
JUNE 2015 QUARTERLY REPORT AND BUSINESS UPDATE

Collaborate Corporation Limited (ASX:CL8) is pleased to present its consolidated Quarterly Cash Flow for the period ended 30 June 2015 and business update. Key highlights include:

- + Completion of divestment of Marketboomer business
- + Strong growth of DriveMyCar fleet
- + Re-branding and re-launch of MyCaravan.com.au
- + Driver rental campaign commenced in late July
- + Launch of PeerPass has generated immediate interest and opportunities
- + Expansion of business development team.

The most significant event during the period was the divestment of the Marketboomer business which completed on 30 June 2015 and will now allow the company to focus solely on the core collaborative consumption strategy. This will also remove the burden of the cash outflows of the Marketboomer business that had been borne by the group.

The reduction in cash receipts during the quarter was due to Marketboomer which typically receives the majority of its revenue from annual licences in the March quarter. The group cash flows include the cash flows for the Marketboomer business for the full quarter to 30 June 2015 due to the disposal having occurred on 30 June 2015.

Net operating cash outflows decreased by \$248,770 during the quarter, despite a significant increase in marketing costs with the re-launch of the DriveMyCar website, IT development costs and \$57,000 of once off corporate costs related to the Marketboomer divestment. Corporate costs will reduce in future quarters as a result of the Marketboomer divestment (except for costs for FY15 audit). During the June quarter the Company repaid the final \$75,000 of convertible notes outstanding.

On 2 July 2015 the divested Marketboomer business repaid \$300,000 of intercompany loans that had been provided by CL8. Had the funds been repaid and cleared on 30 June 2015 as part of the divestment, the closing year end **cash position would have been \$781,000.**

In addition, as a result of the R&D expenditure during the year, the Company is expecting to receive a cash refund for R&D tax incentives of approximately \$170,000.

Following the re-launch of the DriveMyCar website on 27 March, a 3 month pilot online advertising campaign focused on brand awareness and vehicle acquisition commenced on 27 April. From a March financial year to date (FYTD) average of 35 vehicles per month, vehicle activations reached an average of 57 vehicles each month for May and June. The total fleet size at the end of June reached 406 vehicles. The total value of the fleet is in excess of \$8.9m (compared to \$7m at 31 May 2015) an increase of 27% in two months.

Monthly website user sessions continue in excess of 100% above prior levels.

Although online advertising was not directed towards demand generation, DriveMyCar gross profit for the June quarter increased by 14% compared to the March quarter.

	March FYTD Avg. p/m	June 2015	July MTD (30 July)
Users	18,701	37,770	39,563
Calculator Enquiries	520	882	992
New Car Activations	35	54	56

Key advertising metrics are as follows:

June 2015	Impressions	Clicks	CTR
Facebook Advertising	624,257	8,742	1.4%
Display Advertising	1,588,678	21,233	1.34%

Further Business Update and Outlook

The pilot online advertising campaign successfully concluded on 20 July and on the same day a new campaign commenced which was focused on driving rental demand to leverage the increased supply of vehicles. Despite the reduction in advertising expenditure directed towards vehicle acquisition, the strong growth in the DriveMyCar fleet continues and July vehicle activations will exceed June vehicle activations.

The consumer launch of **PeerPass** took place on 28 July and generated considerable interest both in Australia and overseas. The Company successfully integrated the PeerPass technology into CL8's existing marketplace platforms and will continue to further develop the platform and explore opportunities for expansion and monetisation.

Collaborate has identified a number of Business to Business opportunities that have the potential to deliver significant increases in the number of marketplace assets and provide access to new customers. A corporate sales executive is being recruited to accelerate the securing of new agreements. In anticipation of expected sales growth a Sales & Operations Coordinator is also being recruited for MyCaravan.

The directors are pleased with the growth and progress 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' businesses. Collaborate currently has three core business segments: www.DriveMyCar.com.au Australia's leading peer-to-peer car rental business; www.MyCaravan.com.au Australia's leading peer-to-peer caravan rental business and www.Rentoid.com, one of Australia's leading peer-to-peer 'rent anything' platforms. Through our proprietary trust and reputation platform, www.peerpass.com.au we create 'trust' between individuals and make it possible for people to safely transact with each other in the sharing economy

Appendix 4C
Quarterly report
for entities admitted
on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

COLLABORATE CORPORATION LTD

ABN

60 066 153 982

Quarter ended ("current quarter")

30 June 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 Months) \$A'000
1.1 Receipts from customers	770	4,015
1.2 Payments for (a) staff costs	(617)	(2,290)
(b) advertising and marketing	(97)	(195)
(c) research and development	(307)	(1,290)
(d) leased assets	-	-
(e) other working capital	(505)	(2,965)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	4	12
1.5 Interest and other costs of finance paid	(15)	(51)
1.6 Income tax credit received	-	554
1.7 Other	-	-
Net operating cash flows	(767)	(2,210)

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date (12 Months) \$A'000
1.8 Net operating cash flows (carried forward)	(767)	(2,210)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	(52)	(52)
(d) physical non-current assets	(20)	(27)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5) net of cash disposed of	(338)	(338)
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other	-	-
Net investing cash flows	(410)	(417)
1.14 Total operating and investing cash flows	(1,177)	(2,627)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	475	3,445
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	(75)	(400)
1.19 Dividends paid	-	-
1.20 Other – share issue costs	(20)	(186)
Net financing cash flows	380	2,859
Net increase (decrease) in cash held	(797)	232
1.21 Cash at beginning of quarter/year to date	1,282	220
1.22 Exchange rate adjustments to items	(4)	29
1.23 Cash at end of quarter	481	481

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	(69)
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Executive directors' remuneration	-	(55)
Non-executive directors' remuneration	-	(14)

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

On 30 June 2015, the Company completed the selective share buy-back of 80,337,670 fully paid ordinary shares and cancellation of 8,033,764 listed options exercisable at \$0.02 each with an expiry date of 30 April 2017 in consideration for the divestment of the Company's 43.3% interest in Marketboomer Holdings Pty Ltd, which owns the Marketboomer business.

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standbyarrangements	-	-

+ See chapter 19 for defined terms.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	481	1,282
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	481	1,282

Acquisitions and disposals of business entities

	Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.13)</i>
5.1 Name of entity	Nil	Marketboomer Holdings Pty Ltd which owns the Marketboomer business
5.2 Place of incorporation or registration		Australia
5.3 Consideration for acquisition or disposal		Share buy-back of 80,337,670 fully paid ordinary shares and cancellation of 8,033,764 listed options exercisable at \$0.02 each with an expiry date of 30 April 2017.
5.4 Total net assets		\$83,405
5.5 Nature of business		The Marketboomer business offers an internet-based procurement and materials management solution, specifically focussed on the hospitality industry

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act(except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date: **31 July 2015**
CEO/ Managing Director

Print name: **Chris Noone**

+ See chapter 19 for defined terms.

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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