
AGM CHAIRMAN'S ADDRESS

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

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.

CL8 Chairman's AGM Address

The 2019 year has been a very significant one for Collaborate. The achievements since the last AGM in November 2018 have been vast. At that time, Collaborate was heavily focussed on the car rental market via its **DriveMyCar** business, enabling vehicle owners to monetise their assets via the **DriveMyCar** marketplace. The car rental market is highly competitive, with a number of long established players. The total car rental market is worth approximately \$1B per annum in rentals. **DriveMyCar** focussed on a smaller segment within this total market. At that time, **DriveMyCar** had commenced working with automotive dealers to provide supply of vehicles onto the platform. Collaborate had also announced the intention to launch a car subscription offering.

Today, the business is drastically different, with an extraordinarily large opportunity available to it. It is probably safe to say that the scale of the opportunity is much larger than originally anticipated and the level of interest received has exceeded our expectations.

Over the last 12 months, Collaborate has developed and launched **Carly**, Australia's first truly flexible and comprehensive car subscription service. Since its launch **Carly** has become the market leader in Australia, an achievement which has been validated by investment and commercial arrangements with leading dealers, manufacturers, leasing companies and distribution channels. **Carly** is part of the creation of the car subscription category in Australia, leveraging the experience of thousands of long term rental transactions completed by **DriveMyCar** over many years.

The new car market is in the doldrums, having seen 19 consecutive months of declines in sales. These new car sales results illustrate the burning platform in the car industry. It is part of the reason why **Carly** is receiving such strong interest from automotive dealers and manufacturers alike. We have made recent announcements regarding automotive dealer, manufacturer and supply agreements, and we look forward to reporting further updates in coming quarters. Shareholders can be assured that the team is making great progress in all aspects of the growth of the business.

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. During the past 12 months, Collaborate has received strong support from its existing shareholders via rights issues and from new shareholders via strategic investments from Turners Automotive Group and SG Fleet.

The strategic investments from Turners and SG Fleet are expected to add significant value to Collaborate. The relationship with Turners presents an opportunity for Collaborate to extend the **Carly** offering into the New Zealand market. Furthermore, the relationship with SG Fleet provides a significant supply of vehicles for the Australian subscription offering which will provide a growth catalyst for the business, along with an enhanced ability to provide flexible subscription services to corporate and government customers.

I would like to say that I and the other directors have not been happy with the Collaborate share price, despite an increase of 143% over the past 6 months. Unfortunately, it is one of the parts of the business that we cannot directly control, and we feel that it does not reflect our assessment of the value and progress of the business. All that we and the Collaborate team can do, is to focus on building the business. We are hopeful the market will soon recognise the size of the opportunity and the value being built by the Collaborate team.

We are unable to forecast the size of the market, nor what share of it that **Carly** may obtain. However, we often get asked about the potential market size of the opportunity and what that translates into for potential annual subscriptions. Based on our recent subscription experience, an average subscription is approximately \$950 per month (including GST). As an illustration of the potential market size using that \$950 average monthly subscription amount, if there were 100,000

vehicles under subscription it would represent over \$1.1 billion in annual subscriptions. 100,000 vehicles would be approximately 0.6% of the total Australian vehicle fleet of 17.5m. It is uncertain if or when this level of vehicle subscriptions could be achieved but based on global trends and changing market dynamics, I believe they will get there in due course. To put this level of subscription penetration in perspective, Frost and Sullivan forecast that 10% of new car sales will be via subscription in Europe and North America by 2025. I believe that Collaborate is best placed to be the platform that delivers vehicle subscription in Australia.

Finally, I would like to acknowledge and say thank you to Chris Noone and the entire Collaborate team. I see the hard work and effort they put into the business day in and day out. It is very hard to build a business, especially when that business is a new concept in the market. Shareholders should not underestimate how challenging it is to build a business like **Carly**. We believe that **Carly** is presently the leader in Australia and this is a testament to the hard work put in by Chris and the team. The hard work must and will continue as the team pursues additional opportunities for the **Carly** and **DriveMyCar** businesses.

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