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## COVID-19 UPDATE: BUSINESS CONTINUITY PLAN IN PLACE AND DEMAND LEVELS REMAIN CONSISTENT

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Collaborate Corporation Limited (ASX:CL8) (**Collaborate** or the **Company**) has put in place a strategic response plan to ensure continuity in service delivery and to protect revenue streams during any COVID-19 related disruption.

Vehicle subscription and rental demand continue to remain consistent during this period of COVID-19 restrictions and uncertainty. Website traffic, booking requests and revenue metrics remain consistent with prior performance, and in some cases have improved. Since the launch of rideshare rentals and **Carly** car subscription, focus has been shifting away from the highly competitive travel-related car rental market, so the recently imposed travel restrictions are expected to have a limited impact on revenue and bookings in the near term.

A business continuity plan is in place to ensure minimal disruption to operations. The head office team in Sydney is equipped to work remotely if and when required. The support team in Manila has moved seamlessly to a remote working arrangement following the Philippines Government-mandated lockdown on 16 March. Normal customer communication channels including phone, email and livechat remain operational. **Carly** and **DriveMyCar** are fortunate to have partnered with multiple vehicle suppliers in various locations, which provide alternative options for vehicle supply and handover services.

While the full impact of COVID-19 on the economy and consumers is still unknown, Collaborate's online operating model and cloud-based technology positions the business well to cope with future operational challenges. In an environment of economic uncertainty, Collaborate's flexible vehicle access products appeal to businesses and consumers who are seeking to access vehicles without the burden of a long-term financial commitment.

### KEY POINTS

- + Metrics for **Carly** car subscription for the week ending 15 March 2020 compare favourably with the prior 12 week average
  - o Unique Subscription Request & Enquiry increased by 106%
  - o Live subscriptions increased by 16%.
- + Metrics for **DriveMyCar** for the week ending 15 March 2020 also compare favourably with the prior 12 week average
  - o Unique Organic Booking Requests increased by 30%
  - o Total Confirmed Rideshare Bookings increased by 71%.
- + Importantly, no increase has been detected in the rate of booking cancellations.
- + The recent announcement of the imminent closure of Maven, Holden's rideshare rental service, a leading supplier of vehicles to Uber drivers, has resulted in increased demand for vehicles through **DriveMyCar**.

- + The Company has recently made three key hires in senior positions, focused on growing vehicle supply, increasing sales and improving overall customer experience. The overall headcount remains the same. Positions filled are: Head of Marketing, Operations Manager and Digital Producer. All three employees have demonstrated extensive experience in their respective fields and will assist **Carly** to capitalise on the rapidly developing car subscription opportunities in Australia and New Zealand.
- + In the medium term, increased demand for car subscription could be expected due to the present and continuing economic uncertainty. Market indicators point to people delaying significant buying decisions and this sentiment is expected to be similarly observed in the mobility industry. Consumers and businesses seeking a vehicle may be more likely to opt for a flexible car subscription in preference to the long-term financial commitment required by a lease, loan or outright purchase.

Strategies to mitigate economic impact:

- + Employees of the Collaborate group are agile and utilise cloud-based technology. Staff in the head office in Sydney are fully prepared and able to work from home at short notice if and when required.
- + Continuity of our phone and digital customer service and support is assured as our Manila-based customer service team are already working remotely and delivering services largely as per normal procedures.
- + We have identified a number of specific strategies to monitor marketing and other variable expenditures in line with market developments.

In response to New Zealand Government mandated COVID-19 restrictions, Turners Automotive Group has advised that they will delay the launch of **Carly** NZ beyond the previously scheduled date of 31 March 2020. Collaborate is fully supportive of this decision as a delay will ensure maximum attention and uptake following launch in the region. Technical and operational development remains on schedule to be completed by 31 March 2020 and **Carly** NZ will be able to be launched as soon as it is appropriate.

Collaborate will continue to review and adjust its business continuity plan in line with Government decisions and to ensure minimal disruption to operations, partners and customers.

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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](http://www.DriveMyCar.com.au) Australia's leading peer-to-peer car rental business, and [www.Carly.co](http://www.Carly.co), Australia's first flexible car subscription service, supported by our proprietary PeerPass trust and reputation platform.