

25<sup>th</sup> October 2021

## **Appendix 4C & Quarterly Activities Report for the period ended 30 September 2021**

- Q1 FY22 total revenue was \$3.15m<sup>1</sup>, up 15% vs previous corresponding period (pcp) resulting from licence fee growth of 29%
- Q1 FY2022 average monthly cash used of \$334k, down from \$395k<sup>1</sup> for Q1 FY2021
- Closing cash balance of \$6.82m<sup>1</sup> (30 September 2020: \$3.36m) and no material debt<sup>2</sup>

**Urbanise.com Limited** (ASX:UBN) (“Urbanise” or “the Company”) today provides a business update and quarterly cash flow report for the period ended 30 September 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: “This quarter we are recognising the full quarter impact of PICA licence fees and have successfully converted backlog revenue for the Nakheel contract. We have also been focused on expanding our sales and marketing team, particularly in FM, to accelerate growth and reinforce our product leadership. We are starting to see results from our investments with a contract win with a Tier 1 FM company in Australia.

“In Q1 FY2022, total revenues from Strata increased by 28% to \$1.9m, benefiting from a full quarter impact of PICA licence fees, price increases and conversion of backlog. Total revenues from FM declined slightly by 1% to \$1.2m due to lower professional fees offset by an increase in licence fees. This quarter’s professional fees for Facilities Management were impacted by some fixed price implementations which allowed us to commence licence fee recognition prior to go-live.”

“During the first quarter, Urbanise continued to execute on its revenue growth plan outlined in the FY2021 results which revolves around winning new contracts, leveraging our customer base, continued product development and managing cash burn.

“The implementation of the Nakheel contract has progressed well, with recognition of a portion of licence fees across FM and Strata. We expect the customer to go-live during Q2 FY22. We also announced a FM contract with the Australian arm of a global leading commercial real estate company. Work has commenced on that contract and will require development over 12 months before transitioning to a licence fee arrangement.”

“Our investment in additional Facilities Management sales and marketing headcount was largely completed in the last quarter. We are pleased to welcome a new Chief Revenue Officer to Urbanise, Paul Mitchell, who will lead the sales drive across the business. Paul has extensive experience in sales and marketing in the technology, communications and SaaS sector, having previously worked for Modern Star, Telstra and NCR Corporation.”

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<sup>1</sup> Unaudited financial information

<sup>2</sup> No debt other than annual insurance premium funding

“As a result of extra recruiting and hiring, as well as hosting costs in line with the increase in revenue, our cash spend has increased by \$21k per month from Q4 FY2021. With a closing cash balance of \$6.8 million, we have sufficient cash runway to execute on our growth strategy across both platforms.”

**Table 1: Q1 FY2022 Urbanise Summary (Unaudited financial information)**

<b>\$000s</b>	<b>Q1 FY2022</b>	<b>Q1 FY2021</b>	<b>Var</b>	<b>Var %</b>
Licence Fees	2,669	2,072	597	28.8%
Professional Fees	485	673	(188)	(27.9%)
<b>Total revenue</b>	<b>3,154</b>	<b>2,745</b>	<b>409</b>	<b>14.9%</b>
Average monthly cash used	(334)	(395)	61	15.4%
Underlying average month cash used	(334)	(272)	(62)	(22.8%)
<b>Closing cash</b>	<b>6,818</b>	<b>3,361</b>	<b>3,457</b>	<b>102.9%</b>

### Facilities Management Summary

Facilities Management licence revenue increased by 11.7% vs pcg reflecting conversion of backlog ARR from June, including Nakheel and small customers.

Professional fees decreased by 27.2% vs pcg reflecting some fixed price arrangements for implementations which allowed licence fees to be recognised prior to go-live.

**Table 2: Q1 FY2022 Facilities Management Summary (Unaudited financial information)**

<b>\$000s</b>	<b>Q1 FY2022</b>	<b>Q1 FY2021</b>	<b>Var</b>	<b>Var %</b>
Licence Fees	933	835	98	11.7%
Professional fees	297	408	(111)	(27.2%)
<b>Total revenue</b>	<b>1,230</b>	<b>1,243</b>	<b>(13)</b>	<b>(1.0%)</b>
<b>Licence fees % total</b>	<b>75.9%</b>	<b>67.2%</b>		

### Strata Summary

Licences fees for Strata increased by 40.4% due to a full quarter impact from the PICA roll-out completed in Q4 FY2021, backlog conversion including Nakheel licences.

Professional fees mainly related to new clients implemented in the quarter and change requests from PICA, a decrease of 29.1% vs pcg. Q1 FY2021 included fees related to the PICA roll-out which was completed in Q4 FY2021.

**Table 3: Q1 FY2022 Strata Summary (Unaudited financial information)**

<b>\$000s</b>	<b>Q1 FY2022</b>	<b>Q1 FY2021</b>	<b>Var</b>	<b>Var %</b>
Licence Fees	1,724	1,228	496	40.4%
Professional fees	188	265	(77)	(29.1%)
<b>Total revenue</b>	<b>1,912</b>	<b>1,493</b>	<b>419</b>	<b>28.1%</b>
<b>Licence fees % total</b>	<b>90.2%</b>	<b>82.3%</b>		

## Cashflow Summary

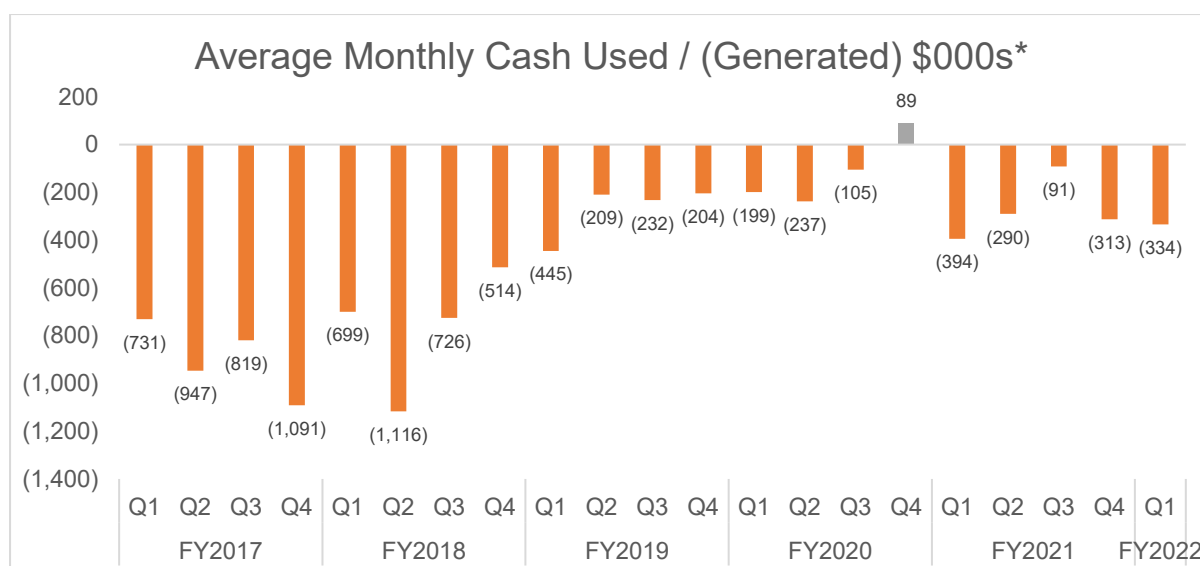
Net cash out-flow was \$1.00m for the quarter with customer receipts of \$3.20m, a \$0.64m (25%) increase compared to pcip (Q1 FY2021: \$2.56m). The increase includes a full quarter impact from PICA licence fees and new wins.

Payments to suppliers and employees for the quarter were \$3.96m, an increase of \$0.47m vs pcip (Q4 FY2021: \$3.79m). Employment costs increased from \$2.21m in Q4 FY2021, to \$2.27m reflecting increased spend on sales and marketing and recruitment fees. Hosting costs increased as licence revenue increased with additional costs to support the Nakheel implementation.

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

Table 4 (on the next page) summarises the cash flow for Q1 FY2022 vs pcip.

**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 \$236k 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: Q1 FY2022 & Q1 FY2021 Cashflow Summary (Unaudited financial information)**

\$000s	Q1 FY2022	Q1 FY2021
<b>Opening Cash Balance</b>	<b>7,820</b>	<b>4,545</b>
Receipts from customers	3,196	2,559
Government Incentive*	-	38
Payments to suppliers and employees	(3,960)	(3,486)
Interest	(6)	(10)
<b>Net cash used in operating activities</b>	<b>(770)</b>	<b>(899)</b>
Payments for equipment	(20)	(27)
Payments for intangibles / capitalised development	(236)	(249)
<b>Net cash used in investing activities</b>	<b>(256)</b>	<b>(276)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(1,026)</b>	<b>(1,175)</b>
Effect of movement exchange rates on cash balances	24	(9)
<b>Net cash flow for the period</b>	<b>(1,002)</b>	<b>(1,184)</b>
<b>Cash as at 30 September</b>	<b>6,818</b>	<b>3,361</b>
<b>Average Monthly Cash Generated / (Used)</b>	<b>(334)</b>	<b>(395)</b>
<b>Net cash flow for the period</b>	<b>(1,002)</b>	<b>(1,184)</b>
Deferred costs**	-	367
<b>Underlying cash flow for the period</b>	<b>(1,002)</b>	<b>(817)</b>
<b>Underlying Average Monthly Cash (Used)</b>	<b>(334)</b>	<b>(272)</b>

\* Government incentive associated with COVID-19

\*\* Government incentive on deferral of employment related costs

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

#### **Investor enquiries**

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#### **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](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")**

30 September 2021

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	3,196	3,196
1.2 Payments for		
research and development		
product manufacturing and operating costs	(477)	(477)
advertising and marketing	(87)	(87)
leased assets		
staff costs	(2,269)	(2,269)
administration and corporate costs	(1,127)	(1,127)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid	(6)	(6)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(770)</b>	<b>(770)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities		
businesses		
property, plant and equipment	(20)	(20)
investments		

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
	intellectual property		
	other non-current assets	(236)	(236)
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>(256)</b>	<b>(256)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
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)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</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	7,820	7,820
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(770)	(770)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(256)	(256)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	24	24
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>6,818</b>	<b>6,818</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	6,818	6,818
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>6,818</b>	<b>6,818</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**

81

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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)	(770)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	6,818
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	6,818
8.5 <b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	8.9

- 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: 25<sup>th</sup> October 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.