



Interim Financial Report

For the half-year ended 31 December 2021

Urbanise.com Limited
ABN 70 095 768 086

CORPORATE INFORMATION

Company Directors

Almero Strauss
Pierre Goosen
Tod McGrouther
Sam Cuccurullo

Company Secretary

Kim Clark
Boardroom Pty Limited
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Brisbane QLD 4000

Principal Registered Office and Postal Address

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201 Miller Street
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ASX Code

UBN

www.urbanise.com

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

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Appendix 4D

For the half-year ended 31 December 2021

Previous corresponding periods: Half-year ended 31 December 2020

Financial year ended 30 June 2021

Results for announcement to the market

| | Half-Year Ended | | Up/ Down | % Movement |
|--|-----------------|-------------|----------|------------|
| | 31 Dec 2021 | 31 Dec 2020 | | |
| | \$A'000's | \$A'000's | | |
| Revenue from ordinary activities | 6,365 | 5,727 | Up | 11.14% |
| Loss from ordinary activities after tax attributable to owners of the parent | (3,663) | (1,423) | Up | 157.41% |
| Loss for the period attributable to members | (3,663) | (1,423) | Up | 157.41% |

Net tangible asset backing

| | | 31 December 2021 | 31 December 2020 |
|--|----------------------------|----------------------|-----------------------|
| Net tangible assets per ordinary security ⁽ⁱ⁾ | Post share consolidation | 2.12 cents per share | 10.39 cents per share |
| | Before share consolidation | 0.14 cents per share | 0.69 cents per share |

(i) Net tangible assets per ordinary security at 31 December 2021 is based on the number of shares issued and outstanding at that date. A share consolidation was completed on 4 May 2021 on the basis of 1 share for every 15 shares issued or outstanding.

Dividends

There have been no dividends declared for the half-year ended 31 December 2021 (Year ended 30 June 2021: 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

23 February 2022

Directors' Report

The Directors present their report of Urbanise.com Limited and its subsidiaries (collectively, the Group) for the half-year ended 31 December 2021 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 |
| Sam Cuccurullo | Non-Executive Director |
| Pierre Goosen | Non-Executive Director |
| Tod McGrouther | Non-Executive Director |
| Saurabh Jain | Executive Director and Chief Executive Officer (Ceased 15/12/2021) |

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 2021 (H1 FY2022) reflect strong licence revenue growth as Urbanise reported total sales revenue from contracts with customers of \$6.36 million (H1 FY2021: \$5.73 million), an increase of 11.1%. For H1 FY2022, Urbanise increased its licence revenue to \$5.42 million (H1 FY2021: \$4.33 million), or 25.2% over the prior corresponding period due to completion of major projects with customer. The operating EBITDA loss increased to \$2.25 million (H1 FY2021: EBITDA loss \$0.98 million) due to increased costs for sales, marketing and development, termination payments related to the outgoing CEO, recruitment costs and IT subscription costs. No impairment losses were recognised during H1 FY2022 (H1 FY2021: Nil).

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.

On 15 December 2021, Urbanise announced a change in CEO with the departure of Saurabh Jain and appointment of the Chief Financial Officer, Simon Lee as Interim CEO. The Board began an immediate search for a replacement CEO.

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 risks in light of COVID-19, including the impact to markets and operating activities.

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

| | Half-year ended | |
|--|--------------------|------------------|
| | 31 Dec 2021 | 31 Dec 2020 |
| | \$ | \$ |
| Loss for the Period | (3,663,254) | (1,422,583) |
| Add Back: | | |
| Depreciation and amortisation expenses | 961,337 | 861,973 |
| Finance costs | 29,736 | 27,156 |
| Foreign Exchange loss/(gain) | 428,900 | (437,650) |
| Other Income | (5,661) | (5,713) |
| EBITDA | (2,248,942) | (976,817) |

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 2021.

Dividends paid or recommended

In respect of the half-year ended 31 December 2021, 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
23 February 2022



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 2021, 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, 23 February 2022

Liability limited by a scheme approved under Professional Standards Legislation

| | | Half year ended | |
|---|------|---------------------|--------------------|
| | Note | 31 Dec 2021 | 31 Dec 2020 |
| | | \$ | \$ |
| Revenue and other income | | | |
| Revenue from contracts with customers | 4 | 6,364,907 | 5,726,918 |
| Other income | 4 | 5,661 | 5,713 |
| | | 6,370,568 | 5,732,631 |
| Less: expenses | | | |
| Employee benefits and contractor costs | | (6,259,737) | (4,566,626) |
| Depreciation and amortisation expenses | | (961,337) | (861,973) |
| IT Subscription and licence cost | | (1,325,830) | (1,106,145) |
| Occupancy cost | | (84,925) | (70,150) |
| Travel costs | | (64,435) | (25,733) |
| Professional fees | | (285,155) | (273,292) |
| Cost of implementation and materials | | (146,597) | (139,701) |
| Finance costs | | (29,736) | (27,156) |
| Foreign Exchange (loss)/gain | | (428,900) | 437,650 |
| Advertising and Promotion costs | | (144,217) | (208,069) |
| Other expenses | | (302,953) | (314,019) |
| Subtotal | | (10,033,822) | (7,155,214) |
| Profit/(loss) before tax | | (3,663,254) | (1,422,583) |
| Income tax (expense)/benefit | | - | - |
| Loss for the half year | | (3,663,254) | (1,422,583) |
| Other comprehensive income(loss), net of income tax | | | |
| Items that may be reclassified subsequently to profit or loss: | | | |
| Exchange differences arising on translation of foreign operations | | 445,460 | (496,181) |
| Other comprehensive income for the year net of income tax | | 445,460 | (496,181) |
| Total comprehensive loss for the half year | | (3,217,794) | (1,918,764) |
| Loss for the half year attributable to: | | | |
| Owners of the parent | | (3,663,254) | (1,422,583) |
| Total comprehensive loss attributable to: | | | |
| Owners of the parent | | (3,217,794) | (1,918,764) |
| Loss per share | | | |
| From continuing operations: | | | |
| Basic (cents per share) ⁽ⁱ⁾ | | (6.49) | (2.68) |
| Diluted (cents per share) ⁽ⁱ⁾ | | (6.49) | (2.68) |

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

⁽ⁱ⁾ Loss per share for H1 FY2022 and H1 FY2021 is calculated based on the weighted average number of ordinary shares after share consolidation. Share consolidation completed on 4 May 2021 on the basis of 1 share for every 15 shares issued or outstanding.

| | Notes | 31 Dec 2021 \$ | 30 Jun 2021 \$ |
|---------------------------------------|-------|-------------------|-------------------|
| Current assets | | | |
| Cash and cash equivalents | | 4,733,176 | 7,819,705 |
| Trade and other receivables | 5 | 1,857,732 | 1,566,372 |
| Other assets | | 761,121 | 507,022 |
| Total current assets | | 7,352,029 | 9,893,099 |
| Non-current assets | | | |
| Property, plant and equipment | | 235,511 | 239,119 |
| Intangible assets | 6 | 4,526,265 | 4,812,373 |
| Goodwill | 7 | 4,786,480 | 4,786,480 |
| Right of use assets | 6 | 745,392 | 915,571 |
| Other assets | | 127,348 | 127,348 |
| Total non-current assets | | 10,420,996 | 10,880,891 |
| Total assets | | 17,773,025 | 20,773,990 |
| Current liabilities | | | |
| Trade and other payables | | 2,219,614 | 1,991,159 |
| Provisions | | 729,364 | 722,242 |
| Deferred revenue | | 2,815,908 | 2,822,936 |
| Lease Liabilities | | 223,047 | 207,462 |
| Total current liabilities | | 5,987,933 | 5,743,799 |
| Non-current liabilities | | | |
| Provisions | | 7,189 | 7,015 |
| Lease Liabilities | | 522,345 | 708,109 |
| Total non-current liabilities | | 529,534 | 715,124 |
| Total liabilities | | 6,517,467 | 6,458,923 |
| Net assets | | 11,255,558 | 14,315,067 |
| Equity | | | |
| Issued capital and contributed equity | | 107,738,805 | 107,109,440 |
| Employee option reserve | | 350,502 | 1,342,591 |
| Foreign currency translation reserve | | (445,310) | (890,770) |
| Accumulated losses | | (96,388,439) | (93,246,194) |
| Total equity | | 11,255,558 | 14,315,067 |

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 2020 | 100,103,922 | 1,118,989 | (221,247) | (89,397,177) | 11,604,487 |
| Profit/(loss) for the period | - | - | - | (1,422,583) | (1,422,583) |
| Foreign currency reserve | - | - | (496,181) | - | (496,181) |
| Total comprehensive income for the period | - | - | (496,181) | (1,422,583) | (1,918,764) |
| 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) |
| Rights issue | 6,800,000 | - | - | - | 6,800,000 |
| Transactions with owners in their capacity as owners for the period | 6,950,371 | (103,449) | - | - | 6,846,922 |
| Balance at 31 December 2020 | 107,054,293 | 1,015,540 | (717,428) | (90,819,760) | 16,532,645 |
| Balance at 1 July 2021 | 107,109,440 | 1,342,591 | (890,770) | (93,246,194) | 14,315,067 |
| Profit/(loss) for the period | - | - | - | (3,663,254) | (3,663,254) |
| Foreign currency reserve | - | - | 445,460 | - | 445,460 |
| Total comprehensive income for the period | - | - | 445,460 | (3,663,254) | (3,217,794) |
| Transactions with owners in their capacity as owners | | | | | |
| Conversion of Performance rights | 629,365 | (629,365) | - | - | - |
| De-recognition of share-based payments | - | (521,009) | - | 521,009 | - |
| Recognition of share-based payments | - | 158,285 | - | - | 158,285 |
| Transactions with owners in their capacity as owners for the period | 629,365 | (992,089) | - | 521,009 | 158,285 |
| Balance at 31 December 2021 | 107,738,805 | 350,502 | (445,310) | (96,388,439) | 11,255,558 |

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

| | Half year ended | |
|---|------------------|------------------|
| | 31 Dec 2021 | 31 Dec 2020 |
| | \$ | \$ |
| Cash flows from operating activities | | |
| Receipts from customers and government incentive | 6,377,740 | 5,525,608 |
| Payments to suppliers and employees | (8,930,992) | (6,971,974) |
| Interest received | - | 5,713 |
| Interest paid | (29,210) | (49,369) |
| Net cash used in operating activities | (2,582,462) | (1,490,022) |
| Cash flows from investing activities | | |
| Payments for property, plant & equipment | (30,653) | (57,575) |
| Payments for intangible assets | (476,376) | (486,481) |
| Net cash used in investing activities | (507,029) | (544,056) |
| Cash flows from financing activities | | |
| Proceeds from issue of shares | - | 6,800,000 |
| Payments for share issue costs | - | (258,011) |
| Net cash provided by financing activities | - | 6,541,989 |
| Net increase/(decrease) in cash and cash equivalents | (3,089,491) | 4,507,911 |
| Cash and cash equivalents at the beginning of the period | 7,819,705 | 4,544,820 |
| Effect of movement in exchange rates on cash balances | 2,962 | (20,107) |
| Cash and cash equivalents at the end of the period | 4,733,176 | 9,032,624 |

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 2021 were authorised for issue in accordance with a resolution of the Directors on 23 February 2022. 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 2021 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 2021.

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 2021. 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 2021 financial statements, with updates provided below.

Going concern

The consolidated 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 2021, the Group produced a Net Loss After Tax (NLAT) of \$3.66 million. The Group has net assets of \$11.26 million at reporting date inclusive of cash reserves of \$4.73 million with no material external debt or borrowings. In addition, current assets exceed current liabilities by \$1.36 million.

The Group has prepared a cash flow forecast based on its current level of expenditure which indicates that the Group will not require an improved cash flow position within the next 12 months to meet its forecast net outgoings.

Management have constructed a detailed 3-year forecast including:

- Revenue: The actual current recurring income and then added all the known and relatively certain changes and some organic growth in existing client to the current revenues, both recurring and non-recurring
- Employee cost based on current level of employees, adjusted for annual increases (July each year)
- Other expenses based on current expense base with escalations
- Working capital changes: This includes receipts from increase/decrease to debtors based on increase/decrease sales of the prior period, receipts in advance (deferred revenue) and changes to payables.

Result

It is forecasted that Urbanise has enough cash on hand to fund the business at the forecasted levels of revenue and cost. The forecast is dependent on:

- Forecasted sales being realised
- Cost initiatives being achieved
- No unusual or unexpected cash outflow higher than the current levels
- Timing of cash inflows not delayed
- Achieving working capital improvements

The forecast assumes moderate sales, cost savings and working capital improvements.

Successfully executing the above strategies are material to the Group's ability to continue as a going concern. The directors are confident that they will be able to achieve the Group's projected cash flow to ensure that the Group 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 achieve 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 2021 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 6.95% 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 2021 | 31 Dec 2020 |
| | \$ | \$ |
| Strata | 3,753,856 | 3,121,707 |
| Facilities | 2,590,373 | 2,574,293 |
| Utilities | 20,678 | 30,918 |
| Total revenue of all segments | 6,364,907 | 5,726,918 |

Revenue by geography

| | Half-year ended | |
|--------------------------------------|------------------|------------------|
| | 31 Dec 2021 | 31 Dec 2020 |
| | \$ | \$ |
| APAC | 4,813,096 | 4,353,087 |
| E/ME | 1,428,916 | 1,202,806 |
| Africa | 122,895 | 171,025 |
| Total revenue of all segments | 6,364,907 | 5,726,918 |

Segment results

| | | |
|------------------------------|--------------------|------------------|
| APAC | (3,103,103) | (948,945) |
| E/ME | 755,148 | 794,537 |
| Africa | (329,887) | (384,759) |
| Total of all segments | (2,677,842) | (539,167) |

| | | |
|--------------------------------|--------------------|--------------------|
| Depreciation and amortisation | (961,337) | (861,973) |
| Interest income | 5,661 | 5,713 |
| Finance costs | (29,736) | (27,156) |
| Profit/(loss) after tax | (3,663,254) | (1,422,583) |

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 (Australia).

The total amount of external revenue derived from major customers where the revenue is greater than 10% of total external revenue for H1 FY2022 is \$1.91 million (H1 FY2021: \$1.43 million) 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 FY2021: nil).

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 2021 | 31 Dec 2020 |
| | \$ | \$ |
| Revenue with contract from Customer | | |
| Platform license income | 5,420,193 | 4,329,653 |
| Professional services | 943,214 | 1,384,244 |
| Other Revenue | 1,500 | 13,021 |
| Total sales revenue | 6,364,907 | 5,726,918 |
| Other income | | |
| Interest income | 5,661 | 5,713 |
| Total other income | 5,661 | 5,713 |

5. Trade and other receivables

| Trade and other receivables | As at | |
|--|------------------|------------------|
| | 31 Dec 2021 | 30 Jun 2021 |
| Current | \$ | \$ |
| Trade receivables | 1,806,219 | 1,531,177 |
| Provision for doubtful debts | (129,352) | (58,408) |
| Other receivables | 180,865 | 93,603 |
| Total current trade and other receivables | 1,857,732 | 1,566,372 |
| Doubtful debts provision/Trade receivables | 7.2% | 3.8% |
| Age of trade receivables | | |
| Current | 1,124,970 | 1,277,054 |
| 31-60 days | 222,080 | 52,382 |
| 61-90 days | 81,884 | 44,829 |
| 90+ days | 377,285 | 156,912 |
| Total trade receivables | 1,806,219 | 1,531,177 |
| Age of trade receivables by % | | |
| Current | 62.3% | 83.4% |
| 31-60 days | 12.3% | 3.5% |
| 61-90 days | 4.5% | 2.9% |
| 90+ days | 20.9% | 10.2% |
| Total trade receivables | 100.0% | 100.0% |
| Age of trade receivables net of doubtful debt provision | | |
| Current | 1,124,970 | 1,277,054 |
| 31-60 days | 222,080 | 52,382 |
| 61-90 days | 81,884 | 44,829 |
| 90+ days | 247,933 | 98,504 |
| Total trade receivables | 1,676,867 | 1,472,769 |

Age of trade receivables net of doubtful debt provision by %

| | As at | |
|--------------------------------|---------------|---------------|
| | 31 Dec 2021 | 30 Jun 2021 |
| Current | 67.1% | 86.7% |
| 31-60 days | 13.2% | 3.6% |
| 61-90 days | 4.9% | 3.0% |
| 90+ days | 14.8% | 6.7% |
| Total trade receivables | 100.0% | 100.0% |

Provision for doubtful debts account

| | \$ |
|---------------------------------------|----------------|
| Total Provision at 1 July 2020 | 170,068 |
| Expected doubtful debts (expensed) | 118,909 |
| Utilised during period | (230,569) |
| At 30 June 2021 | 58,408 |
| Expected doubtful debts (expensed) | 79,013 |
| Utilised during period | (8,069) |
| At 31 December 2021 | 129,352 |

6. Intangible assets

| | Intellectual property at cost | Development at cost | Trademarks | Customer relationships | Software | Right of Use Asset | Total |
|------------------------------------|-------------------------------|---------------------|----------------|------------------------|----------------|--------------------|-------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| At cost | | | | | | | |
| At 1 July 2020 | 18,013,259 | 9,928,329 | 790,000 | 220,000 | 185,443 | 449,957 | 29,586,988 |
| Additions | - | 961,384 | - | - | 113,798 | 772,471 | 1,847,653 |
| At 30 June 2021 | 18,013,259 | 10,889,713 | 790,000 | 220,000 | 299,241 | 1,222,428 | 31,434,641 |
| Additions | - | 475,876 | - | - | - | - | 475,876 |
| Disposals | - | - | - | - | - | (52,015) | (52,015) |
| At 31 December 2021 | 18,013,259 | 11,365,589 | 790,000 | 220,000 | 299,241 | 1,170,413 | 31,858,502 |
| Amortisation and impairment | | | | | | | |
| At 1 July 2020 | 16,419,526 | 7,239,919 | - | 152,105 | 135,514 | 85,357 | 24,032,421 |
| Amortisation charge for the year | 793,599 | 585,691 | - | 35,424 | 38,062 | 221,500 | 1,674,276 |
| At 30 June 2021 | 17,213,125 | 7,825,610 | - | 187,529 | 173,576 | 306,857 | 25,706,697 |
| Amortisation charge for the year | 396,800 | 332,278 | - | 17,712 | 15,194 | 118,164 | 880,148 |
| At 31 December 2021 | 17,609,925 | 8,157,888 | - | 205,241 | 188,770 | 425,021 | 26,586,845 |
| Net book value | | | | | | | |
| At 30 June 2021 | 800,134 | 3,064,103 | 790,000 | 32,471 | 125,665 | 915,571 | 5,727,944 |
| At 31 December 2021 | 403,334 | 3,207,701 | 790,000 | 14,759 | 110,471 | 745,392 | 5,271,657 |

7. Goodwill

| | \$ |
|------------------------------------|---------------------|
| Gross carrying amount | |
| Balance at 1 July 2020 | 15,304,268 |
| Movement during the period | - |
| Balance at 30 June 2021 | 15,304,268 |
| Movement during the period | - |
| Balance at 31 December 2021 | 15,304,268 |
| Accumulated impairment | |
| Balance at 1 July 2020 | (10,517,788) |
| Impairment | - |
| Balance at 30 June 2021 | (10,517,788) |
| Impairment | - |
| Balance at 31 December 2021 | (10,517,788) |
| Net book value | |
| At 30 June 2021 | 4,786,480 |
| At 31 December 2021 | 4,786,480 |

8. Issued capital and contributed equity

Issued and paid up capital

| | As at | |
|--|-------------|-------------|
| | 31 Dec 2021 | 30 Jun 2021 |
| | \$ | \$ |
| 56,514,079 (30 June 2021: 55,619,206) Fully paid ordinary shares | 107,738,805 | 107,109,440 |

| Ordinary shares | No | \$ |
|---|-------------------|--------------------|
| Balance at 1 July 2020 | 737,747,724 | 100,103,922 |
| Vesting of performance rights | 8,220,588 | 462,382 |
| Private placement | 87,179,492 | 6,800,000 |
| Conversion of options | 1,146,552 | 1,147 |
| Share issue costs | - | (258,011) |
| Share Consolidation 2 for 15 basis | (778,675,150) | - |
| Balance at 30 June 2021 | 55,619,206 | 107,109,440 |
| Vesting of performance rights ^{(i) & (ii)} | 894,873 | 629,365 |
| Balance at 31 December 2021 | 56,514,079 | 107,738,805 |

- i. On 31 August 2021, 745,870 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 15 December 2021, 149,003 ordinary shares were issued as part of a termination payment to the outgoing CEO.

Performance share rights

| | No. |
|---|-------------------|
| At 1 July 2020 | 32,730,444 |
| Performance share rights issued | 11,019,579 |
| Performance share rights forfeited/converted to ordinary shares | (13,636,544) |
| Share Consolidation | (28,105,942) |
| At 30 June 2021 | 2,007,537 |
| Performance share rights issued ⁽ⁱ⁾ | 471,836 |
| Performance share rights forfeited/converted to ordinary shares ^{(ii) & (iii)} | (1,210,657) |
| At 31 December 2021 | 1,268,716 |

- i. During the first half of FY2022, a total of 471,836 performance rights were issued to Urbanise employees. These performance rights are subject to performance criteria being achieved at 30 June 2022 and would vest in 3 tranches on 31 August 2023, 31 August 2024 and August 2025, subject to the employees' (including Key Management Personnel) continued employment.
- ii. On 31 August 2021, 745,870 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.
- iii. On 15 December 2021, a total of 149,003 ordinary shares were issued as part of the termination payment for the outgoing CEO. As a result, a total of 315,784 performance rights were forfeited relating to the FY2020, FY2021 and FY2022 employee share plan.

Share Options

| | No. |
|-----------------------------|------------------|
| At 1 July 2020 | 1,246,552 |
| Options expired / forfeited | (1,246,552) |
| At 30 June 2021 | - |
| Options exercised | - |
| At 31 December 2021 | - |

Expense arising from share-based payment transactions

| | Half-year ended | |
|----------------------|-----------------|----------------|
| | 31 Dec 2021 | 31 Dec 2020 |
| | \$ | \$ |
| Performance rights | 158,285 | 304,933 |
| Total expense | 158,285 | 304,933 |

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 since the end of the reporting period.

Directors' Declaration

The Directors declare that the financial statements and notes set out on pages 7 to 18 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 2021 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
23 February 2022



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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 2021, 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 2021 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 2021 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 2021 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, 23 February 2022

