



# Interim Financial Report

**For the half-year ended 31 December 2020**

Urbanise.com Limited  
ABN 70 095 768 086

## **CORPORATE INFORMATION**

### **Company Secretary**

Kim Clark  
Boardroom Pty Limited  
Suite 46, Level 5, 320 Adelaide St  
Brisbane QLD 4000

### **Principal Registered Office and Postal Address**

Suite 3, Level 1  
201 Miller Street  
Sydney NSW 2060

### **ASX Code**

UBN

### **Share Registry**

Boardroom Smart Business Solutions  
Level 12, 225 George St  
Sydney NSW 2000

### **Bankers**

HSBC Australia Bank Limited  
Ground Level, 271 Collins Street  
Melbourne VIC 3000

### **Auditors**

A D Danieli Audit Pty Ltd  
Level 1, 261 George Street  
Sydney NSW 2000

[www.urbanise.com](http://www.urbanise.com)

## 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 .....  | 16 |
| Independent Auditor's Review Report.....                                      | 17 |

## Appendix 4D

**For the half-year ended 31 December 2020**

**Previous corresponding periods: Half-year ended 31 December 2019**

**Financial year ended 30 June 2020**

### Results for announcement to the market

|  | Half-Year Ended |             | Up/ Down | % Movement |
|--|-----------------|-------------|----------|------------|
|  | 31 Dec 2020     | 31 Dec 2019 |          |            |
|  | \$A'000's       | \$A'000's   |          |            |
| Revenue from ordinary activities   | 5,727           | 4,560       | Up       | 25.6%      |
| Loss from ordinary activities after tax attributable to owners of the parent | (1,423)         | (2,063)     | Down     | 31.0%      |
| Loss for the period attributable to members                                  | (1,423)         | (2,063)     | Down     | 31.0%      |

### Net tangible asset backing

|   | As at 31 Dec 2020    | As at 31 Dec 2019    |
|---|----------------------|----------------------|
| Net tangible assets per ordinary security | 0.80 cents per share | 0.42 cents per share |

### Dividends

There have been no dividends declared for the half-year ended 31 December 2020 (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  
18 February 2021

## Directors' Report

The Directors present their report of Urbanise.com Limited and its subsidiaries (collectively, the Group) for the half-year ended 31 December 2020 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                         |
| Saurabh Jain   | Executive Director and Chief Executive Officer |
| Russell Bate   | Non-Executive Director                         |
| Pierre Goosen  | Non-Executive Director                         |
| 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 2020 (H1 FY2021) reflect strong revenue growth as Urbanise reported total sales revenue of \$5.7 million, (H1 FY2020: \$4.6 million), an increase of 25.6%. For H1 FY2021, Urbanise reduced the Net Loss After Tax (NLAT) to \$1.4 million, (H1 FY2020: NLAT \$2.1 million) and the operating EBITDA loss to \$1.0 million (H1 FY2020: EBITDA loss \$1.3 million). No impairment losses were recognised during H1 FY2021 (H1 FY2020: Nil).

The revenue base of the business continued to grow over H1 FY2021. Urbanise continued its focus on getting the product right and expanding the implementation capabilities to reduce the barrier to integrate with client systems. Investment in sales, marketing and product development had increased over H1 FY2021 to establish Urbanise as the system of choice in our key facilities management markets. In addition, a \$6.8m capital raise/placement was completed in H1 FY2021 to fund the growth strategy.

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 sectors.

## COVID-19

Urbanise has not experienced a material reduction in demand for its SaaS platforms as a result of the COVID-19 pandemic. The Board and management continue to monitor the situation as part of ongoing risk management and will update the market should circumstances materially change.

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

|  | Half-year ended  |                    |
|--|------------------|--------------------|
|  | 31 Dec 2020      | 31 Dec 2019        |
|  | \$               | \$                 |
| <b>Loss for the Period</b>             | (1,422,583)      | (2,062,781)        |
| Add Back:                              |                  |                    |
| Depreciation and amortisation expenses | 861,973          | 712,858            |
| Finance costs                          | 27,156           | 11,280             |
| Foreign Exchange loss/(gain)           | (437,650)        | 56,443             |
| Other Income                           | (5,713)          | (3,831)            |
| <b>EBITDA</b>                          | <b>(976,817)</b> | <b>(1,286,031)</b> |

### **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 2020.

### **Dividends paid or recommended**

In respect of the half-year ended 31 December 2020, 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 over a faint, light blue rectangular background.

**Almero Strauss**  
Non-Executive Chairman  
18 February 2021



## A D Danieli Audit Pty Ltd

Authorised Audit Company  
ASIC Registered Number 339233  
Audit & Assurance Services

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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 2020, 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, 18 February 2021

Liability limited by a scheme approved under Professional Standards Legislation

|   |      | Half year ended    |                    |
|---|------|--------------------|--------------------|
|   | Note | 31 Dec 2020        | 31 Dec 2019        |
|   |      | \$                 | \$                 |
| <b>Revenue and other income</b>                                       |      |                    |                    |
| Revenue from contracts with customers                                 | 4    | 5,726,918          | 4,559,792          |
| Other income  | 4    | 5,713              | 3,831              |
|   |      | <b>5,732,631</b>   | <b>4,563,623</b>   |
| <b>Less: expenses</b>   |      |                    |                    |
| Employee benefits and contractor costs                                |      | (4,566,626)        | (4,105,565)        |
| Depreciation and amortisation expenses                                |      | (861,973)          | (712,858)          |
| IT Subscription and licence cost                                      |      | (1,106,145)        | (670,086)          |
| Occupancy cost  |      | (70,150)           | (251,999)          |
| Travel costs  |      | (25,733)           | (225,032)          |
| Professional fees   |      | (273,292)          | (228,252)          |
| Cost of implementation and materials                                  |      | (139,701)          | (5,629)            |
| Finance costs   |      | (27,156)           | (11,280)           |
| Foreign Exchange (loss)/gain  |      | 437,650            | (56,443)           |
| Advertising and Promotion costs                                       |      | (208,069)          | (93,914)           |
| Other expenses  |      | (314,019)          | (265,346)          |
| <b>Total Expenses</b>   |      | <b>(7,155,214)</b> | <b>(6,626,404)</b> |
| Loss before tax   |      | (1,422,583)        | (2,062,781)        |
| Income tax (expense)/benefit  |      | -                  | -                  |
| <b>Loss for the period</b>  |      | <b>(1,422,583)</b> | <b>(2,062,781)</b> |
| Other comprehensive loss, net of income tax                           |      |                    |                    |
| <b>Items that may be reclassified subsequently to profit or loss:</b> |      |                    |                    |
| Exchange differences arising on translation of foreign operations     |      | (496,181)          | (21,316)           |
| <b>Other comprehensive loss for the period net of income tax</b>      |      | <b>(496,181)</b>   | <b>(21,316)</b>    |
| <b>Total comprehensive loss for the period</b>                        |      | <b>(1,918,764)</b> | <b>(2,084,097)</b> |
| Loss for the period attributable to:                                  |      |                    |                    |
| Owners of the parent  |      | <b>(1,422,583)</b> | <b>(2,062,781)</b> |
| Total comprehensive loss attributable to:                             |      |                    |                    |
| Owners of the parent  |      | <b>(1,918,764)</b> | <b>(2,084,097)</b> |
| <b>Loss per share</b>   |      |                    |                    |
| From continuing operations:   |      |                    |                    |
| Basic (cents per share)   |      | (0.18)             | (0.30)             |
| Diluted (cents per share)   |      | (0.18)             | (0.30)             |

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



|                                       | Notes | 31 Dec 2020<br>\$ | 30 Jun 2020<br>\$ |
|---------------------------------------|-------|-------------------|-------------------|
| <b>Current assets</b>                 |       |                   |                   |
| Cash and cash equivalents             |       | 9,032,624         | 4,544,820         |
| Trade and other receivables           | 5     | 1,884,453         | 1,613,652         |
| Other assets                          |       | 521,399           | 386,225           |
| <b>Total current assets</b>           |       | <b>11,438,476</b> | <b>6,544,697</b>  |
| <b>Non-current assets</b>             |       |                   |                   |
| Property, plant and equipment         |       | 227,566           | 232,257           |
| Intangible assets                     | 6     | 5,058,912         | 5,189,967         |
| Goodwill                              | 7     | 4,786,480         | 4,786,480         |
| Right of use assets                   | 6     | 630,178           | 364,600           |
| Other assets                          |       | 52,000            | 52,000            |
| <b>Total non-current assets</b>       |       | <b>10,755,136</b> | <b>10,625,304</b> |
| <b>Total assets</b>                   |       | <b>22,193,612</b> | <b>17,170,001</b> |
| <b>Current liabilities</b>            |       |                   |                   |
| Trade and other payables              |       | 1,545,886         | 1,979,300         |
| Provisions                            |       | 615,817           | 573,126           |
| Deferred revenue                      |       | 2,856,580         | 2,637,119         |
| Lease Liabilities                     |       | 206,002           | 140,172           |
| <b>Total current liabilities</b>      |       | <b>5,224,285</b>  | <b>5,329,717</b>  |
| <b>Non-current liabilities</b>        |       |                   |                   |
| Provisions                            |       | 12,506            | 11,369            |
| <b>Lease Liabilities</b>              |       | <b>424,176</b>    | <b>224,428</b>    |
| <b>Total non-current liabilities</b>  |       | <b>436,682</b>    | <b>235,797</b>    |
| <b>Total liabilities</b>              |       | <b>5,660,967</b>  | <b>5,565,514</b>  |
| <b>Net assets</b>                     |       | <b>16,532,645</b> | <b>11,604,487</b> |
| <b>Equity</b>                         |       |                   |                   |
| Issued capital and contributed equity |       | 107,054,293       | 100,103,922       |
| Employee option reserve               |       | 1,015,540         | 1,118,989         |
| Foreign currency translation reserve  |       | (717,428)         | (221,247)         |
| Accumulated losses                    |       | (90,819,760)      | (89,397,177)      |
| <b>Total equity</b>                   |       | <b>16,532,645</b> | <b>11,604,487</b> |

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

|  | Issued capital<br>and<br>contributed<br>equity | Employee share<br>option reserve | Foreign<br>currency<br>translation<br>reserve | Accumulated<br>losses | Total              |
|--|--|----------------------------------|---|-----------------------|--------------------|
|  | \$   | \$                               | \$  | \$                    | \$                 |
| <b>Balance at 1 July 2019</b>  | <b>97,634,813</b>                              | <b>2,607,896</b>                 | <b>(539,662)</b>                              | <b>(86,840,577)</b>   | <b>12,862,470</b>  |
| Loss for the period  | -  | -                                | -   | (2,062,781)           | (2,062,781)        |
| Foreign currency reserve   | -  | -                                | (21,316)                                      | -                     | (21,316)           |
| <b>Total comprehensive loss for the period</b>                             | <b>-</b>                                       | <b>-</b>                         | <b>(21,316)</b>                               | <b>(2,062,781)</b>    | <b>(2,084,097)</b> |
| Transactions with owners in their capacity as owners                       |  |                                  |   |                       |                    |
| Conversion of Performance rights   | 200,000  | (200,000)                        | -   | -                     | -                  |
| De-recognition of share-based payments                                     | -  | (1,658,633)                      | -   | 1,658,633             | -                  |
| Prior year reallocation  | 60,000   | -                                | -   | (60,000)              | -                  |
| Recognition of share-based payments  | -  | 213,514                          | -   | -                     | 213,514            |
| Cost of rights issue   | (53,391)                                       | -                                | -   | -                     | (53,391)           |
| Capital raise/private placement  | 2,250,000                                      | -                                | -   | -                     | 2,250,000          |
| <b>Balance at 31 December 2019</b>   | <b>100,091,422</b>                             | <b>962,777</b>                   | <b>(560,978)</b>                              | <b>(87,304,725)</b>   | <b>13,188,496</b>  |
| <b>Balance at 1 July 2020</b>  | <b>100,103,922</b>                             | <b>1,118,989</b>                 | <b>(221,247)</b>                              | <b>(89,397,177)</b>   | <b>11,604,487</b>  |
| Loss for the period  | -  | -                                | -   | (1,422,583)           | (1,422,583)        |
| Foreign currency reserve   | -  | -                                | (496,181)                                     | -                     | (496,181)          |
| <b>Total comprehensive loss for the period</b>                             | <b>-</b>                                       | <b>-</b>                         | <b>(496,181)</b>                              | <b>(1,422,583)</b>    | <b>(1,918,764)</b> |
| Transactions with owners in their capacity as owners                       |  |                                  |   |                       |                    |
| Conversion of Performance rights   | 407,235  | (407,235)                        | -   | -                     | -                  |
| Conversion of Options  | 1,147  | (1,147)                          | -   | -                     | -                  |
| Recognition of share-based payments  | -  | 304,933                          | -   | -                     | 304,933            |
| Cost of rights issue   | (258,011)                                      | -                                | -   | -                     | (258,011)          |
| Capital raise/placement  | 6,800,000                                      | -                                | -   | -                     | 6,800,000          |
| <b>Transactions with owners in their capacity as owners for the period</b> | <b>6,950,371</b>                               | <b>(103,449)</b>                 | <b>-</b>                                      | <b>-</b>              | <b>6,846,922</b>   |
| <b>Balance at 31 December 2020</b>   | <b>107,054,293</b>                             | <b>1,015,540</b>                 | <b>(717,428)</b>                              | <b>(90,819,760)</b>   | <b>16,532,645</b>  |

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

|   | Half year ended  |                  |
|---|------------------|------------------|
|   | 31 Dec 2020      | 31 Dec 2019      |
|   | \$               | \$               |
| <b>Cash flows from operating activities</b>               |                  |                  |
| Receipts from customers and government incentive          | 5,525,608        | 4,989,785        |
| Payments to suppliers and employees                       | (6,971,974)      | (5,718,802)      |
| Interest received   | 5,713            | 3,831            |
| Interest paid   | (49,369)         | (11,280)         |
| Net cash used in operating activities                     | (1,490,022)      | (736,466)        |
| <b>Cash flows from investing activities</b>               |                  |                  |
| Payments for property, plant & equipment                  | (57,575)         | (107,515)        |
| Payments for intangible assets                            | (486,481)        | (473,260)        |
| Net cash used in investing activities                     | (544,056)        | (580,775)        |
| <b>Cash flows from financing activities</b>               |                  |                  |
| Proceeds from issue of shares                             | 6,800,000        | 2,250,000        |
| Payments for share issue costs                            | (258,011)        | (53,391)         |
| Net cash provided by financing activities                 | 6,541,989        | 2,196,609        |
| Net increase in cash and cash equivalents                 | 4,507,911        | 879,368          |
| Cash and cash equivalents at the beginning of the period  | 4,544,820        | 3,702,341        |
| Effect of movement in exchange rates on cash balances     | (20,107)         | 9,579            |
| <b>Cash and cash equivalents at the end of the period</b> | <b>9,032,624</b> | <b>4,591,288</b> |

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

## 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 2020 were authorised for issue in accordance with a resolution of the Directors on 18 February 2021. 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 2020 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 2020.

### 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 2020. The Group has not early adopted any other standards, interpretation or amendment that has been issued but not yet effective.

### 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 2020 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 2020, the Group recorded a net loss after tax of \$1,422,583. The Group has a net asset position of \$16,532,645 at the reporting date inclusive of cash reserves of \$9,032,624 with no material external debt<sup>1</sup> or borrowings. The capital raise of \$6,800,000 in October 2020 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 it is appropriate to prepare the financial statements on a going concern basis.

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<sup>1</sup> No debt other than annual insurance premium funding

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, 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 statements.

#### **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 2020 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**

|                                      | <b>Half-year ended</b> |                    |
|--------------------------------------|------------------------|--------------------|
|                                      | <b>31 Dec 2020</b>     | <b>31 Dec 2019</b> |
|                                      | <b>\$</b>              | <b>\$</b>          |
| Strata                               | 3,121,707              | 2,578,736          |
| Facilities                           | 2,574,293              | 1,903,900          |
| Utilities                            | 30,918                 | 77,156             |
| <b>Total revenue of all segments</b> | <b>5,726,918</b>       | <b>4,559,792</b>   |

| Revenue by geography                 | Half-year ended    |                    |
|--------------------------------------|--------------------|--------------------|
|                                      | 31 Dec 2020        | 31 Dec 2019        |
|                                      | \$                 | \$                 |
| APAC                                 | 4,353,087          | 3,120,705          |
| E/ME                                 | 1,202,806          | 1,237,854          |
| Africa                               | 171,025            | 201,233            |
| <b>Total revenue of all segments</b> | <b>5,726,918</b>   | <b>4,559,792</b>   |
| <b>Segment results</b>               |                    |                    |
| APAC                                 | (948,945)          | (1,783,104)        |
| E/ME                                 | 794,537            | 816,257            |
| Africa                               | (384,759)          | (375,627)          |
| <b>Total of all segments</b>         | <b>(539,167)</b>   | <b>(1,342,474)</b> |
| Depreciation and amortisation        | (861,973)          | (712,858)          |
| Interest income                      | 5,713              | 3,831              |
| Finance costs                        | (27,156)           | (11,280)           |
| <b>Loss after tax</b>                | <b>(1,422,583)</b> | <b>(2,062,781)</b> |

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 FY2021 is \$1,434,060 (H1 FY2019: nil) and where the revenue is greater than 5% of total external revenue excluding customer with revenue greater than 10% of total external revenue is nil (H1 FY2019: \$1,005,908).

#### 4. Revenue and other income

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

|  | Half-year ended  |                  |
|--|------------------|------------------|
|  | 31 Dec 2020      | 31-Dec-19        |
|  | \$               | \$               |
| <b>Revenue with contract from Customer</b> |                  |                  |
| Platform license income                    | 4,329,653        | 3,799,202        |
| Professional services                      | 1,384,244        | 745,243          |
| Other Revenue                              | 13,021           | 15,347           |
| <b>Total sales revenue</b>                 | <b>5,726,918</b> | <b>4,559,792</b> |
| <b>Other income</b>                        |                  |                  |
| Interest income                            | 5,713            | 3,831            |
| <b>Total other income</b>                  | <b>5,713</b>     | <b>3,831</b>     |

## COVID-19

The Board and Executive team have taken the necessary steps to assess the immediate and potential long-term impact of the COVID-19 pandemic on the Urbanise business. Whilst the general economic impact on our markets is uncertain, to date there has been no material impact on our business. The Board continues to closely monitor Urbanise's risk management in light of COVID-19, including the impact to our markets and our operating activities.

## 5. Trade and other receivables

| Trade and other receivables   | As at            |                  |
|---|------------------|------------------|
|   | 31 Dec 2020      | 30 Jun 2020      |
|   | \$               | \$               |
| <b>Current</b>  |                  |                  |
| Trade receivables   | 2,051,154        | 1,699,252        |
| Provision for doubtful debts  | (232,309)        | (170,068)        |
| Other receivables   | 65,608           | 84,468           |
| <b>Total current trade and other receivables</b>                    | <b>1,884,453</b> | <b>1,613,652</b> |
| Doubtful debts provision/Trade receivables                          | 11.3%            | 10.0%            |
| <b>Age of trade receivables</b>                                     |                  |                  |
| Current   | 1,409,574        | 973,004          |
| 31-60 days  | 147,536          | 326,349          |
| 61-90 days  | 120,167          | 73,526           |
| 90+ days  | 373,877          | 326,373          |
| <b>Total trade receivables</b>                                      | <b>2,051,154</b> | <b>1,699,252</b> |
| <b>Age of trade receivables by %</b>                                |                  |                  |
| Current   | 68.7%            | 57.3%            |
| 31-60 days  | 7.2%             | 19.2%            |
| 61-90 days  | 5.9%             | 4.3%             |
| 90+ days  | 18.2%            | 19.2%            |
| <b>Total trade receivables</b>                                      | <b>100.0%</b>    | <b>100.0%</b>    |
| <b>Age of trade receivables net of doubtful debt provision</b>      |                  |                  |
| Current   | 1,409,574        | 973,004          |
| 31-60 days  | 147,536          | 326,349          |
| 61-90 days  | 120,167          | 73,526           |
| 90+ days  | 141,568          | 156,305          |
| <b>Total trade receivables</b>                                      | <b>1,818,845</b> | <b>1,529,184</b> |
| <b>Age of trade receivables net of doubtful debt provision by %</b> |                  |                  |
| Current   | 77.5%            | 63.6%            |
| 31-60 days  | 8.1%             | 21.4%            |
| 61-90 days  | 6.6%             | 4.8%             |
| 90+ days  | 7.8%             | 10.2%            |
| <b>Total trade receivables</b>                                      | <b>100.0%</b>    | <b>100.0%</b>    |
| <b>Provision for doubtful debts account</b>                         |                  |                  |
|   |                  | \$               |
| <b>Total Provision at 1 July 2019</b>                               |                  | <b>243,179</b>   |
| Expected doubtful debts (expensed)                                  |                  | 134,082          |
| Utilised during period  |                  | (207,193)        |
| <b>At 30 June 2020</b>  |                  | <b>170,068</b>   |
| Expected doubtful debts (expensed)                                  |                  | 96,472           |
| Utilised during period  |                  | (34,231)         |
| <b>At 31 December 2020</b>  |                  | <b>232,309</b>   |

## 6. Intangible assets

|  | Intellectual<br>property at<br>cost | Development<br>at cost | Trademarks     | Customer<br>relationships | Software       | Right Use<br>of Asset | Total             |
|--|-------------------------------------|------------------------|----------------|---------------------------|----------------|-----------------------|-------------------|
|  | \$                                  | \$                     | \$             | \$                        | \$             | \$                    | \$                |
| <b>At cost</b>                         |                                     |                        |                |                           |                |                       |                   |
| At 1 July 2019                         | 18,013,259                          | 8,922,022              | 790,000        | 220,000                   | 144,182        | -                     | 28,089,463        |
| Additions                              | -                                   | 1,006,307              | -              | -                         | 41,261         | 449,957               | 1,497,525         |
| <b>At 30 June 2020</b>                 | <b>18,013,259</b>                   | <b>9,928,329</b>       | <b>790,000</b> | <b>220,000</b>            | <b>185,443</b> | <b>449,957</b>        | <b>29,586,988</b> |
| Additions                              | -                                   | 487,966                | -              | -                         | 82,743         | 363,149               | 933,858           |
| <b>At 31 December 2020</b>             | <b>18,013,259</b>                   | <b>10,416,295</b>      | <b>790,000</b> | <b>220,000</b>            | <b>268,186</b> | <b>813,106</b>        | <b>30,520,846</b> |
| <b>Amortisation<br/>and impairment</b> |                                     |                        |                |                           |                |                       |                   |
| At 1 July 2019                         | 15,625,927                          | 6,790,904              | -              | 116,681                   | 111,390        | -                     | 22,644,902        |
| Amortisation<br>charge for the<br>year | 793,599                             | 449,015                | -              | 35,424                    | 24,124         | 85,357                | 1,387,519         |
| <b>At 30 June 2020</b>                 | <b>16,419,526</b>                   | <b>7,239,919</b>       | <b>-</b>       | <b>152,105</b>            | <b>135,514</b> | <b>85,357</b>         | <b>24,032,421</b> |
| Amortisation<br>charge for the<br>year | 396,800                             | 278,854                | -              | 17,712                    | 8,399          | 97,571                | 799,335           |
| <b>At 31 December 2020</b>             | <b>16,816,326</b>                   | <b>7,518,773</b>       | <b>-</b>       | <b>169,817</b>            | <b>143,913</b> | <b>182,928</b>        | <b>24,831,756</b> |
| <b>Net book value</b>                  |                                     |                        |                |                           |                |                       |                   |
| At 30 June 2020                        | 1,593,733                           | 2,688,410              | 790,000        | 67,895                    | 49,929         | 364,600               | 5,554,567         |
| <b>At 31 December 2020</b>             | <b>1,196,933</b>                    | <b>2,897,522</b>       | <b>790,000</b> | <b>50,183</b>             | <b>124,273</b> | <b>630,178</b>        | <b>5,689,090</b>  |

## 7. Goodwill

|                                    | \$                  |
|------------------------------------|---------------------|
| <b>Gross carrying amount</b>       |                     |
| Balance at 1 July 2019             | 15,304,268          |
| Movement during the period         | -                   |
| <b>Balance at 30 June 2020</b>     | <b>15,304,268</b>   |
| Movement during the period         | -                   |
| <b>Balance at 31 December 2020</b> | <b>15,304,268</b>   |
| <b>Accumulated impairment</b>      |                     |
| Balance at 1 July 2019             | (10,517,788)        |
| Impairment                         | -                   |
| <b>Balance at 30 June 2020</b>     | <b>(10,517,788)</b> |
| Impairment                         | -                   |
| <b>Balance at 31 December 2020</b> | <b>(10,517,788)</b> |
| <b>Net book value</b>              |                     |
| At 30 June 2020                    | 4,786,480           |
| <b>At 31 December 2020</b>         | <b>4,786,480</b>    |



## 8. Issued capital and contributed equity

### Issued and paid up capital

|  | As at       |             |
|--|-------------|-------------|
|  | 31 Dec 2020 | 30 Jun 2020 |
|  | \$          | \$          |
| 833,559,062 (30 June 2020: 737,747,724) Fully paid ordinary shares | 107,054,293 | 100,103,922 |

### Ordinary shares

|  | No.                | \$                 |
|--|--------------------|--------------------|
| <b>Balance at 1 July 2019</b>                                    | <b>682,497,724</b> | <b>97,634,813</b>  |
| Capital Raise/private placement                                  | 45,000,000         | 2,250,000          |
| Vesting of performance rights                                    | 8,250,000          | 212,500            |
| Short term incentive payment                                     | 2,000,000          | 60,000             |
| Share issue costs  | -                  | (53,391)           |
| <b>Balance at 30 June 2020</b>                                   | <b>737,747,724</b> | <b>100,103,922</b> |
| Capital raise/placement <sup>(i)</sup>                           | 87,179,492         | 6,800,000          |
| Vesting of performance rights <sup>(ii)</sup> & <sup>(iii)</sup> | 7,485,294          | 407,235            |
| Share issue costs  | -                  | (258,011)          |
| Exercise of option <sup>(iv)</sup>                               | 1,146,552          | 1,147              |
| <b>Balance at 31 December 2020</b>                               | <b>833,559,062</b> | <b>107,054,293</b> |

- i. On 26 October 2020, Urbanise.com Limited received commitments to raise \$6,800,000 via a placement for the issue of 87,179,492 fully paid ordinary shares. The shares were allotted on 3 November 2020.
- ii. On 9 March 2020, a total of 500,000 performance rights shares were issued for advisory services as a resolution from the Board. On 10 March 2020, 250,000 performance rights shares were exercised and converted into ordinary shares. The remaining 250,000 performance rights shares were exercised and converted into ordinary shares on 1 July 2020.
- iii. On 31 August 2020, 7,235,294 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. On 31 August 2020, 5,321,847 performance rights were forfeited in accordance with the Employee Share Plan.
- iv. On 1 December 2020, 1,146,552 options were exercised at the exercised price of \$0.001 per option and 1,146,552 ordinary shares were issued.

### Performance share rights

|  | No.               |
|--|-------------------|
| <b>At 1 July 2019</b>  | <b>27,920,000</b> |
| Performance share rights issued  | 17,680,443        |
| Performance share rights forfeited/converted to ordinary shares  | (12,869,999)      |
| <b>At 30 June 2020</b>   | <b>32,730,444</b> |
| Performance share rights issued <sup>(i)</sup>   | 11,019,579        |
| Performance share rights forfeited/converted to ordinary shares <sup>(ii)</sup> <sup>(iii)</sup> & <sup>(iv)</sup> | (15,107,141)      |
| <b>At 31 December 2020</b>   | <b>28,642,882</b> |

- i. 8,432,079 and 2,587,500 performance share rights were issued to employees on 1 October 2020 and 30 October 2020 respectively. These performance rights have vesting dates on 31 August 2022, 31 August 2023 and 31 August 2024 subject to the achievement of performance criteria.
- ii. On 9 March 2020, a total of 500,000 performance rights shares were issued for advisory services as a resolution from the Board. On 10 March 2020, 250,000 performance rights shares were exercised and converted into

ordinary shares. The remaining 250,000 performance rights shares were exercised and converted into ordinary shares on 1 July 2020.

- iii. On 31 August 2020, 7,235,294 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. On 31 August 2020, 5,321,847 performance rights were forfeited in accordance with the Employee Share Plan.
- iv. On 1 July 2020, 2,300,000 performance rights were forfeited in accordance with the Employee Share Plan.

#### Share Options

|                                  | No.              |
|----------------------------------|------------------|
| <b>At 1 July 2019</b>            | <b>7,235,457</b> |
| Options expired / forfeited      | (5,988,905)      |
| <b>At 30 June 2020</b>           | <b>1,246,552</b> |
| Options exercised <sup>(i)</sup> | (1,146,552)      |
| <b>At 31 December 2020</b>       | <b>100,000</b>   |

- i. On 1 December 2020, 1,146,552 options were exercised at the exercised price of \$0.001 per option and 1,146,552 ordinary shares were issued.

#### Expense arising from share-based payment transactions

|                      | Half-year ended |                |
|----------------------|-----------------|----------------|
|                      | 31 Dec 2020     | 31 Dec 2019    |
|                      | \$              | \$             |
| Performance rights   | 304,933         | 213,514        |
| <b>Total expense</b> | <b>304,933</b>  | <b>213,514</b> |

## 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 15 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 2020 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

A handwritten signature in black ink, appearing to read 'Almero Strauss', with a long horizontal flourish extending to the right.

**Almero Strauss**  
Non-Executive Chairman  
18 February 2021



## A D Danieli Audit Pty Ltd

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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 2020, 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 2020 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 2020 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 2020 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, 18 February 2021

