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## MARCH 2015 QUARTERLY REPORT AND BUSINESS UPDATE

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Collaborate Corporation Limited (**Collaborate** or the **Company**) (ASX: **CL8**) is pleased to present its consolidated Quarterly Cash Flow for the period ended 31 March 2015. Key highlights include:

- + Significant increase in cash receipts from customers
- + Reduction in operating cash outflows from ordinary activities in the quarter
- + Completion of heavily oversubscribed \$1.26 million placement
- + Re-launch of DriveMyCar website
- + Continued growth in Caramavan fleet and website traffic
- + Planned divestment of Marketboomer business (subject to shareholder approval).

Commenting on the quarterly progress, Collaborate Corporation CEO, Chris Noone said "The progress of Collaborate during this last quarter has been very strong in what is traditionally a slower quarter due to the holiday period and limited marketing whilst the DriveMyCar site was being redeveloped. The completion of the initial Sydney arrangement with McMillan Shakespeare saw the extension into Brisbane and Melbourne. This will be extended with an increasing supply of vehicles in coming months. Collaborate is leveraging these successful launches and is now discussing vehicle supply arrangements with several other corporate fleet owners and increasing marketing to acquire private owners".

Cash receipts from customers increased by 34% during the March 2015 quarter and costs were kept in check whilst Collaborate continued to invest in ongoing research and development for the businesses. Cash at the end of the March 2015 quarter improved by 68% to \$1.282 million due to completion of Tranche 1 of the placement (\$1.06 million) in January 2015. Revenue for the traditionally weaker quarter earned by DriveMyCar increased by 12.7% compared with the December 2014 quarter, with net revenue in the month of March 2015 improving 24.5% on the month of February. Notably, this impressive boost in DriveMyCar revenue occurred prior to the launch of the new website and commencement of recent PR and online advertising activities.

On 21 January 2015, Collaborate capitalised on the increasing interest in the Company by announcing a heavily over-subscribed placement to raise \$1.26 million. The funds raised will be used to fund the evolution of the Company's proprietary trust and reputation platform and have been used to re-develop the DriveMyCar website and in recent marketing and PR activities.

The DriveMyCar website was re-launched on 27 March 2015 with enhanced product features and improved mobile compatibility. Performance of the new website is encouraging but the results will not be known until later in the June 2015 quarter. Subsequent to the end of the quarter the Company was successful in negotiating the purchase of the [www.drivemycar.com.au](http://www.drivemycar.com.au) domain and the website was re-branded, coinciding with the launch of the DriveMyCar PR campaign on 14 April. Online advertising commenced on 20 April.

The Caramavan fleet of caravans and campervans expanded by 86% and website traffic grew by 95% compared to the December 2014 quarter, with only a modest outlay in marketing expenditure, albeit both caravans and website traffic are coming from a small base. During April, a number of improvements have been made to the Caramavan website, including an approach to actively promote the availability of caravans located at or in close proximity to major holiday destinations which reduces or eliminates the need for towing.

During the March 2015 quarter, the Company received a non-binding and conditional proposal to divest the Marketboomer business. The Board negotiated the proposed transaction and the final transaction was announced on 2 April 2015. The proposed divestment is subject to shareholder approval and involves a selective buyback of 21.78% of the fully paid ordinary shares of Collaborate, which based on the closing prices on 1 April 2015 represents consideration of approximately \$1.42 million, and the cancellation of 8,033,764 listed CL8O options. A notice of meeting of shareholders and Independent Expert Report will be released shortly so shareholders can consider and vote on the proposed transaction.

Commenting on the result, Collaborate Corporation CEO, Chris Noone said "Collaborate has been successful in raising further capital to fund its strategy and increased revenue during the quarter. The planned divestment of the Marketboomer business will allow Collaborate to focus 100% of its efforts in the future on opportunities in the large and fast growing peer-to-peer market".

## **Outlook**

A notice of meeting to approve the proposed divestment of Marketboomer will be despatched to shareholders shortly. Approval will also be sought for completion of Tranche 2 of the January 2015 placement to raise \$200,000.

Should shareholders approve the Marketboomer divestment, the Company will focus 100% of its resources on collaborative consumption opportunities, leveraging its proprietary trust and reputation platform to grow a verified, high value customer base and launch into new product categories. Directors believe the Marketboomer divestment will enable the Company to reduce corporate overheads and costs associated with operating in foreign countries and devote a higher proportion of funds to the peer-to-peer operating businesses.

The major focus of the coming quarter will be on increasing the supply of vehicles and caravans to the peer-to-peer marketplaces and increase general consumer awareness of the businesses by leveraging PR and online advertising campaigns for DriveMyCar and Caramavan, as well as continuing to obtain further vehicles from the McMillan Shakespeare arrangement and developing similar arrangements with new corporate fleet owners.

The Board is very pleased with the progress that is being made with the Collaborate business units and the significant upside they see due to the current limited awareness of the offerings of the group and the early stages of the development of peer-to-peer markets in Australia.

**Authorised by:**

**Chris Noone**  
**CEO and Director**  
**Collaborate Corporation Limited**

## 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")

**31 March 2015**

### **Consolidated statement of cash flows**

<b>Cash flows related to operating activities</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 Months) \$A'000</b>
1.1 Receipts from customers	1,284	3,245
1.2 Payments for (a) staff costs	(582)	(1,673)
(b) advertising and marketing	(27)	(98)
(c) research and development	(400)	(983)
(d) leased assets	-	-
(e) other working capital	(767)	(2,405)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	4	8
1.5 Interest and other costs of finance paid	(7)	(36)
1.6 Income tax credit received	-	499
1.7 Other	-	-
<b>Net operating cash flows</b>	<b>(495)</b>	<b>(1,443)</b>

+ See chapter 19 for defined terms.

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

		<b>Current quarter \$A'000</b>	<b>Year to date (9 Months) \$A'000</b>
1.8	Net operating cash flows (carried forward)	<b>(495)</b>	<b>(1,443)</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-currentassets	-	(7)
	(e) other non-currentassets	-	-
1.10	Proceeds from disposal of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-currentassets	-	-
	(e) other non-currentassets	-	-
1.11	Loans to other entities	-	-
1.12	Loans repaid by other entities	-	-
1.13	Other	-	-
	<b>Net investing cash flows</b>	<b>-</b>	<b>(7)</b>
<b>1.14</b>	<b>Total operating and investing cash flows</b>	<b>(495)</b>	<b>(1,450)</b>
	<b>Cash flows related to financing activities</b>		
1.15	Proceeds from issues of shares, options, etc.	1,060	2,970
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	-	-
1.18	Repayment of borrowings	-	(325)
1.19	Dividends paid	-	-
1.20	Other	(62)	(166)
	<b>Net financing cash flows</b>	<b>998</b>	<b>2,479</b>
	<b>Net increase (decrease) in cash held</b>	<b>503</b>	<b>1,029</b>
1.21	Cash at beginning of quarter/year to date	764	220
1.22	Exchange rate adjustments to items	15	33
<b>1.23</b>	<b>Cash at end of quarter</b>	<b>1,282</b>	<b>1,282</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	(65)						
1.25	Aggregate amount of loans to the parties included in item 1.11	-						
1.26	Explanation necessary for an understanding of the transactions							
	<table> <tr> <td><b>Executive directors' remuneration</b></td><td>-</td><td><b>(55)</b></td></tr> <tr> <td><b>Non-executive directors' remuneration</b></td><td>-</td><td><b>(10)</b></td></tr> </table>	<b>Executive directors' remuneration</b>	-	<b>(55)</b>	<b>Non-executive directors' remuneration</b>	-	<b>(10)</b>	
<b>Executive directors' remuneration</b>	-	<b>(55)</b>						
<b>Non-executive directors' remuneration</b>	-	<b>(10)</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

Nil
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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

Nil
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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	75	75
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	1,282	764
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.23)</b>		<b>1,282</b>	<b>764</b>

## Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
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: **29 April 2015**  
**CEO/ Managing Director**

Print name: **Chris Noone**

## 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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