
CARLY VEHICLE SUBSCRIPTION LAUNCHES IN QUEENSLAND

Collaborate Corporation Limited (ASX:CL8) (**Collaborate** or the **Company**) is pleased to announce the launch of **Carly**, Australia's most flexible car subscription service, into the Queensland and Northern New South Wales markets.

The launch of **Carly** in Queensland and Northern NSW will include, for the first time, vehicles from the recently relaunched legendary car brand MG, which in January 2020 recorded the highest volume and percentage increase of any car brand in Australia vs. January 2019 (VFACTS, January 2020). Cars will be available for pick-up from multiple locations in Brisbane and also from automotive dealer Cricks Tweed in Tweed Heads, providing coverage of the Gold Coast region. Other available brands include Mercedes, Mitsubishi, Subaru, Hyundai as well as the Ford Ranger ute, a 12-seater bus and commercial vans. Recent Collaborate strategic investor, SG Fleet, will also be providing vehicles to the **Carly** fleet in Queensland.

Carly vehicle subscription is an alternative to buying a car or committing to a loan or lease. It allows subscribers to choose a car to suit their lifestyle without hefty upfront fees and long-term lock-in contracts. There is, no deposit, no loan, no interest, no break fee and no balloon payments. **Carly** enables drivers to subscribe to cars provided by car dealers, car manufacturers and fleet managers around the country.

Carly launched in Sydney in March 2019 and in Melbourne in May 2019. In November 2019, it received a \$2.2 million strategic investment and agreement to supply vehicles from fleet management and leasing specialist SG Fleet following a \$1 million strategic investment and a commitment to co-launch **Carly** in New Zealand from Turners Automotive Group in June 2019. **Carly** has since partnered with Hyundai, Suttons Motors, i-Motor and Booran Motors. As Australia's third-largest city, Brisbane was naturally the next state capital in the national vision for the Carly vehicle subscription service.

Queensland car sales are down 13 per cent vs. January 2019, slightly higher than the national decline of 12.5 per cent (VFACTS, January 2020). This offers an excellent opportunity for **Carly** to serve the needs of Brisbane and Gold Coast customers who are not buying cars because they are unable to obtain finance due to tighter lending criteria or for whom long-term ownership is unsuitable due to vehicle needs that change over time.

Carly operates under a capital-light business model by utilising cars owned by third parties, meaning that it does not have to allocate funds for the purchase of vehicles and can instead focus its investment resources towards customer acquisition and technology development. **Carly** will use existing partnerships to facilitate the launch and due to its unique online operating model, no costs have been incurred for premises or staff. A digital marketing campaign has commenced.

Chris Noone, Collaborate CEO said 'We are delighted to bring **Carly** to Queensland at a time when retail car sales are declining and drivers are seeking an alternative to vehicle purchase or finance. Our capital light business model and online operating model mean that we can deploy quickly at minimal cost and focus our efforts on educating the market about car subscription and implementing customer acquisition campaigns. It is also great to be adding MG vehicles to our fleet and expanding our relationship with Cricks Tweed and SG Fleet.'

Carly offers Australian drivers an innovative approach to car access by providing subscribers with the freedom to choose a car to suit their lifestyle and changing mobility needs. It is attractive to a variety of demographics, from growing families, re-locators and retirees to frequent flyers, contractors and businesses managing cash flow and scale.

Customers can choose from a range of new and used vehicles, from economy to luxury brands and hatchback to SUV models. The simple monthly subscription fee includes comprehensive insurance, registration, ongoing maintenance and roadside assistance.

Carly generates revenue via its subscriptions, with a recent average revenue per month of \$303 per subscribed vehicle, based on an average 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.

Carly is now available in Sydney, Melbourne, Brisbane and the Gold Coast region and coming soon to other Australian capital cities. The launch of Carly in New Zealand in association with Turners Automotive Group is planned for late March 2020.

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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 providing innovative mobility solutions for consumers and the automotive industry. Collaborate operates www.DriveMyCar.com.au Australia's leading peer-to-peer car rental business, complemented by www.Carly.co, Australia's first flexible car subscription service, complemented by our proprietary PeerPass trust and reputation platform.