

# FY2021 Results

23 August 2021

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# FY2021 Results Overview



# FY2021 Financial Highlights

**Revenue**  
**\$11.49m**

 **19.1%**

- Licence fees up 15.9%
- Professional fees up 34.5%
- Strata revenue rose 19.4% driven by PICA
- FM revenue increased 21.3% despite the loss of a legacy ME customer

**ARR**  
**\$10.44m**

 **27.9%**

- Growth driven by new wins and PICA completion (NSW completed in Q4)
- Backlog of \$1.0m including ~42k strata lots and 8 Facilities contracts

**Net Cash Position**  
**\$7.82m**

**Underlying average  
monthly cash used \$246k**

- Negative working capital model continues to perform well
- Includes net proceeds of \$6.54m raised in November 2020 to fund growth opportunities
- Sales and marketing recruitment ~50% completed with immediate focus on Australia and ME

# FY2021 Key Metrics

Continuing ARR growth as Backlog implemented

	Jun 18	Dec 18	Jun 19	Dec 19	Jun 20	Dec 20	Jun 21	Backlog as at 1 Jul 2021
<b>Strata lots</b>	~212k	~278k	~300k	~320k	~331k	~392k	~636k	~42k
<b>Strata ARR*</b>	\$3.28m	\$3.95m	\$4.36m	\$4.66m	\$4.83m	\$5.83m	\$6.89m	Est. ~\$0.3m
<b>Facilities users</b>	~0.76k	~1.25k	~1.84k	~2.21k	~2.23k	~2.30k	~2.47k	8 contracts
<b>Facilities ARR*</b>	\$1.21m	\$1.95m	\$2.77m	\$3.19m	\$3.33m	\$3.30m	\$3.55m	Est. ~\$0.7m
<b>Total ARR*</b>	\$4.49m	\$5.90m	\$7.13m	\$7.85m	\$8.16m	\$9.13m	\$10.44m	Est. ~\$1.0m

**Total Contracted Revenue of ~\$11.44m**

ARR growth YoY



# FY2021 Financial Overview



# FY2021 Financial Summary

Strong licence revenue growth and investment in sales, marketing and development to drive future ARR growth

\$000s	FY2021	FY2020	Var	Var %
Licence Fees	9,094	7,849	1,245	15.9%
Professional fees	2,386	1,774	612	34.5%
Other revenue	13	23	(10)	(43.5)%
<b>Total revenue</b>	<b>11,493</b>	<b>9,646</b>	<b>1,847</b>	<b>19.1%</b>
Operating Expenses	(14,361)	(12,016)	(2,345)	19.5%
<b>EBITDA</b>	<b>(2,868)</b>	<b>(2,370)</b>	<b>(498)</b>	<b>21.0%</b>
Depreciation and amortisation	(1,810)	(1,479)	(331)	22.4%
Total other costs	560	(388)	948	(244.3)%
Other income	269	82	187	228.0%
<b>Net loss</b>	<b>(3,849)</b>	<b>(4,155)</b>	<b>306</b>	<b>(7.4)%</b>

Key Operational Metrics	FY2021	FY2020	Var	Var %
Recurring revenue	79.1%	81.4%	(2.3)%	N/A
ARR (\$m) <sup>1</sup>	\$10.44m	\$8.16m	\$2.28m	27.9%

- Licence fee revenue of \$9.1m up 15.9% vs pcp
- Professional fees up 34.5% to \$2.39m reflecting expanding customer base
- Total revenue of \$11.49m, up 19.1% v pcp; recurring revenue of 79.1%
- Expenses were up 19.5% largely due to:
  - Investment in sales & marketing and development for FM acceleration
  - Partner IT costs passed on to customers
  - IT costs for improving operations
  - Chargeable implementation costs
- Total other costs mainly accounts for unrealised foreign exchange gain on intercompany balances

# FY2021 Facilities Management Summary

Record professional fees highlighting strong sales momentum

\$000s	FY2021	FY2020	Var	Var %
Licence Fees	3,294	3,090	204	6.6%
Professional fees	1,556	910	646	71.0%
<b>Total revenue</b>	<b>4,850</b>	<b>4,000</b>	<b>850</b>	<b>21.3%</b>
<b>Licence fees % total</b>	<b>67.9%</b>	<b>77.3%</b>		
	Month of Jun 2021	Month of Jun 2020	Var	Var %
Facilities Users Billed	~2.47k	~2.23k	~0.24k	10.8%
ARR*	\$3.55m	\$3.33m	\$0.22m	6.6%
<b>As at 1 Jul 2021</b>				
Backlog	~\$0.7m			

- Licence fees of \$3.3m, up 6.6% due to implementation of new customers and expanded reach of facilities managers
- Professional fees reflect implementation revenue associated with onboarding of new customers and boosted by a number of high value projects
- Total revenue of \$4.85m, up 21.3% due to strategic focus on facilities management outsourcing companies and associated network effects
- Backlog as at 1 July 2021 includes 8 contracts estimated at \$0.7m in annual licence fee revenue



# FY2021 Strata Summary

Strong licence revenue growth as major client implementation continues

\$000s	FY2021	FY2020	Var	Var %
Licence Fees	5,763	4,660	1,103	23.7%
Professional fees	829	863	(34)	(3.9)%
<b>Total revenue</b>	<b>6,592</b>	<b>5,523</b>	<b>1,069</b>	<b>19.4%</b>

<b>Licence fees % total</b>	<b>87.4%</b>	<b>84.4%</b>
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	Month of Jun 2021	Month of Jun 2020	Var	Var %
Strata Lots Billed	~636k	~331k	~223k	74.3%
ARR*	\$6.89m	\$4.83m	\$2.44m	56.0%

As at 1 Jul 2021	
Backlog	~\$0.3m

- Licence revenue of \$5.76m, up 23.7% driven by the roll-out of PICA and onboarding of new customers
- Professional fees were 3.9% lower than pcp as PICA roll-out reached completion
- Total revenue of \$6.59m, up 19.4%; recurring revenue of 87.4%
- Total estimated backlog of \$0.3m at 1 July 2021 reflecting new wins including large Middle East customer secured in March

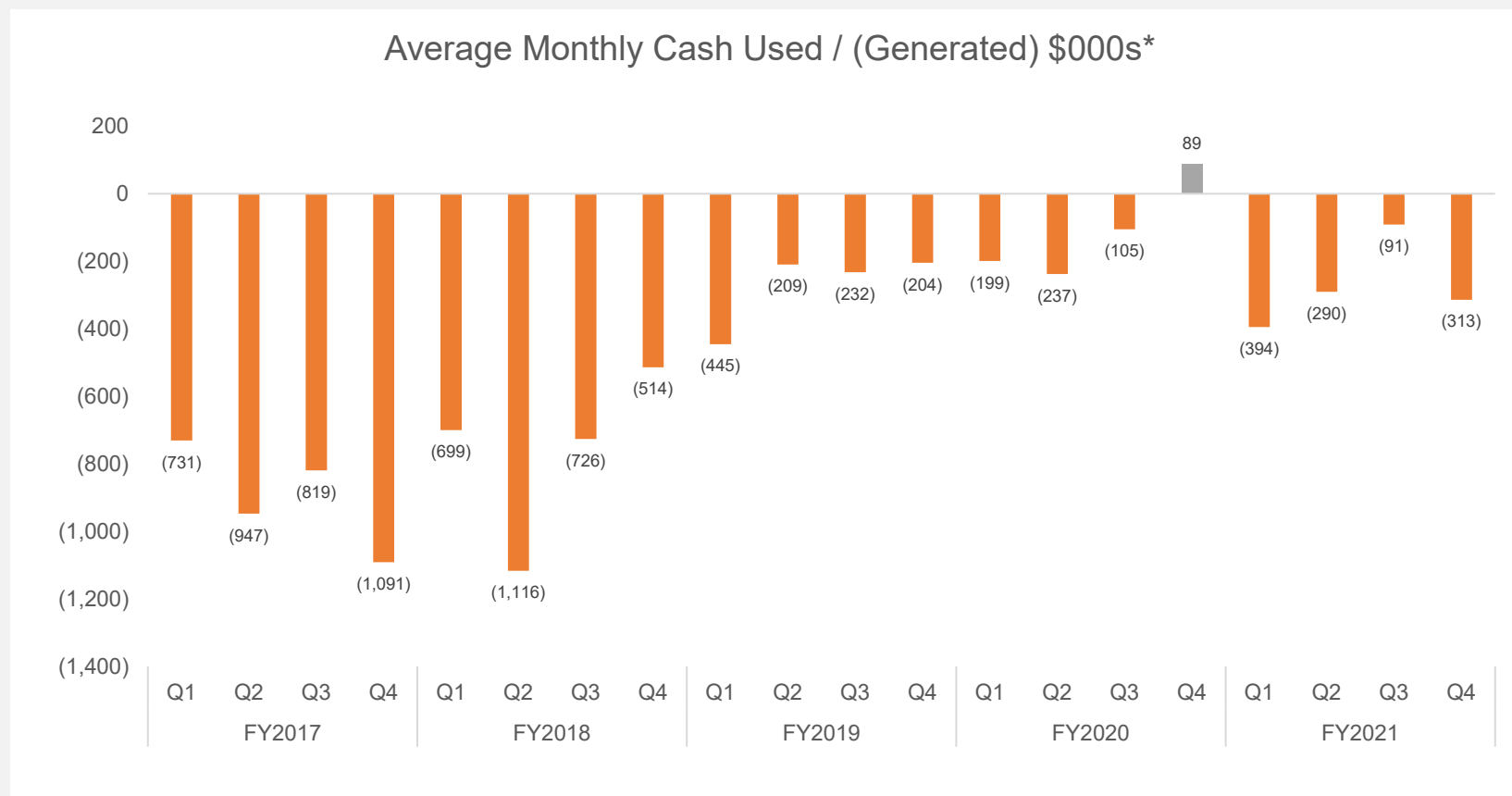
# FY2021 Cash Flow

Strong cash position provides ability to invest for growth

\$000s	FY2021	FY2020
<b>Opening Cash Balance</b>	<b>4,545</b>	<b>3,702</b>
Receipts from customers	11,997	11,000
Government Incentive	301	203
Payments to suppliers and employees	(14,380)	(11,303)
Interest	(54)	(22)
<b>Net cash used in operating activities</b>	<b>(2,136)</b>	<b>(122)</b>
Payments for equipment	(142)	(189)
Payments for intangibles / capitalised development	(962)	(1,038)
<b>Net cash used in investing activities</b>	<b>(1,104)</b>	<b>(1,227)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(3,240)</b>	<b>(1,349)</b>
Net proceeds from placement	6,542	2,197
Effect of movement exchange rates on cash balances	(27)	(5)
<b>Net cash flow for the period</b>	<b>3,275</b>	<b>843</b>
<b>Cash at 30 June</b>	<b>7,820</b>	<b>4,545</b>
<b>Average Monthly Cash Generated / (Used)</b>	<b>273</b>	<b>70</b>
<b>Net cash flow for the period</b>	<b>3,275</b>	<b>843</b>
Government Incentive	(50)	(125)
Deferred costs	367	(367)
Net proceeds from placement	(6,542)	(2,197)
<b>Underlying cash flow for the period</b>	<b>(2,950)</b>	<b>(1,846)</b>
<b>Underlying Average Monthly Cash (Used)</b>	<b>(246)</b>	<b>(154)</b>

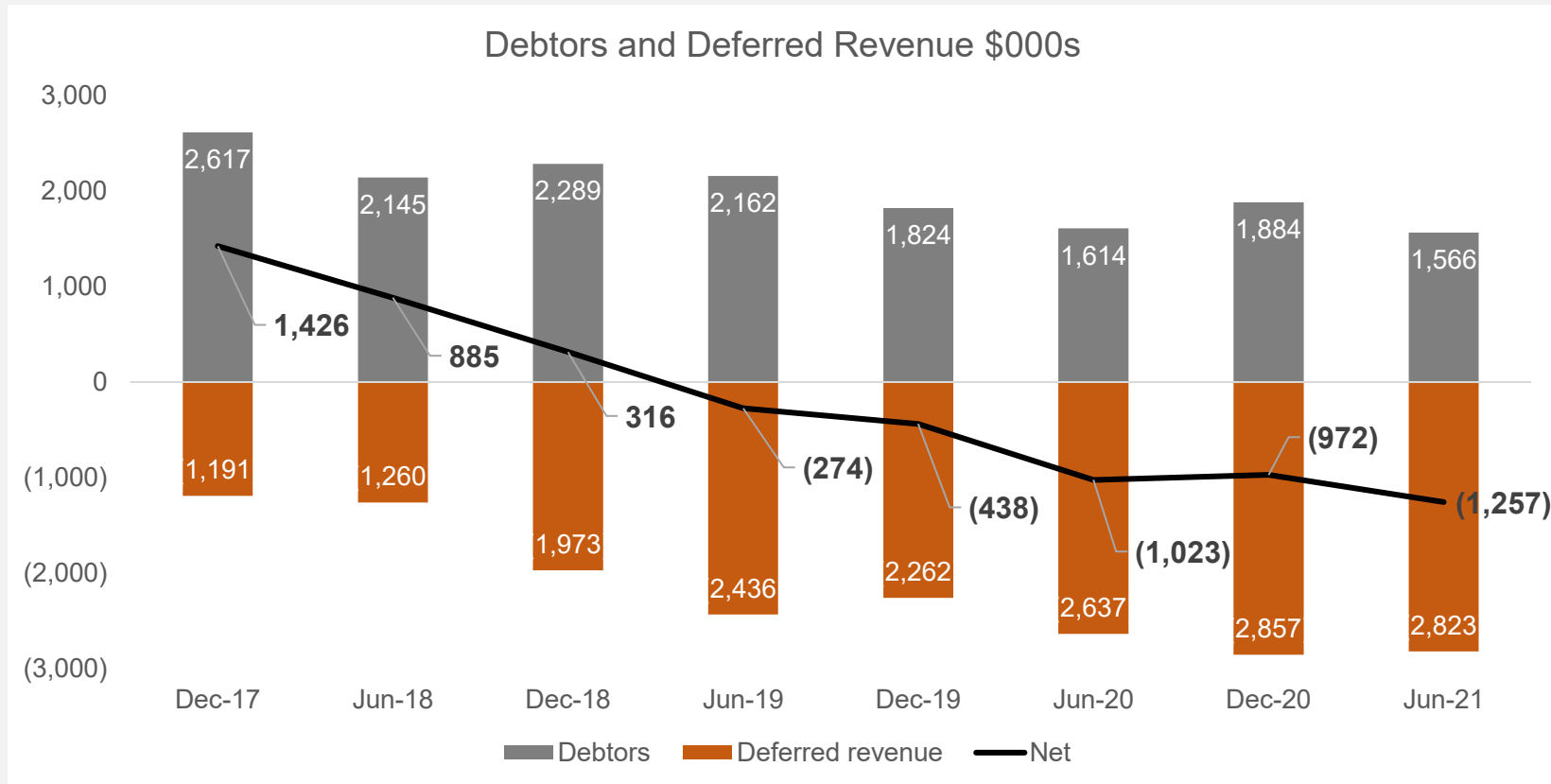
- Receipts up by \$997k (9.1%) driven by revenue growth<sup>1</sup>
- Underlying<sup>2</sup> average monthly cash used for FY2021 was \$246k vs pcg of \$154k. This is primarily due to:
  - Investment in sales & marketing and development for FM acceleration
  - partner IT costs passed on to customers
  - IT costs for improving operations
  - Chargeable implementation costs
- Cash of \$7.82m at 30 June 2021 included net proceeds of \$6.54m from capital raise/placement completed in November 2020

# Careful Management of Cash Used



- Urbanise continues to invest in its platform and systems to expand the features and applications available and improve the delivery of its products and solutions.
- Investment in sales and marketing headcount to drive revenue growth.
- Further investment in sales and marketing planned for H1 FY2022 as part of investment plan outlined in the capital raise completed in November 2020.

# 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 a sustainable negative position



# FY2021 Balance Sheet

\$000s	30-Jun-21	30-Jun-20
Cash and cash equivalents	7,820	4,545
Trade and other receivables	1,566	1,614
Other assets	507	386
<b>Total current assets</b>	<b>9,893</b>	<b>6,545</b>
Property, plant and equipment	239	232
Development	3,064	2,688
Goodwill and other intangibles	6,535	7,288
Right of use asset	916	365
Other assets	127	52
<b>Total non-current assets</b>	<b>10,881</b>	<b>10,625</b>
<b>Total assets</b>	<b>20,774</b>	<b>17,170</b>
Trade and other payables	(1,991)	(1,979)
Provisions	(723)	(573)
Lease liabilities	(207)	(140)
Deferred revenue	(2,823)	(2,637)
<b>Total current liabilities</b>	<b>(5,744)</b>	<b>(5,330)</b>
Provisions	(7)	(11)
Lease liabilities	(708)	(224)
<b>Total non-current liabilities</b>	<b>(715)</b>	<b>(236)</b>
<b>Total liabilities</b>	<b>(6,459)</b>	<b>(5,566)</b>
<b>Net Assets</b>	<b>14,315</b>	<b>11,604</b>
Issued capital and contributed equity	107,109	100,103
Employee Share Option Reserve	1,343	1,120
Foreign currency translation reserve	(891)	(221)
Accumulated losses	(93,246)	(89,397)
<b>Total equity</b>	<b>14,315</b>	<b>11,604</b>

- Trade debtors reduced by 3.0% from pcg as a result of renewed efforts in cash collection during the year
- Increase in other assets reflect a deposit held with an agency that facilitated our Bulgarian team, repayable in FY2022.
- Deferred revenue relates to advance billings driven by renewals and new contracts.
- Development increased by 14.0% reflecting investment in strata platform, driven by the rollout of the PICA project.
- Increase in the right use of asset included capitalisation of lease costs for the new Sydney and Melbourne offices.
- Movement in foreign currency translation reserve reflects unrealised foreign exchange gains from the revaluation of intercompany debt.
- Share consolidated (1:15) completed in May 2021.

# Growth Plan & Outlook



# Our Vision

To create an industry  
changing AI-first cloud  
platform for the Property  
Sector



# Urbanise Solutions

## STRATA:

Innovative  
Solutions for  
Strata Managers

### PRIMARY USE



Reporting   Accounting   Budgeting   Document Management   Invoicing

- Accounting and administration of strata bodies and funds

## FACILITIES MANAGEMENT:

Innovative  
Solutions for  
Facilities  
Managers



Facility Maintenance Management   Safety & Supplier Compliance   Contract Management   Workforce Management

- Asset Management
- Workforce Management
- Reduce paperwork and administration costs

### PRODUCT DIFFERENTIATORS



Automation AP/Printing   Intuitive User Interface   Community Portal & App   Meeting Management   Open Integrations

- Communication with owners and residents via platform
- Integrations for banking and facilities management
- Automation of transactions
- Contextual analytics



Operations Centre   Analytics   Customer Relationship Management   Force App   Open Integrations

- Manage multiple assets, locations & contracts from one place
- Artificial Intelligence and machine learning
- Real time reporting and analytics
- Intuitive workforce mobile app with offline capability

### WHY DO CUSTOMERS LIKE URBANISE SOFTWARE?

#### Cloud based platforms

*Our customers benefit from frequent cloud updates*

#### Unique combined platform

*We have a unique integrated Strata and Facilities platform, appealing to the growing trend of combined strata and facilities management*

#### Experts in our sectors

*Our product development and implementations are underpinned by deep sector expertise*

#### Configurable approach

*Our FM platform in particular can meet the needs of many sectors without significant development*

#### Support and training

*We provide scalable on-line and phone customer support and training*



# Facilities Management Market Opportunity

## Total Addressable Market<sup>1</sup>

**A\$3.3bn**  
**APAC**

**A\$216m**  
**MIDDLE EAST**

**A\$105m**  
**AFRICA**

## Macro trends support Long Term growth

- Increased FM outsourcing driving demand for multi-tenant functionality, mobility, automation & analytics
- Growing demand for asset owners to implement systems like Urbanise Facilities

## Multiple business growth drivers

- Unique cloud-based, multi-tenant platform with scalable operating model & high customer retention
- Urbanise able to leverage sector experience with FM sectors including mining, utilities, aged care and education
- Network effect as customers add clients & subcontractors

# Strata Market Opportunity

## No. of Strata Lots

**~2.6m**  
**Australia** <sup>1</sup>

**~184k**  
**New Zealand** <sup>2</sup>

**~432k**  
**Dubai** <sup>3</sup>

## Macro trends support Long Term growth

- Growing demand for integrated FM & Strata offering in Middle East likely to be replicated across other markets
- Shift to cloud and demand for software-as-a-service (SaaS) solutions with competitors largely still offering on premise solutions
- Consolidation in strata sector resulting in lower customer acquisition cost

## Multiple business growth drivers

- Only provider of integrated facilities management & strata solution
- Comprehensive cloud-based strata platform recognised in the strata market as the cloud solution of the future
- Deep experience in implementing large strata projects

# Urbanise Growth Plan

## GROWTH OBJECTIVES



### Combined platform new sales

Take advantage of the growing trend of combined strata and facilities managers, particularly in the Middle East and commencing in Australia

### Strata New Sales

Leverage our position from completing the PICA roll-out and re-platforming of the strata product and convert both large and small strata managers

### FM New Sales

Focus on key sectors where we are strongest: Tier 2 FM Outsourcers and asset owners including mining, utilities, education, and aged care

### FM Network Effect

Continue to support FM Outsourcer customers to win work, allowing us to grow our licences across their expanding contract base

## FOUNDATIONS FOR GROWTH



### Investment in Sales and Marketing

Continue investment commenced in H2 FY2021 in our APAC & MENA regions to create pipeline and drive sales conversions

### Continue product development

Maintain our position as a major and leading strata and facilities management platform

### Manage cash burn

Manage costs and drive advance billings and collections

### Maintain existing customer base

Minimise churn through our sticky platform and also selling additional services and training

# FY2022 Outlook

## Invest to drive ARR growth and pave the way to cash flow breakeven

- Complete investment in FM sales and marketing to drive ARR Growth
- Clear \$1.0m of backlog
- Drive growth across key regions of APAC & MENA, leveraging sector experience
- Deliver further improvements in working capital
- Continue to develop features across both platforms that will increase stickiness of existing customers and drive ARR growth





# Q&A



# Appendix

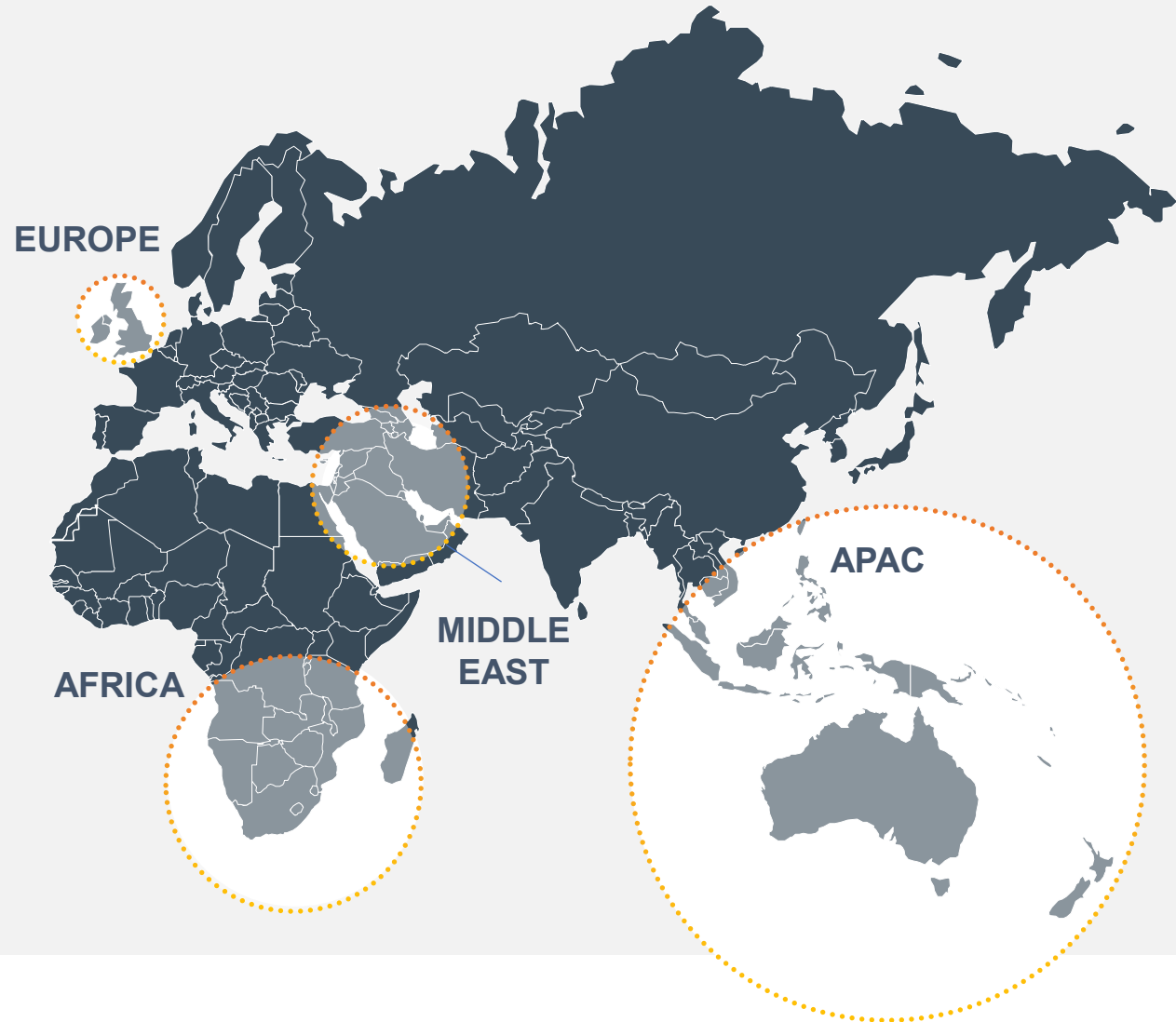
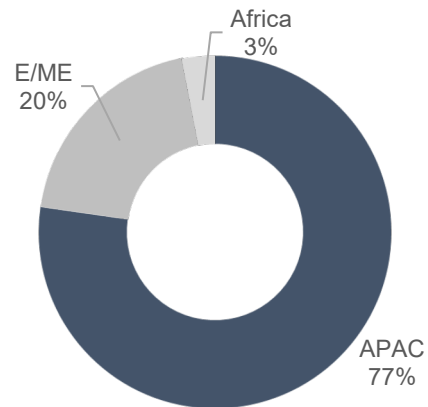
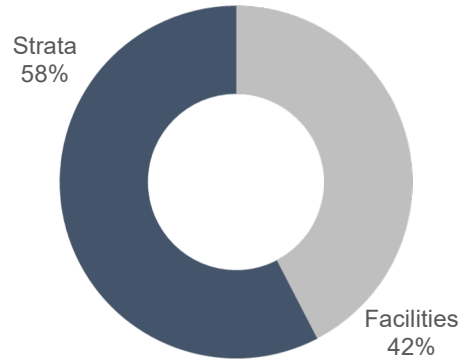


# Sales Cycle – 12-18 months for large contract wins



# Urbanise Addressable Markets

FY2021 revenue - \$11.49m



# Urbanise FM: The Network Effect

Urbanise focuses on securing new **customers** and retaining them through a 'sticky' platform

Number of **assets managed** increases as customers grow their client portfolio

More **subcontractors** are required to use the platform





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