

24 July 2019

Dear Shareholder

NON-RENOUNCEABLE ENTITLEMENT ISSUE

Collaborate Corporation Limited (ACN 066 153 982) (the **Company** or **Collaborate**) is undertaking a non-renounceable entitlement issue to shareholders of up to 206,135,826 new fully paid ordinary shares (**New Share**) at an issue price of \$0.01 each, together with free attaching options on a 2-for-3 basis, with an exercise price of \$0.015 per option and expiry date of 18 December 2020 (**New Option**) to raise up to approximately \$2,061,358, before costs (**Entitlement Issue** or **Offer**). The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC and ASX on 22 July 2019.

The Offer is underwritten up to a total of \$1.255 million by existing shareholders of the Company. Willoughby Capital Pty Ltd (ACN 634 251 291) as trustee for the Willoughby Capital Trust (**Willoughby**), the Company's largest shareholder and a related party of director Stephen Abolakian, will underwrite up to \$1.15 million. Reefpeak Pty Ltd (ACN 098 320 088) (**Reefpeak**) will underwrite up to \$75,000 and Mr Adrian Bunter (a director of Collaborate) and Ms Karen Logan (an officer of Collaborate) will underwrite up to \$20,000 and \$10,000 respectively. No fees will be payable to Willoughby, Mr Bunter or Ms Logan for their commitment pursuant to the underwriting. The Company must pay Reefpeak an underwriting fee of 3% of any amount underwritten by Reefpeak in accordance with the terms of the underwriting agreement.

The funds raised from the Offer are currently intended to be used to provide funding for customer acquisition, sales and marketing activities, and marketplace growth and for working capital and general corporate purposes. Additionally, the proceeds will be used to cover costs of the Entitlement Issue.

The Entitlement Issue will be offered to shareholders registered at the Record Date (as defined below) with a registered address in Australia and New Zealand (**Eligible Shareholders**) on the basis of one (1) New Share for every four (4) Shares held (together with 2 (two) free attaching New Options for every 3 (three) New Shares subscribed for and issued).

New Shares will rank equally with all fully paid ordinary shares in the capital of the Company already on issue. All Shares issued on conversion of the New Options will rank equally with the Shares on issue at the date of the Prospectus. Following completion of the Offer and based on the number of Shares currently on issue, the Company will have issued approximately 206,135,826 New Shares and 137,423,884 New Options resulting in total Shares on issue of approximately 1,030,679,129 and total Options of approximately 180,466,628.

Collaborate announces the record date of 5:00 pm (AEST) on 26 July 2019 for the purposes of determining shareholders entitled to participate in the Entitlement Issue (**Entitlement Record Date**). A prospectus containing full details of the Entitlement Issue was lodged with ASIC on 22 July 2019 and will be despatched to all Eligible Shareholders on 30 July 2019. The Prospectus is available on the ASX website (company announcements section, ASX code: CL8).

Ineligible Shareholders

A Shareholder registered at the Entitlement Record Date who has a registered address outside Australia and New Zealand (**Ineligible Shareholder**) will not be eligible to participate in the Entitlement Issue.

You are not eligible to participate in the Entitlement Issue and you will not be sent a copy of the Prospectus. This decision has been made pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules after taking into consideration the costs of complying with legal and regulatory requirements in jurisdictions outside of Australia and New Zealand, the number of Ineligible Shareholders and the number and value of New Shares to which they would otherwise be entitled.

If you require further information, please contact the Company Secretary via email at shareholder@collaboratecorp.com.

Yours faithfully

COLLABORATE CORPORATION LIMITED



Chris Noone
CEO and Executive Director