

Urbanise to deliver \$2.4m in cash flow improvements over next 12 months

Urbanise.com Limited (ASX: UBN) (“Urbanise” or “the Company”) today announces that following a comprehensive operational review it expects to deliver a \$2.4m improvement in cash flows over the next 12 months.

In July 2023, Urbanise announced that it had commenced a review of its operations and cost base which it expected to complete in Q1 FY24. This review was undertaken ahead of an anticipated ramp down of development effort following significant investment for Colliers and PICA in Australia and integrations into Mollak (Dubai regulatory requirements), which have now been largely completed.

The Company has now completed this review and identified the following sources of cash flow improvements:

- **Headcount savings** - following significant investment in its FM and strata platforms, Urbanise has reduced its non-core development headcount requirements. The core development team remains intact and well positioned to execute on our product roadmap. Other non-development headcount savings were also realised as part of the operational review.
- **Non-wage overheads** – the review of the Company's cost base has resulted in overhead reductions associated with R&D activities, occupancy costs, travel and other operational efficiencies.
- **Working Capital improvement** – collection of late receipts and cash-in-advance opportunities.

On 4 October 2023, Urbanise implemented headcount savings that will deliver cash flow improvements of \$1.1m on an annual basis. This will be partly offset by a one-off restructuring cost of \$0.2m which will be primarily realised in October. The remaining \$1.3m in cash flow improvements from working capital and non-wage overheads will be achieved over the next 12 months.

Table 1: Cash flow improvement 12-month target

Cash Flow Improvements	12-month Target	Timeframe
Phase 1 - Headcount Savings	\$1.1m (Net \$0.9m) ¹	Implemented on 4 Oct
Phase 2 - Non-Wage Overheads & Working Capital Improvement	\$1.3m	Implemented, in progress or identified

¹ After restructuring costs

In addition to the cash flow improvement target announced today, Urbanise continues to drive cash improvements through the implementation of its backlog, delivery of pipeline opportunities as well as the identification of additional working capital opportunities.

Urbanise's CEO Simon Lee said: "The decisions made as part of the operational review are not expected to have an impact on the growth objectives of Urbanise. The Urbanise FM and Strata platforms have had significant development over the last two years and are in a strong position to support future sales. Our core development team is unchanged and remains well equipped to execute on our product roadmap and meet the requirements of our key customer groups. We continue to prioritise the conversion of our significant pipeline of opportunities and will maintain our disciplined approach to cost and cash management. If new major projects require additional resources, the company is well positioned to scale up accordingly. Importantly, the Board and management team will continue to work towards achieving cash flow sustainability in FY2025."

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

Investor enquiries

Françoise Debelak
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.