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## SEPTEMBER 2015 QUARTERLY REPORT AND BUSINESS UPDATE

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

- + Significant reduction in operating costs as a result of the Marketboomer divestment.
- + 31% growth in DriveMyCar rental transaction value with no increase in cost of sales.
- + \$549,000 cash inflow from capital raising and exercise of options.
- + Marketboomer repaid \$300,000 loan to Collaborate as part of divestment.
- + Cash on hand increased by \$340,000.
- + Expectations of further cost savings.

The expected reduction in operating costs as a result of the Marketboomer divestment on 30 June 2015 were realised in the September quarter with staff costs decreasing by 80% (\$494,000) and overall costs decreasing by 44% (\$671,000). Net operating cash outflows for the quarter was \$506,000, of which \$73,000 of payments in the quarter related to FY15 audit costs (which covered the more complex Marketboomer business and divestment) and other non-recurring costs relating to market research, business development and strategy planning that will not be incurred to this level in the near future.

Despite the reduction in operating costs, cash receipts from continuing operations increased by 31% largely as a result of growth in the DriveMyCar business. This growth was achieved with no corresponding increase in cost of sales and was facilitated by increasing traction in the corporate rental market and an improved supply of vehicles from private owners and commercial fleets. The number of bookings recorded by MyCaravan is improving, but the revenues will be realised in the quarter in which the caravans are used under those bookings, with the peak revenue potential occurring in the December 2015 and March 2016 quarters.

Additional capital of \$500,000 was raised from existing investors during the quarter and \$58,000 was received from the exercise of options which resulted in net financing inflows of \$549,000. On 2 July 2015, Marketboomer repaid \$300,000 of intercompany loans that had been advanced by Collaborate. In addition, as a result of the R&D activities and expenditures incurred during FY15, the Company is expecting to receive a cash rebate of approximately \$170,000.

Exposure to currency fluctuations has been removed from the group upon divestment of the Marketboomer business and the risk of bad debts has been reduced as the revenue model for the peer-to-peer businesses requires payments be made by customers in advance.

## **Business Development and Outlook**

The closer focus on the peer-to-peer strategy following divestment of the Marketboomer business is allowing the group to generate increasing revenue from a lower cost base. The development of corporate partnership opportunities continues with three agreements being signed in the past 6 weeks. Two of these agreements relate to bulk supply of vehicles from corporate fleets and one relates to outsourced handover services. As these are new agreements, there were no revenues generated from them in the September quarter. Vehicles from supply agreements will be progressively added to the site in coming quarters.

Marketing partnerships have also commenced with Lifestyle Rewards, Aussie Relocations and Discovery Holiday Parks. These partnerships will allow for the marketing and promotion of DriveMyCar and MyCaravan but also extend certain member benefits from these partners to DriveMyCar and MyCaravan customers. The commencement of the Corporate Business Development Manager on 21 October is accelerating the development of corporate partnerships and corporate rental agreements.

Subsequent to the end of the quarter, Collaborate announced a \$150,000 seed capital investment into the Blue Chilli backed peer-to-peer fintech start-up, FundX. The investment will be reflected in the December 2015 quarterly cash flow report.

The Directors are pleased that the divestment of Marketboomer was completed smoothly and that all efforts and resources can be focused on the high growth peer-to-peer businesses of the group. The Directors are very excited by the opportunities and prospects for growth that lie ahead for Collaborate.

### **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](http://www.DriveMyCar.com.au) Australia's leading peer-to-peer car rental business; [www.MyCaravan.com.au](http://www.MyCaravan.com.au) Australia's leading peer-to-peer caravan rental business and [www.Rentoid.com](http://www.Rentoid.com), one of Australia's leading peer-to-peer 'rent anything' platforms. Collaborate has a material investment in [www.FundX.com.au](http://www.FundX.com.au), a peer-to-peer invoice discounting and SME lending platform. 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 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 September 2015**

**Consolidated statement of cash flows**

<b>Cash flows related to operating activities</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 Months) \$A'000</b>
1.1 Receipts from customers	362	362
1.2 Payments for (a) staff costs	(123)	(123)
(b) advertising and marketing	(112)	(112)
(c) research and development	(99)	(99)
(d) leased assets	-	-
(e) other working capital	(532)	(532)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2	2
1.5 Interest and other costs of finance paid	(4)	(4)
1.6 Income tax credit received	-	-
1.7 Other	-	-
<b>Net operating cash flows</b>	<b>(506)</b>	<b>(506)</b>

+ See chapter 19 for defined terms.

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

		<b>Current quarter</b> <b>\$A'000</b>	<b>Year to date</b> <b>(3 Months)</b> <b>\$A'000</b>
1.8	Net operating cash flows (carried forward)	<b>(505)</b>	<b>(505)</b>
<b>Cash flows related to investing activities</b>			
1.9	Payment for acquisition of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	-	-
	(e) other non-current assets	(4)	(4)
1.10	Proceeds from disposal of:		
	(a) businesses (item 5) net of cash disposed of	-	-
	(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	300	300
1.13	Other	-	-
	<b>Net investing cash flows</b>	<b>296</b>	<b>296</b>
<b>1.14</b>	<b>Total operating and investing cash flows</b>	<b>(210)</b>	<b>(210)</b>
<b>Cash flows related to financing activities</b>			
1.15	Proceeds from issues of shares, options, etc.	549	549
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	-	-
1.18	Repayment of borrowings	-	-
1.19	Dividends paid	-	-
1.20	Other – share issue costs	-	-
	<b>Net financing cash flows</b>	<b>549</b>	<b>549</b>
	<b>Net increase (decrease) in cash held</b>	<b>339</b>	<b>339</b>
1.21	Cash at beginning of quarter/year to date	481	481
1.22	Exchange rate adjustments to items	-	-
1.23	<b>Cash at end of quarter</b>	<b>820</b>	<b>820</b>

+ 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	<b>(103)</b>
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

<b>Executive directors' remuneration</b>	-	<b>(88)</b>
<b>Non-executive directors' remuneration</b>	-	<b>(15)</b>

**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

<b>Nil</b>
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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

<b>Nil</b>
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**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 standby arrangements	-	-

+ 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	820	481
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.23)	<b>820</b>	<b>481</b>

### Acquisitions and disposals of business entities

	Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.13)</i>
5.1 Name of entity	<b>Nil</b>	<b>Nil</b>
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

### 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: **30 October 2015**  
**CEO/ Executive 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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