

## Emerging ASX Technology Sector

19 October 2015

Web 3.0 and the Growth of Mobile Technology



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**Company Information**

ASX Code	CL8
Last Price (\$)	\$0.02
12 month share low	\$0.01
12 month share high	\$0.04
Shares on Issue (m)	309
Market Capitalisation (\$m)	6
Daily Volume	2.4m

Factset, DJC Research

**Business Description**

Collaborate Corporation Limited (ASX: CL8) operates peer-to-peer marketplaces where the 'trust' it creates allows individuals and companies to transact with each other for mutual benefit. Collaborate disrupts traditional business models in the physical asset rental market by enabling those with underutilised assets to rent them directly to those temporarily requiring usage of those assets. Renting assets is no longer the exclusive domain of dedicated rental companies. We are embracing the trend from ownership to access and reinventing the car, caravan and general item rental markets. We provide a more efficient way to access and monetise assets.

Factset, DJC Research

**Directors**

Chris Noone	CEO
Adrian Bunter	Non-Exec Director
Domenic Carosa	Non-Exec Director

**Major Shareholders**

Hishenk Pty Ltd	6.69%
Dominet Digital Corp Pty Ltd	4.43%
Bellite Pty Ltd	3.61%
HSBC Nominees	2.97%

**Performance**

Source: Factset

**Analyst Details**

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# Collaborate Corporation (CL8)

## Can I borrow your car?

**CL8 is a group that is taking advantage of the growth of the rapidly growing sharing economy. The ability of ordinary people to monetise their idle assets and compete directly with taxi companies, hotel chains and car hire companies is one of the most powerful disruptive forces in the world today and will reshape the way we do business.**

### Key Points

**CL8 helps monetise underutilised assets:** CL8 is one of the few local examples of the sharing economy. CL8's focus is to enable its clients to unlock value from underutilised assets by connecting people together in a marketplace. The CL8 business model is similar to Uber, Airbnb and other peer to peer sharing networks.

**DriveMyCar is CL8's key offering:** CL8's most mature offering is DriveMyCar, which allows people who want to hire out their motor car when they are not using it in a similar way car hire companies hire out cars. CL8 provides a central marketplace where car owners can list their vehicle, provide insurance cover, vet the customers and manage the payments and hire process. CL8 has entered into a vehicle supply agreement with InterLeasing, a McMillan Shakespeare Group Company, to supply ex-lease vehicles to CL8 and this has increased the stock of available vehicles.

**Peerpass verification system:** CL8 has developed the peerpass system to empower peer to peer transactions. peerpass does this by conducting identity and credit checks, cross referencing information with social media platforms and providing a secure online payments gateway. peerpass also acts as a reporting and contracts management platform and allows for comments and feedback. The platform took 5 years to develop. CL8 could license the technology to other peer to peer businesses as an additional revenue stream.

**MyCaravan rents caravans:** CL8 also rents caravans, which are assets that are idle for a large proportion of the year. CL8 estimates there are over 500,000 caravans and camper trailers in Australia.

**Rentoid provides future product growth:** CL8 acquired Rentoid in May 2014, which is a marketplace that allows for the rental of anything from ladders to washing machines.

**Peer to Peer Lending:** CL8 has invested in a SME peer to peer lending system Fund X that makes peer to peer loans to SMEs.

**Revenue Earning:** CL8 already earns revenue from its car hire business and has processed over 4,850 rentals to date resulting in 175,000 rental days. This has brought in over AU\$6 million of gross rental transactions for an average of AU\$60 per day per rental. Demand has exceeded supply due to the attractive savings of 20% to 57% over the traditional hire company rates.

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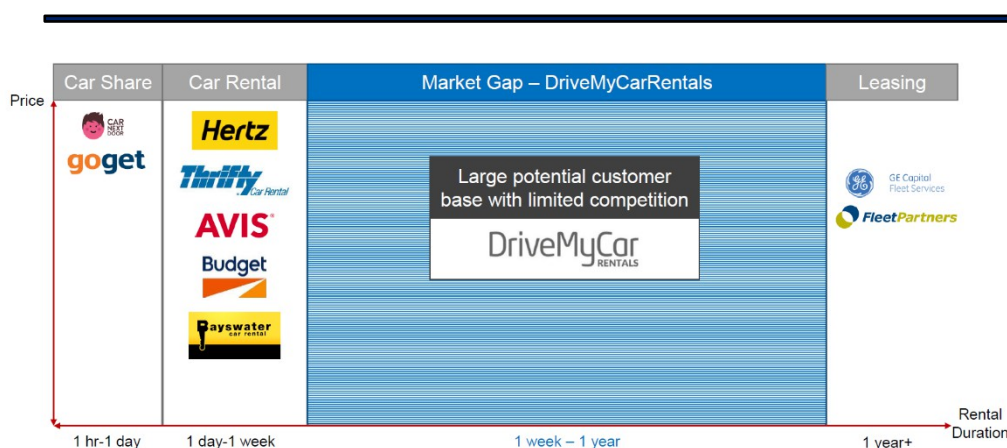


Figure 14: CL8's place in the care hire/sharing market

Source: CL8

## Peer Comparison

Name	Code/Market	Market Cap/Valuation/Raising	Description
Uber	Private	US\$41 billion	Uber is an app based offering for ridesharing services across the world. Uber recently raised US\$1.2 billion in funding valuing it at US\$41 billion
Airbnb	Private	US\$10 billion	Airbnb is a website for people to rent out lodging. It has over 800,000 listings in 33,000 cities and 192 countries
Getaround	Private	Raised US\$19 million	Peer to peer car sharing service allowing owners to rent out cars for payment
Lyft	Private	Raised US\$332.5 million	Peer to peer ridesharing connecting passengers and drivers
RelayRides	Private	Raised US\$25 million	RelayRides is a peer-to-peer carsharing marketplace. It allows private car-owners to rent out their vehicles via an online interface
Wimdu	Private	Raised US\$90 million	Wimdu is a web-based platform based on the peer-to-peer property rental model, that advertises properties on the internet (from single rooms to full apartments) for short term lettings
Collaborate Corporation	CL8:ASX	AU\$7 million	Collaborate Corporation is an Australian based collaborative consumption business that allows people to monetise their assets when they are not using them

## Company Background

Collaborate Corporation Limited (CL8, formerly Qanda Technology Ltd) listed in 1996 and is involved in the developing, marketing and licence sales of software with a specific focus on creation and investment in technology that relates to collecting and consolidating raw data to provide meaningful information.

In February 2014, the Company completed the acquisition of a 100% interest in Drive My Car Rentals Pty Ltd (DMCR) which owns the DMCR business and assets. DMCR operates an online marketplace ([drivemycarrentals.com.au](http://drivemycarrentals.com.au)), which is a web-based portal providing owners of vehicles the ability to rent their vehicle out to people who wish to rent for either a short term or long term period.

## Management

**Mr Chris Noone - Chief Executive Officer and Executive Director**

Mr Noone has led the development, launch and optimisation of many innovative companies that have helped define the digital market in Europe, Asia and Australia. Mr Noone led the Asia Pacific business for Microprose and then moved to London as Commercial Director for Hasbro. Mr Noone also went on to launch Vodafone's games business in Europe and later become their head of Business Development and Content. Mr Noone moved back to Australia in 2006 to ramp up ninemsn's mobile business, taking responsibility for the monetisation of the mobile products of Microsoft, ACP Magazines and Channel 9 as well as the 5th Finger and HWW mobile

businesses. In addition to helping large corporations evolve in a digital environment he has also co-founded a number of start-up businesses.

**Mr Adrian Bunter - Non-Executive Director**

Mr Bunter has over 19 years' experience in accounting, finance and a broad range of corporate advisory roles ranging from mergers and acquisitions, divestments of businesses, debt/equity raisings and strategy development and execution. Adrian is an executive director of Venture Advisory, a specialist telecommunications, media and technology financial advisory firm operating out of Australia and AsiaPac. Mr Bunter is a Chartered Accountant, a Senior Associate of Finsia and has completed a Bachelor of Business and a Graduate Diploma in Applied Finance. Adrian is a member of the Executive Committee of Australia's leading angel investing group, Sydney Angels. In the 3 years immediately before the end of the financial year, Mr Bunter also served and continues to serve as a nonexecutive director of 8common Limited, an ASX listed company from 27 August 2014.

**Mr Domenic Carosa - Non-Executive Director**

Mr Carosa has over 20 years experience in business and technology. He is co-founder and Chairman of Future Capital Development Fund Pty Ltd (a registered Pooled Development Fund). Future Capital has successfully raised in excess \$8M in patient equity capital in recent years, invested in 14 early stage investees and recently launched the Future Capital Bitcoin Fund which will invest into Bitcoin related companies. He is also Chairman/CEO of Dominet Digital Corporation Pty Ltd, a boutique internet investment group and Chairman/CEO of global mobile entertainment company CroudMobile.com. Mr Carosa was previously the co-founder and Group CEO of ASX-listed destra Corporation which was the largest independent media and entertainment company in Australia. Mr Carosa is also a non-executive director of the listed company Shoply Limited having been appointed 18 June 2013.

**Ms Karen Logan - Company Secretary**

Ms Logan is a Chartered Secretary with over 10 years' experience in assisting small to medium capitalised ASX-listed and unlisted companies with compliance, governance, financial reporting, capital raising, merger and acquisition, and IPO matters. She is an Associate of the Institute of Chartered Secretaries and Administrators, a Fellow of the Financial Services Institute of Australasia and a Graduate Member of the Australian Institute of Company Directors. Ms Logan is presently the principal of a consulting firm and secretary of a number of ASX-listed companies, providing corporate and accounting services to those clients.