
FURTHER INFORMATION FOLLOWING NEW AGREEMENT WITH HYUNDAI FOR CARLY VEHICLE SUBSCRIPTION SERVICE

Collaborate Corporation Limited (ASX:CL8) (**Collaborate** or the **Company**), via its wholly-owned subsidiary, **DriveMyCar**, has just signed an agreement with **Hyundai Motor Company Australia (Hyundai)** for the supply of vehicles for the **Carly** vehicle subscription service.

The signing of the agreement with **Hyundai** is for the launch of an industry first vehicle subscription proposition that will enable customers to subscribe via **Carly** to vehicles provided by **Hyundai** dealers in Australia. **Carly** will provide the technology platform to facilitate and manage the subscription relationships between Hyundai dealers and vehicle subscribers. This latest agreement with Hyundai follows the recent signing of agreements with Suttons Motors and Turners Automotive Group and is further validation of the vital role that **Carly** plays in the rapidly changing automotive industry.

The vehicle subscription proposition allows **Carly** to run a capital light business model but that model is dependent upon the supply of vehicles by its strategic partners and the uptake of the subscription service by consumers. To date, **Carly** and **DriveMyCar** have had an excess of demand for vehicles above the available supply of vehicles on the platform. The signing of agreements for the supply of vehicles to the **Carly** and **DriveMyCar** marketplaces is consistent with the business model of generating revenue from the platform. **Carly** generates revenues when vehicles are subscribed to via **Carly**, with a recent average revenue per month of \$303 per subscribed vehicle, based on an average monthly subscription value of \$863 per month (excluding GST) (refer to Collaborate's Investor Presentation released to ASX on 2 July 2019).

Through partnerships with **Carly**, vehicle owners are able to retain ownership of vehicles and generate recurring subscription revenue. **Carly** and **DriveMyCar** have previously announced supply agreements with Suttons Motors, Subaru, Peugeot, Interleasing, Orix, Custom Fleet and a range of automotive dealers including JC Motors, LSH and Cricks Tweed. This agreement with Hyundai continues to build upon similar supply arrangements as with the above-mentioned parties, however with Australia's third largest car brand and a significantly larger dealer network. Collaborate anticipates securing additional supply of vehicles as automotive manufacturers, dealers and leasing companies adapt to changing consumer demands and alternatives to vehicle ownership.

The transition of consumer preferences from the purchase of vehicles to utilising vehicle subscription services is expected to take time and therefore, whilst the potential market size for the **Carly** subscription offering is large, the business model is new and take up by consumers and market penetration cannot be predicted accurately. It is therefore not possible to quantify the financial impact of supply agreements on Collaborate in any given time frame. But the Directors of Collaborate believe that ultimately the financial impact of new supply agreements is likely to be material.

Given the Australian industry first nature of this agreement with Hyundai and the involvement of Hyundai dealers it is not possible to estimate the rate at which vehicles will be provided, nor the rate at which they will be subscribed. However, given Hyundai has 172 dealers in its nationwide network and with the support of Hyundai as a manufacturer, the

Directors believe this agreement has the potential to be very significant to the development of the vehicle subscription industry and to Collaborate.

Carly was launched in March 2019 as a complementary demand channel to Collaborate's existing car rental business, **DriveMyCar**. **Carly** is an alternative to saving for, leasing or borrowing money to buy a car, offering access to a range of new and used vehicles including insurance, registration and maintenance packaged into a single monthly payment with no long term commitments. **Carly** leverages the existing systems and processes of **DriveMyCar** and is consistent with Collaborate's focus on facilitating the shift from ownership to access within the mobility industry in Australia.

Carly has attracted strong interest from industry participants including manufacturers, dealers and financiers. The Company will continue to pursue those opportunities as it builds upon the fleet of vehicles available to the **Carly** and **DriveMyCar** marketplaces.

Authorised by:

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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 'collaborative consumption', 'peer-to-peer' or 'sharing economy' business model with a strong focus on mobility solutions. Collaborate's core business is www.DriveMyCar.com.au Australia's leading peer-to-peer car rental business, complemented by www.Carly.co, Australia's first flexible car subscription offering. Other businesses include www.MyCaravan.com.au a leading peer-to-peer caravan rental business; and www.Mobilise.com a rental marketplace for under-utilised assets. Through our proprietary trust and reputation platform, www.peerpass.com.au we create 'trust' between individuals and make it possible for people and companies to safely transact with each other in the sharing economy.