

URBANA CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended December 31, 2022

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, 2022 (the "Annual Audited Financial Statements"). Consequently, the following 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 International Financial Reporting Standards ("IFRS"). All amounts shown in this MD&A, unless otherwise specified, are presented in Canadian dollars. 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 22, 2023. 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 SEDAR website at www.sedar.com.

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.

NON-IFRS MEASURES

The Corporation prepares audited annual financial statements and unaudited condensed interim financial statements in accordance with IFRS. This MD&A complements the Corporation's IFRS results with the following financial measures which are not recognized under IFRS and which do not have a standard meaning prescribed by IFRS: "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, but "net assets per Share" is not. The calculation of net assets per Share as at December 31, 2022 and 2021 is presented in the following table:

	December 31, 2022	December 31, 2021
Assets (\$)	367,126,050	348,099,367
LESS Liabilities (\$)	57,523,862	46,959,689
EQUALS Net Assets (\$)	309,602,188	301,139,678
DIVIDED BY Number of Shares Outstanding	41,395,100	43,000,000
EQUALS Net assets per Share (\$)	7.48	7.00

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 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 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 measure is provided in this MD&A.

Non-IFRS measures should not be construed as alternatives to net comprehensive income (loss) determined in accordance with IFRS 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 2022 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.sedar.com. 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

All references to "millions" within this MD&A will be described as "M" hereafter.

On balance, the first quarter of 2022 ("Q1") was a positive one for Urbana as gains in our energy-related holdings more than offset declines in our U.S. financial holdings. Urbana's net assets per Share increased from \$7.00 to \$7.68 in Q1, after the payment of a dividend of ten cents (\$0.10) per Share¹ in January 2022, resulting in an 11.3% total return of net assets per Share.

In the second quarter of 2022 ("Q2") Urbana's total return of net assets per Share declined by 8.6% as its net assets per Share decreased from \$7.68 to \$7.02. "Ugly" was the word often used to describe stock market performance in Q2. Stock market conditions in Q2 were very challenging and overall stock market performance in Q2 was significantly down from Q1.

The third quarter of 2022 ("Q3") was slightly positive for Urbana despite the continued downward trend of public equity markets and significant trading volatility. During this quarter, Urbana's net assets per Share increased from \$7.02 to \$7.07, resulting in a 0.7% total return of net assets per Share.

The final quarter of 2022 ("Q4") witnessed an improvement in equity markets as high tech companies rebounded off their lows. That group, with generally high valuations, had reached a point of vulnerability and skewed some of the downward numbers in stock indices during the year.

On balance, equity markets were quite resilient to inflation numbers, central bank interest rate threats and media's stressing a potential recession.

It appeared equity markets illustrated how much money there was in the system looking for a productive or even slightly promising tone.

In Q4, Urbana's after-tax net assets per Share increased from \$7.07 to \$7.48 or 5.8%, which is less than the Dow Jones Industrial Average Total Return Index (in Canadian Dollars) ("DJIA Index") and the S&P/TSX Composite Total Return Index ("S&P/TSX Index"). By comparison, for the year ended December 31, 2022, Urbana's after-tax total return of net assets per Share of 8.4%,

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

after the payment a dividend of ten cents (\$0.10) per Share¹ in January 2022, was significantly greater than the DJIA Index of -0.1% and the S&P/TSX Index of -5.8%.

Urbana's 2022 public equity focus was on U.S. financials and Canadian energy sectors. The former was weak, but the latter quite strong, with the combination giving Urbana a good net return overall.

The Corporation has also seen decent improvements in its private equity holdings over the quarter and the year.

IGPC Ethanol Inc. (a division of Integrated Grain Processors Co-operative Inc.) was the quarter's outperformer with a \$2.8M valuation improvement.

Looking into 2023, the Corporation plans to continue to follow its current financial services/energy focus in Urbana's public holdings. In the private sector holdings, the Corporation contemplates a year where some valuation improvements are possible. The Corporation also envisions sorting out some of its less promising positions.

Further, Urbana anticipates firmer equity markets with moderating inflation, stabilizing of interest rates and the economy experiencing more of a slowdown rather than a recession.

In either case, the Corporation has available a significant amount of cash looking for bargains in any decline.

Urbana's long-term performance, represented by its CAGR of net assets per Share since inception to December 31, 2022, was 14.6%. This compares favorably with the CAGR of the S&P/TSX Index of 8.8% and the CAGR of the DJIA Index of 9.4%, 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 DJIA Index.

In 2022, dividend income amounted to \$4.1M, down \$1.1M from \$5.2M in 2021. The decrease in 2022 primarily relates to a \$2.3M dividend from Caldwell Canadian Value Momentum Fund in 2021 that was re-invested in additional units of the fund. There was no such dividend in 2022. In 2022, interest income amounted to \$503,526, an increase of \$141,499 over \$362,027 in 2021. The increase in 2022 is primarily related to the Kognitiv Corporation convertible note, on which interest commenced on January 31, 2022.

Urbana realized a net gain of \$8.7M from the sale of investments in 2022 (2021 - \$10.0M). The 2022 gain stemmed primarily from the disposition of Whitecap Resources Inc. (\$3.9M), Tamarack Valley Energy Ltd. (\$3.0M), Citigroup Inc. (\$0.7M), Caldwell Canadian Value Momentum Fund (\$0.7M) and others. The 2021 gain resulted primarily from the disposition of Metamaterial, offset by losses from the wind-up of Urbana's Mauritius-based companies and Urbana Special Investment Holdings Ltd.

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

Urbana recorded \$19.2M in unrealized gains in 2022 (2021 - \$61.8M), with \$38.6M of gains related to private equity investments and \$19.4M of losses stemming from our public holdings. The best performers during 2022 were CNSX Markets Inc., the operator of the Canadian Securities Exchange (\$25.6M), Whitecap Resources Inc. (\$6.1M), Integrated Grain Processors Co-operative Inc. (\$5.8M) and Evolve Funds Group Inc. (\$4.0M). Offsetting these unrealized gains were Urbana’s holdings in the financial services industry, with notable underperformers being Real Matters Inc. (\$6.3M), KKR & Co. (\$6.2M), Bank of America Corp. (\$4.0M), Citigroup Inc. (\$3.5M) and Intercontinental Exchange Group Inc. (\$3.4M). The 2021 unrealized gain related to the vast majority of Urbana’s investments, with CNSX Markets experiencing the largest increase.

During 2022, Urbana recorded net income before income taxes of \$21.5M (2021 - \$68.0M) primarily due to \$19.2M in unrealized gains on investments. Investment management fees in 2022 were \$7.8M, an \$800,000 increase over \$7.0M in 2021, due to increased average assets under management. Interest expense in 2022 amounted to \$1.3M, up from \$718,899 in 2021 due to higher average borrowings and borrowing rates in 2022. In 2022, transaction costs, which relate entirely to normal course issuer bid (“NCIB”) trades, were \$54,116, up from \$37,249 in 2021, due to an increase in the number of shares purchased under the NCIB in 2022. Transaction costs in respect of all non-NCIB trades are absorbed by CIM. Professional fees, comprised of audit fees and legal costs, were \$290,365 in 2022, down slightly from \$296,876 in 2021, primarily due to reduced legal fees in 2022. Administrative expenses in 2022 were \$1.6M, up from \$1.4M in 2021 due primarily to increased marketing costs and costs incurred in respect of a special project in 2022. Foreign withholding tax expense in 2022 was \$362,947, up from \$308,633 in 2021, due to an increase in foreign dividend income in 2022. Current income tax expense in 2022 of \$156,370 relates to 2021 due to an adjustment made to taxable income. A deferred income tax expense of \$2.0M has been recorded in 2022, down from \$7.7M in 2021, primarily due to reduced unrealized losses during 2022.

During 2022, Urbana purchased and cancelled 1,604,900 Class A shares under the NCIB at an average price of \$3.83 per Class A Share. Subsequent to December 31, 2022, Urbana did not purchase any additional Class A Shares. 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 \$122.1M to shareholders in the form of NCIB purchases and dividends. The number of Class A Shares now outstanding 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:

	2022 (\$)	2021 (\$)	2020 (\$)
Total revenue	32,520,838	77,378,109	22,239,587
Profit from continuing operations attributable to owners of the parent:			
Total	18,917,077	59,994,254	13,083,682
Per Share	0.45	1.37	0.27
Diluted per Share	0.45	1.37	0.27

Profit attributable to owners of the parent:				
	Total	18,917,077	59,994,254	13,083,682
	Per Share	0.45	1.37	0.27
	Diluted per Share	0.45	1.37	0.27
Total assets		367,126,050	348,099,367	288,334,640
Total non-current financial liabilities		24,374,000	22,331,000	14,641,000
Cash dividends declared per Share:				
	Common Shares	0.10	0.09	0.08
	Class A Shares	0.10	0.09	0.08

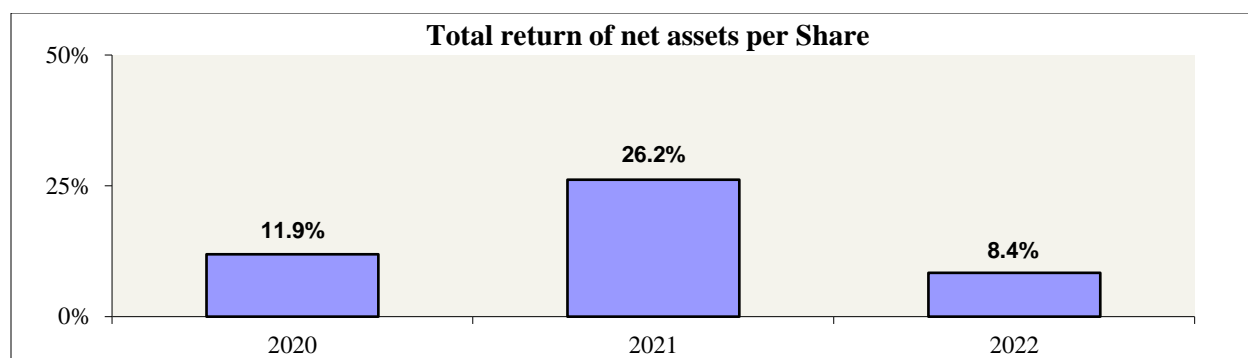
Revenue and profit levels in 2022, 2021 and 2020 were determined primarily by the unrealized and realized gains on the Corporation's investment portfolio. Variations among the years relate to the investment decisions made, market price fluctuations of securities held in Urbana's investment portfolio and changes in foreign exchange rates. There have been no changes in accounting policies during the years 2020 to 2022 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 2020 to 2022. Total assets increased during 2021 and 2022 due to increased market values of the investment portfolio. Non-current financial liabilities, namely deferred income tax liability, increased during 2021 and 2022 as a result of unrealized gains recorded in those years. Dividends amounted to \$0.08 per Share in January 2020 and increased to \$0.09 per Share in January 2021 due to improved results in 2020. A dividend of \$0.10 per Share was paid in January 2022, an increase of 11.1% over 2021, also due to improved results in 2021. In all instances, Common Shares and the Class A Shares participated equally in dividends. For each of the years 2020 to 2021, the financial data has been prepared in accordance with IFRS 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 grown 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, 2022

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

Number of securities	Description	Cost (\$)	Fair value (\$)	% of Portfolio Fair Value
Private equity investments				
13,480,878	CNSX Markets Inc.	8,168,349	80,885,268	22.2%
1,327,620	Miami International Holdings Inc.	12,257,268	14,318,916	3.9%
800,000	Caldwell Financial Ltd.	1,826,650	3,168,000	0.9%
2,350,000	Radar Capital Inc. Class A Common	50	-	-%
16,755,081	Radar Capital Inc. Class B Common	11,561,006	4,681,370	1.3%
1,544,236	Evolve Funds Group Inc. ("Evolve) Class B Preferred	1,772,788	4,648,150	1.3%
3,000,000	Evolve Funds Group Inc. Class C Preferred	2,130,658	9,030,000	2.5%
771,638	Evolve Funds Group Inc. Class D Preferred	771,638	771,638	0.2%
1,195,246	EFG Management Holdings Inc. ("EFG") Class A Common (i)	3,597,690	3,597,690	1.0%
498,041	EFG Management Holdings Inc. Class E Common (i)	1,499,103	1,499,103	0.4%
15,259,886	Highview Financial Holdings Inc.	11,546,243	19,837,852	5.4%
5	Integrated Grain Processors Co-operative Inc. Membership Shares	500	500	-%
1,936,097	Integrated Grain Processors Co-operative Inc. Class E Preferred	3,153,691	8,906,046	2.4%
4,538,460	Four Lakes Capital Fund Limited Partnership	4,999,998	8,142,469	2.2%
84,012	Caldwell Growth Opportunities Fund (CGOF) (ii)	703,437	627,958	0.2%
465,381	Vive Crop Protection Inc. Class A2 Preferred	314,132	314,132	0.1%
455,671	Vive Crop Protection Inc. Class B1 Preferred	45,567	209,609	0.1%
6,500,000	Vive Crop Protection Inc. Class B3 Preferred	3,250,000	3,250,000	0.9%
2,492,279	Vive Crop Protection Inc. Class C1 Preferred	1,629,452	1,629,452	0.4%
27,428	Kognitiv Corporation Class A-2 Preferred	353,000	253,827	0.1%
122,222	Kognitiv Corporation	2,404,596	145,732	-%
380,000	Lyceum CME Inc. Class B Preferred	1,900,000	1,900,000	0.5%
6,047,895	FundThrough Inc. Class A Preferred	6,250,000	9,132,322	2.5%
208,290	Varo Money, Inc.	2,565,000	2,615,046	0.7%
1,750,000	Tetra Trust Company Class A Common	1,750,000	1,995,000	0.6%
5,622	Urbana International Inc. (UII) (iii)	10,479,725	11,403,950	3.1%
Public equity investments				
715,599	Caldwell Canadian Value Momentum Fund	13,703,577	14,839,811	4.1%
110,000	Cboe Global Markets, Inc.	3,637,004	18,700,614	5.1%
100,000	Intercontinental Exchange Group Inc.	4,153,846	13,900,432	3.8%
150,000	Citigroup Inc.	7,632,146	9,192,658	2.5%
350,000	Bank of America Corp.	4,882,387	15,706,580	4.3%
250,000	Morgan Stanley	6,933,526	28,799,462	7.9%
1,600,000	Real Matters Inc.	6,352,346	6,688,000	1.8%

4,000,000	Tamarack Valley Energy Ltd.	10,719,252	17,840,000	4.9%
200,000	KKR & Co. Inc. Class A	7,516,623	12,579,356	3.5%
20,000	Canadian Imperial Bank of Commerce	1,103,234	1,095,400	0.3%
2,500,000	Whitecap Resources Inc.	8,776,111	26,850,000	7.4%
Private debt investments				
3,000,000	Highview Financial Holdings Inc. (iv)	3,000,000	3,000,000	0.8%
1,000	Integrated Grain Processors Co-operative Inc. (v)	1,000,000	1,000,000	0.3%
1,000,000	Kognitiv Corporation (vi)	1,000,000	1,000,000	0.3%
Cash		268,765	268,579	0.1%
		175,609,358	364,424,922	100.0%

(i) 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.

(ii) Urbana owns 11.47% of CGOF, which owns 5.50% of the Class B common shares of Radar Capital Inc.

(iii) 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.

(iv) 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.

(v) Debenture maturing on July 31, 2023 with interest at 7% per annum payable quarterly.

(vi) Secured subordinated convertible note maturing on July 31, 2023 with interest at 12% per annum payable monthly. In lieu of a monthly cash interest payment, Kognitiv makes a payment-in-kind by capitalizing the interest payable on each monthly interest payment date.

In addition to the investments listed above, Urbana holds 44 mining claims in Urban Township, Quebec. No mining expenditures were incurred in 2022 or 2021. 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 February 15, 2008, as amended on March 2, 2015, the Bank provided a demand loan facility to Urbana, which allowed Urbana to borrow up to \$25M. On July 2, 2021, the loan facility agreement was amended and restated to allow Urbana to borrow up to \$50M. Effective as of the date of the amended and restated loan facility agreement, 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. Prior to the date of the amended and restated loan facility, interest on the outstanding balance of the loan facility was charged at the Bank’s prime rate plus 1.25%. The loan facility is secured by a general charge on Urbana’s assets. Loan proceeds may be used to make additional investments and/or for general corporate purposes. As at December 31, 2022, the outstanding balance of the loan was \$32.0M. The minimum and maximum amounts borrowed during 2022 were \$19.4M and \$35.0M 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 27, 2021, the Toronto Stock Exchange (the “TSX”) accepted a notice of intention to conduct a normal course issuer bid from Urbana to purchase up to 3,373,358 of its own Class A Shares (the “2021 NCIB”), representing 10% of the public float, pursuant to TSX rules. Purchases under the 2021 NCIB were permitted starting on September 7, 2021 and terminated on September

6, 2022. Urbana purchased and cancelled 2,414,900 Class A Shares pursuant to the 2021 NCIB at an average purchase price of \$3.60 per Class A Share.

On August 31, 2022, the TSX accepted a notice of intention to conduct a normal course issuer bid (the “Notice”) from Urbana to purchase up to 3,139,548 of its own Class A Shares (the “2022 NCIB”), representing 10% of the public float, pursuant to TSX rules. Purchases under the 2022 NCIB were permitted starting on September 7, 2022, and will terminate on the earlier of September 6, 2023, 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 2022 NCIB. The Class A Shares purchased under the 2022 NCIB must be cancelled. As at December 31, 2022, Urbana had purchased and cancelled 290,000 Class A Shares pursuant to the 2022 NCIB at an average purchase price of \$3.95 per Class A Share. 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 may carry out exploration work on its mineral claims if and when it is deemed suitable. Urbana has received several enquiries from companies operating in the area but has not yet decided on a partner for further development. 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.

Urbana has incurred mining expenditures totaling \$1.1M, all of which relate to periods prior to 2019. These expenditures were recorded in the financial statements of the Corporation as a loss in computing “net realized gain on sale and disposal of investments”, in accordance with IFRS 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 ore body tonnage proven up at this time. The property is therefore still highly speculative. If ore body type tonnage 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, 2022, the Corporation paid a cash dividend of \$0.10 per Share on the aggregate issued and outstanding Common Shares and Class A Shares as at January 17, 2022. 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 22, 2023, 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 CIM, which is 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 (see below under the heading “*Management Fees*”). As at December 31, 2022 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. The total amount of commission fees paid to CSL by Urbana during the years ended December 31, 2022 and 2021 were \$54,116 and \$37,249 respectively. Commissions paid relate solely to NCIB trades. All securities transactions conducted through CSL are reviewed by Urbana’s independent directors on a quarterly basis.

Pursuant to an administrative services agreement between Urbana and CSL dated and effective March 1, 2019 and as amended on April 1, 2021, Urbana pays CSL a monthly fee of \$30,962 (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. In addition, in 2022 Urbana paid CSL an aggregate of \$45,200 in respect of two special projects that were undertaken by CSL on behalf and at the request of Urbana. Effective January 1, 2023, the administrative services agreement was amended to increase the monthly fee by \$6,441 (HST inclusive) due to the increased costs of all services performed by CSL on behalf of Urbana. These fee increases and the fees for the special projects were approved by the independent directors.

In 2022 Urbana paid total fees of \$3,308 to CSL for their services in respect of arranging for the transfer of private equity securities to Urbana by way of a “share transfer platform” that CSL manages on behalf of Integrated Grain Processors Co-operative Inc.

As at December 31, 2022 Urbana owned 50% of the voting class A common shares and 68.49% of the voting class B common shares of Radar Capital Inc. (“RCI”), a private capital company. As a result, Urbana owns a total of 65.51% of the voting common shares of RCI with each class A and class B common share entitled to one vote.

As at December 31, 2022 Urbana had an 11.47% ownership interest in Caldwell Growth Opportunities Fund, which is a private equity pool managed by CIM. Urbana does not pay a management fee as described below, on this investment (see below under the heading “*Management Fees*”).

In February 2022, Urbana redeemed 189,837 units of Caldwell Canadian Value Momentum Fund (“CCVMF”) for \$4.3M. As at December 31, 2022 Urbana had a 7.40% ownership interest in CCVMF, which is a mutual fund managed by CIM. Urbana pays a 0.50% per annum management fee on this investment pursuant to an agreement dated July 30, 2020 between Urbana and CIM, instead of the 2.00% per annum management fee paid to CIM (see below under the heading “*Management Fees*”).

In December 2022, Urbana purchased an additional 20,000 common shares of CNSX Markets Inc. (“CNSX”), the operator of the Canadian Securities Exchange, for \$120,000. As a result, as at December 31, 2022 Urbana owned 49.99% of the common shares of CNSX.

As at December 31, 2022, Urbana had a 73.42% ownership interest in Highview Financial Holdings Inc. (“HFHI”) and held a \$3M convertible promissory note from 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.

Urbana holds an investment 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, 2022 Urbana had a receivable of \$104,075 from UII in respect of operating expenses incurred by UII.

As at December 31, 2022, there were no fees payable to related parties, other than a management fee of \$672,495 payable to CIM.

During 2022, Urbana, as lender, increased its loan to one director of the Corporation, Michael B. C. Gundy. Prior to 2022, 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. Each of these loans provides for a revolving credit facility of up to \$100,000 for the borrower, which he/she may use for the sole purpose of purchasing Shares, in 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, 2022, the total outstanding principal amount of such loans is \$280,973, being \$50,090, \$97,321, \$72,452 and \$61,110 in respect of Messrs. Elliott, Gundy and Pennock and Ms. Stinson, respectively. As at December 31, 2022, Messrs. Elliott, Gundy and Pennock, and Ms. Stinson have purchased, respectively, 19,000 Common Shares, 29,900 Common Shares, 6,000 Common Shares and 20,000 Class A Shares, and 3,000 Common Shares and 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 2022, CIM earned \$7.8M (2021 - \$7.0M) of investment management fees from Urbana. The investment management fees are accrued daily and paid monthly in arrears. As at December 31, 2022 there was an investment management fee of \$672,495 payable to CIM (2021 - \$638,274).

SUMMARY OF QUARTERLY RESULTS

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

	4 th Quarter 2022 (\$)	3 rd Quarter 2022 (\$)	2 nd Quarter 2022 (\$)	1 st Quarter 2022 (\$)
Realized gain	308,360	7,914	7,637,705	763,754
Change in unrealized gain (loss)	20,041,119	2,747,296	(39,683,841)	36,119,008
Dividend income	1,000,042	1,190,559	936,473	948,923
Interest income	114,991	110,276	144,816	133,443
Total expenses	3,110,899	2,764,272	2,644,888	2,521,385
Net income (loss) before income taxes	18,353,613	1,291,773	(33,609,735)	35,443,743
Net income (loss) before income taxes per Share	0.44	0.03	(0.80)	0.83
Net assets per Share (beginning of period)	7.07	7.02	7.68	7.00
Net assets per Share (end of period)	7.48	7.07	7.02	7.68
	4 th Quarter 2021 (\$)	3 rd Quarter 2021 (\$)	2 nd Quarter 2021 (\$)	1 st Quarter 2021 (\$)
Realized gain (loss)	(1,086,827)	7,761,289	6,132,354	(2,791,871)
Change in unrealized gain	5,697,504	5,483,826	24,323,963	26,252,702
Dividend income	3,124,096	812,225	643,355	663,466
Interest income	117,644	96,439	78,076	69,868
Total expenses	2,576,642	2,439,739	2,224,435	2,144,406
Net income before income taxes	5,275,775	11,714,040	28,953,313	22,049,759
Net income before income taxes per Share	0.12	0.27	0.66	0.50
Net assets per Share (beginning of period)	6.84	6.56	5.98	5.64
Net assets per Share (end of period)	7.00	6.84	6.56	5.98

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

Realized gains of \$308,360 were generated in Q4 compared to \$7,914 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 2022 and Q4 in 2021 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 43% of its assets, with a fair value of approximately

\$157.5M, 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 2022, 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.

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 do not produce income and cannot be readily sold, the Corporation may need to rely on its loan facility or issue 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 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 2022 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, 2022, (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, 2022 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.

The Corporation's CEO and CFO have evaluated the effectiveness of the Corporation's DC&P as at December 31, 2022 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, 2022, 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, 2022 and ending on December 31, 2022 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", "schedule", "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 and sort out less promising positions; the Corporation's outlook for the equity markets; 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 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; and its 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; 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.