29 February 2016

# Urbanise achieves revenue growth of 10% for 1H16

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**1H16 Overview: Laying the foundation for growth**

- Revenue up 10% to $3.7 million (1H15: $3.3 million)

- Revenue plus sales backlog[1] for 1H16 of $5.6 million

- Majority of sales backlog amount expected to be booked during FY16

- Cash receipts from customers of $5.1 million, exceeding full year FY15 cash receipts

- Earnings before interest, tax, depreciation and amortisation (EBITDA) loss of $5.4 million (1H15: $0.5 million)

- Net loss after tax of $4.5 million (1H15: $0.05 million)

- 13 new customers signed for 1H16 (1H15: 6 customers)

- Strong balance sheet position with capital raising post 1H16 to accelerate growth

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[1] Sales backlog defined as devices which have been contracted but not installed. In a majority of cases, initial payments have already been received. Due to late device deliveries, revenue will be recognised as devices are deployed.

Urbanise.com Limited (Urbanise; ASX: UBN), the creator of the first cloud-based platform designed specifically for delivering services to buildings, is pleased to announce its results for the half year ended 31 December 2015 (1H16).

During the period, Urbanise delivered revenue of $3.7 million, a 10% increase from the previous corresponding period. Importantly, the revenue mix was in line with management's strategy to focus on PAYG licence fees (now representing circa 80% of total revenue) to build a long-term, scalable software-as-a-service (SaaS) revenue stream and improve cashflows.

The company experienced a sales backlog of approximately $1.9 million during the half, with the majority expected to be recognised during FY16. Cash receipts from customers of $5.1 million significantly exceeded customer revenue of $3.1 million.

The first shipment of new devices, originally scheduled for delivery in early December 2015 were received in February 2016. The remaining devices are due in March 2016.

Commenting on the results, Urbanise CEO Ben Churchill said: "*We remain confident in our strategy, the growth trajectory of the company and the huge global market opportunity, particularly with Tier 1 customers, despite recognised revenue falling short of our potential. During the half, we aggressively invested in customer acquisition and developing distribution channels with our partners which has resulted in our technology being deployed by leading property and facility managers and owners.*"

During 1H16, Urbanise announced an additional 13 new customers across key markets including the UK, Australia, South Africa and the Middle East – up 117% on 1H15, providing an indication of the company's momentum.

To support continued rollout demand, an additional five employees joined the Urbanise team.

Mystrata has also seen strong growth under Urbanise ownership with the number of units managed growing by 16% during 1H16. Cross-selling results have been positive with existing Mystrata clients starting to purchase the Urbanise platform.

The Mystrata development team is now co-located with Urbanise's development office in Europe to drive further integration capability and technology enhancements, and to improve cost efficiency. This will include the delivery of a new Mystrata interface with access to the suite of products on the Urbanise platform.

Mr Churchill said: *"The ramp up in new customer acquisitions should begin to positively impact our revenue over the next 12 months. Our sales pipeline is increasing in size and industry appetite for the Urbanise platform remains high.*

*"Importantly, we have firm commitments for our next generation of devices which we expect to deliver and install in the second half. We are also actively pursuing solutions which will ensure we have better control of our supply chain, delivery to our customers and ultimately revenue in the future.*

*"We are already seeing the benefits of the Mystrata acquisition as an additional revenue stream and as a touch-point with new customers. Cross-selling of the Urbanise platform to Mystrata clients is gaining traction and will be enhanced by the development of an integrated front-end interface which will allow access to both platforms."*

**Balance sheet position remains strong**

The balance sheet remains strong with a cash balance of $8.8 million at the end of 1H16, down from $12.2 million at the end of FY15. The reduction is mainly attributable to increased operating expenses associated with additional employees and in line with our growth strategy. As at 24 February 2016, Urbanise had a cash balance of $13.1 million.

The company remains debt free and has capacity to deploy capital to take advantage of any growth opportunities. This position was enhanced in February 2016, when Urbanise raised $6.5 million via a private placement.

The funds raised will be used to accelerate development of dedicated customer mobile solutions; increase patent coverage of Urbanise solutions; hire specialist sales staff, implement more efficient internal enterprise resource planning; and appoint a Chief Operating Officer to improve supply chain and implementation management.

**FY16 focus**

For the period ended 30 June 2016, the focus of management will be to:
- Sign further Tier 1 customer agreements with immediately recognisable revenue and cash collected in FY16
- Install next generation monitoring technology devices with rapid integration into recently signed Tier 1 customers – driving extra software usage
- Deliver full year revenue mix in line with November Update
- Complete Mystrata interface with Urbanise platform for easier cross selling, and
- Hire additional staff, as needed, to support customer demand in key geographies.

Mr Churchill said: *"We have a clear and simple goal of growing revenue and signing additional customers for the remainder of the financial year. The capital injection in February 2016 will allow us to bring forward specific development and efficiency initiatives to accelerate growth."*

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**About Urbanise**

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

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