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

ASX Announcement
29 October 2026

Quarterly Activity Report and Appendix 4C

Carma delivers its strongest quarter with record revenue and gross profit

Carma Limited (ASX: CMA) ("Carma" or "the Company") is pleased to provide its Quarterly Activity Report and Appendix 4C for the quarter ended 30 September 2026 (Q1 FY2027).

Key highlights:

- Record 2,100 total units sold, up 105% on prior corresponding period ("pcp"), including a record 1,354 retail units sold (+114% on pcp and +35% on Q4 FY2026) and 746 wholesale units sold (+90% on pcp)
- Record total revenue of $44.3m, up 88% on pcp, with a retail average selling price of $27,600 (-11% on pcp) due to mix shifting to older cars through Sell-to Carma
- Record gross profit of $3.5m, up 57% on pcp
- Retail and other gross profit per retail unit of $2,900, in line with pcp. Total gross profit per retail unit of $2,500 (-27% on pcp), due to lower wholesale gross profit and higher vehicle write-downs
- Retail vehicles sold within 30 days of listing online generated record retail gross profit per unit of $3,300, up 10% on pcp
- Wholesale gross profit recovered from the short-term impacts of the conflict in Iran, returning to pre-conflict levels by the end of Q1 FY2027
- Online Inventory Days improved to 45, from 52 in Q4 FY2026
- Record 1,443 retail units reconditioned, up 100% on pcp, at an average of 21.9 units per shift
- Total vehicles purchased of 2,121 for the quarter, up 86% on pcp
- Net cash used in operating activities of $10.2m, or $7.2m excluding the $1.4m increase in vehicle inventory and $1.7m of payroll and superannuation timing differences

Carma Co-founder and CEO, Lachlan MacGregor said:

"This was Carma's strongest quarter yet. Retail sales reached a record 1,354 units, up 35% on the June quarter and more than double the same quarter last year. That drove record revenue of $44.3m and record gross profit of $3.5m. It's a great result from the whole Carma team.

Wholesale conditions were tough at the start of the quarter, which held back our vehicle purchasing and impacted wholesale margins. Conditions improved as the quarter progressed, and Carma exited the quarter with wholesale gross profit back at levels seen before the market impact in Q4 FY2026.

Our Apollo program of operational improvements is designed to deliver a step change in unit economics, and the early work is encouraging. The move off our core technology platforms onto Carma's own stack is progressing quickly. Building these systems with an AI-first approach allows Carma to use AI to scale efficiently, while reducing our reliance on, and cost of, third-party systems. These systems are already doing real work in the business by automating tasks previously handled manually. During the quarter we switched on AI voice calls to Sell-to Carma sellers and built new AI tools that help our team keep delivering great customer experiences as we grow. We're well placed for the rest of FY2027."

Q1 FY2027 Commentary

Sell-to Carma and trade-in purchases more than double
Total vehicles purchased in the quarter were 2,121 units, up 86% on pcp. Sell-to Carma and trade-ins remain the dominant source of vehicle acquisitions, accounting for 93% of total purchases in the quarter (1,965 vehicles, up 115% on pcp). The Sell-to Carma network of nine centres, together with operational improvements and AI tools introduced in the quarter, supported record purchases of 1,432 retail vehicles. This network has capacity to support further growth in purchases.

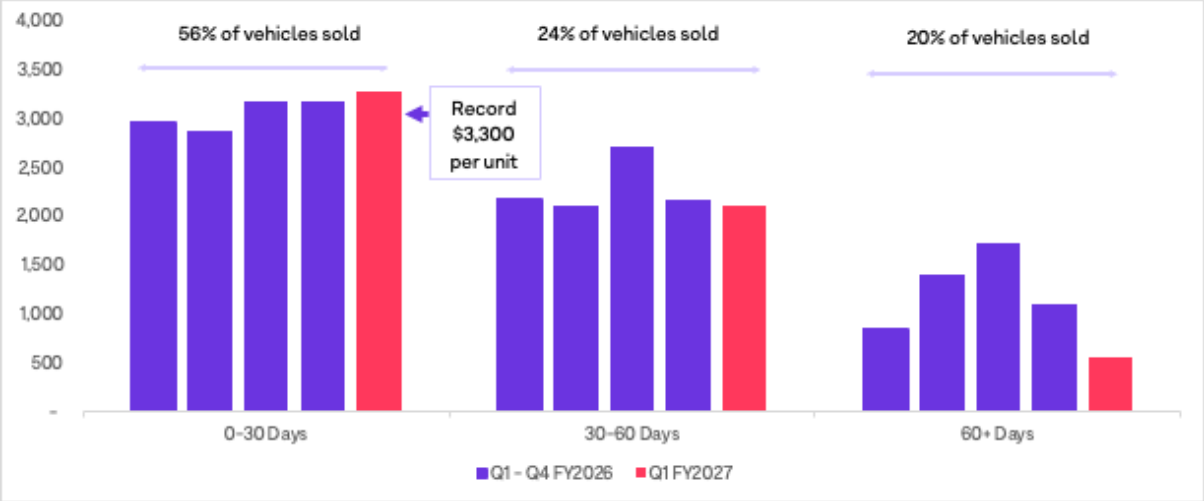
Reconditioning throughput reaches new highs
Retail units reconditioned reached a record 1,443 for the quarter, up 100% on pcp. Average retail units reconditioned per shift increased to 21.9 for the quarter, up 100% on pcp. Reconditioning output was impacted in August and early September by an internal system issue. The issue was resolved, monitoring controls have been strengthened and the system is being migrated to Carma's proprietary stack as part of the Apollo project. Units reconditioned per shift exited the quarter above the quarterly average.

Record gross profit, with core retail margins holding
Total gross profit was a record $3.5m, up 57% on pcp, driven by growth in retail units sold. Retail and other gross profit per retail unit was $2,900, in line with pcp. Total gross profit per retail unit was $2,500, down 27% on pcp. The movement in gross profit per unit reflects lower wholesale gross profit and higher vehicle write-downs, from softer market conditions in Q4 FY2026 and early Q1 FY2027.

Pleasingly, there has been a stabilisation of used car prices in the quarter following the negative market conditions in Q4 FY2026. This has resulted in improved margins as the quarter progressed. Online Inventory Days improved to 45, down 7 days on Q4 FY2026, as stock turned faster.

Vehicles purchased and sold in the same market, reflected by vehicles sold within 30 days of listing, generated a record gross profit per retail unit of approximately $3,300. Vehicles listed and sold between 30 and 60 days delivered strong gross profit per unit of approximately $2,100. Disciplined pricing and lead optimisation meant 96% of vehicles were sold within 120 days of listing.

Quarterly retail gross profit cohort analysis – per unit by days online. Excluding wholesale and other gross profit:



Wholesale margins recover

Wholesale auction channels improved through the quarter, and exited with gross profit per unit at levels achieved prior to Q4 FY2026, following a loss in Q4 FY2026. Given the challenging market conditions in Q4 FY2026 and early Q1 FY2027, and with the recovery in margins emerging late in the quarter, a measured approach was taken to wholesale purchases.

Cash and cash flow updates

At quarter end $13.1m was held in cash and funds on deposit, with a further $16.0m of unused finance facilities available[1], representing $29.1m in available funding.

The value of vehicle inventory increased by $0.8m to $33.0m at 30 September 2026. The Company drew down $10.0m of the bailment finance facility during the quarter, resulting in a total drawn balance of $10.4m as at 30 September 2026.

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

Description	Q4 FY2026 ($m)	Q1 FY2027 ($m)	Change ($m)
Cash and funds on deposit	16.0	13.1	(2.9)
Unused finance facilities available	25.3	16.0	(9.3)
Total available funding	**41.3**	**29.1**	**(12.2)**
Vehicle inventory	32.1	33.0	0.8
Total available funding and vehicle inventory	**73.5**	**62.1**	**(11.4)**

Net cash used in operating activities for the quarter was $10.2m. Excluding the $1.4m in cash outflow associated with the increase in vehicle inventory and the $1.7m in cash outflow relating to an

additional fortnightly pay run during the quarter and the impact of superannuation legislation changes effective 1 July 2026[3], the operating cash outflow for the quarter was $7.2m.

Use of Funds

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

Use of funds	Funds received per prospectus ($m)	Expenditure since IPO ($m)	Status
Payment of proceeds by SaleCo to Selling Shareholders	28	28	Paid in full
Offer costs attributable to Selling Shareholders	2	2	Paid in full
Total SaleCo uses	**30**	**30**	
Brand and marketing	12	7	On track
Property, plant and equipment and software development	4	4	On track
Fund operating cash flows	13	12	Above
Public company costs	3	2	On track
Working capital	32	32	On track
Offer costs	6	6	Paid in full
Total Company uses	**70**	**63**	
Total uses	**100**	**93**	

Expenditure on 'Fund operating cash flows' is tracking above the amount set out in section 7.1.3 of the Prospectus dated 16 October 2025. This reflects lower gross profit per unit given the challenging market conditions, as discussed above.

In accordance with ASX Listing Rule 4.7C.3, related party payments in Q1 FY2027 totalled $432k, comprising payments to non-executive and executive directors for Directors' fees, salaries, post-employment benefits and expense reimbursements.

All numbers are unaudited.

[1] *Refer to item 7.6 of Appendix 4C for further detail.*
[2] *Numbers presented may not add due to rounding. Percentages are calculated on unrounded numbers.*
[3] *Refer to item 8.6.1 of Appendix 4C for further detail.*

This announcement has been authorised by the Board of Directors.

For all investor enquiries:
Lachlan MacGregor, CEO
(02) 8319 3210
ir@carma.com.au

For all media enquiries:
Sling & Stone
(02) 8073 5390
carma@slingstone.com

About Carma Limited

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

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

Appendix 4C

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

Name of entity	
Carma Limited	
ABN	**Quarter ended ("current quarter")**
20 648 091 418	30 September 2026

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	46,656	46,656
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(42,827)	(42,827)
	(c) advertising and marketing	(2,568)	(2,568)
	(d) leased assets	-	-
	(e) staff costs	(6,505)	(6,505)
	(f) administration and corporate costs	(3,693)	(3,693)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	123	123
1.5	Interest and other costs of finance paid	(27)	(27)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other		
	(a) increase in vehicle inventory	(1,362)	(1,362)
1.9	**Net cash from / (used in) operating activities**	**(10,203)**	**(10,203)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(574)	(574)
	(d) investments	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
	(e) intellectual property	(641)	(641)
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	25	25
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other – term deposits	(674)	(674)
2.6	**Net cash from / (used in) investing activities**	**(1,864)**	**(1,864)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	10,443	10,443
3.6	Repayment of borrowings	(460)	(460)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – Lease liabilities	(827)	(827)
3.10	**Net cash from / (used in) financing activities**	**9,156**	**9,156**

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	16,044	16,044
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(10,203)	(10,203)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,864)	(1,864)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	9,156	9,156
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**13,133**	**13,133**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	13,133	16,044
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**13,133**	**16,044**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	432
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	30,000	10,392
7.2	Credit standby arrangements	-	-
7.3	Other – term deposits guarantee facility	-	-
7.4	**Total financing facilities**	30,000	10,392

7.5	**Unused financing facilities available at quarter end**	15,973

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

Bailment finance facility

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

Carma's bailment finance facility is provided by Volkswagen Financial Services, who retains legal ownership of the vehicle during the period of bailment. Legal ownership passes to Carma immediately prior to delivery to a customer. Draw down and repayment of the bailment finance facility occurs on an individual vehicle basis and drawdown typically occurs post-purchase by Carma. Repayment is completed immediately before or post sale.

The bailment finance facility is provided on a secured basis, which includes security over all assets of Carma and is subject to bi-annual renewal.

Interest is charged under the bailment finance facility at a margin above the 90-day Bank Bill Swap rate.

The bailment finance facility is provided at a weighted average interest rate of 8.19% p.a. applicable as at 30 September 2026.

The bailment finance facility has a total limit of $30.0m, with $10.4m drawn at quarter end. The amount that can be drawn at any point is limited to the vehicle inventory on hand at an 80% Loan-to-Value Ratio ("LVR"). Based on vehicle inventory at quarter end, the undrawn capacity was $16.0m.

8.	Estimated cash available for future operating activities	$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(10,203)
8.2	Cash and cash equivalents at quarter end (item 4.6)	13,133
8.3	Unused finance facilities available at quarter end (item 7.5)	15,973
8.4	Total available funding (item 8.2 + item 8.3)	29,106
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	2.9

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

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

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

Answer:

Net cash used in operating activities for the quarter was temporarily elevated by $1.7m due to timing differences associated with payroll and superannuation payments. This reflected an additional fortnightly pay run during the quarter, and the impact of superannuation legislation changes effective 1 July 2026, which resulted in additional superannuation payments during the quarter.

In addition, net cash used in operating activities included $1.4m disclosed in item 1.8(a), reflecting the cash outflow associated with the increase in vehicle inventory during the quarter.

Excluding these items, net operating cash outflow for the quarter would have been approximately $7.2m, compared to the reported $10.2m. On this basis, estimated quarters of funding available would increase by 1.2 quarters, from 2.9 quarters to 4.1 quarters.

If the Company had chosen to finance the increase in inventory through the bailment facility (at 80% LVR), the net cash outflow from the increase in vehicle inventory would have reduced to $0.3m, with the $1.1m facility drawdown reflected in financing activities. On this basis, and excluding the payroll and superannuation timing differences of $1.7m, the estimated quarters of funding available would increase by 1.0 quarter, from 2.9 quarters to 3.9 quarters.

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

Answer: N/A

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

Answer: N/A

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

Compliance statement

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

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

Date: 29 October 2026

Authorised by: The Board of Directors of Carma Limited