

**URBANFUND CORP. REPORTS FINANCIAL RESULTS  
FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2016**

August 30, 2016 – For Immediate Release

**Toronto, Ontario** – Mitchell Cohen, President and Chief Executive Officer of Urbanfund Corp. (TSX-V: UFC) (the “Company”), confirmed today that the Company filed financial results for the three month and six month periods ended June 30, 2016 and 2015 (the “Financial Statements”).

For the three month period ended June 30, 2016, the Company reported income before income taxes of \$2,016,509 on revenue of \$1,241,055 compared to income before income taxes of \$135,125 on revenue of \$1,188,353 for the corresponding period in 2015. This increase is primarily attributable to rentals at, and fair value adjustment of, the Company’s 65% interest in a residential building with 40 units located at 48 Weber Street, Kitchener, Ontario (“48 Weber”).

Rental expenses for the three month period ended June 30, 2016 increased to \$713,625 compared to \$554,026 for the corresponding period in 2015. The increase is a result of an increase in the repairs and maintenance expense for the Company’s interest in 10 residential properties consisting of 1,870 residential suites located in Quebec and Montreal (the “Quebec Properties”) from the corresponding period.

Net income during the six month period ended June 30, 2016 increased to \$2,164,387 from \$506,696 during the corresponding period in 2015. This increase is attributable to the fair value adjustment of 48 Weber.

**FUNDS FROM OPERATIONS**

Funds from Operations (“FFO”) is a non-IFRS measure and should not be construed as an alternative to net income determined in accordance with IFRSQueb. However, FFO is an operating performance measure which is widely used by the real estate industry and the Company has calculated FFO in accordance with the recommendations of the Real Property Association of Canada (“REALpac”).

FFO, or any other non-IFRS performance measure, is not intended to represent operating profits for the period or from a property. Furthermore, it should not be viewed as an alternative to net income, cash flow from operating activities or similar measures of financial performance calculated in accordance with IFRS.

FFO is a widely accepted supplemental measure of financial performance for real estate entities; however, it does not represent amounts available for capital programs, debt service obligations, commitments or uncertainties. FFO should not be interpreted as an indicator of cash generated from operating activities and is not indicative of cash available to fund operating expenditures, or for the payment of cash distributions. FFO is simply one measure of operating performance.

FFO for the three and six month periods ended June 30, 2016 are as follows:

	Three month period ended June 30, 2016	Three month period ended June 30, 2015	Six month period ended June 30, 2016	Six month period ended June 30, 2015
Earnings before income taxes	\$2,016,509	\$135,125	\$2,245,387	\$565,505
Adjust for:				
Interest income	(\$15,694)	(\$16,747)	(\$25,262)	(\$24,793)
Unrealized (Gain)/Loss on Foreign Currency Translation	(\$87,054)	(\$21,746)	\$3,366	(\$90,836)
Realized loss on Foreign Currency Translation	\$94,700	-	\$94,700	-
Unrealized (Gain)/Loss on Marketable Securities	(\$25,058)	\$40,126	(\$28,334)	(\$52,154)
Unrealized (Gain)/Loss on Investment Properties	(\$1,762,926)	\$139,821	(\$1,756,661)	\$139,821
Funds from Operations (FFO)	\$220,477	\$276,579	\$533,196	\$537,543

Financing costs increased during the three month period ended June 30, 2016 to \$258,725 from \$201,580 for the corresponding period ended June 30, 2015. This increase is due to 48 Weber coming on-line. Administrative costs decreased to \$48,228 during the three month period ended June 30, 2016 from \$156,168 for the corresponding period ended June 30, 2015.

## LIQUIDITY AND CAPITAL RESOURCES

As of June 30, 2016, the Company had cash and cash equivalents in the amount of \$6,254,925 and marketable securities of \$350,812.

As at June 30, 2016, the Company had mortgages payable in the amount of \$25,939,606, which was comprised of: (i) \$11,589,291 representing a mortgage payable for the 84 suite townhouse complex located at the corner of Don Mills Road and Van Horne Avenue, in Toronto, Ontario; (ii) \$5,209,688 representing a mortgage payable for the 72,761 square foot one-storey commercial shopping centre located at 305 North Front Street, Belleville, Ontario and the 16,000 square foot one-storey commercial shopping centre located 476-480 Wonderland Road South, London, Ontario, (iii) \$5,347,312 representing mortgages payable on the Quebec Properties; (iv) \$3,177,690 representing mortgages payable on 48 Weber and the Company's 65% interest in a multi-residential rental complex redevelopment project located at 61 Roy Street West, Kitchener, Ontario; and (v) \$615,625 representing a mortgage payable on the Company's 65% interest in a proposed multi-residential rental development site located at 59-65 Weber Street East, Kitchener, Ontario.

## ASSETS

As at June 30, 2016, total assets were \$60,133,535 compared to \$51,573,828 as at June 30, 2015. As at December 31, 2015, total assets were \$56,472,836 compared to \$47,211,558 as at December 31, 2014.

## DIVIDENDS AND DIVIDEND REINVESTMENT PLAN

As part of the Company's long-term strategy to maximize shareholder value, in 2015 the Board of Directors implemented a dividend policy. Pursuant to the dividend policy, the Company intends to pay an annual aggregate dividend of \$0.005 per Common Share and \$0.005 per Preferred Share, payable quarterly in the amount of \$0.00125 per Common Share and Preferred Share. The record date for

dividends is anticipated to be set as the last business day of March, June, September and December in each year and the payment date in each case is anticipated to be approximately two weeks from the applicable record date.

The Company has a dividend reinvestment plan for holders of common shares in the capital of the Company (the "Common Shares") and a dividend reinvestment plan for the holder of Series A, first preferred shares (the "Preferred Shares") in the capital of the Company (collectively, the "DRIP"). The DRIP is a voluntary program permitting holders of Common Shares and Preferred Shares to automatically, and without charge, reinvest dividends to acquire additional Common Shares at a specified discount to the volume-weighted average market price calculated as of the date of the dividend payment. The Company has reserved an aggregate of 2,000,000 Common Shares for the issuance to participants enrolled in the DRIP.

The Company declared a dividend on its Common Shares and Preferred Shares on March 31, 2016, which was subsequently paid on April 15, 2016.

The Company declared a dividend on its Common Shares and Preferred Shares on June 30, 2016, which was subsequently paid on July 15, 2016. On July 15, 2016, the Company paid dividends of \$0.00125 per Series A, first preferred share and common share in aggregate of \$64,482 to the holders of record as of June 30, 2016. Of this amount, \$51,969 was reinvested through the Company's dividend reinvestment plan.

The declaration and payment of future dividends and the quantum of any such dividends will be subject to the Company's Board of Directors' determination, in its discretion, taking into account, among other things, business performance, financial condition, growth plans and expected capital requirements, statutory solvency tests, as well as any contractual restrictions on such dividends, including any agreements entered into with lenders to the Corporation or its subsidiaries. There can be no assurance that dividends will be paid at the intended rate or at any rate in the future.

## **ABOUT URBANFUND**

Urbanfund Corp. is a Toronto-based real estate development and operating company. Urbanfund Corp. is a TSX Venture exchange listed real estate company based in Toronto. The Company's common shares trade under the symbol UFC on the TSX Venture Exchange. Urbanfund's focus is to identify, evaluate and invest in real estate or real estate related projects. The Company's assets are located in Toronto, Kitchener, Belleville and London, Ontario and in Montreal and Quebec City, Quebec. The Company's strategy going forward remains committed to seek accretive real estate or real estate-related opportunities.

## **FORWARD LOOKING STATEMENTS**

This press release contains certain forward-looking statements, which reflect Management's expectations regarding the Company's growth, results of operations, performance and business prospects and opportunities and dividends. Statements about the Company's future plans and intentions, results, levels of activity, cash flow from operations, performance, goals or achievements, proposed dividends or other future events constitute forward-looking statements. Wherever possible, words such as "may", "will", "should", "could", "expect", "plan", "intend", "anticipate", "believe", "estimate", "predict" or "potential" or the negative or other variations of these words, or similar words or phrases, have been used to identify these forward-looking statements. These statements reflect Management's current beliefs and are based on information currently available to management as at the date hereof.

Forward-looking statements involve significant risk, uncertainties and assumptions. Many factors could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking statements. These factors should be considered carefully and readers should not place undue reliance on the forward-looking statements. Although the forward-looking statements contained in this press release are based upon what management believes to be reasonable assumptions, the Company cannot assure readers that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this press

release, and the Company assumes no obligation to update or revise them to reflect new events or circumstances, except as required by law. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including: general economic and market segment conditions, interest rates, costs outside of the Company's control such as Real Estate Taxes and utilities, the ability of tenants to satisfy their contractual rent obligations and any unforeseen repair, maintenance or replacement of the Company's assets. More detailed assessment of the risks that could cause actual results to materially differ than current expectations is contained in the "Risks and Uncertainties" section of the Company's most recent Management's Discussion and Analysis dated August 29, 2016.

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