

**Urban Utilities Contractors Inc.**  
**Condensed Interim Financial Statements**  
**(Expressed in Canadian Dollars)**  
**Three Months Ended December 31, 2023 and 2022**  
**(Unaudited)**

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**Notice to Reader**

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

**Urban Utilities Contractors Inc.**  
**Condensed Interim Statement of Financial Position**  
*(All amounts are in CAD, unless otherwise stated)*  
*(Unaudited)*

	Note	As at December 31, 2023	As at September 30, 2023
<b>Assets</b>			
<b>Current assets</b>			
Cash	3	\$ 931,291	\$ 951,197
Trade and other receivables	4	1,572,514	1,794,947
Holdback receivables	5	370,474	458,422
Prepaid expenses and sundry assets		5,000	5,000
Advances from related parties	17	500,000	-
Contract assets	6	413,966	185,826
<b>Total current assets</b>		<b>3,793,245</b>	<b>3,395,392</b>
<b>Non-current assets</b>			
Property, plant and equipment	7	305,017	326,282
Right-of-use assets	8	98,983	11,545
<b>Total non-current assets</b>		<b>404,000</b>	<b>337,827</b>
<b>Total assets</b>		<b>\$ 4,197,245</b>	<b>\$ 3,733,219</b>
<b>Equity and Liabilities</b>			
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	9	\$ 906,463	\$ 929,841
Borrowings	10	142,318	134,603
Lease liabilities	8	19,022	9,540
Other liabilities	11	-	105,929
Current tax liabilities		457,361	457,361
<b>Total current liabilities</b>		<b>1,525,164</b>	<b>1,637,274</b>
<b>Non-current liabilities</b>			
Borrowings	10	240,316	270,435
Lease liabilities	8	46,548	-
Deferred tax liabilities (net)		199,000	199,000
<b>Total non-current liabilities</b>		<b>485,864</b>	<b>469,435</b>
<b>Total liabilities</b>		<b>2,011,028</b>	<b>2,106,709</b>
<b>Equity</b>			
Share capital	12	10	10
Other components of equity	13	2,186,207	1,626,500
<b>Total equity</b>		<b>2,186,217</b>	<b>1,626,510</b>
<b>Total equity and liabilities</b>		<b>\$ 4,197,245</b>	<b>\$ 3,733,219</b>

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

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS

"Gary Alves"  
(Sign)

Director

**Urban Utilities Contractors Inc.**  
**Condensed Interim Statement of Income**  
*(All amounts are in CAD, unless otherwise stated)*  
*(Unaudited)*

	Note	Three Months Ended December 31,	
		2023	2022
Revenue from rendering of services	15	\$ 1,966,465	\$ 3,783,793
Cost of services	16	(984,056)	(2,885,689)
<b>Gross margin</b>		<b>982,408</b>	<b>898,104</b>
Depreciation		26,890	-
Equipment and other		37,515	62,016
General and administrative		78,556	27,900
Insurance		21,752	14,662
Licenses, due and subscription		-	4,516
Marketing and promotion		32,852	16,450
Professional fees		38,990	37,857
Remuneration and benefits		181,723	138,779
Repairs and maintenance		1,432	883
		<b>419,709</b>	<b>303,063</b>
<b>Operating profit (loss)</b>		<b>562,699</b>	<b>595,042</b>
<b>Other Income</b>			
Finance expenses		(11,874)	(8,172)
Other income		8,882	-
<b>Profit before tax</b>		<b>559,707</b>	<b>586,869</b>
<b>Income tax (expense) / benefit</b>			
Current tax		-	-
Deferred tax		-	-
<b>Net profit and comprehensive income</b>		<b>\$ 559,707</b>	<b>\$ 586,869</b>
<b>Earnings per share</b>			
Basic		\$ 2,799	\$ 2,934
Diluted		\$ 2,799	\$ 2,934
<b>Weighted average number of common share outstanding</b>			
Basic		200	200
Diluted		200	200

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**Urban Utilities Contractors Inc.**  
**Condensed Interim Statement of Changes in Equity**  
*(All amounts are in CAD, unless otherwise stated)*  
*(Unaudited)*

	<b>Equity share capital</b>		<b>Other components of equity</b>	<b>Total Equity (Deficiency)</b>
	<b>\$</b>	<b>10</b>	<b>Retained earnings / (deficit)</b>	
As at October 1, 2022	\$	10	(117,647)	(117,637)
Profit for the period			586,869	586,869
Dividends paid			(50,000)	(50,000)
<b>As at December 31, 2022</b>	<b>\$</b>	<b>10</b>	<b>419,222</b>	<b>419,232</b>

	<b>Equity share capital</b>		<b>Other components of equity</b>	<b>Total Equity</b>
	<b>\$</b>	<b>10</b>	<b>Retained earnings</b>	
As at October 1, 2023	\$	10	1,626,500	1,626,510
Profit for the period			559,707	559,707
<b>As at December 31, 2023</b>	<b>\$</b>	<b>10</b>	<b>2,186,207</b>	<b>2,186,217</b>

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

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

	<b>Three months ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
Profit for the period	\$ 559,707	\$ 586,869
<i>Adjustments for:</i>		
Depreciation and amortization	26,890	-
Gain on disposition of assets	(8,881)	-
	<b>577,716</b>	<b>586,869</b>
<b>Cash flow - operating activities before working capital changes</b>		
<b>Changes in:</b>		
Trade and other receivables	222,433	(912,887)
Holdback receivables	87,948	
Contract assets	(228,140)	318,768
Trade and other payables	(23,377)	307,413
Other liabilities	(105,929)	156,604
Other financial liabilities	54,906	(121,451)
Tax liabilities	-	(5,842)
	<b>7,841</b>	<b>(257,395)</b>
<b>Net cash from operating activities</b>	<b>585,557</b>	<b>329,474</b>
<b>Cash flows - investing activities</b>		
Net acquisition of property, plant, and equipment	-	(22,139)
Advances to related parties	(500,000)	-
Amount paid for acquisition of right of use assets	(81,825)	-
<b>Net cash used in investing activities</b>	<b>(581,825)</b>	<b>(22,139)</b>
<b>Cash flows - financing activities</b>		
Payment of lease liabilities	(1,988)	-
Repayment of borrowings	(21,650)	
Dividends paid	-	(50,000)
Change in bank overdraft	-	(36,105)
Proceeds from / (repayment) of borrowings (net)	-	(20,788)
<b>Net cash used in financing activities</b>	<b>(23,638)</b>	<b>(106,893)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(19,906)</b>	<b>200,442</b>
Cash and cash equivalents - beginning of period	951,197	-
Cash and cash equivalents - end of period (Refer note 3)	\$ 931,291	\$ 200,442

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

**Urban Utilities Contractors Inc.**  
**Notes to Condensed Interim Financial Statements**  
**Three Months Ended December 31, 2023**  
*(All amounts are in CAD, unless otherwise stated)*  
*(Unaudited)*

**1 Reporting Entity**

Urban Utilities Contractors Inc. "Urban" or "The Company" is registered at 1134 College Street, Toronto, Ontario - M6H1B6 and was 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 for residential. Urban is a leader in its field and has worked with and is currently working with some of the largest home builders in its domiciled country Canada.

**2 Basis of Preparation and Summary of Significant Accounting Policies**

**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 financial statements are based on IFRS issued and outstanding as of **May 7, 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 condense interim financial statements.

**3 Cash and Cash Equivalents**

	December 31, 2023	September 30, 2023
<b>Non-restricted cash</b>		
Cash and bank balances	\$ 931,291	\$ 951,197
Bank overdrafts used for cash management purposes	-	-
<b>Cash and cash equivalents</b>	<b>\$ 931,291</b>	<b>\$ 951,197</b>

**4 Trade and Other Receivables**

Trade receivables as of December 31, 2023 and September 30, 2023 are stated net of allowance for doubtful receivables. The Company maintains an allowance for doubtful receivables based on expected credit loss model. Trade receivables are subsequently realized and hence the allowance for credit loss is \$nil. Trade receivables consist of:

	December 31, 2023	September 30, 2023
Other trade receivables	\$ 1,572,514	\$ 1,794,947
Less: Allowance for doubtful receivables	-	-
	<b>\$ 1,572,514</b>	<b>\$ 1,794,947</b>

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 period ended December 31, 2023 and the year ended September 30, 2023. During the period ended December 31, 2023, the Company recorded bad debt expense of \$Nil (December 31, 2022 - \$Nil) in the statement of income and comprehensive income.

As of December 31, 2023, the Company has recorded accounts receivable in the amount of \$1,572,514 of which \$1,234,916 (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.

**Urban Utilities Contractors Inc.**  
**Notes to Condensed Interim Financial Statements**  
**Three Months Ended December 31, 2023**  
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**4 Trade and Other Receivables (continued)**

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. No amount has been specified by Customer ABC in their defense materials that have been filed with the Court. 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.

**5 Holdback Receivables**

The following table provides information about holdback receivables

	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Retention funds from customers	\$ 370,474	\$ 458,422
	<b>\$ 370,474</b>	<b>\$ 458,422</b>

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.

**6 Contract Assets**

The following table provides information about contracts assets from

	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Unbilled receivables	\$ 413,966	\$ 185,826
	<b>\$ 413,966</b>	<b>\$ 185,826</b>

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 December 31, 2023, the Company recorded a credit loss allowance of \$Nil (September 30, 2023 - \$Nil).

**Urban Utilities Contractors Inc.**  
**Notes to Condensed Interim Financial Statements**  
**Three Months Ended December 31, 2023**  
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**7 Property, Plant and Equipment**

	Computers	Equipment	Vehicles	Furniture and Fixtures	Total
<b>Cost</b>					
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	-	-	-	-	-
<b>Balance as at December 31, 2023</b>	<b>\$ 14,694</b>	<b>\$ 128,583</b>	<b>\$ 314,593</b>	<b>\$ 89,563</b>	<b>\$ 547,433</b>
<b>Accumulated Depreciation</b>					
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	1,166	3,440	12,753	3,906	21,265
<b>Balance as at December 31, 2023</b>	<b>\$ 6,532</b>	<b>\$ 63,222</b>	<b>\$ 157,310</b>	<b>\$ 15,352</b>	<b>\$ 242,416</b>
<b>Carrying Amounts</b>					
Balance as at September 30, 2023	\$ 9,328	\$ 68,801	\$ 170,036	\$ 78,117	\$ 326,282
<b>Balance as at December 31, 2023</b>	<b>\$ 8,162</b>	<b>\$ 65,361</b>	<b>\$ 157,283</b>	<b>\$ 74,211</b>	<b>\$ 305,017</b>

**Urban Utilities Contractors Inc.**  
**Notes to Condensed Interim Financial Statements**  
**Three Months Ended December 31, 2023**  
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**8 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 \$564 for three months ended December 31, 2023 (three months ended December 31, 2022 - \$336 ).

The discount rate used to determine the right-of-use asset and the lease liability for each country and 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		101,588		101,588
Disposition		(11,545)		(11,545)
Depreciation		(2,605)		(2,605)
<b>Balance as at December 31, 2023</b>	<b>\$</b>	<b>98,983</b>	<b>\$</b>	<b>98,983</b>
		<b>December 31, 2023</b>	<b>September 30, 2023</b>	
Current lease liabilities	\$	19,022	\$	9,540
Non-current lease liabilities		46,548		-
	<b>\$</b>	<b>65,570</b>	<b>\$</b>	<b>9,540</b>

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

	December 31, 2023		September 30, 2023	
Balance - beginning of period	\$	9,540	\$	23,571
Additions		67,083		-
Finance cost accrued during the period		564		1,031
Deletions		(7,119)		-
Payment of lease liabilities		(4,498)		(15,062)
<b>Balance - end of Period</b>	<b>\$</b>	<b>65,570</b>	<b>\$</b>	<b>9,540</b>

The table below provides details regarding the contractual maturities of lease liabilities as of December 31, 2023 and September 30, 2023 on an undiscounted basis:

	December 31, 2023		September 30, 2023	
Less than one year	\$	19,022	\$	10,664
One to five years		46,548		-
More than five years		-		-
<b>Total</b>	<b>\$</b>	<b>65,570</b>	<b>\$</b>	<b>10,664</b>

**Urban Utilities Contractors Inc.**  
**Notes to Condensed Interim Financial Statements**  
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*(Unaudited)*

**9 Trade and Other Payables**

	December 31, 2023	September 30, 2023
Trade Payables	\$ 488,683	\$ 506,527
Remuneration and benefits payable	74,440	55,891
Provincial sales tax payable	281,570	300,105
Accrued expenses	61,770	67,318
	<b>\$ 906,463</b>	<b>\$ 929,841</b>

**10 Borrowings**

	December 31, 2023	September 30, 2023
a) Current		
Borrowings from Banks		
-Term Loan	\$ 90,160	\$ 90,160
-Vehicle Loan	52,158	44,443
	<b>\$ 142,318</b>	<b>\$ 134,603</b>

	December 31, 2023	September 30, 2023
b) Non-current		
Borrowings from Banks		
-Term Loan	\$ 100,560	\$ 113,100
-Vehicle Loan	139,756	157,335
	<b>\$ 240,316</b>	<b>\$ 270,435</b>

**The Company has borrowings which include:**

- a) The non-current portion of the borrowings consists of term loan from the following banks:
1. BDC Bank - \$100,560 (September 30, 2023: \$113,100)
  2. CEBA loan - \$Nil (September 30, 2023: \$40,000)

***Canada Emergency Business Account loan***

The government of Canada created a program called the Canada Emergency Business Account (CEBA) intended to support small businesses during COVID-19 outbreak by 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.

Repayment of the balance of the loan on or before January 18, 2024 will result in a loan forgiveness of 25% or \$10,000. Starting January 19, 2024, the unpaid principal of the loan is repayable on a monthly basis, at an annual interest rate of 5% per annum up to December 31, 2025.

**Urban Utilities Contractors Inc.**  
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**Three Months Ended December 31, 2023**  
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**11 Other Liabilities**

	December 31, 2023	September 30, 2023
Union Dues	\$ (680)	\$ 61,721
Pension Dues	-	44,208
<b>Total</b>	<b>\$ (680)</b>	<b>\$ 105,929</b>

**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.

**12 Share Capital**

**Authorized**

	December 31, 2023	September 30, 2023
200 Equity Shares of \$0.05 per share	\$ 10	\$ 10
	<b>\$ 10</b>	<b>\$ 10</b>

**Issued, Subscribed and Fully Paid**

	December 31, 2023	September 30, 2023
200 Equity Shares of \$0.05 per share	\$ 10	\$ 10
	<b>\$ 10</b>	<b>\$ 10</b>

**13 Other Components of Equity**

Retained earnings	December 31, 2023	December 31, 2022
Opening retained earnings (deficit)	\$ 1,626,500	\$ (117,647)
Previous period profit	-	586,869
Current period profit	559,707	-
Dividends paid	-	(50,000)
	<b>\$ 2,186,207</b>	<b>\$ 419,222</b>

**Urban Utilities Contractors Inc.**  
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**14 Earnings Per Share**

The calculation of basic earnings per share for the three months ended December 31, 2023 and 2022 is based on the profit attributable to ordinary shareholders of \$559,707 (2022 - \$586,869), and a weighted average number of shares outstanding of 200 shares and 200 shares respectively, calculated as follows:

	Three months ended December 31, 2023	Three months ended December 31, 2022
Net Profit	\$ 559,707	\$ 586,869
Weighted average number of shares - Basic	200	200
<b>Basic earnings per share</b>	<b>\$ 2,799</b>	<b>\$ 2,934</b>
Weighted average number of shares - Diluted	200	200
<b>Diluted earnings per share</b>	<b>\$ 2,799</b>	<b>\$ 2,934</b>

**15 Revenues**

	Three months ended December 31, 2023	Three months ended December 31, 2022
Rendering of Services	\$ 1,966,465	\$ 3,783,793
<b>Total</b>	<b>\$ 1,966,465</b>	<b>\$ 3,783,793</b>

**16 Cost of sales**

	Three months ended December 31, 2023	Three months ended December 31, 2022
Change in work in progress	\$ (228,140)	\$ 851,579
Raw materials and consumables	600,715	964,432
Direct labour	494,121	622,221
Sub-contractors	16,855	195,193
Union Dues	95,888	233,081
Equipment rental	4,055	19,182
Other	562	-
<b>Total</b>	<b>\$ 984,056</b>	<b>\$ 2,885,689</b>

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**17 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 months ended December 31, 2023 and 2022 are as follows:

<b>Name of the Personnel</b>	<b>Relationship with the Company</b>
Mr. Gary Alves - Director	KMP
1000679050 Ontario Inc.	Company owned by Director and it holds shares of Urban

  

<b>Transactions with KMP</b>	<b>Three months ended December 31, 2023</b>	<b>Three months ended December 31, 2022</b>
Salary paid to KMP	\$ 75,000	\$ 62,500
	<b>\$ 75,000</b>	<b>\$ 62,500</b>

  

<b>Outstanding Balance as at</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Loan to related parties	500,000	-
	<b>\$ 500,000</b>	<b>\$ -</b>

**18 Financial Instruments**

**Financial instruments by category**

The carrying amounts and fair value of the financial instruments by each category as at December 31, 2023 and September 30, 2023 were as follows:

	<b>Carrying Value</b>		<b>Fair Value</b>	
	<b>December 31, 2023</b>	<b>September 30, 2023</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
<b>Financial Assets</b>				
<b>Financial Assets at Amortized Cost</b>				
Trade receivables	\$ 1,572,514	\$ 1,794,947	\$ 1,572,514	\$ 1,794,947
Holdback receivables	370,474	458,422	370,474	458,422
Contract assets	413,966	185,826	413,966	185,826
	<b>\$ 2,356,954</b>	<b>\$ 2,439,195</b>	<b>\$ 2,356,954</b>	<b>\$ 2,439,195</b>

	<b>Carrying Value</b>		<b>Fair Value</b>	
	<b>December 31, 2023</b>	<b>September 30, 2023</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
<b>Financial Liabilities</b>				
<b>Financial Liabilities at Amortized Cost</b>				
Borrowings (long-term)	\$ 240,316	\$ 270,435	\$ 240,316	\$ 270,435
Non-Current Lease Liabilities	46,548	-	46,548	-
Borrowings (Short-term)	142,318	134,603	142,318	134,603
Current Lease Liabilities	19,022	9,540	19,022	9,540
Trade Payable	906,463	929,841	906,463	929,841
	<b>\$ 1,354,667</b>	<b>\$ 1,344,419</b>	<b>\$ 1,354,667</b>	<b>\$ 1,344,419</b>

**Urban Utilities Contractors Inc.**  
**Notes to Condensed Interim Financial Statements**  
**Three Months Ended December 31, 2023**  
*(All amounts are in CAD, unless otherwise stated)*  
*(Unaudited)*

**19 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.

**20 Subsequent Event**

On March 22, 2024, the Reverse Take Over Transaction ("RTO Transaction") with Deal Pro Capital Corporation ("Deal Pro") was closed. The Company changed its name to Urban Infrastructure Group Inc. and commenced trading on the TSX Venture Exchange under the symbol "UIG".

Prior to the closing of the RTO Transaction, Deal Pro completed a financing on March 18, 2024, of 8,947,995 units at \$0.15 per unit, for gross proceeds of \$1,342,200. Each unit issued by Deal Pro comprised one Class A common share and one half of one Class A warrant of Deal Pro. Each full warrant can be exercised at a price of \$0.25, per Class A common share, at any time until March 18, 2026. Warrants issued as Finder Fees can be exercised at a price of \$0.15 per warrant, at any time until March 18, 2026, with each warrant to be comprised of one Class A common share and one-half of one Class A common share warrant. Each full warrant can be exercised at a price of \$0.25, per Class A common share, at any time until March 18, 2026.

The capital structure of the Company after the close of the RTO transaction is as follows:

	<b>Common Shares</b>	<b>Common Shares</b>		
	<b>Class A</b>	<b>Class B</b>	<b>Warrants</b>	<b>Options</b>
<b>Deal Pro Shareholders</b>	8,207,001	-	-	-
<b>Urban Shareholders</b>	83,000,000	17,000,000	-	-
<b>Financing</b>	8,947,995	-	4,473,998	-
<b>Finder Fees</b>	4,357,920	-	269,866	-
<b>Stock Options</b>	-	-	-	820,700
	<b>104,512,916</b>	<b>17,000,000</b>	<b>4,743,864</b>	<b>820,700</b>

The 17,000,000 Class B Common shares can be exchanged for 17,000,000 Class A Common shares under certain conditions.