
COLLABORATE SECURES UNDERWRITING FOR \$1.26 MILLION OF LISTED OPTIONS

- + Existing Collaborate shareholders underwrite \$1.26 million of listed CL8O options.
- + \$500,000 of funds to be advanced immediately to provide funding for operations.
- + Anticipated drawdowns via the Flexible Equity Facility halted in preference to raising funds via exercise of options.

Collaborate Corporation Limited (ASX:**CL8** or the **Company**) is pleased to announce that the Company has entered into agreements with existing sophisticated investors (**Underwriters**) to underwrite the exercise of 63 million of the Company's quoted options (ASX:CL8O) (**Underwriting Agreements**), representing approximately 37% of CL8O options on issue. Originally targeting \$1 million of underwriting, the Company is very pleased with the overapplication and support shown by the underwriters.

The Underwriting Agreements will guarantee that the Company receives \$1.26 million (**Underwritten Amounts**) before costs and also grants the Underwriters a first right of refusal on any unexercised CL8O options. The underwriting places the Company in a strong financial position to drive growth of the peer-to-peer marketplaces, support the launch of Mobilise, pursue investment opportunities that align with the Company's peer-to-peer strategy as well as supplement working capital.

The Underwriting Agreements contain terms normally found in agreements of this nature, including the usual indemnification and termination provisions and provide for an underwriting fee of 6% (excluding GST) on the Underwritten Amounts. In accordance with Listing Rule 3.11.3, the names of the Underwriters are set out in Appendix 1 below. Should there be unexercised CL8O options remaining after the expiry date, the Underwriting Agreements enable each underwriter to apply for unexercised options up to a maximum value equal to their underwriting commitment. The Company intends to issue shares upon conversion of the CL8O options under the Underwriting Agreements in accordance with ASX Listing Rule 7.2 (exception 12) and accordingly shareholder approval will not be sought.

The Company also announces that it has executed agreements with the Underwriters to provide a total of \$500,000 as advances on the funds committed under the Underwriting Agreements (**Advances**). The Advances have been negotiated on an arm's length basis and attract interest of 5% of the amounts drawn upon under the Advances. The key terms of the Advances are set out in Appendix 2 below.

Collaborate has previously entered into agreements with subscribers for equity facilities of up to \$2.25 million (**Equity Facilities**) and has \$1.76 million remaining available under those Equity Facilities. The Equity Facilities enable the Company to raise funds at a maximum 15% discount to a 10-day volume weighted average price.

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Given the Underwriting Agreements guaranteeing \$1.26 million of funding and the Advances to be received prior to the upcoming options expiry it is not expected that further short to mid-term funding will be required for the existing businesses of the Company. Therefore, the Company will defer drawing down on the Equity Facilities until such time that further funding is required. In negotiating the Underwriting Agreements and securing the Advances, the Company has been able to suspend the drawdown on the Equity Facilities to ensure that no further dilution is required prior to the expiry of the Options and for the foreseeable future.

Chris Noone, CEO of Collaborate commented, "Collaborate is appreciative of the continued support of its major shareholders. The underwriting commitment indicates the strong belief of the underwriters in the progress and strategy of the business. We are confident that the commitment demonstrated in these underwriting and advance arrangements and anticipated forthcoming announcements will encourage CL8O option holders to also convert their options into CL8 shares."

CL8O option holders are eligible to exercise their options up to AWST 5:00 pm on 30 April 2017. If all options are exercised, the Company will receive \$3.44 million in total (inclusive of the Underwritten Amounts), before costs.

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 two core business segments: www.DriveMyCar.com.au Australia's leading peer-to-peer car rental business and www.MyCaravan.com.au Australia's leading peer-to-peer caravan rental business and will launch www.Mobilise.com in 2017, a rental marketplace for under-utilised assets. 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 1

Names of the Underwriters

Dominet Digital Corporation Pty Ltd
Hishenk Pty Ltd
Mr Ayngaran Kailainathan
Noble Investments Superannuation Fund Pty Ltd
Mr Bradley Partridge
Scintilla Strategic Investments Limited

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APPENDIX 2

Key terms of the Advances

(a) Loans

The Advances may be drawn upon by Collaborate as required up to a total amount of \$500,000 (**Loans**).

(b) Interest

The Loans are subject to a fixed interest payment of 5% of the amounts advanced and is payable on the Repayment Date.

(c) Purpose

The Loans may be used by the Company for working capital requirements and investment purposes.

(d) Repayment

Any amounts drawn down by the Company will be applied towards the respective Underwriter's payment obligations under the relevant Underwriting Agreement.

Any remaining balances shall be repayable on 7 May 2017 (**Repayment Date**).

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