25 August 2016

Urbanise lays the foundations for growth

FY16 Overview

- Revenue down 3% to $9.8 million (FY15: $10.2 million)

- Cash receipts from customers of $7.3 million (FY15: $2.9 million)

- Revenue backlog (FY17) of $4.6 million

- EBITDA loss of $10.9 million (FY15: $2.1 million profit)

- Net loss after tax of $9.3 million (FY15: $0.7 million profit)

- Strong balance sheet

- Strong pipeline of customer opportunities

Urbanise.com Limited (Urbanise; ASX: UBN), today announced its results for the full year ending 30 June 2016 (FY16).

The company delivered revenues of $9.8 million, a 3% decrease from the previous corresponding period. Importantly cash collection has increased to $7.3 million.

The reported net loss after tax of $9.3 million was driven by a number factors:

- The decision to step up the significant investment in sales, support and implementation staff to support expansion plans
- A shortfall in revenue due to supply chain issues with our next generation of IoT technology (now resolved) and a longer than anticipated sales cycle of the software platform
- Underperformance of direct sales teams – especially in Europe

Of the previously reported first half sales backlog of approximately $1.9 million, the majority was recognised during the second half.

At 30 June 2016 Urbanise had a net cash position of $7.8 million, with no external debt or borrowings.

The current asset ratio at 30 June 2016 was 4.66 times, up from 3.62 times at 30 June 2015.

Review of Operations

The company stepped up investment in staff and operational infrastructure in existing geographies to position for significant growth with large client opportunities, and to build scale. In addition, the company continued its investment into product development and systems to support customers in each geography.

The strategy was successful in the Australian and South African markets where considerable investment was made to secure key contracts. Moderate success was achieved in the Middle Eastern market. This approach was not sufficient in the European market, and Urbanise has now discontinued direct sales and moved to a partner-based approach.

The company maintained its existing footprint in Australia, Singapore and the UAE, and added a new facility in South Africa. The offshore software development team in Bulgaria was further strengthened.

Global Headcount increased from 65 to 84. Customer Engagement costs increased by 71% and Technology / Operations costs by 183%.

The Mystrata acquisition has met expectations, with a 24% growth in billable residential units during FY16. The Mystrata platform was also an important factor in securing the recently announced contract with King Price.

Foundation for Growth in FY17

In the coming financial year, Urbanise will build its solid foundations:

Owning our Vertical Industry Cloud
Urbanise has focussed its solutions in two key areas:
- The Residential Property Cloud – providing integrated products specifically for medium – large asset owners, managers and service providers in the residential property industry
- The IoT Cloud – with its open architecture can be deployed in many ways and across many industries beyond our core vertical

Leveraging Recent Successes
The recent contract wins with King Price in South Africa and PICA in Australia (awarded in early FY17) are examples of national rollouts which will capture large sections of the residential value chain. These delivery models are readily transferrable across the company's current global footprint and beyond.

Additionally, Urbanise now has a solid IoT technology supply chain in place and a growing list of successful trials that demonstrate savings in maintenance operations.

Partner programme
Urbanise are accelerating the launch of the Partner Program in all active territories with both technology consulting partners and device distribution partners. Partners will be able to provide turnkey implementations of Urbanise technology to primarily the residential property vertical, but also other industries in which those partners are already active such as the industrial, aged care and hospitality sectors, building on the platform components, particularly our IoT Cloud. Partners will be assisted by the Global Partner Support Centre located in Dubai, which will provide partner on-boarding, training and sales support.

Investment in Research and Development
Urbanise will continue to invest in research and development to enhance existing solutions, expand the number of applications provided and develop new solutions. Urbanise is focussed on continuous improvement which includes offering customers upgrades each year designed to enable our customers to benefit from ongoing innovations.

Commenting on the results, Urbanise CEO Ben Churchill said: *"This year has been one of significant milestones for Urbanise tempered by operational challenges as we build scale. While FY16 has been a year of consolidating the acquisition of Mystrata, it has also delivered some challenges including bringing the latest generation of our monitoring technology to market. The financial result was not only impacted by the delay in device hardware, but by underestimating the sales cycle length of our software platform. Our market focus has also been too broad—which has led to competing sales and technical demands. FY16 has also been a period of investment in securing long-term recurring revenue streams, establishing a solid supply chain and building a growing list of successful trials and opportunities."*

- ENDS -

About Urbanise

Urbanise is the creator of a cloud-based platform that enables building operators to automate, streamline, simplify and optimise building operations and performance. The Residential Property Cloud provides integrated products specifically for medium-large asset owners, managers and service providers in the residential property industry. The IoT cloud, with its open architecture, can be deployed in many ways and across many industries beyond the residential vertical. www.urbanise.com

For further information contact:

Investor Relations	General/Media Enquiries
Michael Waymark	Katie Paynter
Chief Operating Officer	Head of Communications
Telephone +61 447 447 000	Telephone +61 417 057 253