

Urban Infrastructure Group Inc.
(formerly Urban Utilities Contractors Inc.)
Condensed Interim Consolidated Financial Statements
(Expressed in Canadian Dollars)
Three and Nine Months Ended June 30, 2024 and 2023
(Unaudited)

Notice to Reader

The accompanying unaudited condensed interim consolidated financial statements of Urban Infrastructure Group Inc. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

Urban Infrastructure Group Inc. (formerly Urban Utilities Contractors Inc.)

Condensed Interim Consolidated Statement of Financial Position

(All amounts are in CAD, unless otherwise stated)

(Unaudited)

	Note	As at June 30, 2024 (Consolidated)	As at September 30, 2023
Assets			
Current assets			
Cash	4	\$ 552,409	\$ 951,197
Trade and other receivables	5	1,725,883	1,794,947
Holdback receivables	6	301,913	458,422
Prepaid expenses and sundry assets		5,000	5,000
Contract assets	7	163,369	185,826
Total current assets		2,748,574	3,395,392
Non-current assets			
Property, plant and equipment	8	262,488	326,282
Right-of-use assets	9	77,022	11,545
Total non-current assets		339,510	337,827
Total assets		\$ 3,088,084	\$ 3,733,219
Equity and Liabilities			
Liabilities			
Current Liabilities			
Trade and other payables	10	\$ 325,424	\$ 929,841
Borrowings	11	105,486	134,603
Lease liabilities	9	17,561	9,540
Other liabilities	12	61,729	105,929
Current tax liabilities		232,361	457,361
Total current liabilities		742,561	1,637,274
Non-current liabilities			
Borrowings	11	193,934	270,435
Lease liabilities	9	32,226	-
Deferred tax liabilities (net)		199,000	199,000
Total non-current liabilities		425,160	469,435
Total liabilities		1,167,721	2,106,709
Equity			
Share capital	13	2,582,390	10
Warrants	16	285,029	-
Contributed Surplus	17	140,393	-
Other components of equity	14	(1,087,449)	1,626,500
Total equity		1,920,363	1,626,510
Total equity and liabilities		\$ 3,088,084	\$ 3,733,219

The accompanying notes form an integral part of these consolidated financial statements

Urban Infrastructure Group Inc. (formerly Urban Utilities Contractors Inc.)
Condensed Interim Consolidated Statement of Income (Loss) and Comprehensive Income (Loss)
(All amounts are in CAD, unless otherwise stated)
(Unaudited)

	Note	Three Months Ended June 30,		Nine Months Ended June 30,	
		2024	2023	2024	2023
		(Consolidated)		(Consolidated)	
Revenue from rendering of services	18	\$ 661,984	\$ 2,867,211	\$ 4,164,756	\$ 9,573,652
Cost of services	19	(1,004,810)	(2,234,973)	(3,201,889)	(7,142,155)
Gross margin		(342,826)	632,238	962,867	2,431,497
Consulting fees		5,000	-	5,000	-
Bad debts		-	7,019	-	7,019
Depreciation		28,486	33,807	84,455	64,238
Equipment and other		44,983	68,952	137,866	196,032
General and administrative		42,929	41,976	159,703	99,407
Insurance		39,371	8,904	76,135	37,176
Licenses, due and subscription		-	(8,476)	300	(95)
Listing fees		-	-	1,552,153	-
Marketing and promotion		7,136	26,485	43,496	49,190
Professional fees		144,558	64,473	489,870	131,475
Remuneration and benefits		184,501	166,615	545,172	468,645
Repairs and maintenance		17	-	1,465	1,023
Share-based payments		49,661	-	49,661	-
		546,642	409,755	3,145,276	1,054,110
Operating profit (loss)		(889,468)	222,483	(2,182,409)	1,377,387
Other Income (Loss)					
Finance expenses		(11,716)	(8,078)	(35,317)	(30,046)
Other income (loss)		(8,850)	5,137	3,777	6,265
Profit (loss) before tax		(20,566)	(2,941)	(31,540)	(23,781)
Income tax (expense) / benefit					
Current tax		-	-	-	-
Deferred tax		-	-	-	-
Net profit (loss) and comprehensive income (loss)		\$ (910,034)	\$ 219,541	\$ (2,213,949)	\$ 1,353,606
Earnings (loss) per share					
Basic	15	\$ (0.01)	\$ 1,098	\$ (0.06)	\$ 6,768
Diluted	15	\$ (0.01)	\$ 1,098	\$ (0.06)	\$ 6,768
Weighted average number of common share outstanding					
Basic	15	104,512,916	200	36,751,724	200
Diluted	15	104,512,916	200	36,751,724	200

The accompanying notes form an integral part of these financial statements

Urban Infrastructure Group Inc. (formerly Urban Utilities Contractors Inc.)

Condensed Interim Consolidated Statement of Changes in Equity

(All amounts are in CAD, unless otherwise stated)

(Unaudited)

	Equity share capital	Warrants	Contributed Surplus	Other components of equity Retained earnings / (deficit)	Total Equity (Deficiency)
As at October 1, 2022	\$ 10	\$ -	\$ -	\$ 28,613	\$ 28,623
Profit for the period	-	-	-	1,353,606	1,353,606
Dividends paid	-	-	-	(50,000)	(50,000)
As at June 30, 2023	10	-	-	1,332,219	1,332,229
Profit for the period	-	-	-	294,281	294,281
As at September 30, 2023	\$ 10	\$ -	\$ -	\$ 1,626,500	\$ 1,626,510
As at October 1, 2023	\$ 10	\$ -	\$ -	\$ 1,626,500	\$ 1,626,510
Shares issued - financing (Note 13(i))	1,342,200	-	-	-	1,342,200
Cost of issuance (Note 13(i))	(50,340)	-	-	-	(50,340)
Warrants issued from financing (Note 13(i))	(268,440)	268,440	-	-	-
Share exchange - Reversed takeover (Note 3)	1,018,262	-	-	-	1,018,262
Shares issued - Finder shares (Note 3)	540,698	-	-	-	540,698
Warrants issued - Finder warrants (Note 3)	-	16,589	-	-	16,589
Options granted - reversed takeover (Note 3)	-	-	90,732	-	90,732
Share-based payments	-	-	49,661	-	49,661
Loss for the period	-	-	-	(2,213,949)	(2,213,949)
Dividends paid	-	-	-	(500,000)	(500,000)
As at June 30, 2024	\$ 2,582,390	\$ 285,029	\$ 140,393	\$ (1,087,449)	\$ 1,920,363

The accompanying notes form an integral part of these financial statements

Urban Infrastructure Group Inc. (formerly Urban Utilities Contractors Inc.)**Condensed Interim Consolidated Statement of Cash Flows***(All amounts are in CAD, unless otherwise stated)**(Unaudited)*

	Nine months ended June 30,	
	2024	2023
	(Consolidated)	
Profit (loss) for the period	\$ (2,213,949)	\$ 1,353,606
<i>Adjustments for:</i>		
Depreciation and amortization	84,455	64,238
Share-based payments	49,661	-
Non-cash Listing costs	1,552,153	-
Bad debts	-	7,019
Debt forgiveness	(10,000)	
Gain on disposition of assets	(8,881)	(6,265)
Cash flow - operating activities before working capital changes	(546,561)	1,418,598
Changes in:		
Trade and other receivables	69,064	(1,149,053)
Holdback receivables	156,509	(83,781)
Prepaid expenses and sundry assets	-	(48,870)
Contract assets	22,457	319,235
Trade and other payables	(604,418)	392,377
Other liabilities	(44,200)	(186,588)
Tax liabilities	(225,000)	(5,842)
	(625,588)	(762,522)
Net cash from operating activities	(1,172,149)	656,076
Cash flows - investing activities		
Net acquisition of property, plant, and equipment	-	(240,473)
Net assets acquired	114,129	-
Advances to related parties	-	(142,829)
Amount paid for acquisition of right of use assets	(37,010)	-
Net cash used in investing activities	77,119	(383,302)
Cash flows - financing activities		
Payment of lease liabilities	-	(9,324)
Issuance of shares	1,291,860	-
Repayment of borrowings	(95,618)	37,514
Dividends paid	(500,000)	(50,000)
Change in bank overdraft	-	(36,105)
Net cash used in financing activities	696,242	(57,915)
Net increase in cash and cash equivalents	(398,788)	214,859
Cash and cash equivalents - beginning of period	951,197	-
Cash and cash equivalents - end of period (Refer note 4)	\$ 552,409	\$ 214,859

The accompanying notes form an integral part of these financial statements

Urban Infrastructure Group Inc. (formerly Urban Utilities Contractors Inc.)

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended June 30, 2024

(All amounts are in CAD, unless otherwise stated)

(Unaudited)

1 Reporting Entity

Urban Infrastructure Group Inc. ("Urban", The "Company" or "UIG") is registered at 1134 College street, Toronto, Ontario - M6H1B6 and is incorporated on September 30, 2015. The Company specializes in concrete and drain work for the residential housing sector and the construction of underground services and roadwork's for residential. Urban is a leader in its field and has worked with and are currently working with some of the largest home builders in its domiciled country Canada. On March 26, 2024, the Company has completed a reverse takeover transaction with Deal Pro Capital Corporation. Refer to Note 3 in this financial statement for further details.

2 Basis of Preparation and Summary of Significant Accounting Policies

a) Statement of Compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRS issued and outstanding as of August 27, 2024, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as at and for the year ended September 30, 2023. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending September 30, 2024 could result in restatement of these unaudited condensed interim financial statements.

3 Reverse Takeover Transaction

On March 22, 2024, Urban and Deal Pro Capital Corporation ("Deal Pro") completed their reversed takeover transaction (the "RTO"), pursuant to which Urban acquired all of the issued and outstanding common shares of Deal Pro in exchange for common shares of Urban. The transaction was completed by way of a court-approved plan of arrangement under the Business Corporations Act (Ontario) with the common shares of Urban listed on the Toronto Stock Ventures Exchange (TSXV) following the amalgamation of Deal Pro and Urban.

On closing of the RTO and pursuant to the amalgamation agreement dated March 26, 2024, the following steps were taken to take effect to the RTO:

i) All issued and outstanding classes of common shares and stock options of Deal Pro were exchanged for post-consolidated common shares of Urban on a one-to-one basis. As a result of the exchange, the exercise price of the stock options remained unchanged and there was no incremental fair value identified in relation to the exchange. The exchange resulted in the issue of 8,207,001 common shares, 570,000 stock options with a \$0.05 exercise price, expiring June 25, 2031, and 250,700 stock options with a \$0.10 exercise price, expiring October 22, 2031.

ii) An additional 4,357,920 post-consolidated common shares (the "Finder Shares") were issued to finders in connection with the RTO at no additional cost to the finders. Further, the Finders received 269,866 Finder Warrants, which can be exercised at a price of \$0.15, per common share, at any time until March 18, 2026, into one common share and one-half of a common share Purchase Warrant. Each full Purchase Warrant could be exercised for a common share in the Company at a price of \$0.25 for a period of two years until March 18, 2026.

Upon closing of the RTO, the shareholders of Urban held a total of 100,000,000 common shares (as 83,000,000 Class A common shares and 17,000,000 Class B common shares) of the Company, representing 82.3% of the common shares of the Company before taking affect to the subscription receipt financing. Accordingly, the acquisition of Deal Pro was considered a reverse acquisition of Deal Pro.

However, as the Corporation did not meet the definition of a business as defined by IFRS 3 Business Combinations ("IFRS 3"), it has been accounted for as a share-based payment transaction in accordance with IFRS 2. The accounting for this transaction resulted in the following:

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3 Reverse Takeover Transaction (continued)

a) The consolidated financial statements of the combined entity are issued under the legal parent, the Corporation, but are considered a continuation of the consolidated financial statements of the legal subsidiary, Urban.

b) As Urban is deemed to be the acquirer for accounting purposes, its assets and liabilities are included in the consolidated financial statements at their historical carrying values.

c) Since the shares allocated to the former shareholders of the Corporation on closing of the RTO are considered within the scope of IFRS 2, and the Corporation cannot identify specifically some or all of the goods or service received in return for the allocation of the shares, the value in excess of the net identifiable assets or obligations of Deal Pro acquired on closing was expensed in the consolidated statements of loss and comprehensive loss as a listing expense.

The fair value of the 8,207,001 common shares issued and outstanding with shareholders of the Company and the 4,357,920 Finder Shares issued on closing of the RTO was determined by reference to the fair value of the common shares issued pursuant to the subscription receipt financing completed by the Company, determined to be \$0.124 on the date of close.

At the date of acquisition on March 26, 2024, the RTO was recorded as follows:

Purchase Price Consideration Paid	March 26, 2024
Fair value of common shares issued	\$ 1,018,263
Fair value of warrants issued	16,589
Finder Shares	540,698
Option grant	90,732
Total Consideration Issued	1,666,282
Net Identifiable assets (liabilities) Acquired	
Cash	132,115
Accounts payable and accrued liabilities	(17,986)
Total net identifiable assets	114,129
Allocated to listing expenses	\$ 1,552,153

4 Cash and Cash Equivalents

	June 30, 2024	September 30, 2023
Non-restricted cash		
Cash and bank balances	\$ 552,409	\$ 951,197
Bank overdrafts used for cash management purposes	-	-
Cash and cash equivalents	\$ 552,409	\$ 951,197

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5 Trade and Other Receivables

Trade receivables as of June 30, 2024 and September 30, 2023 are stated net of allowance for doubtful receivables. Trade receivables consist of:

	June 30, 2024	September 30, 2023
Other trade receivables	\$ 1,725,883	\$ 1,794,947
Less: Allowance for doubtful receivables	-	-
	\$ 1,725,883	\$ 1,794,947

The Company maintains an allowance for doubtful receivables based on expected credit loss model. Trade receivables were subsequently realized and hence the credit loss allowance is \$Nil for the three and nine month period ended June 30, 2024 and the year ended September 30, 2023. During the three and nine month period ended June 30, 2024, the Company recorded bad debt expense of \$Nil (three and nine months ended June 30, 2023 - \$7,019 and \$7,019, respectively) in the statement of income and comprehensive income.

As of June 30, 2024, the Company has recorded accounts receivable in the amount of \$1,725,883 of which \$1,299,479 (inclusive of H.S.T.) is classified as overdue. The overdue balance primarily relates to amounts invoiced to a specific customer (referred to as "Customer ABC"). The Company has been actively engaging with Customer ABC to resolve the outstanding balance; however, a dispute has arisen regarding the nature and validity of certain charges.

The dispute with Customer ABC has led to the commencement of litigation in Ontario Court, with the Company filing a statement of claim against Customer ABC on July 27, 2023. The legal proceedings are currently in the early stages, and management is diligently pursuing a resolution. As part of the litigation, the Company has successfully registered liens against developer Customer ABC and Customer ABC has fully paid all amounts owed to the Company into the Court. The ultimate outcome of the litigation is uncertain, and the Company is unable to reasonably estimate the potential financial impact on the accounts receivable balance at this time. The Company continues to recognize the full amount of the overdue accounts receivable on the statement of financial position, as it believes the collection of the outstanding balance is probable and can be reliably measured. Management is actively monitoring the situation, and any necessary adjustments will be made as more information becomes available.

As of the date of these financial statements, no provision for a contingent liability has been recognized in the financial statements. Further developments in the litigation and additional information obtained during the resolution process will be assessed, and any required adjustments will be recorded in the period in which they become reasonably estimable.

6 Holdback Receivables

The following table provides information about holdback receivables from contracts with customers:

	June 30, 2024	September 30, 2023
Retention funds from customers	\$ 301,913	\$ 458,422

Holdback receivables represent a 10% retention of funds on ongoing contract billings with customers. The Holdback receivables are released upon completion of the project, accompanied by a certification of completion to verify full discharge of obligations.

Urban Infrastructure Group Inc. (formerly Urban Utilities Contractors Inc.)
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7 Contract Assets

The following table provides information about contracts assets from the contracts with customers:

	June 30, 2024	September 30, 2023
Unbilled receivables	\$ 163,369	\$ 185,826

Contract assets represent any excess costs over progress billings. Upon the completion of delayed billings, contract assets will be replaced by accounts receivable in the Company's financial records. As at June 30, 2024, the Company recorded a credit loss allowance of \$Nil (September 30, 2023 - \$Nil).

8 Property, Plant and Equipment

	Computers	Equipment	Vehicles	Furniture and Fixtures	Total
Cost					
Balance as at September 30, 2022	\$ 3,525	\$ 113,439	\$ 251,807	\$ 12,512	\$ 381,283
Balance as at October 1, 2022	3,525	113,439	251,807	12,512	381,283
Additions	11,169	15,144	150,807	77,051	254,171
Disposals	-	-	(88,021)	-	(88,021)
Balance as at September 30, 2023	14,694	128,583	314,593	89,563	547,433
Balance as at October 1, 2023	14,694	128,583	314,593	89,563	547,433
Additions	-	-	-	-	-
Balance as at June 30, 2024	\$ 14,694	\$ 128,583	\$ 314,593	\$ 89,563	\$ 547,433
Accumulated Depreciation					
Balance as at September 30, 2022	\$ 1,622	\$ 44,474	\$ 151,688	\$ 1,548	\$ 199,331
Balance as at October 1, 2022	1,622	44,474	151,688	1,548	199,332
Depreciation	3,744	15,308	53,043	9,898	81,993
Disposals	-	-	(60,174)	-	(60,174)
Balance as at September 30, 2023	5,366	59,782	144,557	11,446	221,151
Balance as at October 1, 2023	5,366	59,782	144,557	11,446	221,151
Additions	3,498	10,320	38,258	11,718	63,794
Balance as at June 30, 2024	\$ 8,864	\$ 70,102	\$ 182,815	\$ 23,164	\$ 284,945
Carrying Amounts					
Balance as at September 30, 2023	\$ 9,328	\$ 68,801	\$ 170,036	\$ 78,117	\$ 326,282
Balance as at June 30, 2024	\$ 5,830	\$ 58,481	\$ 131,778	\$ 66,399	\$ 262,488

Urban Infrastructure Group Inc. (formerly Urban Utilities Contractors Inc.)
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9 Lessee

The Company leases mainly cars, equipment and real estate assets (such as office space).

Short-term leases and leases of low-value assets refer mainly to equipment (equipment used in construction) and real estate assets (office building) which are expensed off in Profit and loss account and hence vehicle (car) is capitalized as Right of use asset under IFRS 16.

The Company incurred interest expenses on lease liabilities of \$1,116 and \$2,739 for three and nine months ended June 30, 2024, respectively (\$232 and \$852 for three and nine months ended June 30, 2023, respectively).

The discount rate used to determine the right-of-use asset and the lease liability for each leased asset is calculated based on the incremental borrowing rate at inception of the lease. The Company calculated the rate applicable to each lease contract on the basis of the lease duration.

The maturity analysis of lease liabilities, based on contractual undiscounted cash flows is shown at the end of this note.

Right of Use Assets and Lease Liabilities

The following are the changes in the carrying value of right of use assets

	Vehicles		Total
Balance as at October 1, 2022	\$	26,939	\$ 26,939
Depreciation		(15,394)	(15,394)
Balance as at September 30, 2023	\$	11,545	\$ 11,545
Balance as at October 1, 2023	\$	11,545	\$ 11,545
Additions		93,871	93,871
Disposition		(11,545)	(11,545)
Depreciation		(16,849)	(16,849)
Balance as at June 30, 2024	\$	77,022	\$ 77,022
		June 30, 2024	September 30, 2023
Current lease liabilities	\$	17,561	\$ 9,540
Non-current lease liabilities		32,226	-
	\$	49,787	\$ 9,540

The following is the movement in lease liabilities during the current period and previous year:

	June 30, 2024	September 30, 2023
Balance - beginning of period	\$ 9,540	\$ 23,571
Additions	59,366	-
Finance cost accrued during the period	2,739	1,031
Deletions	(9,540)	-
Payment of lease liabilities	(12,318)	(15,062)
Balance - end of Period	\$ 49,787	\$ 9,540

The table below provides details regarding the contractual maturities of lease liabilities as of June 30, 2024 and September 30, 2023 on an undiscounted basis:

	June 30, 2024	September 30, 2023
Less than one year	\$ 17,561	\$ 9,540
One to five years	32,226	-
More than five years	-	-
Total	\$ 49,787	\$ 9,540

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10 Trade and Other Payables

	June 30, 2024	September 30, 2023
Trade Payables	\$ 364,448	\$ 506,527
Remuneration and benefits payable	-	55,891
Provincial sales tax payable (refund)	(49,092)	300,105
Accrued expenses	10,068	67,318
	\$ 325,424	\$ 929,841

11 Borrowings

	June 30, 2024	September 30, 2023
a) Current		
Borrowings from Banks		
-Term Loan	\$ 50,160	\$ 90,160
-Vehicle Loan	55,326	44,443
	\$ 105,486	\$ 134,603
b) Non-current		
Borrowings from Banks		
-Term Loan	\$ 75,480	\$ 113,100
-Vehicle Loan	118,454	157,335
	\$ 193,934	\$ 270,435

The Company has borrowings which include:

- a)** The borrowings consists of term loan from the following banks:
1. BDC Bank - \$125,640 (September 30, 2023: \$203,260)
 2. CEBA loan - \$Nil (September 30, 2023: \$40,000)

Canada Emergency Business Account loan

The government of Canada created as program called the Canada Emergency Business Account (CEBA) intended to support small businesses during COVID-19 outbreak, providing a loan to assist in covering expenses that could not be avoided or deferred. During the year 2020-21, the company received \$40,000. The loan is interest-free until 18th January 2024. As of the date of this financial statement, the CEBA loan has been fully repaid and the forgivable amount of \$10,000 is recognized in the statement of Income under other income (loss).

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12 Other Liabilities

	June 30, 2024	September 30, 2023
Union Dues	\$ 61,729	\$ 61,721
Pension Dues	-	44,208
Total	\$ 61,729	\$ 105,929

Union Dues:

The Company pays a portion of salary as union dues (Union of employees is formed to protect the rights and interests of employees). Obligations for contributions to union dues are recognized as a defined contribution plan and such employee benefits expense in profit and loss in the periods during which the related services are rendered by employees.

Pension Dues (Contributions to Defined Contributions Plans):

In accordance with Canadian law, all employees receive benefits from a provident fund, which is a defined contribution plan. Both the employee and employer make monthly contributions to the plan, each equal to a specified percentage of employee's basic salary. The Company has no further obligations under the plan beyond its monthly contributions.

13 Share Capital

Authorized

Unlimited - Class A Common Shares with no par value
Unlimited - Class B Common Shares with no par value

Common shares - Subscribed and Fully Paid

	Shares		Amount
	Class A	Class B	
Balance, September 30, 2022 and October 1, 2023	200	-	\$ 10
Private placement financing (i)	8,947,995	-	1,342,200
Cost of issuance (i)	-	-	(50,340)
Valuation of warrants (i)	-	-	(268,440)
Share exchange from Urban to UIG (Note 3)	83,000,000	-	-
Replacement of Urban shares to UIG (Note 3)	(200)	-	(6)
Replacement of Urban shares to UIG (Note 3)	-	17,000,000	6
Share exchange from Deal Pro to UIG (Note 3)	8,207,001	-	1,018,262
Finder shares (Note 3)	4,357,920	-	540,698
Balance, June 30, 2024	104,512,916	17,000,000	\$ 2,582,390

(i) On March 26, 2024, the Company completed its previously announced Concurrent financing with respect to the RTO transaction, pursuant to which it sold an aggregate of 8,947,995 units ("Unit") at a price of \$0.15 per Unit for aggregate gross proceeds of \$1,342,200. Each Unit was comprised of one Class A common Share in the Capital of Urban and One-half of one warrant, each Warrant is exercisable into one Urban Common Share, at a price of \$0.25 at any time until March 18, 2026. Pursuant to the concurrent financing, Urban paid three arm's length parties (collectively, the Finders) an aggregate cash commission of \$50,340 and issued to the Finders an aggregate of 269,866 non-transferable finder warrants, with each warrants exercisable into one Urban Unit ("Compensation Unit") at a price of \$0.15 per Compensation Unit, at any time until March 18, 2026. Each whole Compensation Unit warrant was to entitle the holder to purchase one Urban Common Share at \$0.25 per Common Share until March 18, 2026. The Warrants were valued at \$268,440, using the Black-Scholes pricing model with the following assumptions: Underlying price of \$0.15, Exercise price of \$0.25, Risk free rate of 4.02%, Volatility of 100% and the expected life of two years.

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14 Other Components of Equity

Retained earnings	June 30, 2024	September 30, 2023
Opening retained earnings (deficit)	\$ 1,626,500	\$ 28,613
Previous period profit	-	1,647,887
Current period loss	(2,213,949)	-
Dividends paid	(500,000)	(50,000)
	\$ (1,087,449)	\$ 1,626,500

15 Earnings Per Share

The calculation of basic earnings per share for the three and nine months ended June 30, 2024 and 2023 is based on the profit / (loss) attributable to ordinary shareholders of \$(860,373) and \$(2,164,288) for 2024 and income of \$219,541 and \$1,353,606, respectively, and a weighted average number of shares outstanding of 104,512,916 and 36,751,724 shares for the three and nine months ended in June 30, 2024 respectively, the weighted average shares outstanding were 200 for both three and nine months ended June 30, 2023.

	Three months ended June 30, 2024	Three months ended June 30, 2023	Nine months ended June 30, 2024	Nine months ended June 30, 2023
Net Profit (Loss)	\$ (910,034)	\$ 219,541	\$ (2,213,949)	\$ 1,353,606
Weighted average number of shares - Basic	104,512,916	200	36,751,724	200
Basic earnings (loss) per share	\$ (0.01)	\$ 1,097.71	\$ (0.06)	\$ 6,768.03
Weighted average number of shares - Diluted	104,512,916	200	36,751,724	200
Diluted earnings (loss) per share	\$ (0.01)	\$ 1,097.71	\$ (0.06)	\$ 6,768.03

16 Warrants

The following table reflects the continuity of warrants for the nine month periods ended June 30, 2024 and 2023:

	Number of warrants	Grant date fair value
Balance, October 1, 2022 and 2023	-	\$ -
Issued - Financing (13(i))	4,473,998	268,440
Issued - Finders warrants (13(i))	269,866	16,589
Balance, June 30, 2024	4,743,864	\$ 285,029

The following table reflects the warrants issued and outstanding as of June 30, 2024 and September 30, 2023:

Expiry date	Exercise Price (\$)	Warrants Outstanding	Valuation
March 18, 2026	\$ 0.25	4,743,864	\$ 285,029

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17 Share - based payments

The following table reflects the continuity of stock options for the nine month periods ended June 30, 2024 and 2023:

	Number of stock options	Weighted average Exercise price (\$)
Balance, October 1, 2022 and 2023	-	\$ -
Granted (i)	820,700	0.01
Granted (ii)	8,778,767	0.17
Balance, June 30, 2024	9,599,467	\$ 0.17

The following table reflects the Company's stock options outstanding and exercisable as at June 30, 2024:

Weighted averaged remaining contractual life (years)	Options outstanding		Options exercisable		Expiry date
	Number of Options	Weighted average exercise price (\$)	Number of Options	Weighted average exercise price (\$)	
7.00	154,054	\$ 0.05	154,054	\$ 0.05	June 25, 2031
7.00	67,757	0.10	67,757	0.10	October 22, 2031
1.00	415,946	0.05	415,946	0.05	March 26, 2025
1.00	182,943	0.10	182,943	0.10	March 26, 2025
5.00	8,778,767	0.17	-	-	May 30, 2029
4.84	9,599,467	\$ 0.17	820,700	\$ 0.17	

(i) From the RTO as disclosed in Note 3, Upon the Completion of the Transaction, the Resulting Issuer will have 570,000 Stock Options outstanding. The holders of the 570,000 Stock Options will be entitled to the purchase of one Resulting Issuer Share at a price of \$0.05 of which 154,054 Stock Options expire on June 25, 2031 and 415,946 Stock Options expire within 12 months from Closing. The holders of 250,700 Stock Options will be entitled to the purchase of one Resulting Issuer Share at a price of \$0.10 of which 67,757 Stock Options expire on October 22, 2031 and 182,943 Stock Options expire within 12 months from Closing. The value of these options were determined using the following parameters:

(ii) On May 30, 2024, the Company awarded 7,972,267 incentive options on the Company's common shares to directors, management, employee, and other individuals in accordance with the terms of the Company's incentive Stock Option Plan. The Exercise price for the Options is C\$0.18 per share. These options will vest as to 1/2 at the date that is 18 months from the grant date and the remaining 1/2 will vest on the date that is 36 months from the grant date. The options are valid for a 5-year period from the date of grant. The Company also granted 980,000 stock options to Venture North, each exercisable at \$0.17 per share and vesting quarterly. These options are valid for a 5-year period from the date of grant.

Option units	154,054	67,757	415,946	182,943	8,952,267
Estimated Life in year	7 years	7 years	7 years	1 year	5 year
Exercise Price	0.05	0.10	0.05	0.10	0.18
Volatility	100	100	100	100	100
Dividend Yield %	0%	0%	0%	0%	0%
Risk-free rate %	3.27%	3.27%	4.74%	4.74%	2.98%
Estimated Value	\$ 21,567	\$ 8,808	\$ 45,722	\$ 14,635	\$ 1,074,272

18 Revenues

	Three months ended June 30, 2024	Three months ended June 30, 2023	Nine months ended June 30, 2024	Nine months ended June 30, 2023
Rendering of Services	\$ 661,984	\$ 2,867,211	\$ 4,164,756	\$ 9,573,652
Total	\$ 661,984	\$ 2,867,211	\$ 4,164,756	\$ 9,573,652

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19 Cost of sales

	Three months ended June 30, 2024	Three months ended June 30, 2023	Nine months ended June 30, 2024	Nine months ended June 30, 2023
Change in work in progress	\$ 169,350	\$ 91,998	\$ 22,457	\$ 515,502
Raw materials and consumables	196,199	787,240	1,283,727	2,966,964
Direct labour	425,913	815,995	1,344,680	2,178,903
Sub-contractors	74,900	167,574	94,730	579,930
Union Dues	137,004	264,892	449,884	774,400
Equipment rental	1,122	3,864	5,527	23,046
Other	322	103,411	884	103,411
Total	\$ 1,004,810	\$ 2,234,973	\$ 3,201,889	\$ 7,142,155

20 Related Party Transactions

The related parties where control / significant influence exists are subsidiaries and associates. Key management personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director whether executive or otherwise. Key management personnel include the board of directors and other senior management executives. The other related parties are those with whom the Company has had transaction during the three and nine months ended June 30, 2024 and 2023 are as follows:

Name of the Personnel	Relationship with the Company
Mr. Gary Alves - Director	KMP and a Major Shareholder of 87.98% of Class A and 100% of Class B Common Shares.
Mrs. Krisztina Alves	KMP
Ungad Chadda	CEO of the Company
John C. Ross Consulting Inc.	Company owned by the CFO of the Company
1000679050 Ontario Inc.	Company owned by Director and it holds shares of Urban

Transactions with KMP	Three months ended June 30, 2024	Three months ended June 30, 2023	Nine months ended June 30, 2024	Nine months ended June 30, 2023
Salary paid to KMP	\$ 83,750	\$ 56,738	\$ 251,250	\$ 165,458
Share-based payment	38,994	-	38,994	-
John C. Ross Consulting Inc.	15,000	-	30,000	-
Ungad Chadda	46,250	-	138,750	-
	\$ 183,994	\$ 56,738	\$ 458,994	\$ 165,458

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21 Financial Instruments

Financial instruments by category

The carrying amounts and fair value of the financial instruments by each category as at June 30, 2024 and September 30, 2023 were as follows:

Financial Assets	Carrying Value		Fair Value	
	June 30, 2024	September 30, 2023	June 30, 2024	September 30, 2023
Financial Assets at Amortized Cost				
Trade receivables	\$ 1,725,883	\$ 1,794,947	\$ 1,725,883	\$ 1,794,947
Holdback receivables	301,913	458,422	301,913	458,422
Contract assets	163,369	185,826	163,369	185,826
	\$ 2,191,165	\$ 2,439,195	\$ 2,191,165	\$ 2,439,195

Financial Liabilities	Carrying Value		Fair Value	
	June 30, 2024	September 30, 2023	June 30, 2024	September 30, 2023
Financial Liabilities at Amortized Cost				
Borrowings (long-term)	\$ 193,934	\$ 270,435	\$ 193,934	\$ 270,435
Non-Current Lease Liabilities	32,226	-	32,226	-
Borrowings (Short-term)	105,486	134,603	105,486	134,603
Current Lease Liabilities	17,561	9,540	17,561	9,540
Other liabilities	61,729	105,929	61,729	105,929
Trade Payable	325,424	929,841	325,424	929,841
	\$ 736,360	\$ 1,450,348	\$ 736,360	\$ 1,450,348

22 Segment Reporting

The Company is in the business providing construction service. Accordingly, there are no separate reportable primary segments as per IFRS 8. Secondary segmental reporting is based on geographical location is also not applicable to the Company as its transactions are only within Canada.