
AGM INVESTOR PRESENTATION

Collaborate Corporation Limited (ASX:CL8) is pleased to release a copy of the AGM Investor Presentation to be provided by Mr Chris Noone to shareholders at the Annual General Meeting to be held in Sydney commencing at 3:00 pm AEDT today. The AGM Investor Presentation will provide an overview of 2020 highlights and updated information on improving unit economics.

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.



Leading the Transition to Car Subscription

AGM Presentation

19 November 2020

Collaborate
CORPORATION LIMITED

Disclaimer

The material herein is a presentation of non-specific background information about the current activities of Collaborate Corporation Limited (Collaborate or the Company). It is information given in summary form and does not purport to be complete.

All persons should seek appropriate professional investment advice in reviewing or considering this presentation and all other information with respect to Collaborate Corporation, its business, financial performance and operations. Neither the provision of this presentation nor the information contained therein, or any associated communication to any person should be taken as constituting financial advice regarding the purchase or dealing of shares in Collaborate Corporation. This presentation does not purport to provide all information that might reasonably be required to complete a detailed assessment of Collaborate Corporation.

Individuals should conduct their own investigation of investment and financial parameters relevant to their personal requirements for investment purposes. The presentation may contain forward looking statements regarding the intentions of the Company, and these will be affected by many other factors beyond the control of the Company.

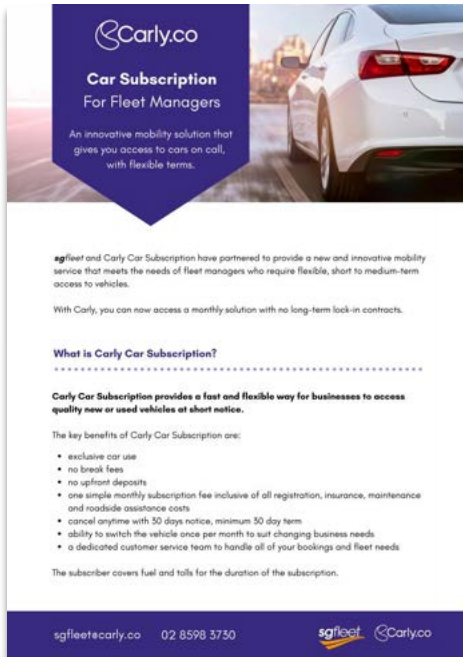
Forward-looking statements include, but are not limited to, statements concerning Collaborate Corporation's planned strategies and programs and other statements that are not historical facts. Although Collaborate Corporation believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. The presentation must be considered in the light of these uncertainties and investments in Collaborate Corporation should be considered as speculative in nature.

The presentation is not a prospectus or similar disclosure document and does not constitute an invitation to apply for shares in Collaborate Corporation or ASX:CL8.

2020 Year in review

- ▶ Key partnerships
- Market development
- Corporate actions

SG Fleet strategic investment, vehicle supply and B2B referral partnership



Carly.co
Car Subscription
For Fleet Managers

An innovative mobility solution that gives you access to cars on call, with flexible terms.

sgfleet and Carly Car Subscription have partnered to provide a new and innovative mobility service that meets the needs of fleet managers who require flexible, short to medium-term access to vehicles.

With Carly, you can now access a monthly solution with no long-term lock-in contracts.

What is Carly Car Subscription?

Carly Car Subscription provides a fast and flexible way for businesses to access quality new or used vehicles at short notice.

The key benefits of Carly Car Subscription are:

- exclusive car use
- no break fees
- no upfront deposits
- one single monthly subscription fee inclusive of all registration, insurance, maintenance and roadside assistance costs
- cancel anytime with 30 days notice, minimum 30 day term
- ability to switch the vehicle once per month to suit changing business needs
- a dedicated customer service team to handle all of your bookings and fleet needs

The subscriber covers fuel and tolls for the duration of the subscription.

sgfleetcarly.co 02 8598 3730

sgfleet Carly.co

- SG Fleet invested A\$2.2 million in Collaborate in November 2019
- Robbie Blau, CEO of SG Fleet joined the Collaborate Board in December 2019
- A leading player in fleet management and leasing, SG Fleet manage over 140,000 vehicles and supply Carly and DMC with vehicles
- Carly has created car subscription services for SG Fleet to present to their corporate and government customer base
- SG Fleet has provided a range of new and ex-lease vehicles to the Carly and DMC fleets



Turners Automotive launch car subscription in New Zealand, Powered by Carly

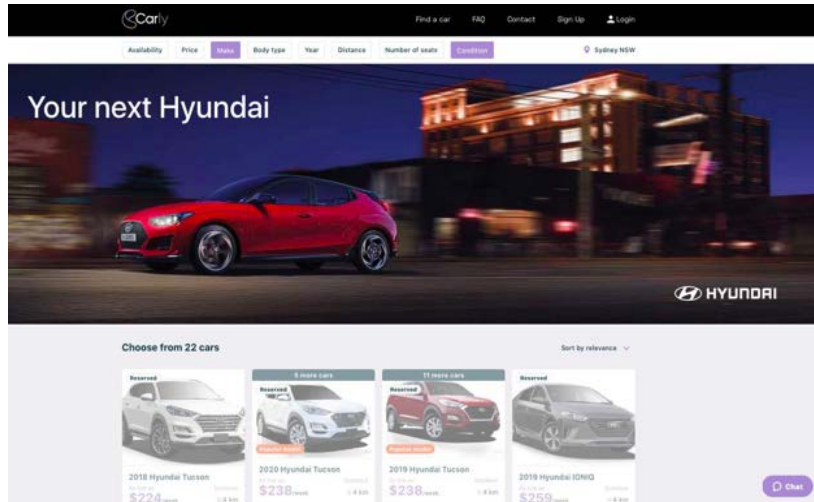


- Follows on from AUD \$1M in investment from Turners Automotive Group - the largest seller of cars in NZ
- The platform was launched in **September 2020** as Turners Subscription - 'Powered by Carly'
- Technology licensing and service fee income

Carly provides:	Turners manages:
Subscription platform software	Fleet management and operations
Customer service	Marketing



The first subscription service to partner with a manufacturer and their dealer network




- Hyundai is the third largest car brand in Australia
- Working with Carly to offer a co-branded subscription offering for its vehicle range
- Includes participation of Hyundai dealer network to provide broad market coverage
- Supported by Hyundai-funded marketing campaign
- Provides a new way for consumers to access Hyundai vehicles
- Delivers both **supply** and **demand** for Carly



Digital integration with dealer websites

2015 Volkswagen Polo 81TSi DSG Comfortline 6R MY15 Drive Away! \$18,995

[Add to Comparison](#)




Model Year	2015
Type	Used
Kilometres	19,107
Colour	White
Transmission	Sports Automatic Dual Clutch
Engine	4 Cylinders 1.2 Litres Petrol - Premium ULP
Body	Hatchback
VIN #	WVWZZ26RZFU064287
Reg #	963VMW
Stock #	00932260

Carly Subscribe from \$210 pw

A simple monthly subscription including insurance, registration and servicing, which you can stop anytime.

[Learn More](#) [SUBSCRIBE](#)



- Carly and I-Motor have partnered to add subscription functionality to dealer websites with no additional investment required
- Dealers can select any vehicles from their inventory and add a subscribe button to the listing with a single click
- The transaction process is 100% online via the dealer website
- Provides new opportunities for dealers to transact online with people for whom buying a car is not the ideal option

I-MOTOR

Genesis partners with Collaborate for Subscription



- Genesis are seeking to introduce the brand to a wider audience
- Genesis have chosen Collaborate to access premium rideshare rental and car subscription customers
- Delivers **supply** of vehicles for Carly and Drivemycar



GENESIS

2020 Year in review

Key partnerships

▶ **Market development**

Corporate actions

Australians' attitudes towards Car Subscription

Interest in Car Subscription has increased since COVID-19...

Of those considering car subscription,

42% are more likely to consider a subscription now compared to 6 months ago.

31% of people surveyed were extremely or very worried about their financial situation due to the pandemic, of these...

46% would consider car subscription *and*

24% are more likely to choose it **NOW**



38% of Australians would consider subscribing to a car rather than purchasing or financing

69%

GEN Z
(18-24 yrs)

indicated they'd prefer a no-strings-attached car subscription option

50%

MILLENNIALS
(25-34 yrs)

47%

of people with children would consider subscribing to, rather than purchasing their next car

ATO Product Ruling

Carly has secured a product ruling from the Australian Taxation Office that provides a clear framework for Carly subscribers using cars for **business or work purposes to claim tax deductions.**

The ATO Product Ruling is **exclusive to Carly** and does not apply to any other car subscription offerings.

Carly is the only car subscription offering that can currently provide certainty of tax deductibility on car subscription payments.

Benefits for Carly's customers

- **Businesses** that use Carly can claim the full dollar amount of the Subscription Fee as a deduction if the cars are used in carrying out business and/or provided to employees for their usage.
- **Businesses** that reimburse employees can claim a deduction for the full dollar amount of all the Subscription Fees reimbursed to employees for the period of the subscription, as long as the car is used for business.
- **Individuals** can claim Subscription Fee payments as a deduction in their income tax return if the vehicle is being used for business or work purposes.

The Product Ruling is only a ruling on the application of taxation law. It is only binding on the ATO if the Scheme is implemented in the specific manner outlined in the product ruling.

Mainstream media coverage



Sophia

CONSUMER CASE STUDY

<https://youtu.be/e1nAthIU8yk>



Lust Liquor

BUSINESS CASE STUDY

<https://youtu.be/ab6EX03mbJQ>



Carly featured on Sunrise

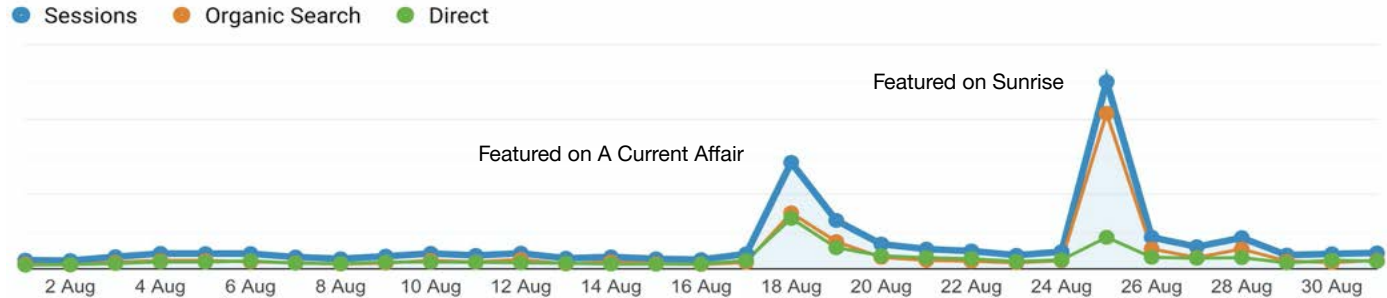
<https://youtu.be/UUdVbNnepTo>



Carly featured on A Current Affair

<https://bit.ly/36IMdhf>

After Carly was featured on **Sunrise** and **A Current Affair**, the number of people searching for Carly on Google **increased significantly**



2020 Year in review

Key partnerships

Market development

▶ Corporate actions

Small holding sale facility

Overview

- Completed in July 2020
- 824 holdings below \$500 in value purchased
- 769 shareholders remained as at 6 July 2020
- Substantial savings in postage and administration costs

Outcome of the Small Holdings Sale Facility:

	Number of Holders	Number of Shares
Total Small Holdings	999	18,643,200
Eligible Shareholders that left the register during the Facility period	41	1,546,442
Eligible Shareholders that elected to increase their shareholding during the Facility period	1	15,000
Eligible Shareholders that elected to retain their Small Holdings	133	4,181,003
Eligible Shareholders whose Small Holdings will be purchased by the Purchasers	824	12,900,755

Entitlement issue



ASX ANNOUNCEMENT

30 OCTOBER 2020

COMPLETION OF ENTITLEMENT ISSUE

Collaborate Corporation Limited (ASX:CL8) (**Collaborate** or the **Company**) is pleased to announce that it has completed the partially underwritten non-renounceable entitlement offer of shares and free-attaching options pursuant to the prospectus dated 14 September 2020 (**Entitlement Issue**).

A total of 261,636,111 New Shares and 52,327,203 Options were issued on 30 October 2020, representing take-up of 68% of the total Shares offered under the Entitlement Issue and raising \$2,354,725 before costs.

- Entitlement Issue raised \$2.354 million before costs supported by significant and Top 20 shareholders, directors and management
- No discount to market
- \$1.1 million remaining, available to be placed @ 0.9 cents per share prior to 23 January 2021
- Investor relations campaign launched to broaden shareholder base and increase liquidity

Proposed corporate actions

Two resolutions to be voted on at this AGM

1. Change the name of **Collaborate Corporation Limited** to **Carly Holdings Limited** to better reflect the primary operations of the business and improve alignment between brand and listed company
2. **Consolidation of capital on the basis of one share for every 25 shares**
 - There are a large number of shares on issue due to the long history of the listed entity prior to it acquiring the DriveMyCar business and historical equity-based capital raisings
 - The Board considers that the consolidation is necessary to provide the best platform for growth, with a capital structure that is more reflective of the Company's size and a share price level that is more attractive to investors.

Investor relations campaign

As Carly is gathering momentum, significant focus is being given to investor relations with the goal of broadening the shareholder base and increasing liquidity.

Engagements have commenced with:



2020 Year in review

- ▶ Carly performance metrics

Improving subscription plan economics

2.1%

REVENUE SHARE

Increase in **average Carly revenue share** from new subscription plans*



New subscription plans were launched on 1 Sep 2020. The 2.1% increase will support improvements in profit margin in future quarters

5.0
months

JUNE 2020

5.26
months

SEPT 2020

AVERAGE RETENTION PERIOD



5%
increase
in 3 months



Longer retention periods **decrease** customer acquisition and vehicle handover costs

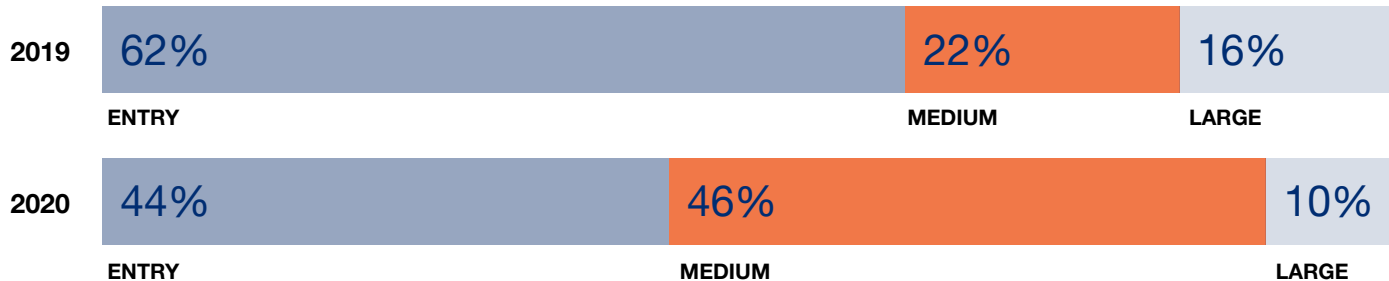
*Old plan vs new plan based on average vehicle value and subscription plan split SEPT Qtr 2020

Upselling to Higher Price Subscription Plans

Through sales and marketing initiatives, Carly upsold a higher proportion of customers from 'Entry' to 'Medium' subscription plans, resulting in revenue and margin improvements.

	ENTRY	MOST POPULAR MEDIUM	LARGE
From	\$115 / week	\$133 / week	\$147 / week
	1	1	2
	\$3,000	\$2,000	\$1,000
	1,000 km	2,000 km	2,800 km
	30 cents	15 cents	10 cents

SEPTEMBER QUARTERS YEAR ON YEAR



Revenue and margins are improving

SEPTEMBER QUARTERS YEAR ON YEAR

2019	\$799	\$262	\$93
2020	\$832 4.1% INCREASE	\$275 5% INCREASE	\$112
	AVERAGE SUBSCRIPTION VALUE	CARLY REVENUE SHARE	GROSS MARGIN

*All values are per month, per vehicle excluding GST

21% INCREASE

Upselling to higher value subscription plans, as well as increases in average end user prices supported by lower cost of sales, have driven material increases in revenue and gross margin.

Since launch in March 2019, Carly car subscription has grown from **0% to 63% of total Collaborate Rental and Subscription Receipts** in October 2020.

Improving insurance metrics

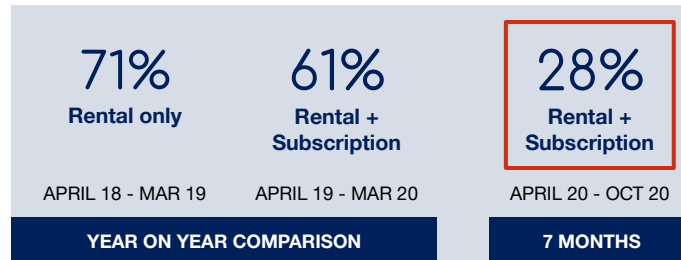
CLAIMS PER
10,000 DAYS



Significant improvements to the performance of the motor fleet insurance policy have been achieved due to **substantially lower claims arising from Carly's subscription model** vs. the traditional car rental model.

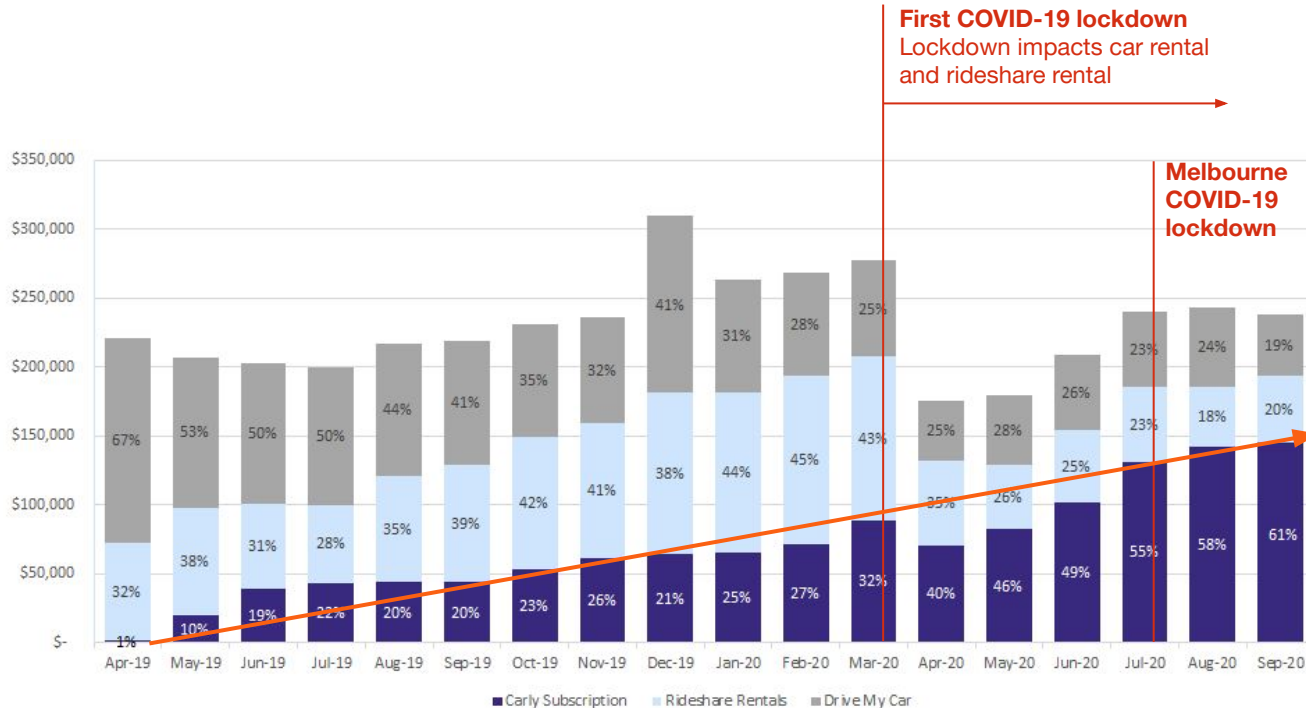
The **claims/Loss Ratio** is a measure of the value of insurance claims vs premium paid. As car subscription now accounts for 63% of total rental and subscription receipts (Oct 2020) the lower incidence of claims resulting from the car subscription model is having a significantly positive impact on the Claims/Loss Ratio

CLAIMS/ LOSS
RATIO



As Carly grows, and assuming insurance claims follow the existing trajectory, insurance premium costs can be expected to **decrease by up to 25%**

Carly car subscription grows despite COVID-19



RENTAL AND SUBSCRIPTION RECEIPTS

5.3 months

Average retention period per subscriber (Sep 2020)

Consistent growth of Carly subscription

Exceeds pre-COVID 19 revenue

18 months

Longest subscription period and continuing to increase

Short term vehicle supply constraints

The COVID-19 pandemic has caused **severe dysfunction in vehicle supply markets**. New cars are in very short supply and used car prices have increased significantly. All participants in the automotive industry are experiencing these challenges.

While Carly has increased revenue and subscriptions, full growth potential has not been achieved due to the supply constraints which are impacting further sales. These constraints are expected to ease in early 2021.

Carly has signed new agreements with various suppliers and is exploring additional supply opportunities via our existing model, including SG Fleet, which has significant vehicle acquisition capabilities.



PEOPLE ARE CHOOSING TO DRIVE, RATHER THAN RISK PUBLIC TRANSPORT

FY21 Growth Opportunities

White label opportunities

Carly will leverage the capability developed to launch Hyundai subscription in Australia and Turners Subscription in New Zealand to pursue platform licensing opportunities with automotive manufacturers, dealers and new market entrants

Mass Market Advertising

Most Australians are not aware of car subscription, but when they see it they engage strongly. Carly's appearances on Sunrise (Ch7), A Current Affair (Ch9) and 2GB produced a strong uplift in traffic and enquiries. Carly is planning TV and radio campaigns to capture this potential

Referral Partnerships

Car subscription is a simple online proposition that is suited to customer referrals from aligned companies. Carly will expand on existing referral relationships with ServCorp, Student VIP, I-Motor and Hyundai

Business & Government

Carly will leverage the relationship with SG Fleet to offer subscription to its customer base and will also focus on acquisition of business and corporate customers

Electric, Hybrid & Hydrogen Vehicles

Subscription is an ideal model to introduce consumers and businesses to new vehicle technologies in a low risk and flexible way that alleviates initial concerns about driving range, battery life and depreciation

Corporate Structure

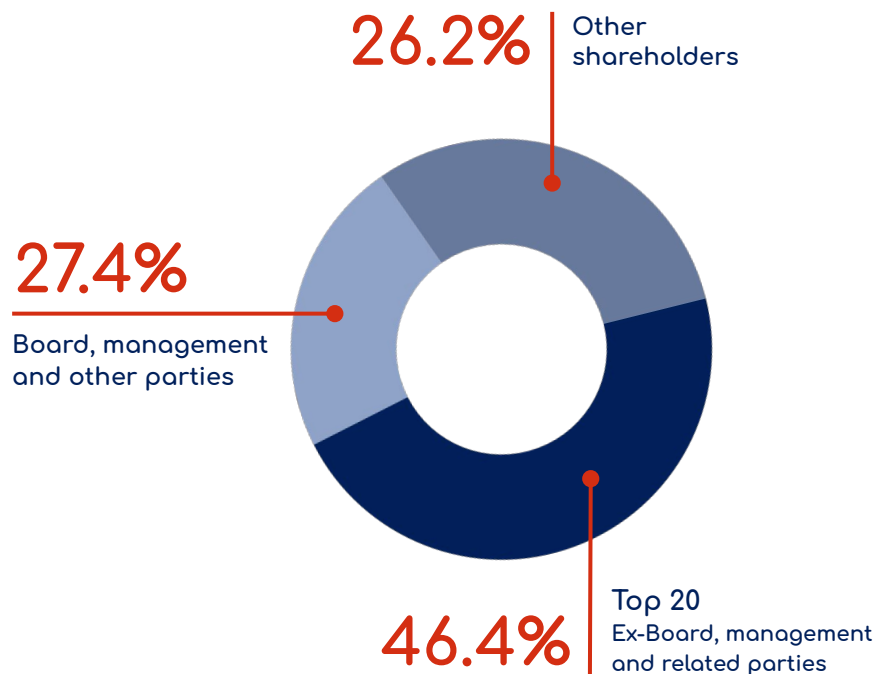
AS AT 16 NOVEMBER 2020

Shares on issue	1,413 m*
Options on issue	244.8 m*
Market capitalisation	\$12.7 m
Cash at bank 31 Oct 2020	\$1.874 m

Top Shareholders

Willoughby Capital Pty Ltd	24.8%
SG Fleet Management Pty Limited	19.6%
Turners Automotive Group Limited	8.8%
RACV Investment Holdings Pty Ltd	2.7%
Top 20 Shareholders	74.1%
Number of Shareholders	767

*Prior to proposed consolidation of shares





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Sign up to our investor newsletter

<http://collaboratecorp.com/#join>

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