

URBANA CORPORATION

2024

2024 ANNUAL REPORT

Corporate Information

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DIRECTORS AND OFFICERS OF THE COMPANY:

Thomas S. Caldwell, C.M.
Director, President and CEO
Toronto, Ontario

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Director
Toronto, Ontario

George D. Elliott
Director
Toronto, Ontario

Michael B.C. Gundy
Director
Toronto, Ontario

Charles A.V. Pennock
Director
Toronto, Ontario

Sylvia V. Stinson
Chief Financial Officer

Harry K. Liu
General Counsel and Corporate Secretary

Urbana Corporation's Common Shares and Non-Voting Class A Shares are listed for trading on the Toronto Stock Exchange and the Canadian Securities Exchange.
Ticker Symbols:
URB (Common Shares)
URB.A (Non-Voting Class A Shares)

Website: www.urbanacorp.com

URBANA CORPORATION

Report to Shareholders

To quote an old song, “It was a very good year.”

Strong North American equity markets provided a good under-pinning for Urbana Corporation’s (“Urbana”) equity holdings in 2024. The Dow Jones Industrial Average Total Return Index (in Canadian dollars) (“DJTR Index”) was up 24.9% and the S&P/TSX Composite Total Return Index (“S&P/TSX Index”) was up 21.7%.

During 2024 Urbana’s net assets per share grew by 27.4%. Our Class A share price improved by 33.3% over the year, with some further improvement since the 2024 year end.

Subsequent to year end, Urbana paid a \$0.13 per share dividend, an 8.3% increase from the previous year.

In the publicly traded holdings sector, Urbana experienced significant price improvement in both U.S. financial holdings and Canadian energy producers. Both in the last quarter and throughout the year.

In Urbana’s private equity component, we took write downs in Highview Financial Holdings Inc. and Kognitiv Corporation. These reductions, however, were more than offset by gains in Evolve Funds Group Inc. and its holding company (collectively, “Evolve”), CNSX Markets Inc., the operator of the Canadian Securities Exchange, (the “CSE”) and IGPC Ethanol Inc., a division of Integrated Grain Processors Co-operative Inc. (“IGPC”).

During 2024, all three gave our net assets per share a significant boost, either through overall operations (Evolve), a transaction (CSE) or a liquidation (IGPC).

The latter (IGPC), an ethanol producer, was sold for a gain of approximately \$56.7 million immediately prior to the 2024 year end. This was a very successful investment in that we also received approximately \$16.4 million in dividends and capital distributions on our original \$7.5 million investment, returning 9.8x our original investment.

The teams at both Caldwell Investment Management Ltd. and Caldwell Securities Ltd. deserve credit for both originating and enabling this investment to be so successful.

Facing a hostile U.S. Administration, Urbana’s Management is of the opinion that some of the threats can be negotiated. At present, however, the rhetoric is very high.

URBANA CORPORATION

Given that many of our investments are in the United States, our position is partially hedged. Publicly traded U.S. financials represent approximately 35% of Urbana's holdings at the end of 2024.

Our holdings (35.5% ownership or \$59 million at the 2024 year end) of Blue Ocean Technologies, LLC are also a case in point (12% of Urbana's holdings). This company provides after-hours trading for investors in both America and Asia.

As we look into 2025, it is clear President Trump's mercurial behaviour will present both risks and opportunities. His view on tariffs speaks to our maintaining and building Urbana's direct U.S. investment positions. Canadian companies supplying raw materials to world markets will also remain attractive.

The good news is President Trump's views provide a combined "wake-up" and "grow-up" call to Canada.

Economic growth must now be moved to the front of our politicians' minds.

We have experienced almost a decade of government hostility toward enterprise and growth. All levels of government, municipal, provincial and federal, share that blame.

Growth impediments include basic services such as transportation, regulations impacting capital markets, trade barriers and taxes, as well as spend thrift governments.

If we get the message and act on it, Canada can again be a prime destination for investments.

Only time will tell and we hope for greater clarity by the time of our Annual General Meeting on June 11, 2025.

On behalf of the Board of Directors,

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

March 21, 2025

Forward-Looking Statements: Certain information contained in this Report constitutes forward-looking information, which is information relating to possible events, conditions or results of operations of Urbana, which are based on assumptions about future economic conditions and courses of action and which are inherently uncertain. All information other than statements of historical fact may be forward-looking information. For important information regarding forward-looking statements, please refer to Urbana's most recently filed MD&A under the heading "Forward-Looking Statements".

URBANA CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended December 31, 2024

This Management's Discussion and Analysis ("MD&A") supplements, but does not form part of, the audited financial statements of Urbana Corporation ("Urbana" or the "Corporation") and notes thereto for the year ended December 31, 2024 (the "Annual Audited Financial Statements"). Consequently, the following management's discussion and analysis of the financial condition and results of operations should be read in conjunction with the Annual Audited Financial Statements, which have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). All amounts shown in this MD&A, unless otherwise specified, are presented in Canadian dollars and all references to "millions" within this MD&A will be described as "M" hereafter. Unless specifically referred to a particular class of shares, all references to "Shares" or "per Share" refer collectively to the Corporation's common shares (the "Common Shares") and the Corporation's non-voting Class A shares (the "Class A Shares"). This MD&A is current as of March 21, 2025. The Corporation's Audit Committee reviewed this document, and prior to its release, the Corporation's Board of Directors approved it, based on the Audit Committee's recommendation.

You can obtain information relating to the Corporation, including the Corporation's most recent annual information form and Annual Audited Financial Statements, at no cost, by calling Urbana collect at (416) 595-9106, by writing to us at: 150 King Street West, Suite 1702, Toronto, Ontario M5H 1J9 or by visiting our website at www.urbanacorp.com or the Corporation's profile on the SEDAR+ website at www.sedarplus.ca.

REPORTING REGIME

Urbana is subject to National Instrument 51-102 ("NI 51-102") *Continuous Disclosure Obligations*. For accounting purposes, Urbana is treated as an investment entity under IFRS Accounting Standards.

NON-IFRS MEASURES

The Corporation prepares audited annual financial statements and unaudited condensed interim financial statements in accordance with IFRS Accounting Standards. This MD&A complements the Corporation's IFRS Accounting Standards results with the following financial measures which are not recognized under IFRS Accounting Standards, and which do not have a standard meaning prescribed by IFRS Accounting Standards: "net assets per Share", "total return of net assets per Share" and "compound annual growth rate of net assets per Share since inception".

Net assets per Share

The three financial measures used to calculate "net assets per Share", namely assets, liabilities and number of shares outstanding, are individually recognized under IFRS Accounting Standards, but "net assets per Share" is not. The calculation of net assets per Share as at December 31, 2024 and 2023 is presented in the following table:

	December 31, 2024	December 31, 2023
Assets (\$)	516,759,134	450,645,044
LESS Liabilities (\$)	45,368,340	76,073,772
EQUALS Net Assets (\$)	471,390,794	374,571,272
DIVIDED BY Number of Shares Outstanding	41,395,100	41,395,100
EQUALS Net assets per Share (\$)	11.39	9.05

Urbana publishes its net assets per Share weekly and quarterly on its website at www.urbanacorp.com/net-asset-reports.

Total return of net assets per Share

The total return of net assets per Share over a given period refers to the increase or decrease of Urbana’s net assets per Share (determined as described above) over a specified time period, expressed as a percentage of Urbana’s net assets per Share at the beginning of the time period, assuming that each dividend paid by the Corporation during the period was reinvested at a price equal to the net assets per Share at the relevant time.

The Common Shares and the Class A Shares participate equally in dividends and upon liquidation, dissolution or winding-up of Urbana. Therefore, they are treated the same for purposes of the net assets per Share calculation.

Compound annual growth rate of net assets per Share since inception

Compound annual growth rate (“CAGR”) of net assets per Share since inception is the compound annual growth rate of Urbana’s net assets per Share from October 1, 2002, when Caldwell Investment Management Ltd. (“CIM” or the “Manager”), the investment manager of Urbana, started managing Urbana’s investment portfolio, to the end of the period in question.

We calculate CAGR of net assets per Share since inception by dividing Urbana’s net assets per Share at the end of the period in question by its net assets per Share at inception (i.e. October 1, 2002), raising the result to the power of the quotient obtained by dividing one by the number of years representing the period length, and then subtracting one.

The Corporation provides the non-IFRS Accounting Standards measures described above because it believes each measure can provide information that may assist shareholders to better understand the Corporation’s performance and to facilitate a comparison of the results of ongoing operations. No measure that is calculated in accordance with IFRS Accounting Standards is directly comparable to or provides investors with this net assets per Share information. As a result, except as set forth in the above table, no quantitative reconciliation from “net assets per Share” to an IFRS Accounting Standards measure is provided in this MD&A.

Non-IFRS Accounting Standards measures should not be construed as alternatives to net comprehensive income (loss) determined in accordance with IFRS Accounting Standards as indicators of the Corporation’s performance. CAGR of net assets per Share since inception describes the historical rate at which Urbana’s net assets per Share would have increased at a steady rate. This single historical rate is only an illustration and does not represent the actual annual

growth rate of Urbana's net assets per Share in any given year. The growth rate of Urbana's net assets per Share in any given year since 2002 may have been higher or lower than the CAGR of net assets per Share since inception due to market volatility and other factors.

STRATEGY AND RISK FACTORS

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. Urbana has the scope to invest in any sector in any geographic region. There were no material changes to Urbana's investment style in 2024 that affected the overall level of risk associated with an investment in the Corporation. Some of the risk factors associated with investing in Urbana are described in Urbana's most recent annual information form, which is available on the Corporation's website at www.urbanacorp.com and under the Corporation's profile on the SEDAR+ website at www.sedarplus.ca. Risks and uncertainties that may materially affect Urbana's future performance include private entity investing risk, market fluctuations, currency risk and macroeconomic risk.

OVERALL PERFORMANCE AND DISCUSSION OF OPERATIONS

On balance, 2024 was a very good year for the financial performance of Urbana. Strong North American equity markets provided a good under-pinning for equity holdings in 2024.

The first quarter of 2024 ("Q1") saw a continuation of the upward trajectory for Urbana's investments led by the superior performance of EGPC Ethanol Inc., a division of Integrated Grain Processors Co-operative Inc. ("IGPC"), Urbana's U.S. financial services positions and Canadian energy holdings. Urbana's net assets per Share increased from \$9.05 to \$9.92 in Q1, after the payment of a dividend of twelve cents (\$0.12) per Share¹ in January 2024, resulting in an 11.0% total return of net assets per Share.

In the second quarter of 2024 ("Q2") Urbana's total return of net assets per Share declined by 1.8% as its net assets per Share decreased from \$9.92 to \$9.74. Urbana's energy investments declined slightly, and U.S. financial holdings improved only marginally.

The third quarter of 2024 ("Q3") was very positive for Urbana as its private holdings in IGPC added significant unrealized gains to the Corporation's portfolio in anticipation of a sale of the IGPC business. During this quarter, Urbana's net assets per Share increased from \$9.74 to \$10.32, resulting in a 6.0% total return of net assets per Share.

The final quarter of 2024 ("Q4") saw significant gains in Urbana's publicly traded holdings due to the superior performance of U.S. financials. Urbana's private investments also did well, led by CNSX Markets Inc., the operator of the Canadian Securities Exchange. One notable exception was Kognitiv Corporation, which filed, in December 2024, a notice of its intention to file for bankruptcy. Urbana wrote-off its equity and debt investments in Kognitiv, despite Kognitiv's plan to restructure. In Q4, Urbana's after-tax net assets per Share increased from \$10.32 to \$11.39 or 10.4%, which exceeded the Dow Jones Industrial Average Total Return Index (in Canadian

¹ The Common Shares and the Class A Shares participate equally in dividends.

dollars) (“DJTR Index”) of 7.3% and the S&P/TSX Composite Total Return Index (“S&P/TSX Index”) of 3.8%.

For the year ended December 31, 2024, Urbana’s after-tax net assets per Share increased from \$9.05 to \$11.39 or 27.4%, after the payment of a dividend of twelve cents (\$0.12) per Share paid in January 2024. This return was greater than the DJTR Index of 24.9% and the S&P/TSX Index of 21.7% for the year.

Looking into 2025 as Canada faces a hostile U.S. Administration, Urbana’s Management is of the opinion that many of the threats can be negotiated by the respective governments. Given that many of its investments are in the United States, the Corporation is partially insulated from these threats.

Urbana’s long-term performance, represented by its CAGR of net assets per Share since inception on October 1, 2002 to December 31, 2024, was 15.5%. This compares favorably with the CAGR of the S&P/TSX Index of 9.4% and the CAGR of the DJTR Index of 10.2%, for the same period.² The Corporation’s long-term goal is to strive for and maintain long-term performance that exceeds the returns of the S&P/TSX Index and the DJTR Index.

In 2024, dividend income amounted to \$12.8M, up slightly from \$12.5M in 2023. The increase primarily relates to increased dividend rates on the U.S. dividend paying stocks in the Corporation’s investment portfolio. In 2024, interest income amounted to \$163,995, a decrease from \$490,143 in 2023. The decrease relates to the write-off of the interest accrual on the Kognitiv debt investment.

Urbana realized a net gain of \$58.9M from the sale of investments in 2024 (2023 - \$1.8M). The 2024 gain stemmed primarily from the disposition of IGPC (\$56.7M), when the IGPC business was sold to Alco Energy SA, through its Canadian subsidiary, Alco Energy Canada Corp.

Urbana recorded \$59.1M in unrealized gains in 2024 (2023 - \$75.8M), with \$63.2M of gains related to Urbana’s public holdings and \$4.1M of losses related to its private equity investments. The best performers during 2024 were U.S. financials (\$54.2M), CNSX Markets (\$13.5M), Evolve ETFs (\$9.9M), Canadian energy holdings (\$9.0M) and Blue Ocean Technologies (\$4.9M). Partially offsetting these gains is a large valuation decrease related to IGPC (\$21.6M). The sale of IGPC caused a shift of the unrealized gain to a realized gain, as discussed above. Other notable underperformers included Highview Financial Holdings (\$9.3M) and Kognitiv (\$4.1M). The 2023 unrealized gain related primarily to private equity investments (\$62.6M) and to a lesser extent, public holdings (\$13.2M).

During 2024, Urbana recorded net income before income taxes of \$114.3M (2023 - \$77.4M) primarily due to \$58.9M in realized gains on the disposition of investments. Investment management fees in 2024 were \$11.1M, a \$2.5M increase over \$8.6M in 2023, due to increased average assets under management. Interest expense in 2024 amounted to \$3.0M, up from \$2.7M in 2023 due to higher average borrowings in 2024. Transaction costs, which typically relate to purchases under the normal course issuer bid (“NCIB”), were not incurred in 2024 or 2023 since

² The CAGR of the indexes is calculated in the same way as the CAGR of net assets per Share since inception.

no Shares were purchased under the NCIB in either year. Transaction costs in respect of all trades, excluding NCIB trades, are absorbed by CIM. Professional fees, comprised of audit fees and legal costs, were \$331,098 in 2024, up from \$296,639 in 2023, primarily due to increased legal fees. Administrative expenses in 2024 were \$2.2M, up from \$1.5M in 2023 due primarily to increased compensation, tax planning and cybersecurity costs. Foreign withholding tax expense in 2024 was \$423,813, up from \$395,235 in 2023, due to an increase in foreign dividend income in 2024. A current income tax expense of \$242,000 in 2024 relates to the unsheltered portion of the IGPC realized gain. There are no capital or non-capital loss carryforwards remaining at the 2024 year end. In 2023 the current income tax recovery of \$156,500 stemmed from the carryback of capital losses to recover taxes paid in 2022. A deferred income tax expense of \$11.8M has been recorded in 2024, up from \$7.6M in 2023, primarily due to unrealized gains in 2024 as well as loss carryforwards that are no longer available to shelter future taxable income.

During 2024 and to-date, Urbana did not purchase any Class A Shares under its NCIB. Since May 2010, Urbana has purchased and cancelled a total of 46,131,220 Class A Shares under its normal course issuer bid programs and has returned \$127.1M to shareholders in the form of NCIB purchases and dividends. The number of Class A Shares outstanding as of the date of this MD&A is 31,395,100.

Selected Annual Information

The following table shows selected annual information about Urbana for the three most recently completed fiscal years of the Corporation:

	2024 (\$)	2023 (\$)	2022 (\$)
Total revenue	130,919,990	90,513,490	32,520,838
Profit from continuing operations attributable to owners of the parent:			
Total	101,786,960	69,522,569	18,917,077
Per Share	2.46	1.68	0.45
Diluted per Share	2.46	1.68	0.45
Profit attributable to owners of the parent:			
Total	101,786,960	69,522,569	18,917,077
Per Share	2.46	1.68	0.45
Diluted per Share	2.46	1.68	0.45
Total assets	516,759,134	450,645,044	367,126,050
Total non-current financial liabilities	43,806,000	31,996,000	24,374,000
Cash dividends declared per Share:			
Common Shares	0.12	0.11	0.10
Class A Shares	0.12	0.11	0.10

Revenue and profit levels in 2024, 2023 and 2022 were determined primarily by the unrealized and realized gains on the Corporation's investment portfolio. Variations among the years relate to the investment decisions made, market price fluctuations of securities held in Urbana's investment portfolio and changes in foreign exchange rates. There have been no changes in accounting

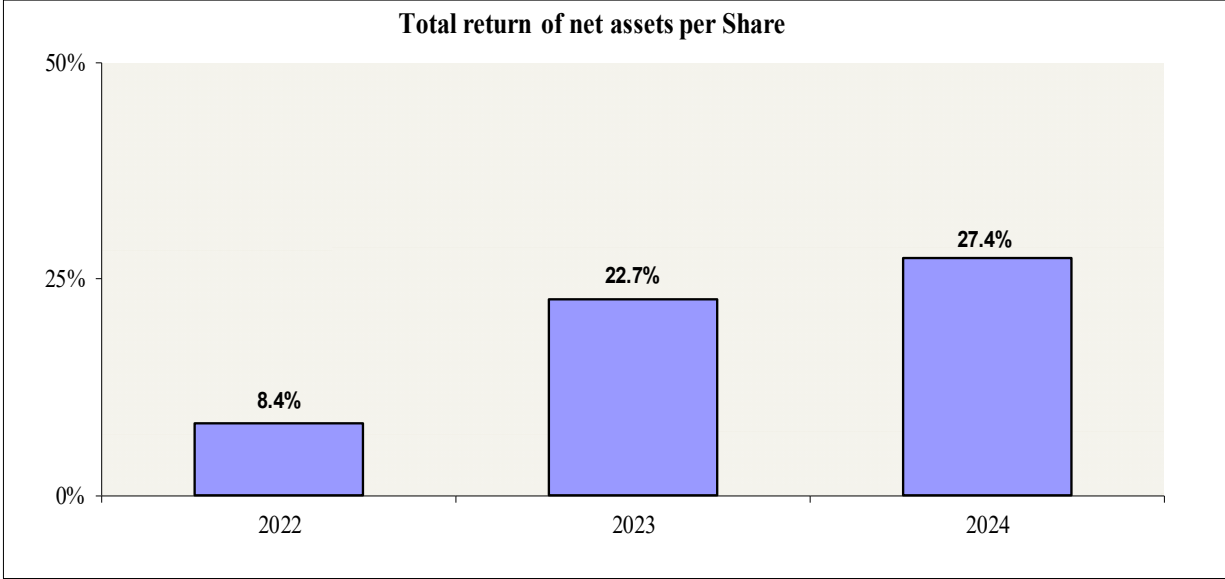
policies during the years 2022 to 2024 that had any impact on the financial performance of the Corporation during these years (see also below under the heading “*Changes in Accounting Policies*”). There have been no discontinued operations during the years 2022 to 2024. Total assets increased during 2023 and 2024 due to increased market values of the Corporation’s investment portfolio. Non-current financial liabilities, namely deferred income tax liability, increased during 2023 and 2024 as a result of unrealized gains recorded in those years. Dividends amounted to \$0.10 per Share in January 2022 and increased to \$0.11 per Share in January 2023 due to improved results in 2022. A dividend of \$0.12 per Share was paid in January 2024, an increase of 9.1% over 2023, also due to improved results in 2023. In all instances, the Common Shares and the Class A Shares participated equally in dividends. For each of the years 2022 to 2024, the financial data has been prepared in accordance with IFRS Accounting Standards and the Canadian Dollar has been the presentation currency.

Past Performance

The performance information presented in this section shows how Urbana has performed in the past and does not necessarily indicate how it will perform in the future.

Year-by-Year Performance

The following bar chart shows the net assets per Share performance of Urbana’s Shares for the financial periods indicated. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial period would have increased or decreased by the last day of each financial period based on the net assets per Share of Urbana, assuming that each dividend paid during the period was reinvested.



Summary of Investment Portfolio as at December 31, 2024

The following data is extracted from Urbana's Annual Audited Financial Statements:

Number of securities	Description	Cost (\$)	Fair value (\$)	% of Portfolio Fair Value
Private equity investments				
14,390,878	CNSX Markets Inc.	14,528,349	100,736,146	19.5%
1,327,620	Miami International Holdings Inc.	12,257,268	19,571,177	3.8%
800,000	Caldwell Financial Ltd.	1,826,650	4,056,000	0.8%
5,000,000	Developer Capital Inc. Class B Common	500,000	500,000	0.1%
5,000,000	Developer Capital Inc. Warrants (i)	-	-	-%
2,350,000	Radar Capital Inc. Class A Common	50	-	-%
16,755,081	Radar Capital Inc. Class B Common	11,561,006	1,074,001	0.2%
1,544,236	Evolve Funds Group Inc. ("Evolve") Class B Preferred	1,249,636	9,172,762	1.8%
3,000,000	Evolve Funds Group Inc. Class C Preferred	1,114,325	17,820,000	3.5%
771,638	Evolve Funds Group Inc. Class D Preferred	771,638	771,638	0.1%
1,195,246	EFG Management Holdings Inc. ("EFG") Class A Common (ii)	3,597,690	7,099,761	1.4%
498,041	EFG Management Holdings Inc. Class E Common (ii)	1,462,549	2,958,364	0.6%
15,259,886	Highview Financial Holdings Inc.	11,546,243	6,409,152	1.2%
1	1000912961 Ontario Inc.	-	-	-%
4,538,460	Four Lakes Capital Fund Limited Partnership	4,999,998	8,862,954	1.7%
465,381	Vive Crop Protection Inc. Class A2 Preferred	314,132	167,537	-%
975,337	Vive Crop Protection Inc. Class B1 Preferred	284,613	351,121	0.1%
6,500,000	Vive Crop Protection Inc. Class B3 Preferred	3,250,000	3,250,000	0.6%
2,492,279	Vive Crop Protection Inc. Class C1 Preferred	1,629,452	1,629,452	0.3%
2,144,714	Vive Crop Protection Inc. Class C2 Preferred	1,557,920	1,557,920	0.3%
688,326	Vive Crop Protection Inc. Warrants (iii)	-	-	-%
27,428	Kognitiv Corporation Class A-2 Preferred (iv)	353,000	-	-%
2,000,000	Kognitiv Corporation Class B-1 Preferred (iv)	3,000,000	-	-%
122,222	Kognitiv Corporation (iv)	2,404,596	-	-%
8,000,000	Kognitiv Corporation Warrants (iv)	-	-	-%
480,000	Lyceum CME Inc. Class B Preferred	2,400,000	5,025,600	1.0%
408,164	Lyceum CME Inc. Class C Preferred	4,085,857	4,314,608	0.8%
6,047,895	FundThrough Inc. Class A-3 Preferred	6,250,000	8,225,137	1.6%
1,570,680	FundThrough Inc. Class A-4 Preferred	2,999,999	2,136,125	0.4%
208,290	Varo Money, Inc.	2,565,000	819,424	0.2%
7,292,930	Tetra Trust Company Class A Common	4,850,759	4,011,112	0.8%
5,622	Blue Ocean Technologies, LLC / Urbana International Inc. ("UII") (v)	10,628,596	59,027,426	11.4%
Public equity investments				
110,000	Cboe Global Markets, Inc.	3,637,004	30,912,671	6.0%
100,000	Intercontinental Exchange Group Inc.	4,153,846	21,430,618	4.2%
100,000	Citigroup Inc.	5,088,097	10,123,490	2.0%
350,000	Bank of America Corp.	4,882,387	22,123,112	4.3%
250,000	Morgan Stanley	6,933,526	45,202,626	8.8%
1,400,000	Real Matters Inc.	5,558,303	9,156,000	1.8%
3,500,000	Tamarack Valley Energy Ltd.	9,379,345	16,765,000	3.2%
200,000	KKR & Co. Inc. Class A	7,516,623	42,544,832	8.2%
2,400,000	Whitecap Resources Inc.	8,425,066	24,480,000	4.7%
Private debt investments				
3,000,000	Highview Financial Holdings Inc. (vi)	3,000,000	3,000,000	0.6%
2,000,000	Highview Financial Holdings Inc. (vii)	2,000,000	2,000,000	0.4%
1,000,000	Kognitiv Corporation (iv)	1,000,000	-	-%

Cash	18,639,699	18,639,615	3.6%
	192,203,222	515,925,381	100.0%

- (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 Class B 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 Vive Crop Protection Inc. (“Vive”) warrants were issued to Urbana in connection with Urbana’s purchase of the Class C2 preferred shares of Vive. The entire purchase price was allocated to the Class C2 preferred shares since it was determined that the warrants had no value at the time. Each warrant entitles Urbana to purchase one Class C2 preferred share of Vive at \$0.7264 per share on or before March 31, 2029.
- (iv) Kognitiv Corporation (“Kognitiv”) filed a notice of intention to make a proposal on December 12, 2024 under the Canada Bankruptcy and Insolvency Act. As a result, all Kognitiv holdings are valued at Nil.
- (v) UII, 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.
- (vi) Unsecured convertible promissory note matured on June 30, 2024 with interest at 8% per annum due and payable quarterly. The Corporation has not made demand for payment on this note as the parties are in the process of making further arrangements for the note. 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.
- (vii) Secured promissory note matured on June 30, 2024 with interest at 8% per annum due and payable on maturity. The Corporation has not made demand for payment on this note as the parties are in the process of making further arrangements for the note.

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. See below under the heading “*Mining Claims*” for more information.

The above summary of the investment portfolio may change due to ongoing portfolio transactions. Weekly and quarterly updates are available at Urbana’s website at www.urbanacorp.com.

Demand Loan Facility

Pursuant to a loan facility agreement between Urbana and a major Canadian chartered bank (the “Bank”) dated July 2, 2021, the Bank provides a demand loan facility to Urbana, which allows Urbana to borrow up to \$50M. 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 Urbana’s assets. Proceeds from the loan may be used to make additional investments and/or for general corporate purposes. As at December 31, 2024, the outstanding balance of the loan was \$Nil. The minimum and maximum amounts borrowed during 2024 were \$Nil and \$48.8M respectively. As at the date of this MD&A, the Corporation has complied with all covenants, conditions and other requirements of the loan facility.

Normal Course Issuer Bid

On August 31, 2023, the Toronto Stock Exchange (the “TSX”) accepted a notice of intention to conduct a normal course issuer bid from Urbana to purchase up to 3,107,298 of its own Class A Shares (the “2023 NCIB”), representing 10% of the public float, pursuant to TSX rules. Purchases under the 2023 NCIB were permitted starting on September 7, 2023 and ending on September 6, 2024. Urbana did not purchase any Class A Shares pursuant to the 2023 NCIB.

On September 4, 2024, the TSX accepted a notice of intention to conduct a normal course issuer bid (the “Notice”) from Urbana to purchase up to 3,107,404 of its own Class A Shares (the “2024 NCIB”), representing 10% of the public float, pursuant to TSX rules. Purchases under the 2024 NCIB were permitted starting on September 9, 2024, and will end on the earlier of September 8,

2025, the date Urbana completes its maximum amount of Share 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 2024 NCIB. The Class A Shares purchased under the 2024 NCIB must be cancelled. As at December 31, 2024, Urbana had not purchased any Class A Shares pursuant to the 2024 NCIB. Shareholders may obtain a copy of the Notice, free of charge, by contacting Urbana.

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, subsequent to year end in February 2025, commenced a winter drilling program on its mineral claims. Urbana holds 44 claims in the area totaling 1,154.4 hectares (2,852.7 acres). Results from the exploration work are not yet available.

Urbana has incurred mining expenditures totaling \$1.4M, of which \$1.1M relates to periods prior to 2019 and \$279,440 relates to 2025. Urbana did not incur any exploration costs from 2019 to 2024. The expenditures are recorded in the financial statements of the Corporation as a loss in computing “net realized gain on sale/disposal of investments”, in accordance with IFRS Accounting Standards 6 “*Exploration for and Evaluation of Mineral Resources*”. Management has elected to expense exploration and evaluation costs related to the mineral claims, as the property holds no known mineral reserves or mineral resources. Although the property has several interesting gold occurrences, there has been no mineral resource nor mineral reserve proven up at this time. The property is therefore still highly speculative. If any mineral resource or mineral reserve is proven up in the future, and the determination has been made to move into the development phase, then future expenditures on development will be capitalized and tested for impairment. The amount of exploration expenditures has not been material for Urbana and is expected to continue to be immaterial for the near-term.

Dividend Policy and Dividend Declared

Currently the Corporation has a dividend policy that it intends to pay a cash dividend to the shareholders as soon as practical after the end of each year. The amount of the dividend to be paid is determined each year by the Board, taking into consideration certain factors that the Board deems relevant, including the performance of the Corporation’s investments, the economic and market conditions, and the financial situation of the Corporation.

On January 31, 2024, the Corporation paid a cash dividend of \$0.12 per Share on the issued and outstanding Common Shares and Class A Shares as at January 17, 2024. Pursuant to subsection 89(14) of the *Income Tax Act* (Canada) (the “ITA”) each dividend paid by Urbana qualifies as and is designated an eligible dividend for Canadian income tax purposes, as defined in subsection 89(1) of the ITA.

Outstanding Share Data

As at March 21, 2025, the Corporation has 10,000,000 Common Shares and 31,395,100 Class A Shares outstanding.

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 CIM, which is the investment manager of Urbana. Urbana pays CIM investment management fees for investment management services that CIM provides to Urbana (see below under the heading “*Management Fees*”). As at December 31, 2024 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 2024 and 2023 there were no commission fees paid to CSL by Urbana, since Urbana did not purchase any shares under the NCIB.

Pursuant to an administrative services agreement between Urbana and CSL dated March 1, 2019 and as amended on April 1, 2021, January 1, 2023 and January 1, 2024, during 2024, Urbana paid CSL a monthly fee of \$39,290 (HST inclusive) 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, 2025, the administrative services agreement was amended to increase the monthly fee by \$825 (HST inclusive) due to the increased costs of all services performed by CSL on behalf of Urbana. This fee increase was approved by the independent directors of Urbana.

In June 2024 Urbana transferred 2,035,266 Class E preferred shares of IGPC for \$50.9M to 1000912961 Ontario Inc. (the “Sub”), a wholly-owned subsidiary of Urbana, in exchange for 2,035,266 common shares of the Sub. The fair value of this transfer for tax purposes was determined to be \$61.4M. The Sub was formed for the sole purpose of holding an investment in IGPC. In 2024 Urbana paid total fees of \$287,481 to CSL for their services in respect of arranging for this transfer of private equity securities by way of a proprietary share transfer platform that CSL manages on behalf of IGPC. These fees were approved by the independent directors of Urbana. When the sale of the IGPC business closed in December 2024, the Sub made a \$61.4M return of capital distribution to Urbana and Urbana redeemed all but one common share of the Sub for \$10,704.

In 2024 Urbana paid total fees of \$70,004 to CSL for its share of cyber security costs that were incurred by CSL. These fees were approved by the independent directors of Urbana.

As at December 31, 2024 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.

In July 2024 Urbana redeemed 502,073 units of Caldwell-Lazard CorePlus Infrastructure Fund (“CLCIF”) for \$5.1M. As a result, as at December 31, 2024 Urbana no longer had an ownership interest in CLCIF, which is a mutual fund managed by CIM. Urbana paid 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 (see below under the heading “*Management Fees*”).

In December 2024, Urbana purchased 900,000 common shares of CNSX Markets Inc. (“CNSX”), the operator of the Canadian Securities Exchange, for \$6.3M. As at December 31, 2024 Urbana owned 53.37% 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.

As at December 31, 2024, 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 December 31, 2024, Urbana held a \$3M convertible promissory note and a \$2M non-convertible promissory note from HFHI. These notes matured on June 30, 2024. The Corporation has not made demand for payment on these notes as the parties are in the process of making further arrangements for the notes.

As at December 31, 2024, Urbana had a 35.45% ownership interest in Blue Ocean through Urbana International Inc. (“UII”), its wholly-owned subsidiary. UII was formed for the sole purpose of investing in Blue Ocean. In October 2024, a receivable for \$148,871 from UII was converted to an additional investment in 15.617 shares of UII and immediately thereafter the total number of shares outstanding was consolidated back to the number of shares held prior to the conversion.

As at December 31, 2024, there were no fees payable to related parties, other than a management fee of \$1.0M payable to CIM.

Prior to 2024, Urbana issued loans to three directors of the Corporation, Charles A. V. Pennock, George D. Elliott and Michael B. C. Gundy and to one officer of the Corporation, Sylvia V. Stinson. The loan agreement for each of these loans provides for a revolving credit facility of up to \$100,000 for each such person, which they may use for the sole purpose of purchasing Shares, at the discretion of the borrower. Interest is charged at the interest rate used by the Canada Revenue Agency to calculate taxable benefits for employees and shareholders from interest-free and low-interest loans. The securities of Urbana purchased by each director or officer with funds advanced under each revolving credit facility are held in a broker’s account as security for the loan. As at December 31, 2024, the total outstanding principal amount of such loans is \$322,888, being \$92,005, \$97,321, \$72,452 and \$61,110 in respect of Messrs. Elliott, Gundy and Pennock and Ms. Stinson, respectively. As at December 31, 2024, Messrs. Elliott, Gundy and Pennock, and Ms. Stinson have purchased, respectively, 22,500 Common Shares, 29,900 Common Shares, 6,000 Common Shares & 20,000 Class A Shares, and 3,000 Common Shares & 15,000 Class A Shares of the Corporation with funds borrowed under each respective credit facility.

MANAGEMENT FEES

Pursuant to an investment management and advisory agreement dated December 6, 2019 and as amended on April 1, 2021, 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. In 2024, CIM earned \$11.1M of investment management fees from Urbana. The investment management fees are accrued daily and paid monthly in arrears. As at December 31, 2024 there was an investment management fee of \$1.0M payable to CIM.

SUMMARY OF QUARTERLY RESULTS

The tables below show the key operating results of the Corporation for each of the eight most recently completed quarters:

	4 th Quarter 2024 (\$)	3 rd Quarter 2024 (\$)	2 nd Quarter 2024 (\$)	1 st Quarter 2024 (\$)
Realized gain	11,569,653	43,673	47,260,460	2,230
Change in unrealized gain (loss)	36,756,607	28,425,845	(54,121,137)	48,059,630
Dividend income	5,893,503	2,348,109	2,277,366	2,240,056
Interest income (loss)	(269,958)	146,245	144,007	143,701
Total expenses	4,233,172	4,101,066	4,373,867	3,949,112
Net income (loss) before income taxes	49,716,633	26,862,806	(8,813,171)	46,496,505
Net income (loss) before income taxes per Share	1.20	0.65	(0.21)	1.12
Net assets per Share (beginning of period)	10.32	9.74	9.92	9.05
Net assets per Share (end of period)	11.39	10.32	9.74	9.92

	4 th Quarter 2023 (\$)	3 rd Quarter 2023 (\$)	2 nd Quarter 2023 (\$)	1 st Quarter 2023 (\$)
Realized gain	551,625	491,185	490,119	245,406
Change in unrealized gain (loss)	6,492,814	64,169,598	(1,984,785)	7,108,020
Dividend income	7,234,765	2,120,086	1,934,650	1,169,864
Interest income	147,721	129,710	101,689	111,023
Total expenses	3,744,892	3,365,496	3,080,838	2,938,960
Net income (loss) before income taxes	10,682,033	63,545,083	(2,539,165)	5,695,353
Net income (loss) before income taxes per Share	0.26	1.54	(0.06)	0.14
Net assets per Share (beginning of period)	8.80	7.45	7.50	7.48
Net assets per Share (end of period)	9.05	8.80	7.45	7.50

The variations shown in the table above relate to the timing of investment decisions and do not reflect any general trends or seasonality.

FOURTH QUARTER

In 2024, Urbana realized gains of \$11.6M in Q4 compared to \$43,673 in Q3. This quarter over quarter variation does not reflect any type of pattern or seasonality. Rather, variations relate to the timing of investment decisions. Similarly, variations between Q4 in 2024 and Q4 in 2023 also relate to the timing of investment decisions, which are influenced by market movements, cash flow requirements and expectations regarding the economy, the political landscape and considerations related to the specific investments held. See above under the heading “*Overall Performance and Discussion of Operations*” for additional Q4 information.

LIQUIDITY AND CAPITAL RESOURCES

The Corporation has no significant financial or contractual obligations other than a demand loan facility with a major Canadian bank (see above under the heading “*Demand Loan Facility*”). The Corporation currently holds approximately 42% of its assets, with a fair value of approximately

\$208.9M, in cash and marketable securities. It has the liquidity to readily meet all of its operating expense requirements and its obligations under the loan facility.

In 2024, the Corporation did not conduct any additional financing activities. As at the date of this MD&A, the Corporation does not have any capital expenditure commitments which the Corporation plans to fund from sources other than the existing loan facility or by liquidating some of its marketable securities.

Currently, holdings of readily marketable securities generate dividend income and can be disposed of with relative ease. If in the future the composition of the Corporation's portfolio becomes weighted significantly more toward private investments, which may not produce income and cannot be readily sold, the Corporation may need to rely on its loan facility or issue and sell securities to help meet its liquidity needs. There is no immediate need to rely on these liquidity sources.

OFF-BALANCE SHEET ARRANGEMENTS

The Corporation has no off-balance sheet arrangements.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Corporation's financial statements in accordance with IFRS Accounting Standards requires management to make estimates and exercise judgments that 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. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised and in any future period affected. The following discusses the most significant accounting judgments that Urbana has made in preparing the financial statements:

Fair value measurement of private investments

Urbana holds private investments that are not quoted in active markets and for which there may or may not be recent comparable transactions. In determining the fair value of these investments, Urbana has made significant accounting judgments and estimates. See Notes 1 and 2 of the Annual Audited Financial Statements for more information on the fair value measurement techniques and types of unobservable inputs employed by the Corporation in its valuation of private investments.

Changes in Accounting Policies

There have been no changes in accounting policies during 2024 that affect the Corporation.

DISCLOSURE CONTROLS AND PROCEDURES ("DC&P") AND INTERNAL CONTROL OVER FINANCIAL REPORTING ("ICFR")

Urbana's management ("Management"), under the supervision of its chief executive officer ("CEO") and chief financial officer ("CFO"), is responsible for establishing and maintaining the Corporation's DC&P and ICFR (as defined in National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*).

Consistent with NI 52-109, the Corporation's CEO and CFO have reviewed the design of the Corporation's DC&P and ICFR and have concluded that as at December 31, 2024, (A) the Corporation's DC&P provide reasonable assurance that (i) material information relating to the Corporation has been made known to them, particularly during the financial year ended December 31, 2024 and (ii) information required to be disclosed by the Corporation in its annual filings, interim filings or other reports filed or submitted by it under securities legislation has been recorded, processed, summarized and reported within the time periods specified in securities legislation; and (B) the Corporation's ICFR provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards.

The Corporation's CEO and CFO have evaluated the effectiveness of the Corporation's DC&P as at December 31, 2024 and have concluded that the Corporation's DC&P were effective as of that date.

The Corporation's CEO and CFO have also evaluated the effectiveness of the Corporation's ICFR as at December 31, 2024, using the Internal Control-Integrated Framework 2013 issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and have concluded that the Corporation's ICFR was effective as at that date.

There have been no changes in the Corporation's ICFR that occurred during the year beginning January 1, 2024 and ending on December 31, 2024 that have materially affected, or are reasonably likely to materially affect, the Corporation's ICFR. All control systems contain inherent limitations, no matter how well designed. As a result, Management acknowledges that the Corporation's ICFR will not prevent or detect all misstatements due to error or fraud. In addition, Management's evaluation of controls can provide only reasonable, not absolute, assurance that all control issues that may result in material misstatements, if any, have been detected.

FORWARD-LOOKING STATEMENTS

Certain information contained in this MD&A constitutes forward-looking information within the meaning of applicable Canadian securities laws, which is information relating to possible events, business, operations, financial performance, condition or results of operations of the Corporation, that are based on assumptions about future economic conditions and courses of action and which are inherently uncertain. All information other than statements of historical fact may be forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "scheduled", "may", "will", "project", "predict", "potential", "target", "intend", "could", "might", "should", "believe", and similar words (including negative or grammatical variations) or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative connotation or grammatical variation thereof. Forward-looking information in this MD&A includes, but is not limited to, statements with respect to: the Corporation's investment approach, objectives and strategy, including its focus on specific sectors, both in its public holdings and private sector holdings; the ability to achieve and maintain long-term performance; the structuring of its investments and its plans to manage its investments; the Corporation's outlook for the equity markets; the Corporation's expectations regarding the economy, the political landscape and considerations related to specific investments held by Urbana; the Company's ability to effectively hedge risks; the timing for the disposition of investments and the performance of such investments; the Corporation's financial performance; the Corporation's ability to manage relevant conflicts of interest; the Corporation's plans regarding future dividends; the Corporation's funding sources for any capital expenditure commitments; the Corporation's ability to meet its liquidity and debt needs, and operating expense requirements and its obligations under the loan facility, and potential courses of action to address any future liquidity needs; any purchases under the Corporation's normal course issuer bid; statements related to future development or prospects of Urbana's mineral claims, including Urbana determining the next steps with respect to such mineral claims based on the report received by Urbana; the Corporation's ability to source any investment that presents a unique value proposition; the investments of Urbana achieving returns anticipated by the Corporation; and Urbana's expectations regarding the performance of its investments and certain sectors.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. The Corporation believes that the expectations reflected in the forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct. Some of the risks and other factors which could cause results to differ materially from those expressed in forward-looking information contained in this MD&A include, but are not limited to: the nature of the Corporation's investments; fluctuations in the value of investments; the available opportunities and competition for its investments; the availability of good values in many major companies and the Corporation's ability to realize on such values; the concentration of its investments in certain industries and sectors; the Corporation's dependence on its management team; risks affecting the Corporation's investments; factors affecting and fluctuations in markets; private entity investing; limited liquidity of certain assets; global political and economic conditions, including the impact of war or civil insurrection; any impact of the COVID-19 pandemic; investments by the Corporation in private issuers which have illiquid securities; management of the growth of the Corporation; exchange rate fluctuations; and other risks and factors referenced in this MD&A including under "Strategy and Risk Factors".

Although the Corporation has attempted to identify important factors that could cause actual events or results to differ materially from those described in forward-looking information, there may be other factors that cause events or results to differ from those intended, anticipated or estimated. Readers are cautioned that the foregoing list of risks and factors is not exhaustive. Forward-looking information and statements serve to provide information about management's current expectations and plans and to allow investors and others to get a better understanding of the Corporation's operating environment. The forward-looking information contained in this MD&A is provided as at the date of this MD&A, based upon the opinions and estimates of management and information available to management as at the date of this MD&A, and the Corporation undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Readers are cautioned not to place undue reliance on forward-looking information contained in this MD&A.

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Audited Financial Statements of

Urbana Corporation

December 31, 2024 and December 31, 2023

Urbana Corporation

Audited Financial Statements
December 31, 2024 and December 31, 2023

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Independent Auditor's Report

To the Shareholders and the Board of Directors of
Urbana Corporation

Opinion

We have audited the financial statements of Urbana Corporation (the "Company"), which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of comprehensive income, changes in net assets attributable to holders of redeemable shares and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of Level 3 Investments — Refer to Notes 1 and 2 to the Financial Statements

Key Audit Matter Description

The Company's investment portfolio includes private investments, including securities of private issuers, ("private investments") for which reliable quotations are not readily available, or for which there is no closing bid price. Management uses various valuation methodologies with unobservable market inputs in

its determination of the fair value of private investments which are outlined in Notes 1 and 2 to the financial statements. The valuation methodologies used in estimating the fair value of these private investments vary based on the specific characteristics of the private investments.

The valuation of the private investments is inherently subjective, and involves the use of significant management judgment and unobservable market inputs. As a result, the procedures related to the valuation methodologies and unobservable market inputs required a high degree of auditor judgment and increased audit effort, including the use of fair value specialists.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to the valuation methodologies and unobservable market inputs used by management to estimate the fair value of the private investments included the following, among others:

For a sample of private investments, with the assistance of fair value specialists,

- Evaluated the appropriateness of the methodology used in the valuation of the private investments.
- Evaluated the reasonableness of any significant changes in valuation methodologies or significant unobservable market inputs.
- Reviewed relevant internal and external information, including industry information, to assess the reasonability of unobservable market inputs in instances where these inputs were more subjective.
- Developed independent fair value estimates by using private investment financial information, which was compared to agreements or underlying source documents provided to the Company by the private investments, and available market information from third party sources such as market spreads, market multiples, and leverages.
- Evaluated management's fair value estimates by comparing to subsequent transactions, taking into account changes in market or investment specific conditions, where applicable.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis
- The information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

The Annual Report is expected to be made available to us after the date of the auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

The engagement partner on the audit resulting in this independent auditor’s report is Francesco Quatralè.

The image shows a handwritten signature in black ink that reads "Deloitte LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants
Licensed Public Accountants
March 21, 2025

Urbana Corporation

Statements of financial position as at December 31, 2024 and December 31, 2023

(In Canadian dollars)

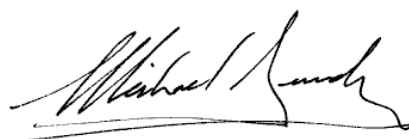
	2024	2023
	\$	\$
Assets		
Cash	18,639,615	341,421
Investments, at fair value (Note 2)	497,285,766	444,237,775
Accounts and other receivables (Notes 4 and 9)	833,753	6,065,848
	516,759,134	450,645,044
Liabilities		
Loan payable (Note 6)	-	42,700,000
Accounts payable and accrued liabilities (Note 5)	1,320,340	1,377,772
Current income taxes payable (Note 10)	242,000	-
Deferred income tax liability (Note 10)	43,806,000	31,996,000
	45,368,340	76,073,772
Shareholders' equity		
Share capital (Note 8)	98,760,119	98,760,119
Contributed surplus	66,649,532	66,649,532
Retained earnings	305,981,143	209,161,621
Shareholders' equity representing net assets	471,390,794	374,571,272
Total liabilities and shareholders' equity	516,759,134	450,645,044
Number of shares outstanding (Note 8)	41,395,100	41,395,100

See accompanying notes

Approved by the Board



Director



Director

Urbana Corporation

Statements of comprehensive income

for the years ended December 31, 2024 and December 31, 2023

(In Canadian dollars)

	2024	2023
	\$	\$
Revenue		
Net realized gain on sale/disposal of investments and foreign exchange gain	58,876,016	1,778,335
Net change in unrealized gain on investments	59,120,945	75,785,647
Dividends	12,759,034	12,459,365
Interest	163,995	490,143
	130,919,990	90,513,490
Expenses		
Investment management fees (Note 9)	11,109,379	8,603,805
Interest	2,999,171	2,697,919
Administrative (Note 9)	2,217,569	1,531,823
Transaction costs (Note 9)	-	-
Professional fees	331,098	296,639
	16,657,217	13,130,186
Net income before income taxes	114,262,773	77,383,304
Foreign withholding tax expense (Note 10)	423,813	395,235
Current income tax expense (recovery) (Note 10)	242,000	(156,500)
Provision for deferred income taxes (Note 10)	11,810,000	7,622,000
Income tax expense	12,475,813	7,860,735
Total profit and comprehensive income for the year	101,786,960	69,522,569
Basic and diluted earnings per share	2.46	1.68
Weighted average number of shares outstanding	41,395,100	41,395,100

See accompanying notes

Urbana Corporation

Statements of changes in equity for the years ended December 31, 2024 and December 31, 2023

(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 year	-	-	69,522,569	69,522,569
Dividends paid	-	-	(4,553,485)	(4,553,485)
Balance at December 31, 2023	98,760,119	66,649,532	209,161,621	374,571,272
Balance at January 1, 2024	98,760,119	66,649,532	209,161,621	374,571,272
Total profit and comprehensive income for the year	-	-	101,786,960	101,786,960
Dividends paid	-	-	(4,967,438)	(4,967,438)
Balance at December 31, 2024	98,760,119	66,649,532	305,981,143	471,390,794

See accompanying notes

Urbana Corporation

Statements of cash flows

for the years ended December 31, 2024 and December 31, 2023

(In Canadian dollars)

	2024	2023
	\$	\$
Operating activities		
Total profit and comprehensive income for the year	101,786,960	69,522,569
Items not affecting cash		
Net realized gain on sale/disposal of investments and foreign exchange gain	(58,876,016)	(1,778,335)
Net change in unrealized gain on investments	(59,120,945)	(75,785,647)
Provision for deferred income taxes	11,810,000	7,622,000
Current income tax expense	242,000	-
Purchases of investments	(20,658,824)	(24,667,093)
Proceeds from sale of investments and foreign exchange	85,607,794	22,149,643
	60,790,969	(2,936,863)
Net change in non-cash working capital items		
Accounts and other receivables	5,232,095	(3,364,720)
Accounts payable and accrued liabilities	(57,432)	227,910
	5,174,663	(3,136,810)
Cash provided by (used in) operating activities	65,965,632	(6,073,673)
Financing activities		
Issuance of loan payable	14,300,000	27,700,000
Repayment of loan payable	(57,000,000)	(17,000,000)
Dividends paid	(4,967,438)	(4,553,485)
Cash provided by (used in) financing activities	(47,667,438)	6,146,515
Net change in cash during the year	18,298,194	72,842
Cash, beginning of year	341,421	268,579
Cash, end of year	18,639,615	341,421
Supplemental disclosure		
Dividends received	17,357,970	7,009,832
Interest received	261,497	293,554
Interest paid	3,101,348	2,615,075

See accompanying notes

Urbana Corporation

Schedule of investment portfolio as at December 31, 2024

(In Canadian dollars)

Number of securities	Description	Cost	Fair value
	Private equity investments	\$	\$
14,390,878	CNSX Markets Inc. (Note 9)	14,528,349	100,736,146
1,327,620	Miami International Holdings Inc.	12,257,268	19,571,177
800,000	Caldwell Financial Ltd. (Note 9)	1,826,650	4,056,000
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	1,074,001
1,544,236	Evolve Funds Group Inc. ("Evolve") Class B Preferred	1,249,636	9,172,762
3,000,000	Evolve Funds Group Inc. Class C Preferred	1,114,325	17,820,000
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	7,099,761
498,041	EFG Management Holdings Inc. Class E Common (ii)	1,462,549	2,958,364
15,259,886	Highview Financial Holdings Inc. (Note 9)	11,546,243	6,409,152
1	1000912961 Ontario Inc. (Note 9)	-	-
4,538,460	Four Lakes Capital Fund Limited Partnership	4,999,998	8,862,954
465,381	Vive Crop Protection Inc. Class A2 Preferred	314,132	167,537
975,337	Vive Crop Protection Inc. Class B1 Preferred	284,613	351,121
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
2,144,714	Vive Crop Protection Inc. Class C2 Preferred	1,557,920	1,557,920
688,326	Vive Crop Protection Inc. Warrants (iii)	-	-
27,428	Kognitiv Corporation Class A-2 Preferred (iv)	353,000	-
2,000,000	Kognitiv Corporation Class B-1 Preferred (iv)	3,000,000	-
122,222	Kognitiv Corporation (iv)	2,404,596	-
8,000,000	Kognitiv Corporation Warrants (iv)	-	-
480,000	Lyceum CME Inc. Class B Preferred	2,400,000	5,025,600
408,164	Lyceum CME Inc. Class C Preferred	4,085,857	4,314,608
6,047,895	FundThrough Inc. Class A-3 Preferred	6,250,000	8,225,137
1,570,680	FundThrough Inc. Class A-4 Preferred	2,999,999	2,136,125
208,290	Varo Money, Inc.	2,565,000	819,424
7,292,930	Tetra Trust Company Class A Common	4,850,759	4,011,112
5,622	Blue Ocean Technologies, LLC / Urbana International Inc. ("UII") (v) (Note 9)	10,628,596	59,027,426
		111,989,326	269,547,417
	Public equity investments		
110,000	Cboe Global Markets, Inc.	3,637,004	30,912,671
100,000	Intercontinental Exchange Group Inc.	4,153,846	21,430,618
100,000	Citigroup Inc.	5,088,097	10,123,490
350,000	Bank of America Corp.	4,882,387	22,123,112
250,000	Morgan Stanley	6,933,526	45,202,628
1,400,000	Real Matters Inc.	5,558,303	9,156,000
3,500,000	Tamarack Valley Energy Ltd.	9,379,345	16,765,000
200,000	KKR & Co. Inc. Class A	7,516,623	42,544,832
2,400,000	Whitecap Resources Inc.	8,425,066	24,480,000
		55,574,197	222,738,349
	Private debt investments		
3,000,000	Highview Financial Holdings Inc. (vi) (Note 9)	3,000,000	3,000,000
2,000,000	Highview Financial Holdings Inc. (vii) (Note 9)	2,000,000	2,000,000
1,000,000	Kognitiv Corporation (iv)	1,000,000	-
		6,000,000	5,000,000
		173,563,523	497,285,766

Urbana Corporation

Schedule of investment portfolio

as at December 31, 2024

(In Canadian dollars)

- (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 Class B 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 Vive Crop Protection Inc. (“Vive”) warrants were issued to Urbana in connection with Urbana’s purchase of the Class C2 preferred shares of Vive. The entire purchase price was allocated to the Class C2 preferred shares since it was determined that the warrants had no value at the time. Each warrant entitles Urbana to purchase one Class C2 preferred share of Vive at \$0.7264 per share on or before March 31, 2029.
- (iv) Kognitiv Corporation (“Kognitiv”) filed a notice of intention to make a proposal on December 12, 2024 under the Canada Bankruptcy and Insolvency Act. As a result, all Kognitiv holdings are valued at Nil.
- (v) 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.
- (vi) Unsecured convertible promissory note matured on June 30, 2024 with interest at 8% per annum due and payable quarterly. The Corporation has not made demand for payment on this note as the parties are in the process of making further arrangements for the note. 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.
- (vii) Secured promissory note matured on June 30, 2024 with interest at 8% per annum due and payable on maturity. The Corporation has not made demand for payment on this note as the parties are in the process of making further arrangements for the note.

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 financial statements

for the years ended December 31, 2024 and December 31, 2023

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.

Statement of compliance

These annual financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and as required by Canadian securities legislation and the Canadian Accounting Standards Board.

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

Basis of presentation

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 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.

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

Urbana Corporation

Notes to the financial statements

for the years ended December 31, 2024 and December 31, 2023

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 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,

Urbana Corporation

Notes to the financial statements

for the years ended December 31, 2024 and December 31, 2023

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.

Accounting changes issued but not yet effective

Amendments to IFRS 7 *Financial Instruments: Disclosures* and IFRS 9 *Financial Instruments* were issued in May 2024. These amendments are effective from January 1, 2026. The amendments related to: (i) specification of criteria that, if met, permit an entity to derecognize a financial liability settled through electronic transfer before the settlement date; (ii) enhanced clarification and guidance on the classification of financial assets (including non-recourse and contractually linked features); and (iii) improvements to the disclosure of fair value changes relating to equity instruments a company has presented in other comprehensive income. The Company is currently assessing the impact of the adoption of these amendments.

IFRS 18, *Presentation and Disclosure in Financial Statements* (“IFRS 18”) was issued in April 2024 and replaces IAS 1, *Presentation of Financial Statements* (“IAS 1”), carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements, including specified categories and defined subtotals in the Statements of comprehensive income. IFRS 18 is intended to give investors more transparent and comparable information about a company’s financial performance, thereby enabling better investment decisions. It also requires a company to provide more transparency regarding operating expenses, helping investors to find and understand the information they need. IFRS 18 is required to be applied retrospectively for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The Company is currently assessing the impact of the adoption of this standard.

Urbana Corporation

Notes to the financial statements

for the years ended December 31, 2024 and December 31, 2023

Interests in Other Entities

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

Subsidiary's Name	Place of Business	% of Equity Interest held by Urbana	% of Voting Rights held by Urbana
1000912961 Ontario Inc. ⁽¹⁾	Ontario, Canada	100%	100%
Urbana International Inc. ⁽²⁾	Delaware, U.S.	100%	100%
Radar Capital Inc.	Ontario, Canada	65.51%	65.51%

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

Subsidiary's Name	Place of Business	% of Equity Interest held by Urbana	% of Voting Rights held by Urbana
Urbana International Inc. ⁽²⁾	Delaware, U.S.	100%	100%
Radar Capital Inc.	Ontario, Canada	65.51%	65.51%

(1) 1000912961 Ontario Inc. is a wholly-owned subsidiary of Urbana.

(2) 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 December 31, 2024:

Investments	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Public equity investments	222,738,349	-	-	222,738,349
Private equity investments	-	-	269,547,417	269,547,417
Private debt investments	-	-	5,000,000	5,000,000
Total investments at FVTPL	222,738,349	-	274,547,417	497,285,766

Urbana Corporation

Notes to the financial statements

for the years ended December 31, 2024 and December 31, 2023

Level 3 valuation methods – December 31, 2024

Description	Fair value (\$) ⁽¹⁾	Primary Valuation technique used	Significant unobservable inputs	Input/Range ⁽²⁾
Private equity investments				
Caldwell Financial Ltd.	4,056,000	Prescribed formula which approximates fair value	1 x net fees plus net assets	N/A
Miami International Holdings Inc.	19,571,177	Market transaction	Recent transaction price	N/A
CNSX Markets Inc.	100,736,146	Market transaction	Recent transaction price	N/A
Highview Financial Holdings Inc.	6,409,152	Average EV/revenue & EV as a % of AUM ⁽³⁾	Average EV/revenue & EV as a % of AUM	LTM:0.9-3.5 ⁽³⁾ NTM:0.9-3.7 ⁽³⁾ AUM:0.9-8.0% ⁽³⁾
Four Lakes Capital Fund Limited Partnership	8,862,954	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	1,074,001	Net asset value per share	Net asset value per share	N/A
Evolve Funds Group Inc. Class B	9,172,762	EV as a % of adjusted AUM	EV as a % of adjusted AUM	0.8%-6.1% ⁽⁴⁾
Evolve Funds Group Inc. Class C	17,820,000	EV as a % of adjusted AUM	EV as a % of adjusted AUM	0.8%-6.1% ⁽⁴⁾
Evolve Funds Group Inc. Class D	771,638	Market transaction	Recent transaction price	N/A
EFG Management Holdings Inc. Class A	7,099,761	EV as a % of adjusted AUM	EV as a % of adjusted AUM	0.8%-6.1% ⁽⁴⁾
EFG Management Holdings Inc. Class E	2,958,364	EV as a % of adjusted AUM	EV as a % of adjusted AUM	0.8%-6.1% ⁽⁴⁾
1000912961 Ontario Inc.	-	Market transaction	Recent transaction price	N/A
Lyceum CME Inc. Class B	5,025,600	Market transaction	Recent transaction price	N/A
Lyceum CME Inc. Class C	4,314,608	Market transaction	Recent transaction price	N/A
Vive Crop Protection Inc. Class A2	167,537	Market transaction	Recent transaction price	N/A
Vive Crop Protection Inc. Class B1	351,121	Market transaction	Recent transaction price	N/A
Vive Crop Protection Inc. Class B3	3,250,000	Market transaction	Recent transaction price	N/A
Vive Crop Protection Inc. Class C1	1,629,452	Market transaction	Recent transaction price	N/A
Vive Crop Protection Inc. Class C2	1,557,920	Market transaction	Recent transaction price	N/A
Vive Crop Protection Inc. Warrants	-	Market transaction	Recent transaction price	N/A
Kognitiv Corporation Class A-2	-	N/A ⁽⁶⁾	N/A	N/A

Urbana Corporation

Notes to the financial statements

for the years ended December 31, 2024 and December 31, 2023

Kognitiv Corporation Class B-1	-	N/A ⁽⁶⁾	N/A	N/A
Kognitiv Corporation	-	N/A ⁽⁶⁾	N/A	N/A
Kognitiv Corporation Warrants	-	N/A ⁽⁶⁾	N/A	N/A
FundThrough Inc. Class A-3	8,225,137	Average EV/LTM revenue/net interest income (NII) multiple	Average EV/LTM revenue/net interest income (NII) multiple	Rev:2.4-17.0 ⁽⁵⁾ NII:3.3-12.1 ⁽⁵⁾
FundThrough Inc. Class A-4	2,136,125	Average EV/LTM revenue/net interest income (NII) multiple	Average EV/LTM revenue/net interest income (NII) multiple	Rev:2.4-17.0 ⁽⁵⁾ NII:3.3-12.1 ⁽⁵⁾
Developer Capital Inc. Class B Common	500,000	Market transaction	Recent transaction price	N/A
Developer Capital Inc. Warrants	-	Market transaction	Recent transaction price	N/A
Varo Money, Inc.	819,424	Market transaction	Recent transaction price	N/A
Tetra Trust Company	4,011,112	Market transaction	Recent transaction price	N/A
Blue Ocean/Urbana International Inc.	59,027,426	Market transaction	Recent transaction price	N/A
Private debt investments				
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	-	N/A ⁽⁶⁾	N/A	N/A
Ending balance	274,547,417			

⁽¹⁾See Note 1 – Valuation of investments

⁽²⁾Where it is applicable, an input or range has been provided

⁽³⁾Last 12 months enterprise value/revenue: 2.2x. Next 12 months enterprise value/revenue: 2.1x.
Enterprise value as a percentage of assets under management: 3.03%

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

⁽⁵⁾Last 12 months enterprise value/revenue: 6.3x. Last 12 months enterprise value/NII: 6.7x.

⁽⁶⁾Kognitiv Corporation filed a notice of intention to make a proposal on December 12, 2024 under the Canada Bankruptcy and Insolvency Act. Hence there is no valuation technique employed.

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
Total investments at FVTPL	168,388,149	5,069,884	270,779,742	444,237,775

Urbana Corporation

Notes to the financial statements

for the years ended December 31, 2024 and December 31, 2023

Level 2 and 3 valuation methods – December 31, 2023

Description	Fair value (\$) ⁽¹⁾	Primary Valuation technique used	Significant unobservable inputs	Input/Range ⁽²⁾
Public equity investments				
Caldwell-Lazard CorePlus Infrastructure Fund	5,069,884	Net asset value per unit	Net asset value per unit	N/A
Private equity investments				
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 ⁽³⁾	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% ⁽⁴⁾
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% ⁽⁴⁾
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% ⁽⁴⁾
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% ⁽⁴⁾
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
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

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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 ⁽⁵⁾ NTM:1.6-7.2 ⁽⁵⁾
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 ⁽⁶⁾ NII:1.6-12.3 ⁽⁶⁾
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
Private debt investments				
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			

⁽¹⁾ See Note 1 – Valuation of investments

⁽²⁾ Where it is applicable, an input or range has been provided

⁽³⁾ Enterprise value as a percentage of assets under management

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

⁽⁵⁾ Last 12 months enterprise value/revenue: 6.0x. Next 12 months enterprise value/revenue: 5.0x.

⁽⁶⁾ Last 12 months enterprise value/revenue: 4.7x. Last 12 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 Highview Financial Holdings Inc. from a methodology based solely on an EV/AUM multiple to a methodology based on an average of EV/revenue and EV/AUM multiple. In addition, during 2024, since Kognitiv filed a notice of intention to make a proposal on December 12, 2024 under the Canada Bankruptcy and Insolvency Act. Hence, there is no valuation technique employed by the Company since all Kognitiv holdings have been written down to Nil.

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 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.

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

December 31, 2024			
	Private equity investments	Private debt investments	Total
	\$	\$	\$
Beginning balance	264,779,742	6,000,000	270,779,742
Change in unrealized gain (loss)	(3,045,117)	(1,000,000)	(4,045,117)
Purchases	13,064,354	-	13,064,354
Sales	(5,251,562)	-	(5,251,562)
Ending balance	269,547,417	5,000,000	274,547,417

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 December 31, 2024 and 2023 are shown below:

Level 3 valuation methods – December 31, 2024

Description	Input	Sensitivity used ⁽¹⁾	Effect on fair value (\$)
Private equity investments	1 x net fees plus net assets	10%	405,600
	Recent transaction price	10%	20,173,316
	Net asset value	10%	993,696
	Average EV/LTM_NTM revenue & EV as a % of AUM – Highview	10%	1,220,791
	EV as a % of adjusted AUM – Evolve, EFG	10%	3,617,763
	Average EV/LTM revenue/NII multiple – FundThrough	10%	1,066,601
Private debt investments	Face value	10%	500,000
Total			27,977,767

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Level 3 valuation methods - December 31, 2023

Description	Input	Sensitivity used ⁽¹⁾	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
	Private debt investments	Face value	10%
Total			32,983,727

⁽¹⁾ 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 December 31, 2024, the Company held \$5,000,000 (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 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.

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for the years ended December 31, 2024 and December 31, 2023

December 31, 2024 Financial Liabilities	Due on demand	< 3 months	3 months to 1 year	Total
	\$	\$	\$	\$
Loan payable	-	-	-	-
Accounts payable and accrued liabilities	-	1,320,340	-	1,320,340
Current income taxes payable	-	242,000	-	242,000
	-	1,562,340	-	1,562,340

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

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 December 31, 2024 and 2023:

Currency	December 31, 2024	December 31, 2023
	As a % of net assets	As a % of net assets
	%	%
United States Dollar	54.34	51.77

As at December 31, 2024, the Company's net assets would have decreased or increased by approximately \$12,807,611 (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.

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 tables below summarize the Company's exposure to interest rate risks by remaining term to maturity.

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As at December 31, 2024	Less than 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
	\$	\$	\$	\$	\$
Cash	18,639,615	-	-	-	18,639,615
Financial asset – debt	5,000,000	-	-	-	5,000,000
Loan payable	-	-	-	-	-
	23,639,615	-	-	-	23,639,615
As at December 31, 2023	Less than 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
	\$	\$	\$	\$	\$
Cash	341,421	-	-	-	341,421
Financial asset – debt	6,000,000	-	-	-	6,000,000
Loan payable	(42,700,000)	-	-	-	(42,700,000)
	(36,358,579)	-	-	-	(36,358,579)

As at December 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 \$346,335 (December 31, 2023 - \$315,144). 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 December 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 \$22,273,835 (December 31, 2023 - \$17,345,803) or approximately 4.73% (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.

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:

	December 31, 2024	December 31, 2023
	\$	\$
Dividends and distributions	217,770	5,236,050
Interest	293,095	390,597
Loans	322,888	322,888
Due from subsidiaries	-	116,313
	833,753	6,065,848

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5. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consist of the following:

	December 31, 2024	December 31, 2023
	\$	\$
Investment management fees (Note 9)	1,000,552	841,954
Professional fees	87,989	205,041
Loan interest	156,008	258,185
Administrative fees	64,200	61,400
Other	11,591	11,192
	1,320,340	1,377,772

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 December 31, 2024, the outstanding balance of the loan was \$Nil (December 31, 2023 - \$42,700,000) which is the fair value of the loan. During the year ended December 31, 2024, the minimum amount borrowed was \$Nil (2023 - \$32,000,000) and the maximum amount borrowed was \$48,800,000 (2023 - \$42,700,000). As at December 31, 2024 and 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, subsequent to year end in February 2025, commenced a winter drilling program on its mineral claims. Urbana holds 44 claims in the area totaling 1,154.4 hectares (2,852.7 acres). Results from the exploration work are not yet available. 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 \$279,440 in 2025 to-date and another \$1,146,119 prior to 2019. Urbana did not incur any exploration costs from 2019 to 2024. The costs are expensed as incurred and recorded as a loss in net realized gain on sale/disposal of investments.

8. Share capital

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

	Year ended December 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 year	10,000,000	7,998,893	10,000,000	7,998,893
Issued during the year	-	-	-	-
Balance, end of year	10,000,000	7,998,893	10,000,000	7,998,893

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<i>Issued - Class A Shares</i>				
Balance, beginning of year	31,395,100	90,761,226	31,395,100	90,761,226
Normal course issuer bid repurchases during the year	-	-	-	-
Balance, end of year	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 September 4, 2024, the TSX accepted Urbana's notice of intention to conduct a normal course issuer bid to purchase up to 3,107,404 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 9, 2024, and will end on the earlier of September 8, 2025, the date Urbana completes its maximum amount of share 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 4,767 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 19,070 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 December 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, 2024, Urbana did not purchase any Class A Shares.

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 December 31, 2024 and 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 2024 and 2023 there were no commission fees paid to CSL by Urbana, since Urbana did not purchase any shares under the NCIB.

Pursuant to an administrative services agreement dated March 1, 2019 and as amended on April 1, 2021, January 1, 2023 and January 1, 2024, in 2024, Urbana paid CSL \$471,481 (2023 - \$448,836) 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, 2024 and January 1, 2025, the administrative services agreement was amended to increase the monthly fee by \$1,887 and \$825, 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 of Urbana.

In June 2024 Urbana transferred 2,035,266 Class E preferred shares of Integrated Grain Processors Co-operative Inc. ("IGPC") for \$50,881,650 to 1000912961 Ontario Inc. (the "Sub"), a wholly-owned subsidiary of Urbana, in exchange for 2,035,266 common shares of the Sub. The fair value of this transfer for tax purposes was determined to be \$61,403,975. The Sub was formed for the sole purpose of holding an investment in IGPC. Urbana paid total fees of \$287,481 (2023 - \$257) to CSL for their services in respect of arranging for this transfer of private equity securities by way of a proprietary share transfer platform that CSL manages on behalf of IGPC. These fees were approved by the independent

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directors of Urbana. When the sale of the IGPC business closed in December 2024, the Sub made a \$61,403,975 return of capital distribution to Urbana and Urbana redeemed all but one common share of the Sub for \$10,704.

In September and December 2024 Urbana paid total fees of \$70,004 to CSL for its share of cyber security costs that were incurred by CSL. These fees were approved by the independent directors of Urbana.

As at December 31, 2024 and 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.

In August 2023, Urbana redeemed 84,012 units of Caldwell Growth Opportunities Fund ("CGO") for \$524,279. As a result, as at December 31, 2024 and 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 December 31, 2024 and 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 received a \$20,936 monthly cash distribution. In July 2024 Urbana redeemed 502,073 units of CLCIF for \$5,069,533. As a result, as at December 31, 2024 Urbana no longer had an ownership interest in CLCIF (December 31, 2023 – 52.85%), which is a mutual fund managed by CIM. Urbana paid 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. In 2024, CIM earned \$11,109,379 of investment management fees from Urbana (2023 - \$8,603,805). The investment management fees are accrued daily and paid monthly in arrears. As at December 31, 2024 there was an investment management fee payable included in accounts payable and accrued liabilities of \$1,000,552 to CIM (December 31, 2023 – \$841,954).

In December 2024 and September 2023, Urbana purchased 900,000 and 10,000 common shares, respectively, of CNSX Markets Inc. ("CNSX"), the operator of the CSE, for \$6,300,000 and \$60,000, respectively. As at December 31, 2024 Urbana owned 53.37% (December 31, 2023 – 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.

As at December 31, 2024 and 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 December 31, 2024 and 2023 Urbana held a \$3,000,000 convertible promissory note and a \$2,000,000 non-convertible promissory note from HFHI. These notes matured on June 30, 2024. The Corporation has not

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made demand for payment on these notes as the parties are in the process of making further arrangements for the notes.

As at December 31, 2024 and 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 December 31, 2024 Urbana had a receivable of \$Nil (December 31, 2023 - \$116,313) from UII in respect of operating expenses incurred by UII. In October 2024, a receivable for \$148,871 from UII was converted to an additional investment in 15.617 shares of UII and immediately thereafter the total number of shares outstanding was consolidated back to the number of shares held prior to the conversion.

In 2024, the remuneration of key management personnel (including directors), which included salaries and short-term benefits, was \$925,069 (2023 - \$657,441).

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 December 31, 2024 and 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 years ended December 31, 2024 and 2023 is summarized as follows:

	2024	2023
	\$	\$
Net income before income taxes	114,262,773	77,383,304
Expected taxes payable at future rates - 26.5%	30,279,635	20,506,576
Income tax effect of the following:		
Non-taxable portion of realized capital gains	(7,801,072)	(235,629)
Non-taxable portion of unrealized capital gains	(7,833,525)	(10,041,598)
Non-taxable dividends	(2,615,016)	(2,589,067)
Foreign withholding tax expense	423,813	395,235
Adjustment to prior year's tax balance	242,908	11,772
Current income tax recovery	-	(156,500)
Other	(220,930)	(30,054)
Income tax expense	12,475,813	7,860,735

The income tax expense is represented as follows:

	2024	2023
	\$	\$
Provision for deferred income taxes	11,810,000	7,622,000
Current income tax expense (recovery)	242,000	(156,500)
Foreign withholding tax expense	423,813	395,235
Income tax expense	12,475,813	7,860,735

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for the years ended December 31, 2024 and December 31, 2023

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

	December 31, 2024	December 31, 2023
	\$	\$
Resource deductions available in perpetuity	(6,883)	(7,242)
Unrealized capital gains on investments	43,812,619	36,087,342
Non-capital loss carryforwards	-	(3,808,428)
Capital loss carryforwards	-	(275,882)
Other	264	210
Total deferred income tax liability	43,806,000	31,996,000

As at December 31, 2024, the Company had no capital losses (December 31, 2023 – \$2,082,127) available for carryforward for tax purposes. Capital losses do not expire. Also as at December 31, 2024, the Company had no non-capital losses (December 31, 2023 - \$14,371,428) available for carryforward for tax purposes.

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. Subsequent to the 2024 year end, on January 31, 2025 the Company paid a regular cash dividend of \$0.13 per share on the issued and outstanding Common and Class A Shares as at January 17, 2025 amounting to \$5,381,391.

12. Approval of financial statements

The financial statements were approved by the Board of Directors and authorized for issue on March 21, 2025.

Notes

URBANA
CORPORATION

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