



**UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL
STATEMENTS**

THREE AND NINE MONTHS ENDED SEPTEMBER
30, 2025

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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 25, 2025

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

As at	Note	September 30, 2025	December 31, 2024
Assets			
Non-current assets			
Investment properties	4	\$ 109,476,000	\$ 108,843,000
Equity accounted investments	5	34,029,076	30,429,021
		143,505,076	139,272,021
Current assets			
Inventory properties	7	1,557,178	3,015,997
Receivables and other assets	8	1,070,926	1,036,811
Cash		10,190,035	12,279,522
		12,818,139	16,332,330
Total assets		\$ 156,323,215	\$ 155,604,351
Liabilities			
Non-current liabilities			
Mortgages payable	9	\$ 43,988,496	\$ 45,207,297
Deferred tax liabilities		12,565,000	11,865,000
		56,553,496	57,072,297
Current liabilities			
Current portion of mortgages payable	9	10,348,609	10,298,794
Tenant deposits		446,461	443,784
Income taxes payable		400,927	1,475,497
Accounts payable and accrued liabilities		1,257,378	1,312,524
		12,453,375	13,530,599
Total liabilities		69,006,871	70,602,896
Equity			
Common shares		17,001,777	16,882,739
Preferred shares		1,113,750	1,113,750
Retained earnings		67,365,965	65,125,971
Total shareholders' equity		85,481,492	83,122,460
Non-controlling interests		1,834,852	1,878,995
Total equity		87,316,344	85,001,455
Total liabilities and equity		\$ 156,323,215	\$ 155,604,351
Contingencies and commitments	20		
Subsequent events	21		

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,	
		2025	2024	2025	2024
Revenue					
Rental revenue	12	\$ 2,154,357	\$ 2,090,060	\$ 6,470,073	\$ 6,540,334
Inventory property sales	7, 12	942,620	3,472,000	2,257,660	12,265,024
		3,096,977	5,562,060	8,727,733	18,805,358
Operating costs					
Rental expenses		954,334	966,534	2,820,378	2,852,018
Inventory property cost of sales	7	697,391	2,420,332	1,708,610	8,089,062
		1,651,725	3,386,866	4,528,988	10,941,080
Operating income		1,445,252	2,175,194	4,198,745	7,864,278
Other income					
Income from equity accounted investments	5	1,800,427	605,748	3,241,052	2,129,748
Interest income	18,19	87,493	128,061	242,827	314,733
Fair value adjustment on income properties	4	(134,534)	(259,310)	(411,614)	(2,019,281)
Profit from investment in real estate project	6	-	-	-	106,000
		1,753,386	474,499	3,072,265	531,200
Other expenses					
Financing costs		496,693	465,952	1,472,978	1,584,377
General and administrative costs		87,533	81,855	207,799	259,992
		584,226	547,807	1,680,777	1,844,369
Income before taxes		2,614,412	2,101,886	5,590,233	6,551,109
Current income tax expense		82,000	342,000	402,000	1,378,000
Deferred income tax expense		392,000	237,000	700,000	505,000
		474,000	579,000	1,102,000	1,883,000
Net income and comprehensive income		\$ 2,140,412	\$ 1,522,886	\$ 4,488,233	\$ 4,668,109
Net income attributable to:					
Shareholders		\$ 2,223,823	\$ 1,516,042	\$ 4,532,376	\$ 4,812,255
Non-controlling interests		(83,411)	6,844	(44,143)	(144,146)
		\$ 2,140,412	\$ 1,522,886	\$ 4,488,233	\$ 4,668,109
Net income per share attributable to shareholders:					
Basic income per share	10	\$ 0.041	\$ 0.028	\$ 0.084	\$ 0.090
Diluted income per share	10	\$ 0.036	\$ 0.025	\$ 0.074	\$ 0.079

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, 2023		52,803,557	\$ 16,236,174	7,425,000	\$ 1,113,750	\$ 58,546,071	\$ 1,822,664	\$ 77,718,659
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		-	-	-	-	752,857	-	752,857
Less: current period dividends payable		-	-	-	-	(762,247)	-	(762,247)
Dividend reinvestment plan	11	751,168	608,075	-	-	(608,075)	-	-
Balance, September 30, 2024		53,554,725	\$ 16,844,249	7,425,000	\$ 1,113,750	\$ 61,081,805	\$ 1,678,518	\$ 80,718,322

	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, 2024		53,602,915	\$ 16,882,739	7,425,000	\$ 1,113,750	\$ 65,125,971	\$ 1,878,995	\$ 85,001,455
Changes during the period								
Net income and comprehensive income for the period		-	-	-	-	4,532,376	(44,143)	4,488,233
Dividends paid	11,18	-	-	-	-	(2,171,420)	-	(2,171,420)
Add: prior period dividends payable	11	-	-	-	-	762,849	-	762,849
Less: current period dividends payable	11	-	-	-	-	(764,773)	-	(764,773)
Dividend reinvestment plan	11	153,894	119,038	-	-	(119,038)	-	-
Balance, September 30, 2025		53,756,809	\$ 17,001,777	7,425,000	\$ 1,113,750	\$ 67,365,965	\$ 1,834,852	\$ 87,316,344

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,	
		2025	2024	2025	2024
Operating activities					
Net income and comprehensive income		\$ 2,140,412	\$ 1,522,886	\$ 4,488,233	\$ 4,668,109
<i>Items not affecting cash:</i>					
Income from equity accounted investments	5	(1,800,427)	(610,000)	(3,241,052)	(2,129,748)
Interest income	18	(87,493)	(128,061)	(242,827)	(314,733)
Fair value adjustment on income properties	4	134,534	259,310	411,614	2,019,281
Deferred income tax expense		392,000	237,000	700,000	505,000
<i>Other adjustments:</i>					
Disposition of inventory properties	7	697,391	2,420,332	1,708,610	8,089,062
Repayment of mortgage principal from sale of inventory properties	18	-	(294,542)	-	(8,030,891)
Adjustments for other non-cash working capital items	19	1,000,074	157,985	(920,251)	6,184,298
Cash provided by operating activities		2,476,491	3,564,910	2,904,327	10,990,378
Investing activities					
Capital expenditures on income properties	4	(539,534)	(242,310)	(1,044,614)	(836,281)
Construction expenditures to inventory properties	7	(90,562)	(168,581)	(249,791)	(733,577)
Contributions to equity accounted investment	5	-	-	(1,600,000)	-
Distributions from equity accounted investment	5	636,617	400,000	1,240,997	1,285,223
Cash used in investing activities		6,521	(10,891)	(1,653,408)	(284,635)
Financing activities					
Repayments of mortgage principal	18	(387,264)	(383,643)	(1,168,986)	(1,144,139)
Dividends paid	11, 18	(724,044)	(536,254)	(2,171,420)	(1,659,056)
Cash used in financing activities		(1,111,308)	(919,897)	(3,340,406)	(2,803,195)
Net change in cash		1,371,704	2,634,122	(2,089,487)	7,902,548
Cash, beginning of period		8,818,331	8,836,400	12,279,522	3,567,974
Cash, end of period		\$ 10,190,035	\$ 11,470,522	\$ 10,190,035	\$ 11,470,522

Supplemental cash flow information 18

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 2025 AND 2024

(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). These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) but do not include all the disclosures required for annual financial statement, and therefore, they should be read in conjunction with the Company's audited consolidated financial statements for the years ended December 31, 2024 and 2023 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 25, 2025.

(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, 2024 and 2023.

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, 2024.

(a) Future changes in accounting policies

IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, IFRS 18, "Presentation and Disclosure in Financial Statements" was issued to achieve comparability of the financial performance of similar entities. The standard, which replaces IAS 1, "Presentation of Financial Statements", impacts the presentation of primary financial statements and notes, including the statement of earnings where companies will be required to present separate categories of income and expense for operating, investing, and financing activities with prescribed subtotals for each new category. The standard will also require management-defined performance measures to be explained and included in a separate note within the consolidated financial statements. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements, and requires retrospective application. The Company is currently assessing the impact of the new standard.

URBANFUND CORP.
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THREE AND NINE MONTHS ENDED SEPTEMBER 30 2025 AND 2024

(In Canadian dollars)
(Unaudited)

IFRS 9, Financial Instruments: Disclosures

In May 2024, amendments to IFRS 9, “Financial Instruments” and IFRS 7, “Financial Instruments: Disclosures” were issued. The amendments clarify the timing of recognition and derecognition for a financial asset or financial liability, including clarifying that a financial liability is derecognized on the settlement date. Further, the amendments introduce an accounting policy choice to derecognize financial liabilities settled using an electronic payment system before the settlement date, if specific conditions are met. In addition, the amendments clarify the classification of financial assets with features linked to environmental, social and corporate governance. The amendments also require additional disclosures for financial instruments with contingent features and investments in equity instruments classified at fair value through other comprehensive income. These amendments are effective for annual reporting periods beginning on or after January 1, 2026. Early adoption is permitted, with an option to early adopt only the amendments related to the classification of financial assets. The adoption is not expected to have a material impact on the Company’s consolidated financial statements.

4. INVESTMENT PROPERTIES

As at,	September 30, 2025	December 31, 2024
Income properties	\$ 109,476,000	\$ 108,843,000
	\$ 109,476,000	\$ 108,843,000

As at,	September 30, 2025	December 31, 2024
Balance, beginning of period	\$ 108,843,000	\$ 107,252,000
Capital expenditures	1,044,614	631,412
Fair value adjustment on income properties	(411,614)	959,588
Balance, end of period	\$ 109,476,000	\$ 108,843,000

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, 2025 and December 31, 2024, the capitalization rates used in valuing the commercial and residential properties are set out as follows:

	September 30, 2025			December 31, 2024		
	Minimum	Maximum	Average	Minimum	Maximum	Average
Commercial properties	6.00%	8.50%	6.22%	6.00%	8.25%	6.22%
Residential properties	3.50%	4.50%	4.05%	3.50%	4.50%	4.05%

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%
As at September 30, 2025			
Capitalization rate, decrease, 0.25%	\$ 5,590,300	\$ 6,753,100	\$ 7,915,200
Capitalization rate, as reported	(1,087,400)	-	1,101,100
Capitalization rate, increase, 0.25%	(7,011,300)	(5,976,600)	(4,940,800)
As at December 31, 2024			
Capitalization rate, decrease, 0.25%	\$ 5,537,300	\$ 6,691,800	\$ 7,846,400
Capitalization rate, as reported	(1,099,100)	-	1,077,700
Capitalization rate, increase, 0.25%	(6,983,700)	(5,954,700)	(4,925,600)

URBANFUND CORP.
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THREE AND NINE MONTHS ENDED SEPTEMBER 30 2025 AND 2024

(In Canadian dollars)
(Unaudited)

5. EQUITY ACCOUNTED INVESTMENTS

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

As at,		September 30, 2025	December 31, 2024
Equity investees	Principal activity		
<i>Investment in associates</i>			
Highfield Park Residential Inc. (" <i>Highfield</i> ")	Owns and operates investment properties	20.0%	20.0%
Bellbrook Residential Inc. (" <i>Bellbrook</i> ")	Owns and operates investment properties	20.0%	20.0%
West Mic Mac Properties Inc. (" <i>Mic Mac</i> ")	Owns and operates investment properties	20.0%	20.0%
<i>Investment in joint ventures</i>			
1040 Martin Grove LP (" <i>1040 LP</i> ")	Purchase, condominium conversion and subsequent sale	28.35%	28.35%
270-330 Esna Park LP (" <i>Esna Park LP</i> ")	Purchase, condominium conversion and subsequent sale	15.38%	15.38%

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, reflecting an indirect 28.35% ownership in 1040 LP. During the nine months ended September 30, 2025, four commercial units (September 30, 2024 – five commercial units) were sold for total sales proceeds of \$1,685,124 (September 30, 2024 – \$2,243,194). To date, the Company has received a return of capital of \$11,752,221 from this investment.

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, reflecting an indirect 15.38% ownership in Esna Park LP. During the nine months ended September 30, 2025, 18 commercial units (September 30, 2024 – three commercial units) were sold for total sales proceeds of \$3,354,897 (September 30, 2024 – \$677,706). Subsequent to the quarter end, the Company received a return of capital of \$360,000 from this investment.

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

As at September 30, 2025	Highfield	Bellbrook	Mic Mac	1040 LP	Esna Park LP	Total
Balance, beginning of period	\$ 21,833,048	\$ 3,119,371	\$ 2,017,677	\$ 1,646,983	\$ 1,811,942	\$ 30,429,021
Contributions / (Distributions)	1,250,000	-	(24,000)	(866,997)	-	359,003
Share of net income	1,587,381	250,751	492,255	334,944	575,722	3,241,052
Balance, end of period	\$ 24,670,429	\$ 3,370,122	\$ 2,485,932	\$ 1,114,930	\$ 2,387,664	\$ 34,029,076
As at December, 2024	Highfield	Bellbrook	Mic Mac	1040 LP	Esna Park LP	Total
Balance, beginning of year	\$ 19,436,410	\$ 2,847,000	\$ 1,818,020	\$ 1,843,000	\$ 1,657,000	\$ 27,601,430
Distributions	(180,000)	(80,000)	(140,000)	(885,224)	-	(1,285,224)
Share of net income	2,576,638	352,371	339,657	689,207	154,942	4,112,815
Balance, end of year	\$ 21,833,048	\$ 3,119,371	\$ 2,017,677	\$ 1,646,983	\$ 1,811,942	\$ 30,429,021

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

As at September 30, 2025	Highfield	Bellbrook	Mic Mac	1040 LP	Esna Park LP	Total
Current assets	\$ 2,857,058	\$ 736,674	\$ 575,127	\$ 15,878,717	\$ 18,250,064	\$ 38,297,640
Non-current assets	180,610,000	37,260,000	22,710,000	\$ -	-	\$ 240,580,000
Current liabilities	(3,057,703)	(418,428)	(279,856)	\$ (276,206)	(194,620)	\$ (4,226,813)
Non-current liabilities	(57,057,208)	(20,727,634)	(10,575,613)	\$ (11,669,773)	(2,530,971)	\$ (102,561,199)
Net assets	\$123,352,147	\$ 16,850,612	\$ 12,429,658	\$ 3,932,738	\$ 15,524,473	\$ 172,089,628
Urbanfund's interest	\$ 24,670,429	\$ 3,370,122	\$ 2,485,932	\$ 1,114,930	\$ 2,387,664	\$ 34,029,076
As at December, 2024	Highfield	Bellbrook	Mic Mac	1040 LP	Esna Park LP	Total
Current assets	\$ 2,444,609	\$ 314,712	\$ 287,597	\$ 20,935,484	\$ 34,754,395	\$ 58,736,797
Non-current assets	174,760,000	36,710,000	20,900,000	-	-	232,370,000
Current liabilities	(7,362,659)	(842,748)	(623,968)	(309,001)	(518,229)	(9,656,605)
Non-current liabilities	(60,676,711)	(20,585,111)	(10,475,245)	(14,817,015)	(22,455,012)	(129,009,094)
Net assets	\$109,165,239	\$ 15,596,853	\$ 10,088,384	\$ 5,809,468	\$ 11,781,154	\$ 152,441,098
Urbanfund's interest	\$ 21,833,048	\$ 3,119,371	\$ 2,017,677	\$ 1,646,983	\$ 1,811,942	\$ 30,429,021

URBANFUND CORP.
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THREE AND NINE MONTHS ENDED SEPTEMBER 30 2025 AND 2024

(In Canadian dollars)
(Unaudited)

Three months ended September 30,	Highfield	Bellbrook	Mic Mac	1040 LP	Esna Park LP	2025 Total
Revenue	\$ 4,275,597	\$ 721,875	\$ 484,481	\$ 510,827	\$ 1,790,827	\$ 7,783,607
Operating expenses	(2,094,002)	(294,898)	(180,471)	(107,093)	(111,428)	(2,787,892)
Interest expense	(574,666)	(135,139)	(56,526)	(123,353)	(49,243)	(938,927)
Fair value adjustment on income properties	4,733,448	(36,473)	507,878	-	-	5,204,853
Net income	\$ 6,340,377	\$ 255,365	\$ 755,362	\$ 280,381	\$ 1,630,156	\$ 9,261,641
Income from equity accounted investments	\$ 1,268,075	\$ 51,073	\$ 151,072	\$ 79,488	\$ 250,718	\$ 1,800,427

Three months ended September 30,	Highfield	Bellbrook	Mic Mac	1040 LP	Esna Park LP	2024 Total
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)
Fair value adjustment on income properties	(459,000)	269,000	483,000	-	-	293,000
Net income (loss)	\$ 1,080,000	\$ 577,000	\$ 748,000	\$ (50,800)	\$ 929,563	\$ 3,283,763
Income (loss) from equity accounted investments	\$ 213,000	\$ 116,000	\$ 149,000	\$ (14,896)	\$ 142,644	\$ 605,748

Nine months ended September 30,	Highfield	Bellbrook	Mic Mac	1040 LP	Esna Park LP	2025 Total
Revenue	\$ 12,599,496	\$ 2,172,384	\$ 1,427,548	\$ 1,954,919	\$ 5,058,440	\$ 23,212,787
Operating expenses	(6,553,094)	(951,656)	(589,744)	(383,275)	(691,943)	(9,169,712)
Interest expense	(1,722,425)	(409,727)	(172,407)	(390,185)	(623,184)	(3,317,928)
Fair value adjustment on income properties	3,612,929	442,753	1,795,876	-	-	5,851,558
Net income	\$ 7,936,906	\$ 1,253,754	\$ 2,461,273	\$ 1,181,459	\$ 3,743,313	\$ 16,576,705
Income from equity accounted investments	\$ 1,587,381	\$ 250,751	\$ 492,255	\$ 334,944	\$ 575,722	\$ 3,241,052

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)
Fair value adjustment on income 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	\$ 2,129,748

6. INVESTMENT IN REAL ESTATE PROJECT

In September 2009, the Company invested \$2,000,000 for a 10% interest in private partnership, which in turn acquired 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

In January 2022, the Company, together with KOLT Investment Inc. (formerly Takol Real Estate Inc.) and two private real estate investors, formed a joint operation which acquired an industrial complex located at 67-69 Westmore Drive, Etobicoke, Ontario. The purchase price was \$23,425,000 plus customary closing costs, funded by a \$17,568,750 mortgage and \$5,856,250 in equity contributions. The joint operation intends to renovate, change to condominium title and sell units in the complex. Urbanfund holds a 40% interest in this joint operation.

As at September 30, 2025, a total of 28 commercial units were sold for sales proceeds of \$15,623,884. To date, the Company's capital contribution of \$3,120,000 has been fully returned, and an additional profit distribution of \$3,713,399 has been received, including \$800,000 that was received subsequent to the quarter end (note 21). As at September 30, 2025, there are 4 unsold commercial units remaining (December 31, 2024 – 8 unsold commercial units).

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

As at,	September 30, 2025	December 31, 2024
Balance, beginning of period	\$ 3,015,997	\$ 11,048,071
Development expenditures	249,791	891,302
Disposition of inventory properties	(1,708,610)	(8,923,376)
Balance, end of period	\$ 1,557,178	\$ 3,015,997

8. RECEIVABLES AND OTHER ASSETS

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

As at	Note	September 30, 2025	December 31, 2024
Accounts receivable		\$ 580,483	\$ 734,654
Refundable deposits		50,000	50,000
Amounts receivable	13	128,087	128,087
Prepaid expenses		312,356	124,070
		\$ 1,070,926	\$ 1,036,811

9. MORTGAGES PAYABLE

As at	September 30, 2025	December 31, 2024
Current	\$ 10,348,609	\$ 10,298,794
Non-current	43,988,496	45,207,297
	\$ 54,337,105	\$ 55,506,091

Mortgages payable are secured by investment properties and bear interest at various fixed and floating rates with monthly blended principal and interest payments ("MBPI").

As at				September 30, 2025	December 31, 2024
Property name(s)	Payment Terms	Maturity Date	Interest Rate		
Quebec Headway, Assumed Mortgages ⁽ⁱⁱⁱ⁾	MBPI	(i)	(i)	\$ 5,144,747	\$ 5,327,575
476-480 Wonderland Road ^(iv)	MBPI	Dec 31, 2023 ^(iv)	4.35%	716,797	772,796
3080-3094 Don Mills & 200 Van Horne	MBPI	Dec 1, 2025	4.76% ^(v)	8,119,502	8,415,118
305 North Front Centre	MBPI	Feb 24, 2028	5.55%	9,479,789	9,637,731
Quebec Headway, Vendor Take Back	MBPI	June 1, 2028	5.50%	1,522,983	1,640,714
63 Scott Street ^{(ii), (iii)}	MBPI	Mar 1, 2031	2.65%	29,409,644	29,780,200
Mortgages payable				\$ 54,393,462	\$ 55,574,134
Less: Unamortized mortgage financing costs				(56,357)	(68,043)
				\$ 54,337,105	\$ 55,506,091

(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 1.33 years (December 31, 2024 – 2.08 years) and bears a weighted average interest rate of 2.68% (December 31, 2024 - 2.69%).

(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, 2025 and December 31, 2024, the Company has issued guarantees to certain banks in respect of mortgages granted to certain subsidiaries.

(iv) The Company has signed a short-term extension, which extends the maturity date to December 1, 2025 bearing interest at Cost of Funds + 1.85%. As at September 30 2025, the interest rate was 4.76%.

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Minimum principal payments over the following years are as follows:

2025	\$	9,118,205
2026		5,395,178
2027		1,002,095
2028		11,161,970
2029		550,758
Thereafter		27,165,256
		54,393,462
Unamortized mortgage financing costs		(56,357)
	\$	54,337,105

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:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Basic income per share				
Net income attributable to shareholders	\$ 2,223,823	\$ 1,516,042	\$ 4,532,376	\$ 4,812,255
Weighted average common shares outstanding	53,749,042	53,509,927	53,697,449	53,243,697
Basic income per share	\$ 0.041	\$ 0.028	\$ 0.084	\$ 0.090
Diluted income per share				
Net income attributable to shareholders	\$ 2,223,823	\$ 1,516,042	\$ 4,532,376	\$ 4,812,255
Weighted average common shares outstanding	53,749,042	53,509,927	53,697,449	53,243,697
Dilutive effect of preferred shares ⁽ⁱ⁾	7,425,000	7,425,000	7,425,000	7,425,000
Weighted average common shares outstanding, diluted	61,174,042	60,934,927	61,122,449	60,668,697
Diluted income per share	\$ 0.036	\$ 0.025	\$ 0.074	\$ 0.079

(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, 2025, Urbanfund issued 153,894 common shares valued at \$119,038 to participants enrolled in the DRIP (September 30 2024 – 751,168 and \$608,075).

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For the nine months ended September 30, 2025, total dividends paid in cash during the period was \$2,171,420 (September 30, 2024 - \$1,659,056). As at September 30, 2025, dividends payable was \$764,773 (December 31, 2024 - \$762,849).

12. REVENUE

Rental revenue

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Base rent	\$ 1,828,054	\$ 1,837,267	\$ 5,459,079	\$ 5,551,789
Realty tax recoveries	111,650	107,637	335,247	322,865
Common area maintenance recoveries	95,181	88,773	321,407	344,175
Percentage rent	1,701	4,885	120,657	116,618
Miscellaneous revenue	117,771	51,498	233,683	204,887
	\$ 2,154,357	\$ 2,090,060	\$ 6,470,073	\$ 6,540,334

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,	
	2025	2024	2025	2024
Inventory property sales	\$ 942,620	\$ 3,472,000	\$ 2,257,660	\$ 12,265,024
Common area maintenance recoveries	95,181	88,773	321,407	344,175
Parking revenue	25,987	25,693	79,504	77,997
	\$ 1,063,788	\$ 3,586,466	\$ 2,658,571	\$ 12,687,196

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, 2025 (note 8) is \$128,087 (December 31, 2024 - \$128,087) of amounts due from Westdale.

On March 27, 2024, the Company issued a \$6,000,000 loan to Westdale bearing interest at 8.2%. This receivable, along with accrued interest, was repaid in full 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%, the loan was repaid in full with interest on December 17, 2024.

On April 29, 2025, the Company issued a \$3,000,000 loan to Westdale bearing interest at 5.95%, the loan was repaid in full with interest on June 30, 2025.

For the nine months ended September 30, 2025, Urbanfund issued dividends of \$1,808,360 (September 30, 2024 - \$1,430,213) to Westdale.

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

As at	September 30, 2025	December 31, 2024
<i>Property management fees, included in:</i>		
Accounts payable and accrued liabilities	\$ 21,924	\$ -
<i>Management cost reimbursements, included in:</i>		
Accounts payable and accrued liabilities	\$ 49,766	\$ 52,985

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	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
<i>Property management fees, included in:</i>				
Rental expenses	\$ 30,759	\$ 30,040	\$ 95,066	\$ 92,878
Income from equity accounted investments, net	37,332	39,983	110,675	104,813
<i>Management cost reimbursements, included in:</i>				
Rental expenses	\$ 61,554	\$ 56,677	\$ 187,242	\$ 177,286
Income from equity accounted investments, net	75,323	67,085	220,048	200,430

There has been no compensation paid to key management personnel during the nine months ended September 30, 2025 and 2024.

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, 2025			December 31, 2024		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<i>Assets measured at fair value:</i>							
Income properties	4	\$ -	\$ -	\$ 109,476,000	\$ -	\$ -	\$ 108,843,000
Total assets measured at fair value		\$ -	\$ -	\$ 109,476,000	\$ -	\$ -	\$ 108,843,000

For assets measured at fair value as at September 30, 2025 and December 31, 2024, 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 \$53,376,685 (December 31, 2024 - \$54,499,884) 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 \$233,224 (December 31, 2024 - \$305,803).

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		\$ 1,257,378	\$ -	\$ -	\$ -
Mortgages payable	9	9,118,205	5,395,178	12,714,823	27,165,256

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, 2025 and 2024.

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,	
	2025	2024	2025	2024
Interest received	\$ 87,493	\$ 128,061	\$ 242,827	\$ 314,733
Interest paid	(487,702)	(448,748)	(1,448,234)	(1,538,853)
Dividends paid:				
Dividends declared during the period	\$ (723,926)	(723,757)	\$ (2,171,659)	(1,821,946)
Dividends declared in the prior year, paid in the current period	(724,044)	(536,254)	(723,687)	(560,867)
Dividends declared in the current year, paid in next period	723,926	723,757	723,926	723,757
Dividends paid	\$ (724,044)	\$ (536,254)	\$ (2,171,420)	\$ (1,659,056)

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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,	
	2025	2024	2025	2024
Balance, beginning of period	\$ 54,783,697	\$ 56,671,252	\$ 55,574,134	\$ 65,194,379
Cash flows				
Repayments of mortgage principals from sale of inventory properties	-	(294,542)	-	(8,030,891)
Repayments of mortgage principals	(387,264)	(383,643)	(1,168,986)	(1,144,139)
Non-cash changes:				
Deferred financing costs	(2,971)	(16,183)	(11,686)	(42,465)
Balance, end of period	\$ 54,393,462	\$ 55,976,884	\$ 54,393,462	\$ 55,976,884

19. ADJUSTMENTS FOR OTHER NON-CASH WORKING CAPITAL ITEMS

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Receivables and other assets	\$ 933,664	\$ (75,758)	\$ (34,115)	\$ 4,901,589
Accounts payable and accrued liabilities	(167,165)	(240,853)	(57,070)	(396,843)
Income taxes	123,430	341,999	(1,074,570)	1,357,999
Tenant deposits	22,652	4,536	2,677	6,820
Deferred financing costs and other	87,493	128,061	242,827	314,733
Net change in other working capital items	\$ 1,000,074	\$ 157,985	\$ (920,251)	\$ 6,184,298

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 November 12, 2025, the Company entered into a commitment to refinance its property at 3080–3094 Don Mills Road and 200 Van Horne Avenue, Toronto for \$16,293,116 at a fixed interest rate of 3.65% for five years. The refinancing proceeds will be used to repay the existing mortgage, with the remaining funds available for general corporate purposes. The transaction is expected to close on December 1, 2025.

On November 12, 2025, the Company received a cash distribution of \$800,000 from the sale of additional commercial units at 67-69 Westmore Drive, Etobicoke.

On November 17, 2025, the Company received a cash distribution of \$360,000 from the sale of additional commercial units at 270-330 Esna Park, Markham.