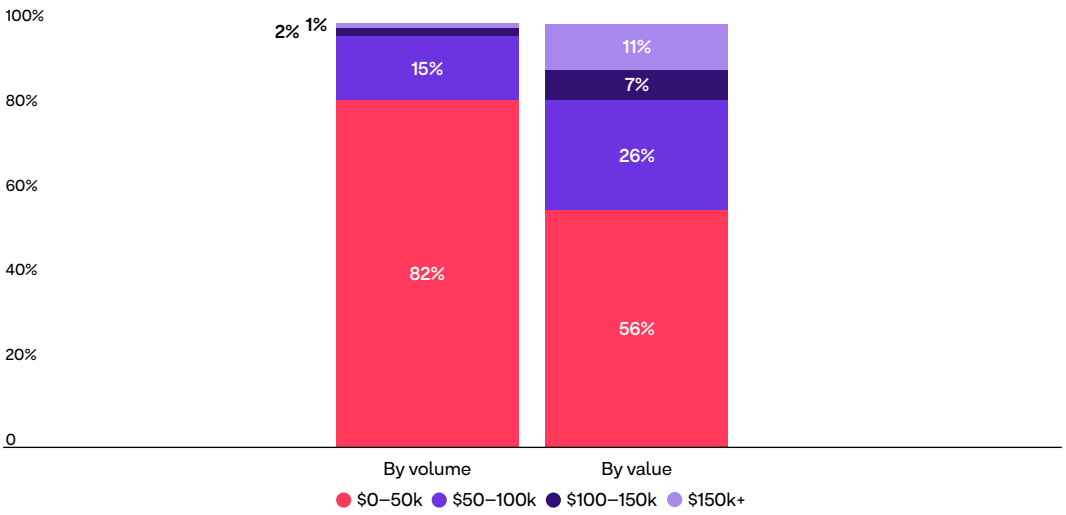
Figure 10: Dealership de-listings[1] by vehicle price bracket (2024)[2]

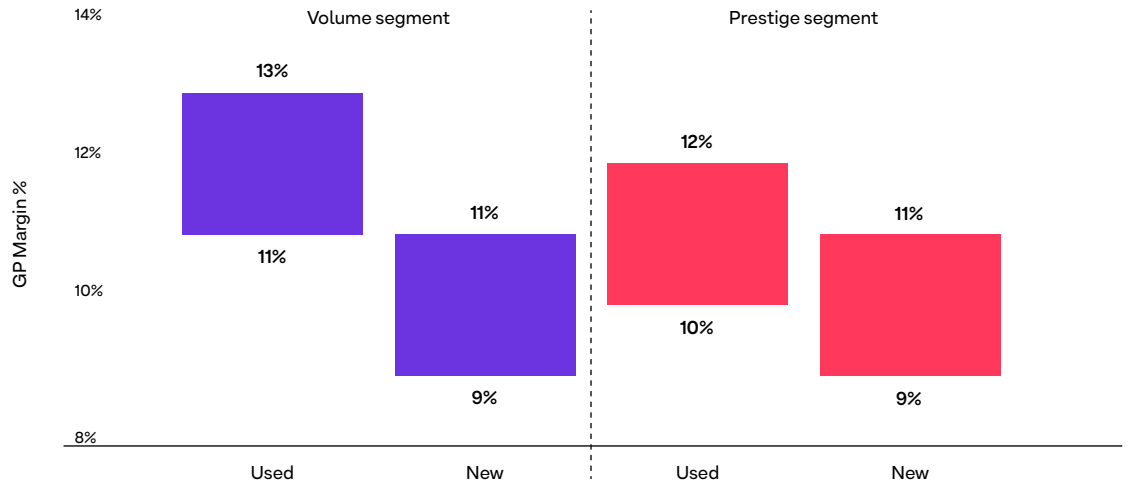


(f) The pre-owned retail automotive market has higher gross profit margins

As shown in Figure 11 below, used cars generate a higher gross margin compared to new cars, both in the volume (11-13% vs. 9-11%) and prestige (10-12% vs. 9-11%) segments.

Note that these gross margin benchmarks relate to vehicle sales only and exclude adjacent profit pools such as customer finance, extended warranties, insurance and servicing. As shown in Figure 7, the average Gross Profit margin of the Australian listed dealerships in 2024 was 17.6%.

Figure 11: Average dealership gross profit % sale of used vs. new for volume and prestige segments (2025, excludes profit from financing, servicing and other gross profit)[3]



1. Dealership vehicles removed from being listed for sale on Australian classified sites. Excludes vehicles with odometers less than 100km, and outlier de-list prices.
2. Management's analysis of market data on Australian classifieds listings.
3. 2025 Dealership Benchmarks – Deloitte.

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2.2 Recent events and trends

2.2.1 Macro-economic demand drivers

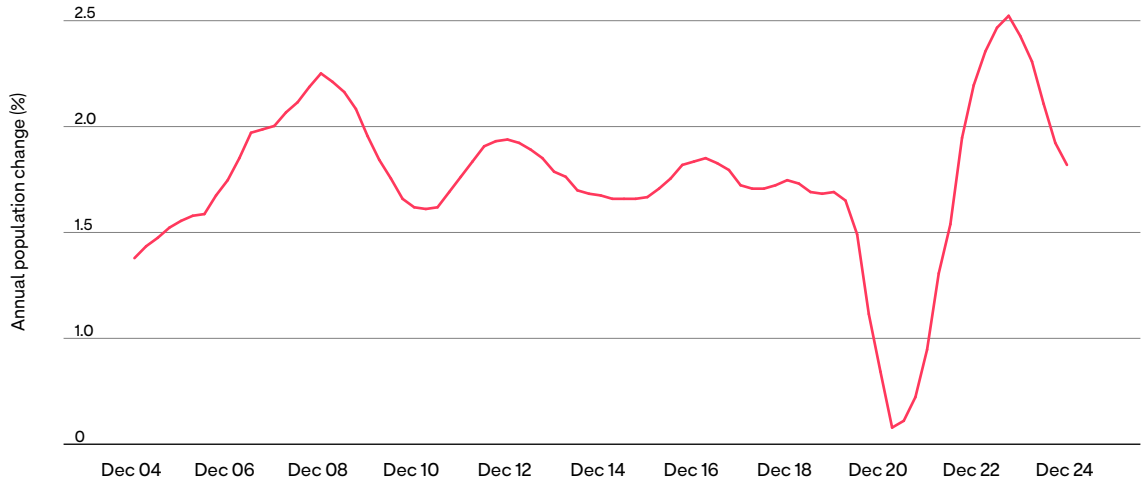
(a) Consumer confidence

Rising consumer confidence is expected to support ongoing demand, with the Westpac-Melbourne Institute Consumer Sentiment Index regarding consumer attitudes towards major purchases rising 7.5% to 100.2 in June 2025, the first outright positive result since March 2022.

(b) Population and household growth

Australia's population has increased to approximately 27 million and has been increasing on average by between one to two percent each year. ABS projections suggest that by 2034, Australia will have a population of 30.6 million and 12.1 million households. Population and household growth is a key driver of vehicle demand in Australia due to the high rates of vehicle ownership in the country.

Figure 12: Australian annual rate of population change[1]



1. Australian Bureau of Statistics.

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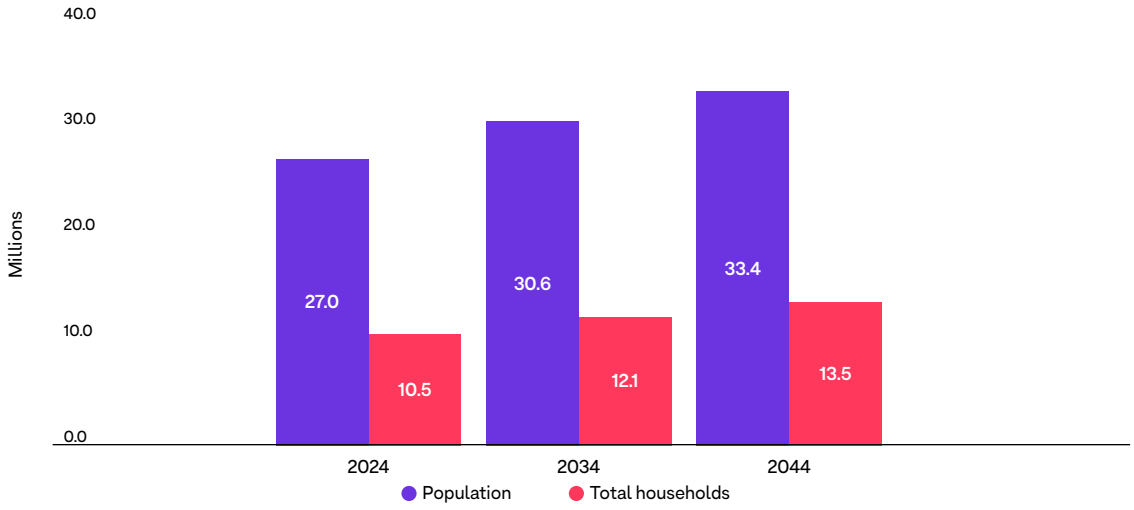
Figure 13: Australian population and household projections[1] (millions)



(c) Interest rates

Interest rates can have an impact on vehicle demand. Lower interest rates generally result in increased borrowing capacity for potential buyers and increase the affordability of cars. When interest rates increase, consumers generally experience a reduction in purchasing power and may choose to purchase more affordable cars or not to purchase a car at all.

Lower interest rates can also reduce operating costs for car dealerships, particularly borrowing costs, as they may be able to secure more favourable terms for their floorplan financing arrangements.

The cash rate target, as set by the Reserve Bank of Australia (RBA), has generally trended downwards over the last 35 years. Following the COVID-19 pandemic, cash rates were increased in an attempt to control inflation. Most recently, the RBA has reduced the cash rate target as inflation has moderated.

1. Australian Bureau of Statistics.

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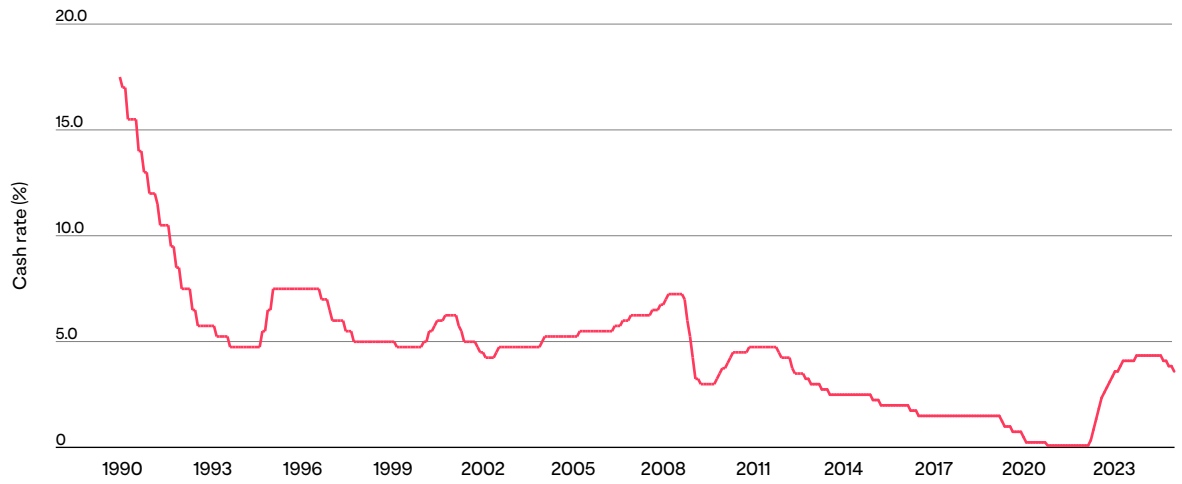
Figure 14: Australian cash rate historical profile[1]



2.2.2 EV penetration

The Australian market has experienced increases in the penetration of electric vehicles (**EV**) over the past five years. The category of electric vehicles include Battery Electric Vehicles (**BEV**), Plug-in Hybrid Electric Vehicles (**PHEV**) and Hybrid Electric Vehicles (**HEV**). In 2024, the share of EVs in new car sales increased to 25% from 8% in 2021. HEVs are the largest segment with 15% share, followed by BEV at 8% and PHEV at 2%.[2] Over time this increase in new EV cars will supply an increased number of used EV transactions.

More recently, demand for EVs has been softening. For BEV in particular, new car sales volumes increased by only 4.7% in 2024[2]. A large number of new entrants has also driven increased competition, leading to a reduction in prices and higher levels of depreciation for BEVs. Carma expects that the introduction of new EV models in the Light Commercial Vehicle categories may increase EV demand.

2.2.3 Chinese OEM entrants

The selection of vehicle brands available to Australian consumers is continuing to broaden through the entry of many new Chinese OEMs. These brands will drive increased competition for new vehicle sales, particularly in the EV market, with an extensive array of affordable and technologically advanced vehicles being offered to Australian consumers.

1. Reserve Bank of Australia.
2. Australian Automobile Association Electric Vehicle Index.

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2.2.4 New Vehicle Efficiency Standard

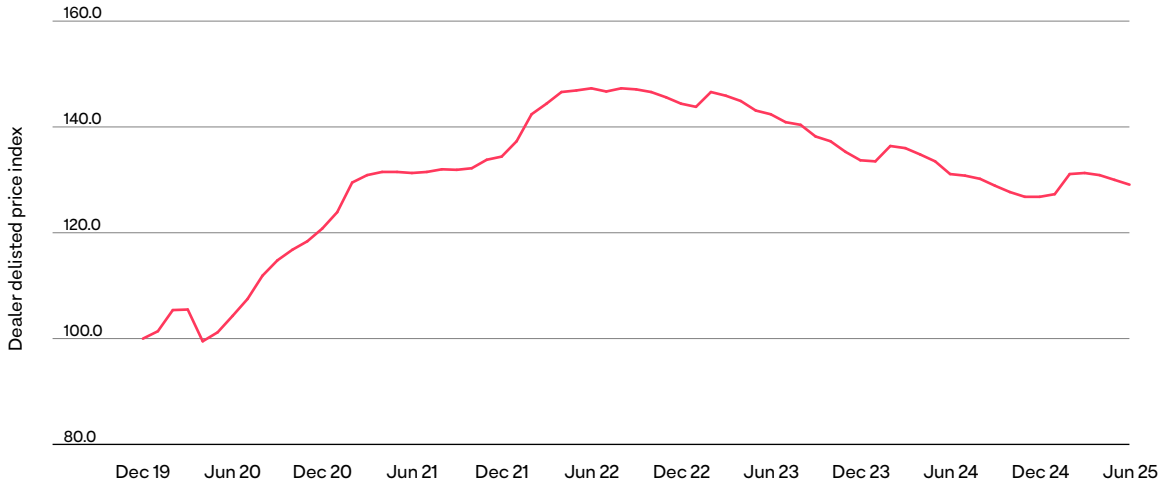
Australia's New Vehicle Efficiency Standard (**NVES**), introduced in 2025, is a government regulation designed to lower carbon emissions from new passenger and light-commercial vehicles. The standard sets an annual CO_2 emissions target for the average of all vehicles sold by a manufacturer. This encourages carmakers to import and sell a wider range of fuel-efficient, hybrid, and electric vehicles to the Australian market to offset their sales of higher-emission models, including utes and large SUVs.

The NVES does not directly regulate pre-owned cars and it may increase demand and prices for certain models – particularly popular pre-owned high-emission vehicles. Some buyers may be pushed to the pre-owned market to find more affordable options.

2.2.5 COVID impact on pre-owned car prices

The COVID pandemic caused major impacts across the entire global automotive industry, including Australia. Factory shutdowns during the pandemic triggered new car supply shortages which took years to unwind. The new car shortages (with wait times often up to two years) drove unprecedented demand for available pre-owned cars in the Australian market which resulted in large increases in pre-owned car prices. As new car supply came back online through 2022 to 2024, pre-owned car prices experienced a period of higher than usual depreciation. Pre-owned car prices have since normalised, although stabilised at higher than pre-pandemic levels reflecting the impact of inflation on new car prices.

Figure 15: Australian dealer delisted price index[1]



1. Cox Automotive Retail & Wholesale used vehicle market insights (July 2025).

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2.2.6 Full-stack digital platforms

2.2.6.1 What is a full-stack digital used car platform?

(a) Introduction

A full-stack digital used car platform operates a vertically integrated business model that owns and connects the key stages of the vehicle lifecycle in one technology stack, with centralised physical operations and a single, unified customer journey. The model is designed to deliver a simpler and more trusted experience for buyers and sellers while capturing value across the full automotive retail chain: sourcing, preparation, value-added products and sale.

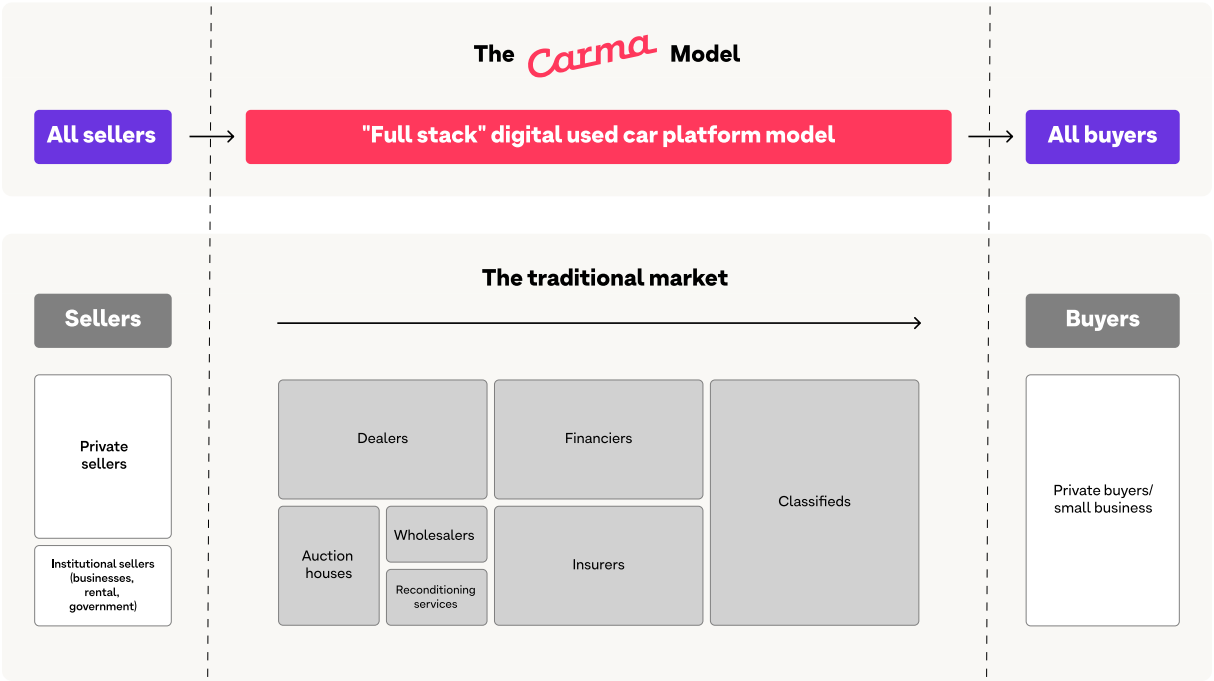
In practice, a full-stack digital used car platform:

- sources vehicles directly from consumers and other channels;
- inspects and reconditions vehicles in-house to a defined standard before listing;
- sells retail-quality vehicles through a digital marketplace with integrated finance, warranties and logistics for delivery or collection; and
- disposes of non-retail stock efficiently through a dealer-only wholesale auction channel.

How it differs:

- Unlike classifieds, which advertise listings without owning inventory or standardising quality, a full-stack platform controls the vehicle, the preparation process and the end-to-end transaction. Vehicles are typically listed on classified sites, with the advantage of additional customer traffic from direct sources.
- Unlike traditional dealerships that run fragmented, site-by-site processes, it centralises operations and systems to improve consistency, speed and unit economics at scale.

Figure 16: The full-stack digital used car platform model



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(b) Consumer preferences driving shift

Shifts in consumer expectations are reshaping how Australians buy and sell pre-owned cars. Surveys[1] show that 59% of experienced buyers[2] in Australia, and 65% of first-time buyers, consider only pre-owned cars, with quality and reliability cited as the most important purchase criteria. This creates a preference for platforms that can guarantee consistent standards and simplify what has historically been a fragmented and uncertain transaction.

Traditional models of purchasing cars often leave customers dissatisfied. Research[1] conducted on consumers buying from physical dealerships (both new and used) highlights that pressure to sign immediately (32%), long wait times (30%) and lack of product knowledge (28%) are among the most common complaints at dealerships. Private sales expose consumers to possible risks including odometer tampering, misleading representations or fraud, with more than 700 scam reports lodged with the ACCC in 2023.[1] These frictions drive demand for more trusted and streamlined alternatives when purchasing pre-owned vehicles.

At the same time, consumers are becoming more comfortable transacting digitally for the purchase of cars. A global survey[1] of 15,000 buyers across 20 countries, including Australia, found that 25% intended to purchase vehicles online in 2024, up from 18% in 2021, however, the penetration of end-to-end online vehicle purchase transactions remains relatively low in Australia compared to the US and Europe.[1]

Full-stack digital platforms are positioned to capture this shift by offering an integrated and convenient customer journey:

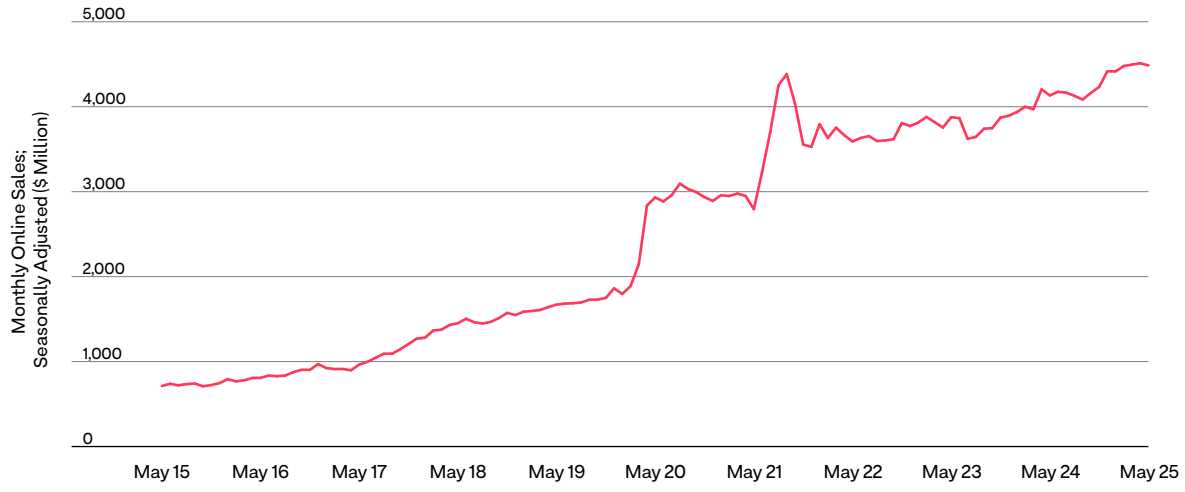
- vehicles that have been inspected and reconditioned to consistent standards;
- fixed pricing without negotiation;
- integrated finance and insurance;
- home delivery or collection; and
- customer-centric return policies.

These shifts in buyer expectations explain why the full-stack model is emerging as a preferred solution, addressing long-standing pain points in the traditional market while capturing the opportunities created by accelerating digital adoption.

(c) Online penetration of automotive retail

Australia has an advanced online shopping culture, with strong growth of online retail sales over time and more than 14% of total retail sales now online.

Figure 17: Growth of online retail sales in Australia, 2015–2025[3] ($ million)



1. Frost & Sullivan Market Report (6 August 2025).
2. Buyers who have purchased at least one vehicle before.
3. Australian Bureau of Statistics, Retail Trade, Australia May 2025.

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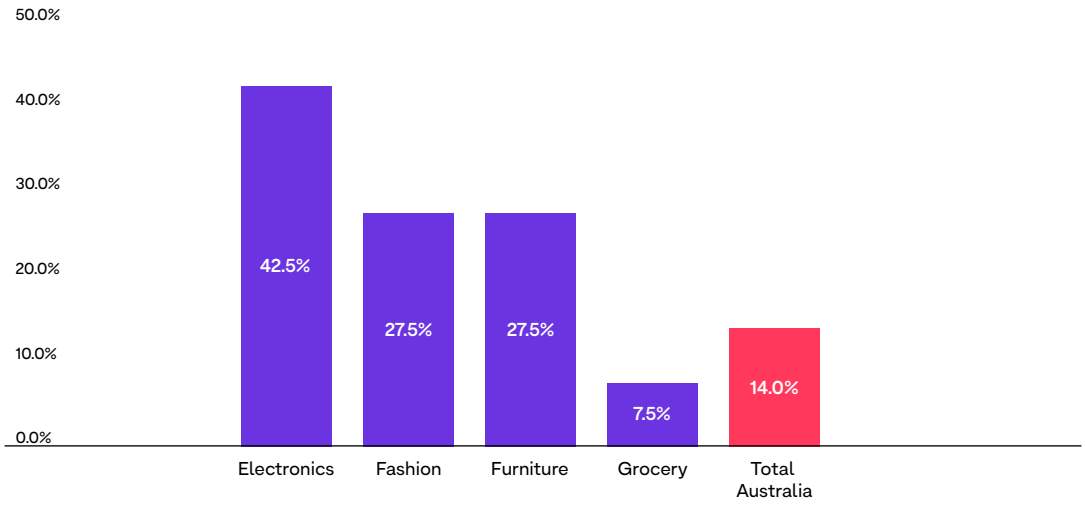
Online penetration in certain categories is far higher, including electronics (42%+), fashion (27%+), and furniture (27%+). Automotive retail online purchases are relatively low. While most buyers begin their search online, end-to-end car purchase digital transactions are relatively low. This is despite the pre-owned car market being worth more than $118 billion annually, larger than many retail categories that already have a substantial online presence.

The relatively lower online penetration of Australian retail car sales provides an opportunity for growth.

Figure 18: Australian online share of total retail sales, by category[1]



2.2.6.2 International experience

The adoption of full-stack digital platforms in used car retailing is well advanced in multiple overseas markets. Businesses such as Carvana in the United States, AUTO1 Group in Europe and Constellation Automotive Group in the United Kingdom have demonstrated that vertically integrated, online-led models can scale rapidly and capture significant market share.

In the US, Carvana sold more than 415,000 retail vehicles in 2024[2], and has become the second largest[3] used-car retailer in the US within a decade of launch. Carvana's full-stack model has translated into superior economics: Carvana's gross profit per unit and EBITDA margin is approximately double that of US traditional franchise dealers. Carvana's gross margin is approximately double that of used car specialist CarMax and its EBITDA margin is approximately three times that of CarMax. This makes Carvana the most profitable listed automotive retailer in US history,[4] reflecting scale efficiencies in sourcing, centralised reconditioning and digital distribution.

AUTO1 Group, founded in 2012, has grown to become Europe's largest digital vehicle platform, selling 690,000 total vehicles in 2024[5]. AUTO1 Group started with its merchant business, by buying cars from consumers and selling via digital auctions, scaling its Autohero consumer marketplace since 2021.

1. CBRE for total Australia (2025), ECDB for other categories (2024).
2. Carvana Shareholder letter (Q4 2024).
3. Carvana and CarMax public results filings.
4. Measured by Adjusted EBITDA. Carvana 4Q2024 results filing.
5. Company filings.

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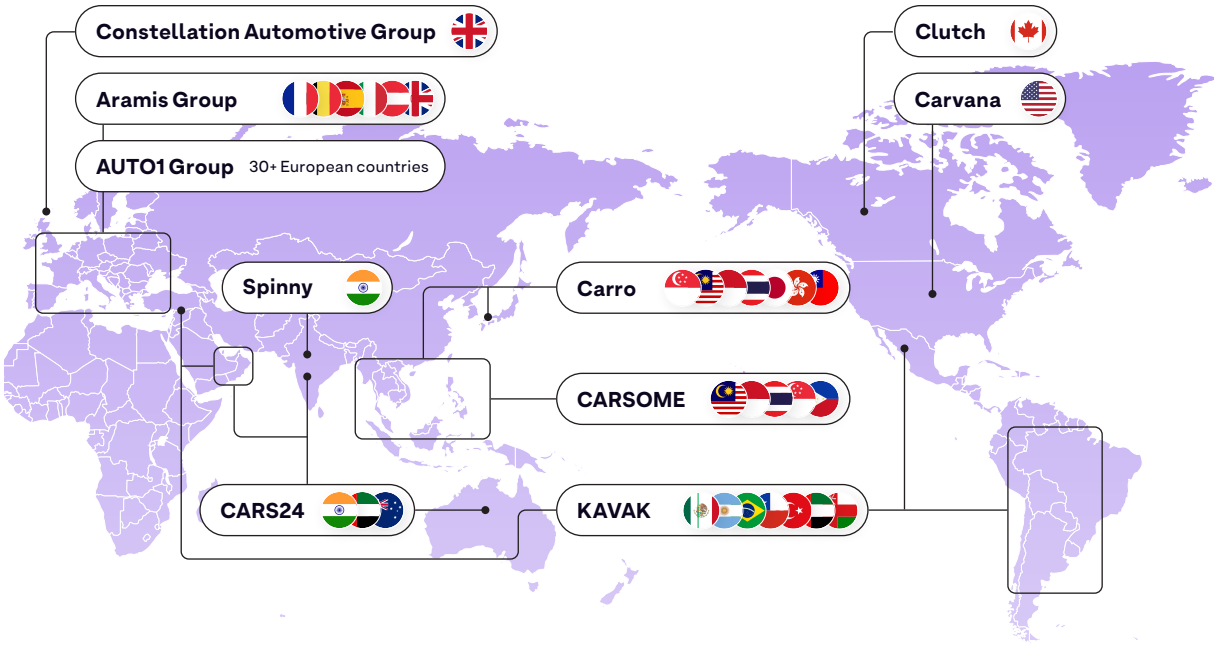
In the UK, Constellation Automotive Group added the consumer marketplace Cinch to its established We Buy Any Car and BCA (British Car Auctions) businesses. Cinch has shown how consumer adoption can accelerate quickly once supported by strong brand awareness and operational capability.

These international precedents highlight two key points. First, once consumers experience a trusted, digital alternative, adoption can shift quickly even in markets historically dominated by physical dealerships. Second, the structural advantages of the full-stack online model — lower operating costs, faster inventory turnover and the ability to serve customers nationally — underpin superior unit economics that are possible at scale.

Australia remains in the early stages of this transition. With a highly fragmented dealer base and limited penetration of end-to-end online transactions, the Australian market exhibits many of the same conditions that allowed international players to scale. This positions Carma to replicate aspects of these proven models while tailoring them to Australian consumer preferences and regulatory settings.

Figure 19: Global precedents inform the Carma model[1]



1. Company results, company announcements, public filings. KAVAK revenue estimate from PM Insights.

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Company	Brands	Founded	Countries	Revenue FY24	EBITDA FY24
Carvana Public (NYSE: CVNA)	Carvana ADESA	2012	USA	USD 13.7 bn	USD 1.4 bn
Clutch Private	Clutch	2016	Canada	CAD 320 m	N/A (Profitable)
KAVAK Private	KAVAK	2016	Mexico Argentina Brazil Chile Turkey UAE Oman	USD 750 m (estimate)	N/A
Constellation Automotive Group Private	Cinch We Buy Any Car BCA Marshall Motor Group	BCA (1946) We Buy Any Car (2006) Cinch (2019)	UK	GBP 9.3 bn	GBP 328 m
Aramis Group Public (EPA: ARAMI)	Aramisauto Cardoen Clicars brumbrum Onlinecars CarSupermaket.com	2001	France Belgium Spain Italy Austria UK	EUR 2.2 bn	EUR 50 m
AUTO1 Group Public (ETR:AG1)	AUTO1 Autohero wirkaufendeinauto.de	2012	30+ European countries	EUR 6.3 bn	EUR 109 m
Spinny Private	Spinny	2015	India	₹3,725 crore	-₹424 crore
CARS24 Private	CARS24	2015	India UAE Australia	₹6,917 crore	-₹319 crore
CARSOME Private	CARSOME	2015	Malaysia Indonesia Thailand Singapore Philippines	N/A	USD 10.5 m
Carro Private	Carro	2015	Singapore Malaysia Indonesia Thailand Japan Hong Kong Taiwan	USD 781 m	USD 32 m

2. Industry Overview

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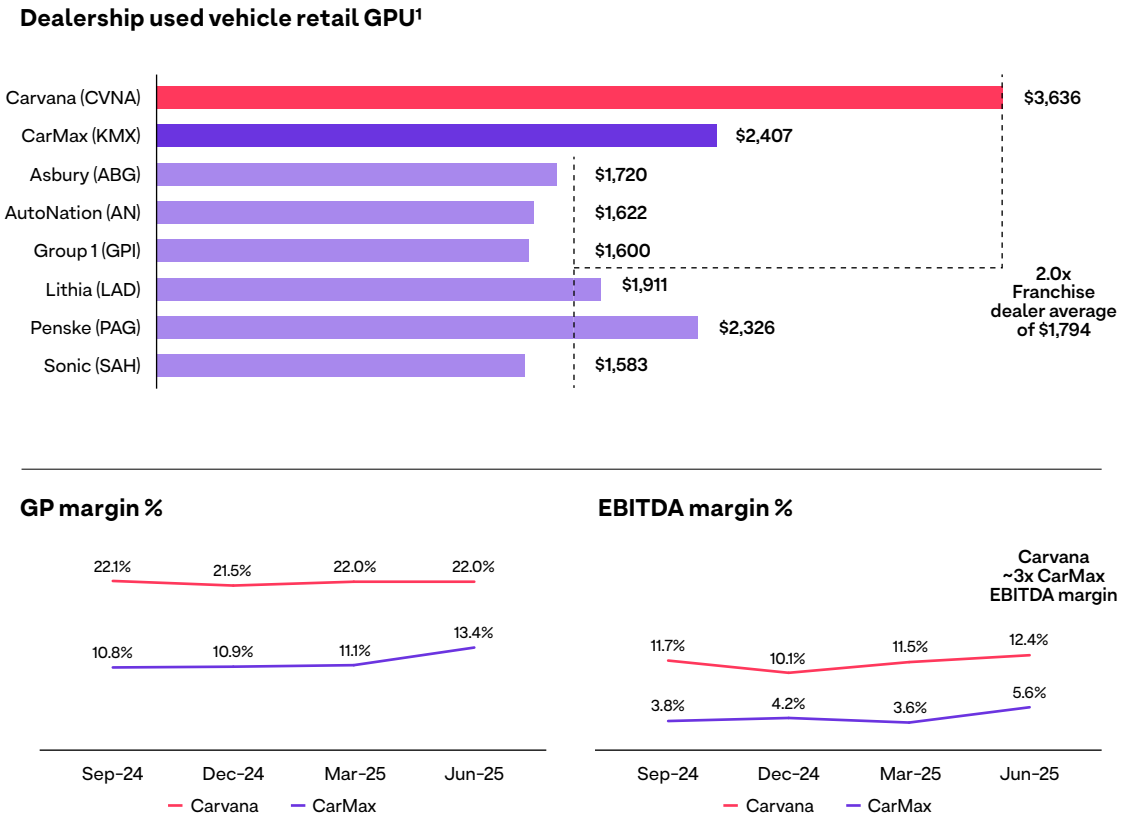
Figure 20: Global precedents demonstrate upside for pure-play online model[1]



2.2.6.3 Advantages of model

Full-stack digital platforms bring structural advantages over both traditional dealerships and online classifieds. By owning and integrating every stage of the transaction – from sourcing to reconditioning to sale – they can deliver greater efficiency, consistency and customer trust.

For **customers**, there are multiple benefits. Vehicles are quality-assured through standardised in-house reconditioning, presented with transparent pricing, and supported by broader inventory selection, integrated finance, extended coverage and return options. Buyers avoid the stress of negotiations and site-by-site visits, while sellers gain a fast, certain and competitive disposal option through services such as Sell-to Carma. These features address key pain points that have historically undermined confidence in the pre-owned car market.

For **operators**, the model improves unit economics and scalability. Centralised operations reduce cost per vehicle and support faster inventory turnover. Digital distribution extends reach far beyond the catchment of physical dealerships, enabling national scale without the burden of a showroom network. By owning inventory, platforms can monetise across retail and wholesale channels, optimise margins, and attach value-added products such as finance and extended coverage at scale.

1. Company results, company announcements, public filings. GPU data CarMax is Q1 ended 31 May 2025, others Q2 2025 ended 30 June 2025. GP margin % and EBITDA margin % - CarMax Quarters end 1 month before Carvana and the others listed.

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Many of these advantages are already evident in Carma's business model and the company expects to further benefit from these factors with scale. Vehicles on the Carma platform sell materially faster than the market average[1], supported by high Net Promoter Scores and being the exclusive preferred used car dealership of the NRMA.

International experience and features of the Australian automotive market suggest that full-stack platforms that execute well, are in a good position to capture market share quickly from fragmented dealer networks, and can expect to build brand trust that compounds over time.

2.2.6.4 Barriers to entry

A full-stack digital platform that is operating at scale in a country or in a regional market creates a number of significant barriers to entry that make the business model difficult to replicate for both current market participants and new entrants.

(a) Inventory

Full-stack digital platforms generally carry and turn inventory faster than traditional car dealerships[1]. This requires a robust and scalable sourcing operation to satisfy the ongoing demand for high quality vehicles for the digital retail marketplace. A strong sourcing business needs to be a destination (physical and digital) for consumers to sell their vehicles and be able to make competitive offers on all major vehicle types. In contrast most car dealerships need to be selective with their buying as they are constrained by physical space to display cars and available capital for purchases. Full-stack digital platforms are typically able to make offers on more vehicles as they operate scaled retail and wholesale businesses providing flexibility and positioning them well to sell any vehicle.

(b) Reconditioning

Full-stack digital car platforms make vehicle reconditioning a central part of their operations in order to add value to each vehicle they sell and better position the vehicles visually and mechanically for sale leading full-stack digital car platforms including Carvana design their reconditioning processes with a line design based on lean manufacturing principles. This is a fundamental shift from how car dealers have historically operated for sale of used cars. Car dealerships typically operate their workshops to support their service department and do not have well-defined processes in place for vehicle reconditioning, generally outsourcing much of the work.

(c) Property

The operational property footprint to support a full-stack digital platform is typically large in order to store inventory and house reconditioning operations. The property design is more akin to a manufacturing line in a warehouse which requires specialised knowledge to develop and is a departure from building retail showrooms with an attached service department. Unlike traditional dealerships, there are no retail showrooms. Inspection centres to access the pool of consumers selling their cars are typically low cost and leased.

(d) Logistics

Operating a full-stack digital platform at scale requires complex and efficient logistics and the transport of high volumes of vehicles. The platforms need to be able to move all vehicles they source from the point of purchase to one of their reconditioning centres. If cars are sold to a different geography to which the car is stored, they need to be transported in bulk via multi-car haulers quickly and at low cost. National last-mile logistics are required to facilitate home delivery to the customer.

1. AutoGrab x AADA Automotive Insights Report (Mid 2025).

2. Industry Overview

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(e) Regulation

Motor dealers and repairers are industries regulated under state legislation and require all operators to obtain dealer and repairer licences. In NSW, the act and regulations governing motor dealers have recently been updated to incorporate the practice of online selling of vehicles (refer to Section 5.2.3(d)). These regulations have requirements that may make it difficult for new players to enter the market or existing players to pivot to online operations.

(f) Technology

The customer experience and operations of a full-stack digital platform is a transformation and re-invention of the pre-owned car buying, selling and reconditioning processes. As a result, software that has traditionally serviced dealerships (known as Dealer Management Systems) are not fit for purpose to operate a full-stack digital platform.

Full-stack digital platforms are advantaged by having the ability to collect and analyse market demand and pricing data at scale to optimise their operations. Examples include in-house AI pricing models which enables optimisation of buying and selling prices or granular reconditioning cost management to accurately estimate and capture reconditioning costs to optimise margin.

(g) Brand

Traditional dealerships do not tend to have a market brand and rely on local catchment advertising to drive foot traffic to the dealerships or onto their websites. In Australia, carsales operates as a "blind" marketplace (hiding the name of the dealership), making it even more challenging for dealerships to build a brand without scale. Full-stack digital platforms are able to create and operate under a brand and become a trusted "go-to" destination for both buyers and sellers of pre-owned vehicles. Having a large selection of inventory and the ability to service much larger geographies (nationally at scale) allows for effective demand generation by building a brand through direct marketing channels.

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Section 3

Company Overview



3. Company Overview

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3.1 Introduction

3.1.1 Overview

Carma is a technology-led, full-stack digital platform for buying and selling used cars in Australia, addressing a large and fragmented market.

Carma integrates sourcing, inspection, reconditioning, pricing, online retail, wholesale auctions, financing and delivery to provide a simpler and more trusted experience for buyers and sellers.

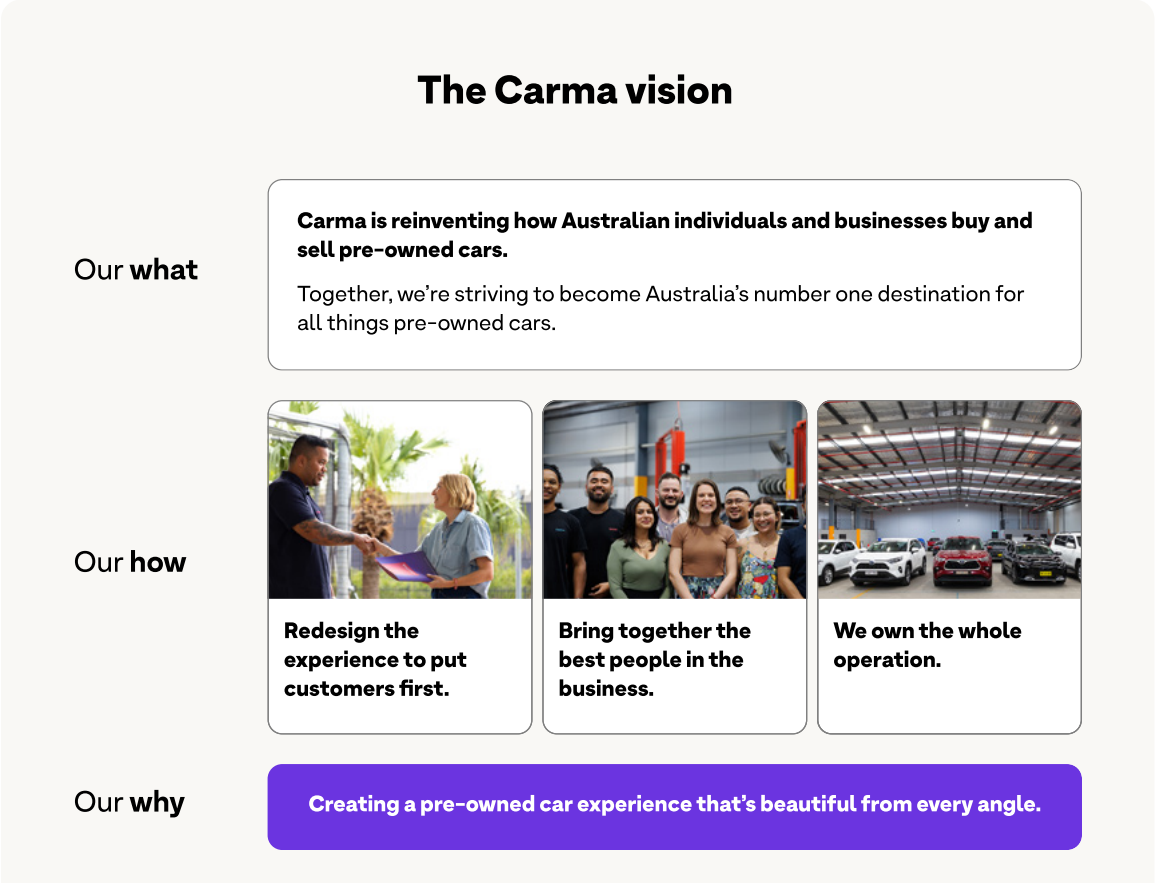
Carma's positive customer impact is evidenced by a Net Promoter Score[1] (NPS) of +85, more than 1,000 five-star customer reviews[2] and a range of industry awards. It is the NRMA's exclusive preferred used car dealership,[3] with the NRMA verifying Carma's inspection and reconditioning standards.

3.1.2 Carma's vision and mission

Carma's vision is to create a pre-owned car experience that is beautiful from every angle. Carma has reimagined the entire buying and selling experience from the ground up to provide consumers with a trusted 'go-to' brand for pre-owned cars. Carma has set out to achieve its vision by redesigning the experience to put customers first, powered by its highly skilled team and ownership of the end-to-end operations.

Carma's mission is to make buying and selling pre-owned cars simple and transparent, by combining rigorous quality assurance with a fully digital, integrated platform, to transform an industry that has traditionally been seen as unfavourable for consumers.

Figure 21: Carma's vision and mission



1. Carma NPS survey, all time to June 2025.
2. 1,002 total five star reviews on Google (668 five star reviews out of 743 total) and ProductReview.com.au (334 five star reviews out of 359 total) platforms as at 11 September 2025.
3. Since May 2025.

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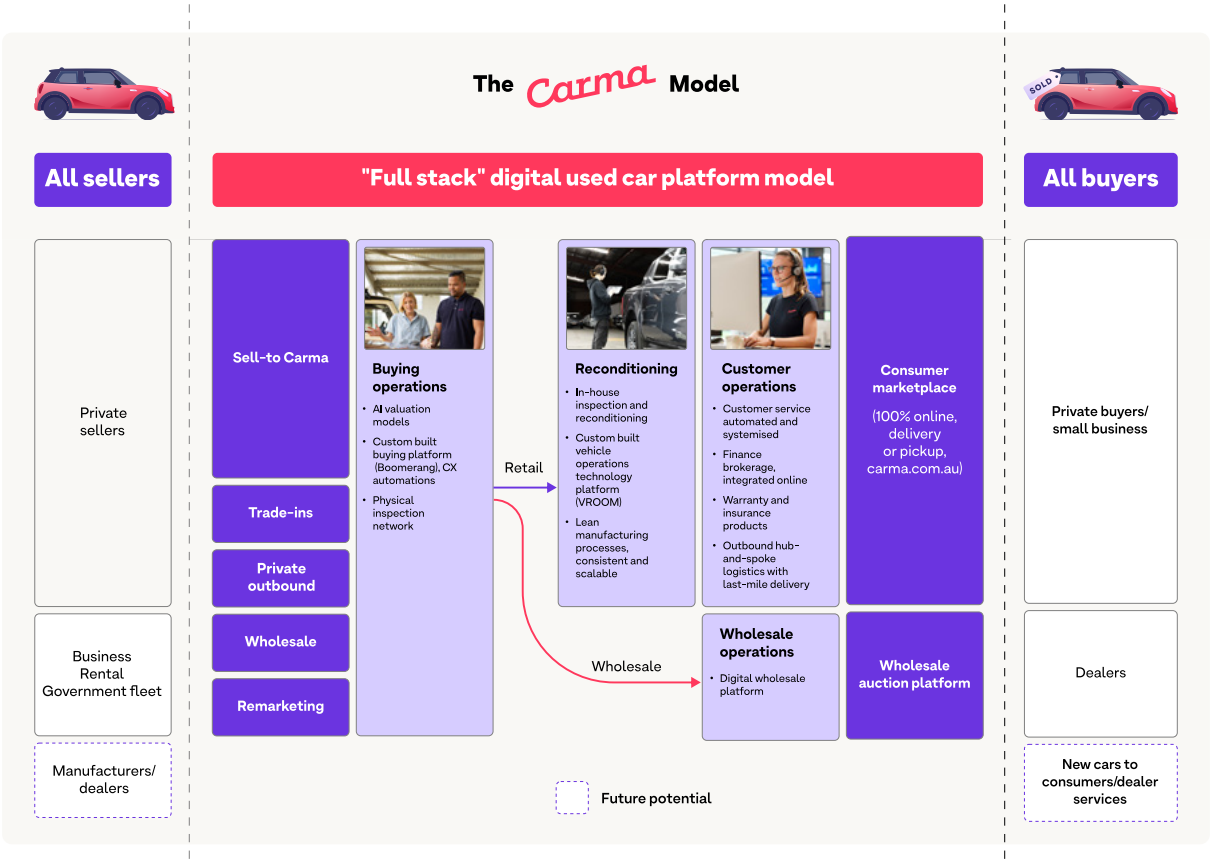
3.1.3 Carma's full-stack digital platform model

Carma services any seller and any buyer through a vertically integrated, full-stack model. This model is designed to provide a better experience, with a more efficient process, and enable Carma to capture value across the vehicle lifecycle. Key components are:

- **Sourcing** via direct-from-consumer purchases (mainly through Sell-to Carma), trade-ins, and selective wholesale or remarketing channels. Sourcing is powered by Carma's proprietary Boomerang system for AI-driven pricing and workflow management (see Section 3.2.2(b))
- **In-house** reconditioning to bring vehicles to a high and consistent quality, enabled by lean manufacturing principles and managed via Carma's proprietary VROOM vehicle operations system (see Section 3.2.3(b))
- **Digital retail and services** including fixed, data-driven dynamic pricing, finance brokerage integrated online, warranty and insurance referral options, and logistics for delivery or collection (see Section 3.2.4(a))
- **Wholesale auctions** to efficiently monetise vehicles that do not meet Carma's own retail standards (see Section 3.2.4(b))

This integrated approach creates a consistent customer experience while enabling favourable unit economics by leveraging centralised operations, faster inventory turnover, and higher attach rates for value-added products as the platform scales.

Figure 22: Full-stack digital platform model



3. Company Overview

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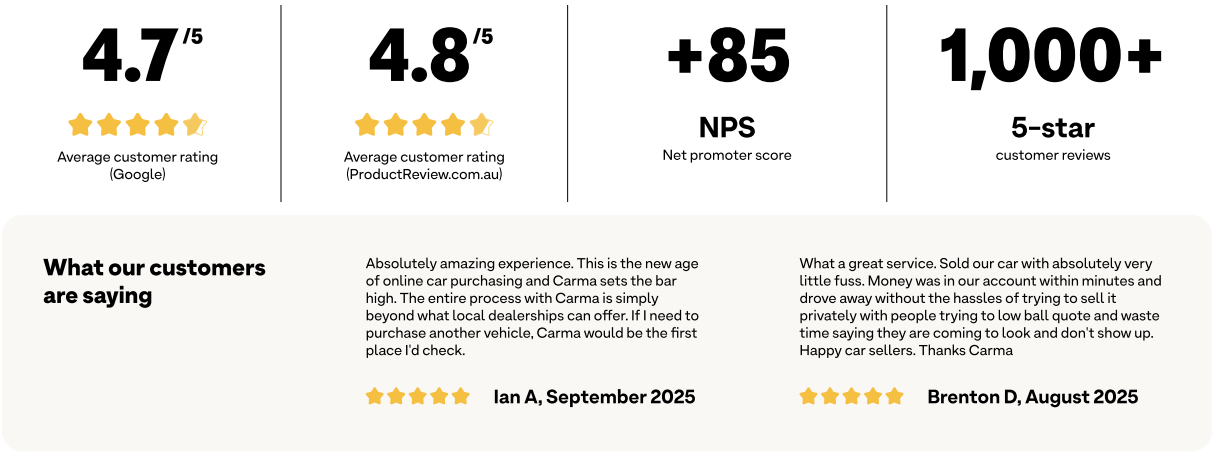
3.1.4 A focus on positive customer experience, built on proprietary technology

(a) Customer experience recognition

Customer advocacy reflects the combination of online convenience and controlled quality. Carma's NPS[1] of +85 places Carma in the upper echelons of customer service companies. This is supported by more than 1,000 five-star reviews[2], and the Company is the NRMA's exclusive preferred used car dealership. These proof points anchor trust in an online transaction where assurance is valued by the consumer.

Figure 23: Customer reviews[3]



In 2024 Carma won the "Top User Experience" award at the Power Retail Awards, was a finalist for "Customer Experience" at the Australian Retail Innovator Awards and was recognised as a "Customer Champion B2C: Challenger" at the AFR Customer Champions Awards. In 2025, Carma won the "Customer Service Excellence" and "Best End To End Customer Experience" awards at the Online Retail Industry Awards (ORIAs).

(b) Technology innovation and recognition

Carma has developed several important, proprietary systems that unify the customer's experience and deliver a superior outcome versus a traditional transaction. Carma's Boomerang system applies AI and real-time data to generate valuations and manage sourcing workflows, while VROOM digitises vehicle reconditioning and outbound order management with defined steps, time standards and live cost monitoring. A middleware layer ties customer and vehicle data together, supporting live reporting and a single customer view.

In 2023 Carma won the AFR BOSS "Most Innovative Companies" award in the Retail, Hospitality, Tourism & Entertainment category as well as the "Best Pureplay Technology Champion" award at the Online Retail Industry Awards (ORIAs). In 2024, Carma won the "Innovator" award for the Smart50 Awards and was a finalist for "Digital Innovator" at the Australian Retail Innovator Awards.

1. Carma NPS survey, all time to June 2025.
2. 1,002 total five star reviews on Google (668 five star reviews out of 743 total) and ProductReview.com.au (334 five star reviews out of 359 total) platforms as at 11 September 2025.
3. Carma NPS survey, all time to June 2025. Google and Product Review ratings as at 11 September 2025.

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3.1.5 History

Founded in Sydney in 2021, Carma has moved quickly from establishing foundations to scale: reconditioning operations went live in October 2021, the first car was sold in November 2021, and the website launched in January 2022. By February 2025, the Company had sold more than 5,000 cars, and in May 2025, it entered into a partnership with the NRMA, becoming its exclusive preferred used car dealership. By June 2025, Carma had opened three Sell-to Carma Centres (**STCs**), and in August 2025, Carma significantly expanded its vehicle Inspection and Reconditioning Centre (**IRC**) capacity by moving to the St Peters IRC.

Over this period, Carma built a founder-led team, developed its technology stack, insourced reconditioning, and established internal customer finance and last-mile delivery, positioning the platform for further scale.

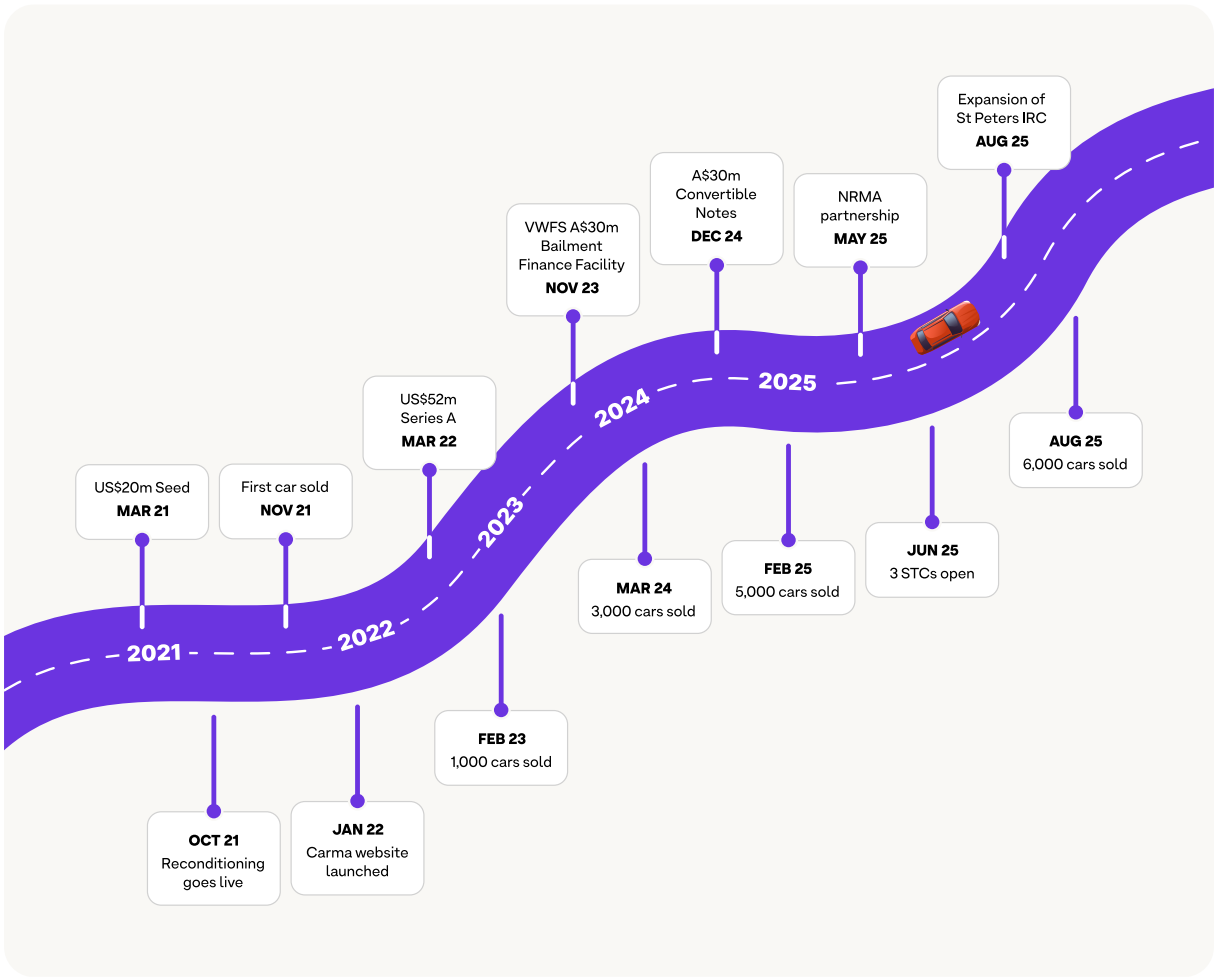
Carma has the foundations for scale. Its growth plan focuses on:

- rapidly expanding Sell-to Carma;
- leveraging capacity in the new reconditioning facility;
- growing inventory, funded by the existing Bailment Finance Facility; and
- extending products and geography.

These levers are explained in more detail in Section 3.4.

Together, these initiatives are expected to drive accelerated growth, stronger unit economics and the opportunity to establish Carma as Australia's leading used car destination.

Figure 24: Key milestones in Carma's history



3. Company Overview

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3.2 Carma's business model and operations

3.2.1 Customer proposition

(a) Customer problems

Millions of used vehicles change hands in Australia each year, yet the process remains fragmented, inconsistent and, for many participants, unsatisfactory. Transactions occur through a mix of private sales, dealer networks and auctions, with limited transparency and little standardisation in quality or pricing.

For buyers, the experience is often characterised by uncertainty and risk. Assessing the true condition of a vehicle can be difficult without specialist expertise, increasing the risk of purchasing a vehicle with hidden mechanical or structural issues ("a lemon"). The process is time-consuming, involving multiple inspections, negotiations, financing arrangements and logistical steps. Pricing can be inconsistent, and many customers fear overpaying due to limited visibility of the fair market value.

For sellers, the challenges are equally significant. Selling to professional buyers, such as dealers, often results in materially lower prices than could be achieved in the open market. Private sales can deliver higher prices but expose sellers to safety and security concerns, fraud risk and the administrative burden of advertising, responding to enquiries, meeting with potential buyers, and negotiating. The process can be protracted, with no certainty of a completed sale.

In both cases, the absence of a trusted, transparent, and efficient process makes buying or selling a used car a complex, stressful, and often costly undertaking. These systemic inefficiencies create a clear opportunity for a technology-enabled, vertically integrated platform to deliver a better experience for both buyers and sellers.

(b) Carma's customer value proposition

Carma addresses the structural challenges of the used car market through a fully integrated, technology-enabled platform that seeks to make buying and selling used vehicles easy, transparent, and reliable. It covers every stage of the transaction from sourcing and inspection through to reconditioning, pricing, financing and delivery. This allows Carma to deliver a consistent, high-quality experience that builds trust and reduces friction for customers.

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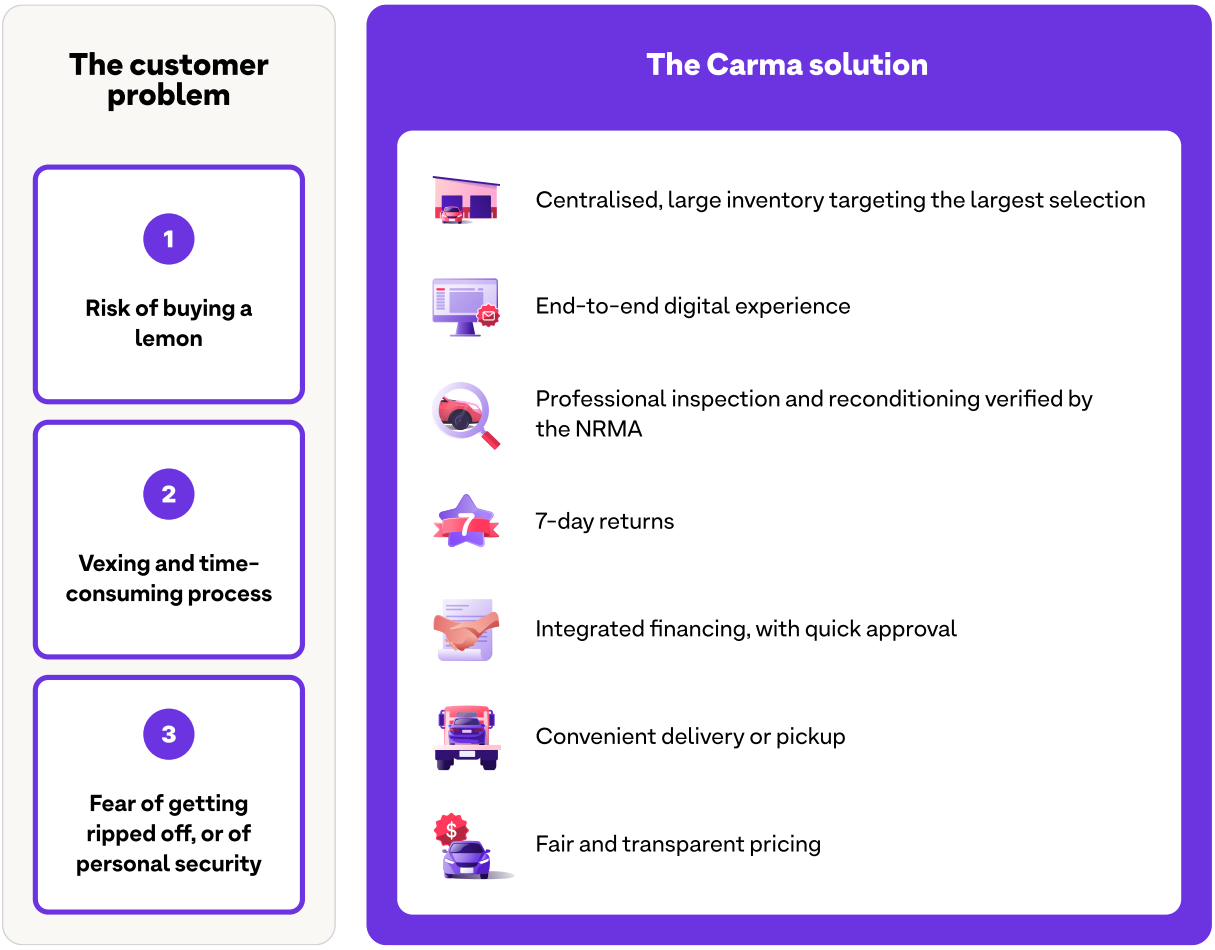
Figure 25: The customer problem and Carma's customer value proposition



For buyers, Carma offers a curated inventory of quality vehicles, each subjected to a rigorous inspection and reconditioning process that is verified by the NRMA. Vehicles are presented with detailed features, 360-degree imagery, photos of any imperfections, and transparent fixed pricing. This removes the need for negotiation and reduces price uncertainty. Customers can complete the entire purchase process online, including finance approvals, and choose between delivery or collection. Every purchase is backed by a seven-day "drive and decide" return policy.

For sellers, Carma's Sell-to Carma service provides a fast, certain and competitive way to sell a vehicle without the risks or delays of private sales (see Section 3.2.2 for more detail). Valuations are generated using proprietary machine-learning pricing models. Inspections are conducted either at the customer's home or at a Sell-to Carma Centre, and payment is made immediately once the process is complete. This provides a secure, hassle-free transaction that prioritises speed and convenience without sacrificing value.

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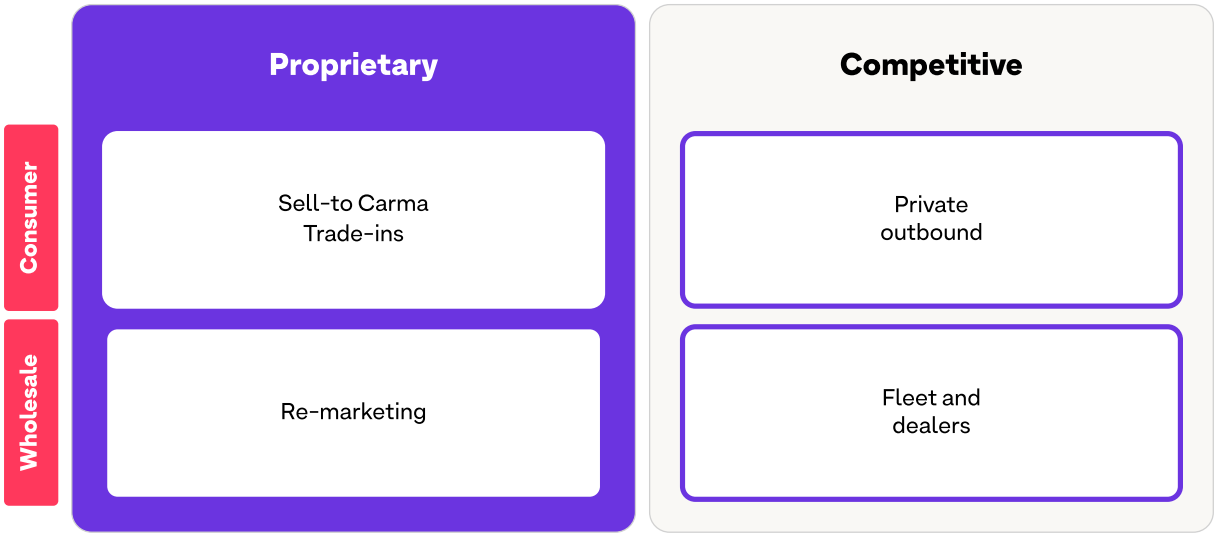
3.2.2 How Carma sources vehicles

(a) Carma's sources

Carma acquires used vehicles through a diversified mix of proprietary and competitive sourcing channels, ensuring breadth of selection, quality control, and attractive acquisition margins.

Figure 26: Sourcing channels



Proprietary channels:

- **Sell-to Carma:** Direct purchases from consumers is Carma's largest source of inventory and delivers the highest margin compared to other channels. Sellers enter the details of their vehicle online, and receive a valuation generated by Carma's proprietary Boomerang platform powered by AI-driven pricing models.
- **Trade-ins:** Vehicles are traded-in by Carma's retail customers. Trade-ins also leverage the Boomerang platform and AI pricing models. While some trade-ins are reconditioned for retail sale, many are sold rapidly through Carma's wholesale auction platform.
- **Remarketing:** Carma provides remarketing disposal services that would be suitable for finance providers, fleet operators and leasing companies, leveraging its auction platform and dealer network to maximise sale prices and speed to market.

Competitive channels:

- **Private outbound sourcing:** Carma undertakes targeted acquisition of vehicles from private sellers via third-party classified platforms, supporting its inventory mix requirements.
- **Wholesale channels:** Carma selectively purchases from fleets and dealers to supplement proprietary sourcing and maintain balanced inventory coverage across vehicle makes, models, price points and condition grades.

Historically these competitive channels were responsible for a larger share of Carma's inventory, but have decreased in importance as Sell-to Carma has scaled.

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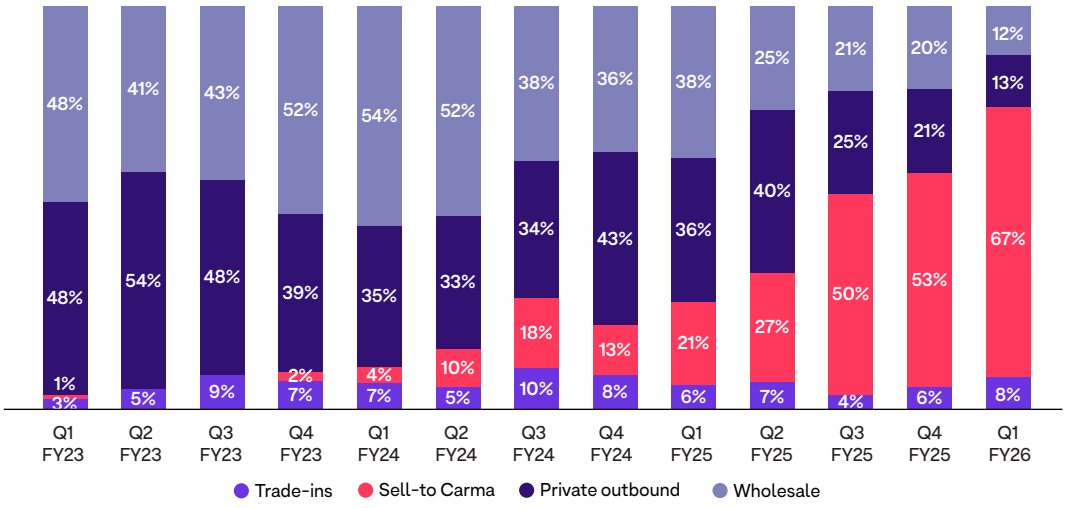
Figure 27: Vehicles acquired by Channel (retail quality vehicles)



(b) Sourcing operations

Carma's sourcing operations are managed by a dedicated buying operations team, supported by the Company's proprietary Boomerang technology platform. Boomerang automates the end-to-end acquisition process, from lead management and dynamic pricing to inspection scheduling and purchase confirmation, enabling scale with minimal additional headcount.

The team applies a disciplined, data-driven approach to inventory selection, balancing vehicle types, price points, and acquisition channels to match forecast retail demand and optimise gross profit per unit. Decisions are guided by real-time market intelligence, historical sales performance, and resale velocity analytics.

All potential purchases are assessed against strict age, kilometre, service history, and condition criteria. Vehicles that meet retail standards are directed into Carma's in-house reconditioning process. Stock outside these parameters is monetised through the Company's wholesale auction platform.

This sourcing framework allows Carma to:

- maintain a steady flow of high-quality retail inventory;
- prioritise higher-margin direct-from-consumer channels while retaining flexibility to use wholesale sources; and
- respond quickly to changes in demand, market pricing, and channel economics.

(c) Sell-to Carma

Sell-to Carma is Carma's largest and highest margin source of used vehicles, providing direct access to consumer-owned cars at attractive margins. Many sellers accept modest discounts in exchange for speed, certainty, and convenience, enabling Carma to secure stock that is well-matched to its retail demand profile without intermediary costs.

Carma generates leads for its Sell-to Carma business through its direct marketing channels by driving a combination of organic and paid traffic to a dedicated Sell-to Carma landing page on its website.

The process begins when a seller submits key details about their vehicle through Carma's website. Carma's AI valuation engine, integrated into Boomerang, analyses this information alongside internal transaction history and external market data to help generate an offer.

If the seller proceeds with the sale process, the vehicle is inspected by a Carma specialist. Inspections are conducted at one of three dedicated Sell-to Carma Centres in Sydney or at the seller's location. Following inspection, documentation is checked to ensure consistency and a legal purchase, and near-instant payment is organised.

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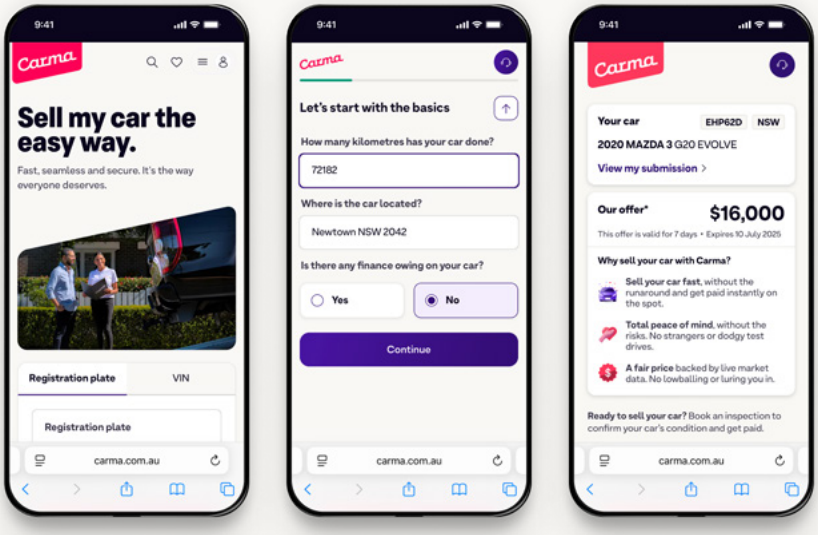
Figure 28: Sell-to Carma customer journey



Sell-to Carma page | Vehicle condition form | Valuation screen

The rollout of further Sell-to Carma Centres in high-traffic locations, such as shopping centres, is expected to increase capacity and customer convenience. These centres reduce average travel distance for customers, increase operational efficiency, and provide a blueprint for geographic expansion.

Internationally, the Sell-to Carma model mirrors proven strategies adopted by large-scale operators such as Carvana (US), CarMax (US), AUTO1 Group (Europe) and Constellation Automotive Group's "We Buy Any Car" business (UK). Within Carma's integrated model, the approach consistently generates higher gross profit per retail unit than wholesale-sourced stock.

In Q1 FY26, approximately 67% of Carma's vehicles sourced for retail sales were acquired through the Sell-to Carma channel. Continued investment in marketing, inspection capacity, and Boomerang platform enhancements is expected to increase this share further as the channel expands into new metropolitan and regional markets.



(d) Remarketing

Automotive remarketing is the resale of vehicles coming off lease or finance contracts, or fleet vehicles through wholesale channels such as auctions, dealer networks or digital platforms. For Carma, it provides a capital-light source of incremental revenue while broadening the Company's vehicle sourcing funnel.

Carma's remarketing service is differentiated as it leverages both its wholesale and retail infrastructure. Vehicles can be sold through Carma's dealer-only auction platform, reconditioned and sold to retail

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customers, or managed through a combination of both, depending on where the highest value can be achieved.

Carma currently provides remarketing services for Volkswagen Financial Services. Vehicles are first offered to VW Group dealerships via a white-labelled version of Carma's auction platform. Where reserve values are not met, vehicles are reconditioned and sold through Carma's retail platform, typically achieving higher returns after costs.

The Company plans to extend this service to other automotive finance providers, leasing businesses, and corporate fleet owners seeking efficient and transparent vehicle disposal.

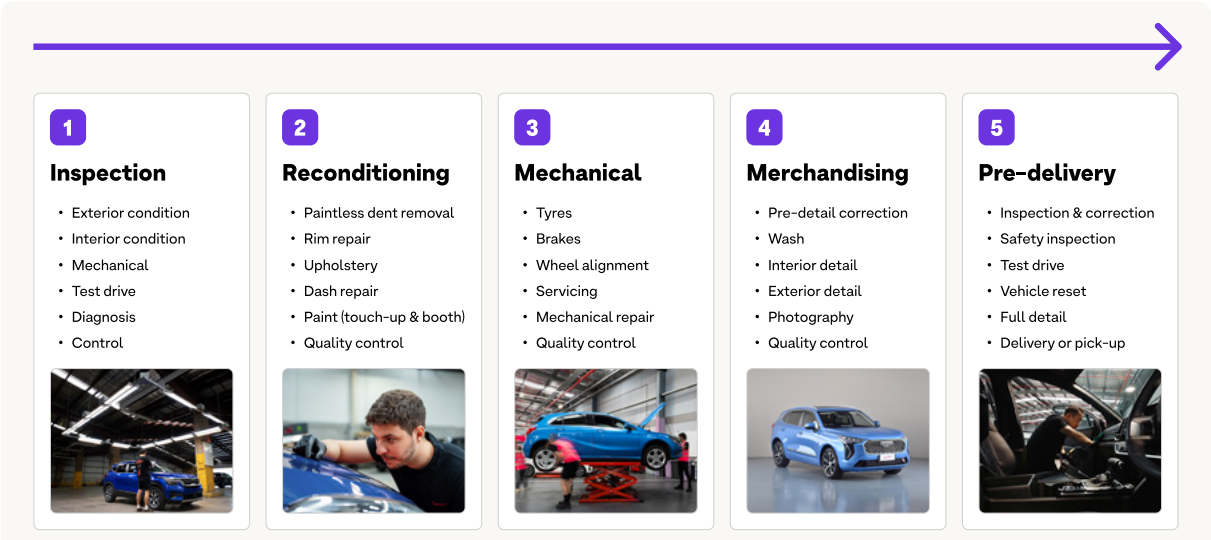
3.2.3 How Carma reconditions vehicles

Carma undertakes vehicle inspection and reconditioning in-house at its purpose-built facilities in Sydney. This is a core part of the Company's vertically integrated model and ensures that every vehicle sold through the consumer marketplace meets Carma's rigorous quality standards. The reconditioning process is what transforms a pre-owned car into a "Carma Car", and differentiates the Company from platforms that do not own or prepare their inventory.

(a) Reconditioning process

Every retail vehicle undergoes a structured five-stage process: inspection, reconditioning, mechanical, merchandising, and pre-delivery.

Figure 29: Overview of Carma's reconditioning process



The process begins with a comprehensive inspection of the exterior, interior and mechanical condition, complemented by a road test. Vehicles that do not meet Carma's retail standards are directed to the Company's wholesale auction channel, optimising inventory and maintaining high retail quality.

Vehicles then move to cosmetic and structural reconditioning, where technicians undertake paint, wheel, bodywork, upholstery and glass repairs as required. Mechanical specialists address servicing, safety items and any necessary repairs, ensuring each vehicle is roadworthy and reliable. Once mechanically sound, the car proceeds to merchandising, where it is fully detailed, photographed and documented for online listing. The final pre-delivery stage involves quality control checks and preparation for customer handover.

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(b) VROOM – Carma's proprietary system

The process is managed through Carma's proprietary "Vehicle Reconditioning and Outbound Order Management" system (**VROOM**), with a unique reconditioning pathway prepared for every vehicle based on the inspection results. Each vehicle is tracked through the reconditioning line, capturing real-time data on tasks completed, time spent, parts used, and quality checks. This system ensures consistency, reduces turnaround times, and provides transparency for downstream pricing and merchandising.

(c) Process verified by the NRMA

Carma's reconditioning program is verified by the NRMA, making Carma the organisation's exclusive preferred used car dealership. This independent endorsement provides additional assurance of the Company's inspection, reconditioning and quality assurance standards.



(d) Significant excess capacity

Carma's investment in scalable reconditioning infrastructure provides significant latent capacity and efficiency. The St Peters Premises sits on approximately 35,000 square metres and currently has throughput capacity of approximately 7,500 retail quality vehicles per year on a single shift, expandable to up to 30,000 vehicles annually with an additional shift and by adding a second production line and additional storage as demand grows. This operational backbone underpins Carma's ability to scale its retail sales while maintaining consistent quality and margin performance.





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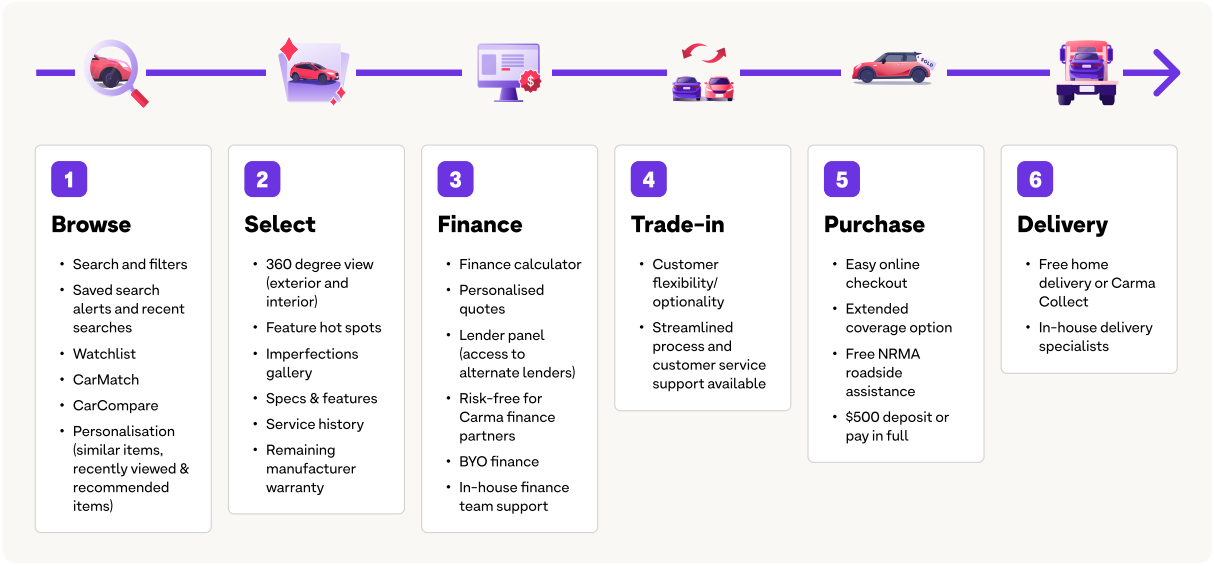
3.2.4 How Carma sells vehicles

(a) Carma's carma.com.au consumer marketplace

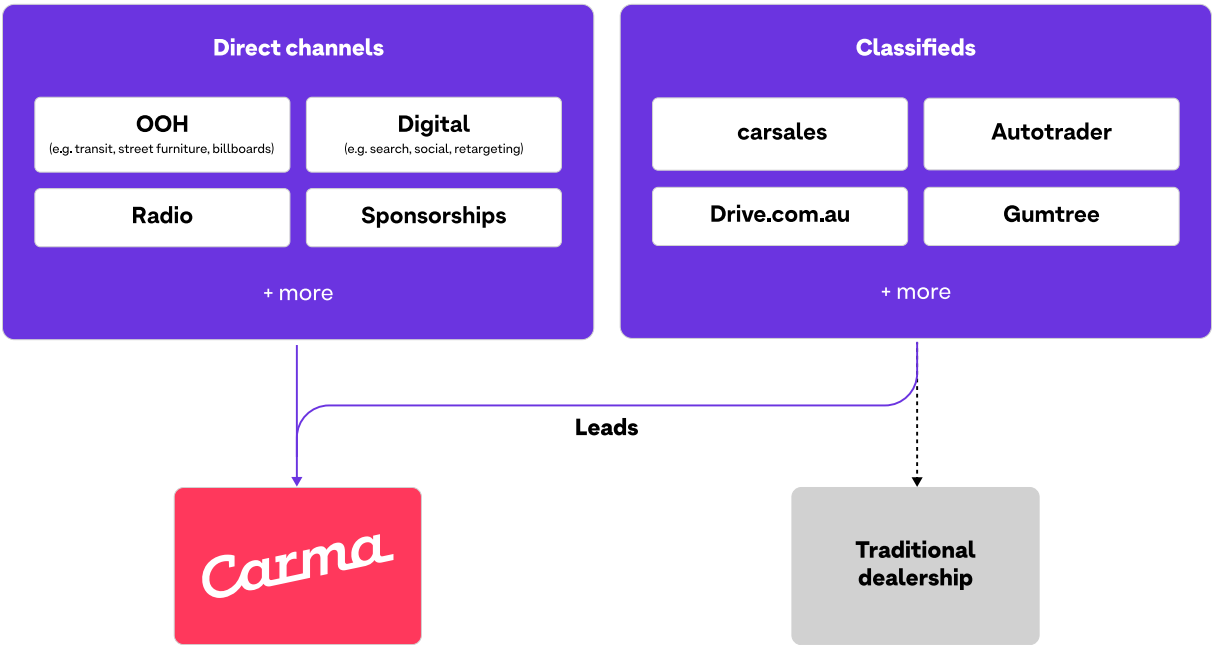
Figure 30: Carma's customer journey



Customer acquisition

Carma attracts buyers through a combination of direct channels and listing vehicles on automotive classifieds. Direct channels include digital advertising across search, social, and video platforms, targeted email campaigns, and brand-led marketing designed to drive traffic to carma.com.au and overall brand awareness. Automotive classifieds broaden reach and connect Carma's inventory with in-market buyers actively searching for vehicles.

Figure 31: Carma leads (vs. traditional dealership)



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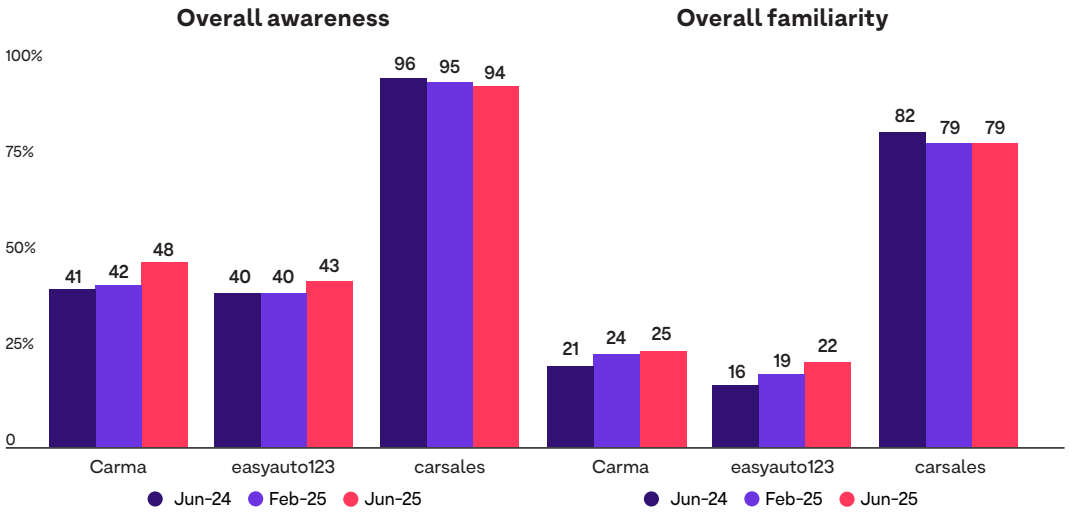
The journey to vehicle ownership by consumers has recently been estimated at 5.7 months.[1] Carma's multi-channel approach enables it to reach consumers across all stages of their vehicle purchase journey including lower-funnel shoppers on classifieds and incremental buyers who discover the brand through direct marketing. Approximately 50% of Carma's retail sales already come from customers acquired via direct channels, and these direct enquiries convert at around 1.6x the rate of leads generated through classifieds. These buyers represent demand that traditional dealerships are not able to capture, allowing Carma to sell vehicles faster while optimising channel mix and acquisition costs. In the second half of FY25, the average online inventory days for Carma were 31 days which are significantly lower than the average for used car dealers[2] for the same period of 52 days.

Growing brand recognition[3] further strengthens the direct channel advantage. Carma's awareness has increased from 41% to 48% over the past year to June 2025 and familiarity increased from 21% to 25% over the same period, supported by consistent marketing investment, a differentiated customer experience, and third-party endorsements such as its partnership with the NRMA.

Figure 32: Brand recognition in NSW[3]



Digital platform

Carma's customer-facing website is a fully integrated digital platform that enables the entire used car buying journey to be completed online, from vehicle discovery to purchase and delivery. Purpose-built to scale, the platform combines automation, systemisation and embedded services to deliver a high-quality customer experience at a low cost-to-serve, supporting attractive unit economics. In the year to 30 June 2025, Carma's website had approximately 1.2 million visitors (unique browsers).

Customers can browse Carma's catalogue of retail quality vehicles using its search or wide range of filters to narrow down to specific vehicles. Carma also makes comparing cars easy with its Car Comparison feature, allowing customers to review key features of two cars side-by-side. Integrated account features such as "Watchlist" and "Saved Search" tools help customers track preferred vehicles and receive alerts when suitable new stock becomes available. Carma also has an innovative CarMatch feature which makes recommendations based on a customer's answers to a few questions.

1. The Journey to Vehicle Ownership – IPSOS, carsales – 2023.
2. AutoGrab x AADA Automotive Insights Report (Mid 2025).
3. Brand recognition survey for Carma, by Nature Sydney Pty Ltd.

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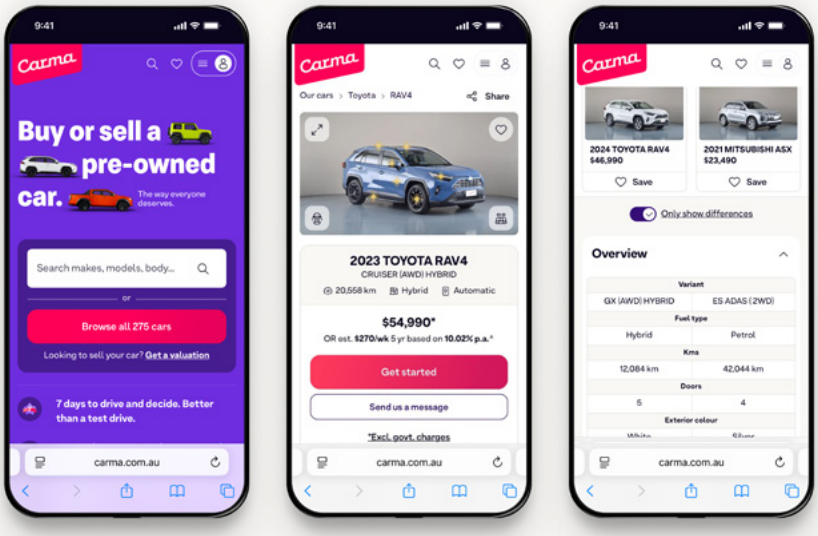
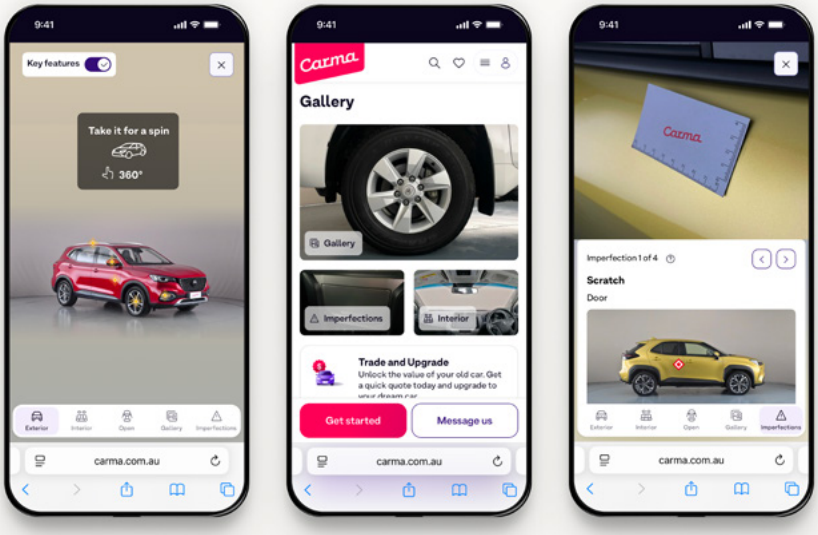
Figure 33: Customer facing website



Carma homepage | Product detail page | Car Comparison feature

Carma's merchandising presents every vehicle with interior and exterior 360-degree virtual tours highlighting key features with hot spots and a gallery of high-resolution photography. This is paired with detailed vehicle information of all features and specifications including service history, factory-fitted optional extras, and after-market extras that may be fitted to the car. Carma is also fully transparent with the vehicle condition through an "imperfection gallery" that provides close-up images and exact location of any imperfections that may remain on the vehicle.

Figure 34: Merchandising



360-degree virtual tour | Photo gallery | Imperfections

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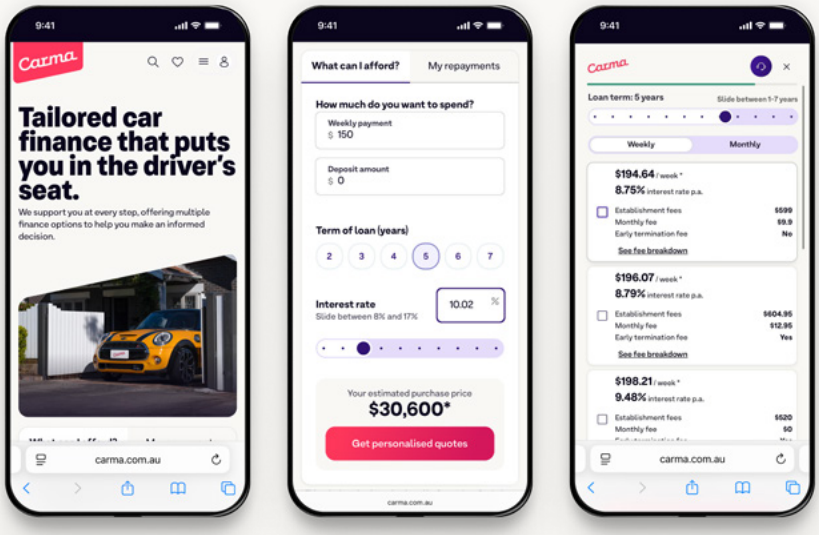
Every vehicle is presented with fixed, no-negotiation pricing that is dynamically reviewed against market conditions, reducing uncertainty for buyers. Customers who are interested in a car can easily submit an enquiry via the "Send us a message" feature on the product page or enter the checkout flow to place a deposit or purchase the car by clicking "Get started".

Carma's platform embeds financing and extended coverage options directly into the checkout flow. Customers can obtain instant, personalised finance quotes from multiple lenders, undergo soft-touch credit checks that do not affect credit scores, and complete documentation online — often within the same day.

Figure 35: Financing checkout flow



Financing partners | Interactive calculator | Personalised quotes

Extended coverage options are also available at the point of purchase. This integration improves conversion rates, increases gross profit per unit, and enhances the customer experience by avoiding the need for external processes.

All customers who purchase a car from Carma receive complimentary benefits including a 7-day money back guarantee, three month warranty, 12 month roadside assistance, and free collection or free home delivery to eligible postcodes.

Customer service

Carma's customer service model combines a highly automated digital journey with personalised human support to create a seamless, transparent, and reassuring experience for buyers and sellers.

Many customers select and purchase their vehicle online without any interaction with Carma's team. For others, they might be earlier in their purchasing journey, wanting support on how to select the right car or to talk about Carma's online business model. The company operates a seven-day-a-week customer support function, with extended hours (8am–8pm on weekdays, 9am–6pm on weekends) to accommodate customer availability and maintain momentum in transactions. Customers are able to view the features of any vehicle and make a decision without needing to see or test-drive.

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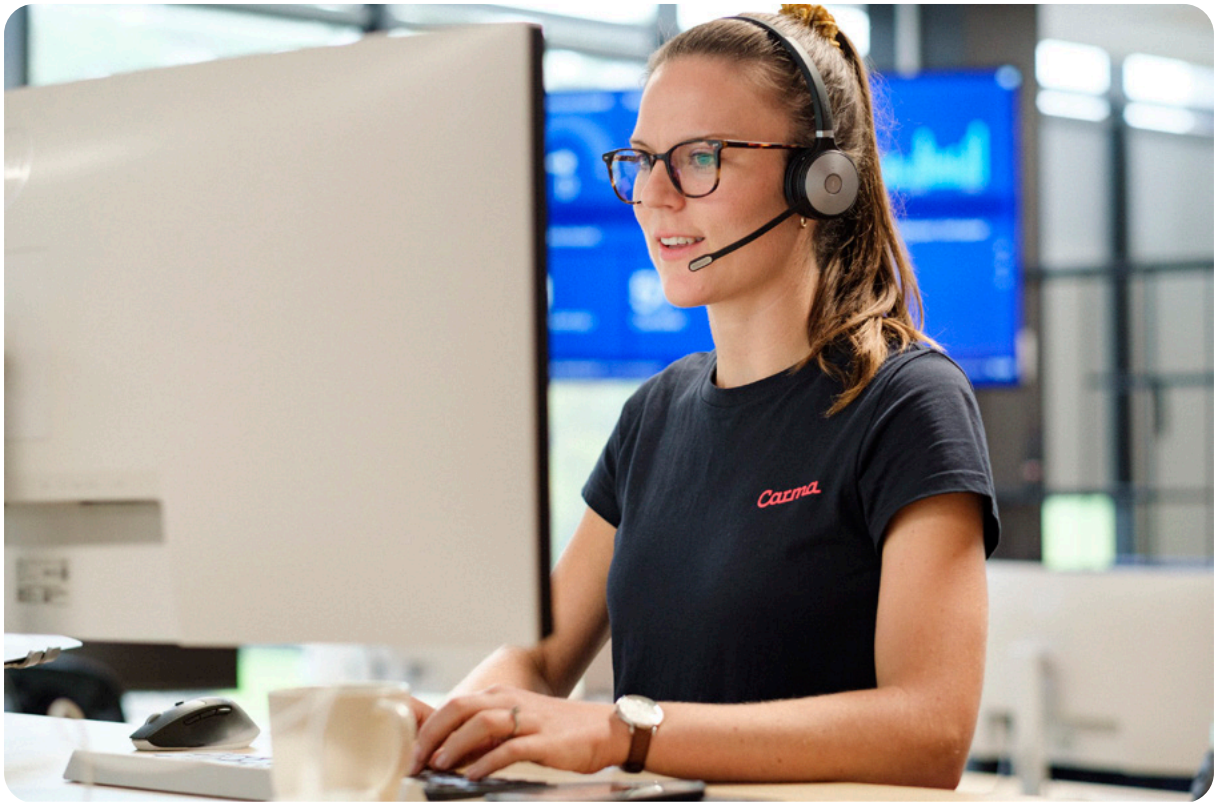
From the moment a customer reserves a vehicle online, they are assigned a dedicated Customer Service Team Member who guides them through finalising their trade-in and/or financing, documentation, and scheduling the hand over. This proactive, single-point-of-contact approach ensures questions are addressed promptly and reduces friction in the purchasing process. Support is available through multiple channels — phone, email, messaging platforms, and live chat — allowing customers to interact on their terms.

Carma's service protocols are underpinned by structured scripts, AI models for detailed vehicle information and comparison, and training and knowledge systems that ensure consistent quality across all interactions. Staff have access to real-time vehicle and transaction data, enabling them to provide accurate, informed responses without hand-offs or delays. This integration of systems and customer data reduces resolution times, enhances satisfaction, and supports the Company's high +85 Net Promoter Score.



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Customer finance and other value-adds
Carma offers integrated finance, extended coverage, and insurance options, embedded within its online purchase process.

Customers can request personalised loan quotes from a panel of reputable lenders, including fintech and traditional providers such as Automotive Finance, Plenti, Wisr and Volkswagen Financial Services, with quotes generated in minutes via a soft-touch credit check that does not affect their credit score. Carma's customer finance team facilitate applications, with most financier approvals completed on the same or next business day and contracts signed digitally, enabling customers to arrange finance without leaving the platform. Carma also offers the assurance that if a customer finances through one of its partner lenders and exercises the seven-day "drive and decide" return policy, any loan cancellation costs will be covered.

All retail vehicles also include a complimentary three-month warranty and 12 months of roadside assistance. Customers can purchase additional mechanical protection through Carma's Extended Coverage plans. These plans cover most major mechanical and electrical components, include towing and emergency expense reimbursements, and can be serviced at any licensed mechanic.

For insurance, Carma refers customers to its partner, Compare the Market, allowing buyers to compare insurance policies and secure cover before delivery. All vehicles must be comprehensively insured during the seven-day "drive and decide" return period.

By embedding these services into the transaction flow, Carma delivers a faster, simpler, and more convenient buying experience, while increasing attachment rates, enhancing gross profit per unit, and strengthening customer relationships.

Delivery and Carma Collect
Vehicle handover is seamlessly integrated into the online purchase process. Customers can choose free home delivery to eligible postcodes in Greater Sydney or collect their car from a Carma Collect location.



Handovers are conducted by trained specialists to ensure quality control and a professional final experience. The return rate is in the low single digits and customers who return cars often exchange the car for one that better suits their needs.

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Post sale care

The Company's focus on service excellence extends beyond delivery. Customers benefit from a seven-day "drive and decide" return policy and complimentary 12-month roadside assistance, which together provides a strong safety net and builds trust in an online purchase.

Customer feedback is actively monitored through surveys, online reviews, and direct follow-up. Insights from this feedback are incorporated into process improvements, training programs, and product development, contributing to the Company's reputation for attentive, solution-oriented service. Carma has received more than 1,000 five-star reviews[1] across Google and ProductReview.com.au, with recurring praise for staff professionalism, responsiveness and willingness to "go the extra mile".

(b) Wholesale auctions

Carma operates a wholesale digital auction channel to sell vehicles that do not meet its retail criteria. Reasons that a vehicle may not meet Carma's retail criteria include factors such as age, kilometres, vehicle condition, and incomplete service history. These types of vehicles are acquired by Carma through its trade-in and Sell-to Carma channels as Carma will typically make an offer on all vehicles. Vehicles are listed on Carma's dealer-only auction platform, which connects to a network of licensed motor dealers and wholesalers.

This wholesale channel enables Carma to monetise non-retail-suitable vehicles quickly, reducing inventory holding periods, avoiding reconditioning costs for lower-margin stock, and optimising overall inventory mix. Sales through this channel typically occur quickly, supporting stock velocity and gross margin performance. The wholesale auctions business is integrated into Carma's operating platform, enabling efficient listing, buyer communication, and transaction processing.

(c) Remarketing auctions

In addition to its own inventory, Carma can offer a remarketing auction service for automotive finance and leasing companies, as well as owners of corporate fleets that are seeking to dispose of vehicles efficiently. Through its digital auction platform, Carma can list and manage the sale of these vehicles to its established dealer and wholesale network, leveraging its marketing reach, auction infrastructure, and transaction capabilities. Alternatively, this platform can be white labelled, using a partner's own brand and presented to a select list of dealers.

Remarketing auctions provide a low-touch, high-volume disposal solution for institutional sellers, with benefits including faster turnaround, transparent pricing, and reduced administrative overhead.

1. 1,002 total five star reviews on Google (668 five star reviews out of 743 total) and ProductReview.com.au (334 five star reviews out of 359 total) platforms as at 11 September 2025.

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3.2.5 People and culture

Carma's team of over 185 people is organised to deliver one consistent standard of customer experience across buying and selling. Teams are structured along the customer journey and core functions, including Buying, Production, Customer Experience, Customer Finance, Technology, Product, Finance and Operations. Values act as operating guardrails for day-to-day decisions and prioritisation.

Ways of working emphasise ownership, live data and continuous improvement. Front-line and HQ teams use Carma's proprietary systems to coordinate sourcing, reconditioning and fulfilment, shorten cycle times and maintain consistent quality standards. Independent verification of the reconditioning program supports trust with customers and partners.

This operating culture is reflected in strong customer advocacy and brand trust (see Section 3.1.4 for metrics and third-party endorsements). The same culture underpins safety, compliance and financial discipline as the Company scales.

Figure 36: Carma's Values

Carma Values



Stay supercharged	Win as one	Flip the map	Do right	Magic, where you least expect it
Every day, we bring our best selves to work, showing up with great energy and a can-do attitude. We work smarter, not harder – and by being mindful in how we spend our time and energy, we maintain optimum performance, even when the pressure's on.	To win, we need every member of our team to be hungry. To push ourselves and each other, keep up the pace, understand our positions and play to our strengths. When we unite, our greatness multiplies, making us far greater than the sum of our parts.	Carma isn't here to be like just anyone else. Being a challenger requires us to be brave, take risks, and adapt to challenges, to raise the bar and do things differently in the best possible way.	As good humans, we commit to doing the right thing – even when it's the hard thing. It means showing up with the right intent, acting with integrity and understanding the weight of our actions.	Carma's secret sauce is all in the details. We have the chance to capture emotion in a really powerful way. Through creativity and care, we make mundane tasks and experiences nothing short of magic.

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3.3 Carma's strengths and competitive advantages

Set out below are some of the competitive advantages that Carma believes it has versus its peer group.

3.3.1 Vehicle quality

(a) Sourcing

Carma secures inventory through a diversified mix of channels, with a focus on direct-from-consumer sourcing via its Sell-to Carma service. This approach provides access to a wider selection of quality vehicles and eliminates intermediary margins, resulting in stronger gross profit potential. Vehicles are screened against strict age, kilometre, service history and condition criteria, ensuring that only stock with strong retail potential progresses into Carma's reconditioning process. This disciplined sourcing framework supports both breadth of inventory and high quality standards.

(b) Reconditioning

Every vehicle designated for retail sale undergoes a structured five-stage process: inspection, reconditioning, mechanical servicing, merchandising and pre-delivery. This lean manufacturing-style approach is managed through Carma's proprietary VROOM system, which designs a tailored reconditioning pathway for each vehicle and tracks tasks in real time. Mechanical and cosmetic work is carried out in-house by specialised staff and qualified technicians. The process is verified by the NRMA, providing customers with independent assurance that Carma's vehicles meet industry-leading benchmarks.

(c) Merchandising

Carma's merchandising process is designed to build customer trust through transparency and detail. Each vehicle is comprehensively detailed and photographed before listing. Online presentations include high-resolution images, 360-degree views, feature hotspots and galleries of any imperfections, enabling buyers to make fully informed decisions without the need for in-person inspection. Vehicles are offered at fixed, data-driven prices, supported by detailed specifications, service history and warranty coverage.

This combination of careful sourcing, rigorous preparation and transparent presentation has helped Carma achieve strong customer advocacy.



3. Company Overview

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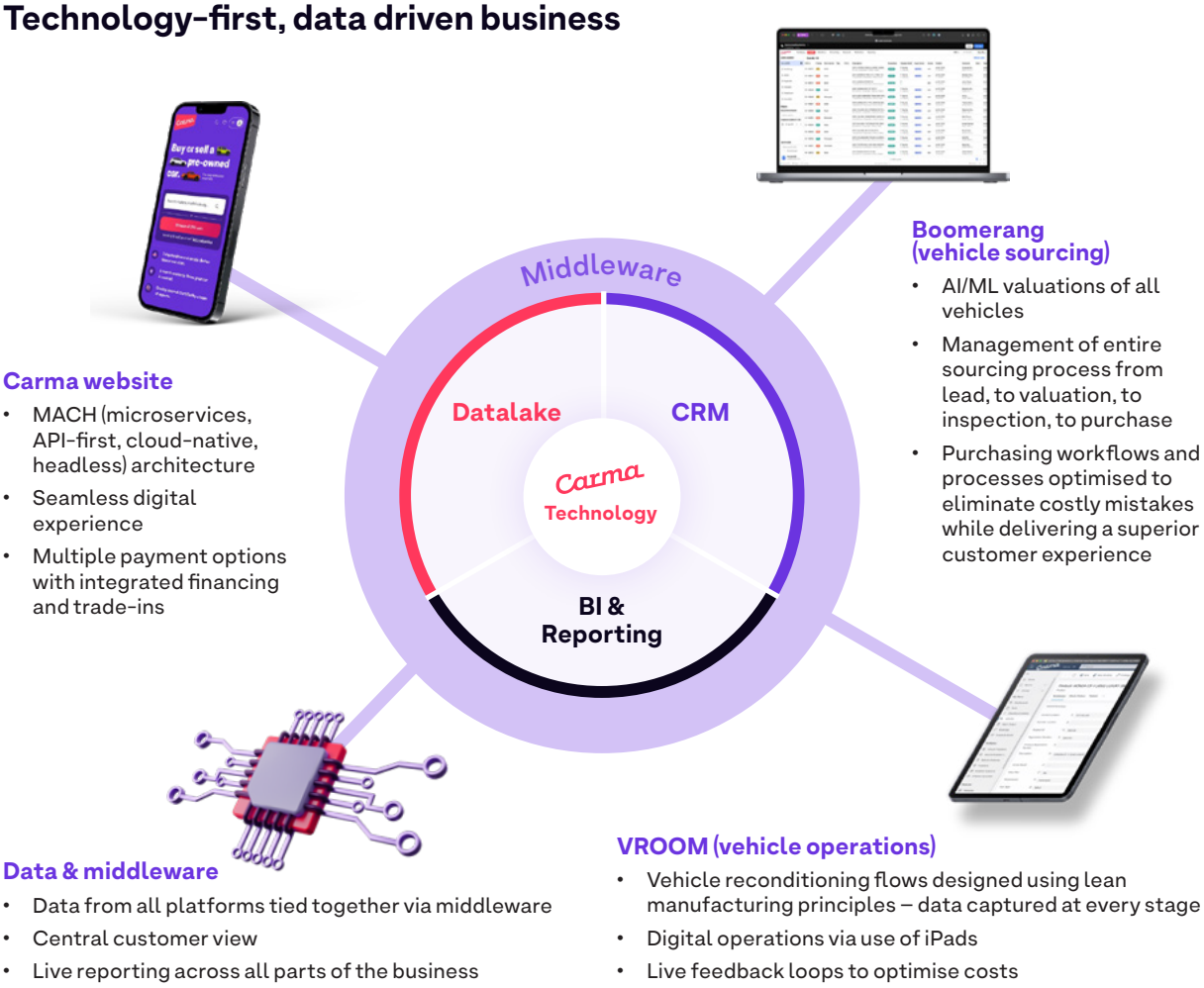
3.3.2 Technology

Carma is a technology-first business, with proprietary systems and a modern digital architecture underpinning every stage of the vehicle lifecycle. The Company's technology platform is purpose-built to scale and designed to deliver superior unit economics through automation, data-driven decision-making, and seamless customer experiences.

Figure 37: Technology platforms



(a) Digital customer platform

Carma's customer-facing marketplace, carma.com.au, is a fully integrated digital platform that enables customers to complete a transaction online. Built using MACH principles (Microservices, API-first, Cloud-native, Headless), the platform is modular, scalable, and responsive. Customers can browse vehicles that all have high-resolution photography, 360-degree tours, and detailed condition reports, while integrated financing, insurance, extended coverage, and trade-in tools allow transactions to be completed within minutes.

By embedding these services into the customer journey, Carma targets improved conversion and higher attachment rates for value-added products. This creates a self-directed, low-cost-to-serve model that supports attractive margins and customer satisfaction.

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(b) Boomerang – AI driven vehicle sourcing

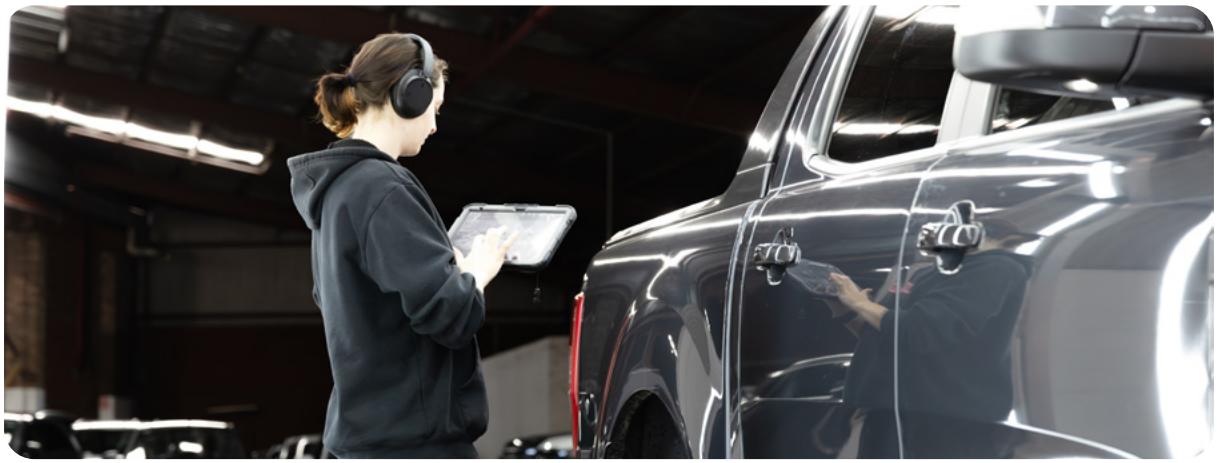
Boomerang is Carma's proprietary sourcing engine that systemises and automates the acquisition of vehicles directly from consumers. It uses machine learning pricing models to generate real-time valuations based on current market data, internal transaction history, and vehicle attributes. Its core pricing approach[1] relies on established machine-learning techniques for price prediction, including using AI to map vehicles to appropriate reference data. The system manages the end-to-end workflow from lead generation to inspection scheduling, purchase documentation and payment, enabling scale with minimal headcount growth.

Boomerang allows Carma to consistently secure inventory at attractive margins and adapt quickly to market dynamics, providing a structural advantage over dealers and classifieds platforms reliant on manual or third-party processes.

(c) VROOM – reconditioning and fulfilment operations

VROOM (Vehicle Reconditioning and Outbound Order Management) is Carma's proprietary reconditioning and fulfilment management system. Built to support Carma's lean manufacturing principles, it creates a customised reconditioning pathway for every vehicle, tracks progress in real time, and integrates quality checks at each stage. Reconditioning staff are equipped with digital tools, including tablets, that capture live data, enabling operational transparency and continuous optimisation.

This system reduces turnaround times, improves cost efficiency, and assists to produce a consistent standard of vehicle quality.



(d) Middleware and data integration

Carma's operations are unified by a centralised data and middleware layer that connects its customer platform, proprietary systems, and third-party services. This architecture delivers a single, real-time view of each customer and vehicle, enabling seamless cross-functional workflows across sourcing, reconditioning, merchandising, sales, and delivery.

The middleware also allows Carma to integrate external partners such as finance providers, and remarketing clients without requiring bespoke system builds, creating efficiency and flexibility. This connected infrastructure ensures that operational improvements in one part of the business can be scaled rapidly across the platform, strengthening Carma's structural advantage over traditional dealerships and classified marketplaces.

Through its proprietary systems – Boomerang, VROOM, middleware integration, and AI-driven pricing – Carma has created a technology platform that not only enhances customer trust and experience but also provides structural cost advantages and scalability. Technology is therefore both a growth enabler and a competitive moat for the Company.

1. Carma monitors the Boomerang pricing models for valuation drift and benchmarks valuation outputs against its own market experience, with the aim of providing consistent and reliable valuations.

3. Company Overview

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3.3.3 Better unit economics from scaled and centralised operations

Carma's purpose-built, fully digital and vertically integrated business model is designed to achieve superior unit economics as scale increases. Unlike traditional dealerships, which operate fragmented networks of small sites with limited throughput and reliance on third-party providers, Carma consolidates key activities into centralised, high-volume operations underpinned by proprietary technology. This structure drives efficiency, lowers per-unit costs, and improves gross profit per vehicle.

Carma's unit economics benefit from several reinforcing factors, including:

- higher buying margin sourcing with an increased share of vehicles expected to come from the Sell-to Carma channel which will enhance unit profitability;
- lower reconditioning costs per unit due to vertical integration and scale efficiencies with meaningful capacity built into the current operating base;
- lower customer acquisition costs with brand awareness, scale and repeat customers and word of mouth recommendations;
- value added products, expected to improve conversion as more customers start their purchase journey on the platform;
- faster inventory turnover which reduces exposure to vehicle depreciation, working capital costs, storage fees, registration expiry and servicing requirements; and
- fixed cost leverage as the business scales.

Figure 38: Unit economics

$'000	H1 FY23	H2 FY23	H1 FY4	H2 FY24	H1 FY25	H2 FY25	1Q FY26	FY26F
Buying margin	4.2	3.9	3.7	3.7	3.8	4.4	4.2	4.3
Reconditioning costs	(2.4)	(2.4)	(2.6)	(2.3)	(2.0)	(2.0)	(1.9)	(1.6)
Retail GPU	**1.8**	**1.5**	**1.1**	**1.4**	**1.8**	**2.4**	**2.3**	**2.7**
Wholesale GPU	-	-	-	-	(0.1)	0.3	0.6	0.3
Other GPU	0.3	0.3	0.3	0.4	0.5	0.6	0.6	0.6
Vehicle write-down	(0.3)	(0.7)	(2.0)	(0.6)	(0.3)	(0.1)	(0.1)	(0.1)
Total GPU	**1.8**	**1.1**	**(0.5)**	**1.2**	**2.0**	**3.1**	**3.5**	**3.5**
Gross Margin %	*4.9%*	*3.0%*	*-1.5%*	*3.7%*	*6.1%*	*8.6%*	*9.4%*	*9.2%*
Total operating expenses per Unit	**(26.7)**	**(19.2)**	**(17.9)**	**(14.1)**	**(13.9)**	**(18.0)**	**(15.2)**	**(11.8)**
% of revenue	-74%	-51%	-51%	-44%	-43%	-50%	-41%	-31%
EBITDA per Unit	**(25.0)**	**(18.1)**	**(18.3)**	**(13.0)**	**(11.9)**	**(14.9)**	**(11.6)**	**(8.3)**
EBITDA margin	-69%	-48%	-52%	-40%	-37%	-41%	-31%	-22%

Notes:

Carma's Wholesale operations prior to FY25 generated de minimis GPU on very low volumes.

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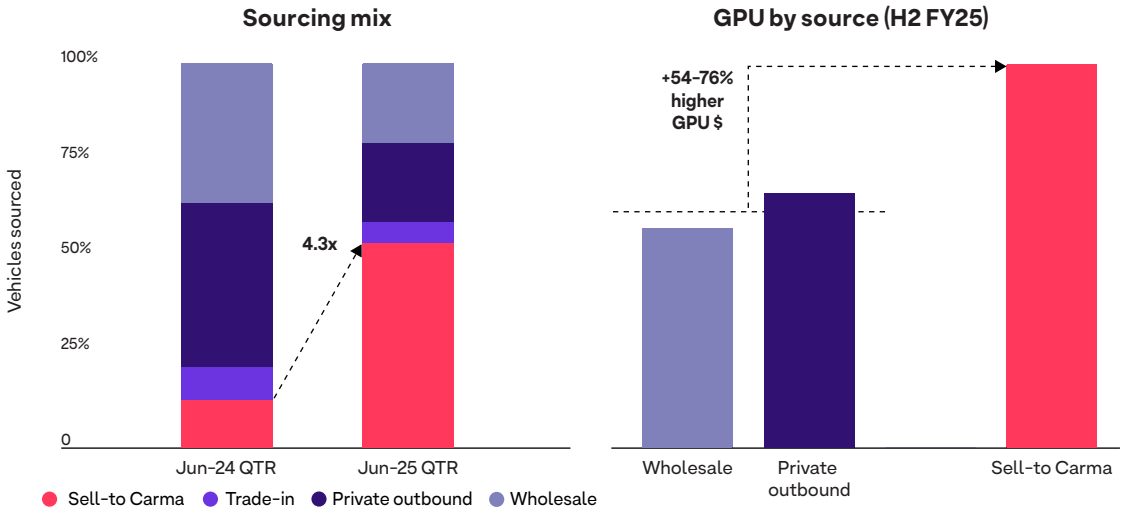
(a) Sourcing advantage and margin uplift

Carma's largest source of vehicles is its direct from consumer channel, Sell-to Carma. By acquiring cars directly from consumers, Carma eliminates intermediary margins and secures inventory that is well-suited to its retail demand profile. At scale, the Company benefits from a broader selection of vehicles, access to national supply, and the ability to arbitrage regional pricing differences. This enables Carma to consistently source at attractive margins while expanding retail inventory breadth, improving conversion and sales velocity.

Figure 39: Retail cars by source



(b) Economies of scale in reconditioning

Carma's reconditioning is performed in-house at its purpose-built St Peters facility in Sydney, designed on lean manufacturing principles and managed by Carma's proprietary VROOM system. Centralising reconditioning at scale lowers costs through specialisation of work, higher utilisation rates, reduces turnaround times, increases parts purchasing power, and spreads fixed costs over a larger volume of vehicles. Almost all reconditioning work is carried out in-house, further lowering costs and ensuring consistent quality.

The figure below shows the average retail vehicles reconditioned per shift. Carma achieved its highest average production levels in Q1 FY26, whilst still operating at its old IRC facility in Alexandria. Carma moved its reconditioning operations from Alexandria to St Peters at the end of August 2025 with the new IRC facility providing it with the capacity to recondition approximately 30 cars per day on a single shift. This is expandable to up to 30,000 vehicles annually with an additional shift and by adding a second production line with additional storage as demand grows.

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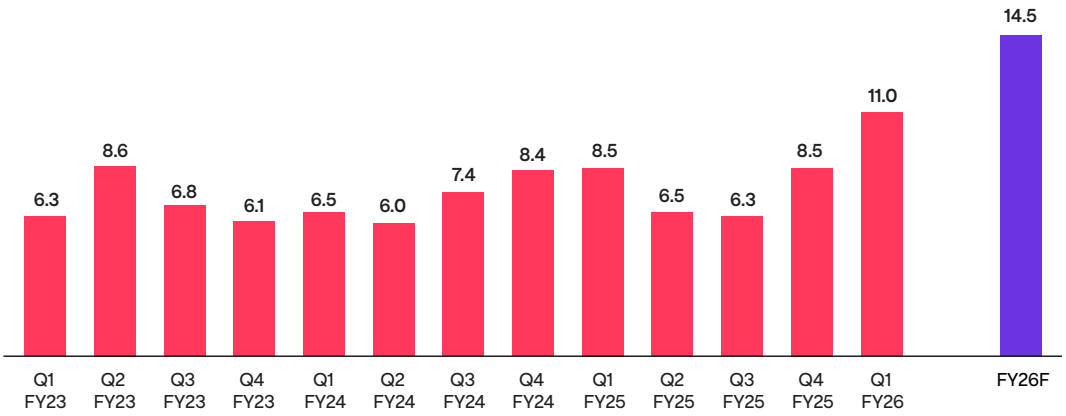
Figure 40: Average retail vehicles reconditioned per shift[1]



(c) Lower customer acquisition costs with brand awareness, scale and repeat customers

Scale also delivers efficiency in customer acquisition. As Carma grows its brand and awareness, a greater proportion of buyers are acquired through direct channels, which convert at higher rates and are expected to be more cost-effective than third-party classifieds. Over time, brand scale and repeat customers reduce reliance on paid channels, while centralised digital marketing and CRM systems deliver further leverage.

(d) Value-added products at scale

Carma's model integrates financing and, extended coverage into the online checkout. With scale, Carma can work with a broad panel of lenders and negotiate more favourable commissions and terms. The Company expects that finance attach rates will increase above traditional dealership levels as more customers start their purchasing journey and finance pre-approvals on the platform. High vehicle quality and low claims rates reduce the cost of managing extended coverage products. These efficiencies, combined with digital distribution, increase attachment rates while maintaining low overheads.

(e) Fixed cost leverage

Carma's scaled and centralised model allows significant fixed cost leverage. Investments in technology, customer support, logistics, and reconditioning infrastructure are spread over an expanding transaction base, resulting in declining cost-to-serve as volumes increase. This structural efficiency, combined with faster turnover and reduced depreciation exposure, drives sustained improvements in unit economics.

Carma intends to become profitable and believes it will reach profitability as its vehicle sales increase and the fixed costs listed above are spread over higher revenues. It is currently unknown when the Company will become profitable (refer Section 5.2.1 (d) for associated risks).

3.3.4 Operational momentum

Figure 41 below summarises Carma's online available retail inventory units, online inventory days and retail units delivered from July 2022 through to September 2025.

Inventory grew through FY23 while inventory turn was held broadly flat, supporting steady growth in sales. In the first half of FY24, a strategic focus on improving inventory turnover saw a significant improvement in online inventory days. Reconditioning volumes were held steady and below the rate of sales, resulting in a decline in available inventory. The reduction in inventory days more than offset the lower inventory levels, resulting in growing retail units delivered.

1. The transition to the St Peters IRC Facility, which occurred at the end of August 2025, materially increases production capacity and underpins production run rate forecast.

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During FY25 inventory days continued to improve, but at a slower rate than the decline in inventory. Replenishment of stock was limited by the strategic transition to the Sell-to Carma sourcing channel, seasonal sourcing patterns, and a desire to preserve capital.

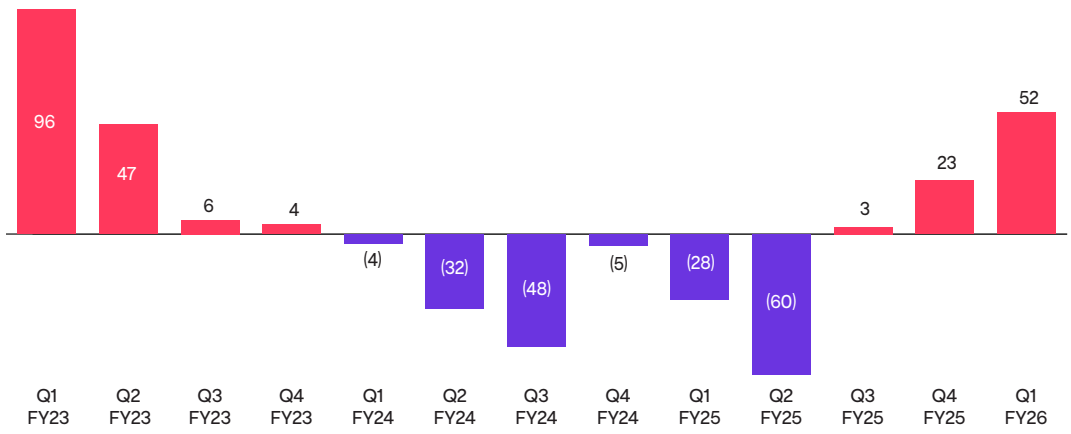
Since early calendar 2025 reconditioning volumes have increased, supported by the scaling of the Sell-to Carma channel and new Sell-to Centres, while lower inventory days continued. Together, these factors drove a meaningful uplift in sales, which reached 633 units in Q1 FY26.

Figure 41: Quarterly retail inventory units, inventory days and retail units

Period	Average online available retail inventory units (#)	Online inventory days	Retail units delivered (#)
Q1 FY23	366	152	222
Q2 FY23	572	161	326
Q3 FY23	691	178	350
Q4 FY23	694	157	402
Q1 FY24	702	173	374
Q2 FY24	653	117	513
Q3 FY24	442	67	601
Q4 FY24	391	62	572
Q1 FY25	340	52	602
Q2 FY25	254	41	577
Q3 FY25	124	25	448
Q4 FY25	194	37	474
Q1 FY26	209	30	633

Figure 42 below, highlights that purchased units have exceeded delivered units consistently since April 2025, signalling increased available inventory. The transition to the expanded IRC facility in St Peters is expected to support higher levels of reconditioning and available inventory.

Figure 42: Excess of retail units purchased vs delivered (monthly average per quarter)



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3.3.5 A trusted brand that becomes a destination for buyers and sellers

Carma has rapidly established itself as a known and trusted name in used car retail. Prompted awareness in NSW of Carma has risen from 41% to 48% over the past year, supported by consistent investment in marketing and customer experience. Its customers love the experience and consistently show strong advocacy, with a Net Promoter Score[1] of +85 and more than 1,000 five-star[2] reviews across Google and ProductReview.com.au. Customers highlight Carma's transparency, professionalism, and willingness to "go the extra mile," reinforcing the brand's reputation for service excellence in an industry often associated with poor customer satisfaction.

(a) Third party validation

Carma's brand trust is underpinned by meaningful third-party validation. In 2023 the Company was recognised in the Australian Financial Review's "Most Innovative Companies" list, awarded multiple ORIAS Online Retailer Industry Awards, and named an "Emerging Retailer of the Year" at the National Retail Awards.

(b) NRMA's exclusive preferred used car dealership

In May 2025, Carma entered an exclusive partnership with the NRMA, one of Australia's largest member-owned organisation. Carma is the NRMA's exclusive preferred used car dealership, and the organisation has verified Carma's inspection and reconditioning processes, further strengthening its credibility. NRMA members who buy or sell with Carma receive additional benefits. This partnership delivers both an endorsement from a highly trusted consumer brand and access to NRMA's 3.1 million members as a direct marketing channel.



Preferred dealership

The exclusive used-car dealership of the NRMA.



Verified processes

Independent verification of Carma's inspection and reconditioning processes.



Access to additional customers

Reaching NRMA's 3.1 million member base.



Exclusive member benefits

Exclusive savings and benefits for My NRMA Members on buying and selling with Carma.

(c) A destination as the Company scales

As the platform scales, Carma is increasingly becoming a destination for both buyers and sellers. Buyers are attracted by the breadth and quality of Carma's inventory, the assurance of NRMA verified reconditioning, fixed pricing and risk-free returns. Sellers benefit from the speed and certainty of the Sell-to Carma service, which has become the Company's largest and highest margin sourcing channel. This dual proposition reinforces Carma's role as a central marketplace for used vehicles.

Brand scale also strengthens customer acquisition economics. With growth in repeat purchases, referrals and direct traffic, Carma lowers its cost of customer acquisition while deepening engagement.

1. Carma NPS survey, all time to June 2025.
2. 1,002 total five star reviews on Google (668 five star reviews out of 743 total) and ProductReview.com.au (334 five star reviews out of 359 total) platforms as at 11 September 2025.

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Carma's ability to combine trust, quality and convenience has created a differentiated brand in the Australian market. The Company is strategically positioned to become a destination of choice for consumers looking to buy or sell used cars, supported by a strong foundation of customer advocacy, independent endorsement and growing national recognition.

3.3.6 Network effects

Carma's platform benefits from marketplace network effects that strengthen as scale increases.

(a) Used vehicles is a heterogeneous market

The used car market is inherently fragmented and heterogeneous. There are more than 17,500 specific vehicle types available across Australia[1], and since each car is pre-owned it has a unique odometer and condition. In such a fragmented market, selection is a critical driver of buyer engagement. The seller with the broadest and deepest inventory becomes the natural destination for customers.

(b) Leverage from sharing inventory

Carma's digitally native model will enable inventory to be shared across geographies, removing the physical boundaries of traditional dealerships. As the platform scales, a vehicle acquired in one region can be matched efficiently with demand in another, multiplying inventory reach. This creates a structural advantage over offline competitors, or classifieds that aggregate those competitors, whose stock is confined to individual geographies.

Selection breadth and nationwide reach support a self-reinforcing flywheel. A wider and higher-quality inventory attracts more buyers. More buyers enable Carma to make better offers, increasing demand for Carma's Sell-to Carma service which brings in more vehicles, at higher margins, to feed the retail channel. This virtuous cycle improves sales velocity and reduces customer acquisition costs over time.

3.3.7 Environment, social and governance (ESG)

Carma is committed to responsible and sustainable business practices that create long-term value for shareholders, customers, employees, and the broader community. As a participant in the used vehicle retailing industry, the Company recognises its role in promoting sustainability, transparency and responsible conduct across its operations. As Carma continues to scale, the Company plans to establish a formal ESG framework aligned with its growth stage. In the interim, Carma acknowledges the following initiatives already implemented across the organisation.

1. Management estimate of specific used vehicle types for sale on Australian marketplaces – vehicles 12 years and newer, grouped by make, model, badge and build year.

3. Company Overview

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(a) Environment

Carma operates under environmental regulations in relation to the use and disposal of paints, motor oils, fluids/coolants and tyres. Metals are recycled. Carma contributes to environmental sustainability by extending the lifecycle of vehicles via its core resale and reconditioning operations, reducing the demand for new vehicle production and associated resource consumption. Key initiatives include:

- **Reconditioning:** Implementing processes to refurbish vehicles efficiently, with a focus on waste minimisation.
- **Operational efficiency:** Investment in modern facilities and technology to reduce energy usage, water consumption, and waste generation.
- **Emissions awareness:** Availability and customer education on fuel-efficient and hybrid/electric used vehicles.

(b) Social

Carma places strong emphasis on customer trust, employee wellbeing, and community engagement. Core priorities include:

- **Customer trust and transparency:** Ensuring fair, accurate, and accessible information on vehicle condition, pricing, and history. Customers are offered 7-day returns, full 360-degree vehicle views and high inspection standards to facilitate informed purchase decision-making.
- **Quality assurance:** The NRMA has verified Carma's vehicle inspection and reconditioning processes.
- **Workforce development:** Providing employees with opportunities to grow and develop.

(c) Governance

Carma is committed to strong corporate governance and compliance and recognises this is key to the management of the business. The Management and Board is focused on ensuring compliance with statutory and fiduciary duties by maintaining appropriate internal controls, risk management, and corporate governance policies.

Strong governance underpins Carma's ability to deliver sustainable growth. Key initiatives include:

- **Board oversight:** Independent oversight of strategy, risk management and performance
- **Gender-balanced board:** Diversity of perspective and governance experience
- **NRMA quality endorsed:** Inspection and reconditioning operations verified for their quality by the NRMA
- **Ethical conduct:** Commitment to compliance with applicable laws, regulations and ethical standards
- **Data security and privacy:** Robust systems in place to safeguard customer and employee information, processes and controls
- **Workplace health and safety:** Detailed policies, systems and reporting

Carma intends to comply with the ASX Corporate Governance Principles and Recommendations, providing transparency in its reporting and disclosures. Carma has established an Audit and Risk Management Committee to strengthen Carma's governance framework. Carma intends to abide by key policies around Disclosure and Communications, Shareholder Communication, Trading, Code of Conduct and Diversity.

3.4 Growth

3.4.1 Scaling Sell-to Carma

Sell-to Carma is the Company's largest and highest margin source of vehicles, providing direct access to consumer-owned cars. Customers value the speed, certainty and convenience of the service, enabling the channel to scale rapidly since launch with 530 cars purchased through this channel in the June-25 quarter and 733 in the September-25 quarter, with the monthly average growth trajectory showing strong acceleration in 2025.

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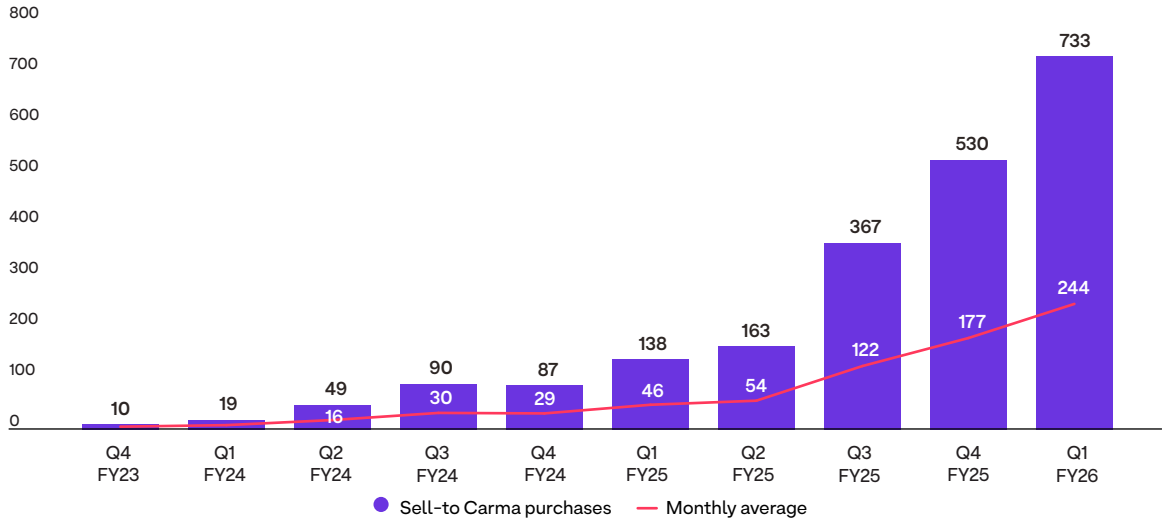
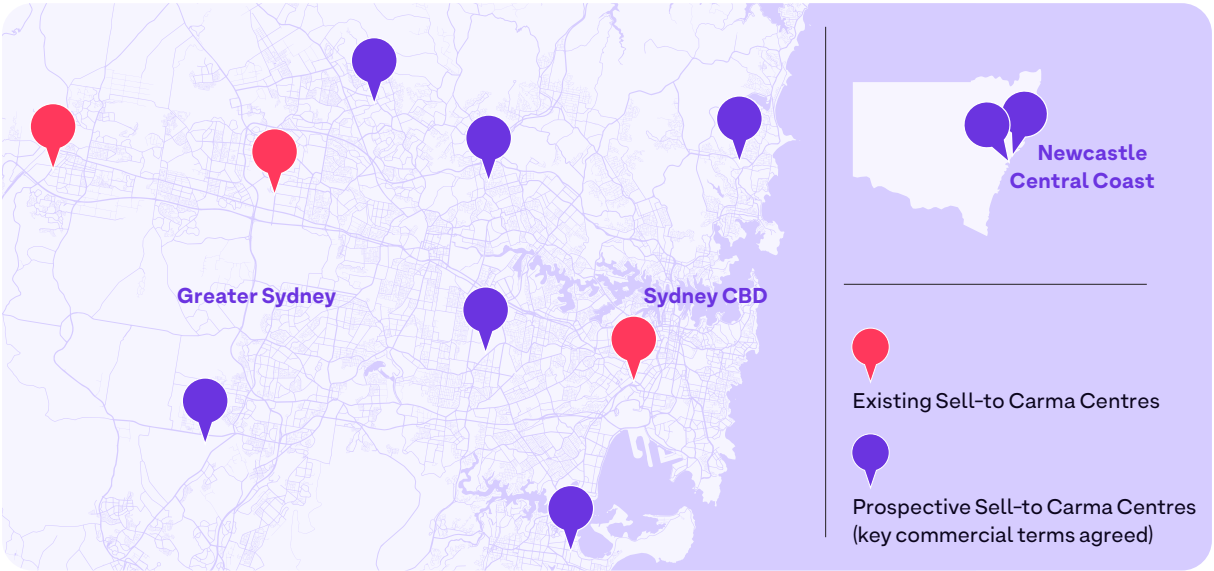
Figure 43: Vehicles sourced through Sell-to Carma



Buying directly from consumers is more intensive than from wholesale sources. The Sell-to Carma service is underpinned by Carma's proprietary Boomerang platform, which automates valuations, inspections, document verification and payments. This technology allows high transaction volumes to be processed efficiently, with minimal incremental headcount.

To expand capacity and improve convenience, Carma is rolling out low-cost Sell-to Carma Centres. These are low-cost locations (annual cost is currently approximately $20,000 per location), typically featuring just a small number of customer parking and inspection spaces within existing facilities such as shopping centres or malls, with branded signage and flags. Three centres were operational in Sydney as at August 2025. Additional sites have been identified throughout Sydney and in the Central Coast and Newcastle, with key commercial terms agreed and the next site planned to open in October 2025. These centres provide a replicable blueprint for national expansion.

Figure 44: Sell-to Carma Centre locations



3. Company Overview

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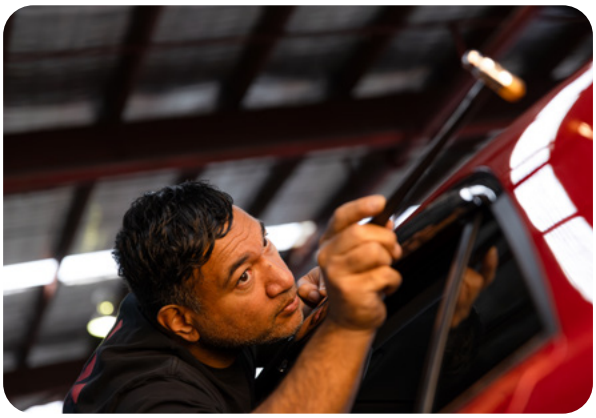
Scaling Sell-to Carma is further supported by growing brand recognition and Carma's exclusive partnership with the NRMA. As awareness increases, inbound vehicle supply is expected to accelerate, reinforcing control over inventory and enhancing margins. Direct-from-consumer sourcing has been demonstrated internationally by Carvana in the US, Auto1 Group in Europe and We Buy Any Car in the UK to be scalable at national level. Within Carma's integrated model, this channel is expected to remain the primary contributor of retail inventory and a driver of margin improvement as the business expands.

3.4.2 Scaling reconditioning

Scaling is enabled by lean manufacturing principles and supported by Carma's proprietary VROOM system. This systemised approach allows high volumes to be processed efficiently while maintaining stringent quality standards.

Carma's ability to scale retail sales is underpinned by its investment in high-capacity, in-house reconditioning infrastructure. At the end of August 2025, the Company transitioned from its original Alexandria Inspection and Reconditioning Centre (IRC), to a purpose built production line and facilities at its new IRC in St Peters, Sydney. The capex cost was approximately $2.5 million, invested in building new rapid paint facilities, purpose built reconditioning and manufacturing bays, relocating the photography studio and upgrading infrastructure and amenities.







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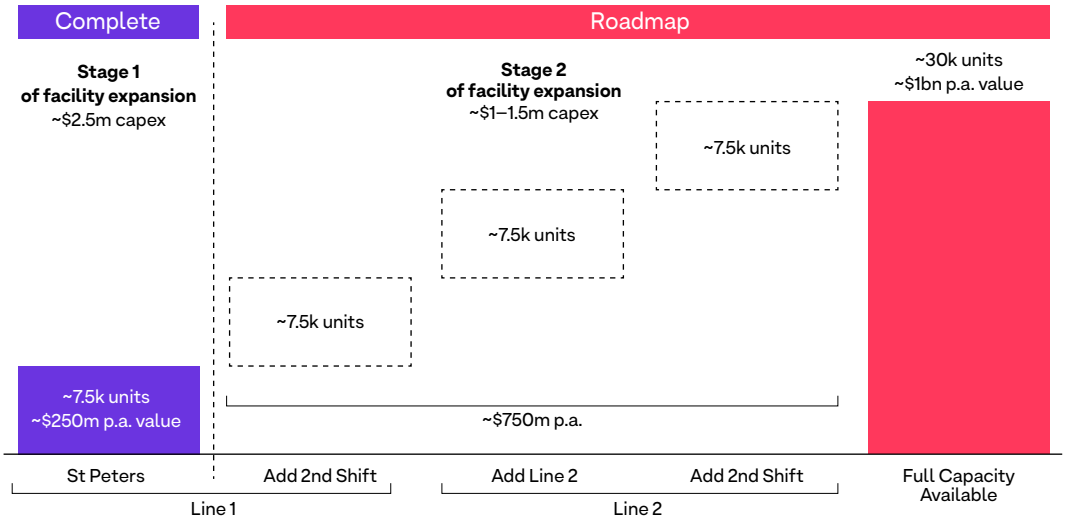
The St Peters IRC Facility is designed to have an initial single-line capacity to recondition approximately 7,500 vehicles per year. Adding a second shift could expand this to accommodate throughput of approximately 15,000 vehicles.

The St Peters site has been designed to accommodate a second reconditioning line in the future, which is estimated to cost an incremental $1–1.5 million. When fully built out and operating two shifts per day, the two lines are estimated to provide total reconditioning capacity of up to 30,000 vehicles annually.

Figure 45: St Peters IRC Facility capacity roadmap



Carma can expand output in staged increments by extending shift patterns and adding a second line, providing flexibility to align capacity with demand while preserving unit economics. This scalable infrastructure positions Carma to support significant growth, with the potential to replicate the model in other markets.

3.4.3 Inventory growth funded by established debt facility

Carma's growth strategy is supported by a capital-efficient inventory funding model that leverages industry-standard bailment financing. The Company has an established Bailment Finance Facility with an 80% loan-to-value ratio (refer to Section 9.6.2). Combined with high sales velocity, this approach to funding inventory is a key enabler of Carma's growth strategy, providing flexibility to scale sales whilst preserving balance sheet discipline.

3.4.4 Product expansion

Carma has integrated finance, extended coverage and insurance referral products directly into its digital purchase journey. These services provide convenience for customers, improve conversion and deliver incremental gross profit per unit. Over time, the Company intends to broaden this offering with additional financial and other value-added products, further deepening engagement and expanding revenue per transaction.

In parallel, Carma plans to scale its wholesale and remarketing services, leveraging its digital auction platform to provide disposal solutions for automotive finance providers, leasing businesses and fleet owners. This expansion adds fee-based revenue streams, strengthens institutional relationships and complements the core retail business, positioning Carma to capture greater value across the used vehicle lifecycle.

3. Company Overview

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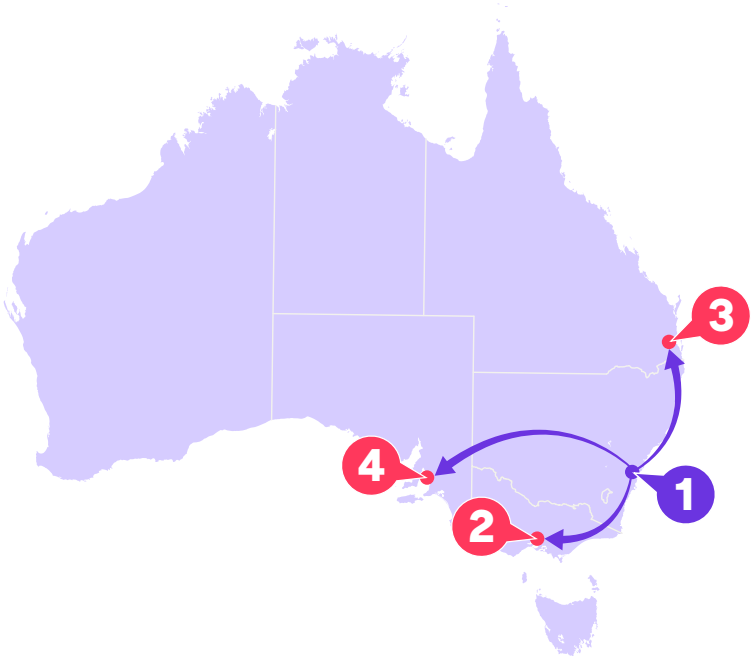
3.4.5 Geographic expansion

Carma's growth strategy beyond FY26 includes expanding beyond New South Wales into other geographies. Expanding along the East Coast into Victoria, Queensland and South Australia represents a significant addressable market opportunity, with a combined used vehicle market in the eastern side of the Australian mainland estimated to be more than $100 billion. Carma's business model is designed for scalable, capital-efficient roll-out into these markets by leveraging shared technology, marketing, customer support and data infrastructure without incurring proportional increases in overhead.

Expansion will be supported by state-based operations in sourcing, reconditioning and logistics, enabling local responsiveness while maintaining the benefits of centralised systems and processes. A shared inventory model across regions will allow vehicles acquired in one location to be matched with demand in another, accelerating sales velocity, improving asset utilisation and enhancing customer choice. This approach provides a disciplined pathway to national scale.

Figure 46: Geographic expansion



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Section 4

Financial Information



4. Financial Information

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4.1 Overview of Financial Information

The financial information contained in this Section 4 includes:

- historical consolidated financial information for the financial years ended 30 June 2023 (**FY23**), 30 June 2024 (**FY24**), and 30 June 2025 (**FY25**); and
- forecast consolidated financial information for the financial year ending 30 June 2026 (**FY26F**).

Figure 47: Summary of Financial Information in Section 4

	Statutory Financial Information	Pro Forma Financial Information
Historical Financial Information	**Statutory Historical Financial Information** comprises the: • statutory historical consolidated income statements for FY23, FY24, and FY25 (**Statutory Historical Results**); • statutory historical consolidated cash flows for FY23, FY24, and FY25 (**Statutory Historical Cash Flows**); and • statutory historical consolidated statement of financial position as at 30 June 2025 (**Statutory Historical Statement of Financial Position**).	**Pro Forma Historical Financial Information** comprises the: • pro forma historical consolidated income statements for FY23, FY24, and FY25 (**Pro Forma Historical Results**); • pro forma historical consolidated cash flows for FY23, FY24, and FY25 (**Pro Forma Historical Cash Flows**); and • pro forma historical consolidated statement of financial position as at 30 June 2025 (**Pro Forma Historical Statement of Financial Position**).
Forecast Financial Information	**Statutory Forecast Financial Information** comprises the: • statutory forecast consolidated income statement for FY26F (**Statutory Forecast Results**); and • statutory forecast consolidated cash flows for FY26F (**Statutory Forecast Cash Flows**).	**Pro Forma Forecast Financial Information** comprises the: • pro forma forecast consolidated income statement for FY26F (**Pro Forma Forecast Results**); and • pro forma forecast consolidated cash flows for FY26F (**Pro Forma Forecast Cash Flows**).

The Historical Financial Information and the Forecast Financial Information together form the **Financial Information**.

Carma reports on a 30 June financial year basis, and the Financial Information in this Section 4 has been presented consistent with this.

This Section 4 also includes:

- a summary of the basis of preparation and presentation of the Financial Information (see Section 4.2);
- information regarding certain non-IFRS financial measures (see Section 4.2.4);
- a summary of key pro forma operating and financial metrics (see Section 4.3.3);
- the pro forma adjustments to the Statutory Historical Financial Information, and reconciliations of the Statutory Historical Financial Information to the Pro Forma Historical Financial Information (see Section 4.3.2, Section 4.4.1 and Section 4.5);
- details of Carma's net cash and lease liabilities and a summary of its finance facilities (see Section 4.6 and Section 4.7);
- a description of the key factors affecting Carma, including key financial and operating metrics set out in Section 4.3.3 and Management's discussion and analysis of the Pro Forma Historical Financial Information (see Section 4.9);
- the Directors' best estimate general and specific assumptions underlying the Forecast Financial Information (see Section 4.8) and Management's discussion and analysis of the Forecast Financial Information (see Section 4.9);
- an analysis of the key sensitivities in respect of the Forecast Financial Information (see Section 4.10); and
- a summary of Carma's proposed dividend policy (see Section 4.12).

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In preparing the Statutory Financial Information, the accounting policies of Carma have been applied consistently throughout the periods presented. A summary of significant accounting policies is included in Appendix B to this Prospectus.

The Financial Information has been reviewed in accordance with the Australian Standard on Assurance Engagements ASAE 3450 Assurance Engagement involving Fundraisings and/or Prospective Financial Information by Deloitte Corporate Finance Pty Limited, whose Independent Limited Assurance Reports are contained in Section 8. Investors should note the scope and limitations of the Independent Limited Assurance Reports (see Section 8).

The information in this Section 4 should also be read in conjunction with the risk factors set out in Section 5 and the other information contained in this Prospectus, including the summary of Carma's significant accounting policies (set out in Appendix B).

All amounts disclosed in this Section 4 and the Appendices are presented in Australian dollars and, unless otherwise noted, are rounded to the nearest hundred thousand. Some numerical figures included in this Prospectus have been subject to rounding adjustments. Any differences between totals and sums of components in tables or figures contained in this Prospectus are due to rounding.

4.2 Basis of preparation and presentation of the Financial Information

4.2.1 Overview

The Directors are responsible for the preparation and presentation of the Financial Information. The Financial Information is intended to present potential investors with financial information to assist them in understanding the underlying financial performance, cash flows and financial position of Carma.

The Financial Information has been prepared in accordance with the measurement and recognition principles prescribed in Australian Accounting Standards (AAS) issued by the Australian Accounting Standards Board (AASB), which are consistent with IFRS Accounting Standards (IFRS) and interpretations issued by the International Accounting Standards Board and Carma's accounting policies (Carma's significant accounting policies are described in Appendix B). This Prospectus presents the Pro Forma Historical Financial Information and Pro Forma Forecast Financial Information on a consistent basis.

The Historical Financial Information is presented in an abbreviated form insofar as it does not include all the presentation and disclosures, statements or comparative information required by AAS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

Carma currently manages its operations as a single business operation and there are no parts of its business or geographies that currently qualify as more than one reportable segment under AASB 8 Operating Segments.

Section 4.2.4 describes certain non-IFRS financial measures that Carma uses to manage and report on its business that are not defined under or recognised by AAS or IFRS.

Investors should note that past results are not a guarantee of future performance.

4. Financial Information

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4.2.2 Preparation of Historical Financial Information

The Statutory Historical Financial Information has been extracted from the general purpose financial statements of Carma Limited (formerly Clickcar Holdings Pty Limited). The general purpose financial statements for the years ended 30 June 2023, 30 June 2024 and 30 June 2025 were audited by Deloitte Touche Tohmatsu in accordance with the Australian Auditing Standards. Deloitte Touche Tohmatsu issued unmodified audit opinions in respect of these financial statements.

The FY25 audit report includes an emphasis of matter paragraph in relation to the adoption of the going concern basis in preparing those financial statements, noting that there is indication of the existence of a material uncertainty, that may cast significant doubt about Carma's ability to continue as a going concern. The Directors' adoption of the going concern basis for preparation of the 30 June 2025 general purpose financial statements is on the expectation that the Company successfully executes the Offer, renewal of the Bailment Finance Facility in the ordinary course of business, and achievement of the Statutory Forecast Financial Information.

The Statutory Historical Financial Information is summarised in Section 4.3.

The Pro Forma Historical Financial Information has been prepared for the sole purpose of inclusion in this Prospectus and has been derived from the Statutory Historical Financial Information and adjusted for the effects of the pro forma adjustments described in Section 4.3.2, Section 4.4.1 and Section 4.5. In particular, in preparing the Pro Forma Historical Financial Information, pro forma adjustments have been made to reflect the following:

- the impact of the Offer including the offset of certain Offer costs against equity;
- the impact of the Convertible Notes which convert to Shares on Completion of the Offer as if the Convertible Notes had been treated as equity throughout the historical periods. This includes the elimination of any fair value adjustments pertaining to the revaluation of the derivative component of the Convertible Notes recognised through profit and loss and associated transaction costs, and the elimination of the interest expense associated with the host financial liability recognised at amortised cost; and
- the inclusion of incremental listed public company costs which represent the Company's estimate of the additional costs that it will incur as a listed public company. These costs include ASX and Share Registry fees, Non-Executive Director remuneration, Directors' and Officers' insurance, Key Management Personnel (KMP) remuneration, investor relations costs, as well as annual general meeting and annual report costs.

The Pro Forma Historical Statement of Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of Carma's future financial position.

The following statutory to pro forma reconciliations are contained within this section:

- The Statutory Historical Results and the Pro Forma Historical Results at the EBITDA and NPAT level (refer to Section 4.3);

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- Statutory Historical Cash Flows and the Pro Forma Historical Cash Flows at the net cash flow before corporate financing activities and tax level (refer to Section 4.4); and
- Statutory Historical Statement of Financial Position and Pro Forma Historical Statement of Financial Position (refer to Section 4.5).

4.2.3 Preparation of Forecast Financial Information

The Forecast Financial Information has been prepared by the Directors based on an assessment of present economic and operating conditions and on a number of best estimate general and specific assumptions regarding future events and actions as set out in Section 4.8. The Forecast Financial Information is subject to the risk factors set out in Section 5.

The Forecast Financial Information has been prepared solely for inclusion in this Prospectus. The Forecast Financial Information is presented on both a statutory and pro forma basis.

In preparing the Pro Forma Forecast Results, pro forma adjustments have been made to the Statutory Forecast Results to reflect the following:

- the inclusion of the estimate of the incremental costs that the Company will incur as a listed public company;
- the removal of the impact of Offer costs which are recognised in the Statutory Forecast Results in FY26F; and
- the removal of the impact of the Convertible Notes which convert to Shares on Completion of the Offer, including the removal of the FVTPL and amortised cost balances and associated profit and loss movements.

The Directors believe that the Forecast Financial Information has been prepared with due care and attention and consider all best estimate general and specific assumptions when taken as a whole to be reasonable as at the Prospectus Date. However, this information is not fact and potential investors are cautioned not to place undue reliance on the Forecast Financial Information.

This information is intended to assist potential investors in assessing the reasonableness and likelihood of the assumptions occurring but is not intended to be a representation that the assumptions will occur. The Forecast Financial Information has been reviewed by Deloitte Corporate Finance Pty Ltd but has not been audited. Investors should note the scope and limitations of the Independent Limited Assurance Report on the Forecast Financial Information (refer to Section 8).

Investors should be aware that the timing of actual events and the magnitude of their impact might differ from that assumed in preparing the Forecast Financial Information, and that this may have a material positive or negative effect on Carma's actual underlying financial performance, cash flows or financial position. In addition, the assumptions upon which the Forecast Financial Information is based are by their very nature subject to significant uncertainties and contingencies, many of which will be outside of the control of Carma, the Directors and Management and are not reliably predictable.

Accordingly, none of the Directors, Management or any other person can give potential investors any assurance that the outcomes disclosed in the Forecast Financial Information will arise. The Forecast Financial Information should be read in conjunction with the best estimate general and specific assumptions as set out in Section 4.8, the sensitivities as set out in Section 4.10, the risk factors set out in Section 5 and the other information in this Prospectus.

The Directors have no intention to update or revise the Forecast Financial Information or other forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

Due to its nature, the Pro Forma Forecast Financial Information does not represent Carma's actual or prospective financial performance or cash flows.

The Independent Limited Assurance Report on the Statutory Forecast Financial Information and the Pro Forma Forecast Financial Information has been prepared solely in connection with the Offer outside

4. Financial Information

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the United States and has been omitted from the U.S. Offering Memorandum being distributed in the United States.

4.2.4 Explanation of certain non-IFRS financial measures

Carma uses certain measures to manage and report on its business that are not recognised under AAS. These measures are collectively referred to in this Section 4 and under ASIC Regulatory Guide 230 Disclosing Non-IFRS Financial Information as "non-IFRS financial measures".

Management believes that such non-IFRS financial measures, together with the IFRS measures, permit a more complete and comprehensive analysis of Carma's underlying operating performance, and that these measures provide useful information to users in measuring Carma's financial and operating performance and condition and in making comparisons with Carma's publicly listed peers in overseas markets.

Non-IFRS financial measures are therefore intended to supplement the measures calculated in accordance with AAS and not as a substitute for those measures. These non-IFRS financial measures do not have a prescribed definition under IFRS and the method that the Company uses to calculate them may be different to methods adopted by other companies to calculate similarly titled measures.

Investors are cautioned not to place undue reliance on any non-IFRS financial measures included in the Prospectus.

In the disclosures in Section 4, Carma uses the following non-IFRS financial measures:

- **Gross profit** represents revenue less cost of goods sold;
- **Gross profit margin** refers to gross profit divided by revenue, expressed as a percentage;
- **Gross profit per unit (pre write-down)** refers to gross profit before inventory write-downs, divided by the net number of retail units delivered, being the total number of retail units delivered less returned units;
- **Gross profit per unit (GPU)** refers to gross profit divided by the net number of retail units delivered, being the total number of retail units delivered less returned units;
- **Operating expenses per unit** refers to operating expenses, divided by the net number of retail units delivered, being the total number of retail units delivered less returned units;
- **EBITDA** represents net profit before interest, gains/(losses) associated with FVTPL re-measurements, income tax expense, depreciation and amortisation;
- **EBITDA per unit** refers to EBITDA, divided by the net number of retail units delivered, being the total number of retail units delivered less returned units;
- **EBITDA margin** refers to EBITDA divided by revenue, expressed as a percentage;
- **EBIT** represents earnings before finance income, finance costs and income tax expense;
- **Working capital** comprises inventories, trade receivables, trade payables, prepayments, accruals and employee entitlement provisions;
- **Capital expenditure** includes investment in property and equipment including leasehold improvements, software and licence assets and capitalised development costs related to in-house developed software used to run Carma's business;
- **Indebtedness** is cash and cash equivalents less the drawn amount under Carma's Bailment Finance Facility, Credit Card Facilities and Convertible Notes; and
- **Cash flow before corporate financing activities and tax** is net cash flow before financing less cash flow from Carma's Bailment Finance Facility and lease liabilities.

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4.3 Historical and Forecast Consolidated Income Statements

4.3.1 Overview

Figure 48 sets out the Pro Forma Historical Results and the Pro Forma Forecast Results. The Pro Forma Historical Results and the Pro Forma Forecast Results are reconciled to the Statutory Historical Results and the Statutory Forecast Results in Figure 50. See Section 4.9 for management's discussion and analysis related to Figure 48, Figure 51 and Figure 52.

Figure 48: Pro Forma Historical Results and Pro Forma Forecast Results

		Pro Forma Historical			Pro Forma Forecast
$ millions	Notes	FY23	FY24	FY25	FY26F
Revenue	1	**48.0**	**68.9**	**71.4**	**127.6**
Cost of sales	2	(46.2)	(68.0)	(66.2)	(115.8)
Gross profit		**1.8**	**0.9**	**5.2**	**11.8**
Employee benefit expenses	3	(14.7)	(17.7)	(18.2)	(22.3)
Marketing expenses	4	(4.8)	(4.2)	(4.1)	(6.7)
Occupancy expenses	5	(3.9)	(4.9)	(4.5)	(3.1)
Other expenses	6	(5.7)	(5.6)	(6.2)	(7.4)
EBITDA		**(27.3)**	**(31.5)**	**(27.8)**	**(27.7)**
Depreciation and amortisation	7	(2.6)	(4.9)	(6.7)	(7.0)
EBIT		**(29.9)**	**(36.4)**	**(34.5)**	**(34.7)**
Finance income	8	0.6	0.4	0.3	0.6
Finance costs	9	(0.1)	(0.4)	(0.7)	(1.2)
Loss before income tax expense		**(29.4)**	**(36.4)**	**(34.9)**	**(35.3)**
Income tax expense	10	–	–	–	–
Loss after tax		**(29.4)**	**(36.4)**	**(34.9)**	**(35.3)**

Notes:

1. Revenue represents the sale of used vehicles to retail and wholesale customers and ancillary income including commissions on third-party customer loans.
2. Cost of sales mainly represents the cost of the vehicles that are purchased to resell. Cost of sales also include the cost of reconditioning cars (such as parts and labour) which are absorbed into the cost of inventory.
3. Employee benefit expenses include wages and salaries and other employment related costs including annual leave, payroll tax and superannuation contributions.
4. Marketing expenses consist of media costs paid to classifieds (including carsales, Drive.com.au and Gumtree Group), paid search, out of home, social media, sponsorships (including Carma's partnership with the NRMA) and creative expenses.
5. Occupancy expenses relate to short term property leases (which are not recorded on balance sheet under AASB 16), outgoings and other occupancy and facility related expenditure.
6. Other expenses relate to audit, legal and professional fees, general office related administrative expenses as well as vehicle sale related costs.
7. Depreciation comprises of the depreciation on the right-of-use assets and to a smaller extent the depreciation on property, plant and equipment. Amortisation relates to the amortisation on software and right-of-use assets recognised under AASB 16.
8. Finance income relates to interest received on cash balances.
9. Finance costs consist of the interest expense incurred on the Bailment Finance Facility used to fund vehicles and the interest expense on lease liabilities.
10. Carma has accumulated tax losses, and no income tax was payable in the historical period disclosed or is expected to be paid in FY26F. Carma has not recognised a Deferred Tax Asset as it does not meet the accounting standards for recognition.

4. Financial Information

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Figure 49 sets out the Statutory Historical Results and the Statutory Forecast Results.

Figure 49: Statutory Historical Results and Statutory Forecast Results

		Statutory Historical			Statutory Forecast
$ millions	Notes	FY23[11]	FY24[12]	FY25	FY26F
Revenue	1	**48.0**	**68.9**	**71.4**	**127.6**
Cost of sales	2	(46.2)	(68.0)	(66.2)	(115.8)
Gross profit		**1.8**	**0.9**	**5.2**	**11.8**
Employee benefit expenses	3	(12.4)	(15.4)	(15.9)	(22.0)
Marketing expenses	4	(4.8)	(4.2)	(4.1)	(6.7)
Occupancy expenses	5	(3.9)	(4.9)	(4.5)	(3.1)
Other expenses	6	(5.0)	(4.9)	(6.1)	(10.4)
EBITDA		**(24.3)**	**(28.5)**	**(25.4)**	**(30.4)**
Depreciation and amortisation	7	(2.6)	(4.9)	(6.7)	(7.0)
EBIT		**(26.9)**	**(33.4)**	**(32.1)**	**(37.4)**
Finance income	8	0.6	0.4	0.3	0.6
Finance costs	9	(0.1)	(0.4)	(4.1)	(5.7)
Loss before income tax expense		**(26.4)**	**(33.4)**	**(35.9)**	**(42.5)**
Income tax expense	10	–	–	–	–
Loss after tax		**(26.4)**	**(33.4)**	**(35.9)**	**(42.5)**

Notes:

See notes 1–10 below Figure 48.

11. The Statutory Historical Results for FY23 have been derived from the FY23 financial statements and presented on a consistent basis with those financial statements with the exception of reclassifying $1.0 million from marketing expenses to other expenses and reclassifying the foreign exchange gain of $0.4 million in FY23 to other expenses in order to align with the expense classifications used for the FY24 and FY25 years as presented in the FY25 financial statements.
12. The Statutory Historical Results for FY24 have been derived from the FY24 financial statements and presented on consistent basis with those financial statements with the exception of reclassifying $0.4 million from marketing expenses to other expenses in order to align with the expense classifications used for the FY24 and FY25 years as presented in the FY25 financial statements.

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4.3.2 Pro forma adjustments to the Statutory Historical and Statutory Forecast Results

Figure 50 sets out the pro forma adjustments that have been made to statutory EBITDA and NPAT in the historical and forecast periods. No adjustments have been made to statutory revenue.

Figure 50: Pro forma adjustments to Statutory Historical and Statutory Forecast EBITDA and NPAT

		Historical			Forecast
$ millions	Notes	FY23	FY24	FY25	FY26F
Statutory EBITDA		**(24.3)**	**(28.5)**	**(25.4)**	**(30.4)**
Convertible Notes	1	–	–	0.6	–
Public company costs	2	(3.0)	(3.0)	(3.0)	(0.4)
Offer costs	3	–	–	–	3.1
Pro forma EBITDA		**(27.3)**	**(31.5)**	**(27.8)**	**(27.7)**
Statutory net loss after tax		**(26.4)**	**(33.4)**	**(35.9)**	**(42.5)**
Convertible Notes	1	–	–	4.0	4.5
Public company costs	2	(3.0)	(3.0)	(3.0)	(0.4)
Offer costs	3	–	–	–	3.1
Pro forma net loss after tax		**(29.4)**	**(36.4)**	**(34.9)**	**(35.3)**

Notes:

1. Reflects the elimination of any fair value adjustments pertaining to the revaluation of the derivative component of the Convertible Notes recognised through profit and loss and associated transaction costs, and the elimination of the interest expense associated with the host financial liability recognised at amortised cost.
2. Public company costs reflect Carma's estimate of the additional annual costs associated with being a publicly listed entity. These costs include incremental Non-Executive Directors' fees, KMP remuneration, listing fees, share registry costs, Directors' and officers' insurance premiums, investor relations costs, annual general meetings costs, annual reports costs, and other public company costs.
3. Offer costs reflects costs incurred in relation to the Offer, including the Joint Lead Managers' underwriting fees, legal and accounting due diligence fees, tax and structuring advice, associated consultancy and advisory services relating to the Offer. Offer costs (inclusive of GST) are forecast at $6.4 million. Of the total Offer costs, $3.1 million is forecast to be expensed and the remaining $3.3 million is forecast to be offset against issued capital on the balance sheet.

4. Financial Information

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4.3.3 Key pro forma operating and financial metrics

Figure 51 sets out a summary of Carma's key pro forma operating and financial metrics for FY23, FY24, FY25 and FY26F.

Figure 51: Key pro forma operating and financial metrics

		Pro forma Historical			Pro forma Forecast
	Notes	FY23	FY24	FY25	FY26F
Operating metrics					
Retail Units (#)	1	1,300	2,060	2,101	3,346
Wholesale Units (#)	2	217	344	807	1,868
Total Units (#)	**3**	**1,517**	**2,404**	**2,908**	**5,214**
Average Online Inventory (#)	4	581	547	228	287
Online Inventory Days	5	163	97	40	31
Online Inventory Turn	6	2.2x	3.8x	9.2x	11.6x
Financial metrics (per Retail Unit)					
Gross profit per unit (pre write-down) ($'000)	7	1.9	1.7	2.7	3.6
Gross profit per unit (GPU) ($'000)	8	1.4	0.5	2.5	3.5
Operating expenses per unit ($'000)	9	(22.4)	(15.7)	(15.7)	(11.8)
EBITDA per unit ($'000)	10	(21.0)	(15.2)	(13.2)	(8.3)
Financial metrics					
Revenue growth (%)	11	360%	44%	4%	79%
Gross profit margin (%)	12	3.8%	1.4%	7.3%	9.2%
EBITDA margin (%)	13	(56.9)%	(45.7)%	(38.9)%	(21.7)%

Notes:

1. Retail Units represents the number of vehicles delivered to retail customers, net of returns.
2. Wholesale Units represents the number of vehicles delivered to wholesale customers, net of returns.
3. Total Units reflects the sum of Retail Units and Wholesale Units.
4. Average Online Inventory represents the average number of vehicles available for sale online to retail customers on carma.com.au.
5. Online Inventory Days represents the number of days the average vehicle is available for sale on carma.com.au.
6. Online Inventory Turn represents the number of days in a year divided by Online Inventory Days.
7. Gross profit after adding back write-downs divided by the number of Retail Units.
8. Gross profit (which comprises retail gross profit, wholesale gross profit and other gross profit) divided by the number of Retail Units.
9. Operating expenses per unit represents operating expenses divided by Retail Units.
10. EBITDA per unit represents EBITDA divided by Retail Units.
11. Revenue growth (%) is calculated as the change in current period revenue expressed as a percentage of prior period revenue.
12. Gross profit margin (%) is calculated as Gross profit divided by revenue, expressed as a percentage.
13. EBITDA margin (%) is calculated as EBITDA divided by revenue, expressed as a percentage.

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4.4 Historical and Forecast Cash Flows

4.4.1 Summary Pro Forma Historical and Pro Forma Forecast Cash Flows

Figure 52 sets out the Pro Forma Historical Cash Flows, and the Statutory and Pro Forma Forecast Cash Flows.

Figure 52: Pro Forma Historical Cash Flows and Pro Forma and Statutory Forecast Cash Flows

		Pro Forma Historical			Pro Forma Forecast	Statutory Forecast
$ millions	Notes	FY23	FY24	FY25	FY26F	FY26F
EBITDA		**(27.3)**	**(31.5)**	**(27.8)**	**(27.7)**	**(30.4)**
Non-cash items	1	2.0	3.7	1.9	1.8	1.8
Change in working capital	2	(13.7)	8.9	5.8	(11.0)	(11.0)
Interest received	3	0.6	0.4	0.3	0.6	0.6
Interest paid	4	–	(0.1)	(0.3)	(0.4)	(0.4)
Operating cash flow		**(38.4)**	**(18.6)**	**(20.1)**	**(36.7)**	**(39.4)**
Net payments for PPE	5	(0.8)	(0.2)	–	(3.0)	(3.0)
Net payments for intangible assets	6	(2.3)	(2.8)	(2.7)	(2.7)	(2.7)
Payments for funds on deposit	7	–	(0.5)	(0.2)	(0.3)	(0.3)
Cash flow before financing		**(41.5)**	**(22.1)**	**(23.0)**	**(42.7)**	**(45.4)**
Proceeds from Bailment Finance Facility	8	–	10.8	23.2	30.7	30.7
Repayment of Bailment Finance Facility	9	–	(3.2)	(28.9)	(12.6)	(12.6)
Payment of lease liabilities	10	(1.7)	(2.4)	(3.7)	(3.8)	(3.8)
Cash flow before corporate financing activities and tax		**(43.2)**	**(16.9)**	**(32.4)**	**(28.4)**	**(31.1)**
Net proceeds from Convertible Notes issue	11					1.0
Proceeds from Offer	12					70.0
Offer costs	13					(3.3)
Net cash flow						**36.6**

Notes:

1. Non-cash items primarily consists of share-based payments and inventory write-downs.
2. Working capital movement represents the movement in working capital balances. The movement in working capital in each period is primarily driven by the movement in the value of vehicle inventory.
3. Represents interest received on cash balances held by Carma in each period.
4. Represents interest paid in respect of the Bailment Finance Facility.
5. Reflects the net of capitalised expenditure incurred on property, plant and equipment and proceeds from the sale of property, plant and equipment.
6. Reflects the capital expenditure incurred on capitalised development costs associated with internal software development activities.
7. Represents payments for term deposits pledged as security under bank guarantees.
8. Relates to cash proceeds received from drawing down on the Bailment Finance Facility to finance individual vehicle inventory.
9. Relates to cash payments made on repayment of the Bailment Finance Facility.
10. Relates to payments made on the leased properties.
11. Relates to cash received on the issue of the Convertible Notes in FY26F.
12. Reflects the expected cash proceeds from New Shares issued from the Offer.
13. Reflects the costs incurred in respect of the Offer that are expected to be capitalised and offset against equity. Note that $3.1 million of Offer costs that are expected to be expensed are included in statutory EBITDA.

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Figure 53 sets out the Statutory Historical Cash Flows.

Figure 53: Statutory Historical Cash Flows

		Statutory Historical		
$ millions	Notes	FY23	FY24	FY25
EBITDA		**(24.3)**	**(28.5)**	**(25.4)**
Non-cash items	1	1.0	2.7	0.9
Change in working capital	2	(13.7)	8.9	5.3
Interest received	3	0.6	0.4	0.3
Interest paid	4	–	(0.1)	(0.3)
Operating cash flow		**(36.4)**	**(16.6)**	**(19.2)**
Net payments for PPE	5	(0.8)	(0.2)	–
Net payments for intangible assets	6	(2.3)	(2.8)	(2.7)
Payments for funds on deposit	7	–	(0.5)	(0.2)
Cash flow before financing		**(39.5)**	**(20.1)**	**(22.1)**
Proceeds from Bailment Finance Facility	8	–	10.8	23.2
Repayment of Bailment Finance Facility	9	–	(3.2)	(28.9)
Payment of lease liabilities	10	(1.7)	(2.4)	(3.7)
Cash flow before corporate financing activities and tax		**(41.2)**	**(14.9)**	**(31.5)**
Net proceeds from issue of shares	11	0.5	–	–
Proceeds from the issuance of Convertible Notes	12	–	–	29.9
Net cash flow		**(40.7)**	**(14.9)**	**(1.6)**

Notes:

Refer to note 1–10 under Figure 52.

11. Relates to cash received in FY23 from the issue of shares as part of a funding round undertaken in FY22.
12. Relates to cash received on the issue of the Convertible Notes in FY25.

Figure 54 sets out the pro forma adjustments that have been made to the historical and forecast statutory net cash flow before corporate financing activities and tax.

Figure 54: Pro forma adjustments to the statutory historical and forecast net cash flow before corporate financing activities and tax

		Historical			Forecast
$ millions	Notes	FY23	FY24	FY25	FY26F
Statutory net cash flow before corporate financing activities and tax		**(41.2)**	**(14.9)**	**(31.5)**	**(31.1)**
Convertible Notes	1	–	–	1.1	–
Public company costs	2	(2.0)	(2.0)	(2.0)	(0.4)
Offer costs	3	–	–	–	3.1
Pro Forma net cash flow before corporate financing activities and tax		**(43.2)**	**(16.9)**	**(32.4)**	**(28.4)**

Notes:

Refer to note 1–3 under Figure 50.

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4.5 Statutory and Pro Forma Historical Statement of Financial Position

Figure 55 sets out the pro forma adjustments to the Statutory Historical Statement of Financial Position as at 30 June 2025. The Pro Forma Historical Statement of Financial Position has been provided for indicative purposes only and includes certain pro forma adjustments to reflect the impact of the Offer and the capital reorganisation that will take place as part of the conversion of the Convertible Notes as if these were in place as at 30 June 2025.

The Pro Forma Historical Statement of Financial Position is not represented as being indicative of Carma's view on its future financial position. Further information on sources and uses of funds of the Offer is contained in Section 7.1.3.

Figure 55: Statutory and Pro Forma Historical Statements of Financial Position as at 30 June 2025

$ millions	Statutory Historical 30 June 2025	Convertible Notes[1]	Offer Proceeds[2]	Offer Costs[3]	Pro Forma Historical 30 June 2025
Cash and cash equivalents	6.3	1.0	70.0	(6.4)	70.9
Trade and other receivables	1.4	–	–	–	1.4
Inventories	14.5	–	–	–	14.5
Other assets	1.0	–	–	–	1.0
Total current assets	**23.2**	1.0	**70.0**	**(6.4)**	**87.8**
Right-of-use assets	10.3	–	–	–	10.3
Property, plant and equipment	2.1	–	–	–	2.1
Intangible assets	3.6	–	–	–	3.6
Other assets	1.0	–	–	–	1.0
Total non-current assets	**17.0**	–	–	–	**17.0**
TOTAL ASSETS	**40.2**	1.0	**70.0**	**(6.4)**	**104.8**
Trade and other payables	(3.9)	–	–	–	(3.9)
Lease liabilities	(2.5)	–	–	–	(2.5)
Provisions	(1.2)	–	–	–	(1.2)
Borrowings – Bailment Finance Facility	(1.9)	–	–	–	(1.9)
Financial liabilities – Convertible Note	(32.8)	32.8	–	–	–
Total current liabilities	**(42.3)**	**32.8**	**–**	**–**	**(9.5)**
Lease liabilities	(8.2)	–	–	–	(8.2)
Total non-current liabilities	**(8.2)**	–	–	–	**(8.2)**
TOTAL LIABILITIES	**(50.5)**	**32.8**	**–**	**–**	**(17.7)**
NET ASSETS/(LIABILITIES)	**(10.3)**	**33.8**	**70.0**	**(6.4)**	**87.1**
Share Capital	95.0	33.8	70.0	(3.3)	195.5
Share-based payments reserve	0.8	–	–	–	0.8
Accumulated Losses	(106.1)	–	–	(3.1)	(109.2)
TOTAL EQUITY	**(10.3)**	**33.8**	**70.0**	**(6.4)**	**87.1**

Notes:

1. In conjunction with the Offer, the Convertible Notes will convert into 21,813,870 Shares, resulting in a decrease in the Convertible Note liability on the Statement of Financial Position of $32.8 million (being the host financial liability and the embedded derivative component) an increase in cash of $1.0 million and an increase in Share Capital of $33.8 million. This adjustment includes the conversion of $1.0 million of Convertible Notes that were issued by the Company post 30 June 2025 that will be converted into Shares in conjunction with the Offer.
2. Offer proceeds of $70.0 million are expected to be generated in the Offer through the issue of 25,925,926 New Shares.
3. Offer costs reflect the costs incurred in respect of the Offer totalling $6.4 million. These costs are apportioned between profit and loss and equity in accordance with the Accounting Standards. Carma expects $3.3 million of the Offer costs will be offset against issued capital and the remaining $3.1 million expensed as incurred.

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4.6 Net cash and lease liabilities

Figure 56 sets out a summary of the statutory and pro forma net cash and lease liabilities of Carma as at 30 June 2025.

Figure 56: Net Cash and Lease Liabilities as at 30 June 2025

$ millions	Notes	Statutory	Pro Forma adjustments	Pro Forma
Cash and cash equivalents	1	6.3	64.6	70.9
Borrowings – Bailment Finance Facility	2	(1.9)	–	(1.9)
Financial liabilities – Convertible Notes	3	(32.8)	32.8	–
Total net (debt)/cash		(28.4)	97.4	69.0
Lease liabilities	4	(10.7)	–	(10.7)
Total net (debt)/cash and lease liabilities		**(39.1)**	**97.4**	**58.3**

Notes:

1. Refer to Figure 55 for a description of the Pro Forma adjustments between the statutory and pro forma cash and cash equivalents as at 30 June 2025.
2. Bailment Finance Facility reflects the drawn amount at 30 June 2025 under the Bailment Finance Facility used to finance vehicle inventory. Refer to further details in Section 4.7 below.
3. Convertible Notes: refer to note 1 under Figure 55.
4. Lease liabilities mainly relates to the right-of-use lease liability on the St Peters IRC Facility and the Alexandria head office (refer to occupancy expenses and amortisation discussion in Section 4.9 for further details).

4.7 Description of finance facilities

Figure 57 sets out Carma's finance facilities.

Figure 57: Carma's finance facilities

$ millions	Notes	Facility limit	Statutory Historical as at 30 June 2025	Pro Forma estimate at Completion
Bailment Finance Facility	1	(30.0)	(1.9)	(12.6)
Credit Card Facilities	2	(0.3)	(0.1)	(0.1)

Notes:

1. Represents the facility limit Carma can utilise to finance the purchase of vehicle inventory as described below.
2. Credit Card Facilities are used as part of working capital management in the ordinary course of operations.

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Bailment Finance Facility

Carma utilises a Bailment Finance Facility to fund vehicle inventory. Carma's Bailment Finance Facility is provided by Volkswagen Financial Services who retain 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 occur on an individual vehicle basis financed to 80% LVR and typically draw down occurs post-purchase by Carma and 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. Interest is charged under the Bailment Finance Facility at a margin above the 90-day Bank Bill Swap rate adopted by Volkswagen Financial Services.

Liquidity, capital resources and indebtedness

Following Completion, Carma's principal sources of funds are expected to be available cash on its balance sheet and any undrawn amounts under its finance facilities.

Carma's primary use of its finance facilities is to fund working capital requirements and to provide liquidity for operations and growth initiatives.

Carma expects that it will have sufficient working capital (for the purposes of Listing Rule 1.3.3(b)) to meet its stated business objectives over the next twelve months post Completion of the Offer.

Carma's ability to generate sufficient cash depends on its future performance which, to a certain extent, is subject to a number of factors beyond Carma's control including general economic, financial and competitive conditions. See Section 5 for risks associated with Carma's future performance.

4.8 Forecast Financial Information

The Forecast Financial Information is based on various specific and general assumptions, including those set out in this Section 4.8. In preparing the Forecast Financial Information, Management has undertaken an analysis of historical performance and applied assumptions, where appropriate, in order to forecast future performance for FY26F. Refer to the basis of preparation in Section 4.2 for more detail on the preparation of the Forecast Financial Information.

The Directors believe that the Forecast Financial Information has been prepared with due care and attention and consider all assumptions when taken as a whole to be reasonable at the Prospectus Date. However, actual results are likely to vary from the forecast and any variation may be materially positive or negative.

The assumptions upon which the Forecast Financial Information is based are by their nature subject to significant uncertainties and contingencies, many of which are outside the control of the Company, and its Directors and Management, and are not reliably predictable. Accordingly, neither the Company nor its Directors, or any other person, can give any assurance that the Forecast Financial Information or any prospective statement contained in this Prospectus will be achieved. Events and outcomes might differ in amount and timing from the assumptions, with a material consequential impact on the Forecast Financial Information.

The Forecast Financial Information has been prepared based on the pro forma adjustments outlined in Section 4.2.2 and the significant accounting policies outlined in Appendix B.

The assumptions set out below should be read in conjunction with the sensitivity analysis in Section 4.10, the risk factors in Section 5 and the other information in this Prospectus.

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4.8.1 General assumptions

In preparing the Forecast Financial Information, the Directors have adopted the following general assumptions:

- No material changes in the current competitive environment in which Carma operates;
- No material change in the used vehicle market that would have a material impact on demand for, or prices of retail or wholesale vehicles;
- No material changes in the current global or local Australian economic conditions relevant to Carma;
- No material changes from current government regulations or policies which impact Carma's business or customers;
- No significant interruptions, industry disturbances or disruptions in relation to Carma's operating model;
- No material amendment to any material contract, agreement or arrangement relating to Carma's business;
- No material industrial actions or other disturbances, environmental costs or legal claims;
- No material change in Commonwealth, state or local government legislation, tax legislation, regulatory legislation, regulatory requirements or government policy that will have a material impact on the financial performance or cash flows, financial position or disclosure of Carma;
- No material cash flow or consolidated income statement or financial position impact in relation to litigation (existing or otherwise);
- No material changes in key personnel, including key management personnel, and Carma is able to continue to recruit and retain personnel which will be required to support future growth;
- No material change in Carma's corporate or funding structure other than as set out in, or contemplated by, this Prospectus;
- The Offer proceeds to Completion in accordance with the timetable set out in the Key Dates on page 3 of this Prospectus;
- No material unexpected change in applicable AAS, the Corporations Act or other mandatory professional reporting requirements which have a material effect on Carma's financial performance or cash flows, financial position, accounting policies, financial reporting or disclosures;
- No material acquisitions, divestments, restructuring or investments other than as set out in, or contemplated by, this Prospectus; and
- None of the key risks listed in Section 5 occurs, or if they do, none of them have a material adverse impact on Carma's operations.

4.8.2 Specific assumptions

The specific assumptions adopted in preparing the Forecast Financial Information are set out below.

In preparing the Forecast Financial Information, Management has analysed historical performance including the current rates of sales and expenses and applied assumptions, where appropriate, across the business.

The assumptions set out below should be read in conjunction with the sensitivity analysis set out in Section 4.10, the risk factors set out in Section 5, the Independent Limited Assurance Report on the Forecast Financial Information set out in Section 8 and the other information contained in this Prospectus.

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Figure 58: Specific assumptions

	FY26F
Revenue assumptions	Retail Revenue is forecast to increase by 70.3% and is based on Average Online Inventory, Online Inventory Days and Average Selling Price. The forecast Average Online Inventory of 287 units is based on the expected increase in the number of vehicles reconditioned in the St Peters IRC Facility, which in turn is mainly supported by the forecast increase in vehicles acquired through the Sell-to Carma channel (see Sections 3.2.2 and 3.4.1). FY26F has the full year benefit of Carma's existing three Sell-to centres that we opened in H2FY25. As these three Sell-to Carma Centres were only operational in Q4-FY25, Carma expects to achieve efficiencies and operations improvements with the full year impact of the Sell-to Carma Channel (refer Figure 43), supporting the increase in reconditioning volumes and ultimately Retail Revenue. While the forecast increase in vehicles acquired and sold is expected to be achievable based on Carma's existing Sell-to Carma sourcing capacity, Carma expects to invest in the roll-out of five additional Sell-to Carma Centres during FY26F to provide additional sourcing flexibility and capacity beyond that assumed in the Forecast (refer to Section 3.2.2). Forecast Online Inventory Days of 31 days is based on historical trends. Forecast Average Selling Price of $32,100 reflects the average price at which Carma expects to sell Retail Units and is largely consistent with current prices. Wholesale revenue is based on the volume of units delivered and Average Selling Price. The volume of units forecast to be delivered is based on the continued increase in vehicles sourced via the Sell-to Carma channel and the Average Selling Price is largely consistent with prices achieved in the second half of FY25. Other income is based on historical trends and achieving marginal improvements in attachments rates, income per contract from referrals to third parties for origination of third-party customer loans, extended coverage and the referral of insurance products.
Gross profit assumptions	Forecast Gross profit is driven by the forecast increase in revenue at the forecast Gross profit margin of 9.2%. Gross profit margin forecast is mainly based on the levels achieved in the second half of FY25 and the expected decrease in costs of reconditioning per unit, as the number of units reconditioned are forecast to increase.
Operating expenses assumptions	Operating expenses forecast is mainly based on historical trends and the increase in costs expected to support the increase in vehicles reconditioned after considering the expected benefits of scale. Forecast operating expenses include the incremental costs Carma expects to incur as a public listed company as well as additional executive and non-executive remuneration.
Depreciation and amortisation assumptions	Forecast depreciation and amortisation is based on existing property, plant and equipment, software and technology, right of use assets recognised under AASB 16 and the expected capital expenditure and capitalised development costs in FY26F.
Finance income and costs	Finance income and finance costs are a function of the available cash on hand and the drawn down level of the Bailment Finance Facility. Interest rates are not assumed to change over the forecast period from FY25.
Income tax assumptions	No income tax is forecast to be payable, on account of accumulated tax losses.

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	FY26F
Working capital assumptions	Working capital balances are forecast based on historical trends and in particular the change in vehicle inventory levels expected over the forecast period.
Bailment Finance Facility	The Bailment Finance Facility is expected to be drawn to 80% of the value of inventory as at 30 June 2026.
Capital expenditure assumptions	Forecast capital expenditure for property, plant and equipment mainly relates to the consolidation of operations from Alexandria into the expanded St Peters IRC Facility and the head office relocation from Alexandria to Strawberry Hills. Software development is forecast to remain in line with historical levels.

4.9 Management's discussion and analysis of the Pro Forma Financial Information

This Section 4.9 discusses the composition of Carma's operating and financial performance during the period of the Historical Financial Information and the Directors' expectations of the Company's operating and financial performance over the period of the Forecast Financial Information.

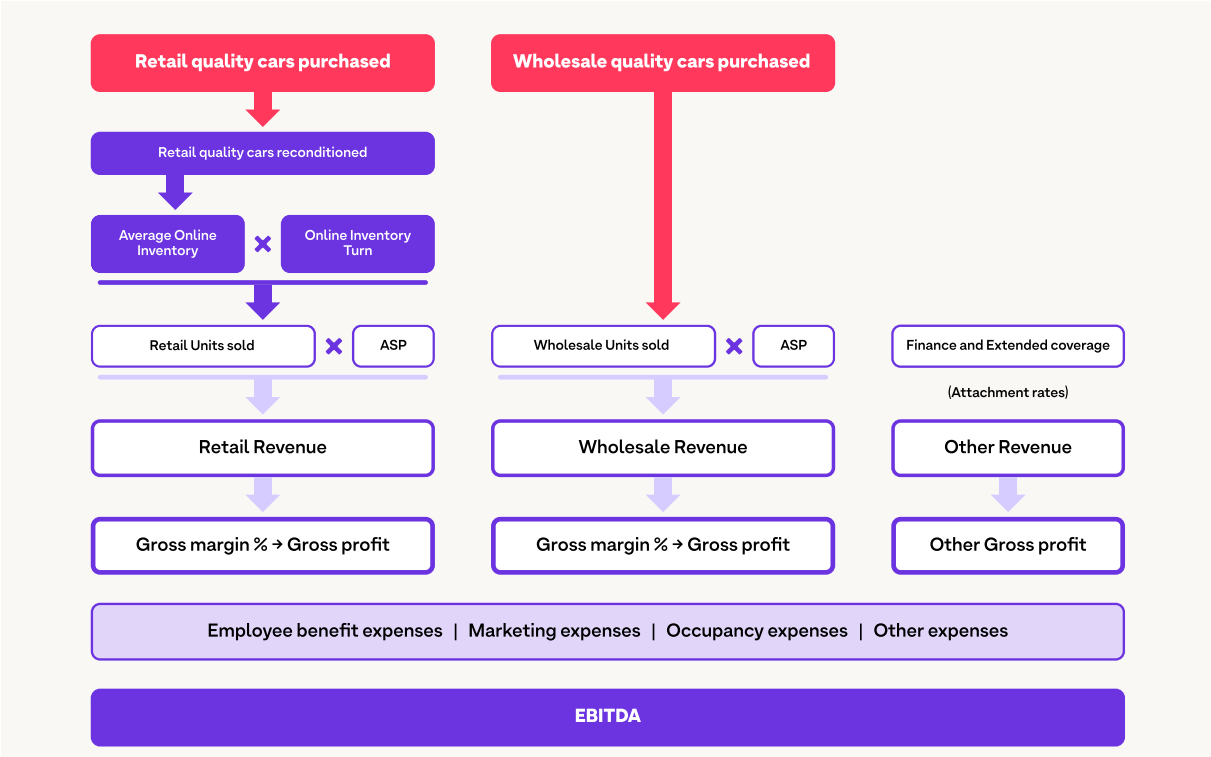
The general matters discussed below are a summary only and do not represent all events and factors that affected Carma's historical operating and financial performance, nor everything that may affect its operating and financial performance in future periods. The information in this Section 4.9 should also be read in conjunction with the risk factors set out in Section 5 and the other information contained in this Prospectus.

Unless otherwise stated, all metrics, financial information, and related commentary are presented on a pro forma basis.

4.9.1 Key drivers of financial performance

Figure 59 below provides an overview of the key financial drivers for Carma.

Figure 59: Financial drivers for Carma



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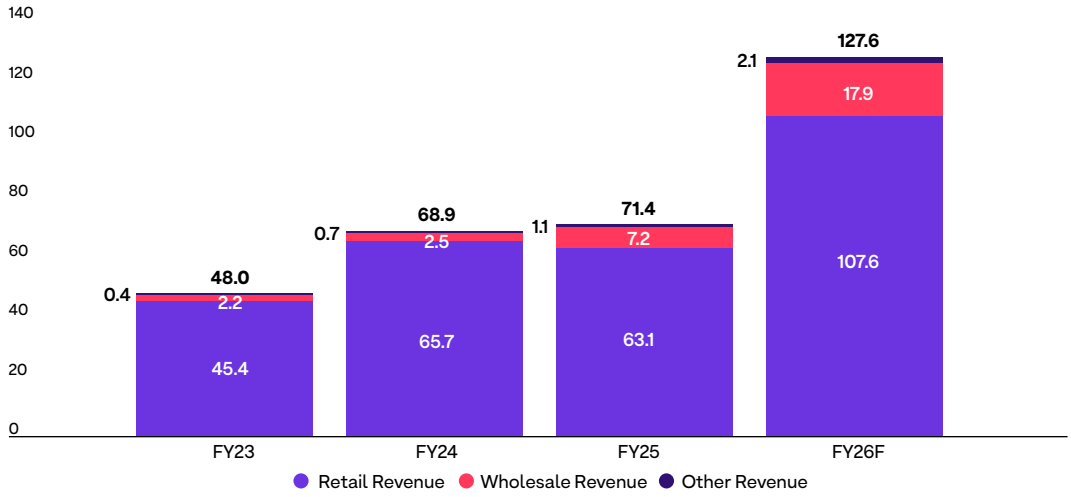
4.9.2 Revenue

Figure 60 below summarises the components of Carma's pro forma revenue by type.

Figure 60: Revenue split by type ($ millions)



Carma generates revenue from the following sources:

- **Retail Revenue:** being revenue generated from the sale of used vehicles to retail customers online made through Carma's website;
- **Wholesale Revenue:** being revenue generated from the sale of used vehicles to wholesale customers, including car dealers and other wholesale purchasers; and
- **Other Revenue:** being revenue generated from referrals to third parties for origination of customer loans, extended coverage and the referral of insurance products at the point of sale to retail customers when they purchase a vehicle online through Carma's website.

The primary driver of revenue is the number of vehicles sold and delivered in the period (net of returns).

The two key components that drive the number of vehicles sold and delivered are:

- Average Online Inventory which represents having a larger selection of vehicles available for retail customers to purchase; and
- Online Inventory Days which reflects selling available online inventory faster. This is influenced by a combination of merchandising, pricing and marketing decisions and customer operations.

The Average Selling Price (ASP) (which represents revenue divided by the number of units which comprise that revenue) of vehicles is influenced by the mix of vehicles available for sale. Carma sets the price of the used vehicles it puts up for sale, with reference to the current market in which the vehicle will sell or compete, the vehicle age, mileage, service history, extras and condition.

Wholesale revenue is driven by the number of wholesale used vehicles purchased (including any trade-ins from retail customers) and sold to wholesale customers via digital auctions.

Other revenue primarily relates to the origination of third-party customer loans, extended coverage and referrals of insurance products to retail customers. This revenue is a function of the number of retail vehicles sold and delivered and the attachment rate of these products, being the number of retail customers who purchase these products and services.

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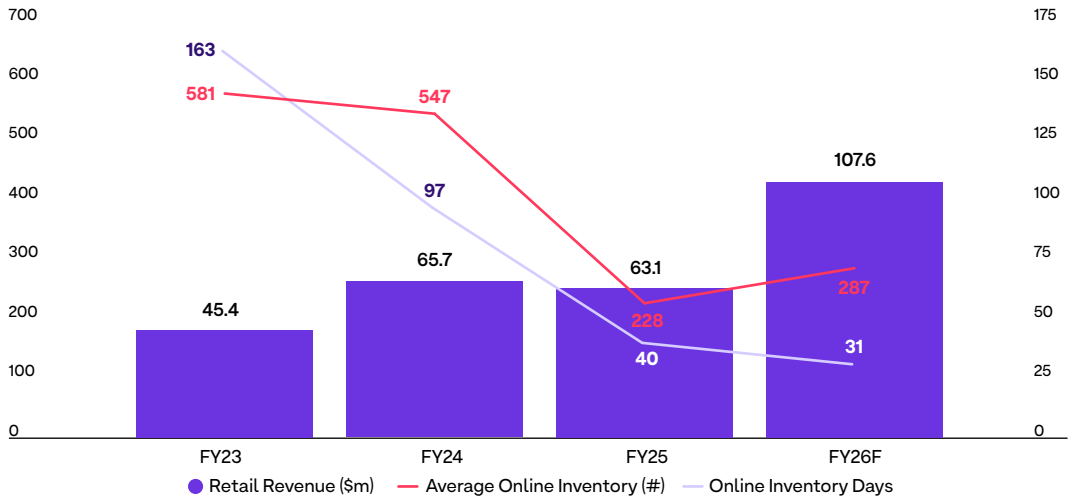
4.9.2.1 Retail Revenue

Figure 61: Retail Revenue, Retail Units and Retail Average Selling Price

Retail	FY23	FY24	FY25	FY26F
Retail Revenue ($ millions)	45.4	65.7	63.1	107.6
Retail Units (number)	1,300	2,060	2,101	3,346
Retail Average Selling Price ($000)[1]	34.9	32.4	30.7	32.1

1. Retail Average Selling Price excludes retail remarketing revenue and associated remarketing units. Retail remarketing revenue was $0.1 million in FY24 and $0.1 million in FY25.

Figure 62: Retail Revenue, Average Online Inventory and Online Inventory Days



Retail Units sold to customers are recognised as revenue once the customer takes ownership of the vehicle and is typically when delivery or collection takes place.

Retail Revenue increased by 44.9% from $45.4 million in FY23 to $65.7 million in FY24 driven by a 58.5% increase in Retail Units from 1,300 in FY23 to 2,060 in FY24. Carma increased the efficiency and accuracy of average selling prices and launched a new marketing and brand campaign in FY24, resulting in Online Inventory Days decreasing from 163 days to 97 days. This was partially offset by a decline in ASP from $34,900 in FY23 to $32,400 in FY24, reflective of the negative impact of post COVID-19 market wide used car price declines (refer Section 2.2.5). Average Online Inventory reduced by 5.9% to 547 units following the improvement in Online Inventory Days.

Retail Revenue declined by 3.9% ($2.6 million) to $63.1 million in FY25, reflective of a 2.0% increase in Retail Units to 2,101, being more than offset by a decline in ASP to $30,700. The decrease in the ASP in FY25 was a residual effect from the broader market impact of COVID-19 on used car prices in FY24 (refer Section 2.2.5). This has been described in further detail in Section 2. In FY25, Carma focused on increasing the rate of retail vehicle sales which resulted in Online Inventory Days decreasing to 40 days. This was achieved through improvements in merchandising, pricing, operating improvements and marketing.

In FY25, Average Online Inventory reduced by 58.3% to 228 units due to the change in Carma's sourcing strategy to focus on retail acquisition channels (mainly Sell-to Carma) and preserving capital. Following the receipt of funds from the Convertible Notes and the roll out of Sell-to Carma Centres in the second half of FY25, the volume of vehicles sourced through Sell-to Carma increased to support growth in reconditioning and available inventory. Refer Section 3.4.1 for a chart of Sell-to Carma purchases.

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FY26F Retail Revenue is forecast to increase by 70.3% to $107.6 million, reflecting a 59.3% increase in the expected Retail Units to 3,346 in the period (forecast growth in Retail Revenue is driven by expected volume growth which is not demand driven, given Carma's sub 0.4% market share of the NSW pre-owned automotive retail market (refer Section 2.1.3 (a)) in FY26F). The key factors driving this increase are:

- A forecast increase in Average Online Inventory by 25.9% to 287 units, this is expected to be driven by the partial use of Offer Proceeds, coupled with operational improvements and efficiencies in sourcing from the Sell-to Carma channel which reflects the full year impact of this sourcing channel in FY26F which was only in place in Q4-FY25 (refer to Figures 39 and 43 and Section 3.2.2) and in higher reconditioning throughput from the consolidation of reconditioning from Alexandria to the newly expanded St Peters IRC Facility (refer to Figures 40 and 45);
- Forecast decrease in Online Inventory Days to 31 days. This assumes a decrease from 40 days in FY25, however is broadly in line with the actual Online Inventory Days of 31 days that was achieved in the second half of FY25; and
- The forecast ASP increasing by 4.6% to $32,100 in FY26F. This forecast ASP is largely consistent with prices achieved in the second half of FY25.

4.9.2.2 Wholesale Revenue

Figure 63: Wholesale Revenue, Wholesale Units and Wholesale Average Selling Price

Wholesale	FY23	FY24	FY25	FY26F
Wholesale Revenue ($ millions)	2.2	2.5	7.2	17.9
Wholesale Units (number)	217	344	807	1,868
Wholesale Average Selling Price ($000)[1]	10.2	7.4	9.1	9.6

1. Wholesale Average Selling Price excludes wholesale remarketing revenue and associated remarketing units. Wholesale remarketing revenue was $11,000 in FY24 and $21,000 in FY25.

Wholesale Revenue increased by 12.8% from $2.2 million in FY23 to $2.5 million in FY24, with the number of Wholesale Units increasing by 58.5% from 217 to 344, offset by a 27.3% reduction in ASP to $7,400 mainly as a result of post COVID-19 market wide used car price declines previously mentioned.

In FY25, Wholesale Revenue increased by 188.7% to $7.2 million, driven by a 134.6% increase in Wholesale Units and an increase in the wholesale average selling price from $7,400 to $9,100. This increase in Wholesale Units was mainly a result of the Sell-to Carma sourcing strategy mentioned above. Carma expanded its digital B2B wholesale auctions in the second half of FY25 to support this increase in the number of Wholesale Units sourced.

Wholesale Revenue is forecast to increase by 148.6% to $17.9 million in FY26F with the key driver being a 131.5% increase in Wholesale Units, from 807 in FY25 to 1,868 in FY26F. Wholesale Average Selling Prices are forecast to increase by 5.6% to $9,600. The increase in wholesale volume is mainly a result of the growth and full year impact of the Sell-to Carma sourcing channel and expansion of the B2B wholesale digital auction strategy.

4.9.2.3 Other Revenue

Other Revenue increased by $0.3 million from $0.4 million in FY23 to $0.7 million in FY24 aligned to the increase in net retail vehicles sold coupled with the commencement of extended coverage sales in the second half of FY24.

In FY25, Other Revenue increased by 47.5% to $1.1 million, reflecting improvements in referrals to third parties for origination of customer loans and the full year impact of sale of extended coverage.

Other Revenue is forecast to increase by $1.0 million or 98.5% to $2.1 million in FY26F broadly in line with the expected growth in Retail Units.

4. Financial Information

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4.9.3 Cost of sales and Gross profit

Cost of sales is deducted from revenue to arrive at gross profit. Cost of sales mainly comprises of the purchase of retail and wholesale used vehicles, associated purchase costs including inbound logistics and reconditioning costs. Cost of sales also includes vehicle write-down costs where the carrying value of a vehicle exceeds the expected selling price.

Gross profit comprises four main components:

- **Retail gross profit**: being the difference between the selling price of retail vehicles (excluding GST) and the carrying value of vehicles, which includes the purchase price and capitalised costs such as logistics and reconditioning costs. Retail GPU is calculated as Retail gross profit divided by Retail Units delivered;
- **Wholesale gross profit**: being the difference between the selling price (excluding GST) of wholesale vehicles realised in the wholesale auction, less the carrying value of wholesale vehicles which includes the purchase price and capitalised costs such as inbound logistics and preparation for sale. Wholesale GPU is calculated as the Wholesale gross profit divided by Retail Units delivered;
- **Other gross profit**: mainly reflects income earned from the referrals to third parties for origination of customer loans, extended coverage and the referral of insurance products. Other GPU is calculated as Other gross profit divided by Retail Units delivered; and
- **Vehicle write-down**: being the write-down to inventory when the carrying value of a vehicle exceeds the expected selling price (excluding GST) noted above.

Figure 64: Gross profit and Gross profit per unit

Gross profit	FY23	FY24	FY25	FY26F
Gross profit ($millions)				
Retail gross profit	2.1	2.7	4.4	9.1
Wholesale gross profit	–	–	0.1	1.1
Other gross profit	0.4	0.7	1.1	2.1
Gross profit (pre write-down)	**2.5**	**3.4**	**5.6**	**12.3**
Vehicle write-down	(0.7)	(2.5)	(0.4)	(0.5)
Gross profit	**1.8**	**0.9**	**5.2**	**11.8**
Gross profit per unit ($'000)				
Retail GPU	1.6	1.3	2.1	2.7
Wholesale GPU	–	–	0.1	0.3
Other GPU	0.3	0.4	0.5	0.6
Gross profit per unit (pre write-down)	**1.9**	**1.7**	**2.7**	**3.6**
Vehicle write-down	(0.5)	(1.2)	(0.2)	(0.1)
Gross profit per unit	**1.4**	**0.5**	**2.5**	**3.5**

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As a result of the COVID-19 pandemic, global vehicle production was reduced due to supply chain disruptions. The demand for new and used vehicles surpassed supply, increasing new vehicle order times and driving up the prices of used vehicles. After vehicle manufacturing supply chains returned to pre-COVID-19 levels, the increase in sales of new vehicles in Australia to record levels released additional used vehicle supply. This put significant downward pressure on inflated used vehicle prices in FY23 and FY24. Refer to Section 2.2.5 for a discussion of the impact of the COVID-19 pandemic on the used vehicle market.

Gross profit reduced by 48.7% from $1.8 million in FY23 to $0.9 million in FY24 mainly as a result of the impact of COVID-19 on the used vehicle market as mentioned above. The impact of COVID-19 on GPU is evidenced by the reduction of Retail GPU margin by $300 in FY24 as well as an increase in write-down per unit of $700 in FY24.

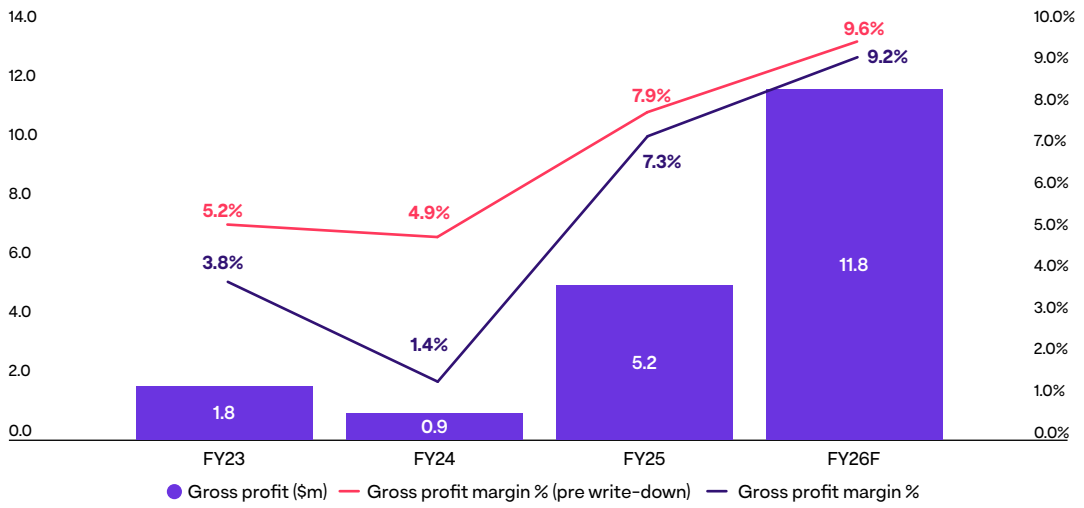
Gross profit increased by 455.6% in FY25 to $5.2 million as gross margins improved from 1.4% to 7.3%. GPU increased from $500 in FY24 to $2,500 in FY25, due to used vehicle prices stabilising compared to FY24. Carma also continued to improve retail sales pricing, realised efficiencies in the reconditioning process as well as sourcing a greater proportion of cars through the Sell-to Carma channel (particularly in the second half of FY25). Refer to Figure 56 below as well as Section 3.3.3. Gross profit is forecast to increase by 126.2% from $5.2 million in FY25 to $11.8 million in FY26F, reflecting a 78.7% forecast increase in revenue in FY26F and a further improvement in gross margins from 7.3% to 9.2% in FY26F (gross margin of 8.6% was achieved in the second half of FY25).

GPU is forecast to increase from $2,500 in FY25 to $3,500 in FY26F. GPU of $3,100 was achieved in the second half of FY25. The forecast GPU and gross margin improvement is mainly driven by:

- increasing the proportion of cars sourced from the Sell-to Carma channel (refer to Section 3.2.2 and 3.3.3);
- increasing the number and efficiency of vehicles reconditioned by leveraging the existing facility and reconditioning capacity; and
- achieving Online Inventory Days broadly consistent with the levels achieved in the second half of FY25 resulting in reduced exposure to inventory write-down adjustments.

Figure 65 below sets out Gross profit and gross profit margin achieved by Carma during the period.

Figure 65: Gross profit and Gross profit margin



4. Financial Information

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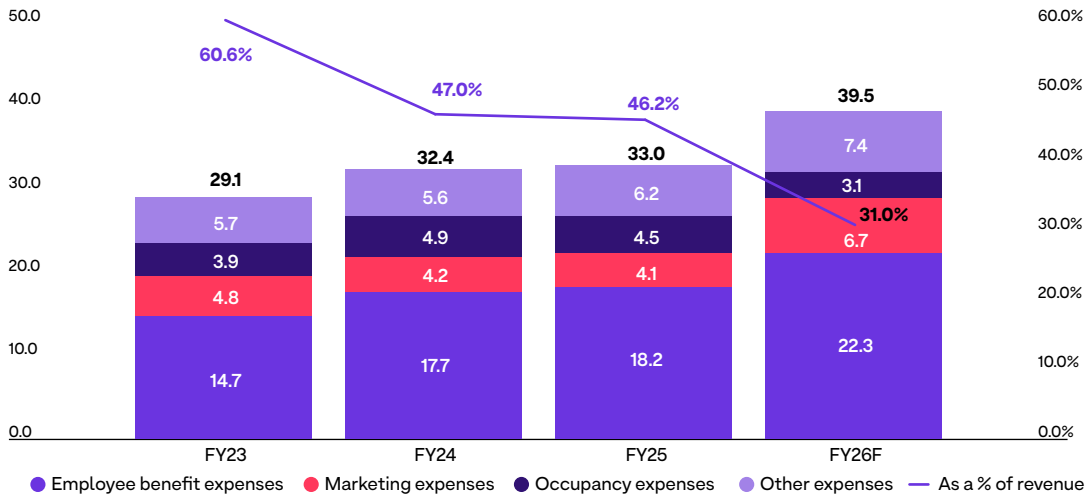
4.9.4 Operating expenses

Figure 66: Operating expenses and operating expenses per unit

	FY23	FY24	FY25	FY26F
Operating expenses ($ millions)	29.1	32.4	33.0	39.5
Operating expenses per unit ($'000)	22.4	15.7	15.7	11.8

Carma's operating expenses increased from $29.1 million in FY23 to $33.0 million in FY25, reflecting an increase in size of the business operations, headcount, inflation in wages and property and marketing related expenses. Operating expenses are expected to increase further to $39.5 million in FY26F reflecting further growth in operations and investment in the associated operating cost base. On a percentage of revenue basis, Carma's operating expenses decreased from 60.6% in FY23 to 46.2% in FY25 reflecting growth in revenue and the overhead cost leverage in the business. This percentage is forecast to reduce further to 31.0% in FY26F reflecting scale and utilisation benefits with growth.

Figure 67: Operating expenses ($ millions)



4.9.5 Employee benefit expenses

Employee benefit expenses includes wages and salaries, employment related costs, including annual leave, payroll tax and superannuation, but excludes employment costs that are capitalised to the carrying value of a vehicle through the reconditioning process.

Figure 68: Employee benefits expenses and Employee benefits expenses per unit

	FY23	FY24	FY25	FY26F
Employee benefits expenses ($ millions)	14.7	17.7	18.2	22.3
Employee benefits expenses per unit ($'000)[1]	11.3	8.6	8.7	6.7

1. Employee benefits expenses per unit reflects employee benefits expense divided by the number of Retail Units delivered in the relevant period.

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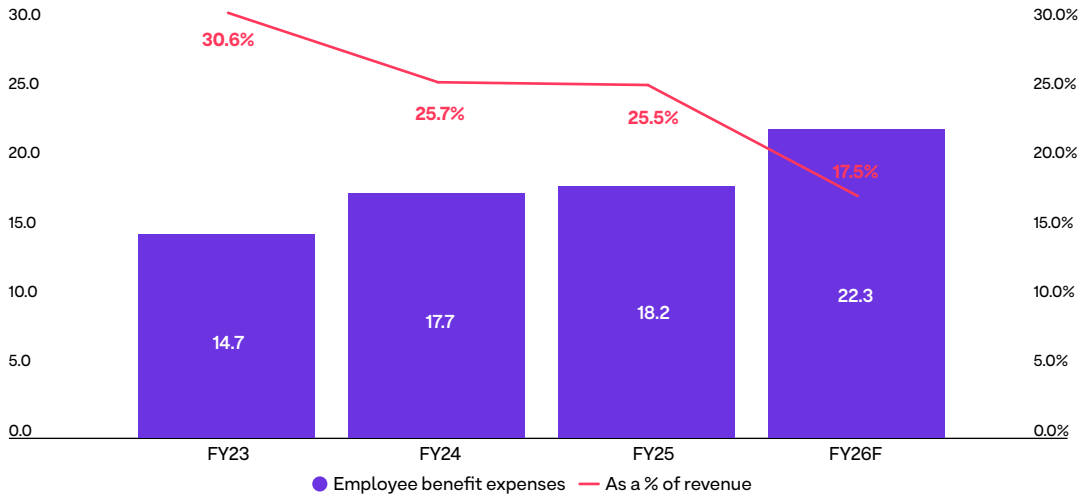
Employee benefit expenses increased by $3.0 million (20.4%) from $14.7 million in FY23 to $17.7 million in FY24 reflecting the growth in business operations as Carma increased headcount in the buying, customer experience and operations departments to support the growth in the business. This growth in headcount was partially offset by a reduction in the cost per employee, reflecting a change in employee mix.

Employee benefit expenses increased by 2.8% in FY25 to $18.2 million with a small increase in employee headcount being partially offset by a small decrease in cost per employee. In the second half of FY25 additional employees were added in the buying and production departments to support the Sell-to Carma sourcing strategy.

The FY26F employee expenses are expected to increase by 22.5% to $22.3 million. This reflects the current workforce and payroll structure, incorporating anticipated salary increases and additional headcount, mainly in the buying, customer experience and production departments to support the expected growth in operations.

Figure 69: Employee benefit expenses ($ millions)



4. Financial Information

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4.9.6 Marketing expenses

Marketing expenses comprise of fees paid to classifieds (including carsales, Drive.com.au and Gumtree Group), paid search, social media, sponsorships/partnerships and radio and outdoor advertising.

Figure 70: Marketing expenses and marketing expenses per unit

	FY23	FY24	FY25	FY26F
Marketing expenses (Retail) ($ millions)	4.8	4.2	3.6	5.3
Marketing expenses (Sell-to Carma) ($ millions)	–	–	0.5	1.4
Total marketing expenses ($ millions)	**4.8**	**4.2**	**4.1**	**6.7**
Marketing expenses (Retail) per unit ($'000)[1]	3.7	2.0	1.7	1.6
Marketing expenses (Sell-to Carma) per unit ($'000)[2]	–	–	0.2	0.4

1. Marketing expenses (Retail) per unit reflects marketing expenses (Retail) divided by the number of Retail Units delivered in the relevant period.
2. Marketing expenses (Sell-to Carma) per unit reflects marketing expenses (Sell-to Carma) divided by the number of Retail Units delivered in the relevant period.

Marketing expenses decreased by $0.6 million (12.5%) to $4.2 million in FY24 mainly due to a brand launch marketing campaign in FY23 that was not repeated in FY24, partly offset by an increase in classifieds spend.

Marketing expenses (Retail) per unit decreased by 44.9% to $2,000 reflective of a total decrease in total marketing expenses combined with an increase in Retail Units.

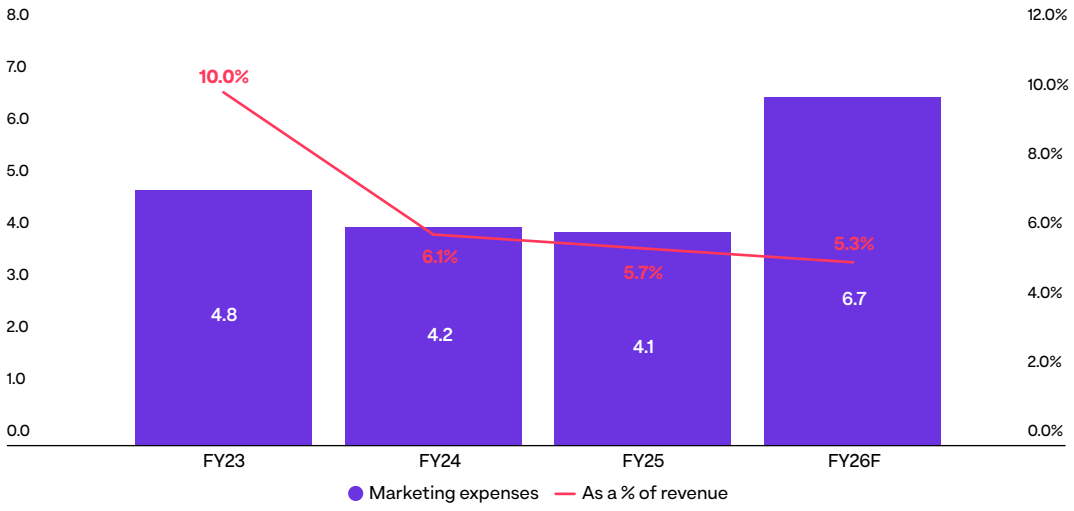
In FY25 marketing expenses stayed broadly flat with FY24 at $4.1 million reflecting a decrease in classifieds costs due to lower Average Online Inventory, offset by an increase in marketing spend to grow the Sell-to Carma sourcing channel in the second half of FY25. Total marketing expenses reduced to 5.7% of revenue.

Marketing expenses (Retail) per unit decreased further in FY25 by 15.2% to $1,700 reflecting a reduction in spend by $0.6 million and Retail Units increasing marginally.

Marketing expenses are forecast to increase by 63.4% from $4.1 million in FY25 to $6.7 million in FY26F to support the forecast 78.7% increase in revenue as well as the forecast growth in the Sell-to Carma sourcing channel. Key growth areas include the marketing spend as part of the NRMA partnership, increased classifieds expenses from the expected increase in Average Online Inventory and other marketing initiatives. As a percentage of revenue, marketing expenses are forecast to reduce from 5.7% to 5.3% reflecting continued operational leverage.

Marketing expenses (Retail) per unit is forecast to decrease by 8.0% to $1,600. This reflects a $1.7 million increase in total spend to $5.3 million which is more than offset by an increase in Retail Units.

Figure 71: Marketing expenses ($ millions)



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4.9.7 Occupancy expenses

Occupancy expenses mainly include rental expenses on short-term lease agreements, outgoings and other occupancy and facility related expenditure.

Figure 72: Occupancy expenses and occupancy expenses per unit

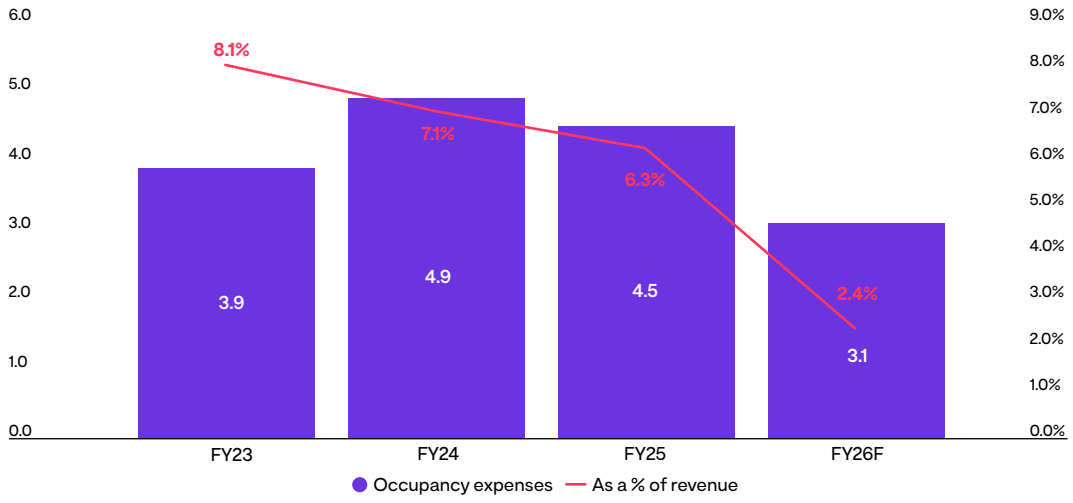
	FY23	FY24	FY25	FY26F
Occupancy expenses ($ millions)	3.9	4.9	4.5	3.1
Occupancy expenses per unit ($'000)[1]	3.0	2.4	2.1	0.9

1. Occupancy expenses per unit reflects occupancy expenses divided by the number of Retail Units delivered in the relevant period.

In FY23 and through to the first half of FY25, Carma's St Peters site, was used predominantly for car storage and was occupied under a short-term lease agreement. As a result the relevant occupancy expenses under this arrangement were recognised in occupancy expenses. In the second half of FY25 Carma signed a long-term lease on this property in order to support and facilitate future growth, which resulted in this new lease being required to be accounted for under AASB 16 and from this point the relevant expenses have been recognised in amortisation and interest.

In FY26F, occupancy expenses are forecast to reduce further with Carma vacating its Alexandria site (following expiry of the lease) and consolidating all reconditioning to the St Peters IRC Facility and moving its head office to Strawberry Hills, Sydney.

Figure 73: Occupancy expenses ($ millions)



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4.9.8 Other expenses

Other expenses include audit, legal, professional expenses, general office related administrative expenses as well as vehicle sale related expenses. Vehicle sale related expenses are incurred on the sale of a vehicle and are influenced by the number of Retail Units delivered in the period.

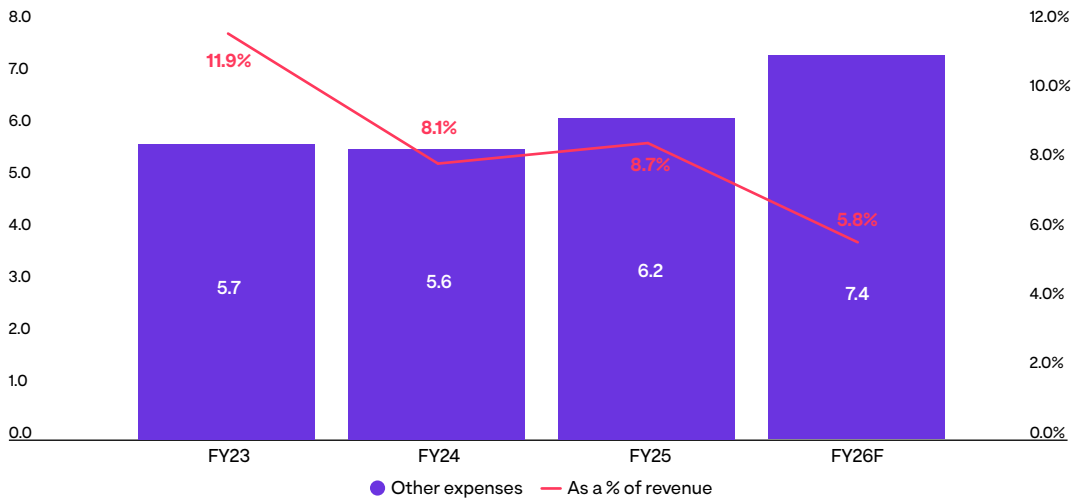
Figure 74: Other expenses and other expenses per unit

	FY23	FY24	FY25	FY26F
Other expenses ($ millions)	5.7	5.6	6.2	7.4
Other expenses per unit ($'000)[1]	4.4	2.7	3.0	2.2

1. Other expenses per unit reflects other expenses divided by the number of Retail Units delivered in the relevant period.

Other expenses increased by $0.5 million from $5.7 million in FY23 to $6.2 million in FY25, reflecting a decrease in consulting expenses as Carma increased headcount through the periods, offset by an increase in vehicle sale related expenses as the number of Retail Units delivered increased from 1,300 in FY23 to 2,101 in FY25. Other expenses are forecast to increase by $1.2 million from $6.2 million in FY25 to $7.4 million in FY26F predominantly due to the increase in vehicle sale related expenses as the expected number of Retail Units delivered increases from 2,101 in FY25 to 3,346 in FY26F.

Figure 75: Other expenses ($ millions)



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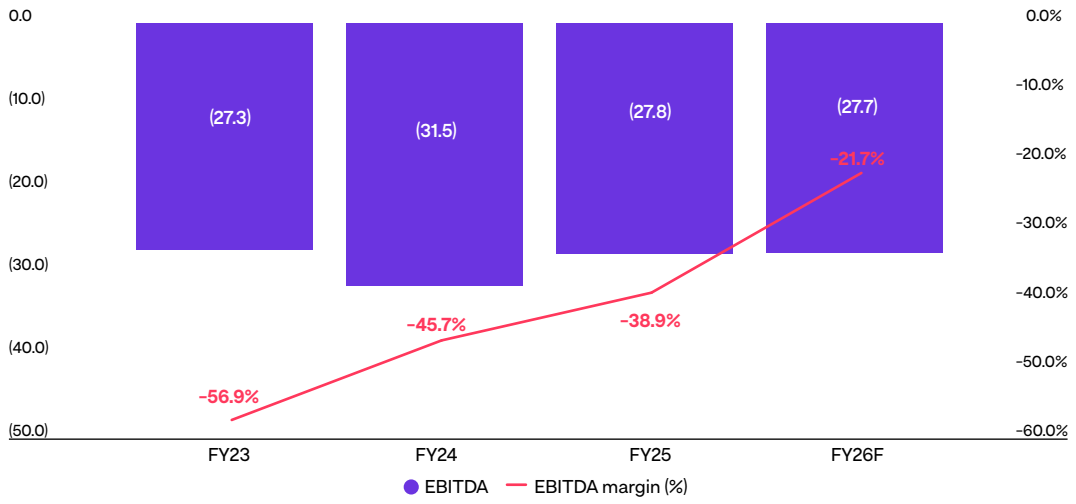
4.9.9 EBITDA and EBITDA margin

Figure 76: EBITDA and EBITDA per unit

	FY23	FY24	FY25	FY26F
EBITDA ($ millions)	(27.3)	(31.5)	(27.8)	(27.7)
EBITDA per unit ($'000)	(21.0)	(15.2)	(13.2)	(8.3)

Carma's EBITDA margin has improved year-on-year from (56.9)% in FY23 to (38.9)% in FY25. This improvement in margin is forecast to continue in FY26F, reflecting the increase in forecast revenue, associated improvement in Gross profit and the effect of operating leverage.

Figure 77: EBITDA ($ millions) and EBITDA margin



4.9.10 Depreciation and amortisation

Depreciation on fixed assets relates to the depreciation of property, plant and equipment. The forecast increase in FY26F reflects the increased depreciation associated with the growth capital expenditure in Carma's reconditioning facility and consolidation of the reconditioning facility to Carma's St Peters site as described below.

The increase in right-of-use depreciation in FY25 reflects the new lease at the St Peters site which is required to be accounted for in accordance with AASB 16 as explained above.

Software amortisation mainly relates to the amortisation of capitalised development costs associated with Carma's internally developed software. The increase in amortisation across the period from FY23 to FY25 reflects the increase in capitalised development costs across this period. FY26F amortisation costs relating to capitalised development are expected to be broadly inline with FY25.

4. Financial Information

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4.9.11 Pro Forma finance income and costs

Figure 78: Interest income, finance costs and interest charges on lease liabilities

$ millions	FY23	FY24	FY25	FY26F
Finance income	0.6	0.4	0.3	0.6
Finance costs – Bailment Finance Facility	–	(0.1)	(0.3)	(0.4)
Interest charge on lease liabilities	(0.1)	(0.3)	(0.4)	(0.8)

Finance income reflects the interest earned on surplus cash held by Carma in each period.

Finance costs relating to the Bailment Finance Facility reflects interest paid on amounts drawn under the Bailment Finance Facility in each respective period. Carma's use of the Bailment Finance Facility varies depending on the cash on hand and the value of inventory on hand.

Interest charge on lease liabilities reflects the interest expense relating to the finance cost embedded within leases recognised from AASB 16 Leases. The expected increase in interest charges on lease liabilities in FY26F relates to the new lease for the St Peters IRC Facility that was entered into in the second half of FY25 as noted above.

4.9.12 Taxation

No income tax is currently payable as Carma has accumulated tax losses which are expected to be utilised in the future.

4.9.13 Changes in net working capital

Changes in net working capital mainly comprises of the change in the vehicle inventory balance. In addition, net working capital is also impacted by timing of amounts received from customers prior to delivery of a retail or wholesale vehicle. In FY26F the working capital outflow is expected as a result of the increase in the inventory balance at the end of the period.

4.9.14 Capital expenditure

Capital expenditure mainly relates to leasehold improvements, equipment, transport fleet and software development.

Figure 79: Capital expenditure

$ millions	FY23	FY24	FY25	FY26F
Net payments for property, plant and equipment	(0.8)	(0.2)	–	(3.0)
Net payments for intangible assets	(2.3)	(2.8)	(2.7)	(2.7)
Total capital expenditure	**(3.1)**	**(3.0)**	**(2.7)**	**(5.7)**

In the FY26F, Carma expects capital expenditure to comprise of:

- $2.7 million of capitalised development costs associated with internally developed software;
- $0.4 million as a result of the move to the new head office in Strawberry Hills and other IT related capital expenditure; and
- $2.6 million primarily relates to the consolidation and fit-out of the reconditioning facility to St Peters and the purchase of additional equipment to support increased growth.

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4.10 Sensitivity analysis

The Forecast Financial Information included in Section 4 of this Prospectus is based on a number of estimates and assumptions as described in Section 4.8.1 and Section 4.8.2. These estimates and assumptions are subject to business, general economic and competitive uncertainties, many of which are beyond the control of Carma's Directors and Management. These estimates are also based on assumptions with respect to future business developments and decisions, which are subject to change.

Investors should be aware that future events cannot be predicted with certainty and as a result deviations from the figures in this Prospectus are to be expected.

Figure 80 sets out a summary of the sensitivity of certain of the Pro Forma Forecast Financial Information to changes in a number of key assumptions. The changes in key assumptions are intended to provide a guide only and are not intended to be indicative of the complete range of variations that may be experienced. Variations in actual performance could exceed the ranges shown, and these variances may be substantial.

Care should be taken in interpreting these sensitivities. In order to illustrate the likely key impact on the Pro Forma Forecast Financial Information, the estimated impact of changes in each of the assumptions has been calculated in isolation from changes in other assumptions. In practice, changes in assumptions may offset each other or be additive, and, where reasonable, it is likely that Carma Management would seek to respond to a known adverse change in one assumption to seek to minimise the net effect on Carma's earnings and cash flow.

For the purpose of the sensitivity analysis shown in Figure 80 each sensitivity is presented in terms of the impact on the FY26F Pro Forma NPAT.

Figure 80: Sensitivity analysis on pro forma forecast NPAT for FY26F

Assumption	Notes	Variance	FY26F NPAT impact ($ millions) +/-	
Average Online Inventory	1	+/- 5%	0.3	(0.3)
Online Inventory Days	2	+/- 1 day	(0.2)	0.2
Average Selling Price	3	+/- 5%	0.4	(0.4)
Gross profit margin	4	+/- 100 bps	1.3	(1.3)
Operating expenses	5	+/- 5%	(2.0)	2.0

Notes:

1. This sensitivity illustrates the impact on NPAT if forecast Average Online Inventory was 5% higher or lower than forecast.
2. This sensitivity illustrates the impact on NPAT if forecast Online Inventory Days was 1 day higher or lower than forecast.
3. This sensitivity illustrates the impact on NPAT if forecast Average Selling Price was 5% higher or lower than forecast.
4. This sensitivity illustrates the impact on NPAT if forecast Gross profit margin was 100 bps higher or lower than forecast.
5. This sensitivity illustrates the impact on NPAT if forecast operating expenses was 5% higher or lower than forecast.

4. Financial Information

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4.11 Critical accounting judgements and estimates

Preparing financial statements in accordance with AAS requires management to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both the current and future periods.

Judgements made by management in the application of AAS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements. Refer to the significant accounting policies outlined in Appendix B of this Prospectus.

4.12 Dividend policy

Carma does not presently have any plan to pay dividends on its Shares. Any future determination as to the declaration and payment of dividends, if any, will be at the discretion of the Directors and will depend on then existing conditions including Carma's financial position, operating results, contractual restrictions, capital requirements, business prospects and other factors the Directors deem relevant.

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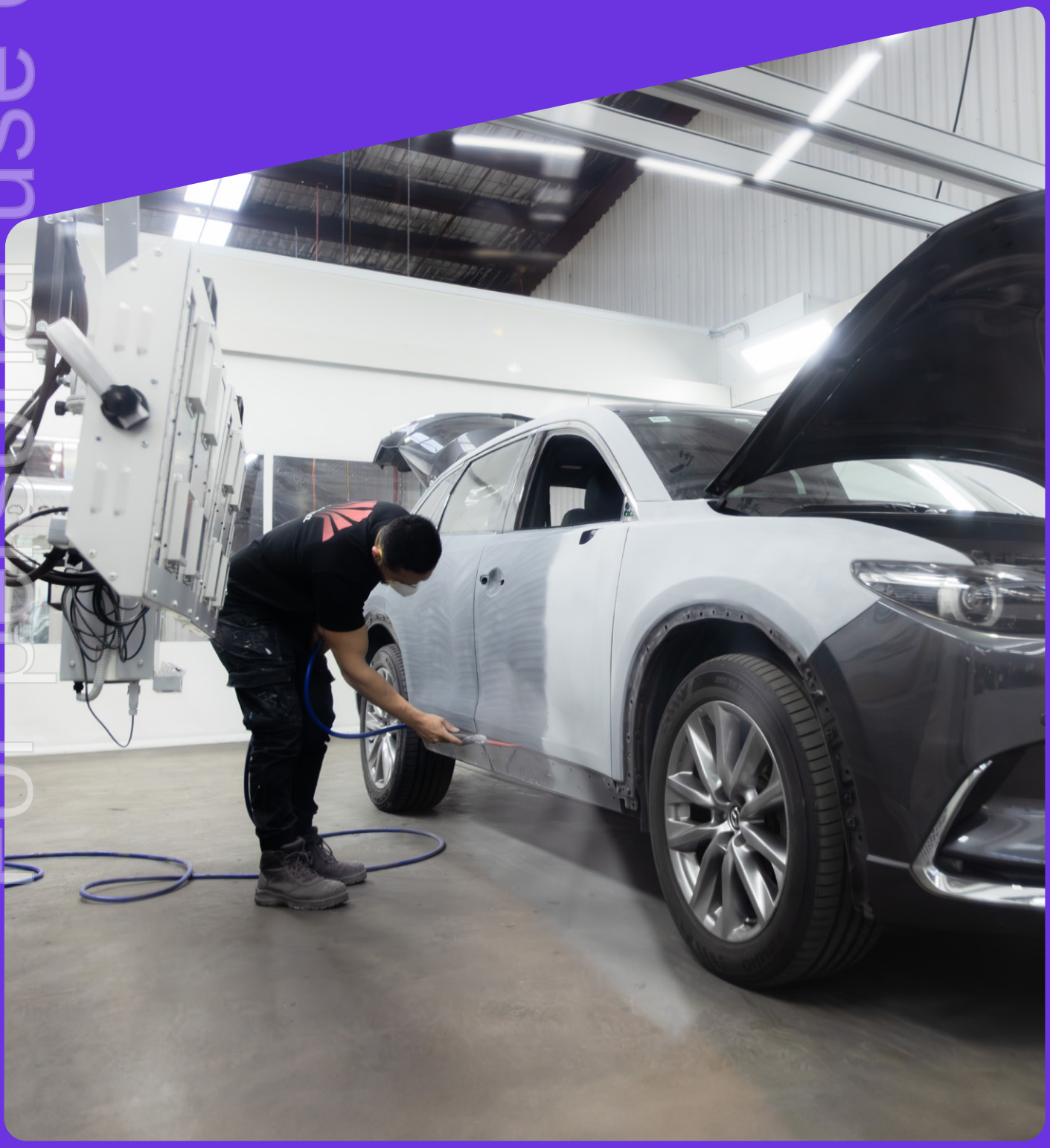
Section 5

Key Risks



5. Key Risks

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5.1 Introduction

This Section identifies various risk factors associated with an investment in Carma and its Shares.

An investment in Carma is subject to risk factors specific to Carma and the Carma Group and its business activities and those of a more general nature, including general risks associated with investing in shares. Any of these risks could, either individually or in combination, if they eventuate, have a material adverse impact on Carma's business, financial position, operating and financial performance, growth and/or the value of its Shares.

While some of these risks can be mitigated using appropriate safeguards and systems, many are partially or completely beyond Carma and/or Carma Auto's (as applicable) control and that of its Directors and Senior Management and can therefore not be mitigated.

This Section 5 does not purport to list every risk that may be associated with an investment in the Company now or in the future. The selection of risks has been based on an assessment of a combination of the likelihood of the risk occurring, the ability to mitigate the risk and the impact of the risk if it did occur. The assessment is based on the knowledge of the Directors and management as at the date of this Prospectus, but there is no guarantee or assurance that the importance of risks not otherwise covered in this Section 5 will not change or that other risks will not emerge.

There can be no guarantee that Carma will deliver on its business strategy, or that any forward-looking statement contained in this Prospectus will be achieved or realised. The actual results could differ materially from those anticipated in any such forward-looking statements as a result of certain factors, including the risks described below and elsewhere in the Prospectus. You should note that past performance is not a reliable indicator of future performance.

Before deciding whether to invest in Carma by applying for Shares, you should read the entire Prospectus and satisfy yourself that you have a sufficient understanding of these matters and should consider whether Shares are a suitable investment for you, having regard to your own investment objectives, financial circumstances and particular needs (including financial and taxation issues). If you do not understand any part of the Prospectus or are in any doubt as to whether to invest in Carma, you should seek professional advice from your stockbroker, accountant, lawyer, financial adviser or other independent and qualified professional advisor before deciding whether to invest.

5.2 Risks specific to Carma

5.2.1 Failure to operate the business and/or achieve its growth objectives and expansion plans

(a) Carma may not achieve its growth targets

The ability of Carma to increase revenue is dependent on a number of factors, including Carma's ability to scale the business in its key markets, in a manner that enables the business to operate profitably over time. As set out in Section 3.4.5, Carma plans to scale its operations across New South Wales and may subsequently enter new markets in other Australian states and territories. Expanding Carma's geographic reach will require new Sell-to Carma locations and re-conditioning centres, which would reasonably be expected to have both additional capital expenditure requirements and execution risk. Carma would also have to obtain any necessary licenses specific to new geographic markets in order to comply with applicable local regulations and laws. Carma is not proposing to expand its geographic reach beyond NSW in FY26F nor is it proposing to open any further reconditioning centres in FY26F. As such, it is not expected that the Offer Proceeds will be utilised for the above.

There is no guarantee that all or any of Carma's growth strategies will be successfully implemented, deliver the expected returns or ultimately be profitable. Carma's ability to rapidly scale its business in these jurisdictions depends on a range of factors, including Carma's ability to attract new customers and encourage repeat business, adapt its product offerings to different markets and changing customer preferences and develop new technologies to continuously enhance the customer experience. Failure to scale the business to a material degree may adversely impact Carma's ability to increase revenue, optimise its systems and expand its operations, all of which may have a negative impact on Carma's profitability and growth prospects.

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(b) Reliance on marketing and advertising to scale the business

Carma's growth strategy is reliant on continuous investment in advertising and marketing designed to enhance brand recognition and stimulate customer engagement. Carma currently utilises a combination of direct marketing initiatives and paid media placements, sourcing leads through prominent online classifieds such as carsales, Drive and the Gumtree Group, together with targeted campaigns on Google and Facebook. There can be no assurance that future marketing efforts, whether through existing or alternative channels, will continue to generate the desired levels of customer acquisition, conversion or retention. Any failure to maintain or improve the effectiveness of these channels could materially and adversely affect revenue growth.

Carma also derives customer leads and brand exposure from its strategic partnership with the NRMA, details of which are summarised in Section 9.6.3. Under the NRMA Partnership Agreement, the NRMA has various termination rights, including a right to terminate if it discontinues its Loyalty Program. Should the NRMA exercise any such termination right, Carma would lose access to this source of prospective customers, which could result in lower customer lead volumes, reduced website traffic and decreased sales.

(c) Increasing operating costs associated with growth and scaling the business

Carma's ability to consistently operate profitably depends on a combination of the scalability of its operations and the costs of its operating structure. There are a number of factors which could increase Carma's operating costs and other expenses, including unforeseen increases in, without limitation:

- vehicle transport and distribution expenses (e.g. the cost of third part delivery or transportation services);
- costs associated with Carma being listed on the ASX;
- costs associated with insurances and IT (including upgrading the Company's IT infrastructure);
- marketing, promotion and advertising expenses, including any increase in the cost of customer acquisition;
- leases for new office spaces and/or re-conditioning centres in new markets;
- costs associated with complying with regulations at current and future locations where Carma operates; and/or
- costs of products and components used in the process of re-conditioning the vehicles.

Such operating costs may be compounded by other factors that are outside of Carma's control, including slowing demand for used cars, increased competition, weakness in the automotive retail industry generally, as well as other risks described in this Section 5.

(d) Carma may require additional capital in the future to grow

Carma has made losses in each of the years since it was founded in 2021 and is not forecast to reach profitability in the Prospectus forecast for FY26F. It is currently unknown when the Company will become profitable. Such losses reflect the costs incurred to establish Carma's operations, build its full-stack digital platform, fund inventory and grow the business. Cost of sales mainly comprises the purchase of retail and wholesale used vehicles, associated purchase costs including inbound logistics and reconditioning costs, and contributed to the historical losses of the Company. Whilst Carma's EBITDA margin has improved over the last three years and is forecast to improve further in FY26F (see Section 4), there is no guarantee that the significant investments Carma expects to continue to make into the business to further develop, scale and expand its business will result in increased revenue or growth in a timely manner or at all. There is also a risk that Carma may continue to make losses. Further, if profitability is achieved, there is a risk that this may not be sustained or further increased over time. While Carma considers that the funds to be raised under the Offer will be sufficient to meet its objectives as set out in Section 7.1.3, there is a risk that Carma may need to raise additional funds to invest in its growth. Carma's ability to continue its current operations and effectively implement it growth strategies may depend on its ability to raise additional funds. The availability of funds (whether through debt or future equity raisings) on favourable terms, if at all, may be subject to factors beyond the control of Carma. If Carma is unable to obtain such additional funding as required, this could have a material adverse effect on Carma's financial position and prospects.

5. Key Risks

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(e) Intellectual property restrictions may prevent Carma from expanding

Carma may face challenges in expanding its service offerings due to the existence of similar trademarks registered in respect of certain other goods and services within different segments of the automobile industry. Carma currently holds a trademark for the word mark 'CARMA' registered in respect of its core services (in classes 35, 36 and 39). Carma's applications to expand the classes covered by this trademark, and register Carma's logo, so that both the word mark and logo cover classes 9, 35, 36, 37, 39, 42 and 45 are subject to adverse examination reports due to there being similar goods and services already covered by existing similar trademarks. This could limit Carma's ability to launch new products or enter new markets under its existing brand, potentially requiring the Company to rebrand or operate under different names in certain areas. Such limitations could increase marketing and legal costs, delay or prevent the introduction of new services, and reduce the effectiveness of Carma's brand recognition.

(f) Access to desirable vehicle inventory could be adversely affected

Carma relies on numerous sourcing channels to supply motor vehicles for sale. These channels include consumers (via the Sell-to Carma channel) as well as wholesale distributors. There can be no assurance that the supply of suitable and desirable used vehicles will be sufficient to meet Carma's business needs. A reduction in the availability of access to sources of inventory could have a material adverse effect on the business, sales and results of Carma's business operations. If Carma is not able to meet demand for vehicles due to interruption of supply from consumers or wholesale distributors, Carma's financial performance may be adversely affected. In addition, limited inventory could result in reduced product selection for customers, potentially leading to lower customer satisfaction and a decline in repeat business. Carma may also be forced to pay higher prices to secure inventory, which could compress profit margins or require the Company to pass on increased costs to customers, potentially making its offerings less competitive. Prolonged or significant disruptions in vehicle supply could also impact Carma's ability to achieve its growth targets, weaken its market position, and negatively affect investor returns.

Carma evaluates potential cars using proprietary systems which assess vehicle characteristics such as service history, vehicle condition, consumer desirability and relative value as part of the Company's process for considering prospective inventory. If Carma fails to recognise and/or adjust appraisal offers to stay in line with broader market trends, Carma's ability to acquire inventory, including at a desirable price, could be adversely affected. Carma's ability to source vehicles through the appraisal process could also be affected by competition, both from new and used car dealers directly and through third party websites driving appraisal traffic to those dealers. See Section 5.2.5 for further details with respect to the risks associated with new and existing competitors in the market.

(g) Failure to effectively manage inventory

Carma may fail to accurately forecast or manage its inventory levels. If Carma purchases inventory at levels that it cannot sell in a timely manner, this excess inventory may need to be cleared at a discount as the excess stock would otherwise depreciate. In this case, Carma may be required to recognise inventory write-down costs. Conversely, if Carma fails to maintain adequate levels of inventory, it may experience "out of stock" issues with certain brands or vehicle models, which may reduce the range and quality of vehicles that Carma is able to provide to customers. This may result in foregone sales and a negative impact to Carma's reputation and brand and adversely affect its financial performance.

(h) Inability to access or utilise the main reconditioning facility

Carma operates its reconditioning services, including vehicle inspection, exterior and interior refurbishment including paint and panel repairs, mechanical repairs, detailing and photography at its St Peters IRC Facility. Carma's use of this premises is governed by a lease entered into by Carma Auto (as tenant). This lease is summarised at Section 9.6.2. This is a long-term lease and the premises has been refitted and refurbished to meet Carma's specific requirements for its re-conditioning services. Any default under this lease or failure to pay rent on time on the part of Carma could result in the lease being terminated by the landlord in accordance with the terms of the lease.

In addition, Carma may become subject to lease terms which are relatively unfavourable due to unanticipated changes in the property market.

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Carma's ability to access and/or to utilise the St Peters IRC Facility may also be impacted by factors beyond Carma's control, including, for example, natural disasters, fire, floods, power outages. See Section 5.3.6 for further information in respect of force majeure risks to the Company's business.

If Carma is not able to access and/or utilise the St Peters IRC Facility, this could materially adversely affect Carma's ability to conduct its re-conditioning services, which may result in a reduction in adequate inventory and sales and have an adverse effect on Carma's financial performance.

(i) Availability of Bailment Finance Facility

Carma Auto has a $30 million Bailment Finance Facility which it uses to fund inventory (in combination with cash). Carma relies on this Bailment Finance Facility to fund the purchase of its vehicle inventory. The terms upon which this Bailment Finance Facility operates is a component of Carma's profitability.

This facility is subject to annual renewal, with the next review set to occur in December 2025 (or earlier if deemed appropriate by VWFSA). On the annual renewal date, the financier is permitted to discontinue the facility. The financier is also permitted to vary, revoke or suspend any approval for Carma to order or acquire vehicles with 60 days' notice (however VWFSA may provide a shorter notice period if Carma Auto is in breach of the Bailment Agreement). Either party may terminate the facility by providing 90 days written notice to the other party.

Any change to the terms of the Bailment Finance Facility could impact Carma's business model. Further, if the financier stopped providing finance to Carma under the Bailment Finance Facility for any reason, Carma's ability to manage its capital would be adversely affected and may require Carma to seek financing from alternative sources which may be on less favourable terms.

5.2.2 Risk of data security breaches and performance and reliably of Carma's IT and operating systems

(a) Disruption of key business processes could adversely impact the business

Carma's business model is highly dependent on the execution of critical business processes, particularly to support and attract new customers, service existing customers and to process transactions. Key business processes could be disrupted by events outside of Carma's control such as system infrastructure disruption, system failure, service outages, corruption of information technology network or information systems as a result of computer viruses, bugs, or cyber-attacks, as well as natural disasters, fire, power outages or other events outside the control of Carma, and that measures implemented by Carma to protect against such events are ineffective.

If an actual or perceived breach of Carma's security occurs or there is a disruption in its technology systems, Carma could lose control of its information processes or internal controls. In addition, the public perception of the effectiveness of Carma's security measures or services could be harmed, and Carma could lose employees, customers, and/or business partners as a result. In the event of a security breach, Carma could suffer financial exposure in connection with demands from perpetrators, penalties and fines, remediation efforts, investigations and legal proceedings, and changes in Carma's security and system protection measures. Any defects, disruptions, or other performance or reliability problems with Carma's information technology operations, could also cause reputational damage, which may undermine Carma's brand as a trusted online retailer, deter new customers, erode existing customer loyalty, and negatively influence business partnerships. Additionally, addressing IT issues often requires significant financial and management resources, including costs related to system repairs, upgrades, cybersecurity measures, and potential legal liabilities arising from data breaches or service interruptions.

b) Personal data could be compromised

The Carma Group collects and holds a significant amount of personal information about its customers. The Carma Group's systems, or those of its third-party providers, may fail, or be subject to disruption as a result of external threats or system errors.

Carma has implemented a series of controls to secure customer data including software development lifecycle leveraging code scanning and peer code reviews, role base access controls for cloud perimeters, network segregation and DMZ, EndPoints protection, advanced DDOS and intrusion protection in the cloud perimeter and ensuring an updated and maintained Privacy Policy, IT Use Policy and staff security training.

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Cyber-attacks could also compromise or breach these safeguards implemented by Carma to maintain confidentiality in personal information.

Carma has identified gaps in the systems it currently has in place relating to the security of customer data. Carma currently does not have a cyber risk committee to maintain a risk register or a data asset registry. The Company has not developed a data loss protection system deployed on EndPoints and has no administrative rights privileges on EndPoints. The Company does not have a data handling policy, ongoing cyber training and testing for staff or an Incident Response Plan in relation to cyber-attacks.

While Carma is engaged in ongoing review and implementation of strengthening cybersecurity and data protection measures, there is no guarantee that these measures will offer adequate protection against the risk of cyber-attacks.

(c) Third party services could be interrupted, discontinued or compromised

Carma relies on the services provided by third party banking and payment providers such as Adyen. It also relies on other tools including MS Dynamics, Retool, commercetools, Contentful and Snowflake. Any system failure that causes an interruption to Carma's ability to effect payment transactions or receive payments could adversely affect its business and financial performance.

5.2.3 Operations subject to regulations

Carma must comply with a range of laws, regulations and industry compliance requirements in New South Wales and any other jurisdictions in which Carma may operate in the future. Carma must also appropriately respond to any regulatory changes as they are implemented. The regulatory landscape in which Carma operates is subject to ongoing change, and there can be no assurance that future regulatory developments will not impose additional compliance costs or otherwise adversely affect Carma's business.

(a) Finance and extended coverage products

As Carma continues to diversify and expand its product offerings, including the introduction and growth of finance and extended coverage products (which currently account for approximately 1.5% of its FY25 revenue), Carma is subject to an increasingly complex and evolving regulatory environment. The regulatory framework governing finance and extended coverage products encompasses a broad range of requirements, including consumer credit laws, financial services licensing, disclosure obligations, anti-money laundering and counter-terrorism financing (AML/CTF) regulations, and consumer protection provisions under the Australian Consumer Law. In particular, ASIC has identified finance and extended warranty products (which are similar to extended coverage products) as a key area of regulatory focus, with heightened scrutiny on compliance with applicable laws, regulations, and industry standards.

Failure to comply with applicable laws and regulations, or to respond appropriately to regulatory changes as they arise, could result in significant adverse consequences for Carma. These may include the imposition of civil or criminal penalties, the suspension or revocation of necessary licences or authorisations, the requirement to provide remediation or compensation to affected customers, and increased costs associated with regulatory investigations or litigation. In addition, non-compliance or perceived non-compliance may damage Carma's brand and reputation, erode customer trust, and adversely affect relationships with key stakeholders, including regulators, business partners, and investors.

(b) Australian Consumer Law

As a retailer selling a consumer product, Carma may be liable for certain loss or damage suffered by a consumer, including where the loss or damage arises as a result of Carma, for example, making false or misleading statement or to comply with consumer guarantees in respect of the vehicle purchased. Breaching Australian Consumer Law can expose the Company to significant financial penalties, with maximum fines for companies reaching the greater of $50 million per breach, three times the value of any "reasonably attributable" benefit obtained, or 30% of annual turnover during the breach period. In addition, Carma may be required to compensate affected consumers, implement corrective actions, and/or face public regulatory investigations, all of which can cause reputational damage and increased compliance costs.

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(c) Unfair contract terms

Further to the above, terms in standard form contracts that are unfair under the Australian Consumer Law, when entered into with individuals or small businesses, are void and can attract penalties. Although Carma has considered the implications of this legislation, and sought to avoid the use of unfair terms when developing its standard purchase terms and conditions, the question of whether a particular term is unfair can ultimately only be determined by a court. Alongside the financial penalties referred to at Section 5.2.3(b), Carma may also be subject to other enforcement actions and adverse reputational damage if it is found that any of its standard form consumer or small business contracts contain terms that are considered unfair. Any such adverse outcomes would adversely affect Carma's business and financial performance.

(d) Motor vehicle dealer regulations

Motor dealers and repairers in New South Wales are regulated by the *Motor Dealers and Repairers Act 2013* (NSW) (**MDR Act**). The MDR Act imposes vehicle guarantees, which operate in addition to the guarantees required under the Australian Consumer Law. However, the vehicle guarantees do not apply in connection with the sale of second-hand motor vehicles where a dealer's notice and inspection report are made available in accordance with the MDR Act. Additionally, amendments to the MDR Act and new regulations came into effect on 1 September 2025. The amendments and new regulations include specific regulation of online motor vehicle dealerships, which the MDR Act had not previously contemplated. Carma is making changes to its operations to seek to comply with the updated MDR Act and regulations. However, these are new laws and it is not clear how the regulator will interpret them. Accordingly, there is a risk that the regulator takes the view that Carma is not compliant. Breaches of the MDR Act or regulations can attract penalties and other disciplinary outcomes which would impact Carma's financial performance and reputation.

(e) Regulations and government policies relating to climate change

Carma's business model of selling second-hand vehicles poses risks in the context of climate change and evolving regulatory landscapes. The increasing shift towards low-emission and electric vehicles (**EV**s), driven by consumer demand and environmental awareness, could pose a challenge in the future to the resale value and marketability of older, high-emission vehicles. Governments worldwide are implementing stricter emissions standards and setting ambitious targets to phase out internal combustion engine vehicles, with some jurisdictions planning bans on their sale within the next decade. These regulatory changes could render certain used vehicles unsellable or significantly devalue them.

Additionally, the availability of incentives for purchasing new EVs, coupled with advancements in EV technology, may further reduce demand for traditional used cars. As a business in this sector, Carma must contend this impact on its financial performance as well as reputational risks, as consumers increasingly favour environmentally responsible companies.

5.2.4 Carma's brand and platform attractiveness to customers could be impacted by negative publicity and/or unfavourable customer complaints

Carma has implemented numerous policies and procedures in an effort to instil trust in its consumers and build a reputable brand, including its transparent fixed pricing model, NRMA verified inspection process and its 7-day money back guarantee in relation to reconditioning works. Ensuring a positive reputation is a core priority for Carma and Carma's success is heavily reliant on maintaining and building a trustworthy brand. However, there are inherent negative connotations associated with the used car industry, including historically fostering low levels of consumer trust and confidence.

Reputational damage may arise from various sources, including customer complaints or negative publicity on review sites, blogs, or social media. As a consumer-facing brand, Carma regularly receives complaints through multiple channels, such as directly from customers or indirectly via regulatory bodies like NSW Fair Trading or the Australian Human Rights Commission. If these complaints are not resolved, they may escalate to litigation and, if publicised, can harm consumer confidence and trust in the Carma brand, potentially reducing traffic to the Carma website. Any factors that diminish the Company's brand and reputation could limit Carma's ability to attract new customers and execute its growth strategy, and may have a material adverse impact on the Company's financial performance and prospects.

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5.2.5 New and existing competitors could adversely affect prices and demand for used motor vehicles and decrease Carma's market share

Carma operates in a highly fragmented market. Competition can arise from a number of sources including dealerships, private sales via online marketplaces and auction houses. Although Carma has sought to differentiate its business model from other businesses in the Australian used car retail market, there is a risk that new or existing car dealers entering the domestic market (adopting either a hybrid or online-only model) may adopt a similar e-commerce model or deliver a superior solution and customer experience offering to that currently offered by Carma. Ultimately, Carma's market share in the used car e-commerce market segment may decline if competitors increase their focus on growing online sales through investment in the retail e-commerce market.

If vehicle owners sell their vehicles directly to other dealerships or private purchasers through classifieds such as carsales or alternative platforms instead of selling their vehicles to Carma, Carma's market share may decrease and the inventory of used vehicles available for sale by Carma may also decline. As a result, the costs associated with purchasing used vehicles could increase, consequently effecting the Company's financial performance.

Increased competition could also arise if offshore entities with similar business models, including those set out in Section 2.1.2, enter or expand their presence in the Australian market and compete directly with Carma's business. As a result, Carma's strategic goal to become the preferred destination for consumers to buy or sell used vehicles may be compromised and Carma may be required to pay more for the vehicles it purchases or sell its inventory for less to remain competitive. Carma may also need to invest in additional marketing or product development initiatives, which would decrease profitability, even where its market share remains unchanged. These outcomes may have a material adverse effect on the Company's business, operating and financial performance and/or growth.

5.2.6 Retail environment and general economic conditions in Australia could deteriorate

(a) The Australian macro/retail environment and used car industry

The operating and financial performance of Carma is influenced by a variety of factors, including general economic and business conditions, levels of consumer spending, consumer sentiment, inflation, interest rates, exchange rates, access to consumer credit, insurance prices, government fiscal, monetary and regulatory policies and commodity prices. More specifically, prices of used vehicles are subject to fluctuations due to factors that are outside Carma's control, including demand for used motor vehicles, OEM behaviour, including the decision by an OEM to cease manufacturing, regulatory changes, and other external events impacting the supply of vehicles.

As the vehicles sold on Carma's platform are discretionary items for a number of customers, Carma is also exposed to a deterioration in general economic and business conditions. If Australian economic conditions worsen, there is a risk that the retail environment will deteriorate as consumers reduce their level of consumption on discretionary items such as motor vehicles, or redirect their spending elsewhere. For example, a prolonged period of high oil prices, high interest rates or a recession could lead customers to defer vehicle purchases, purchase a cheaper vehicle and/or reduce the use of private vehicles. Although the Company has attempted to position itself to appeal to a variety of customer price points, a reduction in consumer spending or a change in spending patterns brought about by worsening economic conditions in Australia, could result in a reduction in consumer spending on used vehicles which is likely to negatively impact Carma's financial performance and have a material adverse effect on Carma's future financial position.

(b) Changes in customer preferences

Shifts in customer preferences, such as choosing ride sharing, car sharing, or car subscription services instead of owning a car, may reduce demand for owning a vehicle. If Carma's addressable market shrinks as a result, this could lead to lower revenue and profit margins, and may negatively affect Carma's future financial performance.

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5.2.7 Carma has a limited operating history which makes it difficult to assess the current business and its future prospects

As Carma commenced operations in 2021, the Company does not have a long operating history nor does it have extensive data to predict future profitability prospects. Carma's historical results are not indicative of its future performance. Carma's business may evolve in ways that may be difficult to predict and will be subject to the risks outlined in this Section 5 as well as other unforeseen risks that the Company is not able to mitigate against.

Further, Carma's historical growth rate may not be sustainable or indicative of future growth. Carma may not be able to attain further sales growth including through increasing consumer awareness of its brand or expanding into more jurisdictions in Australia. Alternatively, whilst the Company may be able to maintain growth rates in sales, it may have to expend significantly more resources in order to maintain the growth rates, thus reducing profitability. Should revenue growth rates materially decline or operating expenses materially increase, the Company's financial and operational performance may be adversely affected.

5.2.8 Carma's intellectual property may be compromised or lost

Carma's proprietary technology platforms including its website, buying platform, pricing system and production system are integral to the successful operation and growth of Carma's business. Carma has implemented operational procedures to protect its intellectual property rights against unauthorised third-party access and use in its proprietary technology platform, including confidentiality obligations on employees (via employment agreements) and third parties via formal agreements. However, there is a risk that Carma's intellectual property may be compromised if its employees or external parties, for example, breach their duty of confidentiality as set out in these respective agreements which could have the effect of eroding Carma's competitive position.

5.2.9 Reliance on Founders and Senior Management

Carma relies heavily on its existing Senior Management team (including its Founders) and the departure of Senior Management could negatively affect Carma's ability to effectively execute its growth strategy. The loss of any member of the Senior Management team or any delay in their replacement (including time taken to attract and secure a suitable replacement), may adversely affect Carma's future operating and financial performance.

5.2.10 Carma's ability to obtain adequate insurance on its inventory or auto liability insurance, or the affordability of such insurance, may materially adversely affect its financial condition and results of operations

Carma relies on inventory insurance to protect against catastrophic losses of its inventory and similarly relies on auto liability insurance to protect against auto-related liability, in relation to, among other things, its transportation and logistics network. However, the coverage limits of these policies may not be adequate to cover all future claims. Further, there is no guarantee that Carma will continue to be able to obtain insurance at affordable rates, or at all, through outside insurers. If Carma is unable to purchase affordable insurance, it may have to self-insure, reducing its ability to make other investments in the business and exposing Carma to significant financial risk. In addition, Carma's potential inability to insure its inventory through an outside insurer, or to adequately self-insure, may adversely impact the Company's ability to finance its inventory purchases. The Company's inventory is also pledged as collateral when the Bailment Finance Facility is utilised, and a failure to maintain sufficient insurance to financially protect the collateral assets could be inconsistent with the requirements of such financing arrangements.

5.2.11 Carma's website may be excluded from or ranked lower in search results due to changes in search engines' algorithms or terms of service

If Carma is unable to adapt quickly to search engine algorithm changes, its marketing effectiveness may be adversely affected, and Carma could suffer financially from a significant decrease in customer traffic to its website and subsequent conversion rates. Carma may also become excluded from a search engine's organic listings. Such exclusion could significantly affect the Company's ability to achieve higher gross margins which would have an adverse effect on the Company's financial and/or operational performance in the future.

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The current general shift towards using generative artificial intelligence as a replacement for a traditional search engine may also impact Carma's ability to drive customer traffic through its search engine optimisation strategy and this may have an adverse effect on Carma's future financial and/or operational performance.

5.2.12 Occupational health and safety

Carma employees are at risk of workplace accidents and incidents (particularly in relation to staff in the vehicle re-conditioning centre and staff involved with the movement of motor vehicles). In the event that a Carma employee is injured in the course of their employment, Carma may be liable for compensation, penalties or damages. Workplace accidents and incidents also have the potential to harm both the reputation and financial performance of Carma.

5.2.13 Existing Shareholders retain a significant stake in the Company post-Listing

Following Completion, the Existing Shareholders will hold approximately 72.9% of the issued capital of Carma and will be able to exert significant influence over Carma, including in relation to the election of Directors, the appointment of new management and the potential outcome of matters submitted to the vote of Shareholders or which relate to transactions affecting the control of Carma. There is a risk that the interests of these Shareholders may be different from the interests of other investors who acquire Shares under the Offer.

Furthermore, 86.5 million Shares representing 63.3% of the issued capital of Carma, will be subject to the voluntary escrow arrangements described in Section 9.7. Following the end of the Escrow Period, a significant sale of Shares by some or all of the Escrowed Shareholders, or the perception that such sales have occurred or might occur, may materially adversely affect the price of Shares. Alternatively, the absence of any sale of Shares by the Existing Shareholders may cause or contribute to a diminution in the liquidity of the market for the Shares.

5.3 General risk factors

5.3.1 Price of shares and general economic factors

Once Carma becomes a publicly listed company on the ASX, it will become subject to general market risk that is inherent for all entities whose securities are listed on a securities exchange. The price of Shares quoted on ASX may rise or fall and the Shares may trade below or above the Offer Price due to a number of factors. There is no assurance that the price of Shares will increase following quotation on the ASX. These include, but are not limited to, the following:

- the number of potential buyers or sellers of Shares on the ASX at any given time;
- fluctuations in the domestic and international market for listed securities;
- general economic conditions, including the unemployment rate, interest rates, inflation rates, exchange, rates, commodity and oil prices, and changes to government fiscal or monetary policies;
- changes to government policy, legislation or regulation;
- inclusion in, or removal from, market indices;
- global hostilities, tensions, and acts of terrorism;
- the nature of the markets in which Carma operates; and
- general operational and business risks.

These factors may cause the Shares to trade at prices below the price at which the Shares are being offered under the Offer. There is no assurance that the price of the Shares will increase following quotation on the ASX, even if Carma's earnings increase.

General economic conditions (both domestically and internationally) may adversely impact on the price of the Shares after Listing. This includes an increase in unemployment rates, negative consumer and business sentiment and changes in interest rates, among other factors. As a result of the above factors, Carma is unable to forecast the market price for Shares and it may trade on ASX at a price that is below the Offer Price.

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5.3.2 Liquidity

Once the Shares are quoted on the ASX, there can be no guarantee that an active trading market for the Shares will develop or that the price of the Shares will increase. There may be relatively few potential buyers or sellers of the Shares on the ASX at any one time which may make it difficult for investors to sell their Shares. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares that is less than the price that Shareholders paid.

Carma has entered into voluntary escrow arrangements with the Escrowed Shareholders. Carma expects that approximately 63.3% of the Shares on issue will not be able to be traded for a period after Listing. A summary of the escrow arrangements is set out in Section 9.7. The absence of any sale of Shares by the Escrowed Shareholders during this period may cause, or at least contribute to, limited liquidity in the market for the Shares. This could affect the prevailing market price at which Shareholders are able to sell their Shares.

The existence of such escrow arrangements may adversely affect the market price of the Shares or at least contribute to limited liquidity in the market for the Shares, while such escrow arrangements apply. Also, following the end of an Escrow Period, a significant sale of the Shares by an Escrowed Shareholder, or the perception that such sales might occur following an Escrow Period, may adversely affect the market price of the Shares.

5.3.3 Shareholder dilution

In the future, Carma may elect to issue Shares or engage in capital raising to fund investments or acquisitions that Carma may opportunistically decide to undertake. While Carma will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital that it is able to issue within a 12-month period (other than where exceptions apply), Shareholders interests may be diluted and Shareholders may experience a loss in value of their equity as a result of such issues of Shares and fundraisings.

Carma has an existing employee option plan under which eligible participants have been granted Options that are subject to time-based vesting and continued service conditions (see Section 6.3.3). To the extent these Options vest and new Shares are issued on their exercise, Shareholders will be diluted. As at the date of this Prospectus, 5,378,433 Options are on issue which have vested and have an exercise price lower than the Offer Price (and so are likely to be exercised in exchange for newly issued Shares which will have a dilutive impact on Shareholders).

Carma will have in place a LTI Plan under which eligible participants will be granted Performance Share Appreciation Rights (see Section 6.3.4) that will appropriately motivate, retain and reward employees for achieving growth targets and sustainable performance over the long term. To the extent these options vest and new Shares are issued on their exercise, Shareholders will be diluted.

5.3.4 Tax law

Changes in tax law, or changes in the way taxation laws are interpreted may impact the tax liabilities of Carma or the tax treatment of a Shareholder's investment. In particular, both the level and basis of taxation may change. Any changes to the current rate of company income tax may impact Shareholder returns, and any change in tax rules and tax arrangements could have an adverse impact on the level of dividend franking and Shareholder returns.

In addition, an investment in the Shares involves tax considerations which may differ for each Shareholder. Each prospective Shareholder is encouraged to seek professional tax advice in connection with any investment in Carma.

5.3.5 Accounting Standards

Australian Accounting Standards are set by the AASB and are outside the control of Carma, its Directors and management. The AASB may introduce or refine Australian Accounting Standards in the coming years, which may affect future measurement and recognition of key statement of financial performance and statement of financial position items, including revenue and receivables.

5. Key Risks

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There is also a risk that interpretations of existing Australian Accounting Standards, including those relating to the measurement and recognition of key statement of financial performance and statement of financial positions items, including revenue and receivables, may differ. Changes to Australian Accounting Standards issued by the AASB, or changes to the commonly held views on the application of those standards, could materially adversely affect the financial performance and position reported in the Company's consolidated financial statements.

Further, as the Australian Accounting Standards change, Carma may be required to invest in additional or alternative platforms or products within its information technology infrastructure, to ensure that the standards are applied properly. Such investment may negatively impact Carma's revenue or profitability, and there is a risk that the required platforms or products may not be able to be implemented in time to ensure compliance with the revised standards.

5.3.6 Force majeure events

Events may occur within or outside Australia and that could impact upon the global and Australian economies, the operations of Carma and the price of the Shares. These events include but are not limited to terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease (including a novel coronavirus such as COVID-19) or other human-made or natural events or occurrences that can have an adverse effect on the demand for Carma's products. Carma has only a limited ability to insure against some of these risks.

5.3.7 Epidemics and pandemics

A recurrence in the severity of the COVID-19 pandemic, or a pandemic similar in nature to the COVID-19 pandemic or other rapid spread of infectious disease to a large number of people within a short period of time, may occur within or outside Australia. Any such pandemic or epidemic may adversely affect general economic sentiment, the global economy, stock markets and other financial markets. Any measures introduced to limit transmission in an epidemic or pandemic may have a negative impact on the global economy and economic growth.

The COVID-19 pandemic, and government responses to it, had an impact of increasing used car prices, which reversed in the years subsequent, impacting Carma's business (resulting in inventory write-downs). It is difficult to predict the nature and extent of the risk and the impact of any future epidemic or pandemic on Carma. The potential negative impact of an epidemic or pandemic on consumer sentiment and confidence generally are factors, either alone or in combination, that could materially adversely affect Carma's financial performance, financial condition and growth.

5.3.8 Litigation, claims and disputes

There is a risk that Carma may be exposed to potential legal and other claims or disputes in the course of its business, including contractual disputes, intellectual property infringement claims, employment disputes and warranty claims. Even if Carma is ultimately successful in defending any such claims there is a risk that such litigation, claims and disputes could adversely impact Carma's reputation, as well as its financial position, due to the costs involved in defending or settling such claims.

5.3.9 Other risks

The above list of risk factors should not be taken as an exhaustive list of the risks that Carma or its Shareholders are exposed to. The above risks, and others not specifically referred to above, may materially impact the financial performance of Carma and the value of its Shares. The Shares issued under the Offer carry no guarantee in respect of profitability, dividends, return of capital or the price at which they may trade on the ASX. Furthermore, there is no guarantee that the Shares will remain continuously quoted on the ASX, which could impact the ability of prospective Shareholders to sell their Shares.

Potential investors should consult their professional adviser before deciding whether to apply for Shares under the Offer.

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Section 6

Key People, Interests and Benefits



6. Key People, Interests and Benefits

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6.1 Board members

The profiles of each member of the Board are set out below:



Owen Wilson

Independent Non-Executive Chair

(Position held for 1 month)

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.



Lachlan MacGregor

Co-Founder, Chief Executive Officer and Executive Director

(Position held for 4 years)

Lachlan's career spans building, advising and investing in technology and consumer companies. He has founded multiple ventures, and brings experience in investment banking, private equity and international funds management.

Lachlan co-founded Carma in 2021 and serves as the CEO. Prior to Carma, he co-founded Alphinity Global at Alphinity Investment Management, where he was a Global Portfolio Manager from 2015 to 2021.

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.

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Melinda Snowden

Independent Non-Executive Director

Chair, Audit and Risk Committee

(Position held for 1 month)

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.



Nicole Sparshott

Independent Non-Executive Director

(Position held for 1 month)

Nicky 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.

Nicky'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. Nicky brings rounded commercial and consumer-focused experience to building brands, creating demand, driving value-creating transformation at scale and building high-performance teams.

Nicky currently serves as Chair of the University of Technology Sydney's Vice Chancellor's Industry Advisory Board; Non-Executive Director for Australian Agricultural Company and World Wildlife Fund and Advisory Board member for Moose Toys.

Nicky has a Bachelor of Business and a Master of International Business from The University of Technology Sydney and an Executive Masters in Change from INSEAD.



Yosuke Hall

Co-Founder, Chief Commercial Officer and Executive Director

(Position held for 4 years)

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.

Yosuke holds a Bachelor of Commerce (Honours) and a Bachelor of Science, with majors in Finance and Mathematics, from the University of New South Wales.

Each Director has confirmed to the Company that he or she anticipates being available to perform their duties as a Non-Executive or Executive Director, as the case may be, without constraint from other commitments.

The composition of the Board Committees is set out in Section 6.1 and a summary of the Board's key corporate governance policies is set out on Section 6.5.

6. Key People, Interests and Benefits

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6.2 Senior Management

Profiles of the key members of Carma's Senior Management team are set out below. Further details on the terms of employment of Senior Management personnel are set out in Section 6.3.2:



Lachlan MacGregor

Co-Founder, Chief Executive Officer and Executive Director

See Section 6.1



Yosuke Hall

Co-Founder, Chief Commercial Officer and Executive Director

See Section 6.1

(remainder of Senior Management are in alphabetical order)



Hugo Acosta

Director of Vehicle Operations

Hugo joined Carma in 2021 and leads Vehicle Operations, with accountability for Carma's inspection and reconditioning operations.

Prior to joining Carma, Hugo spent 27 years with Hyundai Motor Company Australia, culminating as General Manager – Network Development & FRX, where he was responsible for shaping Hyundai's dealer network strategy and franchise performance nationally. Across his career at Hyundai, Hugo progressed through a breadth of roles, which provided him with a unique end-to-end perspective across both OEM and retail operations. This depth of experience gives him rare insight into how to align manufacturer strategy with retail execution.



Simon Bozzi

Director of Customer Finance

Simon joined Carma in 2021 and is responsible for leading the customer finance operations.

Simon has more than 23 years of experience within automotive finance, across operations, sales, risk and compliance, strategy, and business development.

Prior to joining Carma, Simon was Managing Director at Hyundai Capital Australia, where he oversaw the Australian operations. His previous experience also includes leadership positions such as General Manager of Risk and General Manager of Operations at Volkswagen Financial Services Australia, and General Manager of Birchgrove Finance (part of Autosports Group).

Simon has a Bachelor of Business Administration (BBA) from Macquarie University.

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Ricky Isserow

Director of Strategy and Business Operations

Ricky joined Carma in 2021. He has responsibility for planning and leading strategic and transformational projects and initiatives across Carma to drive sustainable growth. He also leads the reporting and analytics function.

Ricky has more than 15 years' experience in strategy, finance, corporate development and operations, having worked across management consulting, family office, corporate and startup settings within Australia and US markets.

Prior to joining Carma, Ricky was Senior Manager – Strategy and Corporate Development at Ampol (previously Caltex Australia), Senior Investment Associate at City Hall Capital (US), and a strategy consultant at L.E.K. Consulting.

Ricky holds a Bachelor of Commerce in Finance with Distinction and a Bachelor of Laws with Honours Class 1 from the University of New South Wales.



Emily Meier-Murren

Director of Marketing

Emily joined Carma in 2023 and leads Marketing. She brings more than 15 years' experience across digital marketplaces and consumer brands, with deep expertise in brand development and marketing strategy.

Prior to Carma, Emily was at Domain Group, the Australian property marketplace, where she led brand and consumer marketing and contributed to the growth of its digital audience to more than 8 million monthly users. Before this, Emily was a Brand Manager at Open Colleges, leading marketing and growth initiatives that helped build it into a successful online business serving more than 450,000 students in the past decade.

Emily holds a First Class Honours degree in Business Administration, majoring in Marketing.



Florian Pasquier

Chief Technology Officer

Flo joined Carma in 2021 and is an accomplished technologist with a passion for leading large scale data transformation.

Flo began his career working for major investment banks in France, where he engineered Front-Office data platforms. In 2010, he leveraged this experience to establish his own data vending business. Flo joined Quantium, the country's premier data and analytics firm in 2014 and as Head of Technology, he architected and implemented advanced data science systems for leading global brands such as Woolworths, Walmart and CBA.

Florian holds a masters degree in Information Technology.



Russell Phimister

Director of Program Delivery

Russell joined Carma in 2021 and leads Program Delivery. He brings over 15 years of expertise in project and program management, consulting, and agile transformation.

Russell's career spans program delivery and program management roles at PetCulture, Binge, the National Rugby League, and Manhattan Associates.

Russell holds a Masters in Project Management from the University of Sydney, along with certifications as a PMP, Certified ScrumMaster (CSM), and Advanced CSM.

6. Key People, Interests and Benefits

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Rachel Russell
Director of People

Rachel joined Carma in 2021 and leads the People Team. With more than 20 years experience, she has delivered people strategies and initiatives to support businesses growing at pace and scale across a number of sectors including retail and consulting.

Prior to joining Carma, Rachel worked as a Director at 27 Talent Consulting, and previously held recruitment management positions at large UK retail chains including Matalan and Iceland.

Rachel has a BA Hons in French from the University of Liverpool.



James Solomon
Chief Financial Officer

James joined Carma in 2021 where he held a number of roles in finance and customer operations. He was promoted to Chief Financial Officer in 2025.

James has extensive experience across financial and operational strategy within the automotive, supply chain, logistics and education sectors. Most recently James was the Head of Finance for Study Group Australia. Prior to this, James was Finance Manager at Super Group, a JSE listed business in South Africa, and held a number of roles in the audit division in KPMG South Africa.

James holds a Bachelor of Commerce in Accounting (Hons.) and is a CFA® Charterholder, CFA Institute. He is also a member of the South African Institute of Chartered Accountants.



Peter Willis
Director of Buying

Peter joined Carma in 2021 and is responsible for Carma's Buying and Wholesale operations, leading the Sell-to Carma, buying and valuations teams.

Peter has over 27 years in the automotive industry working at large automotive retailers including Suttons and Independent Motor Auctions and ran auction and wholesale businesses selling up to 500 cars weekly.

Prior to joining Carma, Peter ran his own wholesale and retail cars business for several years, selling hundreds of cars a month for several years.

Lisa Jones is the Company Secretary of the Company.

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6.3 Interests and benefits

This Section sets out the nature and extent of the interests and fees of certain persons involved in the Offer. Other than as set out below or elsewhere in this Prospectus, no:

- Director or proposed Director of the Company or SaleCo;
- person named in this Prospectus and who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- promoter of the Company; or
- underwriter to the Offer or financial services licensee named in this Prospectus as a financial services licensee involved in the Offer,

holds as at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:

- the formation or promotion of the Company; or
- property acquired or proposed to be acquired by the Company in connection with the Company's formation or promotion, or the Offer; or
- the Offer,

and no amount (whether in cash, Shares or otherwise) have been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to any such person for services in connection with the formation or the promotion of the Company, or the Offer or to any Director or proposed Director to induce them to become, or qualify as, a Director of the Company or SaleCo.

6.3.1 Directors' interests and remuneration

6.3.1.1 Founders and Executive Directors

The Founders, Lachlan MacGregor and Yosuke Hall are employed as the Chief Executive Officer and Chief Commercial Officer respectively. See Section 6.3.2 for further details.

6.3.1.2 Non-Executive Director appointment letters

Prior to the Prospectus Date, each of the Non-Executive Directors have entered into appointment letters with the Company, confirming the terms of their appointment, their roles, and responsibilities and Carma's expectations of them as Non-Executive Directors.

6.3.1.3 Non-Executive Director remuneration

Non-Executive Directors' fees are determined within an aggregate Non-Executive Directors' fee pool limit. For the financial year commencing 1 July 2025 and in respect of each financial year thereafter and until otherwise determined by a resolution of Shareholders, the maximum aggregate remuneration payable by the Company to all Non-Executive Directors of the Company for their services as Directors including their services on a Board committee or sub-committee and including superannuation is limited to $750,000 per annum (in total).

As at the Prospectus Date, the annual Non-Executive Directors' base fee agreed to be paid by the Company to:

- the Chairperson is $220,000
- each of the other Non-Executive Directors is $140,000

Non-Executive Directors will also be paid additional committee fees of $20,000 per year for each Board Committee of which they are a Chair. Directors will not receive additional fees for being a member of a Board Committee. All Non-Executive Directors' fees are inclusive of statutory superannuation contributions.

6. Key People, Interests and Benefits

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6.3.1.4 Deeds of access, indemnity and insurance

The Company has entered into deeds of access, indemnity and insurance with each Director and the Company Secretary. Each deed contains the right of access to certain books and records of the Company and its related bodies corporate for a period of seven years after the Director and the Company Secretary ceases to hold office. The seven year period is extended where certain proceedings or investigations commence during the seven year period but are not resolved until later.

Pursuant to the Constitution, the Company must indemnify Directors and the Company Secretary on a full indemnity basis and to the full extent permitted by law against all losses, liabilities, costs, charges and expenses incurred by those individuals as officers of the Company or a related body corporate. Under the deeds of access, indemnity and insurance, the Company indemnifies each Director and the Company Secretary on a full indemnity basis and to the full extent permitted by law, against all losses or liabilities (including all reasonable legal costs) incurred by the Director and the Company Secretary as an officer of the Company or of a related body corporate.

Pursuant to the Constitution, the Company may purchase and maintain insurance for each Director and the Company Secretary of the Company to the full extent permitted by law against any liability incurred by those individuals in their capacity as officers of the Company or a related body corporate. Under the deeds of access, indemnity and insurance, the Company must maintain such insurance for each Director and the Company Secretary until a period of seven years after a Director and Company Secretary ceases to hold office. This seven year period is extended where certain proceedings or investigations commence during the seven year period but are not resolved until later.

6.3.1.5 Other information about Directors' interests and benefits

Directors are entitled to be paid for travel and other expenses incurred in attending to Carma's affairs, including attending and returning from general meetings of the Company or meetings of the Board or Committees of the Board. A Director who performs additional or special duties for the Company at the request of the Board may be paid such additional or special remuneration (as determined by the Board).

Carma does not pay benefits (other than statutory entitlements) on retirement to Non-Executive Directors.

6.3.1.6 Directors' interests in Shares and other securities

The Directors are not required by the Constitution to hold any Shares. The Directors (and their associates) are entitled to apply for Shares under the Offer. In the event of any scaleback process as part of the allocation of Shares under the Offer, Carma's intention is that this will occur without any preference being afforded to Directors or existing Shareholders over other Shareholders.

The interests of the Directors are set out below:

	Held immediately prior to Completion			Held on Completion		
Directors	**Shares**	**Options**	**Rights**	**Shares[1]**	**Options**	**Rights**
Owen Wilson[2]	324,989[6]	–	14,815	324,989[6]	–	14,815
Lachlan MacGregor[3]	22,000,001	–	844,783	22,000,001	–	844,783
Nicole Sparshott[4]	292,369[6]	–	12,963	292,369[6]	–	12,963
Melinda Snowden	38,999[6]	–	–	38,999[6]	–	–
Yosuke Hall[5]	22,000,001	–	844,783	22,000,001	–	844,783

The above table does not take into account any Shares the Directors (and their associated entities) may acquire under the Offer.

1. Excludes any Shares which the Directors may acquire as part of the Offer at the Offer Price.
2. Shares held by Owen Wilson as trustee for the Blue Chip Investment Trust. Rights relate to Restricted Rights issued on 16 October 2025.
3. Shares held by Invierta Pty Ltd as trustee for the Cliffbrook Trust. Table excludes 70,660 Shares held on Completion by Lachlan MacGregor's spouse. Rights relate to Performance Share appreciation rights issued on 16 October 2025.
4. Shares held by Sparshott Family Holdings Pty Ltd as trustee for the Sparshott Family Trust. Rights relate to Restricted Rights issued on 16 October 2025.
5. Shares held by Hallierke Pty Ltd as trustee for the Glerke Hall Family Trust. Rights relate to Performance Share appreciation rights issued on 16 October 2025.
6. Shares will be issued on the conversion of Convertible Notes on Completion. These Convertible Notes were issued on the same terms as the Convertible Notes issued to the other Convertible Notes holders in the Company.

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Final shareholdings held directly or indirectly by the Directors (and their associated entities) will be notified to the ASX following Listing. The Shares for the Executive Directors will be subject to voluntary escrow arrangements outlined in Section 9.7.

The Directors reserve their rights as at the date of this Prospectus as to whether they will participate in the Offer. Nothing in this Prospectus will be taken to preclude Directors, officers, employees or advisers of Carma, from applying for Shares on the same terms and conditions as Offered pursuant to this Prospectus.

6.3.2 Executive remuneration

6.3.2.1 Founder, Chief Executive Officer and Executive Director

Details regarding the terms of employment for the Chief Executive Officer and Executive Director, Lachlan MacGregor are set out below:

Term	Description
Employer	Carma Auto
Fixed remuneration	$600,000 per annum, inclusive of superannuation. Lachlan's fixed remuneration will be subject to annual review.
Short term incentive (STI)	Lachlan will be offered an opportunity to participate in Carma's new STI arrangements at a target of 37.5% of Lachlan's fixed remuneration. A stretch opportunity of up to 150% of the target will be offered for scale metrics, with the total depending on the mix of metrics, performance and reward ranges selected. For FY26, the maximum opportunity will be 56.25% of Lachlan's fixed remuneration.
Long term incentive (LTI)	Lachlan will be eligible to participate in the LTI Plan at the discretion of the Board as outlined in Section 6.3.5.
Termination	Lachlan's employment can be terminated either by Carma or him by giving the other party 6 months' written notice. Carma may pay Lachlan in lieu of all or part of his notice period. Lachlan's employment can be terminated with immediate effect in certain circumstances, including serious or wilful misconduct or serious negligence or incompetence in the performance of duties.
Restraints	Lachlan's employment contract contains post-employment restraints, including restraints on non-competition and non-solicitation that apply for a period of 12 months across any locations that Carma is operating. The enforceability of these restraints is subject to all usual legal requirements.

6. Key People, Interests and Benefits

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6.3.2.2 Founder, Chief Commercial Officer and Executive Director

Details regarding the terms of employment for the Chief Commercial Officer and Executive Director, Yosuke Hall are set out below:

Term	Description
Employer	Carma Auto
Fixed remuneration	$600,000 per annum, inclusive of superannuation. Yosuke's fixed remuneration will be subject to annual review.
Short term incentive (STI)	Yosuke will be offered an opportunity to participate in Carma's new STI arrangements at a target of 37.5% of Yosuke's fixed remuneration. A stretch opportunity of up to 150% of the target will be offered for scale metrics, with the total depending on the mix of metrics, performance and reward ranges selected. For FY26, the maximum opportunity will be 56.25% of Yosuke's fixed remuneration. See Section 6.3.3 for further details.
Long term incentive (LTI)	Yosuke will be eligible to participate in the LTI Plan at the discretion of the Board as outlined in Section 6.3.5.
Termination	Yosuke's employment can be terminated either by Carma or him by giving the other party 6 months' written notice. Carma may pay Yosuke in lieu of all or part of his notice period. Yosuke's employment can be terminated with immediate effect in certain circumstances, including serious or wilful misconduct or serious negligence or incompetence in the performance of duties.
Restraints	Following termination of Yosuke's employment, he will be subject to post employment non-competition and non-solicitation restraints that apply for a period of 12 months across any locations that Carma is operating. The enforceability of these restraints is subject to all usual legal requirements.

6.3.2.3 Other members of Senior Management

Senior Management of Carma are generally employed under employment agreements with Carma Auto which provide for an annual fixed remuneration inclusive of superannuation contributions, participation in the EOP and other additional benefits provided at the sole discretion of Carma Auto.

The majority of the employment agreements are terminable by each party on 3 months' notice, with two employment agreements being terminable on less than 3 months' notice. Carma Auto may terminate these employment agreements by making a payment in lieu of notice. In the event of serious misconduct or specific circumstances warranting termination, Carma Auto may terminate the employment agreements of Senior Management immediately without notice.

Under the employment agreements, the majority of Senior Management are generally subject to a restraint of trade period of 12 months. The enforceability of the restraint clause is subject to all usual legal requirements.

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6.3.3 Short Term Variable Remuneration Plan or Short Term Incentive (STI)

The following describes the Short Term Variable Remuneration (STVR or STI) arrangement intended to be offered to selected executives and potentially other employees, on an annual basis, as determined by the Board.

Term	Description
Purpose	To provide at-risk remuneration and incentives that reward executives and other selected employees for performance against annual objectives set by the Board at the beginning of the financial year. Objectives selected are designed to link to sustainable value creation for shareholders, and the strategy, on an annual basis. The opportunity up to "target" is "at-risk" related to delivering expectations, while the opportunity up to "stretch" is an incentive to exceed expectations to a significant extent.
Measurement Period	The Financial Year of the Company (1 July–30 June)
Metrics	STI outcomes are intended to be dependent on the achievement of a range of both financial and non-financial metrics, group, function/unit and potentially individual metrics which are determined by the Board each year. These will evolve over time with the circumstances and strategy of the business each year.
Award, Settlement	Awards will be calculated following the auditing of accounts and will be settled in the form of cash and/or Rights which may have service, exercise or disposal restrictions. For FY26, 100% of the award, if any, will be settled in restricted rights subject to an exercise restriction for 180 days. The settlement of the award value in rights will be based on the volume weighted average price (VWAP) of Shares following the release of FY26 results.
Board Discretion, Malus and Clawback	In addition to retaining an overarching discretion in respect of adjusting award outcomes downward, the Board will have the power to trigger forfeiture of unpaid awards (i.e., malus) and or deferred equity subject to restrictions (i.e. clawback). Malus and clawback events may occur in multiple circumstances, including where a participant has engaged in fraud, dishonesty or misconduct, breach of duty or breach of conduct, or where the financial results that led to the restricted shares being granted are subsequently shown to be materially misstated.

6.3.4 Employee option plan

Prior to the date of this Prospectus, the Company established the employee option plan on 19 February 2021 and updated 13 December 2022 (EOP) to align the interests of eligible employees more closely with the interests of shareholders by providing an opportunity for eligible employees to receive an equity interest in the Company.

As at the date of the Prospectus, the Company has granted the following Options and a number of these Options have vested as set out below. Each Option entitles its holder to receive one Share on the exercise of that Option:

Issued Options	Vested Options at 30 Sep 25	Exercise price range
7,159,150	5,378,433	$0.00 to $1.38

The Board has confirmed that it will not exercise its discretion to accelerate the vesting of any unvested Options in connection with the Offer in accordance with the terms of the EOP and accordingly, Options will remain on issue in accordance with their terms post Completion of the IPO. Option holders may elect to exercise any vested Options in accordance with the terms of the EOP by funding the exercise price themselves. The Company does not intend to make any further grants under the EOP after the date of this Prospectus.

6. Key People, Interests and Benefits

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The Company confirms that current participants of the EOP are limited to current or former employees, contractors or directors (excluding Key Management Personnel).

The rules of the EOP have the following key features:

Term	Description
Eligibility	Offers may be made to any employee, contractor or director (or prospective employee, contractor or director) of one or more members of the Group or their nominee selected by the Board to participate in the EOP (**Eligible Person**).
Offer	Subject to the EOP, the Board may offer Options, subject to the terms and conditions of each individual offer, to an Eligible Person (**Offer**). Each Option entitles the holder to receive one Share upon satisfaction of any applicable exercise and/or vesting conditions and payment of an exercise price (if any). Shares resulting from an exercise of Options rank equally with other Shares, and Shareholders are entitled to the same dividend and voting rights specified in the Constitution.
Vesting and exercise conditions	Vesting of Options issued to each Eligible Person is subject to vesting conditions specified in the offer document for each Option as determined by the Board. If vesting conditions or event are not specified in an Offer, the following vesting conditions apply: • Options: – only vest while the Eligible Person remains employed with a member of the Group or acts as a director of a member of the Group (as applicable); and – cease to vest for the duration of any unpaid leave of absence. If the unpaid leave period includes part of a month, no vesting will occur in that month; • Options vest: – in respect of 25% of the Options the subject of an Offer, on the date which is 12 months after the issue date of the Options; and – in respect of the remaining 75% of the Options the subject of the Offer, on a monthly basis over the three-year period after the end of 12 months after the issue date of the Options.
Exercise Period	A holder of an Option may exercise a vested Option during the period commencing on the date on which the Option vests and ending 15 years from the date the Option was issued to the holder. The Option lapses at the end of the Exercise Period.
Purchase price and exercise price	The purchase price and exercise price of Options issued to each Eligible Person is specified in the offer document for each Option as determined by the Board. Options that remain on issue at Completion have a purchase price of $0.00 and an exercise price of between $0.00 to $1.38.

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Term	Description
Dividends and voting rights	An Option does not carry voting rights or rights to receive dividends.
Cessation of employment	Subject to the Board's discretion, the treatment of Options on cessation of an Eligible Person will depend on whether the Eligible Person ceased being employed as a result of: • resigning or ceasing employment with or engagement by a member of the Group and commences employment with or holds more than 5% of the issued capital of a competitor within 12 months leaving or was summarily dismissed because of fraud, an indictable criminal offence, breach of a restrictive covenant or a material breach of their employment or consulting agreement (**Bad Leaver**); or • otherwise ceases to be employed or contracted by a member of the Group (**Leaver**). Subject to the Board's discretion, when a holder of Options becomes a Leaver under the plan, the Board may determine the treatment of their Options as follows: • if the Board serves a notice, it may determine that all or some of the Leaver's unvested Options become vested on a specified date; if no notice is given, all unvested Options automatically lapse; • the Board may require the Leaver to sell some or all of their vested Options to a Board nominated transferee (which may include another Eligible Person or nominee, an interim holding entity for future allocation, or any other Board approved entity), and the Leaver must transfer those Options accordingly; – the sale price for Options required to be sold will be: for a Bad Leaver, 50% of their fair market value as at the date the person becomes a Leaver (or a higher amount if the Board so determines); and in all other cases, their fair market value as at that date; and – completion of any required sale will occur on the date set by the Board and notified to the Leaver; or • the Board may allow the Leaver to retain some or all of their Options.
Reorganisations, corporate actions, bonus issues, etc	The EOP includes specific provisions dealing with bonus issues, corporate actions and other capital reconstructions. These provisions are intended to ensure that there is no material advantage or disadvantage to the participant in respect of their Options as a result of corporate actions. These are subject to the application of the ASX Listing Rules.
Restrictions on disposal	After Listing, dealings in the Options remain restricted until the earlier of the 180 days after listing or the expiry of any underwriter lock up. In addition, unless an arrangement satisfies section 83A-130 of the *Income Tax Assessment Act 1997* (Cth), Options may not be disposed of until the earlier of three years from issue (or an earlier time allowed by the Commissioner) and the holder becoming a Leaver.

6. Key People, Interests and Benefits

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6.3.5 Carma Limited Rights Plan

Carma has established a Rights Plan (**Carma Limited Rights Plan**) that will facilitate various grants that may be used to appropriately align, motivate, retain and reward employees and directors as part of their remuneration. It is intended to reward for achieving growth targets and sustainable performance over the long term, and to build up an equity ownership aligning their interest with those of the shareholders.

The Rights Plan has been approved by Carma's shareholders to preserve the 15% limit on new issues that may be made during any 12 month period, therefore excluding Rights issued under the Plan from the calculation of the utilisation of the limit during the subsequent three (3) years (ASX Listing Rule 7.2 exception 13). It is the view of the non-executive Directors of the Board that it is in the interests of shareholders for selected executives, directors and other employees to receive part of their remuneration in the form of equity.

Equity interests are designed to form a significant component of variable remuneration for executives by facilitating long term variable remuneration, and the equity settlement of short term variable remuneration, as well as potentially fixed remuneration or retention variable remuneration from time to time. Non-Executive Directors may also be invited to participate in the Rights Plan, as the Plan is designed to support independence and alignment with Non-Executive Directors with shareholders via settling part of the Non-Executive Directors annual Board Fees in Rights while preserving their independence. The Board seeks to ensure that grants are made at a level that will appropriately position remuneration outcomes when compared to the market, in accordance with Carma's remuneration policies, and appropriate to the circumstances of the Company at the time. A summary of the main features of the Plan is set out in the table below:

Aspect	Details
Instruments	The Plan uses Rights which are indeterminate Rights under which the exercised rights value may be settled in Shares, restricted Shares, or cash, at the discretion of the Board, unless otherwise specified in an invitation. This is necessary to ensure appropriate taxation treatment for founders. The exercised rights value is calculated as: **(Share Price at Exercise – Exercise Price) x Number of Rights Exercised** Generally, it is expected that exercised Rights will be satisfied in the form of Shares or restricted Shares (ordinary fully paid share in the Company that may be subject to specified disposal restrictions). The Plan allows for three classes of Rights which may be appropriate forms of remuneration under various circumstances, being; a) performance rights which vest when performance conditions have been satisfied and will generally be used for the purpose of granting LTVR to executives, b) service rights which vest after completion of a period of service and which will generally be used as a retention incentive below the executive level if and when appropriate, or as part of fixed remuneration, and c) restricted rights, which are vested at grant, may have exercise restrictions and/or specified disposal restrictions that may extend to the Shares that result from the exercise of Rights, and will generally be used to equity-settle earned remuneration from time to time e.g. to settle STVR in equity rather than cash. If and when an exercise price greater than nil is specified in an invitation, the Rights are "share appreciation rights" that only produce value when the share price exceeds the exercise price at the time of exercise i.e. equivalent to an option. They may be "performance SARs", "service SARs" or "restricted SARs" under the foregoing classes of Rights. However, the exercise price is notional and will be accounted for under a "cashless exercise" process (deducted from the share price at exercise).
Eligibility	Persons selected by the Board will be invited to participate in the Rights Plan, and includes full time and part-time employees, directors and contractors.
Retesting	No retesting is available under this plan.

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Aspect	Details
Dividend Equivalents	If specified in an invitation, once Rights vest, participants will be entitled to dividend equivalent payments at the same time as when cash dividends are paid in respect of Shares. Entitlement to dividend equivalents will cease when the participant ceases to be an employee of the Group. Dividend equivalent payments will be calculated as the sum of cash dividends per Share multiplied by the number of nil-exercise-priced vested Rights held by the participant at the time a cash dividend is paid by the Company. In the case of a "share appreciation right", the entitlement will be based on a whole-Share equivalent calculation, using the net value in the "share appreciation right" at the time a dividend is declared, divided by the Share price. Dividend equivalents support participants holding equity interests for as long as possible, rather than exercising into Shares to access dividends, which usually results in a signification portion of the equity being disposed of due to taxation arising.
Disposal Restrictions	Shares acquired by participants or held by any trustee of an employee share trust (where applicable) for the benefit of participants as a consequence of the exercise of Rights may initially be restricted Shares, subject to a disposal restriction being that such Shares may not be sold or disposed of in any way until their sale would not breach: a) the Company's share trading policy (if applicable); b) Division 3 of Part 7.10 of the Corporations Act, dealing with insider trading; c) Part 6D.2 s 707(3) of the Corporations Act, dealing with on-selling of Shares within 12 months of date of issue, where the Rights were issued in a manner that does not provide relief from this requirement; or d) the specified disposal restriction, if any, applicable to the restricted Shares. Carma will ensure that such restrictions are enforced due to the presence of CHESS holding locks or alternatively by any trustee of an employee share trust that may be engaged in connection with the Plan.
Disposal and Exercise Restriction Release at Taxing Point	In the event that a taxing point arises in relation to restricted Rights or restricted Shares, and any exercise restriction period or disposal restriction period have not elapsed, then they restriction will cease to apply to 50% of the taxable Rights and Shares. This ensures that unreasonable tax outcomes are avoided.
Cessation of Employment	In the event of the termination of employment of a participant for cause, as determined by the Board, all unvested Rights and Rights subject to an exercise restriction period will be forfeited by that participant unless otherwise determined by the Board. In all other circumstances, if a participant ceases to be an employee or director of the Group, unless otherwise determined by the Board; a) if the participant has been employed by the Group for less than 12 months, all unvested Rights and Rights subject to exercise restrictions will be forfeited immediately upon termination, otherwise b) if the participant has been employed by the Group for 12 months or greater, performance rights held by a participant in respect of which the first year of the measurement period has not been completed will be forfeited pro-rata in the percentage that the remainder of the financial year bears upon the full year, unless otherwise determined by the Board, Performance rights and service rights that do not lapse at termination will continue to be held with a view to testing for vesting at the end of the measurement period. Following a participant ceasing employment or office with the Group, at any time after 180 days after the first date that all Rights that the participant holds are fully vested and not subject to an exercise restriction period, the Board may exercise some or all Rights held by the participant using the power of attorney included in the Rights Plan Rules for this purpose.

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Aspect	Details
Corporate Actions	Unless otherwise determined by the Board, in the event the Board determines that the Company will be imminently de-listed, the vesting conditions attached to the tranche at the time of the application will cease to apply and: a) unvested performance rights subject to a nil exercise price will vest in accordance with the application of the following formula to each unvested tranche as at a date determined by the Board (Effective Date), noting that negative results will be taken to be nil and vesting cannot exceed 100%: $\text{Number of Performance Rights in Tranche to Vest} = \text{Unvested Performance Rights in Tranche} \times \text{\% of the first year of the Measurement Period Elapsed} \times \frac{\text{(Share Price at the Effective Date – Share Price at Measurement Period Commencement Date)}}{\text{Share Price at Measurement Period Commencement Date)}}$ b) any remaining unvested performance rights will vest to the extent, if any, determined by the Board having regard to performance over the measurement period prior to the Effective Date, c) any unvested performance rights that remain following (b) and (c) will lapse, unless the Board determines that participants may continue to hold unvested Rights following the Effective Date, d) some or all unvested service rights may vest to the extent determined by the Board in its discretion, having regard to the circumstances that gave rise to the grant of service rights and any remainder will lapse immediately, e) any unexercised Rights held by a participant that are subject to an exercise restriction period will cease to be so restricted on the date that the Board determines in its sole discretion, and f) any disposal restriction period will be lifted, including the removal of any Company initiated CHESS holding lock. In the event the Board determines that the Company will imminently become the subject of a change in control without delisting, the Board may determine that either no action will be taken, or that the foregoing treatment will apply.
Major Return of Capital or Demerger	In the event that the Board forms the view that a major part of the Company's assets or operations will imminently cease to be owned by the Group due to an intention to sell or separately list those assets or operations, or in the event of a major return of capital to shareholders, the Board will determine the treatment of all vested and unvested Rights and restricted Shares held by participants including but not limited to vesting, lapsing and removal of the exercise restriction period and specified disposal restriction period, and the automatic exercise of vested Rights on a specific date.
Fraud and Misconduct, Malus, Clawback and Board Discretion, Preventing Inappropriate Benefits	In the event of fraud or defalcation, all unvested Rights and Rights subject to exercise restrictions will be immediately forfeited by the participant. Any malus and/or clawback policy of the Company applies to the Rights issued under the Plan Rules. The Board has sole discretion to determine that some or all Rights held by a participant that are unvested Rights or vested Rights which are subject to an exercise restriction period, will lapse on a specified date if allowing the Rights to be retained or exercised by the participant would, in the opinion of the Board, result in an inappropriate benefit to the participant.

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Aspect	Details
Bonus Issues, Rights Issues, Voting and Dividend Entitlements	Subject to the ASX Listing Rules, in the case of capital reconstructions and bonus issues, the number of Rights held by participants will be proportionately adjusted to ensure that no advantage or disadvantage arises. Right holders will not participate in general shareholder rights issues and no adjustments will be made. Rights do not carry voting or dividend entitlements. Shares (including restricted Shares) issued when Rights are exercised carry all entitlements of Shares, including voting and dividend entitlements.
Key Board Discretions	Subject to the ASX Listing Rules, the Board has discretion to make adjustments to the Plan Rules and to the terms of Rights to correct any manifest error, to comply with applicable laws and regulations, the ASX Listing Rules, and to address possible adverse tax implications for participants. The Board also has discretion to interpret any vesting scale or vesting condition applicable to Rights, including how outcomes are to be calculated, and to adjust outcome assessments to ensure that the result of comparing outcomes to vesting conditions produces appropriate vesting given the prevailing circumstances.
Hedging	The Company prohibits the hedging of Rights or Shares subject to disposal restrictions by specified participants.
Plan Limit	While not specified as part of the Plan Rules, due to the following statement being provided in this document; the maximum number of Rights that may be issued over the first 3 years of the operation of the Rights Plan is capped at 13.7 million rights (10% of the capital of the Company), unless shareholder approval is obtained to increase this limit.

The total number of Rights issued under the Rights Plan as at the date of publication of this document is 1,689,566.

Grants to Executive Directors

Generally, grants of equity to Directors require shareholder approval. Disclosure is made to ensure that shareholders are aware of the equity arrangements in place for Directors, and to exclude grants of equity to Non-Executive Directors from the calculation of the consumption of the fixed limit fee pool available to remuneration Non-Executive Directors.

A key component of effective remuneration for Executive Directors is equity interests, in the form of LTVR to drive shared performance objectives, link remuneration to Company performance and align interests with sustainable value creation for shareholders. The features of the FY26 LTVR invitation to apply for performance share appreciation Rights to the Executive Directors are summarised below:

Aspect	Details
Instrument	The FY26 grant of LTVR for Executive Directors is based on performance share appreciation rights. These are Rights subject to a notional exercise price, similar to an option-like structure, but with a "cashless exercise" feature. The value that may be realised is a function of performance against vesting conditions and the market value of a Share at the time of sale of any Shares that result from exercising Rights. The type of equity proposed to be granted has been selected because it creates a strong link between performance and reward. A benefit will not arise unless the Share price rises above the price of the Offer Shares, and additional performance service hurdles are met.
Term	Each performance share appreciation Right has a term of 5 years from the grant date and if not exercised within that term, the Rights will lapse.
Exercise Price	The notional exercise price (cashless exercise) is the Offer Price.

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<table>
<tr><th>Aspect</th><th>Details</th></tr>
<tr><td>Number of Rights</td><td>Lachlan MacGregor has been granted 844,783 performance share appreciation Rights.
Yosuke Hall has been granted 844,783 performance share appreciation Rights.
The number of performance share appreciation Rights has been calculated as follows:
Number of Rights = fixed remuneration x LTVR Target % x tranche weighting ÷ Black-Scholes value ÷ target vesting %
Where:
1. The value of the right is the result of a Black Scholes valuation using the following inputs of:
a. Share Price: $2.70
b. Term: 3 years
c. Volatility (based on independent advice): 41%
d. Dividend yield: $0.00 p.a.
e. Exercise Price: $2.70
2. Fixed Pay is $600,000 for both incumbents
3. LTVR target % (of fixed remuneration) is 60% for the Executive Directors
4. Tranche weighting is 100% (single vesting condition)
5. Target vesting is 50% according to the performance vesting scale</td></tr>
<tr><td>Measurement Period</td><td>The measurement period is the period over which vesting conditions are assessed and will be from Listing to 30 June 2028.</td></tr>
<tr><td>Vesting Conditions</td><td>The performance share appreciation Rights are subject to an iTSR vesting condition (100% weighting). The vesting of performance share appreciation Rights will be determined by comparing Carma's "Total Shareholder Return" (TSR) against the TSR of the S&P ASX 300 Total Return index over the measurement period.
The vesting scale for this performance vesting metric is as follows:
<table>
<tr><th>Performance Level</th><th>Annualised TSR compared to the Index</th><th>% of Grant Vesting</th></tr>
<tr><td>–</td><td>≥ Index TSR + 10% TSR CAGR</td><td>100%</td></tr>
<tr><td>Between Target and Stretch</td><td>> Index TSR + 5% TSR CAGR &
< Index TSR + 10% TSR CAGR</td><td>Pro-rata</td></tr>
<tr><td>Target</td><td>= Index TSR + 5% TSR CAGR</td><td>50%</td></tr>
<tr><td>Between Target and Threshold</td><td>> Index TSR &
< Index TSR + 5% TSR CAGR</td><td>Pro-rata</td></tr>
<tr><td>Threshold</td><td>= Index TSR</td><td>25%</td></tr>
<tr><td>Below threshold</td><td>< Index TSR</td><td>0%</td></tr>
</table>
TSR is the sum of the change in share price and dividends (assumed to be reinvested in shares) during the measurement period. The Board has discretion to interpret the vesting scale and the method of calculation of outcomes, including making adjustments to the assessed performance outcome if deemed necessary to ensure that the vesting percentage is appropriate at the time.</td></tr>
<tr><td>Dividend Equivalents</td><td>Once performance share appreciation Rights vest, and up to the end of the term or earlier termination of employment, performance share appreciation Rights will be entitled to a dividend equivalent payment if and when a dividend is declared to be distributed to shareholders. Because the performance share appreciation Rights are share appreciation rights which are a partial interest in the value of a Share, a calculation will be performed to determine the number of whole-Share equivalents that are held at the time.</td></tr>
<tr><td>Other Terms</td><td>Other terms are as per the Rights Plan disclosure outlined in the relevant section.</td></tr>
</table>

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Grants to Non-Executive Directors

A key component of effective remuneration for Non-Executive Directors is equity interests, in the form of Rights, to align interests with the experience of Shareholders. The grant to Non-Executive Directors has been designed to preserve their independence, in accordance with current ASX market best practices. The features of the FY26 NED Rights invitation to apply for restricted Rights to the Non-Executive Directors are summarised below:

Aspect	Details
Instrument	The FY26 grant of equity for Non-Executive Directors is based on restricted Rights.
Term	Each restricted Right has a term of 15 years from the grant date and if not exercised within that term, the restricted Rights will lapse.
Exercise Price	The exercise price is nil.
Number of Rights	Mr Owen Wilson has been granted 14,815 restricted Rights. Ms Nicole Sparshott has been granted 12,963 restricted Rights. The number of restricted Rights has been calculated as follows: **Number of Rights = Board Fee Payable in Equity ÷ Share Price** Where: 1. Share Price is $2.70 2. Board Fee Payable in Equity is: a. $40,000 in respect of Owen Wilson b. Nil in respect of Melinda Snowden c. $35,000 in respect of Nicole Sparshott The value of each restricted Right is equal to the Share price at the grant date of $2.70.
Vesting Conditions	No performance or service vesting conditions apply to the restricted Rights. This is to ensure that the independence of incumbents is preserved.
Exercise Restriction	restricted Rights may not be exercised for 180 days from the grant date.
Dividend Equivalents	Up to the end of the term or earlier cessation of holding office or employment with the Group, restricted Rights will be entitled to a dividend equivalent payment if and when a dividend is declared to be distributed to shareholders.
Other Terms	Other terms are as per the Rights Plan disclosure outlined in the relevant section.

The total remuneration packages of the Non-executive Directors are set out below:

a. $220,000 in respect of Owen Wilson, composed of:
   i. $180,000 in cash and superannuation as part of Owen's Board fees, and
   ii. $40,000 in restricted Rights as part of Owen's Board fees.
b. $160,000 in respect of Melinda Snowden, composed of:
   i. $160,000 in cash and superannuation as part of Melinda's Board fees, and
   ii. Nil in restricted Rights as part of Melinda's Board fees.
c. $140,000 in respect of Nicole Sparshott, composed of:
   i. $105,000 in cash and superannuation as part of Nicole's Board fees, and
   ii. $35,000 in restricted Rights as part of Nicole's Board fees.

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6.3.6 Interests of advisers

Carma, and in some cases, SaleCo have engaged the following professional advisers in relation to the Offer:

- Canaccord Genuity (Australia) Limited and E&P Capital Pty Ltd have acted as Joint Lead Managers to the Offer. The Company has agreed to pay the Joint Lead Managers the fees described in Section 9.5 for these services.
- King & Wood Mallesons has acted as Australian legal adviser to the Company and SaleCo in relation to the Offer. Carma has paid or agreed to pay, approximately $450,000 (excluding disbursements and GST) for these services up until the Prospectus Date. Further amounts may be paid to King & Wood Mallesons for other work in accordance with its normal time-based charges.
- Deloitte Corporate Finance Pty Limited has acted as the Investigating Accountant in connection with the Offer. Deloitte Corporate Finance Pty Limited has performed work in relation to, the Independent Limited Assurance Report included in Section 8. Carma has paid, or agreed to pay, approximately $570,000 (excluding disbursements and GST) for these services up until the Prospectus Date. Further amounts may be paid to Deloitte Corporate Finance Pty Limited for other work in accordance with its normal time-based charges;
- Deloitte Tax Services Pty Ltd has acted as tax adviser to Carma in relation to the Offer. Carma has paid, or agreed to pay, fees of approximately $170,000 (excluding disbursements and GST) for these services up until the Prospectus Date. Further amounts may be paid to Deloitte Tax Services Pty Ltd in accordance with its normal time-based charges.
- Frost & Sullivan has prepared certain information relating to the industry in which the Company operates for inclusion in this Prospectus. The Company has paid, or agreed to pay, approximately $28,000 (excluding disbursements and GST) for these services up until the Prospectus Date.

These amounts, and other expenses of the Offer, will be paid by the Company out of funds raised under the Offer or available cash. Further information on the proceeds and payment of expenses of the Offer is set out in Section 7.1.

6.4 Corporate governance

6.4.1 Overview

The Board is responsible for the corporate governance of Carma. The Board believes that effective corporate governance will improve Carma's performance and create value among its stakeholders.

The Company is seeking a listing on the ASX. The ASX Corporate Governance Council has developed and released its fourth edition of the Corporate Governance Principles and Recommendations for Australian listed entities in order to promote investor confidence and to assist companies in meeting stakeholder expectations (**ASX Recommendations**). The ASX Recommendations are not prescriptions, but guidelines. However, under the ASX Listing Rules, the Company will be required to provide a statement in its annual report disclosing the extent to which it has followed the ASX Recommendations in the reporting period. Where the Company does not follow a recommendation, it must identify the recommendation that has not been followed and give reasons for not following it and must also disclose what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

As at the date of Listing, Carma will have complied in all respects with the ASX Recommendations other than as set out below.

6.4.1.1 Diversity Policy – Recommendation 1.5

The Board notes that Carma is not incorporating specific diversity targets into its hiring process and that its workforce size is small but growing at this time. Carma values, recognises, and respects diversity in all respects. Carma's workforce is made up of individuals with diverse skills, backgrounds, perspectives, and experiences. The Board will continue to monitor Carma's growth and needs for specific diversity targets periodically.

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6.4.1.2 Nomination Committee – Recommendation 2.1

At Listing, Carma is not proposing to have a Nomination Committee. Carma does not have a Nomination Committee as the Board considers Carma will not currently benefit from its establishment. The Board will carry out the duties that would ordinarily be carried out by the Nomination Committee under the Remuneration and Nomination Committee Charter, including the following processes to address succession issues and to ensure the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively:

- devoting time at least annually to discuss Board succession issues; and
- all Board members being involved in Carma's nomination process, to the maximum extent permitted under the Corporations Act and ASX Listing Rules.

6.4.1.3 Skills matrix – Recommendation 2.2

Carma does not yet have a formal skills matrix setting out the mix of skills and diversity that the Board seeks to achieve in its membership. Carma intends to develop the Board's skills matrix and disclose its details of the skills matrix in its annual corporate governance statement.

6.4.1.4 Remuneration Committee – Recommendation 8.1

At Listing, Carma is not proposing to have a Remuneration Committee. Carma does not have a Remuneration Committee as the Board considers Carma will not currently benefit from its establishment. The Board considers that Carma is not currently of a size, nor are its affairs of such complexity to justify having a separate remuneration committee. The Board will carry out the duties that would ordinarily be carried out by the Remuneration Committee under the Remuneration and Nomination Committee Charter, including setting Carma's remuneration structure, determining eligibilities to incentive schemes, assessing performance and remuneration of senior management and determining the remuneration and incentives of the Board. The Board may obtain external advice from independent consultants in determining Carma's remuneration practices, including remuneration levels, where considered appropriate. Prior to Completion, copies of the Company's key policies and practices and the charters for the Board and each of its committees will be available at www.carma.com.au/investors/Corporategovernance

6.4.2 Board composition

The Board of Directors is comprised of five Directors:

- three independent Non-Executive Directors (including the Independent Non-Executive Chair); and
- two Executive Directors.

Detailed biographies of the Board members are provided on Section 6.1.

Each Director has confirmed to the Company that they anticipate being available to perform their duties as a Non-Executive Director or Executive Director without constraint having regard to other commitments.

6.4.3 Board roles and responsibilities

The Board has responsibility for providing overall strategic guidance for Carma and effective oversight of management. The Board ensures that the activities of Carma comply with its Constitution, from which the Board derives its authority to act, and with the relevant legal and regulatory requirements.

The Board has delegated day-to-day management of the business and affairs of Carma to executive management.

Independence

The Board Charter sets out guidelines of materiality for the purpose of determining independence of Directors in accordance with the ASX Recommendations and has adopted a definition of independence that is based on that set out in the ASX Recommendations.

6. Key People, Interests and Benefits

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The Board considers an independent Director to be a Non-Executive Director who is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect, his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company. The Board will consider the materiality of any given relationship on a case-by-case basis and has adopted guidelines to assist in this regard. The Board reviews the independence of each Director in light of interests disclosed to the Board from time to time. In assessing independence, the Board will have regard to the ASX Recommendations.

The Board considers that each of Owen Wilson, Nicole Sparshott and Melinda Snowden, are free from any interest, position, association or relationship that might influence, or reasonably be perceived to influence, the independent exercise of the Director's judgement and that each of them is able to fulfil the role of independent Director for the purpose of the ASX Recommendations.

Lachlan MacGregor and Yosuke Hall are currently considered by the Board not to be independent because they are the executive directors as well as being the founders of Carma (see Section 6.1).

6.4.4 Board Charter

The Board Charter adopted by the Board sets out the responsibilities of the Board in greater detail. It provides that the Board should comprise Directors with the appropriate mix of skills, experience, expertise and diversity which are relevant to the Company's businesses and the Board's responsibilities. The Board Charter allows the Board to delegate powers and responsibilities to committees established by the Board.

While the Board retains ultimate responsibility for the strategy and performance of Carma, the day to day operation of Carma is conducted by, or under the supervision of, the CEO as directed by the Board. The Board approves corporate objectives for the CEO to work towards and the management team is then responsible for implementing strategic objectives, plans and budgets approved by the Board.

6.4.5 Board Committees

The Board may from time to time establish appropriate committees to assist in the discharge of its responsibilities. The Board has established an Audit and Risk Committee.

Other committees may be established by the Board as and when required. Membership of Board committees will be based on the needs of the Company, relevant legislative and other requirements, and the skills and experience of individual Directors.

6.4.5.1 Audit and Risk Committee

The Audit and Risk Committee's key responsibilities are to oversee Carma's:

- financial reporting processes;
- relationship with the external auditor and the external audit function generally;
- financial controls and systems;
- processes for monitoring compliance with laws and regulations; and
- processes of identification and management of risk.

Under its charter, the Audit and Risk Committee must consist of only Non-Executive Directors, a majority of independent Directors, an independent Chair (who is not Chair of the Board) and a minimum of three members of the Board. The Audit and Risk Committee will comprise:

- Melinda Snowden (Chair);
- Nicole Sparshott; and
- Owen Wilson.

Other Board members may attend the Committee meetings at any time. Others, including members of management and the external auditor, may attend meetings of the committee by invitation of the committee Chair.

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6.5 Corporate governance policies

The Board has adopted the following corporate governance policies, each of which has been prepared having regard to the ASX Recommendations. The Company's corporate governance policies and practices will continue to be reviewed regularly and will continue to be developed and refined to meet the needs of the Company.

6.5.1 Disclosure and Communication Policy

Upon Listing, the Company will be required to comply with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act. Subject to the exceptions contained in the ASX Listing Rules, the Company will be required to immediately disclose to ASX any information concerning the Company which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company has adopted the Disclosure and Communication Policy to take effect from Listing. This policy establishes procedures which inform the Board as well as officers, employees and consultants of the Company of their obligations in relation to timely disclosure of material price-sensitive information – there are also disclosure and materiality guidelines for officers and employees.

6.5.2 Shareholder Communication Policy

As part of the Disclosure and Communication Policy, the Board aims to provide Shareholders with sufficient information to assess the performance of the Company and so that they are informed of all major developments affecting the state of affairs of the Company relevant to Shareholders in accordance with all applicable laws. The Company aims to facilitate effective two-way communication with investors and recognises the importance of general stakeholder engagement. Information will be communicated to Shareholders through the lodgement of all relevant financial and other information with the ASX and publishing information on the Company's website, carma.com.au.

In particular, the Company's website will contain information about the Company, including media releases, key policies and the charters of its Board committees. All relevant announcements made to the market and any other relevant information will be posted on the Company's website as soon as they have been released to the ASX.

6.5.3 Trading Policy

The Company has adopted the Trading Policy which summarises the law regarding insider trading and sets out the Company's policy on the buying and selling of securities. The intention of this policy is to set up a best practice procedure that protects the Company, the Directors, officers and employees against the misuse of unpublished information which could materially affect the value of securities.

The Trading Policy outlines the restrictions imposed on the Directors, officers and key management personnel of the Company in dealing in Shares during those periods which are designated by the Trading Policy as "closed periods", any extension to a closed period, and any additional closed period, as specified by the Board.

The Trading Policy also sets out the restrictions imposed on any employees or contractors of the Company (including their family members or associates) in dealing in Shares, when in possession of "inside information", being information relating to the Company which is not generally available but, if the information were generally available, would be likely to have a material effect on the price or value of the Shares.

6.5.4 Code of Conduct

The Company is committed to providing an ethical and legal framework within which its employees conduct the Company's business. Accordingly, the Company has adopted a Code of Conduct which sets out the values, commitments, ethical standards and policies of the Company and outlines the standards of conduct expected of the business and the Company's employees, taking into account the Company's legal and other obligations to its stakeholders.

6. Key People, Interests and Benefits

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6.5.5 Diversity Policy

Carma plans to develop a Diversity Policy which will set out the Company's commitment to diversity and inclusion in the workplace at all levels. The Diversity Policy will provide a framework to achieve the Company's diversity goals and commitment to creating a diverse work environment where everyone is treated fairly and with respect and where everyone feels responsible for the reputation and performance of the Company.

The Board will oversee the implementation of the Diversity Policy and assess progress in achieving its objectives.

6.5.6 Privacy Policy

The Company is committed to protecting the safety and security of its registered users of its sites and is sensitive to their concerns about the safety of their personal information provided to the Company. The Privacy Policy details how any personal information collected by the Company is used.

6.5.7 Whistleblower Policy

The Company is committed to the highest standards of conduct and ethical behaviour in all of its business activities and to promoting and supporting a culture of honest and ethical behaviour, corporate compliance and good corporate governance. The Whistleblower Policy has been adopted to provide a safe and confidential environment where concerns can be raised by whistleblowers without fear of reprisal or detrimental treatment.

6.5.8 Anti-bribery and Corruption Policy

The Company is committed to complying with all laws of the jurisdictions in which it operates, including those relating to bribery and corruption. The Anti-bribery and Corruption Policy sets out the responsibilities of the Company's personnel, including in their dealings with, and through, third parties. It addresses protection of the Company's personnel in seeking to comply with this policy, dealing with false reports, investigations, consequences for breach, examples of improper conduct, contact with government officials, donations, in-kind gifts and corporate hospitality, political and charitable contributions and sponsorships, facilitation payments and secret commissions.

6.5.9 Modern Slavery

The Company is committed to implementing and enforcing effective systems and controls to reduce the risk of modern slavery taking place in its own business and supply chains. Team members are encouraged to report any concerns or suspicions about modern slavery to their manager or HR department.

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Section 7

Offer Information



7. Offer Information

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7.1 Details of the Offer

7.1.1 The Offer

The Offer comprises an initial public offering of 25,925,926 New Shares to raise proceeds of approximately $70.0 million and the sale of 11,112,000 Existing Shares by SaleCo to raise approximately $30.0 million for the Selling Shareholders, in each case at the Offer Price of $2.70 per Share.

The total number of Shares expected to be on issue at Completion will be 136,670,085[1] and all Shares on issue will rank equally with each other. The Shares being offered under the Offer will represent 27.1% of the Shares on issue at Completion.

A summary of the rights attaching to the Shares is set out in Section 7.15.

The Offer is made on the terms, and is subject to the conditions, set out in this Prospectus.

7.1.2 Structure of the Offer

The Offer comprises:

- the Broker Firm Offer – which is open to Australian resident retail clients of participating Brokers, who receive an invitation from a Broker to acquire Shares under this Prospectus;
- the Priority Offer – which is open to selected investors nominated by the Company in eligible jurisdictions, who have received a Priority Offer invitation to acquire Shares under this Prospectus; and
- the Institutional Offer – which consists of an offer to Institutional Investors in Australia and certain other jurisdictions around the world, made under this Prospectus.

No general public offer of Shares will be made under the Offer. Members of the public wishing to apply for Shares under the Offer must do so through a Broker with a firm allocation of Shares under the Broker Firm Offer.

The allocation of Shares between the Broker Firm Offer, the Priority Offer and the Institutional Offer will be determined by the Joint Lead Managers in consultation with the Company and SaleCo.

The Offer is underwritten by the Joint Lead Managers. A summary of the Underwriting Agreement, including the events which would entitle the Joint Lead Managers to terminate the Underwriting Agreement, are set out in Section 9.5.

The Joint Lead Managers, along with their respective affiliates and/or related bodies corporate (each a **Joint Lead Manager Group**), are each full service securities firms. Each Joint Lead Manager Group is engaged in various activities and services, including underwriting, lending and financing, securities trading, financial advisory services, investment management, principal investment, research, financing and brokerage activities and financial planning and benefits counselling, risk management and hedging activities and services for various entities and individuals. In the ordinary course of these activities and services, each Joint Lead Manager Group and its respective officers and employees may at any time for their own account and for the accounts of their clients or customers make or hold long or short positions and investments, as well as actively trade or effect transactions, in equity, debt and other securities (or related derivative securities) and financial products (including bank loans and other obligations) of the Company and its related bodies corporate and SaleCo, as well as of other entities and persons and their affiliates which may or may not be involved in or affected by the transactions arising from or relating to the Offer or otherwise have relationships with the Company and SaleCo, may finance the acquisition of those securities and/or financial products and take or enforce security over those securities and/or financial products. Each of the aforementioned persons may receive fees for, or profits and other financial benefits from, those services or activities.

1. Total number of Shares on issue at Completion of the Offer comprises of 110.7 million Shares on issue before the Offer and 25.9 million New Shares to be issued under the Offer.

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7.1.3 Purpose of the Offer and use of funds

The purpose of the Offer is to achieve a listing on the ASX and to raise funds to fund the ongoing growth and operating costs of the business. The total gross proceeds of the Offer will be equal to the number of Shares issued by the Company and transferred by SaleCo under the Offer multiplied by the Offer Price.

Sources and Use of Offer proceeds

The following table shows the proposed application of funds raised as part of the Offer:

Sources	($ millions)	%	Proposed use of funds	($ millions)	%
Offer Proceeds from the sale of Existing Shares by SaleCo	30	30%	Payment of proceeds by SaleCo to Selling Shareholders	28	28%
Offer Proceeds from issue of New Shares	70	70%	Offer costs attributable to Selling Shareholders	2	2%
			Brand and marketing[1]	12	12%
			Property, plant and equipment and software development[2]	4	4%
			Fund operating cash flows[3]	13	13%
			Public company costs[4]	3	3%
			Working capital[5]	32	32%
			Offer costs[6]	6	6%
Total sources	**100**	**100%**	**Total uses**	**100**	**100%**

1. Includes fees paid to classifieds (including Carsales, Drive.com and Gumtree Group), paid search, social media, sponsorships/partnerships, and radio and outdoor advertising. Refer to Section 3.2.4 and 4.9.6.
2. Primarily relates to software development expenditure. Refer to Section 4.9.14.
3. Primarily relates to funding of the operating cash flows expected over the period.
4. Relate to the cash component of Executive Directors' and Non-Executive Directors' remuneration, ASX and share registry fees, directors' and officers' insurance, investor relations costs, as well as annual general meeting and annual report costs. Refer to Section 4.2.2.
5. Includes inventory ($6 million) and cash reserves of $26 million. Carma intends to fund the investment in inventory through the use of cash and the use of the Bailment Finance Facility described in Section 4.7 and Section 9.6.1 (a).
6. Offer costs include costs that have been offset against equity and costs that have been expensed in the Income Statement. Refer to Section 4.2.2.

The table above sets out Carma's intended application of funds raised under the Offer, together with Carma's existing cash at Completion. The allocation of funds reflects the Directors' current intentions over an 18-month period following the Completion of the Offer. This period extends beyond the 12-month forecast financial information presented in Section 4, as the Directors' consider it provides investors with a more meaningful indication of how the proceeds of the Offer and existing cash reserves are expected to be applied in the business. Actual expenditure may vary depending on a range of factors including business performance, timing of growth initiatives, and market conditions.

7.1.4 Potential effect of the fundraising on the future of the Company

The Directors believe that on Completion, the Company will have sufficient working capital available from the proceeds of the Offer and its operations to fulfil the purposes of the Offer and meet its stated business objectives.

7. Offer Information

CONTINUED

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7.2 Sale of Shares by SaleCo

SaleCo, a special purpose vehicle, was incorporated on 14 October 2025 to facilitate the selling of some of the Existing Shares held by the Selling Shareholders. The Selling Shareholders have each executed a share sale deed with SaleCo and Carma under which they irrevocably offer to sell an aggregate total of 11,112,000 Shares (**Sale Shares**) to SaleCo free from encumbrances and third party rights.

The price payable by SaleCo to the Selling Shareholders for the Sale Shares is the Offer Price. The Sale Shares that SaleCo acquires from the Selling Shareholders will be sold to Successful Applicants at the Offer Price at the time of Completion.

SaleCo has no material assets, liabilities or operations other than its interests in and obligations under the Underwriting Agreement, and the deed poll described above. The directors of SaleCo are Owen Wilson, Melinda Snowden and Nicole Sparshott. The sole shareholder of SaleCo is Owen Wilson, who is a Director of the Company.

Carma and SaleCo have entered into a deed of indemnity, under which Carma indemnifies SaleCo and each of its directors for, and hold them harmless against, any losses incurred by them (whether directly or indirectly) in respect of the Offer, as a result of:

- any misleading or deceptive statement (including by omission) in the Prospectus or any other public information and advertising (including any roadshow materials) in connection with the Offer;
- a breach by Carma of its obligations under the deed of indemnity or any other binding obligation on Carma in respect of the Prospectus or the Offer;
- the distribution of the Prospectus and the making of the Offer;
- the allotment and issue of the New Shares and the sale of the Sale Shares under the Offer;
- any claims that SaleCo or any of its directors has any liability under the relevant provisions of the Corporations Act or other applicable law; and
- any review, inquiry or investigation undertaken by ASIC, the ASX, the ATO or any other regulatory or government agency in relation to the Offer or the Prospectus.

7.3 Shareholding structure

The details of the ownership of Shares immediately prior to and on Completion are set out below:

	As at immediately prior to Completion			On Completion		
Shareholder	**Shares**	**Options**	**%[1]**	**Shares**	**Options**	**%[1]**
Tiger Global	41,972,342	–	36.1%	36,660,342[1]	–	25.8%
General Catalyst	11,617,099	–	10.0%	5,817,099[2]	–	4.1%
Invierta Pty Ltd[2] (affiliate of Lachlan MacGregor)	22,000,001	–	18.9%	22,000,001	–	15.5%
Hallierke Pty Ltd[3] (affiliate of Yosuke Hall)	22,000,001	–	18.9%	22,000,001	–	15.5%
Other Existing Shareholders	13,154,716	5,378,433	16.0%	13,154,716	5,378,433	13.0%
New Shareholders	–	–	–	37,037,926	–	26.1%
Total	**110,744,159**	**5,378,433**	**100.0%**	**136,670,085**	**5,378,433**	**100.0%**

1. Shareholding as a % of issued capital on a fully diluted basis, incorporating vested options as at 30 September 2025.
2. As trustee for the Cliffbrook Trust.
3. As trustee for the Glerke Hall Family Trust.

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	On Completion	
Shares on issue	**Millions**	**%**
Shares on issue on Completion of the Offer	136.7	100%
Made up of:		
Shares transferred by SaleCo	11.1	8.1%
Shares issued under the Offer	25.9	19.0%
Shares held by Existing Shareholders	99.6	72.9%

At Completion, 63.3% of the Shares will be subject to voluntary escrow arrangements. See Section 7.11 for further information.

In the opinion of the Company, the Company will have a free float at the time of Listing of no less than 20% of the Shares on issue at that time.

7.4 Terms and conditions of the Offer

Topic	Summary
What is the type of security being offered?	Shares (being fully paid ordinary shares in the Company).
What are the rights and liabilities attached to the securities?	A description of the Shares, including the rights and liabilities attaching to them, is set out in Section 7.15.
What is the consideration payable for each security being offered?	The Offer Price is $2.70 per Share.
What is the Offer Period?	The key dates, including details of the Offer Period, are set out on page 18. The key dates are indicative only and may change. Unless otherwise indicated, all times are stated in Sydney Time. The Company, SaleCo and the Joint Lead Managers reserve the right to vary any and all of the times and dates without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the Offer Period relating to any component of the Offer, or to accept late Applications, either generally or in particular cases, or to cancel or withdraw the Offer before Settlement, in each case without notifying any recipient of this Prospectus or any Applicants). If the Offer is cancelled or withdrawn before the allocation of Shares, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. No Shares will be issued on the basis of this Prospectus later than the Expiry Date of 13 months after the Prospectus Date.
What are the cash proceeds to be raised?	Approximately $100 million is expected to be raised under the Offer, comprising $70 million from the issue of the 25.9 million New Shares by Carma and approximately $30 million from the sale of Existing Shares by SaleCo.
Is the Offer underwritten?	Yes. The Offer is underwritten by the Joint Lead Managers. More detail on the underwriting arrangements is set out in Section 9.
Who are the Joint Lead Managers to the Offer?	The Joint Lead Managers are Canaccord Genuity (Australia) Limited and E&P Capital Pty Ltd.

7. Offer Information

CONTINUED

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Topic	Summary
What is the minimum and maximum Application size under the Offer?	The minimum Application size under the Broker Firm Offer and Priority Offer is $2,000 of Shares in aggregate and in multiples of $500 thereafter. There is no maximum Application size under the Broker Firm Offer or Priority Offer. The Company, SaleCo and the Joint Lead Managers reserve the right not to accept Applications in the Broker Firm Offer or Priority Offer or reject or scale back any Applications, in their absolute discretion. There was no minimum or maximum application size under the Institutional Offer. The Company, SaleCo and the Joint Lead Managers reserve the right to aggregate any Applications that they believe may be multiple Applications from the same person.
What is the allocation policy?	The allocation of Shares between the Broker Firm Offer, Priority Offer and the Institutional Offer was determined by the Company, SaleCo and the Joint Lead Managers. With respect to the Broker Firm Offer, the relevant Broker will decide how it allocates Shares among its eligible retail clients, and they (and not the Company, SaleCo or the Joint Lead Managers) will be responsible for ensuring that eligible retail clients who have received an allocation from it receive the relevant Shares. The allocation of Shares under the Priority Offer will be determined by the Company and SaleCo at their discretion. The allocation of Shares under the Institutional Offer was determined by the Company, SaleCo and the Joint Lead Managers. The Company, SaleCo and the Joint Lead Managers have absolute discretion regarding the allocation of Shares to applicants under the Offer (as above) and may reject any Application, or scale back any Application, in their absolute discretion.
When will I receive confirmation that my Application has been successful?	It is expected that initial holding statements will be dispatched to Successful Applicants by post and electronically on or about 30 October 2025. Refunds (without interest) to Applicants who make an Application and receive an allocation of Shares, the value of which is smaller than the amount of the Application Monies, will be made as soon as practicable after Completion of the Offer.
Will the Shares be quoted on ASX?	The Company will apply to ASX within 7 days of the Prospectus Date for its admission to the Official List and quotation of Shares (under the code "CMA"). The issue and allotment of Shares is conditional on ASX approving this application. If approval is not given within 3 months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded (without interest), as soon as practicable in accordance with the requirements of the Corporations Act.
When are the Shares expected to commence trading?	It is expected that trading of the Shares on ASX will commence on or about 5 November 2025. Following the issue and transfer of Shares, successful Applicants will receive a holding statement setting out the number of Shares issued or transferred to them under the Offer. It is expected that holding statements will be dispatched by standard post on or about 30 October 2025. It is the responsibility of each Applicant to confirm their holding before trading in Shares. Applicants who sell Shares before they receive an initial statement of holding do so at their own risk. The Company, SaleCo, the Share Registry and the Joint Lead Managers disclaim all liability, whether in negligence or otherwise, to persons who sell Shares before receiving a holding statement, even if such person received confirmation of allocation from the Offer Information Line or confirmed their firm allocation through a Broker.
Are there any escrow arrangements?	Yes. Details are provided in Section 9.7.

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Topic	Summary
Has any ASIC relief or ASX waiver or confirmation been sought, obtained or been relied on?	ASX confirmations and a waiver have been sought. Details are provided in Section 9.11. No ASIC relief has been sought.
Are there any tax considerations?	Yes. A summary of certain Australian tax consequences of participating in the Offer and investing in the Shares is set out in Section 9.10. The tax consequences of any investment in Shares will depend upon an investor's particular circumstances. Applicants should obtain independent tax advice having regard to their own specific circumstances before deciding whether to invest in Shares.
Is there any brokerage, commission or stamp duty considerations?	No brokerage, commission or stamp duty is payable by Applicants on an acquisition of Shares under the Offer. See Section 6.3.5 for details of various fees payable by the Company to the Joint Lead Managers.
What should you do with any enquiries?	All enquiries in relation to this Prospectus should be directed to the Offer Information Line on 1300 408 784 (within Australia) or +61 2 8072 1489 (outside Australia) from 8.30am to 7.00pm (Sydney Time), Monday to Friday. All enquiries in relation to the Broker Firm Offer should be directed to your Broker. If you have any questions about whether to invest in the Company, you should seek professional advice from your accountant, financial advisor, stockbroker, lawyer or other professional adviser before deciding whether to invest.

7.5 Broker Firm Offer

7.5.1 Who can apply?

The Broker Firm Offer is open to Australian resident retail clients of participating Brokers who have a registered address in Australia and who received an invitation from a Broker to acquire Shares under this Prospectus and are not in the United States. You should contact your Broker to determine whether you can receive an allocation of Shares under the Broker Firm Offer.

7.5.2 How to apply?

If you have received an invitation to apply for Shares from your Broker and wish to apply for those Shares under the Broker Firm Offer, you should contact your Broker for information about how to submit your Broker Firm Offer Application Form and for payment instructions. Applicants under the Broker Firm Offer must not send their Application Forms or payment to the Share Registry.

Applicants under the Broker Firm Offer should contact their Broker to request a Prospectus and Application Form. Your Broker will act as your agent and it is your Broker's responsibility to ensure that your Application Form and Application Monies are received before 7.00pm (Sydney Time) on the Closing Date or any earlier closing date as determined by your Broker.

Broker clients should complete and lodge their Broker Firm Offer Application Form with the Broker from whom they received their invitation to participate in the Broker Firm Offer. Broker Firm Offer Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the back of the Application Form.

By making an Application, you declare that you were given access to the Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

7. Offer Information

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The minimum Application size under the Broker Firm Offer is $2,000 of Shares in aggregate. There is no maximum Application size under the Broker Firm Offer, however the Company, SaleCo and the Joint Lead Managers reserve the right not to accept Applications in the Broker Firm Offer that are from persons they believe may be Institutional Investors or reject or scale back any Applications (or aggregation of Applications) in the Broker Firm Offer. The Company and SaleCo, may determine a person to be eligible to participate in the Broker Firm Offer, and may amend or waive the Broker Firm Offer application procedures or requirements, in its discretion in compliance with applicable laws.

The Company, SaleCo, the Joint Lead Managers and the Share Registry take no responsibility for any acts or omissions committed by your Broker in connection with your Application.

The Broker Firm Offer opens at 9.00am (Sydney Time) on 17 October 2025 and is expected to close at 5.00pm (Sydney Time) on 24 October 2025. The Company, SaleCo and the Joint Lead Managers may elect to close the Broker Firm Offer or any part of it early, extend the Broker Firm Offer or any part of it, or accept late Applications either generally or in particular cases. The Broker Firm Offer or any part of it may be closed at any earlier time and date, without further notice. Your Broker may also impose an earlier closing date. Applicants are therefore encouraged to submit their Applications as early as possible. Contact your Broker for instructions.

7.5.3 How to pay?

Applicants under the Broker Firm Offer must pay their Application Monies to their Broker in accordance with instructions provided by that Broker.

7.5.4 Broker Firm Offer allocation policy

The allocation of Shares to Brokers will be determined by the Joint Lead Managers, the Company and SaleCo. Shares which are allocated to Brokers for allocation to their retail clients will be issued to the Applicants nominated by those Brokers (subject to the right of the Joint Lead Managers, the Company and SaleCo to reject, aggregate or scale back Applications). It will be a matter for each Broker as to how they allocate Shares among their retail clients, and they (and not the Joint Lead Managers, the Company or SaleCo) will be responsible for ensuring that retail clients who have received an allocation from them receive the relevant Shares.

Applicants in the Broker Firm Offer will be able to call the Offer Information Line on 1300 408 784 (within Australia) or +61 2 8072 1489 (outside Australia) from 8.30am to 7.00pm (Sydney Time), Monday to Friday to confirm their allocation. Applicants under the Broker Firm Offer will also be able to confirm their allocation through the Broker from whom they received their allocation.

It is the responsibility of each person who trades in Shares to confirm their holding before trading in Shares. If you sell Shares before receiving a holding statement, you do so at your own risk. Carma, its Directors, SaleCo, its Directors, the Joint Lead Managers and the Share Registry disclaim all liability, whether in negligence or otherwise, if you sell Shares before receiving your holding statements, even if you obtained details of your holding from the Offer Information Line or confirmed your allocation through the Broker from whom you received your allocation.

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7.6 Priority Offer

7.6.1 Who can apply?

The Priority Offer is open to select investors in Australia and other jurisdictions who have received a Priority Offer invitation to acquire Shares under this Prospectus. The Priority Offer is not open to persons in the United States.

7.6.2 How to apply?

Applicants under the Priority Offer should follow the instructions in their personalised Priority Invitation to complete and lodge their Application.

Applications made under the Priority Offer must be for a minimum of $2,000 worth of Shares.

By making an Application, you declare that you are an Applicant who was given access to this Prospectus (or any supplementary or replacement prospectus), together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is included in, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

The Company, SaleCo and the Joint Lead Managers reserve the right to decline any Application in whole or in part, without giving any reason. Applicants under the Priority Offer whose Applications are not accepted, or who are allocated a lesser number of Shares than the amount applied for, will receive a refund of all or part of their Application Monies, as applicable. Interest will not be paid on any monies refunded. No refunds will be made where the overpayments relate solely to rounding.

Successful Applicants under the Priority Offer will be allotted Shares at the Offer Price and will receive the number of Shares equal to the value of their Application accepted by the Company and SaleCo divided by the Offer Price (rounded down to the nearest whole Share).

7.6.3 How to pay?

Applicants under the Priority Offer must pay by following the instructions outlined in their personalised invitation.

Application Monies must be received by the Share Registry no later than 5:00pm on 24 October 2025 and it is your responsibility to ensure that this occurs. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment and you should therefore take this into consideration when making payment. None of the Company, SaleCo or the Joint Lead Managers take any responsibility for any failure to receive Application Monies before the Priority Offer closes arising as a result of, among other things, delays in processing of payments by financial institutions.

If the amount of your Application Monies that you pay is less than the amount specified on your Application Form, you may be taken to have applied for such lower Australian dollar amount of Shares for which your cleared Application Monies will pay (and to have specified that amount on your Application Form) or your Application may be rejected.

7.6.4 Priority Offer allocation policy

The allocation of Shares under the Priority Offer will be determined by the Company and SaleCo in their absolute discretion.

7. Offer Information

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7.7 Application Monies

The Company and SaleCo reserves the right to decline any Application in whole or in part, without giving any reason. Application Monies received under the Broker Firm Offer and the Priority Offer will be held in a special purpose account until Shares are issued to Successful Applicants. Applicants under the Broker Firm Offer and the Priority Offer whose Applications are not accepted, or who are allocated a lesser number of Shares than the amount applied for, will receive a refund of all or part of their Application Monies, as applicable.

Interest will not be paid on any monies refunded.

Applicants whose Applications are accepted in full will receive the whole number of Shares calculated by dividing the Application Monies by the Offer Price. Where the Offer Price does not divide evenly into the Application Monies, the number of Shares to be allocated will be rounded down. No refunds pursuant solely to rounding will be provided.

Interest will not be paid on any monies refunded and any interest earned on Application Monies pending the allocation or refund will be retained by the Company and SaleCo.

You should ensure that sufficient funds are held in the relevant account(s) to cover the amount of your payment. If the amount of your payment for Application Monies is less than the amount specified on the Application Form, you may be taken to have applied for such lower dollar amount of Shares or your Application may be rejected.

7.8 Institutional Offer

7.8.1 Invitations to bid

Under the Institutional Offer, Institutional Investors in Australia and certain other eligible jurisdictions outside the United States were invited to bid for an allocation of Shares under this Prospectus. The Joint Lead Managers separately advised the Institutional Investors of the Application procedures for the Institutional Offer.

7.8.2 Allocation policy under the Institutional Offer

The allocation of Shares among Applicants in the Institutional Offer was determined by the Company, SaleCo and the Joint Lead Managers. The Company, SaleCo and the Joint Lead Managers had absolute discretion regarding the basis of allocation of Shares among Institutional Investors.

Participants in the Institutional Offer have been advised of their allocation of Shares, if any, by the Joint Lead Managers. The allocation policy was influenced by but not constrained, by the following factors:

- number of Shares bid for by particular Applicants;
- the number of existing Shares already held in the Company by Applicants;
- the timeliness of the bid by particular Applicants;
- the Company's desire for an informed and active trading market following Completion;
- the Company's desire to establish a wide spread of Shareholders;
- overall anticipated level of demand under the Broker Firm Offer, the Priority Offer and the Institutional Offer;
- the size and type of funds under management of particular Applicants;
- the likelihood that particular Applicants will be long term Shareholders; and
- any other factors that the Company, SaleCo and the Joint Lead Managers considered appropriate.

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7.9 Acknowledgements

Each Applicant under the Offer will be deemed to have:

- agreed to become a member of the Company and to be bound by the terms of the Constitution and the terms and conditions of the Offer;
- acknowledged having personally received a printed or electronic copy of the Prospectus (and any supplementary or replacement prospectus) including or accompanied by the Application Form and having read them all in full;
- declared that all details and statements in their Application Form are complete and accurate;
- declared that the Applicant(s), if a natural person, is/are over 18 years of age;
- acknowledged that, once the Company, the Share Registry or a Broker receives an Application Form, it may not be withdrawn;
- applied for the number of Shares at the Australian dollar amount shown on the front of the Application Form;
- agreed to being allocated and issued the number of Shares applied for (or a lower number allocated in a way described in this Prospectus), or no Shares at all;
- authorised the Company, SaleCo, the Joint Lead Managers and their respective officers or agents, to do anything on behalf of the Applicant(s) necessary for Shares to be allocated to the Applicant(s), including to act on instructions received by the Share Registry upon using the contact details in the Application Form;
- acknowledged that the Company may not pay dividends;
- acknowledged that the information contained in this Prospectus (or any supplementary or replacement prospectus) is not financial product advice or a recommendation that Shares are suitable for the Applicant(s), given the investment objectives, financial situation and particular needs (including financial and taxation issues) of the Applicant(s);
- declared that the Applicant(s) is/are a resident of Australia (except as applicable to the Institutional Offer);
- acknowledged and agreed that the Offer may be withdrawn by the Company or may otherwise not proceed in the circumstances described in this Prospectus; and
- acknowledged and agreed that if Listing does not occur for any reason, the Offer will not proceed.

Each Applicant in the Broker Firm Offer and the Priority Offer, and each person to whom the Institutional Offer has been made under this Prospectus, will be taken to have represented, warranted and agreed as follows:

- it understands that the Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold, pledged, or transferred in the United States, except in transactions exempt from, or not subject to, the registration requirements the U.S. Securities Act and any other applicable state securities laws;
- it is not in the United States;
- it has not sent and will not send the Prospectus or any other material relating to the Offer to any person in the United States; and
- it will not offer or sell the Shares or in any jurisdiction outside Australia and the United States except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and in compliance with all applicable laws in the jurisdiction in which Shares are offered and sold.

7. Offer Information

CONTINUED

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7.10 Underwriting arrangements

The Offer is underwritten. The Joint Lead Managers, SaleCo and the Company have entered into an Underwriting Agreement under which the Joint Lead Managers have been appointed as the joint lead managers, joint book runners and joint underwriters of the Offer. The Joint Lead Managers agree, subject to certain conditions and termination events, to underwrite the Offer. The Underwriting Agreement sets out a number of circumstances under which the Joint Lead Managers may terminate the Underwriting Agreement and their underwriting obligations.

A summary of certain terms of the Underwriting Agreement and underwriting arrangements, including the termination provisions, is provided in Section 9.5.

7.11 Voluntary escrow arrangements

All of the Shares held on Completion by the Escrowed Shareholders will be subject to voluntary escrow arrangements. The Escrowed Shareholders have entered into voluntary escrow arrangements which prevent them from disposing of their Escrowed Shares during the relevant Escrow Period (subject to limited exceptions).

See Section 9.7 for a summary of the terms of the voluntary escrow arrangements and the limited exceptions that permit dealing in the escrowed Shares during the Escrow Period.

7.12 Restrictions on distribution

No action has been taken to register or qualify this Prospectus, the Shares or the Offer or otherwise to permit a public offering of the Shares in any jurisdiction outside Australia.

This Prospectus does not constitute an offer or invitation to apply for Shares in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation or issue under this Prospectus.

This Prospectus may not be released or distributed in whole or in part in the United States, and may only be distributed to persons outside the United States to whom the Offer may lawfully be made in accordance with the laws of any applicable jurisdiction.

In particular, the Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States, except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

Each Applicant under the Institutional Offer has been required to make certain representations, warranties and covenants set out in the confirmation of allocation letter distributed to it.

7.13 Discretion regarding the Offer

The Company and SaleCo may withdraw the Offer at any time before the issue of New Shares to Successful Applicants under the Offer. If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded (without interest). The Company, SaleCo and the Joint Lead Managers also reserve the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications either generally or in particular cases, reject any Application, or allocate to any Applicant fewer Shares than those applied for.

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7.14 ASX listing, registers and holding statements

7.14.1 Application to ASX for listing of the Company and quotation of Shares

The Company will apply to ASX within 7 days of the Prospectus Date, for its admission to the Official List and quotation of Shares (which is expected to be under the code "CMA").

ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that ASX may admit the Company to the Official List is not to be taken as an indication of the merits of the Company or the Shares offered for subscription.

If permission is not granted for the official quotation of the Shares on ASX within 3 months after the Prospectus Date (or any later date permitted by law), the Offer may be withdrawn and all Application Monies received by the Company will be refunded (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.

Subject to certain conditions (including any waivers obtained by the Company from time to time), the Company will be required to comply with the ASX Listing Rules.

7.14.2 CHESS and issuer sponsored holdings

The Company has applied to participate in the ASX's Clearing House Electronic Subregister System (**CHESS**) and will comply with the ASX Listing Rules and the ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on the ASX under which transfers are effected in an electronic form.

When the Shares become approved financial products (as defined in the ASX Settlement Operating Rules), holdings will be registered in one of two subregisters, being an electronic CHESS subregister or an issuer sponsored subregister. For all Successful Applicants, the Shares of a Shareholder who is a participant in CHESS or a Shareholder sponsored by a participant in CHESS will be registered on the CHESS subregister. All other Shares will be registered on the issuer sponsored subregister.

Following Completion, Shareholders will be sent a holding statement that sets out the number of Shares that have been issued to them. This statement will also provide details of a Shareholder's Holder Identification Number (**HIN**) for CHESS holders or, where applicable, the Securityholder Reference Number (**SRN**) of issuer sponsored holders.

Shareholders will subsequently receive statements showing any changes to their shareholding. Share certificates will not be issued.

Shareholders will receive subsequent statements during the first week of the following month if there has been a change to their holding on the register and as otherwise required under the ASX Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Shareholder's sponsoring broker in the case of a holding on the CHESS subregister or through the Share Registry in the case of a holding on the issuer sponsored subregister. The Company, SaleCo and the Share Registry may charge a fee for these additional issuer sponsored statements.

7. Offer Information

CONTINUED

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7.15 Summary of rights and liabilities attaching to Shares and other material provisions of the Constitution

7.15.1 Introduction

The rights and liabilities attaching to ownership of Shares are detailed in the Constitution and, in certain circumstances, regulated by the Corporations Act, the ASX Listing Rules, the ASX Settlement Operating Rules and general law.

A summary of the significant rights, liabilities and obligations attaching to Shares and a description of other material provisions of the Constitution are set out below. This summary is not exhaustive and is qualified by the full terms of the Constitution. This summary does not constitute a definitive statement of the rights and liabilities of Shareholders. The summary assumes that the Company is admitted to the Official List.

7.15.2 Voting at a general meeting

At a general meeting of the Company, subject to the Corporation Act, the Constitution and any rights or restrictions attached to Shares, every Shareholder present in person or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each Share held (with adjusted voting rights for partly paid shares). The chairperson of the meeting is not entitled to a casting vote.

In addition, the Directors may determine that any general meeting or class meeting, a Shareholder who is entitled to attend or vote on a resolution at that meeting is entitled to a "direct vote" in respect of that resolution. A "direct vote" includes a vote delivered to the Company by post, fax or other electronic means approved by the Directors.

7.15.3 Meetings of Shareholders

Each Shareholder is entitled to receive notice of and attend general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act and the ASX Listing Rules.

The Company must give Shareholders at least 28 days' written notice of a general meeting.

7.15.4 Dividends

Subject to the Corporations Act, the Constitution and the terms of issue or rights of any shares with special rights to dividends, the Board may from time to time determine that a dividend is payable, fix the amount of the dividend, the timing of payment of the dividend and method of payment of the dividend. A dividend may only be paid in accordance with the Corporations Act.

7.15.5 Transfer of Shares

Subject to the Constitution and the ASX Listing Rules, Shares may be transferred by:

- a proper transfer effected in accordance with the ASX Settlement Operating Rules; or
- any other method required or permitted by the Corporations Act and ASX.

The Board:

- may, if the ASX Listing Rules permit the Company to do so; and
- must, if the ASX Listing Rules require the Company to do so (or if the transfer is in breach of the ASX Listing Rules or any "Restriction Agreement"),

request that the relevant clearing and settlement facility operator apply a holding lock to prevent a transfer of Shares through CHESS or the relevant subregister, or otherwise refuse to register a transfer of Shares.

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7.15.6 Issue of further Shares

Subject to the Corporations Act, the ASX Listing Rules and any rights and restrictions attached to Shares, the Board has full discretion to issue, allot and cancel or otherwise dispose of Shares, grant options over unissued Shares and settle the manner in which fractions of a Share are to be dealt with.

7.15.7 Winding up

If the Company is wound up, the liquidator may, with the sanction of a special resolution of Shareholders, divide among Shareholders in kind the whole or any part of the Company's property, set the value of that property that the liquidator considers fair and determine how the division is to be carried out between Shareholders or different classes of Shareholders.

7.15.8 Unmarketable parcels

Subject to the Corporations Act, the ASX Listing Rules and the ASX Settlement Operating Rules, the Board may sell the Shares of a Shareholder who holds less than a marketable parcel by following the procedures set out in the Constitution.

7.15.9 Share buy-backs

Subject to the Corporations Act and the ASX Listing Rules, the Company may buy back Shares in itself on terms and at times determined by the Board.

7.15.10 Variation of class rights

At present, the Company's only class of shares on issue is the Shares. Subject to the Corporations Act and the terms of issue of a class of shares, wherever the capital of the Company is divided into different class of shares, the rights attaching to any class of shares may only be varied or cancelled by a special resolution of Shareholders and:

- with the consent in writing of the holders of three quarters of the issued shares included in that class; or
- by a special resolution passed at a separate meeting of the holders of those shares.

7.15.11 Conversion or reduction of share capital

Under the Corporations Act, the Company may convert all or any of its Shares into a larger or smaller number of shares by resolution passed at a general meeting.

The Company may reduce its share capital in any way permissible by the Corporations Act.

7.15.12 Preference shares

Subject to the Corporations Act and the ASX Listing Rules, the Company may issue preference shares including preference shares which are, or at the option of the Company or holder are, liable to be redeemed or convertible to Shares. The rights attaching to preference shares are those set out in the Constitution, unless other rights have been approved by special resolution of the Company.

7.14.13 Dividend reinvestment plans

Subject to the ASX Listing Rules, the Constitution authorises the Directors, on any terms and conditions they think fit, to establish a dividend reinvestment plan (under which any Shareholder or any class of shareholders may elect that the dividends payable by the Company be reinvested by a subscription for Shares in the Company).

7. Offer Information

CONTINUED

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7.15.14 Directors – appointment and removal

Unless otherwise determined by the Company in general meeting, under the Constitution, the Company must have at least 3 Directors, and a maximum of either 12 directors or a lesser number fixed by the Directors (unless the Shareholders pass a resolution varying that number). Directors are elected at annual general meetings of the Company. Retirement will occur on a rotational basis so that any Director (excluding the managing director) who has held office for more than 3 years or past the third annual general meeting following their appointment or last election (whichever is longer) must not hold office without re-election. The Directors may also appoint a Director to fill a casual vacancy on the Board or as an addition to the existing Directors. Such a Director (other than the managing director) will then hold office until the next annual general meeting of the Company and is then eligible for election at that meeting.

7.15.15 Directors – voting

Questions arising at a meeting of the Board will be decided by a majority of votes of the Directors present at the meeting and entitled to vote on the matter.

7.15.16 Indemnities

The Company, to the maximum extent permitted by law, may indemnify any current or former Director (including alternative directors), secretary or officer, of the Company or its subsidiaries against any liability incurred by that person in that capacity, including certain legal costs.

The Company may enter into and pay premiums on a contract insuring any current or former Director (including alternative directors), secretary or officer, of the Company or its subsidiaries against any liability incurred by that person in that capacity, including legal costs, unless prohibited by law.

Under the Constitution, the Company may provide indemnification and may obtain insurance for each Director, or officer, of the Company or its subsidiaries during their period of office and for a certain period after the person ceases to be a Director, or officer, of the Company or its subsidiaries.

The Company has entered into deeds of access, indemnity and insurance with each Director of the Company and the Company Secretary and SaleCo has entered into deeds of access, indemnity and insurance with each Director and the Company Secretary of SaleCo. These are summarised in Section 6.3.1.4.

7.15.17 Powers and duties of Directors

The Board is responsible for overseeing the proper management of the business of the Company, and may exercise all powers and do all things that are not required by law or by the Constitution to be exercised by the Company in general meeting.

7.15.18 Amendments

The Constitution can only be amended by special resolution passed by at least 75% of the votes cast by Shareholders entitled to vote on the resolution.

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Section 8

Independent Limited Assurance Reports



8. Independent Limited Assurance Reports

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16 October 2025

Dear Directors

INDEPENDENT LIMITED ASSURANCE REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF CARMA LIMITED AND FINANCIAL SERVICES GUIDE

Introduction

This report has been prepared at the request of the Directors of Carma Limited (ACN: 648 091 418) (the Company) and Carma SaleCo Limited (ACN 691 516 211) (SaleCo) for inclusion in a prospectus (Prospectus) to be issued by the Company and SaleCo in respect of the initial public offering of Shares in the Company by way of issue by the Company and sale by SaleCo (the Offer) and the Company's subsequent listing on the Australian Securities Exchange (ASX).

Deloitte Corporate Finance Pty Limited is wholly owned by Deloitte Touche Tohmatsu and holds the appropriate Australian Financial Services licence (AFSL) under the Corporations Act 2001 (Cth) for the issue of this report.

References to the Company, SaleCo and other terminology used in this report have the same meaning as defined in the Glossary of the Prospectus.

Scope

Statutory Historical Financial Information

Deloitte Corporate Finance Pty Limited has been engaged by the Directors of the Company and SaleCo to perform a limited assurance engagement on the following historical financial information of the Company:

- the statutory historical consolidated income statements for the years ended 30 June 2023 (FY23), 30 June 2024 (FY24), and 30 June 2025 (FY25);
- the statutory historical consolidated cash flows for FY23, FY24 and FY25; and
- the statutory historical consolidated statement of financial position as at 30 June 2025,

together 'the Statutory Historical Financial Information' as set out in Sections 4.3.1, 4.4.1 and 4.5 of the Prospectus.

The Statutory Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies.

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The statutory historical financial information for FY23, FY24 and FY25 has been extracted from the financial reports of the Company for the years ended 30 June 2024 and 30 June 2025, which were audited by Deloitte Touche Tohmatsu in accordance with the Australian Auditing Standards. Deloitte Touche Tohmatsu issued an unmodified audit opinion on the financial reports.

The audit report on the FY25 consolidated financial statements includes an emphasis of matter paragraph in relation to the adoption of the going concern basis, which highlights that there is indication of the existence of a material uncertainty that may cast significant doubt about Carma's ability to continue as going concern. The Directors adoption of the going concern basis for preparation of the FY25 consolidated financial statements is on the expectation that the Company execute the Offer, renewal of the bailment facility in the ordinary course of business and achievement of the Statutory Forecast Financial Information.

The Statutory Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001 (Cth)*.

Pro Forma Historical Financial Information

Deloitte Corporate Finance Pty Limited has been engaged by the Directors of the Company and SaleCo to perform a limited assurance engagement on the following pro forma historical financial information of the Company:

- pro forma historical consolidated income statements for FY23, FY24 and FY25;
- pro forma historical consolidated cash flows for FY23, FY24 and FY25; and
- pro forma historical consolidated statement of financial position as at 30 June 2025.

together 'the Pro Forma Historical Financial Information' as set out in Sections 4.3.1, 4.4.1 and 4.5 of the Prospectus.

The Pro Forma Historical Financial Information has been derived from the Statutory Historical Financial Information, after adjusting for the effects of pro forma adjustments described in Sections 4.2.2, 4.3.2, 4.4.1 and 4.5 of the Prospectus (Pro Forma Adjustments).

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the Statutory Historical Financial Information and the events or transactions to which the Pro Forma Adjustments relate, as if those events or transactions had occurred as at the date of the Statutory Historical Financial Information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position, financial performance, and cash flows.

Directors' Responsibility

The Directors are responsible for:

- the preparation and presentation of the Statutory Historical Financial Information and the Pro Forma Historical Financial Information, including the selection and determination of the Pro Forma Adjustments made to the Statutory Historical Financial Information and included in the Pro Forma Historical Financial Information; and
- the information contained within the Prospectus.

This responsibility includes the operation of such internal controls as the Directors determine are necessary to enable the preparation of the Statutory Historical Financial Information and the Pro Forma Historical Financial Information that are free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Statutory Historical Financial Information and the Pro Forma Historical Financial Information based on the procedures performed and the evidence we have obtained. We have

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conducted our engagement in accordance with Australian Standard on Assurance Engagements (ASAE) 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information (ASAE 3450)*.

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

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Conclusions

Statutory Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Statutory Historical Financial Information is not prepared, in all material respects, in accordance with the stated basis of preparation, as described in Sections 4.2.1 and 4.2.2 of the Prospectus.

Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information is not prepared, in all material respects, in accordance with the stated basis of preparation, as described in Sections 4.2.1 and 4.2.2 of the Prospectus.

Notice to investors outside Australia

Under the terms of our engagement this report has been prepared solely to comply with the requirements applicable to a review engagement under ASAE 3450.

This report does not constitute an offer to sell, or a solicitation to offer to buy, any securities. We do not hold any financial services licence outside Australia.

Restrictions on Use

Without modifying our conclusions, we draw attention to Section 4.2 of the Prospectus, which describes the purpose of the Statutory Historical Financial Information and the Pro Forma Historical Financial Information, being for inclusion in the Prospectus. As a result, the Statutory Historical Financial Information and the Pro Forma Historical Financial Information may not be suitable for use for another purpose. We disclaim any assumption of responsibility for any reliance on this report, or on the Statutory Historical Financial Information and the Pro Forma Historical Financial Information to which it relates, for any purpose other than that for which it was prepared.

Consent

Deloitte Corporate Finance Pty Limited has consented to the inclusion of this limited assurance report in the Prospectus in the form and context in which it is included.

Liability

The liability of Deloitte Corporate Finance Pty Limited is limited to the inclusion of this report in the Prospectus. Deloitte Corporate Finance Pty Limited makes no representation regarding, and has no liability for, any other statements or other material in, or omissions from the Prospectus.

Disclosure of Interest

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Deloitte Corporate Finance Pty Limited does not have any interest in the outcome of this Offer other than the preparation of this report and participation in the due diligence procedures for which normal professional fees will be received.

Deloitte Tax Services Pty Ltd has provided Australian tax services in connection with the Offer for which normal professional fees will be received.

Deloitte Touche Tohmatsu is the auditor of the Company.

General financial product advice

Deloitte Corporate Finance Pty Limited has prepared this report for general information purposes only. It does not take into account the objectives, financial situation or needs of any specific investor. Investors should consider their own objectives, financial situation and needs when assessing the suitability of the report to their situation or investors may wish to obtain personal financial product advice to assist them in this assessment.

Financial Services Guide

We have included our Financial Services Guide in this report. The Financial Services Guide is designed to assist retail clients in their use of any general financial product advice in our report.

Yours faithfully

DELOITTE CORPORATE FINANCE PTY LIMITED



Jonathon Gould
Authorised Representative of
Deloitte Corporate Finance Pty Limited
(AFSL Number 241457)
AR number 1278767

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Issued May 2024

Financial Services Guide (FSG)

What is an FSG?

An FSG is designed to provide information about the supply of financial services to you.

Deloitte Corporate Finance Pty Limited (**DCF**) (AFSL 241457) provides this FSG to you, so you know how we are remunerated and who to contact if you have a complaint.

Who supplies the financial services?

We provide this FSG to you where you engage us to act on your behalf when providing financial services.

Alternatively, we may provide this FSG to you because our client has provided financial services to you that we delivered to them.

The person who provides the financial service to you is our Authorised Representative (**AR**) and DCF authorises the AR to distribute this FSG. Their AR number and contact details are in the document that accompanies this FSG.

What financial services are we licensed to provide?

We are authorised to provide financial product advice to wholesale clients in relation to derivatives, government debentures, stocks or bonds, interests in managed investment schemes, securities, and regulated emissions units (i.e. Australian carbon credit units and eligible international emissions units). We can also provide general financial product advice to retail clients in relation to the above financial products except for regulated emissions units.

We are also authorised to arrange for another person to deal in financial products in relation to:

- securities, interests in managed investment schemes, government debentures, stocks or bonds, and regulated emissions units and related derivatives to wholesale clients; and
- derivatives to retail and wholesale clients.

General financial product advice

We provide general advice when we have **not** taken into account your personal objectives, financial situation or needs, and you would not expect us to have done so. In this situation, you should consider whether our general advice is appropriate for you, having regard to your own personal objectives, financial situation or needs.

If we provide advice to you in connection with the acquisition of a financial product, you should read the relevant offer document carefully before making any decision about whether to acquire that product.

How are we remunerated?

Our fees are usually determined on a fixed fee or time cost basis plus reimbursement of any expenses incurred in providing the services. Our fees are agreed with, and paid by, those who engage us.

Clients may request particulars of our remuneration within a reasonable time after being given this FSG.

Apart from these fees, DCF, our directors and officers, and any related bodies corporate, affiliates or associates, and their directors and officers, do not receive any commissions or other benefits.

All employees receive a salary, and, while eligible for annual salary increases and bonuses based on overall performance, they do not receive any commissions or other benefits as a result of the services provided to you.

The remuneration paid to our directors reflects their individual contribution to the organisation and covers all aspects of performance.

We do not pay commissions or provide other benefits to anyone who refers prospective clients to us.

Associations and relationships

The Deloitte member firm in Australia (Deloitte Touche Tohmatsu) controls DCF. Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu.

We, and other entities related to Deloitte Touche Tohmatsu, do not have any formal associations or relationships with any entities that are issuers of financial products. However, we may provide professional services to issuers of financial products in the ordinary course of business.

What should you do if you have a complaint?

If you wish to make a complaint, please refer to the relevant complaints policy available at: https://www.deloitte.com/au/en/contact/contact-us.html?icid=bn_contact-us

or contact the Complaints Officer:
Online: www.deloitte.com.au via the Contact Us page
Email: complaints@deloitte.com.au
Phone: +61 (02) 9322 7000

If an issue is not resolved to your satisfaction, you can lodge a dispute with the Australian Financial Complaints Authority (**AFCA**). AFCA provides fair and independent financial services dispute resolution free to consumers.

www.afca.org.au
1800 931 678 (free call)
Australian Financial Complaints Authority Limited
GPO Box 3 Melbourne VIC 3001

What compensation arrangements do we have?

Deloitte Australia holds professional indemnity insurance that covers the financial services we provide. This insurance satisfies the compensation requirements of the Corporations Act 2001 (Cth).

Deloitte Corporate Finance Pty Limited, ABN 19 003 833 127, AFSL number 241457 of Quay Quarter Tower, Level 46, 50 Bridge St, Sydney NSW 2000
Member of Deloitte Asia Pacific Limited and the Deloitte organisation.
Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Deloitte Asia Pacific Limited is a company limited by guarantee and a member firm of DTTL.

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16 October 2025

Dear Directors

INDEPENDENT LIMITED ASSURANCE REPORT ON THE FORECAST FINANCIAL INFORMATION OF CARMA LIMITED AND FINANCIAL SERVICES GUIDE

Introduction

This report has been prepared at the request of the Directors of Carma Limited (ACN: 648 091 418) (the Company) and Carma SaleCo Limited (ACN 691 516 211) (SaleCo) for inclusion in a prospectus (Prospectus) to be issued by the Company and SaleCo in respect of the initial public offering of shares in the Company by way of issue by the Company and sale by SaleCo (the Offer) and the Company's subsequent listing on the Australian Securities Exchange (ASX).

Deloitte Corporate Finance Pty Limited is wholly owned by Deloitte Touche Tohmatsu and holds the appropriate Australian Financial Services licence (AFSL) under the Corporations Act 2001 (Cth) for the issue of this report.

References to the Company and SaleCo and other terminology used in this report have the same meaning as defined in the Glossary of the Prospectus.

Scope

Forecast Financial Information

Deloitte Corporate Finance Pty Limited has been engaged by the Directors of the Company and SaleCo to review the following financial information of the Company:

(i) The statutory forecast financial information which comprises:

- the statutory forecast consolidated income statement for the year ending 30 June 2026 (FY26); and
- the statutory forecast consolidated cash flows for FY26,

as set out in Sections 4.3.1 and 4.4.1 of the Prospectus (together the Statutory Forecast Financial Information).

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities. DTTL (also referred to as "Deloitte Global") and each of its member firms and their affiliated entities are legally separate and independent entities. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

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The director's best-estimate assumptions underlying the Statutory Forecast Financial Information are described in Section 4.8 of the Prospectus. The stated basis of preparation used in the preparation of the Statutory Forecast Financial Information is the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies; and

(ii) The pro forma forecast financial information which comprises:

- pro forma forecast consolidated income statement for FY26; and
- pro forma forecast consolidated cash flows for FY26,

as set out in Sections 4.3.1 and 4.4.1 of the Prospectus (together the Pro Forma Forecast Financial Information).

The Pro Forma Forecast Financial Information has been derived from the Statutory Forecast Financial Information, after adjusting for the effects of the pro forma adjustments described in Sections 4.2.3, 4.3.2 and 4.4.1 of the Prospectus (the Pro Forma Adjustments). The stated basis of preparation used in the preparation of the Pro Forma Forecast Financial Information is the recognition and measurement principles contained in Australian Accounting Standards applied to the Statutory Forecast Financial Information and the events or transactions to which the Pro Forma Adjustments relate, as if those events or transactions had occurred on or before 30 June 2026.

(together the Forecast Financial Information).

Due to its nature, the Pro Forma Forecast Financial Information does not represent the Company's actual prospective financial performance and/or cash flows for the financial year ending 30 June 2026.

The Forecast Financial Information has been prepared by management of the Company and adopted by the Directors of the Company in order to provide prospective investors with a guide to the potential financial performance and cash flows of the Company for the year ending 30 June 2026. There is a considerable degree of subjective judgement involved in preparing forecasts since they relate to events and transactions that have not yet occurred and may not occur. Actual results are likely to be different from the Forecast Financial Information since anticipated events or transactions frequently do not occur as expected and the variation may be material.

The Directors' best estimate assumptions on which the Forecast Financial Information is based relate to future events and / or transactions that management expect to occur and actions that management expect to take and are also subject to uncertainties and contingencies, which are often outside the control of the Company. Evidence may be available to support the assumptions on which the Forecast Financial Information is based, however such evidence is generally future orientated and therefore speculative in nature. We are therefore not in a position to express a reasonable assurance conclusion on those best estimate assumptions, and accordingly, provide a lesser level of assurance on the reasonableness of the Directors' best estimate assumptions. We do not express any opinion on the achievability of the results. The limited assurance conclusion expressed in this report has been formed on the above basis.

Prospective investors should be aware of the material risks and uncertainties relating to an investment in the Company, which are detailed in the Prospectus, and the inherent uncertainty relating to the prospective financial information. Accordingly prospective investors should have regard to the investment risks set out in Section 5 and sensitivities set out in Section 4.10 of the Prospectus.

The sensitivity analysis set out in Section 4.10 of the Prospectus demonstrates the impacts on the Forecast Financial Information of changes in key assumptions. The forecasts are therefore only indicative of the financial performance which may be achievable. We express no opinion as to whether the Forecast Financial Information will be achieved.

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We have assumed, and relied on representations from certain members of management of the Company, that all material information concerning the prospects and proposed operations of the Company has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

Directors' Responsibility

The Directors are responsible for:

- the preparation of the Statutory Forecast Financial Information, including the best estimate assumptions underlying the Statutory Forecast Financial Information and the selection and determination of the Pro Forma Adjustments made to the Statutory Forecast Financial Information and included in the Pro Forma Forecast Financial Information; and
- the information contained within the Prospectus.

This responsibility includes for the operation of such internal controls as the Directors determine are necessary to enable the preparation of the Forecast Financial Information that are free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with Australian Standard on Assurance Engagements (ASAE) 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information (ASAE 3450)*.

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

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Conclusions

Statutory Forecast Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that:

(i) the Directors' best estimate assumptions used in the preparation of the Statutory Forecast Financial Information do not provide reasonable grounds for the Statutory Forecast Financial Information;

(ii) in all material respects, the Statutory Forecast Financial Information is not:

  a. prepared on the basis of the Directors' best estimate assumptions as described in Section 4.8 of the Prospectus,

  b. presented fairly in accordance with the stated basis of preparation, being the accounting policies adopted and used by the Company and the recognition and measurement principles contained in Australian Accounting Standards; and

(iii) the Statutory Forecast Financial Information itself is unreasonable.

Pro Forma Forecast Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that:

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(i) the Directors' best estimate assumptions used in the preparation of the Pro Forma Forecast Financial Information do not provide reasonable grounds for the Pro Forma Forecast Financial Information;

(ii) in all material respects, the Pro Forma Forecast Financial Information is not:
   a. prepared on the basis of the Directors' best estimate assumptions as described in Section 4.8 of the Prospectus,
   b. presented fairly in accordance with the stated basis of preparation, being the accounting policies adopted and used by the Company and the recognition and measurement principles contained in Australian Accounting Standards, applied to the Statutory Forecast Financial Information and the Pro Forma Adjustments as if those adjustments had occurred on or after 30 June 2026; and

(iii) the Pro Forma Forecast Financial Information itself is unreasonable.

Notice to investors outside Australia

Under the terms of our engagement this report has been prepared solely to comply with the requirements applicable to a review engagement under ASAE 3450.

This report does not constitute an offer to sell, or a solicitation to offer to buy, any securities. We do not hold any financial services licence outside Australia.

Restrictions on Use

Without modifying our conclusions, we draw attention to Section 4.2.3 of the Prospectus, which describes the purpose of the Forecast Financial Information (being the Statutory Forecast Financial Information and the Pro Forma Forecast Financial Information) being for inclusion in the Prospectus. As a result, the Forecast Financial Information may not be suitable for use for another purpose. We disclaim any assumption of responsibility for any reliance on this report, or on the Forecast Financial Information to which it relates, for any purpose other than that for which it was prepared.

Consent

Deloitte Corporate Finance Pty Limited has consented to the inclusion of this independent limited assurance report in the Prospectus in the form and context in which it is included.

Liability

The liability of Deloitte Corporate Finance Pty Limited is limited to the inclusion of this report in the Prospectus. Deloitte Corporate Finance Pty Limited makes no representation regarding, and has no liability for, any other statements or other material in, or omissions from the Prospectus.

Disclosure of Interest

Deloitte Corporate Finance Pty Limited does not have any interest in the outcome of this Offer other than the preparation of this report and participation in the due diligence procedures for which normal professional fees will be received.

Deloitte Tax Services Pty Ltd has provided Australian tax services in connection with the Offer for which normal professional fees will be received.

Deloitte Touche Tohmatsu is the auditor of the Company.

General financial product advice

Deloitte Corporate Finance Pty Limited has prepared this report for general information purposes only. It does not take into account the objectives, financial situation or needs of any specific investor. Investors should consider their

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own objectives, financial situation and needs when assessing the suitability of the report to their situation or investors may wish to obtain personal financial product advice to assist them in this assessment.

Financial Services Guide

We have included our Financial Services Guide in this report. The Financial Services Guide is designed to assist retail clients in their use of any general financial product advice in our report.

Yours faithfully

DELOITTE CORPORATE FINANCE PTY LIMITED



Jonathon Gould
Authorised Representative of
Deloitte Corporate Finance Pty Limited
(AFSL Number 241457)
AR number 1278767

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Issued May 2024

Financial Services Guide (FSG)

What is an FSG?

An FSG is designed to provide information about the supply of financial services to you.

Deloitte Corporate Finance Pty Limited (**DCF**) (AFSL 241457) provides this FSG to you, so you know how we are remunerated and who to contact if you have a complaint.

Who supplies the financial services?

We provide this FSG to you where you engage us to act on your behalf when providing financial services.

Alternatively, we may provide this FSG to you because our client has provided financial services to you that we delivered to them.

The person who provides the financial service to you is our Authorised Representative (**AR**) and DCF authorises the AR to distribute this FSG. Their AR number and contact details are in the document that accompanies this FSG.

What financial services are we licensed to provide?

We are authorised to provide financial product advice to wholesale clients in relation to derivatives, government debentures, stocks or bonds, interests in managed investment schemes, securities, and regulated emissions units (i.e. Australian carbon credit units and eligible international emissions units). We can also provide general financial product advice to retail clients in relation to the above financial products except for regulated emissions units.

We are also authorised to arrange for another person to deal in financial products in relation to:

- securities, interests in managed investment schemes, government debentures, stocks or bonds, and regulated emissions units and related derivatives to wholesale clients; and
- derivatives to retail and wholesale clients.

General financial product advice

We provide general advice when we have **not** taken into account your personal objectives, financial situation or needs, and you would not expect us to have done so. In this situation, you should consider whether our general advice is appropriate for you, having regard to your own personal objectives, financial situation or needs.

If we provide advice to you in connection with the acquisition of a financial product, you should read the relevant offer document carefully before making any decision about whether to acquire that product.

How are we remunerated?

Our fees are usually determined on a fixed fee or time cost basis plus reimbursement of any expenses incurred in providing the services. Our fees are agreed with, and paid by, those who engage us.

Clients may request particulars of our remuneration within a reasonable time after being given this FSG.

Apart from these fees, DCF, our directors and officers, and any related bodies corporate, affiliates or associates, and their directors and officers, do not receive any commissions or other benefits.

All employees receive a salary, and, while eligible for annual salary increases and bonuses based on overall performance, they do not receive any commissions or other benefits as a result of the services provided to you.

The remuneration paid to our directors reflects their individual contribution to the organisation and covers all aspects of performance.

We do not pay commissions or provide other benefits to anyone who refers prospective clients to us.

Associations and relationships

The Deloitte member firm in Australia (Deloitte Touche Tohmatsu) controls DCF. Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu.

We, and other entities related to Deloitte Touche Tohmatsu, do not have any formal associations or relationships with any entities that are issuers of financial products. However, we may provide professional services to issuers of financial products in the ordinary course of business.

What should you do if you have a complaint?

If you wish to make a complaint, please refer to the relevant complaints policy available at: https://www.deloitte.com/au/en/contact/contact-us.html?icid=bn_contact-us

or contact the Complaints Officer:
Online: www.deloitte.com.au via the Contact Us page
Email: complaints@deloitte.com.au
Phone: +61 (02) 9322 7000

If an issue is not resolved to your satisfaction, you can lodge a dispute with the Australian Financial Complaints Authority (**AFCA**). AFCA provides fair and independent financial services dispute resolution free to consumers.

www.afca.org.au
1800 931 678 (free call)
Australian Financial Complaints Authority Limited
GPO Box 3 Melbourne VIC 3001

What compensation arrangements do we have?

Deloitte Australia holds professional indemnity insurance that covers the financial services we provide. This insurance satisfies the compensation requirements of the Corporations Act 2001 (Cth).

Deloitte Corporate Finance Pty Limited, ABN 19 003 833 127, AFSL number 241457 of Quay Quarter Tower, Level 46, 50 Bridge St, Sydney NSW 2000
Member of Deloitte Asia Pacific Limited and the Deloitte organisation.
Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Deloitte Asia Pacific Limited is a company limited by guarantee and a member firm of DTTL.

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Section 9

Additional Information



9. Additional Information

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9.1 Registration

Carma was registered as a proprietary limited company (Clickcar Holdings Pty Ltd) in New South Wales, Australia on 19 February 2021. Carma was converted to a public company on 22 August 2025.

SaleCo was registered in New South Wales on 14 October 2025.

9.2 Company tax status and financial year

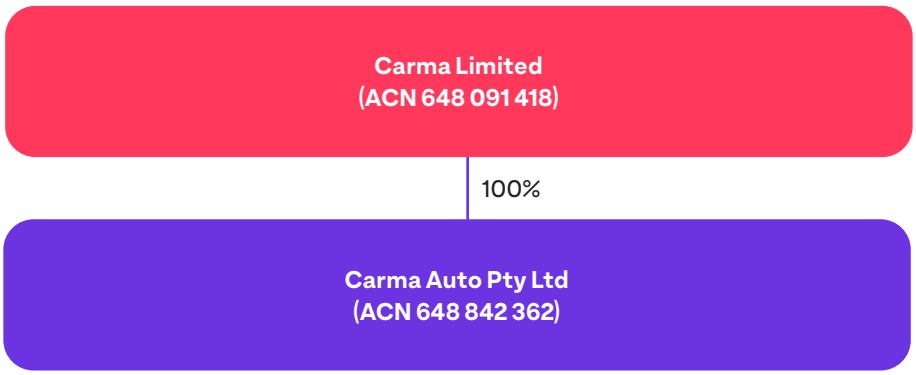
Carma is tax resident in Australia and subject to Australian income tax at a rate of 30% in the 2025–2026 income year.

Carma's financial year for taxation purposes ends on 30 June.

9.3 Corporate Structure

9.3.1 Corporate structure chart

The following diagram sets out the corporate structure of the Carma Group at the time of Listing.



9.3.2 Summary of activities of key Group entities

Carma is the listed entity and holding company of the Carma Group.

Carma Auto is a wholly owned subsidiary of Carma and was established in New South Wales, Australia on 19 March 2021. Carma Auto is the operating subsidiary of the Carma Group.

9.4 Shareholders Deed

There is a shareholders deed in place between the Company and its shareholders which governs, among other things, the way in which shareholders may deal with their shares as well as certain corporate governance matters in respect of the Company (**Carma SHD**). Pursuant to clause 17.2 of the Carma SHD, the Carma SHD will terminate automatically on completion of an "IPO" which it is defined in the Constitution to mean an initial public offering and admission of shares in the Company on the ASX or any other recognised securities exchange.

9.5 Underwriting arrangements

The Offer is fully underwritten by the Joint Lead Managers in their respective proportions pursuant to an underwriting agreement dated 16 October 2025 between the Joint Lead Managers, the Company and SaleCo (**Underwriting Agreement**). Under the Underwriting Agreement, the Joint Lead Managers have agreed to arrange, manage and underwrite the Offer.

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9.5.1 Fees and expenses

The Company and SaleCo have agreed to pay the Joint Lead Managers fees of an aggregate amount equal to 4.5% of the gross proceeds of the Offer, in their respective proportions, for managing and underwriting the Offer. In addition to the fees described above, the Company and SaleCo have agreed to reimburse the Joint Lead Managers for certain agreed costs and expenses incurred by the Joint Lead Managers in relation to the Offer. The Company and SaleCo may, at its absolute discretion, pay an incentive fee up to 0.5% of the gross proceeds of the Offer.

9.5.2 Termination events not subject to materiality

A Joint Lead Manager may, at any time after the date of the Underwriting Agreement until 5.00pm on the Settlement Date, terminate the Underwriting Agreement without cost or liability by notice to the Company and SaleCo and the other Joint Lead Manager if any of the following events occur:

- (**disclosure in the offer documents**) the offer documents do not comply with the Corporations Act, including if a statement in an offer document is or becomes misleading or deceptive or is likely to mislead or deceive, or a matter required to be included is omitted from the offer documents;
- (**new circumstances**) a new circumstance arises after the Prospectus is lodged that would have been required to be included in the Prospectus if it had arisen before lodgement;
- (**supplementary Prospectus**) the Company and SaleCo issue or are required to issue a supplementary prospectus or lodge a supplementary prospectus with ASIC in a form and substance that has not been approved by the Joint Lead Managers;
- (**forecasts**) there are not, or there cease to be, reasonable grounds for any statement or estimate in the offer documents, which relates to a future matter or any statement or estimate in the offer documents that relate to a future matter is, in the reasonable opinion of the terminating Joint Lead Manager, unlikely to be met in the projected timeframe (including in each case financial forecasts);
- (**Sale Shares Deed Poll**) the Sale Shares Deed Poll is withdrawn, terminated, rescinded, amended in a material respect or breached, without the consent of the Joint Lead Managers;
- (**Escrow Deeds**) any of the Escrow Deeds are withdrawn, terminated, rescinded, amended or breached, without the consent of the Joint Lead Managers;
- (**market fall**) at any time before the Settlement Date, the S&P/ASX 200 Index falls to a level that is 90% or less of the level as at the close of trading on the business day immediately prior to the date of the Prospectus and is at or below that level at the close of trading: (i) for two consecutive business days on or after the date of the Underwriting Agreement; or (2) on the business day immediately prior to the Settlement Date;
- (**listing and quotation**) approval is refused or not granted prior to 27 October 2025, or approval is granted subject to conditions other than customary conditions, to:
  - the Company's admission to the official list of ASX on or before the 27 October 2025; or
  - the quotation of the Shares on ASX or for the Shares to be traded through CHESS on or before 5 November 2025,

  or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld;
- (**certificate**) the Company and SaleCo do not provide a certificate required by the Underwriting Agreement;
- (**ASIC**) any of the following occurs in respect of the Offer and becomes public (or is not withdrawn within one business day after it is made or commenced or where it is made or commenced less than one Business Day before the Settlement Date, it has not been withdrawn before the Settlement Date):
  - ASIC issues an order (including an interim order) under section 1324B or under section 739 of the Corporations Act;

9. Additional Information

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  - ASIC holds a hearing under section 739(2) of the Corporations Act; or
  - an application is made by ASIC for an order under Part 9.5 in relation to the Offer or an offer document or ASIC commences any investigation or hearing under Part 3 of the ASIC Act in relation to the Offer or an offer document;
- (**notifications**) any of the following notifications are made in respect of the Offer:
  - any person who has previously consented to the inclusion of its name in the Prospectus (other than the terminating Joint Lead Manager) withdraws that consent; or
  - any person gives a notice under section 730 of the Corporations Act in relation to the Prospectus (other than the terminating Joint Lead Manager);
- (**withdrawal**) the Company or SaleCo withdraws the Prospectus or the Offer or indicates that it does not intend to proceed with the Offer or any part of the Offer;
- (**unable to issue Shares**) the Company is prevented from allotting and issuing or SaleCo is prevented from transferring (as applicable) the Shares under the Offer within the time required by the timetable under the Underwriting Agreement, the offer documents, by applicable laws, the ASX Listing Rules, an order of a court of competent jurisdiction or a governmental authority, within the time required by the ASX Listing Rules;
- (**regulatory approvals**) a regulatory body withdraws, revokes or amends any regulatory approvals, required for the Company or SaleCo to perform its obligations under the Underwriting Agreement or to carry out the transactions contemplated by the offer documents;
- (**Material Contracts**) any of the obligations of the relevant parties under any of the material contracts are not capable of being performed in accordance with their terms (in the reasonable opinion of the terminating Joint Lead Manager) or if all or any part of any of the material contracts:
  - is terminated, withdrawn, rescinded, avoided or repudiated;
  - is altered, amended or varied without the consent of the Joint Lead Managers (acting reasonably);
  - is breached, or there is a failure by a party to comply;
  - ceases to have effect, otherwise than in accordance with its terms; or
  - is or becomes void, voidable, illegal, invalid or unenforceable (other than by reason only of a party waiving any of its rights) or capable of being terminated, withdrawn, rescinded, avoided or withdrawn or of limited force and affect, or its performance is or becomes illegal;
- (**Timetable**) an event specified in the timetable under the Underwriting Agreement up to and including the Settlement Date is delayed by more than two business days (other than any delay agreed between the Company, SaleCo and the Joint Lead Managers or an extension to the exposure period by ASIC under section 727(3) of the Corporations Act, or any delay to the extent caused or primarily caused by the Joint Lead Managers);
- (**insolvency events**) any member of the Group becomes insolvent, or there is an act or omission which is likely to result in a member of the Group becoming insolvent;
- (**change in directors or senior management**) a change occurs in the Directors, either of the Chief Executive Officer, Chief Commercial Officer or Chief Financial Officer of the Company or SaleCo, or a Director, Chief Executive Officer or Chief Financial Officer dies or becomes permanently incapacitated;
- (**action against directors or senior management**) any of the following occur:
  - a director of the Company or Group is charged with an indictable offence relating to a financial or corporate matter;
  - any government agency commences any public action against a director of the Company or Group;
  - any director of the Company or Group is disqualified from managing a corporation under Part 2D.6 of the Corporations Act; or
  - the Company or a member of the Group or any of their respective directors or senior executives engages in any fraudulent conduct or activity;

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- (**unauthorised change**) without the prior written consent of the Joint Lead Managers (such consent not to be unreasonably withheld or delayed), the Company or a Group member:
  - disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property other than as contemplated in the Prospectus;
  - ceases or threatens to cease to carry on business;
  - alters its capital structure, other than as contemplated in the Prospectus; or
  - amends its constitution or any other constituent document, or the terms of issue of the Shares or corresponding Shares;
- (**Encumbrance**) other than as disclosed in the Prospectus, the Company creates or agrees to create an Encumbrance over the whole or a substantial part of its business or property; or
- (**force majeure**) there is an event or occurrence, including any statute, order, rule, regulation, directive or request (including one compliance with which is in accordance with the general practice of persons to whom the directive or request is addressed) of any governmental agency which makes it illegal or impossible for the Joint Lead Manager to satisfy an obligation under the Underwriting Agreement, or to market, promote or settle the Offer.

9.5.3 Termination events subject to materiality

A Joint Lead Manager may, at any time after the date of the Underwriting Agreement until on or before 5.00pm on the Settlement Date terminate the Underwriting Agreement without cost or liability by notice to the Company and SaleCo and the other Joint Lead Manager if any event listed below occurs and the Joint Lead Manager has reasonable grounds to believe, and does believe, the event:

- has or is likely to have a materially adverse effect on the success, Settlement, marketing or outcome of the Offer, or on the ability of the Joint Lead Manager to promote or settle the Offer, the subsequent market for the Shares or the willingness of investors to subscribe for the Shares; or
- will, or is likely to, give rise to:
  - the Joint Lead Manager contravening, or being involved in a contravention of, any applicable law or regulation, including the Corporations Act; or
  - a liability of the Joint Lead Manager under any applicable law or regulation.

The events referred to above are:

- (**compliance with law**) any of the offer documents or any aspect of the Offer does not comply with the Corporations Act, the ASX Listing Rules, or any other applicable law or regulation;
- (**information supplied**) any information supplied (including any information supplied prior to the date of the Underwriting Agreement) by or on behalf of a member of the Group to the Joint Lead Managers in respect of the Offer or the Group is, or is found to be, misleading or deceptive, or is likely to mislead or deceive (including by omission);
- (**disclosures in public information**) a statement in any of the public information is or becomes misleading or deceptive or likely to mislead or deceive;
- (**disclosures in the due diligence report**) the due diligence report or any other information supplied by or on behalf of the Company and SaleCo to the Joint Lead Managers in relation to the Shares, the Group or the Offer is, or becomes (or becomes likely to be) untrue, incorrect, misleading or deceptive, including by way of omission;
- (**adverse change**) an event occurs which is, or is likely to give rise to, an adverse change in the assets, liabilities, financial position or performance, profits, losses, earnings, prospects or condition or otherwise of the Group from that disclosed in original Prospectus lodged with ASIC on 16 October 2025;
- (**certificate**) a statement in any certificate required by the Underwriting Agreement is false, misleading, inaccurate or untrue or incorrect;

9. Additional Information

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- (**hostilities**) hostilities not presently existing at the date of the Underwriting Agreement commence (whether or not war or a national emergency has been declared), a major escalation in existing hostilities at the date of the Underwriting Agreement occurs (whether or not war or a national emergency has been declared) or a major terrorist act is perpetrated, all involving any one or more of Australia, New Zealand, Israel, Iran, Russia, Ukraine, the United States, the United Kingdom, the Peoples' Republic of China, Singapore or Japan, or involving any diplomatic, military, commercial or political establishment of any of those countries;
- (**change of law**) there is introduced, or there is a public announcement of a proposal to introduce, a new law or regulation or policy in Australia, or any State or Territory of Australia (including a policy of the Reserve Bank of Australia or ASIC);
- (**breach of laws**) there is a contravention by the Company, SaleCo or any entity in the Group of its constitution or other constituent document, an encumbrance or document that is binding on it or any applicable law, regulation, authorisation, ruling, consent, judgment, order or decree of any government authority (including the Corporations Act, the *Competition and Consumer Act 2010* (Cth), the ASIC Act and the ASX Listing Rules);
- (**representations and warranties**) a representation or warranty contained in the Underwriting Agreement on the part of the Company or SaleCo is breached, becomes not true or correct or is not performed;
- (**breach**) the Company or SaleCo (whether severally or jointly) defaults on one or more of its undertakings or obligations under the Underwriting Agreement;
- (**legal proceedings**) legal proceedings are commenced against the Company or SaleCo, any member of the Group or against any director of the Company or SaleCo or any member of the Group in that capacity;
- (**adverse findings**) any regulatory body commences any inquiry or public action against a member of the Group or makes any adverse finding or ruling in relation to a member of the Group or the industry in which the Group operates; or
- (**disruption in financial markets**) any of the following occurs:
  - a general moratorium on commercial banking activities in Australia, the United Kingdom, the United States, Hong Kong, Japan, Singapore or the Peoples' Republic of China is declared by the relevant central banking authority in those countries, or there is a disruption in commercial banking or security settlement or clearance services in any of those countries;
  - trading in all securities quoted or listed on ASX, the London Stock Exchange, the New York Stock Exchange or the Hong Kong Stock Exchange is suspended for at least one day on which that exchange is open for trading; or
  - any adverse change or disruption to the existing financial markets, political or economic conditions of, or currency exchange rates or controls in Australia, New Zealand, Japan, Hong Kong, Singapore, the Peoples' Republic of China, the United States or the United Kingdom, or the international financial markets or any adverse change in national political, financial or economic conditions in any of those countries.

9.5.4 Potential control effects

As at the Prospectus Date, the Joint Lead Managers are not shareholders in the Company. The Joint Lead Managers are also not related parties of the Company for the purposes of the Corporations Act.

If the Joint Lead Managers are required to subscribe for shortfall Shares pursuant to the Underwriting Agreement, then the Joint Lead Manager will become a Shareholder of the Company.

The Shares available under the Offer will represent approximately 27.1% of the total Shares on issue at Completion. Accordingly, the maximum voting power that the Joint Lead Manager may acquire pursuant to the underwriting arrangements (assuming that no investors subscribe for any Shares under the Offer, and all shortfall Shares are allocated to one person) is 27.1%.

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9.6 Material Contracts

9.6.1 Funding arrangements

(a) Bailment Finance Facility

Carma Auto has entered into a bailment agreement with Volkswagen Financial Services Australia Pty Limited (**VWFSA**) to finance its inventory of vehicles (**Bailment Agreement**). Under the bailment agreement, VWFSA finances the purchase of vehicles and retains legal title to them, while Carma Auto bears the risk of loss in connection with the vehicles (including damage or theft). The bailment agreement is subject to a facility limit of $30 million. (**Bailment Finance Facility**).

The Bailment Agreement is a material contract for Carma because it's used in order to fund vehicle inventory and allows Carma to grow its inventory whilst optimising its liquidity position.

The Bailment Finance Facility is provided on a secured basis, which includes security over all assets of Carma and Carma Auto. Carma has also granted a corporate guarantee and indemnity to VWFSA in support of amounts owing by Carma Auto to VWFSA.

The key terms and conditions of the Bailment Agreement are summarised as follows:

- *Term:* the bailment agreement remains in effect until it is terminated – see "Termination" below.
- *Annual review*: the Bailment Finance Facility is subject to annual review by VWFSA at its discretion, with the next annual review scheduled for December 2025 (or earlier if deemed appropriate by VWFSA). Bailment agreements in the Automotive retail industry generally have annual renewal clauses.
- *Uncommitted facility*: VWFSA may vary, revoke or suspend approval for Carma Auto to order or acquire vehicles under the Bailment Finance Facility normally by providing 60 days written notice (however VWFSA may provide a shorter notice period if Carma Auto is in breach of the Bailment Agreement).
- *Representations and warranties*: customary representations and warranties, including as to compliance with consumer law.
- *Undertakings*: customary undertakings which include that Carma Auto must maintain vehicles in good working order.
- *Insurance provisions*: Carma Auto is required to keep all vehicles insured, with VWFSA's interest noted on the policy.
- *Events of Default*: customary events of default which include the insolvency of Carma Auto or its failure to pay amounts that are due and payable under the Bailment Agreement.
- *Termination*: VWFSA may terminate the Bailment Agreement where an Event of Default occurs. In addition, either Carma Auto or VWFSA may terminate the Bailment Agreement by providing 90 days written notice to the other party.
- *Pricing*: VWFSA may at its discretion vary pricing on giving 30 days' notice to Carma Auto.

9.6.2 St Peters Lease

Carma Auto entered into a lease in respect of Burrows Road Industrial Estate at 1–3 Burrows Road, St Peters NSW 2044 (**St Peters IRC Facility**) on or around 20 May 2025 (**St Peters Lease**).

The Company operates its vehicle IRC at the St Peters IRC Facility. The St Peters Lease is a material contract for the business as the St Peters IRC Facility is critical to the business' operations and the Company has invested significant capital into consolidating its previous IRC operations into the St Peters IRC Facility.

The St Peters Lease commenced on 3 February 2025 and expires on 2 February 2030.

9. Additional Information

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The additional key terms of the St Peters Lease are summarised as follows:

- *Termination*: either party may terminate the St Peters Lease with effect from any time after 2 February 2028 by providing, after 2 August 2027, at least six months' written notice to the other party specifying the early termination date. The landlord may also terminate the St Peters Lease if rent or any other payment due to the landlord by Carma Auto is unpaid for 5 business days after it is due , Carma Auto commits any other Event of Default (subject to cure rights) or an insolvency event occurs in respect of Carma Auto.
- *Use*: the St Peters Premises must only be used for the "Tenant's Business" unless the landlord's consent is obtained. The "Tenant's Business" is defined as warehouse and distribution facility with ancillary office, vehicle body repair workshop and vehicle repair station.
- *Bank guarantee*: Carma Auto was required to provide the landlord with a bank guarantee on or before the date of signing the St Peters Lease to secure the performance of its obligations under the St Peters Lease.

9.6.3 NRMA Partnership Agreement

Carma Auto has entered into a partnership agreement with the National Roads and Motorists' Association Limited (**NRMA**) (**NRMA Partnership Agreement**). The NRMA Partnership Agreement governs the activities of the parties in, among other things, promoting the services provided by the other party and the provision of benefits to NRMA members who utilise Carma Auto's services.

The term of the NRMA Partnership Agreement is two years commencing from 9 May 2025. On the expiry of the initial term, there is an option to renew for an additional two years which will occur automatically if Carma Auto has met the Renewal KPIs (as defined therein) or the parties mutually agree in writing to extend the initial term.

The additional key terms of the NRMA Partnership Agreement are summarised as follows:

- *Termination*: either party may terminate for breach of a material term (subject to certain cure rights). In addition, NRMA may terminate with at least 30 days' prior written notice if NRMA ceases to offer the Loyalty Program, in NRMA's reasonable opinion, the conduct or reputation of Carma Auto has damaged, damages or is likely to damage the NRMA Brand (as defined therein) or NRMA's reputation or goodwill of its business, or Carma Auto fails to meet the reporting requirements or service levels specified in the NRMA Partnership Agreement for a continuous period of four weeks.
- *Exclusivity*: an exclusive dealing clause prevents:
  - NRMA from entering into or offering an arrangement directly with any other used car dealership operating in Australia other than Carma Auto (other than any existing third-party partners who are affiliated with NRMA's Loyalty Program); and
  - Carma Auto from entering into or offering an arrangement with any other membership or loyalty program in the automotive and/or travel and tourism industries in Australia for the offer or provision of any benefits to customers or potential customers.
- *Partner Benefits:* Carma Auto must provide the partner benefits as defined in the NRMA Partnership Agreement, which includes for example extended return periods and discounted extended coverage costs for NRMA members buying a Carma vehicle. Carma Auto must use its best endeavours to provide the partner benefits under the NRMA Partnership Agreement to members which are advantageous and competitive for NRMA members in comparison to the products and services offered by Carma Auto or other similar service providers in the market. Where the partner benefits are no longer met and the parties are unable to reach agreement on amendments to the partner benefits or a new offer, within 30 days after such negotiations commence, NRMA may terminate the NRMA Partnership Agreement immediately on written notice.
- *Reporting:* Carma Auto has monthly reporting obligations under the NRMA Partnership Agreement.
- *General restrictions*: general restrictions on branding and marketing restrictions are imposed on Carma Auto.

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9.6.4 Related Party Arrangements

Carma periodically engages the services of Hudson Global Resources (Aust) Pty Limited (**Hudson**) to perform psychometric testing as part of the hiring process of Carma employees. Lachlan MacGregor, a director of Carma, was previously a non-executive director of Hudson and is currently a minority shareholder of Hudson. The engagement is valued at less than $25,000 per year and is on arm's length terms. Carma has no formal contract with Hudson for the provision of its services.

9.6.5 Convertible Note terms

The Company entered into a Convertible Note Deed Poll (**CN Deed Poll**) in December 2024 and subsequently executed Convertible Note Subscription Agreements (**CN Subscription Agreement**) with various noteholders between December 2024 and April 2025 as well as in September 2025 in respect of an aggregate total of 30,930,000 Convertible Notes.

On the Allotment Date, and on allotment of Shares under the Offer, the outstanding principal and accumulated unpaid interest on all of the Convertible Notes will automatically convert into Shares. See Section 4.5 for further information on how the conversion of the Convertible Notes is treated from a statutory accounts perspective.

9.7 Voluntary escrow arrangements

9.7.1 Escrow arrangements

Each Escrowed Shareholder has agreed to enter into an Escrow arrangement in respect of their shareholding following Completion, which prevents them from dealing with their Escrowed Shares for the applicable Escrow Period set out below, subject to certain exceptions as outlined in Section 9.7.2:

Escrowed shareholder	Number of escrowed shares[1]	Escrow period
Founders	44,000,002	The period from Listing until: • in respect of 25% of the Escrowed Shares, 4:15pm (Sydney Time) on the trading day after the date on which the Company releases to the ASX its financial results for the year ended 30 June 2026; • in respect of the remaining 75% of the Escrowed Shares, 4:15pm (Sydney Time) on the trading date after the date on which the Company releases to the ASX its financial results for the year ended 30 June 2027.
Tiger Global	36,660,342	The period from Listing until 4:15pm (Sydney Time) on the trading day after the date on which the Company releases to the ASX its financial results for the year ended 30 June 2026.
General Catalyst	5,817,099	The period from Listing until 4:15pm (Sydney Time) on the trading day after the date on which the Company releases to the ASX its financial results for the year ended 30 June 2026.

1. Excludes any Shares that may be acquired under the Offer by these Escrowed Shareholders as such Shares will not be subject to voluntary escrow.

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9.7.2 Restrictions on disposing

The restriction on 'disposing' is broadly defined in the Escrow Deeds outlined in this Section 9.7. It restricts the Escrowed Shareholder from, among other things, selling, assigning, transferring or otherwise disposing of any legal, beneficial or economic interest in the Escrowed Shares, creating or agreeing to create a security interest over the Escrowed Shares, doing, or omitting to do, any act if the act or omission would have the effect of transferring effective ownership or control of any of the Escrowed Shares or agreeing to do any of those things.

However, during the Escrow Period, Escrowed Shareholders whose Shares remain subject to escrow may deal in any of their Escrowed Shares to the extent that the dealing is:

- as a result of a bona fide third-party offer under a takeover bid or the transfer or cancellation of the Escrowed Shares under a scheme of arrangement;
- required by applicable law, including an order of a court of competent jurisdiction;
- a transfer by the personal representative of the Escrowed Shareholder to whom the Escrowed Shares have been bequeathed (provided that any recipient of the Escrowed Shares will be bound by any holding lock or restrictions on dealing with respect to the Escrowed Shares); or
- to participate in an equal access buyback or equal return of capital or other similar pro rata reorganisation.
- an encumbrance of any or all Escrowed Shares to a bona fide third-party financial institution as securities for a loan, hedge or other financial accommodation (provided that any recipient of the Escrowed Shares will continue to be bound by any holding lock and restrictions on dealing with respect to the Escrowed Shares for the duration of the Escrow Period); or
- a transfer of Escrowed Shares to an affiliate provided the same escrow restrictions are imposed on the transferee and the transfer does not result in a change to the beneficial ownership of the Escrowed Shares.

9.8 Consents to be named

Each of the parties listed below is a consenting party and, to the maximum extent permitted by law, expressly disclaims all liabilities in respect of, makes no representations regarding and takes no responsibility, for any statements in or omissions from this Prospectus, other than the reference to its name in the form and context in which it is named and a statement or report included in this Prospectus with its consent as specified below.

Each of the parties listed below has given and has not, at the time of lodgement of this Prospectus with ASIC, withdrawn its written consent to the inclusion of statements in this Prospectus that are specified below in the form and context in which the statements appear:

- E&P Capital Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Joint Lead Manager to the Offer;
- Canaccord Genuity (Australia) Limited has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Joint Lead Manager to the Offer;
- King & Wood Mallesons has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Australian legal advisor (other than in relation to taxation matters) to the Company and SaleCo in relation to the Offer;
- Deloitte Corporate Finance Pty Limited has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Investigating Accountant to the Company in relation to the Financial Information in the form and context in which it is named and to the inclusion of its Independent Limited Assurance Reports on the Financial Information set out in Section 8 in the form and context in which they appear in this Prospectus;

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- Deloitte Tax Services Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Tax Adviser to the Company in relation to the Offer;
- Deloitte Touch Tohmatsu has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as auditor of the Company;
- Automic has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to the inclusion in this Prospectus of statements made by it, including the statements specifically attributed to it in this Prospectus in the form and context in which they are included; and
- NRMA has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to the inclusion in this Prospectus of statements made by it, including the statements specifically attributed to it in this Prospectus in the form and context in which they are included. NRMA has had no involvement in the preparation of any part of this Prospectus other than in the form and context in which the NRMA is named.

A written consent under the Corporations Act 2001 (Cth) is different from a consent filed with the SEC under Section 7 of the Securities Act, which is applicable only to transactions involving securities registered under the Securities Act. Shares in this Offer have not been, and will not be, registered under the Securities Act.

9.9 Selling restrictions

This document does not constitute an offer of Shares in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

9.9.1 United States of America

The securities being offered pursuant to this Prospectus have not been registered under the U.S. Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from registration under the U.S. Securities Act and applicable state securities laws. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of these securities in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful. In addition, any hedging transactions involving these securities may not be conducted unless in compliance with the U.S. Securities Act. Accordingly, the Shares may not be offered or sold (i) in the United States except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws or (ii) outside the United States in "offshore transactions" (as such term is defined in Regulation S) in reliance on Regulation S.

9.9.2 New Zealand

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the **FMC Act**).

The new shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

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9.9.3 Hong Kong

WARNING: This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). Accordingly, this Prospectus may not be distributed, and the new shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the new shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to new shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted new shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

9.9.4 Singapore

This Prospectus and any other materials relating to the new shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of new shares, may not be issued, circulated or distributed, nor may the new shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the **SFA**) or another exemption under the SFA.

This Prospectus has been given to you on the basis that you are an "institutional investor" or an "accredited investor" (as such terms are defined in the SFA). If you are not such an investor, please return this document immediately. You may not forward or circulate this Prospectus to any other person in Singapore.

Any offer is not made to you with a view to the new shares being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire new shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

9.9.5 European Union (excluding Austria)

This Prospectus has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this Prospectus may not be made available, nor may the new shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of new shares in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

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9.9.6 United Kingdom

Neither this Prospectus nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the new shares.

The new shares may not be offered or sold in the United Kingdom by means of this Prospectus or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This Prospectus is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This Prospectus may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the new shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this Prospectus is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated ("relevant persons"). The investment to which this Prospectus relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

9.9.7 Canada (Alberta, British Columbia, Ontario and Quebec provinces)

This Prospectus constitutes an offering of new shares only in the Provinces of British Columbia, Ontario and Quebec (the **Provinces**), only to persons to whom new shares may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This Prospectus is not a prospectus, an advertisement or a public offering of securities in the Provinces. This Prospectus may only be distributed in the Provinces to persons who are (i) "accredited investors" (as defined in National Instrument 45-106 – Prospectus Exemptions) and (ii) "permitted clients" (as defined in National Instrument 31-103 – Registration Requirements, Exemptions and Ongoing Registrant Obligations) if a lead manager offering the new shares in Canada is relying upon the international dealer exemption under NI 31-103.

No securities commission or authority in the Provinces has reviewed or in any way passed upon this Prospectus, the merits of the new shares or the offering of the new shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of new shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the new shares in the Provinces must be made in accordance with applicable Canadian securities laws. While such resale restrictions generally do not apply to a first trade in a security of a foreign, non-Canadian reporting issuer that is made through an exchange or market outside Canada, Canadian purchasers should seek legal advice prior to any resale of the new shares.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

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Statutory rights of action for damages and rescission

Securities legislation in certain Provinces may provide a purchaser with remedies for rescission or damages if an offering memorandum contains a misrepresentation, provided the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's Province. A purchaser may refer to any applicable provision of the securities legislation of the purchaser's Province for particulars of these rights or consult with a legal adviser.

Certain Canadian income tax considerations

Prospective purchasers of the new shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the new shares as there are Canadian tax implications for investors in the Provinces.

Language of documents in Canada

Upon receipt of this Prospectus, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the new shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

9.10 Australian tax considerations

The following comments provide a general summary of the potential Australian income tax, capital gains tax (**CGT**), GST and stamp duty issues for Shareholders who acquire Shares under the Offer.

The categories of Shareholders considered in this summary are limited to individuals, complying superannuation entities and certain companies, trusts or partnerships, each of whom holds their Shares on capital account.

This summary does not consider the consequences for other Shareholders such as Shareholders who are insurance companies or banks, Shareholders that hold their shares on revenue account or carry on a business of trading in shares, Shareholders who acquired Shares in connection with an employee share scheme, Shareholders who are exempt from Australian tax or Shareholders who are subject to concessional regimes. This summary also does not consider the consequences for Shareholders who are subject to Division 230 of the *Income Tax Assessment Act 1997* (Cth) (the Taxation of Financial Arrangements regime).

This summary is based on the tax laws in Australia in force at the time of the Offer (together with established interpretations of those laws), which may change. This summary does not take into account the tax law of countries other than Australia.

This summary is general in nature and is not intended to be an authoritative or complete statement of the applicable law. Given that the precise implications of ownership or disposal of Shares will depend upon each Shareholder's specific circumstances, Shareholders should obtain independent advice on the taxation implications of holding or disposing of Shares, taking into account their specific circumstances (including whether they are Australian tax resident).

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9.10.1 Dividends – Australian tax resident shareholders

Dividends may be paid by Carma to Shareholders. Carma may 'attach' franking credits to such dividends. Franking credits broadly represent the extent to which a dividend is paid out of profits that have been subject to Australian tax. It is possible for a dividend to be fully franked, partly franked or unfranked.

9.10.1.1 Individuals or complying superannuation entities

Shareholders who are individuals or complying superannuation entities should include the dividend in their assessable income. If the Shareholder satisfies the "qualified person" rules (refer to further comments below), the Shareholder should also include any franking credit attached to the dividend in their assessable income. However, such Shareholder should be entitled to a tax offset equal to the franking credit. The tax offset can be applied to reduce the income tax payable on the Shareholder's taxable income. Where the tax offset exceeds the income tax payable on the Shareholder's taxable income in an income year, the Shareholder should be entitled to a tax refund equal to the amount of the excess.

9.10.1.2 Companies

Shareholders who are companies should include the dividend in their assessable income. If the Shareholder satisfies the "qualified person" rules (refer to further comments below), the Shareholder should also include any franking credit attached to the dividend in their assessable income. However, such Shareholder should be entitled to a tax offset equal to the franking credit. The tax offset can be applied to reduce the income tax payable on the Shareholder's taxable income. Where the tax offset exceeds the income tax payable on the Shareholder's taxable income in an income year, the excess cannot give rise to a refund, but may be able to be converted into a tax loss that may be carried forward.

In addition, a Shareholder who is a company should be entitled to a franking credit in its own franking account to the extent of the franking credit attached to the dividend. The Shareholder may pass on the benefit of the franking credit to its own shareholder(s) on the payment of dividends by the Shareholder.

9.10.1.3 Trusts and partnerships

Shareholders who are trustees (other than trustees of complying superannuation entities) or partnerships should include the dividend in their assessable income in determining the net income of the trust or partnership. If the Shareholder satisfies the "qualified person" rules (refer to further comments below), the Shareholder should also include any franking credit attached to the dividend in the net income of the trust or partnership. As a result, a relevant beneficiary or partner may be entitled to a tax offset equal to the beneficiary's or partner's share of the franking credit received by the Shareholder.

Notably, as the qualified person rules can be complex in the context of distributions received indirectly via a trust or partnership, it is recommended that Shareholders seek independent advice on the tax consequences arising in these circumstances.

9.10.1.4 Qualified person rules

The benefit of franking credits can be denied where a Shareholder does not satisfy the qualified person rules, in which case the Shareholder should not be required to include an amount equal to the franking credits in their assessable income and should also not be entitled to a tax offset.

Broadly, to satisfy the qualified person rules, a Shareholder must satisfy the holding period rule or, if necessary, the related payment rule.

The holding period rule requires a Shareholder to hold the Shares continuously "at risk" for not less than 45 days in the period beginning the day after the day on which the Shareholder acquires the Shares, and ending on the 45th day after the day on which the Shares become ex-dividend. In the ordinary case, this means that the holding period rule should be satisfied provided that the Shares have been held "at risk" for a continuous period of 45 days (not including the date of acquisition or disposal) at some time during the period of ownership of the Shares. Very broadly, Shares should be held "at risk" to the extent that no material "positions" are adopted in relation to the Shares which have the effect of diminishing the economic exposure associated with holding the Shares (for example, certain option and derivative agreements, or agreements to sell the Shares).

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Under the related payment rule, a different testing period applies where the Shareholder or an associate of the Shareholder has made, or is under an obligation to make, a related payment in relation to a dividend. A related payment is one where a Shareholder or their associate effectively passes on the benefit of the dividend to another person.

The related payment rule requires the Shareholder to have held the Shares at risk for a continuous period of 45 days (not including the date of acquisition or disposal) during the period which commences on the 45th day before, and ends on the 45th day after the day on which the Shares become ex-dividend. Practically, the related payment rule should not impact Shareholders who do not pass the benefit of the dividend to another person. Shareholders should obtain their own tax advice to determine if the related payment rule applies in the context of their particular circumstances.

In the event that no related payments are made with respect to a particular dividend, an individual Shareholder may satisfy the qualified person rules on an alternative basis, being the small holdings exemption. This exemption should generally be satisfied where the Shareholder is entitled to total franking credits (from all sources) of no more than $5,000 in the relevant year of income.

As indicated above, the qualified person rules can be particularly complex for distributions received indirectly via a trust or partnership. It is recommended that Shareholders seek independent advice on the tax consequences arising in these circumstances.

9.10.1.5 Dividend washing rules

Dividend washing rules can apply in certain cases, such that no tax offset is available (nor is an amount required to be included in assessable income in relation to an attached franking credit) for a dividend received on Shares. Broadly, the rules can apply where Shareholders seek to obtain additional franking benefits by disposing of Shares ex-dividend and re-purchasing a substantially equivalent parcel of Shares cum-dividend on a special market.

A Shareholder should seek independent tax advice regarding the dividend washing rules, and consider the impact of these rules, having regard to their own personal circumstances.

9.10.2 Disposal of Shares

Australian tax resident shareholders

The disposal of a Share by a Shareholder should constitute a CGT event. A capital gain should arise to the extent that the capital proceeds on disposal exceed the tax cost base of the Share (broadly, the amount paid to acquire the Share plus certain non-deductible costs). In the case of an arm's length on-market sale, the capital proceeds should generally equal the cash proceeds from the sale. Where the Shareholder is a partnership, the partners of that partnership (and not the partnership itself) should ordinarily be treated as deriving any capital gain arising from the disposal (in their proportionate shares).

A CGT discount may be applied against a capital gain (after reduction of the capital gain by any applicable capital losses) where the entity which derives the capital gain is an individual, complying superannuation entity or trustee. The CGT discount may be applied in these circumstances, provided that the Share has been held for at least 12 months (not including the date of acquisition or disposal) and certain other requirements have been satisfied. Where the CGT discount applies, any capital gain arising to individuals and entities acting as trustees (other than trustees of a complying superannuation entity) may be reduced by 50%. For a complying superannuation entity, any capital gain may be reduced by one third. For completeness, a company cannot apply the CGT discount.

If the Shareholder who realises the capital gain and is entitled to the CGT discount is the trustee of a trust (other than the trustee of a complying superannuation entity), the CGT discount may flow through to the beneficiaries of the trust, provided those beneficiaries are not companies. Shareholders that are trustees should seek specific advice regarding the tax consequences of distributions to beneficiaries who may qualify for discounted capital gains.

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A capital loss should be realised to the extent that the reduced tax cost base of a Share (which should generally be calculated in a similar manner to the tax cost base) exceeds the capital proceeds from its disposal. As with capital gains, where the Shareholder realising the capital loss is a partnership, the partners of that partnership (and not the partnership itself) should ordinarily be treated as incurring the capital loss (in their proportionate shares).

Capital losses may only be offset against capital gains realised in the same income year or future income years, subject to certain loss recoupment tests being satisfied. Capital losses cannot be offset against other assessable income.

9.10.3 Dividends – Non-Australian tax resident Shareholders

Partly franked or unfranked dividends paid by Carma to a Shareholder who is not tax resident in Australia should generally be subject to Australian dividend withholding tax. Australian dividend withholding tax should be imposed at a flat rate of 30% to the extent that the dividend is unfranked unless the Shareholder is tax resident in a country that has concluded a double tax treaty with Australia.

If that is the case, and the Shareholder is otherwise able to rely on the double tax treaty, the rate of Australian dividend withholding tax may be reduced, depending on the terms of the double tax treaty.

For completeness, dividends paid by Carma which are fully franked should not be subject to Australian dividend withholding tax.

9.10.4 Disposal of Shares – Non-Australian tax resident Shareholders

The disposal of a Share by a Shareholder who is not tax resident in Australia should constitute a CGT event. A capital gain may initially arise to the extent that the capital proceeds on disposal exceed the tax cost base of the Share (refer to Section 9.10.2 for further details).

However, any capital gain initially arising as a result of the CGT event should be disregarded unless the Share constitutes "taxable Australian property". Broadly, a Share should constitute taxable Australian property if both of the following requirements are satisfied:

- the Shareholder (together with any associates of the Shareholder) holds an interest of at least 10% in Carma at the time of the disposal, or has held such an interest throughout a 12 month period in the 24 months preceding the disposal; and
- Carma is land rich for Australian income tax purposes (broadly, because more than 50% of the value of Carma's assets, including those of certain downstream subsidiaries, is comprised of Australian real property interests and/or certain interests in respect of Australian minerals).

A Share should also constitute taxable Australian property if it is used by a Shareholder in carrying on a business in Australia through a permanent establishment (for example, a fixed place of business such as an office located in Australia).

In the event that a Shareholder who is not tax resident in Australia derives a capital gain in connection with the disposal of a Share that constitutes taxable Australian property, the Shareholder should ordinarily be required to lodge an Australian income tax return including the capital gain. In such circumstances, the Shareholder should generally not be entitled to claim the benefit of the CGT discount to reduce the amount of the capital gain but may be able to reduce the capital gain with any available capital losses, subject to certain loss recoupment tests being satisfied. The amount of the capital gain, after application of any available capital losses, should be subject to Australian income tax at the Shareholder's applicable tax rate.

A capital loss should initially be realised by a Shareholder who is not tax resident in Australia to the extent that the reduced tax cost base of a Share exceeds the capital proceeds from its disposal (refer to Section 9.10.2 for further details). However, as with capital gains, a capital loss should be disregarded by the Shareholder unless the Share constitutes taxable Australian property.

Capital losses which are not disregarded may only be offset against capital gains from the disposal of taxable Australian property in the same income year or future income years, subject to certain loss recoupment tests being satisfied. Capital losses cannot be offset against other assessable income.

9. Additional Information

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9.10.5 Non-Australian tax resident CGT withholding

Non-Australian tax resident CGT withholding may apply to the disposal of certain taxable Australian property (refer to Section 9.10.4 for further details). Where this is the case, a non-final withholding tax of 15% may be applied to such transactions at settlement.

However, non-Australian tax resident CGT withholding should not apply to the disposal of a Share on the ASX (in accordance with a specific exemption).

9.10.6 GST

The acquisition and sale of a Share by a Shareholder, and the receipt of dividends, should not be subject to GST.

A Shareholder may not be entitled to claim full input tax credits in respect of any GST paid on costs incurred in connection with their acquisition or disposal of a Share. A Shareholder should seek GST advice having regard to their own particular circumstances.

9.10.7 Stamp duty

A Shareholder should not be liable for stamp duty in respect of their investment in a Share, unless they acquire, either alone or with an associated/related person, an interest of 90% or more in Carma. Under current stamp duty legislation, no stamp duty should ordinarily be payable by a Shareholder on any subsequent transfer of a Share whilst Carma remains listed.

A Shareholder should seek stamp duty advice having regard to their own particular circumstances.

9.10.8 Tax file number (TFN)

An Australian tax resident Shareholder may, if they choose, notify Carma of their TFN, Australian Business Number (ABN) or a relevant exemption from withholding tax with respect to dividends.

In the event Carma is not notified, pursuant to the TFN withholding rules, tax should automatically be deducted at the highest marginal rate (including where relevant, the Medicare levy) from unfranked dividends or other applicable distributions. However, an Australian tax resident Shareholder may be able to claim a tax credit/rebate (as applicable) in respect of the tax deducted in their income tax returns.

A Shareholder who is not tax resident in Australia should generally be entitled to an exemption from the TFN withholding rules. This means that mandatory withholding may not be required by Carma with respect to unfranked dividends or other relevant distributions paid to such a Shareholder, irrespective of whether the Shareholder has notified Carma of their TFN or ABN.

9.11 ASX confirmations and waiver

The Company has applied to the ASX for the following ASX Listing Rule confirmations:

- confirmation that the Company's structure and operations are appropriate for listing for the purposes of ASX Listing Rule 1.1, Condition 1; and
- confirmation that the Shares are not "restricted securities" for the purposes of ASX Listing Rule 9.

The Company has also applied to the ASX for a waiver from ASX Listing Rule 1.1, Condition 12 in respect of the Options that have been issued by the Company which will be unexercised at the time of Listing and which have an exercise price under 20 cents.

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9.12 Governing law

This Prospectus and the contracts that arise from the acceptance of the Applications under this Prospectus are governed by the laws applicable in New South Wales, Australia and each Applicant under this Prospectus submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

9.13 Statement of Directors

This Prospectus has been authorised by each director of the Company and SaleCo who has consented to its lodgement with ASIC and its issue and has not withdrawn that consent.

The Directors have made enquiries and nothing has come to their attention to suggest that, as at the date of this Prospectus, the Company is not continuing to earn profit from continuing operations.

9.14 Ownership restrictions

The sale and purchase of Shares in Australia are regulated by Australian laws and laws in other countries in which the Company operates that restrict the level of ownership or control by any one person (either alone or in combination with others). This Section contains a general description of these laws.

9.14.1 Corporations Act

The takeover provisions in Chapter 6 of the Corporations Act restrict acquisitions of shares in listed companies if the acquirer's (or another party's) voting power would increase to above 20%, or would increase from a starting point that is above 20% and below 90%, unless certain exceptions apply. The Corporations Act also imposes notification requirements on persons having voting power of 5% or more in the Company, either themselves or through an associate.

9.14.2 Foreign Acquisitions and Takeovers Act

Generally, the *Foreign Acquisitions and Takeovers Act 1975* (Cth) (**FATA**) applies to acquisitions of shares and voting power in a company of 20% or more by a single foreign person and its associates (**Substantial Interest**), or 40% or more by 2 or more unassociated foreign persons and their associates (**Aggregate Substantial Interest**). Where a foreign person holds a Substantial Interest in the Company or foreign persons hold an Aggregate Substantial Interest in the Company, the Company itself will be a "foreign person" for the purposes of the FATA.

Where an acquisition of a Substantial Interest or an Aggregate Substantial Interest meets certain criteria, the acquisition may not occur unless notice of it has been given to the Federal Treasurer and the Federal Treasurer has either stated that there is no objection to the proposed acquisition in terms of the Australian Government's Foreign Investment Policy (**FATA Policy**) or a statutory period has expired without the Federal Treasurer objecting. An acquisition of a Substantial Interest or an Aggregate Substantial Interest meeting certain criteria may also lead to divestment orders unless a process of notification, and either a statement of non-objection or expiry of a statutory period without objection, has occurred.

In addition, in accordance with the FATA Policy, acquisitions of a direct investment in an Australian company by foreign governments and their related entities should be notified to the Foreign Investment Review Board (FIRB) for approval, irrespective of value. According to the FATA Policy, a 'direct investment' will typically include any investment of 10% or more of the shares (or other securities or equivalent economic interest or voting power) in an Australian company but may also include investment of less than 10% where the investor is building a strategic stake in the target or obtains potential influence or control over the target investment.

9. Additional Information

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9.15 Legal Proceedings

The Company may, from time to time, be party to various disputes and legal proceedings incidental to the conduct of its business. So far as the Directors are aware, as at the Prospectus Date, there is no current or threatened civil litigation, arbitration proceeding or administrative appeal, or criminal or governmental prosecutions of a material nature in which the Company is directly or indirectly concerned which is likely to have a material adverse impact on the business or the financial position of the Company.

9.16 Enquiries

All enquiries in relation to this Prospectus should be directed to the Offer Information Line on:

- within Australia: 1300 408 784; or
- outside Australia: +61 2 8072 1489,

from 8:30am – 7:00pm (Sydney Time), Monday to Friday.

If you have any questions about whether to invest in the Company, you should seek advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest in the Company.

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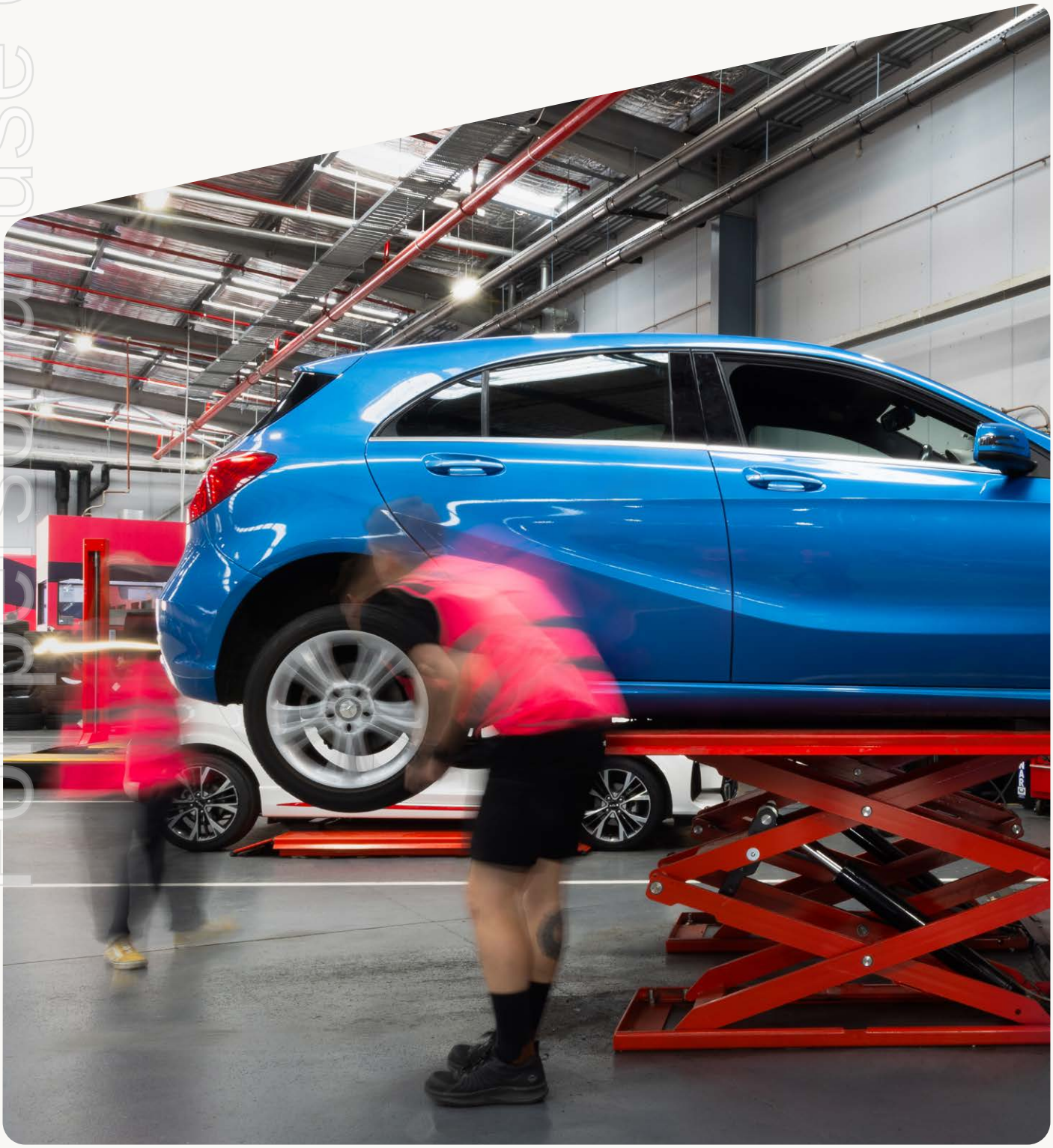
Appendix A

Glossary



Appendix A: Glossary

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Term	Description
AAS	Australian Accounting Standards as defined in the Corporations Act.
AASB	Australian Accounting Standards Board.
ABS	Australian Bureau of Statistics.
ACCC	Australian Competition and Consumer Commission.
ACN	Australian Company Number.
Aggregate Substantial Interest	has the meaning given in Section 9.14.2.
Allotment Date	the date Carma anticipates the Shares will be allotted and issued to applicants.
Anti-bribery and Corruption Policy	the Company's anti-bribery and corruption policy.
Applicant	a person who submits an Application.
Application	an application made to subscribe for Shares offered under this Prospectus.
Application Form	the application form attached to or accompanying this Prospectus (including the electronic form provided by an online application facility).
Application Monies	the amount of money accompanying an Application Form submitted by an Applicant.
ASAE 3450	Australian Standard on Assurance Engagements 3450.
ASIC	Australian Securities and Investments Commission.
ASP	average selling price.
ASX	ASX Limited (ABN 98 008 624 691) or the financial market operated by ASX Limited (being the Australian Securities Exchange), as the context requires.
ASX Corporate Governance Council	the corporate governance council of the ASX.
ASX Listing Rules or Listing Rules	the rules of the ASX that govern the admission, quotation and removal of securities from the ASX official list as amended, varied or waived from time to time.
ASX Recommendations	as revised in 2019, the fourth edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.
ASX Settlement Operating Rules	the settlement rules of the ASX as amended, varied or waived from time to time.
AUD, A$ or $	Australian dollar.
Automic	Automic Pty Ltd (ACN 152 260 814)
Bailment Agreement	has the meaning given in Section 9.6.2.
Bailment Finance Facility	has the meaning given in Section 9.6.2.
BEV	Battery Electric Vehicle.
Board or Board of Directors	the board of directors of Carma, which includes: • Owen Wilson; • Lachlan MacGregor; • Melinda Snowden; • Nicole Sparshott; and • Yosuke Hall.
Board Committee	a committee as described in Section 6.4.5.

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Term	Description
Broker	any ASX participating organisation selected by the Joint Lead Managers and Carma to act as a broker to the Offer.
Broker Firm Offer	the offer of Shares under this Prospectus to eligible Australian resident retail clients of participating Brokers who receive an invitation to apply for Shares from their Broker and are not in the United States or a US person.
Business Day	has the meaning given in the Listing Rules.
Canaccord	Canaccord Genuity (Australia) Limited (ACN 075 071 466).
Capital Expenditure	investment in property, equipment, software and development.
Carma Auto	Carma Auto Pty Ltd (ACN 648 842 362).
Carma Group	Carma and Carma Auto.
Carma Limited or Carma or the Company	Carma Limited (ACN 648 091 418).
CCO	the chief commercial officer of Carma, Yosuke Hall.
CEO	the chief executive officer of Carma, Lachlan MacGregor.
CFO	the chief financial officer of Carma, James Solomon.
CGT	capital gains tax.
CHESS	Clearing House Electronic Subregister System, operated in accordance with the ASX Listing Rules and the ASX Settlement Operating Rules.
Closing Date	the date on which the Broker Firm Offer is expected to close, being 24 October 2025. This date may be varied without prior notice.
CMA	expected ASX code for Carma.
Completion	the completion of the Offer, being the date upon which Shares are issued or transferred to Successful Applicants in accordance with the terms of the Offer.
Constitution	the constitution of Carma.
Convertible Notes	the convertible notes issued by the Company.
Convertible Note Deed Poll or CN Deed Poll	has the meaning given in Section 9.6.5.
Convertible Note Subscription Agreement or CN Subscription Agreement	has the meaning given in Section 9.6.5.
Corporations Act	*Corporations Act 2001* (Cth).
Credit Card Facilities	a financing facility of the Company enabling access a predetermined line of credit through the issuance of a credit card.
Deloitte Corporate Finance	Deloitte Corporate Finance Pty Limited (ACN 003 833 127).
Directors	the directors of Carma.
Disclosure and Communication Policy	the Company's disclosure and communication policy, outlining the Company's continuous disclosure requirements under the ASX Listing Rules and the Corporations Act.
Diversity Policy	the Company's diversity policy.
D&O	Directors and Officers insurance.
E&P	E&P Capital Pty Ltd (ACN 137 980 520).
EBIT	earnings before interest income, interest expense, and income tax expense.

Appendix A: Glossary

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Term	Description
EBITDA	earnings before interest, gains/(losses) associated with FVTPL re-measurements, income tax expense, depreciation and amortisation.
Employee Option Plan or EOP	the existing employee option plan of Carma.
Enterprise Value	the indicative Market Capitalisation of the Company based on the Offer Price, less Pro forma Net Cash as at 30 June 2025.
Escrow Arrangements	all arrangements listed in Section 9.7.
Escrow Deeds	the deeds relating to the escrow arrangements described in Section 9.7.
Escrow Period	the period during which Escrowed Shares cannot be dealt with.
Escrowed Shareholders	means the Founders, General Catalyst and Tiger Global.
Escrowed Shares	means the Shares held by Escrowed Shareholders subject to the voluntary escrow arrangements, as described in Section 9.7.
EV	electric vehicle.
Executive Director	a Director of the Company that is also a member of Management or an employee of the Company.
Existing Shareholders	those persons holding Shares on Completion, excluding any New Shareholders.
Existing Shares	the shares on issue as at the date of this Prospectus.
Expiry Date	the date 13 months after the Prospectus Date.
Exposure Period	the seven day period after the Prospectus Date, which may be extended by ASIC for up to an additional seven days, during which an Application must not be accepted.
FATA	*Foreign Acquisitions and Takeovers Act 1975* (Cth).
FATA Policy	has the meaning given in Section 9.14.2.
Financial Information	has the same meaning given in Section 4.
Financial Year or FY	year to 30 June.
FIRB	Foreign Investment Review Board.
Forecast Financial Information	has the meaning given in Section 4.
Founders	Lachlan MacGregor and Yosuke Hall.
FPO	*Financial Promotions Order 2005* (UK).
Frost & Sullivan Market Report	Independent Market Report produced by Frost & Sullivan for Carma on the Australian Market for Buying and Selling Pre-owned Cars, dated 6 August 2025.
FSMA	*Financial Services and Markets Act 2000* (UK).
FY23	the financial year ended 30 June 2023.
FY24	the financial year ended 30 June 2024.
FY25	the financial year ended 30 June 2025.
FY26	the financial year ending 30 June 2026.
FY26F	has the meaning given in Section 4.
General Catalyst	General Catalyst Group XI-Ignition, L.P.
GPU	Gross profit per Unit.
Gross Profit	revenue less cost of goods sold.
GST	Goods and Services Tax.

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Term	Description
HEV	Hybrid Electric Vehicle.
HIN	Holder Identification Number for CHESS.
Historical Financial Information	has the meaning given in Section 4.
Hudson	Hudson Global Resources (Aust) Pty Limited (ABN 21 002 888 762).
IFRS	International Financial Reporting Standards.
Indebtedness	cash and cash equivalents less drawn finance facilities and convertible notes.
Independent Limited Assurance Report(s)	Report(s) by the Investigating Accountant included in Section 8.
Institutional Investors	an investor: • in Australia who is a "professional investor" or "sophisticated investor" (within the meaning of sections 708(11) and 708(8), respectively of the Corporations Act), and are also, in each case, a "wholesale client" (as defined in section 761G of the Corporations Act); • in New Zealand who is a "wholesale investor" for the purposes of clause 3(2) of Schedule 1 of the Financial Markets Conduct Act 2013 (NZ) (FMCA); • an institutional or professional investors in Canada (Alberta, British Columbia, Ontario and Quebec provinces only), Hong Kong, Singapore, the European Union (excluding Austria) and the United Kingdom (or any other jurisdiction that Carma and SaleCo have decided to extend the Offer to in their absolute discretion), whom the provision of the information in this Prospectus is permitted by the laws of the jurisdiction in which they are situated, without the need for any registration, lodgement or approval of a formal disclosure document or any other filing or formality in accordance with the laws of that foreign jurisdiction (other than Canada, where a notice reporting any sales of securities must be filed with the relevant provincial securities regulator and any filing or formality that Carma and SaleCo are willing to comply with in their absolute discretion); and • who is not in the United States (as defined in Regulation S under the U.S. Securities Act) and who is not acting for the account or benefit of any person in the Unites States.
Institutional Offer	the invitation to Institutional Investors under this Prospectus to acquire Shares, as described in Section 7.8.
Investigating Accountant	Deloitte Corporate Finance Pty Ltd.
IRC	Inspection and Reconditioning Centre.
IPO	initial public offering.
Joint Lead Manager Group	Joint Lead Managers, along with their respective affiliates and/or related bodies.
Joint Lead Managers	Canaccord and E&P.
KMP	Key Management Personnel.
Listing	the admission of Carma to the Official List and quotation of the Shares on the ASX and commencement of unconditional trading of Shares on ASX.
LTI Plan	the Long Term Incentive Plan as described in Section 6.3.4.
Market Capitalisation	the Offer Price multiplied by the total number of Shares on issue at Completion of the Offer.
MDR Act	the Motor Dealers and Repairers Act 2013 (NSW).
New Shareholders	persons acquiring Shares under the Offer (excluding any Existing Shareholders who acquire Shares under the Offer).

Appendix A: Glossary

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Term	Description
New Shares	the new Shares to be issued by Carma under the Offer.
Non-Executive Director	a Director who is not employed in a full-time executive capacity by the Company.
Non-IFRS Financial Measures	financial measures under Regulatory Guide 230 "Disclosing non-IFRS financial information", published by ASIC.
NPAT	net profit after tax.
NRMA	National Roads and Motorists' Association Limited.
NRMA Partnership Agreement	has the meaning given in Section 9.6.3.
NVES	New Vehicle Efficiency Standard.
OEM	Original Equipment Manufacturer.
Offer	the offer under this Prospectus of New Shares for issue by Carma and the sale of Shares by SaleCo.
Offer Period	the period from the Opening Date and ending on the Closing Date.
Offer Price	the price at which Shares are offered under the Prospectus, $2.70 per share.
Offer Statistics	key statistics of the Offer, outlined in this Prospectus.
Official List	the official list of the ASX.
Official Quotation	official quotation of securities by ASX.
Opening Date	the date on which the Broker Firm Offer opens, being 17 October 2025.
Opportunity	the proposed offer of securities under the Prospectus.
Option	an option to acquire Shares under the LTI Plan or Employee Option Plan.
Pathfinder	this draft prospectus or pathfinder document.
PHEV	Plug-in Hybrid Electric Vehicle.
Priority Offer	the invitation to apply for Shares under the Offer made to investors nominated by Carma outlined in Section 7.6.
Privacy Policy	the Company's privacy policy as located on www.carma.com/privacy-policy.
Pro Forma Financial Information	has the meaning given in Section 4.
Pro Forma Forecast Cash Flows	has the meaning given in Section 4.
Pro Forma Forecast Financial Information	has the meaning given in Section 4.
Pro Forma Forecast Results	has the meaning given in Section 4.
Pro Forma Historical Cash Flows	has the meaning given in Section 4.
Pro Forma Historical Financial Information	has the meaning given in Section 4.
Pro Forma Historical Statement of Financial Position	has the meaning given in Section 4.
Pro Forma Historical Results	has the meaning given in Section 4.
Pro Forma Net Cash	is cash and cash equivalents, less borrowings (excluding lease liabilities).

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Term	Description
Prospectus	this document (including the electronic form of this prospectus) and any supplementary or replacement prospectus in relation to this document.
Prospectus Date	the date on which a copy of this Prospectus was lodged with ASIC, being 16 October 2025.
Provinces	has the meaning given in Section 9.9.7.
RBA	Reserve Bank of Australia.
Regulation S	Regulation S under the U.S. Securities Act.
Rights	the rights issued under the Rights Plan.
Rights Plan	has the meaning given in Section 6.3.5.
Rights Plan Rules	the rules governing the Carma Rights Plan, as amended from time to time.
SaleCo	Carma SaleCo Limited (ACN 691 516 211).
Sale Shares	has the meaning given in Section 7.2.
Selling Shareholders	General Catalyst and Tiger Global who have agreed to sell Sale Shares to SaleCo.
Sell-to Carma	one of Carma's vehicle sourcing channels where vehicles are sourced through inbound consumer enquiries via carma.com.au.
Sell-to Carma Centres	locations where prospective sellers can bring their vehicles to Carma to finalise inspection and sale. There are currently three Sell-to Carma centres.
Senior Management	the senior management team of Carma as set out in Section 6.2.
Settlement	means settlement in respect of the Shares the subject of the Offer, occurring under the Underwriting Agreement.
SFA	Securities and Futures Act 2001 (Singapore).
SFO	has the meaning given in Section 9.9.3.
Share	a fully paid ordinary share in the capital of Carma.
Share Registry	Automic Pty Ltd (ACN 152 260 814).
Shareholder	a holder of a Share.
Shareholder Communication Policy	the Company's shareholder communication policy.
SRN	Securityholder Reference Number.
Statutory Financial Information	has the meaning given in Section 4.
Statutory Forecast Cash Flows	has the meaning given in Section 4.
Statutory Forecast Financial Information	has the meaning given in Section 4.
Statutory Forecast Results	has the meaning given in Section 4.
Statutory Historical Cash Flows	has the meaning given in Section 4.
Statutory Historical Financial Information	has the meaning given in Section 4.
Statutory Historical Results	has the meaning given in Section 4.
Statutory Historical Statement of Financial Position	has the meaning given in Section 4.

Appendix A: Glossary

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Term	Description
STI	short term incentive.
STVR	the Company's Short Term Variable Remuneration Plan.
St Peters Lease	the lease for the inspection and reconditioning centre facility at Burrows Road, St Peters in New South Wales.
St Peters IRC Facility	has the meaning given in 9.6.3.
Substantial Interest	has the meaning given in Section 9.14.2.
Successful Applicant	an Applicant who is issued Shares under the Offer as determined by the Company and Joint Lead Managers in accordance with allocation policy described in this Prospectus.
Sydney Time	Australian Eastern Daylight Time (AEST).
Tiger Global	Internet Fund VI Pte. Ltd.
Trading Policy	the Company's trading policy.
UK	United Kingdom.
Underwriting Agreement	means the underwriting agreement dated on or around the date of the Prospectus between the Joint Lead Managers, Carma and SaleCo (and as described in Section 9.5).
United States or US	has the meaning given in Regulation S.
US Person	has the meaning given in Regulation S under the U.S. Securities Act.
U.S. Securities Act	U.S. Securities Act of 1933, as amended.
US$	US Dollars.
VROOM	Vehicle reconditioning and outbound order management.
Whistleblower Policy	the Company's whistleblower policy.

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Appendix B

Significant Accounting Policies



Appendix B: Significant Accounting Policies

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Basis of preparation

The Financial Information included in Section 4 has been prepared under the historical cost convention, except for, where applicable, financial assets and liabilities are at fair value through profit or loss.

The accounting policies are consistent with Australian Accounting Standards and IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), as appropriate for for-profit entities.

New or amended Accounting Standards and Interpretations adopted

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.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by The Group for the annual reporting period ended 30 June 2025. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations is on-going.

Principles of consolidation

The Financial Information in Section 4 incorporate the assets, liabilities, and results of Carma Limited and its wholly owned subsidiary. 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.

Reporting 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 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 information represent the results of the Group's single operating segment. Accordingly, no separate segment disclosures are presented.

Revenue recognition

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.

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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.

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 (contract liability) at the time of sale and released systematically over the term of the warranty.

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.

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.

Appendix B: Significant Accounting Policies

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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.

Cash and cash equivalents

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.

Trade and other receivables

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.

Inventories

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.

Determining the net realisable value of inventory requires judgement. Management assesses whether any write-down is necessary based on current and expected market conditions. Where the estimated net realisable value is lower than the carrying value, inventory is written down to that lower amount.

Right-of-use assets

At the commencement of a lease, the Group recognises a right-of-use (ROU) asset and a corresponding lease liability. 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. ROU assets are subject to impairment 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.

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Property, plant and equipment

Property, plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses. 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.

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.

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.

Intangible assets

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.

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.

Impairment of non-financial assets

Non-financial assets are 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.

Financial assets

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.

Appendix B: Significant Accounting Policies

CONTINUED

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Lease liabilities

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.

Trade and other payables

Trade and other payables represent obligations for goods and services received prior to the end of the reporting period than 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.

Borrowings

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.

The Group utilises a Bailment Finance Facility to fund vehicle inventory. 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 occur on an individual vehicle basis and typically draw down occurs post-purchase by The Group and repayment is completed immediately before or post sale.

Convertible notes

Convertible notes are accounted for as a hybrid financial instrument, 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 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.

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, is allocated to the host liability and recognised at fair value.

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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.

The embedded derivative is classified as Level 3 in the fair value hierarchy as the valuation relies on significant unobservable inputs. Key assumptions include the valuation, discount rate, 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.

Provisions

Employee benefit provision

Provisions for employee benefits are recognised 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 provision

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.

Issued share capital

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.

Share-based payments

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 share-based payment 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 share-based payment expense from the cancellation date, and reverses any cumulative expense previously recognised for those options.

Appendix B: Significant Accounting Policies

CONTINUED

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Critical accounting judgements, estimates and assumptions

Inventories – Net realisable value

Determining the net realisable value of inventory requires judgement. Management assesses whether any write-downs are 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.

Lease liabilities – 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.

Intangible assets – internally generated

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

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. Expenditure on research activities is expensed as incurred.

Share-based payments

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.

Corporate Directory

Company's Registered Office

Carma Limited
Suite 5.03
219–241 Cleveland Street
Strawberry Hills, NSW 2012

Carma SaleCo Limited
Suite 5.03
219–241 Cleveland Street
Strawberry Hills, NSW 2012

Joint Lead Managers

Canaccord Genuity
Level 62
25 Martin Pl
Sydney NSW 2000

E&P Capital Pty Ltd
Level 32
1 O'Connell Street
Sydney NSW 2000

Auditor

Deloitte Touche Tohmatsu
Quay Quarter Tower
Level 46
50 Bridge Street
Sydney NSW 2000

Australian Tax Adviser

Deloitte Tax Services Pty Limited
Quay Quarter Tower
Level 46
50 Bridge Street
Sydney NSW 2000

Share Registry

Automic Pty Limited
Level 5
126 Phillip Street
Sydney NSW 2000

Australian Legal Adviser

King & Wood Mallesons
Governor Phillip Tower
Level 61
1 Farrer Pl
Sydney NSW 2000

Investigating Accountant

Deloitte Corporate Finance Pty Limited
Quay Quarter Tower
Level 46
50 Bridge Street
Sydney NSW 2000

Company and Offer Websites

carma.com.au
ipo.carma.com.au

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PRIORITY OFFER APPLICATION FORM

Carma Limited | ACN 648 091 418

Apply Online and Pay Electronically

Apply online:

- ✓ **Pay electronically:** Applying online allows you to pay electronically, via **BPAY®** or Electronic Funds Transfer (EFT).
- ✓ **Get in first, it's fast and simple:** Applying online is very easy to do, it eliminates any postal delays and removes the risk of it being potentially lost in transit.
- ✓ **It's secure and confirmed:** Applying online provides you with greater privacy over your instructions and is the only method which provides you with confirmation that your application has been successfully processed.

To apply online, follow the instructions provided in your invitation email.

INSTRUCTIONS FOR COMPLETING AN APPLICATION

This is an Application Form for fully paid ordinary shares (**New Shares**) in Carma Limited ACN 648 091 418 (**Carma** or the **Company**) made under the Priority Offer terms set out in the Prospectus dated 16 October 2025 (**Prospectus**). **YOU SHOULD READ THE PROSPECTUS PRIOR TO COMPLETING AN APPLICATION.**

The Priority Offer is open to to selected investors nominated by the Company in eligible jurisdictions, who have received a Priority Offer invitation to acquire Shares under the Prospectus. The Priority Offer is not open to persons in the United States.

Capitalised terms not otherwise defined in this document has the meaning given to them in the Prospectus. The Prospectus contains important information relevant to your decision to invest and you should read the entire Prospectus before applying for New Shares. If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. To meet the requirements of the Corporations Act, this Application Form must not be distributed unless included in, or accompanied by, the Prospectus and any supplementary Prospectus (if applicable). While the Prospectus is current, the Company will send paper copies of the Prospectus, and any supplementary Prospectus (if applicable) and an Application Form, on request and without charge.

1. **New Shares Applied For & Payment Amount** – Applications for New Shares must be for a minimum of $2,000 worth of New Shares and payment for the New Shares must be made in full at the Offer Price of $2.70 per New Share.
2. **Applicant Name(s) and Postal Address** – Please make your application in accordance with the instructions provided on your invitation email.
3. **Contact Details** – You can change your communication preferences at any time by logging in to the Investor Portal accessible at https://investor.automic.com.au/-/home
4. **TFN/ABN/Exemption** – If you wish to have your Tax File Number, ABN or Exemption registered against your holding, please enter the details. Collection of TFN's is authorised by taxation laws but quotation is not compulsory and it will not affect your Application.
5. **Payment** – Payment can only be made by BPAY® or EFT. Applicants should complete the online Application, which can be accessed by following the instructions provided on their personalised invitation. Please ensure that payments are received by 5:00pm (Sydney time) on the Closing Date. Do not forward cash with this Application Form as it will not be accepted.

DECLARATIONS

BY SUBMITTING AN APPLICATION WITH THE APPLICATION MONIES, I/WE DECLARE THAT I/WE:

- Have received a copy of the Prospectus, either in printed or electronic form and have read the Prospectus in full;
- Have completed this Application Form in accordance with the instructions on the form and in the Prospectus;
- Declare that the Application Form and all details and statements made by me/us are complete and accurate;
- I/we agree to provide further information or personal details, including information related to tax-related requirements, and acknowledge that processing of my application may be delayed, or my application may be rejected if such required information has not been provided;
- Agree and consent to the Company collecting, holding, using and disclosing my/our personal information in accordance with the Prospectus;
- Where I/we have been provided information about another individual, warrant that I/we have obtained that individual's consent to the transfer of their information to the Company;
- Acknowledge that once the Company accepts my/our Application Form, I/we may not withdraw it;
- Apply for the number of New Shares that I/we apply for (or a lower number allocated in a manner allowed under the Prospectus);
- Acknowledge that my/our Application may be rejected by the Company in its absolute discretion;
- Authorise the Company and their agents to do anything on my/our behalf necessary (including the completion and execution of documents) to enable the New Shares to be allocated;
- Am/are over 18 years of age;
- Agree to be bound by the constitution of the Company; and
- Acknowledge that neither the Company nor any person or entity guarantees any particular rate of return of the New Shares, nor do they guarantee the repayment of capital.

LODGEMENT INSTRUCTIONS

The Priority Offer opens on 17 October 2025 and is expected to close on 24 October 2025. The Directors reserve the right to close the Priority Offer at any time once sufficient funds are received or to extend the Offer period. Applicants are therefore encouraged to submit their Applications as early as possible. Applications and payments must be submitted no later that 24 October 2025 per the instructions contained on your personalised invitation.

ASSISTANCE

Need help with your application, no problem. Please contact Automic on:

OFFER INFORMATION LINE:
1300 408 784 within Australia
+61 2 8072 1489 from outside Australia

EMAIL:
corporate.actions@automic.com.au

YOUR PRIVACY

Automic Pty Ltd (ACN 152 260 814) trading as Automic Group advises that Chapter 2C of the Corporation Act 2001 requires information about you as a securityholder (including your name, address and details of the Shares you hold) to be included in the public register of the entity in which you hold Shares. Primarily, your personal information is used in order to provide a service to you. We may also disclose the information that is related to the primary purpose and it is reasonable for you to expect the information to be disclosed. You have a right to access your personal information, subject to certain exceptions allowed by law and we ask that you provide your request for access in writing (for security reasons). Our privacy policy is available on our website – www.automic.com.au

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