

ASX / Media Release 26 October 2023

hipages agrees to divest PropTech Labs stake for \$8.4m, reaffirms FCF positive target for FY24

Highlights

- **19.5% stake in PropTech Labs to be divested for \$8.4m**
- **Completion expected by December 2023, with timing conditional on shareholders waiving or complying with pre-emptive rights**
- **Represents 30.9% pre-tax return on original investment of \$6.25m in November 2021**
- **hipages Group reaffirms free cash flow positive target for FY24**

hipages Group Holdings Limited (ASX: HPG) (“hipages Group” or “the Group”), Australia and New Zealand’s largest online tradie marketplace and Software-as-a-Service (SaaS) provider helping tradies build better businesses, today announces an agreement to divest its 19.5% stake in PropTech Labs for \$8.4m.

PropTech Labs, formerly known as Bricks and Agent, rebranded in FY23 following a change in strategy and the subsequent acquisitions of Maintenance Manager and Inspection Manager, and the launch of Invoice Automate.

After an approach from another shareholder, the Group has agreed to divest its shareholding. The timing of completion is conditional on other PropTech Lab shareholders waiving their pre-emptive rights under the shareholders agreement or participating in the divestment. Completion is expected to occur by December 2023, with hipages to provide limited seller warranties.

On completion, hipages will realise a 30.9% overall pre-tax return on its original investment of \$6.25m, made in November 2021. The Group will continue its commercial partnership with PropTech Labs, providing access to job flow from its network of more than 1m properties under management.

The Group does not consider the proceeds of M&A activity in calculating its free cash flow. Its target of being free cash flow positive in FY24, as announced at its FY23 results, did not assume any asset divestments, and the Group reaffirms this target.

The hipages marketplace continues to carry strong momentum with healthy tradie demand and job flow. The Group will provide a further update on YTD trading at its AGM on 9 November 2023.

hipages Group CEO and Co-founder, Roby Sharon-Zipser, said: “Since our original investment in late 2021, PropTech Labs has grown to become the ANZ market leader for property management productivity software. With its strategy having evolved, the investment is no longer strategic for

hipages Group, and following an approach by another shareholder, we decided the time was right to divest our stake for an attractive return. On completion, the cash will give us additional financial flexibility to execute our strategy while retaining a healthy capital buffer. We are pleased to continue our commercial partnership with PropTech Labs and look forward to continuing to work with Raf, Jon and the team.”

Authorised for release to the ASX by the Board of hipages Group Holdings Limited.

Ends

Further Information

Investors

Ryan Thompson

+61 423 151 378

rthompson@citadelmagnus.com

Media

Jack Gordon

+61 478 060 362

jgordon@citadelmagnus.com

About hipages Group (ASX:HPG)

hipages Group is Australia and New Zealand’s largest online tradie marketplace and Software-as-a-Service (SaaS) provider, connecting tradies with residential and commercial consumers through its platforms hipages (Australia) and Builderscrack (NZ). Tradiecore, the Company’s proprietary workflow management SaaS platform, helps tradies build better businesses by managing their whole workflow from lead generation through to payment and completion. To date, over three million Australians and New Zealanders have used hipages Group to change the way they find, hire and manage trusted tradies, providing more work to over 35,000 subscribed trade businesses.

www.hipagesgroup.com.au