

24 July 2019

Dear Shareholder

NON-RENOUNCEABLE ENTITLEMENT ISSUE

Collaborate Corporation Limited (ACN 066 153 982) (the **Company** or **Collaborate**) is undertaking a non-renounceable entitlement issue to shareholders of up to 206,135,826 new fully paid ordinary shares (**New Share**) at an issue price of \$0.01 each, together with free attaching options on a 2-for-3 basis, with an exercise price of \$0.015 per option and expiry date of 18 December 2020 (**New Option**) to raise up to approximately \$2,061,358, before costs (**Entitlement Issue** or **Offer**). The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC and ASX on 22 July 2019.

The Offer is underwritten up to a total of \$1.255 million by existing shareholders of the Company. Willoughby Capital Pty Ltd (ACN 634 251 291) as trustee for the Willoughby Capital Trust (**Willoughby**), the Company's largest shareholder and a related party of director Stephen Abolakian, will underwrite up to \$1.15 million. Reefpeak Pty Ltd (ACN 098 320 088) (**Reefpeak**) will underwrite up to \$75,000 and Mr Adrian Bunter (a director of Collaborate) and Ms Karen Logan (an officer of Collaborate) will underwrite up to \$20,000 and \$10,000 respectively. No fees will be payable to Willoughby, Mr Bunter or Ms Logan for their commitment pursuant to the underwriting. The Company must pay Reefpeak an underwriting fee of 3% of any amount underwritten by Reefpeak in accordance with the terms of the underwriting agreement.

The funds raised from the Offer are currently intended to be used to provide funding for customer acquisition, sales and marketing activities and marketplace growth and for working capital and general corporate purposes. Additionally, the proceeds will be used to cover costs of the Entitlement Issue.

The Entitlement Issue will be offered to shareholders registered at the Record Date (as defined below) with a registered address in Australia and New Zealand (**Eligible Shareholders**) on the basis of one (1) New Share for every four (4) Shares held (together with 2 (two) free attaching New Options for every 3 (three) New Shares subscribed for and issued).

New Shares will rank equally with all fully paid ordinary shares in the capital of the Company already on issue. All Shares issued on conversion of the New Options will rank equally with the Shares on issue at the date of the Prospectus.

Following completion of the Offer and assuming full subscription, the Company will have issued approximately 206,135,826 New Shares and 137,423,884 New Options resulting in total Shares on issue of approximately 1,030,679,129 and total options on issue of approximately 180,466,628.

In calculating entitlements under the Entitlement Issue fractions will be rounded down to the nearest whole number.

Actions required of Eligible Shareholders

There are a number of actions Eligible Shareholders may take:

- You may wish to accept all of your rights to subscribe for New Shares and New Options (**Securities**) pursuant to the Prospectus (**Entitlement**). To take up all of your Entitlement you will need to ensure your application money for the Entitlement you wish to take up is received by Automic (**Share Registry**) by no later than 5:00pm (AWST) on 20 August 2019, by completing and returning your Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency to "Collaborate Corporation Limited", for the amount indicated on the Entitlement and Acceptance Form OR making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form (at \$0.01 per New Share).

- You may take up all of your Entitlements and apply for Securities under the Shortfall Offer. To take up your Entitlement and apply for Securities under the Shortfall Offer you will need to ensure your application money for your Entitlement and the Securities you wish to apply for under the Shortfall Offer is received by the Share Registry by no later than 5:00pm (AWST) on 20 August 2019, by completing and returning your Entitlement and Acceptance Form (including the Shares under the Shortfall Offer that you wish to apply for) together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form plus the amount being applied for under the Shortfall Offer OR making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form (at \$0.01 per New Share).
- You may wish to accept part of your Entitlement. To take up part of your Entitlement you will need to ensure your application money for the Entitlement you wish to take up is received by the Share Registry by no later than 5:00pm (AWST) on 20 August 2019, by completing and returning your Entitlement and Acceptance Form by filling in the number of Securities you wish to accept in the space provided on the Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency to "Collaborate Corporation Limited", for the appropriate application monies OR making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form (at \$0.01 per New Share).
- You may do nothing. If you choose to do nothing with your Entitlement, while you will continue to hold the same number of Shares, your interest in the Company will be diluted and you will receive no value for your Entitlement.

Key dates for the Offer*

| Event | Proposed Date |
|---|----------------|
| Lodgement of Prospectus with the ASIC | 22 July 2019 |
| Lodgement of Prospectus and Appendix 3B with ASX | 22 July 2019 |
| Notice sent to Option holders | 22 July 2019 |
| Notice sent to Shareholders | 24 July 2019 |
| Ex date | 25 July 2019 |
| Record Date for determining Entitlements | 26 July 2019 |
| Prospectus sent out to Shareholders and Company announces this has been completed | 30 July 2019 |
| Closing Date* | 20 August 2019 |
| Shares quoted on a deferred settlement basis | 21 August 2019 |
| ASX notified of under subscriptions | 22 August 2019 |
| Issue date/Securities entered into Shareholders' security holdings | 27 August 2019 |

*All dates, other than the date of lodgement of the Prospectus with ASIC, are indicative only. The Company reserves the right to amend any of the important dates without prior notice but subject to the Corporations Act and the ASX Listing Rules.

If you require further information, please contact the Company Secretary via email at shareholder@collaboratecorp.com.

Yours faithfully

COLLABORATE CORPORATION LIMITED



Chris Noone
CEO and Executive Director