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## COVID-19 UPDATE: SALES GROWTH CONTINUES DESPITE FURTHER COVID-19 RESTRICTIONS

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Collaborate Corporation Limited (ASX:CL8) (**Collaborate** or the **Company**) continues to monitor the impact of COVID-19 on the business and is pleased to provide an update on the strategic response plan and results for July 2020 given the recent tightening of restrictions, especially in one of Collaborate's key markets - Melbourne.

Despite the imposition of tighter restrictions on economic activity and physical movement to varying degrees across Australia and New Zealand in recent weeks, revenue continues to improve and the key elements of the strategic plan remain unchanged.

### Key points:

- + Subscription Transaction Value for Carly car subscription has continued to improve month-on-month since April 2020
- + 48% increase in Subscription Transaction Value in July 2020 vs. March 2020, which represents growth since the period prior to the reimposition of COVID-19 restrictions.
- + 30% increase in Subscription Transaction Value in July 2020 vs. June 2020, building on the 13% increase in the June 2020 Quarter vs. March 2020 Quarter
- + 99% increase in Subscription Transaction Value in July 2020 vs. the FY20 monthly average
- + The increase in revenue was not confined to car subscription. A 15% increase in Rental and Subscription Transaction Value, which also includes revenue from DriveMyCar car rental and rideshare rentals, was achieved in July 2020 vs. June 2020 and a 37% increase since the COVID-19 lows of April 2020.

A business continuity plan has been in place since March, to ensure minimal disruption to operations (ASX release 19 March 2020). The head office team in Sydney is equipped to work remotely and is maintaining a 60:40 office/work from home schedule. The support team in Manila continues in a remote working arrangement following continuation of the Philippines Government-mandated lockdown. Normal customer communication channels including phone, email and livechat are operating as normal. **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.

Special procedures are in place to deal with return of vehicles that may be impacted by the Victorian Government 5km travel restrictions, however vehicle returns have been minimal to date.

While many businesses have been severely impacted by COVID-19, Collaborate's efforts to reposition itself over the past 12 months have prepared it well to deal with the current challenges, benefit from economic uncertainty and leverage opportunities brought about by longer term structural change in the automotive market. **Carly** car subscription is an alternative to a lease, loan or outright purchase of a vehicle and provides consumers and businesses with the ability to access vehicles they require without long-term financial risk. It is likely that the COVID-19-related concern about strength of the economy will accelerate the shift to more flexible vehicle access options. Collaborate believes that **Carly** is likely to benefit from this shift, even in an environment of slow economic growth.

A Current Affair TV program featured **Carly** in a prime time segment on Tuesday, 18 August, presenting options available for people and businesses who were opting for more flexible access to cars in preference to longer-term financial commitments during COVID-19. **Carly** was the only car subscription product featured. Website sessions increased by 123% and New Users increased by 132% compared to the same day in the previous week. This strong growth indicates increasing interest in car subscription. The segment can currently be viewed on A Current Affair's catchup TV service 9Now.

As previously announced, Turners Automotive Group, Collaborate's third largest shareholder, delayed the launch of the car subscription solution, powered by **Carly** in New Zealand, beyond the previously scheduled date of 31 March 2020 in response to the New Zealand Government-mandated COVID-19 Level 4 lockdown restrictions. Despite the recent reimposition of lockdown restrictions in Auckland, Turners and Collaborate continue to work towards the launch of the subscription proposition in the September 2020 Quarter. 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.

**Authorised by:**

**Chris Noone**  
**CEO and Director**  
**Collaborate Corporation Limited**

**For more information please contact:**

Chris Noone  
CEO and Director  
Collaborate Corporation Limited  
E: [shareholder@collaboratecorp.com](mailto:shareholder@collaboratecorp.com)

Jane Morey  
Morey Media  
E: [jane@moreymedia.com.au](mailto:jane@moreymedia.com.au)  
M: 0416 097 678

**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.