
COLLABORATE TO OFFER UNDERWRITTEN RIGHTS ISSUE

- + Proposed entitlement issue to raise up to \$3.5 million
- + Partially underwritten up to \$2.080 million, including offset of the \$0.85 million Financing Facility by major shareholder, Willoughby Capital against commitments under the offer
- + Current commitments from underwriting represent take up of approximately 60% of total securities to be offered under the entitlement issue
- + Funding to drive growth of the Carly car subscription business

Collaborate Corporation Limited (ASX:CL8) (**Collaborate** or the **Company**) is pleased to announce that it intends to offer a non-renounceable entitlement issue of shares and free-attaching options to raise approximately \$3.5 million, before costs (**Entitlement Issue**). Subject to formal underwriting agreements being executed, the Entitlement Issue will be partially underwritten up to \$2.080 million by existing shareholders of the Company namely SG Fleet Management Pty Limited (**SG Fleet**) and Willoughby Capital Pty Ltd as trustee for the Willoughby Capital Trust (**Willoughby Capital**), alongside directors of the Company namely Adrian Bunter and Chris Noone and Chief Operating Officer, Ben Hershman (**Underwriters**).

Up to approximately 384 million new Shares will be offered at an issue price of \$0.009 each on the basis of 1 new Share for every 3 existing Shares held on the record date. Subscribers for Shares under the Entitlement Issue will also receive free attaching options on a one-for-five basis. The options will have an exercise price of \$0.015 per option and will expire on 31 October 2022 (**Options**).

The offer price of \$0.009 represents a 7.76% discount to the 5-day volume weighted average price of CL8 Shares to 28 August 2020.

No fees will be payable to the major shareholders or officers of the Company for the commitment and the underwriting agreements will otherwise contain customary termination events and indemnity provisions. In addition, the \$850,000 Financing Facility provided by Willoughby Capital to the Company will be used to offset its commitments under the Entitlement Issue. Shareholder approval is not required for these arrangements.

The Company anticipates lodging the prospectus for the Entitlement Issue with the ASIC and ASX on or around Monday, 14 September. The prospectus will contain all necessary information in relation to the Entitlement Issue including director (and related party) participation in the offer, shortfall dispersion and possible impacts of the proposed partial underwriting arrangement on Willoughby Capital's and SG Fleet's voting power.

Eligible shareholders will be entitled to subscribe for an additional 1 new Share per 3 existing Shares held on the record date plus free-attaching Options on a one-for-five basis under the Entitlement Issue, at a subscription price of \$0.009 per share under the shortfall offer forming part of the Entitlement Issue.

The funds raised under the Entitlement Issue will be used to fund continued growth of the **Carly** car subscription business and the **DriveMyCar** car rental business through continued marketing initiatives and pursuit of business development opportunities to grow the available fleet size to meet the demand for vehicles. Additionally, the proceeds will be used for general working capital and to cover costs associated with the Entitlement Issue.

Chris Noone, Collaborate CEO commented "We appreciate the ongoing commitment shown by major shareholders SG Fleet and Willoughby Capital and their ongoing commitments to support the continued growth of the **Carly** vehicle subscription business and the **DriveMyCar** car rental business. Despite the difficulties associated with COVID-19, we have seen strong growth in Carly car subscriptions, and we will look to continue to capitalise on the significant interest shown by consumers and the motor vehicle industry in Carly car subscriptions.

"The Company will also allow all eligible shareholders to subscribe for additional shares in Collaborate under the shortfall offer at an offer price of \$0.009 per share. I encourage all shareholders to take up their rights under the Entitlement Issue, and to consider purchasing additional shares under the shortfall offer. We thank all shareholders for their past and ongoing support."

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 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.