



Urbanise

Urbanise.com Limited
Level 1, 201 Miller St,
North Sydney NSW 2059

ABN: 70 095 768 086

W: urbanise.com

ASX RELEASE

AGM CHAIRMAN and CEO PRESENTATIONS

Thursday, 29 October 2020: In accordance with ASX Listing Rules, Urbanise.com Limited (ASX:UBN) provides a copy of the Chairman and Chief Executive Officer addresses and accompanying presentation to the Annual General Meeting.

This announcement has been approved for release by the Board of Directors.

- ENDS -

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Chairman's Address

The 2020 financial year was another significant milestone for Urbanise as it continued to grow its revenues, with a focus on the provision of industry-specific cloud-based SaaS platforms to strata and facilities managers.

The strong result we delivered this year has been achieved against the backdrop of a global pandemic, and to date, there has been no material impact on our business which reflects the mission-critical nature of our software and the essential character of the industries we serve. The Board continues to closely monitor Urbanise's risk management in light of COVID-19 including the impact to our markets and operating activities.

As a result of the changes we made to the business in recent years, the business is well-positioned for the future. This is highlighted by the strong revenue growth we delivered in 2020 across both strata and facilities management while carefully controlling our cost base and working capital.

The implementation of the PICA project continued in 2020 and it is an absolute priority for our strata team. I am pleased to report that Urbanise has completed much of the pre-requisite development which will allow both PICA and Urbanise to finish the roll-out of the strata platform during FY2021.

We were also pleased last week to complete an equity raising which provides us with the financial flexibility to accelerate our investment in the Facilities Management platform to drive future ARR growth. The Placement which was heavily oversubscribed received strong support from existing institutional shareholders and added several new high-quality investors to our register.

We decided to raise capital to take advantage of the unique opportunity we have to establish Urbanise as the system of choice across APAC and the Middle East, given industry tailwinds driving demand for our cloud-based solutions, especially from FM Outsourcers and Asset Managers.



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The Board also determined that a placement was the quickest way to secure funding to deliver growth for all shareholders given the current market volatility related to the pandemic and upcoming US election.

Transferable delivery model across global footprint

Slide 3 highlights the significant growth opportunity we have to scale Urbanise's highly transferable platforms across Australasia, the Middle East and South Africa.

The additional funding will be used to grow our share of the 15 markets in which we currently operate and - we will implement a 'land and expand' strategy to further build our presence across these regions.

Leading provider of industry-specific SaaS platforms

Slide 4 provides a summary of Urbanise's key strengths which include;

- a SaaS subscription model that provides our customers with a cost-effective offering and fortnightly updates that are delivered instantly;
- a broad product suite with mobile apps that increase the "stickiness" of our customers;
- advanced AI and analytics so that our customers have access to intelligent systems to drive operational performance; and
- an integrated strata and FM solution that really puts us into a different league in the Middle East.

FY2020 Result Summary

The compelling nature of our SaaS product offering was reflected in our FY2020 result which is summarized in the presentation.

Licence fee revenue rose by 28% and recurring revenue was 81% of sales compared to 76% a year earlier.

The strong increase in licence revenue was driven by the successful onboarding of new customers and network effects as existing customers expanded their clientele, and facilities managers mandated sub-contractors to use our platform.

What is especially pleasing is that this revenue growth was achieved with only a modest 3.4% increase in the cost base which highlights our disciplined approach to costs.



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Improvements in cash collections and deferred revenue also allowed us to significantly reduce our cash requirements and we finished the year with net cash of \$4.5m.

Turning to FY2021, we have had a positive start to the new financial year with the delivery of a strong Q1 result which Saurabh will outline in more detail shortly.

I would like to take this opportunity to thank our CEO Saurabh Jain and his team, for their outstanding efforts throughout the year. We have made real progress in streamlining our core software business and delivering a product that is essential to our customers.

I would also like to thank the Board, our customers and you, our shareholders, for your ongoing support and look forward to another exciting year of growth in 2021.

CEO Address

Good morning ladies and gentlemen and I would like to extend my welcome to today's AGM.

I would also like to thank our shareholders, board members, staff and clients who have made 2020 another exciting year for Urbanise.

I am pleased to report that our SaaS model has proved to be extremely resilient in FY20.

As COVID-19 impacted economies around the world, our team was able to work effectively from home when it was necessary and we have continued to close sales agreements and implement new contracts remotely.

In fact, the pandemic seems to have accelerated the shift to the cloud and increased demand for SaaS solutions. More than ever, our customers value our product offering which allows them to deliver superior services in real time to their clients while realizing significant operational efficiencies.

As Almero mentioned, the PICA project remains on track and we have achieved major milestones in recent months, including migrating all their Queensland branches to Urbanise Strata.



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Slide 7 shows our strata and facilities management platforms which are both mission critical to their user base.

Our strata platform is a complete accounting and compliance system for strata managers while our Facilities Management (**FM**) platform provides multiple tools to Facilities Outsourcers and Building Asset Managers.

These platforms continue to have a high customer retention rate and most of our customers pay in advance on either a quarterly or annual basis.

Turning to Facilities Management, Slide 8 highlights the significant opportunity that exists as we continue to scale our FM business across our regional footprint which has an estimated total addressable market of \$3.6bn.

Slide 9 outlines the impressive track record of our FM business with licence fee revenue in the first quarter of FY2021, 8 times higher than Q1 FY2018.

FM licence revenue is driven by new contract wins as well as a network effect as customers add clients and mandate their sub-contractors to use our platform.

The capacity we now have to substantially increase our investment in sales and marketing provides an exciting opportunity to drive new customer growth.



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Slide 10 shows that we continue to benefit from a number of global industry tailwinds that will support future FM growth as we establish the Urbanise platform as the system of choice across the region and extend the implementation of our integrated strata and FM offering in the Middle East.

Slide 11 provides a summary of our recent placement. Urbanise has received commitments from institutional and sophisticated investors to raise gross proceeds of \$6.8m to fund increased investment in our FM platform.

It 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.

Q1 FY2021 Financial Highlights

As Almero has already covered the FY2020 financials, I will focus on our first-quarter results for FY2021 which are set out on Slide 13.

Our revenue continued to grow with a 12.6% increase in licence revenue compared to the previous corresponding period or pcp. Licence revenue from facilities management increased by 24.1% and strata by 9.1% on pcp. This was due to the onboarding of new customers and the network effect as more users were added to our software platform.

Facilities Management had a particularly strong quarter setting a record for professional fees which reflects the strong sales momentum over the past six months and several new contract wins.

In addition, we continue to manage our costs and working capital well. During the quarter, average monthly cash used was \$395,000 which included deferred costs of \$397,000 to give us an underlying average monthly cash used of \$272,000.

FY2021 Outlook

In the year ahead, our priorities will be to complete the PICA roll-out and drive scale across our regional footprint in Australasia, the Middle East and South Africa.

We will continue to invest in product development to enhance our existing solutions by expanding the number of features and applications, and developing new solutions.



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Simon, our CFO, will continue the great work he has done to help drive working capital improvements by increasing our negative working capital.

Finally, I want to thank the Board and our team for their ongoing support this year and look forward to another productive year for all of us in FY2021.

A photograph of a modern city skyline at dusk. The buildings are illuminated with warm lights, and the sky is a mix of orange and blue. The foreground shows a curved road with light trails from traffic.

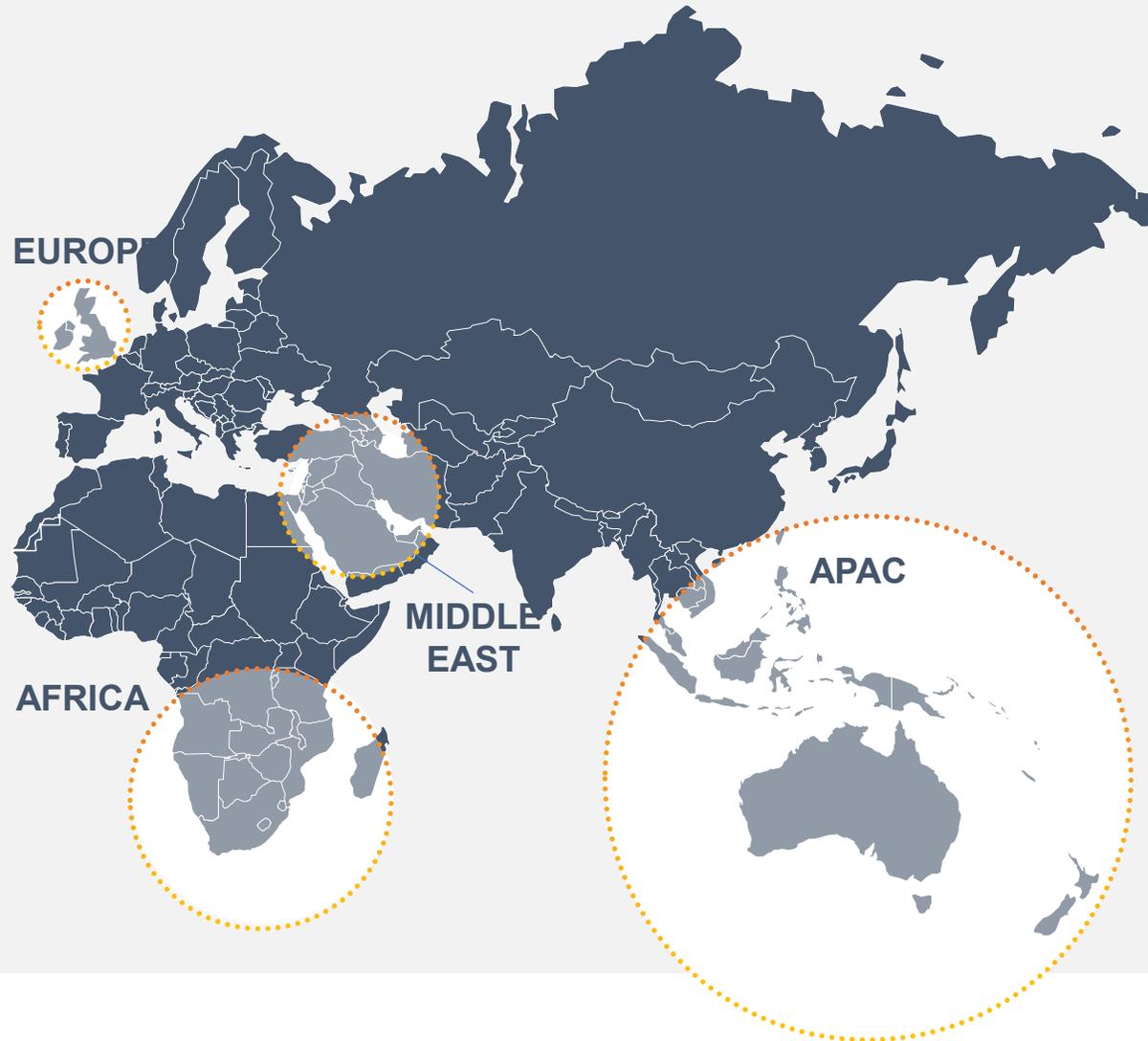
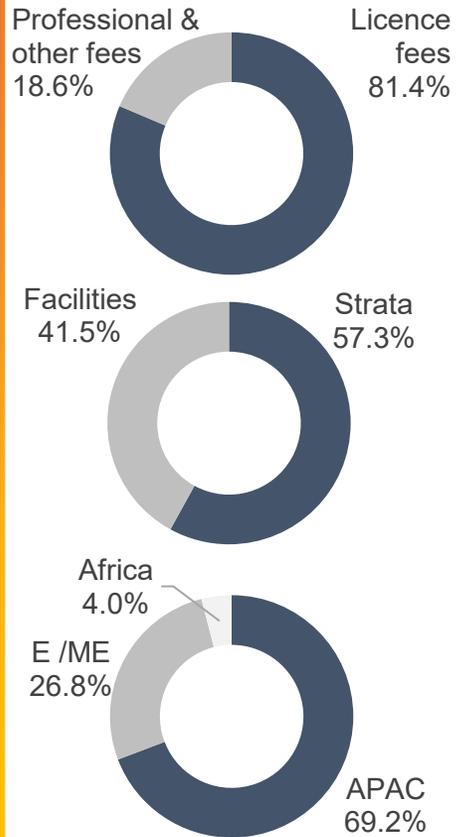
**FY2020 Annual
General Meeting**
29 October 2020

Chairman's Address



Transferable delivery model across global footprint

FY2020 revenue



15
Current markets

~331k
Strata lots billed

~2.23k
Facilities users billed

81.4%
Recurring revenue

Leading provider of multi-tenant cloud-based software



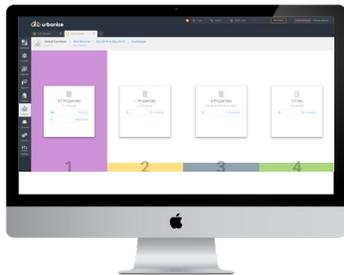
SaaS subscription model



Broad product suite



Advanced AI & analytics



Intuitive user experience



Mobile app drives demand



Integrated strata & FM solution

FY2020 Result Summary

Strong operating leverage as business continues to scale

Financial Summary	FY2020	FY2019	Change
Revenue	\$9,646k	\$8,072k	19.5%
Licence Revenue ¹	\$7,849k	\$6,117k	28.3%
Operating expenses	\$12,016k	\$11,615k	3.4%
EBITDA Loss ²	\$2,370k	\$3,543k	-33.1%
Net Loss	\$4,155k	\$4,755k	-12.6%
Underlying Average Monthly Cash Used ³	\$154k	\$272k	33.7%
Cash end period	\$4,545k	\$3,702k	22.8%

Key Operational Metrics	Jun 2020	Jun 2019	Change
Recurring revenue	81.4%	75.8%	6ppts
ARR ⁴ (\$m)	\$8.16m	\$7.13m	14.4%
Backlog ⁵ (\$m)	~\$1.80m	~\$2.10m	-14.3%
Strata customers (lots) ⁶	~331k	~300k	10.3%
Facilities Users ⁵	~2.23k	~1.84k	21.1%

- FY20 revenue of \$9.6m, up 19.5% vs pcp driven by 28.3% increase in licence revenue
- ARR of \$8.16m for the month of June 2020 up 14.4% vs pcp
- FY20 operating expenses marginally higher vs pcp due to increase in variable hosting costs, general cost inflation & one-off cost associated with offshore development team
- 33.1% reduction in EBITDA loss due to strong growth in revenue and positive operating leverage
- Strong revenue backlog of approximately \$1.8m

CEO's Address



Our cloud-based platforms

Strata Managers

Primary use

- Manage apartment buildings, strata commercial towers and large housing communities
- Accounting and administration of strata bodies and funds
- Communicate with owners and residents

Benefits

- Integrated finance, banking and operations platform
- Compliance with local strata legislation
- Mobile app and e-services



Maintenance Planning

Automation of administration

Reporting and Analytics

FACILITIES

Work Order Management System

Safety & Compliance management

Asset capture

Subcontractor management

FM Outsourcers, Asset Managers

Primary use

- Manage infrastructure, buildings, residential and commercial properties
- Asset Management
- Workforce Management

Benefits

- Reduce paperwork and administration costs
- Manage multiple assets & contracts from one place
- AI and machine learning
- Real time reporting and analytics

Large addressable market for Facilities Management

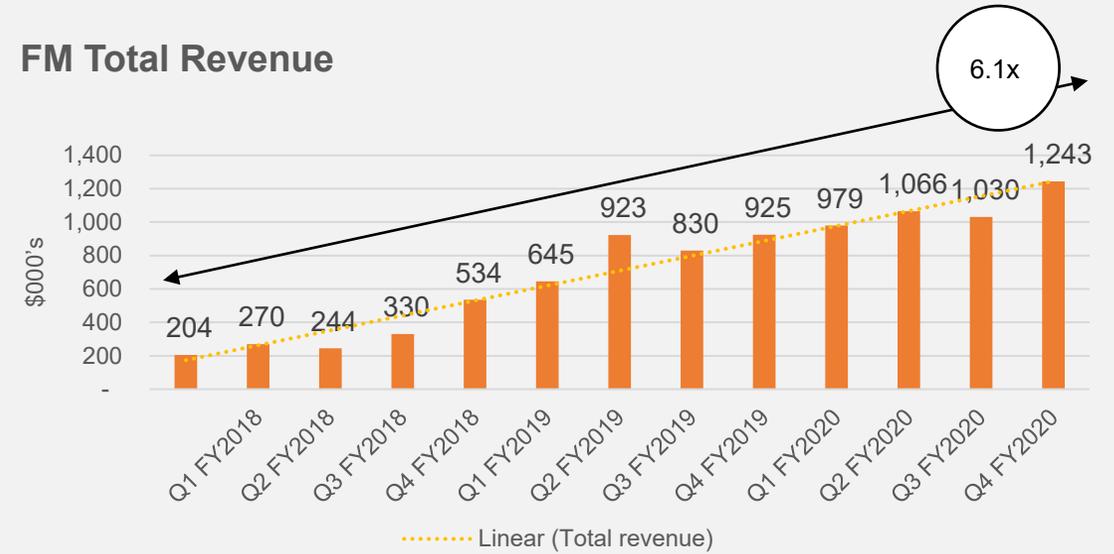
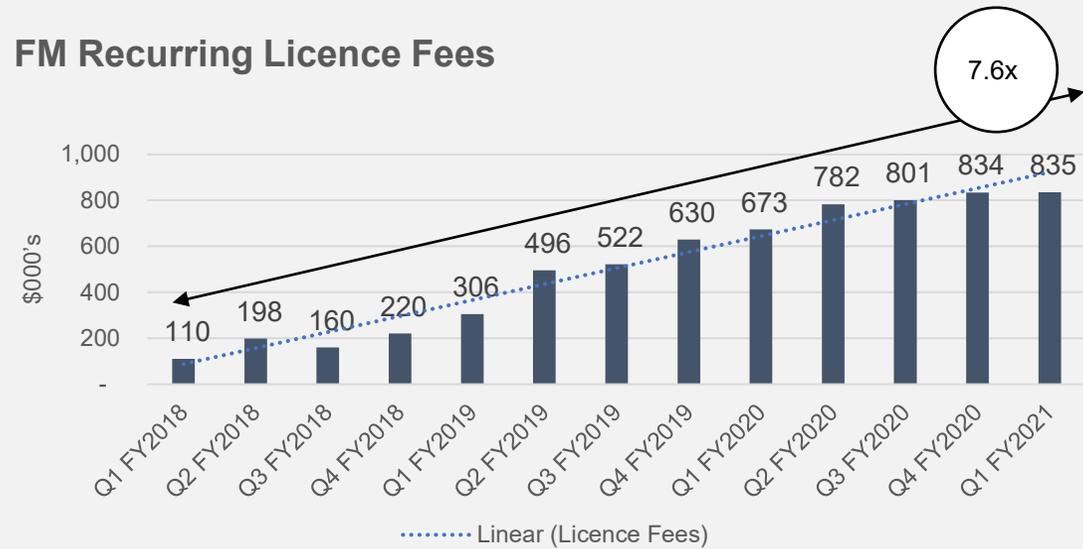
A\$3.3bn
APAC²

A\$216m
MIDDLE EAST

A\$105m
AFRICA

- **Total addressable market (TAM) of A\$3.6bn** estimated for existing markets of APAC, Middle East and Africa¹
- Significant upside as Urbanise grows market share within core markets
- ‘Land and expand’ strategy to build its regional presence across APAC and the Middle East

Strong track record of FM growth



- Strong growth in FM licence fee and total revenue since Q1 FY2018 highlighting new customer growth and network effect as customers add clients and subcontractors to their platform
- Professional fees are a leading indicator of licence fee revenue and recorded a significant step up in Q1 FY2021 due to strong sales momentum over the past six months
- FM revenue is highly recurring with most customers paying quarterly or annually in advance and customer retention of >90%

Global industry trends supporting FM growth

Macro trends support LT growth

- Increased FM outsourcing driving demand for multi-tenant functionality, mobility, automation & analytics
- Growing demand for integrated FM & strata offering in Middle East likely to be replicated across other markets
- COVID-19 accelerating shift to cloud and demand for software-as-a-service (SaaS) solutions

Multiple business growth drivers

- Unique cloud-based, multi-tenant platform with scalable operating model & high customer retention
- Global expansion driven by multi-market presence & multi-national customer base
- Network effect as customers add clients & subcontractors
- Only provider of integrated facilities management & strata solution

Strategic priorities

- Establish Urbanise as the system of choice for FM Outsourcers and Asset Owners in ANZ¹
- Enable the FM supply chain to engage digitally with our customers
- Establish Urbanise as the largest integrated FM and strata offering in MENA

Capital Raising

70%

Sales & Marketing

20%

Implementation

10%

FM development

Urbanise announces that it has received commitments from institutional and sophisticated investors to raise gross proceeds of \$6.8m.

Net proceeds¹ from the placement will be used² as follows:

To accelerate organic ARR growth through increased investment in Facilities Management including:

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

1. Excluding the costs of the placement
2. Percentages are indicative of the intended use of funds

Q1 FY2021 Financial Performance



Q1 FY2021: Summary of performance

\$000s	Q1 FY2021	Q1 FY2020	Var	Var %
Licence Fees ²	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 as % of total	75.3%	81.4%		
Average Monthly Cash Used	(395)	(199)	(196)	98.5%
Underlying Monthly Cash Used	(272)	(199)	(73)	36.7%
Closing cash	3,361	3,106	256	8.2%

- Total revenue was \$2.75m for the quarter, increased by 21.7%, largely driven 60.2% increase in professional fees which included FM implementation work.
- 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.
- Q1 FY2021 average monthly cash used of \$395k included payment of deferred costs from the previous quarter of \$367k, relating to government initiatives associated with COVID-19.
- Underlying average monthly cash used of \$272k excluding deferred costs of \$367k from Q4 FY2020.
- Closing cash balance of \$3.36m and no material debt¹.

FY2021 Outlook



Invest to drive ARR growth

- Strata team to complete PICA roll-out in FY2021 with expected increase in ARR of ~\$1.30m
- Invest in FM sales and marketing, implementations and development to drive growth across both strata and FM platforms
- Deliver further improvements in working capital
- Continue to develop features across both platforms that will increase stickiness with existing customers and increase ARR



Q&A



