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# Urgently

Third Quarter 2025 Financial Results Conference Call and Webcast

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### **CORPORATE SPEAKERS:**

**Jenny Mitchell**

*Urgently; Vice President of Finance Strategy and Investor Relations*

**Matt Booth**

*Urgently; Chief Executive Officer*

**Andi Makkai**

*Urgently; Controller and Principal Accounting Officer*

### **PARTICIPANTS:**

**Chris Pierce**

*Needham & Company; Analyst*

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### **PRESENTATION:**

**Operator**<sup>^</sup> Good afternoon, everyone, and welcome to Urgently's Third Quarter 2025 Financial Results Conference Call. (Operator Instructions)

I would now like to pass the conference over to your host, Jenny Mitchell, Vice President of Finance Strategy and Investor Relations. You may proceed.

**Jenny Mitchell**<sup>^</sup> Thank you, Operator. Good afternoon, everyone, and thank you for joining us for Urgently's financial results conference call for the third quarter ended September 30, 2025.

On the call today, we have Urgently CEO, Matt Booth and Urgently Controller and Principal Accounting Officer, Andi Makkai. Following Matt and Andi's prepared remarks, we will take your questions.

Before we begin, I would like to remind you that some of our comments today may contain forward-looking statements that are subject to risks, uncertainties and assumptions which could change. Should any of these risks materialize or should our assumptions prove to be incorrect, actual company results could differ materially from these forward-looking statements.

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A description of these risks, uncertainties and assumptions and other factors that could affect our financial results, is included in our SEC filings including our most recent annual report on Form 10-K for the year ended December 31, 2024, our quarterly reports on Form 10-Q, and other filings and reports that we may file from time to time with the SEC. Except as required by law, we do not undertake any responsibility to update these forward-looking statements.

During today's call, we will also discuss certain non-GAAP financial measures. A reconciliation of GAAP to non-GAAP measures is included in our earnings materials and press release, which are available on our website at [investors.geturgently.com](https://investors.geturgently.com). A replay of today's call will also be posted on the website.

As you learned from our 8-K and press release filed on September 22, 2025, Nasdaq formally notified Urgently that its net income from continuing operations had fallen below the minimum requirement and that it did not meet the alternative listing criteria for market value of listed securities or stockholders' equity for continued listing on the Nasdaq Capital Market under Nasdaq Listing Rule 5550(b).

In response, Urgently requested a hearing and presented before the Nasdaq panel on October 23, 2025. At the hearing, Urgently presented its plan to regain compliance with the Nasdaq Listing Rules and requested an extension, through February 16, 2026, to achieve and demonstrate long-term compliance. Last week, on November 5, 2025, the Nasdaq panel granted Urgently the continued listing extension through the requested date.

With that, I'll now turn the call over to Matt.

**Matt Booth**^ Thanks, Jenny. Good afternoon, everyone, and thank you for joining us today.

I am very pleased with our performance during the third quarter. The momentum is building across the business, and I am excited to provide an update on our recent progress.

To begin, we are happy to announce that for Q3 we have achieved positive non-GAAP operating income. This is an important milestone.

Let me begin with some other important highlights on our financial performance. We delivered \$32.9 million in revenue for the third quarter, which was in line with our expectations, and notably, our eighth consecutive quarter where we delivered on our revenue guidance

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commitment. In addition, we delivered our second quarter of modest sequential quarterly revenue improvement, which demonstrates early signs of our return to growth.

For the third quarter, we achieved gross margin of 25%, which is again within our mid-term outlook of the 25-30% range that we continue to reference as our longer-term target. And this is a 4-point improvement over the third quarter last year. Over the last three years, we have improved Q3 gross margin by 13 points from 12% in Q3-22 to 25% in Q3-25.

In all, we reduced Non-GAAP operating expenses by \$2.7 million, or 25%, when compared to the same period last year. And most notably, as I mentioned at the top of the call, we achieved non-GAAP operating income for Q3-25. I am so proud of the team and their hard work in achieving this milestone. These results reinforce our commitment to disciplined execution and long-term value creation, and this signals a profitability inflection point. As we have discussed previously, we are now focused on new account growth and expanding our market share,

First, let me talk about revenue starting with renewals. As we have discussed on our prior calls, a portion of our annual capacity is dedicated to securing our revenue through renewals, and this is a big year for us. We are on pace for a productive renewal cycle with the handful of our OEM and fleet customer partners up for renewal. The specifics vary, but generally we are looking at contracts from 2 to 5 years in length.

Next, we would like to provide an update on our progress in the insurance markets. Last quarter, we mentioned that we signed a new contract with a premium insurance provider. This contract is now scheduled to launch later this month. We are also currently in red-lines with two additional insurance providers in the mid-tier space. We are looking forward to providing transparent and high-quality service to this previously underserved segment of the insurance market. We still believe that most of the single-sourced roadside contracts will have two providers in the future, and this champion-challenger model will produce better results for partners. To this end, we have been awarded a pilot with a large-scale insurance provider, which provides us with an excellent opportunity to feature our technology and prove our value. We will provide more details on this in the coming months.

We are also gaining momentum in securing revenue from new logos across the fleet, autonomous vehicle, and affinity brand verticals. We have two signed contracts and are in redlines with two others.

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Last quarter, we discussed that we signed a contract with a new EV manufacturer. In an October 7<sup>th</sup> press release, we announced this partnership is with Sony Honda Mobility of America to provide its AFEELA owners with reliable, nationwide coverage across all 50 states and the District of Columbia. The vehicle and the Urgently logo were proudly displayed in Las Vegas at the InsureTech Connect conference held at the end of September.

Beginning with the U.S. delivery of the AFEELA 1 in 2026, Sony Honda Mobility customers will have access to Urgently's extensive network of mobility assistance providers. Our partnership with Sony Honda Mobility and their AFEELA brand centers on delivering an exceptional customer assistance experience that matches their groundbreaking vehicle launch. We anticipate AFEELA customers to be digitally sophisticated, expecting seamless, high-quality service when assistance is needed, which perfectly aligns with our technology-driven approach to roadside assistance. With this agreement, we are already preparing service integration to align to the AFEELA 1 delivery, to ensure that roadside assistance will be ready from day one.

Our digitally native platform, leveraging A.I. and Machine Learning, has given us substantial operating scale and credibility in the market by creating predictive models to enhance performance for partners using temporal, spatial, and network data. On that front, we look forward to sharing even more about our capabilities in these areas.

Our company website is undergoing a much-needed refresh and update. We have transformed this experience to showcase our platform and product features, data & analytics dashboards, products, including our full suite of AI-Machine learning capabilities, and our service and solution offerings. Our website re-launch will be in the next few weeks.

As Jenny mentioned earlier, we are actively pursuing strategies to comply with our Nasdaq listing requirements. More specifically, these strategies are focused on recapitalizing our balance sheet. For those that have been following our journey and are familiar with our financials, the recapitalization of our balance sheet is expected. We do believe that this is a key and necessary step to unlocking incremental value for our shareholders, especially as we are pivoting to profitability, gaining momentum in new account growth, and producing high customer satisfaction scores which are currently at 4.6 out of five stars. We are looking forward to providing updates on all these topics as we are able.

As we look ahead in 2025, our core priorities remain:

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- Returning to growth by expanding our existing B2B incident business through securing renewals, expanding relationships with existing customer partners, and developing new customer partner opportunities.
- Continuing to maintain non-GAAP operating breakeven through our operational improvements, margin expansion, and managed growth.
- Transforming the market for roadside solutions with product innovations that differentiate Urgently from our competitors, improve our margin and provide exceptional experiences for our customer partners and drivers.
- Plan to enter new and adjacent markets in the future.

It's been a fantastic quarter, and I am proud of all the progress we have made. The momentum is exciting, and I look forward to the remainder of the year ahead. Thank you for your time and continued support. I'll now turn the call over to Andi to discuss our financial results.

**Andi Makkai**^ Thank you, Matt, and good afternoon everyone.

Today, I will discuss our results for the third quarter ended September 30, 2025.

For the third quarter, revenues were \$32.9 million, which was ahead of the midpoint of our guidance range of \$31 to \$34 million, and a decline of 9%, or \$3.3 million, from the same quarter last year. The year-over-year revenue decline was in line with our expectations and was primarily driven by the reduction in dispatch volume from the early termination of a top 5 global original equipment manufacturer Customer Partner referenced in our Q1-25 filing, and a reduction of revenue due from the Otonomo business. This was partially offset by volume and rate increases from new and existing Customer Partners.

Gross Profit was \$8.1 million, an increase of \$346 thousand compared to the same period last year, driven primarily by margin improvement initiatives.

Gross Margin was 25% compared to 21% for the same period last year. The increase in Gross Margin is primarily related to the mix of service dispatches and our continued technology optimizations, allowing us to better manage our service provider costs. We remain focused on executing against our strategic initiatives to drive profitable growth and continue to make steady progress to maintain our long-term Gross Margin target of 25% to 30%.

Now let's move on to operating expenses.

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Operating Expenses were \$9.9 million, a decrease of \$3.8 million, or an improvement of 28%, from the same period last year.

Research and Development expenses were \$1.8 million compared to \$3.1 million during the same period last year, a decrease of \$1.3 million or 42%. The decrease was mostly related to the reduction in the Otonomo related Research and Development expenses and a reduction in employee and employee related expenses.

Sales and Marketing expenses were \$700 thousand compared to \$1.5 million during the same period last year, a decrease of \$800 thousand, or 53%. The decrease was mostly related to the reduction in the Otonomo related Sales and Marketing expenses.

Operations and Support costs were \$2.5 million compared to \$3.0 million during the same period last year, a decrease of \$500 thousand or 16%. This decrease was mostly related to the continued optimization of customer support representative resources and operational process improvements.

General and Administrative expenses were \$3.7 million compared to \$4.9 million during the same period last year, a decrease of \$1.3 million or 26%. The decrease was mostly related to the reduction in the Otonomo related General and Administrative expenses, along with continued cost optimization.

We remain focused on driving operational improvements, which include continued optimization of business processes to drive further operational efficiencies.

We also review Non-GAAP Operating Expenses, which is defined as GAAP Operating Expenses plus depreciation and amortization expense, stock-based compensation expense, and non-recurring charges, such as transaction costs and restructuring costs.

Non-GAAP Operating Expenses for the third quarter were \$8.0 million, an improvement of 25% from \$10.7 million in the prior year period.

This Non-GAAP Operating Expense reduction is in line with our expectations and demonstrates the significant operational efficiencies and leverage we have achieved.

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GAAP Operating Loss for the third quarter was \$1.8 million, a decrease of \$4.1 million or an improvement of 70% from the prior year period.

We also review Non-GAAP Operating Loss, which is defined as GAAP Operating Loss plus depreciation and amortization expense, stock-based compensation expense and non-recurring charges, such as transaction costs and restructuring costs.

Non-GAAP Operating income for the third quarter was \$123 thousand, an improvement from a Non-GAAP Operating loss of \$2.9 million in the prior year period. This is a significant milestone for the company as we met our stated guidance to achieve break-even on a Non-GAAP Operating basis during the third quarter of 2025. While this represents a meaningful accomplishment, we view it as one step in our ongoing journey and not the destination. We remain committed to optimizing our business and operating model to drive continued improvement in this metric going forward.

Now a few comments on our balance sheet.

As of September 30, 2025, Urgently had a cash and cash equivalents balance of \$4.0 million and a principal debt balance of \$61.0 million.

During the third quarter, we capitalized approximately \$1.5 million in software, mostly to make enhancements to our platform, by adding features and functionality which benefit all our Customer Partners. We expect this practice to continue with approximately \$1.0 to 1.5 million to be capitalized in the fourth quarter of 2025.

During the third quarter, we sold 181 thousand shares of common stock under our ATM program to raise approximately \$273 thousand in net proceeds after fees and commissions at a weighted average price of \$4.19 per share.

As of September 30, 2025, we had 1.6 million shares of common stock outstanding.

Turning now to our outlook. For the fourth quarter of 2025, we expect Revenue to be between \$30 to \$33 million and our non-GAAP operating loss to be again less than \$500 thousand. Additionally, we continue to target maintaining non-GAAP operating breakeven in the fourth quarter.

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With that, we're now happy to open the call for questions. Operator, please open the line for Q&A.

**Operator^** (Operator Instructions) Our first question today comes from Chris Pierce from Needham, please go ahead with your question.

**Chris Pierce^** Hey, just one big picture question and then one small near-term question. How should investors think about Urgently's positioning if we do see a weakening economy? Maybe less new car sales? I know you guys are levered more towards premium OEMs, but then you have insurance customers coming on, as you see older cars on the road perhaps. I'd love to hear you respond on how to think about parts of the economy, and parts of your business, and how you have hedges, and where investors should think about that going forward.

**Matt Booth^** Good question. We get this a lot. I think in a lot of ways Urgently is an anti-cyclical business. So the more that the economy starts to falter or get worse or consumers start to put off repairs on their vehicles, where you'll start to see an increased amount of incidents or breakdowns on our side. So we should look at our revenue actually improving as consumers put off needed repairs.

And in terms of the on the OEM side, we're seeing pretty good deliveries on the OEM side so far, so I don't think we've seen any tariff impacts as far as that goes. So I think as the economy gets worse, or if it gets worse, and cars break down more, Urgently will continue to do better.

**Chris Pierce^** Okay, perfect. And then I know I heard the revenue guidance. I guess it's probably too early to start thinking about 2026, but the fourth quarter 2025 is your first "easier comp" given the customer back and forth that you had at the end of last year. How should we think about moving forward with the renewals you talked about, and the new customer wins, and the insurance customer trialing going forward? I know you still have a 25 to 30% revenue growth target over time, or 20 to 30%, sorry. I just want to think about the timeframe around that and when investors could get comfortable around that.

**Matt Booth^** Yeah, I think as we mentioned before, now that we have shed the Otonomo assets and remove the expenses from the Otonomo business, we have started to put the foot on the gas pedal, so to speak, and started to grow revenue. We have a lot of really good opportunities in the pipeline. I mentioned in the script that we have one with a top insurance company that we're starting, at least the pilot will start this year, which we're very excited

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about because, as we've mentioned previously, moving back into insurance is pretty important. Additionally, we also signed another insurance company and a couple more fleet customers on top of it, so I think the revenue is definitely starting to tick up. Renewals look great. Customers are very happy with us. So far, we don't have any issues with customers and we expect to finish this year with an extremely strong renewal cycle.

**Chris Pierce**^ Okay. Thanks for that, good luck.

**Operator**^ Ladies and gentlemen, at this time and showing no additional questions, I'd like to turn the floor back over to Matt Booth for any closing remarks.

**Matt Booth**^ Thanks, everybody. In closing, we're proud of the significant progress we've made to position the company for profitable growth, and we look forward to providing you with future updates on our progress on future calls.

If you'd like to meet with management, by all means, please reach out to us at [InvestorRelations@GetUrgently.com](mailto:InvestorRelations@GetUrgently.com) and we can schedule a call. Thanks again for your interest in Urgently and for joining our call today.

**Operator**^ With that, ladies and gentlemen, we'll conclude today's conference call and presentation. We thank you for joining. You may now disconnect your lines.