
\$2.2M STRATEGIC INVESTMENT FROM SG FLEET AND SUPPLY OF VEHICLES

- + Placement to strategic investor, SG Fleet, to raise a total of \$2.2 million, at an average price of \$0.014 per share.
- + SG Fleet has agreed to provide vehicles to support growth of the Carly vehicle subscription business enabling the generation of significant additional subscription revenues.
- + Carly and SG Fleet to work together to grow consumer and business demand channels.
- + SG Fleet CEO Robbie Blau to join the Collaborate Board of Directors

Collaborate Corporation Limited (ASX:CL8) (**Collaborate** or the **Company**) is pleased to announce that it has raised \$1.74 million through a placement to a strategic investor, SG Fleet Management Pty Limited, a subsidiary of SG Fleet Group Limited (ASX:SGF) (**SG Fleet**) (**Placement**), with a further \$0.46 million to be invested upon conversion of options received under the Placement.

The strategic investment from SG Fleet, follows the Company's March 2019 launch of **Carly**, Australia's first flexible vehicle subscription service. SG Fleet Group Limited is one of Australia's leading specialist providers of fleet management, vehicle leasing and salary packaging services. SG Fleet has a presence across Australia, as well as in the United Kingdom and New Zealand. The company employs approximately 700 staff and has approximately 140,000 vehicles under management.

In addition to the Placement, SG Fleet has committed to provide an initial batch of 100 vehicles to the **Carly** marketplace, with a significant number of additional vehicles to be supplied subject to demand and economic returns. The vehicles will be provided on commercial terms similar to those that apply to existing providers to **Carly**.

Collaborate and SG Fleet will work together to accelerate the growth of **Carly's** consumer demand channels for car subscription and leverage SG Fleet's significant experience and relationships in the business and government markets to realise the substantial opportunity in this area by allowing these customers, their clients and their staff to access car subscription via **Carly**.

The investment matches SG Fleet's strategic agenda by providing the company with an entry into a promising market space adjacent to its current business activities. The terms of the Placement also fulfil SG Fleet's stringent investment criteria.

Investing and working with Collaborate enables SG Fleet to continue to focus on its global business of fleet management and leasing, while adding exposure to the growth potential of **Carly** in the vehicle subscription market and offering vehicle subscription services to its existing substantial customer base.

Carly generates revenues when vehicles are subscribed for via **Carly**, with a recent average revenue per month of \$303 per subscribed vehicle, based on an average monthly subscription value of \$863 per month (excluding GST). For more details refer to Collaborate's Investor Presentation released to the ASX on 2 July 2019.

The relationship with SG Fleet is important in terms of both supply and demand for the **Carly** business. The utilisation of vehicles will be assisted by expanded marketing campaigns and access to SG Fleet's substantial business and government customer base.

The transition of consumer preferences from the purchase of vehicles to utilising vehicle subscription services is expected to take time and therefore, whilst the potential market size for the **Carly** subscription offering is extremely large, the business model is new and take up by consumers and market penetration cannot be predicted accurately. It is therefore not possible to quantify the financial impact of this supply agreement on Collaborate in any given time frame. However, the Directors of Collaborate believe that the initial supply of 100 vehicles is likely to have a material financial impact on Collaborate's business.

This latest agreement with SG Fleet follows recent signing of agreements with automotive manufacturers and dealers including Hyundai and Suttons Motor Group and is further validation of the vital role that **Carly** plays in the rapidly evolving automotive industry.

Securities were issued under the Placement to **SG Fleet** as follows:

- + Tranche 1: Placement of shortfall shares and options under the rights issue totalling 46,286,518 fully paid ordinary shares (**Placement Shares**) at an issue price of \$0.01 per share with 30,857,679 free-attaching unquoted options on a two-for-three basis exercisable at \$0.015 per option and expiring on 18 December 2020 (**Unquoted Options**); and
- + Tranche 2: 80,000,000 Placement Shares at an issue price \$0.016 per share.

The Tranche 1 securities have been issued under the Shortfall Offer pursuant to the entitlement issue prospectus dated 22 July 2019, and the Tranche 2 of the Placement has been completed under Collaborate's existing placement capacity.

SG Fleet has also committed to convert the 30,857,679 free-attaching Unquoted Options exercisable at \$0.015 per option received as part of the Placement immediately following completion. Upon exercise of the options the total investment by SG Fleet will be \$2,205,730 (**Investment**).

Following completion of the Investment, SG Fleet will have a 13.70% interest in the Company.

Upon completion of the Investment, SG Fleet has the right to nominate one person to the Board of Directors of Collaborate. The Company has been informed that SG Fleet CEO Robbie Blau will be the nominated representative.

Chris Noone, CEO of Collaborate commented: "This deal with SG Fleet is further validation of the enormous potential of **Carly**, and the importance of subscription to the automotive industry overall, and will allow rapid expansion of the business. We look forward to engaging with the SG Fleet management team to unlock significant synergies over the coming months."

"I am very pleased to welcome SG Fleet CEO Robbie Blau to the Collaborate Board. Robbie's experience and stature in the finance and automotive industry will greatly enhance the growth potential of Collaborate."

SG Fleet CEO Robbie Blau said: "SG Fleet constantly introduces new, high value-add solutions to both corporate customers and consumers to cater for their rapidly evolving mobility requirements. Our investment in Collaborate further strengthens our ability to widen our offering as demand for greater transport efficiency and flexibility intensifies. This investment complements our current core business activities and opens up additional revenue growth avenues."

Adrian Bunter, Chairman of Collaborate said: "We are very pleased to welcome SG Fleet as a significant investor in, and commercial partner with, Collaborate. This is a highly strategic relationship and I thank Chris Noone for his leadership and execution in quickly making **Carly** the pre-eminent car subscription service in Australia, validated by leading manufacturers and dealers, and now by SG Fleet, Australia's leading vehicle fleet management and leasing business.

"Shareholders should not underestimate the difficulty of building **Carly** into this leading position in such a quick period of time, nor should they underestimate the significance of this deal with SG Fleet. We look forward to continuing the progression of further commercial relationships and growth in the business."

The funds raised under the Placement will be used to fund continued growth of the **Carly** vehicle subscription business and the DriveMyCar car rental business through continued demand generating marketing initiatives and pursuit of business development opportunities to grow the available fleet size. Additionally, the proceeds will be used for general working capital and to cover costs associated with the Placement.

Andover Partners acted as corporate advisor to the Placement.

The secondary trading notice is included in Appendix 1 below.

The trading halt on the Company's securities will be lifted following the release of this announcement.

Authorised by:

Chris Noone
CEO and Director
Collaborate Corporation Limited

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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 flexible car subscription offering. 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.

About SG Fleet

SG Fleet is a leading international mobility solutions provider, specialising in fleet management and leasing, and salary packaging services. SG Fleet has a presence across Australia, as well as in the United Kingdom and New Zealand, employs over 700 staff, and manages over 140,000 assets. SG Fleet has a unique position in the marketplace, built on the experience of its team, world-class products, and excellence in customer service. SG Fleet's culture of continuous innovation underpins an industry-leading proprietary technology platform that allows our customers to benefit from highly advanced mobility management capabilities www.sgfleet.com

APPENDIX 1

Secondary Trading Notice

Collaborate refers to the issue of 80,000,000 Shares via Tranche 2 of the Placement on 14 November 2019 to SG Fleet.

Andover Partners acted as corporate adviser to the Placement and 2,525,730 Shares have been issued pursuant to the corporate advisory mandate in consideration for assisting with securing the new strategic investor under the Placement.

Secondary Trading Notice Pursuant to Paragraph 708A(5)(e) of the Corporations Act 2001 ("Act")

The Act restricts the on-sale of securities issued without disclosure, unless the sale is exempt under section 708 or 708A of the Act. By giving this notice, a sale of the Shares noted above will fall within the exemption in section 708A(5) of the Act.

The Company hereby notifies ASX under paragraph 708A(5)(e) of the Act that:

- (a) the Company issued the Shares without disclosure to investors under Part 6D.2 of the Act;
- (b) as at the date of this Notice, the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company, and section 674 of the Act; and
- c. as at the date of this Notice, there is no information:
 - i. that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
 - ii. that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - a. the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - b. the rights and liabilities attaching to the relevant Shares.