ASX RELEASE

26 October 2022

Appendix 4C & Quarterly Activities Report for the period ended 30 September 2022

- Q1 FY2023 revenue of $3.24m[1], up 2.8% vs previous corresponding period (pcp) driven by a 3.1% increase in licence fees and a 1.2% increase in professional fees.

- Q1 FY2023 revenue impacted by the reduction in licence fees from the three Ventia contracts[2]. Excluding these contracts, Q1 FY2023 licence revenue increased by 9.2% on pcp.

- Q1 FY2023 average monthly cash used of $332k[1] impacted by late receipts of $654k, mostly relating to two large customers and subsequently collected in early October.

- Q1 FY2023 underlying average monthly cash used of $114k[1] following adjustment for these late receipts.

- Urbanise made further progress in meeting its cash burn reduction target of $2.5m with $2.14m (85.6%) achieved by 30 September. Cash-in-advance negotiations continue with new and existing customers.

- Closing cash balance of $2.98m[1] (30 June 2022: $3.97m) and no material debt[3].

- From 1 July 2022, Urbanise will expense all strata development costs. FM development costs are already fully expensed.

- On 29 September 2022, Urbanise announced the appointment of Daniel Bignold as Non-Executive Director and Dave Goldbach as Chief Financial Officer (CFO).

Urbanise.com Limited (ASX: UBN) ("Urbanise" or "the Company") today provides a business update and quarterly cash flow report for the quarter ended 30 September 2022 (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 Simon Lee said: "During Q1 FY2023, Urbanise continued to focus on its strategic priorities of expanding our footprint in core markets, executing our product roadmap and achieving a sustainable cash flow position. We secured new sales contracts including a Tier 1 FM Outsourcer in NZ and several Middle East Strata customers, and progressed our backlog of work, including development for Colliers Australia and new customers secured in Q4 FY2022. The Colliers Australia contract represents an important opportunity for Urbanise to extend the FM platform to the commercial building sector with key milestones achieved in Q1 FY2023. Excluding any change requests, the final milestones are expected to be completed in Q2 FY2023. Urbanise is focused on clearing the backlog by the end of FY2023.

[1] Unaudited financial information.
[2] Refer to ASX announcement on 5 April 2022
[3] No debt other than annual insurance premium funding

"Our qualified pipeline of opportunities reflects the diversity of our customer base and focus on small to medium strata managers in Australia and New Zealand, large property developers and Owners Associations in the Middle East, and FM Outsourcers and asset owners in APAC. The Middle East market, in particular, continues to be attractive for Urbanise as our integrated strata and FM platform addresses the unique needs of developers who manage large property portfolios and face increasingly complex legislative requirements. Urbanise's track record in this market with key reference customers in Dubai Asset Management and Nakheel is expected to drive future sales conversions with average contract values ranging from $10k to $600k.

"At Urbanise, our product roadmap is scheduled 9-12 months in advance and determined by sector research, direct customer feedback and insights gained from our pipeline on the requirements driving investment decisions. During the quarter, strata development progressed with the completion of Middle East VAT compliance, pending a regional release in November, and our Communications module upgrade, scheduled for completion in mid-FY2023. We also continued to review legislative changes introduced by the Dubai Real Estate Regulatory Authority (RERA) to ensure that new and existing customers can meet their compliance obligations. FM development was focused on Colliers' requirements, enhancing key functionality for maintenance scheduling, contractor management and integrations.

"Managing our cash flow remains a central objective and by 30 September, we had achieved 85.6% of our cash burn reduction target of $2.5m. Cash-in-advance negotiations with new and existing customers are ongoing and we expect to meet this target by the end of Q2 FY2023. The Board remains of the view that Urbanise will be able to reach cash flow sustainability and has sufficient cash runway to achieve new sales conversions and implement its backlog."

Q1 FY2023 Business Activity Update

- On 29 September 2022, Urbanise announced the appointment of Daniel Bignold as Non-Executive Director and the resignation of Pierre Goosen from the Board. Mr Bignold is a highly experienced business leader, entrepreneur, investor and adviser with a particular focus on the Prop Tech Industry. Mr. Bignold is currently Founder and CEO of Propps.com, an innovative digital offer platform for real estate agents and joined the board from 1 October 2022.
- On 29 September 2022, Urbanise also announced the appointment of Dave Goldbach as CFO effective 6 October 2022. Mr Goldbach brings strong financial, operational, and strategic expertise as well as broad experience working for global companies across multiple industry sectors. Mr Goldbach has joined Urbanise from Stryker South Pacific (a division of leading medical equipment manufacturer Stryker Corporation) where he was the finance lead for a complex M&A integration and was also responsible for Financial Planning & Analysis and Strategic Initiatives.
- 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.
- Urbanise continued to make significant progress in meeting the cash burn reduction target of $2.5m outlined in January 2022. At 30 September 2022, 85.6% of the target had been achieved with an additional $569k in cash-in-advance agreements secured in Q1 FY2023. Cash-in-advance negotiations with new and existing customers are ongoing and Urbanise expects to meet the $2.5m target by the end of Q2 FY2023.

Table 1: Summary of cash burn reduction since Q3 FY2022

Target	Value ($000s)	% to $2.5m target
Net savings from development headcount	780	31.2%
Net cash-in-advance (new and existing customers)	1,361	54.4%
Subtotal	**2,141**	**85.6%**
Remaining initiatives for Q2 FY2023	359	14.4%
Total	**2,500**	**100.0%**

- On 5 April 2022, Urbanise announced that Ventia Services Group Limited (ASX: VNT) had reduced its requirement for user licences on three existing contracts. Ventia's decision reflected the implementation of a single standardised enterprise system across that business resulting in the decommissioning of specialised applications from over 20 vendors. This change took effect from 1 April 2022 and has impacted Annualised Recurring Revenue (ARR) by $630k. Since then, Urbanise has made good progress in replacing this ARR with new sales conversions in Q4 FY2022 and Q1 FY2023. Ventia continues to use Urbanise on its Anglo-American contract.
- From 1 July 2022, the Urbanise Board has determined that Strata development costs will no longer be capitalised due to the maturity of the platform. All development costs will now be fully expensed. This will result in an increase in *Payments to suppliers and employees* from Q1 FY2023 as shown in Table 7.

Q1 FY2023 Financial Summary

During the September quarter, Urbanise's total revenue of $3.24m increased by 2.8% vs pcp (Q1 FY2022: $3.15m). Recurring licence fees were 3.1% higher on pcp due to implementation of new clients ($120k) and organic growth from existing clients ($121k), largely offset by the reduction in Ventia licence fees ($150k) and reduction in Utilities licence fees ($9k). Professional services were in line with pcp due to change requests generated from existing clients and new clients signed up since June 2022.

The cash balance closed at $2.98m with no material debt[4] at 30 September 2022. The average monthly cash used of $332k was impacted by late receipts of $654k, largely relating to two large customers which were collected in early October. The underlying cash used per month was $114k if these late receipts were included. A detailed reconciliation is provided in the Q1 FY2023 Cash Flow Summary section below.

Table 2: Q1 FY2023 Urbanise Summary (Unaudited financial information)

$000s	Q1 FY2023	Q1 FY2022	Var	Var %
FM Licence Fees	926	933	(7)	(0.8%)
Strata Licence Fees	1,822	1,724	98	5.7%
Utilities Licence Fees	3	12	(9)	(75.0%)
Total Licence revenue	**2,751**	**2,669**	**82**	**3.1%**
Professional Fees	491	485	6	1.2%
Total Revenue	**3,242**	**3,154**	**88**	**2.8%**
Average monthly cash used	(332)	(334)	2	0.6%
Underlying average month cash used	(114)	(334)	220	65.9%
Closing cash	**2,975**	**6,818**	**(3,843)**	**(56.4%)**
Licence fees % total	**84.8%**	**84.6%**		

[4] No debt other than annual insurance premium funding

Facilities Management

Q1 FY2023 FM licence fees were $926k, a reduction of $7k or 0.8% vs pcp largely due to licence fee reductions from Ventia ($150k). This was offset by new sales to FM outsourcers and aged care providers in Australia and new FM clients in the Middle East. Underlying FM licence fee growth in Q1 FY2023 was 18.6% on pcp, when the three Ventia contracts are excluded from Q1 FY2022.

Professional fees were $47k lower on pcp, due to a significant implementation project completed in Q1 FY2022. This was partially offset by change requests and new customer implementations completed in Q1 FY2023.

Table 3: Key drivers of Q1 FY2023 FM licence fee growth

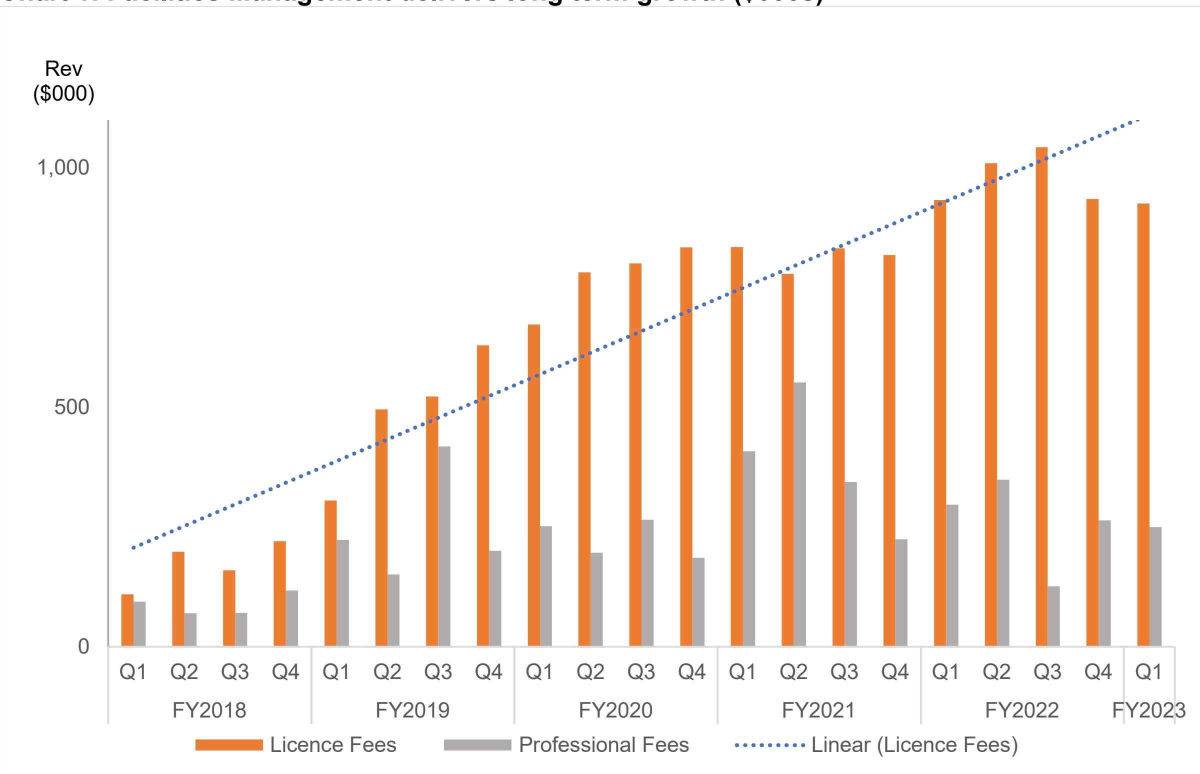
FM licence fees decreased by 0.8% ($7k) vs pcp attributable to:	• Reduction in licence fee largely from Ventia ($150k) *Offset by* • New customers live since Q1 FY2022 ($80k) • Organic growth from existing customers ($63k)

Table 4: Q1 FY2023 Facilities Management Summary (Unaudited financial information)

$000s	Q1 FY2023	Q1 FY2022	Var	Var %
Licence Fees	926	933	(7)	(0.8%)
Professional fees	250	297	(47)	(15.8%)
Total revenue	**1,176**	**1,230**	**(54)**	**(4.4%)**
Licence fees % total	**78.7%**	**75.9%**		

Chart 1 shows that Q1 FY2023 FM licence fees were comparable to Q1 FY2022 as new clients and organic growth from existing customers offset the loss of the three Ventia contracts.

Chart 1: Facilities Management delivers long term growth ($000s)



Strata Management

Q1 FY2023 Strata licence fees increased by 5.7% vs pcp due to the additional revenue from existing customers in both APAC and MENA ($58k) and new and backlog contracts completed since Q1 FY2022 ($40k). Q1 FY2023 professional fees related to change requests for existing clients and implementations for new customers.

Table 5: Key drivers of Q1 FY2023 Strata licence fee growth

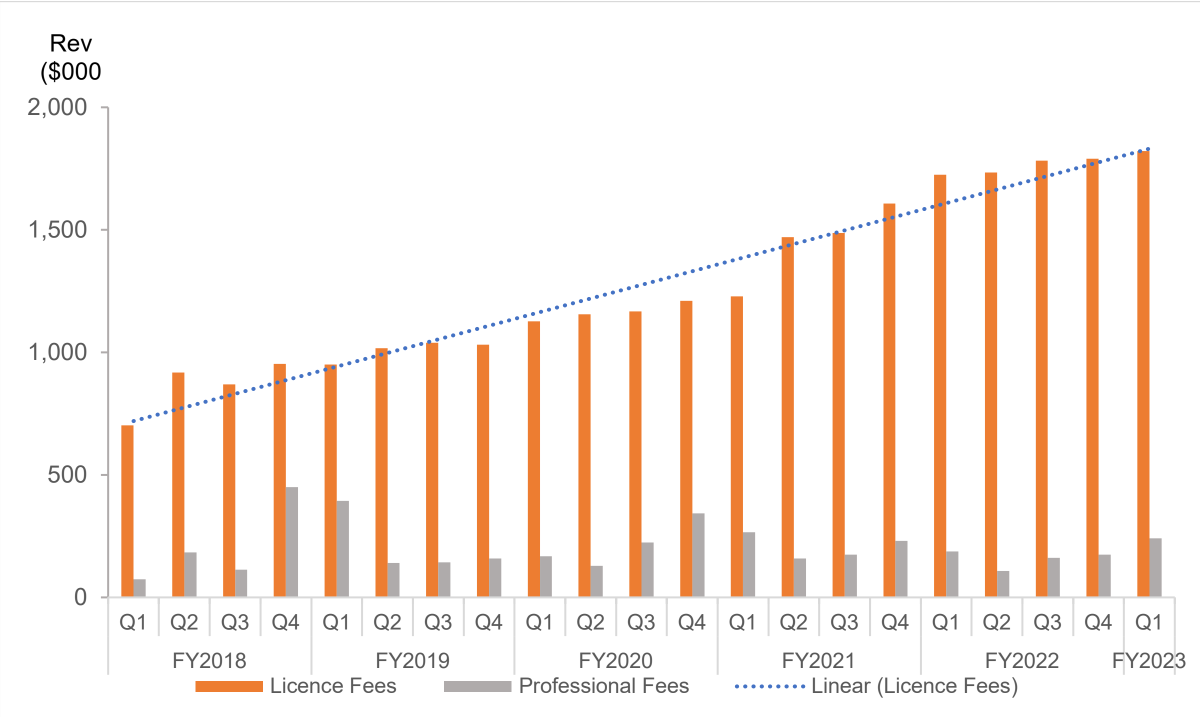
Strata licence fees increased by 5.7% ($98k) vs pcp attributable to:	• New and backlog contracts ($40k) • Growth from existing customers ($58k)

Table 6: Q1 FY2023 Strata Summary (Unaudited financial information)

$000s	Q1 FY2023	Q1 FY2022	Var	Var %
Licence Fees	1,822	1,724	98	5.7%
Professional fees	241	188	53	28.2%
Total revenue	**2,063**	**1,912**	**151**	**7.9%**
Licence fees % total	**88.3%**	**90.2%**		

Chart 2 shows the steady increase in Strata revenue over the last 12 months as the completion of large contracts with PICA and Nakheel provide key reference points for potential customers.

Chart 2: Strata delivers consistent licence fee growth ($000s)



Q1 FY2023 Cashflow Summary

Cash receipts for the quarter of $2,929k[5] were 8.4% ($267k) lower than pcp due to late receipts of $654k primarily from two large customers, which were collected in early October. Total cash receipts would have been $3,583k, 12.1% higher vs pcp, if these late receipts were included.

Following a review of the Strata Product, Urbanise has determined that it has reached a stage of maturity whereby capitalisation of development costs no longer meet the accounting requirements. As a result, all development costs will be expensed from 1 July 2022. Table 7 provides a summary of total payments for suppliers and employees and capitalised development costs for Q1 FY2023 and Q1 FY2022. No development costs were capitalised in Q1 FY2023 with these costs included in Payments to suppliers and employees.

Table 7: Total Payments Suppliers/Employees Comparison (Unaudited financial information)

Total payments for suppliers and employees ($000s)	Q1 FY2023	Q1 FY2022	Variance
Payments to suppliers and employees	(3,918)	(3,960)	42
Payments for intangibles / capitalised development	-	(236)	236
Total	**(3,918)**	**(4,196)**	**278**

Cash payments for suppliers and employees of $3,918k for Q1 FY2023 were $278k or 6.6% lower than the equivalent figure of $4,196k in Q1 FY2022 (Payments to suppliers and employees plus capitalised development costs). This reflects employee cost savings from the restructuring of the sales and development teams from Q2 FY2022.

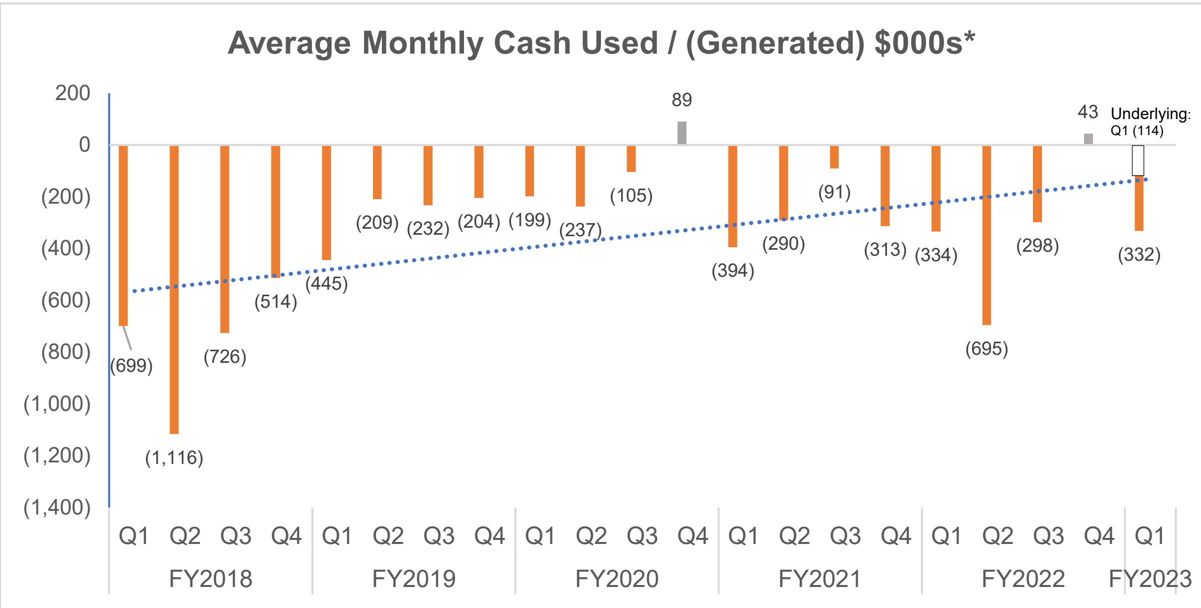
Closing cash was $2,975k[5] and the average monthly cash used was $332k for Q1 FY2023. The underlying average monthly cash used was $114k after adjusting for $654k in late receipts received since 30 September 2022. Table 8 sets out the cash flow for Q1 FY2023 vs pcp and the impact of exceptional items.

[5] Unaudited financial information

Table 8: Q1 FY2023 & Q1 FY2022 Cashflow Summary (Unaudited financial information)

$000s	Q1 FY2023	Q1 FY2022
Opening Cash Balance	**3,970**	**7,820**
Receipts from customers	2,929	3,196
Payments to suppliers and employees	(3,918)	(3,960)
Interest	(19)	(6)
Net cash used in operating activities	**(1,008)**	**(770)**
Payments for equipment	(12)	(20)
Payments for intangibles / capitalised development	-	(236)
Net cash used in investing activities	**(12)**	**(256)**
Net increase in cash and cash equivalents	**(1,020)**	**(1,026)**
Effect of movement exchange rates on cash balances	25	24
Net cash flow for the period	(995)	(1,002)
Cash at 30 Sep	**2,975**	**6,818**
Average Monthly Cash Used	**(332)**	**(334)**
Net cash flow for the period	**(995)**	**(1,002)**
Late receipts from customers	654	-
Underlying cash flow for the period	**(341)**	**(1,002)**
Underlying Average Monthly Cash Used	**(114)**	**(334)**

Chart 3: Average monthly cash used / generated ($000s)* (Unaudited financial information)



** Excludes proceeds from capital raises / placements and sale of business assets*

Payments to related parties in Item 6.1 of Appendix 4C consisted of fees paid to the Board of Directors.

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. 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.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Urbanise.com Limited

ABN	**Quarter ended ("current quarter")**
70 095 768 086	30 September 2022

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	2,929	2.929
1.2	Payments for		
	research and development		
	product manufacturing and operating costs	(468)	(468)
	advertising and marketing	(94)	(94)
	leased assets		
	staff costs	(2,175)	(2,175)
	administration and corporate costs	(1,181)	(1,181)
1.3	Dividends received (see note 3)		
1.4	Interest received		
1.5	Interest and other costs of finance paid	(19)	(19)
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (provide details if material)		
1.9	**Net cash from / (used in) operating activities**	**(1,008)**	**(1,008)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) Entities		
	Businesses		
	property, plant and equipment	(12)	(12)
	Investments		
	intellectual property		
	other non-current assets		

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
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)		
2.6	**Net cash from / (used in) investing activities**	**(12)**	**(12)**

3.	**Cash flows from financing activities**		
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)		
3.10	**Net cash from / (used in) financing activities**	**-**	**-**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	3,970	3,970
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,008)	(1,008)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(12)	(12)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	25	25
4.6	**Cash and cash equivalents at end of period**	**2,975**	**2,975**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	2,975	3,970
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**2,975**	**3,970**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(62)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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

		Total facility amount at quarter end $A'000	Amount drawn at quarter end $A'000
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**	-	-

7.5	**Unused financing facilities available at quarter end**	-

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)	(1,008)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	2,975
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	2,975
8.5	**Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**	3.0

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: 26th October 2022

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.