

27 February 2015

Urbanise achieves strong growth half-on-half

On track to deliver FY15 prospectus forecasts

Announces first strategic acquisition: MyStrata

1H15 highlights

- Successfully listed on ASX in September 2014
- IPO proceeds swiftly deployed into building a team of senior client service and business development professionals, as per strategy
- Impact of ramp up evident in the step change in 2Q15 revenue (compared to 1Q15) and strong growth half-on-half
- 1H15 revenue of \$3.3 million, up 94% on 2H14
- 1H15 EBITDA of \$531k, reflecting the impact of one-off IPO structuring costs and significant investment in staff during the half – 1H15 pro forma EBITDA of \$1.01m, up from \$266k in 2H14
- FY15 prospectus forecasts reaffirmed
- Six new client wins during 1H15 and new hosted services with Smart Process signed this week
- Strategic acquisition of MyStrata (subject to conditions precedent and due diligence) bringing more than 138,000 units under management – transaction to be funded primarily by scrip

Urbanise.com Limited (Urbanise; ASX: UBN), the creator of the first cloud-based building services delivery platform for the facilities management industry, today announced its inaugural results as a listed company.

Commenting on the company's results for the six months ended 31 December 2014 (1H15), Urbanise CEO Ben Churchill said: *"Having successfully listed in September 2014, we have moved quickly to deliver on our strategy and leverage Urbanise's first mover advantage. The results of this strategy can be clearly seen in the strong half-on-half growth achieved that has positioned Urbanise to deliver on its Prospectus forecasts for the full year."*

Urbanise listed on ASX on 22 September 2014, raising capital to fund investment in geographic expansion and platform roll-out via the appointment of additional skilled client service operators in key locations.

During 1H15, Urbanise has moved quickly to deliver on its strategy and respond to widespread interest in its unique platform. The company has employed 12 additional team members in key locations including Australia, the UK and Europe, the UAE and Malaysia.

The impact of this investment has begun to flow through with revenue experiencing a step change between 1Q15 and 2Q15 (Q2 contributed 89% of the reported revenue for the half). Revenue for 1H15 was \$3.3 million.

Statutory earnings before interest, tax, depreciation and amortisation (EBITDA) of \$530,747 was in line with the company's expectations and reflects an increase in expenses including one-off IPO structuring costs and increased employee expenses associated with the company's growth strategy. On a pro forma basis which excludes IPO and Employee Share Ownership costs, EBITDA was \$1.01 million.

The Chairman of Urbanise, Ms Arlene Tansey, said the results demonstrated that the Company was acting swiftly to deliver on its growth plans and convert high levels of interest in the platform into client wins.

“Urbanise is focused on delivering its global growth strategy, as demonstrated by our results today. There are endless opportunities for Urbanise to continue to change the face of the building services industry globally and the client wins we are seeing supports this.

“As we move into the second half, we are conscious of capitalising on our growing team of client service and business development professionals. The Board looks forward to a successful second half and reaffirms full year prospectus forecasts.”

Strategic acquisition of MyStrata

Urbanise has also today announced its first strategic acquisition since listing, having reached agreement to purchase MyStrata for up to \$14.7 million. The acquisition will be funded by existing cash reserves and Urbanise shares.

MyStrata is a leading strata management administration platform with more than 138,000 units under management, including 80,000 in Australia.

The transaction consideration includes:

- \$9.96 million in Urbanise shares (representing 12 million shares at an issue price of 83 cents per share)
- \$1.06 million in cash
- Up to \$3.7 million of deferred payments in Urbanise shares, subject to certain warranties and earn out provisions.

In addition to being EPS accretive, the MyStrata acquisition will provide immediate cross sell opportunities to existing customers of both platforms. It will also provide Urbanise with access to new markets and the ability to deliver an integrated services offering to both the strata and building services sectors.

Urbanise CEO Ben Churchill said: *“We are excited at the possibilities of offering Urbanise and MyStrata as an integrated offering and believe we will have complementary strata and facilities management capabilities which are both market leading. There is a huge global market, underpinned by solid growth fundamentals, for efficient end to end strata management software, which will have a positive impact on our global growth strategy.”*

The completion of the MyStrata acquisition is expected to occur within the next 90 days and is subject to certain conditions precedent including the finalisation of formal definitive agreements and due diligence to the satisfaction of Urbanise.

Delivering organic growth

Urbanise continues to deliver on its organic growth strategy, today announcing a new client contract with Smart Process and Control Ltd, a leading UK based distributor of energy metering products.

Under the agreement, Smart Process will use the Urbanise platform to provide remote asset monitoring and energy management services to its customers – delivering real time energy consumption and asset management information. In 2014, Smart Process installed 4,000 meters in more than 400 buildings across the UK, Portugal, Belgium and The Netherlands.

During the 1H15 reporting period, Urbanise secured six new client service agreements across core markets including the UAE, the UK and Australasia. Key client wins included:

- Hosted services agreement with facilities manager Concordia DMCC
- Hosted services agreement with facilities manager Farnek Services LLC

- Hosted services agreement with education facilities manager Chicago Maintenance and Construction LLC
- Hosted services agreement with procurement solutions provider 36 Strategies General Trading LLC
- Hosted services agreement with global consumer goods conglomerate Al Tayer Group LLC
- Hosted services agreement with My Club Store Pty Ltd.

Urbanise has also experienced growing interest from new markets including Spain, the Netherlands, Singapore, Indonesia and Australia. The company has agreed to commence confidential in-market trials for a major potential Australian client in 2H15.

Management is currently pursuing a pipeline of more than 20 clients and, with a growing team, the company is now well placed to capitalise on opportunities in the building services sector and the trend towards smart cities.

Smart cities – the way of the future

Urbanise recently announced that its building services delivery platform has become operational in the Malaysian Prime Minister's LEED Platinum building in Putrajaya. Urbanise is currently monitoring and reporting on the energy performance of key systems against energy efficiency benchmarks.

Urbanise is the regional partner of KFM Holdings which intends to use the Urbanise platform to manage some of the largest smart city projects in Malaysia – including Putrajaya and Iskandar. This project is a good example of how the Urbanise platform can be used beyond individual buildings and facilities to connect and manage whole cities. Urbanise is currently pursuing city management opportunities in both the UK and Australia.

Strong financial position

With no debt, and \$16.4 million in cash on hand at the end of 1H15, Urbanise maintains a strong cash position following the IPO and is in a solid financial position, allowing the company to pursue growth opportunities.

Positive outlook; on track to meet FY15 Prospectus forecasts

Commenting on the company's outlook, Urbanise CEO Ben Churchill said: *"The past six months have been successful for the business. We've been rewarded with additional client wins and volume as we have executed on our growth strategy."*

"The Urbanise platform is designed to connect building operators with their clients, suppliers and the people who live and work in the buildings they manage. As a former client I've experienced first-hand the impact our platform can make by transforming the traditional engineering approach to building operations and leading with services."

"With first mover advantage, global application, a strong financial position, growing pipeline and client conversions, Urbanise is well placed to continue growing and achieve its full year prospectus forecasts. We are excited by the growth opportunities available and are focused on ensuring we deliver on them."

Urbanise reaffirms its prospectus forecasts for FY15 and is expecting to deliver revenue of \$9.75 million and EBITDA of \$4.41 million.

ENDS

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