
COLLABORATE CORPORATION RAISES \$1.26 MILLION TO ADVANCE THE DEVELOPMENT OF ITS COLLABORATIVE CONSUMPTION BUSINESSES

- + Placement to high net worth and institutional investors closed heavily oversubscribed
- + DriveMyCar Rentals funded to pursue immediate growth plans
- + Director continues to demonstrate confidence in the Company and its strategy via participation in the capital raising.

Collaborate Corporation Limited (**Collaborate** or the **Company**) (ASX: **CL8**) is pleased to announce that it has capitalised on the recent increased interest in the Company by raising \$1.26 million via a heavily oversubscribed placement to institutions and sophisticated investors (**Placement**).

The Company will issue 63,000,000 fully paid ordinary shares at an issue price of \$0.02 per share (**Placement Shares**). Subject to shareholder approval, the Company proposes to issue 31,500,000 free attaching listed CL8O options exercisable at \$0.02 per option and expiring 30 April 2017 (**Placement Options**) on a 1 for 2 basis to investors in the Placement.

The Placement Shares will be issued in two tranches, as follows:

- + Tranche 1: Issue of 53,000,000 Placement Shares to raise \$1,060,000 on or around 29 January 2015; and
- + Tranche 2: Issue of 10,000,000 Placement Shares to raise \$200,000, subject to shareholder approval.

Mr Domenic Carosa, a non-executive director of the Company, will subscribe for \$50,000 of the Tranche 2 Placement Shares, subject to shareholder approval.

DJ Carmichael and Foster Stockbroking acted as joint lead managers to the Placement.

The proceeds from the Placement will be used to advance the evolution of the Company's proprietary trust and reputation platform, enabling the Company to launch into new peer-to-peer markets, and support marketing and PR activities for the soon to be re-launched DriveMyCar website.

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Additionally, the proceeds will be used for general working capital and to cover costs of the capital raising.

CEO, Mr Chris Noone said "We are delighted by the continuing strong support from DJ Carmichael and Foster Stockbroking as well as the Company's growing register of high net worth and institutional investors. In the US we have recently seen peer-to-peer businesses such as Airbnb, Uber, Lending Club and RelayRides achieve extraordinary valuation increases and it is pleasing to see that Australian investors are now aware of the potential for collaborative consumption to disrupt multiple billion-dollar industries. Collaborate is now well placed to improve its position as the leading ASX-listed company exploiting collaborative consumption opportunities."

Collaborate attributes the high demand for this Placement, which resulted in the Company closing the offer heavily over-subscribed, to increasing awareness of the Company's strategy to operate in multiple peer-to-peer categories by leveraging its proprietary trust and reputation platform. Other companies operating in peer-to-peer markets in the US and globally have achieved large valuation increases as evidenced by 5 of the 15 US startups with the fastest growing valuations between funding rounds being peer-to-peer businesses¹.

The Company will utilise both its 15% placement capacity and its 10% additional placement capacity in issuing the Tranche 1 Placement Shares. The issue of Tranche 2 Placement Shares and the Placement Options will be subject to shareholder approval.

Authorised by:

Chris Noone
CEO and Director
Collaborate Corporation Limited

¹ VC Experts and Forbes:
<http://www.forbes.com/sites/briansolomon/2014/12/17/the-hottest-startups-of-2014/>