GORDON CAPITAL PTY LTD ● Level 9, 440 Collins Street, Melbourne, VIC, 3000 ● Ph: +61 3 9607 1371 ● www.gordoncapital.com.au

# COLLABORATE CORPORATION LIMITED (CL8)

## Emerging player in the huge peer-to-peer market

### DIRECTORS & MANAGEMENT

Chris Noone, CEO/Executive Director
Adrian Bunter, Non-Executive Director
Domenic Carosa, Non-Executive Director

### MARKET DATA

| | |
|---|---|
| ASX Code: | CL8 |
| Current Price (24/8/15): | $0.017 |
| 52 Week Share Price Range: | $0.01-$0.04 |
| Market Capitalisation: | $5.3 million |
| Enterprise Value: | $4.7 million |

### CAPITAL STRUCTURE

| | |
|---|---|
| Shares on Issue: | 309 million |
| Options: | 162 million |

### FINANCIAL SUMMARY

| $'000 Y/E June | ①2015 (E) | ①2016 (E) | ①2017 (E) |
|---|---|---|---|
| **Operating Rev.** | 4,000 | 1,550 | 2,500 |
| **EBITDA** | -2,060 | -250 | 700 |
| **Net Profit** | -2,380 | -390 | 600 |
| **EPS (c)** | - | - | 0.19 |
| **PER (x)** | - | - | 8.9 |

**① Gordon Capital estimates.**
**Marketboomer divestment finalised 30 June 2015**

### MAJOR SHAREHOLDERS

| | |
|---|---|
| Future Capital Dev. Fund | 9.5% |
| Bellite Pty Ltd | 3.9% |
| Dominet Digital Corp. Pty Ltd | 2.6% |

### SENIOR ANALYST

David Spry
03 9607 1371
August 2015

### KEY POINTS

- Collaborate operates peer-to peer marketplaces that enable individuals and corporations to easily and safely rent under-utilised assets to other individuals and corporations.
- Experienced management team with expertise in the Internet, mobile technology and marketing sectors.
- According to the Massachusetts Institute of Technology, the peer-to-peer exchange of good and services represents a potential $US110b market. With minimal competition in the Australian market, Collaborate is well placed to exploit the huge opportunities available and mirror successful US companies such as Airbnb, Uber and Getaround.
- The key to success in peer-to-peer markets is the building of trust between renters and users. Collaborate's PeerPass proprietary technology for verifying and managing online reputation sets the standard for building trust and provides substantial leveraging opportunities across multiple categories.
- With increased marketing and the revamped website of DriveMyCar, transaction volumes are expected to accelerate over the next 12 months. Similar trends are expected at MyCaravan and Rentoid as the businesses take advantage of marketing opportunities.
- For the 6 months to 31 December 2014, Collaborate reported an operating cash out flow of $948K, which was offset through capital raisings resulting in a net cash position of $567K at the end of the period. At 30 June 2015, cash on hand was $481K. The 2 July 2015 repayment of a $300K loan to Marketboomer, implies a closing year end cash position of $781K.
- Collaborate is expected to reach profitability and achieve a cash flow positive position in FY2017. Within four years, Collaborate has an aspirational revenue target in excess of $20m and an EBITDA of $4-$5m to be achieved organically and through acquisitions. The company may seek additional funding for expansion in the near term.

# EXECUTIVE SUMMARY

In early 2014, the company was trading as Qanda Technology and underwent a change in business direction. It acquired DriveMyCar Rentals in February 2014, Australia's largest peer-to-peer car rental marketplace, Rentoid.com in May 2014, an online rental marketplace for household and hardware items and Caramavan.com in October 2014, a peer-to-peer caravan rental marketplace. In November 2014, the company was re-named Collaborate Corporation Limited in recognition of its focus on peer-to-peer or 'collaborative consumption' opportunities and a share consolidation on a 1:10 basis was undertaken.

The peripheral business of Marketboomer, an internet-based procurement and materials management solution for the hospitality industry was divested in June 2015. Collaborate has undertaken several capital raisings over the past twelve months to strengthen its balance sheet and to provide funds for future growth in the peer-to-peer market.

Collaborate's brands have recently been re-launched as **DriveMyCar** and **MyCaravan** and advertising and PR campaigns are underway. These businesses are operating in large markets and are leaders in their respective categories having minimal competition.

Collaborate is totally focused on the peer-to-peer market which is disrupting traditional business models by enabling owners and renters to transact directly with each other, monetising billions of dollars of assets that would otherwise be idle. Collaborate has established first mover advantage in markets poised for explosive growth over the next few years. According to the Massachusetts Institute of Technology, the peer-to-peer market is a potential $110b market, while PWC believe key sharing sectors have the potential to increase global revenues from around $15b today to around $335b by 2025.

The key to success in the peer-to-peer market is the building of trust and maximising the value and number of transactions. PeerPass technology developed by Collaborate over a five year period sets the standard for building trust in peer-to-peer marketplaces by verifying and managing online reputation. It gives Collaborate a distinct competitive advantage allowing for the rapid entry into new peer-to-peer categories organically and through acquisitions and potentially into the mass market via partnerships and licensing creating multiple revenue streams.

Collaborate is steadily building scale in the peer-to-peer market off a low base and this should accelerate rapidly over the next few years with the increased advertising and PR activity and impact of the PeerPass reputation platform. We expect Collaborate to reach profitability and become cash flow positive in FY17. If Collaborate delivers on its aspirational revenue target of $20m+ and EBITDA of $4-$5m to be reached within the next 4 years, we believe there is substantial upside for investors.

**Financial Strength**

Despite recording a cash outflow of $948,000 in 1H15, Collaborate's financial position has been strengthened through a series of capital raisings with net cash increasing to $567,000 at 31 December 2014, compared to a net debt position of $301,000 at 30 June 2014. At 30 June 2015, cash on hand was $481,000. If the repayment of $300,000 in intercompany loans by the divested Marketboomer had been made on 30 June 2015, cash on hand would have been $781,000. The repayment was received on 2 July 2015. In addition, Collaborate is expected to receive an R&D tax credit of $170,000. With the divestment of Marketboomer, corporate costs will be lower and the burden of cash outflows from that business will have been removed.

While Collaborate has adequate funds to meet its short term requirements, to further grow the business and undertake acquisitions, we expect the company to raise further capital possibly in the near term. This will, of course, depend on market conditions at the time.

## INVESTMENT PROPOSITION

With the technology base and systems in place, Collaborate is very well placed to exploit the huge opportunities that exist in the peer-to-peer market. The PeerPass proprietary verification system developed by Collaborate, gives it a distinct competitive advantage when entering into new peer-to-peer categories and also offers significant leveraging opportunities into the mass market.

Collaborate has an entrepreneurial management team with experience in the Internet, mobile technology and marketing sectors as well as significant corporate and M&A expertise. With a current market capitalisation of only $5.3m compared to other leading US peer-to-peer businesses such as Getaround (valuation $260m), Uber (valuation $53b) and Airbnb (valuation $13b), the upside potential for investors in Collaborate is significant as the business model matures and scale builds.

## THE BUSINESS MODEL AND OPERATING STRUCTURE

Collaborate operates peer-to peer marketplaces whereby individuals and corporations transact with each other directly for mutual benefit and disrupt traditional business models in the process. Assets that would otherwise be idle are monetised using online technologies, which allow owners and renters to deal with each other directly, via the Collaborate platforms.

Collaborate's business model is currently structured around three peer-to-peer categories – **DriveMyCar** (motor vehicles), **MyCaravan** (caravans), and **Rentoid** (general household items).

They offer diverse value propositions to customers and have limited competition in their respective markets (*The table below identifies the key elements of the business model).*

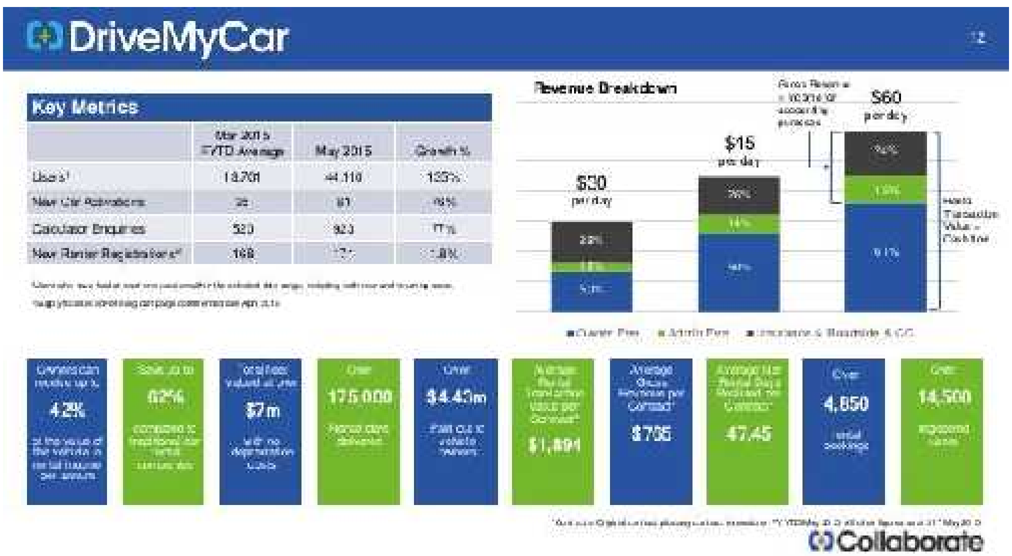
<table>
<tr>
<td rowspan="2">Key Partners<br>Veda<br>Eway<br>green id<br>McMillan Shakespeare<br>Facebook<br>Linkedin</td>
<td>Key Activities<br>Collaborate operates peer-to-peer marketplaces, which make it possible for individuals and companies to transact with each other for mutual benefit.<br>It currently operates in 3 product categories – car rental, caravans and general products.</td>
<td rowspan="2">Value Propositions<br>Collaborate operates a sophisticated online platform that enables owners and renters to transact directly with each other and monetise assets that would otherwise be idle.<br>The company has a sustainable competitive advantage by 'owning' the trust of users through its PeerPass reputation platform which allows for rapid entry into new product categories and potentially into the mass market.<br>.</td>
<td>Customer Relationships<br>Individuals<br>Corporations</td>
<td rowspan="2">Customer Segments<br>Government<br>Individuals<br>Corporations</td>
</tr>
<tr>
<td>Key Resources<br>Management<br>Staff<br>Product Offering<br>Software<br>Brands</td>
<td>Channels<br>Online<br>Social media<br>Direct to business</td>
</tr>
<tr>
<td colspan="3">Cost Structure<br>Staff<br>Corporate<br>Marketing</td>
<td colspan="2">Revenue Streams<br>DriveMyCar<br>MyCaravan<br>Rentoid</td>
</tr>
</table>

**The business model canvas courtesy of www.businessmodelgeneration.com**

**DriveMyCar** was acquired in February 2014 being Australia's first and largest peer-to-peer car rental service and was re-launched in March 2015. The vehicle rental market in Australia is valued at around $3b and there is a clear gap in the 1 week to 1 year rental period where there is a large potential customer base. DriveMyCar is focused on this market with the majority of its rental customers in the 7-60 day time period. The only significant competitors in Australia are the major car rental companies such as Hertz and Thrifty.


DriveMyCar is a proven business model with its platform connecting renters with vehicle owners monetising the unused capacity of private and corporate fleet vehicles. The business is highly scalable as vehicles can be located anywhere in Australia. There are currently around 14,500 registered users across Australia. Comprehensive insurance is provided for rentals conducted via DriveMyCar which essentially locks users into the platform.

DriveMyCar typically charges between $30-$60 per day for a vehicle depending on the vehicle make and model. The owner receives between 50%-60% of the total rental, which generally equates to around 40% of the value of the vehicle over a 12 month period representing an excellent return to the owner. The remaining 40%-50% is retained by Collaborate which covers insurance and administration costs. The current average rental contract value is $1,894 and the average rental period is 47 days.



**MyCaravan**

MyCaravan was acquired in 2014 and is essentially a start-up business. It is the largest peer-to-peer caravan rental service with a current supply of around 60 caravans available for rental. There are in excess of 500,000 caravans and camper trailers in Australia.

**Rentoid**

Rentoid was also acquired in 2014 and is Australia's largest online rental marketplace for almost anything. Collaborate will introduce a revised business model before scaling and undertaking marketing.

**PeerPass**

Collaborate screens customers before allowing them access to its rental marketplaces and allows feedback to be recorded after each transaction using its proprietary PeerPass technology which was developed over a five year period. This technology sets the standard for building online trust in peer-to-peer marketplaces by providing social media verification, identity verification, credit checks and secure online payments. It gives Collaborate a distinct competitive advantage by acting as an identity intermediary with the provision for comments and feedback after each transaction. Each transaction provides the opportunity for the customer's profile to be enhanced with additional feedback thus building a holistic view of their trustworthiness.

The major barrier to growth for peer-to-peer businesses is the perception of risk. Collaborate has mitigated this risk through the development of the PeerPass platform. Lower perceived risk means that more assets will be available for Collaborate to monetise. Collaborate will also generate synergies and cost savings across its marketplaces by being able to verify customers once via PeerPass and then providing the opportunity to transact via DriveMyCar, MyCaravan, Rentoid and additional product categories. PeerPass can be thought of as being to trust and reputation what PayPal is to online payments. One registration enables transactions to occur via multiple marketplaces for a range of products. Collaborate is already using PeerPass for its own marketplaces, with the big opportunity being the ability to expand PeerPass to third parties and thus become the primary entry point for peer-to-peer transactions.

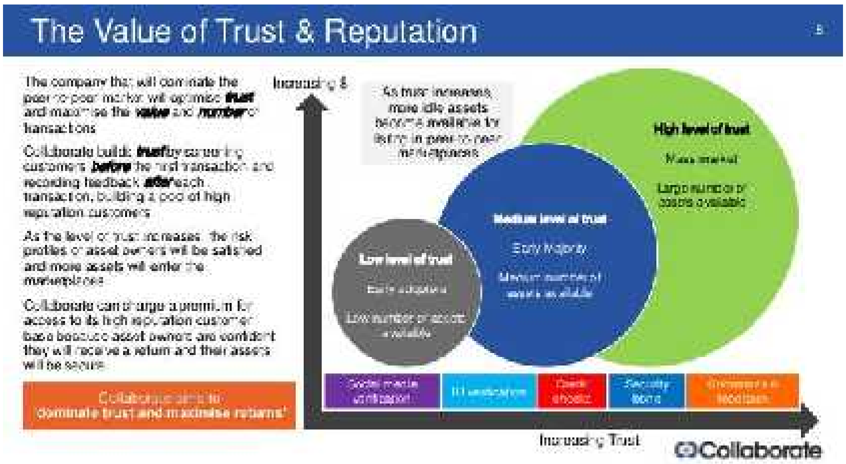
## BUSINESS DRIVERS AND GROWTH PROFILE

Collaborate is positioning itself to 'ride the wave' of the huge growth in the peer-to-peer market. *According to the Massachusetts Institute of Technology*, the peer-to-peer exchange of goods and services is a potential $US110b market over the next few years transforming the way we live, work and consume. The peer-to-peer market is now where social media was a few years ago and is growing rapidly. *PwC* believes key sharing sectors have the potential to increase global revenues from around $15b today to around $355b by 2015. *According to Time,* the peer-to-peer market has the potential to change the world and disrupt traditional business models. Private individuals are effectively becoming both consumers and producers.

*Collaborative Lab* (not associated with Collaborate Corporation Ltd) believes there are three enablers which explain why these changes are happening. First, is the large number of online technologies which can track and monitor the usage of idle assets. Second, the social networks that are emerging allow people to leverage existing trusted networks or build trust between various individuals. Third, the shifting acceptance of access over ownership – the idea that it is often just as good to have reliable access to something rather than own it – all the benefits without the maintenance.

In Australia, the sharing economy is growing with brands such as Airtasker and Society One changing the way consumers engage with products and services. The growth of these brands and others that are evolving such as Collaborate will continue to see a shift in consumer values from ownership to access. In a survey conducted by *Collaborative Lab* in Australia, 63% plan on participating in some collaborative activity, 53% have participated in some collaborative economy in the last year, 61% are aware of collaborative economy services and 75% of transport users said they would use the service again.

**The key to success in the peer-to-peer market is building trust and maximising the value and number of transactions**. When a high level of trust is established a large number of assets become available across the mass market and a premium can be charged for access to a high reputation customer base. Asset owners are confident that they will receive a good return and their assets will be secure.




Recent PwC research indicated that trust is a major factor in the success of a sharing economy platform. Approximately 72% of respondents surveyed indicated that their experience with sharing economy platforms was inconsistent, while 64% indicated they wanted peer-based regulations on sharing economy platforms.

The PeerPass proprietary trust and reputation platform developed by Collaborate sets the standard for building trust in peer-to-peer markets. Being totally transportable, it allows for the rapid access of active users across many other peer-to-peer product categories potentially monetising billions of dollars of under- utilised assets (refer below).


The upside potential of PeerPass should not be under estimated by investors. There is currently no value built into the current share price of Collaborate to reflect the potential of PeerPass to gain users in other peer-to-peer categories and to extend its reach to mainstream consumers effectively creating a new business unit and multiple revenue streams.

ASX listed company iSignthis (ASX code: ISX), which provides identity verification and payment authentication services is currently capitalised at around $38m and generates minimal revenue. Collaborate has a market capitalisation of only $5.3m and PeerPass is seen as a far more extensive product with immediate application in the peer-to-peer market. iSignthis essentially performs analysis of credit card details and recent usage history, while PeerPass incorporates similar technology from a third party but provides multiple ways to assess a person's trustworthiness - online ID verification, credit checks, credit card fraud detection, security bonds, reputation feedback and social media verification.

**DriveMyCar**

With the car rental market valued at around $3b and with a clear gap in the 1 week to 1 year rental period there is a large potential customer base and with limited competition, the upside potential is significant. The car rental companies generally focus on shorter time periods (1 day to 1 week) and the leasing companies focus on longer periods (1 year+) and in any case they can be more expensive.

Collaborate launched a new website including functionality improvements in March 2015 and an initial advertising and PR campaign commenced in April 2015 focussed on building brand awareness and increasing vehicle acquisition. Both are having a positive impact on transaction numbers (refer table below). From a March financial year to date (FYTD) average of 35 vehicles per month, vehicle activations reached an average of 57 vehicles each month for May and June. Monthly website user sessions continue to be in excess of 100% above prior levels.

Despite online advertising being directed towards vehicle acquisition and not towards demand generation up to now, DriveMyCar's gross profit for the June quarter increased 14% compared to the March quarter and further strengthened in July 2015. Most notably, Rental Transaction Value for July 2015 vs June 2015 increased 26% to $118,508, Gross Revenue increased 16%, Gross Profit increased by 25% and Net Rental Days Realised increased 16% to 2,399 days.

The month-on-month growth in July was due largely to an improvement in the conversion of the existing level of rental enquiries into sales which was made possible by having a larger fleet of vehicles. We understand that in late July a greater proportion of the advertising budget was directed towards renter acquisition, which is having a positive impact on sales leads. As there is a lag between the generation of sales leads and the conversion of those leads into rental bookings, the benefits will be delivered in August and beyond.

| | Rental Transaction Value | Gross Revenue | Gross Profit | Net Rental Days Booked | Rental Days Sold During Month |
|---|---|---|---|---|---|
| **July 2015 vs June 2015** | 26% | 16% | 25% | 46% | 66% |
| **July 2015 Growth vs FY 2015 Monthly Average** | 32% | 24% | 65% | 6% | 56% |

DriveMyCar currently generates transaction value in excess of $1m per annum. To reach profitability and become cash flow positive which is expected to occur in approximately twelve months, securing bulk supply of vehicles is a key priority with key targets being corporate fleets and leasing companies. DriveMyCar signed a supply deal with McMillan Shakespeare's Interleasing division in late 2014 and further corporate deals are in discussion. At the end of June 2015, Collaborate had 406 available vehicles (value $8.9m, compared to $7.0m at 31 May 2015) with the break-even point for the business estimated to be about 700 vehicles.

The supply focused advertising campaign should continue to have a positive impact on vehicle supply over the next twelve months. Other initiatives in train include the provision of insurance that enables owners to replace their existing policies and the launch of a renter focused advertising campaign to leverage the increased supply of vehicles. A major focus for the business going forward will be the expansion of corporate partnerships aimed at growing supply of vehicles and rental demand. These partnerships will take the form of further supply deals with large corporate fleet owners, the expansion of rentals to companies requiring multiple vehicles and leveraging access to third party customer bases.

**MyCaravan**

With 500,000+ caravans and camper trailers in Australia and with the retail market for caravans valued at $3b per annum and motor homes at $182m rental per annum, the growth prospects are significant. The key objectives are to rebuild the website and integrate with the back end to unlock efficiencies; increase advertising both online and offline; secure corporate partnerships and fully integrate with PeerPass to increase trust and transaction volumes.

MyCaravan has also introduced a 'no-tow' option which enables owners or third parties to deliver their caravan to a site on behalf of the renter. As MyCaravan has caravans located around Australia customers can choose to rent a caravan near their destination instead of towing it hundreds of kilometres. This represents a unique competitive opportunity as commercial operators are limited to operating from a central depot, not the thousands of locations that are possible with MyCaravan's peer-to-peer approach.

The new MyCaravan brand and advertising campaign was launched in June 2015 and a new Sales & Operations Coordinator has been recruited in anticipation of increased transaction volumes in coming months.

**Rentoid**

A revised business model is being considered and at this stage no marketing has been undertaken. The integration of PeerPass will establish traction and unlock significant cost savings. We expect this business to make steady progress over the next twelve months in what is a large potential market with limited competition.

## FINANCIAL SUMMARY AND 1H15 REVIEW

| INCOME STATEMENT | | | |
|---|---|---|---|
| **($'000)** | **1H14** | **1H15** | **% chg** |
| **TOTAL REVENUE** | **1,723** | **1,942** | **+12.7** |
| Overheads | -2,438 | -3,028 | +24.2 |
| **EBITDA** | **-715** | **-1,086** | **+52.0** |
| Depreciation | -85 | -138 | +62.3 |
| Net Finance cost | -37 | -22 | -40.5 |
| **PRE-TAX PROFIT** | **-837** | **-1,246** | **+49.0** |
| Tax | -45 | 191 | Large |
| **NET PROFIT** | **-882** | **-1,055** | **+19.6** |

For the 6 months to 31 December 2014, Collaborate reported a net loss of $1.06m ($882,000 loss) on a 12.7% increase in revenue to $1.9m. It should be noted that this loss included the Marketboomer business, which has now been divested. Net assets increased 28% to $4.6m. During that period, the company raised $1.65m through various equity issues, which allowed for the repayment of $225,000 in debt, $100,000 in convertible notes, the settlement of outstanding creditors and the re-development of the DriveMyCar website.

Collaborate's financial position was strengthened during first half of 2015 through capital raisings of $1.6m (entitlement issue $814,000, placement $750,000, share purchase plan $75,000) with the company being in a net cash position of $567,000 at 31 December 2014. Subsequent to 31 December 2014, Collaborate raised a further $1.6m through a series of placements with attached options further strengthening its financial position. The issues were well supported by institutional and sophisticated investors.

| BALANCE SHEET | | |
|---|---|---|
| **($'000)** | **June 14** | **Dec. 14** |
| Current Assets | | |
| Cash & Equivalents | 220 | 764 |
| Receivables | 1,377 | 1,351 |
| Inventories | 25 | 32 |
| Other | | |
| | 1,622 | 2,147 |
| Non-Current Assets | | |
| Plant & Equipment | 48 | 43 |
| Intangibles | 4,421 | 4,418 |
| Other | - | - |
| **Total Assets** | **6,091** | **6,608** |
| Current Liabilities | | |
| Payables | 1,013 | 700 |
| Debt | 400 | 75 |
| Other | 885 | 1,003 |
| | 2,298 | 1,778 |
| Non-Current Liabilities | | |
| Debt | 122 | 122 |
| Other | 82 | 97 |
| | 204 | 219 |
| Shareholders' Equity | 3,589 | 4,611 |
| **Liabilities & Equity** | **6,091** | **6,608** |

| CASHFLOW | | |
|---|---|---|
| **($'000)** | **1H14** | **1H15** |
| Cash Flow From Operations | -176 | -948 |
| Cash Flow From Investing | -31 | -7 |
| Cash Flow From Financing | 81 | 1,481 |
| **Net Change In Cash** | **-126** | **526** |

## JUNE 2015 QUARTERLY UPDATE

| CASHFLOW | | |
|---|---|---|
| **($'000)** | **June Qtr.** | **YTD (12 MTHS)** |
| Cash Flow From Operations | -767 | -2,210 |
| Cash Flow From Investing | -410 | -417 |
| Cash Flow From Financing | 380 | 2,859 |
| Net Change In Cash | -797 | 232 |
| **Cash at end of Quarter** | **481** | **481** |

During the June 2015 quarter, the Marketboomer business was divested (completed 30 June 2015), which removes the burden of the cash outflows previously borne by the group. Cash receipts reduced during the quarter due to Marketboomer which typically receives the majority of revenue from annual licences in the March quarter. Group cash flows included cash flows for the Marketboomer business for the full quarter to 30 June 2015 due to the disposal having occurred on 30 June 2015.

Net operating cash outflows decreased $248,770 during the quarter despite a significant increase in marketing costs with the re-launch of the DriveMyCar website, IT development costs and $57,000 of one off corporate costs related to the Marketboomer divestment. During the quarter, Collaborate repaid the final $75,000 of the convertible notes outstanding.

On 2 July 2015, the divested Marketboomer business repaid $300,000 of intercompany loans that had been provided by Collaborate. If the funds had been paid and cleared on 30 June 2015, the year-end gross cash balance would have been $781,000. The company is also expecting to receive an R&D tax credit of $170,000 further boosting liquid funds.

Collaborate is now in a position to advance the evolution of its proprietary PeerPass trust and reputation platform in order to launch into new peer-to-peer markets and increase marketing and PR activities for the DriveMyCar website. It also has funds for general working capital purposes.

While Collaborate has adequate funds to meet its short term requirements given that it is not expected to reach a cash flow positive position for around twelve months and to further grow the business organically and via acquisitions, we expect the company to undertake another capital raising possibly in the near term. This will, of course, depend on market conditions at the time.

## FINANCIAL OUTLOOK

We expect Collaborate to reach profitability and become cash flow positive in FY17, aided by increased brand marketing, potential investments and acquisitions and the PeerPass reputation platform. Corporate costs will also be lower following the disposal of Marketboomer.

The business is now very scalable having undertaken additional investment in technology over the past twelve months. Through effective marketing and PR activities and corporate partnerships, revenue and profitability have the potential to accelerate rapidly over the next five years as scale builds mirroring other successful online and peer-to-peer companies such as Uber, Lending Club and Airbnb. Collaborate is in a similar position to the likes of Carsales and Realestate.com.au before they became the online giants they are today. They took first mover advantage and developed technology to allow them to rapidly and cost-effectively scale their business. Growth was achieved through marketing and corporate partnerships. Collaborate has also signified its intention to launch into new peer-to-peer markets in the near future to capitalise on its first mover advantage. The revenue and EBITDA of these new categories has not been fully factored into the financial outlook.

Collaborate has an aspirational revenue target in excess of $20m and an EBITDA between $4-$5m, to be achieved within the next four years translating into a healthy EBITDA margin of 20-25%. While there are no guarantees these targets will be met with the scalability of the business and with the capability to extend into new peer-to-peer markets, we believe it is achievable.

| ($'000) | ①2014-15E | ①2015-16E | ①2016-17E |
|---|---:|---:|---:|
| **Total Revenue** | **4,000** | **1,550** | **2,500** |
| Overheads | -6,060 | -1,800 | -1,800 |
| **EBITDA** | **-2,060** | **-250** | **700** |
| Depreciation | -280 | -100 | -100 |
| Net Finance Cost | -40 | -40 | 0 |
| **PRE-TAX PROFIT** | **-2,380** | **-390** | **600** |
| Tax | 0 | 0 | 0 |
| **NET PROFIT** | **-2,380** | **-390** | **600** |

**① Gordon Capital estimates.**

**Marketboomer divestment finalised on 30 June 2015**

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## DIRECTORS AND SENIOR MANAGEMENT

***Chris Noone – CEO and Executive Director***

Chris has led the development, launch and optimisation of many innovative companies that have helped define today's digital market in Europe, Asia and Australia including Hasbro Interactive, Vodafone and ninemsn. Chris has also co-founded a number of start-up businesses that delivered disruptive online products.

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

Domenic has extensive experience in technology and ASX-listed companies including growing destra to revenues of over $100m. Domenic also built Australia's second largest virtual web hosting/domain companies which he sold for $25m in 2005-06. He is Chairman of the Future Capital Development Fund, a boutique fund specializing in internet start-ups. Domenic is also Non-Executive Director of Shoply Limited and CEO & Executive Director of Crowd Mobile.

***Adrian Bunter – Non-Executive Director***

Adrian is an experienced technology, media and telco sector executive in the Asia Pacific region. Adrian is an executive director of Venture Advisory and spent 16 years with PwC specialising in accounting, audit, debt/equity raisings, mergers and acquisitions and strategy development and execution. Adrian has significant experience with high growth and disruptive businesses and is a Non-Executive Director of 8common Ltd.

***Karen Logan – Company Secretary***

Karen has extensive experience in compliance, capital raising and mergers and acquisitions experience in a diverse range of industries including technology, media, resources, healthcare and life science. She has assisted a substantial number of private start-up and established businesses transition to being publicly-listed companies for over 12 years. Karen is company secretary of a number of ASX-listed companies.

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