
PROPOSED DIVESTMENT OF MARKETBOOMER BUSINESS

Collaborate Corporation Limited (**Collaborate** or the **Company**) (ASX: **CL8**) is pleased to announce that it has entered into a non-binding and conditional agreement to divest its 43.3% interest in Marketboomer Holdings Pty Ltd (**Marketboomer Holdings**), which is currently a subsidiary of the Company and owns the Marketboomer business (**Proposed Transaction**).

The Company recently received a non-binding proposal to divest the Marketboomer business and negotiations have successfully concluded with a small consortium of existing Collaborate shareholders (**Reducing Shareholders**). The Reducing Shareholders offer 80,337,670 fully paid ordinary shares (**Shares**) and 8,033,764 listed CL8O options (exercisable at \$0.02 per share and expiring 30 April 2017) (**Options**) in Collaborate in consideration for the acquisition of all the fully paid ordinary shares held by Collaborate in Marketboomer Holdings. Based on the closing prices on 1 April 2015, this is equivalent to approximately \$1.42 million of consideration and represents a 21.78% interest in the current fully paid ordinary shares of Collaborate.

The Proposed Transaction involves a selective buyback of Shares and Options held by the Reducing Shareholders in Collaborate and will require that a special resolution be passed by the Company's shareholders pursuant to section 256C of the Corporations Act (**Shareholder Approval**). As the Proposed Transaction involves the cancellation of Shares and Options, the selective buyback must also be approved by a special resolution passed at a meeting of the shareholders whose shares and options are to be cancelled (**Reducing Shareholder Approval**). An independent expert's report on the Proposed Transaction (**Independent Expert's Report**) will form part of the notice of meeting (**Notice of Meeting**) and will assess the valuation range of Collaborate's interest in Marketboomer Holdings.

The Marketboomer business offers an Internet-based procurement and materials management solution, specifically focussed on the hospitality industry. Over the last several years, the Marketboomer business has not been able to gain substantial traction with its product offering and its financial performance has not substantially improved. Therefore, the Marketboomer business has looked to new product offerings and these will require considerable investment over the short and medium term.

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In considering the planned strategy of the Marketboomer business, the ongoing investment it requires, the offer received from the Reducing Shareholders and the alternatives as to the ongoing ownership interest in Marketboomer Holdings, the Directors have unanimously agreed that all resources should be applied to the continuing expansion of the collaborative consumption businesses.

It is the Directors opinion that the Proposed Transaction and overall consideration reflect a great result for remaining Collaborate shareholders and delivers a fair value for the Marketboomer business based on its historical performance, the ongoing investment required and its risk profile.

The Proposed Transaction realises an amount (equivalent to approximately \$1.42 million of value) for the remaining Collaborate shareholders which is substantially above the value of Collaborate's shareholding in Marketboomer Holdings implied by the most recent transactions involving Marketboomer Holdings. This will enable the Company to focus its efforts solely on its collaborative consumption businesses which the Company has identified as having stronger growth prospects, especially given the recent re-launch of the DriveMyCar website and evolution of the Company's trust and reputation platform which the Company can leverage to address multiple market opportunities.

The Directors have consulted with ASX in relation to the Proposed Transaction, which has confirmed that Shareholder Approval is also required under Listing Rule 10.1.

The Notice of Meeting and Independent Expert's Report seeking Shareholder Approval and Reducing Shareholder Approval will be despatched to shareholders shortly.

Authorised by:

Chris Noone
CEO and Director
Collaborate Corporation Limited