

27 April 2021

## **Appendix 4C & Quarterly Activities Report for the period ended 31 March 2021**

- Q3 FY2021 revenue \$2.85m<sup>1</sup>, up 15.1% vs previous corresponding period (pcp) due to licence fee and professional fee growth
- Q3 FY2021 recurring licence revenue of \$2.33m<sup>1</sup>, up 17.3% vs pcp driven by a 27.4% increase in Strata licence fees due to the ongoing PICA implementation
- Q3 FY2021 professional fees of \$520k<sup>1</sup>, up 6.3% vs pcp reflecting implementation activity
- New 3-year contract signed with large Middle East customer to deliver integrated Facilities Management (FM) and Strata solution
- Average monthly cash used of \$91k<sup>2</sup> (Q2 FY2021: \$290k) reflects strong cash collections and R&D tax rebate of \$251k
- Closing cash balance of \$8.76m<sup>1</sup> (31 Mar 2020: \$4.28m) and no material debt<sup>3</sup> provides Urbanise with runway to increase investment in sales and marketing to accelerate FM revenue growth
- Urbanise will hold an Extraordinary General Meeting on Thursday 29 April 2021

**Urbanise.com Limited** (ASX:UBN) ("Urbanise" or "the Company") today provides a business update and Quarterly Cash Flow Report for the period ended 31 March 2021 (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: "During the third quarter, we made good progress in a number of areas completing several branch roll-outs across PICA's NSW portfolio, winning a major new customer in the Middle East and investing in sales and marketing while carefully managing our cash position. The strong growth in strata licence revenue shows how close we are to completing the PICA implementation which has been a top priority for the strata team over the past couple of years.

"In March, we were delighted to sign a 3-year contract for our integrated strata and facilities management platform with a leading property developer in the Middle East. This highlights Urbanise's unique position as the only provider of modern cloud-based FM capability that can be applied across large strata portfolios. With our proven track record in successfully implementing large scale projects, our integrated offering is generating significant interest across our regional footprint.

"At the same time, we continued to invest in sales and marketing adding to our headcount for new sales and pre-sales in the Middle East and Australia. Our core focus remains Tier 2 facilities managers and

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<sup>1</sup> Unaudited financial information

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

<sup>3</sup> No debt other than annual insurance premium funding

asset owners and the expanded team has already commenced building customer pipelines that are expected to deliver material growth in 12-18 months. Finally, another strong cash result reflected the strength of our advance billings model and the hard work done in recent years to automate our billing systems.”

### March Quarter Financial Summary

Total revenue of \$2.85m<sup>4</sup>, increased by 15.1% vs pcp driven by a 27.4% increase in Strata licence fees largely due to the PICA rollout in NSW. Total Facilities Management (FM) revenue increased by 10.3% with professional fees up 29.8% and licence fees increasing by 3.9%. A number of FM contracts which were included in the December 2020 back-log, were still undergoing implementation during the quarter, due to a customer delays and additional implementation work requested by customers. Although COVID-19 continues to affect some markets, there has been no material impact on the business to date.

Customer receipts totalled \$3.4m<sup>4</sup> for the quarter (Q3 FY2020: \$3.2m) largely reflecting collections for advance (licence) billings and professional fees and largely offset the increased investment in sales and marketing. Reported average monthly cash used was \$91k for the quarter vs pcp of \$105k (Q2 FY2021: \$290k) and included an R&D tax rebate of \$251k from the Australian Tax Office.

At 31 March 2021, Urbanise had a cash balance of \$8.76m<sup>4</sup> and no material debt<sup>5</sup>.

**Table 1: Q3 FY2021 Summary (Unaudited financial information)**

\$000s	Q3 FY2021	Q3 FY2020	Var	Var %
Licence fees	2,329	1,985	344	17.3%
Professional Fees	520	489	31	6.3%
Other revenue	-	2	(2)	(100.0%)
<b>Total revenue</b>	<b>2,849</b>	<b>2,476</b>	<b>373</b>	<b>15.1%</b>
Average monthly cash (used)	(91)	(105)	14	(13.3%)
Underlying average month cash (used)	(175)	(105)	(71)	66.7%
<b>Closing cash</b>	<b>8,760</b>	<b>4,277</b>	<b>4,483</b>	<b>104.8%</b>

### Facilities

During the March quarter, Urbanise focused on the implementation of its backlog which resulted in a 29.8% increase in professional fees vs pcp. Facilities Management licence revenue increased by 3.9% vs pcp reflecting ongoing implementations for contracts not yet gone live and the loss of a Middle East customer on a legacy platform in Q2 FY2021. Excluding this contract, underlying licence fee growth was circa 18%.

The new 3-year contract with a major property developer is in the back-log, with commencement scheduled for Q4 FY2021. The contract is expected to contribute ~A\$760,000 in Annual Recurring Revenue (ARR).

<sup>4</sup> Unaudited financial information

<sup>5</sup> No debt other than annual insurance premium funding

**Table 2: Q3 FY2021 Facilities Management Summary (Unaudited financial information)**

\$000s	Q3 FY2021	Q3 FY2020	Var	Var %
Licence fees	832	801	31	3.9%
Professional fees	344	265	79	29.8%
<b>Total revenue</b>	<b>1,176</b>	<b>1,066</b>	<b>110</b>	<b>10.3%</b>
<b>Licence fees % total</b>	<b>70.7%</b>	<b>75.1%</b>		

### Strata

Urbanise and PICA completed a number of branch roll-outs in NSW during March which contributed to the strong growth in licence fees in Q3 FY2021. The implementation of the NSW backlog is on track for completion during Q4 FY2021. Professional fees mainly related to the PICA contract.

**Table 3: Q3 FY2021 Strata Summary (Unaudited financial information)**

\$000s	Q3 FY2021	Q3 FY2020	Var	Var %
Licence Fees	1,488	1,168	320	27.4%
Professional fees	175	224	(49)	(21.9%)
<b>Total revenue</b>	<b>1,663</b>	<b>1,392</b>	<b>271</b>	<b>19.5%</b>
<b>Licence fees % total</b>	<b>89.5%</b>	<b>83.9%</b>		

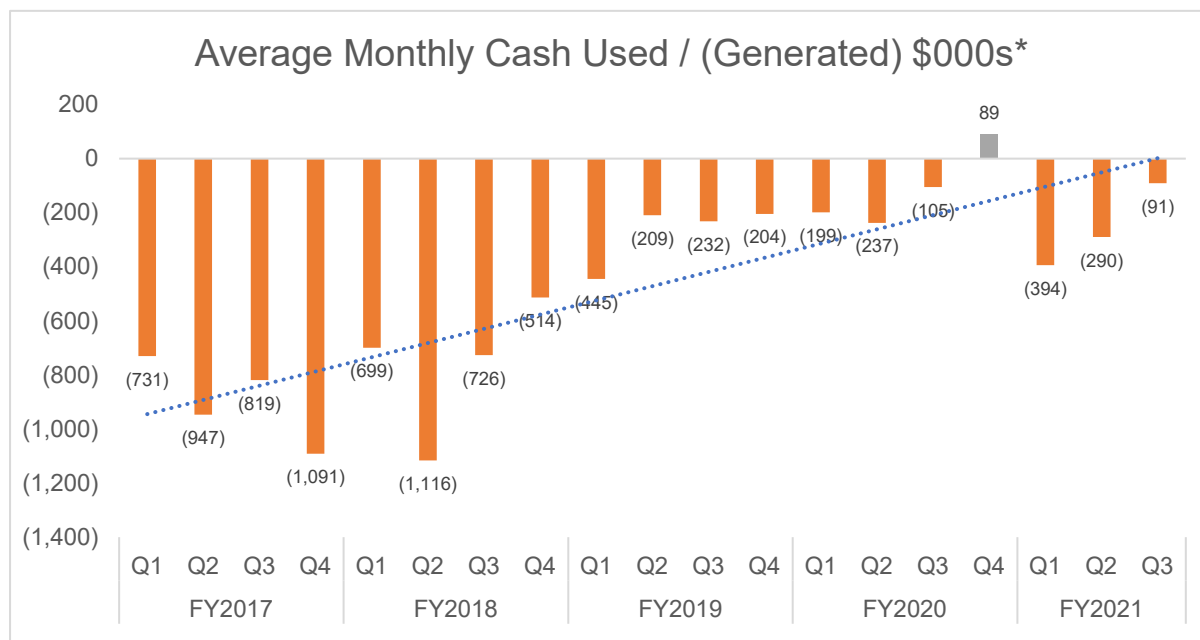
### Q3 FY2021 Cashflow Summary

Net cash out-flow of \$273k for the quarter included customer receipts of \$3.4m and a R&D tax rebate of \$251k. Customer receipts included \$140k for implementation work performed in Q2 FY2021. Urbanise had incurred upfront third-party costs during Q2 for this work. The underlying average monthly cash used (excluding the tax rebate) was \$175k for Q3 FY2021 vs pcg of \$105k (Q2 FY2021: \$290k).

Urbanise is in a strong financial position with no material debt and a closing cash balance of \$8.76m at 31 March 2021.

Chart 2 (on the next page) shows the long-term decline in average monthly cash used as Urbanise has shifted its business model to focus on the delivery of industry specific cloud-based SaaS platforms.

**Chart 1: Significant reduction in 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 \$242k 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: Q3 FY2021 Cashflow Summary** (Unaudited financial information)

<b>\$000s</b>	<b>Q3 FY2021</b>	<b>Q3 FY2020</b>
<b>Cash at 31 December</b>	<b>9,033</b>	<b>4,591</b>
Receipts from customers	3,407	3,181
R&D Tax Rebate	251	-
Payments to suppliers and employees	(3,617)	(3,139)
Interest	(10)	(7)
<b>Net cash used in operating activities</b>	<b>31</b>	<b>35</b>
Payments for equipment	(52)	(70)
Payments for intangibles / capitalised development	(242)	(288)
<b>Net cash used in investing activities</b>	<b>(294)</b>	<b>(358)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(263)</b>	<b>(323)</b>
Net proceeds from placement	-	-
<b>Effect of movement exchange rates on cash balances</b>	<b>(10)</b>	<b>9</b>
<b>Net cash flow for quarter</b>	<b>(273)</b>	<b>(314)</b>
<b>Cash at 31 March</b>	<b>8,760</b>	<b>4,277</b>
<b>Average Monthly Cash Generated / (Used)</b>	<b>(91)</b>	<b>(105)</b>
<b>Net cash flow for quarter</b>	<b>(273)</b>	<b>(314)</b>
R&D Tax Rebate	(251)	-
<b>Underlying cash flow for quarter</b>	<b>(524)</b>	<b>(314)</b>
<b>Underlying Average Monthly Cash (Used)</b>	<b>(175)</b>	<b>(105)</b>

This announcement has been authorised for release by the UBN 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](http://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")**

31 March 2021

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	3,407	8,883
1.2 Payments for		
research and development		
product manufacturing and operating costs	(401)	(1,099)
advertising and marketing	(130)	(326)
leased assets		
staff costs	(2,106)	(6,333)
administration and corporate costs	(980)	(2,831)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid	(10)	(54)
1.6 Income taxes paid		
1.7 Government grants and tax incentives	251	301
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>31</b>	<b>(1,459)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities		
businesses		
property, plant and equipment	(52)	(110)
investments		

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
	intellectual property		
	other non-current assets	(242)	(728)
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)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(294)</b>	<b>(838)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
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)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>		<b>6,542</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	9,033	4,545
4.2	Net cash from / (used in) operating activities (item 1.9 above)	31	(1,459)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(294)	(838)
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	(10)	(30)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>8,760</b>	<b>8,760</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	8,760	9,033
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>8,760</b>	<b>9,033</b>

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

**Current quarter  
\$A'000**

63

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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)

31

8.2 Cash and cash equivalents at quarter end (Item 4.6)

8,760

8.3 Unused finance facilities available at quarter end (Item 7.5)

-

8.4 Total available funding (Item 8.2 + Item 8.3)

8,760

8.5 **Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**

282.5

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

- 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:

- 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:

- 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: 27 April 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.