Audited Financial Statements of

Urbana Corporation

December 31, 2020 and December 31, 2019

Urbana Corporation

Audited Financial Statements
December 31, 2020 and December 31, 2019

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Deloitte LLP
Bay Adelaide East
8 Adelaide Street West
Suite 200
Toronto ON M5H 0A9
Canada

Tel: 416-601-6150
Fax: 416-601-6151
www.deloitte.ca

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, 2020 and 2019, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies (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, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

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 Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the financial statements for the year ended December 31, 2020. This matter was 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 this matter.

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, 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 Michael Darroch.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
March 10, 2021

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Urbana Corporation

Statements of financial position
as at December 31, 2020 and December 31, 2019

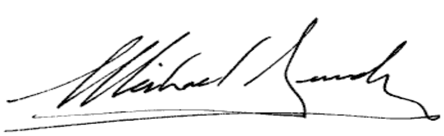
(In Canadian dollars)

	December 31, 2020	December 31, 2019
	$	$
Assets		
Cash	**732,456**	875,089
Investments, at fair value (Notes 2 and 3)	**287,215,004**	289,589,860
Accounts and other receivables (Notes 4 and 9)	**387,180**	240,512
	288,334,640	290,705,461
Liabilities		
Loan payable (Note 6)	**22,800,000**	21,900,000
Accounts payable and accrued liabilities (Note 5)	**1,724,354**	1,619,968
Deferred income tax liability (Note 10)	**14,641,000**	13,660,000
	39,165,354	37,179,968
Shareholders' equity		
Share capital (Note 8)	**106,902,807**	122,374,730
Contributed surplus	**68,706,177**	66,715,564
Retained earnings	**73,560,302**	64,435,199
Shareholders' equity representing net assets	**249,169,286**	253,525,493
Total liabilities and shareholders' equity	**288,334,640**	290,705,461
Number of shares outstanding (Note 8)	**44,211,727**	49,563,600

See accompanying notes

Approved by the Board

_______________________________ Director



_______________________________ Director

Urbana Corporation

Statements of comprehensive income
for the years ended December 31, 2020 and December 31, 2019

(In Canadian dollars)

	2020	2019
	$	$
Revenue		
Net realized gain on sale and disposal of investments	**21,794,681**	3,888,210
Net change in unrealized gain (loss) on investments	**(2,996,105)**	55,921,671
Dividends	**3,070,634**	3,078,539
Interest	**370,377**	148,401
	22,239,587	63,036,821
Expenses		
Investment management fees (Note 9)	**5,681,771**	4,105,790
Interest	**557,470**	382,435
Administrative (Note 9)	**1,253,773**	1,239,619
Transaction costs (Note 9)	**143,922**	179,281
Professional fees	**265,014**	329,601
	7,901,950	6,236,726
Net income before income taxes	**14,337,637**	56,800,095
Foreign withholding tax expense (Note 10)	**272,955**	278,126
Provision for deferred income taxes (Note 10)	**981,000**	5,777,000
Income tax expense	**1,253,955**	6,055,126
Total profit and comprehensive income for the year	**13,083,682**	50,744,969
Basic and diluted earnings per share	**0.27**	1.02
Weighted average number of shares outstanding	**47,906,617**	49,900,315

See accompanying notes

Urbana Corporation

Statements of changes in equity
for the years ended December 31, 2020 and December 31, 2019

(In Canadian dollars)

	Share capital	Contributed surplus	Retained earnings	Total
	$	$	$	$
Balance at January 1, 2019	123,636,334	66,602,286	17,190,245	207,428,865
Total profit and comprehensive income for the year	-	-	50,744,969	50,744,969
Dividends paid	-	-	(3,500,015)	(3,500,015)
Normal course issuer bid purchases	(1,261,604)	113,278	-	(1,148,326)
Balance at December 31, 2019	122,374,730	66,715,564	64,435,199	253,525,493
Balance at January 1, 2020	**122,374,730**	**66,715,564**	**64,435,199**	**253,525,493**
Total profit and comprehensive income for the year	**-**	**-**	**13,083,682**	**13,083,682**
Dividends paid	**-**	**-**	**(3,958,579)**	**(3,958,579)**
Normal course issuer bid repurchases	**(15,471,923)**	**1,990,613**	**-**	**(13,481,310)**
Balance at December 31, 2020	**106,902,807**	**68,706,177**	**73,560,302**	**249,169,286**

See accompanying notes

Urbana Corporation

Statements of cash flows
for the years ended December 31, 2020 and December 31, 2019

(In Canadian dollars)

	2020	2019
	$	$
Operating activities		
Total profit and comprehensive income for the year	**13,083,682**	50,744,969
Items not affecting cash		
Net realized gain on sale and disposal of investments	**(21,794,681)**	(3,888,210)
Net change in unrealized (gain) loss on investments	**2,996,105**	(55,921,671)
Provision for deferred income taxes	**981,000**	5,777,000
Purchases of investments	**(89,820,404)**	(57,408,166)
Proceeds on sale of investments	**110,993,836**	26,756,296
	16,439,538	(33,939,782)
Net change in non-cash working capital items		
Accounts and other receivables	**(146,668)**	(131,037)
Accounts payable and accrued liabilities	**104,386**	529,900
	(42,282)	398,863
Cash provided by (used in) operating activities	**16,397,256**	(33,540,919)
Financing activities		
Issuance of loan payable	**35,900,000**	27,500,000
Repayment of loan payable	**(35,000,000)**	(5,600,000)
Dividends paid	**(3,958,579)**	(3,500,015)
Normal course issuer bid repurchases	**(13,481,310)**	(1,148,326)
Cash provided by (used in) financing activities	**(16,539,889)**	17,251,659
Net change in cash during the year	**(142,633)**	(16,289,260)
Cash, beginning of year	**875,089**	17,164,349
Cash, end of year	**732,456**	875,089
Supplemental disclosure		
Dividends received	**2,888,945**	2,784,505
Interest received	**299,886**	57,365
Interest paid	**577,746**	289,918

See accompanying notes

Urbana Corporation

Schedule of investment portfolio
as at December 31, 2020
(In Canadian dollars)

Number of securities	Description	Cost	Fair value
	Private equity investments	$	$
13,260,878	CNSX Markets Inc. (Note 9)	7,248,349	40,578,287
1,327,620	Miami International Holdings Inc.	12,257,268	12,262,562
800,000	Caldwell Financial Ltd. (Note 9)	1,826,650	2,160,000
796,939	Caldwell Canadian Value Momentum Fund (Note 9)	15,000,000	16,047,553
2,350,000	Radar Capital Inc. Class A Common (i) (Note 9)	50	-
16,755,081	Radar Capital Inc. Class B Common (i) (Note 9)	12,566,311	10,240,706
3,000,000	Evolve Funds Group Inc. Class A Preferred	3,000,000	3,594,009
1,544,236	Evolve Funds Group Inc. Class B Preferred	1,850,000	1,850,000
10,109,025	Highview Financial Holdings Inc. (Note 9)	5,622,753	11,322,108
4,538,460	Four Lakes Capital Fund Limited Partnership	4,999,998	5,445,104
84,012	Caldwell Growth Opportunities Trust (ii) (Note 9)	703,437	694,840
465,381	Vive Crop Protection Inc. Class A2 Preferred	314,132	314,132
455,671	Vive Crop Protection Inc. Class B1 Preferred	45,567	45,567
6,500,000	Vive Crop Protection Inc. Class B3 Preferred	3,250,000	3,250,000
3,250,000	Vive Crop Protection Inc. Warrants	-	-
27,428	Kognitiv Corporation Preferred	353,000	353,000
122,222	Kognitiv Corporation	2,404,596	1,418,526
6,047,895	FundThrough Inc. Preferred	6,250,000	6,250,000
		77,692,111	115,826,394
	Public equity investments		
672,832	Caldwell India Holdings Inc. (iii)	14,655,481	8,474,503
343,238	Urbana Mauritius Inc. (iv)	6,346,517	4,429,699
110,000	Cboe Global Markets, Inc.	3,637,004	13,049,837
100,000	Intercontinental Exchange Group Inc.	4,153,846	14,687,946
200,000	Citigroup Inc.	10,176,194	15,710,968
350,000	Bank of America Corp.	4,882,387	13,515,229
100,000	Suncor Energy	3,385,461	2,135,000
250,000	Morgan Stanley	6,933,526	21,826,805
1,600,000	Real Matters Inc.	6,214,667	30,736,000
700,000	AGF Management Ltd. Class B	4,044,556	4,256,000
200,000	KKR & Co. Inc. Class A	7,516,623	10,316,852
3,000,000	Whitecap Resources Inc.	10,531,333	14,580,000
500,000	Husky Energy Inc.	3,301,600	3,150,000
3,323,925	Metamaterial Inc.	2,054,790	2,193,791
100,000	Toronto Dominion Bank	5,826,472	7,192,000
		93,660,457	166,254,630
	Private debt investments		
3,000,000	Highview Financial Holdings Inc. (v)	3,000,000	3,000,000
2,133,980	Radar Capital Inc. (vi)	2,133,980	2,133,980
		5,133,980	5,133,980
		176,486,548	287,215,004

(i) Urbana owns 65.51% of Radar Capital Inc. (“RCI”), which owns 24.78% of the common shares of Highview Financial Holdings Inc.
(ii) Urbana owns 13.71% of Caldwell Growth Opportunities Trust, which owns 5.50% of the Class B common shares of RCI.
(iii) Caldwell India Holdings Inc. (“CIHI”), a wholly-owned subsidiary of Urbana, holds 400,000 equity shares of the Bombay Stock Exchange (the “BSE”). Urbana also owns 100 voting ordinary shares of CIHI representing 100% of the voting ordinary shares of CIHI. The fair value of these voting ordinary shares is nominal.
(iv) Urbana Mauritius Inc., a wholly-owned subsidiary of Urbana, holds 343,238 equity shares of the BSE.
(v) Unsecured convertible promissory note maturing on June 30, 2023 with interest at 8% per annum payable quarterly. This promissory note was issued in connection with a $3 million revolving line of credit and is convertible (in whole or in part) into common shares on the maturity date at $1.07 per common share.
(vi) Unsecured promissory note maturing on July 31, 2024 with interest compounding annually at the TD Canada Trust prime rate less 1% per annum payable on the maturity date.

In addition to the investments listed above, Urbana holds 44 mining claims in Urban Township, Quebec. No mining expenditures were incurred in 2020 or 2019.

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.

The business objectives and strategies of Urbana are to seek out, and invest in, private investment opportunities for capital appreciation and to invest in publicly traded securities to provide growth, income and liquidity.

1. Summary of significant accounting policies

Basis of presentation

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

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

Statement of compliance

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

Judgments and estimates

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

Classification and measurement of investments

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

Valuation of investments

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

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

1. Summary of significant accounting policies (continued)

Judgments and estimates (continued)

Valuation of investments (continued)

Investments for which reliable quotations are not readily available, or for which there is no closing bid price, including securities of private issuers, are valued at fair value using management's best estimates. A number of valuation methodologies may be considered in arriving at fair value, including comparable company transactions, earnings multiples, the price of a recent investment, 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 Minneapolis Grain Exchange is valued based on the current price of a seat, as quoted by the exchange.

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

1. Summary of significant accounting policies (continued)

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

Financial instruments

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

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

Transaction costs

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

Deferred income taxes

The Company accounts for deferred income taxes using the liability method, whereby deferred tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities and measured using substantively enacted income tax rates and laws that are expected to be in effect when the differences are expected to reverse. Income tax expense for the period is the tax payable for the period and any change during the period in the deferred tax assets and liabilities. A valuation allowance is provided to the extent that it is not probable that deferred tax assets 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 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.

1. Summary of significant accounting policies (continued)

Interests in Other Entities

The table below presents the unconsolidated subsidiaries of the Company as at December 31, 2020:

Subsidiary's Name	Place of Business	% of Equity Interest held by Urbana	% of Voting Rights held by Urbana
Caldwell India Holdings Inc. – holds Bombay Stock Exchange shares	Mauritius	100%	100%
Urbana Mauritius Inc. – holds Bombay Stock Exchange shares	Mauritius	100%	100%
Urbana Special Investment Holdings Ltd. (1)	Toronto	100%	100%
Radar Capital Inc.	Toronto	65.51%	65.51%

The table below presents the unconsolidated subsidiaries of the Company as at December 31, 2019:

Subsidiary's Name	Place of Business	% of Equity Interest held by Urbana	% of Voting Rights held by Urbana
Caldwell India Holdings Inc. – holds Bombay Stock Exchange shares	Mauritius	100%	100%
Urbana Mauritius Inc. – holds Bombay Stock Exchange shares	Mauritius	100%	100%
Urbana Special Investment Holdings Ltd. (1)	Toronto	100%	100%
Radar Capital Inc.	Toronto	65.51%	65.51%
Highview Financial Holdings Inc.	Oakville	65.21%	65.21%

(1) Urbana Special Investment Holdings Ltd., a wholly-owned subsidiary of Urbana, has no assets or liabilities other than an investment in 51.44262 equity shares of OneChicago, LLC, which was written-off as at December 31, 2018.

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.

2. Fair value measurement (continued)

The following is a summary of the Company's investments categorized in the fair value hierarchy as at December 31, 2020:

	Level 1	Level 2	Level 3	Total
	$	$	$	$
Public equity investments	**153,350,428**	**12,904,202**	**-**	**166,254,630**
Private equity investments	**-**	**-**	**115,826,394**	**115,826,394**
Private debt investments	**-**	**-**	**5,133,980**	**5,133,980**
	153,350,428	**12,904,202**	**120,960,374**	**287,215,004**

Level 2 and 3 valuation methods – December 31, 2020

Description	Fair value ($)(1)	Primary Valuation technique used	Significant unobservable inputs	Input/Range(2)
Public equity investments				
Caldwell India Holdings Inc. – holds Bombay Stock Exchange shares	**8,474,503**	Market transaction	Recent transaction price	N/A
Urbana Mauritius Inc. – holds Bombay Stock Exchange shares	**4,429,699**	Market transaction	Recent transaction price	N/A
Private equity investments				
Caldwell Financial Ltd.	**2,160,000**	Prescribed formula which approximates fair value	1 x net fees plus net assets	N/A
Miami International Holdings Inc.	**12,262,562**	Market transaction	Recent transaction price	N/A
CNSX Markets Inc.	**40,578,287**	Market transaction	Recent transaction price	N/A
Caldwell Growth Opportunities Trust	**694,840**	Net asset value per unit	Net asset value per unit	N/A
Caldwell Canadian Value Momentum Fund	**16,047,553**	Net asset value per unit	Net asset value per unit	N/A
Highview Financial Holdings Inc.	**11,322,108**	EV as a % of AUM(3)	EV as a % of AUM	1.0%-4.0%
Four Lakes Capital Fund Limited Partnership	**5,445,104**	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	**10,240,706**	Net asset value per share	Net asset value per share	N/A
Evolve Funds Group Inc. Class A	**3,594,009**	EV as a % of AUM	EV as a % of AUM	3.5%
Evolve Funds Group Inc. Class B	**1,850,000**	EV as a % of AUM	EV as a % of AUM	3.5%

2. Fair value measurement (continued)

Vive Crop Protection Inc. Class A2	**314,132**	EV/LTM revenue multiple	EV/LTM revenue multiple	2.7-7.5[(4)]
Vive Crop Protection Inc. Class B1	**45,567**	EV/LTM revenue multiple	EV/LTM revenue multiple	2.7-7.5[(4)]
Vive Crop Protection Inc. Class B3	**3,250,000**	EV/LTM revenue multiple	EV/LTM revenue multiple	2.7-7.5[(4)]
Vive Crop Protection Inc. Warrants	**-**	EV/LTM revenue multiple	EV/LTM revenue multiple	2.7-7.5[(4)]
Kognitiv Corporation Preferred	**353,000**	Market transaction	Recent transaction price	N/A
Kognitiv Corporation	**1,418,526**	Market transaction	Recent transaction price	N/A
FundThrough Inc. Preferred	**6,250,000**	Market transaction	Recent transaction price	N/A
Private debt investments				
Highview Financial Holdings Inc.	**3,000,000**	Face value	N/A	N/A
Radar Capital Inc.	**2,133,980**	Face value	N/A	N/A
Ending balance	**133,864,576**			

[(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)] *Last twelve months enterprise value/revenue: 5.0x*

The following is a summary of the Company's investments categorized in the fair value hierarchy as at December 31, 2019:

	Level 1	Level 2	Level 3	Total
	$	$	$	$
Public equity investments	195,794,145	11,407,276	-	207,201,421
Private equity investments	-	9,531,113	66,168,556	75,699,669
Private debt investments	-	-	6,688,770	6,688,770
	195,794,145	20,938,389	72,857,326	289,589,860

Level 2 and 3 valuation methods – December 31, 2019

Description	Fair value ($)[(1)]	Primary Valuation technique used	Significant unobservable inputs	Input/Range[(2)]
Public equity investments				
Caldwell India Holdings Inc. – holds Bombay Stock Exchange shares	7,512,705	Market transaction	Recent transaction price	N/A
Urbana Mauritius Inc. – holds Bombay Stock Exchange shares	3,894,571	Market transaction	Recent transaction price	N/A

2. Fair value measurement (continued)

Private equity investments				
Caldwell Financial Ltd.	1,784,000	Prescribed formula which approximates fair value	1 x net fees plus net assets	N/A
Minneapolis Grain Exchange (seats)	9,531,113	Market transaction	Recent transaction price	N/A
CNSX Markets Inc.	26,521,756	Market transaction	Recent transaction price	N/A
Caldwell Growth Opportunities Trust	836,594	Net asset value per unit	Net asset value per unit	N/A
Highview Financial Holdings Inc.	10,008,115	EV as a % of AUM(3)	EV as a % of AUM	1.0%-4.0%
Four Lakes Capital Fund Limited Partnership	4,728,168	Net asset value per unit	Net asset value per unit	N/A
Radar Capital Inc. Class A	141,000	Net asset value per share	Net asset value per share	N/A
Radar Capital Inc. Class B	13,571,616	Net asset value per share	Net asset value per share	N/A
Evolve Funds Group Inc. Class A	3,594,009	Market transaction	Recent transaction price	N/A
Evolve Funds Group Inc. Class B	1,850,000	Market transaction	Recent transaction price	N/A
Vive Crop Protection Inc. Class A	314,132	Market transaction	Recent transaction price	N/A
Vive Crop Protection Inc. Class B	45,567	Market transaction	Recent transaction price	N/A
Kognitiv Corporation	2,773,599	Market transaction	Recent transaction price	N/A
Private debt investments				
Highview Financial Holdings Inc.	2,500,000	Face value	N/A	N/A
Radar Capital Inc.	4,188,770	Face value	N/A	N/A
Ending balance	93,795,715			

(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

Change in valuation methodology

During the fourth quarter of 2020, the Company changed the primary valuation technique for Evolve Funds Group Inc. (“Evolve”) from a methodology based on a recent market transaction to a methodology based on EV as a multiple of AUM because the last market transaction did not take place recently, which renders the price of that transaction no longer appropriate in determining the fair value of the Evolve shares. In the absence of a recent transaction, the EV as a multiple of AUM methodology was more suitable in determining fair value. Also during the fourth quarter of 2020, the Company changed the primary valuation technique for Vive Crop Protection Inc. (“Vive”) from a methodology based on a recent market transaction to a methodology based on an EV/revenue

2. Fair value measurement (continued)

multiple because the last market transaction did not take place recently, which renders the price of that transaction no longer appropriate in determining the fair value of the Vive shares. In the absence of a recent transaction, the EV/revenue multiple methodology was more suitable in determining fair value.

During 2019, the Company changed the primary valuation technique for the Class B common shares of Radar Capital Inc. ("RCI") from a methodology based on a recent market transaction to a methodology based on net asset value. In addition, the Class A common shares are valued based on net asset value as well, whereas previously, they had a nominal value. These changes were made to better reflect the fair value of these holdings since RCI did not complete a going-public transaction by July 31, 2019 as contemplated in RCI's shareholders' agreement.

During the years ended December 31, 2020 and 2019 the reconciliations of investments measured at fair value using unobservable inputs (Level 3) are presented as follows:

			December 31, 2020
	Private equity investments	**Private debt investments**	**Total**
	$	**$**	**$**
Beginning balance	**66,168,556**	**6,688,770**	**72,857,326**
Change in unrealized gain	**12,331,570**	**-**	**12,331,570**
Purchases	**37,326,268**	**2,853,000**	**40,179,268**
Sales	**-**	**(4,407,790)**	**(4,407,790)**
Ending balance	**115,826,394**	**5,133,980**	**120,960,374**

			December 31, 2019
	Private equity investments	Private debt investments	Total
	$	$	$
Beginning balance	62,413,962	-	62,413,962
Change in unrealized gain	4,680,632	-	4,680,632
Purchases	5,959,295	6,688,770	12,648,065
Sales	(6,885,333)	-	(6,885,333)
Ending balance	66,168,556	6,688,770	72,857,326

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, 2020 and 2019 are shown below:

2. Fair value measurement (continued)

Level 3 valuation methods – December 31, 2020

Description	Input	Sensitivity used[1]	Effect on fair value ($)
Private equity investments	1 x net fees plus net assets	10%	**216,000**
	Recent transaction price	10%	**6,086,238**
	Net asset value	10%	**3,242,820**
	EV as a % of assets under mgt – Highview	1%	**4,650,151**
	EV as a % of assets under mgt. – Evolve[2]	0.25%	**2,677,131**
	EV/LTM revenue multiple[2]	0.10%	**652,828**
Private debt investments	Face value	10%	**513,398**
Total			**18,038,566**

Level 3 valuation methods - December 31, 2019

Description	Input	Sensitivity used[1]	Effect on fair value ($)
Private equity investments	1 x net fees plus net assets	10%	178,400
	Recent transaction price	10%	3,509,906
	Net asset value	10%	1,927,738
	EV as a % of assets under management	1%	4,062,700
Private debt investments	Face value	10%	668,877
Total			10,347,621

(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.

(2) The sensitivity has been performed on the total equity price given the valuation approach takes into account that the preferred shares have liquidation preference to the common shares. Based on the sensitivity performed, there is sufficient equity value to support Urbana's holdings in the respective preferred share classes.

During 2020 and 2019, 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

3. Financial instruments and risk management (continued)

fail if either party fails to meet its obligation. As at December 31, 2020, the Company held approximately $5.1 million (December 31, 2019 - $6.7 million) 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.

December 31, 2020 **Financial Liabilities**	**Due on demand**	**< 3 months**	**3 months to 1 year**	**Total**
	$	**$**	**$**	**$**
Loan payable	**22,800,000**	**-**	**-**	**22,800,000**
Accounts payable and accrued liabilities	**-**	**1,724,354**	**-**	**1,724,354**
	22,800,000	**1,724,354**	**-**	**24,524,354**

December 31, 2019 Financial Liabilities	Due on demand	< 3 months	3 months to 1 year	Total
	$	$	$	$
Loan payable	21,900,000	-	-	21,900,000
Accounts payable and accrued liabilities	-	1,619,968	-	1,619,968
	21,900,000	1,619,968	-	23,519,968

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 fall.

The table below indicates the currencies to which the Company had significant exposure as at December 31, 2020 and 2019:

	December 31, 2020	December 31, 2019
Currency	**As a % of net assets**	As a % of net assets
	%	%
United States Dollar	**41.28**	46.77
Indian Rupee	**5.18**	4.50
	46.46	51.27

As at December 31, 2020, the Company's net assets would have decreased or increased by approximately $5,716,706 (2019 - $6,498,730) 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.

3. Financial instruments and risk management (continued)

Interest rate risk

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

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

As at December 31, 2020	**Less than 1 year**	**1 to 3 years**	**3 to 5 years**	**Over 5 years**	**Total**
	$	**$**	**$**	**$**	**$**
Cash	**732,456**	**-**	**-**	**-**	**732,456**
Financial asset – promissory notes	**-**	**3,000,000**	**2,133,980**	**-**	**5,133,980**
Loan payable	**(22,800,000)**	**-**	**-**	**-**	**(22,800,000)**
	(22,067,544)	**3,000,000**	**2,133,980**	**-**	**(16,933,564)**

As at December 31, 2019	Less than 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
	$	$	$	$	$
Cash	875,089	-	-	-	875,089
Financial asset – promissory notes	-	-	6,688,770	-	6,688,770
Loan payable	(21,900,000)	-	-	-	(21,900,000)
	(21,024,911)	-	6,688,770	-	(14,336,141)

As at December 31, 2020, 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 $43,373 (2019 - $10,139). 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, 2020, 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 $16,625,463 (2019 - $ 20,720,142) or approximately 6.67% (2019 – 8.17%) 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, 2020	December 31, 2019
	$	$
Dividends	**76,220**	149,476
Interest	**161,497**	91,036
Loans	**149,463**	-
	387,180	240,512

5. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consist of the following:

	December 31, 2020	December 31, 2019
	$	$
Investment management fees (Note 9)	**1,453,500**	1,184,572
Professional fees	**149,253**	277,679
Loan interest	**72,241**	92,517
Administrative fees	**40,260**	49,700
Other	**9,100**	15,500
	1,724,354	1,619,968

6. Loan payable

On February 15, 2008, the Company entered into a demand loan facility with a major Canadian bank (the "Bank"). On March 2, 2015 the loan facility agreement was amended to allow the Company to borrow up to $25,000,000 from the Bank at any given time. Interest is charged on the outstanding balance of the loan facility at the Bank's prime rate plus 1.25%, calculated on a daily basis and paid monthly. The loan facility is secured by a general charge on the Company's assets. Loan proceeds may be used to make additional investments and/or for general corporate purposes. As at December 31, 2020, the outstanding balance of the loan was $22,800,000 (2019 - $21,900,000) which is the fair value of the loan. During the year ended December 31, 2020, the minimum amount borrowed was $Nil (2019 - $Nil) and the maximum amount borrowed was $24,300,000 (2019 - $21,900,000). As at December 31, 2020 and 2019, the Company has complied with all covenants, conditions and other requirements of the loan facility.

7. Mining Claims

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

8. Share Capital

As at December 31, 2020 and 2019 share capital consists of the following:

		Year ended December 31, 2020		Year ended December 31, 2019
	Number	**Amount**	Number	Amount
		$		$
Authorized				
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
Issued - Common Shares				
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
Issued - Class A Shares				
Balance, beginning of year	**39,563,600**	**114,375,837**	40,000,000	115,637,441
Normal Course Issuer Bid				
Repurchases during the year	**(5,351,873)**	**(15,471,923)**	(436,400)	(1,261,604)
Balance, end of year	**34,211,727**	**98,903,914**	39,563,600	114,375,837
Total	**44,211,727**	**106,902,807**	49,563,600	122,374,730

The Common Shares and Class A Shares have been classified as equity in these financial statements as the holders of these shares have no contractual rights that would require the Company to redeem the shares.

On August 31, 2020, the TSX accepted Urbana's notice of intention to conduct a normal course issuer bid to purchase up to 3,754,840 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 4, 2020, and will terminate on the earlier of September 3, 2021, the date Urbana completes its purchases pursuant to the notice of intention to conduct a normal course issuer bid filed with the TSX, or 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 6,081 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 24,325 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, 2020, Urbana has purchased and cancelled 3,626,500 Class A Shares at an average price of $2.58 per share pursuant to the NCIB and purchased and cancelled 2,116,373 Class A Shares at an average price of $2.44 per share pursuant to the previous normal course issuer bid that terminated on September 3, 2020.

9. Related party disclosures

Caldwell Financial Ltd. ("CFL"), a company under common management with Urbana, is the parent company of Caldwell Investment Management Ltd. ("CIM"), the investment manager of Urbana, and of Caldwell Securities Ltd. ("CSL"). Urbana pays CIM investment management fees for investment management services that CIM provides to Urbana. As at December 31, 2020 and 2019, Urbana had a 20% ownership interest in CFL.

9. Related party disclosures (continued)

CSL, a sister company of CIM and a registered broker and investment dealer, handles Urbana's portfolio transactions. In 2020, the total commission fees paid to CSL by Urbana amounted to $143,922 (2019 - $179,281) which was included in transaction costs and which was incurred in connection with the NCIB.

On July 19, 2019, the Ontario Securities Commission approved and published a settlement agreement with CIM to resolve a publicly disclosed enforcement proceeding. The testing and validation of CIM's procedures have been completed and submitted as per the settlement agreement. The enforcement file has been closed and the terms and conditions removed from CIM's registration.

In 2020, Urbana paid CSL $344,424 (2019 - $354,820) for administrative services, including investor relations, information technology, professional corporate office, and office and conference room access for Urbana's staff, directors and officers. This expense was included in administrative expenses. Prior to March 1, 2019, the fee did not cover information technology and professional corporate office services and did cover accounting services, including chief financial officer services. Effective March 1, 2019, Urbana's chief financial officer became an employee of Urbana and CSL no longer provides chief financial officer services to Urbana.

As at December 31, 2020 and 2019 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. Effective August 1, 2019, pursuant to RCI's shareholders' agreement, the previously held non-voting preferred shares of RCI were redeemed for a $4,188,770 unsecured promissory note and the non-voting class B common shares became voting class B common shares. 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 March 2020, RCI distributed to its shareholders, shares of one of its investments, namely Metamaterial Inc., that went public. This distribution served to reduce the principal balance of the unsecured promissory note to $2,133,980. In February 2021 RCI paid off the remaining balance of $2,133,980.

As at December 31, 2020 Urbana had an 13.71% ownership interest (2019 – 23.42%) in Caldwell Growth Opportunities Trust, which is a private equity pool managed by CIM.

As at December 31, 2020 Urbana had a 15.02% ownership interest (2019 – Nil) in Caldwell Canadian Value Momentum Fund, which is a mutual fund managed by CIM, on which Urbana pays a 0.5% per annum management fee, instead of the regular 2% per annum pursuant to the investment management and advisory agreement between Urbana and CIM (see paragraph below).

Prior to 2020, pursuant to a fund management and portfolio management agreement effective as of August 10, 2011, CIM was entitled to and received an investment management fee equal to 1.5% per annum of the market value of Urbana's investment portfolio. On December 6, 2019 Urbana entered into an updated investment management and advisory agreement with CIM, effective as of January 1, 2020. Pursuant to this agreement, 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 will pay 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. The updated investment management and advisory agreement with CIM was unanimously approved by the Board of Directors, on the recommendation of the independent directors of the Company, which was based on, among other factors, advice from an independent financial advisory firm. In 2020, CIM earned $5,681,771 of investment management fees from Urbana (2019 - $4,105,790). The investment management fees are accrued daily and paid quarterly in arrears. As at December 31, 2020 there was an investment management fee payable included in accounts payable and accrued liabilities of $1,453,500 to CIM (2019 – $1,184,572).

As at December 31, 2020 Urbana owned 49.26% (2019 – 49.29%) of the common shares of CNSX Markets Inc., the operator of the CSE.

9. Related party disclosures (continued)

In September 2020 Urbana purchased $216,000 of common shares of Highview Financial Holdings Inc. ("HFHI") from RCI at a price per share based on the prescribed formula in the HFHI shareholders' agreement (the "Formula"). As a result, as at December 31, 2020 Urbana had a 48.63% direct ownership interest (2019 – 47.44%) in HFHI and RCI had a 24.78% (2019 – 27.13%) ownership interest in HFHI, the combination of which allowed Urbana to exercise control over the majority of HFHI's common shares. Pursuant to the HFHI amended and restated shareholders' agreement dated and effective as of December 30, 2020, Urbana has agreed that it shall not be entitled to elect a majority of the board of directors of HFHI so that HFHI is not considered a subsidiary of Urbana. Urbana has not yet nominated its directors to the HFHI board of directors, which currently consists of HFHI management only. In February 2020 Urbana loaned an additional $500,000 to HFHI and as a result, as at December 31, 2020 Urbana held a $3,000,000 promissory note from HFHI. In February 2021 Urbana purchased $5,923,400 of common shares of HFHI from RCI at a price per share based on the Formula and as a result now has a 73.42% direct ownership interest in HFHI.

In a series of transactions in May and June 2019, Urbana purchased the following portfolio holdings (the "Purchased Securities") from Caldwell ICM Market Strategy Trust, a related party, at fair value, for an aggregate cost of $4,975,258:

- Radar Capital Inc. (units)
- Vive Crop Protection Inc. (preferred A shares, preferred B shares and warrants)
- Kognitiv Corporation (common shares)
- Minneapolis Grain Exchange ("MGEX") (seats)

The purchase prices of the Purchased Securities, excluding MGEX, were based on independent third party valuations and the purchase price of the MGEX seats was based on the price of a seat as quoted by the exchange on which the MGEX seats trade. The acquisitions by Urbana of the Purchased Securities were done with regulatory approval and the unanimous approval of the Board of Directors.

In 2020, the remuneration of key management personnel (including directors), which included salaries and short-term benefits, was $473,916 (2019 - $402,215).

During 2020, Urbana issued loans to certain of its directors 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 director. 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 director with funds advanced under the revolving credit facility are held in a broker's account as security for the loan. As at December 31, 2020, the total principal amount of the loans outstanding, which is included in accounts and other receivables, is $149,463 (2019 - $Nil).

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, 2020 and 2019 is summarized as follows:

	2020	2019
	$	$
Net income before income taxes	**14,337,637**	56,800,095
Expected taxes payable (recoverable) at future rates - 26.5%	**3,799,474**	15,052,025
Income tax effect of the following:		
Non-taxable portion of realized capital gains	**(2,918,395)**	(654,420)
Non-taxable portion of unrealized capital (gains) losses	**396,984**	(7,409,621)
Non-taxable dividends	**(331,695)**	(361,514)
Foreign withholding tax expense, net of Canadian tax	**200,622**	204,423
Adjustment to prior year's tax balance	**252,109**	(773,267)
Other	**(145,144)**	(2,500)
Income tax expense	**1,253,955**	6,055,126

The income tax expense is represented as follows:

	2020	2019
	$	$
Provision for deferred income taxes	**981,000**	5,777,000
Foreign withholding tax expense	**272,955**	278,126
Income tax expense	**1,253,955**	6,055,126

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

	December 31, 2020	December 31, 2019
	$	$
Resource deductions available in perpetuity	**(61,969)**	(76,106)
Unrealized capital gains on investments	**14,879,103**	14,996,568
Non-capital loss carryforwards	**(175,750)**	(1,260,959)
Other	**(384)**	497
Total deferred income tax liability	**14,641,000**	13,660,000

As at December 31, 2020, the Company had non-capital losses of $663,209 (December 31, 2019 - $4,758,337) available for carryforward for tax purposes until December 31, 2039.

11. Dividends

On January 31, 2020 the Company paid a regular cash dividend of $0.08 per share on the issued and outstanding Common and Class A Shares as at January 17, 2020 amounting to $3,958,579. On January 31, 2019 the Company paid a regular cash dividend of $0.07 per share on the issued and outstanding Common and Class A Shares as at January 17, 2019 amounting to $3,500,015. Subsequent to the 2020 year end, on January 31, 2021 the Company paid a regular cash dividend of $0.09 per share on the issued and outstanding Common and Class A Shares as at January 15, 2021 amounting to $3,979,075.

12. COVID-19

In March 2020, there was a global outbreak of COVID-19, which has had a significant impact on businesses. At this time, the extent of the impact that the COVID-19 outbreak may have on the Company is unknown as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the virus, and the duration of the outbreak, including the duration of travel restrictions, business closures, and quarantine/isolation measures that are currently, or may be put, in place by Canada, the U.S. and other countries to fight the virus. The year ended December 31, 2020 was characterized by increased uncertainty due to COVID-19. The Company is closely monitoring the current environment and assessing the impacts, if any, on its significant assumptions related to critical estimates.

13. Approval of financial statements

The financial statements were approved by the Board of Directors and authorized for issue on March 10, 2021.