
COLLABORATE SECURES \$1 MILLION OF FINANCING

- + CL8 secures a \$1,000,000 financing facility for the **Carly** subscription business and marketing initiatives
- + Financing may be converted to equity at the lender's election, subject to all necessary regulatory and shareholder approvals.

Collaborate Corporation Limited (ASX:CL8) (**Collaborate** or the **Company**) is pleased to announce that it has signed a term sheet with Hishenk Pty Ltd (**Hishenk**), the Company's largest shareholder, for a financing facility of up to \$850,000 (**Financing Facility**) to enable the business more flexibility for the launch of the **Carly** vehicle subscription business, marketing initiatives and the continued growth of the **DriveMyCar** business.

Funds drawn under the Financing Facility may be converted into equity at Hishenk's election, subject to all necessary regulatory and prior shareholder approvals, at the price of a proposed future equity raising by the Company (intended to be completed by the end of June 2019).

Additionally, the Company has entered into an agreement with Hishenk for the provision of \$150,000 as an advance on equity raising funds. Subject to all necessary regulatory and prior shareholder approvals, Hishenk intends to offset this amount as a subscription for fully paid ordinary shares at the offer price of the Company's proposed future equity raising (**Advance**). This subscription for shares will be subject to shareholder approval as Hishenk is a related party of the Company.

The Financing Facility and Advance have been negotiated on favourable terms to the Company allowing the Company to limit dilution to shareholders at the present valuation and enable the Company to take advantage of the significant progress being made across the **DriveMyCar** and **Carly** businesses. The key terms of the Financing Facility and Advance are set out in Appendix 1 and 2 below. The Company will enter into formal documentation in relation to the Financing Facility prior to any drawdown, the terms and conditions of which will be standard for an unsecured loan of its nature.

Chris Noone, CEO of Collaborate Corporation commented, "Collaborate is appreciative of the continued support of Hishenk. The Board and management remain cognisant of the need to optimally manage funding to support growth of the business and to allow time for the share price of the Company to more accurately reflect the value of the business."

Mr Michael Abolakian, Director of Hishenk said "We are thrilled to continue our support of Collaborate in the assistance of growing the Carly opportunity which we believe is not only one of the most exciting opportunities in Australian tech but also has the potential to completely revolutionise the \$30 billion Australian automotive industry. We feel the current share price does not reflect the value of the Company, let alone the opportunity that Carly represents."

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 truly flexible car subscription offering to be launched in March 2019. 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.

APPENDIX 1

Key terms of the Financing Facility

(a) Loan

The facility may be drawn upon by Collaborate as required up to a total amount of \$850,000 (**Financing Facility**).

(b) Lender

The lender, Hishenk Pty Ltd, is a related party of the Company and is associated with Mr Stephen Abolakian who joined the Board as a non-executive director of Collaborate on 14 February 2019.

(c) Interest

The Financing Facility is provided at a simple interest rate of 12.00% per annum calculated based on the amount drawn.

(d) Fees

No fees are payable by the Company for the establishment or provision of the Financing Facility.

(e) Security

The Financing Facility is unsecured.

(f) Purpose

Amounts drawn under the Financing Facility shall be used by the Company for working capital requirements.

(g) Repayment

At the election of the Lender and subject to the receipt of all necessary regulatory approvals, any amounts drawn down by the Company under the Financing Facility may be converted into equity at the price of a future equity raising by the Company.

If the Lender does not make a conversion election or shareholder approval is not granted, amounts drawn under the Financing Facility are repayable on the earlier of:

- (i) 30 September 2019; or
- (ii) ten (10) business days after the Company's shareholders fail to approve any resolution enabling the amounts drawn down by the Company under the Financing Facility to be offset against a subscription for fully paid ordinary shares in Collaborate; or
- (iii) ten (10) business days after the Company raises at least \$3,000,000 pursuant to an equity raising.

APPENDIX 2

Key terms of the Advance

(a) Advance

The Advance may be drawn upon by Collaborate as required up to a total amount of \$150,000 (**Advance**).

(b) Lender

The lender, Hishenk Pty Ltd, is a related party of the Company.

(c) Interest

The Advance is provided interest free subject to (d) below.

(d) Repayment

The Advance will be applied towards the respective Lender's subscription for fully paid ordinary shares in Collaborate under the proposed equity raising which is to be completed by 30 June 2019. The issue of shares is subject to prior shareholder approval and any other necessary regulatory approvals.

Should shareholder approval not be received by the deadline to convene the 2019 annual general meeting of the Company, the Advance and Penalty Interest (defined below) shall be repayable within ten (10) business days after the Company's shareholders fail to approve any resolution enabling the amounts drawn down by the Company under the Advance to be offset against a subscription for fully paid ordinary shares in Collaborate (**Repayment Date**).

Should shareholder approval not be received by the deadline to convene the 2019 annual general meeting of the Company, penalty interest will be payable at a simple rate of 12.00% per annum, calculated on actual days elapsed and a year of 365 days, covering the period from the date the Advance is paid to the Company to the Repayment Date (**Penalty Interest**).