
ISSUE OF OPTIONS TO TURNERS AUTOMOTIVE AS PART OF STRATEGIC INVESTMENT

Collaborate Corporation Limited (ASX:CL8) (**Collaborate** or the **Company**) advises that further to the announcement on 2 July 2019, a total of 66,666,667 options have been issued to strategic investor, Turners Automotive Group Limited (ASX:TRA; NZX:TRA) (**Turners**) as part of the placement which raised \$1 million (**Placement**).

Pursuant to the Placement Collaborate issued 100 million fully paid ordinary shares in the Company (**Shares**) to Turners, at an issue price of \$0.01 per Share. At the time of completing the Placement, the Company did not have sufficient placement capacity available under the ASX Listing Rules to issue the options. Following receipt of shareholder approval at the 2019 annual general meeting, Turners have been issued 66.67 million free attaching options on a two for three basis. The options have been issued on the same terms and ratio as the entitlement issue offer made to existing shareholders which completed in August 2019, having an exercise price of \$0.015 per option and an expiry date of 18 December 2020 (**Unquoted Options**).

The strategic investment from Turners, a major player in the New Zealand automotive market, followed the Company's March 2019 launch of **Carly**, Australia's first flexible vehicle subscription service. The Placement was the first of a series of potential investments by Turners under the pillar of innovation and ventures, a sub-set of its broader strategy. The investment strongly fulfils Turners' investment criteria given its adjacency to Turners' existing business model, the potential synergies that exist between both companies and the exciting opportunity for Turners to participate in the rapid growth of the 'Sharing Economy' as it relates to transportation and changing consumer preferences.

In addition to the Placement, the parties have agreed an exclusivity period to negotiate the launch of a joint vehicle subscription service in New Zealand. A launch in New Zealand would enable Collaborate to leverage its existing investment in the technology platform supporting **Carly** and access a substantial new market with the support of Turners, the largest seller of cars in New Zealand. The negotiation of the operational and commercial terms for the launch in New Zealand are progressing well.

On 1 October 2019, Collaborate welcomed Mr Todd Hunter to the Board of Collaborate as a non-executive director, having been appointed to the Board by Turners. Todd has been Group CEO of Turners since July 2016. Todd is a strong and experienced senior executive, with a background in marketing, sales and accounting in both large global and domestic businesses (Ernst & Young, Microsoft and New Zealand Post). Todd joined the listed entity Turners Auctions in 2006 and became CEO of Turners Auctions in 2013. Turners Auctions was taken over in 2014 by listed entity Dorchester Pacific Finance which was then renamed to Turners Automotive Group. Todd was appointed Group CEO for the wider Turners Automotive Group business in 2016. Todd is a Chartered Accountant and holds a Bachelor and Diploma of Commerce from Auckland University.

Turners is a New Zealand based integrated automotive financial service group, primarily operating in the automotive sector, and provides strength in the three key areas of automotive retail, finance and insurance, and debt management systems.

An Appendix 3B in relation to the issue of Unquoted Options follows this announcement.

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' 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.

About Turners Automotive Group Limited

Turners Automotive Group Limited is an integrated financial services group, primarily operating in the automotive sector www.turnersautogroup.co.nz

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

COLLABORATE CORPORATION LIMITED

ABN

60 066 153 982

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | Options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 66,666,667 Options |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Options exercisable at \$0.015 each on or before 18 December 2020 (Unquoted Options) |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

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| <p>4 Do the ⁺securities rank equally in all respects from the ⁺issue date with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional ⁺securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment | <p>No. Options over unissued shares may only be exercised in accordance with their terms and conditions. Upon conversion of the options to shares, the shares will rank equally with existing shares.</p> |
| <p>5 Issue price or consideration</p> | <p>Nil</p> |
| <p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p> | <p>Two free-attaching Unquoted Options for every three Shares issued under the placement to strategic investor, Turners Automotive Group, announced to ASX on 2 July 2019.</p> |
| <p>6a Is the entity an ⁺eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the ⁺securities the subject of this Appendix 3B, and comply with section 6i</p> | <p>Yes.</p> |
| <p>6b The date the security holder resolution under rule 7.1A was passed</p> | <p>21 November 2019</p> |
| <p>6c Number of ⁺securities issued without security holder approval under rule 7.1</p> | <p>Nil</p> |
| <p>6d Number of ⁺securities issued with security holder approval under rule 7.1A</p> | <p>Nil</p> |

+ See chapter 19 for defined terms.

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|----|---|--|
| 6e | Number of ⁺ securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting) | 66,666,667 Unquoted Options approved at the AGM held on 21 November 2019 |
| 6f | Number of ⁺ securities issued under an exception in rule 7.2 | Nil |
| 6g | If ⁺ securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the ⁺ issue date and both values. Include the source of the VWAP calculation. | Not applicable |
| 6h | If ⁺ securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements | Not applicable. |
| 6i | Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements | Rule 7.1: 88,683,977 Rule 7.1A: 91,496,948 |
| 7 | ⁺ Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B. | 29 November 2019 |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

| | Number | +Class |
|---|---|--|
| 8 | Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable) | 1,151,030,919 Fully paid ordinary shares |
| 9 | Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable) | 883,333 Executive A options exercisable at \$0.0198 each on or before 28 November 2020 |
| | | 883,333 Executive B options exercisable at \$0.0298 each on or before 28 November 2020 |
| | | 316,622 Employee options exercisable at \$0.0248 each on or before 1 March 2020 |
| | | 8,333,333 New A options exercisable at \$0.031 each on or before 24 April 2020 |
| | | 3,333,333 New B options exercisable at \$0.050 each on or before 24 April 2020 |
| | | 1,000,000 Management options exercisable at \$0.0358 at the earlier of 1 May 2020 and cessation of employment |
| | | 2,408,294 Employee options exercisable at \$0.0386 each on or before 1 September 2020 |
| | | 7,000,000 Officer A options exercisable at \$0.0494 on or before 23 November 2020 |
| | | 10,500,000 Officer B options exercisable at \$0.0792 on or before 23 November 2020 |
| | | 173,232,673 Unquoted options exercisable at \$0.015 each on or before 18 December 2020 |

+ See chapter 19 for defined terms.

| | Number | +Class |
|---|-----------|---|
| 9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable) | 2,264,656 | Employee options exercisable at \$0.0211 each on or before 3 September 2021 |
| | 318,272 | Employee options exercisable at \$0.0188 each on or before 1 October 2021 |
| | 260,031 | Employee options exercisable at \$0.0163 each on or before 1 February 2022 |
| | 1,000,000 | Employee options exercisable at \$0.0125 each on or before 7 May 2022 |
| | 1,000,000 | Employee options exercisable at \$0.0150 each on or before 7 May 2022 |
| | 140,074 | Employee options exercisable at \$0.0100 each on or before 1 June 2022 |
| | 3,587,975 | Employee options exercisable at \$0.0100 each on or before 2 September 2022 |

| | |
|---|-----------------|
| 10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests) | Not applicable. |
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Note: The following options lapsed in accordance with the terms of the options:

1. 883,333 Executive A options exercisable at \$0.0198 each on or before 28 November 2019
2. 883,333 Executive B options exercisable at \$0.0298 each on or before 28 November 2019.

Part 2 - Pro rata issue

Questions 11 to 33 – Not applicable

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of ⁺securities
(tick one)

(a) ⁺Securities described in Part 1

(b) All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Questions 35 to 37 - Not applicable

Entities that have ticked box 34(b)

Questions 38 to 42 - Not applicable

⁺ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.

 - There is no reason why those +securities should not be granted +quotation.

 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.


Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:  Date: **2 December 2019**
Company secretary

Print name: **Karen Logan**

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

| Rule 7.1 – Issues exceeding 15% of capital | |
|---|---|
| Step 1: Calculate “A”, the base figure from which the placement capacity is calculated | |
| Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue | 688,552,556 |
| <p>Add the following:</p> <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> | <p>248,719,937</p> <ul style="list-style-type: none"> • 7,955,033 Shares issued on 22 January 2019, exception 3. • 159,849,080 Shares issued on 27 August 2019, exception 1. • 46,286,518 Shares issued on 14 November 2019, exception 3. • 30,857,679 Shares issued on 15 November 2019, exception 4. • 3,771,627 Shares issued on 15 November 2019, exception 4. <p>127,696,982</p> <ul style="list-style-type: none"> • 22,500,000 fully paid ordinary shares issued on 10 January 2019. • 100,000,000 fully paid ordinary shares issued on 28 June 2019. • 2,000,000 fully paid ordinary shares issued on 28 June 2019. • 3,196,982 fully paid ordinary shares issued on 27 August 2019. |
| Subtract the number of fully paid +ordinary securities cancelled during that 12 month period | Nil. |

+ See chapter 19 for defined terms.

| | |
|--|---|
| “A” | 1,064,969,475 |
| Step 2: Calculate 15% of “A” | |
| “B” | 0.15 <i>[Note: this value cannot be changed]</i> |
| Multiply “A” by 0.15 | 159,745,421 |
| Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used | |
| <p>Insert number of ⁺equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> | <p style="text-align: right;">71,061,444</p> <ul style="list-style-type: none"> • 3,535,714 fully paid ordinary shares issued on 31 January 2019. • 65,000,000 fully paid ordinary shares issued on 14 November 2019. • 2,525,730 fully paid ordinary shares issued on 14 November 2019. |
| “C” | 71,061,444 |
| Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1 | |
| <p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p> | <p>159,745,021</p> |
| <p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p> | <p>71,061,444</p> |
| <p>Total [“A” x 0.15] – “C”</p> | <p>88,683,977</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p> |

+ See chapter 19 for defined terms.

Part 2

| Rule 7.1A – Additional placement capacity for eligible entities | |
|--|---|
| Step 1: Calculate “A”, the base figure from which the placement capacity is calculated | |
| “A” <i>Note: number must be same as shown in Step 1 of Part 1</i> | 1,064,969,475 |
| Step 2: Calculate 10% of “A” | |
| “D” | 0.10 <i>Note: this value cannot be changed</i> |
| Multiply “A” by 0.10 | 106,496,948 |
| Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used | |
| Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> | 15,000,000 <ul style="list-style-type: none"> • 15,000,000 fully paid ordinary shares issued on 14 November 2019. |
| “E” | 15,000,000 |

+ See chapter 19 for defined terms.

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| Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A | |
| “A” x 0.10 <i>Note: number must be same as shown in Step 2</i> | 106,496,948 |
| Subtract “E” <i>Note: number must be same as shown in Step 3</i> | 15,000,000 |
| Total [“A” x 0.10] – “E” | 91,496,948 <i>Note: this is the remaining placement capacity under rule 7.1A</i> |

+ See chapter 19 for defined terms.