



Urbanise

Urbanise.com Limited
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ASX RELEASE

AGM ADDRESSES AND PRESENTATIONS

Wednesday, 20 November 2019: In accordance with ASX Listing Rules, Urbanise.com Limited (ASX:UBN) provides a copy of the Chief Executive Officer and Chairman's addresses and accompanying presentation to the Annual General Meeting.

- ENDS -

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Chairman's Address

The 2019 financial year represented another significant milestone for the company with the appointment of a new Chief Executive Officer and the continued repositioning of the business.

In January, Saurabh Jain, our Chief Commercial Officer, Facilities Management, took over as CEO. Since then, he has used his in-depth knowledge and experience of both the technology, property management and services sectors to refocus the business on strata and facilities managers delivering strong revenue growth across both segments. At the same time, an extensive cost cut program was implemented which consolidated global operations and significantly reduced the average monthly cash used.

Turning to our global reach, Urbanise is the only provider of cloud-based software-as-a-service (SaaS) platforms to strata and facilities managers across Australasia, the Middle East and South Africa. Our delivery model means that our SaaS platforms are readily transferable across the group's regional footprint and beyond.

In contrast with legacy in-house systems, Urbanise's platforms provide our customers with a broad product suite, mobile functionality and intuitive user experience. With these tools, customers can automate processes and workflows reducing costs, respond to issues and deliver services in real-time.

The SaaS model allows for advanced AI and analytics with fortnightly updates to the platform so that new features can be delivered instantly across our customer base. Given these factors, customer retention is high, reflecting the quality of our offering and the "sticky" nature of our workflow products. Increased regulation and compliance requirements are also putting further pressure on managers to upgrade their systems.

In FY2019, the strength of our SaaS subscription model was evident as licence fee revenue rose by 64% and recurring revenue accounted for 74% of sales compared to 68.5% a year earlier. The growth in licence revenue reflected the successful onboarding of new customers and network effects as existing customers expanded their clientele, and facilities managers mandated sub-contractors to use our platform.

As mentioned, we have been working hard to right-size our cost base which reduced from \$18.7m in FY2018 to \$12.8m, a decline of 32%. This, together with the streamlining of our processes, delivered improvements in working capital which allowed us to reduce our cash requirements significantly and we finished the 2019 financial year with net cash of \$3.7m.

We have had a positive start to this financial year with the delivery of a strong 1Q FY2020 result which Saurabh will outline in more detail shortly.

In the year ahead, our priorities are to leverage our successes and learnings across our regional footprint in Australasia, the Middle East and South Africa to drive scale.

We will continue to invest in product development to enhance existing solutions, expand the number of features and applications, and develop new solutions. At Urbanise, we



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believe in continuous improvement, which includes offering our customers upgrades so that they can benefit from ongoing innovations.

I would like to take this opportunity to thank our CEO Saurabh Jain and his team, for their efforts and dedication throughout the year. We have made real progress in streamlining our core software business and delivering a product that is highly valuable to our customers.

I would also like to thank the Board, our customers and you, our shareholders, for your support during the year.

I look forward to working with the Board, Saurabh and his team as we continue to grow the business in 2020.

CEO Address

Good morning ladies and gentlemen and I would like to extend my welcome to today's AGM.

As the Chairman stated, 2019 was an exciting year for the company. We made good progress in refocusing the company on the provision of outstanding SaaS platforms to our customers, enabling them to automate manual processes reducing their costs and improving the standard and transparency of their reporting to clients.

When I became CEO in January, the transformation had already begun as we cut costs and significantly streamlined the business. As Almero mentioned, I joined Urbanise in August 2017 as Chief Commercial Officer for Facilities Management. I first came across Urbanise when I was involved with the Solutions Centre at Ventia, Australia's largest infrastructure services company. I was given the somewhat onerous task of rationalising their multiple asset and facilities management software systems.

After completing a thorough market review, I chose Urbanise to be their provider because it was the only facilities management platform available that had been designed specifically for the cloud. Unlike client servers, this meant that software was regularly updated, ensuring that product remained 'fresh' and did not go 'stale'.

Another major positive was the transparency provided around reporting, which was reassuring for key stakeholders. The existence of several mobile apps provided further flexibility for service delivery. By the time, I completed the successful deployment of Urbanise for Ventia and Auckland Council; I had realised that the company and its SaaS platform were something special.

The company is focused on two key business areas, strata and facilities management. We provide cloud-based platforms that cater for each industry and are the only company to offer an integrated solution. In the Middle East, our new customers take this combined solution and we believe it will become more common with facilities management representing 35 percent of a strata manager's workload.

Slide 7 outlines the life cycle of our business model. In FY2019, we invested in business development to drive customer acquisition. The process of winning a new customer takes about six months for a strata manager and up to nine months for a facilities manager.

The next phase is the onboarding of a new customer which consists of a period of training, data migration and configuration of systems. During implementation, Urbanise collects what are referred to as professional fees. Once this is completed, the customer will pay annual licence fees. Licence fees are paid on a per lot (apartment) basis for strata, and facilities managers pay on a per user per month basis.

The main objective from this point on, is customer retention. This is tackled on multiple fronts including account management and the continuous delivery of new features which reinforces the 'stickiness' of the product. This results in a compelling value proposition which limits churn and promotes price inelasticity.

The final element of this life cycle is ensuring the quality of our administration and support. We are determined to make ourselves more efficient by automating the backend and reducing our headcount. With the right cost base, we can then start to scale and drive positive operating leverage across the business.

Our facilities management platform is shown on Slide 8. It gives facilities managers multiple tools to enable the delivery of services to property owners and occupants. We have decided to focus on outsourcing companies because of an industry trend towards this segment. It is also attractive because it is less competitive, and our products work well in this space.

Facilities management increasingly depends on automation through artificial intelligence (AI), real-time visibility of the supply chain, and analytics. AI is important because it can automate a lot of the manual tasks that facilities managers need to do such as taking a photo of graffiti on a wall and using AI to assess the graffiti, default your location based on your GPS and allocate the job to your nearest tradesperson based on their skills, location and availability. It will then notify you once the job is complete. Mobile functionality is a real differentiator and paper processes, such as compliance, quoting and onsite induction, can also be done by our mobile app.

The facilities management platform delivers a number of positive outcomes for customers including operational efficiencies and greater transparency. Growth will come from adding new customers and a network effect as the client's footprint grows and sub-contractors are required to use our system.

The other area that will be vital to facilities managers in the future is analytics. Understanding your spend, performance and supply chain movements allows you to better evaluate the risks and rewards of different maintenance strategies. We can provide this level of insight with AI and automatic supply chain management.

Turning to strata, our cloud-based platform is a complete finance system for strata managers. We are the only cloud-based SaaS provider and our competitors are legacy tech that still deliver CDs by post. The growth drivers for strata are similar to facilities management and include new customers, the expansion of a customer's client footprint and the integration of external services into our e-services platform. We continue to progress our implementation of PICA which is the largest strata manager in Australia with 250,000 lots.

Our community mobile app is extremely popular with landlords and tenants, and we are the only SaaS platform that offers this level of interactivity. We have found that once this app is deployed to tenants, the strata manager becomes an even 'stickier' customer.

As the Chairman has covered the FY19 financial highlights, I will touch briefly on our first-quarter results for FY2020.

It was another strong result as our investment in business development paid off with a 43 per cent increase in licence revenue on the previous corresponding period (pcp). Licence revenue from facilities management increased by 120% and strata by 19% on pcp. This was due to the onboarding of new customers and the network effect as more users were added to our software platform.

Particularly pleasing was the 55% decline in average monthly cash used to \$199,000 from \$445,000 in Q1 FY2019.

For the rest of FY2020, our strategic priorities will remain focused on delivering strong growth in licence revenue and recurring revenue as a percentage of total sales.

At the same time, we will maintain a disciplined approach to costs, restructuring systems and processes, and automating as we continue to reduce our monthly cash requirements and drive positive operating leverage as we scale the business.

Turning to our business segments, completing the PICA implementation will be a focus for our Strata team and we will roll out new software for strata managers. At Facilities Management, our emphasis will be on organic growth and maximising our network effect.

Finally, I want to thank the Board and our team for their ongoing support as I complete my first year as CEO.

And I look forward to FY2020 being another productive year for all of us.



2019 Annual General Meeting

20 November 2019

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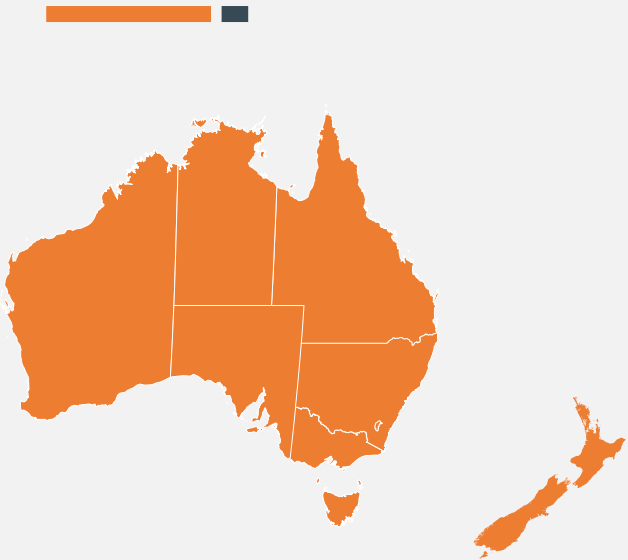
Chairman's Address

Almero Strauss



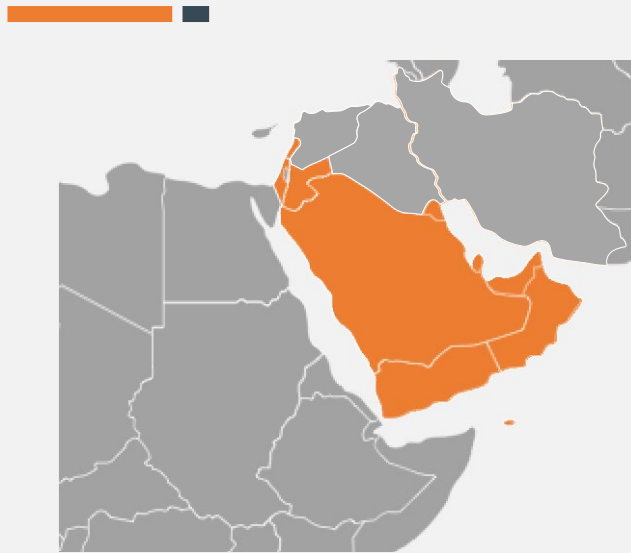
Transferable delivery model across global footprint

Australia & New Zealand



- 61% of FY19 revenue from ANZ
- Provides software to strata and facilities managers

Middle East & North Africa (MENA)



- 34% of FY19 revenue from MENA
- Provide integrated strata and facilities management solutions

South Africa



- 5% of revenue from South Africa
- Focus on strata managers

Leading provider of industry-specific SaaS platforms

Market leading
cloud-based
software

Network effect of
customer sign-up

SaaS
subscription
model

Mobile app
drives demand

Targeting strata
& facilities
managers

New management
team

FY19 Financial Overview

Turnaround delivered in all key metrics

Revenue of

\$8.1M

Up 48%, driven by new contract wins

Licence revenue of

\$6M

Up 64%, highly recurring revenue

Average monthly cash used of

\$273k

Down 66%, improved working capital

EBITDA (after impairment)

(\$3.5M)

Down 86%, significant improvement

Costs of

\$12.8M

Down 32%, extensive restructuring

Closing cash of

\$3.7M

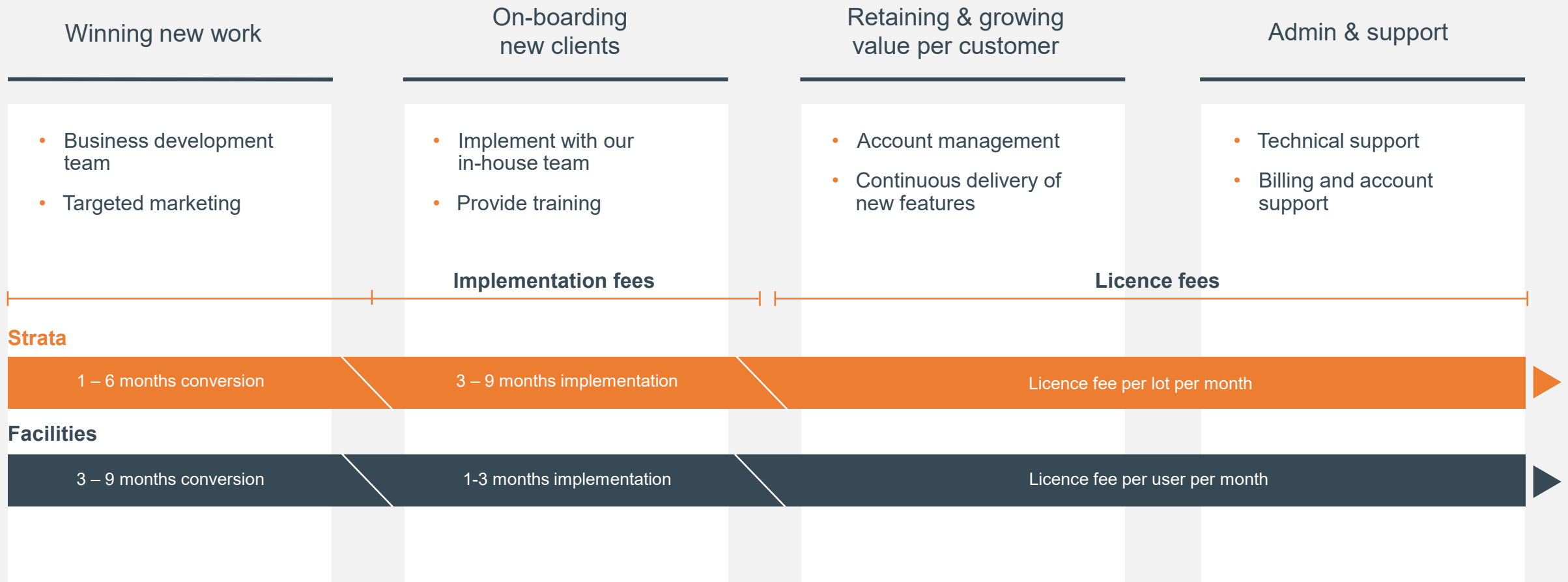
Up 21%, positive net cash, no debt

CEO's Address

Saurabh Jain



Our customer lifecycle



Facilities Management: the Fundamentals

Our SaaS Platform

Our customers

Tier 2 FM, Asset Owners, Strata

What they want

- Reduce costs to manage assets, plan whole of life
- Transparency & accountability

Enablers

- Cloud-based – new features easily released
- Integrations to automate data management & functionality



Revenue generators

Licences for each user on our platform:

- Contractors In the field
- Desktop users In the office

Implementation:

- Configuration (on-boarding and customisation)

Growth drivers

- Network effect – as client footprint grows, we grow
- More features leads to more value delivered & more revenue

Network effect drives FM revenue

As FM customer adds clients and subcontractors, our revenue per user grows



Facilities Management Analytics



Strata: the Fundamentals

Our SaaS Platform

Our customers

Strata Managers

What they want

- Manage financial and legislative requirements of strata schemes
- Provide services to their strata members

Enablers

- Cloud-based – new features easily released
- Integrations to automate data management & functionality



Revenue generators

Licence for each strata member ('lot') on our platform

Implementation:

- Configuration (on-boarding and customisation)
- Migration of data

Growth drivers

- As client lot footprint grows, we grow
- Integrating external services into our e-services platform
- Increasing demand for cloud-based platforms

Strata Community app



Q1 FY2020 Financial Overview *

Strong revenue growth & significant reduction in cash used

Revenue of

\$2.26M

Up 14%, one-off professional fees pcp

Licence revenue of

\$1.8M

Up 43%, highly recurring revenue

Average monthly cash used of

\$199k

Down 55%, improved working capital

FM licence revenue of

\$0.67M

Up 120%, new customers and network effect

Strata licence revenue of

\$1.1M

Up 19%, new customers

Closing cash of

\$3.1M

Up 79%, positive net cash, no debt

* Unaudited financial information

FY20 Outlook

Transformation continues

- Focus remains on licence revenue growth and increasing recurring revenue as a percentage of sales
- Maintain cost discipline and continue to reduce monthly cash used
- Strata team to continue PICA implementation and Facilities Management team to drive organic growth



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