

Turners to launch 'Carly' vehicle subscription business in NZ

Commercial Terms Agreed for Launch of Vehicle Subscription Business (Carly NZ) In NZ

- Commercial terms have been agreed with Collaborate Corporation for the launch of Carly vehicle subscription in New Zealand
- Turners has committed to supply 200 vehicles within six months of launch
- Turners will license the Carly brand and technology platform from Collaborate Corporation
- Scheduled for launch in late March 2020

Turners Automotive Group (ASX:TRA; NZX:TRA) is pleased to announce that it has agreed terms with Collaborate Corporation Limited (ASX:CL8) for the launch of the Carly vehicle subscription service in New Zealand. The agreement follows a \$1 million strategic investment from Turners Automotive and an exclusive negotiating period for the launch of a joint vehicle subscription service in New Zealand announced on 2 July 2019. Today's announcement confirms the successful conclusion of these negotiations.

The investment and launch of www.Carly.co.nz is in line with Turners' strategy to invest in opportunities adjacent to its core automotive business. Carly's platform approach looks to leverage vehicle inventory from dealers and fleet owners which provides an opportunity for Turners to add value to its existing customers and partners.

Turners has committed to supply 200 vehicles to the Carly fleet within six months of launch. These will be sourced from Turners' own stock and from partners. Carly is expected to launch in New Zealand in late March 2020.

Todd Hunter, CEO of Turners Automotive Group, commented: "We are excited about the partnership with Carly as we position Turners for the long term projected changes in the traditional retail car market. New concepts such as vehicle subscription and car sharing are a part of the future and provide a new revenue opportunity for car dealers and other industry players. This is an exciting opportunity for Turners to participate in the rapid growth of the 'Sharing Economy' as it relates to transportation and changing consumer preferences. We really like the industry inclusive approach Carly has taken in Australia and we will mirror this in New Zealand."

Chris Noone, Collaborate CEO, said: "Turners is the largest seller of cars in New Zealand and in an ideal position to meet the needs of customers who prefer access over ownership. Turners has an unequalled marketing capability and network of industry partnerships that will provide Carly with an excellent opportunity to grow rapidly in New Zealand. We are privileged to be working with such a skilled and well-connected management team."



About Carly

[Carly](#) launched in March 2019 and is Australia's first truly flexible car subscription offering. Turners is planning to launch Carly in New Zealand in the first quarter of 2020.

The vehicle subscription concept is still new but is rapidly gaining in popularity. Not only does it offer flexibility, variety, minimal commitment and an all-round simpler solution to vehicle ownership, the single monthly payment covers all the usual costs of vehicle ownership, from registration and insurance to maintenance and repairs.

Customers can choose and switch cars to suit their lifestyle and their needs. Carly will provide the flexibility that many drivers and especially younger generations are now seeking - no long term commitments, no upfront costs or loans to buy a car and the ability to change cars when you want. Whilst the transition of consumers moving from buying vehicles to utilising vehicle subscription services is expected to take time, the strong potential of car subscription is supported by the large number of vehicle manufacturers and start-ups launching services in the USA and recent large investment by Softbank in the sector.

Alternative vehicle ownership models are on the rise internationally, and vehicle subscription programmes could account for nearly 10% of all new vehicle sales in the US and Europe by 2025. In developed markets like the UK and the US, subscription-based ownership models have already crossed 10% of monthly household incomes, driven in large part by the benefits experienced by consumers such as greater flexibility and a reduction in costs incurred including the purchase of vehicles, parking, insurance, fuel and maintenance¹.

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About Turners

Turners Automotive Group Limited is an integrated financial services group, primarily operating in the automotive sector www.turnersautogroup.co.nz

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¹ <https://www.forbes.com/sites/sarwantsingh/2018/07/30/your-next-car-could-be-a-flexible-subscription-model/#2ec7ac4f4ffa>