



**UNAUDITED INTERIM CONDENSED  
CONSOLIDATED FINANCIAL  
STATEMENTS**

THREE AND NINE MONTHS ENDED  
SEPTEMBER 30, 2024

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

### To the Shareholders of Urbanfund Corp.

The accompanying unaudited interim condensed consolidated financial statements of Urbanfund Corp. (the "Company" or "Urbanfund") are the responsibility of management and have been approved by the Board of Directors of the Company.

The unaudited interim condensed consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with International Financial Reporting Standards, as disclosed in the notes to the unaudited interim condensed consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the consolidated balance sheets date. In the opinion of management, the consolidated financial statements have been prepared with acceptable limits of materiality and are in accordance with International Financial Reporting Standards.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the interim condensed consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited interim condensed consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with the established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

### NOTICE TO READER

Under *National Instrument 51-102, Part 4, subsection 4.3(3)(a)*, if an auditor has not performed a review of the interim condensed consolidated financial statements, they must be accompanied by a notice indicating that the interim condensed consolidated financial statements have not been reviewed by an independent auditor. The accompanying unaudited interim condensed consolidated financial statements of Urbanfund have been prepared by and are the responsibility of management.

Urbanfund's independent auditor has not performed a review of these unaudited interim condensed consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada.

*Mitchell Cohen*  
President, Chief Executive Officer and Director

*Thomas Kofman*  
Director

Toronto, Ontario  
November 26, 2024

**URBANFUND CORP.**  
**INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS**  
(In Canadian dollars)  
(Unaudited)

As at	Note	September 30, 2024	December 31, 2023
<b>Assets</b>			
Investment properties	4	\$ 106,069,000	\$ 107,252,000
Equity accounted investments	5	28,445,955	27,601,430
Inventory properties	7	3,692,586	11,048,071
Receivables and other assets	8	1,036,156	5,937,745
Cash		11,470,522	3,567,974
<b>Total assets</b>		<b>\$ 150,714,219</b>	<b>\$ 155,407,220</b>
<b>Liabilities</b>			
Mortgages payable	9	\$ 55,928,358	\$ 65,103,388
Deferred tax liabilities		11,133,000	10,628,000
Tenant deposits		457,234	450,414
Income taxes payable		1,369,496	11,497
Accounts payable and accrued liabilities		1,107,809	1,495,262
<b>Total liabilities</b>		<b>69,995,897</b>	<b>77,688,561</b>
<b>Equity</b>			
Common shares		16,844,249	16,236,174
Preferred shares		1,113,750	1,113,750
Retained earnings		61,081,805	58,546,071
<b>Total shareholders' equity</b>		<b>79,039,804</b>	<b>75,895,995</b>
<b>Non-controlling interests</b>		<b>1,678,518</b>	<b>1,822,664</b>
<b>Total equity</b>		<b>80,718,322</b>	<b>77,718,659</b>
<b>Total liabilities and equity</b>		<b>\$ 150,714,219</b>	<b>\$ 155,407,220</b>
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Approved by the Board of Directors:

Mitchell Cohen  
Director

Thomas Kofman  
Director

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

# URBANFUND CORP.

## INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

(In Canadian dollars)  
(Unaudited)

	Note	Three months ended September 30,		Nine months ended September 30,	
		2024	2023	2024	2023
<b>Revenue</b>					
Rental revenue	12	\$ 2,090,060	\$ 2,162,878	\$ 6,540,334	\$ 6,439,747
Inventory property sales	7,12	3,472,000	-	12,265,024	-
		<b>5,562,060</b>	2,162,878	<b>18,805,358</b>	6,439,747
<b>Operating costs</b>					
Rental expenses		\$ 966,534	\$ 800,619	2,852,018	2,609,534
Inventory property cost of sales	7	2,420,332	-	8,089,062	-
		<b>3,386,866</b>	800,619	<b>10,941,080</b>	2,609,534
<b>Operating income</b>		<b>2,175,194</b>	1,362,259	<b>7,864,278</b>	3,830,213
<b>Other income</b>					
Income from equity accounted investments	5	605,748	355,000	2,129,748	1,605,000
Interest income		128,061	108,622	314,733	345,541
Fair value adjustment on income properties	4	(259,310)	26,101	(2,019,281)	216,762
Profit from investment in real estate project	6	-	60,000	106,000	188,000
		<b>474,499</b>	549,723	<b>531,200</b>	2,355,303
<b>Other expenses</b>					
Financing costs		465,952	610,659	1,584,377	1,827,413
General and administrative costs		81,855	123,974	259,992	277,309
		<b>547,807</b>	734,633	<b>1,844,369</b>	2,104,722
<b>Income before taxes</b>		<b>2,101,886</b>	1,177,349	<b>6,551,109</b>	4,080,794
Current income tax expense		342,000	45,081	1,378,000	150,558
Deferred income tax expense		237,000	196,000	505,000	638,000
		<b>579,000</b>	241,081	<b>1,883,000</b>	788,558
<b>Net income and comprehensive income</b>		<b>\$ 1,522,886</b>	\$ 936,268	<b>\$ 4,668,109</b>	\$ 3,292,236
<b>Net income attributable to:</b>					
Shareholders		\$ 1,516,042	\$ 904,469	\$ 4,812,255	\$ 3,180,021
Non-controlling interests		6,844	31,799	(144,146)	112,215
		<b>\$ 1,522,886</b>	\$ 936,268	<b>\$ 4,668,109</b>	\$ 3,292,236
<b>Net income per share attributable to shareholders:</b>					
Basic income per share	10	\$ 0.028	\$ 0.017	\$ 0.090	\$ 0.061
Diluted income per share	10	\$ 0.025	\$ 0.015	\$ 0.079	\$ 0.053

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

# URBANFUND CORP.

## INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In Canadian dollars)

(Unaudited)

	Note	Common equity		Preferred equity		Retained earnings	Non-controlling interests	Total equity
		Number of shares	Share capital	Number of shares	Share capital			
Balance, December 31, 2022		51,814,741	15,395,340	7,425,000	1,113,750	55,159,182	1,479,902	73,148,174
Changes during the period								
Distributions		-	-	-	-	-	(206,667)	(206,667)
Net income and comprehensive income for the period		-	-	-	-	3,180,021	112,215	3,292,236
Dividends paid	11,18	-	-	-	-	(1,605,242)	-	(1,605,242)
Add: prior period dividends payable		-	-	-	-	740,497	-	740,497
Less: current period dividends payable		-	-	-	-	(749,932)	-	(749,932)
Dividend reinvestment plan	11	754,820	626,189	-	-	(626,189)	-	-
<b>Balance, September 30, 2023</b>		<b>52,569,561</b>	<b>16,021,529</b>	<b>7,425,000</b>	<b>1,113,750</b>	<b>56,098,337</b>	<b>1,385,450</b>	<b>74,619,066</b>

	Note	Common equity		Preferred equity		Retained earnings	Non-controlling interests	Total equity
		Number of shares	Share capital	Number of shares	Share capital			
<b>Balance, December 31, 2023</b>		<b>52,803,557</b>	<b>16,236,174</b>	<b>7,425,000</b>	<b>1,113,750</b>	<b>58,546,071</b>	<b>1,822,664</b>	<b>77,718,659</b>
Changes during the period								
Net income and comprehensive income for the period		-	-	-	-	4,812,255	(144,146)	4,668,109
Dividends paid	11,18	-	-	-	-	(1,659,056)	-	(1,659,056)
Add: prior period dividends payable	11	-	-	-	-	752,857	-	752,857
Less: current period dividends payable	11	-	-	-	-	(762,247)	-	(762,247)
Dividend reinvestment plan	11	751,168	608,075	-	-	(608,075)	-	-
<b>Balance, September 30, 2024</b>		<b>53,554,725</b>	<b>16,844,249</b>	<b>7,425,000</b>	<b>1,113,750</b>	<b>61,081,805</b>	<b>1,678,518</b>	<b>80,718,322</b>

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

**URBANFUND CORP.**  
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In Canadian dollars)  
(Unaudited)

	Note	Three months ended September 30,		Nine months ended September 30,	
		2024	2023	2024	2023
<b>Operating activities</b>					
Net income and comprehensive income		\$ 1,522,886	\$ 748,268	\$ 4,668,109	\$ 3,104,236
<i>Items not affecting cash:</i>					
Income (loss) from equity accounted investments	5	(610,000)	(355,000)	(2,129,748)	(1,605,000)
Interest income	18	(128,061)	(108,622)	(314,733)	(345,541)
Fair value adjustment on income properties	4	259,310	(26,101)	2,019,281	(216,762)
Deferred income tax expense		237,000	196,000	505,000	638,000
<i>Other adjustments:</i>					
Financing of inventory properties		-	25,344	-	206,526
Disposition of inventory properties	7	2,420,332	-	8,089,062	-
Repayment of mortgage from sale of inventory properties	18	(294,542)	-	(8,030,891)	-
Adjustments for other non-cash working capital items	19	157,985	128,580	6,184,298	(280,869)
<b>Cash provided by operating activities</b>		<b>3,564,910</b>	<b>608,469</b>	<b>10,990,378</b>	<b>1,500,590</b>
<b>Investing activities</b>					
Capital expenditures on income properties	4	(242,310)	(280,899)	(836,281)	(466,238)
Construction expenditures to inventory properties	7	(168,581)	(71,777)	(733,577)	(255,965)
Contributions to equity accounted investment	5	-	-	-	(3,530,000)
Distributions from equity accounted investment	5	400,000	-	1,285,223	-
<b>Cash used in investing activities</b>		<b>(10,891)</b>	<b>(352,676)</b>	<b>(284,635)</b>	<b>(4,252,203)</b>
<b>Financing activities</b>					
Proceeds from mortgage financing		-	19,215	-	1,272,191
Repayments of mortgage principal	18	(383,643)	(384,897)	(1,144,139)	(1,170,604)
Dividends paid	11,18	(536,254)	(535,320)	(1,659,056)	(1,605,242)
Distributions to non-controlling interests		-	-	-	(206,667)
<b>Cash provided by (used) in financing activities</b>		<b>(919,897)</b>	<b>(901,002)</b>	<b>(2,803,195)</b>	<b>(1,710,322)</b>
<b>Net change in cash</b>		<b>2,634,122</b>	<b>(645,209)</b>	<b>7,902,548</b>	<b>(4,461,935)</b>
Cash, beginning of period		8,836,400	9,175,980	3,567,974	12,992,706
<b>Cash, end of period</b>		<b>\$ 11,470,522</b>	<b>\$ 8,530,771</b>	<b>\$ 11,470,522</b>	<b>\$ 8,530,771</b>

Supplemental cash flow information

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The accompanying notes are an integral part of the interim condensed consolidated financial statements.

# URBANFUND CORP.

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

(In Canadian dollars)  
(Unaudited)

### 1. GENERAL INFORMATION

Urbanfund Corp. and its consolidated subsidiaries (collectively, "Urbanfund" or the "Company") own, develop and operate a real estate portfolio focused on a mix of both residential and commercial properties. Urbanfund also actively focuses on identifying real estate related projects. The parent company, Urbanfund Corp., was incorporated on February 4, 1997, pursuant to the provisions of the Business Corporations Act of Alberta. In 2003, the Company filed articles of continuance, allowing operations to continue under the laws of the Province of Ontario, Canada. The Company's corporate headquarters and registered head office are located at 35 Lesmill Road, Toronto, Ontario, Canada, M3B 2T3.

Urbanfund's common shares are listed on the TSX Venture Exchange ("TSX-V") under the symbol UFC.

### 2. BASIS OF PREPARATION

#### (a) Statement of compliance

Urbanfund's interim condensed consolidated financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting* as issued by the International Accounting Standards Board (IASB). Under International Financial Reporting Standards (IFRS), additional disclosures are required in annual financial statements, and therefore, these unaudited interim condensed consolidated financial statements should be read in conjunction with the notes to the Company's audited consolidated financial statements for the years ended December 31, 2023 and 2022 which have been prepared in accordance with IFRS.

These interim condensed consolidated financial statements were authorized for issuance by the Board of Directors on November 26, 2024.

#### (b) Basis of presentation

The interim condensed consolidated financial statements are prepared on a going concern basis using the historical cost method modified to include fair value measurement of investment properties (note 4), as set out in the relevant accounting policies. The accounting policies set out below have been applied consistently in all material respects.

#### (c) Significant judgments, estimates and assumptions

The preparation of Urbanfund's interim condensed consolidated financial statements require management to make judgments, estimates and assumptions that effect the amounts reported. In the process of applying Urbanfund's accounting policies, management was required to apply judgment in certain areas. Estimates and assumptions made by management are based on events and circumstances that existed at the interim condensed consolidated balance sheet date. Accordingly, actual results may differ from these estimates.

The significant judgments, estimates and assumptions in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the years ended December 31, 2023 and 2022.

### 3. MATERIAL ACCOUNTING POLICIES

The interim condensed consolidated financial statements have been prepared using the same accounting policies and methods as those used in the consolidated financial statements for the year ended December 31, 2023.

### 4. INVESTMENT PROPERTIES

As at,	September 30, 2024	December 31, 2023
Income properties	\$ 106,069,000	\$ 107,252,000
	\$ 106,069,000	\$ 107,252,000
As at,	September 30, 2024	December 31, 2023
Balance, beginning of period	\$ 107,252,000	\$ 104,437,000
Capital expenditures	836,281	727,081
Fair value adjustment on income properties	(2,019,281)	2,087,919
Balance, end of period	\$ 106,069,000	\$ 107,252,000

**URBANFUND CORP.**  
**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023**

(In Canadian dollars)  
(Unaudited)

**Valuation methodology**

As highlighted in note 14, the fair value methodology of the Company's income properties uses inputs that are considered Level 3 because of significant unobservable inputs are required to determine fair value.

As at September 30, 2024 and December 31, 2023, the capitalization rates used in valuing the commercial and residential properties are set out as follows:

	September 30, 2024			December 31, 2023		
	Minimum	Maximum	Average	Minimum	Maximum	Average
Commercial properties	6.00%	8.25%	6.21%	6.00%	8.00%	6.21%
Residential properties	3.50%	4.75%	4.05%	3.50%	4.75%	3.94%

**Sensitivity**

An increase in SNOI would result in an increase to the estimated fair value of properties. The capitalization rates have an inverse relationship between the rate and the fair value, in other words, the lower the capitalization rate, the higher the estimated value. The following table is a sensitivity applied to the proportion of the Company's investment properties measured using the direct capitalization approach and therefore is sensitive to the changes in capitalization rates:

	Stabilized NOI -1%	Stabilized NOI as reported	Stabilized NOI +1%
<b>As at September 30, 2024</b>			
Capitalization rate, decrease, 0.25%	\$ 5,418,200	\$ 6,545,800	\$ 7,671,600
Capitalization rate, as reported	(1,044,800)	-	1,076,800
Capitalization rate, increase, 0.25%	(6,779,200)	(5,776,300)	(4,772,600)
<b>As at December 31, 2023</b>			
Capitalization rate, decrease, 0.25%	\$ 5,648,300	\$ 6,788,900	\$ 7,928,000
Capitalization rate, as reported	(1,061,000)	-	1,085,100
Capitalization rate, increase, 0.25%	(6,993,300)	(5,981,900)	(4,969,500)

**5. EQUITY ACCOUNTED INVESTMENTS**

The following details the Company's ownership in its equity accounted investments:

As at,		September 30, 2024	December 31, 2023
Equity investees	Principal activity		
<i>Investment in associates</i>			
Highfield Park Residential Inc. ("Highfield")	Owns and operates investment properties	20.0%	20.0%
Bellbrook Residential Inc. ("Bellbrook")	Owns and operates investment properties	20.0%	20.0%
West Mic Mac Properties Inc. ("Mic Mac")	Owns and operates investment properties	20.0%	20.0%
<i>Investment in joint ventures</i>			
1040 Martin Grove LP ("1040 LP")	Purchase, condominium conversion and subsequent sale	28.4%	28.4%
270-330 Esna Park LP ("Esna Park LP")	Purchase, condominium conversion and subsequent sale	15.4%	15.4%

In April 2023, Urbanfund invested \$1,870,000 into TREI (1040) LP which holds a 50% interest in 1040 LP that owns an industrial complex located on 1040 Martin Grove Road, Toronto, Ontario. Urbanfund owns 56.7% of TREI (1040) LP, effecting an indirect 28.4% ownership in 1040 LP.

In June 2023, Urbanfund invested \$1,660,000 into TREI (270-330 Esna Park) LP which holds a 20% interest in Esna Park LP that owns an industrial complex located on 270-330 Esna Park Drive, Markham, Ontario. Urbanfund owns 76.9% of TREI (270-330 Esna Park) LP, effecting an indirect 15.4% ownership in Esna Park LP.

**URBANFUND CORP.**  
**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023**

(In Canadian dollars)  
(Unaudited)

The following table shows the changes in the aggregate carrying value of Urbanfund's equity accounted investments:

<b>As at September 30, 2024</b>	<b>Highfield</b>	<b>Bellbrook</b>	<b>Mic Mac</b>	<b>1040 LP</b>	<b>Esna Park LP</b>	<b>Total</b>
Balance, beginning of period	\$ 19,436,410	\$ 2,847,000	\$ 1,818,020	\$ 1,843,000	\$ 1,657,000	\$ 27,601,430
Distributions	(220,000)	(60,000)	(120,000)	(885,224)	-	(1,285,224)
Share of net income	849,000	291,000	287,000	588,104	114,645	2,129,749
<b>Balance, end of period</b>	<b>\$ 20,065,410</b>	<b>\$ 3,078,000</b>	<b>\$ 1,985,020</b>	<b>\$ 1,545,880</b>	<b>\$ 1,771,645</b>	<b>\$ 28,445,955</b>

<b>As at December 31, 2023</b>	<b>Highfield</b>	<b>Bellbrook</b>	<b>Mic Mac</b>	<b>1040 LP</b>	<b>Esna Park LP</b>	<b>Total</b>
Balance, beginning of period	\$ 17,042,410	\$ 2,609,000	\$ 1,695,020	\$ -	\$ -	\$ 21,346,430
Contributions (distributions)	(200,000)	(60,000)	(100,000)	1,870,000	1,660,000	3,170,000
Share of net income (loss)	2,594,000	298,000	223,000	(27,000)	(3,000)	3,085,000
<b>Balance, end of period</b>	<b>\$ 19,436,410</b>	<b>\$ 2,847,000</b>	<b>\$ 1,818,020</b>	<b>\$ 1,843,000</b>	<b>\$ 1,657,000</b>	<b>\$ 27,601,430</b>

The following tables presents the financial position of Urbanfund's equity accounted investees on a 100% basis:

<b>As at September 30, 2024</b>	<b>Highfield</b>	<b>Bellbrook</b>	<b>Mic Mac</b>	<b>1040 LP</b>	<b>Esna Park LP</b>	<b>Total</b>
<b>Current assets</b>	<b>\$ 2,496,608</b>	<b>\$ 529,585</b>	<b>\$ 385,560</b>	<b>\$ 21,379,840</b>	<b>\$ 40,045,000</b>	<b>\$ 64,836,593</b>
<b>Non-current assets</b>	<b>164,590,000</b>	<b>36,650,000</b>	<b>20,770,000</b>	<b>\$ -</b>	<b>-</b>	<b>222,010,000</b>
<b>Current liabilities</b>	<b>(3,091,770)</b>	<b>(500,979)</b>	<b>(258,465)</b>	<b>\$ (321,999)</b>	<b>(808,637)</b>	<b>(4,981,850)</b>
<b>Non-current liabilities</b>	<b>(63,667,790)</b>	<b>(21,288,606)</b>	<b>(10,971,997)</b>	<b>\$ (15,605,000)</b>	<b>(27,710,000)</b>	<b>(139,243,393)</b>
<b>Net assets</b>	<b>\$100,327,048</b>	<b>\$ 15,390,000</b>	<b>\$ 9,925,098</b>	<b>\$ 5,452,841</b>	<b>\$ 11,526,363</b>	<b>\$142,621,350</b>
<b>Urbanfund's interest</b>	<b>\$ 20,065,410</b>	<b>\$ 3,078,000</b>	<b>\$ 1,985,020</b>	<b>\$ 1,545,880</b>	<b>\$ 1,771,645</b>	<b>\$ 28,445,955</b>

<b>As at December 31, 2023</b>	<b>Highfield</b>	<b>Bellbrook</b>	<b>Mic Mac</b>	<b>1040 LP</b>	<b>Esna Park LP</b>	<b>Total</b>
Current assets	\$ 2,709,752	\$ 540,378	\$ 650,415	\$ 26,647,000	\$ 37,850,000	\$ 68,397,545
Non-current assets	161,920,000	35,650,000	19,890,000	-	-	217,460,000
Current liabilities	(4,368,126)	(805,658)	(576,654)	(285,118)	(519,519)	(6,555,075)
Non-current liabilities	(63,079,578)	(21,149,720)	(10,873,660)	(19,861,000)	(26,550,000)	(141,513,958)
Net assets	\$ 97,182,048	\$ 14,235,000	\$ 9,090,101	\$ 6,500,882	\$ 10,780,481	\$137,788,512
Urbanfund's interest	\$ 19,436,410	\$ 2,847,000	\$ 1,818,020	\$ 1,843,000	\$ 1,657,000	\$ 27,601,430

<b>Three months ended September 30,</b>	<b>Highfield</b>	<b>Bellbrook</b>	<b>Mic Mac</b>	<b>1040 LP</b>	<b>Esna Park LP</b>	<b>2024 Total</b>
Revenue	\$ 3,972,000	\$ 702,000	\$ 455,000	\$ 251,000	\$ 4,821,000	\$ 10,201,000
Operating expenses	(1,869,000)	(266,000)	(144,000)	(144,800)	(3,401,438)	(5,825,238)
Interest expense	(564,000)	(128,000)	(46,000)	(157,000)	(490,000)	(1,385,000)
properties	(459,000)	269,000	483,000	-	-	293,000
<b>Net income (loss)</b>	<b>\$ 1,080,000</b>	<b>\$ 577,000</b>	<b>\$ 748,000</b>	<b>\$ (50,800)</b>	<b>\$ 929,563</b>	<b>\$ 3,283,763</b>
<b>Income from equity accounted investments</b>	<b>\$ 216,000</b>	<b>\$ 115,000</b>	<b>\$ 150,000</b>	<b>\$ (14,000)</b>	<b>\$ 143,000</b>	<b>\$ 610,000</b>

<b>Three months ended September 30,</b>	<b>Highfield</b>	<b>Bellbrook</b>	<b>Mic Mac</b>	<b>1040 LP</b>	<b>Esna Park LP</b>	<b>2023 Total</b>
Revenue	\$ 3,732,000	\$ 671,000	\$ 418,000	\$ -	\$ -	\$ 4,821,000
Operating expenses	(1,884,000)	(259,000)	(172,000)	-	-	(2,315,000)
Interest expense	(595,000)	(137,000)	(50,000)	-	-	(782,000)
Fair value adjustment on income properties	2,246,000	(1,643,000)	(553,000)	-	-	50,000
<b>Net income (loss)</b>	<b>\$ 3,499,000</b>	<b>\$ (1,368,000)</b>	<b>\$ (357,000)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,774,000</b>
<b>Income from equity accounted investments</b>	<b>\$ 700,000</b>	<b>\$ (274,000)</b>	<b>\$ (71,000)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 355,000</b>

# URBANFUND CORP.

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

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Nine months ended September 30,	Highfield	Bellbrook	Mic Mac	1040 LP	Esna Park LP	2024 Total
Revenue	\$ 11,777,000	\$ 2,079,000	\$ 1,333,000	\$ 8,739,000	\$ 5,833,000	\$ 29,761,000
Operating expenses	(5,989,000)	(874,000)	(563,000)	\$ (6,151,560)	(3,710,119)	(17,287,679)
Interest expense	(1,743,000)	(405,000)	(159,000)	\$ (513,000)	(1,377,000)	(4,197,000)
properties	202,000	653,000	825,000	-	-	1,680,000
Net income	\$ 4,247,000	\$ 1,453,000	\$ 1,436,000	\$ 2,074,440	\$ 745,881	\$ 9,956,321
Income from equity accounted investments	\$ 849,000	\$ 291,000	\$ 287,000	\$ 588,104	\$ 114,645	\$ 2,129,749

Nine months ended September 30,	Highfield	Bellbrook	Mic Mac	1040 LP	Esna Park LP	2023 Total
Revenue	\$ 11,160,000	\$ 1,998,000	\$ 1,231,000	\$ -	\$ -	\$ 14,389,000
Operating expenses	(5,817,000)	(833,000)	(567,000)	-	-	(7,217,000)
Interest expense	(1,804,000)	(419,000)	(156,000)	-	-	(2,379,000)
Fair value adjustment on income properties	4,067,000	(1,193,000)	358,000	-	-	3,232,000
Net income (loss)	\$ 7,606,000	\$ (447,000)	\$ 866,000	\$ -	\$ -	\$ 8,025,000
Income from equity accounted investments	\$ 1,521,000	\$ (89,000)	\$ 173,000	\$ -	\$ -	\$ 1,605,000

### 6. INVESTMENT IN REAL ESTATE PROJECT

In September 2009, the Company invested \$2,000,000 in a 10% interest in private partnership, which in turn acquired a 33.3% interest in the One Bloor Street East, Toronto, Ontario real estate project. Throughout the course of investment, the Company's capital contribution of \$2,000,000 has been fully returned, and an additional profit distribution of \$4,910,667 has been received to date.

### 7. INVENTORY PROPERTIES

During the nine months ended September 30, 2024, the Company, together with Kolt Investment Inc. and two private real estate investors, sold twenty-one commercial units located on 67-69 Westmore Drive, Etobicoke, Ontario for sale proceeds of \$12,265,024. To date, the Company received a total return of capital of \$2,909,769 from this project.

The following table shows the changes in the aggregate carrying value of Urbanfund's inventory property:

As at,	September 30, 2024	December 31, 2023
Balance, beginning of period	\$ 11,048,071	\$ 10,520,124
Development expenditures	733,577	527,947
Disposition of inventory properties	(8,089,062)	-
Balance, end of period	\$ 3,692,586	\$ 11,048,071

### 8. RECEIVABLES AND OTHER ASSETS

The following table details Urbanfund's receivables and other assets:

As at	Note	September 30, 2024	December 31, 2023
Accounts receivable		\$ 437,415	\$ 586,096
Refundable deposits		50,000	50,000
Amounts receivable	13	128,087	128,087
Prepaid expenses		420,654	173,562
Loan receivable <sup>(i)</sup>	13	-	5,000,000
		\$ 1,036,156	\$ 5,937,745

(i) On December 22, 2023, the Company loaned \$5,000,000 to a related party charging interest at 8.2%. This loan was subsequently repaid in full on January 2, 2024 (see note 13).

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**9. MORTGAGES PAYABLE**

As at	September 30, 2024	December 31, 2023
Current	\$ 10,419,656	\$ 10,103,289
Non-current	45,508,702	55,000,099
	<b>\$ 55,928,358</b>	<b>\$ 65,103,388</b>

Mortgages payable are secured by investment properties and bear interest at various fixed rates with payment terms either monthly blended principal and interest payments ("MBPI") or interest only ("IO").

As at		September 30, 2024	December 31, 2023
Property name(s)	Payment Terms	Maturity Date	Interest Rate
Quebec Headway, Assumed Mortgages <sup>(iii)</sup>	MBPI	(i)	(i)
476-480 Wonderland Road <sup>(iv)</sup>	MBPI	Dec 31, 2023 <sup>(iv)</sup>	4.35%
3080-3094 Don Mills & 200 Van Horne	MBPI	Mar 1, 2025	2.52%
305 North Front Centre	MBPI	Feb 24, 2028	5.55%
Quebec Headway, Vendor Take Back	MBPI	June 1, 2028	5.50%
63 Scott Street <sup>(i), (iii)</sup>	MBPI	Mar 1, 2031	2.65%
67-69 Westmore Drive <sup>(iii)</sup>	IO	Jul 18, 2025	Prime + 1.25%
67-69 Westmore Drive <sup>(iii)</sup>	IO	Jul 20, 2024	6.80%
Mortgages payable		\$ 55,976,884	\$ 65,194,379
Less: Unamortized mortgage financing costs		(48,526)	(90,991)
		<b>\$ 55,928,358</b>	<b>\$ 65,103,388</b>

(i) Quebec Headway assumed mortgages payable are made up of 8 mortgages outstanding on the income properties of Quebec Headway. The weighted average remaining life is 2.33 years (December 31, 2023 – 2.53 years) and bears a weighted average interest rate of 2.69% (December 31, 2023 - 2.61%).

(ii) Lands on 51,55,59 Scott Street and 59,61,65 Weber Street were amalgamated to develop a residential building subsequently renamed as 63 Scott Street.

(iii) The Company's policy is to provide financial guarantee only for subsidiaries' liabilities. As at September 30, 2024 and December 31, 2023, the Company has issued guarantees to certain banks in respect of mortgages granted to certain subsidiaries.

(iv) The Company is in negotiation with the bank to renew the mortgage. The original rates and terms are being honored at the present time.

Minimum principal payments over the following years are as follows:

2024	\$ 1,175,563
2025	9,525,998
2026	5,395,178
2027	1,002,095
2028	11,161,970
Thereafter	27,716,080
	55,976,884
Unamortized mortgage financing costs	(48,526)
	<b>\$ 55,928,358</b>

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**10. EQUITY**

**Authorized**

20,000,000	First preferred, Series A shares, non-voting, non-participating, each share is convertible to one common share for no additional consideration unless, at the date of conversion, the aggregate number of common shares held by the directors and officers of Urbanfund, and related parties to such individuals, would exceed 80% of the issued and outstanding common shares, in which case the shares cannot be converted.
Unlimited	First preferred shares, issuable in series with rights, privileges, restrictions, and conditions determined by the directors and officers of Urbanfund at the time of issuance.
Unlimited	Second preferred shares, issuable in series with rights, privileges, restrictions, and conditions determined by the directors and officers of Urbanfund at the time of issuance.
Unlimited	Common shares.

**Basic and diluted income per share**

Basic and diluted income per share has been calculated as follows:

	<b>Three months ended September 30, 2024</b>		<b>Nine months ended September 30, 2023</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Basic income per share</b>				
Net income attributable to shareholders	\$ 1,516,042	\$ 904,469	\$ 4,812,255	\$ 3,180,021
Weighted average common shares outstanding	53,509,927	52,529,574	53,243,697	52,289,955
<b>Basic income per share</b>	<b>\$ 0.028</b>	<b>\$ 0.017</b>	<b>\$ 0.090</b>	<b>\$ 0.061</b>
<b>Diluted income per share</b>				
Net income attributable to shareholders	\$ 1,516,042	\$ 904,469	\$ 4,812,255	\$ 3,180,021
Weighted average common shares outstanding	53,509,927	52,529,574	53,243,697	52,289,955
Dilutive effect of preferred shares <sup>(i)</sup>	7,425,000	7,425,000	7,425,000	7,425,000
Weighted average common shares outstanding, diluted	60,934,927	59,954,574	60,668,697	59,714,955
<b>Diluted income per share</b>	<b>\$ 0.025</b>	<b>\$ 0.015</b>	<b>\$ 0.079</b>	<b>\$ 0.053</b>

(i) First preferred, Series A shares

**11. DIVIDENDS PAID AND DIVIDEND REINVESTMENT PLAN**

On June 17, 2015, Urbanfund adopted a dividend policy (the “Dividend Policy”) and implemented a dividend reinvestment plan for the holders of common shares and Series A preferred shares (collectively, the “DRIP”). The DRIP is a voluntary program permitting holders of Series A, first preferred shares and common shares to automatically and without charge, reinvest dividends into additional common shares at a specified discount to the volume-weighted average market price calculated as the date of payment.

On June 22, 2021, Urbanfund amended its Dividend Policy to increase the annual dividend rate to \$0.05 per common share and \$0.05 per Series A preferred share, or 67% increase from the previous year, payable quarterly in the amount of \$0.0125 per common share and Series A preferred share.

For the nine months ended September 30, 2024, Urbanfund issued 751,168 common shares valued at \$608,075 to participants enrolled in the DRIP (September 30, 2023 – 754,820 and \$626,189).

For the nine months ended September 30 2024, total dividends paid in cash during the year was \$1,659,056 (September 30, 2023 - \$1,605,242). As at September 30, 2024, dividend payable was \$762,247 (December 31, 2023 - \$752,857).

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**12. REVENUE**

*Rental revenue*

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Base rent	\$ 1,837,267	\$ 1,876,765	\$ 5,551,789	\$ 5,529,474
Realty tax recoveries	107,637	102,289	322,865	305,039
Common area maintenance recoveries	88,773	108,110	344,175	332,245
Percentage rent	4,885	4,744	116,618	89,069
Miscellaneous revenue	51,498	70,970	204,887	183,920
	<b>\$ 2,090,060</b>	<b>\$ 2,162,878</b>	<b>\$ 6,540,334</b>	<b>\$ 6,439,747</b>

*Revenue from Contracts with Customers*

Revenue from contracts with customers include inventory property sales, and common area maintenance recoveries and parking revenue that are included in rental revenue:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Inventory property sales	\$ 3,472,000	\$ -	\$ 12,265,024	\$ -
Common area maintenance recoveries	88,773	93,607	344,175	224,135
Parking revenue	25,693	24,669	77,997	49,495
	<b>\$ 3,586,466</b>	<b>\$ 118,276</b>	<b>\$ 12,687,196</b>	<b>\$ 273,630</b>

**13. RELATED PARTY BALANCES AND TRANSACTIONS**

The Company engages Westdale Construction Co. Limited ("Westdale"), a controlling entity and a related party, to perform management services. Ronald Kimel, Chairman of Urbanfund, is also a shareholder and Director of Westdale. Mitchell Cohen, President and Chief Executive Officer and a director of Urbanfund, is also an officer of Westdale.

Included in amounts receivable within receivables and other assets as at September 30, 2024 (note 8) is \$128,087 (December 31, 2023 - \$128,087) of amounts receivable and \$ Nil (December 31, 2023 - \$5,000,000) loan receivable due from Westdale bearing interest at 8.2%.

On March 27, 2024, the Company issued a \$6,000,000 loan to Westdale bearing interest at 8.2%, the loan was repaid in full with interest on April 3, 2024.

On May 7, 2024, the Company issued a \$6,000,000 loan to Westdale bearing interest at 8.2%, the loan was repaid in full with interest on June 13, 2024.

On October 30, 2024, the Company issued a \$5,000,000 loan to Westdale bearing interest at 8% repayable within three months.

For the nine months ended September 30, 2024, Urbanfund issued dividends of \$1,430,213 (September 30, 2023 - \$1,242,669) to Westdale.

Urbanfund is also contracted to Westdale for property management fees and cost reimbursements as follows:

As at	September 30, 2024	December 31, 2023
<i>Property management fees, included in:</i>		
Accounts payable and accrued liabilities	\$ 3,413	\$ 59,926
<i>Management cost reimbursements, included in:</i>		
Accounts payable and accrued liabilities	\$ 48,266	\$ 50,221

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	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
<i>Property management fees, included in:</i>				
Rental expenses	\$ 30,040	\$ 29,423	\$ 92,878	\$ 89,262
Income from equity accounted investments, net	39,983	33,152	104,813	99,459
<i>Management cost reimbursements, included in:</i>				
Rental expenses	\$ 56,677	\$ 58,843	\$ 177,286	\$ 173,905
Income from equity accounted investments, net	67,085	64,423	200,430	188,136

There has been no compensation paid to key management personnel during the nine months ended September 30, 2024 and 2023.

## 14. FAIR VALUE MEASUREMENT

The fair value hierarchy of assets and liabilities measured at fair value on a recurring basis in the consolidated balance sheets are as follows:

As at	Note	September 30, 2024			December 31, 2023		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<i>Assets measured at fair value:</i>							
Income properties	4	\$ -	\$ -	\$ 106,069,000	\$ -	\$ -	\$ 107,252,000
Total assets measured at fair value		\$ -	\$ -	\$ 106,069,000	\$ -	\$ -	\$ 107,252,000

For assets measured at fair value as at September 30, 2024 and December 31, 2023, there were no transfers between Level 1, Level 2 and Level 3.

### *Receivables and other assets, tenant deposits, accounts payable and accrued liabilities*

The carrying value of receivables and other assets, tenant deposits, accounts payable and accrued liabilities are considered to be representative of their fair values due to their short-term nature.

### *Mortgages payable*

The fair values of the mortgages payable are Level 2 and approximate \$54,813,000 (December 31, 2023 - \$63,274,000) based on the interest rates obtainable for similar financial instruments in the current marketplace.

## 15. RISK MANAGEMENT

### Financial risk management objectives and policies

The Company's activity exposes it to a variety of financial risks, including interest rate risk, credit risk and liquidity risk. These financial risks are managed by the Company under policies approved by the Board of Directors. The principal financial risks are actively managed by the Company's finance department, within Board approved policies and guidelines. On an ongoing basis, the finance department actively monitors market conditions with a view to minimizing the exposure of the Company to changing market factors, while at the same time limiting the funding costs of the Company.

### Interest rate risk

Urbanfund is exposed to interest rate risks on its borrowings and could be adversely affected if it were unable to obtain cost-effective financing. The Company's debt is financed at fixed and variable rates with maturities staggered over a number of years, thereby mitigating its exposure to changes in interest rates and financing risks. A change in the interest rate by 1% would result in an increase or decrease in the fair value of mortgages by \$333,729 (December 31, 2023 - \$416,082).

### Credit risk

Credit risk arises from the possibility that Urbanfund's tenants may experience financial difficulty and be unable to fulfil their lease commitments. The Company mitigates this risk of credit loss by diversifying its tenant mix and by limiting its exposure to any one tenant. In addition, the Company obtains security deposits from tenants. The Company mitigates its exposure to credit loss by placing its cash and short-term investments with major financial institutions.

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**Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulties in meeting its financial liability obligations as they become due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis.

Since inception, the Company has financed its cash requirements primarily through issuances of securities, short-term borrowings and issuances of long-term debt. The Company controls liquidity risk through management of working capital, cash flows and the availability and sourcing of financing. Financial liabilities are due as follows:

	Note	< 1 year	1-2 years	3-5 years	>5 years
Accounts payable and accrued liabilities		\$ 1,107,809	\$ -	\$ -	\$ -
Mortgages payable	9	1,175,563	9,525,998	17,559,243	27,716,080

**16. CAPITAL MANAGEMENT**

Urbanfund defines capital as its equity. The Company's objective when managing capital is: (i) to safeguard the ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits to other stakeholders; and (ii) to provide adequate return to shareholders by obtaining an appropriate amount of debt commensurate with the level of risk, to reduce after-tax cost of capital.

The Company sets the amount of capital in proportion to the risk. Urbanfund manages capital structure and makes adjustments in light of changes in economic conditions and the characteristic risk of underlying assets. In order to maintain or adjust capital structure, the Company may repurchase shares, return capital to shareholders, issue new shares or sell assets to reduce debt. Urbanfund's objective is met by retaining adequate liquidity to provide for the possibility that cash flows from assets will not be sufficient to meet future cash flow requirements. There have been no changes to the Company's capital management policies during the nine months ended September 30, 2024 and 2023.

**17. SEGMENTED INFORMATION**

Urbanfund, primarily owns, develops, manages and operates residential and commercial sector properties in Canada. In measuring its performance of its residential and commercial properties, the Company does not distinguish or group its operations on a geographical or any other basis and, accordingly has a single reportable operating segment. Management has applied judgment by aggregating its operating segments into one single reportable segment for disclosure purposes. Such judgment considers the nature of property operations, tenant mix and an expectation that operating segments within a reportable segment have similar long-term economic characteristics. The Company's Chief Executive Officer is the chief operating decision maker and regularly reviews Urbanfund's operations and performance on a consolidated basis. Urbanfund does not have any single major tenant or any significant groups of tenants.

**18. SUPPLEMENTAL CASH FLOW INFORMATION**

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Interest received	\$ 128,061	\$ 108,622	\$ 314,733	\$ 345,541
Interest paid	(448,748)	(590,426)	(1,538,853)	(1,780,280)
Dividends paid:				
Dividends declared during the period	\$ (723,757)	(535,287)	\$ (1,821,946)	(1,605,956)
Dividends declared in the prior year, paid in the current period	(536,254)	(535,320)	(560,867)	(534,573)
Dividends declared in the current year, paid in next period	723,757	535,287	723,757	535,287
Dividends paid	\$ (536,254)	\$ (535,320)	\$ (1,659,056)	\$ (1,605,242)

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The following provides a reconciliation of cash flows arising from financing activities relating to mortgages payable:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Balance, beginning of period	\$ 56,671,252	\$ 65,845,233	\$ 65,194,379	\$ 65,181,642
Cash flows				
Proceeds from mortgage financing	-	19,215	-	1,272,191
Proceeds from financing of inventory properties	-	25,344	-	206,526
Repayments from sale of inventory properties	(294,542)	-	(8,030,891)	-
Repayments of mortgage principals	(383,643)	(384,897)	(1,144,139)	(1,170,604)
Non-cash changes:				
Deferred financing costs	(16,183)	(19,215)	(42,465)	(4,075)
Balance, end of period	\$ 55,976,884	\$ 65,485,680	\$ 55,976,884	\$ 65,485,680

**19. ADJUSTMENTS FOR OTHER NON-CASH WORKING CAPITAL ITEMS**

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Receivables and other assets	\$ (75,758)	\$ (50,656)	\$ 4,901,589	\$ 522,335
Accounts payable and accrued liabilities	(240,853)	(16,609)	(396,843)	(276,831)
Income taxes	341,999	91,843	1,357,999	(883,250)
Tenant deposits	4,536	(4,620)	6,820	11,336
Deferred financing costs and other	128,061	108,622	314,733	345,541
Net change in other working capital items	\$ 157,985	\$ 128,580	\$ 6,184,298	\$ (280,869)

**20. CONTINGENCIES AND COMMITMENTS**

The Company may have various other contractual obligations in the normal course of operations with tenants, supplies and former employees. The Company is not contingently liable with respect to litigation, claims and environmental matters, including those that could result in mandatory damages or other relief. Any expected settlement of claims in excess of amounts recorded will be charged to the consolidated statements of income and comprehensive income as and when such determination is made. Management believes that adequate provisions have been recorded in the accounts where required.

**21. SUBSEQUENT EVENTS**

On October 30, 2024, the Company issued a \$5,000,000 loan to Westdale bearing interest at 8% repayable within three months.