

## Appendix 4C & Quarterly Activities Report for the period ended 30 June 2024

**Urbanise.com Limited (ASX: UBN)** ("Urbanise" or "the Company") today provides a business update and cash flow report for the quarter ended 30 June 2024 (**Appendix 4C**).

Urbanise is a leading provider of cloud-based Software-as-a-Service (**SaaS**) platforms to strata and facilities managers in Australasia, the Middle East, Europe and South Africa.

### Highlights

- FY2024 wins totalled \$1,044k in ARR (licence fees) and \$635k in professional fees with 50 new contract wins. New wins secured across both platforms in key target markets of APAC and MENA.
- FY2024 licence revenue increased by 5.1% to \$11.7m<sup>1</sup> compared to the prior corresponding period (pcp) driven by new contract wins and implementations.
- Q4 FY2024 wins totalled \$237k in ARR and \$159k in professional fees with 17 new contract wins, primarily comprising Australian strata managers, aged care and FM service providers.
- Q4 FY2024 licence revenue increased by 10.2% to \$3.0m compared to pcp. Q4 FY2024 professional fees of \$207k were \$120k lower than pcp due to significant customer-specific development in the prior year.
- Q4 FY2024 average monthly cash used was \$267k due to \$1.2m in late payments from three Middle East customers. These customers have committed to pay over the next three months with \$812k paid in July 2024.
- Closing cash balance of \$1.9m<sup>1</sup> (30 June 2023: \$4.2m) and no material debt.<sup>2</sup>
- As a subsequent event, Urbanise disclosed on 24 July 2024, a contract termination dispute with Colliers Australia and a claim by Urbanise for over \$3.0m in unpaid development costs and fees<sup>3</sup>. The potential impact to run-rate ARR is circa \$500k. The Company is seeking to resolve the dispute at the earliest opportunity.
- Urbanise will release its FY2024 results including closing ARR, backlog and EBTIDA in late August 2024.

**Urbanise's CEO Simon Lee said:** "During Q4 FY2024, Urbanise continued to progress new contract wins and build its sales pipeline. FY2024 ARR wins of \$1,044k reflect improvements in sales approach across our key markets. We are confident that our win run-rate will improve as we implement learnings relating to customer buying needs and Urbanise's competitive value proposition. We believe the Urbanise Strata Management solution holds a commanding lead over its competitors in the market. As we continue to focus on building our sales capability we believe this will materialise in increasing wins rates and momentum. Our engagement with strata and FM industry forums, such as the SCA<sup>4</sup> have been key to improving our sales networks.

"Urbanise's platforms and services have improved this year with the release of new features and modules including predictive analytics and the provision of more pricing options to customers which result in quantifiable

<sup>1</sup> Unaudited information

<sup>2</sup> No debt other than annual insurance premium funding and lease liabilities.

<sup>3</sup> Refer to ASX announcement on 24 July 2024

<sup>4</sup> [https://www.linkedin.com/posts/urbanisepulse\\_stratamanagement-urbanisestrata-buildingtrust-activity-7214399784638402560-0IA9?utm\\_source=share&utm\\_medium=member\\_desktop](https://www.linkedin.com/posts/urbanisepulse_stratamanagement-urbanisestrata-buildingtrust-activity-7214399784638402560-0IA9?utm_source=share&utm_medium=member_desktop)

cost savings, operating efficiencies and increased automation. Strata Managers must find profitability gains through technology<sup>5</sup> and Urbanise is well placed to compete against older on-premise systems.

“Urbanise Strata’s value proposition has been enhanced by the addition of our service provider integration capability outlined in Q3 FY2024<sup>6</sup>. The integration solution allows strata managers to connect to service providers where they can take advantage of service cost savings. Urbanise’s commercial model is targeted to take a share of these savings.

“During Q4 FY2024 Urbanise progressed discussions with several service provider partnerships, resulting in one partnership to connect strata managers to debt collection services<sup>7</sup>. This is a small revenue opportunity but proves out the commercialisation of the new product. Our objective over the next two quarters is to focus on key partnerships in the banking sector to improve how strata managers efficiently manage vast numbers of strata scheme bank accounts. We estimated the total market value relating to this opportunity is \$30m to \$54m per annum. We aim to introduce benefits from this sector to our existing strata customers first and then to new prospects.

“As a subsequent event to the quarter, the Company announced entering into a dispute resolution process with Colliers Australia on the contract for the implementation and development of facilities management software. “Whilst we are disappointed that Colliers Australia has chosen not to pursue the contract’s intention to develop their bespoke solution with us, the Urbanise FM platform has a dedicated user base across multiple sectors. Our strata and FM platforms service large customers in APAC and the Middle East including long term customers such as PICA, Knight FM and ADNOC and we continue to invest in customer satisfaction and retention strategies, utilising user feedback surveys and key account management relationships.

“At 30 June, we had \$1.2m in late receipts due to significant delays in payments from three Middle East customers. Two of these customers experienced disruption to their payment processes due to consolidation into one business. These customers have committed to clear outstanding debts over the next three months with July receipts reflecting these commitments.

“The immediate objective for Urbanise is to reach cash flow positive in FY2025, through driving ARR wins.”

### Business Activity Update

#### Summary Results - Licence and professional fees from continuing operations (Unaudited financial information)

\$'000	Q4 FY2024	Q4 FY2023	Var	FY2024	FY2023	Var
Strata licence fees	1,832	1,812	20	7,302	7,335	(33)
FM licence fees	1,207	946	261	4,426	3,816	610
<b>Total licence revenue</b>	<b>3,039</b>	<b>2,758</b>	<b>281</b>	<b>11,728</b>	<b>11,151</b>	<b>577</b>
Professional fees	207	327	(120)	876	1,694	(818)
<b>Total revenue</b>	<b>3,246</b>	<b>3,085</b>	<b>161</b>	<b>12,604</b>	<b>12,845</b>	<b>(241)</b>
<b>Licence fees % total</b>	<b>93.6%</b>	<b>89.4%</b>		<b>93.0%</b>	<b>86.8%</b>	

#### Revenue movements

- Urbanise Strata achieved net growth in licence fees through new wins that offset H1 FY2024 reported churn and the temporary reduction in licence fees from a large APAC strata customer<sup>8</sup>. Q4 FY2024 ARR wins are in backlog.

<sup>5</sup> <https://www.macquarie.com.au/assets/bfs/documents/business-banking/bb-strata-industry/2023-macquarie-strata-benchmarking-report.pdf>

<sup>6</sup> Refer to ASX announcement on 30 April 2024

<sup>7</sup> LevyCollect integration allows strata managers to easily issue outstanding levies to legal firms for debt collection. Expected revenues will be less than \$25k per annum but will increase Urbanise’s appeal to new and existing customers

<sup>8</sup> Refer to 4C announcements in Q1 and Q2 FY2024 outlining APAC and MENA customer churn and the temporary reduction in licence fees from a large APAC customer. The churn was due to consolidation of these customers into acquiring businesses.

- Urbanise FM licence fee revenue increased for the quarter and full year due to new growth and implementations, including Colliers go-live from April 2023. Q4 FY2024 ARR wins are in backlog.

#### **Q4 FY2024 Contract Wins: \$237k ARR and \$159k Professional Fees**

- Urbanise Strata converted wins totalling \$92k in ARR and \$28k in professional fees consisting mainly of small to medium APAC strata customers; and
- Urbanise FM converted \$145k of ARR and \$131k of professional fees comprised of FM service providers and aged care customers.

#### **For 12 months to 30 June 2024 Contract Wins: \$1,044k of ARR and \$635k Professional Fees:**

- Urbanise Strata converted wins totalling \$367k in ARR and \$242k in professional fees consisting mainly of small to medium Australian strata customers; and
- Urbanise FM converted \$677k of ARR from commercial real estate \$113k, aged care customers \$173k and FM service providers \$391k and \$393k of professional fees.

#### **Contract dispute with Colliers Australia**

On 24 July 2024, Urbanise announced a contractual dispute with Colliers Australia regarding claims for outstanding fees and costs associated with the development of their FM bespoke platform<sup>9</sup>. Colliers Australia claims for early termination of the contract are disputed by Urbanise. The 4-year agreement effective from September 2021, had an initial value of \$680k in ARR and the scope was to deliver significant development based on Colliers Australia's bespoke specifications. Urbanise believes there is a strong legal basis for the claim, however the outcome of any resolution is uncertain. The dispute does not affect Urbanise's contract with Colliers New Zealand which will continue.

#### **Pipeline**

The current pipeline includes targeted wins ranging from small to material value contracts across APAC and MENA:

- small strata managers, including start-ups;
- medium strata managers currently using older on-premise software solutions;
- Australian FM service providers and global brand FM service providers;
- commercial estate managers for office and retail;
- Australian aged care and utilities providers; and
- broader Middle East property managers, where there is a growing volume of building assets in the Kingdom of Saudi Arabia and adoption of strata practices across Oman and Bahrain.

The new Urbanise Strata solution connecting strata managers with service providers, positions Urbanise to increase its strata pipeline. The pipeline for the new solution is initially focused on existing customers, leveraging Urbanise's strata footprint in the Australian market.

Urbanise does not disclose the value of the total qualified pipeline, however the Company has previously advised it is a multiple of the amount required for Urbanise to reach sustainable cash flow breakeven.

#### **Cashflow**

The Board have reviewed the impact of the dispute with Colliers Australia and believes the Company has sufficient cash runway to achieve cash flow breakeven in FY2025 without the inclusion of fees from the Colliers Australia contract. This will be achieved from sales conversions to date, future sales and the prudent management of costs and working capital.

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<sup>9</sup> Refer to ASX announcement on 24 July 2024

As of 30 June 2024, the cash balance was \$1.9m, impacted by late receipts of \$1.2m and total debtors of \$3.9m<sup>10</sup>. Payment process disruptions from the consolidation of two key customers have been resolved. These customers have committed to pay over the next three months with \$812k paid in July 2024.

## Strata Management

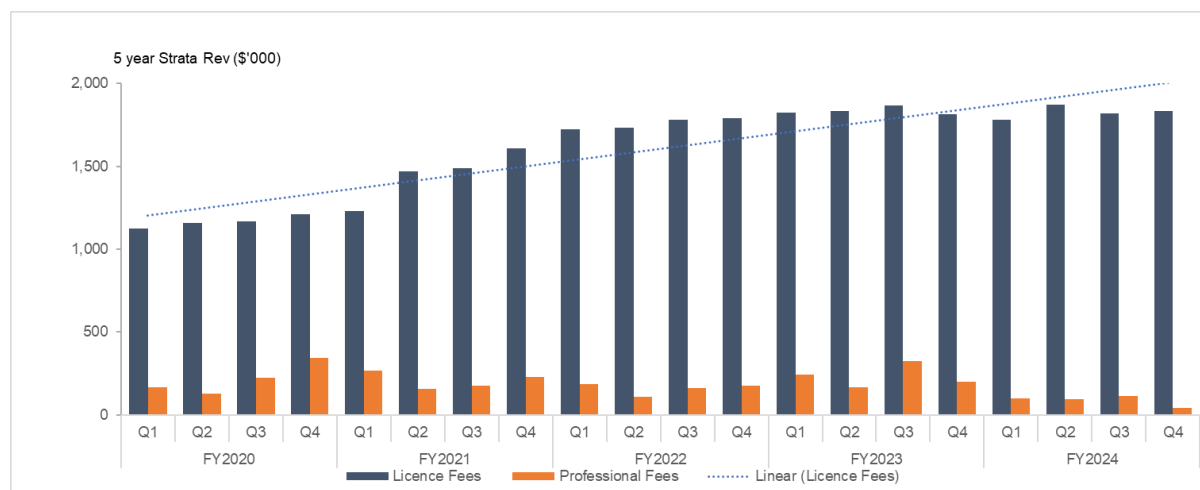
### Strata Summary (Unaudited financial information)

\$'000	Q4 FY2024	Q4 FY2023	Var	FY2024	FY2023	Var
Licence fees	1,832	1,812	20	7,302	7,335	(33)
Professional fees	44	201	(157)	349	931	(582)
<b>Total revenue</b>	<b>1,876</b>	<b>2,013</b>	<b>(137)</b>	<b>7,651</b>	<b>8,266</b>	<b>(615)</b>
<b>Licence fees % total</b>	<b>97.7%</b>	<b>90.0%</b>		<b>95.4%</b>	<b>88.7%</b>	

Urbanise Strata achieved net growth in licence fees through new wins that offset H1 FY2024 reported churn and the temporary reduction in licence fees from a large APAC strata customer<sup>11</sup>. Q4 FY2024 ARR wins are in backlog.

Professional fees were lower pcp due to significant development fees for a major MENA customer in that period.

### Strata 5-year licence fee growth (\$000s) – CAGR 9.4%



## Facilities Management

### Facilities Management Summary (Unaudited financial information)

\$'000	Q4 FY2024	Q4 FY2023	Var	FY2024	FY2023	Var
Licence fees	1,207	946	261	4,426	3,816	610
Professional fees	163	127	37	528	757	(228)

<sup>10</sup> Unaudited information

<sup>11</sup> Refer to 4C announcements in Q1 and Q2 FY2024 outlining APAC and MENA customer churn and the temporary reduction in licence fees from a large APAC customer. The churn was due to consolidation of these customers by acquiring businesses. As announced in Q3 FY2023 Urbanise has reached agreement with a large APAC strata customer on the resolution of fees and cost reductions to support the contract. Revenue increases of \$200k ARR and cost reductions of \$314k per annum have been implemented.

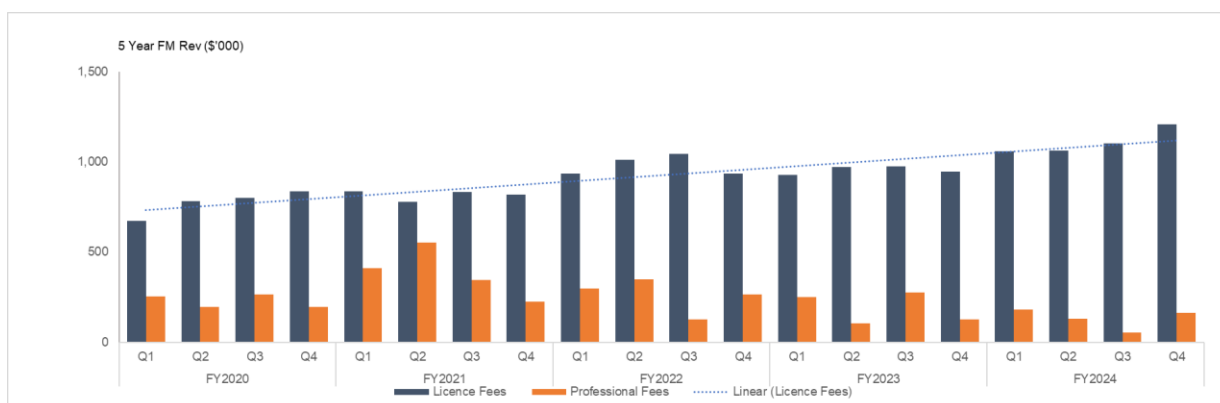
<b>Total revenue</b>	<b>1,370</b>	<b>1,073</b>	<b>298</b>	<b>4,954</b>	<b>4,572</b>	<b>382</b>
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<b>Licence fees % total</b>	<b>88.1%</b>	<b>88.2%</b>	<b>89.3%</b>	<b>83.5%</b>
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FM licence fee revenue increased for the quarter and full year due to new growth and implementations, including Colliers go-live from April 2023.

Professional fees for the quarter were \$163k, an increase of \$37k vs pc. This increase is due to the completion of new contract implementations and change requests from existing customers. FY2024 professional fees were higher vs pc. due to the implementation of large FM service providers.

#### FM 5-year licence fee growth (\$'000s) – CAGR 7.4%



#### Cashflow Summary

As of 30 June 2024, Urbanise's cash balance closed at \$1.9m. Q4 FY2024 average monthly cash used was \$267k and the underlying average monthly cash generated was \$11k, adjusting for the impact of late receipts.

Urbanise implemented cashflow improvements of \$2.4m, as announced on 5 October 2023, which are on track to be realised in full by September 2024.

At 30 June 2024, the cash balance closed at \$1.9m<sup>11</sup> impacted by \$1.2m of late receipts and total debtors were \$3.9m<sup>12</sup>. In July 2024, Urbanise collected \$812k of outstanding debt. Payment process disruptions caused by the consolidation of two key customers, who paused payments, have been resolved. Their management has assured that these debts will be settled within the next three months.

#### Q4 Cashflow Summary (Unaudited financial information)

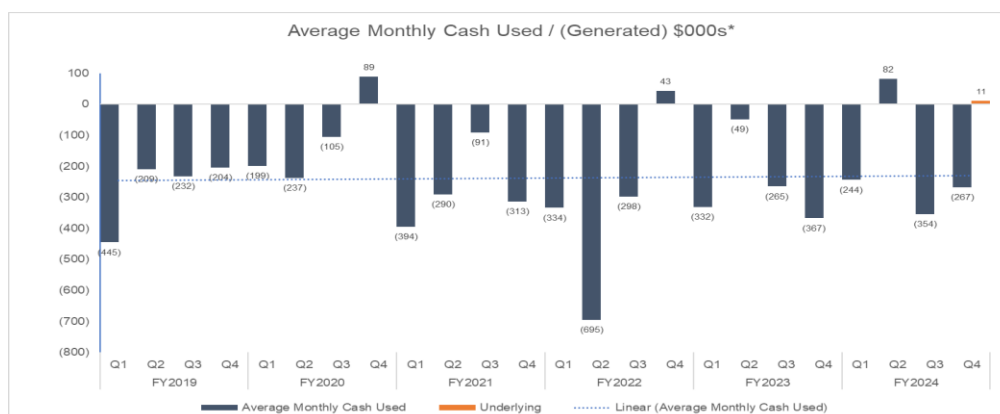
\$'000	Q4 FY2024	Q4 FY2023
<b>Opening Cash Balance</b>	<b>2,701</b>	<b>2,035</b>
Receipts from customers	2,511	3,429
Payments to suppliers and employees	(3,218)	(4,463)*
Interest	(10)	(9)
<b>Net cash used in operating activities</b>	<b>(717)</b>	<b>(1,043)</b>
Payments for equipment	-	(13)
Proceeds from sale of business	-	16
<b>Net cash used in investing activities</b>	<b>-</b>	<b>3</b>
Repayment of principal portion of lease	(63)	(61)*

<sup>11</sup> Unaudited information

Net proceeds from issue of shares	-	3,313
<b>Net cash used in financing activities</b>	<b>(63)</b>	<b>3,252</b>
<b>Net increase in cash and cash equivalents</b>	<b>(780)</b>	<b>2,212</b>
Effect of movement exchange rates on cash balances	(22)	1
<b>Net cash flow for the period</b>	<b>(802)</b>	<b>2,213</b>
<b>Closing Cash Balance</b>	<b>1,899</b>	<b>4,248</b>
<b>Average Monthly Cash Generated / (Used)</b>	<b>(267)</b>	<b>738</b>
<b>Net cash flow for the period</b>	<b>(802)</b>	<b>2,213</b>
Net proceeds from issue of shares	-	(3,313)
Late receipts from customers from prior quarter	(385)	(683)
Late receipts – already collected	812	1,055
Late receipts – already committed	408	178
<b>Underlying cash flow for the period</b>	<b>33</b>	<b>(550)</b>
<b>Underlying Average Monthly Cash Generated / (Used)</b>	<b>11</b>	<b>(183)</b>

\* The prior year comparative has been reclassified to move the principal repayment of lease liabilities from "Payments to suppliers and employees" to "Financing activities."

#### Average monthly cash used / generated (\$'000)\* (Unaudited financial information)



\* Excludes proceeds from capital raises / placements and sale of business assets

Payments to related parties in Item 6.1 of the Appendix 4C consisted of fees paid to the Board of Directors.

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

#### Investor enquiries

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#### About Urbanise

Urbanise is a leading provider of cloud-based Software as a Service (SaaS) platforms for property management, specifically strata and facilities management. The Strata platform manages the communications and accounting functions for apartment buildings, strata commercial towers and large housing communities. The Facilities Management platform manages the repair and maintenance for infrastructure, buildings, residential and

commercial properties. Urbanise technology is used in some of the tallest towers and most prestigious communities around the globe. [www.urbanise.com](http://www.urbanise.com)

**Forward-looking statements**

This announcement may contain forward-looking statements regarding the Company's financial position, business strategy and objectives (rather than being based on historical or current facts). Any forward-looking statements are based on the current beliefs of the Company's management as well as assumptions made by, and information currently available to, the Company's management. Forward-looking statements are inherently uncertain and must be read accordingly. There can be no assurance that some or all of the underlying assumptions will prove to be valid.

All data presented in this announcement reflects the current views of the Company with respect to future events. Forward-looking statements are subject to risk, uncertainties and assumptions relating to the operations, results of operations, growth strategy and liquidity of the Company. To the maximum extent permitted by law, the Company, its officers, employees and agents do not accept any obligation to release any updates or revisions to the information (including any forward-looking statements) in this announcement to reflect any change to expectations or assumptions; and disclaim all responsibility and liability for any loss arising from reliance on this announcement or its contents.

## 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")**

30 June 2024

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	2,511	13,448
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(778)	(2,707)
(c) advertising and marketing	(13)	(107)
(d) leased assets		
(e) staff costs	(1,744)	(8,553)
(f) administration and corporate costs	(683)	(4,572)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid	(10)	(47)
1.6 Income taxes paid		
1.7 Government grants and tax incentives	-	461
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(717)</b>	<b>(2,077)</b>

**2. Cash flows from investing activities**

2.1 Payments to acquire or for:

(a) entities

(b) businesses



<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
(c) property, plant and equipment		-	(8)
(d) investments			
(e) intellectual property			
(f) other non-current assets			
2.2 Proceeds from disposal of:			
(g) entities			
(h) businesses			
(i) property, plant and equipment			
(j) investments			
(k) intellectual property			
(l) 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 Net cash from / (used in) investing activities</b>		<b>-</b>	<b>(8)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)		
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		
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings	(63)	(245)
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
<b>3.10 Net cash from / (used in) financing activities</b>	<b>(63)</b>	<b>(245)</b>

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
<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	2,701	4,248
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(717)	(2,077)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(8)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(63)	(242)
4.5	Effect of movement in exchange rates on cash held	(22)	(22)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,899</b>	<b>1,899</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	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,899	2,701
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>1,899</b>	<b>2,701</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(67)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>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.</i>		

7.	<b>Financing facilities</b> <i>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.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		-
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.		

8.	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(717)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,899
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	1,899
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	2.6
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>		
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	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?	
<p>Answer:</p> <div style="height: 150px;"></div>		

8.6.2 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:

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

Answer:

*Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.*

### 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: 30 July 2024

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.