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ASX RELEASE

23rd July 2020

Appendix 4C & Quarterly Activities Report for the period ended 30 June 2020

- Q4 FY2020 revenue of $2.61m[1], up 27.6% vs previous corresponding period (pcp)
- Q4 FY2020 recurring licence revenue of $2.06m[1], up 22.5% vs pcp, driven by a 32.4% increase in Facilities Management licence fees and 17.2% increase in Strata licence fees
- FY2020 revenue of $9.65m[1], up 19.5% on pcp and licence fee revenue of $7.85m[1], up 28.3% on pcp; 81.4% recurring revenue
- Positive cash flow of $268k in Q4 FY2020 assisted by deferred costs of $367k and $125k in tax relief arising from government initiatives associated with COVID-19
- Average monthly cash generated of $89k in Q4 FY2020
- Underlying average monthly cash used[2] of $75k in Q4 FY2020 at lowest level since 2014 IPO
- Closing cash balance of $4.55m[1] compared to $4.28m in Q3 FY2020; and no material debt[3]
- COVID-19 Update: To date, there has been no material impact on the demand for Urbanise's cloud-based software
- Urbanise's FY2020 result will be released in late August

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 2020 (Appendix 4C). Urbanise is a leading provider of multi-tenant 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: "We are very pleased with our performance during the June quarter which reflected our continued focus on licence revenue growth, cost discipline and driving working capital efficiencies. Underlying average monthly cash used of $75k was at its lowest level since the 2014 IPO. Our financial position remains strong with no material debt at 30 June 2020 and a closing cash balance of $4.55m.

"This quarter has also highlighted the mission-critical nature of our software and the resilience of our SaaS subscription model with its highly recurring revenue base and customer retention of close to 100%. In addition, most of our clients pay in advance on either a quarterly or annual basis, and we have continued to manage our debtors very effectively throughout this period. As a result, we have not seen any material impact on the business from the COVID-19 pandemic, which also reflects the essential nature of the industries we serve.

[1] Unaudited financial information
[2] Excluding COVID-19 tax relief and cost deferrals
[3] No debt other than annual insurance premium funding

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"During the quarter, the PICA rollout remained an absolute priority for the Strata team. The project is progressing to plan with the required development for the next phase largely complete. Urbanise and PICA have successfully commenced activations across the contracted portfolio with the rollout expected to finish in FY2021. We have also continued to pursue our pipeline of activities across our global footprint, and there has been increased demand for Urbanise's integrated strata and facilities solution.

"At the same time, we have continued to invest in customer support and product development to enhance the user experience and drive cost efficiencies for our clients. Some of these features such as web chat and interactive training, will also allow us to further scale our platform across geographies and benefit from industry tailwinds as our customers are required to meet ever increasing reporting and compliance obligations."

June Quarter Financial Summary

During the quarter ended 30 June 2020, Urbanise continued to pursue its pipeline of activities across Australasia, the Middle East, Europe and South Africa and recorded a number of customer wins across its global footprint.

Total revenue of $2.61m[4], increased by 27.6% on pcp reflecting strong licence fee growth across strata and facilities management and an increase in professional fees mainly related to the onboarding of a large strata customer. Recurring licence fee revenue of $2.06m[4] grew by 22.5% on pcp driven by a 32.4% increase in Facilities Management licence fees and a 17.2% increase in Strata licence fees

Net cash in-flow of $268k benefited from $367k in deferred costs and $125k in tax relief arising from government COVID-19 initiatives. Underlying average monthly cash used of $75k was 63.2% lower than Q4 FY2019 due to strong revenue growth, further improvements in advance billings and cash collections as well as disciplined cost management.

At 30 June 2020, Urbanise had a cash balance of $4.55m[4] and no material debt.

Table 1: Q4 FY2020 Summary (Unaudited financial information)

$000s	Q4 FY2020	Q4 FY2019	Var	Var %
Licence Fees	2,064	1,685	379	22.5%
Professional Fees	540	358	182	50.8%
Other Revenue	5	2	3	150.0%
Total Revenue	2,609	2,045	564	27.6%
Average Monthly Cash Generated	89	(175)	264	-150.9%
Underlying Average Month Cash Used	(75)	(204)	129	-63.2%
Closing cash	**4,545**	**3,702**	**843**	**22.8%**

[4] Unaudited financial information

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Facilities

During the June quarter, Urbanise continued to focus on the delivery of its multi-tenant software to facilities management outsourcing companies. Facilities Management licence revenue increased by 32.4% to $834k[5] due to the onboarding of new customers and network effects as more users were added to the platform. Professional fees for Q4 FY2020 were in line with Q4 FY2019.

Table 2: Q4 FY2020 Facilities Management Summary (Unaudited financial information)

$000s	Q4 FY2020	Q4 FY2019	Var	Var %
Licence Fees	834	630	204	32.4%
Professional Fees	196	200	(4)	-2.0%
Total Revenue	**1,030**	**830**	**200**	**24.1%**
Licence Fees % Total	**81.0%**	**75.9%**		

Strata

The PICA project remained a priority with the pre-requisite development for the roll-out largely completed by June 2020. Urbanise and PICA commenced activations across the contracted portfolio during June and the roll-out is on track for completion in FY2021.

Strata licence revenue increased by 17.2% to $1.21m[5] driven by onboarding of new customers and client base expansion among existing customers. Professional fees increased by 117.1% largely due to development fees associated with a major client.

Table 3: Q4 FY2020 Strata Summary (Unaudited financial information)

$000s	Q4 FY2020	Q4 FY2019	Var	Var %
Licence Fees	1,210	1,032	178	17.2%
Professional fees	343	158	185	117.1%
Total revenue	**1,553**	**1,190**	**363**	**30.5%**
Licence fees % total	**77.9%**	**86.7%**		

[5] Unaudited financial information

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Q4 FY2020 Cashflow Summary – Strong financial position

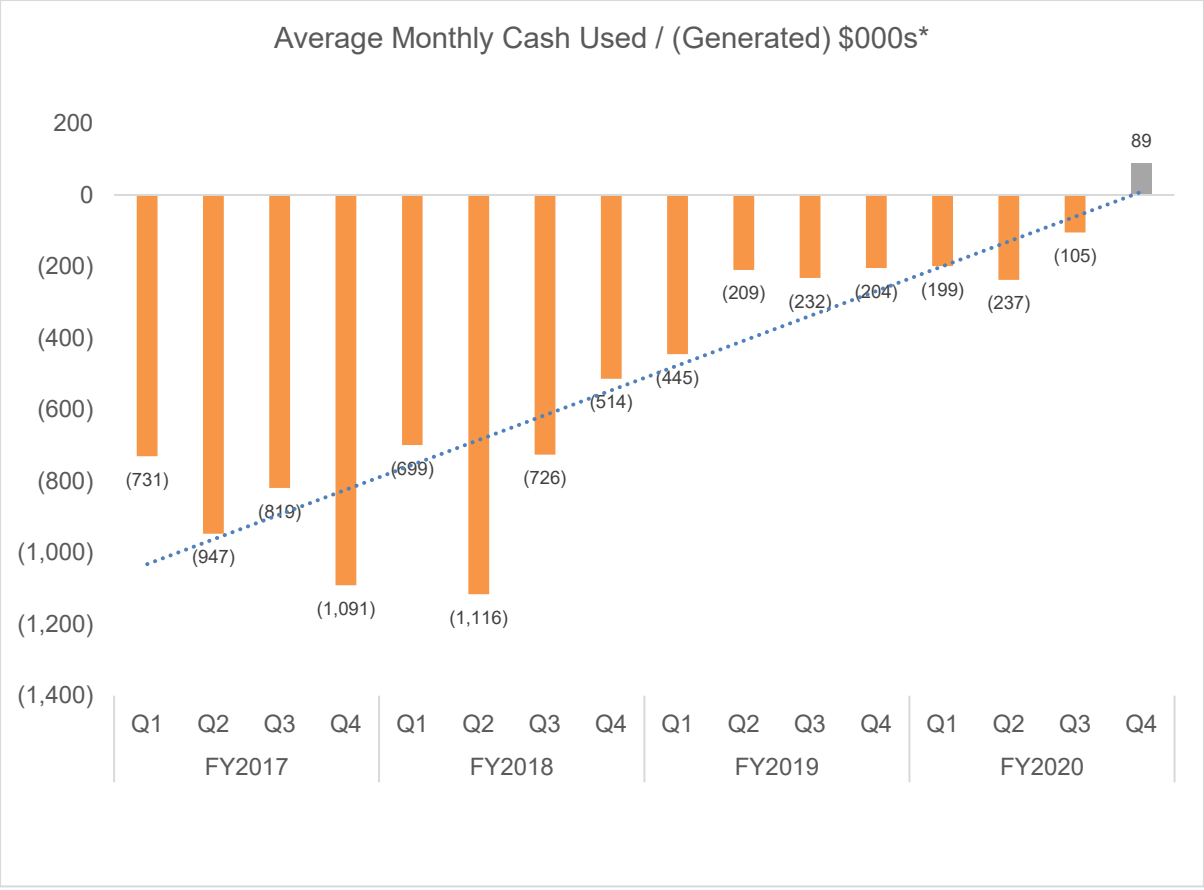
Net cash in-flow of $268k was assisted by the deferral of $367k in costs and $125k in tax relief arising from government initiatives associated with the COVID-19 pandemic.

The underlying average monthly cash used was $75k for the June quarter, a 63.2% decline on Q4 FY2019 ($204k) and 28.6% lower than Q3 FY2020 ($105k). This reflected the timing of cash receipts from customers, increased advanced billings and further improvement in collections. Payments were impacted by the timing of employee superannuation payments.

Chart 1 shows the dramatic decline in average monthly cash used as Urbanise shifted its business model to focus on the delivery of industry specific cloud-based SaaS platforms.

Urbanise is in a strong financial position with no material debt and a closing cash balance of $4.55m at 30 June 2020.

Chart 1: Significant reduction in average monthly cash used (Unaudited financial information)



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

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Payments for intangibles reflected capitalised development costs of $277k[5] 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 4: Q4 FY2020 Cashflow Summary (Unaudited financial information)

$000s	Q4 FY2020	Q4 FY2019
Cash at 31 March	**4,277**	**4,228**
Receipts from customers	2,907	2,483
Payments to suppliers and employees	(2,448)	(2,889)
Interest	(4)	-
Tax relief	125	-
Net cash used in operating activities	**580**	**(406)**
Payments for equipment	(11)	(41)
Payments for intangibles / capitalised development	(277)	(87)
Net cash used in investing activities	**(288)**	**(128)**
Net increase in cash and cash equivalents	**292**	**(534)**
Effect of movement exchange rates on cash balances	(24)	8
Net cash flow for quarter	**268**	**(526)**
Cash at 30 June	**4,545**	**3,702**
Average Monthly Cash Generated	**89**	**(175)**
Net cash flow for quarter	**268**	**(526)**
Deferred costs	(367)	-
One-off tax relief / sales of business assets[6]	(125)	(86)
Underlying cash flow for quarter	**(224)**	**(612)**
Underlying Average Monthly Cash Used	**(75)**	**(204)**

COVID-19 Update

Urbanise has not experienced a material reduction in demand for its SaaS platforms as a result of the COVID-19 pandemic. The Board and management continue to monitor the situation as part of its ongoing risk management and will update the market should circumstances materially change.

[5] Unaudited financial information

[6] In Q4 FY2019, sale of business assets relates to proceeds from the Devices business

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

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About Urbanise

Urbanise is the creator of a cloud-based platform for delivering building services. Designed for service providers, the Urbanise software-as-a-service industry cloud platform is transforming the traditional engineering approach to building operations; improving customer service, removing operational costs and enabling new revenue streams. Urbanise technology is used in some of the tallest towers and most prestigious communities around the globe. www.urbanise.com

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Appendix 4C

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

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Name of entity	
Urbanise.com Limited	
ABN	**Quarter ended ("current quarter")**
70 095 768 086	30 June 2020

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	2,907	11,000
1.2	Payments for		
	research and development		
	product manufacturing and operating costs	(220)	(1,030)
	advertising and marketing	(11)	(135)
	leased assets		
	staff costs	(1,314)	(6,698)
	administration and corporate costs	(903)	(3,441)
1.3	Dividends received (see note 3)		
1.4	Interest received		
1.5	Interest and other costs of finance paid	(4)	(22)
1.6	Income taxes paid		
1.7	Government grants and tax incentives	125	203
1.8	Other (provide details if material)		
1.9	**Net cash from / (used in) operating activities**	**580**	**(123)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities		
	businesses		
	property, plant and equipment	(11)	(188)
	investments		
	intellectual property		

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
	other non-current assets	(277)	(1,038)
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**	**(288)**	**(1,226)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,250
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	-	(53)
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**	**-**	**2,197**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	4,277	3,702
4.2	Net cash from / (used in) operating activities (item 1.9 above)	580	(123)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(288)	(1,226)

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	2,197
4.5	Effect of movement in exchange rates on cash held	(24)	(5)
4.6	**Cash and cash equivalents at end of period**	**4,545**	**4,545**

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	4,545	4,277
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)**	**4,545**	**4,277**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	63
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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

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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.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	-

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)	580
8.2	Cash and cash equivalents at quarter end (Item 4.6)	4,545
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	4,545
8.5	**Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**	8

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:

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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: 23rd July 2020

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.

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