Urbanise.com Ltd

FY2024 Results

27 August 2024

Agenda

Why Urbanise?

Streamline, automate, excel and grow with Urbanise.

Our Solutions

- **Industry specific platforms**: Urbanise Strata and Urbanise FM
- **Comprehensive solutions** for streamlined operations and data-driven insights
- Focus on **automation, efficiency, and profitability**

Our Expertise

- **Deep domain expertise, specialising in product development**, implementation, data migration, and support
- Proven track record of successful system roll-outs

Our Commitment

- Dedicated team **committed to client success and growth**
- **Continuous innovation** to meet evolving industry needs
- End-to-end services including implementation, training, and support

~652k
Strata lots billed

$12.2m
Contracted ARR

87%
ARR retention*

~2.92k
FM users billed

93%
Recurring revenue

18
Countries

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* ARR retention rate based on $11.56m ARR at the beginning of July 2023.

FY2024 Key Metrics vs pcp[1]

$12.6m
Revenue
Down 1.9%

- License fees up $0.6m or 5.1%
- Underlying license revenue growth of $1.7m offset by $1.1m revenue reduction (loss of customers, license fee reductions)
- Professional fees down $0.9m or 48.3%

$11.59m
ARR[2]
Up 0.3%

- New customer and organic growth across strata and FM offset the loss of customers, including Colliers
- Conversion of backlog and implementation of new wins within the year led to growth of ARR

$12.2m
CARR
Down 1.6%

- Contracted ARR decreased 1.6% vs pcp
- Size of backlog remains consistent, new wins offsetting contracts implemented

$1.9m
Net cash position
No Material Debt

- Underlying average monthly cash used of $146k vs $223k for FY2023
- Urbanise remains committed to being cashflow breakeven in FY2025
- >$1m in late receipts at 30 June 2024 has been received to date

87%
ARR Retention[3]

- ARR retention rate[3] of 87.0%
- ARR retention for Strata of 89.3% and FM 82.6%.
- Customer retention rate[4] of 83.2% and 81.5% for Strata and FM respectively
- ACV[5] of lost customers was $34.5k

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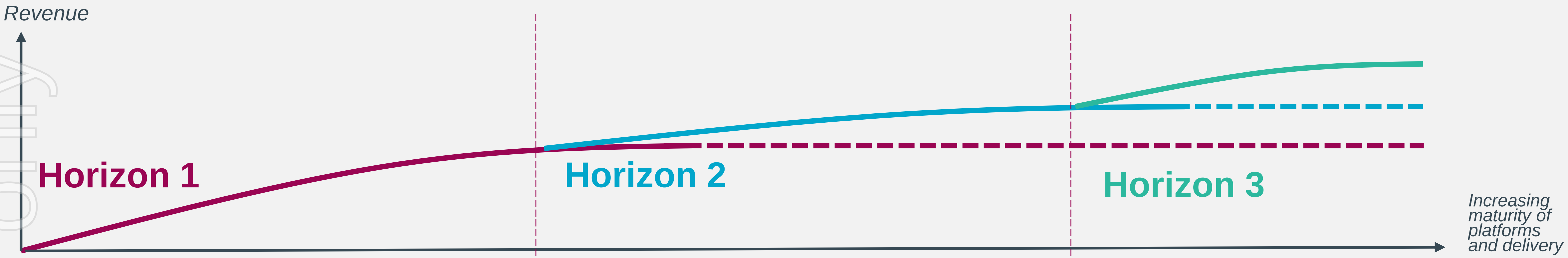
[1] Prior corresponding period.
[2] Annualised Recurring Revenue (ARR) based on June 2024 License revenue.
[3] ARR retention rate based on $11.56m ARR at the beginning of July 2023
[4] Customer retention rate for FY2024 is based on the number of customers from the beginning of the period, that were retained.
[5] Average contract value

Driving Sustainable Growth



Expand and maximise customer footprint:

1. Core markets of Australia, New Zealand, Middle East and parts of Asia
2. Other regions to follow once successful in core markets
3. License and professional fees

Execution

1. Develop products to maturity both FM & Strata based on direct customer input and research
2. Cloud 'one instance' offering
3. Direct sales & delivery

Increase revenue per user or customer:

1. Functionality and integrations driven
2. Automations within platform
3. Additional license or recurring revenues

Execution

1. Build on maturity of products
2. Direct and indirect sales and delivery (partners)

Leverage footprint of customer footprint:

1. Better connect Strata and Facilities Managers and trades through both platforms
2. Consider other services such as financing and insurance

Execution

1. Services offered within platform
2. Leverage high retention customer base

Horizon 1: Expand and maximise customer footprint

Progress

- Additional $1.04m of ARR through customer growth, primarily:
  - Small to Medium APAC strata managers
  - FM Service Providers in APAC and MENA
  - Aged care providers
- Renewal and on-going relationships with largest New Zealand and Australian strata managers[1]

FY2025 Outlook

- Increase sales run-rate and increase market share including:
  - Targeting of Stratamax and Stratamaster on-prem solutions; and
  - Using outsource partners to accelerate migration from competitor systems
- Improve ARR retention through customer engagement touchpoints and feedback

Horizon 2: Increase revenue per user or customer

Progress

- Development of additional features and services including:
  - Predictive analytics and reports;
  - Enhanced communications
  - Training modules and support options

FY2025 Outlook

- Increase license fee per user or per lot
- Increase professional fees

Horizon 3: Leverage customer footprint

Progress

- Expanded strata market opportunity with integrated solution that connects customers with service providers:
  - New partnership with LevyCollect connecting strata customers with legal firms for debt collection services
  - Expanded market value estimated at $30m-$54m per annum

FY2025 Outlook

- Pursue key partnerships in banking sector to improve how strata managers efficiently manage vast numbers of strata scheme bank accounts

[1] Five-year contract extension with Crockers Body Corporate Management Limited announced on 20 August 2024.

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FY2024 Key Metrics

ARR remained consistent to 30 June 23 with new wins of $1.0m offsetting the impact of lost customers including Colliers Australia.

	Jun 20	Jun 21	Jun 22	Jun 23	Jun 24	Total Contracted Revenue of ~$12.2m Backlog as at 1 Jul 2024
Strata lots	~331k	~636k	~681k	~684k	~652k	~49k
*Strata ARR**	$4.83m	$6.89m	$7.21m	$7.66m	$7.65m	Est. ~$0.5m
Facilities users	~2.23k	~2.47k	~2.32k	~2.61k	~2.92K	6 contracts
*Facilities ARR**	$3.33m	$3.55m	3.64m	3.90m	$3.94m	Est. ~$0.1m
*Total ARR**	$8.16m	$10.44m	$10.85m	$11.56m	$11.59m	Est. ~$0.6m

ARR growth YoY: 27.9% | (3.9%) | (6.5%) | 0.3%

* Annualised Recurring Revenue based on the month of June license revenue.

Products and Market Overview

community

Available on the App Store | Get it on Google play

Owner and resident Community Portal for LIVE 24/7 access

Public API's

INTEGRATIONS

STRATAVOTE | LevyCollect | Bing

ePost | Quick AP | i4T

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Strata

Unparalleled automation built for strata managers.

End-to-end Financial Management

Budgeting | Levy Management | Arrears Management | Banking Integration | Automated Reconciliation | Invoice Processing | Reports

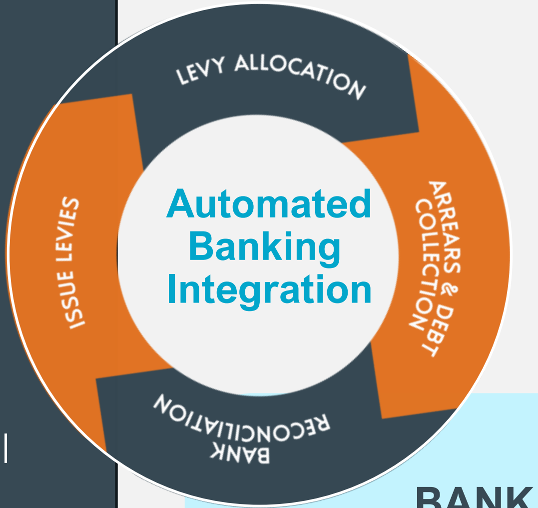
Day-to-day Strata Admin

Management Agreements | Facilities Maintenance – repairs and maintenance | Conflict Resolution | Insurance | Owner/Resident Enquiries

Meeting Management

AGM's | Committee meetings

Compliance



BANK

Each strata scheme maintains a bank account to receive levy payments from owners, manage accounts receivable, and process accounts payable.

Client Testimonials

“In just 12 months since our strategic rebrand, we have more than doubled our portfolio, an achievement that has supported by the strategic leverage of Urbanise. Their platform has been instrumental in fostering business growth, operational efficiency, and client satisfaction."

Ingrid Goldenfein, Head of Boutique Communities, OCCAM Strata

OccamStrata

“The capability to manage levy arrears is particularly valuable for us. The information is easily accessible and displayed on the dashboard. This data serves multiple purposes: when the arrears are reasonable, it becomes a marketing tool for attracting new business; when they aren't, it enables us to take prompt corrective actions.”

Simon Saint-John, Managing Director, Melb OC

Melb OC

“Another substantial advantage lies in the automation of levies… To put things into perspective, if we were to perform these tasks manually each month without Urbanise, we'd require an additional 40 hours of work. With Urbanise, we can efficiently take on more buildings while still devoting extra time to servicing our clients, ultimately contributing to our growth and profitability.”

Anna MacMaster, Owner, ACE Gold Coast South and Coolangatta

ACE BODY CORPORATE MANAGEMENT

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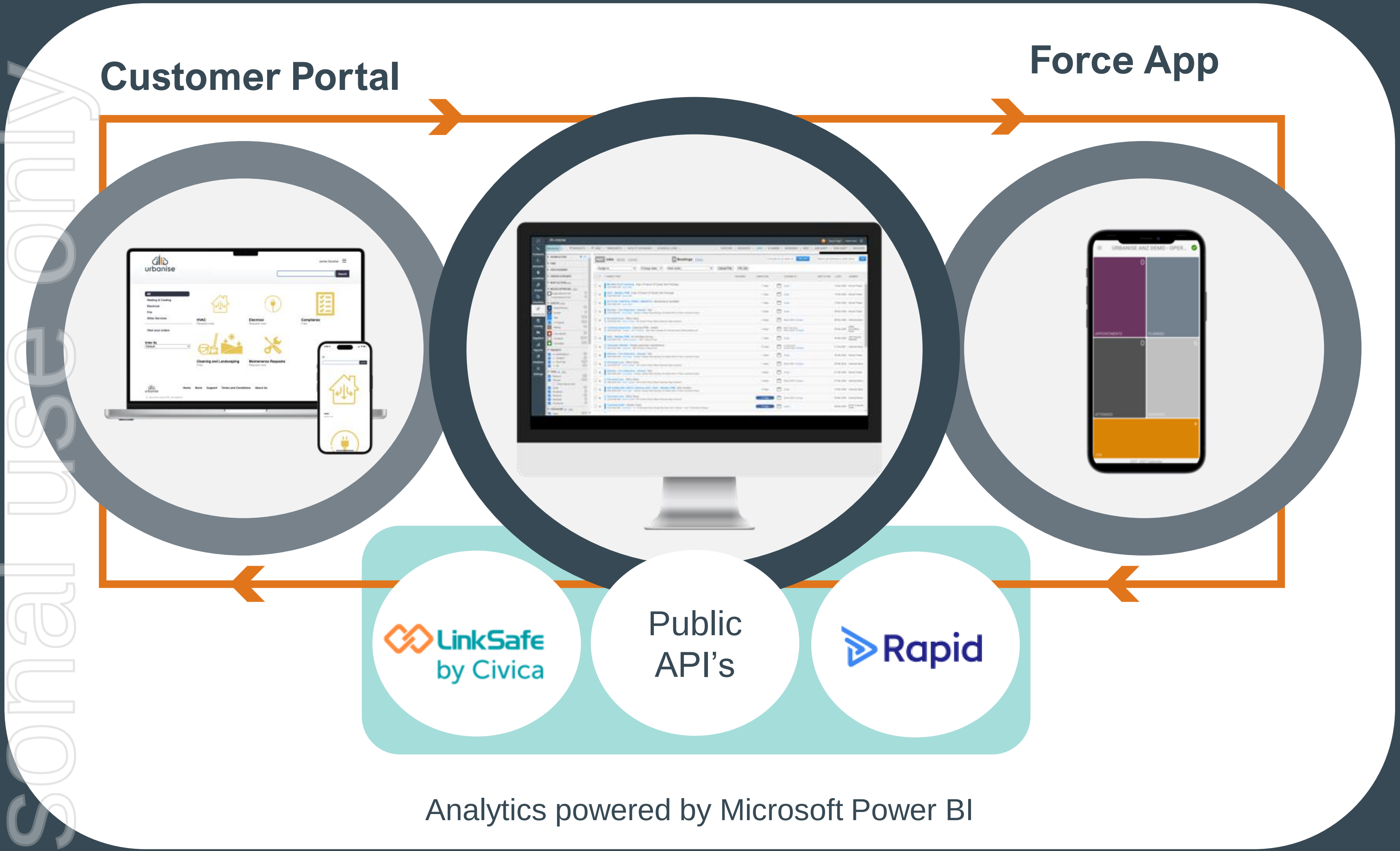


All-in-one professional facilities management solution

- Works Management
- Asset Management
- Compliance
- Reporting & Analytics
- End User Engagement
- Integrations

Client Testimonials

"Urbanise has been a game-changer for us. The flexibility and scalability of the platform have allowed us to expand our services and cater to a more diverse client base. Our ability to manage complex facilities has improved significantly.
The local support from the Urbanise team in Melbourne has been invaluable. Their responsiveness and commitment to continuous improvement have significantly contributed to our operational efficiency and client satisfaction. We now have a system that not only meets our current needs but also grows with us."

Naveen Radhappen
CEO

kfm

“At FMCO, we are committed to providing our clients with the best possible CAFM solutions. We believe that Urbanise's CAFM module is the perfect solution for our needs, and we are confident that it will help us to achieve our operational goals, and we are confident that the implementation of the CAFM module will have a positive impact on our business and will help us to achieve our strategic objectives.
We value our strong relationship with Urbanise, and we look forward to continuing to work with you in the future."

Jafar Alelew
Business & IT Manager

فمكو
FMCO
شركة إدارة مرافق
Facilities Management Company

“With Urbanise, we have complete visibility into the lifecycle of our assets and their associated expenditure. With integration to our finance and compliance software and real-time reporting, we have a continuous improvement model that enables business efficiencies across our Property investments and delivers improved outcomes for residents who call our Aged Care & Retirement Villages home."

Regan Stathers
Chief Infrastructure Officer

Whiddon

FY2024 Results

FY2024 Financial Summary

$'000s	FY2024	FY2023	Var	Var %
License fees	**11,728**	**11,156**	**572**	**5.1%**
Professional fees	876	1,694	(818)	(48.3%)
Total revenue	**12,604**	**12,850**	**(246)**	**(1.9%)**
Operating expenses	(14,616)	(17,054)	2,438	14.3%
EBITDA	**(2,012)**	**(4,204)**	**2,192**	**52.1%**
Depreciation and amortisation	(1,264)	(1,218)	(46)	(3.8%)
Total other costs	(578)	(557)	(21)	(3.8%)
Other income	461	396	65	16.4%
Finance costs	(71)	(81)	10	12.3%
Net loss	**(3,464)**	**(5,664)**	**2,200**	**38.8%**

Key Operational Metrics	FY2024	FY2023	Var	Var %
Recurring revenue	93.0%	86.8%	6.2%	
ARR* ($m)	$11.59m	$11.56m	$0.03m	0.3%
Backlog** ($m)	~$0.6m	~$0.8m	-	-

Financial Highlights for FY2024

License Revenue:
Increased by $572k to $11,728k, driven by growth from new, backlog, and existing customers, offsetting customer losses and a temporary reduction in professional fees.

Professional Fees:
Reduced by 48.3% to $876k, primarily due to a decrease in customer-specific development fees provided in FY2024, aligning with a headcount reduction in developers. The group also implemented successful measures to reduce the time, effort and cost to implement its solutions, driving down professional fees while increasing competitive posture and value to customers as well as faster on-boarding of new customers and their associated revenue.

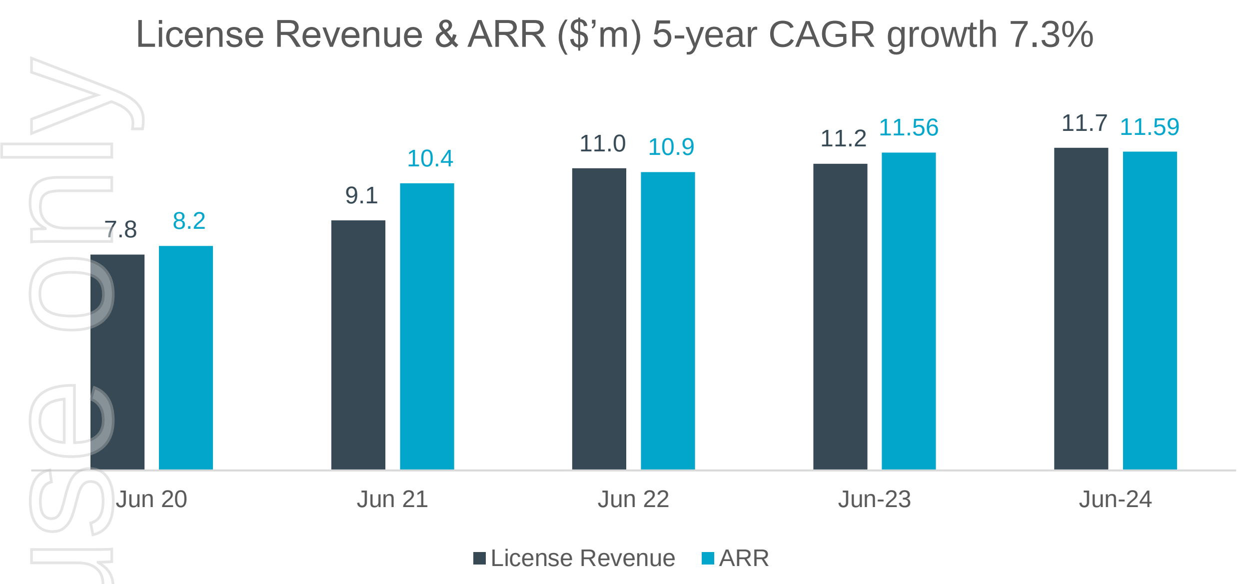
Operating Expenses:
A comprehensive operational review in Q1 FY2024 resulted in a $2,438k reduction in operating expenses driven by the successful conclusion of major development efforts and discontinuing bespoke development, outlined above, with consequential reductions in headcount and overhead costs.

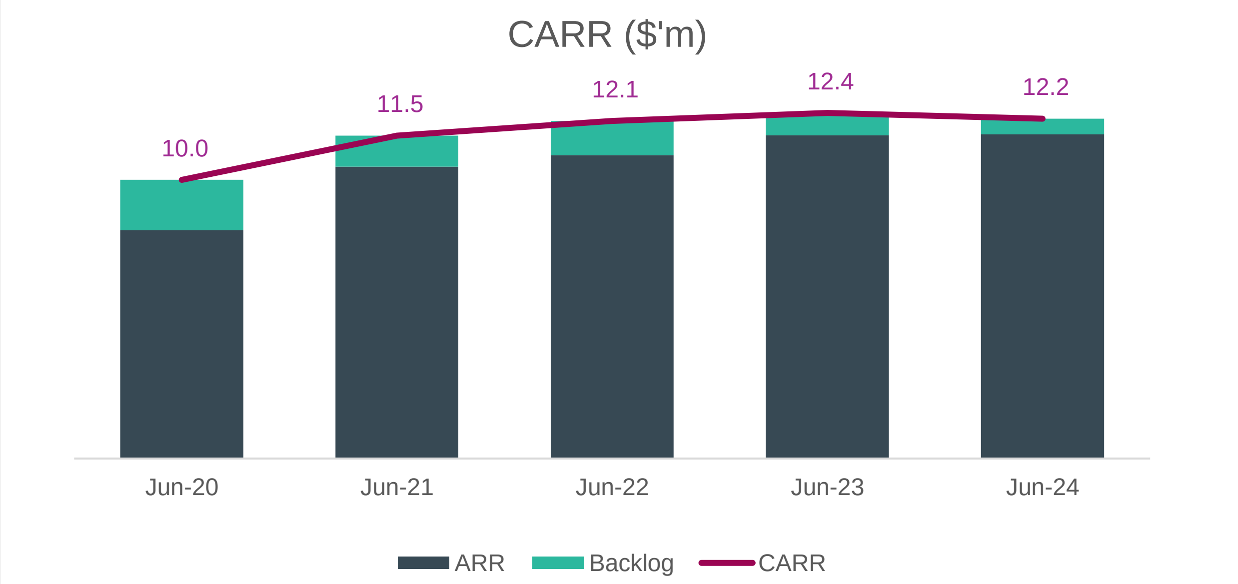
EBITDA:
Loss reduced by 52.1% to $2,012k, primarily driven by lower operating expenses.

Other Income:
Related to the FY2023 R&D rebate.

* Annualised Recurring Revenue based on the month of June revenue
** Backlog as of 1 July

5-year growth in ARR and CARR





Contract Wins FY2024:
$1,044k in ARR and $635k in Professional Fees.

ARR:
ARR increased by 0.3% from June 2023 to $11.59m, driven by the loss of customers, including Colliers.

- Contracted Annual Recurring Revenue (CARR) is comprised of Annual Recurring Revenue (ARR) and Backlog (yet to be implemented).
- CARR remained reduced to $12.2m at June 2024.
- New customer wins and organic growth offset by ARR and backlog reduction from Colliers Australia.

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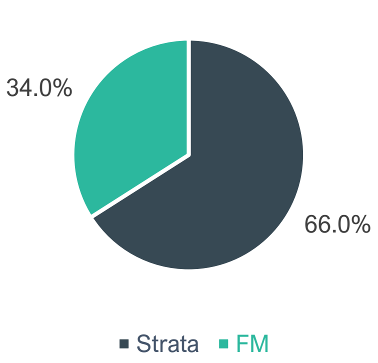
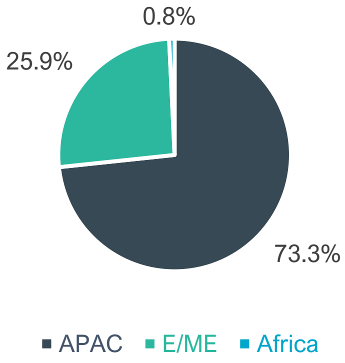
ARR by Customer and Product

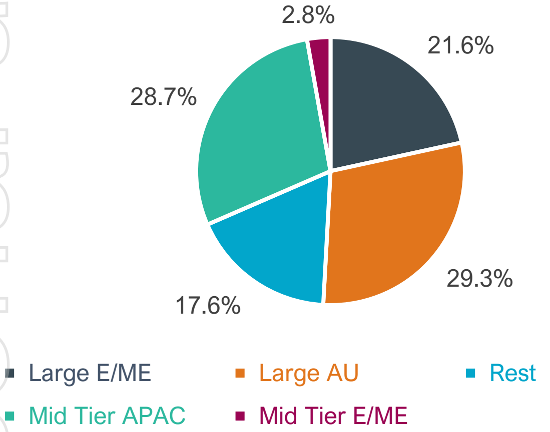
ARR by Product



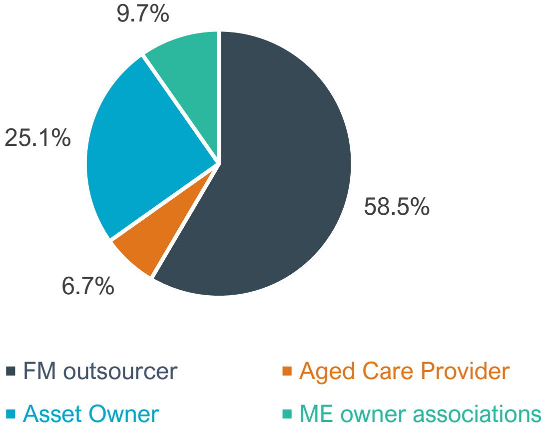
ARR by Region



Strata ARR split by Portfolio Size



FM ARR split by Customer Type



- **ARR by Product**
  Composition of ARR in June 2024 shows Urbanise's strategic focus on its key markets of APAC and the Middle East.
- **Strata ARR split by Portfolio Size**
  Within Strata, Urbanise's platform is used by a broad range of strata managers in terms of size and geography.
- **FM ARR split by Customer Type**
  Within FM, FM Outsourcers accounted for almost 60% of FM ARR. Urbanise continues to expand its presence with asset owners, ME owner associations and aged care providers.

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Annualised Recurring Revenue is based on June 2024 revenue.

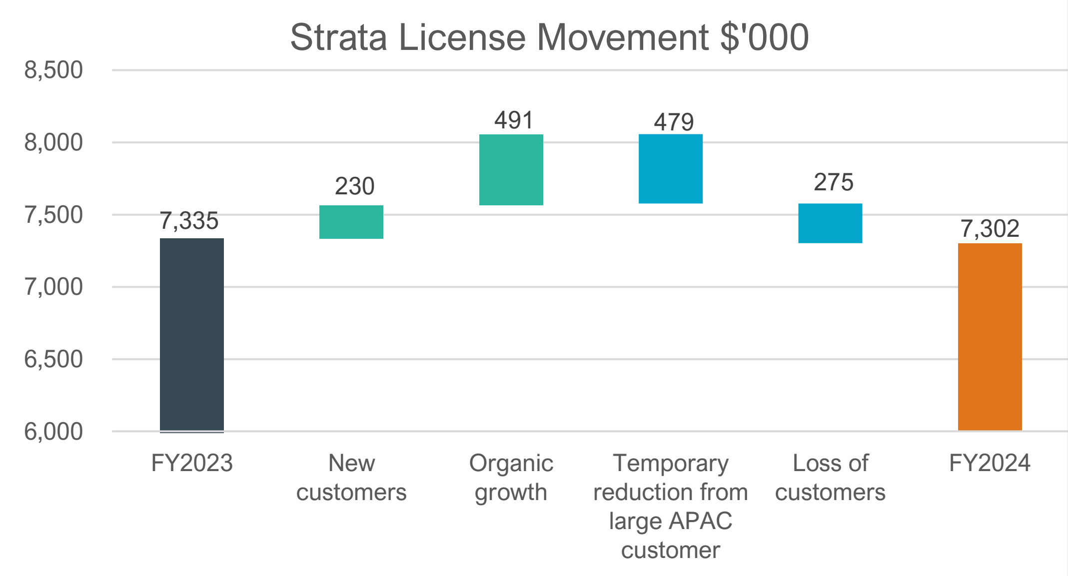
FY2024 Strata Summary

$'000s	FY2024	FY2023	Var	Var %
License fees	7,302	7,335	(33)	(0.4%)
Professional fees	349	931	(582)	(62.5%)
Total revenue	**7,651**	**8,266**	**(615)**	**(7.4%)**
License fees % total	**95.4%**	**88.7%**		

	30 June 2024	30 June 2023	Var	Var %
No of Strata lots billed	652k	684k	(32k)	(4.7%)
ARR ($m)*	$7.65m	$7.66m	($0.01m)	(0.1%)

	30 Jun 2024
Backlog	~$0.5m

Normalised Strata License fee growth of 6.1%



- Urbanise Strata License fees remained flat. New wins of $367k offset customer losses and a temporary reduction in License fees from a large APAC strata customer. Recent wins have not been implemented and are in backlog. Adjusting for a temporary reduction of $479k from a large APAC customer, Strata License fees grew by 6.1%.
- Professional fees are down $582k or 62.5% on pcp primarily due to the successful completion of development for key customers, discontinuing bespoke customer development and new faster, lower cost implementation methodologies that benefit customers, accelerate time to revenue and increase competitive advantage. The reduction in development fees coincides with the headcount reduction for developers in FY2024.
- Backlog of $0.5m consists of ~49k lots

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* Annualised Recurring Revenue based on the month of December revenue

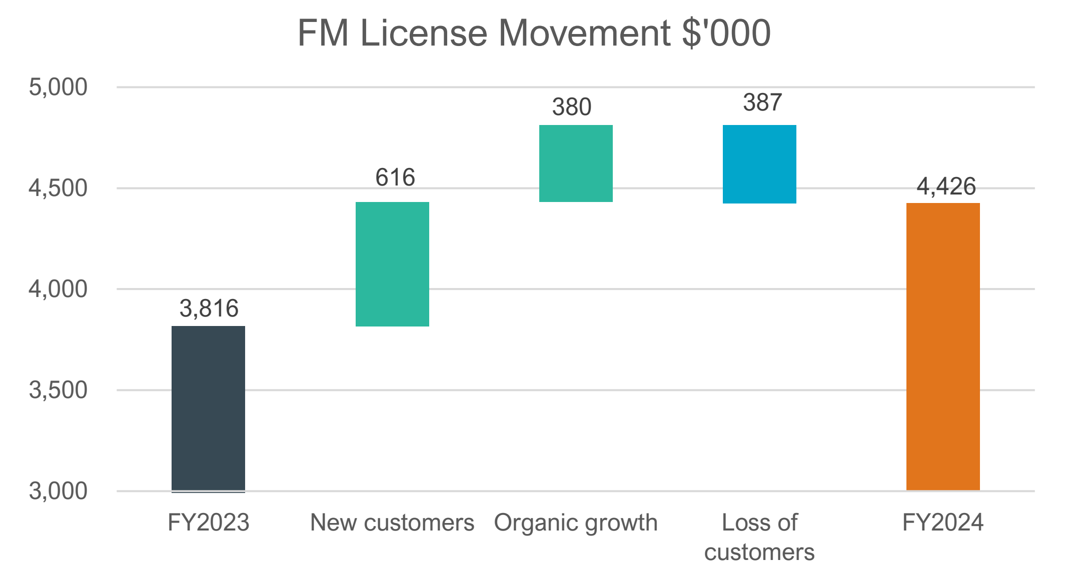
FY2024 Facilities Management Summary

$'000s	FY2024	FY2023	Var	Var %
License fees	4,426	3,816	610	16.0%
Professional fees	528	757	(229)	(30.2%)
Total revenue	**4,954**	**4,573**	**381**	**8.3%**
License fees % total	**89.3%**	**83.4%**		

	30 June 2024	30 June 2023	Var	Var %
Facilities users billed	~2.92k	~2.61k	~0.3k	11.9%
ARR*	$3.94m	$3.90m	$0.04m	1.0%

	30 Jun 2024
Backlog	~$0.1m

- License fees of $4,426k, were up $610k or 16.0% due to new wins, backlog customer growth and organic growth from existing customers.
- FY2024 professional fees reduced 30.2% vs pcp due to the implementation of large FM service providers in FY2023.
- Backlog as at 30 June 2024 consists of 6 contracts estimated at $0.1m in annual license fee revenue and professional fees.



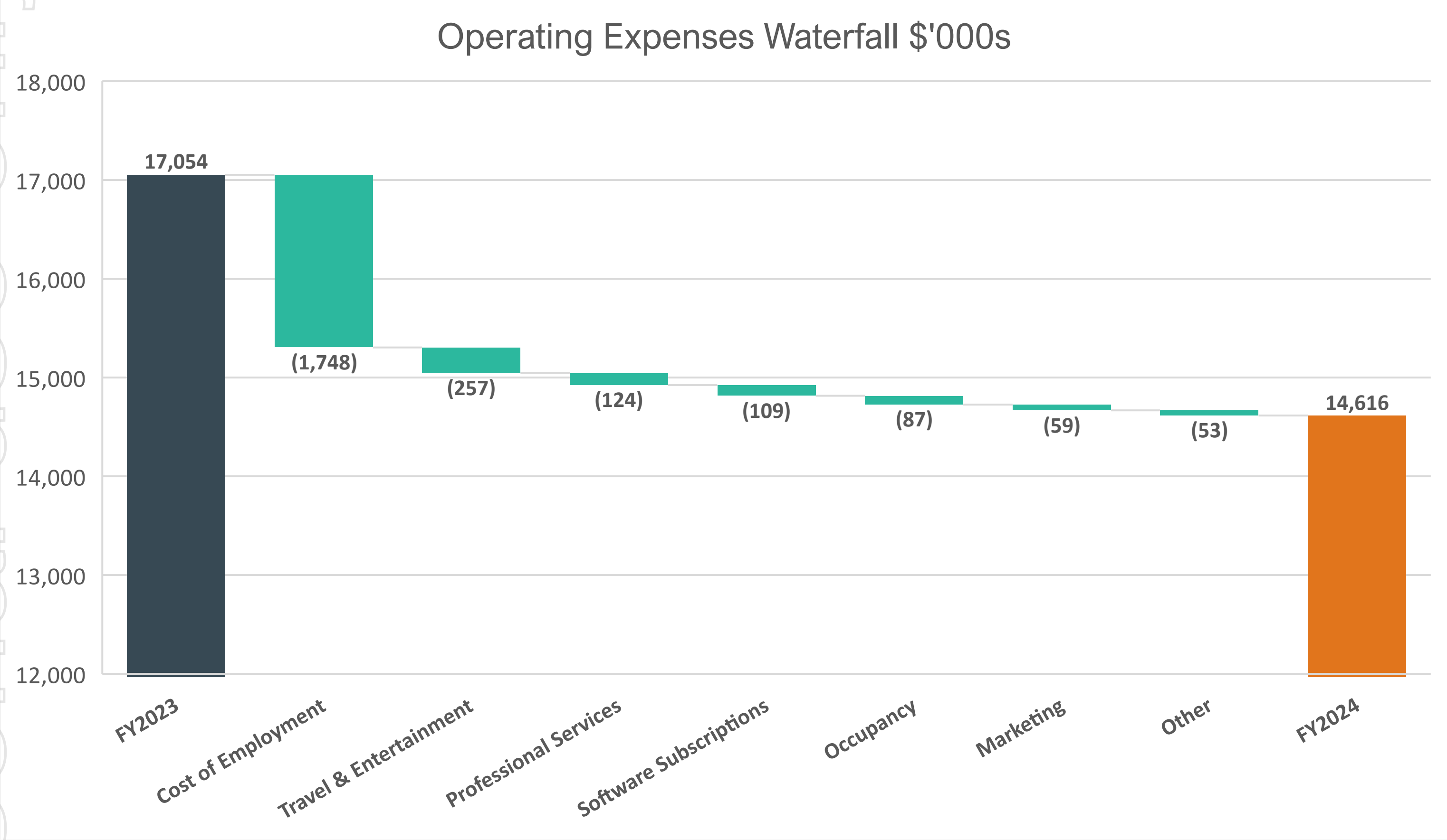
Subsequent event : Colliers Dispute**

- On 24 July 2024, Urbanise announced it has entered into a contractual dispute with Colliers Australia
- 4-year agreement, effective from September 2021
- Initial value of $680k in ARR
- Colliers New Zealand contract not impacted
- Urbanise believes there is a strong legal basis for the claim, but the outcome is uncertain

* Annualised Recurring Revenue based on the month of June revenue.
** For further information, refer to ASX announcement on 24 July 2024.

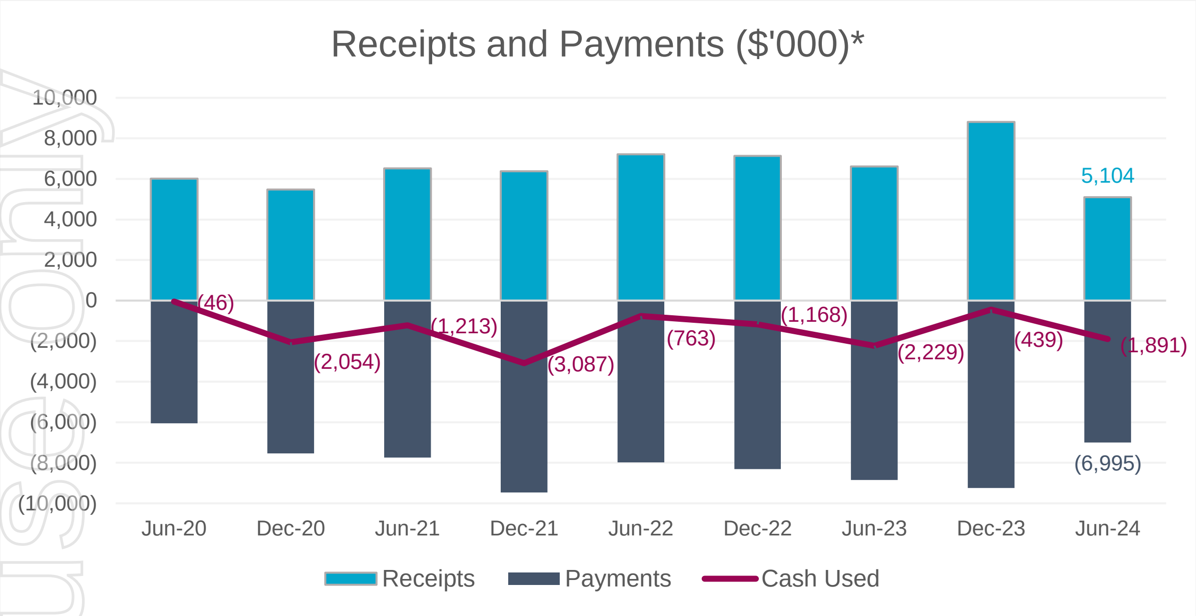
Operating expenses

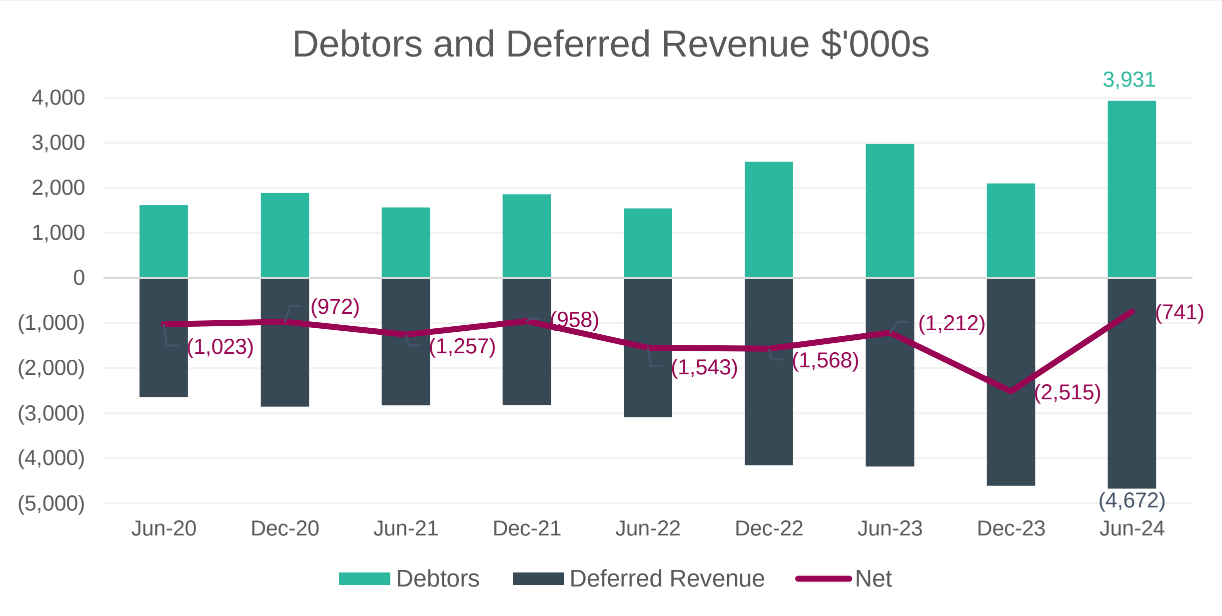
Operating expenses decreased by $2,438k, attributed to Urbanise's cost optimisation strategy in pursuit of achieving cash flow break-even by FY2025.



- Operating expenses decreased by 14.3% or $2,438k to $14.6m, following the completion of a comprehensive operational review in Q1 FY2024.
- This was achieved through operational efficiencies, the conclusion of major development efforts and discontinuing bespoke customer development with consequential reductions in headcount and overhead costs.

Ongoing Focus on Cash Management





- H2 FY2024 Receipts decreased due to payment process disruptions caused by the consolidation of two key Middle East customers, who paused payments.
- H2 FY2024 Payments to suppliers and employees decreased by $2.2m compared to H1 FY2024 due to annual 3rd party subscription costs and one-off employee termination costs.

- The net of debtors and deferred revenue decreased vs pcp due to an increase in deferred revenue from upfront annual billing and delayed cash collection.
- Debtors increased due to payment process disruptions caused by the consolidation of two key Middle East customers, who paused payments. Subsequent to June 2024, Urbanise has collected over $1m of the delayed payments from the Middle East.

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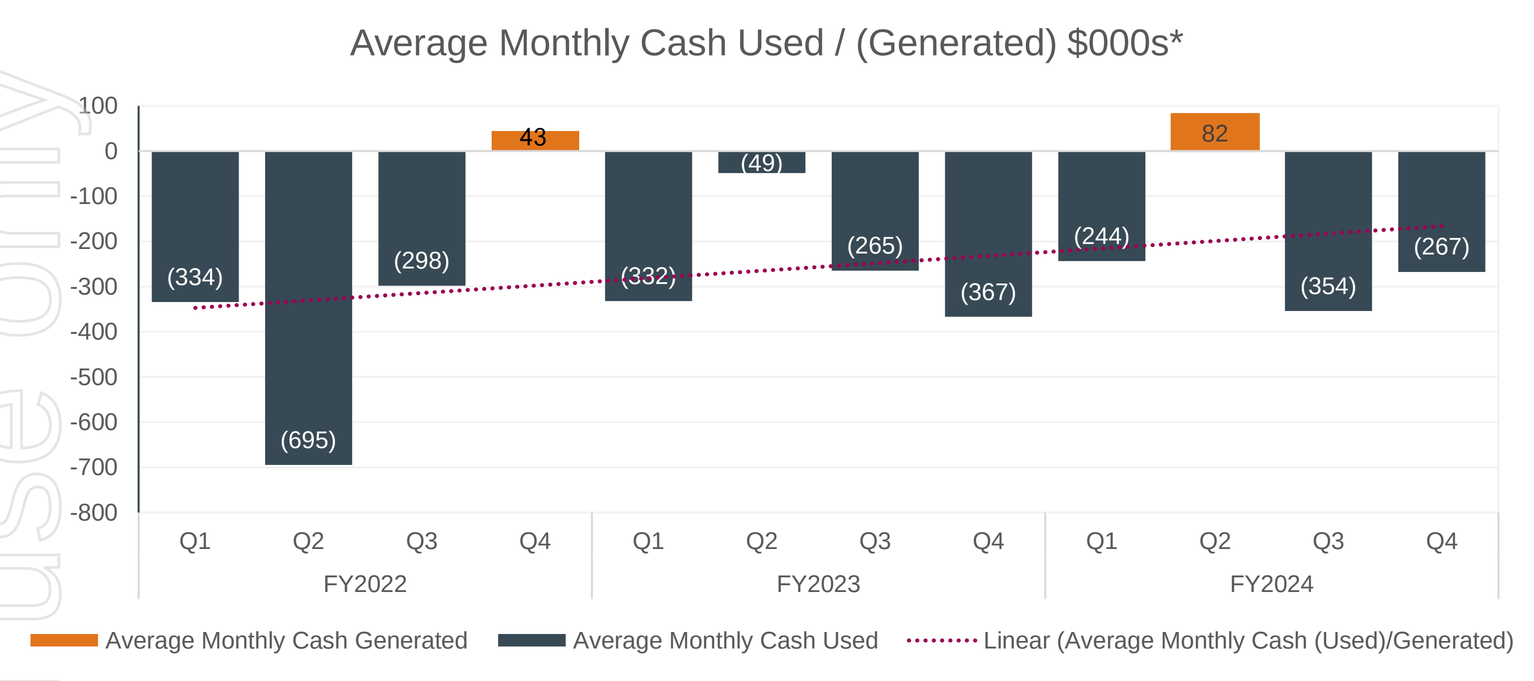
* Excluding capital raise and private placement

Cash Used/Generated



The average monthly cash used for FY2024 was $196k:

- Urbanise continues to review its cost base and working capital strategies.
- Increasing focus on leveraging developed product leadership to drive topline growth.

Urbanise on Track for Cashflow Breakeven in FY2025[2]

Current Cash Run Rate	$'m
ARR	11.6
Professional fees, backlog and CPI	1.9
Costs	(14.1)
Annual cash gap	**(0.6)**
Current monthly cash used run rate	(0.05)
FY24 actual average monthly cash used	(0.15)

Projected ARR growth expected to bridge the cash gap.

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1.Excludes proceeds from capital raises / placements and sale of business assets
2.Adjusted for Colliers

FY2024 Cash Flow

$'000s	FY2024	FY2023
Opening Cash Balance	**4,248**	**3,970**
Receipts from customers	13,448	13,741
R&D tax rebate and government incentive	461	389
Payments to suppliers and employees	(15,938)	(16,843)
Interest	(47)	(54)
Net cash used in operating activities	**(2,076)**	**(2,767)**
Payments for equipment	(9)	(54)
Proceeds from sale of business	-	16
Repayment of leases	(245)	(257)
Net proceeds from share issue	-	3,313
Net cash used in financing and investing activities	**(254)**	**3,018**
Net decrease in cash and cash equivalents	**(2,330)**	**251**
Effect of exchange rates on cash balances	(19)	27
Net cash flow for the period	(2,349)	278
Cash at 30 June	**1,899**	**4,248**
Average Monthly Cash Used	**(196)**	**23**
Net cash flow for the period	**(2,349)**	**278**
R&D rebate	(461)	(389)
Employee severance	304	195
Late receipts collected from prior year	(467)	(683)
Late customer receipts	1,220	1,233
Proceeds from Placement	-	(3,313)
Underlying cash flow for the period	**(1,753)**	**(2,679)**
Underlying Average Monthly Cash Used	**(146)**	**(223)**

- Receipts of $13,448 reduced by $293k (2.1%) due to payment process disruptions caused by the consolidation of two key Middle East customers, who paused payments in Q4 FY2024.
- Payments to suppliers and employees reduced by $905k due to cost reduction initiatives taken in Q1 and realised throughout the year.
- The underlying average monthly cash used for FY2024 was adjusted for:
  - R&D rebate ($461k)

  offset by
  - Employee severance costs ($304k)
  - Net material late receipts from Middle East customers and collection of prior year late receipts.
  - Share issue in FY2023
- Average monthly cash used for FY2024 was $196k vs average monthly cash used of (excluding capital raise) $252k in FY2023.
- Underlying average monthly cash used improved in FY2024 to $146k vs $223k in FY2023.

2024 Balance Sheet

$'000s	30-Jun-24	30-Jun-23
Cash and cash equivalents	1,899	4,248
Trade receivables	3,931	2,644
Contract assets	40	328
Other assets	130	171
Prepayment	327	317
Total current assets	**6,327**	**7,708**
Property, plant and equipment	389	840
Intangible assets	2,380	3,315
Goodwill and other intangibles	4,786	4,786
Other assets	123	127
Total non-current assets	**7,678**	**9,068**
Total assets	**14,005**	**16,776**
Trade and other payables	(2,972)	(2,847)
Provisions	(738)	(940)
Lease liabilities	(258)	(261)
Deferred revenue	(3,955)	(3,684)
Total current liabilities	**(7,923)**	**(7,732)**
Deferred revenue	(717)	(500)
Provisions	(44)	(5)
Lease liabilities	(147)	(490)
Total non-current liabilities	**(908)**	**(995)**
Total liabilities	**(8,831)**	**(8,727)**
Net Assets	**5,174**	**8,049**

Trade receivables increased by $1,287k compared to 30 June 2023 primarily due to:

- Payment process disruptions caused by the consolidation of two key Middle East customers, who paused payments, have been resolved. Other late receipts from the Middle East remained consistent with Urbanise continuing to work closely with customers on cash collection strategies.
- Reduced cash balance reflects the above disputes. Over $1.0m has been collected since year end from the Middle East customers referred to above.

Property, plant and equipment includes right to use assets relating to office rentals.

Intangible assets - Development costs relate to the Strata platform. From 1 July 2022, the capitalisation of the development costs ceased due to the maturity of the Strata product.

Deferred revenue increase driven by renewals, new contracts and advance billing strategies. Total Deferred revenue is $4,672 of which $3,955k is current and will be recognised within the next 12 months.

Outlook

Outlook

Sales growth and operating leverage to drive cashflow sustainability

- Increase sales run-rate to maximise market share, including targeting market share of on-prem competitors
- Improve ARR retention rates through increased customer engagement
- Improve license fee and professional fee profitability through upsell of additional features and services
- Pursue key partnerships in expanded strata market opportunity estimated at $30m-$54m including those in the banking sector
- Achieve cashflow breakeven in FY2025

Q&A

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