ASX RELEASE

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Urbanise.com Limited reports FY2022 result

- FY2022 revenue of $12.67m up 10.2% on pcp[1] with strong growth in licence revenue partly offset by lower professional fees; 86.8% recurring revenue

- Licence fees increased by 20.9% reflecting full period impacts from the successful implementation of the PICA contract, new and backlog customers including two large Middle East customers, higher utilisation of the platform from existing customers and annual price increase

- Annualised recurring revenue (ARR) of $10.85m, up 3.9% on pcp driven by the onboarding of new and backlog customers including Nakheel offset by the ARR reduction from Ventia

- Contracted ARR of $12.1m at 1 July 2022, up 6.1% on pcp, includes estimated backlog of $1.2m

- FY2022 underlying average monthly cash used of $212k (FY2021: $246k) due to a 13.3% increase in receipts driven by revenue growth and advance billing strategy

- Closing cash balance of $3.97m (30 June 2021: $7.82m) and no material debt[2]

- Urbanise is on track to deliver a significant reduction in cash burn of $2.5m over the nine-month period to 30 September 2022 with $1.57m (62.9%) secured by 30 June 2022

Urbanise.com Limited (ASX: UBN) ("Urbanise" or "the Company") today provides its full year result for the twelve months to 30 June 2022. 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 and Interim CFO Simon Lee said: "FY2022 has been a year of significant progress for the business as we expanded our market presence with new customer wins and continued development for a Tier 1 FM Outsourcer. We restructured our sales and development functions and delivered initiatives to reduce cash burn and extend our cash runway. As of June 2022, we had $12.1m in Contracted ARR and almost 87% of total revenue came from recurring licence fees. This reflects strong growth in licence fees from new and existing customers highlighting the ongoing demand for Urbanise's Strata and FM platforms across our key markets. The 'stickiness' of our platforms was once again evident with our customer retention rate[3] of over 95%.

"Generating and converting sales pipeline opportunities continues to be an absolute priority for the Company. During Q4 FY2022, we achieved good sales conversions demonstrating the merits of a more targeted sales process, better qualified pipeline of opportunities and increased brand marketing. Our growing portfolio of key reference customers across strata and FM also highlights our ability to

[1] Previous corresponding period
[2] No debt other than annual insurance premium funding
[3] Customer retention rate based on number of customers from the beginning of the period that were retained

implement large complex projects. We have a clear focus in terms of new business opportunities which aligns with our current customer profile in terms of size, sector and geography. In Strata, we are focusing on small to medium strata managers in Australia, and large property developers and Owners Association managers[3] in the Middle East. In FM, we are targeting asset owners and FM outsourcers including growing revenues with existing customers.

"Managing our cash flow remains a primary objective and we made further progress towards realising a sustainable cash position with the completion of several cash in advance deals which also represent a significant endorsement of our customer value proposition. We have continued to progress development for Colliers Australia and are on track to meet key milestones in H1 FY2023. This development will deepen the functionality of our platform, extending its use case for the Tier 1 and Tier 2 FM market. Looking ahead, our immediate mandate is to achieve sustainable cash flow breakeven. Beyond that, we believe there are significant opportunities to leverage our footprint of strata lots and facilities users to become a major player in our markets."

FY2022 Financial Summary

FY2022 total revenue was up 10.2% reflecting strong growth in recurring licence fees (up 20.9% vs pcp) across both platforms. FM licence fees increased by 19.0% and Strata by 22.0% during the year on pcp due to new contract wins and higher revenue from existing customers as a result of greater utilisation and annual price increases. The growth in recurring revenue also highlights the successful implementation of several large projects across Australia and the Middle East.

FY2022 professional fees were 29.9% lower vs pcp reflecting fixed pricing arrangements on certain projects which resulted in the earlier recognition of licencing and significant implementations in FY2021.

FY2022 expenses of $15.97m increased by 11.2% or $1.61m due to higher employment costs (sales and marketing, development and implementation headcount) and higher hosting and licence costs (associated with licence fee growth, investment in product and to optimise product performance). There were also several exceptional costs incurred during the year related to the restructuring of the sales and development teams and departure of the former CEO in December 2021. As a result of cost initiatives undertaken in the second half, annualised employment costs were $9.5m based on the June 2022 run rate which represents a 6.9% decline on FY2021 employment costs of $10.2m.

Urbanise's ARR in June 2022 increased by 3.9% on pcp to $10.85m and at 1 July 2022, the estimated backlog was $1.2m. ARR growth was impacted by the decision by FM outsourcer Ventia Services Group to reduce its requirements for user licences on three existing contracts following the implementation of a standardised enterprise system across that business[4]. The loss of these contracts reduced June 2022 ARR by $630k. Excluding this, ARR increased by 10.0% due to new customer go-lives and the completion of PICA in Q4 FY2021. Total Contracted ARR (CARR) was estimated at $12.1m including $250k of new wins since the Ventia reduction.

Facilities Management

FY2022 FM licence fee growth of 19.0% vs pcp reflected ongoing demand for Urbanise's combined strata and facilities management platform in the Middle East and new contracts in Australia with FM outsourcers and aged care providers.

Lower professional fees (down 33.1% on pcp) largely reflected fixed fee arrangements and an unusually high level of professional fees in H1 FY2021. Total revenue was up 2.3% to $4.96m as the strong growth in licence revenue was partly offset by the reduction in professional fees.

[3] Owners Associations managers are the equivalent of strata managers in Australia.
[4] Refer to ASX Announcement on 5 April 2022

FM ARR in June 2022 increased by 2.5% on pcp to $3.64m including the $630k loss in ARR from Ventia. At 1 July 2022, the FM backlog included five contracts expected to contribute an estimated $0.8m in annual licence fee revenue.

Urbanise's immediate sales pipeline includes aged care opportunities, new FM outsourcers and further opportunities with existing FM outsourcer customers.

Urbanise continues to progress development with leading property services company, Colliers Australia which 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 be completed in Q2 FY2023 with go-live and licencing to follow.

Strata Management

Urbanise's Strata platform has continued to perform well, recording 22.0% licence fee growth in FY2022 driven by the full year impact of the licence revenue from PICA which was completed in Q4 FY2021 and major Middle East customers.

Professional fees were 23.8% lower on pcp due to fixed fee arrangements and the completion of the PICA rollout. Total revenue increased by 16.2% to $7.66m with recurring revenue accounting for 91.8%.

Strata ARR in June 2022 increased by 4.6% on pcp to $7.21m and at 1 July 2022, the backlog was estimated at $0.4m. Urbanise continues to work with PICA to deploy the platform across additional branches acquired by Australia's largest strata manager as the industry continues to consolidate.

Urbanise's immediate opportunity in Australia is to scale across the small to mid-tier strata managers. The Company's development team is completing upgrades to various modules and integrations that would accelerate sales to this group.

Urbanise's Strata pipeline in the Middle East remains buoyant and includes contracts of similar size and nature to Nakheel. The completion of these large contracts provides potential customers with key reference points.

Cashflow and Balance Sheet

Receipts increased by 13.3% to $13.59m driven by strong revenue growth and the Company's advance billing strategy. Closing cash was $3.97m and the underlying average monthly cash used was $212k (FY2021: $246k). The reduction in cash used reflected higher receipts and the completion of cash in advance agreements with both new and existing customers.

Urbanise has made significant progress in meeting its cash burn reduction target of $2.5m between Q3 FY2022 and Q1 FY2023. At the end of June 2022, 62.9% of the target had been achieved as shown in Table 1.

- $780k savings from development headcount; and
- $792k in net cash-in-advance negotiated with both existing and new customers.

Table 1: Summary of cash burn reduction between Q3 FY2022 and Q1 FY2023

Target	$000s	% of $2.5m target
Net savings from development headcount	780	31.2%
Net cash-in-advance initiatives	792	31.7%
Total	**1,572**	**62.9%**

Payments for intangibles reflected capitalised development costs of $930k during FY2022 related to the Strata platform. From 1 July, the Board have determined that capitalisation of development costs for the Strata platform will cease, due to the maturity of the platform and will be fully expensed. Facilities Management development costs are fully expensed.

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.

FY2023 Outlook

In FY2023, Urbanise will continue to execute on its growth strategy, driving revenue growth across its core markets and implementing its current backlog. It expects to complete development with a leading Tier 1 FM customer and further progress initiatives to deliver a $2.5m reduction in cash burn. The Board continues to prioritise achieving cash flow sustainability in FY2023.

Investor Conference Call

CEO / Interim CFO Simon Lee will host a conference call with the investment community including a Q&A session at **11am AEST today 24 August 2022**.

To register for the conference call and access dial-in details, please follow the link below.

https://s1.c-conf.com/diamondpass/10023106-sbhd7f.html

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

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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