

URBANA CORPORATION

Q3 2023 MANAGEMENT UPDATE

The third quarter of 2023 clearly illustrated the combined advantages of Urbana Corporation's capital structure and investment strategy.

Permanent capital enables management to take a longer and broader view of events impacting equity markets.

The combination of publicly traded holdings and private equity investing (possible only with permanent capital) creates the possibility of positive returns even in declining stock markets.

That point is clearly illustrated in comparative performance numbers for the quarter just ended. (refer to our weekly net assets reports published at www.urbanacorp.com/net-asset-reports/)

In regard to our publicly traded investments, both our energy and U.S. financial services holdings provided solid gains in the third quarter of approximately \$11 million.

Our private holdings in Evolve ETFs and IGPC Ethanol Inc. (division of Integrated Grain Processors Co-operative Inc.) added another \$10 million in Q3.

Urbana wrote down Highview Financial Holdings Inc. by approximately \$2 million in the quarter.

The major winner for Urbana in the third quarter was Blue Ocean Technologies, LLC ("Blue Ocean") with a \$44 million pre-tax increase in value resulting from RobinHood Markets, Inc., and the Tokyo Stock Exchange investing in the company at a significantly higher valuation than our original cost.

Blue Ocean is an overnight trading platform for American securities for Asian traders, both retail and institutional. After hours trading is also coming from American traders active in after-hours markets.

The combination has resulted in significant trading volume increases in the past few months. Blue Ocean is scalable and can provide a basis for significant future growth.

The bottom line is that after-tax net assets per share for Urbana grew by 18.1% in Q3 and 19.3% year to date.

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For Q3, both the Dow Jones Industrial Average Total Return Index and the S&P/TSX Composite Total Return Index (“S&P/TSX Index”) were down approximately 2% each. The Dow Jones Industrial Average Total Return Index (in Canadian Dollars) (“DJIA Index”) was up by 0.4%, reflecting our weak Canadian dollar. Urbana’s “A” shares moved up in price by 16.7% in the third quarter.

Since inception (October 2, 2002), our after tax net assets per share have grown at 15.0% annually compounded.

The well publicized and continually commented on issues such as interest rates, geo-political concerns, U.S. political chaos and Canada’s weak performance in all sectors are current concerns, but we would anticipate modest positive changes over the coming months. This can energize presently lethargic capital markets.

Geo-politically, the new wildcard is the recent terrorist attack on Israel. The brutality of that attack will attract harsh retribution and suffering for all. Strategically, it derails the promised agreement between Israel and Saudi Arabia, which also carried benefits for Palestinians. It is hoped the conflict can be contained. Time and events will tell.

Moving beyond the uncontrollable, we believe our balance of publicly traded securities and private investments will continue to serve our shareholders in the near future.

Management is always available to you, our shareholders and business partners.
Please feel free to contact us whenever you wish.

Thomas S. Caldwell, C.M.
Chief Executive Officer and President

October 20, 2023

Forward-Looking Statements

Certain statements in this management update constitute “forward-looking” statements that involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Urbana to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Unless required by applicable securities law, Urbana does not assume any obligation to update these forward-looking statements.