
COLLABORATE TO LAUNCH CARLY - VEHICLE SUBSCRIPTION SERVICE

- + Carly will be Australia's first truly flexible and comprehensive car subscription.
- + Customer acquisition campaign commences today with launch of vehicle subscriptions in March 2019.
- + Carly will draw upon the fleet of vehicles provided by automotive manufacturers, leasing companies and automotive dealers to the DriveMyCar marketplace.
- + Carly removes the long term financial commitment required to buy or finance a vehicle - eliminating the need to lock into long-term debt.

Collaborate Corporation Limited (ASX:CL8) (**Collaborate** or the **Company**) is pleased to announce that it has today commenced the consumer pre-launch campaign for Australia's first truly flexible and comprehensive car subscription product, Carly.

Carly (www.carly.co) is an alternative to buying, leasing or borrowing money to buy a car and will offer access to a range of new and used vehicles including insurance, registration and maintenance packaged into a single monthly payment with no long term commitments. Subscribers will be able to start and stop their subscription and 'switch' cars as their needs change. This could be a short term switch to a vehicle more suitable for a holiday, a longer term switch to cater for increasing family size, or pausing a subscription due to an extended holiday. Carly can deliver the car to the subscriber's address at the commencement of the subscription and whenever the car is switched.

Carly will provide the flexibility that many drivers and especially younger generations are now seeking by removing the long term financial commitment required to buy or finance a vehicle - eliminating the need to lock into long-term debt.

- Research indicates that younger generations have a higher propensity to consider subscribing to vehicles as they value the flexibility of access to a vehicle over the long term commitment required by ownership or financing.
- 'A recent J.D. Power and Acxiom joint study asked customers if they would consider an "all-in-one" monthly subscription payment, and 59 percent said they "definitely would" or "probably would." Of that group, roughly 78 percent were in Generation Z, born in 1995 or later' (AutoWeek 9 April 2018).
- A UK-wide study conducted by YouGov and Zuora in September 2018 found that 24% of Brits are ready to consider using a subscription to a car service within the next year.

- The increasing interest in subscription services can be attributed to an increase in the number of businesses across a wide range of industries offering recurring subscription services.
- Overall new-vehicle sales across Australia declined 14.9 per cent in December 2018 versus December 2017 (VFACTS December 2018) indicating that Australians are re-considering the long term financial commitment involved in the outright purchase of a vehicle.

The potential market size for the Carly subscription offering is exceptionally large. Over 870,000 new passenger and SUV vehicles were sold in 2018 and were worth approximately \$30 Billion. There is also additional substantial market size potential in the used car market. Whilst the transition of consumers moving from buying vehicles to utilising vehicle subscription services is expected to take time, an initial small take up of 0.5% per annum would represent approximately \$150 million of vehicles per annum in the subscription space and would represent approximately 5,000 customers. An increase to 5% per annum would represent approximately \$1.5 Billion per annum of vehicles and would require less than 50,000 customers.

A range of automotive subscription products have already been launched in overseas markets, with a number of companies gaining traction in their respective markets supported by automotive manufacturers and venture capitalists.

Chris Noone, Collaborate CEO said "We are excited to launch Carly at a time when consumer interest in subscription services is surging and people are re-evaluating the merits of making a long term vehicle purchase commitment. Our view of the strong potential of car subscription is supported by the large number of vehicle manufacturers and startups launching services in USA and recent large investment by Softbank in the sector".

Paul Morris, Collaborate Strategic Advisor (and former COO of Automotive Holdings Group - Australia's largest automotive retailer) said 'Carly is right product at the right time, providing flexible access to cars for drivers and a new revenue stream for dealers and manufacturers.'

The announcement of the Carly subscription service is consistent with Collaborate's focus on facilitating the shift from ownership to access within the mobility industry in Australia. The Company has completed an intensive strategic marketing process to develop the value proposition, which included audience engagement in defining the Carly business model and brand.

Carly will draw upon the fleet of vehicles provided by automotive manufacturers, leasing companies and automotive dealers to the DriveMyCar marketplace. DriveMyCar has previously announced supply agreements with Subaru, Peugeot, Interleasing, Orix, Custom Fleet and a range of automotive dealers including Cricks Tweed. Carly represents a complementary demand channel to DriveMyCar which will continue to focus on vehicle rental propositions in the private, corporate, rideshare and accident replacement markets. The Carly service leverages the existing systems and processes of DriveMyCar and has been developed within the existing resources of the Collaborate group.

From today, consumers are able to register their interest and receive a \$200 upgrade to be used towards their first vehicle subscription when Carly commences vehicle subscriptions in March 2019.

Authorised by:

Chris Noone
CEO and Director
Collaborate Corporation Limited

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 'collaborative consumption', 'peer-to-peer' or 'sharing economy' business model with a strong focus on mobility solutions. Collaborate's core business is www.DriveMyCar.com.au Australia's leading peer-to-peer car rental business, complemented by www.Carly.co, Australia's first truly flexible car subscription offering to be launched in March 2019. Other businesses include www.MyCaravan.com.au a leading peer-to-peer caravan rental business; and www.Mobilise.com a rental marketplace for under-utilised assets. Through our proprietary trust and reputation platform, www.peerpass.com.au we create 'trust' between individuals and make it possible for people and companies to safely transact with each other in the sharing economy.