

## RESULTS FOR ANNOUNCEMENT TO THE MARKET

For the period ended 30 June 2024

# Appendix 4E

### Company details

Name of entity: Urbanise.com Limited  
ABN: 70 095 768 086  
Current reporting period: For the year ended 30 June 2024  
Previous reporting period: For the year ended 30 June 2023

### Results for announcement to the market

	2024	2023	Up/ Down	% Movement
	\$'000	\$'000		
Revenue from ordinary activities	12,604	12,850	Down	1.9%
Loss from ordinary activities after tax	(3,464)	(5,666)	Up	38.9%
Net loss for the period attributable to members	(3,464)	(5,666)	Up	38.9%

### Basic loss per share

	2024	2023
	Cents	Cents
Basic loss per share	(5.40)	(9.87)

### Net tangible assets

	2024	2023
	Cents	Cents
Net tangible assets per ordinary share	2.47	(0.08)

### Control gained over entities

Not applicable.

### Details of associates and joint venture entities

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

### Dividends

No dividends were paid or declared.

### Audit qualification or review

The financial statements have been audited and an unqualified opinion has been issued.

### Attachments

The Annual Report of Urbanise.com Limited for the year ended 30 June 2024 is attached.



### Darc Rasmussen

Chairman

27 August 2024

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Urbanise.com Limited

# Annual Report 2024

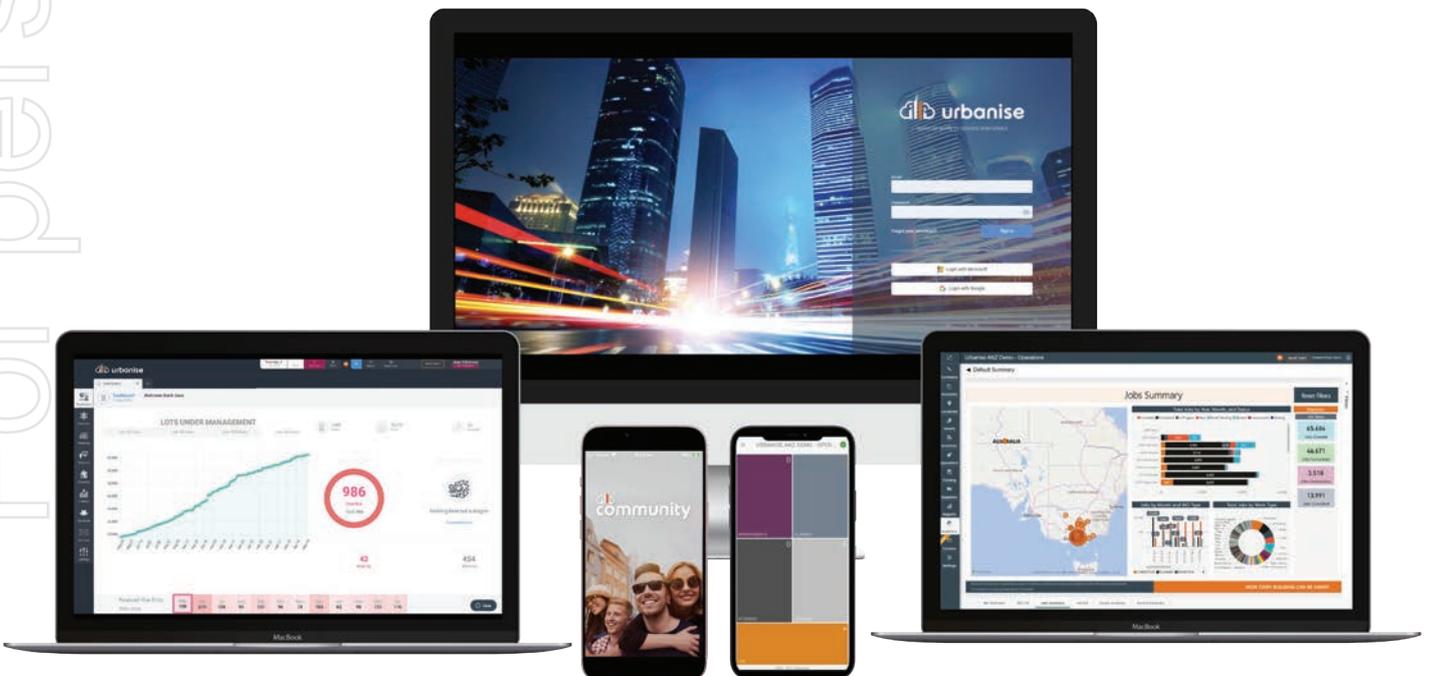
Connecting property, suppliers and clients to help deliver exceptional service and gain operational efficiencies with powerful automation, data and insights.



Strata



FM



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# Chairman and CEO Report

## Dear Fellow Shareholders,

FY2024 represented a decisive year for Urbanise, with key changes at Board level leading to a more disciplined approach to executing strategic priorities aligned to short-term imperatives and long-term shareholder value.

In January 2024, Darc Rasmussen was appointed as Chairman, bringing a wealth of experience in driving value across global technology businesses through extensive executive management and board experience. Darc initially joined the Board as Non-Executive Director in April 2023 and immediately recognised the potential of Urbanise to become a market leader in the strata and FM sectors.

To capitalise on its opportunities, the key priorities for Urbanise are to:

- increase market share in current geographical markets. This is 'Horizon 1' of our strategy, to maximise customer footprint through new sales and customer retention;
- deliver additional benefit to customers through innovative value-add features and functions. This is 'Horizon 2' where Urbanise customers can increase the return on investment on our software in return for paying additional fees; and
- leverage the Company's customer footprint by connecting service providers to customers through Urbanise software. This is 'Horizon 3' where Urbanise is developing partnerships with key industry service providers.

During FY2024, the highlights of the Company's progress were:

- achieving new sales of \$1.04m annual recurring revenue (ARR) and increasing customer engagement touch points to improve customer retention, including the recently launched 'Urbanise Central' knowledge news channel;
- developing additional features and modules in the roadmap, including predictive analytics and the provision of more pricing options to customers which result in quantifiable cost savings, operating efficiencies and increased automation;
- the expansion of the strata opportunity through new integration capabilities to connect with service providers;

- focus on cash management through the implementation of \$2.4m in cash flow improvements that are on track to be realised in full by September 2024. This contributed to a 14% reduction in operating expenses in FY2024;

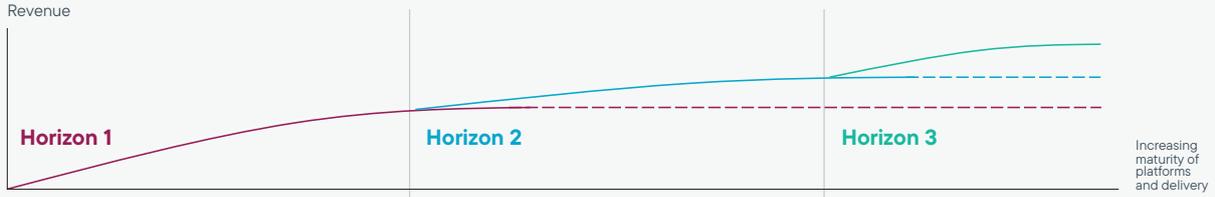
There is further work to improve debtor collections, post year end. As at 30 June 2024, closing cash was \$1.9m and total debtors were \$3.9m. The final cash balance was impacted by late receipts of \$1.2m which related to payment process disruptions following the consolidation of two key Middle East customers. At the date of this report, Urbanise has collected over \$1m of this outstanding debt. These issues have now been resolved with the customer assuring Urbanise that these debts will be settled within the next three months.

The progress during FY2024 aligns to the Company's growth strategy and objective to achieve cash flow sustainability by FY2025. This is of absolute priority for the Board and the Urbanise team.

FY2024 saw a significant decline in Professional Fee's, from \$1,694k in FY2023 to \$876k in FY2024, a 48% drop. This reflects a strategy that will ultimately support the Company's growth objectives. There were several drivers behind this. Firstly, Urbanise has previously engaged in the development of bespoke solutions for customers for a fee. While this provides initial upfront revenue and margin, the inclusion of these bespoke solutions in the Company's software increases the long-term effort and cost to maintain and enhance these solutions over time. Importantly, they curtailed the agility of the Company to quickly adapt the software to new market requirements. The second driver for the reduction in Professional Fees is a very deliberate effort to reduce the time, effort and cost to implement Urbanise solutions. More efficient, automated and tiered implementation processes have been successfully designed and rolled out with success across an increasing number of new Urbanise customers. This improves the Company's competitive posture, reducing costs for customers and facilitates new revenue to be on-boarded and recognised earlier. The Company believes the change in strategy which is reflected in the Professional Fee reduction will deliver significant long-term gains by supporting Annual Recurring Revenue growth and higher margins.

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# Driving Sustainable Growth



Expand and maximise customer footprint:	Increase revenue per user or customer:	Leverage customer footprint:
<ol style="list-style-type: none"> <li>1. Core markets of Australia, New Zealand, Middle East and parts of Asia</li> <li>2. Other regions to follow once successful in core markets</li> <li>3. License and professional fees</li> </ol>	<ol style="list-style-type: none"> <li>1. Functionality and integrations driven</li> <li>2. Automations within platform</li> <li>3. Additional license or recurring revenues</li> </ol>	<ol style="list-style-type: none"> <li>1. Better connect Strata and Facilities Managers and trades through both platforms</li> <li>2. Consider other services such as financing and insurance</li> </ol>
<b>Execution</b> <ol style="list-style-type: none"> <li>1. Develop products to maturity both FM &amp; Strata based on direct customer input and research</li> <li>2. Cloud 'one instance' offering</li> <li>3. Direct sales &amp; delivery</li> </ol>	<b>Execution</b> <ol style="list-style-type: none"> <li>1. Build on maturity of products</li> <li>2. Direct and indirect sales &amp; delivery (partners)</li> </ol>	<b>Execution</b> <ol style="list-style-type: none"> <li>1. Services offered within platform</li> <li>2. Leverage high retention customer base</li> </ol>

Horizon 1: Expand and maximise customer footprint	Horizon 2: Increase revenue per user or customer	Horizon 3: Leverage customer footprint
<b>Progress</b> <ul style="list-style-type: none"> <li>• Additional \$1.04m of ARR through customer growth, primarily: <ul style="list-style-type: none"> <li>• Small to Medium APAC strata managers</li> <li>• FM Service Providers in APAC and MENA</li> <li>• Aged care providers</li> </ul> </li> <li>• Contract renewal and on-going relationships with largest New Zealand and Australian strata managers<sup>1</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Development of additional features and services including: <ul style="list-style-type: none"> <li>• Predictive analytics and reports;</li> <li>• Enhanced communications</li> <li>• Training modules and support options</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Expanded strata market opportunity with integrated solution that connects customers with service providers: <ul style="list-style-type: none"> <li>• New partnership with LevyCollect connecting strata customers with legal firms for debt collection services</li> </ul> </li> <li>• Expanded market value estimated at \$30m-\$54m per annum</li> </ul>
<b>FY2025 Outlook</b> <ul style="list-style-type: none"> <li>• Increase sales run-rate and increase market share including: <ul style="list-style-type: none"> <li>• Targeting of Stratamax and Stratamaster on-prem solutions; and</li> <li>• Using outsourced partners to accelerate migration from competitor systems.</li> </ul> </li> <li>• Improve ARR retention rates through customer engagement touchpoints and feedback</li> </ul>	<ul style="list-style-type: none"> <li>• Increase license fee per user or per lot for recently developed features.</li> <li>• increase professional fees for training and support services</li> </ul>	<ul style="list-style-type: none"> <li>• Pursue key partnerships in banking sector to improve how strata managers efficiently manage vast numbers of strata scheme bank accounts</li> </ul>

<sup>1</sup> Five-year contract extension with Crockers Body Corporate Management Limited announced on 20 August 2024.

### Urbanise Strata update

The Company believes it has substantially completed the development of the Strata Management solution to a level that positions it for compelling competitive leadership in the market. This positions the company to capture greater market share and has also allowed the Company to reduce its operating expenses, given the requirement for development resources and associated costs are lower. During FY2024 the Company continued to increase its customer footprint, particularly with new sales in Australia, where the brand and product are now highly regarded by body corporate managers. 'Unparalleled automation for strata managers' is successfully resonating with new customers seeking ways to save costs, increase automation, improve the service to their customers, expand their margins and scale their business. The competitive lead of Urbanise solutions is being proven out by numerous conversions of customers from the markets leading competitors. Focus is now shifting to leverage this competitive leadership advantage to accelerate the capture of market share. In FY2025 the Company will accelerate go to market efforts, tempered by responsible cash and cost management, to scale and improve the sales run-rate.

During FY2024 the Company reported that contract terms were under revision with a large APAC customer. Agreement on revised terms were achieved successfully underpinning the on-going long term relationship with a leading Australian strata business.

Post balance date, the Company also announced an extension of its contract with Crockers Body Corporate Management Limited (Crockers) for an additional five years. Crockers, New Zealand's largest body corporate management firm, has been utilising Urbanise Strata since 2017 to streamline operations, achieve strategic business objectives and grow their business. The New Zealand market aligns with Urbanise's strategy to grow and retain its footprint in the APAC strata market.

### Expanded market opportunity

As part of new growth strategies, the Company announced its entry into an expanded strata market opportunity aligned to 'Horizon 3' objectives. Urbanise Strata has been enhanced to allow strata managers to connect more efficiently with an eco-system of industry service providers and automate many of their interactions with them. Under this model, the strata manager has the capability to better service their customers, reduce the friction in their business, gain better real time visibility, reduce their on-going fees and cost to serve their customers as well as structure their business for scale and growth.

Our first success was achieved with the partnership with LevyCollect, an integration that allows strata managers to easily issue outstanding levies to legal firms for debt collection. Our focus over the first half of FY2025 is to pursue key partnerships in the banking sector to improve how strata managers efficiently manage vast numbers of strata scheme bank accounts. The new solution allows Urbanise to compete against other solutions in an

expanded market estimated at \$30m-\$54m per annum without the need for further product development or expansion of infrastructure and resources. This solution and technology leadership positions the Company at a competitive advantage that Management believes will accelerate over the next 12 to 24 months.

### Urbanise FM update

The Urbanise FM platform continued to serve customers across multiple sectors including FM service providers, Australia's largest mining companies, aged care, commercial property and utilities. The Company has a strong sales pipeline across its key markets in APAC and the Middle East where the value proposition reflects the cost savings and efficiencies derived from integrated workflow and invoicing processes.

New customers include retirement villages, property managers and FM service providers reflecting the targeting of these key sectors. The Company's 'all-in-one professional facilities management solution' allows customers to access comprehensive work order, asset and supplier management tools to manage their trade workforce and property assets.

### Colliers dispute

Post balance date, Urbanise entered a contractual dispute process with Colliers Australia to resolve claims for outstanding fees and costs to develop their platform. Colliers Australia are claiming for early termination of the contract. Urbanise is disputing the validity of the termination.

Despite the potential impact to run-rate ARR if the termination takes effect (circa \$500k), the Board has determined Urbanise has sufficient cash runway to reach cash flow positive in FY2025. This will be achieved from sales conversions to date, future sales and the prudent management of costs and working capital.

Urbanise's contract with Colliers New Zealand is not affected by the dispute and will continue.

### Leadership team and Board changes

In February 2024, the Company announced the resignation of CFO Dave Goldbach for personal reasons. Dave made a significant contribution to Urbanise during his tenure as CFO and we wish him all the best in his endeavours.

Following an extensive search process, we were delighted to announce Michelle Garlick as permanent CFO on 20 August 2024. Michelle is a Chartered Accountant with extensive senior finance leadership experience with listed and global SaaS businesses including Altium Limited where she served as Group Financial Controller. Michelle has already made a valuable contribution to the Company, and we look forward to working closely with her as we continue to leverage Urbanise's competitive advantages to drive our growth agenda.

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In January 2024, in addition to welcoming Darc as Chairman, the Board also welcomed James Houn as Non-Executive Director, who has a wealth of technology related product and sales experience gained at Readytech.

We also thank Sam Cuccurullo and Tod McGrouther for their contribution to Urbanise as departed Board members.

**Outlook**

In FY2025, the priorities will be to generate and convert our sales pipeline, accelerate the capture of share in our target markets, maintain our disciplined approach to cost and cash management and achieve our goal of reaching cash flow breakeven.

We would like to thank the rest of the Board and our shareholders for their ongoing support, and our team for their important contribution to the continued growth and success of the Company.

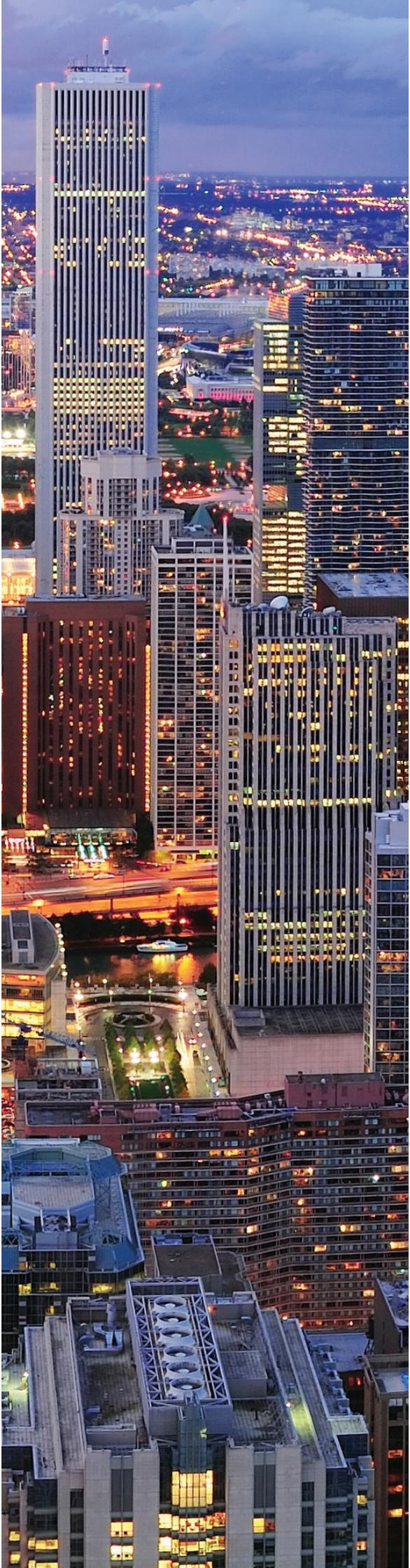
We look forward to the year ahead as we focus on delivering outstanding products and solutions to our customers that transform their businesses.



**Darc Rasmussen**  
Chairman and Non-Executive Director



**Simon Lee**  
Executive Director and Chief Executive Officer



## Why Urbanise?

Streamline, automate, excel and grow with Urbanise.

### Our Solutions

- Industry specific platforms: Urbanise Strata and Urbanise FM
- Comprehensive solutions for streamlined operations and data-driven insights
- Focus on automation, efficiency, and profitability

### Our Expertise

- Deep domain expertise, specialising in product development, implementation, data migration, and support
- Proven track record of successful system roll-outs

### Our Commitment

- Dedicated team committed to client success and growth
- Continuous innovation to meet evolving industry needs
- End-to-end services including implementation, training, and support

## FY2024 Key Metrics vs pcp<sup>1</sup>

**\$12.6m**

### Revenue

↓ 1.9%

- License fees up \$0.6m or 5.1%
- Underlying licence revenue growth of \$1.7m offset by \$1.1m revenue reduction (loss of customers, licence fee reductions)
- Professional fees down \$0.9m or 48.3%

**\$11.6m**

### ARR<sup>2</sup>

↑ 0.3%

- New customer and organic growth across strata and FM offset the loss of customers, including Colliers.
- Conversion of backlog and implementation of new wins within the year led to growth of ARR

**\$12.2m**

### CARR

↓ 1.6%

- Contracted ARR decreased 1.6% vs pcp
- Size of backlog remains consistent, new wins offsetting contracts implemented

**\$1.9m**

### Net cash position

#### No Material Debt

- Underlying average monthly cash used of \$146k vs \$223k for FY2023
- Urbanise remains committed to being cashflow breakeven in FY2025.
- >\$1m in late receipts at 30 June 2024 has been received to date.

**87%**

### ARR retention rate<sup>3</sup>

- ARR retention rate<sup>3</sup> of 87.0%
- ARR retention for Strata of 89.3% and FM 82.6%.
- Customer retention rate<sup>4</sup> of 83.2% and 81.5% for Strata and FM respectively
- ACV<sup>5</sup> of lost customers was \$34.5k

1 Prior corresponding period.

2 Annualised Recurring Revenue (ARR) based on June 2024 License revenue.

3 ARR retention rate based on \$11.56m ARR at the beginning of July 2023

4 Customer retention rate for FY2024 is based on the number of customers from the beginning of the period, that were retained.

5 Average contract value

# Review of operations

The commentary below should be read in conjunction with the consolidated financial statements and related notes in this report. Some parts of this commentary may include information regarding the plans and strategy for the business and may include forward-looking statements that involve risks and uncertainties.

Actual results and the timing of certain events may differ materially from future results expressed or implied in the forward-looking statements contained in the commentary. References to FY2024 are to the financial year ended 30 June 2024.

## Financial Performance

	FY2024	FY2023	Var	Var
	\$'000	\$'000	\$'000	%
License fees	11,728	11,156	572	5.1%
Professional fees	876	1,694	(818)	(48.3%)
<b>Total revenue</b>	<b>12,604</b>	<b>12,850</b>	<b>(246)</b>	<b>(1.9%)</b>
<i>Recurring revenue</i>	93.0%	86.8%	6.2%	
Operating expenses	(14,616)	(17,054)	2,438	14.3%
<b>EBITDA</b>	<b>(2,012)</b>	<b>(4,204)</b>	<b>2,192</b>	<b>52.1%</b>
Depreciation and amortisation	(1,264)	(1,218)	(46)	(3.8%)
Foreign exchange loss	(539)	(557)	18	3.2%
Loss on disposal of property, plant and equipment	(39)	-	-	N/A
Other income	461	396	65	16.4%
Finance costs	(71)	(81)	10	12.3%
<b>Net loss</b>	<b>(3,464)</b>	<b>(5,664)</b>	<b>2,200</b>	<b>38.8%</b>

In FY2024, Urbanise reported \$12.6m of total revenue including \$11.7m in license fees, the latter showing an increase of 5.1% on FY2023. Growth in license fees from new and existing customers were offset by lost customers and a temporary reduction in license fees from a major APAC strata customer.

Professional fees were 48% or \$0.8m lower than the prior comparative period (pcp) due in part to significant customer specific development delivered in FY2023. This resulted from a shift by the Company away from bespoke development and coincides with the reduction in developer headcount in FY2024 which formed part of the cashflow improvement initiatives implemented in October 2023. In addition, the Company implemented successful measures to reduce the time, effort and cost to implement its solutions, driving down professional fees while increasing competitive posture and value to customers as well as faster on-boarding of new customers and their associated revenue.

The EBITDA loss of \$2.0m was an improvement of 52% on pcp due to a 14% reduction in operating expenses following the completion of a comprehensive operational review in Q1 FY2024. This was achieved through operational efficiencies, the conclusion of major development efforts and discontinuing bespoke development with consequential reductions in headcount and overhead costs.

Urbanise's ARR as at 30 June 2024 was \$11.6m, reflecting a 0.3% increase compared to pcp. As of 1 July 2024, the estimated backlog was \$0.6m. ARR growth was driven by new wins, backlog conversions, and organic growth from existing customers, offset by customer losses. Total Contracted ARR (CARR) decreased \$0.2 to \$12.2m compared to 30 June 2023.

## FY2024 Key Metrics

ARR remained consistent to 30 June 23 with new wins of \$1.0m offsetting the impact of lost customers including Colliers Australia.

	Jun 20	Jun 21	Jun 22	Jun 23	Jun 24	Total Contracted Revenue of ~\$12.2m
						Backlog as at 1 Jul 2024
Strata lots	~331k	~636k	~681k	~684k	~652k	~49k
Strata ARR*	\$4.83m	\$6.89m	\$7.21m	\$7.66m	\$7.65m	Est. ~\$0.5m
Facilities users	~2.23k	~2.47k	~2.32k	~2.61k	~2.92K	6 contracts
Facilities ARR*	\$3.33m	\$3.55m	3.64m	3.90m	\$3.94m	Est. ~\$0.1m
<b>Total ARR*</b>	<b>\$8.16m</b>	<b>\$10.44m</b>	<b>\$10.85m</b>	<b>\$11.56m</b>	<b>\$11.59m</b>	<b>Est. ~\$0.6m</b>

### ARR growth YoY



\* Annualised Recurring Revenue based on the month of June license revenue

## Urbanise Strata

	FY2024 \$'000s	FY2023 \$'000s	Var \$'000s	Var %
License fees	7,302	7,335	(33)	(0.4%)
Professional fees	349	931	(582)	(62.5%)
<b>Total revenue</b>	<b>7,651</b>	<b>8,266</b>	<b>(615)</b>	<b>(7.4%)</b>
<i>License fees % total</i>	95.4%	88.7%		

### Key Operational Metrics

<b>652k</b>	<b>\$0.5m</b>	<b>\$7.7m</b>	<b>\$7.3m</b>
Strata Lots	Backlog	ARR	License Revenue
↓ 4.7%		↓ 0.1%	↓ 0.4%

FY2024 Strata license fees totaled \$7.3m was consistent with pcp, primarily due to the temporary reduction in license fees from a large APAC customer of \$479k. New wins of \$367k offset customer losses and the temporary reduction.

Professional fees were 62.5% lower on pcp due to significant customer specific development delivered in FY2023. This resulted from a deliberate shift by the Company away from bespoke development and coincides with the reduction in developer headcount in FY2024 which formed part of the cashflow improvement initiatives implemented in October 2023. In addition, the Company implemented successful measures

to reduce the time, effort and cost to implement its solutions, driving down professional fees while increasing competitive posture and value to customers as well as faster on-boarding of new customers and their associated revenue.

Total revenue of \$7.7m was 7.4% lower vs pcp with 95.4% of revenue recurring.

Strata ARR as at 30 June 2024 was \$7.7m, with an estimated backlog of \$0.5m as of 1 July 2024. The backlog is comprised of ~49k lots. This reflects Strata ARR wins of \$367k in FY2024, mainly from small to medium APAC strata customers.

# Urbanise FM

	FY2024 \$'000s	FY2023 \$'000s	Var \$'000s	Var %
License fees	4,426	3,816	610	16.0%
Professional fees	528	757	(229)	(30.2%)
<b>Total revenue</b>	<b>4,954</b>	<b>4,573</b>	<b>381</b>	<b>8.3%</b>
<i>License fees % total</i>	89.3%	83.4%		

## Key Operational Metrics



FY2024 FM license revenue of \$4.95m was 16% higher vs pcp reflecting growth from new and backlog customers. Professional fees of \$528k were 30.2% lower on pcp due to the one-off large implementation of Colliers in FY2023. Total revenue of \$4.95m was up 8.3% on pcp reflecting the strong growth in license fees during the year.

FM ARR as at 30 June 2024 increased by 1.0% pcp to \$3.94m due to \$677k in new wins and existing customers, offset by customer losses.

As at 1 July 2024, the FM backlog included six contracts expected to contribute an estimated \$0.1m in annual license fee revenue.

## Cash management

On 30 June 2024, Urbanise had closing cash of \$1.9m and no material debt. Total debtors were \$3.9m. The final cash balance was impacted by late receipts of \$1.2m which related to payment process disruptions following the consolidation of two key Middle East customers. At the date of this report, Urbanise has collected over \$1m of this outstanding debt. These issues have now been resolved with the customer assuring Urbanise that these debts will be settled within the next three months.

In July 2023, Urbanise commenced a review of its operations and cost base ahead of an anticipated ramp down of development effort following significant investment in and substantial completion of its strata and FM platforms. In October 2023, Urbanise announced that it had identified \$2.4m in cash flow improvements that would be delivered over the following 12 months.

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# Environmental, Social and Governance

Urbanise has taken a decision to expand its Environmental, Social and Governance (ESG) reporting and the Board recognises the importance of enhancing the Group’s disclosures over time. Urbanise already has policies and strategies in place that minimise the environmental impact of our operations, promote social responsibility and demonstrate governance best practice.

As a growth technology company, Urbanise’s global operations are primarily focused on software development delivered by a globally diverse workforce that is mostly employed on a full-time basis.

The Board and ESG Sub-Committee recognise the importance of the review and continuous oversight of policies and ensuring their implementation.

## Environmental

Our activities as a software developer result in a relatively low impact to the environment. Our key focus areas are summarised below:

### Software solutions

Urbanise’s software solutions are primarily designed for the benefit of reducing cost and driving efficiency in the management of building assets. Our customers are facilities managers and strata managers who have direct and indirect responsibilities to reduce the environmental impact associated with managing residential, commercial and industrial building assets. Some of the key benefits of our products are:

- To minimise or replace the use of paper for our clients, except where paper copies are required under legislation;
- To assist our customers (directly and indirectly) to optimise energy consumption associated with the building assets they maintain; and
- To assist our customers to comply with various safety, environmental and labour legislation

### Development processes

Our software development processes and implementation services are executed with the use of computers and hosted servers. Most of our work can be performed remotely. As a result, we do not manufacture physical products or deliver services that rely on the use of raw materials or transport logistics. Our internal back-office processes, including maintaining books and records, invoicing and administration are 100% digitised and cloud-based.

## Energy consumption & internal impacts

The key areas of energy consumption managed by the group are as follows:

- Our team works from leased offices that all have a small square metre footprint. Our head office is located at 201 Miller Street, North Sydney which currently has a 5-star NABERS energy rating. Energy consumption mainly relates to the use of electricity to power our equipment and to heat/cool our global offices. Recycling bins are provided for office waste, in both domestic and overseas office locations.
- Except for electricity consumption in our global offices, a significant portion of indirect energy consumption is through the data centres of Amazon Web Services (AWS), our cloud services platform provider. Supplier relationships are reviewed periodically to understand their environmental impact. An example of our drive for improvement within our supply chain is demonstrated by our largest supplier committing to progressing to the use of 100% renewable energy by 2030.
- Internal administrative processes (including record keeping) are now digitised and cloud-based, minimising the use of paper. Urbanise is minimising our office footprint by remote work across our satellite offices

The Group is not exposed to any material regulatory risks because of climate change. The Group’s operations are not subject to any significant environmental regulation under Commonwealth or State regulations or laws.

## Social

### People and Culture

People are critical to the Group and our customers success, and we prioritise the attraction and retention of key talent. This includes a focus on our team’s wellbeing and their continuing career development.

Review processes are in place across the organisation to:

- Collate individual employee feedback on job satisfaction;
- Review the training and development requirements based on role-based competency considerations; and
- Enhance performance management

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**Health, Safety and Well-Being**

The Group’s approach to ensuring health and safety includes the following commitments:

- We are committed to compliance with the applicable legislation of the countries in which we operate;
- All employees and those working on our behalf have a responsibility for their health and safety;
- We collate individual feedback from employees on their wellbeing on a regular basis;
- We foster a culture where all people, are held accountable for fulfilling their health and safety responsibilities; and
- We have a Group health and safety policy in place.
- An Employee Assistance Program has been provided for employees. This includes confidential counselling support and advice services

**Remuneration and reward**

The Board closely reviews and monitors remuneration to ensure alignment to the retention objectives. Another key aspect of this program is our ongoing review of pay rates for roles and incentives across the organisation to ensure we maintain a close eye on relevant market rates and that remuneration packages are set accordingly.

The Group’s remuneration policies and practices can be found in the Remuneration Report within the Directors’ report below.

**Diversity and inclusion**

Urbanise is an equal opportunity employer and continually seeks to maintain a culture of diversity and inclusion through several key approaches:

- Creating a workplace culture that embraces and respects diversity
- Developing diversity throughout the organisation
- Continuing to deliver transparent recruitment and remuneration processes
- Maintaining hybrid and flexible working practices

The gender split within Urbanise is shown in the table below:

	As at 30 June 2024	Average across FY2024
Male	69%	70%
Female	31%	30%

**Governance**

**Overview**

Overall governance is managed by the Board of Directors and their core responsibilities include the following key areas:

- Strategic direction, purpose and values
- Risk management and reporting
- Compliance with legislation and best practice
- Management composition and structures
- Remuneration setting
- KPI setting and performance management

**Policies**

The following corporate compliance policies are in place and can be found on the Group’s website:

- Corporate Governance Charter
- Corporate Governance Statement
- Statement of Values
- Audit & Risk Management Committee Charter
- Remuneration & Nomination Committee Charter
- Code of Conduct
- Urbanise Share Trading Policy
- Urbanise Whistle-Blower Policy
- Urbanise Shareholder Communication Policy
- Anti-Bribery Anti-Corruption Policy

Urbanise are currently undergoing a review of our corporate compliance policies and will update them on our website should any changes be required.

Urbanise are currently in the process of implementing a Modern Slavery policy which we aim to roll out in the next financial year.

**Board composition and reviews**

The Board of Directors currently comprises four directors including one independent Director. Each Director is on a 3-year rotation and is required to seek re-election at the end of this period.

The Board composition and its involvement in setting the direction of the business, is reviewed against the long-term strategy of the business. In addition, the Board has a skills matrix by which the Board in its entirety and its individuals are measured. The skills matrix is periodically updated by senior management and the Board, in response to the needs of the business and an annual self-assessment addressing key aspects of the operation of the Board is undertaken.

The Board administers governance through regular reports from management together with Board meetings as well as the operation of the Remuneration and Nomination Committee and the Audit and Risk Committee.

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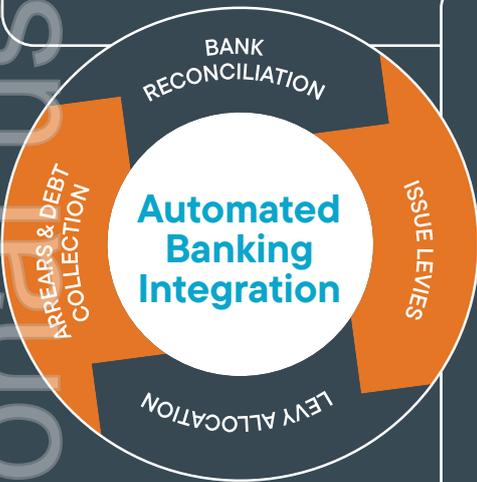


Strata

# Unparalleled automation built for strata managers.

## Bank

Each strata scheme maintains a bank account to receive levy payments from owners, manage accounts receivable, and process accounts payable.



## End-to-end Financial Management

Budgeting | Levy Management | Arrears Management | Banking Integration | Automated Reconciliation | Invoice Processing | Reports

## Day-to-day Strata Admin

Management Agreements | Facilities Maintenance – repairs and maintenance | Conflict Resolution | Insurance | Owner/ Resident Enquiries

## Meeting Management

AGM's | Committee meetings

## Compliance



Owner and resident Community Portal for LIVE 24/7 access



Public API's

## Integrations



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## Case Study

# How Urbanise Enabled Growth and Efficiency for MelbOC

MelbOC, a prominent entity in the owners corporation management industry, boasts a dedicated team comprising ten members, among whom are two Certified Public Accountants (CPAs). At the helm of this organisation is Simon Saint-John, the founder and director, who brings over three decades of experience in the real estate sector. Simon's extensive expertise has helped carve a niche, servicing large buildings and those with systemic issues requiring major works such as combustible cladding and systemic leaking, with an average project management value of \$2 million. They currently have more than \$1 billion dollars in property under management.

MelbOC recently embarked on a transformative journey by migrating from Strata Master, a platform developed by Rockend, to Urbanise Strata. This transition, which went live in April 2023, was driven by the need to address critical challenges, continue their impressive growth path, and - most importantly - to ensure they were delivering not only the best possible service to their clients, but better service than any other provider.

This business case sheds light on MelbOC's business objectives, experiences, and achievements throughout this transition, emphasising the critical role of Urbanise in facilitating growth and operational efficiency.

### Challenges

In their pursuit of sustainable growth and the best level of service in the industry, MelbOC required a strategic shift in its software platform to overcome some operational challenges and drive efficiency.

Among the foremost issues was the difficulty of searching for documents in their existing system, leading to frustration among their team members.

The clunkiness of their owner's portal was another hindrance to growth. The portal's lack of user-friendliness hindered effective communication and interaction between the manager and property owners. This not only created inefficiencies but also eroded the overall user experience.

In a world where visual appeal and modernity matter, MelbOC recognised the need for a fresh approach to engage clients. Their previous software lacked the visual salesmanship tools necessary to present information attractively and persuasively. This deficit impacted their ability to engage and retain clients effectively.

Moreover, the demand for mobile solutions was gaining prominence. Clients increasingly expect the convenience of mobile apps for their interactions. This shift in client expectations prompted MelbOC to explore the integration of a mobile app for client engagement. Meeting this demand was critical to staying competitive and relevant in the industry.

### Key Objectives

The primary objective for MelbOC was to find a robust platform that could enhance its operations, customer satisfaction, and overall brand image to achieve its ambitious growth goals of \$5 Billion in property being managed within the next three years while maintaining the industry's highest level of customer satisfaction.

First, they aimed to create efficiencies and automation in their operations. This objective was pivotal as it laid the foundation for their business growth. By streamlining their operations, they intended to optimise their processes, reduce manual efforts, and save valuable time and resources. Efficiency enhancements enable them to focus on scaling their business while maintaining high customer service standards.



Another key objective was to significantly reduce debt recovery timelines, making the process more efficient and less time-consuming. This objective was critical for improving financial operations for their clients and ensuring timely payments from individual lot owners. Debt recovery for clients had been a common pain point, and the team was determined to find a solution to expedite this process.

The owners' portal was also identified as an area for improvement. MelbOC wanted a user-friendly and intuitive platform that would deliver a seamless experience for owners. An improved owners' portal increased efficiency and improved client engagement. It was also a means of modernising their brand and aligning it with contemporary standards, emphasising professionalism and user-centric service.

Furthermore, the adoption of a modern and innovative solution was not only about functionality but also about perception. They understood that their software platform was a window through which clients and prospects viewed their brand.

### Selecting Urbanise

Urbanise emerged as the solution for MelbOC, primarily due to its advanced community owners portal and consequential levy and debt recovery automation. The software's StrataVote feature, designed for efficient meeting and AGM management, also stood out as a valuable asset. With these capabilities, MelbOC was well-equipped to foster growth and streamline their operations.

### Key Outcomes and Impressive Growth

Since migrating to the Urbanise platform in April 2023, MelbOC has achieved remarkable results that underscore the positive impact of this transition. Notably, the total number of lots under their management has surged, representing an impressive 28% growth. In addition, the number of plans within their portfolio has expanded, growing by 26%.

These outcomes affirm the power of Urbanise in driving significant growth and expansion, and they speak volumes about the platform's ability to transform operations and enhance efficiency. MelbOC's successful journey with Urbanise is a testament to the platform's role as a catalyst for progress in the strata management industry.

### Levy Automation & Debt Recovery

One of the key takeaways from this transition is the remarkable efficiency gains achieved by MelbOC. Urbanise's automated levy notices and debt recovery processes have notably reduced the complexities of managing arrears. Simultaneously, the invoice processing module has allowed the accuracy of their financial accounting and budget management to be sustained in a highly scalable way.

"The capability to manage levy arrears is particularly valuable for us. The information is easily accessible and displayed on the dashboard. This data serves multiple purposes: when the arrears are reasonable, it becomes a marketing tool for attracting new business; when they aren't, it enables us to take prompt corrective actions. Currently, for 50% of our portfolio, all levies are paid in full without any arrears. To further enhance our operational efficiency, we are in the process of implementing key performance indicators (KPIs) for our staff to achieve a 98% paid-in-full rate for the remaining 50% of the portfolio," explained Simon Saint-John, Managing Director.

Debt recovery on behalf of clients, along with the comprehensive reporting on this aspect, has proven to be a true game-changer for MelbOC. In the world of strata management, timely collection of levies is paramount, as it directly impacts a client organisation's financial stability.

The reporting functionality has offered MelbOC a powerful tool to dissect and assess their client's debt situation. It provides an invaluable big-picture view of their financial standing. By breaking down debt into manageable components, the software equips them with actionable insights to manage their finances proactively.



Accessing such granular data and insights regarding debt recovery ensures that MelbOC can ensure their clients operate with financial prudence, foresee potential financial challenges, and take pre-emptive measures to mitigate them.

### **Customer Portal as a Differentiator**

The community portal provided by Urbanise emerged as a critical differentiator for MelbOC in winning new business. The user-friendly portal has streamlined communication between the OC and residents, enabling efficient submission of maintenance requests and easy access to financial information for committee members.

When MelbOC participates in tenders, the owner's portal emerges as a compelling differentiator. Knowing that many competitors either lack a portal or have one that is not fully functional, having a robust and fully functional owner's portal has become a key distinguishing factor. This feature sets them apart, demonstrating their commitment to modern, efficient, transparent strata management.

Moreover, they can effectively feature the software in their tenders, giving clients a transparent view of the value they receive for their investment.

### **Customer Engagement**

Through the client portal, Urbanise Strata has empowered our clients to independently access a wealth of information that used to necessitate direct inquiries to our team. As a result, they have redirected the time previously spent on these routine requests towards a strategic initiative: strengthening their relationships with clients, reshaping their brand identity by turning clients into brand advocates.

### **Investment in Innovation**

MelbOC's forward-thinking approach shines through in their commitment to innovation. They strategically invested in Urbanise software while maintaining their existing system. This choice underscores their dedication to both ensuring the highest quality service to clients and staying at the forefront of their industry to ensuring their brand is synonymous with modernity and innovation.

### **Challenges and Disruptions**

The transition to a new system was not without challenges. During the migration, they encountered hurdles related to levies, budgets, and account codes. Yet, instead of letting these challenges deter them, they embraced them as opportunities to enhance their system.

One of the notable highlights of this journey was their proactive approach to training. They recognised the need for a more hands-on and tailored training experience. Working closely with Urbanise, they shifted from video training to personalised demonstrations. These sessions provided valuable insights into the platform's functionalities, offering a deep dive into its capabilities and allowing the team to ask pertinent questions. Moreover, they took the initiative to request demonstration test accounts, enabling the team to test functionality before setting up actual accounts. This hands-on training proved a game-changer, empowering MelbOC to understand the system comprehensively without fear of mistakes.



### Strategic Partnership with Urbanise

Throughout this transition, MelbOC benefited from the support and responsiveness of the Urbanise team. They were impressed by the migration team's ability to address issues efficiently and communicate effectively. While some unexpected tasks emerged post-migration, MelbOC found that working with Urbanise to resolve these issues was a collaborative and constructive process.

One notable aspect that MelbOC appreciates about the Urbanise support team is their readiness to address simple, on-the-spot questions, ensuring that minor concerns are promptly resolved. For more complex inquiries, they've seen the support team escalate these to a higher-tier support level. While this occasionally resulted in a brief waiting period for responses, this tiered support structure was, in fact, a testament to the thoroughness of the support system. It ensured that all questions and concerns were addressed comprehensively, contributing to the overall effectiveness of their support experience.

In the face of challenges, MelbOC's positive outlook and drive were key factors in turning what could have been disruptions into valuable learning experiences, ultimately strengthening their partnership with Urbanise.

MelbOC views Urbanise as a strategic partner in realising its growth goals. With a strong emphasis on efficiency, customer satisfaction, and a commitment to a modern and innovative brand image, MelbOC has set itself on a trajectory of substantial growth in the OC management industry.

### Testimonial

Simon Saint-John, Managing Director, Melb OC, shared insights on the partnership:

*“Debt recovery and the robust reporting Urbanise Strata software provides is sensational. The software has given us the means to recover outstanding funds on behalf of our clients and gain a comprehensive financial health overview. In our industry, timely levy collection is pivotal; this functionality has been a game-changer. Thanks to Urbanise Strata, our approach to debt recovery is now a strategic cornerstone, ensuring our long-term financial stability and success.”*



F M

# All-in-one professional facilities management solution

Customer Portal

Force App



Analytics powered by Microsoft Power BI

- + Works Management
- + Asset Management
- + Compliance

- + Reporting & Analytics
- + End User Engagement
- + Integrations

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## Case Study

# Knight FM Transforms Efficiency and Growth with Urbanise FM

### Executive Summary

This case study explores Knight FM's successful transition to Urbanise FM, an innovative technology solution specialising in property and facility management. Knight FM, a prominent Integrated Facilities Management (IFM) provider, faced challenges with their previous accounting software, which lacked a robust computerised maintenance management system (CMMS). In 2017, Knight FM adopted Urbanise FM, which enabled substantial improvements in efficiency, client satisfaction, and business growth.

### Challenges Faced by Knight FM

1. **Limited Functionality:** The accounting platform previously used by Knight FM, did not offer the comprehensive CMMS capabilities needed for effective facilities management. This limitation affected their ability to manage work orders, asset maintenance, and service requests efficiently.
2. **Scalability Issues:** The existing software was inadequate for scaling operations to meet diverse client needs and hindered business development. As Knight FM grew and acquired new clients, they needed a solution that could handle increased demand without compromising performance.
3. **Client Onboarding Challenges:** The lack of a user-friendly platform made the process of onboarding new clients cumbersome and inefficient. The onboarding process was time-consuming, leading to delays and dissatisfaction among new clients.

### Why Knight FM Chose Urbanise

1. **Scalability and Feature Richness:** The platform offered a wide array of features, addressing various client requirements and facilitating efficient service delivery. Features such as automated work order management, asset tracking, and preventive maintenance schedules were particularly beneficial.
2. **Local Support and Development:** With a local development team based in Melbourne, Urbanise

ensured continuous innovation and responsiveness to Knight FM's needs. The proximity allowed for quick resolution of issues and customisation of the platform to meet specific client requirements.

3. **Cost-Effectiveness:** Urbanise's pricing model was aligned with Knight FM's budget, making it a cost-effective solution. The affordability of the platform allowed Knight FM to invest in other areas of their business, such as staff training and development.
4. **Cloud-Based Flexibility:** Urbanise's cloud-based platform provided the accessibility and flexibility necessary for remote work and real-time collaboration. This flexibility was crucial for Knight FM's geographically dispersed teams, enabling seamless coordination and communication.

### Key Benefits Achieved with Urbanise

1. **30% Reduction in Work Order Processing Time:** Streamlined workflows through Urbanise led to a significant decrease in administrative workload. Automated processes replaced manual tasks, reducing errors and increasing productivity.
2. **Enhanced Client Satisfaction:** The implementation of client portals and mobile apps improved communication and transparency, boosting client satisfaction. Clients could easily access real-time information about their service requests and maintenance activities.



- 3. Improved Operational Efficiency:** Advanced data analytics and reporting tools facilitated data-driven decision-making and optimal resource allocation. Knight FM could track key performance indicators (KPIs) and identify areas for improvement.
- 4. Seamless Client Acquisition:** Urbanise’s user-friendly interface made the onboarding of new clients, especially those acquired through mergers and acquisitions, smoother. The platform’s intuitive design reduced the learning curve for new users, enabling faster adoption.
- 5. ISO 55001 Certification Maintenance:** Urbanise supported Knight FM in maintaining their asset management certification, ensuring compliance with industry standards. The platform’s robust asset management capabilities helped in adhering to best practices and regulatory requirements.

### Overall Impact

Knight FM’s transition to Urbanise demonstrates the transformative impact of a robust FM platform. The strategic partnership resulted in significant enhancements in efficiency, cost savings, client satisfaction, and business growth. Knight FM attributes their success to Urbanise’s scalability, affordability, local support, and comprehensive functionalities. This case study highlights Urbanise as an essential tool for FM companies aiming to optimise operations, elevate client service, and achieve sustainable growth.

By leveraging Urbanise, Knight FM not only overcame the limitations of their previous system but also positioned themselves as a leader in the facilities management industry. The platform’s comprehensive features and user-friendly design have empowered Knight FM to deliver superior service, retain satisfied clients, and continuously improve their operational processes.

### Testimonials

Naven Radhappan, CEO of Knight FM, shared insights on the partnership:

*“Urbanise has been a game-changer for us. The flexibility and scalability of the platform have allowed us to expand our services and cater to a more diverse client base. Our ability to manage complex facilities has improved significantly.”*

*“The local support from the Urbanise team in Melbourne has been invaluable. Their responsiveness and commitment to continuous improvement have significantly contributed to our operational efficiency and client satisfaction. We now have a system that not only meets our current needs but also grows with us.”*

# Directors' Report

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group' or Urbanise) consisting of Urbanise.com Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2024.

## Board Of Directors

Urbanise's Board of Directors comprises seasoned individuals who bring a wealth of knowledge and expertise from diverse fields. Their collective proficiency, grounded in industry experience, underscores the Group's commitment to effective corporate governance and strategic leadership.



**Darc Rasmussen**  
**Non-Executive Chairman**

(appointed as Chairman 16 January 2024, appointed as Non-executive Director on 18 April 2023)

Darc is a seasoned enterprise software professional with over 25 years' of experience building successful Software-as-a-Service (SaaS) and cloud-based businesses across global markets. In a wide-ranging career, Darc has led and contributed to the growth of private and public companies in Europe, the USA and APAC including Infor, SAP, IntraPower (Trusted Cloud) and Integrated Research (ASX:IRI).

While at SAP (NYSE:SAP), Mr Rasmussen led the global CRM Line of Business, building it from start-up to total annual revenues of US\$1.5 billion, establishing SAP as the global leader in the CRM market. As CEO of Integrated Research (ASX:IRI), he led a whole of business transformation strategy that delivered 70%+ growth in revenue and profits along with a 4x+ growth in the Company's market capitalisation. During his tenure as CEO at IRI, Darc led the development and execution of a product and go to market strategy that won IRI the distinction of Gartner "Cool Vendor" and established the company as the global market leader in the Unified Communications Performance Management market. Darc is currently a director of Objective Corporation (ASX:OCL) and Gentrack Group (ASX:GTK).



**Almero Strauss**  
**Non-Executive Director**

(appointed as Director on 8 February 2017, Executive Chairman on 3 April 2018, Non-Executive Chairman on 21 January 2019, Non-Executive Director on 18 April 2023)

Almero joined the Board of Urbanise on 8 February 2017, was appointed Executive Chairman on 3 April 2018, Non-Executive Chairman on 21 January 2019, resigned as Non-Executive Chairman and remained as Non-Executive Director on 18 April 2023. Almero is a director and an executive member of Mergon's investment team since 2008. Mergon is a private investment group that was founded in 1980. From a single, start-up business, Mergon has grown a diversified investment portfolio with significant interests in companies in the SaaS, commercial property, insurance, telecoms and fintech industries. Almero represents Mergon on the Boards of Infotech, one of South Africa's oldest technology companies, FREI (a Mobile Virtual Network Enabler) and Mertech Marine.

After starting his career as an electronic engineer Almero also obtained pre- and postgraduate accountancy qualifications from the University of Cape Town before launching his career in strategy and management consulting with leading international firms Bain & Company and Deloitte in South Africa and the USA. Almero was a founding member of Decipher Consulting, a South African niche consulting firm, where he was an executive director of the business.

Almero is the chair of the Audit and Risk Committee and a member of the Remuneration and Nomination Committee.

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# Directors' Report



**James Hourn**  
**Non-Executive Director**  
(appointed 16 January 2024)

James Hourn is a distinguished business leader with over a decade of expertise in high-growth Enterprise SaaS. At ReadyTech Holdings Ltd (ASX:RDY), he has demonstrated extensive proficiency in Executive relationship building and implementation frameworks for innovative technology solutions tailored to large-scale education and employment service providers, as well as complex government departments. His comprehensive experience encompasses sales, growth, product development, and strategic planning, where he has played a pivotal role in advising organisations on future focused technology decisions and implementations. James's career is marked by his success in scaling enterprise sales and driving strategic expansion into new markets.

James is the chair of the Remuneration and Nomination Committee and a member of the Audit and Risk Committee.



**Simon Lee**  
**Executive Director and Chief Executive Officer**  
(appointed 28 June 2022)

Simon joined Urbanise as CFO in 2019 from ASX listed public company BSA Limited where, since 2014, he had held senior finance roles including General Manager Finance. Simon was promoted to CEO of Urbanise in June 2022 after a period as Interim CEO.

Prior to this he worked in several finance, commercial and business development roles at Lendlease and UGL. He commenced his career in audit and M&A with Grant Thornton and PwC. Simon has broad experience across corporate functions, operations, shared services, business development, client service and contract management.

Simon is a qualified Chartered Accountant (ICAEW), holds a Bachelor of Laws (LLB) from the University of Exeter and is a graduate of the Australian Institute of Company Directors.

## Director Independence

The Board considers only James Hourn as an independent Director, as defined under the guidelines of the ASX Corporate Governance Council.

## Performance of Directors

In accordance with Principle 1.6 of the ASX Corporate Governance Principles and Recommendations, the Board conducts a review of the performance of its Directors and the Board's function as a whole each year. The evaluation of Directors is carried out in accordance with the process established by the Board, led by the Company Secretary.

## Retirement, Election and Continuation in Office of Directors

Directors are subject to retirement by rotation and election by shareholders at a general meeting. No Director, other than the Managing Director, may remain on the Board for more than three years without re-election. Where a Director is appointed during the year, the Director will hold office until the next Annual General Meeting (AGM) and then be eligible for election.

# Directors' Report

## Joint Company Secretaries

### Kim Larkin

Kim Larkin held the position of company secretary of Urbanise.com Limited for the full financial year. Kim is an experienced business professional with over 22 years' experience in the Banking and Finance industries and 7 years as a Company Secretary of an ASX300 company prior to her current role. She has over 17 years' experience as a Company Secretary of ASX Listed entities.

Her experience includes debt and capital raising, risk management, mergers and acquisitions, compliance, and governance. Kim currently acts as Company Secretary to various ASX listed and unlisted companies in Australia and is the Head of Corporate Services for Boardroom's Queensland office.

### Daniel Petravicius – appointed 20 June 2024

Daniel is an experienced Company Secretary and Corporate Governance Advisor working with a portfolio of companies, including ASX listed, unlisted public, private and not-for-profit companies in a range of industries including: technology and software, financial services, manufacturing and packaging, oils and gas, professional and community services, retail and education. Daniel holds a Bachelor of Laws (Hons) and Bachelor of Business (Economics) and is a member of the Governance Institute of Australia.

## Directors' Meetings

The number of Directors' meetings (including meetings of Board Committees) and the number of meetings attended by each of the Directors of the Company held during the financial year are detailed in the following table:

Name	Directors' Meetings		Audit and Risk Committee		Remuneration and Nomination Committee	
	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend
Darc Rasmussen	10	10	2	2	3	3
Almero Strauss	10	10	3	3	3	3
James Hourn <sup>1</sup>	4	5	2	2	1	1
Tod McGrouther <sup>2</sup>	5	5	1	1	2	2
Sam Cuccurullo <sup>2</sup>	5	5	1	1		
Simon Lee	10	10				

<sup>1</sup> Appointed on 16 January 2024

<sup>2</sup> Resigned on 15 January 2024

## Ordinary Shares, Options and Performance Rights Shares

### Performance rights

#### Unissued shares

At the date of this report, there were 2,520,608 ordinary shares under performance rights. Refer to the Director's Remuneration Report for further details of the performance rights outstanding for Key Management Personnel (KMP) and Note 22 for further details of the performance rights shares outstanding.

Performance rights holders do not have any right, by virtue of the performance rights, to participate in any share issue of the Company or any related body corporate.

#### Shares issued as a result of the performance rights

During the year, 2,288,088 performance rights shares were issued (FY2023: 1,047,485 performance rights shares), 353,144 performance rights shares were exercised (FY2023: 263,287 performance rights shares) and 1,056,025 performance rights shares were forfeited (FY2023: 411,226).

# Directors' Report

## Indemnification of Officers and Auditors

The Group has entered into agreements to indemnify all the Directors and Officers against all liabilities to persons (other than the Group), which arise out of the Directors and Officers conduct unless the liability relates to conduct involving a lack of good faith or is otherwise prohibited by law. The Group has agreed to indemnify the Directors and Officers against all costs and expenses incurred in defending an action that falls within the scope of the indemnity and any resulting payments.

Further disclosure required under section 300(9) of the Corporations Act 2001 is prohibited under the terms of the contract.

To the extent permitted by law, the Group has agreed to indemnify its auditors, A D Danieli Audit Pty Ltd, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit. No payment has been made to indemnify the Auditors during or since the financial year.

## Dividends

No dividends have been paid or declared since the start of the financial year.

## Non-Audit Services

The auditors were not engaged in any non-audit services for the financial year ended 30 June 2024 (30 June 2023: Nil).

## Environmental Regulation and Performance

Urbanise was not subject to any particular or significant environmental regulations of the Commonwealth, individual states, or territories, during the financial year.

## Proceedings on Behalf of the Company

No person has applied to the court under section 237 of the Corporations Act 2001 (Cth) for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all, or part, of those proceedings.

## Auditors Independence Declaration

The lead auditors' independence declaration for the year ended 30 June 2024 as required under section 307c of the Corporations Act 2001 (Cth) has been received and can be found at the end of this Directors' Report.

## Subsequent Events

On July 24, 2024, Urbanise Limited reported a dispute related to the termination of a contract with Colliers Australia. The Company has initiated a claim for over \$3 million in unpaid development costs and fees. This potential dispute is anticipated to affect the Company's annual recurring revenue (ARR) run rate by approximately \$500,000. Urbanise Limited is actively working to resolve this matter as expeditiously as possible.

The Board have reviewed the impact of the dispute with Colliers Australia and has determined that the Company has sufficient cash runway to achieve cash flow breakeven in FY2025 without the inclusion of fees from the Colliers Australia contract. This will be achieved from sales conversions to date, future sales and the prudent management of costs and working capital.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected the Group's operations, results or state of affairs, or may do so in future years.

## Rounding of Amounts

The Company is of the kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, and in accordance with that Corporations Instrument amounts in the Directors' Report and the financial statements are rounded off to the nearest dollar, unless otherwise indicated.

## Corporate Governance Statement

The Board of Directors of Urbanise.com Limited is responsible for corporate governance. The Board has chosen to prepare the Corporate Governance Statement ("CGS") in accordance with the 4th edition of the ASX Corporate Governance Council's Principles and Recommendations under which the CGS may be made available on a Group's website.

Accordingly, a copy of the Group's CGS is available on the Urbanise website at [www.Urbanise.com](http://www.Urbanise.com) under the Corporate Governance section.

# Directors' Report – Audited Remuneration Report

## 1. Remuneration Highlights

Urbanise.com Limited's Remuneration Report for the year ended 30 June 2024 reflects the remuneration of its Key Management Personnel and Non-Executive Directors and emphasises the connection between performance and reward outcomes for the FY2024 financial year. The report also highlights strategic changes made to support future growth. Key highlights are as follows:

### Changes to Board

On 16 January 2024, Darc Rasmussen was appointed Non-Executive Chairman of Urbanise and James Hourn joined the Board as a Non-executive Director. Darc Rasmussen has been a Non-Executive Director since April 2023.

### Changes to the leadership team

David Goldbach stepped down from his role as CFO, effective 5 April 2024, and Michelle Garlick was appointed Interim CFO on 8 February 2024. Michelle is a Chartered Accountant and has extensive senior finance leadership experience with listed and global SaaS businesses including Altium Limited where she served as Group Financial Controller.

On 20 August 2024, Michelle Garlick was appointed as Chief Financial Officer.

### Group Performance

During FY2024, Urbanise continued to progress new contract wins and build its sales pipeline. The Group's platforms and services have been enhanced this year with the release of new features and modules including predictive analytics and the provision of more pricing options to customers which results in quantifiable cost savings, operating efficiencies and increased automation.

Urbanise continued to expand its presence in the ANZ strata market where the Urbanise Strata holds a commanding position. The Group continues to focus on building Strata sales capability, and engagement with key strata and FM industry forums such as the Strata Community Association (SCA), has been critical to growing sales networks.

During FY2024, Urbanise progressed discussions with several service provider partnerships, resulting in the formation of an initial partnership to connect strata managers to debt collection services. At present, this represents a small revenue opportunity but proves out the commercialisation of the new product. Our objective in FY2025 is to focus on key partnerships in the banking sector to improve how strata managers manage vast numbers of strata scheme bank accounts. We estimate the total market value relating to this opportunity is \$30m-\$54m.

The Urbanise FM platform has a dedicated user base across multiple sectors including FM service providers, Australia's largest mining companies, aged care, commercial offices, commercial retail and utilities. The integrated strata and FM platforms service large customers in APAC and the Middle East including long term customers such as PICA, Knight FM and ADNOC and we continue to invest in customer satisfaction and retention strategies, utilising user feedback surveys and key account management relationships.

Post balance date, Urbanise announced on 24 July 2024 that it had entered into a dispute resolution process with Colliers Australia in relation to the contract for the implementation and development of facilities management software. The nature of the contractual dispute is a claim by Urbanise for unpaid costs and fees for the delivery of the project. Colliers Australia is claiming early termination of the contract and Urbanise is disputing the validity of the termination. Urbanise is endeavouring to resolve the dispute through the dispute resolution process defined in the contract. (For further information, refer to ASX announcement dated 24 July 2024).

Despite significant progress made across key areas of the business, the financial hurdles relating to the awarding of a Short-Term Incentive (STI) to Executive Key Management Personnel (KMP) were not met and therefore, no STI will be awarded for FY2024. The FY2024 Long-Term Incentive achievement will be tested in FY2025.

### 2025 and beyond

The Remuneration and Nomination Committee will add a new instrument Share appreciation right (SARS) as a new LTI equity instrument which will continue to align management incentives with delivering shareholders value.

# Directors' Report – Audited Remuneration Report

## 2. Introduction

This remuneration report sets out the remuneration of Key Management Personnel (KMP) for the year ended 30 June 2024. This report forms part of the Directors' Report and has been audited in accordance with Section 308(3C) of the *Corporations Act 2001* and Australian Accounting Standards.

The report sets out the remuneration arrangements for the Group's Key Management Personnel ('KMP'), comprising its Non-executive Directors ('NED') and Chief Executive Officer ('CEO'), who together have the authority and responsibility for planning, directing and controlling the activities of the Group. The KMP in the year ending 30 June 2024 are listed below.

### Non-Executive Directors

Name	Position	Term as KMP
Darc Rasmussen	Non-Executive Chairman Non-Executive Director	Appointed as Chairman 16 January 2024
Almero Strauss	Non-Executive Director	Full term
James Hourn	Non-Executive Director	Appointed 16 January 2024
Sam Cuccurullo	Non-Executive Director	Resigned 15 January 2024
Tod McGrouther	Non-Executive Director	Resigned 15 January 2024

### Executives

Name	Position	Term as KMP
Simon Lee	Executive Director and Chief Executive Officer	Full term
David Goldbach	Chief Financial Officer	Ceased as KMP 8 February 2024

On 20 August 2024, Michelle Garlick was appointed as Chief Financial Officer. There have been no other changes to KMP between the end of the reporting period and publication of the Annual Report.

## 3. Remuneration Governance

The Board policy for determining the nature and amount of key management personnel remuneration is agreed by the Board of Directors after review, approval and recommendation by the Remuneration and Nomination Committee.

The responsibilities of the Remuneration and Nomination Committee are to:

- Review and recommend to the Board changes to variable remuneration plans, including consideration of performance thresholds
- Review and recommend to the Board performance and remuneration outcomes for the CEO and Executive team (including incentive payments and awards/vesting)
- Review and recommend to the Board changes to NED fees
- Review and recommend to the Board any other policies it deems fit for the Board to consider

Non-executive Directors attend all Board meetings and are invited to committee meetings where they are not members. Members of the Remuneration and Nomination Committee are fully informed of any issues or discussions arising during the Audit and Risk Management Committee meetings, and vice versa, enabling a comprehensive assessment of any relevant risk considerations in remuneration decision making.

The Committee has the appropriate resources to discharge its duties and responsibilities, including engaging counsel or other experts that it considers appropriate. This includes making requests to management or engaging external remuneration consultants to provide information and guidance.

# Directors' Report – Audited Remuneration Report

## 4. Remuneration Principles

### Our purpose, values and remuneration principles

**Value Others** “Be somebody who makes everybody feel like somebody”

**Integrity** “Do the right things, even if it hurts”

**Greatness** “Let’s dream big. Let’s aspire to something bigger than ourselves!”

**Tenacity** “Finish what you started, giving up is not an option”

**Disrupt** “Predict the future by creating it. Do not become the status quo. Challenge it. Change it.”

### Remuneration principles

To execute its vision, Urbanise’s remuneration principles aim to:

- Attract, motivate, and retain high-calibre executives and employees
- Align the creation of long-term shareholder value with the achievement of Group goals in pursuit of its vision
- Offer competitive, market-specific rewards while balancing shareholder expectations
- Tailor rewards to the unique requirements of each role and the employee’s contribution to Urbanise’s long-term success
- Maintain a flexible remuneration framework to ensure compliance with legislation in multiple jurisdictions
- Provide appropriate rewards based on Group and individual performance
- Foster a highly engaged executive team

Compensation levels and structures for key management of the Group are competitively set to attract and retain appropriately qualified and experienced people, to reward the achievement of strategic objectives and achieve the broader outcome of protecting and enhancing shareholder value. The compensation structure is designed to reflect the capability and experience of key management and the ability of key management to control areas of their respective responsibilities.

## 5. Executive Remuneration Framework and Overview of Incentive Plans

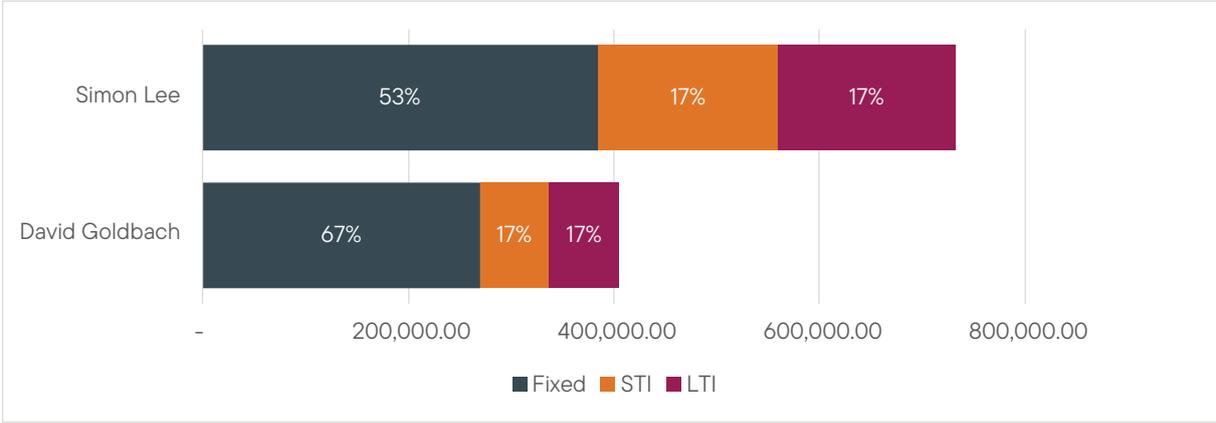
Executives are remunerated with a combination of fixed and long-term compensation. The following table provides a summary of the key elements of the remuneration framework.

Remuneration Type	Features	Purpose
Fixed remuneration	<ul style="list-style-type: none"> <li>– Base salary plus benefits and statutory entitlements</li> <li>– Reviewed annually, with reference to the relevant market benchmarks</li> </ul>	Attract and retain exceptional talent in a competitive environment, considering the capability and experience of individual Executives.
Variable remuneration		
– Short-term Incentives	<ul style="list-style-type: none"> <li>– Annual performance-based plan</li> <li>– Vesting based on achievement of Group targets and individual targets</li> <li>– Delivered as cash or equity, following the end of the fiscal year</li> </ul>	To link the achievement of personal Key Performance Indicators (KPI's) and the Group's annual financial and operational targets with the remuneration received by the Executives charged with meeting those targets.
– Long-term Incentives	Long-term performance-based plan delivered as performance rights, subject to Board discretion, which vest in future years subject to continued employment and achievement of performance targets.	Encourage key employees to focus on the creation of shareholder value and returns for investors, whilst retaining the employees for the long-term.

# Directors' Report – Audited Remuneration Report

## Remuneration mix

The following graph outlines the proportion of maximum STI and LTI earned in relation to the FY2024 financial year.



## Service agreements

The following table outlines the summary terms of employment for the CEO:

Service agreement terms	Simon Lee
Terms of agreement	No fixed term but subject to termination provisions
Termination provisions	3 months' notice by either the CEO or the Company other than where employment is terminated for cause in which case the Company may terminate with no notice period
Termination benefits	Statutory benefits only
Post employment restrictions	Subject to post-employment restraints. Non-compete for a maximum of 12 months and non-solicitation for a maximum of 6 months.

## Fixed Remuneration

Fixed Remuneration for KMP is a combination of cash and benefits, including statutory entitlements. Retirement benefits are paid in line with local legislation and practice.

Fixed remuneration is set with reference to:

- The scope of the executive's role
- The executive's skills, experience, and qualifications
- Individual performance

Fixed remuneration is reviewed annually and there are no guaranteed remuneration increases.

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# Directors’ Report – Audited Remuneration Report

## Variable Remuneration

### Short-Term Incentives (STI)

The table below outlines key features of the 2024 STI plan for key employees. STI Performance metrics were not achieved for FY2024.

Feature	Description
Eligibility	Participation in the STI plan is at the discretion of the Board and closely calibrated with the employee’s ability to impact performance within the Group.
Target / maximum opportunity	<p>The total potential STI is structured to provide reward to the Executive for meeting financial and operational targets, with the cost to the Group being reasonable.</p> <p>The weighted outcome of the KPI achieved has a minimum threshold of 80% which will result in an award of 15%, with a scaling to 100% resulting in an award of 100%, thereafter an uncapped linear extrapolation.</p>
Performance metrics (and weightings)	<p>KPIs cover financial metrics</p> <ul style="list-style-type: none"> <li>- Annualised recurring revenue (ARR)</li> <li>- Group revenue</li> <li>- EBITDA and;</li> <li>- Specific personal goals for individual participants</li> </ul> <p>The Board believes that the best way to incentivise behavior to achieve growth and to become cashflow breakeven is to use ARR, Group revenue, and EBITDA margins as the principal targets for the STI plan.</p>
Calculation of awards	Calculation is based on achievement of the performance metrics as measured by the annual audited results and CEO assessment of the achievement of individual personal goals.
Award vehicle and timing	The STI is delivered in cash for the CEO and in Equity for other Executives at the end of the performance year (following confirmation of performance outcomes).
Termination and change of control provisions	<p>Retirement, redundancy, leave by mutual agreement:</p> <ul style="list-style-type: none"> <li>- STI awards generally remain “on foot” (subject to CEO recommendation and Board approval)</li> </ul> <p>Termination, resignation:</p> <ul style="list-style-type: none"> <li>- STI awards are forfeited</li> <li>- No entitlement to termination payments in the event of termination for misconduct</li> </ul>
Malus / Discretion	STI award is subject to Board consideration of the executive’s management of risk, involvement in any company reputational matters and malus consideration.

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# Directors' Report – Audited Remuneration Report

## Long-Term Incentives (LTI)

The table below outlines key features of the 2024 Long-Term Incentive (LTI) plan for key employees. LTI for FY2024 is measurable at the end of FY2025.

Feature	Description
Eligibility	Participants are invited to join the LTI plan every year based upon the recommendation of the CEO, the endorsement of the Remuneration and Nomination Committee and with the approval of the Board. An invitation in one year does not commit the Group to invite participants in future years.
Target / maximum opportunity	<p>Target opportunity is calculated based on a percentage of the employee's Fixed remuneration. The percentage is set based on an assessment of the employee's future potential impact and retention value.</p> <p>The outcome of the KPI achieved has a minimum threshold of 80% which will result in an award of 15%, with a scaling to 100% resulting in an award of 100%, thereafter an uncapped linear extrapolation.</p>
Performance Metrics (and weightings)	<p>LTI awards vest based on continued employment and achievement of performance hurdles set annually by the Board.</p> <p>Performance measures are chosen to align with Urbanise's long-term corporate objectives. These hurdles are designed to represent milestones toward achieving these objectives.</p> <p>For the 2024 financial year, the Board re-evaluated performance hurdles and determined that group revenue is the key performance measure for FY2024.</p> <p><b>Performance Measure:</b></p> <p>80% of the measure is based on the rolling 2-year Compound Annual Growth Rate (CAGR) from the end of FY2023 to the end of FY2025, while the remaining 20% is based on continuous service.</p> <p>These performance rights will vest in three equal tranches on 31 August 2025, 31 August 2026, and 31 August 2027, contingent upon the continued employment of the employees, including Key Management Personnel.</p>
Calculation of the award	Calculation is based on the achievement of the performance metrics as measured by the audited annual results and Board approval.
Award vehicle and vesting	<p>Executives are eligible to receive performance rights (one performance right equals one ordinary share in the company upon meeting the performance criteria) at no cost to the recipient upon vesting.</p> <p>The performance rights vest over a 3-year period, dependent on continued employment with the company unless otherwise determined by the Board. The first year of vesting occurs one year after the performance targets have been achieved.</p> <p>The award is delivered in performance rights which convert into fully paid ordinary shares in Urbanise.</p>
Valuing deferred awards	The number of Performance Rights issued to participants is calculated by dividing the award dollar value by the volume weighted average price ("VWAP") of the Group's ordinary shares over the 2 months before 30 June before the grant.
Termination and change of control provisions	<p>Retirement, redundancy, leave by mutual agreement:</p> <ul style="list-style-type: none"> <li>– LTI awards may remain "on foot" subject to Board discretion</li> </ul> <p>Termination, resignation:</p> <ul style="list-style-type: none"> <li>– All unvested awards are forfeited</li> <li>– No entitlement to termination payments in the event of termination for misconduct</li> </ul>

# Directors’ Report – Audited Remuneration Report

Feature	Description
Discretion / malus	<p>The Board recognises that performance hurdles are unable to account for all circumstances and might result in a nominal remuneration outcome that does not reflect true performance. As a result, the Board retains the right to exercise discretion to adjust outcomes up or down as warranted.</p> <p>The LTI award is also subject to Board consideration of Good Leaver Status as well as the employee’s management of risk, involvement in any company reputational matters and malus consideration.</p>

The Remuneration and Nomination Committee is responsible for assessing whether the targets are met. Targets are set at the beginning of each financial year and are set for the year. Incentive payments are adjusted in line with actual performance versus target performance levels.

### 6. Non-Executive Director Remuneration

Non-executive Directors (NEDs) receive fixed remuneration by way of cash fees. The NEDs are entitled to participate in the Share plan.

NED fees reflect the demands made of, and the responsibilities and skills of the NEDs.

NED fees are determined within an aggregate Directors’ fee pool limit, which is periodically recommended for approval by shareholders. The maximum aggregate amount that may be paid to NEDs for their services is \$250,000 during any financial year.

All NEDs have open agreements with no fixed term. The following table outlines the base NED fees. Fees are inclusive of statutory superannuation.

NEDs may be reimbursed for expenses reasonably incurred in attending to the Group’s affairs.

	Total \$
Chairman	120,000
Other Non-executive Directors	60,000 – 70,000

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# Directors' Report – Audited Remuneration Report

## 7. Business Performance and At-Risk Remuneration Outcomes

### Overview of group performance

The table below sets out information about Urbanise.com Limited's earnings and movements in shareholder wealth for the past five years up to and including the current financial year.

	FY2024	FY2023	FY2022	FY2021	FY2020
Revenue (\$m)	13.1	13.2	13.0	11.8	9.7
Sales revenue (\$m)	12.6	12.9	12.7	11.5	9.6
Loss after tax (\$m)	(3.5)	(5.7)	(5.9)	(3.8)	(4.2)
EBITDA (\$m)	(2.0)	(4.2)	(3.3)	(2.9)	(2.4)
Operating cash flow (\$m)	(2.1)	(2.8)	(2.8)	(2.1)	(0.1)
Share price (cents)	37.5	56	60	160	96

### FY2024 Incentive outcomes

#### Short-Term Incentive (STI)

For the 2024 financial year, the CEO's performance was measured against a set of predetermined Key Performance Indicators (KPIs). These KPIs and their respective weightings were as follows:

- Revenue: 20%
- EBITDA: 30%
- Annual Recurring Revenue (ARR): 30%
- Employee Retention: 20%

The purpose of these KPIs is to ensure that the CEO's performance aligns with the group's strategic objectives and to promote the achievement of key financial and operational targets. Despite the focused efforts, the weighted average outcome of these KPIs was below the threshold of 80%. As a result, no STI will be awarded for FY2024.

#### Long-Term Incentive (LTI)

The performance of the LTI awards for FY2024 will be evaluated in FY2025.

## Directors' Report – Audited Remuneration Report

### 8. Remuneration Outcomes

#### NED remuneration for the years ended 30 June 2024 and 30 June 2023

		Director Fees	Performance Rights	Total
		\$	\$	\$
Darc Rasmussen <sup>1</sup>	<b>2024</b>	<b>87,826</b>	<b>25,912</b>	<b>113,738</b>
	2023	12,000	-	12,000
Almero Strauss	<b>2024</b>	<b>47,849</b>	-	<b>47,849</b>
	2023	37,466	-	37,466
James Hourn <sup>2</sup>	<b>2024</b>	<b>32,083</b>	-	<b>32,083</b>
Sam Cuccurullo <sup>3</sup>	<b>2024</b>	<b>38,322</b>	-	<b>38,322</b>
	2023	62,000	-	62,000
Tod McGrouther <sup>4</sup>	<b>2024</b>	<b>31,973</b>	-	<b>31,973</b>
	2023	60,000	-	60,000
Daniel Bignold <sup>5</sup>	2023	48,000	-	48,000
Pierre Goosen <sup>6</sup>	2023	9,000	-	9,000
<b>Total NED's</b>	<b>2024</b>	<b>238,053</b>	<b>25,912</b>	<b>263,965</b>
	2023	228,466	-	228,466

1 Darc Rasmussen commenced as Chairman on 16 January 2024 and received the Chair fee from this date. Prior to this date, Darc was a Non-executive Director.

2 James Hourn commenced as a Non-executive director on 16 January 2024.

3 Sam Cuccurullo retired as Chair and Non-executive director on 15 January 2024.

4 Tod McGrouther retired as Non-executive director on 15 January 2024.

5 Daniel Bignold retired as Non-executive director on 13 June 2023.

6 Pierre Goosen retired as Non-executive director on 30 September 2022.

#### Executive KMP remuneration for the years ended 30 June 2024 and 30 June 2023

		Short-term benefits		Post employment	Equity settled		Performance related
		Salary	STI	Superannuation	Performance rights	Total	
		\$	\$	\$	\$	\$	
Simon Lee	<b>2024</b>	<b>357,602</b>	-	<b>27,399</b>	<b>52,609<sup>1</sup></b>	<b>437,610</b>	<b>12%</b>
	2023	359,708	173,250 <sup>2</sup>	25,292	173,250 <sup>3</sup>	731,500	47%
David Goldbach <sup>4</sup>	<b>2024</b>	<b>171,171</b>	-	<b>18,407</b>	-	<b>189,578</b>	<b>0%</b>
	2023	180,080	67,500 <sup>2</sup>	18,707	94,500 <sup>5</sup>	360,787	45%
<b>Total executive KMP</b>	<b>2024</b>	<b>528,773</b>	-	<b>45,806</b>	<b>52,609</b>	<b>627,188</b>	
	2023	539,788	240,750	43,999	267,750	1,092,287	

1 The performance rights expense includes costs for previously awarded but not yet vested LTIs and a portion of the current year's expected achievement.

2 STI was subject to Board approval of which 0% was approved subsequently.

3 LTI was subject to Board approval of which 28.2% was approved subsequently. These will vest in 31 August 2024, 31 August 2025 and 31 August 2026.

4 David Goldbach ceased as KMP on 8 February 2024.

5 LTI was subject to Board approval of which 21.4% was approved subsequently. These will vest in 31 August 2024, 31 August 2025 and 31 August 2026.

# Directors' Report – Audited Remuneration Report

## 9. Other Statutory Disclosures

### Performance rights awarded, vested and lapsed during the year

The table below discloses the number of performance rights granted, vested or lapsed during the year. Performance rights do not carry any voting or dividend rights and can only be exercised once the vesting conditions have been met.

### Performance rights issued to KMP

	Year	No. of PR granted during the year	Grant date	Fair value per right	Vesting date	Exercise price	Value of PR granted during the year
				\$		\$	\$
Darc Rasmussen	2024	86,250	23/11/2023	\$0.39	31/08/24	-	\$33,638
		225,000			31/08/25		
Simon Lee <sup>1</sup>	2024	225,000	23/11/2023	\$0.39	31/08/26	-	\$263,250
		225,000			31/08/27		
David Goldbach	2024	39,768	29/11/2023	\$0.39	31/08/25	-	\$46,528
		39,767			31/08/27		
	2024 STI	47,721	13/11/2023	\$0.43	31/08/24	-	\$20,520

<sup>1</sup> For FY2024, Simon Lee received a one-off grant of \$250,000 in addition to his annual LTI grant, in accordance with the key terms of his employment contract, announced to the market on 28 June 2022. These performance rights are subject to the same performance hurdles as his standard LTI awards.

### Performance rights holdings of KMP

Number of Performance Rights	Balance at 30-Jun-23	Granted	Forfeited / lapsed	Exercised	Balance at 30-Jun-24
<b>Non-Executive Directors</b>					
Darc Rasmussen	-	86,250	-	-	86,250
<b>Executives</b>					
Simon Lee	409,003	675,000	(153,139)	(112,767)	818,097
David Goldbach <sup>1</sup>	116,258	167,023	(283,281)	-	-
<b>Total</b>	<b>525,261</b>	<b>928,273</b>	<b>(436,420)</b>	<b>(112,767)</b>	<b>904,347</b>

<sup>1</sup> David Goldbach ceased as KMP on 8 February 2024.

Performance rights are granted over ordinary shares and nil is payable upon exercise.

## Directors' Report – Audited Remuneration Report

### Shareholdings of KMP

Number of shares	Balance at 1 Jul 23	Received as part of remuneration	Acquired	Other	Balance at 30 Jun 24
<b>Non-Executive Directors</b>					
Darc Rasmussen	41,523	-	160,977	-	202,500
Almero Strauss	266,000	-	-	-	266,000
James Hourn	-	-	-	-	-
Tod McGrouther	440,855	-	-	(440,855) <sup>1</sup>	-
Sam Cuccurullo	36,666	-	-	(36,666) <sup>1</sup>	-
<b>Executives</b>					
Simon Lee	199,439	112,767	-	-	312,206
<b>Total</b>	<b>984,483</b>	<b>112,767</b>	<b>160,977</b>	<b>(477,521)</b>	<b>780,706</b>

<sup>1</sup> Tod McGrouther and Sam Cuccurullo retired as Non-executive directors on 15 January 2024, shareholdings have been included until that date.

### 11. Other Transactions with Key Management

There were no other transactions or loans to KMP during the year ended 30 June 2024 and 30 June 2023.

### 12. Voting of Shareholders Last Year's Annual General Meeting

Urbanise received 82.11% of "yes" votes on its remuneration report for the 2023 financial year. The Group did not receive any specific comments at the AGM or during the year on its remuneration practices.

This concludes the remuneration report, which has been audited.

### Review of Operations

The Operating and Financial Review is set out on pages 9-13 of this annual report and incorporated into the CEO Report.

Signed in accordance with a resolution of the Directors made pursuant to section 298(2) of the *Corporations Act 2001*.

On behalf of the Directors,



**Darc Rasmussen**

27 August 2024

# Auditor's Independence Declaration



## A D Danieli Audit Pty Ltd

Authorised Audit Company  
ASIC Registered Number 339233  
Audit & Assurance Services

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Sydney NSW 2000  
PO Box H88  
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www.addca.com.au

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

I declare that, to the best of our knowledge and belief, during the year ended 30 June 2024, there have been no contraventions of:

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

**A D DANIELI AUDIT PTY LTD**

**Sam Danieli**

**Sydney, 27 August 2024**

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# Financial Report

for the year ended 30 June 2024

**Urbanise.com Limited**

ABN 70 095 768 086

# Consolidated Statement of Profit or Loss and Comprehensive Income

for the year ended 30 June 2024

	Note	2024 \$	2023 \$
<b>Revenue and other income</b>			
Revenue from contracts with customers	3	12,604,353	12,850,128
Other income	4	460,830	396,101
		13,065,183	13,246,229
<b>Less: expenses</b>			
Employee benefits and contractor costs	5	(9,821,473)	(11,569,651)
Depreciation and amortisation expenses		(1,264,149)	(1,218,425)
IT subscription and license cost		(3,062,853)	(3,105,913)
Occupancy cost		(115,082)	(202,426)
Professional fees	5	(670,418)	(794,702)
Travel costs		(136,047)	(393,495)
Cost of implementation and materials		(231,077)	(296,533)
Doubtful debt expense/impairment from expected credit loss	5	(123,165)	(120,306)
Advertising and promotion costs		(160,737)	(219,763)
Finance costs	5	(71,074)	(81,326)
Foreign exchange loss	5	(539,458)	(557,488)
Other expenses		(333,942)	(350,748)
<b>Total expenses</b>		<b>(16,529,475)</b>	<b>(18,910,776)</b>
<b>Loss before tax</b>		<b>(3,464,292)</b>	<b>(5,664,547)</b>
Income tax (expense)/benefit	6	-	-
<b>Net loss for the year</b>		<b>(3,464,292)</b>	<b>(5,664,547)</b>
<b>Other comprehensive income, net of income tax</b>			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		393,586	505,858
Other comprehensive income for the year net of income tax		<b>393,586</b>	<b>505,858</b>
<b>Total comprehensive loss for the year</b>		<b>(3,070,706)</b>	<b>(5,158,689)</b>
Loss for the year attributable to:			
Owners of the parent		<b>(3,464,292)</b>	<b>(5,664,547)</b>
Total comprehensive loss attributable to:			
Owners of the parent		<b>(3,070,706)</b>	<b>(5,158,689)</b>
		<b>Cents</b>	<b>Cents</b>
<b>Loss per share</b>			
Basic loss per share	21	<b>(5.40)</b>	<b>(9.87)</b>
Diluted loss per share	21	<b>(5.40)</b>	<b>(9.87)</b>

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

# Consolidated Statement of Financial Position

at 30 June 2024

	Note	30 June 2024 \$	30 June 2023 \$
<b>Current assets</b>			
Cash and cash equivalents	7	1,899,268	4,247,586
Trade receivables	8	3,931,401	2,644,191
Contract assets	8	39,726	327,905
Other assets	9	130,160	171,178
Prepayments		326,542	316,773
<b>Total current assets</b>		<b>6,327,097</b>	<b>7,707,633</b>
<b>Non-current assets</b>			
Property, plant and equipment	10	388,761	839,792
Intangible assets	11	2,379,808	3,315,354
Goodwill	12	4,786,480	4,786,480
Other assets	9	122,873	126,828
<b>Total non-current assets</b>		<b>7,677,922</b>	<b>9,068,454</b>
<b>Total assets</b>		<b>14,005,019</b>	<b>16,776,087</b>
<b>Current liabilities</b>			
Trade and other payables	13	2,972,210	2,846,636
Provisions	14	738,315	939,669
Deferred revenue	3	3,955,049	3,684,044
Lease Liabilities	15	257,489	261,079
<b>Total current liabilities</b>		<b>7,923,063</b>	<b>7,731,428</b>
<b>Non-current liabilities</b>			
Deferred revenue	3	716,965	500,220
Provisions	14	43,833	5,239
Lease Liabilities	15	147,499	490,437
<b>Total non-current liabilities</b>		<b>908,297</b>	<b>995,896</b>
<b>Total liabilities</b>		<b>8,831,360</b>	<b>8,727,324</b>
<b>Net assets</b>		<b>5,173,659</b>	<b>8,048,763</b>
<b>Equity</b>			
Issued capital and contributed equity	16	111,537,614	111,280,758
Employee share reserve		395,301	584,210
Foreign currency translation reserve		841,262	447,676
Accumulated losses		(107,600,518)	(104,263,881)
<b>Total equity</b>		<b>5,173,659</b>	<b>8,048,763</b>

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

# Consolidated Statement of Changes in Equity

for the year ended 30 June 2024

	Note	Issued capital and contributed equity \$	Employee share reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Total \$
<b>Balance at 1 July 2022</b>		<b>107,768,805</b>	<b>456,619</b>	<b>(58,182)</b>	<b>(98,621,121)</b>	<b>9,546,121</b>
Loss for the year		-	-	-	(5,664,547)	(5,664,547)
Foreign currency reserve		-	-	505,858	-	505,858
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>505,858</b>	<b>(5,664,547)</b>	<b>(5,158,689)</b>
Transactions with owners in their capacity as owners:						
Conversion of performance rights	16	165,709	(165,709)	-	-	-
Cost of rights issue	16	(174,604)	-	-	-	(174,604)
Rights issue	16	3,500,000	-	-	-	3,500,000
De-recognition of share-based payments		-	(21,787)	-	21,787	-
Recognition of share-based payments	22	20,848	315,087	-	-	335,935
<b>Transactions with owners in their capacity as owners for the year</b>		<b>3,511,953</b>	<b>127,591</b>	<b>-</b>	<b>21,787</b>	<b>3,661,331</b>
<b>Balance at 30 June 2023</b>		<b>111,280,758</b>	<b>584,210</b>	<b>447,676</b>	<b>(104,263,881)</b>	<b>8,048,763</b>
Loss for the year		-	-	-	(3,464,292)	(3,464,292)
Foreign currency reserve		-	-	393,586	-	393,586
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>393,586</b>	<b>(3,464,292)</b>	<b>(3,070,706)</b>
Transactions with owners in their capacity as owners:						
Conversion of performance rights	16	256,856	(256,856)	-	-	-
De-recognition of share-based payments		-	(127,655)	-	127,655	-
Recognition of share-based payments	22	-	195,602	-	-	195,602
<b>Transactions with owners in their capacity as owners for the year</b>		<b>256,856</b>	<b>(188,909)</b>	<b>-</b>	<b>127,655</b>	<b>195,602</b>
<b>Balance at 30 June 2024</b>		<b>111,537,614</b>	<b>395,301</b>	<b>841,262</b>	<b>(107,600,518)</b>	<b>5,173,659</b>

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

## Consolidated Statement of Cash Flows

for the year ended 30 June 2024

	Note	2024 \$	2023 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		13,447,883	13,740,183
Payments to suppliers and employees		(15,938,337)	(16,846,325)
R&D Tax refund & Government Incentive		460,739	388,570
Interest		(47,000)	(54,101)
Net cash used in operating activities	18	<b>(2,076,715)</b>	<b>(2,771,673)</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant & equipment		(7,284)	(52,886)
Receipts on sale of Utilities business		-	16,400
Net cash used in investing activities		<b>(7,284)</b>	<b>(36,486)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	16	-	3,500,000
Payments for share issue costs	16	-	(186,894)
Repayment of principal portion of lease liability		(241,884)	(254,340)
Net cash provided by financing activities		<b>(241,884)</b>	<b>3,058,766</b>
Net increase/(decrease) in cash and cash equivalents		(2,325,883)	250,607
Cash and cash equivalents at the beginning of the period		4,247,586	3,970,135
Effect of movement in exchange rates on cash balances		(22,435)	26,844
<b>Cash and cash equivalents at the end of the period</b>	<b>7</b>	<b>1,899,268</b>	<b>4,247,586</b>

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

The prior year comparative has been reclassified to move the principal repayment of lease liabilities from "Payments to suppliers and employees" to "Financing activities."

# Notes to the Financial Statements

for the year ended 30 June 2024

## 1. Corporate information

### General information

Urbanise.com Limited ('the Company') and its controlled entities ('Urbanise' or 'the Group') is an Australian Securities Exchange (ASX) listed Company whose principal activities are the development and commercialisation of Strata and Facility management software as a service. Urbanise.com Limited is the ultimate parent company of the Group and is a for-profit listed company limited by shares, incorporated and domiciled in Australia.

The Group's principal place of business and registered office is Level 1, 201 Miller St North Sydney NSW Australia.

### Basis of preparation

The financial statements have been approved and authorised for issue by the directors on 27 August 2024.

The financial statements are general purpose financial statements that have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial report is presented in Australian dollars, except when otherwise indicated under the option available to the company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which this legislative instrument applies.

### Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, share-based payments which are measured at fair value in accordance with AASB 2 Share-based payments, and assets classified as held for sale which are measured at the lower of carrying amount and fair value less costs to sell.

### 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 financial year ended 30 June 2024, the Group produced a Net Loss After Tax (NLAT) of \$3,464,292. The Group has net assets of \$5,173,659 at reporting date inclusive of cash reserves of \$1,899,268 with no external debt or borrowings.

The Group has prepared a three-year cash flow forecast based on its current level of expenditure which indicates that the Group will become cashflow breakeven within the next 12 months.

The key assumptions underpinning the three-year forecast are:

- **Revenue:** Our revenue projections begin with the Annual Recurring Revenue (ARR) as of June 2024. We have incorporated all known and relatively certain changes, alongside a conservative estimate of growth from both existing and new clients.
- **Employee costs:** These projections are based on our current workforce and anticipated employee movements as outlined in the budget, with adjustments for annual salary increases.
- **Other Expenses:** Our forecast for other expenses is based on current costs with escalations.
- **Working capital changes:** We have projected changes in working capital, including adjustments for increases or decreases in debtors and deferred revenue, based on prior period sales changes, as well as anticipated changes in payables.

# Notes to the Financial Statements

for the year ended 30 June 2024 (continued)

## Result

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

- Forecast sales being realised
- Cost base not materially increasing or the Group's ability to reduce labour costs in a timely manner
- No unusual or unexpected cash outflow higher than the current levels
- Timing of cash inflows not delayed
- Achieving working capital improvements

The forecast assumes revenue growth based on recent years, sensitised for potential impacts from delayed sales. Cost growth is modelled to reflect a relatively fixed base of operating costs.

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 a 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.

## Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Urbanise.com Limited as at 30 June 2024 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

## Foreign currency translation

### Functional currency

The consolidated financial statements are presented in Australian dollars which is Urbanise.com Limited's functional and presentation currency.

### Foreign currency transactions

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

# Notes to the Financial Statements

for the year ended 30 June 2024 (continued)

## Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rate at the date of the transaction, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

## Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when it is expected to be realised or intended to be sold or consumed in a normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is current when it is expected to be settled in a normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

## Comparative information

Comparative information is reclassified where appropriate to enhance comparability.

## Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except:

- When the GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority, in which case the GST is recognised as part of the revenue or the expense item or as part of the cost of acquisition of the asset, as applicable.
- When receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows

## Changes in accounting policies and disclosures

As at 30 June 2024, the Group has adopted the accounting standards as required under AASB.

## Accounting Standards issued but not yet effective

There are no standards or amendments that have been issued but are not yet effective that are expected to have a significant impact on the Group.

The Group has not adopted, and currently does not anticipate adopting any standards prior to their effective dates.

# Notes to the Financial Statements

for the year ended 30 June 2024 (continued)

## 2. Segment information

Management has established the operating segments based on reports provided to the Chief Operating Decision Makers (CODM), which include the Board and the Chief Executive Officer. These reports are pivotal for strategic decision-making and operational performance reviews. The CODM evaluates the financial performance of the business concerning product types and the overarching economic characteristics of the industries in which the Group operates. Consequently, they have identified two operating segments:

1. **Strata:** Urbanise Strata serves strata managers in administering strata schemes and jointly owned properties.
2. **Facilities:** Urbanise FM software aids facilities managers in property asset maintenance and contractor supervision.

The CODM continues to consider the revenues of the business from a geographical perspective and as such the revenues of the Group are also presented by geographical region.

Costs and earnings before interest expense, tax expense, depreciation and amortisation (EBITDA) and the assets and liabilities of the Group collaboratively support the various segment revenues generated by the Group. The accounting policies for the reportable segments align with the Group's overall accounting policies.

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:

	2024	2023
Revenue	\$	\$
Strata	7,651,115	8,265,950
Facilities Management	4,953,238	4,572,629
Utilities	-	11,549
<b>Total revenue of all segments</b>	<b>12,604,353</b>	<b>12,850,128</b>

	2024	2023
Revenue by Geography	\$	\$
APAC	8,853,942	9,384,396
E/ME	3,638,743	3,351,181
Africa	111,668	114,551
<b>Total of all segments</b>	<b>12,604,353</b>	<b>12,850,128</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.

The amount of total external revenue derived from major customers where each contract's revenue is greater than 10% of total revenue is \$2.3 million (FY2023: \$3.35 million).

# Notes to the Financial Statements

for the year ended 30 June 2024 (continued)

## 3. Revenue from contracts with customers

### Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

Type of good or service	For the year ended 30 June 2024			
	Strata	Facilities	Utilities	Total
Platform license and activation fee	7,302,499	4,425,491	-	11,727,990
Professional services	348,617	527,746	-	876,363
<b>Total revenue from contracts with customers</b>	<b>7,651,116</b>	<b>4,953,237</b>	<b>-</b>	<b>12,604,353</b>

	For the year ended 30 June 2023			
	Strata	Facilities	Utilities	Total
Platform license and activation fee	7,334,739	3,816,043	4,861	11,155,643
Professional services	931,211	756,586	6,688	1,694,485
<b>Total revenue from contracts with customers</b>	<b>8,265,950</b>	<b>4,572,629</b>	<b>11,549</b>	<b>12,850,128</b>

Geographical markets	For the year ended 30 June 2024			
	Strata	Facilities	Utilities	Total
APAC	5,140,626	3,713,378	-	8,854,004
E/ME	2,439,956	1,198,787	-	3,638,743
Africa	70,534	41,072	-	111,606
<b>Total revenue from contracts with customers</b>	<b>7,651,116</b>	<b>4,953,237</b>	<b>-</b>	<b>12,604,353</b>

	For the year ended 30 June 2023			
	Strata	Facilities	Utilities	Total
APAC	5,676,904	3,707,492	-	9,384,396
E/ME	2,531,164	820,017	-	3,351,181
Africa	57,882	45,120	11,549	114,551
<b>Total revenue from contracts with customers</b>	<b>8,265,950</b>	<b>4,572,629</b>	<b>11,549</b>	<b>12,850,128</b>

# Notes to the Financial Statements

for the year ended 30 June 2024 (continued)

## Contract balances

	For the year ended 30 June 2024		
	Strata	Facilities	Total
<b>Contract assets</b>			
Trade receivables	3,059,818	1,020,654	4,080,472
Contract assets	39,726	-	39,726
<b>Contract assets</b>	<b>3,099,544</b>	<b>1,020,654</b>	<b>4,120,198</b>
<b>Contract liabilities</b>			
Current deferred revenue	2,207,916	1,747,133	3,955,049
Non-current deferred revenue	20,564	696,401	716,965
<b>Contract liabilities</b>	<b>2,228,480</b>	<b>2,443,534</b>	<b>4,672,014</b>

	For the year ended 30 June 2023		
	Strata	Facilities	Total
<b>Contract assets</b>			
Trade receivables	1,688,780	1,072,682	2,761,462
Contract assets	205,804	122,101	327,905
<b>Contract assets</b>	<b>1,894,584</b>	<b>1,194,783</b>	<b>3,089,367</b>
<b>Contract liabilities</b>			
Current deferred revenue	2,571,189	1,112,855	3,684,044
Non-current deferred revenue	42,156	458,064	500,220
<b>Contract liabilities</b>	<b>2,613,345</b>	<b>1,570,919</b>	<b>4,184,264</b>

## Accounting policy

The Group is in the business of developing and licencing software and providing support and implementation services. Revenue from contracts with customers is recognised when the benefit of services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring the benefit to the customer.

### Platform license

The Group's hosted Software-as-a-Service ("SaaS") application, which allows customers to use hosted software over the contract period without taking possession of the software, is provided on a subscription basis, and recognised over time (rateably over the contract period) on a straight-line basis, because the customer simultaneously receives and consumes the benefits, commencing on the date an executed contract exists and the customer has the right-to-use and access to the platform.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated based on their standalone selling price ("SSP"). In determining the transaction price for each performance obligation, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

# Notes to the Financial Statements

for the year ended 30 June 2024 (continued)

## (i) Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for providing access to the software to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

## (ii) Volume discounts

Revenue is constrained and the Group provides volume discounts to certain customers once the quantity of licenses purchased during the period exceeds a threshold specified in the contract. The Group has certain contracts whereby the license fee changes based on a tiered pricing schedule. In these contracts, any variable consideration (lower prices for increased volumes), is allocated to the period in which the revenue relates.

Variable consideration is constrained and the group does not estimate this variable consideration in advance of the variability being resolved as the incremental fees attributable to additional volumes are recognised in the reporting period when the new volumes are activated.

### **Professional services**

Professional services are typically billed on a time and material basis and revenue is recognised over time, using an input method to measure progress towards complete satisfaction of the performance obligation, as the services are performed. For professional services contracts billed on a fixed price basis, revenue is recognised over time based on the proportion of services performed.

The Group recognises revenue from professional services over time, using an input method based on hours incurred to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group.

In general, the Group's professional services are capable of being distinct as they could be performed by third party service providers or self-delivered by the customer.

### **Contract balances**

#### **Deferred revenue**

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Deferred revenue is recognised as revenue when the Group performs under the contract.

#### **Cost to obtain a contract**

The Group pays sales commission to its employees for each contract that they obtain for license fees and professional services. The Group has elected to apply the optional practical expedient for costs to obtain a contract which allows the Group to immediately expense sales commissions (included under employee benefits) because the amortisation period of the asset that the Group otherwise would generally have used is twelve months based on the minimum contract term.

#### **Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

### **Judgements, estimates and assumptions**

Contracts with customers often include promises to deliver multiple products and services. Determining whether such bundled products and services are considered:

- i) distinct performance obligations that should be separately recognised, or
- ii) non-distinct and therefore should be combined with another good or service and recognised as a combined unit of accounting may require significant judgement.

# Notes to the Financial Statements

for the year ended 30 June 2024 (continued)

In general, the Group's professional services are capable of being distinct as they could be performed by third party service providers or self-delivered by the customer.

The determination of stand-alone selling prices for distinct performance obligations can also require judgement and estimates. The Group allocates the transaction price based on the relative stand-alone selling prices of the platform license and activation fees and professional services.

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

### **Identifying performance obligations**

The Group provides professional services that are either sold separately or bundled together with the sale of licenses to a customer. The professional services are a promise to transfer services in the future and are part of the negotiated exchange between the Group and the customer.

The Group determines that both the professional services and licenses are capable of being distinct. The fact that the Group regularly sells both professional services and licenses on a stand-alone basis indicates that the customer can benefit from both products on their own. The Group also determined that the promises to transfer the licenses and to provide professional services are distinct within the context of the contract. The licenses and professional services are not inputs to a combined item in the contract. The Group is not providing a significant integration service because the presence of the license and professional services together in this contract do not result in any additional or combined functionality. Consequently, the Group allocates a portion of the transaction price to the licenses and the professional services based on relative stand-alone selling prices.

### **Determining the timing of satisfaction of professional services**

The Group determined that the input method is the best method in measuring progress of the professional services because there is a direct relationship between the Group's effort (i.e., labour hours incurred) and the transfer of service to the customer. The Group recognises revenue on the basis of the labour hours expended relative to the total expected labour hours to complete the service.

## **4. Other Income**

	2024	2023
	\$	\$
Research and development tax refund	460,739	388,570
Other	91	7,531
<b>Total other income</b>	<b>460,830</b>	<b>396,101</b>

### **Accounting policy**

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

# Notes to the Financial Statements

for the year ended 30 June 2024 (continued)

## 5. Expenses

	2024	2023
	\$	\$
<b>Employee benefits expense</b>		
Employee remuneration	9,149,802	10,310,520
Share-based payments	195,602	335,935
Contractors	476,069	923,196
<b>Total employee benefits and contractor cost</b>	<b>9,821,473</b>	<b>11,569,651</b>
Contractor costs reduced due to the completion of project development work for one Middle East and one APAC customer.		
<b>Professional fees</b>		
Accounting, audit and tax	175,070	228,910
Legal fees	69,236	61,537
Listed company compliance	171,417	170,921
Consultants	254,695	333,334
<b>Total professional fees expense</b>	<b>670,418</b>	<b>794,702</b>
<b>Expected credit loss</b>		
Doubtful debt expenses and expected credit losses	123,165	120,306
<b>Total Expected credit loss</b>	<b>123,165</b>	<b>120,306</b>
<b>Finance costs</b>		
Interest expense	71,074	81,326
<b>Total finance costs</b>	<b>71,074</b>	<b>81,326</b>
<b>Foreign exchange gain/(loss)</b>		
Realised foreign exchange gain/(loss)	68,589	(29,860)
Unrealised foreign exchange gain/(loss)	(608,047)	(527,628)
<b>Foreign exchange gain/(loss)</b>	<b>(539,458)</b>	<b>(557,488)</b>

# Notes to the Financial Statements

for the year ended 30 June 2024 (continued)

## 6. Income taxes

	2024	2023
	\$	\$
<b>(a) Components of tax expense</b>		
Current tax	-	-
Deferred tax	-	-
<b>Total tax (benefit)/expense</b>	<b>-</b>	<b>-</b>
<b>(b) Prima facie tax payable</b>		
The prima facie tax payable on profit before income tax is reconciled to the income tax expense as follows:		
Accounting loss before income tax	(3,464,292)	(5,664,547)
<b>Income tax benefit calculated at 25.0% (FY2023: 25.0%)</b>	<b>(866,073)</b>	<b>(1,416,137)</b>
<b>Add tax effect of:</b>		
Non-deductible items	166,457	142,809
R&D eligible expenditure	(115,185)	(97,143)
Non-recognition of deferred tax assets on current year losses	813,962	1,336,887
Effect of foreign tax rates	839	33,584
<b>Income tax expense/(benefit) attributable to profit</b>	<b>-</b>	<b>-</b>
<b>(c) Deferred tax assets not brought to account</b>		
Foreign entity tax losses	2,788,105	3,056,343
Operating tax losses	15,074,715	15,014,236
Temporary differences - Australia	903,309	1,743,343
<b>Total deferred tax assets not brought to account</b>	<b>18,766,129</b>	<b>19,813,922</b>

Management assessed deferred tax assets and liabilities for the reporting period 30 June 2024 and their recoverability based on the forecast taxable profit over five years. Management deemed it is appropriate not to recognise deferred tax assets and liabilities due to uncertainty on whether those assets and liabilities would be utilised against future profits generated in Australia, South Africa and Bulgaria.

Tax losses carried forward from 30 June 2023 along with tax losses incurred for the period ended 30 June 2024 have not been recognised. Management will assess this position at each reporting period. Deferred tax assets have been recognised only to the extent to offset deferred tax liabilities.

# Notes to the Financial Statements

for the year ended 30 June 2024 (continued)

## Accounting policy

### **Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### **Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

### **Australian Tax consolidation legislation**

Urbanise.com Limited and its wholly owned Australian controlled entities implemented the tax consolidation legislation as of 1 July 2014 for Mystrata Holdings Pty Limited and 1 July 2015 for Mystrata Pty Limited.

The head entity, Urbanise.com Limited and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the Group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, Urbanise.com Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

## Judgements, estimates and assumptions

### **Recoverability of deferred tax balances**

Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Calculation of future taxable amounts involve the use of assumptions and management judgements. A deferred tax asset can only be recorded for the portion of a potential benefit where utilisation is considered probable. The assessment of future taxable amounts involves the use of assumptions and management judgements. The deferred tax asset has not been recognised due to the inherent uncertainty of forecasts as they project further into the future. The unrecorded deferred asset will be reassessed for probable utilisation each year.

### **Uncertainty over Income Tax treatments**

The Group has assessed the tax position for the financial year ended 30 June 2024 and based on the carrying value of the financial losses from prior years, the Directors have assessed and have determined that there is no material uncertainty over Income Tax treatments.

# Notes to the Financial Statements

for the year ended 30 June 2024 (continued)

## 7. Cash and cash equivalents

	2024	2023
	\$	\$
Cash at bank	1,899,268	4,247,586
<b>Total cash and cash equivalents</b>	<b>1,899,268</b>	<b>4,257,586</b>

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

## 8. Trade receivables, other receivables and contract assets

	2024	2023
	\$	\$
Trade receivables	4,085,734	2,761,462
Doubtful debt provision	(154,333)	(117,271)
<b>Total trade receivables</b>	<b>3,931,401</b>	<b>2,644,191</b>

	2024	2023
	\$	\$
<b>Contract assets</b>		
Contract assets	39,726	327,905
<b>Total contract assets</b>	<b>39,726</b>	<b>327,905</b>

Summary of trade receivables for the year ended 30 June 2024:

	APAC	E/ME	Africa	Group
<b>Age of trade receivables</b>				
Current	447,542	518,800	-	966,342
31-60 days	322,804	656,684	4,335	983,823
61 - 90 days	202,222	143,368	4,114	349,704
90 + days	366,537	1,409,208	10,120	1,785,865
<b>Total</b>	<b>1,339,105</b>	<b>2,728,060</b>	<b>18,569</b>	<b>4,085,734</b>

### Age of doubtful debt provision

Current	(1,652)	-	-	(1,652)
31-60 days	(4,273)	-	-	(4,273)
61 - 90 days	(4,753)	-	-	(4,753)
90 + days	(64,838)	(78,817)	-	(143,655)
<b>Total</b>	<b>(75,516)</b>	<b>(78,817)</b>	<b>-</b>	<b>(154,333)</b>

# Notes to the Financial Statements

for the year ended 30 June 2024 (continued)

	APAC	E/ME	Africa	Group
<b>Age of trade receivables net of doubtful debt provision</b>				
Current	445,890	518,800	-	964,690
31-60 days	318,531	656,684	4,335	979,550
61 - 90 days	197,469	143,368	4,114	344,951
90 + days	301,699	1,330,391	10,120	1,642,210
<b>Total</b>	<b>1,263,589</b>	<b>2,649,243</b>	<b>18,569</b>	<b>3,931,401</b>

<b>Age of trade receivables net of doubtful debt provision %</b>				
Current	11%	13%	0%	24%
31-60 days	8%	17%	0%	25%
61 - 90 days	5%	4%	0%	9%
90 + days	8%	34%	0%	42%
<b>Total</b>	<b>32%</b>	<b>68%</b>	<b>0%</b>	<b>100%</b>

Summary of trade receivables for the year ended 30 June 2023:

	APAC	E/ME	Africa	Group
<b>Age of trade receivables</b>				
Current	513,879	964,359	2,937	1,481,175
31-60 days	85,067	188,194	2,654	275,915
61 - 90 days	39,913	219,936	707	260,556
90 + days	141,310	587,623	14,883	743,816
<b>Total</b>	<b>780,169</b>	<b>1,960,112</b>	<b>21,181</b>	<b>2,761,462</b>

<b>Age of doubtful debt provision</b>				
Current	-	-	-	-
31-60 days	-	-	-	-
61 - 90 days	-	-	-	-
90 + days	(20,575)	(92,082)	(4,614)	(117,271)
<b>Total</b>	<b>(20,575)</b>	<b>(92,082)</b>	<b>(4,614)</b>	<b>(117,271)</b>

<b>Age of trade receivables net of doubtful debt provision</b>				
Current	513,879	964,359	2,937	1,481,175
31-60 days	85,067	188,194	2,654	275,915
61 - 90 days	39,913	219,936	707	260,556
90 + days	120,735	495,541	10,269	626,545
<b>Total</b>	<b>759,594</b>	<b>1,868,030</b>	<b>16,567</b>	<b>2,644,191</b>

# Notes to the Financial Statements

for the year ended 30 June 2024 (continued)

	APAC	E/ME	Africa	Group
<b>Age of trade receivables net of doubtful debt provision %</b>				
Current	19.4%	36.5%	0.1%	56.0%
31-60 days	3.2%	7.1%	0.1%	10.4%
61 - 90 days	1.5%	8.3%	0.0%	9.8%
90 + days	4.6%	18.7%	0.5%	23.8%
<b>Total</b>	<b>28.7%</b>	<b>70.6%</b>	<b>0.7%</b>	<b>100.0%</b>

## Movement in the doubtful debts provision

At 30 June 2022	192,534
Expected doubtful debts expensed	120,306
Utilised during period	(195,569)
<b>At 30 June 2023</b>	<b>117,271</b>
Expected doubtful debts expensed	123,165
Utilised during period	(86,103)
<b>At 30 June 2024</b>	<b>154,333</b>

## Accounting policy

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables generally have 14 to 60-day terms.

A specific provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms. An expected credit loss (ECL) provision is recognised in respect of all other receivables. Other receivables are recognised at amortised cost, less any provision for impairment.

The expected credit loss is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information, based on the economic conditions of the geography it operates in. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

# Notes to the Financial Statements

for the year ended 30 June 2024 (continued)

## 9. Other assets

	2024	2023
	\$	\$
<b>Other current assets</b>		
Deposits	130,160	171,178
<b>Total other current assets</b>	<b>130,160</b>	<b>171,178</b>
<b>Other non-current assets</b>		
Bank Guarantee for leases	122,873	126,828
<b>Total other non-current assets</b>	<b>122,873</b>	<b>126,828</b>

## 10. Property, plant and equipment

	Plant and equipment	Leasehold improvements	Right of use	Total
	\$	\$	\$	\$
<b>At cost</b>				
At 1 July 2022	777,397	98,678	1,157,981	2,034,056
Additions	56,825	-	373,492	430,317
<b>At 30 June 2023</b>	<b>834,222</b>	<b>98,678</b>	<b>1,531,473</b>	<b>2,464,373</b>
Disposals	(217,404)	-	(4,964)	(222,368)
<b>At 30 June 2024</b>	<b>616,818</b>	<b>98,678</b>	<b>1,526,509</b>	<b>2,242,005</b>
<b>Depreciation and impairment</b>				
At 1 July 2022	609,503	98,678	534,397	1,242,578
Depreciation charge for the year	136,443	-	245,560	382,003
<b>At 30 June 2023</b>	<b>745,946</b>	<b>98,678</b>	<b>779,957</b>	<b>1,624,581</b>
Depreciation charge for the year	50,845	-	382,060	432,905
Disposals	(204,242)	-	-	(204,242)
<b>At 30 June 2024</b>	<b>592,549</b>	<b>98,678</b>	<b>1,162,017</b>	<b>1,853,244</b>
<b>Net book value</b>				
At 30 June 2023	88,276	-	751,516	839,792
<b>At 30 June 2024</b>	<b>24,269</b>	<b>-</b>	<b>364,492</b>	<b>388,761</b>

# Notes to the Financial Statements

for the year ended 30 June 2024 (continued)

## Accounting policy

Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Right-of-use assets are initially measured with reference to the value determined for the associated right-of-use liability, less direct costs and any lease incentives. Expected end of lease costs such as make good are included in the right-of-use asset value determined at lease inception.

Throughout the lease term, right-of-use assets are depreciated and periodically assessed for impairment. Depreciation begins when control of the leased asset by the Group occurs up until the date when control ends. In the event of changes to the lease, the right-of-use asset is remeasured with reference to the remeasurement of the right-of-use liability.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

The expected useful life and depreciation methods used are:

Class of assets	Useful life	Depreciation method
Plant and equipment	1 - 5 years	Straight line
Leasehold improvements	The shorter of the useful life or the remaining term of the lease	Straight line
Right of use	1 - 5 years	Straight line

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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# Notes to the Financial Statements

for the year ended 30 June 2024 (continued)

## 11. Intangible assets

	Intellectual property at cost	Development at cost	Trademarks	Customer relationships	Software	Total
	\$	\$	\$	\$	\$	\$
<b>At cost</b>						
At 1 July 2022	18,013,259	11,819,230	790,000	220,000	299,241	31,141,730
Additions	-	-	-	-	-	-
<b>At 30 June 2023</b>	<b>18,013,259</b>	<b>11,819,230</b>	<b>790,000</b>	<b>220,000</b>	<b>299,241</b>	<b>31,141,730</b>
Additions	-	-	-	-	-	-
<b>At 30 June 2024</b>	<b>18,013,259</b>	<b>11,819,230</b>	<b>790,000</b>	<b>220,000</b>	<b>299,241</b>	<b>31,141,730</b>
<b>Amortisation and impairment</b>						
At 1 July 2022	18,006,724	8,548,028	-	220,000	215,202	26,989,954
Amortisation	6,535	808,950	-	-	20,937	836,422
<b>At 30 June 2023</b>	<b>18,013,259</b>	<b>9,356,978</b>	<b>-</b>	<b>220,000</b>	<b>236,139</b>	<b>27,826,376</b>
Amortisation	-	884,234	-	-	51,312	935,546
<b>At 30 June 2024</b>	<b>18,013,259</b>	<b>10,241,212</b>	<b>-</b>	<b>220,000</b>	<b>287,451</b>	<b>28,761,922</b>
<b>Net book value</b>						
At 30 June 2023	-	2,462,252	790,000	-	63,102	3,315,354
<b>At 30 June 2024</b>	<b>-</b>	<b>1,578,018</b>	<b>790,000</b>	<b>-</b>	<b>11,790</b>	<b>2,379,808</b>

### Accounting policy

#### Product development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Together with management, the Board of Directors assess expenditure by product against the above criteria on an ongoing basis. Where expenditure does not meet the above criteria then no further expenditure will be capitalised for the product until the above criteria are met and the expenditure meets the accounting requirements for recognition as a capitalised development asset.

Costs capitalised include direct payroll and payroll related costs of employees' time spent on the software development projects.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is completed, and the asset is available for use. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

# Notes to the Financial Statements

for the year ended 30 June 2024 (continued)

## Intellectual Property

Intellectual property acquired separately is measured on initial recognition at cost. The cost of intellectual property acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intellectual property is carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intellectual property is not capitalised, and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

## Trademarks

Trademarks acquired separately are measured on initial recognition at cost. The cost of trademarks acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, trademarks are carried at cost and not amortised. Internally generated trademarks are not capitalised, and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

## Customer relationships

Customer relationships acquired separately is measured on initial recognition at cost. The cost of customer relationships acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, customer relationships are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated customer relationships are not capitalised, and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

## Software

Software acquired separately is measured on initial recognition at cost. The cost of software acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, software is carried at cost less any accumulated amortisation and accumulated impairment losses.

The amortisation rates used for each class of assets are:

Class of assets	Useful life	Amortisation method
Software	1 – 5 years	Straight line
Intellectual Property	7 years	Straight line
Product Development Costs	7 years	Straight line
Trademarks	0 – 7 years	Straight line
Customer Relationships	7 years	Straight line

The Group reviews the useful lives, amortisation method and estimated residual value of all intangible assets at the end of each reporting period.

## Impairment

Intangible assets including software and customer lists and contracts are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

# Notes to the Financial Statements

for the year ended 30 June 2024 (continued)

## 12. Goodwill

	\$
<b>Gross carrying amount</b>	
Balance at 1 July 2022	15,304,268
Movement during the period	-
<b>Balance at 30 June 2023</b>	<b>15,304,268</b>
Movement during the period	-
<b>Balance at 30 June 2024</b>	<b>15,304,268</b>
<b>Accumulated impairment</b>	
Balance at 1 July 2022	(10,517,788)
Movement during the period	-
<b>Balance at 30 June 2023</b>	<b>(10,517,788)</b>
Movement during the period	-
<b>Balance at 30 June 2024</b>	<b>(10,517,788)</b>
<b>Net book value</b>	
Balance at 30 June 2023	4,786,480
<b>Balance at 30 June 2024</b>	<b>4,786,480</b>

### Accounting policy

Goodwill is initially measured at the excess over the aggregate of the consideration transferred, the fair value (or proportionate share of net assets value) of the non-controlling interest, and the acquisition date fair value of the acquirer's previously held equity interest (in case of step acquisition), less the fair value of the identifiable assets acquired and liabilities assumed.

Goodwill is not amortised but is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is carried at cost less accumulated impairment losses.

### Impairment

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. 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 or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

# Notes to the Financial Statements

for the year ended 30 June 2024 (continued)

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

## Carrying value of non-financial assets

For impairment testing, goodwill acquired through business combinations and intangible assets are allocated to the Strata CGU.

	2024	Strata 2023
Goodwill	4,786,480	4,786,480
Development cost	1,577,245	2,462,253
Trademarks	789,851	790,000
<b>Total</b>	<b>7,153,576</b>	<b>8,038,733</b>

The Group performed its annual impairment test in June 2024 and June 2023 to support the carrying value of goodwill, intangible assets and property, plant and equipment. The Group considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment. As at 30 June 2024, the market capitalisation of the Group was above the book value of its equity, the Group continues to be loss making and have cash outflows, indicating a potential impairment of goodwill and impairment of assets.

Goodwill is allocated to CGUs according to applicable business operations. The recoverable amount of a CGU is based on value in use calculations. These calculations are based on projected cash flows approved by the Board for the first year and management projections covering a further two years plus a terminal value calculation. Management's determination of cash flow projections is based on past performance and its expectation for the future performance.

## Key assumptions used in value in use calculations

The calculation of Value In Use (VIU) is most sensitive to the following assumptions:

- Future cash flows
- Discount rates
- Revenue growth
- Expenses

**Future cash flows** - VIU calculations, inclusive of working capital movements and forecast capital expenditure based on financial projections approved by the Board for the first year and 2 additional years forecasted by management and then reverting to a terminal value.

**Discount rates** - Discount rates represent the current assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments. Adjustments to the discount rate are made to factor in the specific amount and timing of the future cash flows in order to reflect a pre-tax discount rate.

**Revenue growth** - Forecast revenue growth was based on Board approved budget for year one and management projections for a further 2 years, and an assessed conversion of known revenue opportunities for the business. Years 2 and 3 onwards assume modest growth (in line with the long-term growth rate used in the terminal value) and is achieved within existing business markets and geographies.

**Expenses** - Forecast growth based on Board approved budget for year one and management projections for a further 2 years, and an assessed cost growth for the business. Years 2 and 3 onwards assume modest growth (in line with the long-term growth rate used in the terminal value) within existing business markets and geographies.

# Notes to the Financial Statements

for the year ended 30 June 2024 (continued)

The carrying value of Goodwill and other intangible assets relate to the Strata CGU only. The allocation of goodwill is made to those cash generating units that are expected to benefit from the business combination in which the goodwill arose.

## **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 5% for year one (FY2023: 11%), 5% for year two (FY2023: 11%), 5% for year three (FY2023: 11%) and a terminal growth rate of 3% (FY2023: 3%) and a pre-tax discount rate of 14.65% (FY2023: 15.15%) to determine value in use.

The growth in year one is largely driven by a conversion rate for the existing pipeline opportunities and in subsequent years by expected contract wins in line with historical growth rates. Management have assessed that there is no impairment to the Strata CGU based on the value in use calculations.

To illustrate the sensitivity to future cash flows, if key assumptions differed such that expected future cash flows decreased by 15% (FY2023 59%) across the forecast period, without implementing mitigation plans, the recoverable amount would be equal to the carrying value.

## **13. Trade and other payables**

	2024	2023
	\$	\$
Trade payables	1,085,972	1,206,402
Employee related payables	799,369	625,473
Other payables	1,086,869	1,014,761
<b>Total trade and other payables</b>	<b>2,972,210</b>	<b>2,846,636</b>

### **Accounting Policy**

#### **Trade payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

#### **Other payables**

Primarily comprised of accrued expenses which represents amounts payable to suppliers for which all expense recognition criteria have been met but an invoice is yet to be received. Accrued expenses are based on the expected invoice amount to be received.

# Notes to the Financial Statements

for the year ended 30 June 2024 (continued)

## 14. Provisions

	2024	2023
	\$	\$
<b>Current</b>		
Annual leave provision	546,250	595,691
Long service leave provision	123,671	144,074
Gratuity provision	68,394	199,904
<b>Total current provisions</b>	<b>738,315</b>	<b>939,669</b>
<b>Non-current</b>		
Long service leave provision	43,833	5,239
<b>Total non-current provisions</b>	<b>43,833</b>	<b>5,239</b>

Gratuity provision relates to the Middle East employees' end of service employment entitlements which are required under United Arab Emirates Labour Laws.

### Accounting policy

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of comprehensive income net of any reimbursement.

### Employee benefits

#### Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled wholly within twelve months of the reporting date are measured at the amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

#### Long-term employee benefit obligations

The provision for employee benefits in respect of long service leave and annual leave which, are not expected to be settled wholly within twelve months of the reporting date, are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

Employee benefit obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

#### Long service leave and annual leave

The Group does not expect its long service leave or annual leave benefits to be settled wholly within 12 months of each reporting date. The Group recognises a liability for long service leave and annual leave measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

# Notes to the Financial Statements

for the year ended 30 June 2024 (continued)

## Retirement benefit obligations

The Group makes contributions to defined contribution superannuation plans in respect of employee services rendered during the year. These superannuation contributions are recognised as an expense in the same period when the employee services are received.

## Short-term incentive plan

The Group recognises a provision when a bonus is payable in accordance with the employee's contract of employment, and the amount can be reliably measured.

## Termination benefits

Termination benefits are payable when employment of an employee or group of employees is terminated before the normal retirement date, or when the entity provides termination benefits as a result of an offer made and accepted in order to encourage voluntary redundancy.

The Group recognises a provision for termination benefits when the entity can no longer withdraw the offer of those benefits, or if earlier, when the termination benefits are included in a formal restructuring plan that has been announced to those affected by it.

## Judgements, estimates and assumptions

Management judgement is applied in determining the following key assumptions used in the calculation of current, long service leave and gratuity:

- Future increases in wages and salaries;
- Future on-cost rates;
- Experience of employee departures; and
- Experience of employee annual leave taken in relevant period.

## 15. Lease liabilities

	2024	2023
	\$	\$
<b>Current lease liabilities</b>		
Lease liabilities	257,489	261,079
<b>Total current lease liabilities</b>	<b>257,489</b>	<b>261,079</b>
<b>Non-current lease liabilities</b>		
Lease liabilities	147,499	490,437
<b>Total non-current lease liabilities</b>	<b>147,499</b>	<b>490,437</b>

## Accounting policy

### Initial recognition

Initially lease liabilities are measured as the present value of future lease payments discounted using the interest rate implicit in the lease or if that is not known then rate at which the Group could borrow similar cashflows over a similar term. Determination of future lease payments includes consideration of the impact of lease incentives (such as rent-free periods), incremental increases during the lease term (such as CPI or fixed lease rate increases), lease extension options (where reasonably certain that will occur) and residual value guarantees expected to be paid.

# Notes to the Financial Statements

for the year ended 30 June 2024 (continued)

## Subsequent measurement

Over the lease term, payments made by the Group to the lessor reduce the liability balance while applicable interest is recognised as interest expense and increases the liability balance. Lease liabilities are re-assessed and remeasured in line with the initial recognition criteria above when substantive elements of the lease change. These elements can include changes to the lease term through exercise or otherwise of lease extension options or significant variations to amounts payable under the lease. Periodically, the Group reassesses whether it is reasonably certain that extension options will be exercised if there is a significant event or change in circumstances.

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

## 16. Issued capital and reserves

	2024 No.	2023 No.	2024 \$	2023 \$
<b>Issued capital and contributed equity</b>				
Fully paid ordinary shares	64,180,510	63,827,366	111,537,614	111,280,758
	2024 No.	2023 No.	2024 \$	2023 \$
<b>Ordinary shares</b>				
Opening balance	63,827,366	56,564,079	111,280,758	107,768,805
Vesting of performance rights	353,144	237,227	256,856	165,709
Conversion of performance rights	-	26,060	-	20,848
Private Placement	-	7,000,000	-	3,500,000
Share issue costs	-	-	-	(174,604)
<b>Closing balance</b>	<b>64,180,510</b>	<b>63,827,366</b>	<b>111,537,614</b>	<b>111,280,758</b>

The Group's issued capital is wholly comprised of ordinary shares. These ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

## Capital management

The Group manages its capital to ensure that all entities in the Group will be able to continue as going concerns while maximising the return to stakeholders. The capital structure of the Group can, at various times, consist of cash and cash equivalents and equity attributable to equity holders, comprising issued capital, reserves and accumulated losses. None of the Group's entities are subject to externally imposed capital requirements. Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures including tax and general administrative outgoings.

## Reserves

### Foreign currency translation reserve

This reserve is used to record the exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Australian dollars). They are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve.

# Notes to the Financial Statements

for the year ended 30 June 2024 (continued)

## Share-based payment reserve

The share-based payment reserve is used to record the fair value of performance right shares or options granted to employees and directors as part of their remuneration. The balance is transferred to share capital when share based payments are exercised.

## 17. Financial risk management

The Group's principal financial assets comprise of trade and contract assets, cash and short-term deposits. The main purpose of these financial assets is to facilitate the Group's operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks supported by the Board's Audit and Risk Committee. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken.

The Board of Directors has overall responsibility for identifying and managing operational and financial risks and mitigate through appropriate controls and risk limits.

The Group holds the following financial instruments:

	2024	2023
	\$	\$
<b>Financial assets</b>		
Cash and cash equivalents	1,899,268	4,247,586
Trade receivables	3,931,401	2,644,191
Contract assets	39,726	327,905
Other assets	130,160	171,178
<b>Total financial assets</b>	<b>6,000,555</b>	<b>7,390,860</b>
<b>Financial liabilities</b>		
Trade and other payables	2,972,210	2,846,636
<b>Total financial liabilities</b>	<b>2,972,210</b>	<b>2,846,636</b>

The management assessed that the fair values of cash and short-term deposits, trade and other receivables, trade and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

## Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). Market risk comprises three types of risk: interest rate risk, currency risk and price risk. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. Urbanise is not exposed to material price risk.

## Interest rate risk management

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Group is not exposed to any significant interest rate risk as there are no external debts or borrowings.

## Interest rate risk sensitivity analysis

At the reporting date, there were no borrowings in relation to bank facilities. A 100-basis points change (a reasonably possible change) on the interest rates would result in an increase/decrease to the Group's net profit by approximately \$18,993 based on the cash held at the end of the year (FY2023: \$42,476).

# Notes to the Financial Statements

for the year ended 30 June 2024 (continued)

## Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's investments in foreign subsidiaries.

The Group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. At the end of the year the Group was exposed to US Dollar (USD), Dirhams (AED) and Euro (EUR) currency fluctuations. Exchange rate exposures are managed within approved internal policy parameters. The carrying amount of the Group's foreign currency denominated monetary assets and liabilities at the reporting date were:

### Foreign currency sensitivity analysis

	Liabilities		Assets	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	\$	\$	\$	\$
USD (Australian dollars equivalent)	53,853	49,489	736,327	295,596
AED (Australian dollars equivalent)	19,079	34,514	494,410	-
ZAR (Australian dollars equivalent)	27,865	22,638	18,791	-
EUR (Australian dollars equivalent)	2,179	2,179	6,932	8,029
<b>Total</b>	<b>102,976</b>	<b>108,820</b>	<b>1,256,460</b>	<b>303,625</b>

Based on the financial instruments held at 30 June 2024 the Group's Net financial assets would have been \$115,348 higher/lower (FY2023: \$19,480 higher/lower) with a 10% increase/decrease (a reasonable possible change) in the Australian dollar against other foreign currencies.

10% is the sensitivity rate used when reporting foreign currency risk internally and represents management's assessment of the possible change in foreign exchange rates in the short-term.

## Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored. The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date of recognised financial assets is the carrying amount of those assets, net of any provisions for impairment of those assets, as disclosed in consolidated statement of financial position and notes to the consolidated financial statements.

The Group does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Group.

### Cash deposits and trade receivables

Credit risk from balances with banks and financial institutions is managed by the Group's finance department in accordance with the Group's policy. Credit risk for cash deposits is managed by holding all cash deposits with major banks.

Credit risk for trade receivables is managed by setting credit limits and completing credit checks for new customers. Outstanding receivables are regularly monitored for payment in accordance with credit terms. The ageing analysis of trade and other receivables is provided in Note 8. As the Group undertakes transactions with a large number of customers and regularly monitors payment in accordance with credit terms, the financial assets that are neither past due nor impaired, are expected to be received in accordance with the credit terms.

The Group does not have any material credit risk exposure for other receivables or other financial instruments.

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# Notes to the Financial Statements

for the year ended 30 June 2024 (continued)

## Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board for the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The table below represents the undiscounted contractual settlement terms for financial instruments and management's expectation for settlement of undiscounted maturities.

	< 1 Year	1 - 5 years	Total contractual cash flows	Carrying amount
2024	\$	\$	\$	\$
Payables	(2,973,017)	-	(2,973,017)	(2,973,017)
<b>Total</b>	<b>(2,973,017)</b>	<b>-</b>	<b>(2,973,017)</b>	<b>(2,973,017)</b>

	< 1 Year	1 - 5 years	Total contractual cash flows	Carrying amount
2023	\$	\$	\$	\$
Payables	(2,846,636)	-	(2,846,636)	(2,846,636)
<b>Total</b>	<b>(2,846,636)</b>	<b>-</b>	<b>(2,846,636)</b>	<b>(2,846,636)</b>

## 18. Cash flow from operations reconciliation

	2024	2023
	\$	\$
<b>Loss for the year:</b>	<b>(3,464,292)</b>	<b>(5,664,547)</b>
<b>Non-cash items:</b>		
Depreciation and amortisation	1,264,149	1,218,425
Share-based payments	195,602	335,935
Unrealised foreign exchange differences	585,735	527,629
Other	201,883	206,974
<b>Changes in net assets and liabilities:</b>		
Decrease/(increase) in trade receivables & contract assets	(999,031)	(1,426,593)
Decrease/(increase) in other assets & prepayments	35,205	80,998
Increase/(decrease) in trade and other payables	(220,955)	712,527
Increase/(decrease) in employee provisions	(162,761)	141,522
Increase/(decrease) in deferred revenue	487,750	1,095,457
<b>Net cash used in operating activities</b>	<b>(2,076,715)</b>	<b>(2,771,673)</b>

# Notes to the Financial Statements

for the year ended 30 June 2024 (continued)

## 19. Related party transactions

The Group's related parties are considered to have a special relationship with the Group as such additional disclosures are made to users of the Annual Report to draw attention to the possibility that its financial position and performance may have been affected related parties. Except from the amounts disclosed below there have been no other related party transactions in current or prior financial years.

### Related Party Remuneration

Key management is defined as Directors and other key management personnel. The aggregate compensation made to key management personnel of the Group is set out below:

	2024	2023
	\$	\$
Short-term employee benefits	766,827	1,009,004
Post-employment benefits - superannuation	45,805	43,999
Share-based payments	78,521	267,750
<b>Total key management personnel compensation</b>	<b>891,153</b>	<b>1,320,753</b>

### Loans to key management personnel

There were no loans to key management personnel during the financial year. (FY2023: nil)

### Other transactions with key management personnel of the Group

There were no other transactions with key management personnel of the Group during the financial year or in the prior year.

### Transactions between Urbanise.com Limited and its related parties

Balances and transactions between the Company and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation and are not disclosed in this note.

## 20. Remuneration of auditors

	2024	2023
	\$	\$
Auditor of the parent entity		
Audit and review of the financial report	86,890	84,040
Non-audit services:		
- Assurance related	-	-
- Taxation compliance	-	-
<b>Total remuneration of auditors</b>	<b>86,890</b>	<b>84,040</b>

# Notes to the Financial Statements

for the year ended 30 June 2024 (continued)

## 21. Loss per share

	2024	2023
	Cents	Cents
Basic loss per share	(5.40)	(9.87)
Diluted loss per share	(5.40)	(9.87)

	2024	2023
	No.	No.
Weighted average number of ordinary shares for the purposes of basic earnings per share	64,120,524	57,406,588
Weighted average number of ordinary shares for the purposes of diluted earnings per share	64,120,524	57,406,588

### Earnings/loss per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

### Diluted earnings/(loss) per share

For the purposes of diluted earnings per share, potential ordinary shares are excluded from the calculation when the company reports a loss, as their inclusion would result in a higher loss per share, making them anti-dilutive. Accordingly, the number used to calculate the diluted earnings/(loss) per share is the same as the number used to calculate the basic earnings/(loss) per share.

## 22. Share-based payments

### Employee share option and performance rights share plan

Share options and share performance rights are granted to executives and staff as part of their remuneration package under the Employee Share Option Plan. There are no cash settlement alternatives. The Employee Share Option Plan is designed to provide long-term incentives for senior managers and staffs (including Directors) to deliver long-term shareholder returns. Participation in the plan is at the Board's discretion and there is no individual contractual right to participate in the plan or to receive any guaranteed benefits.

### Share based expenses recognised

The expense recognised for share-based payments during the year is shown in the table below:

	2024	2023
	\$	\$
Total expenses resulting from share-based payments	195,602	335,935

# Notes to the Financial Statements

for the year ended 30 June 2024 (continued)

## Performance share rights

The following table shows movement of performance rights for FY2024.

Grant Date	Vesting date	Fair Value at grant date	Balance at beginning of year	Granted during year	Vested during year	Forfeited during year	Balance at end of year
27/9/19	31/8/23	\$0.51	101,712	-	(101,712)	-	-
1/10/20	31/8/23	\$0.84	135,516	-	(135,516)	-	-
1/10/20	31/8/24	\$0.84	135,516	-	-	(23,701)	111,815
13/9/21	31/8/23	\$1.41	82,504	-	(82,504)	-	-
13/9/21	31/8/24	\$1.41	82,506	-	-	(14,287)	68,219
13/9/21	31/8/25	\$1.41	82,510	-	-	(14,288)	68,222
1/11/22	31/8/23	\$0.81	43,960	-	(33,412)	(10,548)	-
1/11/22	31/8/24	\$0.81	254,769	-	-	(212,560)	42,209
1/11/22	31/8/25	\$0.81	254,777	-	-	(212,564)	42,213
22/11/22	31/8/26	\$0.81	254,780	-	-	(212,566)	42,214
22/11/22	31/8/24	\$0.81	71,046	-	-	(51,046)	20,000
22/11/22	31/8/25	\$0.81	71,046	-	-	(51,046)	20,000
22/11/22	31/8/26	\$0.81	71,047	-	-	(51,047)	20,000
13/11/23	31/8/24	\$0.39	-	513,475	-	(47,721)	465,754
23/11/23	31/8/24	\$0.39	-	86,250	-	-	86,250
23/11/23	31/8/25	\$0.39	-	225,000	-	-	225,000
23/11/23	31/8/26	\$0.39	-	225,000	-	-	225,000
23/11/23	31/8/27	\$0.39	-	225,000	-	-	225,000
27/11/23	31/8/24	\$0.39	-	150,736	-	-	150,736
29/11/23	31/8/25	\$0.39	-	287,542	-	(51,551)	235,991
29/11/23	31/8/26	\$0.39	-	287,542	-	(51,550)	235,992
29/11/23	31/8/27	\$0.39	-	287,543	-	(51,550)	235,993
<b>Total</b>			<b>1,641,689</b>	<b>2,288,088</b>	<b>(353,144)</b>	<b>(1,056,025)</b>	<b>2,520,608</b>

On 31 August 2023, a total of 353,144 ordinary shares were issued as a result of vesting of performance share rights originally issued in accordance with the Group's remuneration strategy and under the adopted Employee Share Plan.

During FY2024, a total of 1056,024 performance share rights were forfeited relating to the FY2020, FY2021, FY2022 and FY2023 employee share plan.

During FY2024, a total of 2,288,088 performance share rights were issued in accordance with the Employee Share Plan. The details are as follows:

### Long-Term Incentive (LTI) Plan:

- 1,537,626 shares were issued in relation to the LTI plan.
- These performance rights are contingent upon achieving specified performance criteria by 30 June 2025.
- Upon meeting the criteria, the rights will vest in three equal tranches on 31 August 2025, 31 August 2026, and 31 August 2027, subject to the continued employment of the employees.

# Notes to the Financial Statements

for the year ended 30 June 2024 (continued)

## Short-Term Incentive (STI) Plan:

- 664,211 shares were issued in relation to the STI plan.
- These performance rights are subject to achieving specified performance criteria by 30 June 2024.
- Upon meeting the criteria, the rights will vest on 31 August 2024.

## Chairman's Rights:

- 86,250 rights were issued to the Chairman.
- These rights will vest in August 2024, subject to the Chairman remaining a director at the Vesting Date.

The following table shows movement of performance rights for FY2023.

Grant Date	Vesting date	Fair Value at grant date	Balance at beginning of year	Granted during year	Vested during year	Forfeited during year	Balance at end of year
27/9/19	31/8/22	\$0.51	221,041	-	(101,711)	(119,330)	-
27/9/19	31/8/23	\$0.51	122,988	-	-	(21,276)	101,712
1/10/20	31/8/22	\$0.84	187,380	-	(135,516)	(51,864)	-
1/10/20	31/8/23	\$0.84	187,380	-	-	(51,864)	135,516
1/10/20	31/8/24	\$0.84	187,380	-	-	(51,864)	135,516
13/9/21	31/8/23	\$1.41	120,847	-	-	(38,343)	82,504
13/9/21	31/8/24	\$1.41	120,849	-	-	(38,343)	82,506
13/9/21	31/8/25	\$1.41	120,852	-	-	(38,342)	82,510
29/9/22	29/9/22	\$0.81	-	26,060	(26,060)	-	-
29/9/22	31/8/23	\$0.81	-	43,960	-	-	43,960
1/11/22	31/8/24	\$0.81	-	254,769	-	-	254,769
1/11/22	31/8/25	\$0.81	-	254,777	-	-	254,777
1/11/22	31/8/26	\$0.81	-	254,780	-	-	254,780
21/11/22	31/8/24	\$0.81	-	71,046	-	-	71,046
21/11/22	31/8/25	\$0.81	-	71,046	-	-	71,046
21/11/22	31/8/26	\$0.81	-	71,047	-	-	71,047
<b>Total</b>			<b>1,268,717</b>	<b>1,047,485</b>	<b>(263,287)</b>	<b>(411,226)</b>	<b>1,641,689</b>

On 31 August 2022, a total of 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. 34,923 of the 237,287 ordinary shares were issued to KMP.

During FY2023, a total of 411,227 performance share rights were forfeited relating to the FY2020, FY2021 and FY2022 employee share plan. 373,360 and 37,869 performance share rights were forfeited on 1 July 2022 and 1 September 2022 respectively.

On 29 September 2022, 26,060 performance rights were issued to an Urbanise employee and converted to ordinary shares on 4 October 2022.

During FY2023, a total of 1,021,426 performance share rights were issued in accordance with the Employee Share Plan. These performance rights are subject to performance criteria being achieved at 30 June 2023 and would vest in 3 equal tranches on 31 August 2024, 31 August 2025 and 31 August 2026. Subject to employees' (including Key Management Personnel) continued employment.

# Notes to the Financial Statements

for the year ended 30 June 2024 (continued)

## Accounting policy

Under the employee share scheme, shares are issued to employees for no cash consideration.

Urbanise estimates the fair value of the shares awarded to employees when the service period commences and again at each reporting period until the shares are granted. The grant date is established when all conditions relating to the award are provided to the employees. The fair value of the shares at grant date is determined using the actual market price of the company's shares at the grant date. The expense is recognised as an expense over the relevant service period.

Non-market vesting conditions are included in assumptions about the number of rights that are expected to become exercisable. At each reporting date, the Group revises its estimate of the number of rights that are exercisable. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in profit or loss with a corresponding adjustment to equity.

## Judgements, estimates and assumptions

The share-based payment expense is based on expected targets and related forecasts. Judgement is required to determine the probability of achievement of performance hurdles in future periods.

## 23. Subsidiaries

The parent entity of the Group is Urbanise.com Limited, which has the subsidiaries detailed in the following table.

	Country of incorporation	Ownership interest	
		2024 %	2023 %
<b>Parent entity</b>			
Urbanise.com Limited	Australia		
<b>Subsidiaries</b>			
Mystrata Pty Limited	Australia	100	100
Mystrata Holdings Pty Limited	Australia	100	100
Mystrata Middle East FZ LLC	United Arab Emirates	100	100
Urbanise.com Limited (Branch)	United Arab Emirates	-	100
Urbanise.com Software Trading LLC	United Arab Emirates	100	100
Urbanise com (Pty) Limited	South Africa	100	100
Urbanise (Bulgaria) EOOD	Bulgaria	100	100
The Representative Office of Urbanise.com Limited	Vietnam	100	-

Urbanise.com Software Trading LLC was registered effective from 02/05/2023.

# Notes to the Financial Statements

for the year ended 30 June 2024 (continued)

## 24. Parent entity information

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements except for investments in subsidiaries recognised at cost.

The parent entity has entered into a Deed of Cross Guarantee with the effect that the Company guarantees debts in respect of certain subsidiaries. Refer to Note 23 for detailed disclosure.

### Summarised statement of financial position as at 30 June 2024

	2024	2023
	\$	\$
<b>Assets</b>		
Total current assets	6,327,272	6,610,792
Total non-current assets	2,773,527	3,339,155
<b>Total assets</b>	<b>9,100,799</b>	<b>9,949,947</b>
<b>Liabilities</b>		
Total current liabilities	8,640,202	8,899,280
Total non-current liabilities	136,510	495,676
<b>Total liabilities</b>	<b>8,776,712</b>	<b>9,394,956</b>
<b>Net assets</b>	<b>324,087</b>	<b>554,991</b>
<b>Equity</b>		
Issued capital and contributed equity	111,537,615	111,842,204
Employee option reserve	395,301	584,144
Accumulated losses	(111,608,829)	(111,871,357)
<b>Total equity</b>	<b>324,087</b>	<b>554,991</b>
	2024	2023
	\$	\$
Loss for the year	(5,593,811)	(4,434,606)
Other comprehensive income	-	-
<b>Total comprehensive loss</b>	<b>(5,593,811)</b>	<b>(4,434,606)</b>

# Notes to the Financial Statements

for the year ended 30 June 2024 (continued)

## 25. Deed of cross guarantee

Pursuant to ASIC Class Order 98/1418 (as amended) dated 13 August 1998, the wholly-owned subsidiaries listed below are relieved from the Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports, and Director's reports.

It is a condition of the Class Order that the Company and each of the subsidiaries enter into a Deed of Cross Guarantee. The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up any of the subsidiaries under certain provisions of the Corporations Act 2001. If a winding up occurs under other provisions of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event that the Company is wound up.

The following companies are parties to a deed of cross guarantee under which each company guarantees the debts of the others:

- Urbanise.com Limited;
- Mystrata Pty Limited; and
- Mystrata Holdings Pty Limited

Urbanise.com Limited, Mystrata Pty Limited and Mystrata Holdings Pty Ltd entered into a Deed of Cross Guarantee on 26th June 2015. A consolidated statement of comprehensive income and consolidated statement of financial position, comprising the Company and the controlled entities which are party to the Deed, after eliminating all transactions between parties to the Deed of Cross Guarantee, for the year ended 30 June 2024 is set out below.

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# Notes to the Financial Statements

for the year ended 30 June 2024 (continued)

## Closed group consolidated statement of comprehensive income for the year ended 30 June 2024

	2024	2023
	\$	\$
<b>Revenue and other income</b>		
Sales revenue	8,327,018	9,384,256
Other income	460,830	389,720
	<b>8,787,848</b>	<b>9,773,976</b>
<b>Less: expenses</b>		
Doubtful debt expenses	(100,483)	(120,305)
Employee and contractor cost	(6,165,942)	(7,593,556)
Depreciation and amortisation expenses	(1,132,193)	(1,184,502)
IT subscription and license cost	(1,415,375)	(2,604,385)
Occupancy cost	(109,537)	(45,168)
Cost of implementation and materials	(231,077)	(197,533)
Professional fees	(548,729)	(706,042)
Travel cost	(119,646)	(286,160)
Advertising and Promotion Expenses	(121,648)	(181,642)
Finance costs	(7,106)	(47,477)
Foreign Exchange (loss)/gain	(56,350)	(569,782)
Other expenses	(1,013,302)	(1,439,315)
<b>Total expenses</b>	<b>(11,021,388)</b>	<b>(14,975,867)</b>
Loss before tax	(2,233,540)	(5,201,891)
Income tax expense	-	-
<b>Loss for the year</b>	<b>(2,233,540)</b>	<b>(5,201,891)</b>
Other comprehensive income for the year net of income tax	-	-
<b>Total comprehensive loss for the year</b>	<b>(2,233,540)</b>	<b>(5,201,891)</b>

# Notes to the Financial Statements

for the year ended 30 June 2024 (continued)

## Closed group consolidated statement of financial position as at 30 June 2024

	30 June 2024	30 June 2023
	\$	\$
<b>Current assets</b>		
Cash and cash equivalents	914,939	3,843,164
Trade receivables	1,358,973	811,441
Contract assets	35,086	252,585
Other assets	2,198,536	2,275,916
Prepayment	310,757	312,659
<b>Total current assets</b>	<b>4,818,291</b>	<b>7,495,765</b>
<b>Non-current assets</b>		
Property, plant and equipment	245,330	842,111
Intangible assets	3,340,736	4,275,354
Goodwill	4,786,480	4,786,480
Other non-current assets	121,945	121,945
<b>Total non-current assets</b>	<b>8,494,491</b>	<b>10,025,890</b>
<b>Total assets</b>	<b>13,312,782</b>	<b>17,521,655</b>
<b>Current liabilities</b>		
Trade and other payables	2,449,560	2,434,582
Provisions	515,597	502,055
Deferred Revenue	3,790,446	2,620,303
Other liabilities	2,420,085	3,619,622
Lease liabilities	190,413	261,079
<b>Total current liabilities</b>	<b>9,366,101</b>	<b>9,437,641</b>
<b>Non-current liabilities</b>		
Provisions	43,833	5,239
Lease liabilities	92,677	490,437
<b>Total non-current liabilities</b>	<b>136,510</b>	<b>495,676</b>
<b>Total liabilities</b>	<b>9,502,611</b>	<b>9,933,317</b>
<b>Net assets</b>	<b>3,810,171</b>	<b>7,588,338</b>

# Notes to the Financial Statements

for the year ended 30 June 2024 (continued)

	30 June 2024	30 June 2023
	\$	\$
<b>Equity</b>		
Issued capital and contributed equity	111,537,614	116,333,304
Employee option reserve	395,301	584,947
Foreign currency translation reserve	(907,714)	(1,322,489)
Accumulated losses	(107,215,030)	(108,007,424)
<b>Total equity</b>	<b>3,810,171</b>	<b>7,588,338</b>

## 26. Subsequent events

On July 24, 2024, Urbanise Limited reported a dispute related to the termination of a contract with Colliers Australia. The Company has initiated a claim for over \$3 million in unpaid development costs and fees. This potential dispute is anticipated to affect the Company's annual recurring revenue (ARR) run rate by approximately \$500,000. Urbanise Limited is actively working to resolve this matter as expeditiously as possible.

The Board have reviewed the impact of the dispute with Colliers Australia and has determined that the Company has sufficient cash runway to achieve cash flow breakeven in FY2025 without the inclusion of fees from the Colliers Australia contract. This will be achieved from sales conversions to date, future sales and the prudent management of costs and working capital.

Other than the matters disclosed in these financial statements, no significant subsequent events have occurred that would materially affect the Group up to the date of this report.

## Consolidated entity disclosure statement

for the year ended 30 June 2024

Entity name	Type	Country of incorporation	% of share capital held	Australian or foreign tax resident	Jurisdiction for foreign tax resident
Urbanise.com Limited	Body Corporate	Australia	N/A	Australian	N/A
Mystrata Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Mystrata Holdings Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Mystrata Middle East FZ LLC	Body Corporate	United Arab Emirates	100%	Foreign	N/A
Urbanise.com Software Trading LLC	Body Corporate	United Arab Emirates	100%	Foreign	N/A
Urbanise com (Pty) Limited	Body Corporate	South Africa	100%	Foreign	N/A
Urbanise (Bulgaria) EODD	Body Corporate	Bulgaria	100%	Foreign	N/A

Entities listed here are those that are part of the consolidated entity at the end of the financial year. Entities disposed of during the year, or where the entity has lost control by the reporting date, are not included here. This means that entities listed could be different to the 'Interests in subsidiaries' note contained in the notes to the financial statements.

### Branches (permanent establishments)

Foreign branches of Australian subsidiaries are not separate level entities and therefore do not have a separate residency for Australian tax purposes. Generally, the Australian subsidiary that the branch is a part of will be the relevant tax resident, rather than the branch operations.

## Directors' Declaration

In the Directors' opinion:

- i. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- ii. the attached financial statements and notes set out on pages 38 to 80 are in accordance with the *Corporations Act 2001* and give a true and fair view of the financial position and performance of the Group for the financial year ended on 30 June 2024.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Note 1 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

At the date of this declaration, the company is within the class of companies affected by ASIC Class Order 98/1418. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee.

In the directors' opinion, there are reasonable grounds to believe that the Company and the companies to which the ASIC Class Order applies, as detailed in Note 25 to the financial statements will, as a group, be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee.

The information disclosed in the consolidated entity disclosure statement is true and correct.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5) of the *Corporations Act 2001*.

On behalf of the Directors,



**Darc Rasmussen**  
Chairman

27 August 2024

# Independent Auditor’s Report

to the members



## A D Danieli Audit Pty Ltd

Authorised Audit Company  
ASIC Registered Number 339233  
Audit & Assurance Services

Level 1 261 George Street  
Sydney NSW 2000  
PO Box H88  
Australia Square NSW 1215  
ABN: 56 136 616 610  
Ph: (02) 9290 3099  
Email:  
add3@addca.com.au  
Website:  
www.addca.com.au

**Independent Auditor’s Report  
To the Members of  
Urbanise.com Limited  
ABN 70 095 768 086  
And Controlled Entities**

**Report on the audit of the Financial Report**

**Opinion**

We have audited the consolidated financial report of Urbanise.com Limited and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors’ declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group’s financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board’s *APES 110 Code of Ethics for Professional Accountants (the Code)* that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor’s report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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# Independent Auditor's Report

to the members (continued)

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### Material Uncertainty Related to Going Concern

Without qualifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the Group had cash and cash equivalents of \$1,899,268. In addition, we note the Group incurred a loss of \$3,464,292 and had total current net liabilities of \$1,595,966. This, with the conditions noted by the directors as to how they expect the Group to continue as a going concern, indicate the existence of a material uncertainty which may cast doubt on the Group's ability to continue as a going concern should they be unable to achieve projected revenue and raise additional capital.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our Audit Addressed the Key Audit Matter
<i>Carrying Value of Intangible Assets and Goodwill</i>	
<p>The group did not capitalise any intangibles during the year and had an amortisation charge of \$935,546 for the year which decreased the total balance of intangibles to \$2,379,808 (2023: \$3,315,354).</p> <p>There was no movement in the carrying value of Goodwill during the year of \$4,786,480.</p>	<p>We have evaluated the appropriateness of management's assessment that there are no facts or circumstances that suggest the carrying amount of intangible assets may exceed the recoverable amount.</p> <p>Our procedures included challenging management on the suitability and reasonableness of these assumptions, through performing the following:</p> <ul style="list-style-type: none"> <li>• Review of ASX announcements.</li> <li>• Review of forecast sales, budgeted expenditure, projected cash flows and impairment model.</li> <li>• Assessing various agreements entered on future sales.</li> </ul> <p>Based on our procedures, we have been satisfied that the carrying values have been fairly stated.</p>



# Independent Auditor’s Report

to the members (continued)

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### Revenue Recognition

The group had revenue of \$12,604,353 (2023: \$12,850,128) during the year, of which \$4,672,014 (2023: \$4,184,264) was classified as deferred revenue.

There are 2 types of revenue streams:

- Licence Fees
- Professional Fees

We have evaluated the appropriateness of management’s assessment regarding the recognition of revenue and the allocation between revenue and deferred revenue.

Our procedures included challenging management on the suitability and reasonableness of their assessment by reviewing the wording of the contract to ensure that the recognition is appropriate.

Based on our procedures, we are satisfied that the revenue and deferred revenue are fairly stated.

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### Going Concern

At 30 June 2024, the group had cash and cash equivalents of \$1,899,268 (2023: \$4,247,586). In addition, we note the group incurred a comprehensive loss of \$3,070,706, operating cash outgoing of \$2,076,715 and total current net liabilities of \$1,595,965.

We have evaluated the appropriateness of management’s assessment regarding going concern by performing the following:

- Analysing budgets prepared by management
- Review cash flow forecasts.
- Review of forecast sales/potential growth, budgeted expenditure and timing of these cash inflows/outflows.

We have also had numerous discussions with management about this issue including strategies and initiatives in place to reduce risk of uncertainty regarding going concern. At this stage, there have not been any indicators present that would require a qualified audit opinion to be issued due to material uncertainty regarding going concern. Based on our procedures, we noted that the going concern assessment has been fairly and appropriately disclosed within the financial statements.

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# Independent Auditor's Report

to the members (continued)

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### Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.



# Independent Auditor's Report

to the members (continued)

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion.
- Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



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# Independent Auditor's Report

to the members (continued)

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**Report on the Remuneration Report**

*Opinion on the Remuneration Report*

We have audited the Remuneration Report included on pages 26 to 36 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Urbanise.com Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

*Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

**A D Danieli Audit Pty Ltd**



**Sam Danieli**  
**Director**

**Sydney, 27 August 2024**



## Shareholder Information

Additional information required by the ASX Listing Rules not disclosed elsewhere in the full year report is set out below. The shareholder information set out below was applicable as at 1 August 2024.

### 1. Distribution of Shareholders

Distribution of ordinary shareholders and shareholdings is set out in the table below:

Range	Total holders	Units	% of Issued Capital
1-1,000	255	97,787	0.15
1,001-5,000	162	399,747	0.62
5,001-10,000	65	493,852	0.77
10,001-100,000	101	3,313,013	5.16
100,001-9,999,999,999	31	59,876,111	93.30
<b>Total</b>	<b>614</b>	<b>64,180,510</b>	<b>100.00</b>

Voting rights as governed by the Constitution of the Company provide that each ordinary shareholder present in person or by proxy at the meeting shall have:

- (i) on a show of hands, one vote only; and
- (ii) on a poll, one vote for every fully paid ordinary share held.

### 2. Largest Shareholders

The name of the twenty largest holders by account holding of ordinary shares are listed below:

Rank	Name	Shares Held	% of Issued Capital
1	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	27,846,516	43.388%
2	ARGOSY CAPITAL LIMITED	15,376,235	23.958%
3	NATIONAL NOMINEES LIMITED	5,851,037	9.117%
4	DINWOODIE INVESTMENTS PTY LTD	1,220,000	1.901%
5	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	981,387	1.529%
6	COLUMBUS INVESTMENT SERVICES LTD <KELLY PARTNERS IOSO NO 2 A/C>	930,680	1.450%
7	BAOBAB NOMINEES 2 PTY LTD <BAOBAB SPECIAL OPPS A/C>	850,000	1.324%
8	CITICORP NOMINEES PTY LIMITED	676,919	1.055%
9	HIGHLANDS INVESTMENTS HOLDINGS PTY LTD	611,431	0.953%
10	LEO LION LTD	562,276	0.876%
11	NITARAE NOMINEES PTY LTD <BUGDEN FAM ENTERPRISE A/C>	463,159	0.722%
12	IFM PTY LIMITED <IFM SUPER FUND A/C>	441,971	0.689%
13	MR CAMPBELL DINWOODIE TAYLOR & MISS SARAH JOAN CURTIS <CAMBET SUPER FUND A/C>	433,000	0.675%
14	DIXSON TRUST PTY LIMITED	430,000	0.670%
15	RYDER INVESTMENT MANAGEMENT PTY LTD	427,350	0.666%
16	MR CHRISTOPHER BEAUFORD LEAHY	365,082	0.569%

# Shareholder Information

Rank	Name	Shares Held	% of Issued Capital
17	SIMON LEE	231,120	0.360%
18	MR SUNDEEP KALRA & MR ANOOP KALRA & MRS SHIKHA MOHANTY <GANESH SUPER FUND A/C>	217,441	0.339%
19	MRS SUNAINA KALRA	209,135	0.326%
20	THE GOOD LIFE CORPORATION PTY LTD <THE GOOD LIFE FUND A/C>	202,500	0.316%
<b>Total Securities of Top 20 Holdings</b>		<b>58,327,239</b>	<b>90.883%</b>
<b>Total of Securities</b>		<b>64,180,510</b>	<b>100.000%</b>

### 3. Option holders

The Company has nil option issued as at 1 August 2024.

### 4. Register of substantial shareholders

The names of substantial shareholders in the Company and the number of fully paid ordinary shares in which each has an interest, as disclosed in substantial shareholder notices to the Company on the respective dates shown, are as follows:

Rank	Name	Shares Held	% of Issued Capital
1	NAOS Assets Management Limited	17,976,989	28.01%
2	Argosy Capital Ltd	15,376,235	23.958%
3	Jencay Capital Pty Limited	5,720,267	8.96%
4	Australian Ethical Investment Limited	5,151,035	8.07%

### 5. Restricted Securities

270 shareholders held less than a marketable parcel, based on the closing market price of \$0.42 on 1 August 2024.

# Corporate Directory

## Corporate Information

Urbanise.com Limited

## Registered Office

Suite 2, Level 1  
201 Miller Street  
North Sydney NSW 2060  
[www.urbanise.com](http://www.urbanise.com)

## Company Directors

Darc Rasmussen  
Almero Strauss  
James Hourm  
Simon Lee

## Joint Company Secretary

Kim Larkin  
Daniel Petravicius

## Boardroom Pty Limited

Suite 2227, Level 22, 127 Creek Street  
Brisbane QLD 4000

## Stock exchange listing

Urbanise.com shares are listed on the Australian Securities Exchange  
ASX code: UBN

## Share Registry

### Boardroom Smart Business Solutions

Level 8, 210 George St  
Sydney NSW 2000

## Bankers

### HSBC Australia Bank Limited

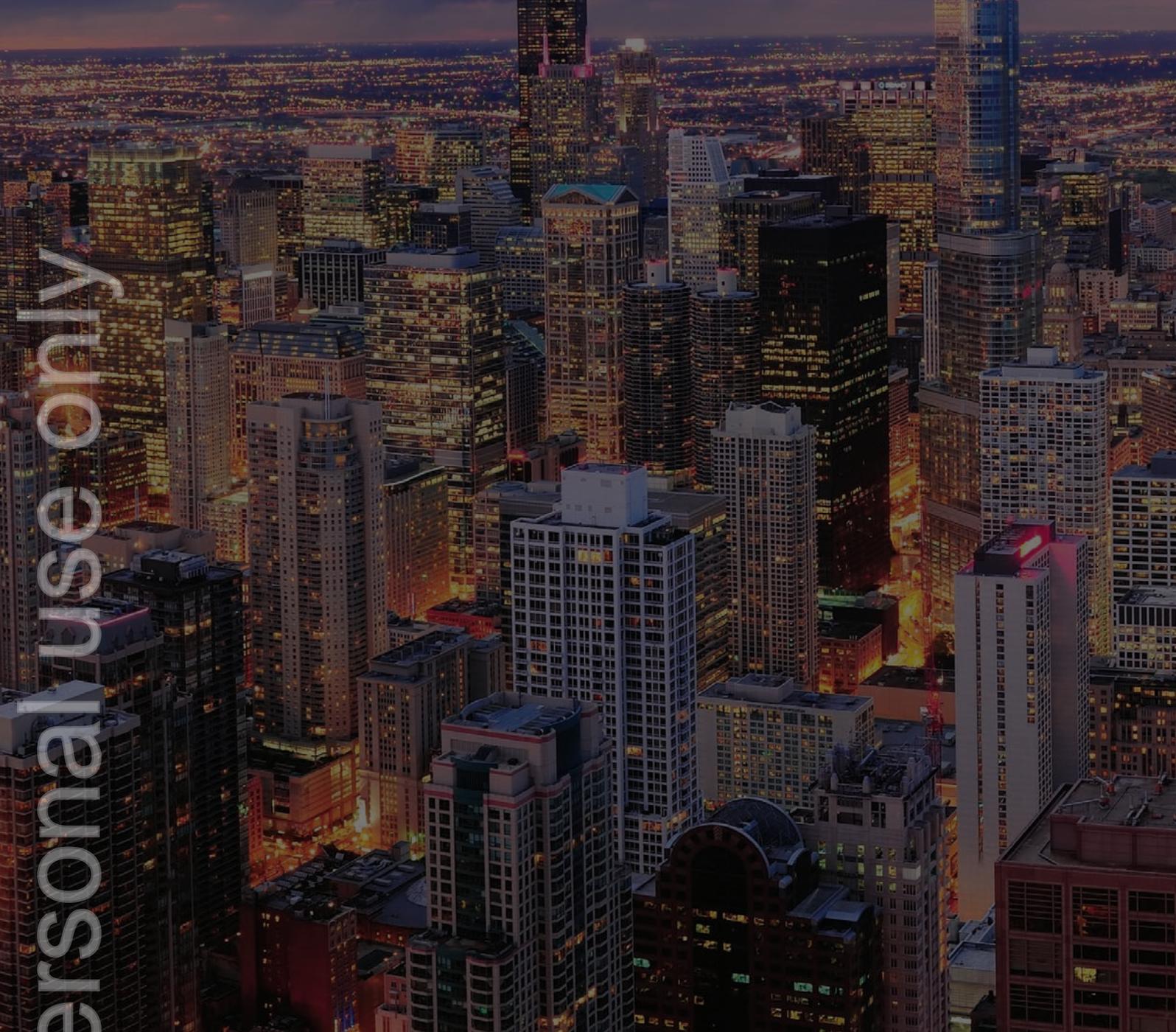
Ground Level, 271 Collins Street  
Melbourne VIC 3000

## Auditors

### A D Danieli Audit Pty Ltd

Level 1, 261 George St  
Sydney NSW 2000

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**Principal Registered Office**

Suite 2, Level 1  
201 Miller Street  
North Sydney NSW 2060

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