ASX RELEASE

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# Urbanise.com Limited Reports H1 FY2025 Result

**Urbanise.com Limited** (ASX: UBN) ("Urbanise" or "the Company") today provides its results for the half-year ended 31 December 2024. Urbanise is a leading provider of cloud-based Software-as-a-Service (SaaS) platforms, Urbanise Strata and Urbanise FM, which service the strata and facilities management sectors. Urbanise provides its solutions in Australasia, the Middle East, Europe and South Africa.

- H1 FY2025 licence revenue of $5.9m up 2% vs previous corresponding period (pcp) reflecting growth in recurring revenues.
- H1 FY2025 total revenue of $6.3m increased by $35k on pcp with license revenue growth offsetting a decline in professional fees.
- Annualised Recurring Revenue (ARR) of $11.3m, decreased 3% vs pcp as new customer and organic growth was offset largely by the discontinuation of low margin pass-through revenue of third-party software in FM of $390k. The third-party application is no longer directly supported by Urbanise for its FM customers due to low margins and high support costs.
- Contracted ARR (CARR) of $11.9m at 1 Jan 2025, 2% decrease vs pcp; includes estimated backlog of $0.6m.
- EBITDA loss of $0.9m, 41.2% improvement vs pcp (H1 FY2024: $1.5m), largely driven by a reduction in operating expenses implemented in Q1 FY2024.
- Positive cashflow for H1 FY2025 with average monthly cash generated of $139k vs ($80k used) in H1 FY2024.
- Closing cash balance of $2.7m (30 June 2024: $1.9m) and no material debt.[1]

Urbanise's CEO Simon Lee said: "During H1 FY2025, Urbanise continued to execute its strategic initiatives and build the pipeline of opportunities. It secured 19 new contracts across its FM and strata platforms and progressed discussions with financial institutions to establish banking service partnerships for Urbanise Strata in Australia. We are also pleased to report a substantial improvement in EBITDA driven by revenue growth and the realisation of significant cost efficiencies. Urbanise remains committed to maintaining a lean operational structure while investing in key areas to drive long term growth.

"We also made meaningful progress in improving our cash flow with disciplined cost management initiatives and a significant improvement in cash collections from Middle East customers. This largely reflects strengthened customer engagement and the ongoing resolution of longstanding billing issues. As a result, Urbanise generated an average of $139k per month in the first half and had cash of $2.7m at the end of December and no debt. Importantly, we remain on track to reach cash flow breakeven in FY2025."

[1] No debt other than annual insurance premium funding.

## H1 FY2025 Financial Summary

Total revenue for H1 FY2025 was $6.3m, an increase of 0.6% (H1 FY2024: $6.27m). License revenue grew by $116k vs pcp, driven by $0.7m in new business offset by $0.6m decline due to customer losses.

Professional fees of $422k were down $81k on pcp, reflecting some delays in implementations.

The EBITDA loss of $0.9m was a 41% improvement on pcp due to a reduction in operating expenses reflecting the cash flow improvement initiatives identified in Q1 FY2024.

Urbanise's ARR at December 2024 was $11.3m, reflecting a 3% decrease vs pcp as new customer and organic growth was offset largely by the discontinuation of low margin pass-through revenue of third-party software in FM of $390k. This increases the quality and margin of the remaining ARR. As of 1 July 2024, the estimated backlog was $0.6m and total CARR was down 2% to $11.9m.

## Strata Management

In H1 FY2025, underlying Strata licence revenue grew by 4.7% but was offset by a reallocation of $195k from Strata to FM. Total Strata revenue of $3.7m was therefore down by $121k compared to the pcp, with 97.4% of revenue recurring. A review of Middle East contracts offering combined Strata and FM services, determined the adjustment would better reflect the value delivered, resulting in the $195k reallocation to Urbanise FM in Q2. Excluding this reallocation, Strata license fees grew by 4.7%. Recent contract wins are yet to be implemented and remain in the backlog.

Professional fees of $96k were 50% lower on pcp due to lower cost implementations and delays in completing implementations over the holiday period.

Strata ARR was $7.03m as of 31 December 2024 delivering underlying growth of 2% offset by the reallocation of $0.7m from Strata to FM following the annualised impact of the review referenced above. The estimated backlog was $0.5m as of 1 January 2025, reflecting Strata ARR wins, primarily from small to medium APAC strata customers.

## Facilities Management

In H1 FY2025, total FM revenue of $2.6 was up 6.5% vs June 2024 driven by new growth and implementations and a $195k reallocation of revenue from Urbanise Strata to Urbanise FM in the Middle East following a contract review. FM revenue was further offset by Colliers Australia with no revenue recognised in Q2 FY2025 vs pcp ($120K). Recurring license fees represented 87.4% of total FM revenue in H1 FY2025.

Professional fees of $326k were $17k higher than pcp.

ARR increased by $0.3m from June 2024 to $4.22m as of December 2024 largely due to a $0.7m reallocation from Strata to FM following the revenue recognition review noted above. This was offset by customer losses and the discontinuation of low margin pass-through revenue of third-party software in FM of $390k. The third-party application is no longer directly supported by Urbanise for its FM customers due to low margins and high support costs.

At 1 Jan 2025, the FM backlog included 10 contracts expected to contribute an estimated $0.1m in annual license fee revenue. These customers included retirement villages, property managers and FM service providers and reflected the Company’s focus on these key sectors.

## Cash flow

As of 31 December 2024, the cash balance was $2.7m, an increase of $0.8m from June 2024. Urbanise generated an average of $139k in cash per month, compared to cash usage of $80k in H1 FY2024. Operating cash flow improvements are not fully reflected as the R&D rebate cash benefit received in H1 FY2024 ($460k) was not received in the current period. The receipt of this rebate is delayed, expected in Q3 for approximately the same as the prior year's amount. Continued focus on cash collections, along with reduced payments to suppliers and employees following FY2024 cost rationalisations, contributed to the improvement.

## FY2025 Outlook

In FY2025, the priorities are to continue to generate and convert our sales pipeline, accelerate the capture of share in our target markets, maintain our disciplined approach to cost and cash management, execution of our strategic objectives and to achieve our goal of reaching cash flow breakeven.

## H1 FY2025 Investor Webinar

CEO Simon Lee and CFO Michelle Garlick will host a zoom webinar for the investment community including a Q&A session at **11.30am AEDT, 28 February 2025**.

Please follow the link below to register for the webinar.

https://us02web.zoom.us/webinar/register/WN_mS4fJbAKQJmwhsgcgVxYFg

Investors can submit questions prior to the webinar to ir@urbanise.com or ask questions via the Q&A function during the webinar.

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

**Investor enquiries**

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**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.