



URBANISE.COM LIMITED **(ACN 095 768 086)**

PROSPECTUS

For the offer of 40,000,000 fully paid ordinary Shares in Urbanise at an offer price of \$0.50 each to raise \$20,000,000

The Offer is fully underwritten

KTMCAPITAL PTY LIMITED
ACN 086 281 950

Corporate directory

Urbanise.com Limited

Board

Arlene May Tansey - Chair
(Non-Executive)
Benjamin John Churchill
(Executive and CEO)
Robert Gordon Cumming
(Executive and CCO)
David Bruce Burlington (Non-Executive)
Russell William Bate OAM
(Non-Executive)

Company Secretary

Steven Stamboultgis

Registered Office

c/o Affinity Accountants Pty Ltd
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Telephone: +61 3 9670 8602
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<http://www.urbanise.com>

Advisers and Share Registry

Underwriter

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ACN 086 281 950
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Sydney, NSW 2000

Share Registry

Boardroom Pty Limited
ACN 003 209 836
Level 7
207 Kent Street
Sydney NSW 2000

Investigating Accountant

Pitcher Partners Corporate Pty Ltd
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Level 19
15 William Street
Melbourne VIC 3000

Telephone: 1300 737 760
(Australia)
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(International)
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Auditor

Pitcher Partners
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Level 19
15 William Street
Melbourne VIC 3000

Solicitors

Watson Mangioni Lawyers Pty Limited
ACN 120 091 394
Level 13
50 Carrington Street
Sydney NSW 2000

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Important notices

About this Prospectus

This replacement prospectus is dated 25 August 2014, was lodged with the Australian Securities & Investments Commission (**ASIC**) and the Australian Securities Exchange (**ASX**) on that date and replaces the prospectus lodged with ASIC on 11 August 2014 (**Prospectus**). None of ASIC, ASX, nor any of their respective officers take any responsibility for this Prospectus.

This Prospectus is issued by Urbanise.com Limited (ACN 095 768 086) (**Urbanise**). It is an invitation to you to apply for Shares at an issue price of \$0.50 per Share (**Offer**). Urbanise is seeking to raise \$20,000,000.

In connection with the Offer, KTM Capital Pty Limited (ACN 086 281 950) (**KTM**) will be issued KTM Options pursuant to the Underwriting Agreement. See Section 9.4 for a summary of the terms of the Underwriting Agreement.

This Prospectus is important and should be read in its entirety. You should consider obtaining professional advice.

Defined terms

Defined terms and abbreviations used in this Prospectus are set out in the Glossary in Section 11.

Exposure period

The Corporations Act prohibits Urbanise from processing Applications for Shares in the seven-day period after the date of lodgement of the Prospectus. This period may be extended by ASIC by a further seven days. This period is the exposure period to enable the Prospectus to be examined by market participants prior to the raising of funds. Applications received during the exposure period will not be processed until after the expiry of that period. No preference will be conferred on Applications received during the exposure period.

Expiry date

No securities will be issued under this Prospectus after the expiry date, which is 13 months after 11 August 2014.

ASX listing

Urbanise will apply for admission to the Official List of ASX and for the quotation of its Shares within seven days after the date of this Prospectus.

If Urbanise is admitted and the Shares are quoted on ASX, this should not be taken as an indication of the merits of Urbanise or the Shares.

Urbanise does not intend to issue any Shares pursuant to this Prospectus unless and until permission has been granted for the Shares to be quoted on ASX on terms acceptable to Urbanise. If permission is granted, quotation of Shares will commence as soon as practicable after holding statements are dispatched.

If permission is not granted for the Shares to be quoted before the end of three months after the date of this Prospectus or such longer period permitted by the Corporations Act or with the consent of ASIC, all Application Monies received pursuant to this Prospectus will be refunded without interest to Applicants in full within the time prescribed by the Corporations Act.

Investment decision

The information in this Prospectus is not financial product advice.

You should seek your own financial advice. The Offer in this Prospectus does not take into account your investment objectives, financial situation or particular needs. It is important that you read this Prospectus carefully and in full before deciding to invest in Urbanise. In particular, in considering the prospects of Urbanise, you should consider the risk factors that could affect the financial performance of Urbanise in light of your personal circumstances (including financial and taxation issues) and seek professional advice from your accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

Disclaimer and authorisation

No person named in this Prospectus, nor any other person guarantees the performance of Urbanise or the repayment of capital or any return on investment made under this Prospectus.

No person is authorised to give any information or make any representation in connection with the Offer that is not contained in this Prospectus.

Except as required by law, Urbanise does not intend to update or revise forward looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus.

Urbanise and the Share Registry disclaim all liability, whether in negligence or otherwise, to persons who trade Shares before receiving their holding statement.

Forward looking statements

This Prospectus contains forward looking statements, which are identified by words such as 'may', 'could', 'believes', 'estimates', 'expects', 'intends' and other similar words that involve risks and uncertainties. Forward looking statements are not based on historical facts, but are based on current expectations of future results or events. These forward looking statements are subject to risks, uncertainties and assumptions that could cause actual results or events to differ materially from the expectations described in such forward looking statements. While Urbanise believes that the expectations reflected in the forward looking statements in this Prospectus are reasonable, no assurance can be given that such expectations will prove to be correct. The risk factors set out in

Section 8, as well as other matters not known to Urbanise or not currently considered material by Urbanise, may cause actual results or events to be materially different from those expressed, implied or projected in any forward looking statements. Any forward looking statement contained in this Prospectus is qualified by this cautionary statement.

Obtaining a copy of this Prospectus

A paper copy of this Prospectus is available free of charge to any person within Australia by calling KTM on +61 2 9235 9985 between 9:00am and 5:00pm (AEST).

This Prospectus is also available to Australian investors in electronic form at the Offer website, urbaniseshareoffer.com. Persons who access the electronic version of the Prospectus should ensure they download and read the entire Prospectus. Applications for Shares may only be made on the Application Form attached to or accompanying the Prospectus.

By making an Application, you declare that you were given access to the Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to, or accompanied by, the Prospectus in its paper copy form or the complete and unaltered electronic version of the Prospectus.

Foreign jurisdictions

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offering of Shares, in any jurisdiction outside Australia. The distribution of this Prospectus (including in electronic form) outside Australia may be restricted by law and persons who come into possession of this Prospectus outside Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of the applicable securities laws.

United States - This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. In particular, the Shares have not been, and will not be, registered under the US Securities Act of 1933 (**US Securities Act**), and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons (as defined in Regulation S under the US Securities Act) unless the Shares are registered under the US Securities Act, or an exemption from the registration requirements of the US Securities Act is available.

Hong Kong - This Prospectus has not been, and will not be, registered as a prospectus under the Companies Ordinance (Cap. 32) of Hong Kong (the **Companies Ordinance**), nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). No action has been taken in Hong Kong

to authorise or register this document or to permit the distribution of this Prospectus or any documents issued in connection with it. Accordingly, the Shares have not been and will not be offered or sold in Hong Kong other than to 'professional investors' (as defined in the SFO).

No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

If you (or any person for whom you are acquiring the Shares) are in Hong Kong, you (and any such person) are a 'professional investor' as defined under the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong.

Singapore - This Prospectus and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares, may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This Prospectus has been given to you on the basis that you are (i) an existing holder of Urbanise's Shares, (ii) an 'institutional investor' (as defined in the SFA) or (iii) a 'relevant person' (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this Prospectus to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

If you (or any person for whom you are acquiring the Shares) are in Singapore, you (and any such person):

- are an 'institutional investor' or a 'relevant person' (as such terms are defined in the SFA)
- will acquire the Shares in accordance with applicable provisions of the SFA
- acknowledge that the offer of the Shares is subject to the restrictions (including selling restrictions) set out in the SFA.

Photographs and diagrams

Photographs and diagrams in this Prospectus that do not have accompanying descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown are owned by Urbanise. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Prospectus.

Privacy

By completing an Application Form, you are providing personal information to Urbanise and the Share Registry, which is contracted by Urbanise to manage Applications. Urbanise and the Share Registry on its behalf, collect, hold and use that personal information to process your Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration. Once you become a Shareholder, the Corporations Act, ASX Settlement Operating Rules and Australian taxation legislation require information about you (including your name, address and details of the Shares you hold) to be included in Urbanise's Register. In accordance with the requirements of the Corporations Act and ASX Settlement Operating Rules, information on the Register will be accessible by members of the public. The information must continue to be included in the Register if you cease to be a Shareholder.

If you do not provide all the information requested, your Application Form may not be able to be processed.

Other matters

Unless otherwise stated, all references to '\$', dollars and cents are to Australian currency.

Unless otherwise stated or implied, references to dates or years are calendar year references.

Any discrepancies between totals and sums and components in tables, figures and diagrams contained in this Prospectus are due to rounding.

Enquiries

Investors with questions regarding the terms of the Offer or on how to complete the Application Form or if you require additional copies of the Prospectus you should contact KTM on +61 2 9235 9985.

If you are uncertain as to whether obtaining Shares is a suitable investment for you, you should seek professional advice from your accountant, stockbroker, lawyer or other professional adviser. It is important you read this Prospectus in its entirety and seek professional advice where necessary.



Chair's letter

Dear Investor,

On behalf of the Board, it is with great pleasure that we present you with the opportunity to participate in the ownership and future of Urbanise.

Urbanise is the creator of an industry-specific cloud-based building services delivery platform for the Facility Management Industry. Designed to connect building operators with their clients, suppliers and the people who live and work in the buildings, the software-as-a-service platform allows:

- building operators to co-ordinate service delivery, maintenance and support online
- building owners and occupants to access building services using their computer, smart phone or tablet
- suppliers to partner with building operators to offer additional services to building owners and occupants through a unique e-commerce storefront or portal
- building operators to remotely monitor energy consumption to identify inefficiencies and track energy savings
- building operators to remotely monitor critical assets to minimise system outages and reduce downtime.

Over the last three years, Urbanise's cloud-based building service delivery platform has been integrated into some of the world's tallest towers and adopted by some of the most prestigious communities. Currently servicing more than 45,000 households around the globe – from The Palm Island in Dubai to Medini Iskandar Smart City in Malaysia – Urbanise's technology is changing the way services are provided to buildings and the people who live and work in them.

In recent years, Urbanise has achieved significant customer growth – with the number of households connected to the Urbanise Platform rising from approximately 331 in 2011, to 12,757 in 2012 and 30,720 in 2013. This figure had climbed to 47,307 by the end of June 2014 and is forecast to grow by approximately 259%, or to 170,050, by the end of June 2015. See Section 4.5 for details.

Urbanise's business model is highly scalable, with customers benefiting from a subscription fee structure designed to allow them to 'pay as they grow'. Under this low cost model, barriers to adoption are low. This consistent and sustained growth is also reflected in Urbanise's revenue, with 2014 financial year revenue increasing by more than 200% on the previous period. Revenue is forecast to grow by 88% to the end of June 2015. See Section 6.6 for details of these forecasts, particularly the assumptions underlying the forecasts set out in Sections 6.5 and 6.6.

Under this Prospectus, Urbanise is offering 40,000,000 Shares at \$0.50 per Share to raise \$20,000,000. The issue of Shares under this Prospectus is underwritten.

An investment in Urbanise is subject to risks. Detailed information about these risks is set out in Section 8 of this Prospectus. The occurrence of any of these risks may adversely impact Urbanise's financial performance, position and prospects and the value of your investment. We encourage you to read the Prospectus carefully and in its entirety, particularly the section on risks.

Urbanise remains focused on its long-term goals and intends to continue reinvesting strategically to achieve growth. After the successful completion of the Offer, Urbanise is expected to have sufficient funds to achieve its forecasts, fund current growth plans and achieve its business objectives.

On behalf of the Board, we look forward to welcoming you as a Shareholder in Urbanise.

Yours Sincerely,

A handwritten signature in black ink, appearing to read "Arlene Tansey". The signature is fluid and cursive, with a long, sweeping underline.

Arlene Tansey

Chair



CEO's letter

Dear Investor,

It is time for Urbanise to become a public company and list on the Australian Securities Exchange. With more people able to participate in our success will come increased visibility of Urbanise and our technology approach to developing industry specific solutions. As we enter this exciting new phase, I would like to share what makes Urbanise unique.

Industry Cloud for Facility Management

Urbanise delivers industry-specific cloud-based solutions - including data, software, and services - to the global Facility Management Industry. We do not develop horizontal applications like payroll, accounting, and inventory control that are largely the same across industries. Our goal is to help Urbanise customers with the processes that are specific to the vertical industry in which they operate. This is sometimes referred to as Industry Cloud. Our long-held vision is that industry-specific applications should come with industry-specific solutions, and that these applications generate data that will help our customers make more informed business decisions.

Our objective is to be 'relevant' to the CEOs and CFOs of Facility Management companies that we work with by enhancing and automating their processes in the Industry Cloud. From co-ordinating the day-to-day service requirements of buildings under management to monitoring critical assets for reduced performance or reducing energy usage by identifying system inefficiencies, the Urbanise Platform is designed to allow building operators to increase efficiency and reliability while delivering a secure and dependable service.

Key values

Our focus is on customer success, employee engagement and developing great technology. We know that we are nothing without our customers. Keeping that front of mind drives us to make decisions that are designed to further our customers' businesses.

At Urbanise, we want every employee to be deeply committed to their role and believe not only in the Urbanise goal, but understand just how critical their role is in the success of our customers and our company. We strive to ensure that our employees always find Urbanise an enlightened and enlightening place to work.

We focus on developing technology solutions and meeting the immediate needs and priorities of our customers. We believe that vertical markets (such as the Facility Management Industry) require software that relates specifically to the most critical day-to-day business processes. As a result, we have developed a solution that allows our customers to realise the benefits of modern cloud-based architectures and mobile applications, while also enabling them to maximise resource efficiency, revenue and profitability.

Long-term vision

Our vision is to be a leading provider of industry-specific solutions to the Facility Management Industry.

We all know the saying, 'Rome wasn't built in a day'. Our focus is building a company that lasts and a company that delivers value to its customers, employees, partners and investors. We admire and look up to organisations like Amazon, Google, eBay and IBM that are guided by long-term goals, not short-term gain.

Industry focus

A question often raised is whether Urbanise will create solutions for other industries. We currently do not intend to enter other industries. However, at some point it is possible that Urbanise may build solutions for other industries. For now, we are focused on increasing the value of our Industry Cloud for Facility Management.

Thank you to our customers, employees, partners and investors for contributing to our achievements so far. We are looking forward to an exciting future together.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Benjamin Churchill', with a horizontal line extending to the right.

Benjamin Churchill
Chief Executive Officer

Key Offer information

Key Offer dates

| | |
|---|-------------------|
| Lodgement of replacement Prospectus with ASIC | 25 August 2014 |
| End of exposure period | 25 August 2014 |
| Offer opening date | 26 August 2014 |
| Offer closing date | 9 September 2014 |
| Allotment of Shares | 23 September 2014 |
| Send holding statements for Shares | 26 September 2014 |
| Trading of Shares expected to commence on ASX | 30 September 2014 |

Note: This timetable is indicative only. Unless otherwise stated all times are stated in AEST. Urbanise reserves the right to vary the dates and times of the Offer, including to close the Offer early or to accept late Applications, either generally or in particular cases, without notifying any recipient of this Prospectus or Applicants.

Key Offer statistics

| | |
|---|---------------|
| Offer price | \$0.50 |
| Total number of Shares available under the Offer | 40,000,000 |
| Total number of Shares on issue following the Offer | 217,056,194 |
| Total number of Options on issue following the Offer | 46,346,405 |
| Amount to be raised under the Offer | \$20,000,000 |
| Indicative market capitalisation (based on an Application Price of \$0.50 per share) ⁽¹⁾ | \$108,500,000 |

⁽¹⁾ This is likely to vary from time to time once the Company is listed.

Summary financial information

Summary financial information for the past four years and prospective financial information for FY2015 is set out in the table below. See Section 6 for more details on the financial information.

| A\$'000 (thousand) | Actual FY2011 | Actual FY2012 ⁽¹⁾ | Actual FY2013 ⁽²⁾ | Actual FY2014 ⁽³⁾ | Forecast FY2015 ⁽⁴⁾ |
|--------------------------|---------------|------------------------------|------------------------------|------------------------------|--------------------------------|
| Revenue | 1,478 | 2,873 | 1,704 | 5,180 | 9,754 |
| Gross Profit | 1,478 | 2,873 | 1,626 | 5,080 | 9,389 |
| EBITDA | (1,208) | 1,401 | 288 | 2,821 | 4,411 |
| EBIT | (1,400) | 1,145 | (37) | 2,432 | 3,448 |
| Profit Before Tax | (2,239) | 1,105 | (44) | 2,374 | 3,448 |
| Profit After Tax | (2,239) | 1,105 | 2,203 | 1,529 | 2,414 |

Notes:

- (1) FY2012 revenue included significant Regional Operator Licence fees of \$1,700,000.
- (2) FY2013 revenue included a research and development refund of \$800,000.
- (3) FY2014 revenue included significant Regional Operator Licence fees of \$3,800,000 and a research and development refund of \$500,000.
- (4) The Forecast Financial information is based on assumptions as described in Section 6.4.

Key investment highlights

Below is a summary of the key highlights of the Offer. This is a summary only and should be read in light of the other information in this Prospectus, particularly the risks that are set out in Section 8.

| | | |
|--|--|-----------------------|
| What is Urbanise? | Urbanise is a provider of an industry-specific cloud-based software platform designed and developed for the Facility Management Industry. Our Industry Cloud Platform enables building operators to realise the benefits of modern cloud-based architectures and mobile applications for their most critical business functions - maximising resource efficiency, revenue and profitability without compromising industry specific functionality and reporting compliance. | Sections 2, 3 and 4.1 |
| What is Industry Cloud? | The Industry Cloud is an industry-specific software solution with IT architecture that operates within the cloud computing industry. | Section 4.3 |
| What is the Platform? | <p>Urbanise's Industry Cloud Platform for the Facility Management Industry has been designed to address the specific business and systems requirements of this global sector. The Platform features six pre-integrated modules to enable a broad range of industry-specific functions:</p> <ol style="list-style-type: none"> 1. customer self-service portals 2. customer and property relationship management 3. service creation and service catalogue management 4. workforce management and mobile field force operation 5. remote device monitoring and energy management 6. electronic service billing, invoicing and payments | Section 4.3 |
| What are the key strengths of the Platform? | <p>Urbanise offers access to the Platform as a cloud-based, pay-as-you-grow subscription model. For a building operator this means:</p> <ul style="list-style-type: none"> ➤ no capital investment for software licences or computer equipment ➤ no need to install computer equipment on site ➤ no requirement for additional on site IT personnel to maintain and support the system. <p>This approach removes many of the disadvantages that might commonly prevent building operators from purchasing an existing technology solution. The Platform's turnkey, pre-integrated feature-set also provides building operators with a service catalogue editor to self-configure service delivery processes to their unique requirements which means:</p> | Section 4.3 |

| | | |
|---|---|-----------|
| | <ul style="list-style-type: none"> ➤ no integration with other systems is required ➤ after a short training period, the building operator can configure the platform without specialist IT assistance ➤ the building operator can be live on the Platform within days. | |
| What are Urbanise's key strengths? | <ol style="list-style-type: none"> 1. established international customer base 2. large addressable market 3. large and growing pipeline 4. highly scalable technology 5. experienced team | |
| What are the key investment risks? | <ol style="list-style-type: none"> 1. Operator's rate of Platform adoption <p>A large part of Urbanise's revenue is generated from fees for Platform usage. Historically, operators using the Platform have successfully used the technology to increase revenues or reduce costs. This expanded use of the Platform has contributed to the continued growth in Urbanise's revenues.</p> <p>If there was a decline in the rate that current or new operators adopted the Platform, this is likely to adversely affect Urbanise's revenue, profitability and ability to execute its growth strategies.</p> 2. Hosting provider disruption risks <p>Urbanise relies upon its primary hosting provider, currently Amazon Web Services (AWS), to maintain continuous operation of its Platform.</p> <p>Should AWS suffer outages, for example due to catastrophic destruction of infrastructure following a natural disaster, service to the Urbanise Platform may also be disrupted. If AWS ceased to offer its services to Urbanise and Urbanise was unable to obtain a replacement hosting provider quickly, this would also lead to disruption of service to the Urbanise Platform.</p> 3. Competition <p>The e-commerce, service management and Internet of Everything space rapidly evolved and will continue to do so with new entrants and large players releasing new offerings in specific areas (for example, intelligent thermostats and smoke detectors), that are adjacent to, or may influence the, Facility Management Industry's adoption of technology solutions.</p> <p>Urbanise expects to face competition from such organisations, some of which will have greater financial, technical and marketing resources. Increased competition could result in margin reductions, under</p> | Section 8 |

| | | |
|---|---|-------------|
| | <p>utilisation of employees, reduced operating margins and loss of market share. Any of these occurrences could adversely affect Urbanise's business, operating results and financial condition.</p> <p>4. Liquidity and realisation risk</p> <p>There can be no guarantee that an active market in the Shares will develop or that the price of the Shares will increase. With a limited free float, there may be relatively few potential buyers or sellers at any given time and this may increase the volatility of the market price of the Shares.</p> <p>Further, there is a risk that once the Shares subject to escrow or trading restrictions are released from the restrictions attaching to them, there may be a significant sell-down by the holders of those Shares.</p> <p>There are other risks associated with investing in Urbanise, including risks specific to Urbanise and its business and risks associated with investing in the stock market generally. Some risks are beyond the control of Urbanise, and may have a material impact on Urbanise's financial performance or position.</p> | |
| Directors and Key Personnel | <p>The Board consists of:</p> <p>Arlene May Tansey (Chair / Non-Executive Director)</p> <p>Benjamin John Churchill (CEO / Executive Director)</p> <p>Robert Gordon Cumming (CCO / Executive Director)</p> <p>David Bruce Burlington (Non-Executive Director)</p> <p>Russell William Bate OAM (Non-Executive Director)</p> <p>In addition to the Directors, Key Personnel include:</p> <p>Julian Boot (CTO)</p> <p>Adam Bate (Head of Development)</p> | Section 5 |
| Interests, key benefits and related party transactions | <p>Urbanise has entered into compensation arrangements with its Directors and Key Personnel.</p> | Section 5.2 |

Key terms and effect of the Offer

| Summary of the Offer | The Offer is for the issue of 40,000,000 Shares at \$0.50 per Share. Investors may subscribe for a minimum of 4,000 Shares representing a minimum investment of \$2,000. The amount to be raised under this prospectus is \$20,000,000. The issue of Shares under this Prospectus is fully underwritten. | Section 1 | | | | | | | | | |
|--|--|----------------------------|---------------|----------------------------|-------------------|-------|-------|---------------------|--------|-------|------------------------|
| Use of funds | The funds received pursuant to this Offer will be used to pay the costs of the Offer (estimated at approximately \$1,300,000 (exclusive of GST) and a large proportion of the balance (approximately \$18,700,000) will be used to strengthen Urbanise's balance sheet. Some of the remainder will also be used for working capital purposes as and where needed. | Sections 1.3 and 10.7 | | | | | | | | | |
| Are the Directors participating in the Offer | <p>The Directors and Key Personnel currently hold Shares and on completion of the Offer will have a relevant interest in approximately 16.0% of Shares (on a fully diluted basis).</p> <p>Mantan Superannuation Fund (ABN 78 235 059 545), an associate of Arlene Tansey, will participate in the Offer and may acquire up to 400,000 Shares.</p> <p>No other Directors or Key Personnel will participate in the Offer.</p> | Section 5.2(e) | | | | | | | | | |
| Shareholders before and after completion of the Offer | <p>The following Shareholders will hold more than 10% of Shares after completion of the Offer:</p> <table> <tr> <th>Holder</th><th>Fully diluted</th><th>Non diluted⁽¹⁾</th></tr> <tr> <td>Pierce Group Asia</td><td>26.1%</td><td>31.5%</td></tr> <tr> <td>Cisco Systems, Inc.</td><td>10.63%</td><td>12.9%</td></tr> </table> <p>⁽¹⁾ Before the exercise of any Options</p> <p>Neither Pierce Group Asia nor Cisco Systems, Inc. intend to participate in the Offer.</p> | Holder | Fully diluted | Non diluted ⁽¹⁾ | Pierce Group Asia | 26.1% | 31.5% | Cisco Systems, Inc. | 10.63% | 12.9% | Section 1.4 and 5.2(e) |
| Holder | Fully diluted | Non diluted ⁽¹⁾ | | | | | | | | | |
| Pierce Group Asia | 26.1% | 31.5% | | | | | | | | | |
| Cisco Systems, Inc. | 10.63% | 12.9% | | | | | | | | | |
| Issue of KTM Options | <p>In connection with the Offer, KTM will be issued with the KTM Options, pursuant to the Underwriting Agreement.</p> <p>The KTM Options are 5,426,405 unlisted options, each option being a right to one Share. The KTM Options have an exercise price of \$0.58 and are exercisable at any time before 31 August 2019. The KTM Options have an approximate value of \$800,000.</p> | Section 9.4 | | | | | | | | | |

1. Offer details

1.1. Description of Offer

Urbanise is seeking to raise \$20,000,000 under this Prospectus. As a result, a total of 40,000,000 Shares are offered at \$0.50 per Share. Investors may subscribe for a minimum of 4,000 Shares representing a minimum investment of \$2,000 each.

The Shares are the same class and rank equally in all respects with the existing share capital of Urbanise. See Section 10.2 for a summary of the rights and liabilities attaching to the Shares.

Urbanise reserves the right to reject any Application or to allocate any Applicant fewer Shares than the number applied for.

Applications for Shares must be made on the Application Form attached to this Prospectus and must be received by Urbanise on or before 5:00p.m. (AEST) on the Closing Date.

1.2. Underwritten

This Offer is fully underwritten.

In connection with the Offer, KTM will be issued the KTM Options pursuant to the Underwriting Agreement. See Section 9.4 for a summary of the terms of the Underwriting Agreement.

1.3. Purpose of the Offer and use of funds

The principal purpose of the Offer is to increase Urbanise's ability to scale its global sales and support teams, continue developing and investing in intellectual property, increase financial flexibility, increase visibility in the marketplace and create a public market for its Shares.

The funds received pursuant to this Offer will be used to pay the costs of the Offer, estimated at approximately \$1,300,000 (exclusive of GST). See Section 10.7 for a breakdown of the costs of the Offer.

A large proportion of the balance (approximately \$18,700,000) will be used to strengthen Urbanise's balance sheet, confirming its strong financial standing. Urbanise expects a strong balance sheet to be attractive to customers who prefer to deal with established and financially sound technology companies.

Some of the remainder will be used for working capital purposes as and where needed. Working capital would include expenditure on expanding Urbanise's sales force and opening new marketing offices. In the financial year to 30 June 2015 Urbanise expects to spend approximately \$800,000 on expanding Urbanise's sales force and approximately \$700,000 on costs associated with opening new marketing offices. Additional working capital expenditure needs will be assessed on a regular basis moving forward.

1.4. Capital structure

The Table below sets out the investors before and after completion of the Offer.

| | |
|---|---------------|
| Amount raised | \$20,000,000 |
| Number of Shares on issue before the Offer | 177,056,194 |
| Total number of Options on issue immediately before the Offer | 46,346,405 |
| Total number of Shares available under the Offer | 40,000,000 |
| Total number of Shares on issue immediately after the Offer (non diluted) | 217,056,194 |
| Total number of Shares on issue immediately after the Offer (fully diluted) | 263,402,599 |
| Percentage of Shares held by Directors and Key Personnel after the Offer (on a fully diluted basis) | 16% |
| Indicative market capitalisation (based on Application Price of \$0.50 per share) ⁽¹⁾ | \$108,500,000 |

⁽¹⁾ This is likely to vary from time to time once the Company is listed.

The following Shareholders will hold more than 10% of Shares after completion of the Offer:

| Holder | Fully diluted | Non diluted ⁽¹⁾ |
|---------------------|---------------|----------------------------|
| Pierce Group Asia | 26.1% | 31.5% |
| Cisco Systems, Inc. | 10.63% | 12.9% |

⁽¹⁾ Before the exercise of any Options

This means Pierce Group Asia can influence Urbanise's management and affairs over matters requiring Shareholder approval. Any matter requiring a special resolution of Shareholders can be determined by Pierce Group Asia voting against the matter. The interests of Pierce Group Asia may vary from those interests of investors who purchase Shares under the Offer. Pierce Group Asia is a privately held diversified investment and consulting group.

Both Cisco Systems, Inc. and Pierce Group Asia have entered into voluntary escrow deeds in relation to the Shares and Options held. See Section 1.6 for more information.

1.5. Options on issue

The Company currently has 46,346,405 Options on issue.

See Section 10.3 for a summary of the terms and conditions under which Options are issued.

1.6. Escrow arrangements

The Directors do not anticipate that ASX will classify any Share or Options as restricted securities. Accordingly, no ASX-imposed escrow will apply to Shares or Options.

The Shareholders in the table below have entered into a voluntary escrow arrangement under which they have undertaken to Urbanise not to dispose of any interest in, or to grant any security over, any of the securities they hold a relevant interest in (comprising Shares and Options) and representing the total number of securities that all of the below mentioned parties will hold on completion of the Offer.

| Holder | No. of Shares subject to escrow | % of Shares after the completion of the Offer | No. Options subject to escrow ⁽¹⁾ | % of fully diluted escrowed securities after the completion of the Offer |
|---|---------------------------------|---|--|--|
| Benjamin John Churchill | 1,301,550 | 0.60 | 6,000,000 | 2.77 |
| Robert Gordon Cumming ⁽²⁾ | 5,769,453 | 2.66 | 17,300,000 | 8.76 |
| Pierce ESIM Pte Limited | 36,444,340 | 16.80 | Nil | 13.84 |
| Pierce CIM Pte Limited | 32,040,580 | 14.80 | Nil | 12.16 |
| Cisco Systems, Inc. | 28,000,460 | 12.90 | Nil | 10.63 |
| Michael McGeever | 12,957,580 | 5.97 | Nil | 4.92 |
| Helix CS Pte Limited | 11,000,000 | 5.07 | Nil | 4.17 |
| CNA Group Ltd | 10,216,860 | 4.70 | Nil | 3.88 |
| Construction Industry Solutions Limited | 5,664,150 | 2.60 | 2,770,000 | 3.20 |
| Ekoglobal Pty Ltd | 6,665,940 | 3.07 | Nil | 2.53 |
| KTM ⁽³⁾ | Nil | Nil | 5,426,405 | 2.06 |
| Total | 150,060,913 | 69.17 | 31,496,405 | 68.93 |

Notes:

- (1) A Holder may exercise Options during the escrow period, however any Shares issued to the holder as a result of such exercise will be restricted securities.
- (2) Includes Shares held by Kenneth Cumming, as trustee for the Cumming Payne Superannuation Fund and Shares held by Robert Gordon Cumming as trustee for the Cumming Payne Family Trust.
- (3) In connection with the Offer, KTM will be issued the KTM Options in accordance with the Underwriting Agreement. See Section 9.4 for a summary of the terms of the Underwriting Agreement.

These restrictions will terminate on the first anniversary of the date of admission of Urbanise to the Official List. However, these restrictions may be released early to enable a Shareholder to accept an

offer under a takeover bid in relation to their Shares, provided holders of not less than 50% of the Shares not subject to the restrictions then on issue have accepted the takeover bid or to enable the Shares of a Shareholder to be transferred or cancelled as part of a merger by scheme of arrangement under Part 5.1 of the Corporations Act.

The execution of escrow agreements may give Urbanise a 'relevant interest' in these Shares for the purposes of the Corporations Act. ASIC has granted a declaration modifying Chapter 6 of the Corporations Act so that the voluntary escrow arrangements described above do not give rise to a relevant interest for the Company in respect of the escrowed Shares for the purposes of the takeovers provisions in Chapter 6.

1.7. Who can apply under the Offer

Hong Kong

This Prospectus has not been, and will not be, registered as a prospectus under the Companies Ordinance, nor has it been authorised by the SFO. No action has been taken in Hong Kong to authorise or register this Prospectus or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Shares have not been and will not be offered or sold in Hong Kong other than to 'professional investors' (as defined in the SFO).

No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

If you (or any person for whom you are acquiring the Shares) are in Hong Kong, you, by making an Application for Shares, represent and warrant that you (and any such person) are a 'professional investor' as defined under the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong.

Singapore

This Prospectus and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares, may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the SFA, or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This Prospectus has been given to you on the basis that you are (i) an existing holder of Urbanise's Shares, (ii) an 'institutional investor' (as defined in the SFA) or (iii) a 'relevant person' (as defined in Section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this Prospectus immediately. You may not forward or circulate this Prospectus to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

If you (or any person for whom you are acquiring the Shares) are in Singapore, by making an Application for Shares represent and warrant that you (and any such person):

- are an 'institutional investor' or a 'relevant person' (as such terms are defined in the SFA)
- will acquire the Shares in accordance with applicable provisions of the SFA
- acknowledge that the offer of the Shares is subject to the restrictions (including selling restrictions) set out in the SFA.

United States

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. In particular, the Shares have not been, and will not be, registered under the US Securities Act, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons (as defined in Regulation S under the US Securities Act) unless the Shares are registered under the US Securities Act, or an exemption from the registration requirements of the US Securities Act is available.

1.8. ASX listing, issue and allotment of Shares

Within seven days after the date of this Prospectus, application will be made to the ASX for the admission of Urbanise to the Official List and for quotation of all Shares. No application will be made for quotation of Options. The fact that the ASX may admit Urbanise to the Official List is not to be taken as an indication of the merits of Urbanise or the Shares.

If ASX does not give permission for admission to the Official List or for quotation of the Shares within three months after the date of this Prospectus (or a later date permitted by ASIC), no Shares will be issued. In that circumstance, all Application Monies received will be refunded (without interest) as soon as practicable in accordance with the Corporations Act.

No securities will be issued on the basis of this Prospectus after the expiry date, being the date which is 13 months after the date of this Prospectus.

Investors who trade Shares before they receive their holding statements do so at their own risk. Urbanise disclaims all liability in tort (including negligence), statute or otherwise to persons who trade Shares before receiving their holding statements.

1.9. Withdrawal

Urbanise may withdraw this Prospectus or the Offer at any time before the issue of Shares to successful Applicants. If the Offer does not proceed, all relevant Application Monies will be refunded (without interest) in accordance with the Corporations Act.

1.10. How to apply under the Offer

An Application for Shares under the Offer can only be made by completing and lodging the Application Form attached at the back of this Prospectus. Detailed instructions on completing the Application Form can be found on the back of the form.

Applications and Application Monies for Shares under the Offer received after 5:00p.m. (AEST) on the Closing Date will not be accepted and will be returned.

The Directors may close the Offer at any time prior to the Closing Date without prior notice or extend the period of the Offer in accordance with the Corporations Act.

Applications must be accompanied by payment. You must pay by cheque in Australian dollars or by BPay only. Your cheque must be made payable to '**Urbanise.com Limited – Share Offer Account**' and crossed 'Not Negotiable'.

Payment by BPAY

You may apply for Shares online and pay your Application Monies by BPAY.

Applicants wishing to pay by BPAY should complete the online Application Form accompanying the electronic version of this Prospectus which is available at urbaniseshareoffer.com and follow the instructions on the online Application Form (which includes the Biller Code and your unique Customer Reference Number (**CRN**)).

You should be aware that you will only be able to make a payment via BPAY if you are the holder of an account with an Australian financial institution which supports BPAY transactions.

When completing your BPAY payment, please make sure you use the specific Biller Code and your unique CRN provided on the online Application Form. If you do not use the correct CRN your Application will not be recognised as valid. It is your responsibility to ensure that payments are received by 5.00 p.m. (AEST) on the Closing Date. Your bank, credit union or building society may impose a limit on the amount which you can transact on BPAY, and policies with respect to processing BPAY transactions may vary between banks, credit unions or building societies.

Urbanise accepts no responsibility for any failure to receive Application Monies or payments by BPAY before the Closing Date arising as a result of, among other things, processing of payments by financial institutions.

Completed Application Forms, together with Application Monies, should be sent to the following address:

Mailing address:

Urbanise.com Limited
C/-Boardroom Pty Limited
GPO Box 3993
SYDNEY NSW 2001

Delivery address:

Urbanise.com Limited
C/-Boardroom Pty Limited
Level 7, 207 Kent Street
SYDNEY NSW 2000

1.11. Application monies held on trust

Application Monies received under the Offer will be held in a special purpose account until Shares are issued to successful Applicants. Applicants whose Applications are not accepted, or who are allocated fewer Shares than the amount applied for, will be refunded all or part of their Application Monies (whichever is applicable). Interest will not be paid on any monies refunded and any interest earned on Application Monies pending the allocation or refund will become an asset of Urbanise.

1.12. Enquiries

If you require assistance to complete the Application Form, you should contact KTM on +61 2 9235 9985 between 9:00am to 5:00pm (AEST) Monday to Friday. If you are unclear in relation to any matter or are uncertain as to whether the acquisition of Shares is a suitable investment for you, you should seek professional advice from your stockbroker, solicitor, accountant or other independent professional adviser.

2. The big picture – macro market trends¹

Urbanise is a provider of an industry-specific cloud-based software platform designed and developed for the global Facility Management Industry. Our Industry Cloud Platform enables building operators to realise the benefits of modern cloud-based architectures and mobile applications for their most critical business functions - maximising resource efficiency, revenue and profitability without compromising industry-specific functionality and reporting compliance.

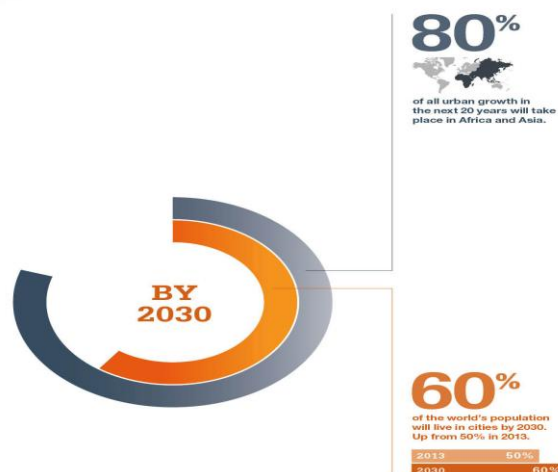
2.1. The rise of the Industry Cloud

Domain expertise, market penetration and referral revenues, coupled with the ability to leverage big data, are hallmarks of any Industry Cloud company. The new breed of Industry Cloud companies are multipoint problem solvers that can leverage cloud infrastructure to offer several layers of value, such as CRM solutions, marketing automation, content management and data analytics.



2.2. The world is becoming increasingly urbanised

With half of the world's population living in urban areas, and this percentage expected to rise to 60% by 2030, cities are adapting to accommodate higher-density living. The urban landscape is changing with taller towers, larger gated communities and increasing interest in the concept of smart cities (closely linked to the Internet of Everything, growth and sustainability), all products of increasing urbanisation.



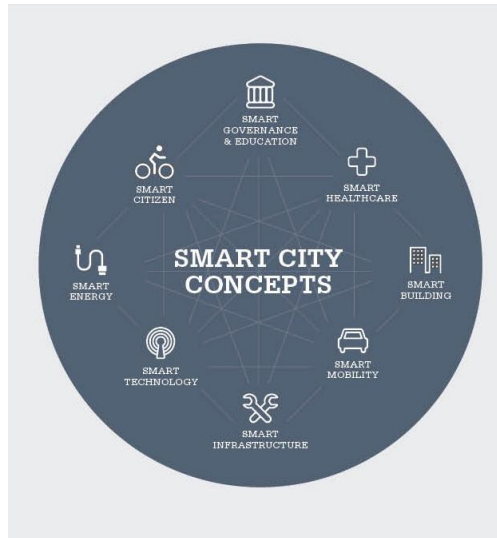
¹ The information contained in Sections 2 and 3 is based on the Directors' understanding of the Facility Management Industry and published industry specific reports.

2.3. The Internet of Everything

The Internet of Everything connects people, data, things, and processes in networks of billions or even trillions of connections. These connections create vast amounts of data. Today, a small number of things that could be connected are connected to the Internet or intelligent systems.

2.4. The mega trend of smart cities

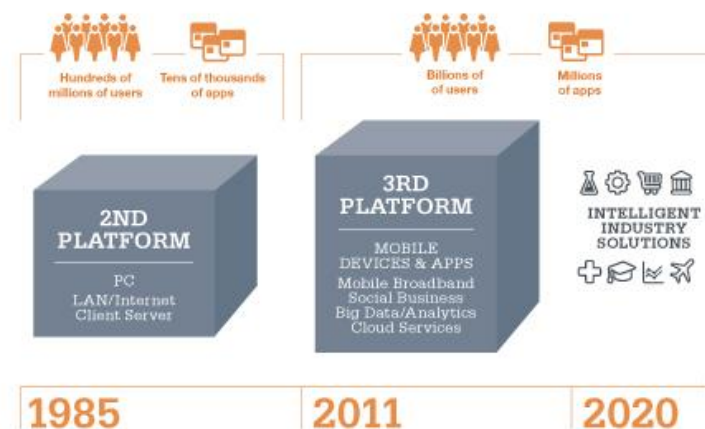
Smart cities are set to drive urban development for the next decades. Smart city markets in the segments of energy, transportation, healthcare, building infrastructure and governance are expected to increase.



Smart cities use the power of ubiquitous communication networks, highly distributed wireless sensor technology and intelligent management systems to solve current and future challenges and create exciting new services.

2.5. Third Platform technologies

The Third Platform refers to a combination of multiple technologies widely available since 2010. Provided from the cloud, Third Platform solutions are accessed via mobile devices, enable social or collaborative user interaction and use real-time information gathered from the Internet or devices connected to the Internet.



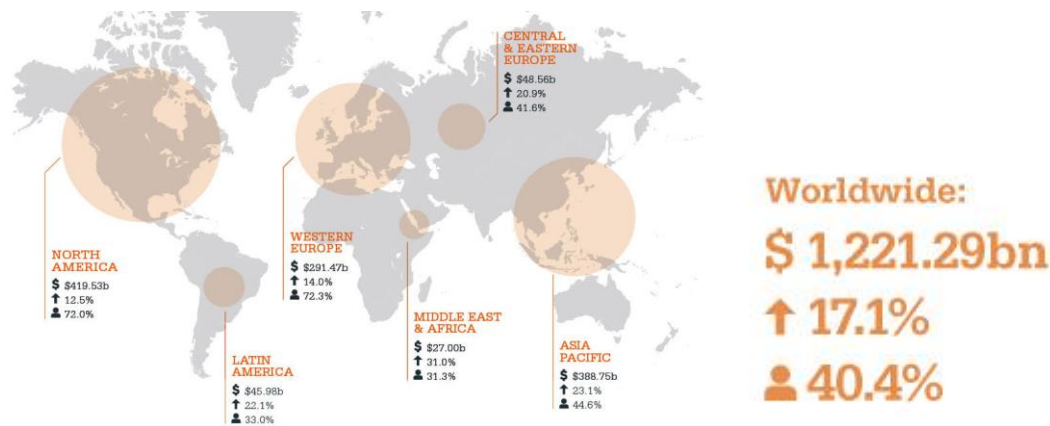
2.6. E-commerce and the Facility Management Industry

Increasing consumer confidence in e-commerce has changed expectations about the online service experience. Whether purchasing goods, booking flights and hotels or banking online, consumers have come to expect a simple process that is convenient and immediate.

Competition is intense and service innovation is everywhere. This is putting pressure on customer service leaders to differentiate, with customer service increasingly becoming a deciding differentiator.

While many traditional businesses are evolving into online companies, e-commerce in the Facility Management Industry is still in its infancy – this is despite building operators managing buildings full of consumers who are increasingly using the Internet to purchase goods and services.

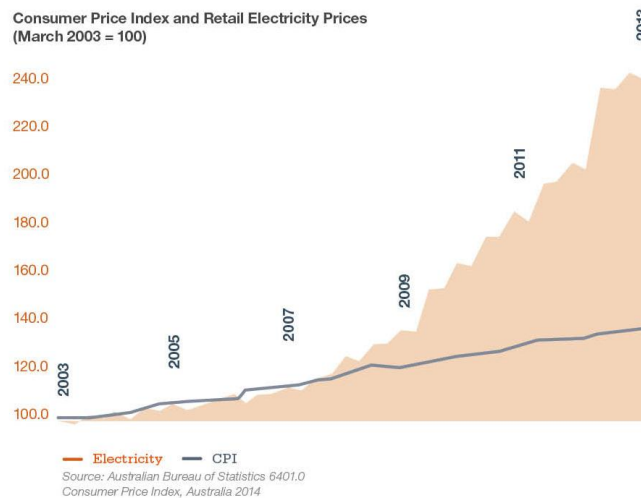
The Urbanise Platform is designed to enable Building Owners and Building Occupants to access building services online from their computer, smartphone and tablet allowing building operators to coordinate service delivery, maintenance and support online.



Estimated growth in global e-commerce sales and online buyer penetration in 2013

2.7. Buildings need to be more energy efficient

Buildings are estimated to consume 40% of energy in Western countries, and energy is often the single largest operating cost for a building owner.



With energy prices rising at a greater rate than inflation, building owners are under increasing pressure to make their buildings as energy efficient as possible.

The Urbanise Platform is designed to allow building operators to remotely monitor energy consumption to identify inefficiencies and track energy savings.

3. The Facility Management Industry

3.1. Industry overview

Facility Management involves managing the operations and maintenance of buildings, building precincts and community infrastructure for property owners.

Buildings need to be cleaned, maintained and secure, with regular checks carried out to ensure that key electrical, plumbing and heating/cooling systems are working correctly. The role of the 'Facility Manager' is to organise, control and coordinate the strategic and operational management of the building to ensure that the physical aspects of the property are operating efficiently - creating a safe and productive environment for Building Occupants.

Annual expenditure on building operations and maintenance (excluding energy costs) is estimated at between 3% and 5% of GDP in Western markets, with Facilities Management a significant industry in Europe's largest economies (UK, Germany, France, Italy and Spain).

3.2. Industry structure

Buildings most commonly under management include commercial and residential towers, multi-dwelling units and gated residential communities, but can also include schools, shopping complexes, sporting arenas, hospitals and hotels.

Multiple participants are involved in the process of building operations and maintenance. Although the industry is typically categorised as Facilities Management, the responsibility for building operations and maintenance often lies with other parties such as the building owner or a property manager, while the provision of additional services may be managed by external parties, including third-party contractors or service/utility providers.

All of these industry participants require tools to help manage the process of delivering services to buildings, building owners and Building Occupants. The following section identifies key participants in the Facility Management Industry and highlights where the Urbanise Platform can be implemented.

3.3. Competing priorities in Facility Management

Facility Management is becoming increasingly professional as new technologies and customer requirements reshape the industry. Development over the next decade is expected to be driven by the forces of economic rationalism, technology (digital connectivity), sustainability, a focus on value and risk management, workplace productivity and by increasingly sophisticated, individualistic and demanding customers. Sustainability will be a key driver for the next decade and beyond.

With building owners becoming more sophisticated in the manner in which they procure operations and maintenance services, the Facility Management Industry is under increasing pressure to deliver services in a new way.

Facility Management Industry areas of focus include:

The value-add

'Outsourced' Facility Managers are expected to value add to their basic labour supply model - using more efficient management techniques, improved technology and strategic services to win contracts and protect margins.

"Insourced" Facility Managers are expected to understand their company's core operations and contribute to the profitability of the business. They are also expected to reduce facility costs, as well as improve productivity, revenue generating capacity and the image of the organisation.

Customer service

The adoption of e-commerce is also affecting consumer expectations around 'online service ordering' and 'self-service support'. Faced with the choice between waiting in a call queue and receiving notices

in the mail and instant, online access to building services and support functions, building owners and Building Occupants are expected to choose providers that deliver convenience.

Facility Managers that simply focus on delivering maintenance and operational tasks, rather than providing customer service, risk being overtaken by companies that have adopted new technologies and consumer focused marketing strategies.

Reducing energy consumption

As energy costs continue to grow, building owners are looking for ways to reduce the energy consumption of their properties. Participants in the Facility Management industry that fail to demonstrate how to reduce energy consumption run the risk of being replaced by disruptive market forces that utilise new technologies to provide better visibility of where and how to reduce consumption.

Urbanise's Platform has been developed to address these areas of industry focus and the growing pressures facing the Facility Management Industry.

With Urbanise's zero-touch commissioning technology, we are able to deploy measurement and verification energy metering across a site in one or two days where it previously took over two weeks. This improved our cash flow – as we are paid on measurement results.

Norman Crowley, CEO - Crowley Carbon, United Kingdom

This statement reflects the author's experience. It is not a prediction of likely benefits arising from use of the Platform.

3.4. The changing technology landscape

The Facility Management Industry is expected to spend US\$24.6 billion on IT solutions to manage the process of building operations in 2014. This figure is forecast to grow to more than US\$43.7 billion by 2019. While the Facility Management industry continues to make large investments in highly customised, legacy (or outdated) IT systems, the trend is shifting towards using more flexible cloud based solutions to meet the industry's rapidly changing needs.

Complex and expensive to implement and maintain

Legacy IT systems (or the Second Platform) have generally been deployed on-premise - requiring a substantial investment in infrastructure and resources to enhance, upgrade and maintain. They are typically highly customised to reflect industry-specific business processes and the existing IT environments of the particular company. Changing regulatory, business and computing environments mean that these systems can quickly become outdated, and may require significant ongoing professional services to maintain. Changes to software or hardware also typically need to be integrated into other legacy IT systems, which can result in implementation delays, higher costs and increased complexity.

Lack of integration

Although many legacy IT systems provide adequate functionality in specific areas, these systems often comprise numerous discrete applications that frequently do not integrate easily. To manage and integrate data across these applications and broader geographies, many companies have had to engage in lengthy and expensive custom development and system integration projects. These projects can result in IT systems that are difficult to adapt to changing business requirements.

Poor usability

Many legacy IT systems, including those used to automate and manage service organisations and support the product management and collaboration functions for complex processes, were originally designed in the 1990s using client-server technology. These systems do not typically offer intuitive user interfaces and are often incompatible with mobile devices commonly used today. These difficulties can discourage the widespread adoption and use of these solutions across the enterprise.

Task and process specific legacy IT systems



The emergence of cloud-based solutions

Over the past decade cloud-based solutions have emerged - allowing enterprises to automate and improve a range of business and technology operations on an 'as needs' basis. In comparison to legacy IT systems, cloud-based solutions can provide a number of benefits, including improved application performance, broader user adoption, greater flexibility and lower total cost of ownership. However, horizontal cloud-based solutions are not particularly well suited to the Facility Management Industry.

Most cloud-based offerings are horizontal solutions designed to meet common needs across a wide range of industries. As a result, they are often unable to meet more complex, industry-specific needs. This typical lack of industry-specific functionality means that Facility Management companies tend to only deploy these solutions for basic business functions, including ticketing and expense management.

In more business critical functions, such as service and quality management, and sales and marketing, Facility Management companies often have more specific business and operational requirements. These requirements can make the deployment of horizontal cloud-based solutions challenging without significant customisation, which involves significant resources, expenditure and time and can reduce the benefits of adopting the cloud-based solutions in the first place.

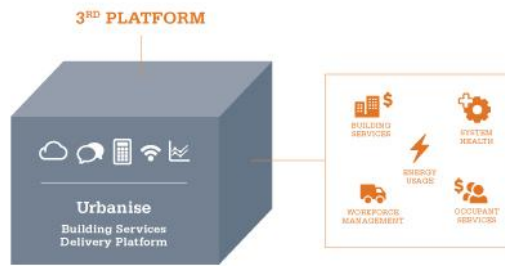
The opportunity for Industry Cloud in Facility Management

The difficulty that legacy IT systems and horizontal cloud-based solutions have in adequately addressing the technology needs of today's Facility Management industry creates opportunities for companies like Urbanise (which focus on industry-specific, cloud-based solutions – or Industry Cloud).

Of the \$396 billion that businesses spent worldwide on software in 2012, the largest area of spending was vertical specific software constituting \$110 billion or 28%. Vertical specific software is software that addresses a specific market or industry need. Urbanise's Platform is an example of vertical specific software.

In addition to software developed for a specific vertical market or industry, the demand for cloud-based solutions in general continues to grow. The global market for public IT cloud services spending is projected to grow from \$47.4 billion in 2013 to \$108 billion in 2017, a compound annual growth rate of over 23.5%.²

² This is not an indication of the likely growth rate for Urbanise or the Urbanise business.



Service centric smart building operations

4. Company overview

4.1. Overview

Urbanise is the creator of an industry-specific cloud-based building services delivery platform for the Facility Management Industry. Designed to connect building operators with their clients (**Building Owners**), suppliers (**Service Providers**) and the people who live and work in the buildings they manage (**Building Occupants**), the software-as-a-service platform allows:

- building operators to co-ordinate service delivery, maintenance and support online
- Building Owners and Building Occupants to access building services using their computer, smart phone or tablet
- Service Providers to partner with building operators to offer additional services to Building Owners and Building Occupants through a unique e-commerce storefront or portal
- building operators to remotely monitor energy consumption to identify inefficiencies and track energy savings
- building operators to remotely monitor critical assets to minimise system outages and reduce downtime.

4.2. The evolution of Urbanise

Urbanise was founded on the belief that industry-specific business problems are best addressed with an industry-specific solution. Over time, this focus has evolved to concentrate on developing cloud-based solutions specifically for the Facility Management Industry.

2001

- Urbanise established. Originally named Myretsu Pty Ltd it was an R&D technology lab offering large corporations solutions to complex IT problems using emerging technologies in Machine-to-Machine communications, Digital Rights Management and Grid Computing.

2005

- Renamed Majitek Pty Ltd. The focus was on developing a technology platform for advanced service delivery from the 'cloud all the way to the edge' of the network.
- Investment by Pierce Group Asia to fund multi-year software development milestones.

2009

- Launches Plaza Service Delivery Platform for building services. First platform rollout in Bahrain.
- Co-investment by Cisco Systems, Inc. and Pierce Group Asia.
- Cisco Systems, Inc. and Majitek establish joint sales and marketing activities as part of Cisco System, Inc.'s Smart and Connected Communities strategy.
- Expands operations to Dubai to work on smart city initiatives in the Middle East.
- Launches Metro Smart Building Platform for intelligent buildings monitoring and control.
- First major customers in Singapore – KTP Hospital and Parkway Novena Hospital.
- Plaza relaunched as software-as-a-service with pay-as-you-grow pricing model. This is the service delivery platform which forms the basis of the Urbanise business today.

2011

- First customers in Dubai – Idama Facilities Management and Emrill LLC.

2012

- 10,000 Building Occupants registered.

2013

- 30,000 Building Occupants registered.
- 15 connected buildings with remote sensor monitoring and energy metering.

2014

- Metro relaunched as software-as-a-service focused on critical asset and energy monitoring with pay-as-you-grow pricing model.
- First customer in Ireland – Danu Quality Systems.
- Renamed Urbanise – Metro and Plaza Platforms offered as single building service delivery platform.
- 47,000 Building Occupants registered.
- 100 connected buildings with remote sensor monitoring and energy metering.
- Operators signed in United Kingdom, Malaysia, Qatar and Lebanon.

Urbanise has been in the business of developing software since 2005. It has been developing the cloud version of its Platform since 2009.

4.3. The Platform

Urbanise's Industry Cloud Platform for the Facility Management Industry has been designed to address the specific business and systems requirements of this global sector. The Platform features the following six pre-integrated modules to enable a broad range of industry-specific functions.

(a) Customer self-service portals

Building Owners and Building Occupants can order and pay for services, manage bookings, track the progress of orders and jobs that are underway and interact with the building operator's contact centre staff.



(b) Customer and property relationship management

Building operators can track the individual people and buildings that they are providing services to. Each account tracks every interaction the operator has with a building or occupant and provides the operator with tools to undertake requests made by the owner or occupant.



(c) Service creation and service catalogue management

Building operators can model the services they will provide owners and/or occupants. The building operator can configure every aspect of service delivery, including marketing, pricing structure, billing model, work processes, scheduling and team allocation using reusable templates and wizards.



(d) Workforce management and mobile field force operation

Building operators can coordinate the day-to-day execution of service requests from owners and occupants, schedule and allocate tasks to their internal and external contractor field force. Delivery can access jobs via mobile devices, record activities, capture customer feedback, sign off and then close jobs ready for review by operations.



(e) Remote device monitoring and energy management

Building operators can quickly and cost effectively install wireless sensors and meters into existing buildings, which then automatically connect and report real time information to operations teams. Alerts can be set to automatically dispatch field force personnel to attend systems that are functioning irregularly. Energy usage can be tracked for key systems and compared with those in the same or similar buildings to identify anomalies to address.



(f) **Electronic service billing, invoicing and payments**

Building operators can automatically charge owners and occupants for the services they request, receive payments online via credit card and provide receipts via email. The use of electronic billing allows building operators to administer charges and payments for tens or hundreds of thousands of owners or occupants with minimal finance staff.



Urbanise's Industry Cloud Platform – key benefits

Urbanise offers access to the Platform as a cloud-based, pay-as-you-grow subscription model. For the building operator this means:

- no capital investment for software licences or computer equipment
- no need to install computer equipment onsite
- no requirement for additional on site IT personnel to maintain and support the system.

This approach removes many of the disadvantages that might commonly prevent building operators from purchasing an existing technology solution used by the Facility Management Industry. The Platform's turn-key, pre-integrated feature-set also provides building operators with a service catalogue editor to self-configure service delivery processes to their unique requirements which means:

- no integration with other systems is required
- after a short training period, the building operator can configure the platform without specialist IT assistance
- the building operator can be live on the Platform within days.

Benefits for the building operator

More services for occupants

Building operators can market, sell and deliver value added services online to Building Occupants – creating new revenue opportunities and providing better service amenity.

Improved customer service in buildings

Building operators can provide their corporate clients online self-service portals to manage planned or reactive maintenance – improving cost tracking and enhancing the service experience.

More effectively manage a dynamic workforce

Building operators can issue work orders to Service Providers securely online – providing visibility of all workforce activities, improving contractor performance and work quality.

Identify energy waste and measure energy savings

Building operators can remotely monitor key systems for energy consumption to identify inefficiencies, set performance targets and track energy savings – reducing overall building energy consumption.

Prevent critical system breakdowns

Building operators can remotely monitor critical assets in real time to identify reduced performance or system failures – limiting system outages and downtime.

4.4. Platform security

Urbanise has invested significant time implementing data security across its operations, software, hardware and physical sites.

The Urbanise Platform runs on a high availability configuration across multiple geographical locations in the cloud. AWS provides a reliable, secure, scalable on-demand cloud IT infrastructure platform that powers hundreds of thousands of businesses in 190 countries around the world.

AWS comprises around hundreds of thousands of servers housed in multiple data centre locations across the US, Europe, Brazil, Singapore, Japan, and Australia.

When using the Urbanise Platform, data is securely stored on Amazon S3 which has a 99.9% durability over a given year. Amazon S3 redundantly stores data on multiple devices across facilities in an Amazon S3 Region. The service is designed to sustain concurrent device failures by quickly detecting and repairing any lost redundancy.

In order to process credit card transactions online, Urbanise's software is PCIDSS Level 2 compliant, while all Amazon data centres are PCIDSS Level 1 compliant.

4.5. Urbanise customers

Urbanise customers include recognised industry leaders in operating and maintaining buildings in the Middle East, South East Asia and the United Kingdom. Since launching the Platform in 2011, Urbanise has experienced rapid growth in both Building Occupants registered to order services via the Platform and buildings connected to monitor energy and assets.

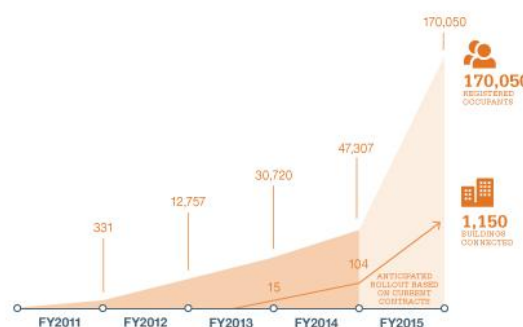


Diagram of past and projected growth in registered occupants and buildings connected

As illustrated in the above diagram, over a short period of time, Urbanise has achieved rapid customer growth and strong customer retention – with the number of households connected to the Urbanise Platform rising from approximately 331 in 2011, to 12,757 in 2012 and 30,720 in 2013. This figure was 47,307 by the end of June 2014 and is forecast to grow from 47,307 to 170,050 by the end of June 2015 (approximately 259%). The basis for this forecast is as follows.

New customers have recently signed letters of intent to roll out the Urbanise Platform across their existing portfolio – providing Urbanise with potential access to a significant number of residential and commercial properties. Urbanise is currently working closely with each customer to develop rollout strategies to commercialise the Platform – a key step in establishing it as a global enterprise.

The forecast figure is based on each of the counterparties to the letters of intent utilising the Urbanise Platform and accessing the residential and commercial properties available to them.

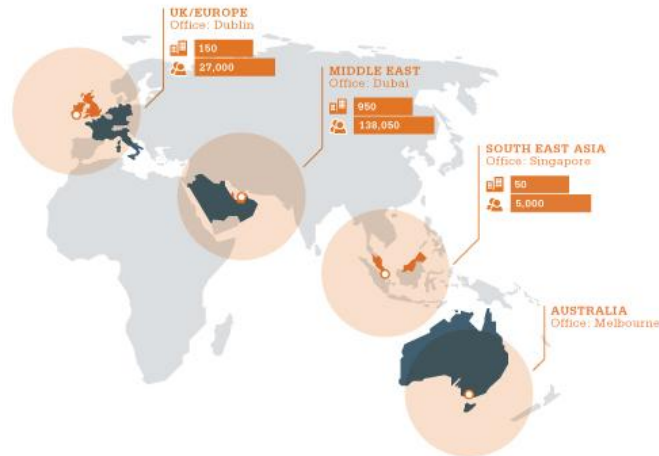


Diagram of the residential and commercial properties which Urbanise may access⁽¹⁾

⁽¹⁾ Based on current executed letters of intent

*Urbanise has repositioned KFM from a Maintenance Provider
to a Smart City Services company*

We have used Urbanise to formulate an entirely new business model for our company. Where before we would tender to win facilities management contracts, we now form Joint Ventures with the Property Developer to provide lifestyle services to all their residents, share additional revenue and lock in the operational contract for the entire project.

Nurolamin Abas, Group CEO - KFM/Operon, Malaysia

This statement reflects the author's experience. It is not a prediction of likely benefits arising from use of the Platform.

4.6. Growth strategy

Global focus

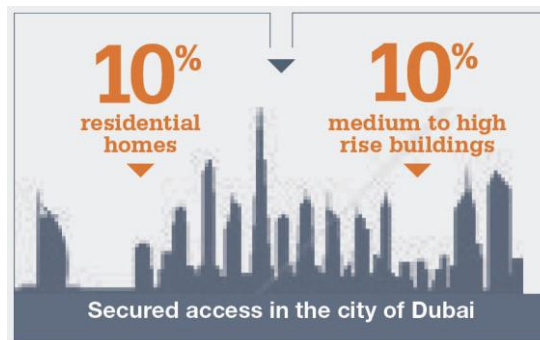
Urbanise's goal is to build a global enterprise that has the potential to address the needs of the Facility Management Industry worldwide. Having already established customer relationships in five countries, Urbanise believes that the Platform has widespread appeal across the wider industry.

Urbanise's global focus and operational presence enables it to remain well informed of industry and business trends – allowing Urbanise to incorporate new functional requirements into its solutions more rapidly, enabling its customers to benefit from changing market trends and technology advances.

Expanding customer base

Urbanise believes that the market for cloud-based business applications for Facility Management is large and underserved. The majority of maintenance service contracts for high-end commercial and high-density residential buildings in most developed cities are managed by a relatively small number of organisations.

As an example, by partnering with just two building operators in the United Arab Emirates, Urbanise has secured access to 10% of the total residential homes and 10% of the total medium to high-rise commercial buildings in the city of Dubai. Urbanise believes that there is a substantial opportunity to continue to increase the size of Urbanise's customer base with both large and small Facility Management companies through the efforts of a growing domestic and international sales team.



Continue to enhance existing offerings and develop new Industry Cloud solutions

Urbanise has made, and will continue to make, investments in research and development to enhance existing solutions, expand the number of applications and further develop solutions. Urbanise intends to offer upgrades each year designed to enable customers to benefit from ongoing innovations, expanded geographical reach and additional mobile platforms. It also plans to work closely with customers to develop and expand Urbanise's industry-specific solutions.

Continue to expand internationally

From a relatively small, but effective international presence, Urbanise intends to rapidly expand. Urbanise's global presence will be a significant strategic asset, as it seeks to maintain strong local relationships with senior customer executives, obtain valuable feedback on current solutions and future customer needs, and develop its ability to help customers improve efficiencies and generate new revenue streams.

Urbanise has recently appointed direct sales staff in the Middle East, the United Kingdom, Europe, Australia and South East Asia. Permanent sales and support offices will also be established in each region to accelerate the 'on-boarding' of new customers.

In certain regions, Urbanise intends to enter into exclusive or semi-exclusive arrangements (by entering into a Regional Operator's Licence agreements) with organisations that will act as Urbanise's primary operator and software distributor for that region. These arrangements are integral to Urbanise's growth strategy and expanding sales, implementation and service capacity.

Our biggest challenge was tracking, pricing and converting huge volumes of variable works requests from hundreds of clients into actual orders. We had issues with customer requests going missing, bloated email chains and a disengaged supply chain. Working with Urbanise we introduced low cost intelligent variable works portals.

Customers can instantly log, track and approve variance works requests via the portal. Our supply chain uses the portal to upload quotes against variable works requests. We issue quotes faster and are now converting more quotes into actual orders. The real time data from the portal is excellent and is really helping Emrill understand how its clients buy. We have gone from being reactive to proactive in the way we track and quote variable works, and this is delighting our clients.

Jason Ruehland, General Manager - Emrill Services LLC, United Arab Emirates

This statement reflects the author's experience. It is not a prediction of likely benefits arising from use of the Platform.

4.7. Business model

Urbanise's business model comprises three separate revenue streams.

Professional service fees

Urbanise provides a standard 'on-boarding' program for new building operators. The program combines:

- business process change management consulting
- platform training and unlimited platform usage for a 90-day period.

Urbanise charges a fixed price for the 'on-boarding' program, which allows the building operator to begin using the Platform immediately. Service fees currently range from US\$10,000 and US\$100,000 per program, depending on the size of the building operators existing business and their proposed scope of Platform usage.

Monthly software subscription fees

Urbanise will typically charge each building operator a monthly software subscription fee based on Platform usage. The fees charged align with, and depend on, how the building operator uses the platform and may include:

| | |
|---------------------|---|
| US\$2.50 per month | For each individual Building Occupant that registers with an account to purchase services from the building operator |
| US\$100 per month | For each building that is registered by the building operator to access online maintenance management and help desk services for its employees |
| US\$50 per month | For each supplier or employee that is registered to access work orders issued by the building operator |
| US\$25 per month | For each Smart Meter that is installed in a connected building to send energy, water or gas consumption information to the building operator |
| US\$10 per month | For each Smart Sensor installed in a connected building to monitor critical assets and send information to the building operator |
| US\$1,000 per month | For each unique portal (different name, branding, services) created by the building operator to interact online with corporate Customers or occupants |

The fees stated above are Urbanise's current fees and are subject to change.

Annual fees for rights to white label and resell access to the Platform

Some building operators may elect to purchase 'Regional Operator Licences' which provide them with certain rights to represent Urbanise as its software and sales distributor in a specific Territory. Urbanise may still add additional building operators within that Territory, provided that it gives the licensee under the Regional Operator Licence a net credit for each new customer added.

Regional Operator Licences are negotiated on a Territory-by-Territory basis and currently cost the relevant building operator between US\$500,000 and US\$3,000,000 per annum for a minimum three-year period. Urbanise also receives monthly software subscription fees from these building operators under the Regional Operator Licence for their Platform usage at an agreed discounted rate. See Section 9.2 for a summary of the terms of a Regional Operator Licence.

Urbanise allows me to undercut my competition and still make better margins

Instead of continuously sending out teams to perform routine checks on equipment that is working perfectly, we use Urbanise remote monitoring to connect buildings directly to our operations centre. If something doesn't feel right our teams are despatched to check it out. We use half the staff and can respond twice as fast as our competitors bidding on the same projects.

Richard Jowsey, Business Development Director, Maintenance Management Group, Qatar

This statement reflects the author's experience. It is not a prediction of likely benefits arising from use of the Platform.

4.8. Competition

The overall market for Facility Management software is global, rapidly evolving, increasingly competitive and subject to changing technology and shifting customer needs. The solutions and applications offered by Urbanise's competitors vary in size, breadth and scope.

While Urbanise's solution competes with offerings from large global enterprise software vendors (including IBM, Salesforce and Oracle Corporation), Urbanise also competes with facility management-specific vendors.

There are also a number of vendors of cloud-based and on-premise applications. However, Urbanise believes these solutions only address a fraction of the Platform - providing Urbanise with a distinct competitive advantage. Continuing consolidation of cloud-based technology companies could lead to a significant increase in competition.

Urbanise believes the principal competitive factors in its market include:

- level of customer satisfaction
- domain expertise in Facility Management
- ease of deployment and use of solutions and applications
- breadth and depth of solution and application functionality
- brand awareness and reputation
- modern and adaptive technology platform
- capability for customisation, configurability, integration, security, scalability and reliability of applications
- total cost of ownership
- ability to innovate and respond rapidly to customer needs
- size of customer base and level of user adoption
- ability to integrate with legacy enterprise infrastructures and third-party applications.

Urbanise believes that it competes favourably on the basis of these factors and that the domain expertise required for developing and deploying successful solutions in the Facility Management Industry may obstruct new entrants that are unable to invest the necessary capital to develop solutions that can address the functionality, requirements and compliance capabilities that this industry needs. Urbanise's ability to remain competitive will largely depend on Urbanise's ongoing performance in the areas of solutions and application development and customer support.

Research and development

Urbanise's ability to compete depends largely on a continuous commitment to research and development and the ability to rapidly introduce new applications, technologies, features and functionality. Urbanise's research and development team is responsible for the design, development and testing of solutions and applications. Customer feedback is used to focus development on new solutions, applications and core technologies and further enhance the usability, functionality, reliability, performance and flexibility of existing solutions and applications. Over the past three years, Urbanise has invested approximately \$3,100,000 in research and development.

4.9. Intellectual property

Urbanise relies on a combination of trade secrets and copyrights, as well as contractual protections to establish and protect its intellectual property rights. Urbanise has recently commenced a strategic review of the protection of its technology and software. Urbanise's employees, consultants and third party contractors are all required to enter into confidentiality and proprietary rights agreements to control access to software, documentation and other proprietary information. While relying on intellectual property rights, as well as contractual protections to establish and protect proprietary rights, Urbanise believes that factors such as the technological and creative skills of personnel, creation of new features and functionality and frequent enhancements to applications are essential to

establishing and maintaining Urbanise's technology position as a provider of software solutions and applications to the Facility Management Industry.

5. Directors, Key Personnel, interests and benefits

5.1. Board of Directors

Urbanise's Board currently comprises five members, three Non-Executive Directors and two Executive Directors.

The Board considers an independent director to be a Non-Executive Director who is not a member of Urbanise's management and who is free of any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the independent exercise of that director's judgment. Urbanise considers Arlene Tansey, David Burlington and Russell Bate to be independent, giving the Board a majority of independent Directors.

Arlene May Tansey – Chair



Arlene is currently a Director of Adelaide Brighton Limited, Primary Health Care Limited, Infrastructure NSW, Lend Lease Investment Management Limited and the Australian Research Alliance for Children & Youth. She is a member of the advisory boards of Serco Asia Pacific (a part of Serco Group Pty Limited) and a Director of Hunter Phillip Japan Pty Limited. Before becoming a Non-Executive Director, Arlene worked in commercial and investment banking in Australia and in investment banking and law in the United States. She holds a Juris Doctor from the University of Southern California Law Centre and an MBA from New York University. She is a member of Chief Executive Women and a Fellow of the Australian Institute of Company Directors. Arlene is originally from New York and has lived and worked in the United States, South America and Europe. She has lived in Australia for the past 20 years and is an Australian citizen. Arlene will sit on the Audit and Risk Committee and the Remuneration and Nomination Committee.

Benjamin John Churchill – Chief Executive Officer



After more than a decade with FTSE 250 construction and services company Carillion PLC, Ben was appointed Managing Director of Emrill Services LLC in 2010. As one of the largest integrated facilities management company in the United Arab Emirates, Ben's portfolio of clients included Emaar, Festival City, Masdar City, Etihad Airways, World Trade Centre Abu Dhabi, Anantara and two of the world's tallest and most prestigious residential towers - Torch Tower and Princess Tower. Under Ben's leadership, Emrill experienced a 60% growth in revenue and 400% increase in profit, as well as a significant increase in market share. This success was recognised in 2013 with Emrill named Middle East FM Company of the Year, and Ben receiving the European CEO of the Year Award for his

visionary leadership in facilities management. Ben joined Urbanise as CEO in late 2013 to continue his goal of transforming the facility management industry through the adoption of new and innovative technology practices.

Robert Gordon Cumming – Chief Commercial Officer



With more than 14 years experience in technology design and productisation, strategic business consulting and developing next generation business models for the building industry, Rob began his career as a founding member of Sausage Software - the first Internet company to list on the ASX. At Sausage, Rob led R&D efforts around the HotDog web-authoring tool and development of the first commercial product to process online credit card transactions. Following the company's acquisition in 2001, Rob formed specialist technology development business Myretsu in conjunction with other Sausage founders and created Urbanise. Rob has since led a team that has designed and developed advanced technology solutions for a range of industry sectors. In 2009, Rob relocated to Dubai to set up Urbanise Middle East, and work in partnership with Cisco Systems, Inc. on Smart City initiatives in the GCC region. As Chief Commercial Officer of Urbanise, Rob leads strategic customer engagements and commercial activities.

Russell William Bate OAM – Non-Executive Director



With more than 35 years in the IT industry, Russell has held senior management positions in both hardware and software companies, retiring from full-time employment in 2002 as Vice-President Product Sales Operations – Asia Pacific for the US multi-national Sun Microsystems. In that role, he was responsible for direct sales operations in Sun's Asia Pacific region, an area that included the ASEAN countries, Australasia, China, the Indian subcontinent, Japan and Korea. Russell joined Sun in 1992 and was appointed Australasian Managing Director in 1994. He managed the Australasian operation through five years of record growth. In 2000, Russell was awarded Sun's prestigious Leadership Award and was elected to Sun's Leadership Council. In that same year, he was promoted to the position of Vice-President – Product Sales Operations for Asia Pacific and became the first Australian to be made a Vice President at Sun. Since his retirement, Russell has retained a close association with the IT industry. He is a former board member and past Chair of Musica Viva Australia, Australian Distributed Incubator, CR-X Pty. Ltd. and Field and Game Australia, and was a board member of the Australian Broadcasting Corporation from 1995 to 2000. Russell was awarded the OAM in 2012. Russell will Chair the Audit and Risk Committee and sit on the Remuneration and Nomination Committee.

David Bruce Burlington – Non-Executive Director



Currently a Partner at Armanino, David is responsible for leading the Financial Cloud Solutions Practice. Armanino is a leader in providing world class financial solutions and services to its clients. As Chief Operating Officer of Epocrates from 2010 to 2012, David was responsible for the day-to-day operations of the company's market leading mobile content and collaboration tools that allow physicians to provide better patient care. Prior to this, David's role as Group Vice-President, Products and Technology at Taleo Inc. had him leading the company's transformation from a single product recruiting business to the market leading talent management suite of solutions. Before joining Taleo in 2005, David was Senior Vice-President of Product Development at Comerger Technologies Inc. where he managed the overall product development of the company's suite of products – including product strategy, product management, engineering and customer support. David has also served as Managing Director of PeopleSoft Inc., and held positions at Gap Inc. and Anderson Consulting. David will Chair the Remuneration and Nomination Committee and sit on the Audit and Risk Committee.

Key Personnel

Julian Boot – Chief Technology Officer

Julian has worked across the full software lifecycle, starting his career in applied research and development at the Distributed Systems Technology Centre. Initially focussed on message oriented middleware and network protocol design, Julian then joined ThoughtWorks, where he was responsible for agile and lean software transformations, as well as establishing the company's new product division - ThoughtWorks Studios. As Chief Technology Officer, Julian has driven product development of the Urbanise Platform and is responsible for product strategy, software development and testing practices.

Adam Bate – Head of Development

Adam has more than 17 years experience in technology development and architecture and has worked at both Sausage Software and specialist technology development business Majitek, where he was responsible for the delivery of multi-million-dollar projects for the insurance and telecommunications sectors. As Head of Development, Adam is responsible for technology delivery of the Urbanise building services delivery platform.

Management

Steven Stamboultgis - Chief Financial Officer and Company Secretary

Having worked with companies including Foster's Brewing Group, Pauls Milk and Parmalat Australia, Steven has more than 25 years finance experience. As Chief Financial Officer at Praemium Limited, Steven was responsible for the company's financial reporting requirements and was a member of the team that helped the company list on the ASX. Steven holds a bachelor's degree in accounting, a master's degree in commercial law (tax) and is a certified practicing accountant.

Mark Vujevic - Customer Development Director – Middle East

Based in the United Arab Emirates for the past five years, Mark has held senior positions with Accenture, IBM and Third Horizon and has extensive international experience in strategic planning,

risk management and business transformation in the real estate, infrastructure, hospitality and retail sectors. Prior to joining Urbanise, Mark was Managing Director of YarraBridge Consulting Partners. At Urbanise, Mark is responsible for leading the Middle East regional team.

Graham Salters - Customer Development Director – United Kingdom/Europe

With more than 20 years experience in operations strategy and implementation, Graham has delivered large-scale multi-site deployments involving end-to-end process transformation, outsourcing/offshoring and organisational change programs. Graham has also led global and regional transformational programs for Schiphol Airport Group, Reuters and Volvo. At Urbanise, Graham is responsible for leading the European regional team.

Alastair MacCracken - Customer Development Director – South East Asia

With significant experience in both residential and resort development, Alastair has led the growth of integrated real estate consultancy PRDnationwide in the Middle East since 2009. Alastair established subsidiary company NOVUS Community Management, which has grown to become the largest independent strata property manager in the Middle East. At Urbanise, Alastair is responsible for leading the South East Asian regional team.

Ashley Austin - Customer Development Director – Australia

With significant international experience in establishing and developing businesses in the Middle East, United Kingdom and Australian markets, Ashley was central in establishing the Australian Business Group of Oman, where he remains on the Executive Committee to assist and promote Australian companies in the Sultanate. At Urbanise, Ashley is responsible for leading the Australian regional team.

Justin Tisbury - Solutions Engineer and Head of Devices

Justin has over 15 years solutions development and consultancy experience delivering large-scale projects across multiple industries including the Facility Management sector. Having successfully implemented solutions for Ford Motor Company and the Bank of England, Justin joined Urbanise in 2014. As Solutions Engineer and Head of Devices, Justin is responsible for leading the technical aspects of the Urbanise's device strategy.

5.2. Interests and benefits

(a) Remuneration and interests of Directors and Key Personnel

Under the Constitution of Urbanise, the Directors (other than any managing director or a Director who is a salaried officer) may be paid such remuneration determined from time to time by Urbanise at a general meeting. The current aggregate remuneration must not exceed \$250,000. The Directors may divide the remuneration among themselves in any proportion they determine (see table below).

The remuneration payable by Urbanise to the Directors must not be increased without the prior approval of Shareholders at a general meeting.

The Directors may be reimbursed for all travelling and other expenses they incur in attending Directors' meetings, any committee of the Directors or any general meetings of Urbanise or otherwise in connection with Urbanise's business. A Director may also be paid such special or additional remuneration as the Directors decide, if the Director performs extra services or makes any special exertions for the benefit of Urbanise.

The remuneration of the Directors and Key Personnel are set out below.

| Name | Remuneration | Retirement |
|---------------------------------|---------------------|-------------------------------------|
| <i>Executive Directors</i> | | |
| Benjamin John Churchill (CEO) | US\$280,000 | Terminal gratuity payment (see (b)) |
| Robert Gordon Cumming (CCO) | US\$240,000 | Terminal gratuity payment (see (b)) |
| <i>Non-Executive Directors</i> | | |
| Arlene Tansey (Chair) | \$24,000 | Nil |
| Russell William Bate | Nil | Nil |
| David Bruce Burlington | Nil | Nil |
| <i>Key Personnel</i> | | |
| Julian Boot (CTO) | \$180,000 | Nil |
| Adam Bate (Head of Development) | \$160,680 | Nil |

(b) Employment arrangements with executive Directors

There is a contracting agreement in place for:

- (i) Benjamin Churchill, under which he acts as Chief Executive Officer of Urbanise
- (ii) Robert Cumming, under which he acts as Director, Sales and Marketing of Urbanise.

Both contracts remain in force unless terminated by either party giving, in the case of Robert Cumming, two months notice or in the case of Benjamin Churchill, three months notice.

Robert Cumming's contract commenced on 1 March 2009. Benjamin Churchill's contract commenced on 1 January 2014.

Both Robert Cumming and Benjamin Churchill are located in the City of Dubai, United Arab Emirates, and their contracts are governed by Dubai law. It is a requirement of Dubai law that employees are entitled, on final termination of their employment, to receive a terminal gratuity. The gratuity is calculated on basic contract value and is paid provided that the employee has served the qualifying period entitling them to such benefit. The gratuity is calculated as 21 days wages for each year in the first five years and 30 days wages for each additional year on condition that the total of the gratuity does not exceed the wages of two years.

Urbanise will seek Shareholder approval as and if required by the Listing Rules and/or the Corporations Act for the payment of termination payments.

(c) Employment arrangements with Non-Executive Directors

Arlene Tansey, Russell Bate and David Burlington have entered into letters of appointment with Urbanise, each with no fixed term. Arlene Tansey, Russell Bate and David Burlington are entitled to receive Options pursuant to the Option Plan summarised in Section 10.3, however all of David Burlington's Options vest on the occurrence of the IPO.

Each Director is subject to re-election on retirement at any annual general meeting of Urbanise at which they are required to retire by rotation.

(d) Employment arrangements with Key Personnel

Julian Boot and Adam Bate have entered into letters of appointment with Urbanise. Adam Bate has been employed by Urbanise since 3 November 2001. Julian Boot has been employed by Urbanise since December 2007. Neither contract is for a fixed term and both contracts remain in force unless terminated by either party giving four weeks' notice.

(e) Directors/Key Personnel interest in Shares and Options

The table below sets out the Shares and Options currently held by the Directors and Key Personnel and the percentage of Shares they will hold after completion of the Offer on both a non diluted and fully diluted basis.

Mantan Superannuation Fund (ABN 78 235 059 545), an associate of Arlene Tansey, will participate in the Offer and may acquire up to 400,000 Shares. No other Directors or Key Personnel will participate in the Offer.

| Name | Shares currently held | Percentage of Shares after the Offer (non diluted) | Options currently held | Percentage of Shares after the Offer (fully diluted) |
|---------------------------------|------------------------------|---|-------------------------------|---|
| <i>Executive Director</i> | | | | |
| Benjamin John Churchill (CEO) | 1,301,550 | 0.60 | 6,000,000 | 2.8 |
| Robert Gordon Cumming (CCO) | 5,769,453 | 2.66 | 17,300,000 | 8.8 |
| <i>Non-Executive Director</i> | | | | |
| Arlene May Tansey (Chair) | 15,680 | 0.19 | 800,000 | 0.56 |
| Russell William Bate | 500,969 | 0.23 | 2,000,000 | 0.9 |
| David Bruce Burlington | 33,319 | 0.02 | 1,700,000 | 0.7 |
| <i>Key Personnel</i> | | | | |
| Julian Boot (CTO) | 372,718 | 0.17 | 3,200,000 | 1.4 |
| Adam Bate (Head of Development) | 352,918 | 0.16 | 2,700,000 | 1.2 |

(f) Related party transactions

The Directors are entitled to receive the following benefits:

- (i) the Directors have the right to receive the fees and benefits set out in Section (a)
- (ii) Urbanise has agreed to provide an indemnity to the Directors in limited circumstances. See Section (g) for details.

Except as set out in this Prospectus there are no interests that exist at the date of this Prospectus and there were no interests that existed within two years before the date of this Prospectus that are or were, interests of a Director in the promotion of Urbanise or in any property proposed to be acquired by Urbanise in connection with its formation or promotion.

Further, except as set out in this Prospectus, there have been no amounts paid or agreed to be paid to a Director in cash or securities or otherwise by any persons either to induce him or her to become or qualify him or her as a Director or otherwise for services rendered by him or her in connection with the promotion or formation of Urbanise.

(g) Director Protection Deeds

Urbanise has agreed to provide access to board papers and minutes to current and former Directors of the Company while they are Directors and for a period of seven years from when they cease to be Directors.

Urbanise has agreed to indemnify, to the extent permitted by the Corporations Act, each Director in respect of certain liabilities, which the Director may incur as a result of, or by reason of (whether solely or in part), being or acting as a Director of the Company. The Company has also agreed to maintain in favour of each Director a directors' and officers' policy of insurance for the period that he or she is a Director and for a period of seven years after the officer ceases to be a Director.

5.3. Corporate Governance

The Board has created a framework for managing Urbanise including adopting relevant internal controls, risk management processes and corporate governance policies and practices that it believes are appropriate for the business and which are designed to promote the responsible management and conduct of Urbanise. The main policies and practices adopted by Urbanise, which will take effect from listing on ASX, have been lodged with ASIC and are incorporated by reference in the Prospectus. Copies of all documents incorporated by reference can be obtained, upon request and free of charge during the Offer Period, from the registered office of Urbanise as described in the Corporate Directory of this Prospectus. They are also available on Urbanise's website.

The ASX Corporate Governance Council has developed and released corporate governance recommendations for Australian listed entities in order to promote investor confidence and to assist companies to meet stakeholder expectations. While the recommendations are guidelines only, Urbanise must provide a statement in its annual report disclosing the extent to which it has followed the recommendations in the reporting period. Where Urbanise does not follow a recommendation, it must identify the recommendation that has not been followed and give reasons for not following it. The Board has adopted corporate governance policies and practices, which are in accordance with the ASX Corporate Governance Principles and Recommendations.

A summary of Urbanise's corporate governance policies and committees is set out below.

(i) Board Policy

The Board Policy provides a framework for the effective operation of the Board and management.

The Board may from time to time establish appropriate committees to assist in the discharge of its responsibilities. The Board has established the Audit and Risk Committee and the Remuneration and Nomination Committee. Other committees may be established by the Board as and when required. Membership of Board committees will be based on the needs of Urbanise, relevant legislative and other requirements and the skills and experience of individual Directors.

Under the Board's Policy, Board committee performance evaluations will occur regularly.

Audit and Risk Committee

This committee must have at least three members, a majority of whom must be independent and a majority whom must be Non-Executive Directors. Currently, Arlene Tansey and David Burlington are members of this committee. Russell Bate will act as Chair of the committee.

Remuneration and Nomination Committee

This committee must have a majority of independent Directors (including the Chair). Currently, Arlene Tansey and Russell Bate are members of this committee. David Burlington will act as Chair of the committee.

(ii) Diversity Policy

Urbanise values a strong and diverse workforce and is committed to developing measurable objectives to achieve diversity in its workplace. Urbanise has a diversity policy which aligns Urbanise's management systems with the commitment to develop a culture and business model that values and aims to achieve diversity in its workforce.

(iii) Continuous Disclosure Policy

Urbanise will be required to comply with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act. Subject to the exceptions contained in the Listing Rules, Urbanise will be required to disclose to the ASX any information concerning Urbanise which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the Shares. Urbanise has adopted a policy to take effect from listing on the ASX which establishes procedures which are aimed at ensuring that Directors and management fulfil their obligations in relation to the timely disclosure of material price sensitive information.

(iv) Code of Conduct

The Board recognises the need to observe the highest standards of corporate practice and business conduct. Accordingly, the Board has adopted a formal code of conduct, to take effect from listing on the ASX, to be followed by all employees and officers.

The code of conduct sets out Urbanise's policies on various matters including ethical conduct, business conduct, compliance, privacy, security of information, financial integrity, and conflicts of interest.

(v) Share Trading Policy

Urbanise has adopted a written policy to take effect from listing on the ASX for dealing in Shares, which is intended to explain the prohibited type of conduct in relation to dealings in Shares under the Corporations Act and to establish a best practice procedure in relation to Directors', management's and employees' dealings in Shares. Subject to the overriding restriction that persons may not deal in Shares while they are in possession of material price sensitive information, Directors and management will only be permitted to deal in Shares during certain 'window periods', such as following the annual general meeting, the release of Urbanise's full and half year financial results, or the release of a disclosure document offering Shares. Outside these periods, Directors and management must receive clearance for any

proposed dealing. In all instances, buying or selling Shares is not permitted at any time by any person who possesses price-sensitive information.

(vi) Insider Trading Policy

Urbanise has established the Insider Trading Policy in an effort to prevent the incidence of insider trading in Shares. This Insider Trading Policy provides a general summary of the law in Australia in relation to insider trading, and as such operates in addition to the legal requirements. It is the personal responsibility of each Director, Executive and employee to comply with this Insider Trading Policy.

6. Financial information

6.1. Introduction

The financial information for Urbanise contained in this Section 6 includes:

Statutory historical financial information for Urbanise being the:

- statutory historical consolidated statement of comprehensive income for FY2011, FY2012, FY2013, and FY2014 (**Historical Results**)
- statutory historical consolidated statement of cash flows for FY2011, FY2012, FY2013, and FY2014 (**Historical Cash Flows**)
- statutory historical consolidated statement of financial position as at 30 June 2014 (**Historical Balance Sheet**)

(the **Historical Financial Information**).

Pro forma historical financial information for Urbanise being the pro forma historical consolidated statement of financial position as at 30 June 2014 (**Pro Forma Historical Balance Sheet**) (the **Pro Forma Historical Financial Information**).

Forecast financial information for Urbanise being the forecast consolidated statement of comprehensive income for FY2015 (**Forecast Results**) (the **Forecast Financial Information**).

The Historical Financial Information, Pro Forma Historical Financial Information and Forecast Financial Information together form the **Financial Information**.

Also summarised in this Section 6 are:

- the basis of preparation and presentation of the Financial Information (see Section 6.3)
- the Company's best estimate general and specific assumptions underlying the Forecast Financial Information (see Sections 6.5 and 6.6) and key sensitivities in respect of the Forecast Financial Information (see Section 6.15)
- Urbanise's proposed dividend policy (see Section 6.16).

All amounts disclosed in the tables in this Section 6 are presented in Australian dollars and, unless otherwise noted, are rounded to the nearest \$1,000.

6.2. Overview

Under the terms of the Offer, Urbanise is offering to issue 40,000,000 Shares to raise \$20,000,000. See Section 1 for further details of the Offer.

The Historical Financial Information has been prepared and presented in accordance with the recognition and measurement principles of Australian Accounting Standards issued by the Australian Accounting Standards Board, which are consistent with International Financial Reporting Standards (**IFRS**) and interpretations issued by the International Accounting Standards Board (**IASB**).

The Prospectus includes Forecast Financial Information based on the best estimate assumptions of the Company. The Forecast Financial Information presented in this Prospectus is unaudited. The basis of preparation and presentation of the Forecast Financial Information, to the extent applicable, is consistent with the basis of preparation and presentation for the Historical Financial Information unless otherwise noted.

The Financial Information is presented in an abbreviated form insofar as it does not include all the presentation and disclosures required by Australian Accounting Standards and other mandatory

professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

Urbanise's key accounting policies have been consistently applied throughout the periods presented and are set out in Section 6.17.

The information in this Section 6 should be read in conjunction with the risk factors set out in Section 8 and other information contained in this Prospectus.

6.3. Preparation of Historical and Pro Forma Historical Financial Information

The Historical Financial Information has been extracted from Urbanise's audited consolidated financial statements for FY2011, FY2012, FY2013 and FY2014.

The FY2011, FY2012, FY2013 and FY2014 statutory financial statements of Urbanise were audited by its' external auditor, Pitcher Partners, which issued unqualified audit opinion.

The Historical Financial Information is summarised in Tables 1 and 2 in Section 6.8 and Tables 3 and 4 in Section 6.9.

The Pro Forma Historical Financial Information has been prepared for the purposes of inclusion in this Prospectus. It has been derived from the Historical Financial Information, with pro forma adjustments being made to reflect Urbanise's capital structure that will be in place following completion of the Offer.

The Historical and Pro Forma Historical Financial Information included in this Prospectus has been reviewed by Pitcher Partners Corporate but has not been audited. Investors should note the scope and limitations of the Investigating Accountant's Report (see Section 7). See Section 6.8 for a reconciliation between the Historical Balance Sheet and Pro Forma Historical Balance Sheet.

Investors should note that past results are not a guarantee of future performance.

6.4. Preparation of Forecast Financial Information

The Forecast Financial Information has been prepared solely for inclusion in this Prospectus.

The Forecast Financial Information has been prepared by the Company based on an assessment of current economic and operating conditions and best estimate assumptions regarding future events and actions as set out in Sections 6.5 and 6.6.

The Forecast Financial Information is subject to the risks set out in Section 8. The inclusion of these assumptions and these risks is intended to assist investors in assessing the reasonableness and likelihood of the assumptions occurring, and is not intended to be a representation that the assumptions will occur. The Forecast Financial Information presented in this Prospectus has been reviewed by Pitcher Partners Corporate but has not been audited. Investors should note the scope and limitations of the Investigating Accountant's Report (see Section 7).

Urbanise believes the best estimate assumptions, when taken as a whole, to be reasonable at the time of preparing this Prospectus. However, this information is not fact and investors are cautioned not to place undue reliance on the Forecast Financial Information. Investors should be aware that the timing of actual events and the magnitude of their impact might differ from that assumed in preparing the Forecast Financial Information, and that this may have a material positive or material negative effect on Urbanise's actual financial performance or financial position. In addition, the assumptions upon which the Forecast Financial Information is based are by their very nature subject to significant uncertainties and contingencies, many of which will be outside the control of Urbanise, the Directors and management, and are not reliably predictable. Accordingly, Urbanise, the Directors, nor any other person can give investors any assurance that the outcomes discussed in the Forecast Financial Information will arise.

The Forecast Financial Information should be read in conjunction with the general assumptions in Section 6.5, the specific assumptions in Section 6.6, the sensitivity analysis in Section 6.15, the risk factors in Section 8 and other information in this Prospectus.

Urbanise has no intention to update or revise the Forecast Financial Information or other forward looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

6.5. General assumptions

In preparing the Forecast Financial Information, the following general assumptions relating to the forecast period have been adopted by the Company:

- no material change in the competitive operating environment in which Urbanise operates
- no significant deviation from current market expectations of global or local economic conditions relevant to the Facility Management Industry in geographic locations that Urbanise's current, or prospective, customers operate
- no material changes in Commonwealth, State or local government legislation, tax legislation, regulatory legislation, regulatory requirements or government policy that will have a material impact on the financial performance or cash flows, financial position, accounting policies, financial reporting or disclosure of Urbanise during the forecast period
- no material changes in applicable Australian Accounting Standards or other mandatory professional reporting requirements or the Corporations Act, which have a material effect on Urbanise's financial performance, financial position, accounting policies, financial reporting or disclosure during the forecast period
- no material loss of material contracts or customers
- no material cash flow or income statement or financial position impact in relation to contingent liabilities or legal claims will arise or be settled to the detriment of Urbanise
- retention of key personnel and Urbanise maintains its ability to recruit and retain the personnel required to support future growth
- no material restructuring, disruption to the continuity of Urbanise's operations or other material changes in its business
- no material acquisitions, or divestments, other than as set out in, or contemplated by, this Prospectus
- no material changes to Urbanise's operating model or capital structure other than as set out in, or contemplated by, this Prospectus
- no material amendment to any material agreement or arrangement relating to Urbanise's businesses
- none of the key risks set out in Section 8 occur, or if they do, none of them has a material adverse impact on the operations of Urbanise
- the Offer proceeds are received in accordance with the timetable and terms detailed in Section 1 of the Prospectus and are underwritten.

6.6. Specific assumptions

Revenue

As outlined below, forecast revenue, and the associated cost of sales, are based on licence fees and professional service fees estimated to be earned from current customers that have already entered into contractual agreements with the Company (being hosted services agreements, Regional Operator Licence agreements, or consulting services agreements) as at 25 July 2014. Both Urbanise and its current customers are required to perform various obligations under their contractual arrangements,

and importantly utilise certain products and services of Urbanise, meaning that actual results may differ from the forecast.

Revenue is forecast to grow by 88%, from \$5.2 million in FY2014 to \$9.8 million in FY2015 as a result of:

- licence fees from current customers (defined below) growing from \$4.2 million in FY2014 to \$5.6 million in FY2015
- professional service fees from current customers remaining stable at \$0.4 million in FY2014 and \$0.4 million in FY2015
- licence fees from prospective customers of \$2.8 million in FY2015
- professional service fees from prospective customers of \$0.2 million in FY2015.

Urbanise considers a customer to be a current customer if they have entered into a hosted services agreement, regional operator's licence agreement, or consulting services agreement as at 25 July 2014. The majority of Urbanise's customers have become customers within the past 12 month period and the roll-out and usage of the Urbanise Platform is only just beginning (where current penetration is compared to Urbanise's customers addressable market, providing it with a growth opportunity with current customers).

Gross profit

Gross profit is forecast to grow 85%, from \$5.1 million in FY2014 to \$9.4 million in FY2015, while gross profit margin is forecast to decline from 98% to 96.3% over the same period.

Operating expenses

Total operating expenses are forecast to grow 128%, from \$2.2 million in FY2014 to \$5 million in FY2015, reflecting new employees and occupancy costs associated with the opening of new offices planned during the year to increase Urbanise's sales, marketing and global customer support functions.

EBITDA and EBIT

EBITDA is forecast to grow 57%, from \$2.8 million in FY2014 to \$4.4 million in FY2015. EBIT is forecast to grow 42%, from \$2.4 million in FY2014 to \$3.4 million in FY2015.

Change in working capital

In FY2015, working capital is forecast to be relatively flat.

Capital expenditure

Capital expenditure in FY2015 is forecast to be driven by incremental costs associated with opening new offices such as purchasing computers, printers and mobile phones for new employees. These costs are forecast at \$0.1 million in FY2015.

Capitalised intangible assets

Urbanise intends to continue developing new features for its Platform in FY2015 and forecasts spending an amount of \$0.7 million during the year.

Foreign exchange rates

Urbanise receives the majority of its revenue in USD. For the purpose of the FY2015 Forecast, Urbanise has assumed an exchange rate of \$1 = US\$0.935.

6.7. Explanation of certain non-IFRS financial measures

Urbanise uses certain measures to manage and report on its business that are not recognised under Australian Accounting Standards. These are known as non-IFRS financial measures and the principal ones used in this Prospectus are as follows:

- EBITDA is earnings before interest, taxation, depreciation and amortisation
- EBIT is earnings before interest and taxation.

These measures are reconciled to NPAT in Table 1.

Although the Company believes that these measures provide useful information about the financial performance of Urbanise, they should be considered as supplements to the income statement and cash flow measures that have been presented in accordance with the Australian Accounting Standards and not as a replacement for them. Because these non-IFRS financial measures are not based on Australian Accounting Standards, they do not have standard definitions, and the way Urbanise calculated these measures may differ from similarly titled measures used by other companies. Investors should therefore not place undue reliance on these non-IFRS financial measures.

6.8. Historical and Forecast Results

Set out in the table below are the Historical and Forecast Results for Urbanise. This information should be read in conjunction with the information provided elsewhere in this Prospectus.

Table 1: Historical and Forecast Results

| A\$'000 (thousand) | Actual FY2011 | Actual FY2012 ⁽¹⁾ | Actual FY2013 ⁽²⁾ | Actual FY2014 ⁽³⁾ | Forecast FY2015 ⁽⁴⁾ |
|---------------------------|---------------|------------------------------|------------------------------|------------------------------|--------------------------------|
| Revenue | 1,478 | 2,873 | 1,704 | 5,180 | 9,754 |
| Cost of goods sold | 0 | 0 | (78) | (100) | (365) |
| Gross Profit | 1,478 | 2,873 | 1,626 | 5,080 | 9,389 |
| FX gains/ (losses) | 35 | 6 | (14) | (76) | 0 |
| Operating Expenses | (2,721) | (1,478) | (1,324) | (2,183) | (4,978) |
| EBITDA | (1,208) | 1,401 | 288 | 2,821 | 4,411 |
| Depreciation/Amortisation | (192) | (256) | (325) | (389) | (963) |
| EBIT | (1,400) | 1,145 | (37) | 2,432 | 3,448 |
| Interest Expense | (839) | (40) | (7) | (58) | 0 |
| Profit Before Tax | (2,239) | 1,105 | (44) | 2,374 | 3,448 |
| Income Tax | | 0 | 2,247 | (845) | (1,034) |
| Profit After Tax | (2,239) | 1,105 | 2,203 | 1,529 | 2,414 |

Notes:

- (1) FY2012 revenue included significant Regional Operator Licence fees of \$1.7 million.
- (2) FY2013 revenue included a research and development refund of \$0.8 million.
- (3) FY2014 revenue included significant Regional Operator Licence fees of \$3.8 million and a research and development refund of \$0.5 million.
- (4) The Forecast Financial information is based on assumptions as described in Section 6.4.

Table 2: Key operating metrics

| % | Actual FY2012 | Actual FY2013 | Actual FY2014 | Forecast FY2015 |
|-----------------------------------|---------------|---------------|---------------|-----------------|
| Revenue Growth % | 94 | (41) | 204 | 88 |
| Operating Expenses (% of Revenue) | 51 | 78 | 42 | 51 |
| EBITDA (% of Revenue) | 49 | 17 | 54 | 45 |
| EBIT (% of Revenue) | 40 | (2) | 47 | 35 |
| Profit After Tax Growth % | 149 | 99 | (31) | 58 |

6.9. Pro Forma Historical Balance Sheet

Table 3 sets out the adjustments that have been made to the audited Historical Balance Sheet as at 30 June 2014 to prepare the Pro Forma Historical Balance Sheet for Urbanise. These adjustments

reflect certain pro forma adjustments including the impact of the operating and capital structure that will be in place following completion of the Offer as if it had occurred or were in place as at 30 June 2014.

Table 3: Pro Forma Historical Consolidated Statement of Financial Position as at 30 June 2014

| A\$'000 (thousand) | Actual 30 June 2014⁽¹⁾ | Pro forma Adjustments⁽²⁾ | Pro forma 30 June 2014⁽³⁾ |
|----------------------------------|--|--|---|
| Current Assets: | | | |
| Cash and cash equivalents | 583 | 18,581 | 19,164 |
| Trade and other receivables | 3,194 | 72 | 3,266 |
| Other current assets | 124 | | 124 |
| Total current assets | 3,901 | 18,653 | 22,554 |
| Non-current assets: | | | |
| Plant and equipment | 33 | - | 33 |
| Intangibles | 8,613 | - | 8,613 |
| Deferred tax assets | 1,402 | 404 | 1,806 |
| Other non-current assets | | | |
| Total non-current assets | 10,048 | 404 | 10,452 |
| Total assets | 13,949 | 19,057 | 33,006 |
| Current liabilities: | | | |
| Trade and other payables | 1,608 | | 1,608 |
| Provisions | 242 | | 242 |
| Current tax liabilities | | | |
| Total current liabilities | 1,850 | | 1,850 |
| Non-current liabilities: | | | |
| Provisions | 162 | | 162 |
| Total non-current liabilities | 162 | | 162 |
| Total liabilities | 2,012 | | 2,012 |
| Net assets | 11,937 | 19,057 | 30,994 |
| Equity: | | | |
| Issued capital | 20,764 | 18,260 | 39,024 |
| Reserves | 226 | 797 | 1,023 |
| Retained earnings | (9,053) | - | (9,053) |
| Total equity | 11,937 | 19,057 | 30,994 |

Notes:

- (1) Column 1 represents the consolidated statement of financial position of Urbanise as at 30 June 2014.
- (2) Column 2 represents the pro forma adjustments required to reflect the conduct of the Offer as described in Section 10.7
- (3) Column 3 represents the pro forma consolidated statement of financial position of Urbanise after the conduct of the Offer and related transactions disclosed in the Prospectus.

Table 4: Equity Raising Impact on Share Capital and Reserves

| | \$'000 |
|---|---------------|
| 30 June 2014 Share Capital and Reserves | Value |
| Share Capital | 20,765 |
| Reserves | 226 |
| Total Share Capital and Reserves | 20,991 |
| IPO impact on Share Capital and Reserves | |
| Cash raised upon IPO | 20,000 |
| Underwriting fee | (1,045) |
| Other costs of IPO (see 10.7) | (374) |
| Tax effect on Other fees | 404 |
| GST claimable | 72 |
| Total IPO impact on Share Capital and Reserves | 19,057 |
| Proforma FY2014 Issued Capital and Reserves | 40,048 |

**Table 5: Reconciliation of Share Capital and Reserves from audited
30 June 2014 to Pro forma 30 June 2014**

| | \$'000 Value | Number |
|---|-----------------|--------------------|
| 30 June 2014 Share Capital and Reserves | | |
| Fully paid ordinary Share capital | 4,704 | 4,408,000 |
| B Class preference shares | 16,061 | 3,492,307 |
| Total Share Capital | 20,765 | 7,900,307 |
| July 2 2014 Part consideration for early conversion of B Class shares | | 771,740 |
| Share split on a 20:1 basis | | 173,440,940 |
| July 31 2014 Option amendment deed consideration | | 3,615,254 |
| Total Share Capital 30 July 2014 | 20,765 | 177,056,194 |
| IPO impact on Share Capital | | |
| Cash raised upon IPO | 20,000 | 40,000,000 |
| Underwriting fee | (1,045) | |
| Other costs of IPO (see 10.7) | (374) | |
| Tax effect on Other fees | 404 | |
| GST claimable on specific fees | 72 | |
| Underwriters options | (797) | |
| Proforma FY2014 Issued Capital | 39,025 | 217,056,194 |
| Reserves 30 June 2014 | 226 | 2,026,000 |
| Option split on a 20:1 basis | | 40,520,000 |
| Underwriting options | 797 | 5,426,405 |
| Advisory Board member options | | 400,000 |
| Total Reserves | 1,023 | 46,346,405 |
| Proforma FY2014 Issued Capital and Reserves (Fully Diluted) | 40,048 | 263,402,599 |

6.10. Pro forma adjustments to the Consolidated Statement of Financial Position

The pro forma adjustments made to the Historic Balance Sheet of Urbanise as at 30 June 2014 (being the most recently audited statement of financial position date) reflect the following events and assumptions:

- issued capital has been adjusted by \$20 million to reflect the gross proceeds from the Offer
- Offer costs are estimated at \$1.3 million
- issued capital has been adjusted by \$1.3 million, which is the capitalised amount of these costs. Associated with these costs however is a tax benefit of \$0.4 million which is recognised as a deferred tax asset.

6.11. Commentary on major items included in Consolidated Statement of Financial Position as at 30 June 2014 and management discussion and analysis of historical results

The key items included in the Consolidated Statement of Financial Position as at 30 June 2014 are:

- receivables due on ordinary commercial terms and substantially relate to funds receivable from recently signed customers. Other material receivables include \$520,960 for Urbanise's FY2014 research and development claim
- intangible assets comprise Urbanise's own developed intellectual property and the recent purchase by Urbanise of the Helix IP, Crowley IP and COINS IP
- Urbanise does not currently have, and will not on completion of the Offer have, any financing arrangements or financial indebtedness
- provisions comprise employee entitlements of \$404,512.

The Facility Management Industry is global, and Urbanise is structuring itself to address the global requirements of its customers. Since establishment, Urbanise has expanded its geographic reach to

include a start-up presence in the United Arab Emirates to service the Middle East, the United Kingdom, Europe and South East Asia.

In addition to sales and professional services personnel, Urbanise intends to hire personnel with local Facility Management Industry expertise, including business practices and operational requirements for each major market it enters.

For Urbanise's financial year ended 30 June 2014 revenues from outside Australia constituted approximately 88% of its total revenues. At present, all of Urbanise's revenues from international sales are invoiced from and collected by its Australian entity and recognised as a component of income before taxes in Australia as opposed to a foreign jurisdiction.

Urbanise's solutions are accessed through an Internet connection and a web browser, or using a proprietary application for mobile devices, such as an iPad. Urbanise offers its solutions as a subscription-based service, typically for a three year initial term, with subscription fees generally based upon the solutions selected and the number of users. Urbanise's customers generally pay quarterly in advance for the use of its solutions, and agreements typically automatically renew unless notice of cancellation is provided in advance. Revenues derived from regional operator licence fees are recognised in accordance with their terms, generally upfront, upon entering into the agreement. Revenues derived from subscription fees are recognised rateably over the term of the agreement, while revenues from professional services are generally recognised as the services are performed. Urbanise markets its solutions and services primarily through its global direct sales force.

As of 30 June 2014, Urbanise served approximately nine facility management customers, including the two largest facilities management companies in the UAE, one of the largest facilities management companies in the UK, and one of the largest facilities management companies in Malaysia. Most of these companies are relatively new customers of Urbanise.

Within Urbanise's customer base, deployments are mainly implementations within a single division or geography. Some of Urbanise's recent contracts will move it into regional, global or enterprise-wide deployments. Urbanise's rapid growth to date has been a function of both new customers and sales of additional user subscriptions and of additional solutions to its current customers.

Urbanise has started to invest in a professional services organisation in order to promote customer success and effective deployments. As new customers have adopted its solutions and existing customers have deployed the solutions in more divisions and geographies, Urbanise is experiencing stronger demand for its professional services. Revenues from professional services tend to be concentrated at the beginning of a customer deployment.

Urbanise believes that its focus on a single industry provides a number of benefits to its operating model. First, Urbanise's sales and marketing resources can be deployed more efficiently than at companies offering products and services to a broad range of industries, because its potential customer base is concentrated within the Facility Management Industry. Similarly, its research and development efforts can be more targeted and more relevant because Urbanise does not have to balance the product demands of one industry against another. Finally, Urbanise believes the benefits of customer success and resulting positive customer references are amplified for companies with an industry-specific focus. Urbanise believes these factors have contributed to its rapid growth and early profitability.

For Urbanise's financial years ended June 30, 2011, 2012, 2013 and 2014 its total revenues were \$1.5 million, \$2.9 million, \$1.7 million and \$5.2 million, respectively, representing year-over-year growth of more than 300% from 2013 to 2014.

Urbanise generated net income of (\$2.2 million), \$1.1 million, \$2.2 million and \$1.5 million for its financial years ended June 30, 2011, 2012, 2013 and 2014, respectively. The moderate decrease year-on-year for the most recent financial year primarily reflects Urbanise's increased expenditure related to additional sales and marketing resources to cover new customers and markets.

To date, Urbanise has funded its business primarily with proceeds of capital raising via the issue of share capital and cash flows from operations, and it plans to continue to invest in the development of its solutions, infrastructure and sales and marketing to drive long-term growth and customer success.

6.12. Key factors affecting Urbanise's performance

Investment in growth

Urbanise has commenced its investment and intends to continue to invest aggressively in expanding the breadth and depth of its Industry Cloud for Facility Management. Urbanise expects to invest in research and development to expand existing and build new solutions; sales and marketing to promote its solutions to new and existing customers and in existing and expanded geographies; professional services to ensure the success of its customers' implementations of Urbanise's solutions; and other operational and administrative functions to support its expected growth and transition to a public company. Urbanise anticipates that its headcount will increase as a result of these investments. Urbanise expects its total operating expenses to increase over time, and, in some cases, have short-term negative impacts on its net income margin.

Adoption of Urbanise's solutions by existing and new customers

Most of Urbanise's customers initially deploy solutions to a limited number of users within a division or geography and may only initially deploy a limited set of available solutions. Urbanise's future growth is dependent upon its existing customers' continued success with and renewals of subscriptions to its solutions, deployment of the solutions to additional users and the purchase of subscriptions to additional solutions. Urbanise's growth is also dependent on the adoption of its solutions by new customers.

Mix of subscription and professional services revenues

Urbanise believes its modest investments in professional services have driven customer success and facilitated the further adoption of the solutions by customers. During the initial period of deployment by a customer, Urbanise generally provides a greater amount of configuration, implementation and training than later in the deployment. At the same time, many of its customers have historically purchased subscriptions for only a limited set of their total potential users during their initial deployments. As a result of these factors, the proportion of total revenues for a customer associated with professional services may be relatively high during the initial deployment period. Over time, as the need for professional services associated with user deployments decreases and the number of users often increases, Urbanise expects the mix of total revenues to shift more toward licence fee revenues. Urbanise's historical mix of revenues reflects a time of strong customer adoption when customers were in earlier stages of their deployments. As a result, Urbanise expects the proportion of the total revenues from licence fees to increase over time.

Financial year

Urbanise's financial year ends on June 30. References to financial 2014, for example, refer to its financial year ended June 30 2014.

6.13. Components of results of operations

Revenues

Urbanise derives its revenues primarily from subscription fees and professional services fees. Licence fee revenues consist of fees from customers accessing the Industry Cloud solutions. Professional services revenues consist primarily of fees from implementation services, configuration, training and managed services. For the financial year ended June 30 2014, licence fee revenues constituted approximately 80% of total revenues and professional services and other revenues constituted approximately 7% of total revenues.

Urbanise enters into hosted service agreements (HSA) with its customers and count each HSA that has not been terminated or expired as a distinct customer for purposes of determining the total number of current customers. Urbanise generally enters into a single master HSA with each customer, although in some instances, affiliated legal entities within the same corporate family may enter into a separate master subscription agreement. Divisions, subsidiaries and operating units of its customers often place distinct orders for the licence fee under the same HSA, and Urbanise does not count such distinct orders as new customers for the purposes of determining the total customer count.

Licence fee revenues are recognised rateably over the order term, beginning when the solution has been provisioned to the customer. Urbanise's HSAs are generally non-cancellable, although customers typically have the right to terminate their agreements for cause in the event of material breach. Licence fee revenues are affected primarily by the number of customers, the number of users, or buildings, and each customer that uses Urbanise's solutions and the number of solutions subscribed to by each customer.

Urbanise enters into separate professional services agreements with its customers. The professional services engagements are primarily billed on a time and materials basis and revenues are typically recognised as the services are rendered. Professional services revenues are affected primarily by Urbanise's customers' demands for implementation services, configuration, training and managed services in connection with Urbanise's Industry Cloud solutions.

Cost of goods sold and other costs in earning revenues

Cost of goods sold per the Historical and Forecast Results relate to contracted rebates paid to certain customers. Other costs incurred in earning revenues include cost of licence fee revenues primarily consists of fees paid to Amazon for Urbanise's use of the Amazon Web Services platform for hosting the software platform, which includes hosting infrastructure and data centre operations provided by Amazon, other third-party expenses related to data centre capacity, hosting the licence fee and providing support, the costs of data centre capacity, operating lease expenses associated with computer equipment and software and allocated overhead and amortisation expenses associated with capitalised internal-use software related to the licence fee. Urbanise intends to continue to invest additional resources in Urbanise's license fee. For example, Urbanise may add additional data centre locations, expand its current data centre usage in the future and continue to make investments in the availability and security of its solutions. The timing of when Urbanise incurs these additional expenses will affect its cost of revenues in absolute dollars in the affected periods.

Cost of professional services and other revenues consists primarily of employee-related costs associated with these services, including salaries, benefits and stock-based compensation expenses, the cost of subcontractors, travel costs and allocated overheads. The cost of providing professional services is significantly higher as a percentage of the related revenues than for Urbanise's licence fee due to the direct labour costs and costs of subcontractors.

Research and development

Urbanise capitalises most of its research and development expenses which consist primarily of employee expenses. Urbanise continues to focus research and development efforts on adding new features and applications, increasing the functionality and enhancing the ease of use of its cloud-based applications.

Sales and marketing

Sales and marketing expenses consist primarily of employee-related expenses, sales commissions, customer-focused events and travel-related expenses. Sales commissions and other incremental costs to acquire contracts are expensed as incurred.

General and administrative

General and administrative expenses consist of employee-related expenses for finance and accounting, legal, human resources and management information systems personnel, legal costs, professional fees and other corporate expenses.

Other income (expense), net

Other income (expense), net consists primarily of transaction gains or losses on foreign currency.

Provision for income taxes

Provision for income taxes consists of federal income taxes in Australia.

Asset backing

Based on the Pro forma Consolidated Statement of Financial Position in Section 6.8.

Urbanise's pro forma net tangible asset backing per Share will be 8.50 cents on completion of the Offer and related transactions as disclosed in this Prospectus.

6.14. Consolidated Statements of Cash Flow

Set out in the table below are the summarised historical consolidated statements of cash flows for Urbanise for FY2011, FY2012, FY2013 and FY2014. This information should be read in conjunction with information provided elsewhere in the Prospectus.

Table 6: Consolidated Statements of Cash Flow

| A\$'000 (thousand) | Actual FY2011 | Actual FY2012 | Actual FY2013 | Actual FY2014 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| Profit from ordinary activities after tax | (2,240) | 1,105 | 2,203 | 1,529 |
| Depreciation/amortisation | 192 | 256 | 325 | 389 |
| Non-cash equity movements | (2) | 101 | 93 | 219 |
| Other movements | 948 | 53 | 46 | 29 |
| Cash flow before financing and tax | (1,102) | 1,515 | 2,667 | 2,166 |
| Changes in assets and liabilities | | | | |
| (Increase)/decrease in receivables | (120) | (708) | 227 | (2,239) |
| (Increase)/decrease in other assets | 5 | 35 | 2 | 847 |
| (Increase)/decrease in payables and provisions | 178 | (214) | (2,445) | (81) |
| Taxation paid | 0 | 0 | 0 | 0 |
| Net cash flow | (1,039) | 628 | 451 | 693 |

6.15. Sensitivity analysis

The Forecast Financial Information included in Section 6.8 is based on a number of estimates and assumptions as described in Sections 6.5 and 6.6. These estimates and assumptions are subject to business, economic and competitive uncertainties and contingencies, many of which are beyond the control of Urbanise, the Directors and management. These estimates are also based on assumptions with respect to future business decisions, which are subject to change.

Set out below in Table 7 is a summary of the sensitivity of the Pro Forma Forecast Results to changes in a number of key assumptions. The changes in the key assumptions set out in the sensitivity analysis are intended to provide a guide only and are not intended to be indicative of the complete range of variations that may be experienced. Variations in actual performance could exceed the ranges shown. For the purposes of this analysis, each sensitivity is presented in terms of the impact of each on FY2015 pro forma forecast NPAT of \$2.4 million and is set out below.

Table 7: NPAT sensitivity to key factors of Urbanise's operations

| Key assumption category | Type of variation | Potential impact on FY2015 EBIT \$000s |
|--------------------------------|--------------------------|---|
| Revenue growth ⁽¹⁾ | 1% more / (less) | Increases / (reduces) by \$98 |
| Operating expenses | 1% more / (less) | Increases / (reduces) by \$50 |
| AUD/USD exchange rate | 1% more / (less) | Increases / (reduces) by \$116 |

Note:

- (1) The revenue growth rate reflects the forecast speed at which a customer will commence implementation and usage of the Urbanise Platform. If it is slower or faster than Urbanise have forecast, the positive or (negative) change to its revenue could be material.

In the event that one or more downside sensitivities were to occur, there are a number of actions which Urbanise could take to mitigate the impact on EBIT. These have not been reflected in the sensitivities in Table 7.

Table 8 demonstrates the potential impact on revenue that may arise from variations to the Key Best Estimate Assumptions (either positive or negative).

Table 8: Revenue sensitivity to key factors of Urbanise's operations

| Key assumption category | Type of variation | Potential impact on FY2015 Revenue \$000s |
|------------------------------------|----------------------------|--|
| Revenue growth rate ⁽¹⁾ | Each 30 days (more) / less | Increases / (reduces) by \$553 ⁽²⁾ |
| AUD/USD exchange rate | 1% more / (less) | Increases / (reduces) by \$98 |

Notes:

- (1) The revenue growth rate reflects the forecast speed at which a customer will commence implementation and usage of the Urbanise Platform. If it is slower or faster than Urbanise have forecast, the positive or (negative) change to Urbanise's revenue could be material.
- (2) Should revenue reduce by \$553,000 Urbanise's EBIT will also be impacted by the same amount.

Care should be taken in interpreting each sensitivity. The estimated impact of changes in each of the assumptions has been calculated in isolation from changes in other assumptions, in order to illustrate the likely impact on the Pro Forma Forecast Results. In practice, changes in assumptions may offset each other or be additive, and it is likely that management would respond to any adverse change in one item to seek to minimise the net effect on Urbanise's NPAT and cash flow.

6.16. Dividend policy

Urbanise has forecast no dividend payment for the forecast period. The Directors cannot and do not give any assurances as to the extent, timing, level of franking or payment of any dividends in any future period as all of the foregoing are dependent upon a number of factors including the level of future earnings, the amount of tax paid, the financial position of Urbanise, future operating conditions and future cash requirements to fund growth.

6.17. Key accounting policies and material accounting matters

Set out below are a number of significant accounting policies and other material accounting matters that have been used in the preparation of the financial information in Sections 6.8 and 6.14.

(a) Basis of preparation of the financial report

Historical cost convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

(b) Going concern

The financial report has been prepared on a going concern basis.

(c) Principles of consolidation

The consolidated financial statements are those of the consolidated entity (the group), comprising the financial statements of the parent entity and all of the entities the parent controls. The group controls an entity where it has the power, for which the parent has exposure or rights to variable returns from its involvement with the entity, and for which the parent has the ability to use its power over the entities to affect the amount of its returns.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist.

All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation. Subsidiaries are consolidated from the date on which control is transferred to the group and are derecognised from the date that control ceases.

Non-controlling interests in the result of subsidiaries are shown separately in the statement of comprehensive income and statement of financial position respectively.

(d) Revenue

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Revenue from the rendering of services is determined with reference to the stage of completion of the transaction at reporting date and where outcomes of the contract can be measured reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Interest revenue is recognised when it becomes receivable on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of GST.

(e) Income tax

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

A balance sheet approach is adopted under which deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are recovered or liabilities are settled. No deferred tax asset or liability is recognised in relation to temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognized directly in equity.

Tax consolidation

The parent entity and its wholly owned Australian subsidiary have implemented the tax consolidation legislation and have formed a tax-consolidated group from 1 July 2008. The parent entity and subsidiary in the tax-consolidated group have entered into a tax funding agreement such that each entity in the tax consolidated group recognises the assets, liabilities, expenses and revenues in relation to its own transactions, events and balances only. This means that:

- the parent entity recognises all current and deferred tax amounts relating to its own transactions, events and balances only
- the subsidiary recognise current or deferred tax amounts arising in respect of their own transactions, events and balances
- current tax liabilities and deferred tax assets arising in respect of tax losses, are transferred from the subsidiary to the head entity as inter-company payables or receivables.

(f) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original

maturity of three months or less held at call with financial institutions and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(g) Intangibles

The intangible assets are recognised at cost or fair value at the date of acquisition. The balances are reviewed annually and any balances representing probable future benefits that are no longer anticipated are written off.

Intellectual property

Intangible assets relate to Urbanise's intellectual property, including the intellectual property recently purchased from Helix CS, Crowley and COINS, initially recorded at cost, and is amortised over the period of the expected benefits (10 years).

Research and development

Expenditure during the research phase of a project is recognised as an expense when incurred. Product development costs are capitalised only when each of the following specific criteria has been satisfied:

- technical feasibility of completing development of the software for sale
- availability of adequate technical, financial and other resources to complete development of the software
- reliable measurement of expenditure attributable to the product during its development
- high probability of the software being used by current or new customers.

Capitalised development costs have a finite life and are amortised on a systematic basis over the period beginning in the year following capitalisation and cease at the earlier of the date that the asset is classified as held for sale or the date that the asset is derecognised. Costs capitalised include direct payroll and payroll related costs of employees' time spent on the software development projects.

The estimated useful life and total economic benefit for each asset are reviewed at least annually. During the year, the expected pattern of consumption of future economic benefits has been assessed and the carrying amount of the asset will be amortised based on a straight line basis over the remaining useful life of 10 years. Amortisation expense is included in 'Depreciation and amortisation expenses' of the Statement of Comprehensive Income.

(h) Impairment

Assets with an indefinite useful life are not amortised but are tested annually for impairment in accordance with AASB 136. Assets subject to annual depreciation or amortisation are reviewed for impairment whenever events or circumstances arise that indicate that the carrying amount of the asset may be impaired.

An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and value in use.

(i) Property, plant and equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and any accumulated impairment losses.

Plant and equipment

Plant and equipment is measured on a cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets is depreciated over their estimated useful lives commencing from the time the asset is held ready for use. Land and the land component of any class of fixed asset is not depreciated.

Class of fixed asset depreciation rates depreciation basis.

Plant and equipment at cost 2.5% - 100% diminishing value.

(j) Financial instruments

Classification

The group classifies its financial assets into the following categories: financial assets at fair value through profit and loss; loans and receivables; held-to-maturity investments; and available-for-sale financial assets. The classification depends on the purpose for which the instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Financial assets at fair value through profit or loss

Investments in listed securities are carried at fair value through profit and loss. They are measured at their fair value at each reporting date and any increment or decrement in fair value from the prior period is recognised in the profit and loss of the current period. Fair value of listed investments are based on closing bid prices at the reporting date.

Non-listed investments for which the fair value cannot be reliably measured are carried at cost and tested for impairment.

Loans and receivables

Loans and receivables are measured at fair value at inception and subsequently at amortised cost using the effective interest rate method.

Financial liabilities

Financial liabilities include trade payables, other creditors and loans from third parties, including inter-company balances and loans from or other amounts due to director-related entities.

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Financial liabilities are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(k) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Operating leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as an expense on a straight-line basis over the term of the lease.

Lease incentives received under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(l) Employee benefits

(i) Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within 12 months of the reporting date are measured at their nominal amounts based on remuneration rates, which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Long-term employee benefit obligations

Liabilities arising in respect of long service leave and annual leave which is not expected to be settled within 12 months of the reporting date are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

Employee benefit obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

(m) Borrowing costs

Borrowing costs can include interest, amortisation of discounts or premiums relating to borrowings, ancillary costs incurred in connection with arrangement of borrowings and foreign exchange losses net of hedged amounts on borrowings.

Borrowing costs are expensed as incurred.

(n) Foreign currency translations and balances

Functional and presentation currency

The financial statements of each entity within the consolidated entity is measured using the currency of the primary economic environment in which that entity operates (the functional currency). The consolidated financial statements are presented in Australian dollars, which is the consolidated entity's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies of entities within the consolidated group are translated into functional currency at the rate of exchange ruling at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are translated using the spot rate at the end of the financial year.

Except for certain foreign currency hedges, all resulting exchange differences arising on settlement or restatement are recognised as revenues and expenses for the financial year.

Entities that have a functional currency different from the presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date
- income and expenses are translated at actual exchange rates or average exchange rates for the period, where appropriate

- all resulting exchange differences are recognised as a separate component of equity.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the balance sheet. These differences are recognised in the income statement in the period in which the operation is disposed.

(o) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(p) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current period disclosures.

(q) Critical accounting estimates and judgements

The Company evaluates estimates and judgements incorporated into the prospectus based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Long service leave

Provision is made for long service leave, including on-costs arising from service rendered by employees to balance date.

Provisions made in respect of long service leave expected to be settled are measured at the amounts expected to be paid when the liability is settled.

Share-based payments

Payments to employees may take the form of a share-based payment. In the situation that it is, the cost calculation is based on the Black-Scholes method.

7. Investigating Accountant's Report



PITCHER PARTNERS
CORPORATE PTY LTD

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Ref: MWP

11 August 2014

The Directors
Urbanise
Suite 1101
Level 11
343 Little Collins Street
MELBOURNE VIC 3000

Dear Directors

INVESTIGATING ACCOUNTANT'S REPORT

INDEPENDENT LIMITED ASSURANCE REPORT ON URBANISE.COM LIMITED'S (ACN 095 768 086) HISTORICAL, PRO FORMA HISTORICAL AND FORECAST FINANCIAL INFORMATION.

This Investigating Accountants' Report has been prepared at the request of the Directors of Urbanise.com Limited ("the Company" or "Urbanise") for inclusion in a Prospectus to be dated 11 August 2014 in connection with the initial public offering of 40 million Shares at an offer price of \$0.50 per Share to raise \$20 million.

Pitcher Partners Corporate Pty Ltd ("Pitcher Partners Corporate") has been requested to prepare a report covering the Historical Financial Information, Pro Forma Historical Financial Information and Forecast Financial Information described below and set out in the Prospectus.

References to the Company and other terminology used in this report have the same meaning as defined in the Glossary in the Prospectus.

The nature of this report is such that it can only be issued by an entity which holds an Australian Financial Service License (AFSL) under the *Corporations Act 2001*. Pitcher Partners Corporate holds the appropriate AFSL under the *Corporations Act 2001*.

Background

Urbanise operates in the facility management industry primarily generating revenue through recurring software subscription fees from its cloud-based building services delivery platform.

The principal purposes of this offering is to increase Urbanise's ability to scale its global sales and support teams, continue developing and investing in intellectual property, increase financial flexibility, increase visibility in the marketplace and create a public market for its Shares.

Scope

Historical Financial Information

You have requested Pitcher Partners Corporate to review the following Historical Financial Information of Urbanise included in the Prospectus:

- the statutory historical consolidated statement of comprehensive income for the 4 years ended 30 June 2014 (Historical Results);
- the statutory historical consolidated statement of cash flows for the 4 years ended 30 June 2014 (Historical Cash Flows); and
- the statutory historical consolidated statement of financial position as at 30 June 2014 (Historical Balance Sheet).

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the company's adopted accounting policies. The Historical Financial Information has been extracted from the audited financial reports of Urbanise for the 4 years ended 30 June 2014, which were audited by Pitcher Partners in accordance with the Australian Auditing Standards. Pitcher Partners issued unmodified audit opinions on each of the financial reports. The Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Pro Forma Historical Financial Information

You have requested Pitcher Partners Corporate to review the Pro Forma Historical Financial Information. The Pro Forma Historical Financial Information has been derived from the Historical Balance Sheet as at 30 June 2014 of Urbanise, after adjusting for the effects of pro forma adjustments described in Section 6 of the Prospectus (the Pro Forma Historical Balance Sheet). The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the Historical Financial Information and the transactions to which the pro forma adjustments relate, as described in Section 6 of the Prospectus, as if those transactions had occurred as at the date of the Pro Forma Historical Balance Sheet. Due to its nature, the Pro Forma Historical Financial Information does not represent the company's actual or prospective financial position, financial performance, or cash flows.

Forecast Financial Information

You have requested Pitcher Partners Corporate to prepare a report covering the Forecast Financial Information. The Forecast Financial Information set out in Section 6 of the Prospectus comprises:

- the forecast consolidated statement of comprehensive income of Urbanise for the year ending 30 June 2015 (Forecast Results); and
- best estimate assumptions underlying the Forecast Financial Information.

The Directors are responsible for the preparation and presentation of the forecasts, including the best-estimate assumptions, which include the pro forma transactions, on which they are based. The forecasts have been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this report or on the forecasts to which it relates for any purposes other than for which it was prepared.

Our review of the best-estimate assumptions underlying the Directors' forecasts was conducted in accordance with the Australian Auditing and Assurance Standard ASAE 3450 "Assurance Engagements Involving Corporate Fundraisings and/or Prospective Financial Information". Our procedures consisted primarily of enquiry and comparison and other such analytical review procedures we considered necessary. These procedures included discussion with the Directors and management of the Company and have been undertaken to form an opinion whether anything has come to our attention which causes us to believe that the best-estimate assumptions do not provide a reasonable basis for the preparation of the forecasts and whether, in all material respects, the forecasts are properly prepared on the basis of the best-estimate assumptions and are presented fairly in accordance with the recognition and measurement principles prescribed in Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies of the Company disclosed in the Key Accounting Policies and Material Accounting Matters note of Section 6 of the Prospectus

so as to present a view of the Company which is consistent with our understanding of the Company's past, current and future operations.

The forecasts have been prepared by the Directors to provide investors with a guide to the Company's potential future financial performance based upon the achievement of certain economic, operating, developmental and trading assumptions about future events and actions that have not yet occurred and may not necessarily occur. There is a considerable degree of subjective judgment involved in the preparation of forecasts. Actual results may vary materially from those forecasts and the variation may be materially positive or negative. Accordingly, investors should have regard to the investment risks set out in Section 8 of the Prospectus and sensitivity analysis set out in Section 6 of the Prospectus.

Our review of the forecast information that is based on best-estimate assumptions is substantially less in scope than an audit examination conducted in accordance with Australian Auditing and Assurance Standards. A review of this nature provides less assurance than an audit. We have not performed an audit and we do not express an audit opinion on the Forecast Financial Information included in Section 6 of the Prospectus.

Directors' responsibility

The directors of Urbanise are responsible for the preparation and presentation of the Historical Financial Information, Pro Forma Historical Financial Information and Forecast Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information and the best-estimate assumptions included in the Forecast Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of the Historical Financial Information, Pro Forma Historical Financial Information and Forecast Financial Information that are free from material misstatement, whether due to fraud or error. The forecasts have been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this report or on the forecasts to which it relates for any purposes other than for which it was prepared.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information, Pro Forma Historical Financial Information and Forecast Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with Australian Auditing Standards.

Our review consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Conclusions

Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in Section 6 of the Prospectus, and comprising:

- the Historical Results for the 4 years ended 30 June 2014;
- the Historical Cash Flows for the 4 years ended 30 June 2014; and
- the Historical Balance Sheet as at 30 June 2014;

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the company's adopted accounting policies.

Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information being the Pro Forma Historical Balance Sheet as at 30 June 2014 is not presented fairly in all material respects, in accordance with the stated basis of preparation being the

recognition and measurement principles contained in Australian Accounting Standards and the company's adopted accounting policies.

Forecast Financial Information

Based on our review of the Forecast Financial Information, which is not an audit, and based on an investigation of the reasonableness of the Directors' best-estimate assumptions giving rise to the prospective financial information, nothing has come to our attention which causes us to believe that:

- the Directors' best-estimate assumptions set out in Section 6 of the Prospectus do not provide reasonable grounds for the preparation of the forecasts;
- the forecasts are not properly compiled on the basis of the Directors' best-estimate assumptions and are presented fairly in accordance with the recognition and measurement principles prescribed in Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by the Company disclosed in the Key Accounting Policies and Material Accounting Matters note of Section 6 of the Prospectus; and
- that the forecast itself is unreasonable.

The underlying assumptions are subject to significant uncertainties and contingencies often outside the control of the Company. If events do not occur as assumed, actual results and distributions achieved by the Company may vary significantly from the forecasts. Accordingly, we do not confirm or guarantee the achievement of the forecasts, as future events, by their very nature, are not capable of independent substantiation.

Restriction on Use

Without modifying our conclusions, we draw attention to Section 6 of the Prospectus, which describes the purpose of the financial information prepared, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for another purpose.

Subsequent Events

Apart from the matters dealt with in this report, and having regard to the scope of our report, to the best of our knowledge and belief no material transactions or events outside of the ordinary business of the Company have come to our attention that would require comment on, or adjustment to, the information referred to in our report or that would cause such information to be misleading or deceptive.

Liability

Pitcher Partners Corporate has consented to the inclusion of this report in the Prospectus in the form and context in which it is included. The liability of Pitcher Partners Corporate is limited to the inclusion of this report in the Prospectus. Pitcher Partners Corporate makes no representation regarding, and has no liability for, any other statement or other material in, or any omissions from, the Prospectus.

Independence and Disclosure of Interest

Pitcher Partners Corporate and Pitcher Partners do not have any interest in the outcome of this Offer other than the preparation of this report, the provision of financial due diligence and other advisory services in relation to the Offer and acting as auditor of the Company, for which normal professional fees will be received.

Financial Services Guide

Our Financial Services Guide has been included at the end of this report to assist retail investors in their use of any general financial product advice that may be in our report.

Yours faithfully

PITCHER PARTNERS CORPORATE PTY LTD



M W PRINGLE
Executive Director and Representative

Financial Services Guide

What is a Financial Services Guide?

This Financial Services Guide ("FSG") is an important document the purpose of which is to assist you in deciding whether to use any of the general financial product advice provided by Pitcher Partners Corporate Pty Ltd. The use of "we", "us" or "our" is a reference to Pitcher Partners Corporate Pty Ltd as the holder of Australian Financial Services Licence ("AFSL") No. 229841. The contents of this FSG include:

- who we are and how we can be contacted
- what services we are authorised to provide under our AFSL
- how we (and any other relevant parties) are remunerated in relation to any general financial product advice we may provide.
- details of any potential conflicts of interest
- details of our internal and external dispute resolution systems and how you can access them.

Information about us

We have been engaged by Urbanise to give general financial product advice in the form of a report to be provided to you in connection with a financial product to be issued by another party. You are not the party or parties who engaged us to prepare this report. We are not acting for any person other than the party or parties who engaged us. We are required to give you an FSG by law because our report is being provided to you. We are only responsible for the financial product advice provided in our report and for the contents of this FSG. You may contact us by writing to GPO Box 5193, MELBOURNE VIC 3001, or by telephone on +61 (0) 3 8610 5000.

Pitcher Partners Corporate Pty Ltd is ultimately owned by the Victorian partnership of Pitcher Partners, a provider of audit and assurance, accounting, tax, corporate advisory, insolvency, superannuation, investment advisory and consulting services. Directors of Pitcher Partners Corporate Pty Ltd are partners of Pitcher Partners.

The Victorian partnership of Pitcher Partners is an independent partnership of Pitcher Partners. As such, neither it nor any of the other independent partnerships has any liability for each other's acts or omissions. Each of the member firms is a separate and independent legal entity operating under the name "Pitcher Partners", or other related names.

The financial product advice in our report is provided by Pitcher Partners Corporate Pty Ltd and not by the Victorian partnership of Pitcher Partners or its related entities.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, we and the Victorian partnership of Pitcher Partners (and its related bodies corporate) may from time to time provide professional services to financial product issuers in the ordinary course of business.

What financial services are we licensed to provide?

The AFSL we hold authorises us to provide the following financial services to both retail and wholesale clients:

- to provide general financial product advice only in respect of securities, derivatives, debentures, stocks or bonds issued or proposed to be issued by a government and interests in managed investment schemes including investor directed portfolio services and deposit and payment products limited to basic deposit products and deposit products other than basic deposit products.

Information about the general financial product advice we provide

The financial product advice provided in our report is known as "general advice" because it does not take into account your personal objectives, financial situation or needs. You should consider whether the general advice contained in our report is appropriate for you, having regard to your own personal objectives, financial situation or needs.

If our advice is being provided to you in connection with the acquisition or potential acquisition of a financial product issued by another party, we recommend you obtain and read carefully the relevant Product Disclosure Statement ("PDS") or offer document provided by the issuer of the financial product. The purpose of the PDS or offer document is to help you make an informed decision about the acquisition of a financial product. The contents of the PDS or offer document will include details such as the risks, benefits and costs of acquiring the particular financial product.

How are we and our employees remunerated?

Our fees are usually determined on an hourly basis; however they may be a fixed amount or derived using another basis. We may also seek reimbursement of any out-of pocket expenses incurred in providing the services.

Fee arrangements are agreed with the party or parties who actually engage us and we confirm our remuneration in a written letter of engagement to the party or parties who actually engage us.

Neither Pitcher Partners Corporate Pty Ltd nor its directors and officers, nor any related bodies corporate or associates and their directors and officers, receives any commissions or other benefits, except for the fees for services rendered to the party or parties who actually engage us. Our fees for such services are based on time spent at our professional hourly rates.

All of our employees receive a salary with partners also having an equity interest in the partnership. We do not receive any commissions or other benefits arising directly from services provided to you. The remuneration paid to our directors reflects their individual contribution to the company and covers all aspects of performance.

We do not pay commissions or provide other benefits to other parties for referring prospective clients to us.

What should you do if you have a complaint?

If you have any concerns regarding our report, you may wish to advise us. Our internal complaint handling process is designed to respond to your concerns promptly and equitably. Please address your complaint in writing to:

The Managing Partner
Pitcher Partners
GPO Box 5193
MELBOURNE VIC 3001

If you are not satisfied with the steps we have taken to resolve your complaint, you may contact the Financial Ombudsman Service Limited ("FOSL"). FOSL provides free advice and assistance to consumers to help them resolve complaints relating to members of the financial services industry. Complaints may be submitted to FOSL at:

Financial Ombudsman Service Limited
GPO Box 3
MELBOURNE VIC 3001
Telephone: 1300 780 808
Fax: +61 3 9613 6399
Internet: <http://www.fos.org.au>

The Australian Securities and Investments Commission ("ASIC") regulates Australian companies, financial markets, financial services organisations and professionals who deal and advise in investments, superannuation, insurance, deposit taking and credit. Their website contains information on lodging complaints about companies and individual persons and sets out the types of complaints handled by ASIC. You may contact ASIC as follows:

Info line: 1 300 300 630
Email: info@asic.gov.au
Internet: <http://www.asic.gov.au/asic/asic.nsf>

8. Risk factors and investor considerations

8.1. Overview

There are a number of risks, some specific to Urbanise and some of a general nature, which may either individually or in combination materially and adversely affect the future operating and financial performance of Urbanise, its investment returns and the value of the Shares. Many of these risks are outside the control of Urbanise. There can be no guarantee that Urbanise will achieve its objectives or that any forward looking statements or forecasts will eventuate. This Section describes the areas which Urbanise believes are the major risks associated with an investment in Urbanise. This is not an exhaustive list and should be considered in conjunction with other information disclosed in this Prospectus. You should have regard to your own investment objectives and financial circumstances, and seek professional guidance from your stockbroker, solicitor, accountant or other independent professional adviser before deciding whether to invest.

8.2. Risks specific to the business

Operator's rate of Platform adoption

A large part of Urbanise's revenue is generated from fees for Platform usage. Historically building operators using the Platform have successfully used the technology to increase revenues or reduce costs. This expanded use (adoption) of the Platform within their business has contributed to the continued growth in Urbanise's revenues.

If there was a decline in the rate that current or new building operators adopted the Platform, this is likely to adversely affect Urbanise's revenue, profitability and ability to execute its growth strategies.

Risks associated with user-generated content

Users of the Platform may generate content and accordingly the Platform has significant quantities of such content displayed throughout each building operators portal websites. Urbanise cannot monitor all the user generated content, and does not attempt to do so. Through its licence agreements operators must indemnify Urbanise from all actions as a result of Building Occupants using the Platform. Building Occupants must also agree to an Acceptable Usage policy that explicitly bans the publishing of objectionable material. Urbanise retains the right to suspend or terminate the access rights of any Building Occupants that does not adhere to this policy.

Urbanise, by virtue of its association with user generated content, may be implicated in an objectionable or illegal activity that subsequently exposes it to a law enforcement activity, or a civil dispute, with consequent liabilities and possible disruption to Urbanise's operations. This could adversely affect Urbanise's revenues and assets.

Additionally, reputational risk associated with offensive, objectionable or illegal activity arising from user generated content may lead to a decline in Urbanise's ability to attract and retain users. Such a decline could negatively impact upon Urbanise's revenues.

Fee risks

Urbanise charges fees to building operators for their usage of the Platform. For example, Urbanise charges fees each time the building operator registers a new residential account for purchasing services from the building operator.

Urbanise may need to reduce the level of its fees, for example as a result of competitive pressure or as a strategy to grow market share. A reduction in fees could lead to lower revenues overall or to slowing in the rate at which Urbanise's revenues grow.

Data loss, theft or corruption

Urbanise provides its services exclusively online through the Platform. Hacking or exploitation of some unidentified vulnerability in the Platform could lead to loss, theft or corruption of data.

This could render the Platform unavailable for a period of time while data is restored. It could also lead to unauthorised disclosure of users' data, with associated reputational damage, claims by Building Occupants and regulatory scrutiny and fines.

Although Urbanise has strategies and protections in place (see Section 4.4) to try to minimise security breaches and to protect data, these strategies might not be successful. In that event, disruption to the Platform and unauthorised disclosure of Building Occupants data could negatively impact upon Urbanise's revenues and profitability.

Hacker attacks

Urbanise relies upon the availability of the Platform to provide services to its Customers and to attract new customers. Hackers could render the Platform unavailable through a distributed denial of service attack or other disruptive attacks.

Although Urbanise has strategies in place to minimise such attacks, these strategies may not be successful. Unavailability of the Platform could lead to a loss of revenue while Urbanise is unable to provide its services. Further, it could hinder Urbanise's ability to retain existing users, increase their activity on the Platform and to attract new users, potentially having a material adverse impact on Urbanise's growth.

Disruption to Internet services

Urbanise's user community is situated in specific countries around the world. It also has staff located in a number of countries, being Australia, the United Kingdom, Malaysia and the United Arab Emirates. Disruption to Internet services in countries where Urbanise's users or staff are based, for example as a result of technical outages or catastrophic destruction of infrastructure following natural disasters, could significantly impact upon use of Urbanise's Platform and business continuity.

This could have a material adverse effect on Urbanise's ability to generate revenue while the disruptions remain in place. Further, if the disruptions affected key regions where building operators had significant populations of Building Occupants, and if the disruptions were prolonged, they could have a material adverse effect on Urbanise's ability to continue to grow its business.

Hosting provider disruption risks

Urbanise relies upon its primary hosting provider, Amazon Web Services, to maintain continuous operation of its Platform.

Should AWS suffer outages, for example due to catastrophic destruction of infrastructure following a natural disaster, service to the Urbanise Platform may also be disrupted. If AWS ceased to offer its services to Urbanise and Urbanise was unable to obtain a replacement hosting provider quickly, this would also lead to disruption of service to the Urbanise Platform.

Unavailability of the Platform would lead to a loss of revenue while Urbanise is unable to provide its services. Further, particularly in the case of prolonged outages, such disruptions would likely have a material adverse impact upon Urbanise's reputation. This would likely hinder Urbanise's ability to retain existing Customers and Building Occupants, increase their activity on the Platform and to attract new Customers and Building Occupants, having a material adverse impact upon Urbanise's growth.

Supply chain disruption risk

Urbanise bundles devices such as smart meters and smart sensors within its remote building monitoring services. These devices are manufactured by third parties which also manufacture devices for other companies (including on-sellers and distributors, and may also sell those products) through

their own direct channels. These devices contain electronic components that are used in other devices manufactured for other businesses that have more purchasing power than Urbanise.

The global supply of these components has limitations and demand for these components is growing.

If these other companies were to order more of these components than can be manufactured in a timely fashion then this may disrupt or delay device orders made by Urbanise to satisfy requests by building operators for more devices.

This would likely have a material adverse effect on Urbanise's ability to generate revenue while the disruption or delays remain in place. If the disruptions were prolonged, they could have a material adverse effect on Urbanise's ability to continue to grow its business.

Liquidity and realisation risk

There can be no guarantee that an active market in the Shares will develop or that the price of the Shares will increase. With the shareholders set out in the table in Section 1.6 holding approximately 69% of the Shares after completion of the Offer, these Shares being subject to escrow and trading restrictions, only 31% of the Shares will be able to be freely traded at completion of the Offer. With this limited free float, there may be relatively few potential buyers or sellers at any given time and this may increase the volatility of the market price of the Shares.

Further, there is a risk that once the Shares subject to escrow or trading restrictions are released from the restrictions attaching to them, there may be a significant sell-down by the holders of those Shares. In the context of the limited free float and potential volatility mentioned above, this may affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less than the price that Shareholders paid to acquire their Shares.

Need to attract and retain skilled staff

Urbanise's future success will in part depend on its ability to hire and train suitable staff. Competition for such personnel is intense and there can be no assurance that Urbanise will be successful in attracting and retaining such personnel.

A failure to do so may have an adverse effect on the operations and profitability of Urbanise's business.

Exchange rates

Urbanise operates internationally and in four currencies. Accordingly, fluctuations in prevailing exchange rates affect Urbanise's profitability and financial position. For example, Urbanise pays its website hosting costs in US dollars. If the Australian dollar falls relative to the US dollar, those costs increase in Australian Dollar terms, potentially reducing Urbanise's profitability.

Currently, most of Urbanise's revenues are in US dollars and most of its costs are in Australian dollars. However, the mix of currencies in which Urbanise pays its costs and earns its revenues is changing over time. As that mix changes, there may be a greater impact on profitability in Australian dollar terms.

Urbanise's financial statements are prepared and presented in Australian dollars, and any appreciation in the Australian dollar against other currencies in which Urbanise transacts may adversely impact its financial performance and position.

Competition

There are other companies that sell point-solutions for specific aspects of building maintenance and management to organisations that operate buildings.

There are other large organisations that operate buildings that have developed in-house solutions to manage maintenance and management processes.

The e-commerce, service management and the Internet of Everything space has, and will continue to rapidly evolve, with new entrants and large players releasing new offerings in specific areas (for example, intelligent thermostats and smoke detectors), that are adjacent to, or may influence the Facility Management Industry's adoption of technology solutions.

Urbanise expects to face competition from such organisations, some of which will have greater financial, technical and marketing resources. Increased competition could result in margin reductions, underutilisation of employees, reduced operating margins and loss of market share. Any of these occurrences could adversely affect Urbanise's business, operating results and financial condition.

Global nature

Urbanise has users in and provides services to people in multiple jurisdictions across the world. Urbanise therefore facilitates service provision, while also providing its own services into each of these jurisdictions. This broadens the scope of most general risks to Urbanise, as changes in regulation and legislation can affect Urbanise in ways that are hard to predict.

In some jurisdictions, government policies and procedures regulating online commerce may still be in their infancy, potentially resulting in local laws and practices that are time consuming and resource-intensive to comply with, or which are unclear. Required approvals may be difficult to obtain. Some of the jurisdictions in which Urbanise operates in the future may experience sudden civil unrest or major political change.

Urbanise's operations may be adversely affected by the risks associated with operating in such jurisdictions, which may impact on its ability to grow the business in overseas markets.

More generally, Urbanise will have to adapt to local business and contract customs in jurisdictions where it currently operates and where it plans to operate. This may result in Urbanise operating on less profitable terms than it has operated on historically, or ceasing to operate in such jurisdictions, which may adversely affect Urbanise's results of operations.

Management of future growth

Urbanise has experienced a period of rapid growth and increase in the number of its employees and officers and the scope of its supporting infrastructure. This growth has resulted in new and increased responsibilities for management and has placed, and will continue to place, a significant strain on Urbanise's management.

Urbanise will be required to continue to implement and improve its systems in a timely manner in order to accommodate the increased number of transactions and customers and the increased size of its operation. A failure to do so may adversely affect Urbanise's revenue and profitability.

Business contracts risk

There are a number of existing contracts which are material to Urbanise's business (see Section 9). Further contracts will likely be entered into by Urbanise which will also be material to Urbanise's business.

Many of these contracts are, or will be, governed by laws other than laws of Australia. There may be difficulties in enforcing contracts in jurisdictions other than Australia. Apart from the usual vicissitudes of litigation, there may be regulatory or practical considerations which frustrate the enforceability, or enforcement, of such contracts against foreign or foreign-owned counterparties. These matters may have a significant adverse effect on Urbanise's ability to enforce its contracts and may have a significant adverse effect more generally on Urbanise's business and profitability.

Apart from that, the business dealings of Urbanise are necessarily exposed to the potential of third-party insolvency. If a third-party with whom Urbanise has dealings becomes insolvent, this may also have a significant adverse effect on Urbanise and on its business and profitability. It should be noted that foreign insolvency laws are not necessarily similar to Australian insolvency laws.

8.3. General risks

Force majeure risks

Force majeure is a term generally used to refer to an event beyond the control of a party claiming that the event has occurred, including acts of God, fire, flood, earthquakes, war and strikes. Urbanise does not have insurance for all force majeure risks, some of which are, in any event, uninsurable. To the extent that any such risks occur, there may be an adverse effect on the operations and profitability of Urbanise's business.

Potential acquisitions

As part of its business strategy, Urbanise may make acquisitions of or significant investments in, complementary companies, services, technologies and/or products. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies, products and technologies, such as integrating cultures and systems of operation, relocation of operations, short-term strain on working capital requirements, achieving the sales and margins anticipated and retaining key staff and customer and supplier relationships.

Further funding requirements

Although the Directors believe that, on completion of the Offer, Urbanise will have sufficient working capital to carry out its stated business objectives, there can be no assurance that such objectives can be met without further financing or, if further financing is necessary, that it can be obtained on favourable terms or at all. If additional funds are raised by issuing equity securities, this may result in dilution of some or all of the Existing Shareholders of Urbanise.

Long-term investments

Investors are strongly advised to regard an investment in Urbanise as a long-term proposition and to be aware that, as with any equity investment, substantial fluctuations in the value of their investment may occur. Urbanise cannot guarantee its future earnings and cannot provide a guaranteed level of return to investors.

8.4. Risks associated with holding Shares

Investment risk

There are several types of investment risk that may affect an investment in Urbanise, including a decline in the market price of the Shares (the initial capital value may decrease, especially if investing for the short term), the amount received as income may vary over time or the value of an investment may not keep pace with inflation. This includes the possibility that Urbanise may not be able to achieve the medium to long-term capital growth objectives.

Economic conditions

The operating and financial performance of Urbanise is influenced by a variety of general economic and business conditions including the level of inflation, international share markets, interest rates and exchange rates, government fiscal, monetary and regulatory policies. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have a material adverse impact on Urbanise's business or financial situation.

Government

Changes in government, monetary policies, taxation and other laws can have a significant influence on the outlook for companies and investor returns.

9. Material Contracts

There are a number of contracts which are significant or material to Urbanise. The main provisions of each contract are summarised below. The Directors consider that the material contracts described below are the contracts which an investor would reasonably regard as material and which investors and their professional advisers would reasonably expect to find described in this Prospectus for the purpose of making an informed assessment of the Offer.

This Section only contains a summary of the material contracts and their substantive terms. It does not fully describe all the provisions of each contract.

9.1. IP acquisitions

Urbanise has purchased two licences to use and commercialise software source codes relating to:

- (a) energy optimisation services
- (b) customer care and facilities management.

Urbanise has also purchased the intellectual property rights for a cloud-based remote monitoring system that tracks critical assets in building portfolios.

Urbanise uses the software source codes in its Platform. The software source codes are important to Urbanise's ability to generate revenue. The purchase agreements are on similar terms, a summary of which is set out below.

- (a) Licence sale and assignment of AC3 Software Source Code, between Crowley Carbon Limited (**Crowley**) and Urbanise, dated 15 December 2013

On 27 January 2014, Urbanise purchased a non-exclusive, worldwide licence from Crowley to use, modify and commercialise the AC3 Software source code (**AC3 Software**). The AC3 Software is an energy optimisation service and provides a reporting system on how to tune building systems to reduce energy consumption.

Consideration was payable in cash instalments and Urbanise has one final payment to make by 30 September 2014.

Crowley warrants that it is the owner of the AC3 Software and that the AC3 Software does not infringe any third party rights. Crowley indemnifies the Company against any losses or liabilities arising directly or indirectly out of Crowley's use, ownership or commercialisation of the AC3 Software or in connection with any breach of warranty by Crowley.

Urbanise is the sole owner of all improvements and innovations that it makes to the AC3 Software.

The agreement is governed by the laws of Australia.

Crowley and Urbanise have also entered into a consulting services agreement under which Crowley will provide services to Urbanise relating to Crowley's software algorithms (**Services Agreement**). The services required and payment obligations will be set out in a statement of work. The Services Agreement is for a three-year term which commenced on 1 February 2014 and may be extended for one further term if agreed between the parties.

To the extent intellectual property of Crowley is included in a deliverable under the Services Agreement, Crowley grants Urbanise a perpetual non-exclusive worldwide transferable royalty free licence to use and reproduce the intellectual property to the extent necessary. The parties may specify ownership and licensing arrangements for any developed intellectual property in each statement of work. Unless the parties agree otherwise all ownership in developed intellectual property vests in Crowley and subject to Urbanise making payments, Crowley grants Urbanise a non-exclusive worldwide transferable perpetual paid up licence to use, modify, copy the intellectual property for Urbanise's business purpose.

- (b) Sale and assignment of intellectual property between Helix CS Pte Ltd (**Helix**) and the Company, dated 27 January 2014.

On 27 January 2014, Urbanise purchased all of Helix's interest in its intellectual property relating to the cloud-based remote monitoring system that tracks critical assets in building portfolios. It consists of both hardware and software (**Helix Technology**).

Urbanise paid cash consideration and issued Helix with Shares valued at a total of US\$2,035,500.

Helix warrants that it owns the Helix Technology and that the Helix Technology does not infringe any third party rights. Helix indemnifies Urbanise against any losses or liabilities arising directly or indirectly out of Helix's ownership of the Helix Technology or in connection with any breach of warranty. Helix's liability is limited to the actual dollar value of the consideration received by Helix.

- (c) Licence sale and assignment of COINS FM / Customer care software module source code, between Construction Industry Solutions Limited (**COINS**) and Urbanise, dated 5 May 2014

On 7 May 2014, Urbanise purchased a non-exclusive licence to integrate, re-sell, market and commercialise the software source code for COINS customer care and COINS facilities management (Coins Software).

In consideration for the license Urbanise issued 138,500 Shares to COINS at a value of US\$3.61 per Share.

COINS warrants that it owns the COINS Software and that the COINS Software does not infringe any third party's rights. COINS indemnifies Urbanise against any losses or liabilities arising directly or indirectly out of COINS' ownership of the COINS Software or in connection with any breach of warranty. COINS liability is limited to the actual dollar value of the consideration received by COINS.

Urbanise is the sole owner of all improvements and innovations that it makes to the COINS Software.

- (d) Teaming Agreement

On 2 June 2014, COINS and Urbanise entered into a Teaming Agreement, under which the parties agree to collaborate and cooperate on certain development plans in relation to the Urbanise / COINS facilities management / customer care product (**Project**). The term of the agreement expires on 31 December 2017.

COINS agrees to exclusively use Urbanise products when it offers or provides COINS facilities management systems and COINS customer care specifications and to exclusively use any functionality developed by Coins and Urbanise under the teaming agreement.

COINS agrees to use Urbanise's software when it targets resales to its current customers and new sales to new customers.

Urbanise and COINS have also entered into a hosted services and reseller agreement, the terms of which are summarised at Section 9.2(f).

9.2. Standard term Regional Operator Licence and Hosted Services Agreement

Urbanise licences use and access to its Platform to Customers under its standard term regional operator licence agreements and hosted services agreements, a summary of which is set out below.

Under the standard term HSA Urbanise grants a licence to Customers to access and use all modules and features of the Urbanise platform as a hosted software service. Under the ROL, Urbanise grants the Customer the additional right to resell use and access to the Platform to other third-party service providers within certain territories under certain exclusivity terms.

Summary of the standard HSA and ROL terms

Urbanise grants either an exclusive or non-exclusive non-transferable licence to a Customer to use and access the Platform. Licences are granted for a minimum three-year term and are for use from within a specified Territory. The licence must only be used in conjunction with the Customer's management of the communities or buildings specified in the terms.

Building Occupants

The Customer has the right to on-licence use and access to the Platform to Building Occupants within a specified Territory. Urbanise is not a party to the contract between the Customer and the Building Occupants. The Customer must procure that the Building Occupant complies with all relevant terms of the ROL/HSA. The Customer indemnifies Urbanise against all loss caused by the Customer's failure to comply with its requirements in relation to the Building Occupant. To the extent that Urbanise is liable to the Building Occupant, the Customer indemnifies Urbanise for any loss incurred by Urbanise as a result.

Fees and payment terms

The Customer must pay software service fees, the amount of which will vary according to the number of accounts (e.g. customer accounts, building accounts, energy meter accounts) it has with Urbanise. Software service fees are paid quarterly.

Under the ROL only, the Customer must also pay an annual ROL appointment fee, payable in instalments.

ROL territorial rights and ROL fee rebate

Under the ROL only, if Urbanise grants the customer exclusive rights to use and resell access to the Platform within a Territory, if Urbanise adds any additional customers within that Territory during the term it must provide the Customer with a net credit for each new customer added. The net credit amount will be 50% of the amount received by Urbanise in licence fees from the direct customer engagement (ROL Rebate).

Until 31 December 2016, Urbanise is the exclusive supplier to the Customer of technology solutions that are similar to (or materially the same as) the Platform.

Indemnities

The Customer indemnifies Urbanise against any loss suffered by Urbanise as a result of:

- (a) breach of intellectual property rights
- (b) breach of any law or regulation, including breach by a Customer or Building Occupant of the provision relating to compliance with export control laws (see below)
- (c) breach of the agreement by the Customer or Building Occupant.

Urbanise indemnifies the Customer against any amounts incurred by the Customer arising from breach of third party intellectual property rights.

Limitation on liability

The cap on liability of each party is capped at either three months of the actual amount received by Urbanise in the preceding three months from the event giving rise to the claim or US\$25,000. Any infringement of third party intellectual property rights, a breach of confidentiality or a breach of export control clauses is excluded from the cap.

Termination

The agreement may be terminated by one party if the other materially breaches the contract, or becomes insolvent. On termination all licences automatically expire and if Urbanise terminates, all amounts owed to Urbanise become immediately due and payable within seven days. If terminated by the Customer all amounts owed to Urbanise until the date of termination are immediately due and payable.

Export control

The Customer agrees to comply with all export laws and restrictions of any relevant government or regulatory body. The Customer is responsible for satisfying itself that neither it nor any actual or prospective Building Occupants is on the Consolidated List maintained by the Australian Department of Foreign Affairs and Trade for the purposes of sanction regimes implemented under Australian sanction laws (Consolidated List). The Customer must not allow any person or entity on the Consolidated List to be a Building Occupant.

- (a) Regional Operator Licence Agreement between Urbanise and Operon Malaysia SDN BHD (**Operon**), dated 31 March 2014

Urbanise has granted Operon a limited, exclusive, non-transferable ROL to access part of the Platform and use the functionality available on such parts of the Platform. The licence is for a three year term (which commenced on 1 April 2014) and is for use in the exclusive territory of Malaysia and non-exclusive territory of the United Arab Emirates.

Operon may only use the ROL in conjunction with its (or its customers) management of the buildings. The licence includes the right to resell access to the Platform to other third-party service providers within the Territory. The ROL Rebate applies.

Operon must purchase technology solutions that are similar to or the same as the Platform exclusively from Urbanise until 31 March 2017.

All fees are payable in US dollars. The agreement is governed by the laws of Singapore.

The parties agree to consider opportunities to work together on additional intellectual property that is not core to Urbanise and the parties will own equally.

- (b) Regional Operators Licence and Hosted Services Agreement between Emrill Services (LLC) (**Emrill**) and Urbanise, dated 1 July 2011

Urbanise grants Emrill an exclusive, non-transferable ROL to access the part of the Platform (**Leap Platform**) and use the functionality available on the Leap Platform. The licence is for a seven-year term (which commenced on 1 July 2011) and for use in the territory of the United Arab Emirates.

Emrill must only use the licence in conjunction with its (or its customers) management of the communities, being any physical or virtual group (or cross grouping) of individuals (or companies) who are occupants or owners of any properties in the United Arab Emirates.

The licence includes the right to resell access to the Platform to other third-party service providers in the United Arab Emirates. The ROL Rebate applies.

Until 31 December 2014, Urbanise will be the exclusive supplier to Emrill of technology solutions that are similar to or the same as the Leap Platform.

All fees are payable in US dollars. The agreement is governed by the laws of Victoria, Australia.

- (c) Regional Operator Licence Agreement, between Danu Quality Systems Limited (**Danu**) and Urbanise, dated 1 November 2013

Urbanise grants Danu a non-exclusive, non-transferable ROL to access and use the Platform. The ROL is for a five year term (which commenced on 1 November 2013). The ROL is for use in the territory of the United Kingdom, Ireland and the United Arab Emirates.

The ROL must only be used in conjunction with Danu's (or its customers) management of the buildings in the Territory. Danu may resell access to the Platform to other third-party service providers in the Territory.

Danu must purchase technology solutions that are similar or materially the same as the Platform from Urbanise until 31 December 2016.

The agreement is governed by the laws of Australia. The fees are payable in Euros.

- (d) Hosted Service Agreement, between IDAMA Facility Services (LLC) (**IDAMA**) and Urbanise, dated 1 January 2011

Urbanise grants IDAMA a non-exclusive, non-transferable licence to access some of the modules in the Platform, being the leap customer service centre; leap community portal; back-up service; security; online credit payment gateway and operator manuals) (**IDAMA Leap Platform**), and to use the functionality available on the IDAMA Leap Platform. The licence is for a three-year term (which commenced on 1 April 2011) and is for use within the territory of Dubai. The term has subsequently been extended until 30 June 2015.

The licence must only be used in conjunction with IDAMA's management of the Communities, being Jumeirah Beach Residences (6,800 units), Executive Towers (2,400 units), Layan (558 units), Al Waha (around 500 units), Shorooq (2,000 units) and Al Khail Gate (Community Housing Project) (9,500 units).

Fees are payable in United Arab Emirates dirham. The contract is governed by the laws of Victoria, Australia.

Urbanise does give any indemnities under this agreement.

- (e) Hosted Service Agreement, between Urbanise and Maintenance Management Group Overseas Ltd (a company duly incorporated in the British Virgin Islands) (**MMG**), dated 27 May 2014

Urbanise grants MMG a non-exclusive, non-transferable licence during a term of three years to access the Platform and use the functionality on the Platform from within the Territory and in connection with the Customers (or their customers) management of the buildings and / or provision of services to persons, companies or buildings and permit Building Occupants access and use of the platform to conduct transactions in the Territory.

The territory is the non-exclusive territory of Qatar, Lebanon, Oman, Bahrian, KSA, Kuwait, Jordan, Syria, Iraq, Greece, Cyprus, Nigeria, Angola, Ghana and South Africa.

MMG agrees to promote the use of the Platform to prospective end users within the Territory.

- (f) Hosted Services and Reseller Agreement, between Urbanise and COINS, dated 2 June 2014

Urbanise grants COINS a non-exclusive, non-transferable licence for a term of three years, which commenced on 1 June 2014, to access the Platform and use the functionality on the Platform from within the Territory and in connection with the Customers (or their customers) management of the buildings and / or provision of services to persons, companies or buildings; and permit end user access and use of the platform to conduct transactions in the Territory.

The territory is the non-exclusive territory of the United Kingdom, the United Arab Emirates and the United States of America.

COINS pays software usage fees and agrees to promote the use of the Platform to prospective Building Occupants within the Territory.

- (g) Hosted Services Agreement, between Urbanise and 36 Strategic General Trading LLC (**36S**), dated 1 July 2014

Urbanise grants 36S a non-exclusive, non-transferable licence, to access and use the Platform from within the Territory in conjunction with 36S's (or their customers') management of the buildings and/or provision of services to persons, companies or buildings and permit end users to access and use the Platform to conduct transactions in the Territory. The agreement is on a three-year term, which commenced on 1 July 2014.

The Territory is the non-exclusive jurisdiction of the United Arab Emirates. Under a separate agreement between the parties, a Marketing Service Agreement, 36S agrees to promote the usage of the Platform to customers.

9.3. AWS Customer Agreement between Urbanise and Amazon Web Services, Inc.

The AWS Customer Agreement contains the terms and conditions that govern Urbanise's access to and use of the Service Offerings (defined below) and is an agreement between AWS and Urbanise. The agreement is the standard agreement contained on Amazon's website, which all customers are party to when they click the 'I Accept' button or check box presented on the website. For a full copy of the terms see aws.amazon.com/agreement/.

AWS can terminate the Agreement on notice if Urbanise is in breach and does not remedy the breach within 30 days. AWS can terminate the contract immediately if Urbanise or an end user breaches the terms of the Agreement; if Urbanise's content poses a security risk or is fraudulent; or if AWS is no longer able to provide the services.

Urbanise indemnifies AWS for any liability arising out of a third-party claim concerning the way Urbanise or any end user uses the Service Offering, any breach of the agreement, any of Urbanise's content breaching intellectual property rights or any dispute between Urbanise and an end user.

The Service Offerings are provided 'as is' and AWS disclaims all liability. In the event that AWS is liable, this liability is limited to the amount Urbanise actually pays to AWS under the Agreement for the service that gave rise to the claim during the 12 months preceding the claim.

Each party agrees to comply with all applicable import and export control laws and regulations, including the Export Administration Regulations, the International Traffic in Arms Regulations, and country specific economic sanctions programs implemented by the Office of Foreign Assets Control. Urbanise is solely responsible for compliance related to the manner in which Urbanise chooses to use the Service Offerings, including the transfer and processing of Urbanise's content, the provision of the content to end users and the AWS region in which any of the foregoing occurs. Urbanise may select which AWS region its content is stored in and accessed by end users.

9.4. Underwriting Agreement

Under this agreement, dated 11 August 2014, KTM has agreed with Urbanise to underwrite the Offer. The Underwriter will receive an underwriting commission equal to 4.75% of the aggregate price of all Shares issued under the Prospectus by Urbanise (\$950,000). The Underwriter will also be issued the KTM Options and receive payment from Urbanise of reasonable costs and expenses incurred by the Underwriter in connection with the Offer.

The KTM Options are 5,426,405 unlisted options, each option being a right to one Share. The KTM Options have an exercise price of \$0.58 and are exercisable at any time before 31 August 2019. The KTM Options have an approximate value of \$800,000.

The Underwriter may terminate its obligations to satisfy a shortfall if any of the termination events specified in the agreement occur before the Offer Shares are allotted under the Offer. The termination events are qualified by a requirement that before being entitled to terminate, the Underwriter must believe, on reasonable grounds acting bona fide, that the relevant termination event has or is likely to have a materially adverse effect on Urbanise or the outcome of the Offer, or could give rise to a material liability of the Underwriter.

Events of termination include (among others):

- ASIC issues a stop order in relation to the Offer
- the Prospectus is defective
- a supplementary or replacement prospectus needs to be lodged with ASIC to complete the Offer without contravention of the Corporations Act
- Urbanise withdraws the Prospectus or the Offer
- any person (other than the Underwriter) withdraws its consent to being named in the Prospectus
- ASX refuses to quote the Shares
- an unauthorised change to Urbanise's capital structure takes place
- an insolvency event takes place in relation to a member of the Group
- a market fall of 10% or more in the S&P/ASX All Ordinaries Index or the S&P/ASX Small Ordinaries Index takes place and persists for at least three consecutive trading days
- an outbreak or escalation of hostilities or a state of war exists involving Australia, New Zealand, United States of America, the Commonwealth of Independent States or any of its constituent republics, Canada, Japan, Thailand, Singapore, Malaysia, Hong Kong, North Korea or the Republic of China
- any material adverse change or disruption to the financial markets of Australia, United States of America or other major international financial markets occurs
- any change occurs in national or international political, financial or economic conditions which would make it impractical, in the reasonable judgement of the Underwriter, to market the Shares or to enforce contracts to purchase the Shares or is reasonably likely to materially and adversely affect the success of the Offer
- any new law, regulation or policy which adversely affects, or is likely to adversely affect, the principal business of Urbanise or capital issues or stock markets generally is introduced or announced by a government or the Reserve Bank of Australia of Australia
- an adverse change takes place in relation to Urbanise
- Urbanise contravenes its constitution or the Corporations Act
- Urbanise breaches a material obligation under the agreement
- a director of Urbanise is charged with an indictable offence
- a representation or warranty given by Urbanise under the agreement or given to the Underwriter is untrue or incorrect in any material respect
- any of the material contracts summarised in this Section 9 are amended or terminated without the Underwriter's prior consent
- Urbanise becomes engaged in any legal proceedings.

Urbanise has agreed to indemnify the Underwriter, its related bodies corporate and each of their officers, employees and advisers against all losses, liabilities, claims, damages, costs and expenses incurred by them in connection with the Offer (subject to certain exemptions relating to, among other things, any fraud, wilful misconduct, recklessness or negligence by them).

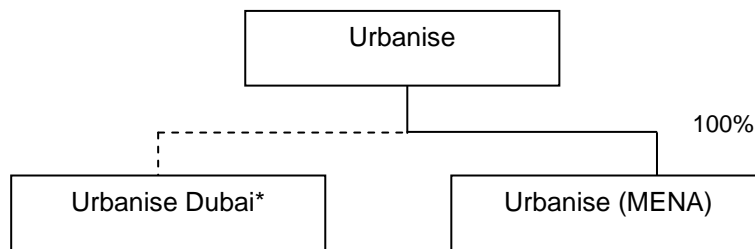
10. Additional Information

10.1. Corporate history, corporate structure

Urbanise was incorporated as a proprietary limited company in Victoria on 1 February 2001, under the name Myretsu Pty Ltd. On 13 July 2005, it changed its name to Majitek Pty Ltd and again on 30 January 2014 to Urbanise.com Pty Limited. Urbanise converted to a public company on 10 July 2014 and subsequently changed its name to Urbanise.com Limited.

Urbanise has two related companies. One Australian wholly-owned subsidiary, Urbanise.com (MENA) Pty Limited (ACN 127 810 762) (**Urbanise (MENA)**) and Urbanise DWC LLC, a company incorporated in Dubai (**Urbanise Dubai**).

Urbanise (MENA) does not carry on any business and was originally set up as a holding company to hold Shares in Urbanise Dubai. Urbanise Dubai was set up as Urbanise conducts part of its business from and within Dubai. Benjamin Churchill, a Director and the CEO of Urbanise, currently holds all of the issued Shares in Urbanise Dubai as bare trustee for Urbanise, pursuant to a Nomination Deed. The Shares are held in this manner as a result of Dubai law.



*Shares are held by Ben Churchill (a Director and the Chief Executive Officer of Urbanise) as bare trustee on behalf of Urbanise, subject to a Nomination Deed.

Of the group, Urbanise is the only company that conducts business and carries out operations.

10.2. Rights attaching to the Shares

The Constitution of Urbanise was adopted on 10 July 2014. The key rights and liabilities of the share provisions of the Constitution are set out below.

The Shares offered under this Prospectus are fully paid ordinary Shares in the capital of Urbanise and will rank equally with each other, and with the existing issued Shares. There will be no liability on the part of Shareholders for any calls.

Detailed provisions relating to the rights attaching to the Shares are set out in Urbanise's constitution and the Corporations Act. A copy of Urbanise's Constitution can be inspected during office hours at the registered office of Urbanise.

Each Share confers on its holder:

- the right to receive notice of and to attend general meetings of Urbanise and to receive all financial statements, notices and documents required to be sent to them under the Constitution, the Corporations Act and the Listing Rules
- the right to vote at a general meeting of Shareholders (whether present in person or by any representative, proxy or attorney) on a show of hands (one vote per Shareholder) and on a poll (one vote per Share on which there is no money due and payable) subject to the rights and restrictions on voting which may attach to or be imposed on Shares (at present there are none)
- the right to receive dividends, according to the amount paid up or credited as paid on the Share

- the right to receive, in kind, the whole or any part of Urbanise's property in a winding up, subject to priority given to holders of Shares that have not been classified by ASX as 'restricted securities' and the rights of a liquidator to distribute surplus assets of Urbanise (with the consent of members by special resolution)
- subject to the Corporations Act and the Listing Rules, Shares are fully transferable.

The rights attaching to Shares may be varied with the approval of Shareholders in a general meeting by special resolution.

10.3. Terms and conditions of Options

Urbanise has an option plan (**Option Plan**) to assist in the attraction, motivation and retention of Urbanise employees and directors. The Option Plan enables Urbanise to grant Options to Urbanise employees. All employees are eligible to participate in the Option Plan after one continuous year of employment.

Each Option is a right to one Share, which may be conditional on the satisfaction of performance indicators and Company performance milestones, as determined by the Board. The Board will also determine the issue price, exercise price (which must be at least \$0.20) and any vesting conditions at the time it offers the Options.

Once an Option vests it remains exercisable for a period of five years, after which it lapses absolutely.

A Share issued following the exercise of any Option will rank equally in all respects with the Shares. Urbanise will apply for quotation of the Shares issued on exercise. The Options are not quoted.

If an employee has their employment terminated for misconduct or breach of their employment contract the Options immediately lapse. If an employee has their employment terminated for any other reason the Options lapse three months from the date of termination and Urbanise will refund the issue price to the Option Holder.

All of the current Options held by employees, were issued under the 2009 Options Plan (**2009 Option Plan**). The 2009 Option Plan is on similar terms to the Option Plan, except that:

- the issue price is equal to the last formal assessment of the value of any Shares issued by Urbanise in the previous 12 months
- 30% of the Options vest when the holder is employed for a year, the remaining 70% vest monthly on a pro rata basis over three years of employment. This is subject to any specific terms of issue
- if any one shareholder of Urbanise holds more than 60% of the fully diluted capital of Urbanise all Options become exercisable
- if a holder wishes to sell its Options, it must first offer them to existing Shareholders. If no Shareholder wishes to acquire the Options, Urbanise has the right to repurchase the Options.

All Options to be issued to employees from the date of this Prospectus will be issued under the Option Plan.

10.4. Interests of Directors, advisers and promoters

Except as set out in this Prospectus, no amount has been paid or agreed to be paid and no benefit has been given or agreed to be given to a Director, or proposed Director to induce them to become, or to qualify as, a director of Urbanise; and

- none of the following persons:
 - a Director or proposed Director of Urbanise

- each person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus
 - a promoter of Urbanise
- holds or held at any time during the last two years an interest in:
- the formation or promotion of Urbanise
 - property acquired or proposed to be acquired by Urbanise in connection with its formation or promotion or the offer of the Shares
 - the offer of the Shares
- or was paid or given or agreed to be paid any amount or benefit for services provided by such persons in connection with the formation or promotion of Urbanise or the offer of the Shares.

10.5. Interest of advisers and other persons

Watson Mangioni has acted as Australian legal adviser to Urbanise in relation to the Offer. Urbanise has paid or agreed to pay, approximately \$115,000 (excluding disbursements and GST) for these services up until the date of this Prospectus. Further amounts may be paid to Watson Mangioni in accordance with its normal time-based charges.

Pitcher Partners Corporate has acted as the Investigating Accountant on the Historical Financial Information and the Pro Forma Financial Information in relation to the Offer and has performed work in relation to its Investigating Accountant's Report in Section 7. Urbanise has paid, or agreed to pay, approximately \$50,000 (excluding disbursements and GST) to Pitcher Partners Corporate for the services up to the date of this Prospectus. Further amounts may be paid to Pitcher Partners Corporate under time based charges.

KTM has acted as Underwriter to Urbanise in relation to the Offer. Urbanise has paid or agreed to pay, approximately \$950,000 (excluding disbursements and GST) and issue the KTM Options to KTM for these services up until the date of this Prospectus. The KTM Options have an approximate value of \$800,000. Further amounts may be paid to KTM in accordance with its normal time-based charges.

10.6. Taxation and financial year

Urbanise is taxed as a public company. Urbanise's financial year ends on 30 June annually.

The acquisition and disposal of Shares have tax consequences, which will differ depending on the tax status (including residing for tax purposes) and individual financial affairs of each investor.

All current or potential investors in Urbanise are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, Urbanise, its officers and each of their respective advisers accept no liability or responsibility with respect to the taxation consequences of acquiring or disposing of Shares issued under this Prospectus.

10.7. Costs of the Offer

The expenses of the Offer which are payable by Urbanise are estimated to be approximately \$1,300,000 (excluding GST). This includes advisory, legal, accounting, tax, listing and administration fees, share registry and other expenses.

The table below itemises the expenses of the Offer by description and provides an estimate as to the value of each.

| | |
|------------------|--------------------|
| Accounting | \$50,000 |
| Legal | \$115,000 |
| Printing | \$31,100 |
| Share Registry | \$10,000 |
| Underwriting fee | \$950,000 |
| ASX | \$131,685 |
| ASIC | \$2,290 |
| Total | \$1,290,075 |

The amounts, and other expenses of the Offer, will be paid by Urbanise out of the proceeds of the Offer or out of available cash.

10.8. Legal proceedings

Urbanise is not and has not been, during the 12 months preceding the date of this Prospectus, involved in any legal or arbitration proceedings which have had a significant effect on the financial position on Urbanise. As far as the Directors are aware, no such proceedings are threatened against Urbanise.

10.9. Consents and responsibility statements

KTM has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Australian underwriter to Urbanise in the form and context in which it is named.

KTM has only been involved in the preparation of that part of the Prospectus where they are named as underwriter to the Offer. KTM specifically disclaims liability to any person in the event of any omission from, or any false or misleading statement included elsewhere in this Prospectus. KTM has not authorised or caused the issue of the Prospectus and takes no responsibility for its contents.

Watson Mangioni has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Australian legal adviser to Urbanise in the form and context in which it is named.

Watson Mangioni has only been involved in the preparation of that part of the Prospectus where they are named as the Australian legal adviser to the Offer. Watson Mangioni specifically disclaims liability to any person in the event of any omission from, or any false or misleading statement included elsewhere in this Prospectus. While Watson Mangioni has provided Australian legal advice to the Directors in relation to the issue of the Prospectus and the conduct of due diligence enquiries by Urbanise and the Directors, Watson Mangioni has not authorised or caused the issue of the Prospectus and takes no responsibility for its contents.

Pitcher Partners Corporate has given, and has not withdrawn prior to the lodgement of this Prospectus and with ASIC, its written consent to being named in this Prospectus as investigating accountant in the form and context in which it is named and the inclusion of its investigating accountant's report in the form and context in which it appears in this Prospectus.

Pitcher Partners Corporate has not been involved in the preparation of any part of this Prospectus (other than its investigating accountant's report) and specifically disclaims liability to any person in the event of omission from, or a false or misleading statement included in this Prospectus except in its investigating accountant's report. Pitcher Partners Corporate has not authorised or caused the issue of this Prospectus and takes no responsibility for its contents except its Investigating Accountant's Report.

Pitcher Partners has given, and before lodgement of the paper Prospectus and the issue of the electronic Prospectus has not withdrawn its written consent to being named in this Prospectus as auditor to Urbanise in the form and context in which it is so named in this Prospectus.

Boardroom Pty Limited has given, and before lodgement of the paper Prospectus and the issue of the electronic Prospectus has not withdrawn its written consent to being named in this Prospectus as share register service provider for Urbanise in the form and context in which it is so named.

Boardroom Pty Limited has not been involved in the preparation of any part of this Prospectus and specifically disclaims liability to any person in the event of omission from, or a false or misleading statement included in this Prospectus. Boardroom has not authorised or caused the issue of this Prospectus and takes no responsibility for its contents.

Norman Crowley has given, and has not withdrawn before lodgement of this Prospectus with ASIC, his consent to the inclusion of the statement attributed to him in the form and context in which that quote appears.

Nurolamin Abas has given, and has not withdrawn before lodgement of this Prospectus with ASIC, his consent to the inclusion of the statement attributed to him in the form and context in which that quote appears.

Jason Ruehland has given, and has not withdrawn before lodgement of this Prospectus with ASIC, his consent to the inclusion of the statement attributed to him in the form and context in which that quote appears.

Richard Jowsey has given, and has not withdrawn before lodgement of this Prospectus with ASIC, his consent to the inclusion of the statement attributed to him in the form and context in which that quote appears.

10.10. Interests of experts

Other than as set out below, no expert nor any firm in which such expert is a partner or employee has any interest in the promotion of or any property proposed to be acquired by Urbanise.

Pitcher Partners Corporate has prepared the Investigating Accountant's Report included in this Prospectus and has also performed work in relation to the due diligence enquiries on financial matters. In respect of this work, Urbanise estimates it will pay up to \$50,000 (excluding disbursements).

10.11. Statement of Directors

The Directors report that after due inquiries by them, in their opinion, since the date of the financial statements in the financial information in Section 6, there have not been any circumstances that have arisen or that have materially affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of Urbanise, other than as disclosed in this Prospectus and nothing has come to their attention to suggest Urbanise is not continuing to earn profit from continuing operations. Each Director has consented, and not withdrawn that consent, to the lodgement of this Prospectus with ASIC and its issue.

11. Glossary

Terms and abbreviations used in this Prospectus have the following meaning:

| | |
|-------------------------------------|---|
| Applicant | a person who submits an Application Form under this Prospectus |
| Application | an application to apply for Shares under this Prospectus made on an Application Form and accompanied by the relevant Application Monies |
| Application Form | the application form attached to or accompanying this Prospectus under which a person applies for Shares under the Offer (and includes a copy of the application form available on the website at which the electronic Prospectus is located) |
| Application Monies | the Application Price multiplied by the number of Shares applied for |
| Application Price | \$0.50 for each Share |
| Associate | has the meaning given by Division 2 of the Corporations Act |
| ASIC | Australian Securities & Investments Commission |
| ASX | ASX Limited (ABN 98 008 624 691) or Australian Securities Exchange, as the case requires |
| AWS | means Amazon Web Services |
| Board | the Board of Directors of Urbanise |
| Building Owners | has the meaning given to that term in Section 4.1 |
| Building Occupants | has the meaning given to that term in Section 4.1 |
| CEO | chief executive officer |
| CFO | chief financial officer |
| COO | chief operating officer |
| Closing Date | the date the Offer closes being, 9 September 2014, or such other date determined by Urbanise in accordance with the Corporations Act |
| Company | means Urbanise |
| Corporations Act | means the Corporations Act 2001 (Cth), as amended from time to time |
| CTO | chief technology officer |
| Customer | means a person that Urbanise enters into a contractual arrangement with to allow that person to use or commercialise the Platform and includes a Facility Manager, building operator, Corporate Real Estate Owner, property manager or other service provider |
| Directors | the directors of Urbanise |
| Existing Shareholders | Shareholders of Urbanise who are Shareholders as at the date of this Prospectus and prior to the issue of Shares under this Prospectus |
| Facility Management | guiding and managing the operations and maintenance of buildings, precincts and community infrastructure on behalf of property owners |
| Facility Management Industry | an industry covering a broad spectrum of activities from strategic operational planning of buildings and precincts to daily maintenance, cleaning and the management of environmental performance issues |

| | |
|---|---|
| Facility Manager | a professional or organisation responsible for the operational management of buildings and precincts |
| Financial Information | has the meaning given to that term in Section 6.1 |
| Forecast Financial Information | has the meaning given to that term in Section 6.1.(c) |
| GST | goods and services tax |
| Industry Cloud | an industry specific software solution with IT architecture that operates within the cloud computing industry |
| Investigating Accountant | means Pitcher Partners Corporate |
| Key Personnel | employees identified by the Board as key employees within Urbanise, being Julian Boot and Adam Bates |
| KTM | KTM Capital Pty Limited (ACN 086 281 950) |
| KTM Options | 5,426,405 unlisted options to be issued Shares with an exercise price of \$0.58 and exercisable at any time before 31 August 2019 |
| Listing | admission of Urbanise to the official list of ASX and quotation of the Shares |
| Listing Rules | the official listing rules of ASX |
| NPAT | means net profit after tax |
| Offer | the offer of Shares under this Prospectus |
| Offer Period | the period from the date of this Prospectus to the Closing Date |
| Offer Price | \$0.50 per Share |
| Official List | the official list of entities that ASX has admitted to the list and not removed |
| Option | an unlisted option issued over a Share |
| PCIDSS | Payment Card Industry Data Security Standard |
| Pierce Group Asia | Pierce ESIM Pte Limited and Pierce CIM Pte Limited |
| Pitcher Partners | means Pitcher Partners (partnership), Urbanise's auditor |
| Pitcher Partners Corporate | means Pitcher Partners Corporate Pty Ltd (ACN 082 323 868), the investigating accountant |
| Platform | means the cloud-based, software-as-a-service, building service delivery platform described in Section 4.3 |
| Pro forma Historical Financial Information | has the meaning given to that term in Section 6.1.(b) |
| Properties | means all of residential, commercial and mixed use properties |

| | |
|---|---|
| Prospectus | this replacement prospectus dated 25 August 2014, that replaces the prospectus issued by Urbanise dated 11 August 2014, as modified or varied by any supplementary prospectus made by Urbanise and lodged with the ASIC from time to time |
| Regional Operator Licence or ROL | has the meaning described in Section 4.7 |
| Related Party | has the meaning given to that term in the Listing Rules |
| Securities | has the same meaning as in Section 92 of the Corporations Act |
| Service Provider | has the meaning given to that term in Section 4.1 |
| Share | a fully paid ordinary share in the capital of Urbanise |
| Shareholder | a registered holder of a Share |
| Share Registry or Boardroom | means Boardroom Pty Limited (ACN 003 209 836) |
| Statutory Historical Financial Information | has the meaning given to that term in section 6.1.(a) |
| Territory | means a geographic area specified in a particular ROL |
| Underwriting Agreement | the agreement between KTM and Urbanise dated 11 August 2014, a summary of which is set out in section 9.4 |
| Urbanise | means Urbanise.com Limited (ACN 095 768 086) |
| Watson Mangioni | Watson Mangioni Lawyers Pty Limited (ACN 120 091 394) |

This Prospectus has been approved by unanimous resolution of the Directors of Urbanise.

Dated: 25 August 2014