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ASX RELEASE

26 October 2020

Successful completion of $6.8m Placement and Appendix 4C & Quarterly Activities Report for the period ended 30 September 2020

- Successful completion of $6.8m Placement with strong support from new and existing institutional shareholders and sophisticated investors with 87m shares issued at 7.8 cents per share
- Net proceeds will be used to accelerate organic Annual Recurring Revenue (ARR) growth through increased investment in Facilities Management (FM) including sales and marketing, implementation, and product development
- Q1 FY2021 revenue of $2.75m[1], up 21.7% vs previous corresponding period (pcp)
- Q1 FY2021 recurring licence revenue of $2.07m[1], up 12.6% vs pcp, driven by a 24.1% increase in Facilities Management (FM) licence fees and 9.1% increase in Strata licence fees
- Professional fees of $673k[1]up 60.2% vs pcp reflecting significant implementation activity for new FM contracts secured over the past six months
- Q1 FY2021 average monthly cash used of $395k; underlying average monthly cash used of $272k excluding deferred costs of $367k from Q4 FY2020 (Q1 FY2020: $199k and Q4 FY2020: $75k)
- Q1 FY2021 total cash receipts of $2.56m vs $2.67m in pcp, were impacted by $283k in late receipts, due by 30 September but collected after reporting date
- Closing cash balance of $3.36m[1] and no material debt[2]

Urbanise.com Limited (ASX:UBN) ("Urbanise" or "the Company") announces that it has received commitments from institutional and sophisticated investors to raise gross proceeds of $6.8m. The Company today also provides a business update and Quarterly Cash Flow Report for the period ended 30 September 2020 (Appendix 4C).

Placement

The Placement was well supported with strong demand from existing institutional shareholders and the addition of several new high-quality institutions and sophisticated investors to the register. Under the Placement, Urbanise will issue approximately 87m new fully paid ordinary shares at an issue price of 7.8 cents per New Share. This represents an 11.4% discount to the closing price on Tuesday 20 October. The shares will be issued under the Company's current Placement capacity as outlined in ASX Listing Rules 7.1 and 7.1A.

[1] All Q1 FY2021 financial information disclosed in this announcement is unaudited
[2] No debt other than annual insurance premium funding

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Net proceeds from the placement will be used[3] to accelerate organic ARR growth through increased investment in Facilities Management including:

- *Sales and marketing (~70%):* To drive new contract wins and increase capacity to generate and convert new pipeline opportunities;
- *Implementation (~20%):* Expand team to increase speed of conversion of new contracts to ARR and to generate additional professional fees. Implementation support is a key customer selling point; and
- *Product development (~10%)*: Reinforce product leadership and respond to new contract win requirements which can be delivered across entire customer base.

The total addressable market (TAM) for Facilities Management software is estimated at $3.6bn in the Asia-Pacific, the Middle East and Africa. Urbanise has a strong presence in each of these regions and the funds raised will be used to grow market share in its core geographies and extend its regional footprint through a "land and expand" strategy. Urbanise has a track record of delivering strong FM growth with Q1 FY2021 licence revenue increasing by 7.6x compared to Q1 FY2018. The increase in demand for the Company's cloud-based FM solutions was evident during the September quarter with record professional fees reflecting strong sales momentum over the past six months.

Settlement of the Placement is expected to occur on Monday 2 November 2020. New shares are expected to be issued on Tuesday 3 November 2020 and will commence trading on a normal settlement basis the same day. New shares issued under the Placement will represent approximately 11.8% of the Company's existing shares on issue.

Urbanise shares are expected to resume normal trading on the ASX from market open today, 26 October 2020.

Urbanise's CEO Saurabh Jain said: "We are very pleased with the success of this equity raising which is a strong endorsement of the hard work we have been doing over the past couple of years to deliver the most advanced products and solutions to facilities and strata managers. I would like to thank our existing shareholders for their ongoing support and welcome our new investors to the register.

"This Placement gives us the financial flexibility to accelerate investment in our highly scalable FM platform to drive ARR growth across our regional footprint. With an estimated TAM of $3.6bn[4] for FM software in our key markets, we have an exciting opportunity to establish Urbanise as the system of choice in the region.

"We have also had a strong start to FY2021 with Q1 revenue up 21.7% (vs pcp) driven by licence fee growth as well as a significant step up in professional fees as we onboarded new customers. We secured several new FM contracts during the quarter and continued the PICA implementation which is on track for completion in FY2021. We are yet to see an impact from COVID-19 with increased demand for our mission-critical platforms especially from FM Outsourcers and Asset Managers.

"We continued to invest in product and technology to reinforce the "stickiness" of our solutions and have increased our salesforce to further expand our pipeline of opportunities across our global footprint. At 30 September 2020, we had no material debt and closing cash of $3.36m."

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[3] Percentages are indicative of the intended use of funds

[4] Total addressable market of $3.6bn based on FM sector GDP by region assuming ~1% spend on technology. *Global Facilities Management Market Report 2018*

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Q1 FY2021 Activity Report - Financial Summary (Unaudited financial information)

Revenue Overview

- Total revenue of $2.75m increased by 21.7% in the September quarter (vs pcp) reflecting double-digit licence fee growth and a 60.2% step up in professional fees largely due to a significant number of FM implementations.
- Recurring licence revenue was $2.07m for quarter, up 12.6% vs pcp, driven by a 24.1% increase in FM licence fees and 9.1% increase in strata licence fees as the PICA implementation continued.

Table 1: Q1 FY2021 Revenue Summary

$000s	Q1 FY2021	Q1 FY2020	Var	Var %
Licence Fees[5]	2,066	1,835	231	12.6%
Professional Fees	673	420	253	60.2%
Other revenue	6	-	6	n/a
Total revenue	**2,745**	**2,255**	**490**	**21.7%**
Licence Fees % total	**75.3%**	**81.4%**		

Cash Overview

- Net cash outflow was $1,184k and the average monthly cash used for the quarter was $395k.
- Customer receipts of $2,559k were lower than expected for the quarter, due to $283k in late receipts not collected until after 30 September.
- Cash payments included deferred payments[6] of $367k from the previous quarter. Excluding these payments, the underlying average monthly used was $272k.
- The cash balance was $3.36m at 30 September with no material debt[7].

Table 2: Q1 FY2021 Underlying Cash flow

$000s	Q1 FY2021	Q1 FY2020	Var	Var%
Total customer receipts	2,559	2,667	(108)	(4.0%)
Total payments	(3,772)	(3,290)	(482)	14.7%
Other movements	29	27	2	7.4%
Net cash outflow	**(1,184)**	**(596)**	**(588)**	**(98.7%)**
Deferred costs from previous quarter	367	-	367	100.0%
Underlying cash flow	**(817)**	**(596)**	**(221)**	**(37.1%)**
Average Monthly Cash Used	(395)	(199)	(196)	(98.5%)
Underlying Average Monthly Cash Used	**(272)**	**(199)**	**(73)**	**(36.7%)**
Closing cash	**3,361**	**3,106**	**255**	**8.2%**

[5] Includes licence fees from the Utilities business of $3k for Q1 FY2021 and $36k for Q1 FY2020
[6] $367k in employment costs were deferred from Q4 FY2020 as part of government initiatives
[7] No debt other than annual insurance premium funding

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Facilities Management (FM)

- Licence Fees of $835k was 24.1% higher vs pcp due to the onboarding of new customers and network effects as more users were added to the FM platform.
- Professional Fees of $408k increased by 61.9% vs pcp and reflected significant implementation work resulting from new contracts secured over the past six months. Implementation work occurs before customers go-live and licence fees are charged. FM professional fees were at a record level in Q1 FY2021.

Table 3: Q1 FY2021 Facilities Management Summary (Unaudited financial information)

$000s	Q1 FY2021	Q1 FY2020	Var	Var %
Licence Fees	835	673	162	24.1%
Professional fees	408	252	156	61.9%
Total revenue	**1,243**	**925**	**318**	**34.4%**
Licence Fees % total	**67.2%**	**72.8%**		

Strata

- Most of the PICA pre-requisite development was finalised in FY2020 allowing Urbanise and PICA to commence and complete the roll-out of the strata platform across PICA's QLD portfolio. This contributed to the 9.1% growth in Licence Fees during the quarter vs pcp.
- The 57.7% increase in Professional Fees was largely due to one-off development fees related to the implementation of the PICA project which remains on track and is expected to complete in FY2021.

Table 4: Q1 FY2021 Strata Summary (Unaudited financial information)

$000s	Q1 FY2021	Q1 FY2020	Var	Var %
Licence Fees	1,228	1,126	102	9.1%
Professional fees	265	168	97	57.7%
Total revenue	**1,493**	**1,294**	**199**	**15.4%**
Licence Fees % total	**82.3%**	**87.0%**		

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Cash Flow Summary

The net cash outflow for the quarter was $1,184k and the average monthly cash used was $395k:

- Receipts from customers totalled $2,559k vs pcp of $2,667k (Q4 FY2020: $2,907k). Customer receipts vary from quarter to quarter depending on customer billing cycles. Customer receipts were lower than expected due to $283k in late receipts not collected until after 30 September.
- Payments to suppliers and employees included:
  - $367k of deferred costs from the previous quarter[8];
  - increased spend on sales staff to drive future ARR growth; offset by
  - a reduction in travel and accommodation spend.
- Payments for intangibles reflected capitalised development costs of $249k during the quarter relating to the strata platform. FM development costs are fully expensed as are the majority of strata development costs.

Adjusting for the $367k of deferred costs, the underlying net cash for the quarter was $817k and the underlying average monthly cash used was $272k (see underlying cash reconciliation below).

Table 5: Q1 FY2021 Cash Flow Summary (Unaudited financial information)

$000s	Q1 FY2021	Q1 FY2020
Opening cash as at 1 July	**4,545**	**3,702**
Receipts from customers	2,559	2,667
Payments to suppliers and employees	(3,486)	(3,039)
Interest	(10)	-
Tax relief	38	-
Net cash used in operating activities	**(899)**	**(372)**
Payments for equipment	(27)	(52)
Payments for intangibles / capitalised development	(249)	(199)
Net cash used in investing activities	**(276)**	**(251)**
Net increase in cash and cash equivalents	**(1,175)**	**(623)**
Effect of movement exchange rates on cash balances	(9)	27
Net cash flow	**(1,184)**	**(596)**
Closing cash as at 30 September	**3,361**	**3,106**
Underlying cash reconciliation:		
Net cash flow	**(1,184)**	**(596)**
Deferred costs	367	-
Underlying cash flow	**(817)**	**(596)**
Average Monthly Cash Flow Used	(395)	(199)
Underlying Monthly Average Cash Flow Used	**(272)**	**(199)**

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

[8] $367k in employment costs were deferred from Q4 FY2020 as a result of government initiatives

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

Investor enquiries

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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 September 2020

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	2,559	2,559
1.2	Payments for		
	research and development		
	product manufacturing and operating costs	(279)	(279)
	advertising and marketing	(49)	(49)
	leased assets		
	staff costs	(2,259)	(2,259)
	administration and corporate costs	(899)	(899)
1.3	Dividends received (see note 3)		
1.4	Interest received		
1.5	Interest and other costs of finance paid	(10)	(10)
1.6	Income taxes paid		
1.7	Government grants and tax incentives	38	38
1.8	Other (provide details if material)		
1.9	**Net cash from / (used in) operating activities**	**(899)**	**(899)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities		
	businesses		
	property, plant and equipment	(27)	(27)
	investments		
	intellectual property		

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
	other non-current assets	(249)	(249)
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**	**(276)**	**(276)**

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

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	4,545	4,545
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(899)	(899)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(276)	(276)

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	(9)	(9)
4.6	**Cash and cash equivalents at end of period**	**3,361**	**3,361**

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	3,361	4,545
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)**	**3,361**	**4,545**

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	48
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)	(899)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	3,361
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	3,361
8.5	**Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**	3.7

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: 26th October 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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