




# ASX Small and Mid-Cap Conference

## September 2020

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ABN 70 095 768 086



The background image shows a row of modern, multi-story apartment buildings. The buildings have light-colored facades, large windows with orange frames, and balconies with glass railings. Some balconies have plants. In the foreground, there is a paved sidewalk, a row of green shrubs, and a street with parked cars. The sky is clear and blue.

**Urbanise is a leading  
provider of industry-specific  
cloud-based SaaS platforms  
to strata & facilities  
managers across the globe**

# Agenda

01.

Urbanising the  
world

02.

FY2020  
Result Overview

03.

FY2021  
Outlook



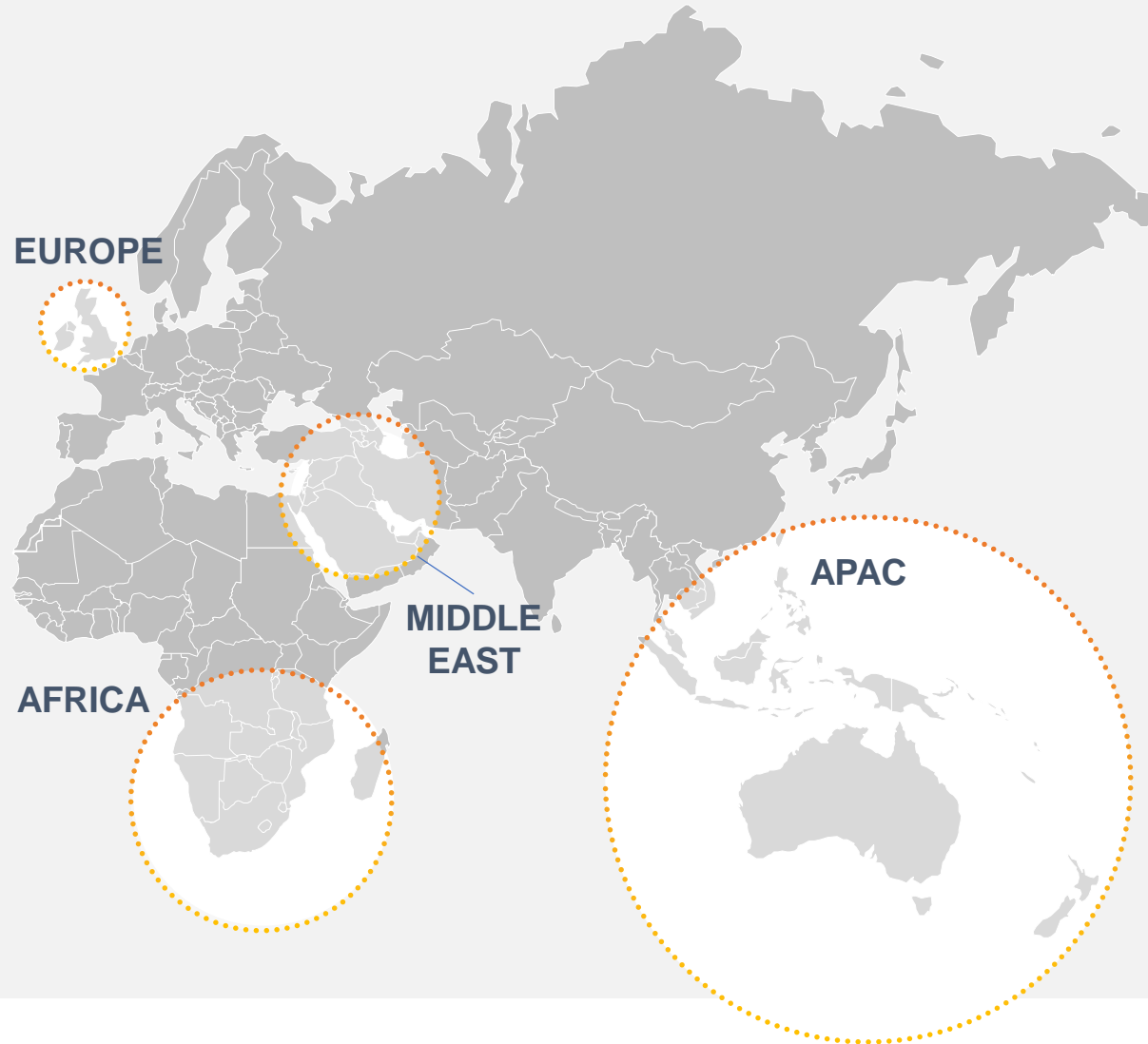
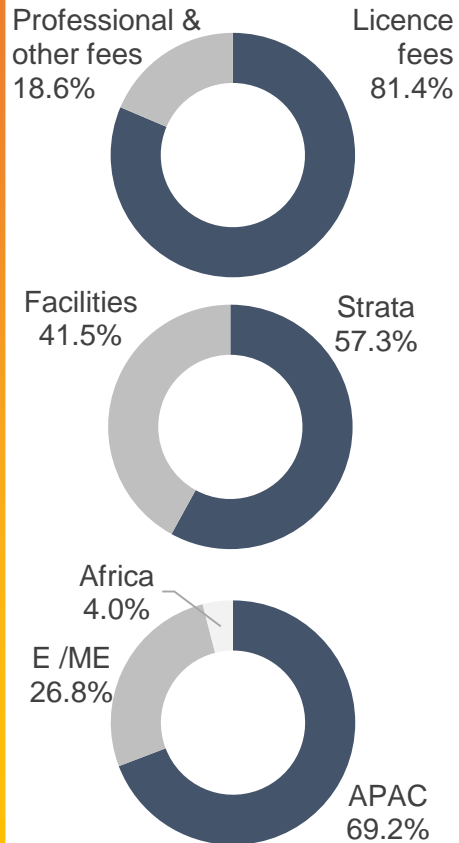
# Urbanising the world

ASX SMALL AND MID-CAP CONFERENCE | SEPTEMBER 2020



# Transferable delivery model across global footprint

## FY2020 revenue



**15**

**Current markets**

**~331k**

**Strata lots billed**

**~2.23k**

**Facilities users billed**

**81.4%**

**Recurring revenue**

# Leading provider of multi-tenant cloud-based software



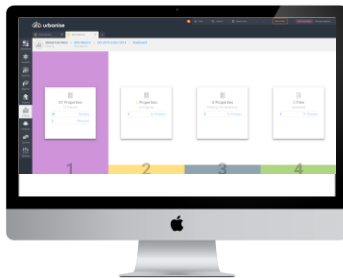
**SaaS subscription  
model**



**Broad  
product suite**



**Advanced  
AI & analytics**



**Intuitive user  
experience**



**Mobile app drives  
demand**



**Integrated strata & FM  
solution**

# Our cloud-based platforms

## Strata Managers

### Primary use

- Manage apartment buildings, strata commercial towers and large housing communities
- Accounting and administration of strata bodies and funds
- Communicate with owners and residents

### Benefits

- Integrated finance, banking and operations platform
- Compliance with local strata legislation
- Mobile app and e-services



## FACILITIES

### Work Order Management System



## FM Outsourcers, Asset Managers

### Primary use

- Manage infrastructure, buildings, residential and commercial properties
- Asset Management
- Workforce Management

### Benefits

- Reduce paperwork and administration costs
- Manage multiple assets & contracts from one place
- AI and machine learning
- Real time reporting and analytics



# Strata Most Comprehensive Strata Management Software in the Cloud



## ACCOUNTING

Ledger accounting, auto bank reconciliation, customisable account settings, scheduled CPI increases, set-up and report on multiple bank accounts, sub-accounts, investment and holding accounts.



## INVOICING

Online approval management, bulk invoice processing, single payment process for multiple accounts to multiple recipients, "set-and-forget" features and advanced arrears functions.



## MEETING MANAGEMENT

Industry leading meeting management in partnership with StrataVote, online and onsite meeting functionality, autogenerated agendas and minutes for bulk electronic distribution, customisable and easily populated templates.



## WORK ORDER MANAGEMENT

Work order system, request for quotations, track work order history, supplier compliance management.



## BUDGETING

Automatic levy generation and distribution, automated arrears escalation, management of multiple funds.



## REPORTING

Comprehensive list of customisable building and financial reports, automated scheduled reporting, localised legislation referencing, interactive and real-time reporting.



## DOCUMENT MANAGEMENT

Drag-and-drop capability, integrated document management system, document share portal, secure access in the cloud.



## COMMUNITY PORTAL

Mobile application, owners self-service levy and payment information, community wall, online invoice approval management, document library, payment gateway, events and promotions, financial reporting and request functionality.



## AUTOMATION

ePost - automated printing and mailing of documents  
QuickAP - efficient invoice processing with OCR and manual processing  
Mollak Integration (Dubai, UAE)



## OPEN INTEGRATIONS

Mollak Integration (Dubai, UAE)  
Ability to expand tech ecosystems and automate workflows by connecting with over 2000+ apps through the Urbanise and Zapier integration.





# Facilities Most Innovative Facilities Management Software in the Cloud



## OPERATIONS CENTRE

Full visibility over all current and outstanding jobs, and supply chain, jeopardy management capability to flag jobs nearing SLA's, triage and dispatch functions, mobile application 'Urbanise Force'.



## ASSET MANAGEMENT

10-year asset life cycle modelling, industry benchmarking, QR Codes and barcode scanning to identify assets, asset register, scheduled maintenance for specific, group or locations of assets, monitor depreciation and ROI of assets.



## JOB SCHEDULING

52-week planner and calendar view for planned work against assets or locations, visual heat map representation to assist in forecasting.



## WORKFORCE MANAGEMENT

Transparency over operations, geotagging and map view of contractor location, auto-assign based on skill set, availability and location/distance from job, streamlined communication via 'Urbanise Force'.



## SUPPLIER COMPLIANCE

Customisable safety induction and survey to set compliance criteria, record and track individual supplier status, integrate with Urbanise Integration Partners to enhance supplier compliance management.



## E-SERVICES CUSTOMER PORTAL

Digital storefront of services and products, customisable interface, reporting and analytic dashboards and mobile application 'Urbanise Store'.



## ANALYTICS

Interactive and customisable dashboards, real-time reports to understand costs, supplier performance, asset failures and more with deep AI enabled analytics.



## CUSTOMER RELATIONSHIP MANAGEMENT

Functionality to manage contact information and view history of communications, jobs and purchases



## OPEN INTEGRATIONS

Ability to expand tech ecosystems and automate workflows by connecting with over 2000+ apps through the Urbanise and Zapier integration



## FORCE APP

Mobile application with complete works and asset management functionality, timesheet capability, and mobile scheduling.

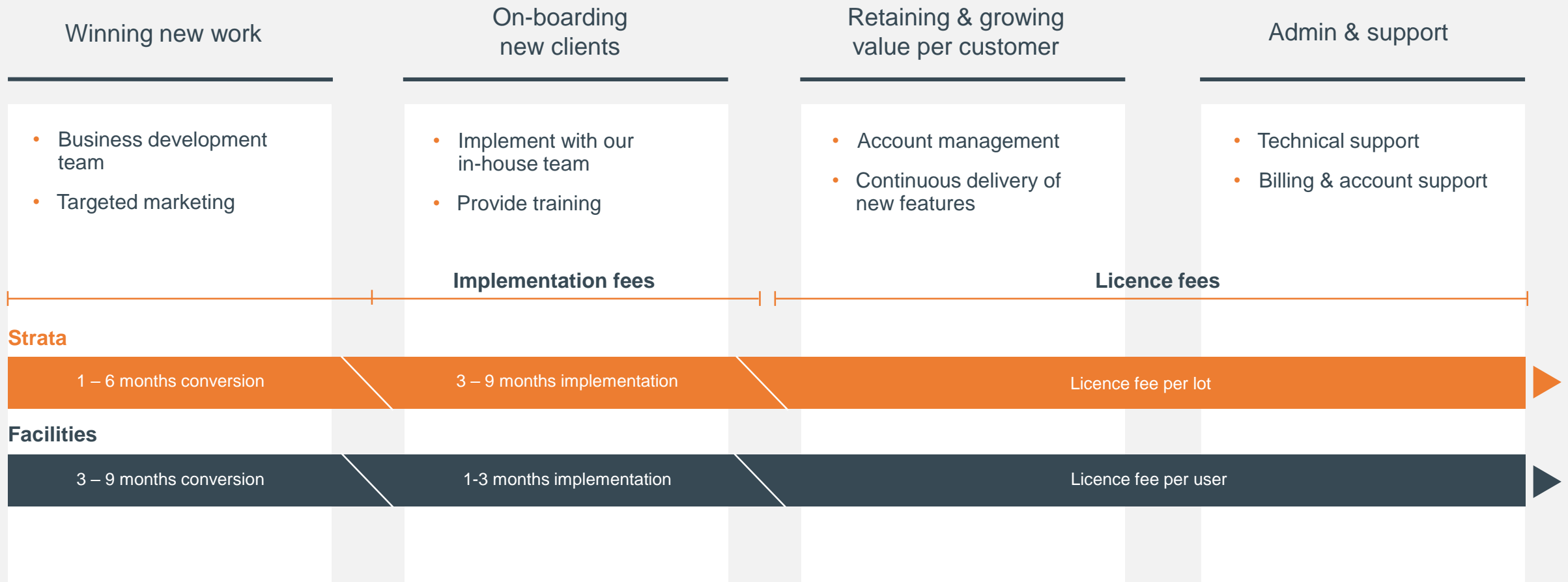


# Network effect drives revenue growth





# Our customer lifecycle



# Market opportunity driven by industry & global trends

## Macro trends support LT growth



- Increasing regulation of strata & facility management driving demand for accurate, transparent information delivered in real-time
- Scale platform across multiple markets as Australian strata legislation is implemented in other countries
- Increased facilities management outsourcing & strata consolidation driving demand for multi-tenant functionality, mobility, automation & analytics
- Growing demand for integrated facilities management & strata offering in Middle East likely to be replicated across other markets
- COVID-19 accelerating shift to cloud and demand for software-as-a-service (SaaS) solutions

## Multiple business growth drivers



- Unique cloud-based, multi-tenant platform
- Scalable operating model with high customer retention
- Global expansion driven by multi-market presence & multi-national customer base
- Network effect as customers add clients & subcontractors
- Only provider of integrated facilities management & strata solution
- Inclusion of third party product & features on UBN platform



# FY2020 Result Overview



# FY2020 Result Summary

Strong operating leverage as business continues to scale

Financial Summary	FY2020	FY2019	Change
Revenue	\$9,646k	\$8,072k	19.5%
Licence Revenue <sup>1</sup>	\$7,849k	\$6,117k	28.3%
Operating expenses	\$12,016k	\$11,615k	3.4%
EBITDA Loss <sup>2</sup>	\$2,370k	\$3,543k	-33.1%
Net Loss	\$4,155k	\$4,755k	-12.6%
Underlying Average Monthly Cash Used <sup>3</sup>	\$154k	\$272k	33.7%
Cash end period	\$4,545k	\$3,702k	22.8%

Key Operational Metrics	Jun 2020	Jun 2019	Change
Recurring revenue	81.4%	75.8%	6ppts
ARR <sup>4</sup> (\$m)	\$8.16m	\$7.13m	14.4%
Backlog <sup>5</sup> (\$m)	~\$1.80m	~\$2.10m	-14.3%
Strata customers (lots) <sup>6</sup>	~331k	~300k	10.3%
Facilities Users <sup>5</sup>	~2.23k	~1.84k	21.1%

- FY20 revenue of \$9.6m, up 19.5% vs pcp driven by 28.3% increase in licence revenue
- ARR of \$8.16m for the month of June 2020 up 14.4% vs pcp
- FY20 operating expenses marginally higher vs pcp due to increase in variable hosting costs, general cost inflation & one-off cost associated with offshore development team
- 33.1% reduction in EBITDA loss due to strong growth in revenue and positive operating leverage
- Strong revenue backlog of approximately \$1.8m



# FY2020 Business Highlights

Another transformational year for Urbanise



## Strong growth in licence revenue, ARR

- 28.3% growth in licence fees vs pcp
- ARR increased by 14.4% vs pcp



## PICA project on track for FY21 completion

- Pre-requisite development for QLD and NSW rollout completed
- Additional \$1.30m in ARR expected when fully implemented



## Strong financial position

- Negative working capital due to improvement in debtor and advance receipts
- Cash reinvested to drive ARR



## Strong backlog

- Backlog of \$1.80m including ~331k strata lots & 10 new Facilities contracts<sup>1</sup>



## COVID-19

- No material impact to date
- Some delay in decision-making

# FY2020 Key Metrics

Continuing ARR growth as backlog implemented and FM builds presence



Strong growth in strata lots & ARR over the period with PICA implementation on track for completion in FY21



FM ARR CAGR growth of 66% since June 2018 due to rapid customer take up, network effect



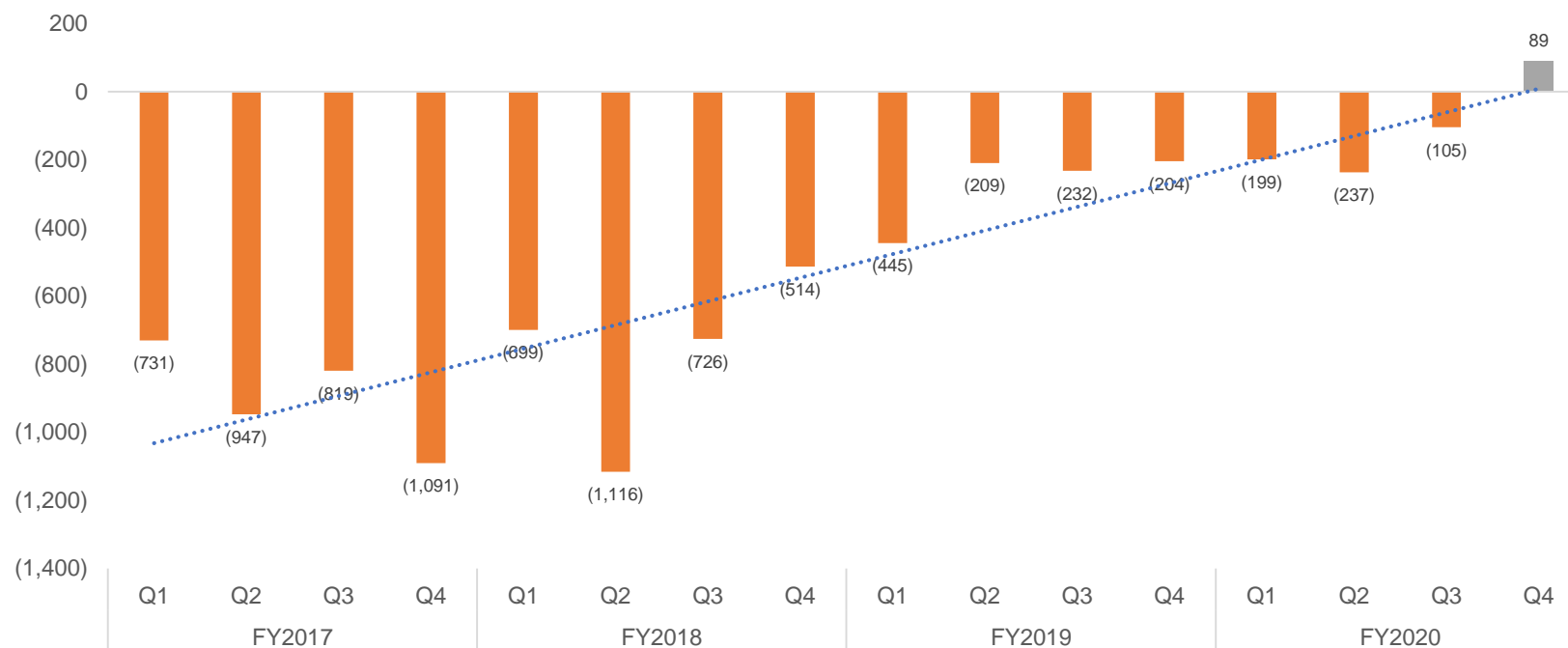
Estimated backlog of \$1.80m at 1 July 2020

	Month Jun 18	Month of Dec 18	Month of Jun 19	Month of Dec 19	Month of Jun 20	Backlog as at 1 Jul 2020
<b>Strata lots</b> <b>Strata ARR<sup>1</sup></b>	~212k \$3.28m	~278k \$3.95m	~300k \$4.36m	~320k \$4.66m	~331k \$4.83m	~288k <i>Est. ~\$1.40m</i>
<b>Facilities users</b> <b>Facilities ARR<sup>1</sup></b>	~0.76k \$1.21m	~1.25k \$1.95m	~1.84k \$2.77m	~2.21k \$3.19m	~2.23k \$3.33m	10 new contracts <sup>2</sup> <i>Est. ~\$400k</i>
<b>Total ARR*</b>	<b>\$4.49m</b>	<b>\$5.90m</b>	<b>\$7.13m</b>	<b>\$7.85m</b>	<b>\$8.16m</b>	<i>Est. ~\$1.80m</i>



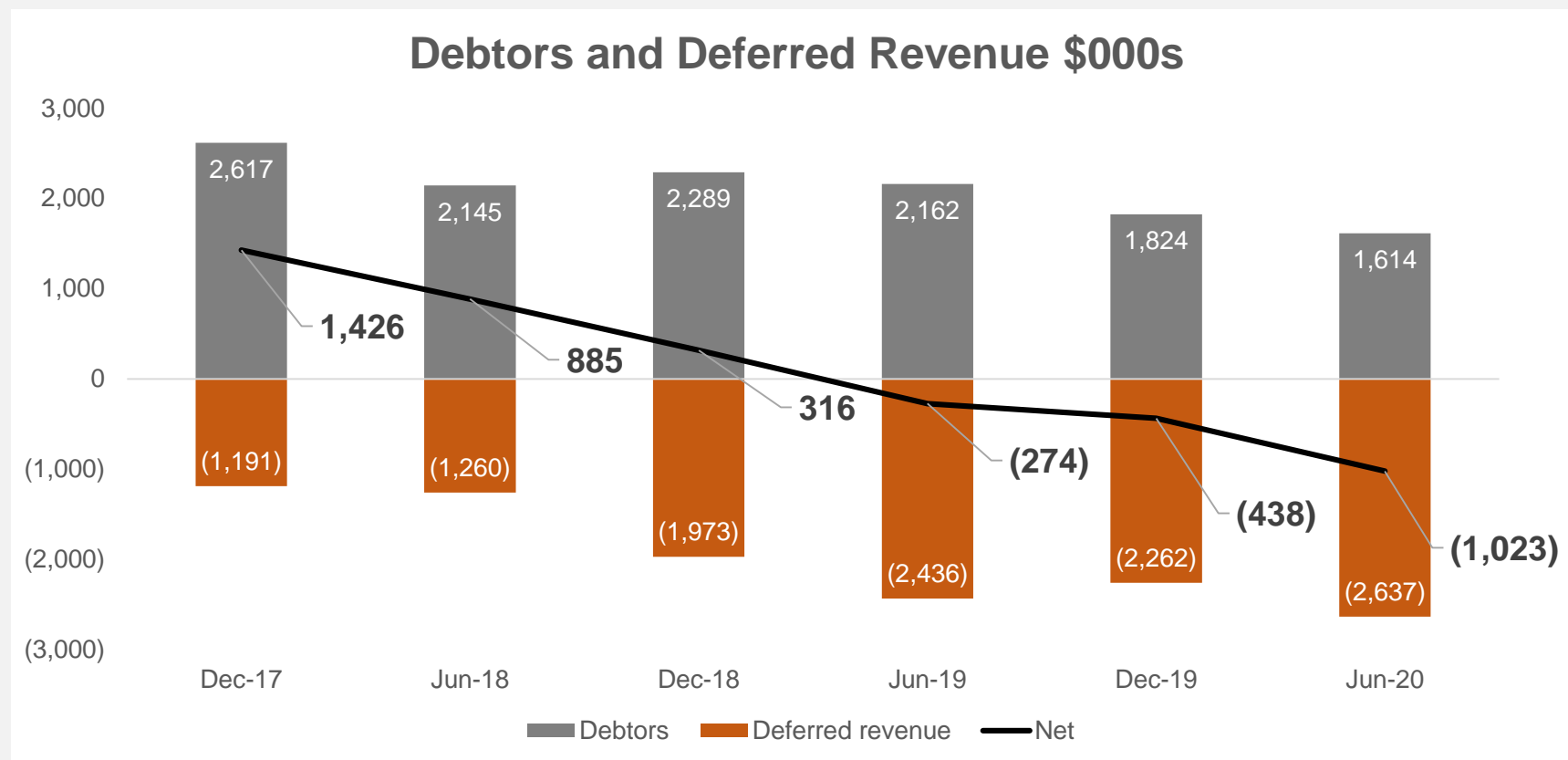
# Q4 FY2020 cash burn lowest since 2014 IPO

Average Monthly Cash Used / (Generated) \$'000s



- Underlying average monthly cash used of \$75k in Q4 FY2020 reflected the timing of cash receipts from customers, increased advanced billings and further improvements in collections
- Average monthly cash generated of \$89k reflected deferred costs and tax relief arising from government initiatives associated with COVID-19

# Shift to negative working capital position



- Continued progress to reduce outstanding debts from customers
- Advance billings (quarterly & annually) recognised as deferred revenue drive advance payments
- Net effect has shifted working capital from positive to negative

# FY2021 Outlook





# FY2021 Outlook

## Invest to drive ARR growth

- Strata team to complete PICA roll-out in FY2021 with expected increase in ARR of ~\$1.30m
- Invest in sales and marketing to drive growth across both strata and FM platforms
- Deliver further improvements in working capital
- Continue to develop features across both platforms that will increase stickiness with existing customers and increase ARR



Q&A



# Appendix





# FY2020 Financial Summary

Strong licence revenue growth, significant reduction in EBITDA loss

\$000s	FY2020	FY2019	Var	Var %
Licence Fees	7,849	6,117	1,732	28.3%
Professional fees	1,774	1,835	(61)	-3.3%
Other revenue	23	120	(97)	-80.8%
Total revenue	9,646	8,072	1,574	19.5%
Operating Expenses	(12,016)	(11,615)	(401)	3.4%
EBITDA	(2,370)	(3,543)	1,173	-33.1%
Depreciation and amortisation	(1,479)	(1,221)	(258)	21.1%
Total other costs	(388)	(7)	(381)	5442.9%
Other income	82	16	66	412.5%
Net loss	(4,155)	(4,755)	600	-12.7%

- Licence fee revenue of \$7.85m up 28.3% vs pcp
- Total revenue of \$9.65m, up 19.5% vs pcp; recurring revenue of 81.4%
- Expenses were up 3.4% due to:
  - IT hosting costs scaling with revenue
  - General cost inflation
  - One-off cost write-off related to offshore development team<sup>1</sup>
- Higher amortisation reflected increase in capitalised development costs & the impact of AASB 16

# FY2020 Facilities Management Summary

Clients wins and network effect drive strong licence fee growth

\$000s	FY2020	FY2019	Var	Var %
Licence Fees	3,090	1,954	1,136	58.1%
Professional fees	910	979	(70)	-7.2%
<b>Total revenue</b>	<b>4,000</b>	<b>2,932</b>	<b>1,066</b>	<b>36.4%</b>
<b>Licence fees % total</b>	<b>77.3%</b>	<b>66.6%</b>		

	Month of Jun 2020	Month of Jun 2019	Var	Var %
Facilities Users Billed	~2.23k	~1.84k	~0.39k	21.2%
ARR*	\$3.33m	\$2.77m	\$0.56m	20.2%

As at 1 Jul 2020	
Backlog	~\$0.4m

- Licence fees of \$3.09m, up 58.1% due to implementation of new customers and expanded reach of facilities managers
- Professional fees reflect implementation revenue associated with onboarding of new customers, largely consistent with prior year
- Total revenue of \$4m, up 36.4% due to strategic focus on facilities management outsourcing companies and associated network effects
- Backlog as at 1 July 2020 includes 10 new contracts estimated at \$0.40m in annual licence fee revenue including two contracts that are an integrated strata and facilities solution

# FY2020 Strata Summary

Strong licence revenue growth as major client implementation continues

\$000s	FY2020	FY2019	Var	Var %
Licence Fees	4,660	4,037	623	15.4%
Professional fees	863	836	27	3.3%
<b>Total revenue</b>	<b>5,523</b>	<b>4,873</b>	<b>651</b>	<b>13.3%</b>
<b>Licence fees % total</b>	<b>84.4%</b>	<b>82.8%</b>		

	Month of Jun 2020	Month of Jun 2019	Var	Var %
Strata Lots Billed	~331k	~300k	~31k	10.3%
ARR*	\$4.83m	\$4.36m	\$0.47m	10.8%

As at 1 Jul 2020	
Backlog	~\$1.4m

- Licence revenue of \$4.66m, up 15.4% driven by onboarding of new customers
- Professional fees largely consistent with prior year, mostly related to PICA implementation
- Total revenue of \$5.52m, up 13.3%; recurring revenue of 84.4%
- Total estimated backlog of \$1.40m at 1 July 2020 largely reflecting PICA backlog and client wins in Middle East



# FY2020 Cash Flow

Strong cash position, substantial reduction in cash burn vs pcg

\$000s	FY2020	FY2019
<b>Cash at 30 June</b>	<b>3,702</b>	<b>3,072</b>
Receipts from customers	11,000	9,511
Payments to suppliers and employees	(11,303)	(12,028)
Interest	(22)	15
Government grants and tax incentives	203	-
<b>Net cash used in operating activities</b>	<b>(122)</b>	<b>(2,502)</b>
Payments for equipment	(189)	(71)
Payments for intangibles / capitalised development	(1,038)	(696)
Receipts on sale of Devices business	-	87
<b>Net cash used in investing activities</b>	<b>(1,227)</b>	<b>(680)</b>
Net proceeds from placement/capital raise	2,197	3,813
<b>Net increase in cash and cash equivalents</b>	<b>848</b>	<b>631</b>
Effect of movement exchange rates on cash balances	(5)	-
<b>Cash at 30 June</b>	<b>4,545</b>	<b>3,702</b>
<b>Average Monthly Cash Generated</b>	<b>70</b>	<b>53</b>
<b>Net cash flow for period</b>	<b>843</b>	<b>630</b>
Deferred costs	(367)	-
One-off items	(125)	(87)
Net proceeds from placement/capital raise	(2,197)	(3,813)
<b>Underlying cash flow for period</b>	<b>(1,846)</b>	<b>(3,269)</b>
<b>Underlying Average Monthly Cash Used</b>	<b>(154)</b>	<b>(272)</b>

- Underlying average monthly cash used of \$154k in FY2020 represented 43% improvement on prior year (FY2019: \$272k)
- Significant turnaround in operating cashflow
- Cash of \$4.55m at 30 June 2020 included net proceeds of \$2.20m from institutional-led private placement completed in December 2019
- Capitalised development of \$1.006m associated with PICA rollout<sup>1</sup>

# FY2020 Balance Sheet

\$000s	30-Jun-20	30-Jun-19
Cash and cash equivalents	4,545	3,702
Trade and other receivables	1,614	2,162
Other assets	386	796
<b>Total current assets</b>	<b>6,545</b>	<b>6,660</b>
Property, plant and equipment	232	135
Development	2,688	2,131
Goodwill and other intangibles	7,288	8,100
Right of use asset	365	-
Other assets	52	52
<b>Total non-current assets</b>	<b>10,625</b>	<b>10,418</b>
<b>Total assets</b>	<b>17,170</b>	<b>17,078</b>
Trade and other payables	(1,979)	(1,154)
Provisions	(573)	(600)
Lease liabilities	(140)	-
Deferred revenue	(2,637)	(2,436)
<b>Total current liabilities</b>	<b>(5,330)</b>	<b>(4,190)</b>
Provisions	(11)	(26)
Lease liabilities	(224)	-
<b>Total non-current liabilities</b>	<b>(236)</b>	<b>(26)</b>
<b>Total liabilities</b>	<b>(5,566)</b>	<b>(4,216)</b>
<b>Net Assets</b>	<b>11,604</b>	<b>12,863</b>
Issued capital and contributed equity	100,103	97,635
Employee Share Option Reserve	1,120	2,608
Foreign currency translation reserve	(221)	(539)
Accumulated losses	(89,397)	(86,841)
<b>Total equity</b>	<b>11,604</b>	<b>12,863</b>

## Positive cash balance, and no material debt <sup>1</sup>

- 25.4% reduction in trade & other receivables reflecting improvement in collections
- Other assets reduction due to \$200k in cash collected and \$200k written-off related to overseas outsourcing agency <sup>2</sup>
- Deferred revenue relates to advance billings ranging from 3 months to a year in advance with revenue recognised over the appropriate period
- Adoption of AASB 16 Leases requires recognition of 'right of use asset' & corresponding liability (included in current & non-current provisions) for leased assets with a term greater than 12 months. These relate mostly to property leases for the group
- Development increased by 26.1% reflecting investment in strata platform, mostly driven by the PICA project
- Trade and other payables increase reflects deferred costs of \$367k<sup>3</sup> and improvement in supplier payment terms
- Share option reserve movement largely reflects forfeited options.

<sup>1</sup> No debt other than annual insurance premium funding

<sup>2</sup> Urbanise uses agencies to facilitate the operations of its Bulgarian development team. During FY2020, the group changed agencies and \$200k of deposited monies were returned and \$200k was forfeited. This is a non-recurring write-off.

<sup>3</sup> COVID-19 tax relief arising from government initiatives. These were paid in July 2020.

# Impact of AASB 16 'Leases'

The impact of the adoption of AASB 16 'Leases' (AASB 16) from 1 July 2019 on Urbanise's financial statements is set out below. There is no adjustment to prior year comparatives.

## PROFIT & LOSS

Net impact of AASB 16 on the Profit & Loss for H1 FY2020 is nil.

AASB16 impact broken down by:

- \$105k lease expense removed from rental expense
- \$85k additional depreciation expense relating to the Right of Use Assets
- \$20k additional interest expense relating to the Lease Liabilities

## BALANCE SHEET

- Difference between recognition of assets & liabilities as a result of AASB 16 was nil
- Carrying value of Right of Use Assets of \$365k & Lease Liabilities of \$365k as at 30 June 2020



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