

## DRIVEMYCAR CONTINUES TO DELIVER STRONG GROWTH

- + Sustained increase in revenue and gross profit for the DriveMyCar business.
- + 81% increase in DriveMyCar revenue in Dec 2015 vs Dec 2014.
- + 159% increase in DriveMyCar gross profit in Dec 2015 vs Dec 2014.
- + Gross profit margin increases substantially to approximately 74% in Dec 2015 vs 52% in Dec 2014.

Collaborate Corporation Limited (ASX:CL8) is pleased to report that the DriveMyCar business unit has delivered strong increases across a range of metrics in the first half of the 2016 financial year, based on the unaudited figures as presented for audit review. Collaborate will release its formal audit reviewed half year results later this month.

Period	Rental Transaction Value <sup>1</sup> '000	Gross Revenue <sup>2</sup> '000	Gross Profit '000	Gross Profit %	Net Rental Days Realised <sup>3</sup>	Total Vehicle Activations	Calculator Enquiries	New Renter Registrations
Dec Qtr 2014	\$250	\$96	\$39	40%	6,317	119	1,403	627
Sep Qtr 2015	\$362	\$136	\$86	63%	8,344	152	3,000	851
Dec Qtr 2015	\$390	\$147	\$98	67%	9,834	139	2,698	1,149
Dec Qtr 2015 % growth vs Dec Qtr 2014	56%	53%	152%		56%	17%	92%	83%
Dec Qtr 2015 % growth vs Sep Qtr 2015	8%	8%	14%		18%	(9%)	(10%)	35%
Dec 2014	\$90	\$35	\$18	52%	2,209	25	461	267
Dec 2015	\$165	\$63	\$47	74%	3,992	58	788	473
Dec 2015 % growth vs Dec 2014	83%	81%	159%	43%	81%	132%	71%	77%

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.

Advancements continue to occur in revenue, gross profit, rental demand and size and quality of the rental fleet. The expansion of corporate partnerships has also contributed to demand, supply and geographic reach.

Rental Transaction Value increased by 56% from the December 2014 Quarter to the December 2015 Quarter. Gross Profit has increased by 152% over the same period as the scalability benefits of the online platform begin to be realised. The rate of growth in the month of December 2015 was even more pronounced with Rental Transaction Value increasing by 83% and Gross Profit increasing by 159% compared to December 2014.

Net Rental Days Realised grew by 56% in the December 2015 Quarter from the December 2014 Quarter. The December 2015 Quarter continued the growth experienced in the September 2015 quarter. These increases can be attributed to the launch of the new DriveMyCar website, continually improving results from online marketing, the launch on 30 November of airport pick up locations and expansion of rentals to corporate clients. New Renter Registrations surged 83% in the December 2015 Quarter, compared to the December 2014 Quarter and grew 35% compared to the September 2015 Quarter. A number of new initiatives only commenced during the December 2015 Quarter and momentum is continuing to build.

Period	Vehicles with one or more rentals	Total Rental Contracts including extensions	Contracts including extensions per vehicle
December 14	115	126	1.1
July 15	121	162	1.3
August 15	128	181	1.4
September 15	141	195	1.4
October 15	150	201	1.3
November 15	136	198	1.5
December 15	192	269	1.4
% growth vs Dec 2014	67%	114%	

192 vehicles recorded one or more rentals during December 2015 which is a new peak, an increase of 67% from December 2014 and a 27% increase from the previous peak in October 2015. The Total Number of Rental Contracts in progress in the month (which includes extensions and contracts which commenced in the current month and prior months) increased by 114% from December 2014 to December 2015.

There is not always a direct correlation between the number of vehicles rented and revenue due to a number of factors which include length of rental period, types of vehicles being rented (i.e. an increased supply of lower priced vehicles reduces the average daily rental value), the proportion of long term rentals (which attract discounts) and the level of demand for higher priced vehicles. During holiday periods the relationship is particularly skewed as rental periods tend to be shorter than at other times during the year.

Despite the significant growth experienced to date, the Directors have strong confidence in the potential for the business to grow further even with the current level of marketing expenditure. During the December 2015 Quarter an additional 459 unique booking requests for 7,264 rental days were received, but were unable to be filled due to vehicles not being available for the specific requirements.

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During the December 2015 Quarter, three agreements with corporate fleet owners, in addition to the existing agreement with InterLeasing, were signed however vehicles only became available for rental from one of the three providers on 21 December. Had the vehicles from the various suppliers been available earlier, fewer of the 459 booking requests would have been left unfulfilled. Strength of demand for vehicles in December allowed management to scale back the online marketing campaign by over 50% and transfer budget to future periods where it will generate greater benefit.

The size, quality and geographic spread of the vehicle fleet has improved in recent quarters as a result of more effective online marketing to attract private owners and the addition of vehicles from corporate fleets. There is still significant work to be done to increase the size of the fleet and this is the main focus for DriveMyCar.

The Company uses the number of Calculator Enquiries as an indicator of the demand from private owners to utilise the DriveMyCar service to generate income from their vehicles. Calculator Enquiries in the December 2015 Quarter increased by 92% compared to the December 2014 Quarter. In accordance with expectations, the December 2015 Quarter Calculator Enquiries and Total Vehicle Activations saw a slight decline on the September 2015 Quarter, mainly due to seasonal factors.

The activation of new vehicles continued to gain momentum in January 2016 with a record high of 66 vehicles being activated during the month. Before each vehicle is activated on the DriveMyCar platform it is assessed for suitability, price competitiveness and compliance with age and condition standards. Unsuitable vehicles that do not meet the requirements of the DriveMyCar platform are rejected. The existing fleet is reviewed on a regular basis to ensure compliance, assess pricing and confirm general availability and any non-compliant vehicles are removed.

Interest from corporate fleet owners to monetise their vehicles through the DriveMyCar platform has increased substantially in the past 6 months, with the largest increase in the half year being attributed to the commencement of the Corporate Business Development Manager on 21 October 2015. There are a number of new agreements in the pipeline which, when signed, will help rapidly scale the vehicle fleet. Due to the size of the organisations that DriveMyCar is engaging with, the conclusion of these agreements takes a considerable amount of time.

As at 31 December 2015, 649 vehicles were listed on the DriveMyCar website with a total market value in excess of \$14 million. At any point in time the fleet includes vehicles that are available, on rental or not currently available due to other commitments for the vehicle as identified by the owner.

The ability to secure long term rentals has been enhanced in recent days with DriveMyCar securing the number one position for the 'long term car rental' search keyword on Google.com.au and other search engines, ahead of Europcar, Hertz and Budget.<sup>1</sup> Google ranks websites using a number of criteria to determine the most relevant result according to the search term entered. The number one position recognises the relevance and authority of the DriveMyCar website to customers seeking long term car rentals.

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<sup>1</sup> Note: Individual experience may vary according to previous visits to DriveMyCar website and searches previously performed.

Collaborate's CEO Chris Noone commented: "DriveMyCar entered 2016 with increasing scale that is delivering a greater proportion of revenue to the bottom line and a considerably stronger deal pipeline that provides significant opportunities for further growth".

**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](http://www.DriveMyCar.com.au) Australia's leading peer-to-peer car rental business; [www.MyCaravan.com.au](http://www.MyCaravan.com.au) Australia's leading peer-to-peer caravan rental business and [www.Rentoid.com](http://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](http://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.

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