Capital Raising

May 2023

Urbanise.com Limited
ABN 70 095 768 086

Agenda

Executive Summary

Capital Raising

- Urbanise is undertaking a placement to institutional and sophisticated investors to accelerate delivery of strata and FM platforms to expand its customer base in APAC and MENA, supported by working capital and balance sheet strength.

Growth Opportunities

- Strata growth opportunities include small to medium strata managers in APAC, property developers and pure play strata managers in UAE.
- FM growth opportunities include commercial property, aged care / retirement villages and FM outsourcers.
- These growth opportunities reflect Urbanise's investment to date in both platforms and its product roadmap
- Growing trend of securing larger customers increases need for stronger cash position.
- Growth opportunities are expected to result in Urbanise achieving cashflow breakeven in FY2025.

Business Update

- Q3 FY2023 revenue up 10% vs pcp driven by 108% increase in professional fees from implementation and value-add services for 3 large Middle East customers.
- Achieved go-live with Colliers Australia on 3 April 2023 with positive user adoption.
- Contract secured and implemented with large Middle East Strata manager in Q3 FY2023 with ARR contribution of $200k from end March 2023.
- Current sales pipeline reflects increased interest from potential customers following successful implementation of Colliers Australia and RERA development in Middle East.

Expanding into commercial property management

Colliers Australia went live with Urbanise's FM platform in April 2023

- High adoption with over 500 registered users as Colliers rolls out Urbanise's FM platform across its network.
- ARR expected to be recognised from Q4 FY2023.
- The FM platform can now be isolated to the building level allowing organisations with building portfolios to:
  - divide responsibility between multiple managers
  - allocate tradespeople to those managers and
  - improve program maintenance plans for each portfolio.
- Platform has appeal to those managing national property portfolios, including retail and office space verticals.
- **As a result of Colliers development, Urbanise has a growing pipeline of commercial property managers with large portfolios and higher ACV.**

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Leveraging compliance expertise in UAE

Integration into Middle East regulatory authority enhances marketability in the region

- Urbanise has an integrated FM and strata platform with a unique offering of functional depth that appeals to strata managers and property developers.
- Current development drive to align and integrate to the Real Estate Regulatory Authority (RERA) in Dubai. On track for completion in September 2023.
- RERA development facilitates customer compliance and ability to migrate RERA data reducing new sales migration timeframes.
- Sales conversion and successful implementation of contract for large Middle East customer ($0.2m in ARR) in Q3 FY2023 due to integration strategy with RERA.
- **Growing sales from increasing our market share, new building construction in the region and customer acquisitions, leading to increase in ACV.**

About Urbanise

About Urbanise – Key metrics for Q3 FY2023[1]

urbanise Strata

Urbanise is a leading provider of industry-specific cloud-based SaaS platforms to strata and facilities managers

urbanise FM

$12.5m Contracted ARR	**82.4%** Q3 recurring revenue[2]	**98.9%** Q3 customer retention[3]
17 Markets	**~699k** Strata lots billed	**~2.42k** FM users

1. Unaudited financial information
2. Q3 FY2023 revenue includes significant professional fees
3. Customer retention is based on the number of customers at Mar 23 compared to Dec 22

Urbanise Strata

Urbanise Strata is used by **strata managers** to administer strata schemes (Australia / NZ) and jointly owned properties (UAE).

The need for strata software

Solutions for a complex sector:

- Day to day operational software to manage accounting, levy, invoice and bank transactions.
- Compliance with strata specific legislation.
- Communication with property owners.

Scalability:

- Required for 10+ buildings to manage workload.

Urbanise differentiators

Cloud-based platform:

- Continuous updates to support changes to strata legislation.
- Modern user interface and experience.
- Integration ready with our APIs.
- Integration with Urbanise FM – growing opportunity for strata managers.

Urbanise Strata - Product Roadmap

Strata product development is underpinned by Urbanise's long tenure in the strata industry

Core functionality
Financial accounting, levy management and banking integrations

Updated UI
Modern and improved look & feel

Automation
Key Strata administrative processes (levies, arrears, invoice)

Data Migration – Phase 1
Simplify processes with the use of bots

Integrations

Premium Modules
Timeline, Tax Return & BAS modules

Q1 FY24
Middle East Regionalisation
Including integration to regulatory body RERA

Q2 FY24
Premium Module - Comms
Advanced mass communication tool

Q2 FY24
Expansion of Analytics
Data lakes & reporting

Q4 FY24
Data Migration – Phase 2
Migration Wizards to quickly and securely import new clients

Q4 FY24
Update to end user Customer Portal
Redevelopment of current MyCommunity

Ongoing
Updates
APIs
- Regulatory updates
- UX/UI
- Minor functionality

Complete | Development Underway | Future Development | Ongoing

Urbanise FM

FM

Urbanise FM is used by **facilities managers** to manage the maintenance of property assets and supervision of contractors

The need for FM software

Specialised sector functionality:

- Manage performance of multiple vendors with varying service agreements, across numerous locations.
- Compliance driven maintenance & safety.
- Customer contract management.

Performance requirements:

- Make operations more efficient, reduce cost and keep to budget.
- FMs with scale cannot manage without a system.

Urbanise differentiators

Cloud-based platform:

- Continuous updates to bring useful new features to customers.
- Users such as office staff and trades people can operate remotely from different locations.

Deep sector experience:

- Urbanise team can implement and mobilise quickly, reducing margin risk for FMs.

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Urbanise FM - Product Roadmap

FM platform is developed with expert FM practitioners across core sectors leading to innovation within an evolving landscape.

Core functionality
Facility, Property and Asset maintenance through a supplier and works management core platform

End User Engagement – Phase 1
Mobile apps, Customer Portals, Communications Module

Analytics Reporting
Standard set of reports to measure performance

Commercial Property Sector
Increased functional depth with a focus on building level access and controls

Integrations
Connects to key industry 3rd party systems

Premium Modules
Timesheets, inventory, e-services, facilities bookings, Comms module

Q1 FY24
Service Contracts
Manage service contracts with suppliers for the delivery of fixed and variable services

Q3 FY24
Supplier Performance Management
Manage supplier performance and contract abatements

Q3 FY24
SSO (Single Sign On)
Log In with a single email to multiple software systems

Q4 FY24
Supplier Compliance
Manage supplier compliance levels for regulatory access to work

Q4 FY24
Business Insights
Leverage user feedback and data analytics for increased intelligent automations

Q2 FY25
End User Engagement – Phase 2
Enhance customer experience and interaction with facility and property managers

Ongoing
APIs
- Regulatory updates
- UX/UI
- Minor functional changes/enhancements

Complete | Development Underway | Future Development | Ongoing

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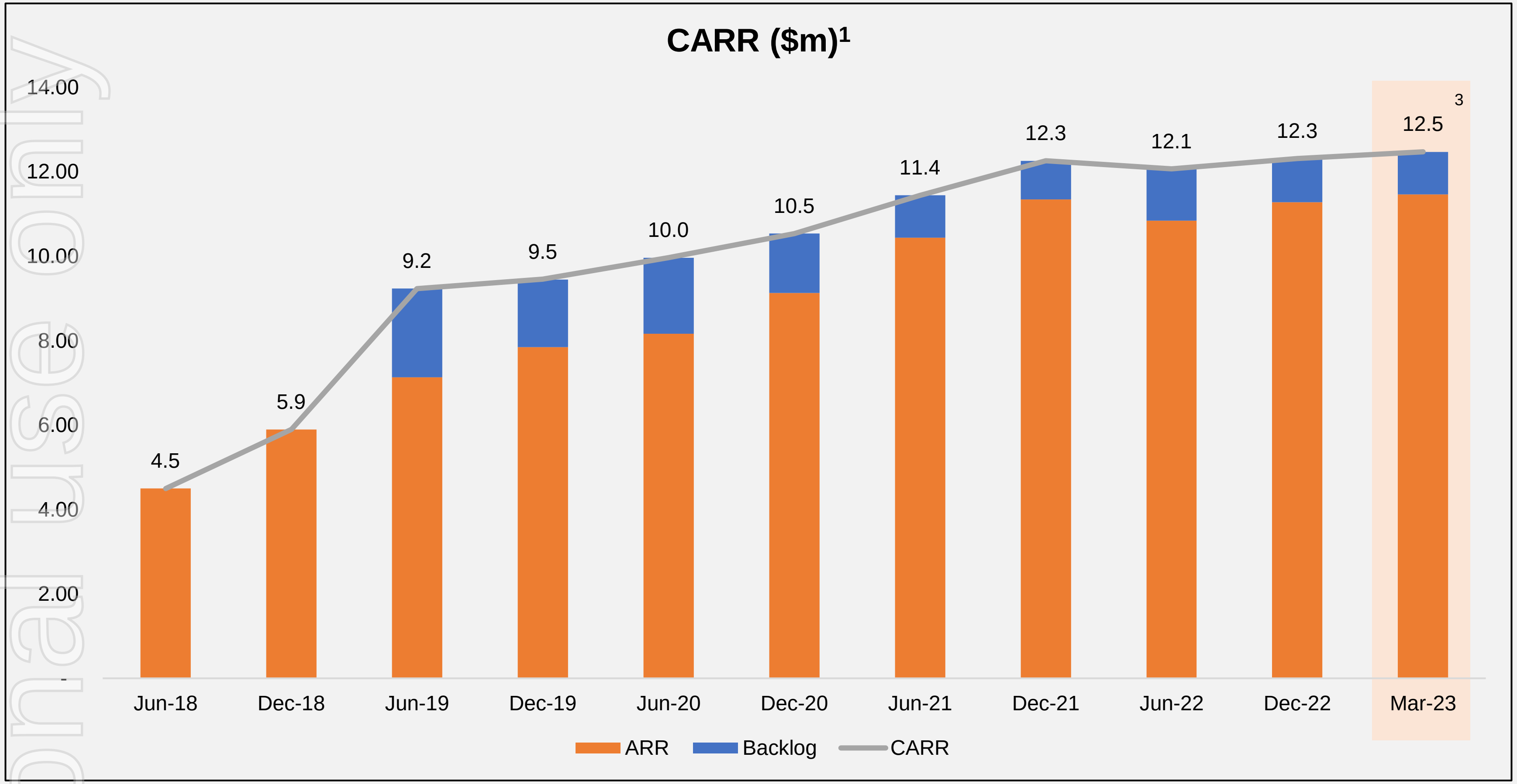
Urbanise: Delivering long term growth in CARR



- Contracted Annual Recurring Revenue (CARR) consists of Annual Recurring Revenue and Backlog (yet to be implemented).
- CARR growth of $0.2m in Q3 FY2023 driven by new contract with large Middle East Strata customer which was won and implemented in the quarter.
- Strong sales pipeline reflects product roadmap and recent development of FM and strata platforms.
- Since June 18, CARR has increased by a CAGR of 21.9%.
- Continue to replace ARR lost from 3 Ventia contracts from 1 April 2022 (Q4 FY22).[2]

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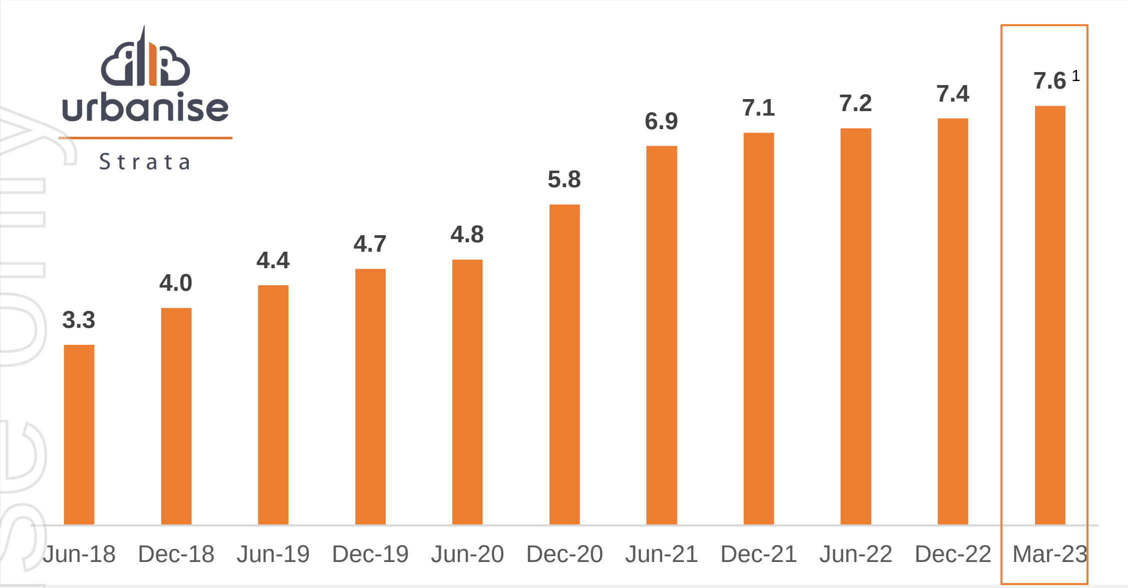
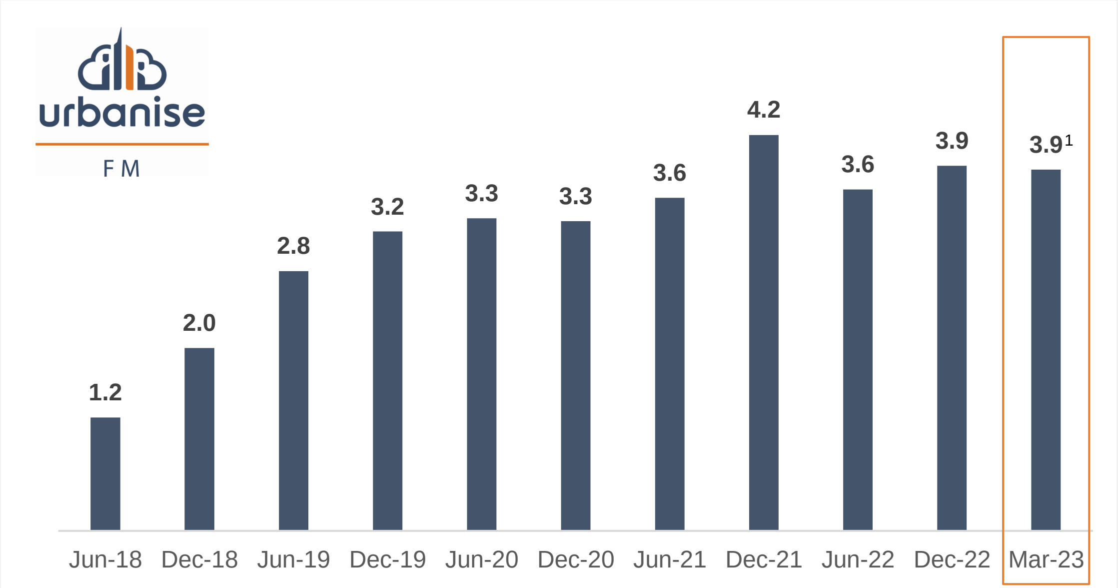
[1] CARR includes ARR and Backlog,
[2] From 1 April 2022, Ventia reduced its requirements for user licences on 3 contracts due to implementation of single standardised enterprise system across that business. ARR impact of $0.63m.
[3] Unaudited information

Track record of strong growth in ARR ($m)



- Strata ARR has CAGR of 19.5% since June 2018.
- Growth driven by larger strata managers across UAE and Australia who have worked closely with Urbanise to develop the platform for the broader industry.
- 100% ARR retention in Q3 FY2023 highlights stickiness of platform.
- ARR growth in Q3 FY2023 driven by large Middle East customer.
- **Sales pipeline builds on Urbanise's established footprint in core markets with customer decision-making influenced by the Company's product roadmap.**



- FM ARR has CAGR of 27.9% since June 2018 despite loss of three Ventia contracts from 1 April 2022.[2]
- Growth from FM Outsourcer customers has led Urbanise into various sectors including Aged Care/Retirement villages, retail, commercial and essential infrastructure.
- 98.3% ARR retention in Q3 FY2023 highlights stickiness of platform.
- **Sales pipeline benefits from Urbanise's momentum with commercial property, FM outsourcers and aged care / retirement villages.**

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[1] Unaudited financial information
[2] From 1 April 2022, Ventia reduced its requirements for user licences on 3 contracts due to implementation of single standardised enterprise system across that business. ARR impact of $0.63m.

Key ARR Metrics[1]

- FM backlog includes ARR for Colliers which is expected to be recognised from Q4 FY2023, following go-live on 3 April 2023.
- New contract with large Middle East strata customer won and implemented in Q3 FY2023, adding $0.2m to strata ARR.
- Strata ARR continues to grow steadily from new and backlog contracts and growth from existing customers.

Total Contracted Revenue of ~$12.5m

	Jun 18	Dec 18	Jun 19	Dec 19	Jun 20	Dec 20	Jun 21	Dec 21	Jun 22	Dec 22	Mar 23	Backlog as at 1 Apr 2023
Strata lots	**~212k**	~278k	**~300k**	~320k	**~331k**	~392k	**~636k**	~678k	**~681k**	~689k	~699k	**~42k**
Strata ARR*	*$3.28m*	*$3.95m*	*$4.36m*	*$4.66m*	*$4.83m*	*$5.83m*	*$6.89m*	*$7.13m*	*$7.21m*	*$7.39m*	*$7.63m*	**Est. ~$0.3m**
Facilities users	**~0.76k**	~1.25k	**~1.84k**	~2.21k	**~2.23k**	~2.30k	**~2.47k**	~2.61k	**~2.32k**	~2.45k	~2.45k	**4 contracts[2]**
Facilities ARR*	*$1.21m*	*$1.95m*	*$2.77m*	*$3.19m*	*$3.33m*	*$3.30m*	*$3.55m*	*$4.22m*	*~$3.64m*	*~$3.89m*	*~$3.89m*	**Est. ~$0.7m**
Total ARR*	***$4.49m***	***$5.90m***	***$7.13m***	***$7.85m***	***$8.16m***	***$9.13m***	***$10.44m***	***$11.35m***	***$10.85m***	***$11.28m***	***$11.52m***	**Est. ~$1.0m**

ARR growth YoY

33.1% **16.3%** **24.3%** **(0.6%)**
Underlying 5.2% (Ex Ventia)

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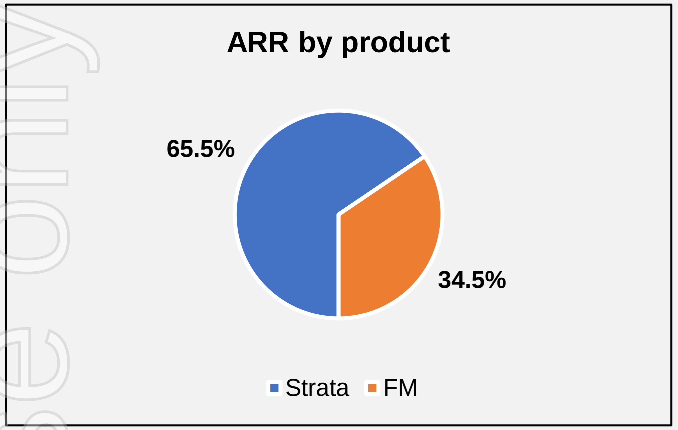
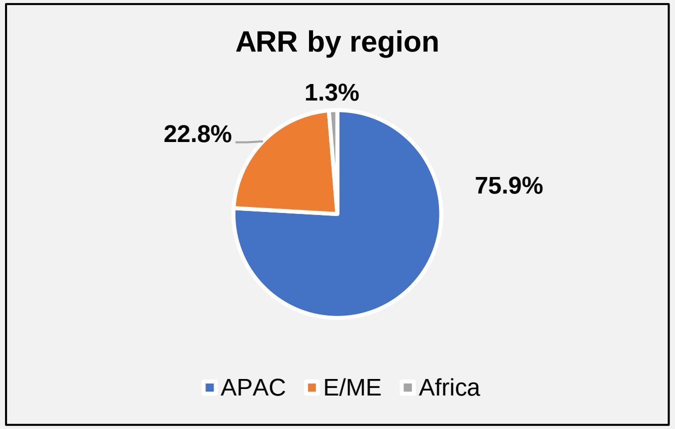
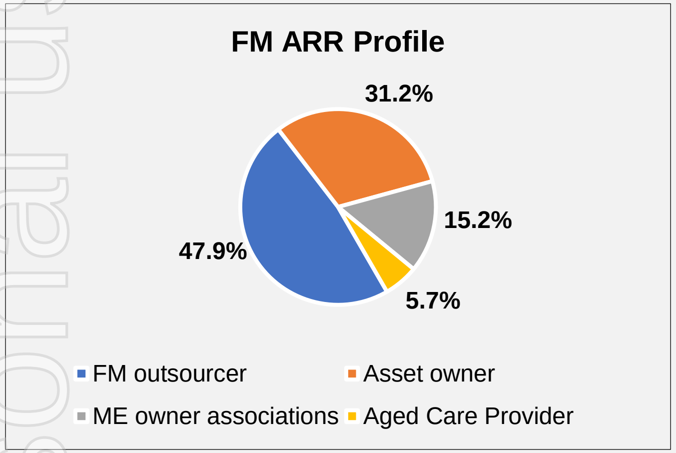
1. Annualised Recurring Revenue based on licence revenue for the month of June/December/March
2. FM backlog includes ARR for Colliers which is expected to be recognised from Q4 FY2023

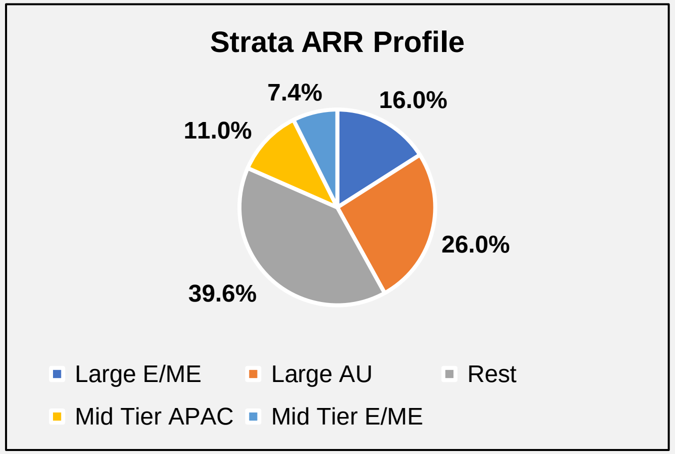
Sales pipeline reflects ARR profile and new opportunities

ARR composition as at 31 December 2022[1]







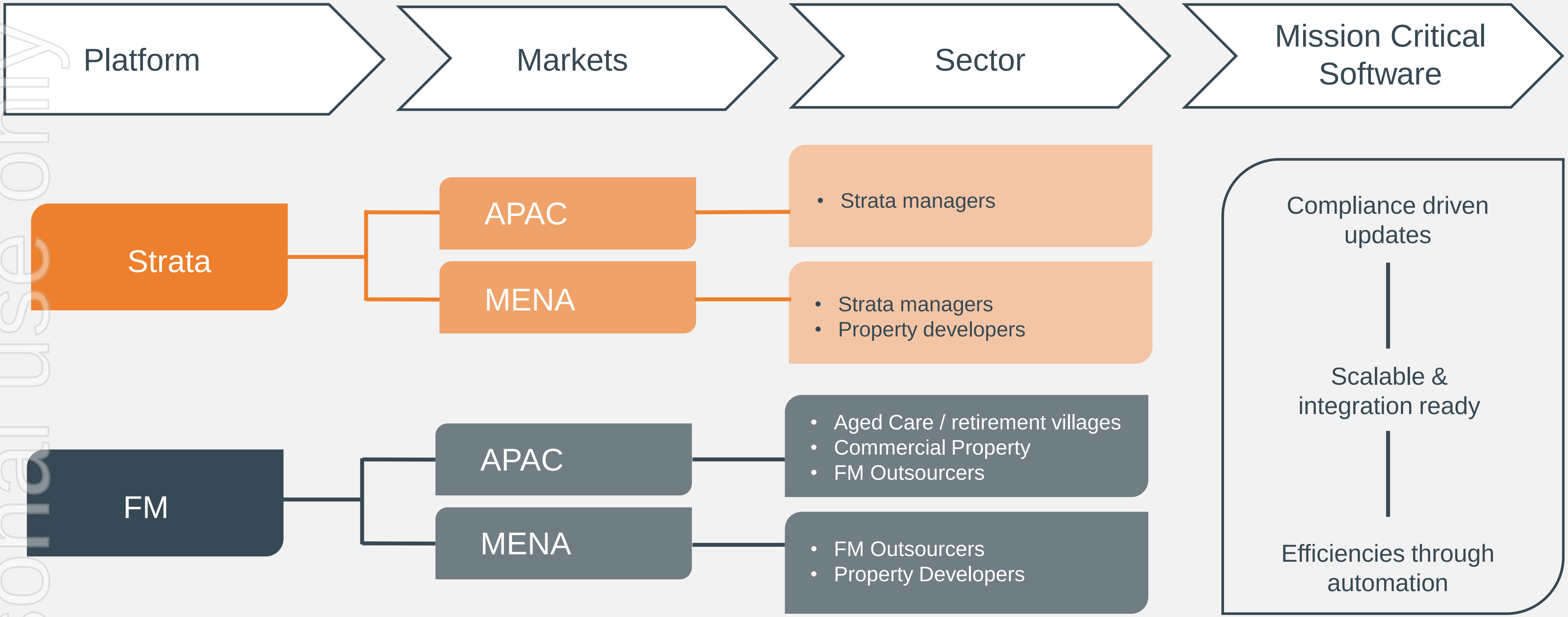


Urbanise's sales pipeline reflects its focus on strata and key verticals in FM in APAC and MENA.

- **APAC FM:** Focus for APAC FM is on aged care, FM outsourcers and commercial property as well as organic growth from existing FM outsourcers to support their tender pipeline.
  Expected annual contract value (CV) ranges from $50k to $450k.
- **MENA Strata and FM:** Large Middle East property developers and owners' associations requiring both strata and FM to manage large property portfolios.
  Expected annual CV ranges from $10k to $600k.
- **APAC Strata:** Targeting new small to mid-tier strata managers.
  Expected annual CV ranges from $5k to $200k.

[1] Annualised Recurring Revenue based on December 2022 revenue

Urbanise's platforms have broad customer appeal



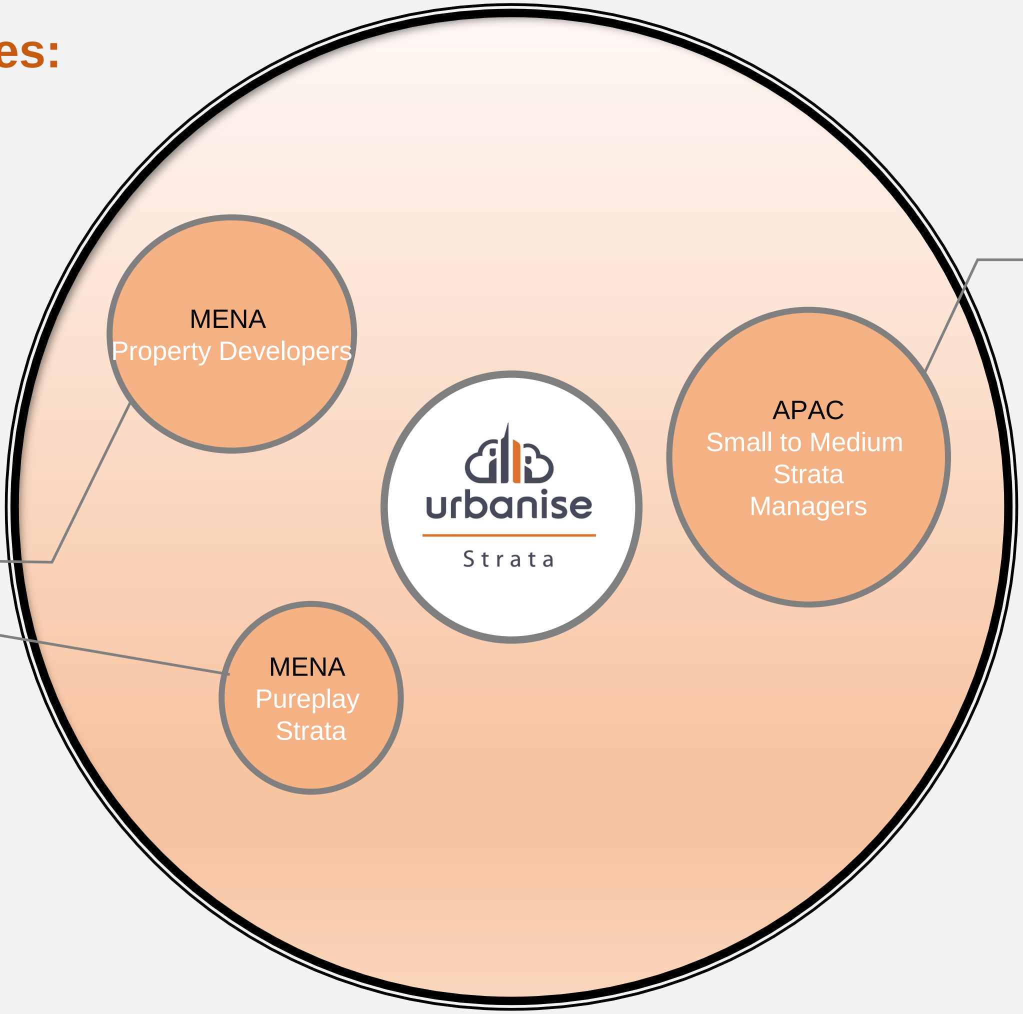
Strata Market – Immediate market opportunities

Immediate Market Opportunities: $80m - $90m

Immediate Market Opportunities : $35m - $40m (UAE only)

Urbanise is an established brand in the UAE (10 years plus) used by larger property developers and managers for strata management. Customers include Nakheel, Provis, Dubai Community Management. Many managers have a need for both Strata & FM platforms.

Target approach: Broad targeting of the UAE and Middle East market with the bulk of the customer base from Abu Dhabi and Dubai.



Immediate Market Opportunities: $45m - $50m (ANZ only)

Urbanise has the largest strata manager, PICA on its platform and over 250 customers across Australia and New Zealand.

Target approach: Urbanise's primary targets include NSW, VIC, QLD small to medium players, particularly those using on-premise solutions (non-cloud based).

FM Market – Immediate market opportunities

Immediate Market Opportunities: $225m - $265m

Immediate Market Opportunities: $60m - $70m (ANZ only)

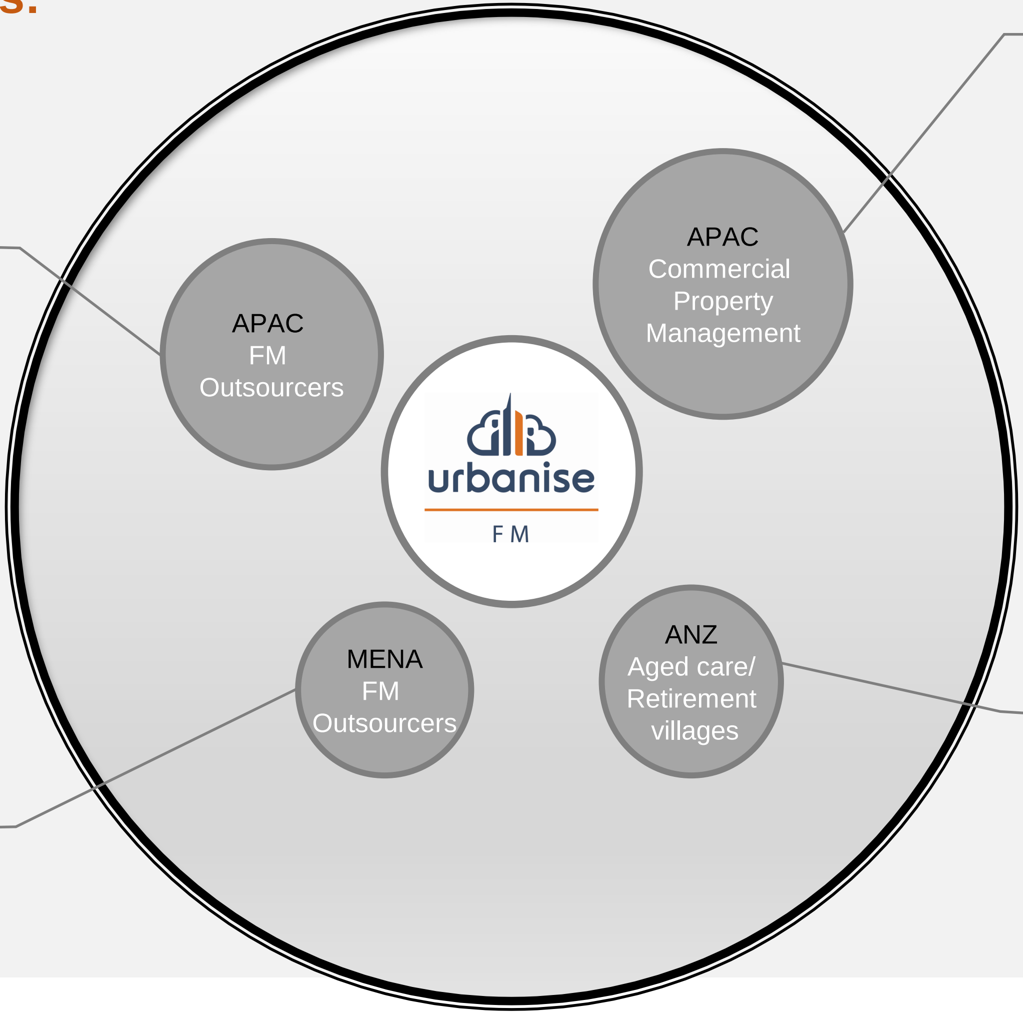
Urbanise has been servicing Tier 2 FM Outsourcers for several years, including Campeyn, Prompcorp and Knight FM.

Target approach: New customers and organic growth as existing customers add new contracts.

Immediate Market Opportunities: $10m - $15m (UAE only)

Mixture of trades servicing the residential property industry in Dubai and Abu Dhabi.

Target approach: Urbanise is targeting FM Outsourcers used by our strata customers.



Immediate Market Opportunities: $120m - $140m (ANZ only)

Recent development working with Colliers (now live) brings Urbanise into commercial property sector. Platform works well for property portfolios managed by multiple managers.

Target approach: Urbanise is targeting customers with a national footprint leveraging new functionality. Commercial focus is primarily retail and office.

Immediate Market Opportunities: $35m - $40m (ANZ)

Platform suits aged care/retirement villages, deployed by our FM Outsourcers. Urbanise has also sold direct to operators such as Whiddon and Arvida.

Target approach:
Leverage customer references and Urbanise's retirement village reporting functionality.

Outlook

Product development to drive future sales growth

- Laser-focus on key sectors in core markets.
- Leverage FM development with Tier 1 customer to build commercial property presence.
- Progress strata development in Middle East to further expand customer base.
- Expect to achieve cashflow breakeven in FY25.

Q3 FY2023 Financial Result

Q3 FY2023 Group Summary – 10% revenue growth on pcp

6% licence fee growth, excluding loss of 3 Ventia contracts in April 2022 and sale of non-core Utilities platform

$000s	Q3 FY2023	Q3 FY2022	Var	Var %
FM licence fees	973	1,043	(70)	(6.7%)
Strata licence fees	1,865	1,783	82	4.6%
Utilities licence fees	(4)	10	(14)	(140.0%)
Total licence revenue	**2,834**	**2,836**	**(2)**	**(0.1%)**
Professional Fees	606	291	315	108.2%
Total revenue	**3,440**	**3,127**	**313**	**10.0%**
Licence fees % total	**82.4%**	**90.7%**		

- Total revenue of $3,440k, +10.0% vs pcp driven by $315k increase in professional fees, primarily from 3 large Middle East customers.
- Licence fees were in line with Q3 FY2022 with new customer ($116k) and organic growth ($78k) offset by the loss of 3 Ventia contracts in April 2022 ($148k), customer churn ($34k) and sale of the Utilities platform ($14k), which was a non-core technology.
- Excluding the loss of Ventia and the impact from the sale of the Utilities platform, licence fee growth was 6.0% on pcp.

Q3 FY2023 Strata Summary

Licence fee growth generated from winning small to medium Strata customers and organic growth

$000s	Q3 FY2023	Q3 FY2022	Var	Var %
Licence fees	1,865	1,783	82	4.6%
Professional fees	323	161	162	100.6%
Total revenue	**2,188**	**1,944**	**244**	**12.6%**
Licence fees % total	**85.2%**	**91.7%**		

- Q3 FY2023 Licence fees were $1,865k, $82k increase vs pcp with new and backlog contracts ($54k) and organic growth ($47k) offset by customer churn ($19k).
- Customer churn of $19k relates to small Middle East strata customers lost in Q2 FY2023, no churn in Q3 FY2023.
- Professional fees were $323k, an increase of $162k or 100.6% vs pcp primarily due to implementation and development for 2 existing Middle East customers.
- Includes new contract with large Middle East strata manager that was secured and implemented in Q3 FY2023. ARR and licence fees commenced from the end of March 2023.
- Urbanise continues to progress development of the Strata product in the Middle East including critical RERA requirements.

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Q3 FY2023 Facilities Management Summary

Licence fees increased by 8.7% vs pcp excluding the loss of 3 Ventia contracts

$000s	Q3 FY2023	Q3 FY2022	Var	Var %
Licence fees	973	1,043	(70)	(6.7%)
Professional fees	276	126	150	119.0%
Total revenue	**1,249**	**1,169**	**80**	**6.8%**
Licence fees % total	**77.9%**	**89.1%**		

- Q3 FY2023 Licence fees of $973k, down $70k vs pcp due to the loss of 3 Ventia contracts ($148k) and customer churn ($15k) offset by new customers ($62k) and organic growth ($31k).
- Customer churn of $15k from small customers due to financial stress.
- Excluding the loss of 3 Ventia contracts, licence fees increased by 8.7% vs pcp.
- Professional fees were $276k, up 119% vs pcp mainly due to implementation activity and value-add services for a FM customer in the Middle East. Colliers Australia professional fees were in line with pcp.
- Colliers Australia went live on 3 April 2023 with the project materially enhancing the functionality of the FM platform.

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Q3 FY2023 Cash Flow

$000s	Q3 FY2023	Q3 FY2022
Opening Cash Balance	**2,829**	**4,733**
Receipts from customers	3,177	3,169
R&D tax rebate	389	352
Payments to suppliers and employees	(4,341)	(4,136)
Interest	(13)	(7)
Net cash used in operating activities	**(788)**	**(622)**
Payments for equipment	(5)	(30)
Payments for intangibles / capitalised development	-	(228)
Net cash used in investing activities	**(5)**	**(258)**
Net increase in cash and cash equivalents	**(793)**	**(8,80)**
Effect of movement exchange rates on cash balances	(1)	(13)
Net cash flow for the period	(794)	(893)
Cash at 31 Mar	**2,035**	**3,840**
Average Monthly Cash Used	**(265)**	**(298)**
Net cash flow for the period	**(794)**	**(893)**
Termination payouts	-	271
Non-recurring salaries	-	268
Non-recurring other people costs (incl redundancies)	133	-
Recruitment Costs	-	27
Investment for Strata migration	-	49
Middle East development net cash outflow	62	-
R&D tax rebate	(389)	(352)
Prior quarter late receipts	(552)	(342)
Q2 late receipts balance	289	-
Q3 late receipts	766	-
Underlying cash flow for the period	**(485)**	**(972)**
Underlying Average Monthly Cash Used	**(162)**	**(324)**

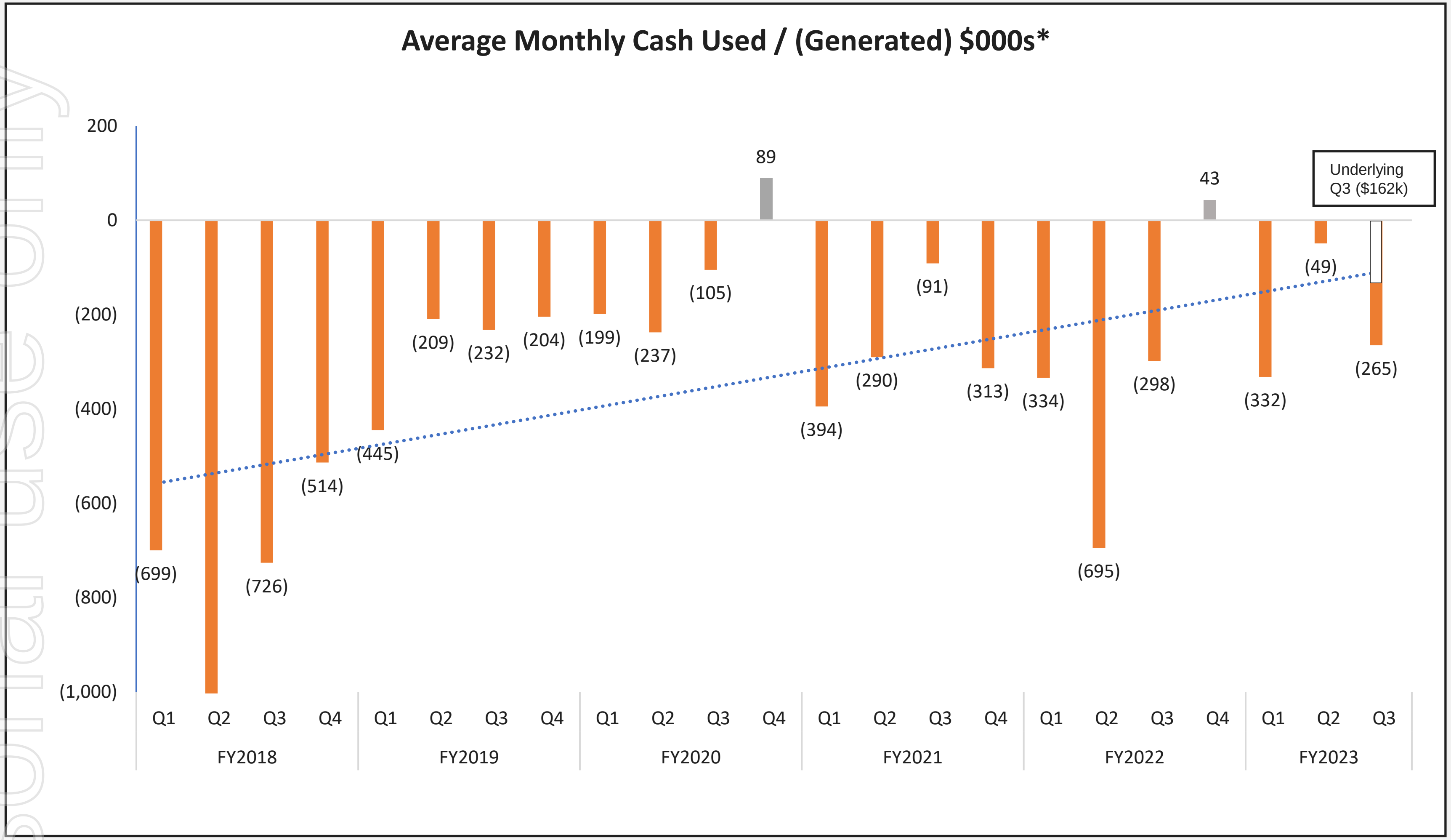
- Receipts of $3.18m, in line vs pcp. This was impacted by a total of $0.766m in late receipts in Q3 FY2023 and $0.289m outstanding from Q2 FY2023 primarily due to slower than expected processing of invoices from four large Middle East customers. Q3 FY2023 was a significant billing quarter for these customers.

- Urbanise has collected $0.66m of these late receipts as of 16 May 2023. Management have reached agreement with customers to ensure the remaining invoices are processed in Q4 FY2023.

- Payments to suppliers and employees of $4.34m was in line with pcp at $4.36m (adjusted for $228k in strata development costs capitalised in Q3 FY2022). From 1 July 2022, strata development costs have been expensed.

- The average monthly cash used was $265k for Q3 FY2023 vs $298k for pcp. Adjusting for late receipts, Middle East development net cash outflow, non-recurring employment costs and R&D rebate, the underlying average monthly cash used was $162k vs $324k in pcp.

Cash Used



- The average monthly cash used was $265k for Q3 FY2023 vs $298k in pcp.
- Adjusting for late receipts, non-recurring payments and R&D rebate, the underlying average monthly cash used was $162k vs $324k[1] in pcp.
- Average monthly cash used of $265k included payments for non-core development costs for project managers and contract developers for the Middle East (primarily for RERA) and Colliers. These costs have been partially funded from customer arrangements.

*Excluding capital raise/placement

1. Q3 FY2022 late receipts included in underlying average monthly cash used to provide like-for-like comparison with current quarter.

Capital Raising Overview

Details of the offer

Offer size and structure	• **Two Tranche Placement** to sophisticated and professional investors to raise gross proceeds of approximately **$3.5 million** of New Shares utilising the Company's existing placement capacity pursuant to ASX Listing Rule 7.1 (the "**Placement**").
	  • **Tranche One** to raise **$2.65 million** and issue 5.3 million New Shares.
	  • **Tranche Two** to raise **$0.85 million** and issue 1.7 million New Shares.

Offer price	• Offer Price of **A$0.50** per New Share represents a:
	  • 9.1% discount to the last traded price on Friday, 12 May 2023 A$0.55
	  • 17.5% discount to the 5-day VWAP price A$0.6062
	  • 18.3% discount to the 15-day VWAP price A$0.6122

Ranking	• The New Shares subject to the Placement are fully paid shares in Urbanise Limited and will rank pari passu with existing fully paid ordinary shares from allotment.
Use of proceeds	• To accelerate delivery of the strata and FM platforms, to expand its customer base in APAC and MENA supported by working capital (including costs of the offer) and balance sheet strength.
Lead Manager	• Taylor Collison Limited is the sole Lead Manager to the Placement.

Placement Overview

Source of Funds	$m
Proceeds from the Offer	$3.5m
Total Source of Funds	**$3.5m**

Use of Funds	$m
General working capital purposes	$3.34m
Costs of the Offer	$0.16m
Total Use of Funds	**$3.5m**

Capital Structure[1]	Shares (M)	$(M)
Existing Shares on issue prior to Placement	56.8	$28.4
Placement Shares	7.0	$3.5
Total Post Placement	**63.8**	**$31.9**

1. At the Offer Price

Placement Timetable

SUMMARY OF KEY DATES	DATE
Trading halt announcement and Placement bookbuild	9am AEST Monday, 15 May 2023
Placement bookbuild closes	5pm AEST Monday, 15 May 2023
Confirmation letters distributed to Placement participants	10am AEST Tuesday, 16 May 2023
UBN announces results of Placement and re-commences trading on ASX	Wednesday, 17 May 2023
Settlement of New Shares issued under Tranche One	Tuesday, 23 May 2023
Allotment of and commencement of trading of New Shares issued under Tranche One	Wednesday, 24 May 2023
Settlement of New Shares issued under Tranche Two	15 June 2023
Allotment of and commencement of trading of New Shares issued under Tranche Two	16 June 2023

Appendix

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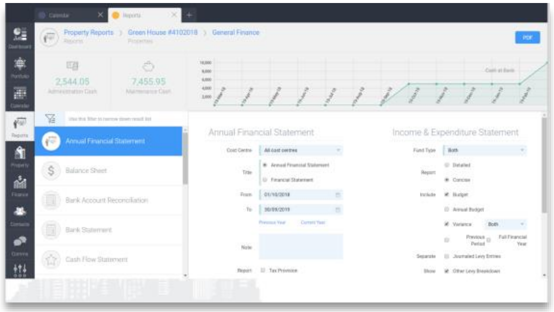
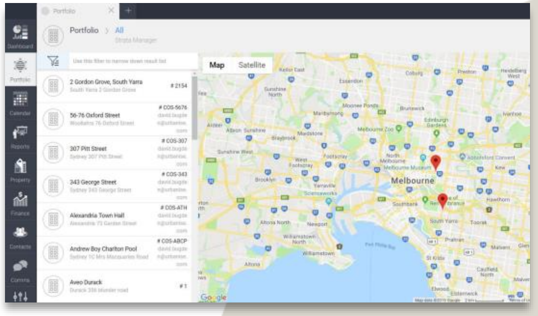
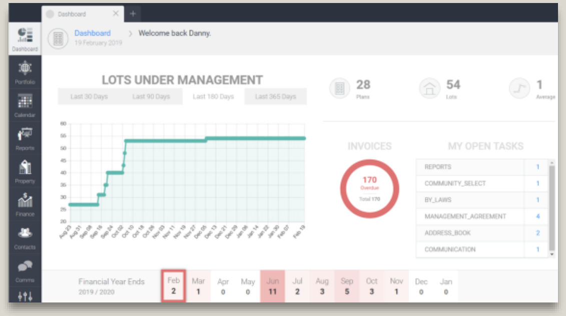
Strata

A modern user interface and experience across our strata platform







Community Apps

- Owner Comms
- Live financials
- Insurance
- Online Payments

Strata Accounting

- Levies
- General ledger
- Budgets
- Bank integration

Contact Centre

- Accounts /Contracts
- Full Activity History
- Contact Center

Automated services

- Automated Printing and Mailing of Strata Documents
- Account payable invoice scanning

Building Dashboards

- Usage Tracking
- Comparisons
- Savings Reporting

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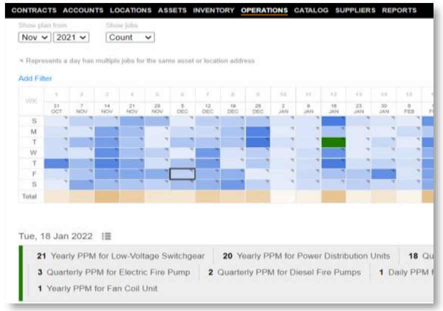
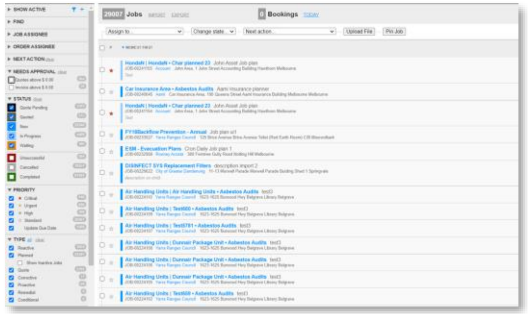
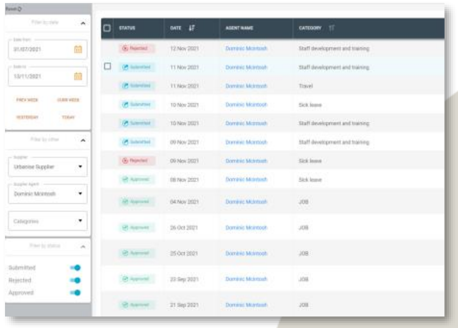
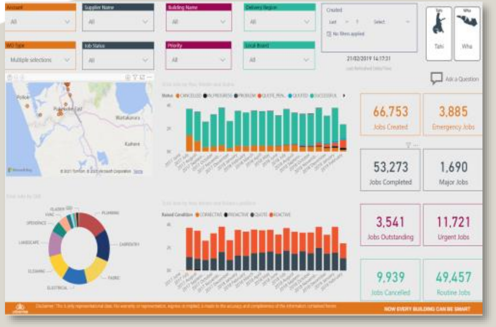
FM

A unified cloud platform for the building & facilities services ecosystem









Contact Center
- Manage property / facilities helpdesk
- Landlord vs Tenant Accounts
- Client Contracts
- Service History
- Service Billing
- Satisfaction survey

Customer / Tenant Portals
- Service requests & status tracking
- E-commerce catalogues
- Quotes approval
- Online / electronic billing
- Buy vs sell rates management

Asset Maintenance
- Asset registers
- Configurable asset types / attributes
- Electronic tagging
- Planned maintenance scheduling
- 52-week schedule / calendar view

Vendor Management
- Service Contracts
- Vendor Compliance
- Manage individual technicians / skills
- Job scheduling
- Timesheets
- RCTI / Invoicing
- Performance Mgmt.

Mobile Workforce Apps
- Onsite job mgmt.
- Pre-start & completion checklists
- Track GPS location
- Asset capture / lookup & audits
- Inspections & surveys

Analytics & Integrations
- Property / facilities benchmarking
- SLA / KPI reporting
- Asset mgmt reports & lifecycle planning
- Financial reporting, budgets/ actuals
- Finance & other system integrations

Driving growth through sales conversion & implementations

WINNING NEW WORK

Direct sales approach

- Subject Matter Experts direct selling
- Marketing presence across trade shows, social media
- Inbound sales
- Reference clients

ON-BOARDING NEW CLIENTS

In-house implementation

- Data migration
- Configuration and set-up
- Training
- Go-live

RETAIN & GROW

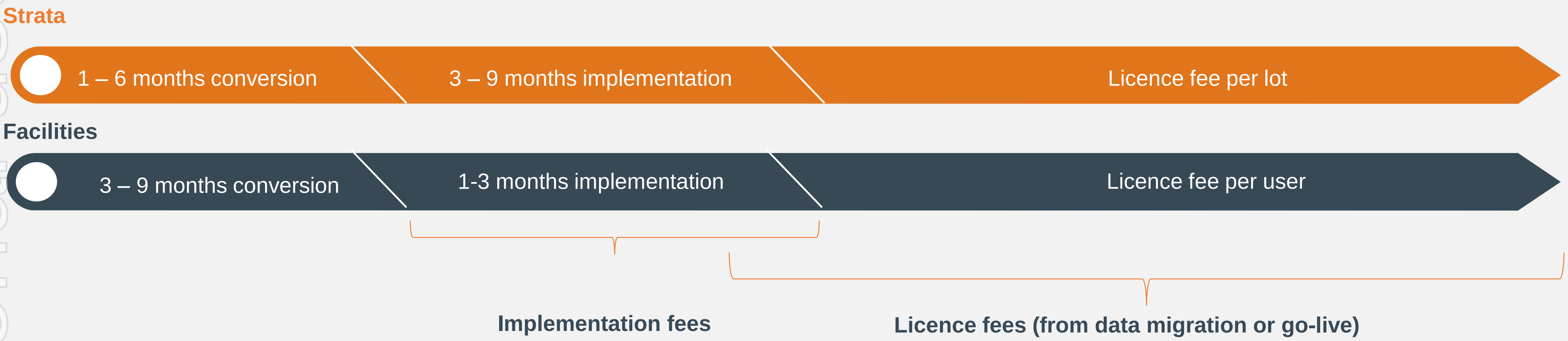
Customer Success & Subscription Management

- Additional services & subscriptions
- Platform utilisation
- Product feedback

CUSTOMER SUPPORT

Technical Support

- Troubleshooting
- Additional training



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Appendix: H1 FY2023 Financial Result

H1 FY2023 Financial Summary

H1 FY2023 licence fee growth despite loss of Ventia

$000s	H1 FY2023	H1 FY2022	Var	Var %
Licence Fees	5,563	5,420	143	2.6%
Professional fees	761	943	(181)	(19.2%)
Other revenue	-	2	(3)	(100.0%)
Total revenue	6,324	6,365	(41)	(0.6%)
Operating Expenses	(8,467)	(8,614)	147	(1.7%)
EBITDA	(2,143)	(2,249)	106	(4.7%)
Depreciation and amortisation	(586)	(961)	375	(39.0%)
Total other costs	(112)	(459)	347	(75.5%)
Other income	1	6	(5)	(83.3%)
Net loss	(2,840)	(3,663)	823	(22.5%)

Key Operational Metrics	H1 FY2023	H1 FY2022	Var	Var %
Recurring revenue	88.0%	85.2%	2.8ppt[3]	-
ARR($m)[1]	$11.28m	$11.35m	$(0.07m)	(0.6%)
Backlog($m)[2]	~$1.0m	~$0.9m	$0.1m	11.1%

Total revenue was down 0.6% vs pcp mainly due to:

- 2.6% growth in licence fees from new and existing customers offsetting the loss of Ventia (underlying growth ex Ventia of 8.6%)
- Professional fees were down $181k or 19.2% primarily due to the delay in integration of a major customer in H1 FY2023 and the inclusion of a significant one-off project in pcp

Total operating expenses were down 1.7% vs pcp from:

- Employee termination and one-off costs in H1 FY2022;
- Lower headcount in H1 FY2023 from cash burn initiatives;

Partially offset by:

- H1 FY2023 includes development costs ($476k), capitalised in pcp;
- Additional implementation and customer support staff;
- Investment in E/ME development (contractors & associated costs);
- Third party (partner) software directly driving licence fee growth and AWS costs

Dep & Amort down $375k primarily due to Strata IP assets now fully depreciated.

Total other costs down $346k mainly due to unrealised foreign exchange gain on intercompany balances

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1. Annualised Recurring Revenue based on the month of December revenue
2. Backlog as of 1 January 2023
3. Percentage points

H1 FY2023 Balance Sheet

$000s	31-Dec-22	30-Jun-22
Cash and cash equivalents	2,829	3,970
Trade receivables	2,459	1,405
Contract assets	127	141
Other assets	168	194
Prepayment	296	375
Total current assets	**5,879**	**6,085**
Property, plant and equipment	128	168
Development	2,873	3,271
Goodwill and other intangibles	5,647	5,667
Right of use asset	532	624
Other assets	126	127
Total non-current assets	**9,306**	**9,857**
Total assets	**15,185**	**15,942**
Trade and other payables	(2,559)	(1,880)
Provisions	(826)	(787)
Lease liabilities	(172)	(199)
Deferred revenue	(3,575)	(2,426)
Total current liabilities	**(7,132)**	**(5,292)**
Deferred revenue	(578)	(663)
Provisions	(4)	(16)
Lease liabilities	(345)	(424)
Total non-current liabilities	**(927)**	**(1,103)**
Total liabilities	**(8,059)**	**(6,396)**
Net Assets	**7,126**	**9,546**
Issued capital and contributed equity	107,955	107,769
Employee Share Option Reserve	469	457
Foreign currency translation reserve	141	(58)
Accumulated losses	(101,439)	(98,621)
Total equity	**7,126**	**9,546**

- Cash decreased by $1,141k, impacted by $552k of late receipts
- Trade debtors increased by $1,054k from 30 June 2022 largely due to the impact of late receipts from ME customers ($552k), cash-in-advance and licence fee growth
- Development relates to the capitalisation of development costs. The reduction from June reflects the change in accounting treatment as the development costs no longer meet the accounting requirement for capitalisation
- Right of use asset reduced due to the amortisation of the lease liability as per AASB 16 requirement
- Trade and other payables increased by $679k due to timing of payments and cash management initiatives
- Total deferred revenue for Dec 22 ($4,153k) increased by $1,064k from Jun 22 ($3,089k) mainly due to increase in cash in advance and growth in licence fees
- Movement in foreign currency translation reserve reflects unrealised foreign exchange loss from the revaluation of inter-company debt

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