

ASX ANNOUNCEMENT

21 NOVEMBER 2019

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## AGM INVESTOR PRESENTATION

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Collaborate Corporation Limited (ASX:CL8) is pleased to release a copy of the AGM Investor Presentation to be provided by Mr Chris Noone to shareholders at the Annual General Meeting to be held in Sydney commencing at 3:00 pm AEDT today. The AGM Investor Presentation will focus on the strategy and initiatives of the group.

**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](http://www.DriveMyCar.com.au) Australia's leading peer-to-peer car rental business, complemented by [www.Carly.co](http://www.Carly.co), Australia's first flexible car subscription offering. Other businesses include [www.MyCaravan.com.au](http://www.MyCaravan.com.au) a leading peer-to-peer caravan rental business; and [www.Mobilise.com](http://www.Mobilise.com) a rental marketplace for under-utilised assets. Through our proprietary trust and reputation platform, [www.peerpass.com.au](http://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.

# Collaborate

CORPORATION LIMITED



## Leading the Car Subscription Revolution

AGM Presentation 21 November 2019



# Disclaimer

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The material herein is a presentation of non-specific background information about the current activities of Collaborate Corporation Limited (Collaborate or the Company). It is information given in summary form and does not purport to be complete.

All persons should seek appropriate professional investment advice in reviewing or considering this presentation and all other information with respect to Collaborate Corporation, its business, financial performance and operations. Neither the provision of this presentation nor the information contained therein, or any associated communication to any person should be taken as constituting financial advice regarding the purchase or dealing of shares in Collaborate Corporation. This presentation does not purport to provide all information that might reasonably be required to complete a detailed assessment of Collaborate Corporation.

Individuals should conduct their own investigation of investment and financial parameters relevant to their personal requirements for investment purposes. The presentation may contain forward looking statements regarding the intentions of the Company, and these will be affected by many other factors beyond the control of the Company.

Forward-looking statements include, but are not limited to, statements concerning Collaborate Corporation's planned strategies and programs and other statements that are not historical facts. Although Collaborate Corporation believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. The presentation must be considered in the light of these uncertainties and investments in Collaborate Corporation should be considered as speculative in nature.

The presentation is not a prospectus or similar disclosure document and does not constitute an invitation to apply for shares in Collaborate Corporation or ASX:CL8.

# The Carly Subscription Journey

## The Company

Collaborate is an ASX listed company innovating in the rapidly changing automotive and mobility markets in Australia.

**Collaborate**  
CORPORATION LIMITED

## Experience

DriveMyCar is Australia's largest peer-to-peer car rental platform which has partnered with some of the world's leading automotive companies to deliver unique opportunities to monetise vehicles.

**Over 3,000 monthly recurring vehicle transactions completed**

**Over \$9.9 million paid out to vehicle owners**

 **drive**mycar

## The Problem

New car sales and dealer profit margins are declining.

Consumers are finding it harder to access finance.

Gen Y and Gen Z believe car ownership is a burden.

They prefer flexible access to cars to suit their ever-changing lifestyle.

They are wary of long-term debt.

## The Solution

### Car subscription

The use of a car without the issues of ownership. A simple monthly payment covers all car expenses, just add fuel.

Signing up online is easy. Switch cars or pause the subscription as needed. True flexibility, no financial commitment.

Carly builds on DriveMyCar's experience to build a new sales channel for auto dealers, OEMs and fleet managers. Our capital light business model means we invest funds in growth, not purchasing assets.



# Corporate Structure

As at 20 November 2019

**Shares on issue** 1,151 million

**Options on issue** 152 million

**Market Capitalisation** \$19.6m

**Cash at Bank** \$3.41 million (18 Nov 19)

**ASX Code** CL8

## CL8 Capital Structure

**1. Willoughby Capital Pty Ltd** 21%

**2. SG Fleet Management Pty Limited** 14%

**3. Turners Automotive Group Limited** 11%

**4. RACV Investment Holdings Pty Ltd** 3%

**Top 20 Shareholders** 69%

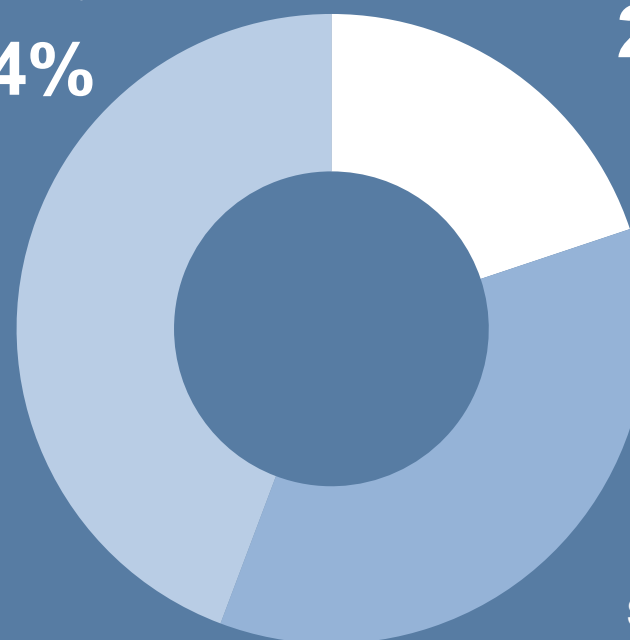
**Number of Shareholders** 1,670

Top 20 (ex Board,  
management &  
related parties)

**46.4%**

Board, management  
and related parties

**22.8%**



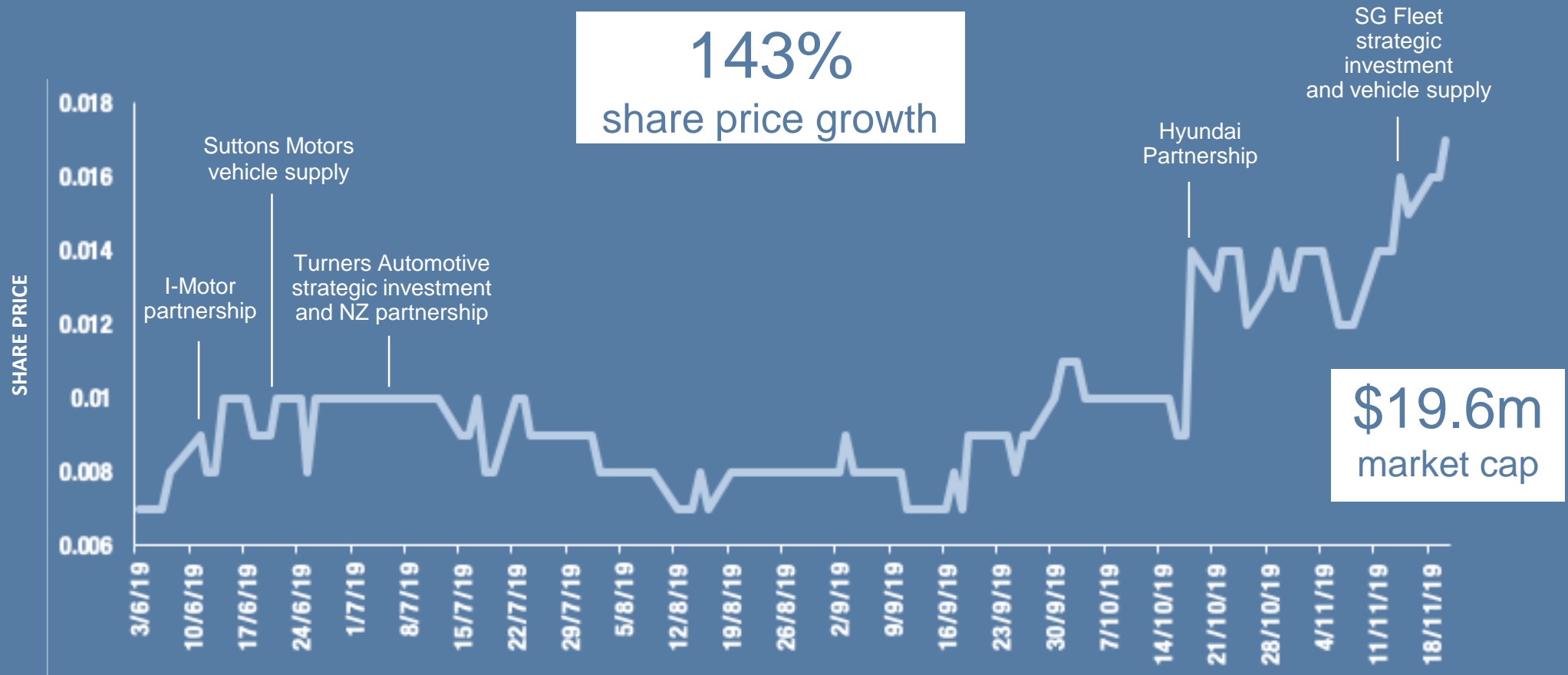
Other  
Shareholders

**30.8%**



# Recent Share Price History

June - November 2019



The value of strategic partnerships and our capital light business model are starting to be reflected in an increased share price

# The Way People Buy & Use Cars is Changing Rapidly



## The shift from ownership to access

Younger generations increasingly feel car ownership is a burden. It is inflexible & requires long term commitment. They place more value on accessing cars when and where they need them.



## The rise of subscription services

From mobile phones, to movies and even food, subscription services are an effective way to access a range of products, including cars.



## Automotive Industry disruption

New car sales are declining, dealer profit margins are being squeezed and customers are being refused credit. The automotive industry knows it must evolve its offering.



## The uptake of multiple mobility solutions

Drivers are seeking multiple mobility solutions to match their lifestyle and particular needs which can differ hourly, daily and monthly.

Collaborate has highly relevant experience and is making car subscription a reality in Australia

# The Motor Industry is Being Forced to Change

New car sales are declining, dealer profit margins are being squeezed and more customers are now being refused credit.

***“New car sales  
dipped for the 19<sup>th</sup>  
consecutive month”***

VFACTS Oct 2019

***“Finance approval rate  
running at 60% - or  
the rejection rate  
running at 40%”***

Australian Financial Review Aug 2019

***“Finance application  
approval time x 2 post  
credit tightening”***

GoAuto Aug 2019

***“Passenger vehicle  
sales down  
15.8% YOY ”***

VFACTS Jul 2019

***“Finance business  
down 5% YOY”***

Australian Financial Review Aug 2019

***“Decline of motor industry  
drives global economic  
slowdown – Car production  
shrank for the first time  
in a decade”***

Financial Times 2019

The automotive industry must evolve its offering.





# What is a Carly Subscription?

- Not a long-term financial commitment
- Subscribe online
- Pause subscription if car is not required
- Switch car when needs change
- All inclusive monthly subscription:
  - the car
  - insurance
  - registration
  - servicing

[www.Carly.co](http://www.Carly.co)

A Carly vehicle subscription is an alternative to buying a car or committing to a loan or lease



# The Vehicle Subscription Opportunity

Vehicle subscription is being embraced by OEM's and start ups worldwide. The opportunity is wide open in Australia with no well-established players

## Overseas



## Now

12 OEMs and 26 non-OEM's offering car subscriptions in Europe & USA

## Forecast

10% of all new vehicles retailed in Europe and North America in 2025 to be offered under a subscription model

Frost & Sullivan 2019



## The Opportunity in Australia

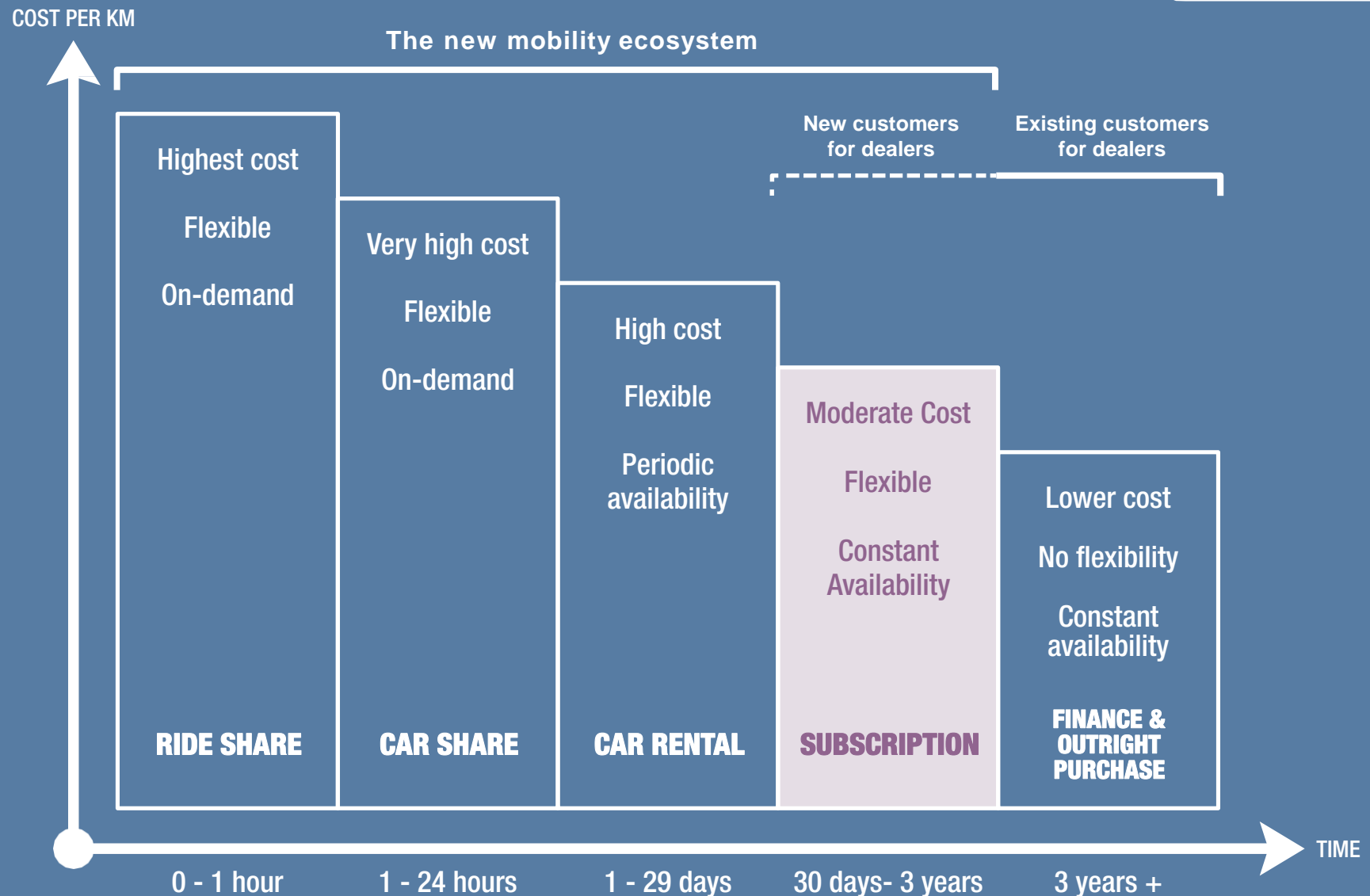
Current New & Used Car Sales p.a

**3 million+ units**

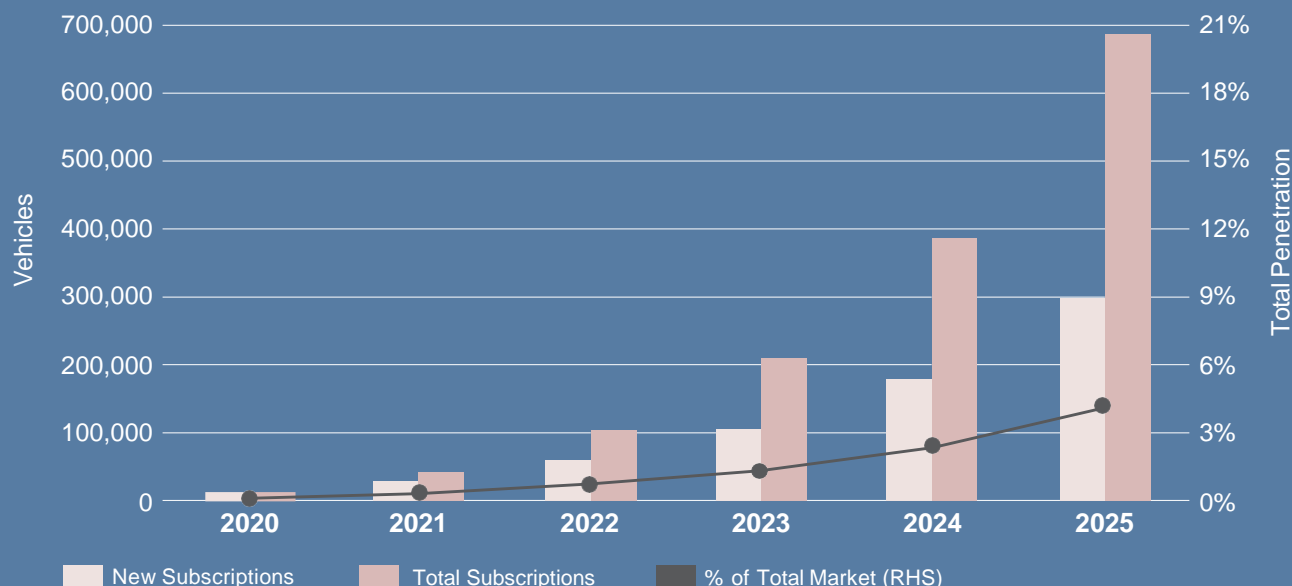
**\$60 billion**

Based on Vfacts 2018 Annual Sales, NSW Govt data

# Subscription fits the customers lifestyle



# Potential Car Subscription Market Size in Australia<sub>1</sub>



**3 million**

new & used cars sold p.a<sup>2</sup>

**\$60 billion**

sales of new & used cars p.a<sup>2</sup>

**10% in 2025**

**new cars sold by subscription**


(Frost & Sullivan projection in 2019 of new cars to be sold by subscription in 2025 in Europe and USA)

1. This is not a forecast. This information is based on published industry data. It shows the potential market size that may be achieved based on the assumptions listed. There is no guarantee that the assumptions outlined below will be achieved, or when they may be achieved. It is not an indication of potential market share or revenue that may be achieved by the company.
2. 3m new and used car sales per annum based on Vfacts 2018 annual sales data and NSW Government data
3. Estimate of 10% of all new vehicle sales (in Europe and USA) will be via subscription by 2025 based on Frost & Sullivan projection in 2019. This Frost & Sullivan projection has been assumed to also apply to used cars, with the same 10% estimate also assumed to apply to the Australian market for new and used cars
4. Potential Subscription Take Up from 2020 to 2025 is a management estimate based on a gradual annual increase in car subscriptions from 0.5% in 2020 to 10% in 2025. There is no guarantee that the actual percentage take up in any year will match the figures used in this estimate.
5. Potential New Subscriptions is calculated based on the percentage of subscription take-up applied to annual new and used car sales in Australia
6. Potential Total Subscriptions is the cumulative sum of each year's Potential New Subscriptions
7. Potential Total Subscriptions as % of Total Market is based on the percentage of Potential Total Subscriptions compared to the total passenger and light vehicle market, which is assumed to be 17.5m vehicles (based on ABS, Motor Vehicle Census, 31 Jan 2018)

	2020	2021	2022	2023	2024	2025
<b>Potential Subscription take up<sup>3,4</sup></b>	<b>0.5%</b>	<b>1.0%</b>	<b>2.0%</b>	<b>3.5%</b>	<b>6.0%</b>	<b>10.0%</b>
<b>Potential New Subscriptions<sup>5</sup></b>	<b>15,000</b>	<b>30,000</b>	<b>60,000</b>	<b>105,000</b>	<b>180,000</b>	<b>300,000</b>
<b>Potential Total Subscriptions<sup>6</sup></b>	<b>15,000</b>	<b>45,000</b>	<b>105,000</b>	<b>210,000</b>	<b>390,000</b>	<b>690,000</b>
<b>Potential Total Subscriptions as % of Market<sup>7</sup></b>	<b>0.1%</b>	<b>0.3%</b>	<b>0.6%</b>	<b>1.2%</b>	<b>2.2%</b>	<b>3.9%</b>

# Competitor Comparison



Type	 <b>Dedicated subscription platform</b>	Alternative 1	Alternative 2	Alternative 3
		Add on to online dealer business	Add on to online dealer business	Software platform only
Competes with dealers	No	Yes	Yes	No
Upfront fee for subscriber	No	\$1,000 - \$7,050 (non-refundable)	\$299	–
Dedicated sales team for owners' vehicles	Yes	No	No	No
Online marketplace for vehicles	Yes	No	No	No
Automated verification and credit checks through PeerPass	Yes	No	No	No
Fleet management services	Yes	No	No	No
End to end online transaction	Yes	No	No	No
Customer Service 7 Days a week	Yes	Yes	Yes	No
Marketing for owners' vehicles	Yes	No	No	No
Insurance and Roadside Assist included	Yes	Yes	Yes	No
No cost to list on marketplace	Yes	–	–	No

# Carly Connects Subscribers with the A\$60 billion p.a. Australian Automotive Industry

## Supply ►

Automotive  
Manufacturers

Automotive Dealers

Ex-lease Vehicles

Corporate Fleets

Strategic Partners



**Marketing**

**Online Discovery**

**Insurance**

**ID Verification**

**Subscription**

**Processing**

**Fleet Management**

**Payments**

**Data Analysis**

## ◀ Demand



Contractor



Single



Business



Young  
Couple



Female



Relocator



# Experience Delivers Lower Risk and Higher Conversion

- New subscription providers do not have the experience, knowledge or technical capability to reduce risk that Carly delivers through its PeerPass verification platform.
- They compensate by charging large upfront fees that restrict customer uptake or ignore risk altogether
- The experience of completing over 3,000 monthly recurring vehicle transactions means that Carly can deliver -

**Lower fraud risk +  
Higher customer conversion ratio  
= More high-quality subscriptions**



Online, real time, low touch

ID Verification	Credit Checks
Mobile Validation	Fraud Score

The PeerPass platform was developed by Collaborate to verify customers and reduce risk and its effectiveness has been proven by contributing to a lower Claims Loss Ratio than most traditional rental companies\*

\*The effectiveness of the PeerPass platform enabled DriveMyCar to achieve a lower than industry average Claims Loss Ratio for its insurance policy and qualified for the maximum Claims Experience Discount. Appendix 4C 21 July 2017

# More and Larger Auto Industry Partnerships than any other Competitor

Interleasing

Uber



I-MOTOR



**Suttons**  
MOTORS GROUP



**Turners.**  
Automotive Group



- A\$1 million strategic investment from the largest seller of cars in New Zealand
- Turners Automotive to launch Carly in New Zealand
- Collaborate to provide brand, technology platform and customers service
- Turners to leverage supply relationships and take responsibility for marketing and sales growth

Leverage technology and experience to expand into New Zealand with dominant player.



- A\$2.2 million strategic investment from a dominant player in the fleet management industry managing over 130,000 vehicles
- To enable SG Fleet to innovate rapidly and provide subscription services to their customers
- Provides access to new consumer, business and government channels for Carly
- SG Fleet to supply vehicles for utilisation by DriveMyCar and Carly
- Opportunity to leverage SG Fleet's operational experience and auto industry relationships

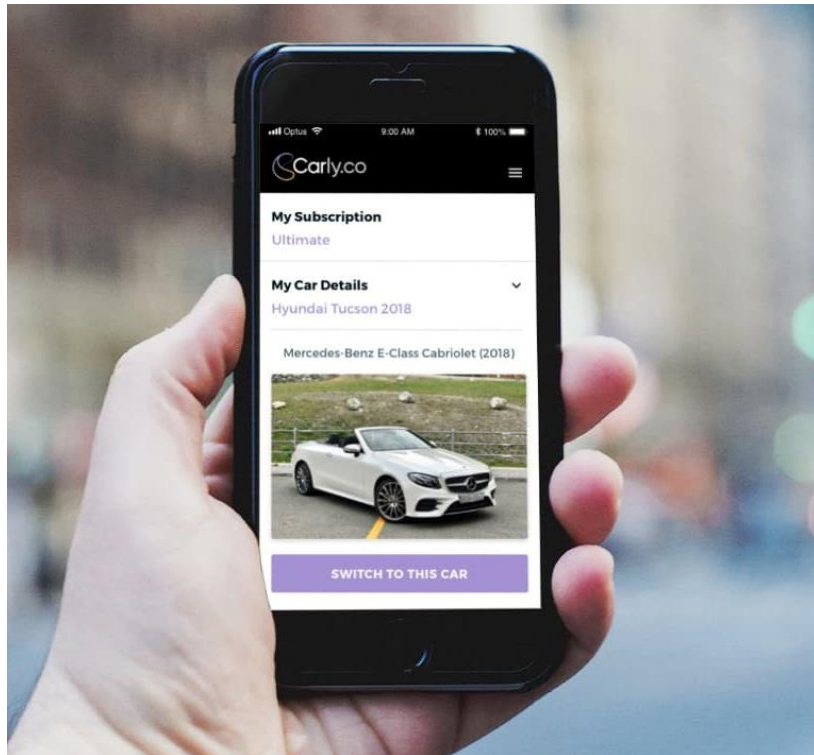
Investment + Supply of vehicles  
+ New demand channels +  
Experience



- Hyundai, the third largest car brand in Australia to support a co-branded subscription offering for its vehicle range
- Includes participation of Hyundai dealer network to provide broad market coverage
- Supported by Hyundai funded marketing campaign
- Provides a new way for consumers to access Hyundai vehicles
- Delivers supply and demand for Carly

First manufacturer and dealer collaboration with a third-party subscription provider.

# I-MOTOR

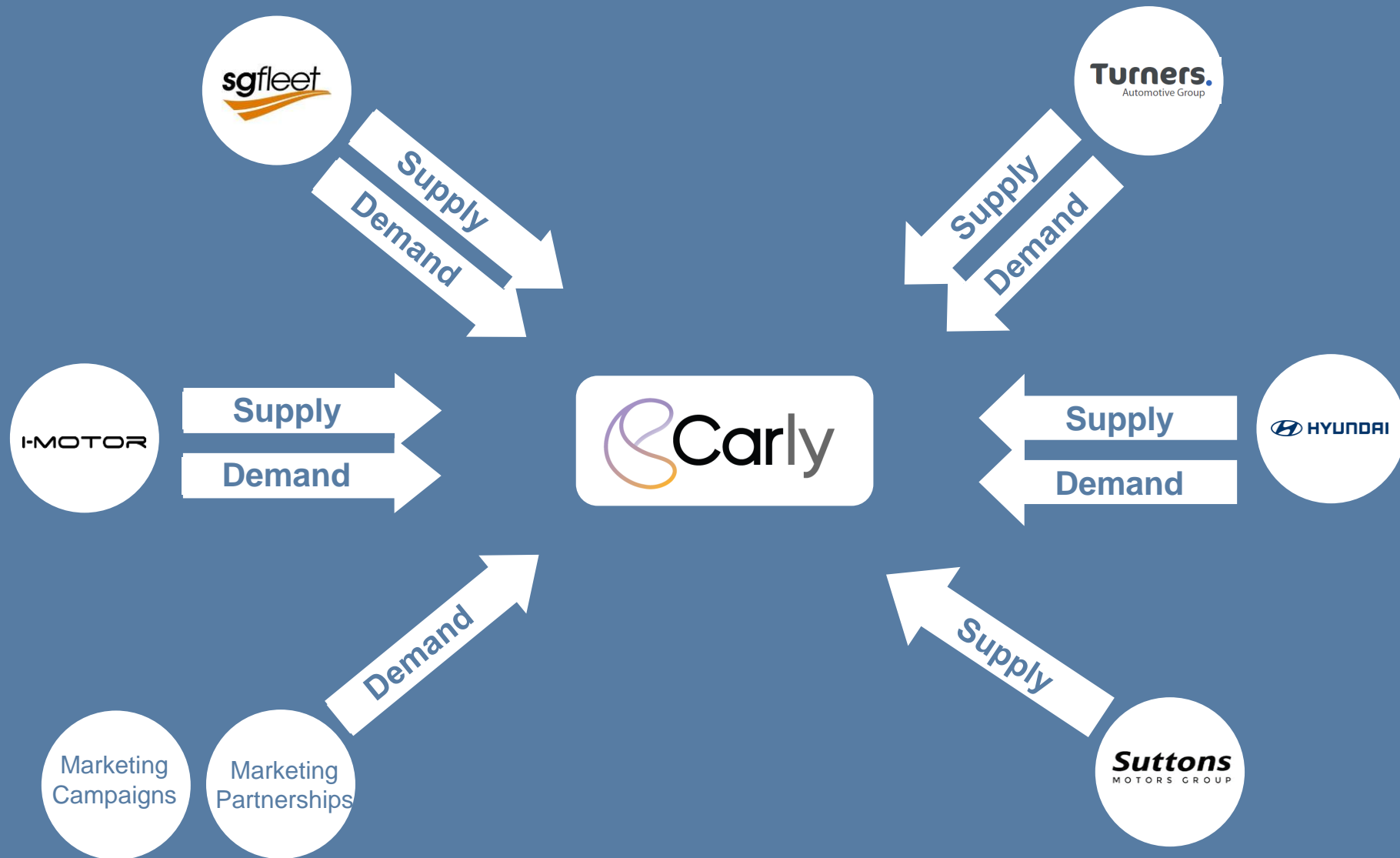


- Carly and i-Motor have partnered to add subscription functionality to dealer websites with no additional investment required.
- Dealers can select any vehicles from their inventory and add a subscribe button to the listing with a single click.
- The transaction process is 100% online via the dealer website

Provides new opportunities for dealers to transact online with people who are no longer buying cars.



# Carly is leveraging a network of relationships to achieve scale and cost efficiency



# Overview

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- Collaborate is leveraging 10 years of experience in the sharing economy and automotive market to achieve scale in the rapidly developing car subscription industry, via Carly
- DriveMyCar continues to exploit opportunities in the car rental and rideshare rental markets
- Carly is using its unique experience to assist existing and new players in the A\$60 billion per annum Australian automotive industry to meet the increasing need for flexible access to vehicles
- Following recent strategic investments and an Entitlement Issue, Collaborate is well-funded to achieve its goals
- Unlike competitors, Collaborate's unique capital light business model enables it to devote funds to marketing and growth instead of tying up capital buying depreciating assets
- Recent strategic investments, from Turners Automotive Group will enable expansion into New Zealand, and SG Fleet will provide a significant supply of vehicles and access to government and corporate demand channels for Carly
- Marketing partnerships with the likes of Hyundai and I-Motor provide cost-effective and frictionless online demand channels that deliver a strong and sustainable competitive advantage



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