

23<sup>rd</sup> April 2020

### **Appendix 4C & Quarterly Activities Report for the period ended 31 March 2020**

- Revenue of \$2.48m<sup>1</sup>, up 15.6% vs previous corresponding period (pcp)
- Recurring licence revenue of \$1.99m<sup>1</sup> was up 25.2% vs pcp, driven by a 53.4% increase in Facilities Management licence fees and 12.4% increase in Strata licence fees
- Average monthly cash used of \$105k, a 54.7% decrease vs pcp (Q3 FY2019: \$232k)
- Closing cash balance of \$4.28m and zero debt
- COVID-19 Update: No material impact to date on the demand for Urbanise's cloud-based software with all offices continuing to operate remotely.

**Urbanise.com Limited** (ASX:UBN) ("Urbanise" or "the Company") today provides a business update and Quarterly Cash Flow Report for the period ended 31 March 2020 (Appendix 4C). Urbanise is a leading provider of multi-tenant cloud-based Software-as-a-Service (SaaS) platforms to strata and facilities managers in Australasia, the Middle East, Europe and South Africa.

Urbanise's CEO Saurabh Jain said: "We are very pleased with our performance during the March quarter as it highlighted once again, the progress we have made in transforming the business. Our strategic focus on growing licence revenue, maintaining cost discipline and driving working capital efficiencies more than halved our average monthly cash used to \$105k compared to \$232k in Q3 FY2019. Our financial position remains strong and at 31 March, we had no debt and a closing cash balance of \$4.28m.

"Despite the uncertainties created by COVID-19, we have seen no material impact on the business to date. Urbanise provides mission-critical software and the majority of our customers pay in advance on either a quarterly or annual basis. We have high customer retention and our subscription model means that our revenue is highly recurring. As a global SaaS provider, we are used to working remotely and have rapidly adapted to the current circumstances.

"We continue to pursue our pipeline of activities across diverse regions and are seeing good results in Australia and the Middle East, where we offer the only integrated strata and FM solution. Onboarding new customers continues with implementation and training carried out remotely and the PICA rollout remains on track. Obviously, the wellbeing of our staff and customers remains our first priority and we will continue to monitor the situation closely."

#### **March Quarter Financial Summary**

During the quarter ended 31 March 2020, Urbanise continued to pursue its pipeline of activities across Australasia, the Middle East, Europe and South Africa.

- Total revenue of \$2.48m<sup>1</sup>, increased by 15.6% on pcp reflecting a strategic focus on specific customer segments and disciplined investment in product development.

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<sup>1</sup> Unaudited financial information

- Licence fee revenue of \$1.99m<sup>1</sup> grew by 25.2% on pcp driven by a 53.4% increase in Facilities Management licence fees and a 12.4% increase in Strata licence fees.
- Average monthly cash used of \$105k was 54.7% lower than Q3 FY2019 due to strong revenue growth, improvements in advance billings and cash collections as well as ongoing cost management.
- At 31 March 2020, Urbanise had a cash balance of \$4.28m and no debt.

**Table 1: Q3 FY2020 Summary** (Unaudited financial information)

\$000s	Q3 FY2020	Q3 FY2019	Var	Var %
Licence Fees	1,985	1,585	400	25.2%
Professional fees	489	552	(63)	-11.4%
Other revenue	2	5	(3)	-60.0%
<b>Total revenue</b>	<b>2,476</b>	<b>2,142</b>	<b>334</b>	<b>15.6%</b>
Average monthly cash used	105	232	(127)	-54.7%
Closing cash	4,277	4,228	49	1.2%

During the March quarter, Urbanise continued to focus on the delivery of its multi-tenant software to Tier 2 facilities management outsourcing companies. Facilities Management licence revenue increased by 53.4% to \$801k<sup>2</sup> due to the onboarding of new customers and network effects as more users were added to the Urbanise platform. A 33.9% decline in professional fees was due to the inclusion of a one-off development fee for a major Facilities Management client in Q3 FY2019.

**Table 2: Q3 FY2020 Facilities Management Summary** (Unaudited financial information)

\$000s	Q3 FY2020	Q3 FY2019	Var	Var %
Licence Fees	801	522	279	53.4%
Professional fees	265	401	(136)	-33.9%
<b>Total revenue</b>	<b>1,066</b>	<b>923</b>	<b>143</b>	<b>15.5%</b>
<b>Licence fees % total</b>	<b>75.1%</b>	<b>56.6%</b>		

The ongoing PICA implementation remained a priority for the strata team in Q3 FY2020 and is progressing to schedule. Strata licence revenue increased by 12.4% to \$1.17m<sup>2</sup> driven by onboarding of new customers and client base expansion among existing customers. Professional fees increased by 56.6% largely reflecting development fees for a major client.

**Table 3: Q3 FY2020 Strata Summary** (Unaudited financial information)

\$000s	Q3 FY2020	Q3 FY2019	Var	Var %
Licence Fees	1,168	1,039	129	12.4%
Professional fees	224	143	81	56.6%
<b>Total revenue</b>	<b>1,391</b>	<b>1,181</b>	<b>210</b>	<b>17.8%</b>
<b>Licence fees % total</b>	<b>83.9%</b>	<b>87.9%</b>		

<sup>2</sup> Unaudited financial information

### Q3 FY2020 Cashflow Summary – Strong financial position

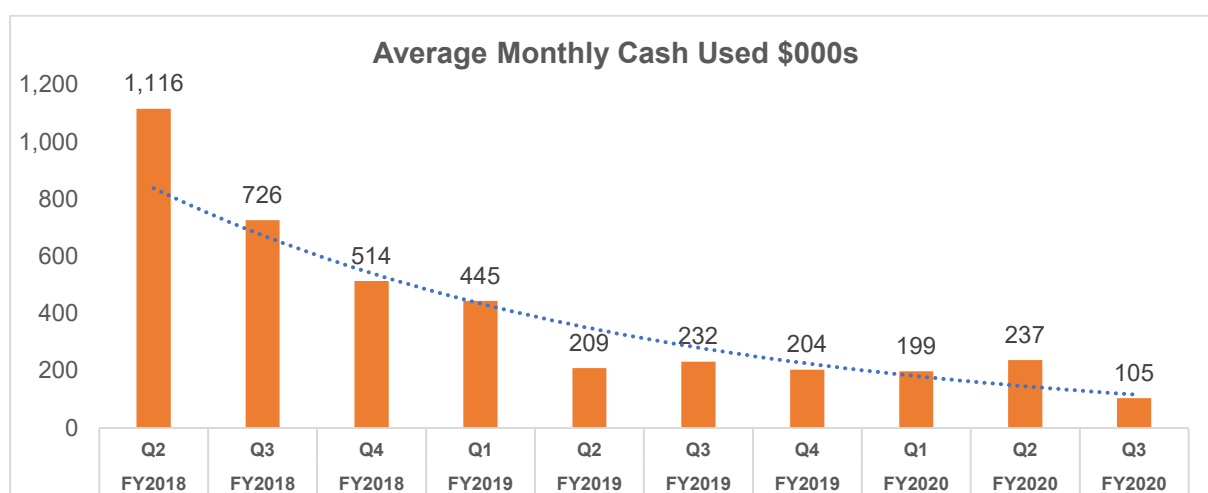
Average monthly cash used was \$105k for the March quarter (Q3 FY2019: \$232k). This was lower than the average monthly cash used in Q2 FY2020 of \$237k reflecting the timing of cash receipts from customers, increased advanced billings and improvement in collections. Payments were impacted by timing determined by supplier payment terms.

Over the past year, a focus on better working capital management has shifted working capital from positive to negative.

Chart 1 shows the dramatic decline in average monthly cash used as Urbanise shifted its business model to focus on the delivery of industry specific cloud-based SaaS platforms. Average monthly cash used is now less than a tenth of what it was in Q2 FY18.

Urbanise is in a strong financial position with no debt and a closing cash balance of \$4.28m at 31 March 2020.

**Chart 1: Significant reduction in average monthly cash used**



Payments for intangibles reflected capitalised development costs of \$288k during the quarter related to the strata platform. Facilities Management development costs are fully expensed as are the majority of strata development costs. Payments to related parties in Item 6.1 of Appendix 4C relate to fees paid to the Board of Directors.

Urbanise continued to invest in its platform and systems to expand the features and applications available and improve the delivery of its products and solutions.

**Table 4: Q3 FY2020 Cashflow Summary**

<b>\$000s</b>	<b>Q3 FY2020</b>	<b>Q3 FY2019</b>
<b>Cash at 31 December</b>	<b>4,591</b>	<b>4,925</b>
Receipts from customers / Other Receipts	3,181	2,454
Payments to suppliers and employees	(3,139)	(3,076)
Interest	(7)	-
<b>Net cash used in operating activities</b>	<b>35</b>	<b>(622)</b>
Payments for equipment / Proceeds from Sale of Equipment	(70)	23
Payments for intangibles / capitalised development	(288)	(88)
<b>Net cash used in investing activities</b>	<b>(358)</b>	<b>(65)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(323)</b>	<b>(687)</b>
Effect of movement in exchange rates on cash balances	9	(10)
<b>Cash at 31 March</b>	<b>4,277</b>	<b>4,228</b>
<b>Average Monthly Cash Used</b>	<b>(105)</b>	<b>(232)</b>

### COVID-19 Update

Urbanise is yet to experience a material reduction in demand for its SaaS platforms as a result of the COVID-19 pandemic. However, given the evolving situation, the Board and management will provide further updates on business operations and performance as appropriate.

During the March quarter, business continuity plans were activated in response to the pandemic. As a result;

- All Urbanise offices are operating remotely and could do so for an extended period
- The sales team continues to provide software demonstrations via meeting platforms given limited face to face access in many regions
- Implementations and training are being delivered remotely and via meeting platforms without disruption to planned go-live dates
- Strata and development teams remain on track to meet key milestones on the PICA project
- Customer support and accounts have not been impacted, delivering billing and collection improvements during the quarter
- All domestic and international travel has been suspended to further limit exposure to COVID-19

**This announcement has been authorised for release by the UBN Board of Directors**

### Investor enquiries

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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 software-as-a-service industry cloud 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](http://www.urbanise.com)

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

Urbanise.com Limited

**ABN**

70 095 768 086

**Quarter ended ("current quarter")**

31 March 2020

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	3,103	8,093
1.2 Payments for		
research and development		
product manufacturing and operating costs	(275)	(810)
advertising and marketing	(28)	(122)
leased assets		
staff costs	(1,837)	(5,384)
administration and corporate costs	(999)	(2,538)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid	(7)	(19)
1.6 Income taxes paid		
1.7 Government grants and tax incentives	78	78
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>35</b>	<b>(702)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities		
businesses		
property, plant and equipment	(70)	(178)
investments		
intellectual property		
other non-current assets	(288)	(761)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
2.2	Proceeds from disposal of: (b) entities businesses property, plant and equipment investments intellectual property other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(358)</b>	<b>(939)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,250
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(53)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>2,197</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	4,591	3,702
4.2	Net cash from / (used in) operating activities (item 1.9 above)	35	(702)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(358)	(939)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	2,197
4.5	Effect of movement in exchange rates on cash held	9	19
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>4,277</b>	<b>4,277</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	4,277	4,591
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>4,277</b>	<b>4,591</b>

**6. Payments to related parties of the entity and their associates**

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

<b>Current quarter \$A'000</b>
76
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Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

**7. Financing facilities**

*Note: the term "facility" includes all forms of financing arrangements available to the entity.*

*Add notes as necessary for an understanding of the sources of finance available to the entity.*

7.1 Loan facilities

7.2 Credit standby arrangements

7.3 Other (please specify)

7.4 **Total financing facilities**

<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
-	-

7.5 **Unused financing facilities available at quarter end**

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7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

N/A

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	35
8.2 Cash and cash equivalents at quarter end (Item 4.6)	4,277
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	4,277
8.5 <b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	121

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 23<sup>rd</sup> April 2020

Authorised by: By the Board  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.