

Appendix 4C & Quarterly Activities Report for the period ended 31 December 2024

Urbanise.com Limited (ASX: UBN) ("Urbanise" or "the Company") today provides a business update and cash flow report for the quarter ended 31 December 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 and South Africa.

Highlights

- H1 FY2025 licence revenue of \$5.8m¹ up 2% vs previous corresponding period (pcp), reflecting growth in recurring revenues. Total revenue of \$6.3m¹ increased by \$35k on pcp, with license revenue gains offsetting a decline in professional fees.
- H1 FY2025 wins totalled \$563k¹ in ARR (licence fees) and \$214k in professional fees with 19 new contract wins. New wins secured across both platforms in key target markets of APAC and MENA.
- Q2 FY2025 license revenue decreased by 2.6% to \$2.9m¹ compared to the prior corresponding period (pcp) with growth from new contract wins and implementations offset by customer churn.
- Q2 FY2025 total revenue of \$3.0m¹ is down 4.4% pcp; 95% recurring revenue.
- Q2 FY2025 wins totalled \$171k in ARR and \$139k in professional fees with 8 new contract wins, primarily comprising Australian strata managers, FM service providers.
- Positive cash flow in Q2 FY2025 with \$108k average monthly cash generated, driven by improvement in collections and cost rationalisations implemented in FY2024.
- Commercial discussions with several financial institutions are progressing to a shortlist stage, with the objective to secure one or more banking service partnerships for Strata by Q3 FY2025.
- The contract termination dispute² with Colliers Australia and a claim by Urbanise for over \$3.0m in unpaid development costs and fees is ongoing. The Board's assessment is that there is a strong claim however, the outcome is considered uncertain at this stage.
- Closing cash balance of \$2.7m¹ (30 June 2024: \$1.9m) and no material debt³.
- Urbanise remains on track to achieve cash flow breakeven in FY2025.

Urbanise's CEO Simon Lee said: "Urbanise completed Q2 FY2025 with \$171k in ARR wins and positive net cash flow of \$323k. Contract wins were across our three target markets, APAC Strata (ARR \$27.4k), APAC FM (ARR \$95.2k) and MENA (\$48.3k). Compared to prior quarters, Q2 FY2025 wins are lower than expected due to deals being delayed until post the Christmas holiday period. (Q4 FY2024: \$237k ARR, Q1 FY2025: \$392k ARR). We expect to close some of these new sales as prospective customers return from leave during January and February.

¹ Unaudited information.

² Refer to ASX announcement 24 July 2024.

³ No debt other than annual insurance premium funding and lease liabilities.

“Over the past quarter, we have focused on progressing a range of pipeline opportunities in the Middle East which range in value from \$50k to \$750k. It has been important to diversify the size of customers we are targeting. As we reported in our last quarterly report⁴, the UAE market has undergone a period of consolidation over the past year which now appears to have settled. These consolidated entities are taking more time to consider their IT strategies due to the size and risk of transition. Accordingly, our sales team in the region have been focussed on medium sized prospects, including the FM supplier network in the UAE, the FM Outsourcer and strata markets in the broader Gulf Cooperation Council (GCC) region, and the landlord market in the UAE.

“Last quarter, Urbanise announced⁵ that it had entered into a dispute resolution process with Colliers Australia in relation to the contract for the implementation and development of facilities management software. Urbanise is claiming over \$3.0m in unpaid development costs and fees. Discussions continue between the parties under the dispute resolution provisions of the contract. Urbanise is seeking to resolve the dispute on a reasonable and equitable basis, however the outcome of a settlement remains uncertain at this stage.

“The decline in licence fee revenue reflects a \$120k reduction this quarter relating to the Colliers contract. This is due to the uncertainty of the outcome of the claim and resolution of the contract. Other than the impact to licence fees from Colliers, the business continues to focus on retention strategies.

“As part of an accounting review of revenue recognition⁶ of contracts offering combined strata and FM to Middle East customers, the business has adjusted the split to more appropriately reflect the value delivered. Accordingly, the strata revenue is lower by \$195k for the quarter and has been instead recognised in FM.

“During Q2 FY2025, we continued to progress our discussions with potential banking partners for the APAC Strata business. As noted in prior announcements, Urbanise’s Strata platform is uniquely positioned, being cloud-based with industry leading functionality and integrations-ready, with a high volume of existing customers that can give service providers access to strata schemes and managers. Relevant services could include debt collection⁷, strata loan finance and banking services. 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 are encouraged by the appetite of the banking industry to invest and engage with the strata industry. The stability of the strata administration and sinking funds represent a strategic opportunity for banks to improve their funding profile. Our discussions with potential partners is targeted to reach a shortlist staging in Q3 FY2025 with finalisation in the same quarter. The total market value relating to this opportunity is estimated at \$30m to \$54m per annum.

“Ultimately, the immediate priority for Urbanise is to reach cash flow positive in FY2025, through driving ARR wins and ongoing cost discipline.”

⁴ Refer to ASX announcement 30 October 2024.

⁵ Refer to ASX announcement 24 July 2024.

⁶ In accordance with general accepted accounting standards.

⁷ Refer to ASX announcement 30 July 2024: Urbanise announced its partnership with LevyCollect, a partnership integration that 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.

Business Activity Update

Summary Results - License and professional fees (Unaudited financial information)

\$'000	Q2 FY2025	Q2 FY2024	Var	H1 FY2025	H1 FY2024	Var
Strata license fees	1,702	1,870	(168)	3,624	3,649	(25)
FM license fees	1,153	1,061	92	2,259	2,118	141
Total license revenue	2,855	2,931	(76)	5,883	5,767	116
Professional fees	162	225	(63)	422	503	(81)
Total revenue	3,017	3,156	(139)	6,305	6,270	35
License fees % total	94.6%	92.9%		93.3%	92.0%	

Revenue movements

As part of an accounting review of Middle East contracts offering combined Strata and FM services, revenue allocation has been adjusted to better reflect the value delivered.

- Urbanise Strata license fee revenue decreased 9% to \$1.7m in Q2 FY2025, primarily due to a \$195k reallocation to Urbanise FM.
- Urbanise FM license fee revenue increased 8.7%, driven by the \$195k reallocation from Urbanise Strata and implemented new wins. This was partly offset by a \$120k revenue reduction related to the Colliers contract.

Q2 FY2025 Contract Wins: \$171k ARR and \$139k Professional Fees

- Urbanise Strata converted wins totalling \$27.4k in ARR and \$57.9k in professional fees consisting mainly of small to medium APAC strata customers. This was lower than expected due to the delay in deal completion over the Christmas period.
- Urbanise FM converted \$143.5k of ARR and \$80.7k of professional fees comprised of FM service providers and asset owners.

H1 FY2025 Contract Wins: \$563k ARR and \$213k Professional Fees

- Urbanise Strata converted wins totalling \$244k in ARR and \$81k in professional fees consisting mainly of small to medium Australian strata customers; and
- Urbanise FM converted \$319k of ARR from FM service providers and asset owners and \$133k of professional fees.

Strata Management

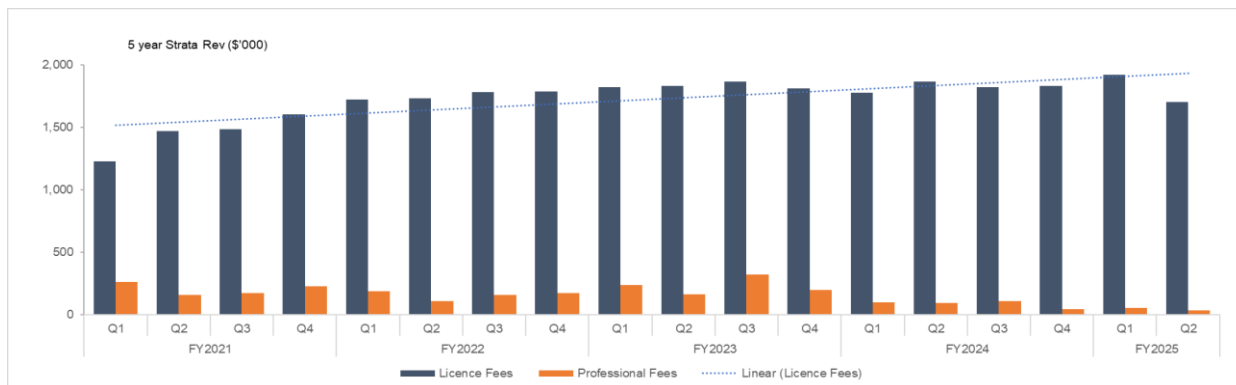
Strata Summary (Unaudited financial information)

\$'000	Q2 FY2025	Q2 FY2024	Var	H1 FY2025	H1 FY2024	Var
License fees	1,702	1,870	(168)	3,624	3,649	(25)
Professional fees	38	94	(56)	96	192	(96)
Total revenue	1,740	1,964	(224)	3,720	3,841	(121)
License fees % total	97.8%	95.2%		97.4%	95.0%	

Urbanise Strata converted \$27k in ARR and \$57.9k in professional fees from new and existing strata customers, which was lower than expected due to delays in completing deals over the Christmas period.

Urbanise Strata license fee revenue decreased by 9% to \$1.7m in Q2 FY2025, reflecting a \$195k reallocation to FM in the Middle East following a contract review. Professional fees for the quarter were \$38k, representing a 60% decrease vs pcp, attributed to fewer and lower cost implementations.

Strata 5-year license fee growth (\$000s) – CAGR 3.0%



Facilities Management (FM)

Facilities Management Summary (Unaudited financial information)

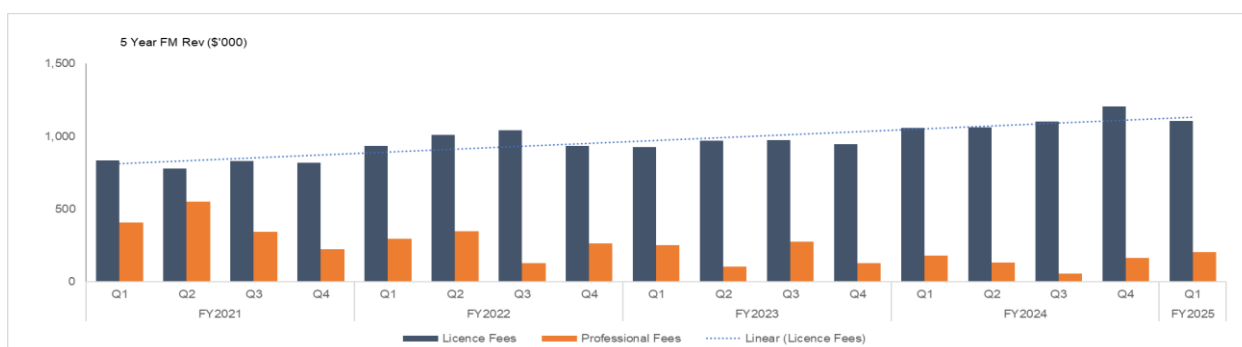
\$'000	Q2 FY2025	Q2 FY2024	Var	H1 FY2025	H1 FY2024	Var
Licence fees	1,153	1,061	92	2,259	2,118	141
Professional fees	124	131	(7)	326	310	16
Total revenue	1,277	1,192	85	2,585	2,428	157
Licence fees % total	90.3%	89.0%		87.4%	87.2%	

Urbanise FM converted \$143.5k of ARR and \$80.7k of professional fees mainly from FM service providers and asset owners.

Urbanise FM license fee revenue increased by 8.7% for the quarter, driven by new growth and implementations and a \$195k reallocation of revenue from Urbanise Strata to Urbanise FM in Middle East following a contract review. This was offset by no revenue recognised for Colliers (\$120k).

Professional fees for the quarter were \$124k, a decrease of \$7k.

FM 5-year license fee growth (\$000s) – CAGR 8.2%



Cashflow Summary

As of 31 December 2024, Urbanise's cash balance increased \$323k to \$2.7m (30 Sept 2024: \$2.4m). Average monthly cash generated for Q2 FY2025 was \$108k (Q1 FY2025: \$170k).

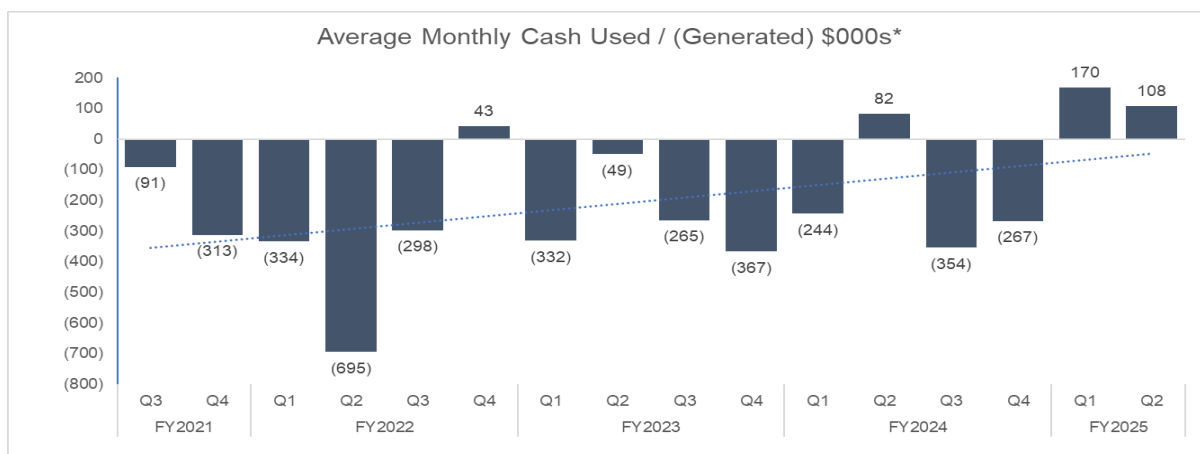
Focused efforts on cash collections resulted in a positive cash flow for the quarter, with \$0.5m collected from Middle East customers and an additional \$0.5m expected in Q3 FY2025.

Payments to suppliers and employees reduced from the prior year due to the cost rationalisations implemented in FY2024.

Q2 FY2025 Cashflow Summary (Unaudited financial information)

\$'000	Q2 FY2025	Q2 FY2024
Opening Cash Balance	2,408	3,517
Receipts from customers	4,121	4,671
Payments to suppliers and employees	(3,859)	(4,765)
R&D tax rebate	-	461
Interest	(8)	(13)
Net cash generated in operating activities	254	354
Payments for equipment	-	(1)
Net cash used in investing activities	-	(1)
Repayment of principal portion of lease	(39)	(62)
Net cash used in financing activities	(39)	(62)
Net increase in cash and cash equivalents	215	291
Effect of movement exchange rates on cash balances	108	(45)
Net cash flow for the quarter	323	246
Closing Cash Balance	2,731	3,517
Average Monthly Cash Generated	108	82
Net cash flow for the quarter	323	246
R&D tax rebate	-	(461)
Non-recurring employment costs	-	161
Late receipts collected from customers from prior quarter	(539)	
Delayed receipts not collected within this quarter	504	
Underlying cash flow for the quarter	288	(54)
Underlying Average Monthly Cash Generated / (Used)	96	(18)

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 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

Françoise Dixon
ir@urbanise.com
 +61(0) 412 292 977

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

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")

31 December 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	4,121	7,761
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(810)	(1,515)
(c) advertising and marketing	(22)	(40)
(d) leased assets		
(e) staff costs	(1,974)	(3,689)
(f) administration and corporate costs	(1,053)	(1,666)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid	(8)	(18)
1.6 Income taxes paid		
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	254	833

2. Cash flows from investing activities

2.1 Payments to acquire or for:

(a) entities

(b) businesses

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
(c) property, plant and equipment		
(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)		
2.6 Net cash from / (used in) investing activities	-	-

3. Cash flows from financing activities		
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	(39)	(76)
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
3.10 Net cash from / (used in) financing activities	(39)	(76)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,408	1,899
4.2	Net cash from / (used in) operating activities (item 1.9 above)	254	833
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(39)	(76)
4.5	Effect of movement in exchange rates on cash held	108	75
4.6	Cash and cash equivalents at end of period	2,731	2,731

5.	Reconciliation of cash and cash equivalents 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	2,731	2,408
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,731	2,408

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	58
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.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
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.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	254
8.2	Cash and cash equivalents at quarter end (item 4.6)	2,731
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	2,731
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
	<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?	
	Answer:	

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 January 2025

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.