2016 Financial Results
Half year ended 31 December 2015 (1H16)

Monday 29 February 2016

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1H16 overview

- Revenue up 10% to $3.7 million (1H15: $3.3 million).

- Revenue plus sales backlog[1] for 1H16 of $5.6 million.

- Majority of sales backlog amount expected to be booked during FY16.

- Cash receipts from customers of $5.1 million, exceeding full year FY15 cash receipts.

- Earnings before interest, tax, depreciation and amortisation (EBITDA) loss of $5.4 million (1H15: $0.5 million).

- Net loss after tax of $4.5 million (1H15: $0.05 million).

- 13 new customers signed for 1H16 (1H15: 6 customers).

- Strong balance sheet position with capital raising post 1H16 to accelerate growth.

[1] Sales backlog defined as devices which have been contracted but not installed. In a majority of cases, initial payments have already been received. Due to late device deliveries, revenue will be recognised as devices are deployed.

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THE URBANISE PLATFORM

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Urbanise is re-imagining the future of service delivery for cities

We are challenging status quo and thinking of smarter ways to service our cities
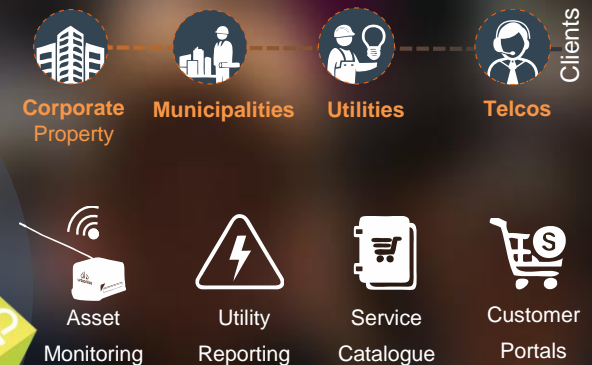
The urbanise Platform

TRADITIONAL
BUILDING OPERATORS

Clients

Strata Managers — **Specialist** Engineers — **Facility** Managers — **Property** Managers

Strata Management | Asset Maintenance | Mobile Workforce | Operation Centre

ADVANCED
BUILDING OPERATIONS
Efficient and effective service delivery

NON TRADITIONAL
BUILDING OPERATORS

Clients

Corporate Property — **Municipalities** — **Utilities** — **Telcos**

Asset Monitoring | Utility Reporting | Service Catalogue | Customer Portals

IOT
(Internet of Things)
Enhanced visibility & response

21ST CENTURY
CUSTOMER SERVICE
Service anywhere anytime

SMARTER WAYS TO SERVICE OUR CITIES

Business benefits of a unique platform

Strata Management — Strata management made simple with faster response times and improved efficiency

Asset Monitoring — Real time visibility, strategic control and reduced risk of asset breakdown

Mobile Workforce — Streamlined operations, improved communication and customer service

Operation Centre — Faster response rate, reduced operational overhead costs, improved efficiency

Service Catalogue — Additional revenue streams with potential EBITDA uplift

Utility Reporting — Energy optimisation and related cost savings

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The Urbanise eco-system

With a single point of access to this unique set of functionalities, the Urbanise platform creates an ecosystem with real business benefits for clients

Easy to deploy

Cost saving

Scalable and flexible

New revenue streams

The Urbanise Platform offers service providers the tools to service cities in smarter ways and empowers them to focus on the bigger picture – more efficient buildings and facilities, genuine customer service and less time spent on administration and troubleshooting.

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EXECUTING OUR STRATEGY

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Route to market is to target Tier 1

Around 20 operators in each region manage a large percentage of the high value / high density buildings in a city.

Premium Office Buildings
Premium Apartment Towers
Gated Communities
Corporate Office Portfolios
Distributed Branch Offices
Government Contracts
Service Aggregators

Tier 1
Integrated
Service Providers

10-20
companies

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primary route to market

Office Buildings
Apartment Blocks
Factories

Tier 2 Single Service Companies

Hundreds
of companies

Offices
Homes

Tier 3 'Man in Van' Service Providers

Thousands
of companies

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Tier 1 traction

Growing traction in 1H16 with Tier 1 customers working directly with Urbanise or developing distribution channels with our partners. Below are some of the customers who have first stage deployment of Urbanise technology:

Property Managers	Facility Managers
Jones Lang LaSalle (AUS)* Cushman & Wakefield (AUS)* Mainstay (UK)* Aldar (UAE)	ARA (AUS & SEA) Programmed (AUS)* Axis (UK) Key FM (Europe)
Corporate Asset Owners	**Other Service Providers**
Caltex (AUS)* Jumeirah Group (UAE)* Citibank (AUS)* Hoyts (AUS)* Dubai Parks & Resorts (UAE) Emaar – Burj Khalifa (UAE)	Basatin (UAE) Aurecon (SEA)* MWH (Global)*

* Currently in initial phase with accelerated rollout planned to commence when devices are available. No material revenue recognised with significant future revenue opportunities over 12-36 months.

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Tier 1 case study – Dubai Parks & Resorts

- Dubai Parks & Resorts will become the region's largest theme park - with the $US2.7 billion development of three separate theme parks, one water park and 2M assets under management spread across 25 million square feet in Dubai.

- Consortium members include motiongate™ Dubai, a Hollywood movie inspired theme park; Bollywood Parks™ Dubai, showcasing the authentic Bollywood movie experience; and LEGOLAND® Dubai, the first LEGOLAND® theme park in the Middle East; together with the LEGOLAND® Water Park.

- 6.7 million ticketed visits projected for the first full year of operation in 2017.

- Consortium required scalable, flexible asset management platform.

- Urbanise selected for this development over incumbent global asset management system Maximo from IBM.

- Rollout underway for asset management and workforce management.

- Currently in discussions regarding integration device monitoring.

1H16 announced contracts

Selection of announced contracts in 1H16

- **Key FM** – UK – FM services delivery – customers in 21 countries.

- **Interactive** – Australia – energy monitoring – 2,000 customers.

- **Networked Solutions** – Qatar – services to worker communities.

- **Sigma Estate Management Services** – South Africa – strata management – 5,000 units.

- **Strata Care** – Australia – services delivery – 6,000 apartments.

- **Programmed Integrated Workforce** – Australia – critical asset monitoring – 120 buildings.

- **Sabian Projects** – UK – potential customer base of 154,000 residents and over 50 commercial buildings.

- **TopNotch Property Services** – South Africa – community and property functionality for more than 9,000 units.

- **Pivotal Procurement Australia** – Australia – full functionality – streamlining procurement processes.

A total of 13 contracts were announced during 1H16, up 117% on 1H15

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Expanding range of platform usage fees

Asset Maintenance

$100

per building account / month

Strata Management

$2.00

per unit account / month

Mobile Workforce

$50

per workforce account / month

Operation Centre

$25

per agent account / month

Asset Monitoring

$10-25

per smart sensor / month

Utility Reporting

$25

per smart meter / month

Service Catalogue

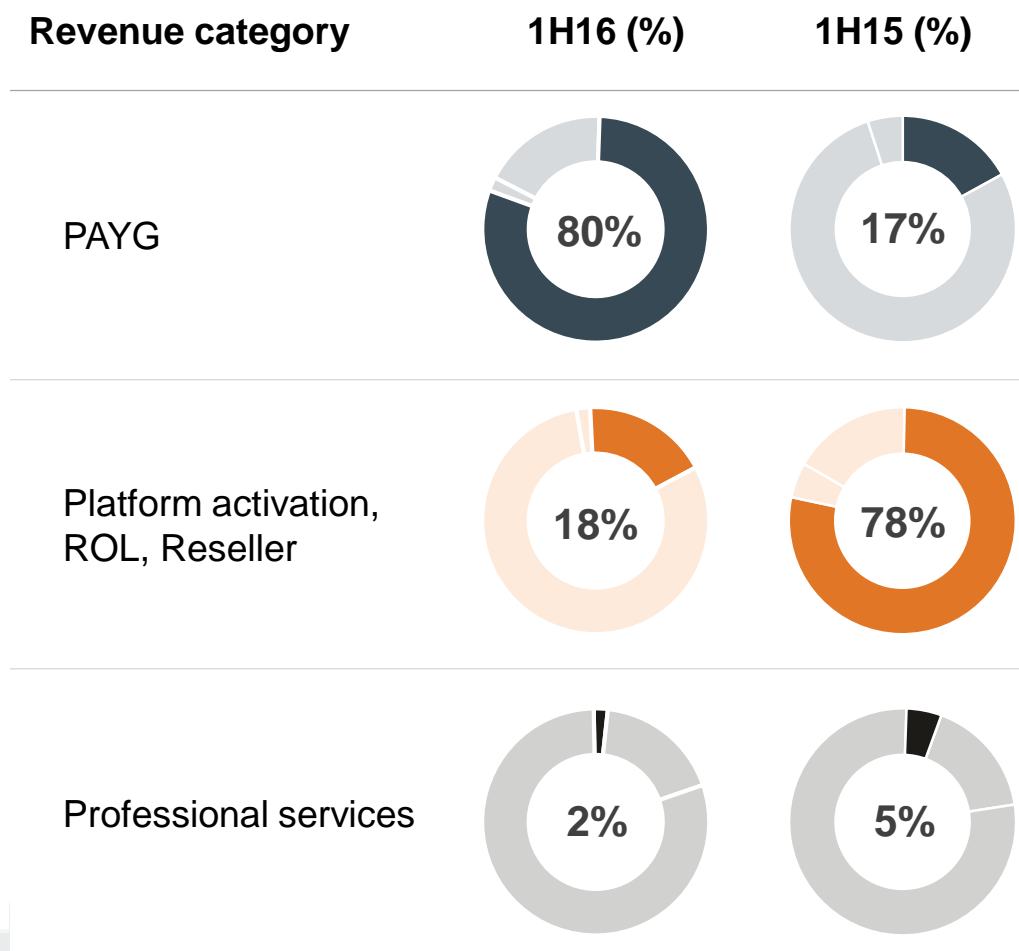**$2.50**

per occupant account / month

Customer Portals

$1,000

per portal / month

Note: These are 'Starting From' prices, customers may be provided discounts on a case by case basis based on volume or up front payment, and alternative bundled pricing plans.

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Changed revenue mix

Revenue category	1H16 (%)	1H15 (%)
PAYG	80%	17%
Platform activation, ROL, Reseller	18%	78%
Professional services	2%	5%

- Following FY15 result feedback management significantly restructured the company's revenue mix for 1H16.

- Shift away from Platform Activation Fees with extended finance terms to PAYG SaaS revenue structure.

- Approach in-line with November 2015 update.

- Change reflected in cash profiles with all revenue cash covered.

- Agreements with Platform Activation Fees are now all cash in-year deals.

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Mystrata delivering growth

- Mystrata acquisition 1 June 2015.

- Initial integration complete.

- Integration of Mystrata and Urbanise front-end interface underway.

- Increased Mystrata units by 16% during 1H16.

- Positive cross-sell results with existing Mystrata clients starting to purchase the Urbanise platform.

- Mystrata development team now co-located with Urbanise's development office in Europe to drive further integration capability and technology enhancements and to improve cost efficiency.
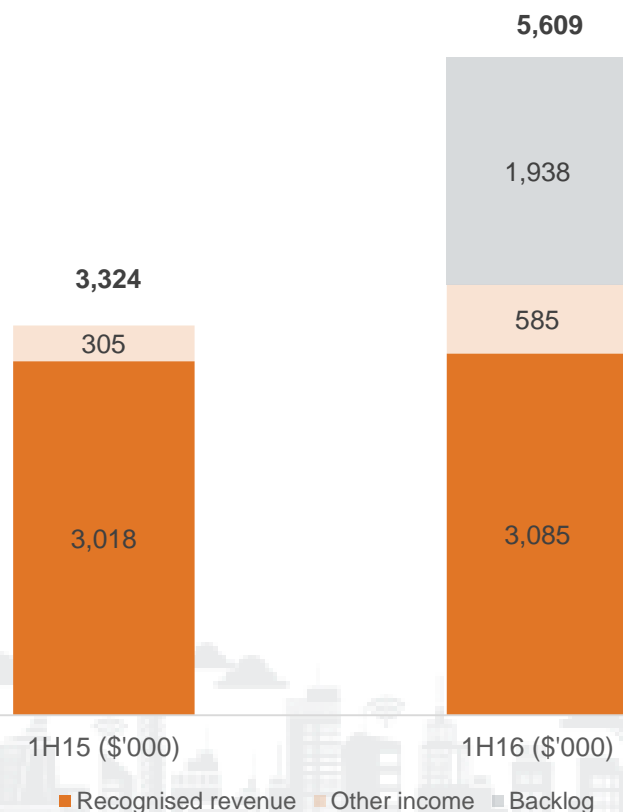
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FINANCIAL PERFORMANCE

1H16 performance

A$000	1H16	1H15	Variance
Revenue	3,671	3,324	347
Expenses	(9,460)	(3,129)	(6,331)
EBITDA	(5,387)	531	(5,918)
Profit / (loss) after tax	(4,546)	(52)	(4,494)

- Revenue up 10% on 1H15 with 13 new client agreements secured in 1H16; expected to begin positively impacting results over the next 12 months.

- Sales backlog not recognised as revenue in 1H16 due to delayed delivery of devices.

- Expenses increased primarily due to:
  - Ramp up of global resources – 70 employees at the end of 1H16 compared with 21 at the end of 1H15; and
  - Non-cash contingency expense of $850k booked in 1H16 reflecting strong Mystrata performance and likelihood of increased earn-out payment (no cash effect in period).

Revenue including backlog

Revenue including sales backlog

Chart: Revenue including sales backlog

- 1H15 ($'000): Recognised revenue 3,018; Other income 305; Total 3,324
- 1H16 ($'000): Recognised revenue 3,085; Other income 585; Backlog 1,938; Total 5,609

Legend: ■ Recognised revenue ■ Other income ■ Backlog

- Revenue, including sales backlog, of $5.6 million.

- Approximately $1.9 million sales backlog not recognised 1H16 due to delayed 3rd generation device delivery.

- Sales backlog defined as devices which have been contracted but not installed.

- In a majority of cases, initial payments are held and will be recognised in revenue as devices are deployed.

- Expectation is to book majority of sales backlog amount during FY16.

- No backlog revenue during 1H15.

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Backlog cause

- Demand for devices is growing, orders placed and initial payments received – revenue will be recognised as devices are deployed.

- Delay in delivery caused by shift to 3rd Generation monitoring technology being behind schedule.

- First shipment received in February 2016 and remainder due March 2016 – delayed from early December 2015.

- Next generation technology delivers extended battery life, environment-proof enclosure, reduced data consumption and increased network reliability.

- Currently working with supply chain to expand capacity and decrease lead times.

- Urbanise has now developed additional proprietary features for Tier 1 customers enabling them to roll-off incumbent software platforms to Urbanise.

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Employees and expenses

Department	2H15 costs* ($'000)	Employees at 30 Jun 15	1H16 costs* ($'000)	Employees at 31 Dec 15
Customer Engagement	2,781	32	3,343	31
Finance/HR/Admin	1,671	8	2,728	8
Technology/Operations	836	25	1,987	31
Total	**5,288**	**65**	**8,058**	**70**

- Increased employee costs consistent with our global growth plan, with significantly increased customer facing staff and strengthened finance, HR and administration functions (1H15: 21 employees).

- On 1 June 2015, Urbanise added 28 additional staff as a result of the Mystrata acquisition. 2H15 reflects Mystrata employee expenses for one month compared with six months in 1H16.

- Five additional staff hired during 1H16.

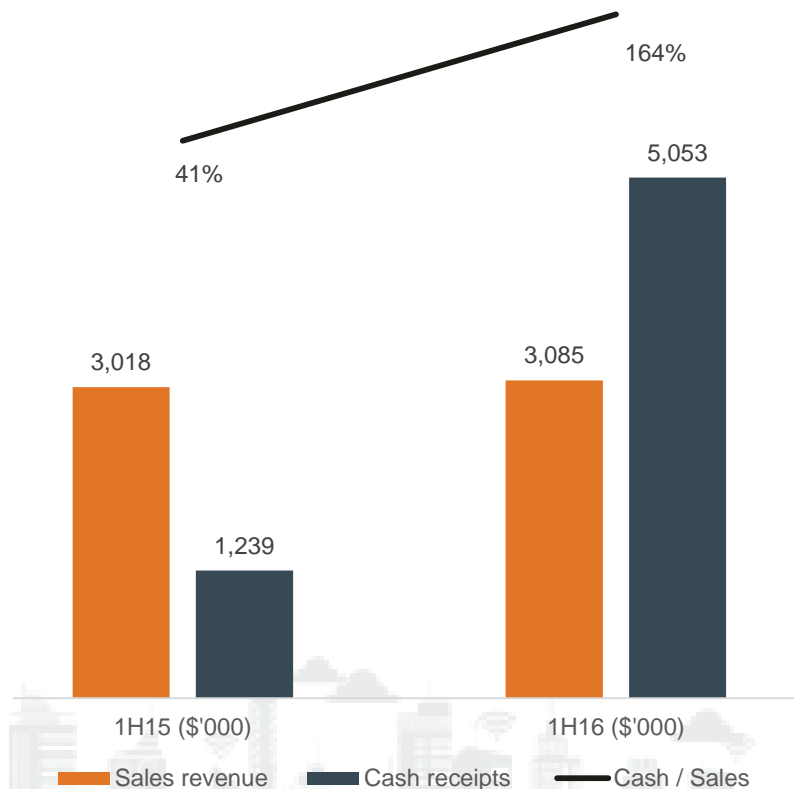* Costs include travel, marketing, rent, administration and other employees associated costs.

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1H16 cash flows

A$'000	1H16	1H15	Change
Net cash provided by / (used in) operating activities	(4,133)	(2,585)	<<
Net cash provided by / (used in) investing activities	(1,129)	(612)	<<
Net cash provided by financing activities	1,820	19,039	<<
Net increase in cash and cash equivalents	(3,442)	15,843	<<

- $5.1m cash receipts from customers.

- $9.7m million in cash used for operating activities – payments to suppliers and employees to fund growth.

- $0.5m received in grants.

- $1.8m received from share options maturing.

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Revenue cash coverage

Cash receipts / Sales revenue

164%

41%

5,053

3,018

3,085

1,239

1H15 ($'000)   1H16 ($'000)

■ Sales revenue   ■ Cash receipts   — Cash / Sales

1. Cash/sales defined as: Cash receipts from customers / Sales revenue

- **Cash coverage of revenue increased significantly in 1H16 in line with shift away from Platform Activation Fees with extended finance terms to PAYG SaaS revenue structure.**

- **Expect cash receipts from sales as a percentage of sales revenue to normalise at approximately 70-90% as:**
  - **Device backlog is cleared; and**
  - **Platform activation fees with extended finance terms move to cash-in year deals.**

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Cash inflow from operating activities

Cash inflow from operating activities
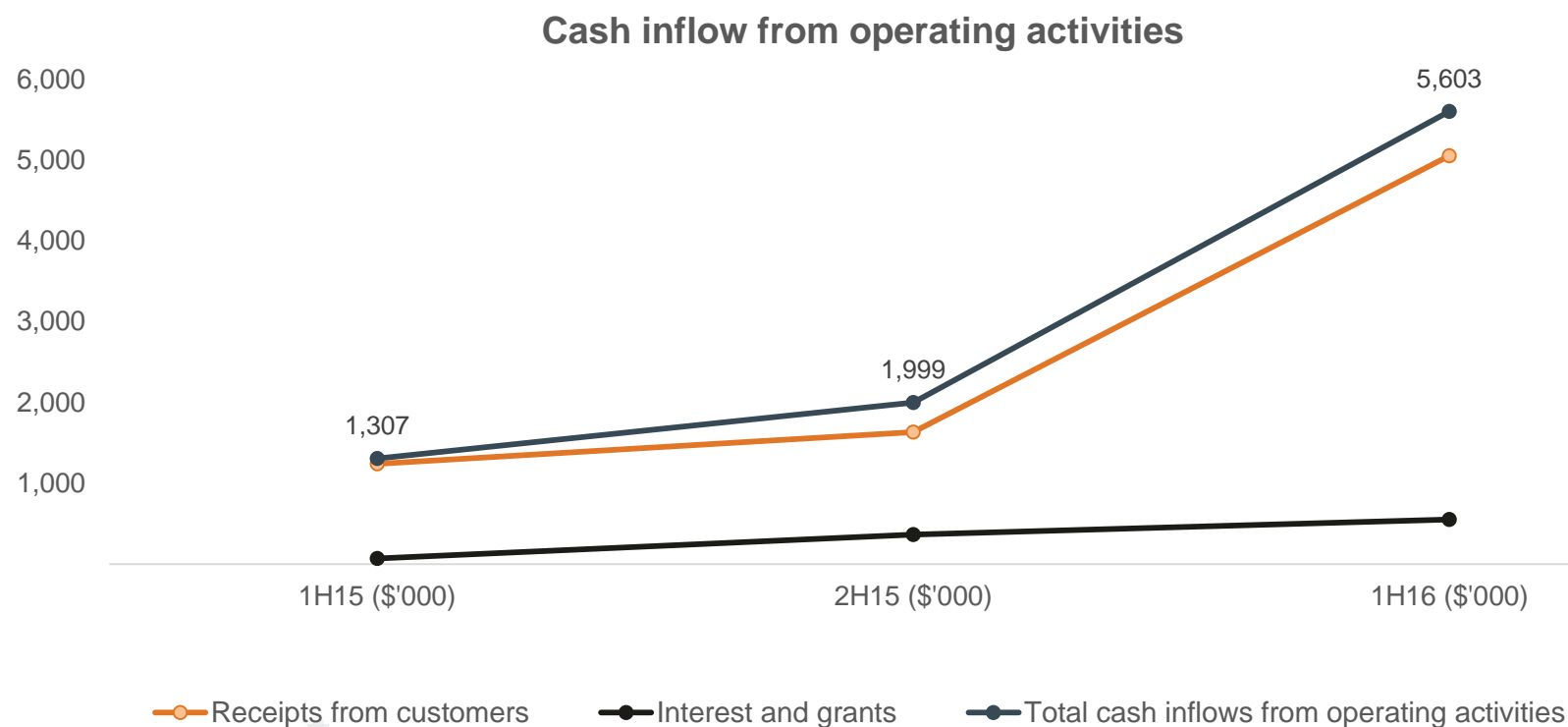
Cash inflow from operating activities continues to improve in 1H16 compared with previous periods.

Balance sheet remains strong

A$000	31 Dec 2015	30 Jun 2015
Cash and cash equivalents	8,768	12,243
Other assets	1,809	851
Total assets	**51,771**	**52,209**
Borrowings	-	-
Total current liabilities	6,675	4,758
Total liabilities	**6,733**	**4,797**
Total equity	**45,038**	**47,412**

- No debt.

- Strong cash balance of $8.8m at 31 Dec 2015 – $13.1m at 24 Feb 2016.

- Liabilities increased mainly due to:
  – Deferred revenue where invoices have been raised but services yet to be provided (attributable to device backlog); and
  – Deferred earn out settlement related to the acquisition of Mystrata (no cash effect in period).

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PRIORITIES

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FY16 focus

- Sign further Tier 1 customer agreements with immediately recognisable revenue and cash collected in FY16.

- Install next generation monitoring technology devices with rapid integration into recently signed Tier 1 customers – driving extra software usage.

- Deliver full year revenue mix in line with November Update.

- Complete Mystrata interface with Urbanise platform for easier cross-selling.

- Additional staff hires, as needed, to support customer demand in key geographies.

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Current pipeline

- Strong growing, global sales pipeline (rolling twelve months).

- Larger opportunities from Tier 1 customers.

- Regional Tier 1 customer contracts delivering potential for international rollouts.

- Forecast near-term device demand in Australia in excess of 35K sensor points.

- Device monitoring-based asset management revenue supporting pull-through of broader Urbanise platform usage.

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Capital raising – fund use

- Urbanise issued 10 million new shares on 3 February 2016 to raise $6.5 million in additional capital from two supportive long-term investors.

- Funds will be used to:
  - Accelerate development of dedicated customer mobile solutions;
  - Increase patent coverage for Urbanise solutions;
  - Appoint specialist sales staff to lead large sales verticals;
  - Implement internal ERP; and
  - Appoint COO and increase supply chain management and implementation management.

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APPENDICES

Urbanise

Urbanise customers

Europe				

Europe			MENA	

MENA				

Urbanise customers

MENA | SE Asia

SE Asia | South Africa

Facilit8te

Urbanise customers

Australia

Australia

Urbanise customers

Forward looking statements

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