

Appendix 4C & Quarterly Activities Report for the period ended 30 June 2021

- FY2021 total revenue was \$11.50m¹, up 19.2% vs previous corresponding period (pcp) resulting from licence fee growth of 15.9% and professional fee growth of 34.6%
- Q4 FY2021 total revenue was \$2.92m¹, up 11.8% vs pcp attributable to licence fee growth
- Q4 FY2021 recurring licence revenue of \$2.44m¹, up 18.0% vs pcp driven by a 30.3% increase in Strata licence fees due to the completion of the PICA roll-out
- Q4 FY2021 average monthly cash used of \$313k, up from \$91k² for Q3 FY2021, reflecting R&D tax rebates received in Q3 FY2021 and periodic subscription billing
- Closing cash balance of \$7.82m¹ (30 June 2020: \$4.55m) and no material debt³
- Full year results will be released on 23rd August 2021, detailing ARR⁴ and backlog⁵ as at 30 June 2021

Urbanise.com Limited (ASX:UBN) (“Urbanise” or “the Company”) today provides a business update and quarterly cash flow report for the period ended 30 June 2021 (Appendix 4C). Urbanise is a leading provider of cloud-based Software-as-a-Service (SaaS) platforms to strata and facilities managers in Australasia, the Middle East, Europe and South Africa.

Urbanise’s CEO Saurabh Jain said: “I am pleased to report FY2021 total revenue of \$11.5m¹ which is up 19.2% compared to last year. This growth reflects new wins and the conversion of backlog. With a closing cash balance of \$7.82m, we have sufficient cash runway for planned investment in growth initiatives in facilities management.”

“During the fourth quarter, we completed the roll-out of our Strata platform across the New South Wales (NSW) portfolio of PICA, Australia’s leading property services provider. This follows the completion of the roll-out across their Queensland (QLD) portfolio in Q1 FY2021 and their Victoria portfolio in 2019. This milestone has been a priority for Urbanise to complete in FY2021 and I thank our dedicated team and our PICA partners for their hard work and effort.”

“In Q4 FY2021, total revenues from Strata increased by 16.4% to \$1.8m, benefiting from the NSW roll-out of the PICA project. Revenues from Facilities Management rose by 6.8% to \$1.1m as licence fee growth of 1.7% was impacted by the loss of a legacy customer reported in Q2 FY2021. The growth in FM licences excluding the loss was around 15% vs pcp, reflecting new contract wins during the year.”

“Our investment in Facilities Management sales and marketing is yielding pipeline growth and new wins in our core APAC and Middle East markets. We continue to target Tier 2 FM Outsourcers, with our

¹ Unaudited financial information

² Excluding the FY20 R&D tax rebate of \$251k, underlying average monthly cash used was \$175k

³ No debt other than annual insurance premium funding

⁴ Annualised Recurring Revenue represents annualised billed revenue, at the end of the period

⁵ Backlog represents the annualised revenue contracted but not yet billed, at the end of the period

unique selling point being functionally rich products. We are also targeting asset owners of properties, leveraging our experience in mining, utilities, aged care and education.”

“We look forward to outlining our growth strategy at our full year results where we also report closing ARR and backlog.”

Table 1: FY2021 Summary (Unaudited financial information)

\$000s	FY2021	FY2020	Var	Var %
Licence Fees	9,094	7,849	1,245	15.9%
Professional Fees	2,387	1,774	613	34.6%
Other revenue	13	23	(10)	(43.5%)
Total revenue	11,494	9,645	1,848	19.2%
Average monthly cash generated	273	70	203	290.0%
Underlying average month cash (used)	(246)	(154)	(92)	59.7%
Closing cash	7,820	4,545	3,275	72.1%

June Quarter Financial Summary

Total revenue for the quarter was \$2.92m⁶, up by 11.8% vs pcp driven by a 18.0% increase in licence fees largely due to the completion of the PICA rollout. Facilities Management licence fees increased by 1.7% reflecting the loss of a legacy Middle East customer reported in Q2 FY2021. Excluding this contract, underlying Facilities Management licence fee growth was circa 15%.

Professional Fees for the quarter were \$483k, lower by 10.6% vs pcp reflecting implementation activity which can vary from quarter to quarter.

Customer receipts totalled \$3.1m⁶ for the quarter (Q4 FY2020: \$2.9m) largely reflecting collections for advance (licence) billings and professional fees.

As at 30 June 2021, Urbanise had a cash balance of \$7.82m⁶ and no material debt⁷.

To date COVID-19 has had no material impact on Urbanise.

Table 2: Q4 FY2021 Urbanise Summary (Unaudited financial information)

\$000s	Q4 FY2021	Q4 FY2020	Var	Var %
Licence Fees	2,435	2,064	371	18.0%
Professional Fees	483	540	(57)	(10.6%)
Other revenue	-	5	(5)	(100%)
Total revenue	2,918	2,609	309	11.8%
Average monthly cash generated/(used)	(313)	89	(402)	(451.7%)
Underlying average month cash (used)	(313)	(75)	(238)	317.3%
Closing cash	7,820	4,545	3,275	72.1%

⁶ Unaudited financial information

⁷ No debt other than annual insurance premium funding

Facilities Management Summary

Facilities Management licence revenue increased by 1.7% vs pcp reflecting growth offset by the loss of a Middle East customer on a legacy platform in Q2 FY2021. Excluding the loss of this contract, underlying licence fee growth was circa 15%.

Professional fees increased by 28.6% vs pcp reflecting on-going work on new contract wins and backlog.

Table 3: Q4 FY2021 Facilities Management Summary (Unaudited financial information)

\$000s	Q4 FY2021	Q4 FY2020	Var	Var %
Licence Fees	848	834	14	1.7%
Professional fees	252	196	56	28.6%
Total revenue	1,100	1,030	70	6.8%
Licence fees % total	77.1%	81.0%		

Strata Summary

Licences fees for Strata increased by 30.3% driven by the PICA QLD and NSW roll-out completed in Q1 FY2021 and Q4 FY2021, respectively.

Professional fees mainly related to the PICA contract, decreased by 32.7% vs pcp as the roll-out reached completion.

Table 4: Q4 FY2021 Strata Summary (Unaudited financial information)

\$000s	Q4 FY2021	Q4 FY2020	Var	Var %
Licence Fees	1,577	1,210	367	30.3%
Professional fees	231	343	(112)	(32.7%)
Total revenue	1,808	1,553	255	16.4%
Licence fees % total	87.2%	77.9%		

Cashflow Summary

Net cash out-flow was \$940k for the quarter with customer receipts of \$3.11m, a 7.1% increase from pcp (Q4 FY2020: \$2.91m). Customer receipts were lower compared to the last quarter (Q3 FY2021: \$3.41m) due to the billing cycles of the customer portfolio that vary from quarter to quarter. Total receipts for FY2021 were \$12.0m vs pcp of \$11.0m⁸.

Payments to suppliers and employees for the quarter were \$3,792k, an increase of \$1,344k vs pcp. The prior comparative period benefited from \$367k in deferred PAYG as a result of government initiated COVID-19 incentives. Underlying payments increased by \$977k due to hosting costs (driven by revenue), investment in sales, marketing and development.

The underlying average cash per month used for FY2021 was \$246k vs pcp of \$154k, reflecting the increase in costs noted above.

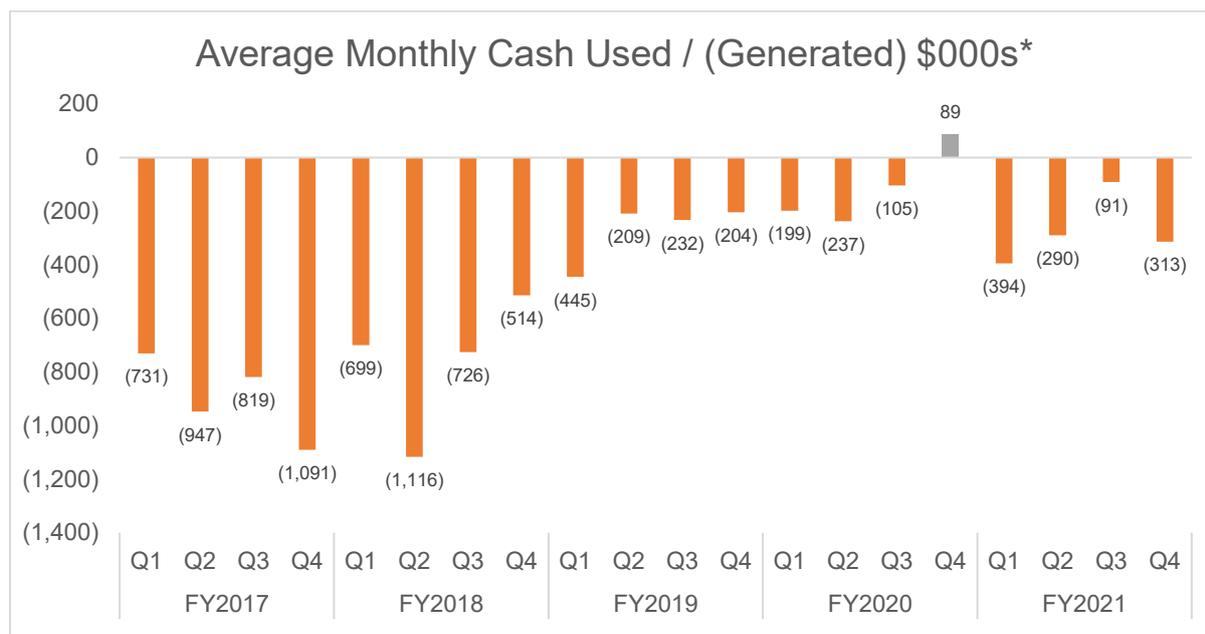
⁸ During FY2020, \$11.0m of customer receipts included significant overdue debts from FY2019 (collected in H1 FY2020) and advance billings for FY2021 (collected in H2 FY2020).

Urbanise is in a strong financial position with no material debt and a closing cash balance of \$7.82m as at 30 June 2021.

Chart 1 below shows the average monthly cash used over the past 5 years of trading.

Table 5 (on the next page) summarises the cash flow for Q4 FY2021 and full year FY2021 vs pcp.

Chart 1: Average monthly cash used* (Unaudited financial information)



* Excludes proceeds from capital raises / placements and sale of business assets

Payments for intangibles reflected capitalised development costs of \$234k during the quarter related to the strata platform. Facilities Management development costs are fully expensed as are the majority of Strata development costs.

Urbanise continues to invest in its platform and systems to expand the features and applications available and improve the delivery of its products and solutions.

Payments to related parties in Item 6.1 of Appendix 4C consisted of fees paid to the Board of Directors.

Table 5: Q4 FY2021 & FY2021 Cashflow Summary (Unaudited financial information)

\$000s	Q4		Full Year	
	Q4 FY2021	Q4 FY2020	FY2021	FY2020
Opening Cash Balance	8,760	4,277	4,545	3,702
Receipts from customers	3,114	2,907	11,997	11,000
Government Incentive	-	125	301	203
Payments to suppliers and employees	(3,792)	(2,448)	(14,380)	(11,303)
Interest	1	(4)	(54)	(22)
Net cash used in operating activities	(677)	580	(2,136)	(122)
Payments for equipment	(32)	(11)	(142)	(189)
Payments for intangibles / capitalisation	(234)	(277)	(962)	(1,038)
Net cash used in investing activities	(266)	(288)	(1,104)	(1,227)
Net increase in cash and cash equivalents	(943)	292	(3,240)	(1,349)
Net proceeds from placement	-	-	6,542	2,197
Effect of exchange rates on cash balances	3	(24)	(27)	(5)
Net cash flow for the period	(940)	268	3,275	843
Cash at 30 June	7,820	4,545	7,820	4,545
Average Monthly Cash Generated / (Used)	(313)	89	273	70
Net cash flow for the period	(940)	268	3,275	843
Government Incentive	-	(125)	(50)	(125)
Deferred costs*	-	(367)	367	(367)
Net proceeds from placement	-	-	(6,542)	(2,197)
Underlying cash flow for the period	(940)	(224)	(2,950)	(1,846)
Underlying Average Monthly Cash (Used)	(313)	(75)	(246)	(154)

* Government initiatives associated with COVID-19

This announcement has been authorised for release by the UBN Board of Directors

Investor enquiries

Vanessa Beresford
Citadel-MAGNUS
+61(0) 451 422 892

About Urbanise

Urbanise is a leading provider of cloud-based Software as a Service (SaaS) platforms for property management, specifically strata and facilities management. The Strata platform manages the communications and accounting functions for apartment buildings, strata commercial towers and large housing communities. The Facilities Management platform manages the repair and maintenance for infrastructure, buildings, residential and commercial properties. www.urbanise.com

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Urbanise.com Limited

ABN

70 095 768 086

Quarter ended ("current quarter")

30 June 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	3,114	11,997
1.2 Payments for		
research and development		
product manufacturing and operating costs	(357)	(1,456)
advertising and marketing	(102)	(428)
leased assets		
staff costs	(2,212)	(8,544)
administration and corporate costs	(1,121)	(3,952)
1.3 Dividends received (see note 3)		
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid	(1)	(56)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		301
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(677)	(2,136)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities		
businesses		
property, plant and equipment	(32)	(142)
investments		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
intellectual property		
other non-current assets	(234)	(962)
2.2 Proceeds from disposal of:		
(b) entities		
businesses		
property, plant and equipment		
investments		
intellectual property		
other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
2.6 Net cash from / (used in) investing activities	(266)	(1,104)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)		6,800
3.2 Proceeds from issue of convertible debt securities		
3.3 Proceeds from exercise of options		
3.4 Transaction costs related to issues of equity securities or convertible debt securities		(258)
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
3.10 Net cash from / (used in) financing activities		6,542

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	8,760	4,545
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(677)	(2,136)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(266)	(1,104)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	6,542
4.5	Effect of movement in exchange rates on cash held	3	(27)
4.6	Cash and cash equivalents at end of period	7,820	7,820

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	7,820	8,760
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	7,820	8,760

6. Payments to related parties of the entity and their associates

6.1	Aggregate amount of payments to related parties and their associates included in item 1	32
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

**Current quarter
\$A'000**

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

- 7.1 Loan facilities
- 7.2 Credit standby arrangements
- 7.3 Other (please specify)
- 7.4 **Total financing facilities**

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-

7.5 Unused financing facilities available at quarter end

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- 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

N/A

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	677
8.2 Cash and cash equivalents at quarter end (Item 4.6)	7,820
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	7,820
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	11.6

- 8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 20th July 2021

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.