

13 January 2017

URBANISE FY2017 GUIDANCE AND OUTLOOK

Urbanise.com Limited (Urbanise) (ASX:UBN) today provided market guidance in respect to its 2017 financial year ending 30 June 2017, along with an outlook statement.

The following information is provided subject to the statements in Note 1 below.

For the full year ending 30 June 2017:

- As previously announced, the Company has transitioned away from a primarily large upfront revenue sales model to an Annual Recurring Revenue strategy.
- Urbanise is currently forecasting revenues of between \$9 million and \$14 million.
- \$4.6 million of the FY2017 revenues are expected to be generated from already contracted recurring revenue.
- \$4.0 million of the FY2017 revenues are expected to be generated from customers that have recently conducted trials and/or small scale deployments, and whom have a stated intention to conduct roll-outs within the 6 month period to 30 June 2017.
- Up to \$5 million of the FY2017 revenues are expected to be generated from new customers currently under various stages of business development and approximately \$0.4 million is expected to be received as other income.
- Contracted Annual Recurring Revenue is expected to grow to \$8 million when current large project implementations are completed.
- \$2.6 million of the FY2017 revenues were generated within the first half of FY2017.
- Total expenses for the first half of FY2017 were \$7.2 million, 58% of which were employee costs (total headcount as at 31 December 2016 has increased to 100), and 14% were depreciation and amortisation (which are non-cash items).
- Total expenses for the full year FY2017 are expected to be in the range of \$15 million to \$16 million.
- As at 31 December 2016, Urbanise had \$2.8 million cash at bank, no debt, receivables of \$10.8 million (of which \$6.5 million are due and payable within one year).
- In addition, Urbanise has built up our inventory of stock of our IoT sensors and gateways to service forecast customer demand during the third quarter of the current financial year. This stock is valued at \$1.4 million as at 31 December 2016.

The following information is provided to show the pro-forma balance sheet impact of the transactions announced on 4 January 2017:

- **Private Placement and Acquisition:** Upon completion of the private placement of 63.5 million shares at 22.5 cents each, to raise \$14.3 million, along with the completion settlement of the Business Sale Agreement (BSA) (\$12 million), net cash at bank as at 31/12/16 would have increased (pro-forma) to \$5.1million.
- **Rights Issue:** Upon completion of the private placement and BSA, along with the completion of the 1 for 8 rights issue, issuing 32.265M shares at 22.5 cents each to raise \$7.26 million, net cash at bank as at 31/12/16 would have increased (pro-forma) to \$12.4 million.

Analyst Forecasts

Recently released (post FY2016 results) independent broker research coverage had forecast revenues of \$12.9 million and an EBIT loss of \$3.7 million for FY2017. Investors should take into consideration the above guidance and below outlook provided by the company when reviewing any external opinions or forecasts.

Outlook

Urbanise has achieved some important milestones in the past 12 months and has successfully deployed its technology to numerous blue chip customers. Importantly, on 29 June 2016 we announced a \$6.8 million (5 year) contract with King Price Insurance and on 22 November 2016 we executed a \$21 million to \$26 million (10 year) commercial agreement with Prudential Investment Company of Australia Pty Limited. Both of these contracts will generate significant Annual Recurring Revenue for Urbanise.

Urbanise is committed to the strategy outlined in the FY2016 Annual Report and Annual General Meeting, which focusses on growing our Annual Recurring Revenue through both direct sales and our Partner Programme. We have a strong pipeline of opportunities and the Partner Programme is progressing extremely well, supported by our global Customer Success Centre. We have now fully implemented our new CRM system which provides full visibility over all IOT and services opportunities.

With more than 230,000 residential units currently powered by the Urbanise platform, and just under 300,000 additional residential units contracted under rollout programs, we have a good line of sight to a contracted Annual Recurring Revenue base of \$8 million. Based on our current customers and expected growth, this amount should increase materially during FY2018. As to expenses, we do not anticipate a significant increase in our FY2017 operating expenses in the FY2018 year.

Urbanise believes that the combination of the recently announced private placement, acquisition and the rights issue, will place Urbanise on a firm footing to continue to exploit its leading technology advantages as it grows its customer base within its current global footprint.

Note 1

Important Information

The private placement is subject to certain conditions as announced on 4 January 2017. Important information regarding the Rights Issue is contained in the materials announced to the ASX on 4 January 2017. The half year results for the period ending 31 December 2016, are preliminary, and subject to finalisation and audit.

Forward Looking Statements

Information in this release is for general information purposes only, and is not an offer or invitation for subscription, purchase, or recommendation of securities in Urbanise.com Limited. Certain statements in this document regarding the Company's financial position, business strategy and objectives, may contain forward-looking statements (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 document reflects the current views of the Company with respect to future events. Forward-looking statements are subject to risks, 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 assume any obligation to release any updates or revisions to the information (including any forward looking statements) in this presentation to reflect any change to expectations or assumptions; and disclaim all responsibility and liability for any loss arising from reliance on this presentation or its content.

About Urbanise

Urbanise is the creator of a cloud-based platform for delivering building services. Designed for service providers, the Urbanise Industry Cloud software-as-a-service platform is transforming the traditional engineering approach to building operations – improving customer service, removing operational costs and enabling new revenue streams. Urbanise technology is used in some of the tallest towers and most prestigious communities around the globe. www.urbanise.com

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