

Condensed Interim Financial Statements of

# **Urbana Corporation**

March 31, 2024 and March 31, 2023

(Unaudited)

**NOTICE:** This interim financial report has not been reviewed by an auditor.

# Urbana Corporation

Unaudited Condensed Interim Financial Statements  
March 31, 2024 and March 31, 2023

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# Urbana Corporation

Condensed interim statements of financial position  
as at March 31, 2024 and December 31, 2023

(Unaudited)

(In Canadian dollars)


	March 31, 2024	December 31, 2023
	\$	\$
<b>Assets</b>		
Cash	333,634	341,421
Investments, at fair value (Note 2)	493,081,788	444,237,775
Accounts and other receivables (Notes 4 and 9)	1,335,744	6,065,848
	<b>494,751,166</b>	<b>450,645,044</b>
<b>Liabilities</b>		
Loan payable (Note 6)	45,400,000	42,700,000
Accounts payable and accrued liabilities (Note 5)	1,356,208	1,377,772
Deferred income tax liability (Note 10)	37,507,000	31,996,000
	<b>84,263,208</b>	<b>76,073,772</b>
<b>Shareholders' equity</b>		
Share capital (Note 8)	98,760,119	98,760,119
Contributed surplus	66,649,532	66,649,532
Retained earnings	245,078,307	209,161,621
Shareholders' equity representing net assets	<b>410,487,958</b>	<b>374,571,272</b>
Total liabilities and shareholders' equity	<b>494,751,166</b>	<b>450,645,044</b>
<b>Number of shares outstanding (Note 8)</b>	<b>41,395,100</b>	<b>41,395,100</b>

See accompanying notes

Approved by the Board



Director



Director

# Urbana Corporation

Condensed interim statements of comprehensive income  
for the three month periods ended March 31, 2024 and March 31, 2023

(Unaudited)

(In Canadian dollars)

	2024	2023
	\$	\$
<b>Revenue</b>		
Net realized gain on sale/disposal of investments and foreign exchange gain	2,230	245,406
Net change in unrealized gain on investments	48,059,630	7,108,020
Dividends	2,240,056	1,169,864
Interest	143,701	111,023
	<b>50,445,617</b>	<b>8,634,313</b>
<b>Expenses</b>		
Investment management fees (Note 9)	2,632,273	1,929,776
Interest	825,116	592,368
Administrative (Note 9)	423,309	355,420
Transaction costs	-	-
Professional fees	68,414	61,396
	<b>3,949,112</b>	<b>2,938,960</b>
Net income before income taxes	<b>46,496,505</b>	<b>5,695,353</b>
Foreign withholding tax expense (Note 10)	101,381	95,942
Provision for deferred income taxes (Note 10)	5,511,000	369,000
Income tax expense	<b>5,612,381</b>	<b>464,942</b>
<b>Total profit and comprehensive income for the period</b>	<b>40,884,124</b>	<b>5,230,411</b>
<b>Basic and diluted earnings per share</b>	<b>0.99</b>	<b>0.13</b>
<b>Weighted average number of shares outstanding</b>	<b>41,395,100</b>	<b>41,395,100</b>

See accompanying notes

# Urbana Corporation

Condensed interim statements of changes in equity  
for the three month periods ended March 31, 2024 and March 31, 2023

(Unaudited)

(In Canadian dollars)

	Share capital	Contributed surplus	Retained earnings	Total
	\$	\$	\$	\$
Balance at January 1, 2023	98,760,119	66,649,532	144,192,537	309,602,188
Total profit and comprehensive income for the period	-	-	5,230,411	5,230,411
Dividends paid	-	-	(4,553,485)	(4,553,485)
Balance at March 31, 2023	98,760,119	66,649,532	144,869,463	310,279,114
<b>Balance at January 1, 2024</b>	<b>98,760,119</b>	<b>66,649,532</b>	<b>209,161,621</b>	<b>374,571,272</b>
<b>Total profit and comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>40,884,124</b>	<b>40,884,124</b>
<b>Dividends paid</b>	<b>-</b>	<b>-</b>	<b>(4,967,438)</b>	<b>(4,967,438)</b>
<b>Balance at March 31, 2024</b>	<b>98,760,119</b>	<b>66,649,532</b>	<b>245,078,307</b>	<b>410,487,958</b>

See accompanying notes

# Urbana Corporation

Condensed interim statements of cash flows  
for the three month periods ended March 31, 2024 and March 31, 2023  
(Unaudited)

(In Canadian dollars)

	2024	2023
	\$	\$
<b>Operating activities</b>		
Total profit and comprehensive income for the period	40,884,124	5,230,411
Items not affecting cash		
Net realized gain on sale/disposal of investments and foreign exchange gain	(2,230)	(245,406)
Net change in unrealized gain on investments	(48,059,630)	(7,108,020)
Provision for deferred income taxes	5,511,000	369,000
Purchases of investments	(784,388)	(5,379,978)
Proceeds from sale of investments and foreign exchange	2,235	7,056,998
	<b>(2,448,889)</b>	<b>(76,995)</b>
Net change in non-cash working capital items		
Accounts and other receivables	4,730,104	849,572
Accounts payable and accrued liabilities	(21,564)	(172,114)
	<b>4,708,540</b>	<b>677,458</b>
Cash provided by operating activities	<b>2,259,651</b>	<b>600,463</b>
<b>Financing activities</b>		
Issuance of loan payable	4,500,000	6,600,000
Repayment of loan payable	(1,800,000)	(2,500,000)
Dividends paid	(4,967,438)	(4,553,485)
Cash used in financing activities	<b>(2,267,438)</b>	<b>(453,485)</b>
Net change in cash during the period	<b>(7,787)</b>	<b>146,978</b>
Cash, beginning of period	<b>341,421</b>	<b>268,579</b>
<b>Cash, end of period</b>	<b>333,634</b>	<b>415,557</b>
<b>Supplemental disclosure</b>		
Dividends received	6,951,311	1,062,913
Interest received	66,853	79,188
Interest paid	794,899	552,106

See accompanying notes

# Urbana Corporation

## Condensed interim schedule of investment portfolio as at March 31, 2024

(In Canadian dollars)

Number of securities	Description	Cost	Fair value
	<b>Private equity investments</b>	\$	\$
13,490,878	CNSX Markets Inc. (Note 9)	8,228,349	80,945,268
1,327,620	Miami International Holdings Inc.	12,257,268	18,415,168
800,000	Caldwell Financial Ltd. (Note 9)	1,826,650	3,584,000
5,000,000	Developer Capital Inc. Class B Common	500,000	500,000
5,000,000	Developer Capital Inc. Warrants (i)	-	-
2,350,000	Radar Capital Inc. Class A Common (Note 9)	50	-
16,755,081	Radar Capital Inc. Class B Common (Note 9)	11,561,006	1,670,482
1,544,236	Evolve Funds Group Inc. ("Evolve") Class B Preferred	1,501,568	7,628,526
3,000,000	Evolve Funds Group Inc. Class C Preferred	1,603,756	14,820,000
771,638	Evolve Funds Group Inc. Class D Preferred	771,638	771,638
1,195,246	EFG Management Holdings Inc. ("EFG") Class A Common (ii)	3,597,690	5,904,515
498,041	EFG Management Holdings Inc. Class E Common (ii)	1,462,549	2,460,323
15,259,886	Highview Financial Holdings Inc. (Note 9)	11,546,243	15,870,281
5	Integrated Grain Processors Co-operative Inc. Membership Shs	500	500
1,992,866	Integrated Grain Processors Co-operative Inc. Class E Preferred	3,764,461	49,821,650
4,538,460	Four Lakes Capital Fund Limited Partnership	4,999,998	8,678,797
465,381	Vive Crop Protection Inc. Class A2 Preferred	314,132	186,152
975,337	Vive Crop Protection Inc. Class B1 Preferred	284,613	390,135
6,500,000	Vive Crop Protection Inc. Class B3 Preferred	3,250,000	3,250,000
2,492,279	Vive Crop Protection Inc. Class C1 Preferred	1,629,452	1,629,452
768,062	Vive Crop Protection Inc. Class C2 Preferred	557,920	557,920
27,428	Kognitiv Corporation Class A-2 Preferred	353,000	31,178
2,000,000	Kognitiv Corporation Class B-1 Preferred	3,000,000	3,000,000
122,222	Kognitiv Corporation	2,404,596	99,238
8,000,000	Kognitiv Corporation Warrants (iii)	-	-
480,000	Lyceum CME Inc. Class B Preferred	2,400,000	2,400,000
6,047,895	FundThrough Inc. Class A-3 Preferred	6,250,000	7,801,785
1,570,680	FundThrough Inc. Class A-4 Preferred	2,999,999	2,026,177
208,290	Varo Money, Inc.	2,565,000	481,995
7,292,930	Tetra Trust Company	4,850,759	4,011,112
5,622	Blue Ocean Technologies, LLC / Urbana International Inc. ("UII") (iv) (Note 9)	10,479,725	55,414,655
		104,960,922	292,350,947
	<b>Public equity investments</b>		
502,073	Caldwell-Lazard CorePlus Infrastructure Fund (Note 9)	5,020,850	5,236,221
110,000	Choe Global Markets, Inc.	3,637,004	27,349,588
100,000	Intercontinental Exchange Group Inc.	4,153,846	18,597,715
125,000	Citigroup Inc.	6,360,121	10,697,441
350,000	Bank of America Corp.	4,882,387	17,960,334
250,000	Morgan Stanley	6,933,526	31,855,505
1,600,000	Real Matters Inc.	6,352,346	9,792,000
3,772,200	Tamarack Valley Energy Ltd.	10,108,791	14,485,248
200,000	KKR & Co. Inc.	7,516,623	27,221,977
2,500,000	Whitecap Resources Inc.	8,776,111	25,625,000
10,000	Alibaba Group Holding Ltd. Sponsored ADR	1,217,738	979,212
445,000	Crescent Point Energy Corp.	4,500,682	4,930,600
		69,460,025	194,730,841
	<b>Private debt investments</b>		
3,000,000	Highview Financial Holdings Inc. (v) (Note 9)	3,000,000	3,000,000
2,000,000	Highview Financial Holdings Inc. (vi) (Note 9)	2,000,000	2,000,000
1,000,000	Kognitiv Corporation (vii)	1,000,000	1,000,000
		6,000,000	6,000,000
		180,420,947	493,081,788

# Urbana Corporation

## Condensed interim schedule of investment portfolio as at March 31, 2024

(In Canadian dollars)

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- (i) The Developer Capital Inc. ("DevCap") warrants were issued to Urbana in connection with Urbana's purchase of the Class B common shares of DevCap. The entire purchase price was allocated to the common shares since it was determined that the warrants had no value at the time. Each warrant entitles Urbana to purchase one Class B common share of DevCap at \$0.15 per share on or before January 31, 2029.
- (ii) EFG is a holding company formed for the sole purpose of holding shares of Evolve. EFG owns a controlling interest in Evolve and is controlled by the management of Evolve.
- (iii) The Kognitiv Corporation ("Kognitiv") warrants were issued to Urbana in connection with Urbana's purchase of the Class B-1 preferred shares of Kognitiv. The entire purchase price was allocated to the preferred shares since it was determined that the warrants had no value at the time. Each warrant entitles Urbana to purchase one Class B-1 preferred share of Kognitiv at \$1.50 per share on or before November 30, 2028.
- (iv) Ull, a wholly-owned subsidiary of Urbana, formed for the sole purpose of investing in Blue Ocean Technologies, LLC ("Blue Ocean"), holds 5,621.5 units of Blue Ocean.
- (v) Unsecured convertible promissory note initially maturing on June 30, 2023 has been extended to June 30, 2024 with interest continuing at 8% per annum payable quarterly. This promissory note was issued in connection with a \$3 million revolving line of credit and is convertible (in whole or in part) into common shares on the maturity date at \$1.07 per common share.
- (vi) Secured promissory note initially maturing on December 31, 2023 has been extended to June 30, 2024 with interest continuing at 8% per annum payable on maturity.
- (vii) Secured subordinated convertible note initially maturing on July 31, 2023 has been extended to July 31, 2024 with interest continuing at 12% per annum payable monthly. In lieu of a monthly cash interest payment, Kognitiv makes a payment-in-kind by capitalizing the interest payable on each monthly interest payment date.

In addition to the investments listed above, Urbana holds 44 mining claims in Urban Township, Quebec. No mining expenditures were incurred in 2024 or 2023.



# Urbana Corporation

## Notes to the condensed interim financial statements

for the three month periods ended March 31, 2024 and March 31, 2023

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Urbana Corporation (“Urbana” or the “Company”) is an investment company that is not considered an investment fund for securities law purposes but is treated as an investment entity for accounting purposes.

The Company’s common shares (“Common Shares”) and non-voting class A shares (“Class A Shares”) are listed for trading on the Toronto Stock Exchange (“TSX”) and the Canadian Securities Exchange (“CSE”). Its registered head office is located at 150 King Street West, Suite 1702, Toronto, Ontario, M5H 1J9.

Urbana’s strategy is to seek out, and invest in, private investment opportunities for capital appreciation and invest in publicly traded securities to provide growth, income and liquidity.

### 1. Material accounting policy information

Effective January 1, 2023, the Company adopted the International Accounting Standard 1 – Presentation of Financial Statements (“IAS 1”) amendment with regards to disclosure of material accounting policies. This amendment did not have a material impact on these financial statements. There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on January 1, 2023 that have a material effect on the financial statements of the Company. The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise indicated.

#### *Basis of presentation*

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as published by the International Accounting Standards Board (“IASB”) and as required by Canadian securities legislation and the Canadian Accounting Standards Board. They are presented in compliance with International Accounting Standard 34 “*Interim Financial Reporting*”.

The Company qualifies as an investment entity under IFRS 10 “*Consolidated Financial Statements*”.

#### *Statement of compliance*

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

#### *Judgments and estimates*

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions, which affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses for the period. Actual results could differ from those estimates. Significant judgments and estimates included in the financial statements relate to the valuation of level 3 investments and settlement of the deferred income tax liability.

#### Classification and measurement of investments

In classifying and measuring financial instruments held by the Company, Urbana is required to make significant judgments about the Company’s business model for managing its financial instruments, and whether or not the business of the Company is to manage the financial assets with the objective of realizing cash flows through the sale of the assets for the purpose of classifying certain financial instruments at fair value through profit or loss (“FVTPL”).

#### Valuation of investments

Investments are measured at fair value in accordance with IFRS 13 “*Fair Value Measurement*”. Publicly traded securities are valued at the close price on the recognized stock exchange on which the securities are listed or principally traded, provided the close price is within the bid-ask spread.

Securities which are listed on a stock exchange or traded over-the-counter and which are subject to a hold period or other trading restrictions are valued as described above, with an appropriate discount as determined by management.

# Urbana Corporation

## Notes to the condensed interim financial statements

for the three month periods ended March 31, 2024 and March 31, 2023

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### 1. Material accounting policy information (continued)

Investments for which reliable quotations are not readily available, or for which there is no closing bid price, including securities of private issuers, are valued at fair value using management's best estimates. A number of valuation methodologies may be considered in arriving at fair value, including comparable company transactions, earnings multiples, the price of a recent investment, a recent arm's length transaction, net assets, discounted cash flows, industry valuation benchmarks, available market prices and formulas prescribed by applicable shareholder agreements. During the initial period after an investment has been made, cost (translated using the period end foreign currency exchange rate) may represent the most reasonable estimate of fair value. Unrealized gains and losses on investments are recognized in the Statements of comprehensive income.

The Company takes its own credit risk and the risk of its counterparties into account in determining the fair value of financial assets and financial liabilities, including derivative instruments. Management has reviewed its policies concerning valuation of assets and liabilities and believes that the fair values ascribed to the financial assets and financial liabilities in the Company's financial statements incorporate appropriate levels of credit risk.

There are inherent uncertainties in the process of valuing investments for which there are no published markets. Management uses various valuation techniques with unobservable market inputs in its determination of fair value of private investments, those most significant of which are disclosed in Note 2. Management exercises judgment in the determination of certain assumptions about market conditions existing at the date of the financial statements in the application of the chosen valuation techniques. As such, the resulting values may differ from values that would have been used had a ready market existed for the investments and may differ from the prices at which the investments may be sold.

Refer to Note 2 for the classification of the fair value measurements.

#### Mining Claims

In accordance with IFRS 6 "*Exploration for and Evaluation of Mineral Resources*", Urbana has elected to expense exploration and evaluation costs given that its mineral claims hold no known proven reserves or resources.

#### *Segmented information*

The Company is organized as one main operating segment, namely the management of the Company's investments, in order to achieve the Company's investment objectives.

#### *Functional and presentation currency*

The Company considers its functional and presentation currency to be the Canadian dollar, which is the currency of the primary economic environment in which it operates. The Company's performance is evaluated and its liquidity is managed in Canadian dollars.

#### *Foreign currency translation*

The monetary assets and liabilities of the Company are translated into Canadian dollars, the Company's functional currency, at exchange rates in effect at the date of the statement of financial position. Non-monetary items are translated at rates of exchange in effect when the assets were acquired or obligations incurred. Foreign exchange gains and losses are included in the Statements of

# Urbana Corporation

## Notes to the condensed interim financial statements

for the three month periods ended March 31, 2024 and March 31, 2023

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### 1. Material accounting policy information (continued)

Comprehensive Income. Purchases and sales of investments, investment income and expenses are calculated at the exchange rates prevailing on the date of the transactions.

#### *Financial instruments*

The Company's financial instruments are comprised of cash, investments, accounts and other receivables, loan payable, and accounts payable and accrued liabilities. The Company recognizes financial instruments at fair value upon initial recognition. The Company measures the expected credit loss ("ECL") allowance on accounts and other receivables at an amount equal to the 12 month expected credit losses. Given the short-term nature of accounts and other receivables and the high credit quality, the Company has determined that the ECL allowance is not material.

Investments have been classified at FVTPL with gains and losses recorded in net income. Cash, accounts and other receivables are measured at amortized cost. Loan payable and accounts payable and accrued liabilities are measured at amortized cost. The carrying values approximate their fair values due to their short-term maturities.

#### *Transaction costs*

Transaction costs are expensed as incurred and are included in "Transaction costs" in the Statements of Comprehensive Income. Transaction costs are incremental costs that are directly attributable to the acquisition or disposal of an investment, which include fees and commission paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties.

#### *Deferred income taxes*

The Company accounts for deferred income taxes using the liability method, whereby deferred tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities and measured using substantively enacted income tax rates and laws that are expected to be in effect when the differences are expected to reverse. Income tax expense for the period is the tax payable for the period and any change during the period in the deferred tax assets and liabilities. A deferred tax asset will be recognized to the extent that it is probable that it will be realized.

#### *Investment transactions and income recognition*

Investment transactions are recorded on the trade date. Dividend income is recorded on the ex-dividend date. Interest income is recorded on an accrual basis.

Realized gains and losses from investment transactions and unrealized net gain or loss on foreign exchange and investments are calculated on an average cost basis.

#### *Earnings (loss) per share*

Basic earnings (loss) per share is computed by dividing the total profit (loss) for the year by the weighted average number of Common and Class A Shares outstanding during the year, including contingently issuable shares, which are included when the conditions necessary for issuance have been met. Diluted earnings (loss) per share reflects the assumed conversion of all dilutive securities using the "treasury stock" method for purchase warrants and stock options.

# Urbana Corporation

## Notes to the condensed interim financial statements

for the three month periods ended March 31, 2024 and March 31, 2023

### 1. Material accounting policy information (continued)

#### Interests in Other Entities

The table below presents the unconsolidated subsidiaries of the Company as at March 31, 2024 and December 31, 2023:

Subsidiary's Name	Place of Business	% of Equity Interest held by Urbana	% of Voting Rights held by Urbana
Urbana International Inc. <sup>(1)</sup>	United States	100%	100%
Radar Capital Inc.	Toronto	65.51%	65.51%

<sup>(1)</sup>UII, a wholly-owned subsidiary of Urbana, holds units of Blue Ocean Technologies, LLC.

### 2. Fair value measurement

Fair value measurements of the investments are classified based on a three-level hierarchy that reflects the significance of the inputs used in making the measurements. The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 – Quoted prices in markets that are not active or financial instruments for which all significant inputs are observable, either directly or indirectly; and

Level 3 – Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

Transfers between the levels of the fair value hierarchy are deemed to occur on the date of the event or change in circumstances that caused the transfer.

The following is a summary of the Company's investments categorized in the fair value hierarchy as at March 31, 2024:

Investments	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Public equity investments	189,494,620	5,236,221	-	194,730,841
Private equity investments	-	-	292,350,947	292,350,947
Private debt investments	-	-	6,000,000	6,000,000
<b>Total investments at FVTPL</b>	<b>189,494,620</b>	<b>5,236,221</b>	<b>298,350,947</b>	<b>493,081,788</b>

#### Level 2 and 3 valuation methods – March 31, 2024

Description	Fair value (\$) <sup>(1)</sup>	Primary Valuation technique used	Significant unobservable inputs	Input/Range <sup>(2)</sup>
<b>Public equity investments</b>				
Caldwell-Lazard CorePlus Infrastructure Fund	5,236,221	Net asset value per unit	Net asset value per unit	N/A

# Urbana Corporation

## Notes to the condensed interim financial statements

for the three month periods ended March 31, 2024 and March 31, 2023

### 2. Fair value measurement (continued)

<b>Private equity investments</b>				
Caldwell Financial Ltd.	<b>3,584,000</b>	Prescribed formula which approximates fair value	1 x net fees plus net assets	N/A
Miami International Holdings Inc.	<b>18,415,168</b>	Market transaction	Recent transaction price	N/A
CNSX Markets Inc.	<b>80,945,268</b>	Market transaction	Recent transaction price	N/A
Highview Financial Holdings Inc.	<b>15,870,281</b>	EV as a % of AUM <sup>(3)</sup>	EV as a % of AUM	1.0%-4.0%
Four Lakes Capital Fund Limited Partnership	<b>8,678,797</b>	Net asset value per unit	Net asset value per unit	N/A
Radar Capital Inc. Class A	-	Net asset value per share	Net asset value per share	N/A
Radar Capital Inc. Class B	<b>1,670,482</b>	Net asset value per share	Net asset value per share	N/A
Evolve Funds Group Inc. Class B	<b>7,628,526</b>	EV as a % of adjusted AUM	EV as a % of adjusted AUM	0.8%-6.1% <sup>(4)</sup>
Evolve Funds Group Inc. Class C	<b>14,820,000</b>	EV as a % of adjusted AUM	EV as a % of adjusted AUM	0.8%-6.1% <sup>(4)</sup>
Evolve Funds Group Inc. Class D	<b>771,638</b>	Market transaction	Recent transaction price	N/A
EFG Management Holdings Inc. Class A	<b>5,904,515</b>	EV as a % of adjusted AUM	EV as a % of adjusted AUM	0.8%-6.1% <sup>(4)</sup>
EFG Management Holdings Inc. Class E	<b>2,460,323</b>	EV as a % of adjusted AUM	EV as a % of adjusted AUM	0.8%-6.1% <sup>(4)</sup>
Integrated Grain Processors Co-operative Inc. Membership Shares	<b>500</b>	Market transaction	Recent transaction price	N/A
Integrated Grain Processors Co-operative Inc. Class E	<b>49,821,650</b>	Market transaction	Recent transaction price	N/A
Lyceum CME Inc. Class B	<b>2,400,000</b>	Market transaction	Recent transaction price	N/A
Vive Crop Protection Inc. Class A2	<b>186,152</b>	Market transaction	Recent transaction price	N/A
Vive Crop Protection Inc. Class B1	<b>390,135</b>	Market transaction	Recent transaction price	N/A
Vive Crop Protection Inc. Class B3	<b>3,250,000</b>	Market transaction	Recent transaction price	N/A
Vive Crop Protection Inc. Class C1	<b>1,629,452</b>	Market transaction	Recent transaction price	N/A
Vive Crop Protection Inc. Class C2	<b>557,920</b>	Market transaction	Recent transaction price	N/A
Kognitiv Corporation Class A-2	<b>31,178</b>	Market transaction	Recent transaction price	N/A
Kognitiv Corporation Class B-1	<b>3,000,000</b>	Market transaction	Recent transaction price	N/A
Kognitiv Corporation	<b>99,238</b>	Average EV/revenue multiple	Average EV/revenue multiple	LTM:1.7-9.9 <sup>(5)</sup> NTM:1.6-7.9 <sup>(5)</sup>

# Urbana Corporation

## Notes to the condensed interim financial statements

for the three month periods ended March 31, 2024 and March 31, 2023

### 2. Fair value measurement (continued)

Kognitiv Corporation Warrants	-	Market transaction	Recent transaction price	N/A
FundThrough Inc. Class A-3	<b>7,801,785</b>	Average EV/LTM revenue/net interest income (NII) multiple	Average EV/LTM revenue/net interest income (NII) multiple	Rev:2.1-12.4 <sup>(6)</sup> NII:1.7-10.7 <sup>(6)</sup>
FundThrough Inc. Class A-4	<b>2,026,177</b>	Average EV/LTM revenue/net interest income (NII) multiple	Average EV/LTM revenue/net interest income (NII) multiple	Rev:2.1-12.4 <sup>(6)</sup> NII:1.7-10.7 <sup>(6)</sup>
Developer Capital Inc. Class B Common	<b>500,000</b>	Market transaction	Recent transaction price	N/A
Developer Capital Inc. Warrants	-	Market transaction	Recent transaction price	N/A
Varo Money, Inc.	<b>481,995</b>	Average EV/revenue multiple	Average EV/revenue multiple	LTM:1.2-8.3 <sup>(7)</sup> NTM:1.3-6.6 <sup>(7)</sup>
Tetra Trust Company	<b>4,011,112</b>	Market transaction	Recent transaction price	N/A
Blue Ocean/Urbana International Inc.	<b>55,414,655</b>	Market transaction	Recent transaction price	N/A
<b>Private debt investments</b>				
Highview Financial Holdings Inc.	<b>3,000,000</b>	Face value	N/A	N/A
Highview Financial Holdings Inc.	<b>2,000,000</b>	Face value	N/A	N/A
Kognitiv Corporation	<b>1,000,000</b>	Face value	N/A	N/A
<b>Ending balance</b>	<b>303,587,168</b>			

<sup>(1)</sup> See Note 1 – Valuation of investments

<sup>(2)</sup> Where it is applicable, an input or range has been provided

<sup>(3)</sup> Enterprise value as a percentage of assets under management

<sup>(4)</sup> Enterprise value as a percentage of adjusted assets under management: 2.77%.

<sup>(5)</sup> Last twelve months enterprise value/revenue: 6.1x. Next twelve months enterprise value/revenue: 5.3x.

<sup>(6)</sup> Last twelve months enterprise value/revenue: 5.1x. Last twelve months enterprise value/NII: 5.3x.

<sup>(7)</sup> Last twelve months enterprise value/revenue: 4.5x. Next twelve months enterprise value/revenue: 4.2x.

The following is a summary of the Company's investments categorized in the fair value hierarchy as at December 31, 2023:

Investments	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Public equity investments	168,388,149	5,069,884	-	173,458,033
Private equity investments	-	-	264,779,742	264,779,742
Private debt investments	-	-	6,000,000	6,000,000
<b>Total investments at FVTPL</b>	<b>168,388,149</b>	<b>5,069,884</b>	<b>270,779,742</b>	<b>444,237,775</b>

# Urbana Corporation

## Notes to the condensed interim financial statements

for the three month periods ended March 31, 2024 and March 31, 2023

### 2. Fair value measurement (continued)

Level 2 and 3 valuation methods – December 31, 2023

Description	Fair value (\$) <sup>(1)</sup>	Primary Valuation technique used	Significant unobservable inputs	Input/Range <sup>(2)</sup>
<b>Public equity investments</b>				
Caldwell-Lazard CorePlus Infrastructure Fund	5,069,884	Net asset value per unit	Net asset value per unit	N/A
<b>Private equity investments</b>				
Caldwell Financial Ltd.	3,544,000	Prescribed formula which approximates fair value	1 x net fees plus net assets	N/A
Miami International Holdings Inc.	17,943,647	Market transaction	Recent transaction price	N/A
CNSX Markets Inc.	80,945,268	Market transaction	Recent transaction price	N/A
Highview Financial Holdings Inc.	15,717,682	EV as a % of AUM <sup>(3)</sup>	EV as a % of AUM	1.0%-4.0%
Four Lakes Capital Fund Limited Partnership	8,602,261	Net asset value per unit	Net asset value per unit	N/A
Radar Capital Inc. Class A	-	Net asset value per share	Net asset value per share	N/A
Radar Capital Inc. Class B	1,687,237	Net asset value per share	Net asset value per share	N/A
Evolve Funds Group Inc. Class B	6,964,504	EV as a % of adjusted AUM	EV as a % of adjusted AUM	0.8%-6.1% <sup>(4)</sup>
Evolve Funds Group Inc. Class C	13,530,000	EV as a % of adjusted AUM	EV as a % of adjusted AUM	0.8%-6.1% <sup>(4)</sup>
Evolve Funds Group Inc. Class D	771,638	Market transaction	Recent transaction price	N/A
EFG Management Holdings Inc. Class A	5,390,559	EV as a % of adjusted AUM	EV as a % of adjusted AUM	0.8%-6.1% <sup>(4)</sup>
EFG Management Holdings Inc. Class E	2,246,165	EV as a % of adjusted AUM	EV as a % of adjusted AUM	0.8%-6.1% <sup>(4)</sup>
Integrated Grain Processors Co-operative Inc. Membership Shares	500	Market transaction	Recent transaction price	N/A
Integrated Grain Processors Co-operative Inc. Class E	24,851,812	Market transaction	Recent transaction price	N/A
Lyceum CME Inc. Class B	2,400,000	Market transaction	Recent transaction price	N/A
Vive Crop Protection Inc. Class A2	186,152	Market transaction	Recent transaction price	N/A
Vive Crop Protection Inc. Class B1	390,135	Market transaction	Recent transaction price	N/A
Vive Crop Protection Inc. Class B3	3,250,000	Market transaction	Recent transaction price	N/A

# Urbana Corporation

## Notes to the condensed interim financial statements

for the three month periods ended March 31, 2024 and March 31, 2023

### 2. Fair value measurement (continued)

Vive Crop Protection Inc. Class C1	1,629,452	Market transaction	Recent transaction price	N/A
Vive Crop Protection Inc. Class C2	557,920	Market transaction	Recent transaction price	N/A
Kognitiv Corporation Class A-2	30,380	Market transaction	Recent transaction price	N/A
Kognitiv Corporation Class B-1	3,000,000	Market transaction	Recent transaction price	N/A
Kognitiv Corporation	80,581	Average EV/revenue multiple	Average EV/revenue multiple	LTM:1.8-9.5 <sup>(5)</sup> NTM:1.6-7.2 <sup>(5)</sup>
Kognitiv Corporation Warrants	-	Market transaction	Recent transaction price	N/A
FundThrough Inc. Class A-3	8,950,885	Average EV/LTM revenue/net interest income (NII) multiple	Average EV/LTM revenue/net interest income (NII) multiple	Rev:1.6-16.2 <sup>(6)</sup> NII:1.6-12.3 <sup>(6)</sup>
FundThrough Inc. Class A-4	2,999,999	Market transaction	Recent transaction price	N/A
Varo Money, Inc.	1,101,351	Market transaction	Recent transaction price	N/A
Tetra Trust Company	4,011,111	Market transaction	Recent transaction price	N/A
Blue Ocean/Urbana International Inc.	53,996,503	Market transaction	Recent transaction price	N/A
<b>Private debt investments</b>				
Highview Financial Holdings Inc.	3,000,000	Face value	N/A	N/A
Highview Financial Holdings Inc.	2,000,000	Face value	N/A	N/A
Kognitiv Corporation	1,000,000	Face value	N/A	N/A
Ending balance	275,849,626			

<sup>(1)</sup> See Note 1 – Valuation of investments

<sup>(2)</sup> Where it is applicable, an input or range has been provided

<sup>(3)</sup> Enterprise value as a percentage of assets under management

<sup>(4)</sup> Enterprise value as a percentage of adjusted assets under management: 2.77x%.

<sup>(5)</sup> Last twelve months enterprise value/revenue: 6.0x. Next twelve months enterprise value/revenue: 5.0x.

<sup>(6)</sup> Last twelve months enterprise value/revenue: 4.7x. Last twelve months enterprise value/NII: 5.3x.

#### Change in valuation methodology

During 2024, the Company changed the primary valuation technique for the Class A-4 preferred shares of FundThrough Inc. from a methodology based on a recent market transaction to a methodology based on an EV/revenue/net interest income multiple as there was no recent market transaction. Also during 2024, the Company changed the primary valuation technique for Varo Money, Inc. from a methodology based on a recent market transaction to a methodology based on an EV/revenue multiple as there was no recent market transaction.

During 2023, the Company changed the primary valuation technique for Miami International Holdings Inc. from a methodology based on EV/revenue multiples to a methodology based on a recent market transaction since a recent market transaction was more suitable in determining fair value. Also during 2023, the Company changed the primary valuation technique for the Class A2, B3 and C1 preferred shares of Vive Crop Protection Inc. (“Vive”) from a methodology based on an EV/revenue multiple to a methodology based on recent market transactions since recent market transactions were more suitable in determining fair value. Lastly during 2023, the Company



# Urbana Corporation

## Notes to the condensed interim financial statements

for the three month periods ended March 31, 2024 and March 31, 2023

### 2. Fair value measurement (continued)

changed the primary valuation technique for the Class B and C preferred shares of Evolve Funds Group Inc. and for the Class A and E common shares of EFG Management Holdings Inc. from a methodology based on a recent market transaction to a methodology based on EV as a % of adjusted AUM as there was no recent market transaction.

During the three month period ended March 31, 2024 and the year ended December 31, 2023 the reconciliations of investments measured at fair value using unobservable inputs (Level 3) are presented as follows:

March 31, 2024			
	Private equity investments	Private debt investments	Total
	\$	\$	\$
Beginning balance	264,779,742	6,000,000	270,779,742
Change in unrealized gain	26,786,817	-	26,786,817
Purchases	784,388	-	784,388
Sales	-	-	-
Ending balance	292,350,947	6,000,000	298,350,947

December 31, 2023			
	Private equity investments	Private debt investments	Total
	\$	\$	\$
Beginning balance	192,964,030	5,000,000	197,964,030
Change in unrealized gain	62,569,721	-	62,569,721
Purchases	9,949,428	2,000,000	11,949,428
Sales	(703,437)	(1,000,000)	(1,703,437)
Ending balance	264,779,742	6,000,000	270,779,742

### Sensitivity analysis to significant changes in unobservable inputs within the Level 3 hierarchy

The significant unobservable inputs used in the fair value measurement categorized within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at March 31, 2024 and December 31, 2023 are shown below:

Level 3 valuation methods – March 31, 2024

Description	Input	Sensitivity used <sup>(1)</sup>	Effect on fair value (\$)
Private equity investments	1 x net fees plus net assets	10%	358,400
	Recent transaction price	10%	22,132,483
	Net asset value	10%	1,034,928
	EV as a % of AUM – Highview	1%	8,240,339
	EV as a % of adjusted AUM – Evolve, EFG	10%	3,056,386

# Urbana Corporation

Notes to the condensed interim financial statements

for the three month periods ended March 31, 2024 and March 31, 2023

## 2. Fair value measurement (continued)

	Average EV/LTM_NTM revenue multiple – Kognitiv, Varo	10%	115,731
	Average EV/LTM revenue/NII multiple – FundThrough	10%	990,415
Private debt investments	Face value	10%	600,000
<b>Total</b>			<b>36,528,682</b>

Level 3 valuation methods - December 31, 2023

Description	Input	Sensitivity used <sup>(1)</sup>	Effect on fair value (\$)
Private equity investments	1 x net fees plus net assets	10%	354,400
	Recent transaction price	10%	19,806,587
	Net asset value	10%	1,028,950
	EV as a % of AUM – Highview	1%	7,477,347
	EV as a % of adjusted AUM – Evolve, EFG	10%	2,806,885
	Average EV/LTM_NTM revenue multiple – Kognitiv	10%	62,853
	Average EV/LTM revenue/NII multiple – FundThrough	10%	846,705
	Face value	10%	600,000
<b>Total</b>			<b>32,983,727</b>

<sup>(1)</sup> The sensitivity analysis refers to a percentage or multiple added or deducted from the input and the effect this has on the fair value while all other variables were held constant.

During 2024 and 2023, there were no transfers into/out of Level 1, Level 2 or Level 3 investments.

## 3. Financial instruments and risk management

The Company's activities expose it to a variety of financial risks. Management seeks to minimize potential adverse effects of these risks on the Company's performance by employing professional, experienced portfolio advisors, and through daily monitoring of the Company's position and market events.

### *Credit risk*

Credit risk represents the potential loss that the Company would incur if the counterparties failed to perform in accordance with the terms of their obligations to the Company. The Company maintains all of its cash at its custodian or in overnight deposits with a Canadian chartered bank. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation. As at March 31, 2024, the Company held \$6,000,000 (December 31, 2023 – \$6,000,000) in debt instruments. The fair value of the debt instruments includes a consideration of the credit worthiness of the debt issuer and the security provided against

# Urbana Corporation

## Notes to the condensed interim financial statements

for the three month periods ended March 31, 2024 and March 31, 2023

### 3. Financial instruments and risk management (continued)

the outstanding amount. The carrying amounts of debt instruments and other assets, as disclosed in the statements of financial position, represent the maximum credit exposure. The Company measures credit risk and lifetime ECLs related to accounts and other receivables using historical analysis and forward looking information in determining the ECLs.

#### *Liquidity risk*

Liquidity risk is the risk that the Company may not be able to settle or meet its obligation when due. The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of the financial liabilities based on the earliest date on which the Company can be required to pay.

<b>March 31, 2024</b>				<b>3 months</b>	
<b>Financial Liabilities</b>	<b>Due on demand</b>	<b>&lt; 3 months</b>	<b>to 1 year</b>	<b>Total</b>	
	\$	\$	\$	\$	\$
Loan payable	45,400,000	-	-	-	45,400,000
Accounts payable and accrued liabilities	-	1,356,208	-	-	1,356,208
	<b>45,400,000</b>	<b>1,356,208</b>	<b>-</b>	<b>-</b>	<b>46,756,208</b>

<b>December 31, 2023</b>				<b>3 months</b>	
<b>Financial Liabilities</b>	<b>Due on demand</b>	<b>&lt; 3 months</b>	<b>to 1 year</b>	<b>Total</b>	
	\$	\$	\$	\$	\$
Loan payable	42,700,000	-	-	-	42,700,000
Accounts payable and accrued liabilities	-	1,377,772	-	-	1,377,772
	<b>42,700,000</b>	<b>1,377,772</b>	<b>-</b>	<b>-</b>	<b>44,077,772</b>

Liquidity risk is managed by investing in assets that are traded in an active market and can be readily sold or by borrowing under its credit facility (Note 6). The Common Shares and Class A Shares cannot be redeemed by shareholders. The Company endeavors to maintain sufficient liquidity to meet its expenses.

#### *Currency risk*

Currency risk arises from financial instruments that are denominated in a currency other than the Canadian dollar. The Company is exposed to the risk that the value of securities denominated in other currencies will fluctuate due to changes in exchange rates. When the value of the Canadian dollar falls in relation to foreign currencies, then the value of foreign investments rise. When the value of the Canadian dollar rises, the value of foreign investments falls.

The table below indicates the currencies to which the Company had significant exposure as at March 31, 2024 and December 31, 2023:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
<b>Currency</b>	<b>As a % of net assets</b>	<b>As a % of net assets</b>
	%	%
United States Dollar	<b>51.01</b>	51.77

As at March 31, 2024, the Company's net assets would have decreased or increased by approximately \$10,469,843 (December 31, 2023 - \$9,695,674) in response to a 5% appreciation or depreciation of the Canadian dollar, with all other variables held constant. In practice, the actual results may differ materially.

# Urbana Corporation

## Notes to the condensed interim financial statements

for the three month periods ended March 31, 2024 and March 31, 2023

### 3. Financial instruments and risk management (continued)

#### *Interest rate risk*

Interest rate risk arises on interest-bearing financial assets such as cash and debt securities held and on financial liabilities such as loan payable. The Company is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. The Company's interest income and expense are positively correlated to interest rates in that rising interest rates increase both the interest income and expense while the reverse is true in a declining interest rate environment.

The table below summarizes the Company's exposure to interest rate risks by remaining term to maturity.

<b>As at March 31, 2024</b>	<b>Less than 1 year</b>	<b>1 to 3 years</b>	<b>3 to 5 years</b>	<b>Over 5 years</b>	<b>Total</b>
	\$	\$	\$	\$	\$
Cash	333,634	-	-	-	333,634
Financial asset – debt	6,000,000	-	-	-	6,000,000
Loan payable	(45,400,000)	-	-	-	(45,400,000)
	<b>(39,066,366)</b>	-	-	-	<b>(39,066,366)</b>

<b>As at December 31, 2023</b>	<b>Less than 1 year</b>	<b>1 to 3 years</b>	<b>3 to 5 years</b>	<b>Over 5 years</b>	<b>Total</b>
	\$	\$	\$	\$	\$
Cash	341,421	-	-	-	341,421
Financial asset – debt	6,000,000	-	-	-	6,000,000
Loan payable	(42,700,000)	-	-	-	(42,700,000)
	<b>(36,358,579)</b>	-	-	-	<b>(36,358,579)</b>

As at March 31, 2024, had prevailing interest rates increased or decreased by 1%, with all other variables held constant, the net assets would have decreased or increased by approximately \$93,956 (2023 - \$71,068). In practice, the actual results may differ materially.

#### *Other market risk*

Other market risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. Any equity and derivative instrument that the Company may hold is susceptible to market price risk arising from uncertainties about future prices of the instruments. Management moderates this risk through a careful selection of securities and other financial instruments within the parameters of the investment strategy. The maximum risk resulting from financial instruments is equivalent to their fair value.

The most significant exposure for the Company to other price risk arises from its investment in publicly and privately traded securities. As at March 31, 2024, for publicly traded securities, had the prices on the respective stock exchanges for these securities increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased, respectively, by approximately \$19,473,084 (December 31, 2023 - \$17,345,803) or approximately 4.74% (December 31, 2023 – 4.63%) of total net assets. In practice, the actual results may differ materially. Management is unable to meaningfully quantify any correlation of the price of its privately owned equities to changes in a benchmark index.

# Urbana Corporation

## Notes to the condensed interim financial statements

for the three month periods ended March 31, 2024 and March 31, 2023

### 3. Financial instruments and risk management (continued)

#### *Capital management*

Management manages the capital of the Company which consists of the net assets, in accordance with the Company's investment objectives. The Company is not subject to any capital requirements imposed by a regulator. The Company must comply with the covenants on the loan payable (Note 6).

### 4. Accounts and other receivables

Accounts and other receivables consist of the following:

	March 31, 2024	December 31, 2023
	\$	\$
Dividends and distributions	426,104	5,236,050
Interest	467,445	390,597
Loans	322,888	322,888
Due from subsidiaries	119,307	116,313
	<u>1,335,744</u>	<u>6,065,848</u>

### 5. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consist of the following:

	March 31, 2024	December 31, 2023
	\$	\$
Investment management fees (Note 9)	918,347	841,954
Professional fees	149,459	205,041
Loan interest	288,402	258,185
Administrative fees	-	61,400
Other	-	11,192
	<u>1,356,208</u>	<u>1,377,772</u>

### 6. Loan payable

Pursuant to a loan facility agreement between the Company and a major Canadian bank (the "Bank") dated July 2, 2021, the Bank provides a demand loan facility to the Company which allows Urbana to borrow up to \$50,000,000. Interest is charged on the outstanding balance of the loan facility at the Bank's prime rate plus 0.25%, calculated on a daily basis and paid monthly. The loan facility is secured by a general charge on the Company's assets. Proceeds from the loan may be used to make additional investments and/or for general corporate purposes. As at March 31, 2024, the outstanding balance of the loan was \$45,400,000 (December 31, 2023 - \$42,700,000) which is the fair value of the loan. During the three month period ended March 31, 2024, the minimum amount borrowed was \$42,700,000 (2023 - \$32,000,000) and the maximum amount borrowed was \$45,400,000 (2023 - \$37,900,000). As at March 31, 2024 and December 31, 2023, the Company has complied with all covenants, conditions and other requirements of the loan facility.

### 7. Mining claims

Urbana has owned mineral claims in Urban Township, Quebec for a number of years. Management monitors the exploration activity in the area on an ongoing basis and may carry out exploration work on its mineral claims if and when it is deemed suitable. Urbana holds 44 claims in the area totaling 1,154.4 hectares (2,852.7 acres). A report which summarizes both the exploration work and results to date has been completed and will assist in determining next steps. In accordance with IFRS 6 "Exploration for and Evaluation of Mineral Resources", Urbana has elected to expense exploration and evaluation costs given that its mineral claims hold no known proven reserves or resources. Urbana has incurred costs totaling \$1,146,119, all of which were incurred prior to 2019. These costs have been expensed as incurred and recorded as a loss in net realized gain on sale and disposal of investments.

# Urbana Corporation

## Notes to the condensed interim financial statements

for the three month periods ended March 31, 2024 and March 31, 2023

### 8. Share capital

As at March 31, 2024 and December 31, 2023 share capital consists of the following:

	Three month period ended March 31, 2024		Year ended December 31, 2023	
	Number	Amount (\$)	Number	Amount (\$)
<i>Authorized</i>				
Preferred Shares	Unlimited	N/A	Unlimited	N/A
Common Shares	Unlimited	N/A	Unlimited	N/A
Class A Shares	Unlimited	N/A	Unlimited	N/A
<i>Issued - Common Shares</i>				
Balance, beginning of period	10,000,000	7,998,893	10,000,000	7,998,893
Issued during the period	-	-	-	-
Balance, end of period	10,000,000	7,998,893	10,000,000	7,998,893
<i>Issued - Class A Shares</i>				
Balance, beginning of period	31,395,100	90,761,226	31,395,100	90,761,226
Normal course issuer bid repurchases during the period	-	-	-	-
Balance, end of period	31,395,100	90,761,226	31,395,100	90,761,226
Total	41,395,100	98,760,119	41,395,100	98,760,119

The Common Shares and Class A Shares have the same rights, preferences and restrictions in payment of dividends and upon liquidation, dissolution or winding up, and have been classified as equity in these financial statements as the holders of these shares have no contractual rights that would require the Company to redeem the shares.

On August 31, 2023, the TSX accepted Urbana's notice of intention to conduct a normal course issuer bid to purchase up to 3,107,298 of its own Class A Shares (the "NCIB"), representing 10% of the public float, pursuant to TSX rules. Purchases under the NCIB were permitted starting on September 7, 2023, and will terminate on the earlier of September 6, 2024, the date Urbana completes its purchases pursuant to the notice of intention to conduct a normal course issuer bid filed with the TSX, and the date of notice by Urbana of termination of the bid. Purchases are to be made on the open market by Urbana through the facilities of the TSX or the CSE in accordance with the rules and policies of the TSX. The price that Urbana may pay for any such shares is to be the market price of such shares on the TSX or the CSE at the time of acquisition. The Class A Shares purchased under the NCIB must be cancelled. Urbana is not to purchase on any given day, in the aggregate, more than 2,441 Class A Shares ("Daily Restriction"), being 25% of the average daily volume for the most recently completed six months prior to the filing of the NCIB with the TSX, which is 9,765 Class A Shares, calculated in accordance with the TSX rules. Notwithstanding the Daily Restriction, Urbana may make one purchase of more than the Daily Restriction in any given week in accordance with the TSX's block purchase rules. As at March 31, 2024, Urbana has not purchased any Class A Shares pursuant to the NCIB. Pursuant to the previous normal course issuer bid that terminated on September 6, 2023, Urbana purchased and cancelled 290,000 Class A Shares at an average price of \$3.95 per share.

### 9. Related party disclosures

Caldwell Financial Ltd. ("CFL"), a company under common management with Urbana, is the parent company of Caldwell Securities Ltd. ("CSL") and of Caldwell Investment Management Ltd. ("CIM"), which is the investment manager of Urbana. Urbana pays CIM investment management fees for investment management services that CIM provides to Urbana. As at March 31, 2024 and December 31, 2023, Urbana had a 20% ownership interest in CFL.

CSL, an affiliate of CIM and a registered broker and investment dealer, handles Urbana's portfolio transactions. During the three month periods ended March 31, 2024 and 2023 there were no commission fees paid to CSL by Urbana, since Urbana did not purchase any shares under the NCIB.

# Urbana Corporation

## Notes to the condensed interim financial statements

for the three month periods ended March 31, 2024 and March 31, 2023

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### 9. Related party disclosures (continued)

Pursuant to an administrative services agreement dated April 1, 2021, as amended on January 1, 2023 and as further amended on January 1, 2024, during the three month period ended March 31, 2024 Urbana paid CSL \$117,870 (2023 - \$112,209) for administrative services, including investor relations services, information technology services, professional corporate office services, and office and conference room access for Urbana's staff, directors and officers. On January 1, 2023 and January 1, 2024, the administrative services agreement was amended to increase the monthly fee by \$6,441 and \$1,887, respectively, due to the increased costs of all services performed by CSL on behalf of Urbana. These fee increases were approved by the independent directors.

In February 2023 Urbana paid total fees of \$257 to CSL for their services in respect of arranging for the transfer of private equity securities to Urbana by way of a "share transfer platform" that CSL manages on behalf of Integrated Grain Processors Co-operative Inc.

As at March 31, 2024 and December 31, 2023 Urbana owned 50% of the voting class A common shares and 68.49% of the voting class B common shares of Radar Capital Inc. ("RCI"), a private capital company. As a result, Urbana owns a total of 65.51% of the voting common shares of RCI with each class A and class B common share entitled to one vote. As at March 31, 2024 Urbana had a receivable of \$2,231 (December 31, 2023 - \$Nil) from RCI in respect of operating expenses incurred by RCI.

In August 2023, Urbana redeemed 84,012 units of Caldwell Growth Opportunities Fund ("CGO") for \$524,279. As a result, as at March 31, 2024 and December 31, 2023 Urbana no longer had an ownership interest in CGO, which is a private equity pool managed by CIM. Urbana did not pay a management fee, as described in the management fee paragraph below, on this investment.

In 2023, Urbana redeemed 715,599 units of Caldwell Canadian Value Momentum Fund ("CCVMF") for \$15,365,143. As a result, as at March 31, 2024 and December 31, 2023 Urbana no longer had an ownership interest in CCVMF, which is a mutual fund managed by CIM. Urbana paid a 0.5% per annum management fee on this investment pursuant to an agreement dated July 30, 2020 between Urbana and CIM, a reduction from the 2.0% per annum management fee paid to CIM, as described in the management fee paragraph below.

In June 2023 Urbana purchased 500,000 units of the newly created Caldwell-Lazard CorePlus Infrastructure Fund ("CLCIF") for \$5,000,000. In August 2023 Urbana received a distribution of \$20,850 that was reinvested into 2,073 units of CLCIF. Since September 2023, Urbana has been receiving a \$20,936 monthly cash distribution. As at March 31, 2024 Urbana had a 46.83% ownership interest (December 31, 2023 - 52.85%) in CLCIF, which is a mutual fund managed by CIM. Urbana pays a 0.95% per annum management fee on this investment pursuant to an agreement dated June 28, 2023 between Urbana and CIM, a reduction from the 2.0% per annum management fee paid to CIM, as described in the management fee paragraph below.

Pursuant to an investment management and advisory agreement dated December 6, 2019 and effective as of January 1, 2020, CIM is entitled to an investment management fee equal to 2.0% per annum of the market value of Urbana's investment portfolio, and, with the exception of NCIB purchases, CIM pays a fee to CSL to cover all charges for brokerage, trade execution and other necessary investment-related services rendered directly or indirectly for the benefit of Urbana by CSL. During the three month period ended March 31, 2024, CIM earned \$2,632,273 of investment management fees from Urbana (2023 - \$1,929,776). The investment management fees are accrued daily and paid monthly in arrears. As at March 31, 2024 there was an investment management fee payable included in accounts payable and accrued liabilities of \$918,347 to CIM (December 31, 2023 - \$841,954).

In September 2023, Urbana purchased 10,000 common shares of CNSX Markets Inc. ("CNSX"), the operator of the CSE, for \$60,000. As at March 31, 2024 and December 31, 2023 Urbana owned 50.03% of the common shares of CNSX. Pursuant to an order by the Ontario Securities Commission dated May 12, 2023, Urbana is prohibited from nominating more than 50% of the directors of the CNSX and therefore it is not considered a subsidiary of Urbana for accounting purposes.

# Urbana Corporation

## Notes to the condensed interim financial statements

for the three month periods ended March 31, 2024 and March 31, 2023

### 9. Related party disclosures (continued)

As at March 31, 2024 and December 31, 2023 Urbana had a 73.42% ownership interest in Highview Financial Holdings Inc. ("HFHI"). Pursuant to the HFHI amended and restated shareholders' agreement effective as of December 30, 2020, Urbana is not entitled to elect a majority of the board of directors of HFHI and therefore it is not considered a subsidiary of Urbana for accounting purposes. As at March 31, 2024 and December 31, 2023 Urbana held a \$3,000,000 convertible promissory note and a \$2,000,000 non-convertible promissory note from HFHI. The initial maturity dates of these notes have been extended from June 30, 2023 and December 31, 2023, respectively, to June 30, 2024.

As at March 31, 2024 and December 31, 2023 Urbana had a 35.45% ownership interest in Blue Ocean Technologies, LLC ("Blue Ocean") through Urbana International Inc. ("UII"), its wholly-owned subsidiary. UII was formed for the sole purpose of investing in Blue Ocean. As at March 31, 2024 Urbana had a receivable of \$117,076 (December 31, 2023 - \$116,313) from UII in respect of operating expenses incurred by UII.

During the three month period ended March 31, 2024, the remuneration of key management personnel (including directors), which included salaries and short-term benefits, was \$182,128 (2023 - \$118,301).

Urbana has issued loans to certain of its directors and officers in connection with their purchase of securities of the Company. The loan agreements provide for a revolving credit facility of up to \$100,000 for each such person. Interest is charged at the interest rate specified by the Canada Revenue Agency for loans of this nature. The securities of the Company purchased by each person with funds advanced under the revolving credit facility are held in a broker's account as security for the loan. As at March 31, 2024 and December 31, 2023 the total principal amount of the loans outstanding, which is included in accounts and other receivables, is \$322,888.

All related party transactions are recorded at their exchange amounts.

### 10. Income taxes

The Company's provision for income taxes for the three month periods ended March 31, 2024 and 2023 is summarized as follows:

	2024	2023
	\$	\$
Net income before income taxes	<b>46,496,505</b>	5,695,353
Expected taxes payable at future rates - 26.5%	<b>12,321,574</b>	1,509,269
Income tax effect of the following:		
Non-taxable portion of realized capital gains	<b>(295)</b>	(32,516)
Non-taxable portion of unrealized capital gains	<b>(6,367,901)</b>	(941,813)
Non-taxable dividends	<b>(414,580)</b>	(140,516)
Foreign withholding tax expense	<b>101,381</b>	95,942
Other	<b>(27,798)</b>	(25,424)
<b>Income tax expense</b>	<b>5,612,381</b>	464,942



# Urbana Corporation

## Notes to the condensed interim financial statements

for the three month periods ended March 31, 2024 and March 31, 2023

### 10. Income taxes (continued)

The income tax expense is represented as follows:

	2024	2023
	\$	\$
Provision for deferred income taxes	5,511,000	369,000
Foreign withholding tax expense	101,381	95,942
<b>Income tax expense</b>	<b>5,612,381</b>	<b>464,942</b>

The components of the Company's deferred income tax liability are as follows:

	March 31, 2024	December 31, 2023
	\$	\$
Resource deductions available in perpetuity	(7,242)	(7,242)
Unrealized capital gains on investments	42,455,242	36,087,342
Non-capital loss carryforwards	(4,664,693)	(3,808,428)
Capital loss carryforwards	(275,586)	(275,882)
Other	(721)	210
<b>Total deferred income tax liability</b>	<b>37,507,000</b>	<b>31,996,000</b>

As at March 31, 2024, the Company had capital losses of \$2,079,897 (December 31, 2023 – \$2,082,127) available for carryforward for tax purposes. Capital losses do not expire. Also at March 31, 2024, the Company had non-capital losses of \$17,602,615 (December 31, 2023 - \$14,371,428) available for carryforward for tax purposes. The expiry dates of these losses are as follows:

Expiry Date	Amount
	\$
December 31, 2042	4,025,449
December 31, 2043	10,345,979
December 31, 2044	3,231,187
	<b>17,602,615</b>

### 11. Dividends

On January 31, 2024 the Company paid a cash dividend of \$0.12 per share on the issued and outstanding Common and Class A Shares as at January 17, 2024 amounting to \$4,967,438. On January 31, 2023 the Company paid a cash dividend of \$0.11 per share on the issued and outstanding Common and Class A Shares as at January 17, 2023 amounting to \$4,553,485.

### 12. Approval of financial statements

The financial statements were approved by the Board of Directors and authorized for issue on May 8, 2024.