
IMMEDIATE GROWTH OPPORTUNITIES AND STRATEGY UPDATE

Collaborate Corporation Limited (ASX:CL8) (**Collaborate** or the **Company**) is pleased to present an update on key areas of focus for accelerating growth and further insights into the longer term strategy of the group.

Across its business units, independently and with strategic partners, Collaborate is pursuing multiple synergistic and scalable opportunities with the aim of positioning the group for rapid and capital efficient growth.

Collaborate is positioning itself to be at the forefront of a world where people rent, subscribe and access assets only when they need them, freeing up time and capital for other needs. This trend is only beginning and Collaborate is an early mover in engaging with forward thinking organisations that share this vision including RACV, Uber, Aon, Subaru and Peugeot.

The Collaborate management team's focus is on developing and exploiting the following current and upcoming opportunities:

- + **3+ day car rentals** - capturing a higher proportion of the Australian car rental market
- + **Apartment Car Share** - entering the shorter-term car share market in association with Collaborate's largest shareholder
- + **Dealer Rental Solution** - monetising automotive dealer vehicles
- + **Marketing and Customer Acquisition Improvements**
- + **Booking and Listing Conversion Optimisation**
- + **PeerPass** - product evolution and leveraging partners.

Introduction

Collaborate turns idle assets into revenue. Via its sharing platform technology, the group operates online marketplaces to allow individuals and companies to transact with each other for mutual benefit - enabling asset owners to generate income from idle assets, and asset users to more cost effectively gain use of those assets. Collaborate is embracing and facilitating the trend from ownership of assets to access to assets.

DriveMyCar is Collaborate's largest platform and covers car rentals. Collaborate also operates MyCaravan (for caravans and motorhomes) and Mobilise (for commercial and industrial assets). DriveMyCar was acquired by Collaborate in early 2014 after demonstrating initial traction, having been founded in 2009 as one of the earliest sharing economy platforms globally. MyCaravan was acquired in late 2014 as a very early stage startup. Mobilise was developed and launched in late 2017.

3+ Day Car Rentals

Traditionally, DriveMyCar has focused on 7+ day car rentals as this has been the preference for individual vehicle owners. DriveMyCar has for some time been offering 3+ day car rentals for specific product offerings including Melbourne Airport pick up, Flexible Rideshare Rentals for Uber and the RACV Insurance Hailstorm offer, where there was a sufficient volume of vehicles available to satisfy this demand. As the size of the private fleet has expanded and the number of corporate fleet providers with the ability to store and manage the handover of vehicles has increased it is now viable to commence more broadly offering rental periods shorter than 7 days.

By offering 3-day minimum rental periods, DriveMyCar will be able to address a larger market and meet the needs of a broader customer base. The short-term holiday market and leveraging RACV's 2.1 million members are the most immediate opportunities. Marketing return on investment will also increase as more leads can be converted into sales.

DriveMyCar is developing functionality for the website to automatically adjust prices for shorter rental periods and to enable owners to opt in to providing their vehicles for these rentals. In line with other car rental companies, DriveMyCar will also charge higher prices for shorter rental periods. The benefit of these higher prices will flow to the vehicle owners and DriveMyCar, to compensate for the additional effort required of both parties to deliver these shorter-term rentals. As always, DriveMyCar will aim to offer superior value compared to traditional car rental companies whilst also providing a high return on investment for vehicle owners.

Apartment Car Share Pilot

DriveMyCar has engaged with Hyecorp Property Group, a diversified Australian property group with extensive experience in property development, construction and funds management to develop and pilot a car share solution for residents of apartment developments. Hyecorp is a company associated with Hishenk, Collaborate's largest shareholder. Hyecorp and DriveMyCar share the vision that this offering can be rapidly scalable and provide a new revenue stream for DriveMyCar which has significant growth potential.

The car share pilot aims to provide residents of apartment developments with the opportunity to share their own cars with other residents. DriveMyCar will provide booking functionality, engage with strata committees, provide technology for the unlocking and security of vehicles and management of all payments and customer service. The minimum rental period per rental will be 3 hours.

The proposed solution provides advantages for all parties:

- + Valuable car parking spaces can be utilised for both private and car share use, freeing up real estate and providing greater returns for residents and apartment developers.
- + Easy access to cars on an on-demand basis at reasonable prices.
- + Income earning opportunity for vehicles owners.
- + Efficient way for DriveMyCar to access opportunities in the short-term car share market.

Upon completion of a successful pilot, DriveMyCar will scale up the initiative, with the aim of rolling out to multiple locations, taking advantage of the rapid urbanisation of Australian

suburbs and the increasing trend towards accessing car share vehicles, instead of each person owning their own vehicle.

Dealer Rental Solution

DriveMyCar has successfully engaged automotive dealers including Trivett, Northern Motor Group and JC Motors and generated income for their new, used and demonstrator vehicles. Building on this success, DriveMyCar is productising a Dealer Rental Solution to appeal to the over 4,500 automotive dealers in Australia. This product provides a turn-key rental solution for dealers that will manage marketing, bookings, payments, rental agreements and customer service that enables dealers to generate rental income from vehicles without the burden of establishing their own standalone rental business. Marketing of this product is planned to commence in May 2018.

Marketing & Customer Acquisition

All digital marketing campaigns for DriveMyCar, MyCaravan and Mobilise have recently been optimised and the return on investment, particularly from search marketing, has increased substantially. This optimisation provides a solid foundation for the planned increases in the marketing budgets which will be aimed at delivering further increases in revenue.

Performance Improvements in search marketing campaigns: March 2018 vs February 2018

- + DriveMyCar: Search marketing budget increased by 37% and delivered 130% more clicks, 40% reduction in cost per click and over 200% increase in conversions.
- + MyCaravan: Search marketing budget increased by 16% and delivered 234% more clicks, 65% reduction in cost per click and over 230% increase in user sessions.

Above the Line Campaigns: As an online business, DriveMyCar is well positioned to leverage the cost efficiencies of digital advertising, however at a certain level of scale it becomes viable to consider other advertising mediums to build brand awareness more rapidly. In May 2018 DriveMyCar will commence its first outdoor advertising campaigns which will include billboards and bus advertising in Sydney.

PR & Content Marketing: In line with the increasing growth and sophistication of the businesses, Collaborate has recently engaged Media+Capital Partners to manage media relations and to build awareness for DriveMyCar, MyCaravan and Mobilise. Other agencies are also being engaged to leverage content marketing and presenting cross-promotional opportunities to media agencies.

In-house Marketing Capability: Following the appointment of Collaborate's first full-time Marketing Manager in November 2017, the marketing function has been further strengthened by the appointment of a search marketing professional to manage digital advertising campaigns in-house. Previously this search marketing function was managed by external agencies, however after working with several agencies, management was not convinced that the full online marketing potential was being realised. Early results, as reported above, are encouraging and are laying a solid foundation for future improvements, which will be supported by additional marketing channels including outdoor advertising campaigns, content marketing and PR as discussed above.

Mobilise Marketing: As Mobilise is a new proposition considerable work continues to be undertaken to build brand awareness and educate the target markets, including both

owners and renters, about the benefits of the proposition. Digital advertising channels including search marketing, social advertising and display re-targeting are underway however it is important to also utilise non-traditional channels to capture potential customers who may not be meeting their current needs via online services. Mobilise is fortunate that it can access opportunities to communicate with potential partners through its relationship with Aon and Housing Industry Association Insurance Services. A greater focus is also being placed on educating customers via the media through the recently appointed PR agency. As Mobilise was designed to operate across a number of market segments, the management team also continues to assess other market categories to target and leverage the Mobilise proposition.

RACV Marketing: Building on the early success of the collaboration with RACV, cross promotional opportunities have been further developed through the inclusion of links to the MyCaravan website from key sections of the RACV website, including Travel & Leisure and Member Discounts. The marketing of the RACV DriveMyCar proposition in Victoria will also be enhanced from May onwards with DriveMyCar taking responsibility for managing digital advertising campaigns, leveraging the marketing budget being funded by RACV, to maximise online marketing synergies on a national basis. RACV maintains responsibility for marketing through its own considerable marketing channels including Royal Auto Magazine, member newsletters and the RACV website.

Conversion Optimisation: In conjunction with Collaborate driving increasing volumes of customers to its marketplaces, a project to optimise the number of confirmed booking requests and asset listings was commenced in February 2018 and is more than 50% complete. This project, which is expected to be finalised in June 2018, aims to improve revenue growth and also support further increases in the marketing budget by maximising return on investment from marketing.

PeerPass

PeerPass has been instrumental in reducing risk in peer-to-peer transactions, improving customer experience and increasing gross profit margins. PeerPass has also been instrumental in providing multi-billion dollar market value corporations with the confidence to work with the comparatively small Collaborate group, and assuring them that their customers and or assets will be protected by proprietary technology and industry leading identity, information and security products. Most recently, PeerPass was essential in delivering a streamlined booking process for RACV Insurance hailstorm customers, allowing them to be instantly verified and to book a vehicle by entering the minimum amount of information. PeerPass remains a key focus for future development and the functionality and capabilities of the proprietary technology will continue to evolve.

The Board and management team are excited about the current and upcoming opportunities to leverage strategic partnerships, increasing market traction, wider variety of product offerings and improved marketing capability to capitalise on one of the most important shifts seen in recent decades in the way consumers and businesses access and interact with assets and manage their spending.

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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 '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.Mobilise.com an online hire marketplace to unlock the enormous potential of under-utilised assets. Through our proprietary trust and reputation platform, www.peerpass.com.au we create 'trust' between individuals and make it possible for people and companies to safely transact with each other in the sharing economy.