



Urbanise

Urbanise.com Limited
Ground Floor, 201 Miller St,
North Sydney NSW 2059

ABN: 70 095 768 086

W: urbanise.com

ASX RELEASE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S ADDRESSES AND PRESENTATION TO ANNUAL GENERAL MEETING

Tuesday, 21 November 2023: In accordance with ASX Listing Rules, Urbanise.com Limited (ASX:UBN) provides a copy of the Chairman and Chief Executive Officer addresses and accompanying presentation to the Annual General Meeting.

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

- ENDS -

For further information please contact:

Kim Clark
Company Secretary
T: +61-7 3010 9393
E: kim.clark@boardroomlimited.com.au

Chairman's Address

Before moving to the formal part of the meeting, I would like to provide an overview of the 2023 financial year. I will then hand over to our CEO and Executive Director Simon Lee.

FY2023 was another eventful year for Urbanise as we continued to grow our customer base, successfully implemented key projects, and completed an equity raising that delivered net proceeds of \$3.3m.

We also made significant changes across the Company. Our management team was restructured and divided into our two businesses – Urbanise Strata and Urbanise FM - to better align our sector expertise to the distinctive requirements of the strata and FM markets. We also commenced a review of the operations and cost base of the business which was completed in quarter one of this financial year and is expected to deliver a significant improvement in cash flow.

In the full year of 2023, Urbanise achieved major milestones with the implementation of the Colliers Australia project and integration into the Strata regulatory authority in Dubai. Colliers Australia went live on the 3rd April following a period of significant investment in the FM platform to extend its functionality for commercial property management. User feedback has been positive and recognition of Annual Recurring Revenue from this customer commenced in quarter four 2023. The FM platform can now service property managers with national portfolios leading to increased sales enquiries.

In the Middle East, the strata market is undergoing rapid change with strata managers required to meet the increasingly complex compliance requirements of the Real Estate Regulatory Authority. We believe Urbanise is in a strong position to lead this market given our experience in handling larger strata portfolios and significant work order volumes. As a result, we increased investment in our FM and strata platforms to integrate to RERA and facilitate customer compliance and migration of RERA data. This has resulted in customer wins and expanded pipeline opportunities.

In June 2023, we successfully completed a placement to new and existing institutional shareholders and sophisticated investors to raise net proceeds of \$3.3m. These funds will be used to accelerate delivery of Strata and Facilities Management platforms to Urbanise's customer base in APAC and the Middle East. It will also provide additional working capital and strengthens the Company's balance sheet. Urbanise has projected a cash flow breakeven position by financial year 2025 which is underpinned by revenue growth and continued working capital and cost management.

Over the past 12 months, we have made substantial changes to our Board. In April 2023, Almero Strauss decided to step down as Chairman following five years in the position. We are grateful to Almero for the important role he has played in transforming the business and management team and are pleased that he remains a Non-Executive Director.

At the same time, Darc Rasmussen joined the Board as a Non-Executive Director. Darc has over 25 years' experience building successful Software-as-a-Service (SaaS in other words) and cloud-based businesses across global markets. He is also an experienced Non-Executive Director and serves on the boards of Objective Corporation and Gentrack Group.

Last month, the Company announced that Tod McGrouther and I will step down from the Board once appropriate appointments have been made. Tod has been a Non-Executive Director since 2018 and I wish to acknowledge and thank him for the contribution he has made during that period.



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As part of our ongoing renewal process, I believe now is the right time to bring some fresh perspectives to the Board. I have been proud to serve as Non-Executive Director and then Chair during a time of significant change in the Company.

On behalf of the Board, I would like to thank our senior leadership and talented global team for their hard work and dedication to building an outstanding company.

Finally, I would like to thank our team, customers and shareholders for their ongoing support.

Chief Executive Officer's Address

Over the last 12 months, we have achieved a number of significant milestones for the Company. In April, we went live with Colliers Australia and the feedback from users has been positive. The roll out continues across their national portfolio and provides a key reference for future sales, particularly for commercial and multi-site facilities management. At the end of June, we also went live with Colliers New Zealand and continue to explore other opportunities across Colliers' global portfolio.

Another important project was the development and integration into RERA which we completed in September. This provides us with further competitive advantage in the Middle East and has already led to contract wins.

We also restructured the Company into two business lines and recently completed an operational and cost review which is expected to deliver \$2.4m in cash flow improvements over the 12 months ending September 2024.

Turning to our FY2023 Result, Slide 5 provides a summary of our key metrics against the previous corresponding period. Revenue increased by 1.5% to \$12.85m as new customers and growth from existing customers more than offset reduced licences from three APAC customers.

Annual Recurring Revenue or ARR of \$11.56m increased by 6.5% driven by the implementation of backlog and contracts won and implemented in FY2023. Contracted ARR or CARR of \$12.4m was up 2.5%.

Our customer retention rate was 95.1% based on the number of unique customers using our FM and Strata platforms. The ARR retention rate was 94.5% highlighting the "sticky" nature of our customer base.

The closing cash position at 30 June 2023 was \$4.25m and Urbanise had no material debt. This follows the completion of an equity raising in June which provides us with the financial flexibility to leverage the investment we have made in our platforms to drive penetration of our core markets and key industry verticals.

Slide 6 provides an overview of our Q1 FY2024 result which was released on 26 October. During the period of July to October 2023 we secured a total of \$628k of new contracted ARR wins. This was comprised of a number of small APAC and MENA Strata contracts totalling \$192k of ARR, 1 APAC FM customer for \$53k ARR and a new contract with an existing customer for an additional \$383k ARR. These results validate our recent investment in our FM and strata platforms.

In Q1 FY2024, total revenue of \$3.1m declined by 4% on pcp as licence fee growth of 3% was offset by lower professional fees.

At 30 September 2023, we had a closing cash balance of \$3.52m and no material debt. The average monthly cash used was \$244k.

Turning to Slide 7, our strategy continues to be centred around the delivery of mission critical strata and FM platforms into our core markets of APAC and the Middle East. Within these markets, we focus on key industry verticals where we have specific expertise.

In APAC, we continued to work closely with PICA, Australia's largest strata manager, and convert sales pipeline opportunities that target small to medium strata managers that are seeking a cloud-based solution.

In FM, our sales team has focused on aged care / retirement villages, commercial retail, and FM outsourcers.

In the Middle East, a key competitive advantage is the unique provision of an integrated strata and FM platform that appeals to larger property developers and pure play strata managers.

The Board continues to closely monitor our sales pipeline which includes contract opportunities that have a higher Average Contract Value than in the past - at \$300,000 to \$350,000 - highlighting the use of Urbanise's platforms by larger customers especially in FM and Middle East Strata.

Urbanise is also strengthening its relationships with other software providers and industry partners to broaden our reach into target markets. We have invested significantly into the marketing content to highlight relevant use cases and develop a better understanding of the value of our platforms.

Turning to the Outlook on Slide 8, we will continue to focus on driving immediate sales opportunities in Strata and FM across our core markets in APAC and the Middle East.

We will also continue to progress our contract renewal process with an important APAC strata customer.

Importantly, we remain on track to deliver cash flow sustainability in FY2025.

Before handing back to the Chair, I would like to thank the Board for their guidance, and Sam and Tod for their service and the valuable contribution they have made to Urbanise.

I would also like to thank our team for their hard work and dedication during the year.

And finally, to our team, customers and shareholders, thank you for your ongoing support.

- ENDS -



Urbanise.com Ltd
2023
Annual General Meeting





Chairman's Address

Sam Cuccurullo



About Urbanise

Urbanise is a leading provider of industry-specific cloud-based SaaS platforms to strata and facilities managers

\$12.4m
Contracted ARR

86.8%
Recurring revenue

95.1%
Customer retention

17
Countries

~684k
Strata lots billed

~2.61k
FM users billed

An aerial photograph of the Dubai skyline at sunset. The Burj Khalifa is the central focus, surrounded by other skyscrapers and a complex highway interchange. The sky is filled with soft, colorful clouds in shades of orange, pink, and blue. A large, semi-transparent teal shape is overlaid on the left side of the image, containing the text.

CEO's Address

Simon Lee

FY2023 Key Metrics vs pcp¹

Revenue
\$12.85m

↑ 1.5%

- Licence fees up 1.5%
- Professional fees up 1.3%
- Underlying licence revenue growth of \$1.0m offset by \$0.8m revenue reduction (Ventia², small customer churn, loss of contract / lots by 2 APAC customers)

ARR³
\$11.56m

↑ 6.5%

- New customer and organic growth across strata and FM more than offset the loss of customers and licence reductions
- Colliers Australia went live in April 2023 with revenue partially recognised in line with staged roll out that continues into H1 FY2024

CARR
\$12.4m

↑ 2.5%

- Contracted ARR increased by 2.5% vs pcp reflecting on-going demand for Urbanise's platforms from strata and facilities managers

Net cash position
\$4.25m

No material debt

- \$3.3m net proceeds raised from institutional placement
- Underlying average monthly cash used of \$223k vs \$241k for FY2022
- Cost base under review to reduce cash burn

Customer retention rate⁴
95.1%

- Customer retention rate of 96.9% and 86.3% for Strata and FM respectively
- ARR retention rate⁵ of 94.5%
- ARR retention for Strata of 97.1% and FM 89.4%.
- ACV⁶ of lost customers was \$26k

¹ Prior comparative period.

² From 1 April 2022, Ventia reduced its requirements for user licences on 3 contracts due to implementation of a single standardised enterprise system across that business. ARR impact of \$0.63m.

³ Annualised Recurring Revenue (ARR) based on June 2023 licence revenue.

⁴ Customer retention rate for FY2023 is based on the number of customers from the beginning of the period, that were retained.

⁵ ARR retention rate based on \$10.85m ARR at the beginning of July 2022

⁶ Average contract value

Q1 FY2024 Result

\$3.11m
Revenue
↓ 4.0%

\$2.84m
Licence revenue
↑ 3.1%

91.1%
Recurring revenue
↑ 7.4%

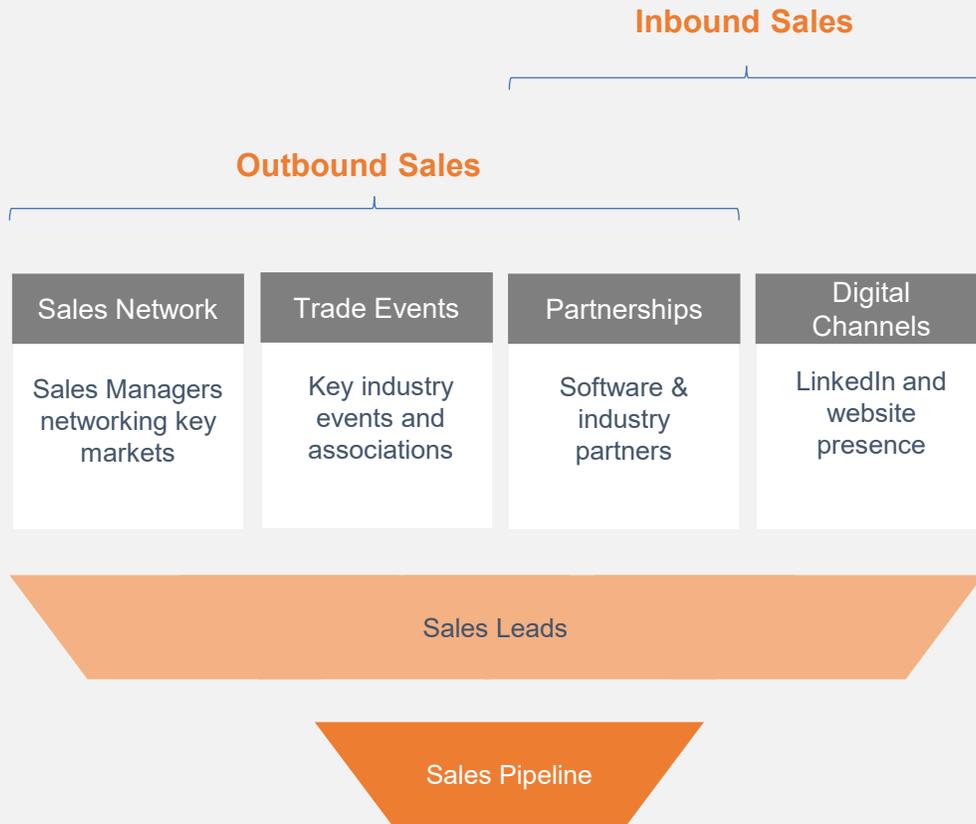
\$628k ARR
New contract wins
July – Oct 2023

\$244k
Average monthly
cash used

\$3.52m
Closing cash balance

\$2.4m in cash flow improvement initiatives over 12 months from October 2023

Winning New Work



Sales lead generation

- Sales team is focused on opportunities relating to aged care/retirement villages, commercial retail, FM Outsourcers and strata managers.
- Urbanise is strengthening its relationships with other software providers and industry partners to broaden our reach into target markets.¹
- Urbanise has also invested significantly into marketing content to help customers understand the value of our platforms.²

Sales Pipeline

- Over the past 18 months the **average contract value of our pipeline has increased to between \$300k - \$350k** highlighting the use of Urbanise's platform by larger customers, especially in FM and Middle East Strata.

¹ Partners include the Ace Strata Franchise and Stratavote, a third-party strata voting platform.

² Includes customer cases where our platform has been deployed:

[Baptcare Implementation on track](#)

[Why Whiddon chose Urbanise as a tech partner](#)

Sales growth and operating leverage to drive cashflow sustainability

- Drive immediate sales opportunities in Strata and FM across APAC & MENA
- Complete contract renewal process with key APAC Strata customer
- Leverage completion of RERA strata development/integration in the Middle East
- Deliver \$2.4m in cash flow improvements over 12 months to Sep 2024
- Remain on track to achieve cash flow breakeven in FY2025



Close

Thank you for your attendance.

Important Notice

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