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## AGM CHAIRMAN'S ADDRESS

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Collaborate Corporation Limited (ASX:CL8) is pleased to present a copy of the Chairman's Address to be made at the Annual General Meeting to be held in Sydney commencing at 3:00 pm AEDT today.

**Authorised by:**

**Chris Noone**  
CEO and Director  
Collaborate Corporation Limited

**For more information please contact:**

Chris Noone  
CEO and Director  
Collaborate Corporation Limited  
E: [shareholder@collaboratecorp.com](mailto:shareholder@collaboratecorp.com)

Jane Morey  
Morey Media  
E: [jane@moreymedia.com.au](mailto:jane@moreymedia.com.au)  
M: 0416 097 678

**About Collaborate Corporation Limited**

Collaborate Corporation Limited is listed on the Australian Securities Exchange (ASX:CL8). It is Australia's leading listed company focused on providing innovative mobility solutions for consumers and the automotive industry. Collaborate operates [www.DriveMyCar.com.au](http://www.DriveMyCar.com.au) Australia's leading peer-to-peer car rental business, and [www.Carly.co](http://www.Carly.co), Australia's first flexible car subscription service, supported by our proprietary PeerPass trust and reputation platform.

## **CL8 Chairman's AGM Address**

The 2020 year has been a significant one for Collaborate and our employees, customers and shareholders, which we would not have envisaged at the time of last year's AGM. At the time of the 2019 AGM, **Carly** had just passed a subscription value of \$50,000 per month, was growing on a monthly basis, and we were seeing the early signs of increasing interest in, and acceptance of, the subscription model by manufacturers, dealers and consumers.

During March 2020, COVID-19 changed everything for the entire world, and for us as a business. Any existing plans and strategies required a significant change. Our first response was to ensure that our teams in Sydney and Manila were safe and could continue to operate and support our customers. We quickly moved to a remote work environment and also ensured that we had appropriate health and safety protocols in place to ensure all parties were safe in any interactions and vehicle handovers. The entire team including directors agreed to voluntary reductions in salaries, whilst still supporting the business with a huge amount of effort and dedication. During this time we also had a number of new staff join the business. They came with significant experience and are passionate about the **Carly** business and what is being built. They have quickly settled in and are contributing greatly to the team and culture. I am amazed and thankful for the hard work and support shown by all staff to the business. On behalf of the board and shareholders, I would like to say thank you to them all.

Whilst COVID-19 has had significant negative impacts for many people and businesses, it has also highlighted the importance of the flexibility of the car subscription offering provided by **Carly**. We saw an initial reduction in subscriptions in April 2020 as some subscribers returned vehicles due to the change in their personal circumstances. This flexibility is exactly how a **Carly** car subscription is supposed to work. However, we then quickly saw re-subscriptions and new subscriptions commence, taking advantage of the flexibility provided which enabled people to get access to a vehicle that met their immediate needs without locking them into a long term commitment.

The Australian car subscription market is still very embryonic. **Carly** is one of the creators and leaders of this new category. **Carly** has shown its leadership by delivering a number of industry firsts. We were the first to provide a vehicle subscription proposition supported by a manufacturer for their dealer network (Hyundai), and the first to develop an integrated offering, enabling motor vehicle dealers to offer a car subscription on their own website (iMotor). **Carly** undertook the first independent Australian market research focused on Australian consumers and their attitudes and intentions regarding car subscription. **Carly** led the way and is the only provider who has sought and obtained clear guidance from the Australian Tax Office by obtaining a Product Ruling covering a **Carly** car subscription - providing certainty for consumers and businesses.

**Carly** is seen by the motor vehicle industry, manufacturers, dealers and other participants as the leader in car subscription. It is why we have received significant investment and support from Turners Automotive Group (**Turners**), the largest seller of vehicles in New Zealand, and **SG Fleet**, one of the largest fleet leasing companies in Australia. In late September we saw Turners successfully launch Turners Subscription in New Zealand, for which **Carly** provides the technology platform and ongoing operational support.

2020 is the year when **Carly** transitioned from being a good idea that was starting to get initial traction into a substantial contributor of revenue for the group, and the clear driver of the future of the group. But we are only just scratching the surface of the opportunity.

In October 2019, **Carly** car subscriptions represented approximately \$50,000 in monthly subscription value. This has grown to \$150,000 in monthly subscription value in October 2020. It will continue to grow as car subscriptions become more important in a car market that currently generates over \$55 billion in vehicle sales each year. For this reason, we are proposing to change the name change of the company to **Carly Holdings Limited**, to better align our group identity with that of the business offering.

Despite the substantial increase in subscriptions over the last 12 months, it is safe to say that it has been below our expectations. This has been predominantly due to the fundamental change in the motor vehicle industry due to COVID-19 which has severely impacted the vehicle supply chain. The significant reduction in availability of new vehicles has resulted in a substantial increase in used car values, which in turn has substantially reduced the available supply of vehicles for subscription. This reduced vehicle supply has impacted our ability to grow even faster. Addressing these supply constraints, and consequently our supply model, are, and will continue to be, the key focus of the business.

One of the benefits of SG Fleet and Turners as strategic investors is that they have significant experience and expertise in the vehicle industry. We are working closely with them and other parties to help address these supply constraints including exploring a number of new and innovative opportunities. We look forward to being able to provide further updates on these in due course. Once we have secured further supply, we will embark upon increased marketing to deliver those vehicles to consumers that we know are strongly interested in taking up a **Carly** car subscription.

I would like to thank all shareholders for their past and ongoing support for Collaborate – those who have been supporters over a longer timeframe, as well as those who have become shareholders more recently. Following the name change to **Carly Holdings Limited** we will embark on further investor education and awareness building on the opportunity presented by car subscription, and the leading role that **Carly** is playing in the sector.

Finally, I would like to reiterate my earlier comments and say thank you to Chris Noone and the entire Collaborate team. It has been a difficult year, and I've seen the huge amount of hard work and effort that has been put into the business day in and day out. We have a stronger team and stronger business than this time last year. The economic conditions are more supportive of the value proposition provided by car subscription. As a team, you have built **Carly** into the industry leader that it is today. That work will get recognised as the business continues to develop and grow. I look forward to being able to see a substantially larger business in the coming year.

I will now hand over to Chris to give a short presentation before moving to the formalities of the meeting.