
MARCH 2016 QUARTERLY REPORT AND BUSINESS UPDATE

Collaborate Corporation Limited (ASX:CL8) is pleased to present its consolidated Quarterly Cash Flow and business update for the period ended 31 March 2016. Key highlights include:

- + Strong overall revenue performance despite seasonal decline in demand.
- + Continued reduction in corporate costs.
- + 70% increase in income paid to corporate fleet owners vs Dec 2015 Quarter.
- + 27% increase in MyCaravan revenue vs Dec 2015 Quarter.
- + Repayment of \$121,694 loan to Future Capital Development Fund.
- + More deals signed to increase supply from vehicle manufacturers and fleet owners.

Receipts from customers declined by 2% compared to the December 2015 Quarter due to the seasonal impact of the holiday period however this was offset by savings in staff and marketing costs. Receipts for the March 2016 Quarter increased by 46% compared to the March 2015 Quarter.

Payments for other working capital increased from the December 2015 Quarter. This was largely due to the strong sales in the December 2015 and March 2016 Quarters which caused a corresponding increase in payments to vehicle owners and other cost of sales items. There is a time lag between receipt of funds from renters and the subsequent payment to owners. Therefore, the owner component of the large receipts received late in the December 2015 Quarter were paid to owners in the March 2016 Quarter. Corporate expenses declined compared to previous quarters as the administrative and accounting cost savings as a result of the 30 June 2015 divestment of Marketboomer are now being realised.

The \$121,694 loan from Future Capital Development Fund was repaid on the due date of 19 February 2016, leaving the Company free of borrowings. Accrued interest on the loan of \$26,633 was also paid.

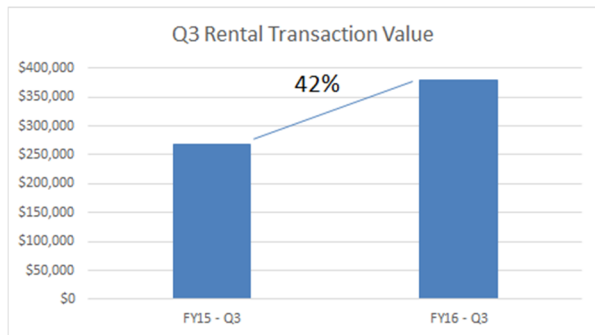
The R&D tax incentive payment of approximately \$192,000 has been credited to the Company's tax account and receipt is expected in May 2016. An investment of \$50,000 committed by Collaborate Director, Domenic Carosa in the December 2016 placement is subject to shareholder approval, which will be sought at a forthcoming EGM.

DriveMyCar

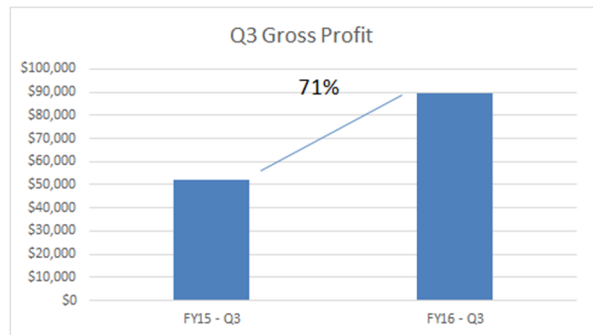
During the March 2016 Quarter, DriveMyCar continued to deliver improved results across a range of metrics, despite the seasonal decline in demand following the Christmas holiday period. Vehicle activations grew by 39% and net rental days booked grew by 24% compared to the December 2015 Quarter.

A key objective of the Company is to leverage corporate relationships to more rapidly expand vehicle supply and demand opportunities. During the March 2016 Quarter, the amount of income paid to corporate vehicle fleet owners increased by 70% from the December 2015 Quarter and 216% from the September 2015 Quarter. Payments to corporate fleet owners made up 27% of total owner payments in the March 2016 Quarter, up from 10% in September 2015 Quarter. The increase in corporate supply of vehicles places the Company in a stronger position to capitalise on corporate and government demand opportunities.

Rental Transaction Value increased by 42% from the March 2015 Quarter to the March 2016 Quarter (Graph 1 below) and gross profit increased by 71% (Graph 2 below). The greater proportional increase in gross profit is an indication of the efficiencies in a marketplace platform with higher levels of supply and liquidity.

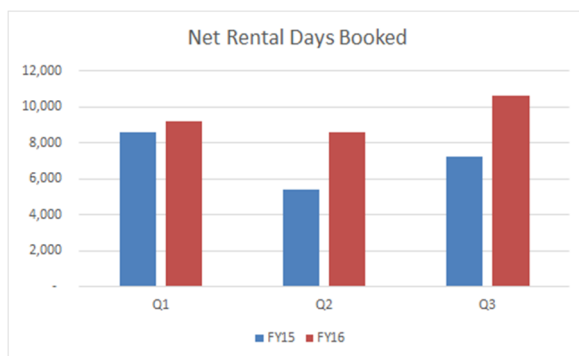


Graph 1: Rental Transaction Value (Q3 FY15 and Q3 FY16)

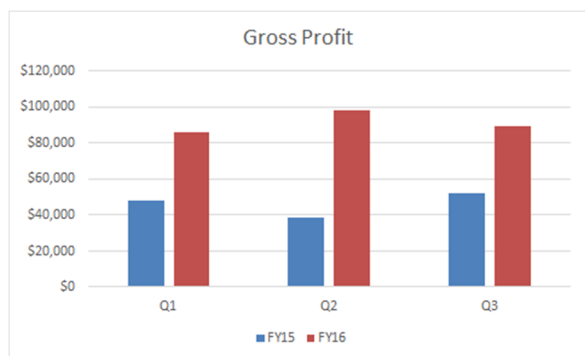


Graph 2: Gross Profit (Q3 FY15 and Q3 FY16)

March 2016 was particularly strong month with 4,493 net rental days booked, the second highest result to date and an increase of 68% compared to the month of December 2015. Booked days are recorded in the month of booking, however revenues from the bookings are recognised starting in the booking commencement month and are spread over the full period of the booking (e.g. the revenues from a 90 day booking are recognised across 3 months).



Graph 3: Net Rental Days Booked (FY15 and FY16)



Graph 4: Gross Profit (FY15 and FY16)

Period	Rental Transaction Value ¹ '000	Gross Revenue ² '000	Gross Profit '000	Gross Profit %	Net Rental Days Realised ³	Net Rental Days Booked	Total Vehicle Activations	Calculator Enquiries	New Renter Registrations
Mar Qtr 2016	\$380	\$147	\$89	61%	9,613	10,633	193	3,041	893
Mar Qtr 2015	\$268	\$109	\$52	48%	6,671	7,197	102	1,856	474
Jun Qtr 2015	\$276	\$109	\$59	54%	6,598	5,678	149	2,434	581
Sep Qtr 2015	\$362	\$136	\$86	63%	8,344	9,220	152	3,000	851
Dec Qtr 2015	\$390	\$147	\$98	67%	9,834	8,580	139	2,698	1,149
Mar Qtr 2016 % growth vs Dec Qtr 2015	(2%)	0%	(9%)		(2%)	24%	39%	13%	(22%)
Mar Qtr 2016 % growth vs Mar Qtr 2015	42%	35%	71%		44%	48%	89%	64%	88%

1. Rental Transaction Value is the total amount paid by the customers during the period.
2. Gross Revenue is the component of the Rental Transaction Value excluding the value of payments to owners that is charged by DriveMyCar and recognised as revenue for accounting purposes.
3. Net Rental Days Realised is the sum of rental days billed in the period.

Subsequent to the end of the March 2016 Quarter, the first automotive dealer rental operation commenced with LDV light commercial vans in Sydney. The Melbourne Airport pick up location also launched in April 2016 offering a range of Nissan vehicles. Each of these locations also offer extended pick up hours and minimum rental durations of just 4 days (reduced from the standard minimum 7 days). Agreements were also signed with two additional fleet providers.

The number of vehicle activations in April 2016 to date reached a new record of 71 with growth in activations being driven by a higher proportion of corporate fleet vehicles. The pipeline for new supply agreements continues to strengthen and business development and marketing focus is shifting to demand opportunities to drive revenue growth.

MyCaravan

The MyCaravan business continues to make good progress with rental transaction value continuing to grow despite the seasonal downturn after the Christmas holiday period. MyCaravan recorded a 27% increase in rental transaction value in the March 2016 Quarter compared to the December 2015 Quarter. Whilst the business is still small, it is growing well with minimal resources being allocated to it.

Rentoid

Management believes that there is considerable potential in the Rentoid proposition far beyond the existing website. Consequently limited resources are being devoted to the current website in favour of launching an expanded proposition that will deliver greater and more sustainable value. The key elements of an expanded proposition include full utilisation of the PeerPass™ platform, greater protection for assets, cross-promotional marketing opportunities, a focus on higher value items and business to business transactions. During the quarter, the enhanced Rentoid proposition was further developed in consultation with prospective corporate partners. These discussions are ongoing and further details will be provided in due course.

PeerPass™ Platform

PeerPass™ has been instrumental in securing and maintaining all of the corporate deals signed to date due to the ability of the platform to identify customers with the highest propensity to meet financial commitments and limiting incidents of fraud and damage to assets.

The success of the PeerPass™ platform is demonstrated by the significant reduction in the Claims Loss Ratio for the DriveMyCar Motor Fleet Insurance Policy. Claims have now fallen to such a level that a Claims Experience Discount (CED) has now been triggered and will be received as a rebate in the June 2016 Quarter. The quantum of the rebate is currently being calculated by the insurer but is expected to be a material percentage of the total insurance premiums paid. Product improvements such as e-signing continue to be added to the PeerPass™ platform, which further strengthens the appeal for third party customers. Business development activities for the PeerPass™ platform are presently focussed on pursuing third-party agreements that also leverage one or more of the Collaborate operating divisions. Management believes this approach maximises the effective use of technical, business development and product resources and enables the PeerPass™ platform to be further refined for third party use.

FundX

Collaborate Corporation currently holds an 8.33% interest in SME cashflow financing provider, FundX with an option to participate in a subsequent capital raising round at the price of its original investment. Since its launch in September 2015, FundX has provided loans with a total value of over \$1.3 million, with zero defaults. The rate of repeat business is 77%. Very limited marketing has been conducted by FundX to achieve this result, attesting to the potential scalability benefits of the model. The FundX platform incorporates proprietary IP and is supported by integrations and agreements with KPMG, Othera, DocuSign, PeerPass™ and Red Planet.

The board of directors of FundX has been strengthened by the appointment of Mr Chris Whitehead, non-executive director of Direct Money, a pioneer in the rapidly growing marketplace lending industry and former CEO of Credit Union Australia Limited. The Board of Collaborate is very pleased with the strong progress being made by FundX in the disruptive peer-to-peer lending sector which demonstrates significant potential within the rapidly expanding fintech industry.

Authorised by:

Chris Noone
CEO and Director
Collaborate Corporation Limited

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 'collaborative consumption', 'peer-to-peer' or 'sharing economy' businesses. Collaborate currently has three core business segments: www.DriveMyCar.com.au Australia's leading peer-to-peer car rental business; www.MyCaravan.com.au Australia's leading peer-to-peer caravan rental business and www.Rentoid.com, one of Australia's leading peer-to-peer 'rent anything' platforms. Collaborate has a material investment in FundX, a peer-to-peer invoice discounting and SME lending platform. Through our proprietary trust and reputation platform, www.peerpass.com.au we create 'trust' between individuals and make it possible for people to safely transact with each other in the sharing economy.

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity		
COLLABORATE CORPORATION LTD		
ABN		Quarter ended ("current quarter")
60 066 153 982		31 March 2016

Consolidated statement of cash flows

Cash flows related to operating activities		Current Quarter \$A'000	Year to date (9 Months) \$A'000
1.1	Receipts from customers	390	1,150
1.2	Payments for		
	(a) staff costs	(202)	(529)
	(b) advertising and marketing	(109)	(343)
	(c) research and development	(61)	(241)
	(d) leased assets	-	-
	(e) other working capital	(515)	(1,446)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	1	5
1.5	Interest and other costs of finance paid	(29)	(37)
1.6	Income tax credit received	-	-
1.7	Other	-	-
	Net operating cash flows	(525)	(1,441)
1.8	Net operating cash flows (carried forward)	(525)	(1,441)
	Cash flows related to investing activities		
1.9	Payment for acquisition of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	(150)
	(c) intellectual property	-	-
	(d) physical non-current assets	-	-
	(e) other non-current assets	-	(4)

		Current Quarter \$A'000	Year to date (9 Months) \$A'000
1.10	Proceeds from disposal of:		
	(a) businesses (item 5) net of cash disposed of	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	-	-
	(e) other non-current assets	-	-
1.11	Loans to other entities	-	-
1.12	Loans repaid by other entities	-	300
1.13	Other	-	-
	Net investing cash flows	-	146
1.14	Total operating and investing cash flows	(525)	(1,295)
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc.	-	1,140
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	-	-
1.18	Repayment of borrowings	(122)	(122)
1.19	Dividends paid	-	-
1.20	Other	-	-
	Net financing cash flows	(122)	1,018
	Net increase (decrease) in cash held	(647)	(277)
1.21	Cash at beginning of quarter/year to date	851	481
1.22	Exchange rate adjustments to items	-	-
1.23	Cash at end of quarter	204	204

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current Quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	(70)
1.25	Aggregate amount of loans to the parties included in item 1.11	-
1.26	Explanation necessary for an understanding of the transactions	
	Executive directors' remuneration	- (55)
	Non-executive directors' remuneration	- (15)

Non-cash financing and investing activities

2.1	Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows	Nil
2.2	Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest	Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
4.1	Cash on hand and at bank	204	851
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.23)	204	851

Acquisitions and disposals of business entities

		Acquisitions (Item 1.9(a))	Disposals (Item 1.13)
5.1	Name of entity	Nil	Nil
5.2	Place of incorporation or registration		
5.3	Consideration for acquisition or disposal		
5.4	Total net assets		
5.5	Nature of business		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act(except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date: **29 April 2016**
CEO/ Executive Director

Print name: **Chris Noone**

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.