



Interim Financial Report

For the half-year ended 31 December 2022

Urbanise.com Limited
ABN 70 095 768 086

CORPORATE INFORMATION

Company Directors

Almero Strauss
Simon Lee
Daniel Bignold
Tod McGrouther
Sam Cuccurullo

Company Secretary

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

Principal Registered Office and Postal Address

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Share Registry

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Bankers

HSBC Australia Bank Limited
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Auditors

A D Danieli Audit Pty Ltd
Level 1, 261 George Street
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Appendix 4D**For the half-year ended 31 December 2022****Previous corresponding periods: Half-year ended 31 December 2021
Financial year ended 30 June 2022****Results for announcement to the market**

	Half-Year Ended		Up/ Down	% Movement
	31 Dec 2022	31 Dec 2021		
	\$A'000's	\$A'000's		
Revenue from ordinary activities	6,324	6,365	Down	(0.64%)
Loss from ordinary activities after tax attributable to owners of the parent	(2,840)	(3,663)	Down	22.47%
Loss for the period attributable to members	(2,840)	(3,663)	Down	22.47%

Net tangible asset backing

	31 December 2022	31 December 2021
Net tangible assets per ordinary security	(2.48) cents per share	2.12 cents per share

Dividends

There have been no dividends declared for the half-year ended 31 December 2022 (Year ended 30 June 2022: 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
17 February 2023

Directors' Report

The Directors present their report of Urbanise.com Limited and its subsidiaries (collectively, the Group) for the half-year ended 31 December 2022 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 (Resigned 30/09/22)
Daniel Bignold	Non-Executive Director (Appointed 01/10/22)
Tod McGrouther	Non-Executive Director
Simon Lee	Executive Director and Chief Executive Officer

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 2022 (H1 FY2023) reflected licence revenue growth offset by a reduction in professional services revenue as Urbanise reported total sales revenue from contracts with customers of \$6.32 million (H1 FY2022: \$6.36 million), a reduction of 0.6%. The impact from the loss of 3 Ventia contracts (\$0.30m in FY2023) and a reduction of \$0.18m in professional services revenue was offset by revenue from new clients and organic growth from existing customers. For H1 FY2023, Urbanise increased its licence revenue to \$5.56 million (H1 FY2022: \$5.42 million), or 2.6% over the prior corresponding period due to the completion of contracts with customers and organic growth from existing customers offsetting the loss of Ventia. The operating EBITDA loss reduced to \$2.14 million (H1 FY2022: EBITDA loss \$2.25 million) largely driven by lower operating expenses. No impairment losses were recognised during H1 FY2023 (H1 FY2022: 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.

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

	Half-year ended	
	31 Dec 2022	31 Dec 2021
	\$	\$
Loss for the Period	(2,840,112)	(3,663,254)
Add Back:		
Depreciation and amortisation expenses	586,139	961,337
Finance costs	27,620	29,736
Foreign Exchange loss/(gain)	84,629	428,900
Other Income	(1,307)	(5,661)
EBITDA	(2,143,031)	(2,248,942)

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 2022.

Dividends paid or recommended

In respect of the half-year ended 31 December 2022, 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.

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.

Signed in accordance with a resolution of the Directors:



Almero Strauss
Non-Executive Chairman
17 February 2023



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 2022, 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, 17 February 2023

Liability limited by a scheme approved under Professional Standards Legislation

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR
ENDED 31 DECEMBER 2022**

		Half year ended	
	Note	31 Dec 2022	31 Dec 2021
		\$	\$
Revenue and other income			
Revenue from contracts with customers	4	6,324,109	6,364,907
Other income	4	1,307	5,661
		6,325,416	6,370,568
Less: expenses			
Employee benefits and contractor costs		(5,684,402)	(6,259,737)
Depreciation and amortisation expenses		(586,139)	(961,337)
IT Subscription and licence cost		(1,545,759)	(1,325,830)
Occupancy cost		(127,906)	(84,925)
Travel costs		(174,161)	(64,435)
Professional fees		(359,015)	(285,155)
Cost of implementation and materials		(171,509)	(146,597)
Finance costs		(27,620)	(29,736)
Foreign Exchange (loss)/gain		(84,629)	(428,900)
Advertising and Promotion costs		(148,716)	(144,217)
Other expenses		(255,672)	(302,953)
Subtotal		(9,165,528)	(10,033,822)
Loss before tax		(2,840,112)	(3,663,254)
Income tax (expense)/benefit		-	-
Loss for the period		(2,840,112)	(3,663,254)
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		198,951	445,460
Other comprehensive income for the year net of income tax		198,951	445,460
Total comprehensive loss for the year		(2,641,161)	(3,217,794)
Loss for the period attributable to:			
Owners of the parent		(2,840,112)	(3,663,254)
Total comprehensive loss attributable to:			
Owners of the parent		(2,641,161)	(3,217,794)
Loss per share			
From continuing operations:			
Basic (cents per share)		(5.00)	(6.49)
Diluted (cents per share)		(5.00)	(6.49)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2022

	Notes	31 Dec 2022	30 Jun 2022
		\$	\$
Current assets			
Cash and cash equivalents		2,828,540	3,970,135
Trade and other receivables	5	2,458,916	1,404,822
Contract Assets		127,050	140,681
Other assets		168,494	193,625
Prepayments		295,686	375,324
Total current assets		5,878,686	6,084,587
Non-current assets			
Property, plant and equipment		128,064	167,894
Intangible assets	6	3,733,476	4,151,776
Right of use assets		532,118	623,584
Goodwill	7	4,786,480	4,786,480
Other assets		126,088	127,348
Total non-current assets		9,306,226	9,857,082
Total assets		15,184,912	15,941,669
Current liabilities			
Trade and other payables		2,559,033	1,879,769
Provisions		825,937	787,292
Deferred revenue		3,575,108	2,426,137
Lease Liabilities		171,732	199,227
Total current liabilities		7,131,810	5,292,425
Non-current liabilities			
Deferred revenue		578,699	662,670
Provisions		3,630	16,096
Lease Liabilities		345,011	424,357
Total non-current liabilities		927,340	1,103,123
Total liabilities		8,059,150	6,395,548
Net assets		7,125,762	9,546,121
Equity			
Issued capital and contributed equity		107,955,362	107,768,805
Employee share reserve		469,077	456,619
Foreign currency translation reserve		140,769	(58,182)
Accumulated losses		(101,439,446)	(98,621,121)
Total equity		7,125,762	9,546,121

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Issued capital and contributed equity	Employee share reserve	Foreign currency translation reserve	Accumulated losses	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2021	107,109,440	1,342,591	(890,770)	(93,246,194)	14,315,067
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
Balance at 1 July 2022	107,768,805	456,619	(58,182)	(98,621,121)	9,546,121
Loss for the period	-	-	-	(2,840,112)	(2,840,112)
Foreign currency reserve	-	-	198,951	-	198,951
Total comprehensive income for the period	-	-	198,951	(2,840,112)	(2,641,161)
Transactions with owners in their capacity as owners					
Conversion of Performance rights	165,709	(165,709)	-	-	-
De-recognition of share-based payments	-	(21,787)	-	21,787	-
Recognition of share-based payments	20,848	199,954	-	-	220,802
Transactions with owners in their capacity as owners for the period	186,557	12,458	-	21,787	220,802
Balance at 31 December 2022	107,955,362	469,077	140,769	(101,439,446)	7,125,762

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Half year ended	
	31 Dec 2022	31 Dec 2021
	\$	\$
Cash flows from operating activities		
Receipts from customers	7,135,107	6,377,740
Payments to suppliers and employees	(8,239,929)	(8,930,992)
Interest paid	(27,620)	(29,210)
Net cash used in operating activities	(1,132,442)	(2,582,462)
Cash flows from investing activities		
Payments for property, plant & equipment	(35,680)	(30,653)
Payments for intangible assets	-	(476,376)
Net cash used in investing activities	(35,680)	(507,029)
Cash flows from financing activities		
Proceeds from issue of shares	-	-
Payments for share issue costs	-	-
Net cash provided by financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	(1,168,122)	(3,089,491)
Cash and cash equivalents at the beginning of the period	3,970,135	7,819,705
Effect of movement in exchange rates on cash balances	26,527	2,962
Cash and cash equivalents at the end of the period	2,828,540	4,733,176

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 2022 were authorised for issue in accordance with a resolution of the Directors on 17 February 2023. 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 2022 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 2022.

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 2022. 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 2022 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 2022, the Group produced a Net Loss After Tax (NLAT) of \$2.84 million. The Group has net assets of \$7.13 million at reporting date inclusive of cash reserves of \$2.83 million with no material external debt or borrowings.

Management have constructed a detailed 3-year forecast including:

- Revenue: The actual current recurring income and 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 forecast that Urbanise has enough cash on hand to fund the business at the forecast levels of revenue and cost. The forecast is dependent on:

- Forecast 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 meets 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 2022 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 7.70% 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 2022	31 Dec 2021
	\$	\$
Strata	4,064,342	3,753,856
Facilities	2,251,160	2,590,373
Utilities	8,607	20,678
Total revenue of all segments	6,324,109	6,364,907

Revenue by geography

	Half-year ended	
	31 Dec 2022	31 Dec 2021
	\$	\$
APAC	4,717,026	4,813,096
E/ME	1,447,921	1,428,916
Africa	129,162	122,895
Total revenue of all segments	6,324,109	6,364,907
Profit/(Loss)		
APAC	(2,719,619)	(3,103,103)
E/ME	833,126	755,148
Africa	(341,167)	(329,887)
Total of all segments	(2,227,660)	(2,677,842)
Group costs		
Depreciation and amortisation	(586,139)	(961,337)
Interest income	1,307	5,661
Finance costs	(27,620)	(29,736)
Loss after tax	(2,840,112)	(3,663,254)

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 revenue derived from major customers where the revenue is greater than 10% of total revenue for H1 FY2023 was \$1.77 million (H1 FY2022: \$1.91 million) and where the revenue is greater than 5% of total revenue excluding customers with revenue greater than 10% of total revenue is \$0.54 million (H1 FY2022: 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 2022	31 Dec 2021
	\$	\$
Revenue with contract from Customer		
Platform license income	5,562,574	5,420,193
Professional services	761,535	943,214
Other Revenue	-	1,500
Total sales revenue	6,324,109	6,364,907
Other income		
Interest income	194	5,661
Insurance claim	1,113	-
Total other income	1,307	5,661

5. Trade and other receivables

	31 Dec 2022	30 Jun 2022
Current	\$	\$
Trade receivables	2,622,731	1,597,356
Doubtful Debt Provision	(163,815)	(192,534)
Total current trade and other receivables	2,458,916	1,404,822
Doubtful debts provision/Trade receivable	6.25%	12.05%

31 Dec 2022	APAC	E/ME	Africa	Group
Trade receivables				
Current	494,053	517,009	2,717	1,013,779
31-60 days	325,919	182,433	2,427	510,779
61 - 90 days	191,677	112,709	1,098	305,484
90+ days	316,158	459,367	17,164	792,689
Total age of receivables	1,327,807	1,271,518	23,406	2,622,731
Allocation of doubtful debt provision				
Current	-	-	-	-
31-60 days	(102)	-	-	(102)
61 - 90 days	(2,492)	-	-	(2,492)
90+ days	(126,415)	(34,806)	-	(161,221)
Total trade receivables	(129,009)	(34,806)	-	(163,815)
Trade receivables net of provision				
Current	494,053	517,009	2,717	1,013,779
31-60 days	325,817	182,433	2,427	510,677
61 - 90 days	189,185	112,709	1,098	302,992
90+ days	189,743	424,561	17,164	631,468
Total age of receivables	1,198,798	1,236,712	23,406	2,458,916
Age of trade receivable net of doubtful debt provision %				
Current	20.1%	21.0%	0.1%	41.2%
31-60 days	13.3%	7.4%	0.1%	20.8%
61 - 90 days	7.7%	4.6%	0.0%	12.3%
90+ days	7.7%	17.3%	0.7%	25.7%
Total trade receivables	48.8%	50.3%	0.9%	100.0%

30 Jun 2022	APAC	E/ME	Africa	Group
Trade receivables				
Current	426,707	417,362	9,318	853,387
31-60 days	110,729	110,408	7,483	228,620
61 - 90 days	62,525	22,567	6,454	91,546
90 + days	203,783	191,790	28,230	423,803
Total	803,744	742,127	51,485	1,597,356
Allocation of doubtful debt provision				
Current	-	-	-	-
31-60 days	(1,674)	-	-	(1,674)
61 - 90 days	(3,516)	-	-	(3,516)
90 + days	(126,808)	(55,397)	(5,139)	(187,344)
Total	(131,998)	(55,397)	(5,139)	(192,534)
Trade receivables net of provision				
Current	426,707	417,362	9,318	853,387
31-60 days	109,055	110,408	7,483	226,946
61 - 90 days	59,009	22,567	6,454	88,030
90 + days	76,975	136,393	23,091	236,459
Total	671,746	686,730	46,345	1,404,822
Age of trade receivable net of doubtful debt provision %				
Current	30.3%	29.7%	0.7%	60.7%
31-60 days	7.8%	7.9%	0.5%	16.2%
61 - 90 days	4.2%	1.6%	0.5%	6.3%
90 + days	5.5%	9.7%	1.6%	16.8%
Total	47.8%	48.9%	3.3%	100.0%

Provision for doubtful debts account

	\$
Total Provision as at 1 July 2021	58,408
Expected doubtful debts (expensed)	139,013
Utilised during period	(4,887)
At 30 June 2022	192,534
Expected doubtful debts (expensed)	60,000
Utilised during period	(88,719)
At 31 Dec 2022	163,815

6. Intangible assets

	Intellectual property at cost	Development at cost	Trademarks	Customer relationships	Software	Total
	\$	\$	\$	\$	\$	\$
At cost						
At 1 July 2021	18,013,259	10,889,713	790,000	220,000	299,241	30,212,213
Additions	-	929,517	-	-	-	929,517
At 30 June 2022	18,013,259	11,819,230	790,000	220,000	299,241	31,141,730
Additions	-	-	-	-	-	-
At 31 December 2022	18,013,259	11,819,230	790,000	220,000	299,241	31,141,730
Amortisation and impairment						
At 1 July 2021	17,213,125	7,825,610	-	187,529	173,576	25,399,840
Amortisation charge for the year	793,599	722,418	-	32,471	41,626	1,590,114
At 30 June 2022	18,006,724	8,548,028	-	220,000	215,202	26,989,954
Amortisation charge for the year	6,535	397,901	-	-	13,864	418,300
At 31 December 2022	18,013,259	8,945,929	-	220,000	229,066	27,408,254
Net book value						
At 30 June 2022	6,535	3,271,202	790,000	-	84,039	4,151,776
At 31 December 2022	-	2,873,301	790,000	-	70,175	3,733,476

7. Goodwill

	\$
Gross carrying amount	
Balance at 1 July 2021	15,304,268
Movement during the period	-
Balance at 30 June 2022	15,304,268
Movement during the period	-
Balance at 31 December 2022	15,304,268
Accumulated impairment	
Balance at 1 July 2021	(10,517,788)
Impairment	-
Balance at 30 June 2022	(10,517,788)
Impairment	-
Balance at 31 December 2022	(10,517,788)
Net book value	
At 30 June 2022	4,786,480
At 31 December 2022	4,786,480

Impairment

The Group assessed the carrying amount of the Group's assets at 31 December 2022 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.

Cash generating unit with significant goodwill - Strata

For the Strata CGU, the present value of future cash flows has been calculated using a revenue growth rate of 11% for year one (FY2022: 13%), 11% for year two (FY2022: 11%), 11% for year three (FY2022: 11%) and a terminal growth rate of 3% (FY2022: 3%) and a pre-tax discount rate of 12.47% (FY2022: 12.47%) to determine value in use.

To illustrate the sensitivity to future cash flows, if key assumptions differed such that expected future cash flows decreased by 43% (FY2022 64%) across the forecast period, without implementing mitigation plans, recoverable amount would be equal to the carrying value.

Cash generating units - Facilities and Utilities

Management have assessed that the intangible assets in respect of the Facilities and Utilities CGU's remain fully impaired at 31 December 2022 based on the value in use calculations.

8. Issued capital and contributed equity

Issued and paid up capital

	31-Dec-22	30-Jun-22
	\$	\$
56,827,366 (30 June 2022: 56,564,079) Fully paid ordinary shares	107,955,362	107,768,805

Ordinary shares

	No	\$
Balance at 1 July 2021	55,619,206	107,109,440
Vesting of performance rights	894,873	629,365
Short term incentive payment	50,000	30,000
Balance at 30 June 2022	56,564,079	107,768,805
Vesting of performance rights ⁽ⁱ⁾	263,287	186,557
Balance at 31 December 2022	56,827,366	107,955,362

- i. On 31 August 2022 and 4 October 2022, a total of 263,287 ordinary shares were issued as a result of vesting of performance share rights issued in accordance with the Company's remuneration strategy and under the adopted Employee Share Plan.

Performance share rights

	No.
At 1 July 2021	2,007,537
Performance share rights issued	471,836
Performance share rights forfeited/converted to ordinary shares	(1,210,657)
At 30 June 2022	1,268,716
Performance share rights issued ^{(i) & (v)}	1,047,485
Performance share rights forfeited/converted to ordinary shares ^{(ii),(iii),(iv)&(v)}	(674,515)
At 31 December 2022	1,641,686

- i. During the first half of FY2023, a total of 1,021,425 performance rights were issued to Urbanise employees. These performance rights are subject to performance criteria being achieved at 30 June 2023 and would vest in 3 tranches on 31 August 2024, 31 August 2025 and August 2026, subject to the employees' (including Key Management Personnel) continued employment.
- ii. On 1 July 2022, a total of 373,359 performance rights were forfeited relating to the FY2020, FY2021 and FY2022 employee share plan.
- iii. On 31 August 2022, 237,227 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.
- iv. On 1 September 2022, a total of 37,869 performance rights were forfeited relating to the FY2022 employee share plan.
- v. On 29 September 2022, 26,060 performance rights were issued to Urbanise employee and converted to ordinary shares on 04 October 2022.

Expense arising from share-based payment transactions

	31-Dec-22	31-Dec-21
	\$	\$
Performance rights	220,802	158,285
Total expense	220,802	158,285

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 2022 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
17 February 2023



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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 2022, 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 2022 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.

Emphasis of Matter Relating to Going Concern

Without qualifying our opinion, we draw attention to Note 2 in the financial report regarding going concern. The group incurred a net loss of \$2,840,112 for the half year ended 31 December 2022 and as of that date, had cash at bank of \$2,828,540, current assets of \$5,878,686, current liabilities of \$7,131,810 and total equity of \$7,125,762. These conditions, along with other matters detailed in Note 2, indicate the existence of a material uncertainty which may cast doubt on the group's ability to continue as a going concern.

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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 2022 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.

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 2022 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 Danielli
Director

Sydney, 17 February 2023

