

ASX RELEASE

5 April 2022

Trading Update

Urbanise.com Limited (ASX:UBN) ("Urbanise" or "the Company") today provides an update on its customer contracts, Annual Recurring Revenue (ARR) and cash management outlook. 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.

Customer contracts - continued Colliers progress, Ventia reduces licence requirements

Ventia Services Group Limited (ASX: VNT) advised the market on 23 February 2022 of its progress in implementing a single standardised enterprise system across the Ventia business (Refer to Ventia FY2021 Result). This was expected to result in the decommissioning of specialised applications from over 20 vendors.

Following a period of review, Ventia has informed Urbanise that it intends to reduce their requirement for user licences on three existing contracts. This is expected to impact Urbanise ARR by \$630k from the end of March 2022 (5.1% of Total Contracted ARR at 1 January 2022).

Ventia has also confirmed that it will continue to use Urbanise on its Anglo-American contract which highlights the unique functionality, broad user adoption and integration of the FM platform into that organisation's systems.

The cash impact will be \$630k over the next 12 months but Urbanise's sales pipeline and total backlog is considered sufficient to replace the loss in ARR during this period.

This reflects the diversity and depth of Urbanise's customer base which now includes Tier 1 and Tier 2 FM outsourcers like Colliers, Sodexo and Campeyn as well as large assets owners like Nakheel and Dubai Asset Management in the Middle East who have implemented the Company's integrated FM / strata platform.

Urbanise continues to progress development for Colliers Australia and remains on track to meet key milestones in H1 FY2023. The Colliers contract will deliver specific enhancements to the Urbanise Facilities platform deepening the functionality for Facilities Managers and broadening its appeal and application to the commercial building sector. It is expected that testing will complete in Q2 FY2023, with go-live and licencing to follow.

At its H1 FY2022 result, Urbanise reported that it had a Facilities Management backlog of \$0.6m which consisted of seven contracts. The Colliers Australia contract is included in this backlog, but it did not contain any contracts associated with Ventia.

Cash burn reduction - 31% of \$2.5m target already secured

At the Q2 FY2022 result in January, Urbanise outlined several specific opportunities - cost initiatives, cash in advance and new sales - that are expected to reduce cash burn by up to \$2.5m (in aggregate) between Q3 FY2022 and Q1 FY2023.



At the end of March 2022, the Company has made significant progress towards this target with \$780k (31%) of the total \$2.5m cash burn reductions secured relating to development headcount savings over the 9-month period, net of redundancies of \$142k. On-going monthly savings are expected to be \$115k per month.

Urbanise has restructured its development team across Bulgaria and Australia. This has been achieved while preserving Urbanise's core development team that is required to maintain and deliver enhancements. The Company has secured access to contract developers via an agreement with a Vietnamese development outsourcer. This provides Urbanise with the ability to scale up in Vietnam as needed to accelerate platform enhancements. It also enables the cost base to scale on a variable basis and provides the Company with increased access to skills in a competitive market.

Since the end of December 2021, Urbanise has achieved average monthly cash burn reductions of \$115k per month relating to development headcount savings (as noted above) and sales headcount savings of \$110k per month (realised from the month of March).

The Board remains of the view that these initiatives should provide the business with sufficient runway to achieve a sustainable cash position over the next six months.

CEO Search

The Board continues to progress its search for a permanent CEO and will update the market when an appointment has been made.

Urbanise's Interim CEO and CFO Simon Lee said: "While we are disappointed with Ventia's decision, it does not detract from the value proposition that our FM platform offers to FM Outsourcers and asset owners. Ventia remains a valued customer as we continue to provide services across their Anglo-American contract. We are on track to deliver key milestones in H1 FY2023 for the contract with Colliers Australia and expect this partnership to create opportunities in other areas of their global business. We also continue to focus on pipeline opportunities with new and existing FM outsourcers, asset owners and strata managers as well as completing the backlog of \$900k.

"The impact on ARR from the reduction in Ventia's licence requirements is not expected to affect Urbanise's ability to extend its cash runway. Over the last two months, we have made significant progress in reducing our cash burn due to cost initiatives that have yielded \$780k in cash burn reductions across Q3 FY2022 to Q1 FY2023, and we expect to secure further cash burn reductions during this period. Importantly, the recent cost reductions have right sized our sales and development teams and increased the variability of our cost base."

Urbanise will provide a further update in late April when it releases its Q3 FY2022 revenue and cash results.

Investor Webcast

Interim CEO / CFO Simon Lee will host a zoom webinar with the investment community including a Q&A session at **9.30am AEST today 5 April 2022**.

To join the webcast, please follow the link below.

https://us02web.zoom.us/webinar/register/WN FFZI9AMsRH-BjPDpAFnVsw



This announcement has been approved and authorised by the Board of Urbanise.

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. Urbanise technology is used in some of the tallest towers and most prestigious communities around the globe. www.urbanise.com

Forward-looking statements

This announcement may contain forward-looking statements regarding the Company's financial position, business strategy and objectives (rather than being based on historical or current facts). Any forward-looking statements are based on the current beliefs of the Company's management as well as assumptions made by, and information currently available to, the Company's management. Forward-looking statements are inherently uncertain and must be read accordingly. There can be no assurance that some or all of the underlying assumptions will prove to be valid.

All data presented in this announcement reflects the current views of the Company with respect to future events. Forward-looking statements are subject to risk, uncertainties and assumptions relating to the operations, results of operations, growth strategy and liquidity of the Company. To the maximum extent permitted by law, the Company, its officers, employees and agents do not accept any obligation to release any updates or revisions to the information (including any forward-looking statements) in this announcement to reflect any change to expectations or assumptions; and disclaim all responsibility and liability for any loss arising from reliance on this announcement or its contents.