



Interim Financial Report

For the half-year ended 31 December 2019

Urbanise.com Limited
ABN 70 095 768 086

CORPORATE INFORMATION

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Auditors

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CONTENTS

Appendix 4D.....	1
Directors' Report	2
Auditor's Independence Declaration	4
Consolidated Statement of Profit or Loss and Other Comprehensive Income	5
Consolidated Statement of Financial Position.....	6
Consolidated Statement of Changes in Equity	7
Consolidated Statement of Cash Flows	8
Notes to the Consolidated Financial Statements.....	9
Directors' Declaration	17
Independent Auditor's Review Report.....	18

Appendix 4D

For the half-year ended 31 December 2019**Previous corresponding periods: Half-year ended 31 December 2018****Financial year ended 30 June 2019****Results for announcement to the market**

	Half-Year Ended		Up/ Down	% Movement
	31 Dec 2019	31 Dec 2018		
	\$A'000's	\$A'000's		
Revenue from ordinary activities	4,560	3,885	Up	17.4%
Loss from ordinary activities after tax attributable to owners of the parent	(2,063)	(2,210)	Down	6.7%
Loss for the period attributable to members	(2,063)	(2,210)	Down	6.7%

Net tangible asset backing

	As at	
	31 Dec 2019	31 Dec 2018
Net tangible assets per ordinary security	0.42 cents per share	0.67 cents per share

Dividends

There have been no dividends declared for the half-year ended 31 December 2019 (Year ended 30 June 2019: nil). There are no dividend or distribution reinvestment plans in operation.

Details of entities over which control has been gained or lost during the period

Urbanise has not gained or lost control of any entity during the period.

Details of associates and joint venture entities

There are no associates or joint ventures within the Urbanise Group.

The financial information provided in the Appendix 4D is based on the half year condensed financial report (attached)**Independent review of the financial report**

The financial report has been independently reviewed and is not subject to a qualified independent review statement.

Signed



Almero Strauss

Non-Executive Chairman

Sydney, 20 February 2020

Directors' Report

The Directors present their report of Urbanise.com Limited and its subsidiaries (collectively, the Group) for the half-year ended 31 December 2019 and independent review report thereon. This consolidated financial report has been prepared in accordance with AASB 134 'Interim Financial Reporting'.

The Directors of the Company in office at any time during and since the end of the half-year are:

Name	Office
Almero Strauss	Non-Executive Chairman
Russell Bate	Non-Executive Director
David Cronin	Non-Executive Director
Pierre Goosen	Non-Executive Director
Saurabh Jain	Executive Director and CEO
Tod McGrouther	Non-Executive Director

The Directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

Review of operations

The consolidated financial results for the half-year ended 31 December 2019 (H1 FY2020) reflect strong revenue growth as Urbanise reported total sales revenue of \$4.6 million, (H1 FY2019: \$3.9 million), an increase of 17.4%. For H1 FY2020, Urbanise reduced the Net Loss After Tax (NLAT) to \$2.1 million, (H1 FY2019: NLAT \$2.2 million) and the operating EBITDA loss to \$1.3 million (H1 FY2019: EBITDA loss \$1.7 million). No impairment losses were recognised during H1 FY2020 (H1 FY2019: Nil).

The revenue base of the business continued to grow over H1 FY2020. Cash used in operating activities decreased by 53.9% and cash used in investing activities increased by 57.8%. Urbanise continued its investment in staff and operational infrastructure in existing geographies to build scale and position the company for significant growth via a number of large client opportunities. In addition, the Group continued to invest in product development and systems to support customers in each geography.

The Board and Management continued to monitor costs and cash management, while ensuring ongoing investment in development to maintain Urbanise's position as a market leader in the cloud-based Strata and Facilities industries. This includes an assessment of all options and opportunities to enhance shareholder value.

Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA):

	Half-year ended	
	31 Dec 2019	31 Dec 2018
	\$	\$
Loss for the Period	(2,062,781)	(2,209,549)
Add Back:		
Depreciation and amortisation expenses	712,858	600,035
Finance costs	11,280	27
Foreign Exchange loss/(gain)	56,443	(80,115)
Other Income	(3,831)	(7,417)
EBITDA	(1,286,031)	(1,697,019)

Significant changes in state of affairs

There have been no significant changes in the group's state of affairs during the half-year ended 31 December 2019.

Dividends paid or recommended

In respect of the half-year ended 31 December 2019, there have been no dividends paid or provided for.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under *section 307c of the Corporations Act 2001* in relation to the review for the half-year is provided within this report.

Signed in accordance with a resolution of the Directors:

A handwritten signature in black ink, appearing to read 'Almero Strauss', is written on a light blue rectangular background.

Almero Strauss
Non-Executive Chairman
20 February 2020



A D Danieli Audit Pty Ltd

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**Auditor's Independence Declaration
Under Section 307c of the Corporations Act 2001
To the Directors of Urbanise.com Limited
A.B.N. 70 095 768 086
And Controlled Entities**

I declare that, to the best of our knowledge and belief, during the half year ended 31 December 2019, there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

A D DANIELI AUDIT PTY LTD

Sam Danieli
Director

Sydney, 20 February 2020

Liability limited by a scheme approved under Professional Standards Legislation

		Half-year ended	
	Note	31 Dec 2019	31 Dec 2018
		\$	\$
Revenue and other income			
Revenue from contracts with customers	4	4,559,792	3,884,987
Other income	4	3,831	7,417
		<u>4,563,623</u>	<u>3,892,404</u>
Less: expenses			
Employee benefits and contractor costs		(4,105,565)	(3,829,236)
Depreciation and amortisation expenses		(712,858)	(600,035)
IT costs		(670,086)	(448,677)
Occupancy costs		(251,999)	(336,298)
Travel costs		(225,032)	(256,054)
Professional fees		(228,252)	(205,127)
Cost of implementation and materials		(5,629)	(110,301)
Finance costs		(11,280)	(27)
Foreign exchange (loss)/gain		(56,443)	80,115
Advertising and promotion expenses		(93,914)	(66,541)
Other expenses		(265,346)	(329,772)
Total expenses		<u>(6,626,404)</u>	<u>(6,101,953)</u>
Loss before tax		(2,062,781)	(2,209,549)
Income tax (expense)/benefit		-	-
Loss for the period		<u>(2,062,781)</u>	<u>(2,209,549)</u>
Other comprehensive income, net of income tax			
Items to be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		(21,316)	(62,783)
Other comprehensive income/(loss) for the period net of income tax		(21,316)	(62,783)
Total comprehensive loss for the period		<u>(2,084,097)</u>	<u>(2,272,332)</u>
Loss for the period attributable to:			
Owners of the parent		(2,062,781)	(2,209,549)
		<u>(2,062,781)</u>	<u>(2,209,549)</u>
Total comprehensive loss attributable to:			
Owners of the parent		(2,084,097)	(2,272,332)
		<u>(2,084,097)</u>	<u>(2,272,332)</u>
Loss per share			
From continuing operations:			
Basic (cents per share)		(0.30)	(0.37)
Diluted (cents per share)		(0.30)	(0.37)

The consolidated statement of profit or loss and comprehensive income should be read in conjunction with the accompanying notes.

		As at	
	Notes	31 Dec 2019	30 Jun 2019
		\$	\$
Current assets			
Cash and cash equivalents		4,591,288	3,702,341
Trade and other receivables	5	1,824,037	2,162,190
Other assets		584,243	795,547
Total current assets		6,999,568	6,660,078
Non-current assets			
Property, plant and equipment		204,308	135,014
Intangible assets	6	5,283,059	5,444,561
Goodwill	7	4,786,480	4,786,480
Right of use assets		251,741	-
Other assets		52,000	52,000
Total non-current assets		10,577,588	10,418,055
Total assets		17,577,156	17,078,133
Current liabilities			
Trade and other payables		1,268,269	1,154,395
Provisions		532,844	599,535
Lease liabilities		81,285	-
Deferred revenue		2,261,548	2,435,830
Total current liabilities		4,143,946	4,189,760
Non-current liabilities			
Lease liabilities		170,456	-
Provisions		74,258	25,903
Total non-current liabilities		244,714	25,903
Total liabilities		4,388,660	4,215,663
Net assets		13,188,496	12,862,470
Equity			
Issued capital and contributed equity	8	100,091,422	97,634,813
Employee share option reserve		962,777	2,607,896
Foreign currency translation reserve		(560,978)	(539,662)
Accumulated losses		(87,304,725)	(86,840,577)
Total equity		13,188,496	12,862,470

The consolidated statement of financial position should be read in conjunction with the accompanying notes.

	Issued capital and contributed equity \$	Employee share option reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Total \$
Balance at 1 July 2018	93,821,852	1,981,763	(613,014)	(81,664,740)	13,525,861
Adjustment to opening balance due to AASB 15 implementation	-	-	-	(421,097)	(421,097)
Adjusted opening balance	93,821,852	1,981,763	(613,014)	(82,085,837)	13,104,764
Profit/(loss) for the period	-	-	-	(2,209,549)	(2,209,549)
Other comprehensive income	-	-	62,783	-	62,783
Total comprehensive income/(loss) for the period	-	-	62,783	(2,209,549)	(2,146,766)
Transactions with owners in their capacity as owners					
Share-based expense	-	290,635	-	-	290,635
Rights issue	4,084,325	-	-	-	4,084,325
Cost of rights issue	(271,364)	-	-	-	(271,364)
Rounding Adjustment	-	-	(4)	4	-
Balance at 31 December 2018	97,634,813	2,272,398	(550,235)	(84,295,382)	15,061,594
Balance at 1 July 2019	97,634,813	2,607,896	(539,662)	(86,840,577)	12,862,470
Profit/(loss) for the period	-	-	-	(2,062,781)	(2,062,781)
Other comprehensive income	-	-	(21,316)	-	(21,316)
Total comprehensive income/(loss) for the period	-	-	(21,316)	(2,062,781)	(2,084,097)
Transactions with owners in their capacity as owners					
Conversion of performance rights (note 8)	200,000	(200,000)	-	-	-
De-recognition of share-based payments (note 8)	-	(1,658,633)	-	1,658,633	-
Prior year reallocation (note 8)	60,000	-	-	(60,000)	-
Share-based expense	-	213,514	-	-	213,514
Share issue (note 8)	2,250,000	-	-	-	2,250,000
Cost of share issue (note 8)	(53,391)	-	-	-	(53,391)
Balance at 31 December 2019	100,091,422	962,777	(560,978)	(87,304,725)	13,188,496

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

	Half-year ended	
	31 Dec 2019	31 Dec 2018
	\$	\$
Cash flows from operating activities		
Receipts from customers	4,989,785	4,633,864
Payments to suppliers and employees	(5,718,802)	(6,239,345)
Interest received	3,831	6,361
Interest paid	(11,280)	(27)
Net cash used in operating activities	(736,466)	(1,599,147)
Cash flows from investing activities		
Payments for property, plant & equipment	(107,515)	(20,800)
Payments for intangible assets	(473,260)	(347,318)
Net cash used in investing activities	(580,775)	(368,118)
Cash flows from financing activities		
Proceeds from issue of shares	2,250,000	4,084,325
Payments for share issue costs (note 6)	(53,391)	(271,364)
Net cash provided by financing activities	2,196,609	3,812,961
Net increase/(decrease) in cash and cash equivalents	879,368	1,845,696
Cash and cash equivalents at the beginning of the period	3,702,341	3,072,206
Effect of movement in exchange rates on cash balances	9,579	6,705
Cash and cash equivalents at the end of the period	4,591,288	4,924,607

The consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

1. Corporate Information

The interim condensed financial statements of Urbanise.com Limited and its subsidiaries (collectively, the Group) for the half-year ended 31 December 2019 were authorised for issue in accordance with a resolution of the Directors on 20 February 2020. Urbanise.com Limited (the Company or the parent) is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The principal activities of the Company and its subsidiaries are the development and commercialisation of intellectual property associated with software licensing and professional services.

2. Basis of preparation and changes to the Group's accounting policies

Basis of preparation

The interim condensed consolidated financial statements of Urbanise.com Limited and its subsidiaries for the half-year ended 31 December 2019 have been prepared in accordance with *AASB 134 Interim Financial Reporting*.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements at 30 June 2019.

Rounding amounts

In accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, the amounts in the Directors' Report and in the financial report have been rounded to the nearest dollar.

New Accounting Standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the presentation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statement for the year ended 30 June 2019, except for the adoption of new standards effective as of 1 January 2019. The Group has not early adopted any other standards, interpretation or amendment that has been issued but not yet effective.

The Group applies, for the first time, *AASB 16 Leases*. As required by *AASB 134*, the nature and effect of these changes are disclosed below.

AASB 16 Leases ("AASB 16")

AASB 16 Leases replaces *AASB 117 Leases* for annual period beginning on or after 1 July 2019. Adoption of *AASB 16* has resulted in the recognition of a right-of-use asset and a corresponding liability at 1 July 2019 for existing leases with a term of more than 12 months, unless the underlying asset is of low value. Future leases after 1 July 2019 with a term of more than 12 months will be recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments, less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

Significant accounting estimates and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a material impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are consistent with the 30 June 2019 financial statements, with updates provided below.

Going concern

The financial statements have been prepared on the going concern basis which assumes the Group will have sufficient cash to pay its debts as and when they become payable for a period of at least 12 months from the date the financial report was authorised for issue.

For the half-year ended 31 December 2019, the Group recorded a net loss after tax of \$2,062,781. The Group has a net asset position of \$13,188,496 at the reporting date inclusive of cash reserves of \$4,591,288 with no external debt or borrowings. The private placement of \$2,250,000 shares in December 2019 has improved the cash position for the group to further improve the revenue base and to support the group's ordinary operations.

The Directors are confident that they will be able to improve the Group's cash flow to ensure that the Group will have sufficient funding to meet its minimum expenditure commitments and support its planned level of overhead expenditures, and therefore that it is appropriate to prepare the financial statements on the going concern basis.

On this basis no adjustments have been made to the financial report relating to the recoverability and classification of the carrying amount of assets or the amount and classification of liabilities that might be necessary should the Group not continue as a going concern. Accordingly, the financial report has been prepared on a going concern basis.

Should the Group be unable to improve its cash flows with the initiatives detailed above then, the Group may in the future not be able to continue as a going concern and may therefore be required to realise assets and extinguish liabilities other than in the ordinary course of business with the amount realised being different from those shown in the financial statement.

Impairment of tangible and intangible assets

The Group determines whether intangibles are impaired at least on an annual basis by evaluating whether indicators of impairment exist in relation to the continued use of the asset by the consolidated entity. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use ("VIU"). The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The Group assessed the carrying amount of the Group's assets at 31 December 2019 for impairment indicators in respect of the Strata cash generating unit and determined that no indicators were present and accordingly no impairment test was performed.

Leases

The Group has analysed all their leases and have determined that the appropriate interest rate to calculate the net present value due to the adoption of AASB 16 would be the incremental borrowing rate. This incremental borrowing rate varies according to which region the right of use asset is in. Currently, all right of use assets are in Australia and the interest rate used is 7.6% p.a.

3. Segment information

AASB 8 '*Operating Segments*' requires operating segments to be identified based on internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on geographical areas generating revenue from all products. The Directors of the Company have chosen to organise the Group around differences in regions. The Group's reportable segments under AASB 8 focus on three key reportable segments:

- i. APAC – All products and services in Australia, New Zealand and Asia
- ii. E/ME – All products and services in Europe and Middle East
- iii. Africa – All products and services in Africa

The accounting policies of the reportable segments are the same as the Group's accounting policies.

Revenue and results

The following is an analysis of the Group's revenue and results by reportable operating segments for the periods under review:

Revenue by product

	Half-year ended	
	31 Dec 2019	31 Dec 2018
	\$	\$
Strata	2,578,735	2,501,411
Facilities	1,903,900	1,179,144
Utilities	77,157	133,775
Devices	-	70,657
Total revenue of all segments	4,559,792	3,884,987

Revenue by geography

	Half-year ended	
	31 Dec 2019	31 Dec 2018
	\$	\$
APAC	3,120,705	2,245,745
E/ME	1,237,854	1,378,377
Africa	201,233	260,865
Total revenue of all segments	4,559,792	3,884,987

Segment results

Continuing operations

APAC	(1,783,104)	(1,955,083)
E/ME	816,257	679,664
Africa	(375,627)	(341,485)
Total of all segments	(1,342,474)	(1,616,904)
Depreciation and amortisation	(712,858)	(600,035)
Interest income	3,831	7,417
Finance costs	(11,280)	(27)
Profit/(loss) after tax	(2,062,781)	(2,209,549)

The assets and liabilities of the Group collaboratively support the various segment revenues generated by the Group.

The revenue reported above represents the revenue generated from external customers. Segment result represents the profit or loss incurred by each segment without the allocation of interest income, finance costs, income tax expense, depreciation and amortisation and impairment. General and administrative costs including employee costs for the senior leadership team have not been allocated between regions and are included within the region where they are employed, mainly APAC.

The total amount of external revenue derived from major customers where the revenue is greater than 10% of total external revenue for H1 FY2020 is nil (H1 FY2019: \$413,333) and where the revenue is greater than 5% of total external revenue is \$1,005,908 (H1 FY2019: \$607,582).

4. Revenue and other income

The following is an analysis of the Group's revenue and other income for the year from continuing operations.

	Half-year ended	
	31 Dec 2019	31 Dec 2018
Revenue with contract from customers		
Platform license income	3,799,202	2,846,018
Professional services	745,243	924,880
Other Revenue	15,347	114,089
Total revenue with contracts from customers	4,559,792	3,884,987
Other income		
Interest income	3,831	6,361
Other income	-	1,056
Total other income	3,831	7,417

5. Trade and other receivables

Trade and other receivables	As at	
	31 Dec 2019	30 Jun 2019
Current	\$	\$
Trade receivables	1,813,180	2,084,786
Contract assets	-	156,937
Provision for doubtful debts	(204,560)	(243,179)
Other receivables	215,417	163,646
Total current trade and other receivables	1,824,037	2,162,190
Doubtful debts provision/Trade receivables	11.3%	11.7%
Age of trade receivables		
Current	946,706	714,772
31-60 days	363,833	174,546
61-90 days	117,198	425,041
90+ days	385,443	770,427
Total trade receivables	1,813,180	2,084,786
Age of trade receivables by %		
Current	52.2%	34.2%
31-60 days	20.1%	8.4%
61-90 days	6.4%	20.4%
90+ days	21.3%	37.0%
Total trade receivables	100.0%	100.0%

Provision for doubtful debts account

	\$
Provision for doubtful debts - current	128,068
Provision for doubtful debts - non-current	135,202
Total Provision at 1 July 2018	263,270
Expected doubtful debts (expensed)	115,261
Written-off during period - current	(150)
Written-off during period - non-current	(135,202)
At 30 June 2019	243,179
Expected doubtful debts (expensed)	66,444
Written-off during period	(105,063)
At 31 December 2019	204,560

6. Intangible assets

	Intellectual property	Development cost	Trademarks	Customer relationship	Software	Total
	\$	\$	\$	\$	\$	\$
At Cost						
At 1 July 2018	18,013,259	8,226,215	790,000	220,000	143,622	27,393,096
Additions	-	695,807	-	-	560	696,367
At 30 June 2019	18,013,259	8,922,022	790,000	220,000	144,182	28,089,463
Additions	-	431,999	-	-	41,261	473,260
At 31 December 2019	18,013,259	9,354,021	790,000	220,000	185,443	28,562,723
Amortisation and impairment						
At 1 July 2018	14,832,327	6,496,092	-	81,257	87,443	21,497,119
Amortisation charge	793,600	295,320	-	35,424	23,947	1,148,291
Exchange differences	-	(508)	-	-	-	(508)
At 30 June 2019	15,625,927	6,790,904	-	116,681	111,390	22,644,902
Amortisation charge	396,800	208,189	-	17,712	12,061	634,762
At 31 December 2019	16,022,727	6,999,093	-	134,393	123,451	23,279,664
Net book value						
At 30 June 2019	2,387,332	2,131,118	790,000	103,319	32,792	5,444,561
At 31 December 2019	1,990,532	2,354,928	790,000	85,607	61,992	5,283,059

7. Goodwill

	\$
Gross carrying amount	
Balance at 1 July 2018	15,304,268
Movement during the period	-
Balance at 30 June 2019	15,304,268
Movement during the period	-
Balance at 31 December 2019	15,304,268
Accumulated impairment	
Balance at 1 July 2018	(10,517,788)
Impairment	-
Balance at 30 June 2019	(10,517,788)
Impairment	-
Balance at 31 December 2019	(10,517,788)
Net book value	
At 30 June 2019	4,786,480
At 31 December 2019	4,786,480

8. Issued capital and contributed equity

Issued and paid up capital

	As at	
	31 Dec 2019	30 Jun 2019
	\$	\$
737,497,724 (30 June 2019: 682,497,724) Fully paid ordinary shares	100,091,422	97,634,813

Ordinary shares

	No.	\$
Balance at 1 July 2018	530,831,549	93,821,852
Rights issue	151,666,175	4,084,282
Share issue costs	-	(271,364)
Balance at 30 June 2019	682,497,724	97,634,813
Vesting of performance rights (i)	8,000,000	200,000
Short term incentive payment (ii)	2,000,000	60,000
Private placement (iii)	45,000,000	2,250,000
Share issue costs	-	(53,391)
Balance at 31 December 2019	737,497,724	100,091,422

- i. On 2 September 2019, 8,000,000 fully paid ordinary shares were issued as a result of vesting of performance share rights originally issued in accordance with the Company's remuneration strategy and under the adopted Employee Share Plan.
- ii. On 22 November 2019, 2,000,000 fully paid ordinary shares were issued to the CEO, Saurabh Jain in lieu of a \$60,000 short term incentive payment. This ordinary share issue was approved for issue by shareholders at the Annual General Meeting (AGM) of the Company on 20 November 2019.

- iii. On 23 December 2019, Urbanise.com Limited received commitments to raise \$2,250,000 via an institutional-led private placement for the issue of 45,000,000 fully paid ordinary shares. The shares were allotted on the 30 and 31 December 2019.

Performance share rights

	No.
At 1 July 2018	5,946,250
Performance share rights issued	30,000,000
Performance share rights forfeited/converted to ordinary shares	(8,026,250)
At 30 June 2019	27,920,000
Performance share rights issued (i) & (ii)	17,180,443
Performance share rights forfeited/converted to ordinary shares (iii)	(12,619,999)
At 31 December 2019	32,480,444

- i. On 27 September 2019, 13,062,796 performance share rights were issued to employees. These performance rights have vesting dates on 31 August 2021, 31 August 2022 and 31 August 2023 subject to the achievement of performance criteria.
- ii. On 22 November 2019, 4,117,647 performance share rights were issued to the CEO, Saurabh Jain as approved at the AGM. These performance rights have vesting dates on 31 August 2021, 31 August 2022 and 31 August 2023 subject to the achievement of performance criteria.
- iii. On 2 September 2019, 8,000,000 performance share rights were converted into ordinary shares and 4,619,999 performance share rights were forfeited during the half-year ended 31 December 2019.

Share Options

	No.
At 1 July 2018	15,371,405
Options granted over ordinary shares	1,146,552
Options expired / forfeited	(9,282,500)
At 30 June 2019	7,235,457
Options expired / forfeited (i) & (ii)	(5,988,905)
At 31 December 2019	1,246,552

- i. 5,926,405 share options expired during the half-year 31 December 2019.
- ii. 62,500 share options were forfeited during the half-year 31 December 2019 following employee departures.

Expense arising from share-based payment transactions

	Half-year ended	
	31 Dec 2019	31 Dec 2018
	\$	\$
Share options	-	-
Share options forfeited	-	-
Performance rights	213,514	290,635
Total expense	213,514	290,635

9. Fair value of financial instruments

The carrying amounts and estimated fair values of the Group's financial instruments recognised in the financial statements are materially the same.

10. Subsequent events

Other than as already noted in the financial statements, there have been no significant subsequent events in the affairs of the Group at the date of this report.

Directors' Declaration

The Directors declare that the financial statements and notes set out on pages 5 to 16 are in accordance with the *Corporations Act 2001*, including:

- i. Complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*, and other mandatory professional reporting requirements; and
- ii. Giving a true and fair view of the financial position of the consolidated entity as at 31 December 2019 and of its performance for the half-year ended on that date.

In the Directors' opinion there are reasonable grounds to believe that Urbanise.com Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with the resolution of the Directors.

Signed in accordance with a resolution of the Directors.

On behalf of the Directors



Almero Strauss
Non-Executive Chairman
20 February 2020



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Independent Auditor's Review Report To the Members of Urbanise.com Limited A.B.N. 70 095 768 086 And Controlled Entities

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year consolidated financial report of Urbanise.com Limited and controlled entities (the consolidated entity) which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the half-year ended on that date, the accounting policies and other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The Directors of Urbanise.com Limited (the company) are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and its performance for the half-year ended on that date and complying with Accounting Standard AASB 134: Interim Financial Reporting and the *Corporations Regulations 2001*. As the auditor of Urbanise.com Limited and controlled entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Matters Relating to the Electronic Presentation of the Audited Financial Report

This review report relates to the financial report of the company for the half-year ended 31 December 2019 included on the website of Urbanise.com Limited. The directors of the company are responsible for the integrity of the website and we have not been engaged to report on its integrity. This review report refers only to the half-year financial report identified above and it does not provide an opinion on any other information which may have been hyperlinked to or from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the reviewed financial report to confirm the information included in the reviewed financial report presented on the company's website.

Liability limited by a scheme approved under Professional Standards Legislation

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Urbanise.com Limited, would be in the same terms if provided to the directors as at the time of this auditor's review report.

Conclusions

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Urbanise.com Limited and controlled entities is not in accordance with the *Corporations Act 2001* including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134: Interim Financial Reporting and the *Corporations Regulations 2001*.

A D DANIELI AUDIT PTY LTD



Sam Danieli
Director

Sydney, 20 February 2020

