
LAUNCH OF SMALL HOLDINGS SALE FACILITY

Collaborate Corporation Limited (ASX:CL8) (**Collaborate** or the **Company**) advises that it has established a small holdings sale facility in accordance with the Company's Constitution and the ASX Listing Rules (**Facility**). The Company is providing the Facility to enable shareholders with Small Holdings to sell their shares without having to use a broker or pay brokerage or handling costs.

A Small Holding (which is a parcel of CL8 shares with a market value of less than \$500 on the Record Date) will be any registered shareholding of less than 71,429 shares based on the closing price of CL8 Shares of \$0.007 on the Record Date. The Record Date for the purposes of determining holders of Small Holdings has been set at 5:00 pm (AEST) on 15 May 2020.

999 of approximately 1,620 of the Company's shareholders hold Small Holdings, making up approximately 1.62% of CL8 shares on issue. The Company values all of its shareholders, however, it expects to reduce administrative costs by providing the Facility, including printing and mailing costs and share registry expenses associated with maintaining a large number of small shareholdings on its register.

Collaborate has entered into agreements with existing shareholders of the Company to purchase the Small Holdings under the Facility, namely SG Fleet alongside CEO and Director, Chris Noone (**Purchasers**). By entering into these agreements with the Purchasers the shareholders with Small Holdings will avoid having to use a broker or pay brokerage costs to sell their CL8 shares. The details of the Purchasers and their respective proportions of the Small Holdings to be purchased under the Facility are set out in Annexure 1.

The price that will be paid by the Purchasers for CL8 shares sold under the Facility is \$0.009 (**Sale Price**). In accordance with the Company's Constitution, the Sale Price is required to be at least a simple average of the last sale prices of the Company's shares for each of the ten trading days immediately preceding the date of the agreement with the Purchasers, which is \$0.008. The Company is pleased to advise that the Sale Price under the Facility has been negotiated at a \$0.001 premium to the required minimum price and a 29% premium to the last closing price on the date the agreement was reached.

Shareholders who hold Small Holdings on the Record Date will have these sold to the Purchasers by the Company at the Sale Price unless by the Closing Date of the Facility they:

1. increase their shareholding to have more than a Small Holding; or
2. elect to retain their Small Holding by completing the steps outlined in the notice sent to those shareholders.

Following this announcement is a copy of the Notice, Information Pack and Election Form which will be sent to all shareholders with a Small Holding on the Record Date.

Shareholders who are eligible to participate in the Facility should consider the documents they receive about the Facility carefully and, if needed, seek professional advice on the financial and taxation implications of participating in the Facility that is relevant to their individual circumstances.

A summary of the key dates in relation to the Facility are as follows:

| Event | Date |
|--|------------------------------|
| Small Holdings Record Date | 15 May 2020 at 5:00pm (AEST) |
| Small Holdings Sale Facility Announcement to ASX | 18 May 2020 |
| Notice sent to shareholders with Small Holdings | 19 May 2020 |
| Closing Date for receipt of Election Forms | 1 July 2020 at 5:00pm (AEST) |
| Small Holdings payment date | 10 July 2020 |

All dates other than the Record Date are indicative only. The Company reserves the right to amend any of the key dates without prior notice but subject to the Company's Constitution and the ASX Listing Rules.

For further information on the Facility, please contact Automic, the Company's share registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (overseas). Alternatively, please contact the Company Secretary by email at shareholder@collaboratecorp.com.

This announcement was authorised to be given to ASX by the Board of Directors of Collaborate Corporation Limited.

Authorised by:

Adrian Bunter
Non-Executive Chairman
Collaborate Corporation Limited

For more information please contact:

Chris Noone
CEO and Director
Collaborate Corporation Limited
E: shareholder@collaboratecorp.com

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, and www.Carly.co, Australia's first flexible car subscription service, supported by our proprietary PeerPass trust and reputation platform.

APPENDIX 1

Names of the Purchasers of Small Holdings

The relevant interest of each of the Purchasers in the Shares of the Company as at the Record Date, together with their respective proportion of Small Holdings to be purchased, is set out in the table below.

| Name of Purchaser | Proportion of Small Holdings to be purchased | Number of Shares held |
|---|--|-----------------------|
| SG Fleet Management Pty Limited | 70% | 157,144,197 |
| Noone Holdings Pty Ltd <C and K Noone Family A/C> | 30% | 4,192,123 |

Effect on control of the Company

The table below sets out the shares held and voting power of the Purchasers in the Company as at the Record Date and the potential increase to their respective voting power assuming the Purchasers are obliged to purchase all Small Holdings under the Facility.

| Purchasers | Number of Shares held | Voting Power | Proportion of Small Holdings to be Purchased | Maximum Number of Shares to be Purchased | Maximum Holding on Completion of Facility | Maximum Voting Power* |
|---|-----------------------|--------------|--|--|---|-----------------------|
| SG Fleet Management Pty Limited | 157,144,197 | 13.64% | 70% | 13,050,240 | 170,194,437 | 14.78% |
| Noone Holdings Pty Ltd <C and K Noone Family A/C> | 4,192,123 | 0.36% | 30% | 5,592,960 | 9,785,083 | 0.85% |
| | | | 100% | 18,643,200 | | |

*These figures assume that no options are exercised.

Information on the Purchasers of Small Holdings

SG Fleet Management Pty Limited

SG Fleet Management Pty Limited, a subsidiary of SG Fleet Group Limited (ASX:SGF) (**SG Fleet**), made a strategic investment of \$2.2 million via placement and conversion of options in November 2019. SG Fleet appointed Robbie Blau to the Board of Collaborate as a non-executive director in December 2019.

Noone Holdings Pty Ltd as trustee for C and K Noone Family Account

Noone Holdings Pty Ltd as trustee for C and K Noone Family Account is an entity associated with Chris Noone, CEO and Director of Collaborate since August 2014.

18 May 2020

Dear Shareholder,

NOTICE OF INTENTION TO SELL SMALL HOLDINGS

I am writing to advise you that Collaborate Corporation Limited (ASX:CL8) (**Collaborate** or the **Company**) has established a small holdings sale facility (**Facility**) for shareholders with small holdings to sell their shares without incurring any brokerage or handling costs. This Facility is available to shareholders who at 5:00 pm (AEST) on 15 May 2020 (**Record Date**) were holders of fully paid ordinary shares in Collaborate valued at less than \$500 (**Small Holding**). Based on the closing price of CL8 shares of \$0.007 on the Record Date, a Small Holding is any holding of less than 71,429 shares.

Collaborate is offering this Facility as it provides the following benefits:

- + shareholders with Small Holdings have the opportunity to sell their shares without incurring a brokerage or handling cost which, in proportion to the value of their holding, may otherwise render a sale unattractive or uneconomical; and
- + the administrative costs, including printing and mailing costs and share registry expenses, associated with maintaining a large number of small shareholdings on its register is expected to be reduced.

Our records show that you held a Small Holding at the Record Date. Unless you advise the Company by 5:00 pm (AEST) on 1 July 2020 (**Closing Date**) that you do not wish to sell your shares, Collaborate intends to sell your shares through the Facility in accordance with clause 3 of the Company's Constitution.

Small Holdings sale process and terms

Collaborate has entered into agreements with existing shareholders of the Company to purchase the Small Holdings under the Facility, namely SG Fleet alongside CEO and Director, Chris Noone (**Purchasers**). The details of the Purchasers and their respective proportions of the Small Holdings to be purchased under the Facility are set out in the Information Pack.

The price that will be paid by the Purchasers for CL8 shares sold under the Facility is \$0.009 (**Sale Price**). In accordance with the Company's Constitution, the Sale Price is required to be at least a simple average of the last sale prices of the Company's shares for each of the ten trading days immediately preceding the date of the agreement with the Purchasers, which is \$0.008. The Sale Price under the Facility has been negotiated at a \$0.001 premium to the required minimum price and a 29% premium to the last closing price on the date the agreement was reached.

Authority to implement the Facility

Clause 3 of the Company's Constitution allows Collaborate to notify shareholders who hold less than \$500 worth of Collaborate shares that it intends to sell their securities.

Having been notified of Collaborate's intention to sell your Small Holding, if you do not take action to retain your Small Holding by the Closing Date, under the Facility the Company:

- (a) is authorised to sell all of your shares without any transaction costs being incurred by you; and
- (b) will pay you the sale proceeds, following settlement of the sale of all shares through the Facility. Where direct credit details have not been provided you will receive a cheque for the sale proceeds.

Action required of Shareholders with Small Holdings on the Record Date

There are a number of actions shareholders who hold Small Holdings on the Record Date may take:

1. You may wish to elect to retain your Small Holding. To retain your Small Holding, you will need to ensure that you complete and return your Election Form to the share registry by no later than 5:00 pm (AEST) on 1 July 2020, being the Closing Date of the Facility.
2. You may wish to increase your shareholding to have more than a Small Holding. If you make your own arrangements to purchase additional CL8 shares such that you are the registered holder of 71,429 CL8 shares or more by no later than the Closing Date of the Facility, Collaborate will not be entitled to sell your shares.
3. You may wish to consolidate your shareholdings. If you have multiple holdings, and you arrange to have these merged into one holding which has 71,429 CL8 shares or more by the Closing Date of the Facility, Collaborate will not be entitled to sell your shares.
4. You may do nothing. If you want to sell your Small Holding at the Sale Price of \$0.009 per share, you do not need to do anything. If you choose to do nothing, your Small Holding will be sold after the Closing Date of the Facility. You will receive proceeds from the sale of your Small Holding by direct credit or cheque.

If you do not take any action before the Closing Date of the Facility, your shares will be sold.

Summary of key dates

| Event | Date |
|--|------------------------------|
| Small Holdings Record Date | 15 May 2020 at 5:00pm (AEST) |
| Small Holdings Sale Facility Announcement to ASX | 18 May 2020 |
| Notice sent to shareholders with Small Holdings | 19 May 2020 |
| Closing Date for receipt of Election Forms | 1 July 2020 at 5:00pm (AEST) |
| Small Holdings payment date | 10 July 2020 |

All dates other than the Record Date are indicative only. The Company reserves the right to amend any of the key dates without prior notice but subject to the Company's Constitution and the ASX Listing Rules.

Important information

The Company will determine whether a shareholder has a Small Holding as at the Record Date. The Company will not have any reference to any increase in the price of shares after the Record Date in determining whose shares may be sold pursuant to this Facility.

The Company reserves the right to vary, delay or terminate this Facility by notice to ASX.

All costs associated with the sale of Small Holdings under the Facility will be borne by the Company. No brokerage will be payable by you.

Any tax consequences arising from the sale of your shares will be your responsibility.

If your shares are held in a CHESS holding, the Company will, after the Closing Date of the Facility, initiate a holding adjustment to move your shares to the issuer sponsored sub-register for the purposes of this Facility.

Collaborate does not make any recommendation or provide any advice regarding whether to sell or retain your Small Holding. If you require advice as to whether to sell your shares, please contact your legal, financial or taxation adviser.

The enclosed Information Pack sets out further details of the Facility, which you should read before making any decision. You can also contact Automic, the Company's share registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (overseas) if you have any queries about lodging your Election Form or the operation of the Facility.

Yours sincerely

COLLABORATE CORPORATION LIMITED



Adrian Bunter
Non-Executive Chairman

Information Pack

1. What is a “Small Holding”?

A Small Holding is a holding of shares in Collaborate Corporation Limited valued at less than A\$500 based on the closing price of CL8 shares on the Record Date. Based on the closing price of CL8 shares of \$0.007 on the Record Date, a Small Holding is any holding of less than 71,429 shares.

2. Why is the Small Holding Sale Facility being provided?

Collaborate is offering the Small Holding Sale Facility to enable shareholders with Small Holdings to sell their shares without incurring a brokerage or handling cost which may otherwise render a sale unattractive or uneconomical. The Facility will also assist the Company to reduce the administrative costs, including printing and mailing costs and share registry expenses, associated with maintaining a large number of small shareholdings on its register.

3. Who will purchase the shares sold through the Facility?

Collaborate has entered into agreements with existing shareholders of the Company to purchase the Small Holdings under the Facility, namely SG Fleet alongside CEO and Director, Chris Noone (**Purchasers**). The details of the Purchasers and the proportions of the Small Holdings to be purchased under the Facility are set out below:

| Name of Purchaser | Proportion of Small Holdings to be Purchased |
|--|--|
| SG Fleet Management Pty Limited, a subsidiary of SG Fleet Group Limited (ASX:SGF), existing major shareholder of Collaborate | 70% |
| Noone Holdings Pty Ltd <C and K Noone Family A/C>, an entity associated with Chris Noone, CEO and Director of Collaborate | 30% |

Effect on control of the Company

The table below sets out the shares held and voting power of the Purchasers in the Company as at the Record Date and the potential increase to their respective voting power assuming the Purchasers are obliged to purchase all Small Holdings under the Facility.

| Purchasers | Number of Shares held | Voting Power | Proportion of Small Holdings to be Purchased | Maximum Number of Shares to be Purchased | Maximum Holding on Completion of Facility | Maximum Voting Power* |
|---|-----------------------|--------------|--|--|---|-----------------------|
| SG Fleet Management Pty Limited | 157,144,197 | 13.64% | 70% | 13,050,240 | 170,194,437 | 14.78% |
| Noone Holdings Pty Ltd <C and K Noone Family A/C> | 4,192,123 | 0.36% | 30% | 5,592,960 | 9,785,083 | 0.85% |
| | | | 100% | 18,643,200 | | |

*These figures assume that no options are exercised.

4. What price will I receive for shares sold through the Facility?

The price that will be paid by the Purchasers for CL8 shares sold under the Facility is fixed at \$0.009 (**Sale Price**). In accordance with the Company's Constitution, the Sale Price is required to be at least a simple average of the last sale prices of the Company's shares for each of the ten trading days immediately preceding the date of the agreement with the Purchasers, which is \$0.008. The Sale Price under the Facility has been negotiated at a \$0.001 premium to the required minimum price and a 29% premium to the last closing price on the date the agreement was reached.

You should note that the Sale Price you are paid for your shares may be different from the price for CL8 shares appearing in the media or on ASX on a day a sale occurs, and may not be the best execution price on the trading day or days that your shares are sold or at any other time during the operation of the Facility. Further, the Sale Price you are paid for your shares may be less than the price you paid to acquire them. In accordance with the Company's Constitution and the agreement with the Purchasers, the Sale Price you will receive per share under the Facility is fixed and will not change, even if the price of CL8 shares changes.

5. What is the price of Collaborate shares?

The closing price of a CL8 share on 15 May 2020 was \$0.007. The share price changes frequently and the current price is available from the ASX website (www.asx.com.au) under the ASX code "CL8".

6. When will the proceeds from the sale of shares be sent to me?

Payment will be sent to you following settlement of the sale or otherwise as soon as is practicable. Payment will be made in Australian dollars by direct credit to your nominated account (where we have received your details) or cheque. You will be notified by way of a transaction confirmation statement of the number of your shares that have been sold, the sale price obtained and total sale proceeds payable to you. The transaction confirmation statement (and a cheque if direct credit details have not been provided) will be sent by post to your address as shown in the share register

We expect payment to be made on or around 10 July 2020.

7. What do I need to do to sell my Small Holding?

Nothing. Your Small Holding will be sold under the Facility unless you return an Election Form by the Closing Date.

8. What if I do not wish to sell my Small Holding?

If you do not wish to sell your Small Holding, you must complete the Election Form and ensure that it is received by the share registry by no later than 5:00 pm (AEST) on 1 July 2020, being the Closing Date of the Facility.

9. If I buy more shares, will I retain my holding?

Yes, Collaborate will treat any purchase of additional shares to increase a Collaborate shareholding to more than a Small Holding as an indication that you do not want your shares to be sold through the Facility. For a purchase to be an effective notification that you wish to retain your shares, any additional shares must be registered by the Closing Date of the Facility under the same name and address and with the same holder number (SRN or HIN) as set out in this letter. The minimum number of shares that you are required to be the registered holder of in order to hold more than a Small Holding is 71,429.

10. If I consolidate my holdings, will I retain my holding?

If you currently have more than one holding on the Collaborate share register, you may wish to consider merging them. This may result in your merged holding no longer being a Small Holding. Under these circumstances your shares will not be sold as part of this Facility.

11. What if my shares are held in a CHESS holding?

If your Shares remain in a CHESS holding on the Closing Date, the Company may move those Shares to an issuer sponsored holding and the Shares will be sold through the Facility.

12. Where can I get further information?

If you have any questions concerning your shareholding or how the Facility will work, please contact Automic, the Company's share registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (overseas). Alternatively, please contact the Company Secretary by email at shareholder@collaboratecorp.com.

13. What if I do not know what to do?

This Information Pack and accompanying notice does not constitute advice nor a recommendation to buy, sell or hold shares nor that the Facility is the best way to sell shares. If you are in doubt about what to do, you should consult your legal, financial or taxation adviser.

INSTRUCTIONS FOR COMPLETION OF THIS FORM

ELECTION OPTIONS

A: RETENTION OF SHARES

If you wish to retain your shares, please place a tick in the box provided. Should you validly sign the form but fail to place a tick in the box, it will be at the Company's discretion as to whether or not it is your intention to retain your shares.

B: SELLING YOUR SHARES - REQUEST FOR DIRECT CREDITING OF PAYMENTS

If you wish to sell your shares, please provide your bank details in this section. Do not complete this section if you wish to retain your shares. If you provide your direct credit instruction details, you are agreeing to the sale of your shares even if you have placed a tick in Box A.

SIGNING REQUIREMENTS

- Individual:** Where the holding is in one name, the Shareholder must sign.
- Joint holding:** Where the holding is in more than one name, all of the Shareholders must sign.
- Power of Attorney:** If any signatory signs under Power of Attorney, please attach an originally certified photocopy of the Power of Attorney to this Form when you return it.
- Companies:** To be signed in accordance with your Constitution. Please sign in the box which indicates the office held by you.
- Estates:** If any signatory signs in the capacity of Executor/s, please attach to this Form when you return it, a certified photocopy of the Probate or Death Certificate together with the Will.

LODGING YOUR SHARE SALE FACILITY FORM



IMPORTANT! Election Forms cannot be returned by fax or email.
Your Acceptance Form must be returned via one of the return methods provided below.

Due to recent changes to delivery times by Australia Post, standard delivery may now take up to six Business Days, or longer from regional areas. Shareholders should bear this in mind when returning Election Forms using Australia Post.

ONLINE

Visit <https://investor.automic.com.au>
Login with your existing Username and Password
Once you are logged in, select "Offers" from the left-hand vertical menu and follow the prompts.

If you have not yet established an online account, visit <https://investor.automic.com.au/#/signup>

1. Select "Collaborate Corporation Limited " from the dropdown list in the Issuer Name Field
2. Enter your Holder Reference (SRN/HIN) as shown on the top of this letter
3. Enter your postcode OR country of residence (only if outside Australia)
4. Tick the box "I'm not a robot" and then select "Next"
5. Complete the prompts to set up your username and password details

Once you are logged in, select "Offers" from the left-hand vertical menu and follow the prompts.

BY MAIL

Collaborate Corporation Limited – Small Holdings Sale Facility
C/- Automic Group
GPO Box 5193
Sydney NSW 2001

BY HAND DELIVERY (Between Sydney office hours 9.00am – 5.00pm AEST)

Automic Group
Level 5
126 Phillip Street
Sydney NSW 2000

**YOUR SHARE SALE FACILITY FORM MUST BE RECEIVED BY NO LATER THAN
5.00PM (AEST) ON WEDNESDAY 1 JULY 2020**