



**CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS**

(Unaudited)

For the three months ended April 30, 2024 and 2023

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102 “Continuous Disclosure Obligations”, if an auditor has not performed a review of the interim financial statements, the financial statements must be accompanied by a notice indicating that they have not been reviewed by an auditor.

The accompanying unaudited interim condensed consolidated financial statements of the Company have been prepared by and are the responsibility of the Company’s management.

The Company’s independent auditor has not performed a review of these financial statements in accordance with standards established by CPA (Chartered Professional Accountants) Canada for a review of interim financial statements by an entity’s auditor.

WALL FINANCIAL CORPORATION

Condensed Consolidated Interim Statements of Financial Position

(Unaudited)	April 30, 2024	January 31, 2024
Assets		
Investment properties	\$ 580,435,654	\$ 575,550,820
Property, plant, and equipment	105,922,879	107,009,955
Properties under development for sale	146,656,911	122,888,077
Amounts receivable	1,450,000	1,450,000
Deferred tax asset	638,613	484,346
Non-current assets	835,104,057	807,383,198
Current portion of properties under development for sale	55,425,980	51,926,018
Other assets	4,751,958	3,254,643
Income taxes receivable	150,094	68,730
Amounts receivable	9,014,293	10,856,425
Cash and cash equivalents	16,132,300	22,788,744
Current assets	85,474,625	88,894,560
	\$ 920,578,682	\$ 896,277,758
Liabilities		
Mortgages payable (note 4)	\$ 328,350,344	\$ 330,114,736
Deferred tax liabilities	12,912,142	14,854,552
Non-current liabilities	341,262,486	344,969,288
Current portion of mortgages payable (note 4)	56,102,278	56,648,933
Income taxes payable	1,572,387	11,444,912
Accounts payable and accrued liabilities	26,469,695	27,760,946
Deposits on real estate sales	281,053	281,053
Bank and other indebtedness (note 4)	284,324,893	147,085,258
Loan from shareholder	-	100,000,000
Current liabilities	368,750,306	343,221,102
	\$ 710,012,792	\$ 688,190,390
Equity		
Share capital	\$ 24,099,401	\$ 24,099,401
Contributed surplus	370,000	370,000
Retained earnings	135,992,980	133,638,092
Equity attributable to shareholders of the Company	160,462,381	158,107,493
Non-controlling interest	50,103,509	49,979,875
Total equity	210,565,890	208,087,368
	\$ 920,578,682	\$ 896,277,758

See accompanying notes to these condensed consolidated interim financial statements.

Approved on behalf of the Board:

"Bruno Wall" _____ Director

"Peter Ufford" _____ Director

WALL FINANCIAL CORPORATION

Condensed Consolidated Interim Statements of Earnings and Comprehensive Income

For the three months ended April 30, 2024 and 2023

(Unaudited)	2024	2023
Revenue (note 11)	\$ 35,837,624	\$ 32,204,872
Cost of sales and operating expenses	20,777,674	18,620,676
	15,059,950	13,584,196
Expenses:		
General and administration	1,006,669	759,040
Depreciation and amortization	3,197,674	3,313,857
	4,204,343	4,072,897
Net finance expense (income) (note 5):		
Investment and other income	(344,199)	(292,418)
Finance expense	6,916,078	6,340,408
	6,571,879	6,047,990
Earnings before income taxes	4,283,728	3,463,309
Income tax expense (recovery):		
Current	3,387,566	10,010,222
Deferred	(2,096,677)	(8,974,782)
	1,290,889	1,035,440
Net earnings and comprehensive income	\$ 2,992,839	\$ 2,427,869
Net earnings (loss) and comprehensive income (loss) attributable to:		
Shareholders of the Company	\$ 3,357,816	\$ 2,730,741
Non-controlling interests	(364,977)	(302,872)
	\$ 2,992,839	\$ 2,427,869
Basic and diluted earnings per share	\$ 0.10	\$ 0.08
Weighted average shares outstanding	32,304,336	32,450,828

See accompanying notes to these condensed consolidated interim financial statements.

WALL FINANCIAL CORPORATION

Condensed Consolidated Interim Statements of Changes in Equity

For the three months ended April 30, 2024 and 2023

(Unaudited)	Attributable to shareholders of the company			Total	Non-controlling Interests	Total Equity
	Share Capital	Contributed surplus	Retained Earnings			
Balance at February 1, 2024	\$ 24,099,401	\$ 370,000	\$ 133,638,092	\$ 158,107,493	\$ 49,979,875	\$ 208,087,368
Net earnings (loss)	-	-	3,357,816	3,357,816	(364,977)	2,992,839
Share repurchases (note 9(b))	-	-	(1,002,928)	(1,002,928)	-	(1,002,928)
Contributions	-	-	-	-	488,611	488,611
Balance at April 30, 2024	\$ 24,099,401	\$ 370,000	\$ 135,992,980	\$ 160,462,381	\$ 50,103,509	\$ 210,565,890
Balance at February 1, 2023	\$ 24,099,401	\$ 370,000	\$ 211,408,801	\$ 235,878,202	\$ 52,149,452	\$ 288,027,654
Net earnings (loss)	-	-	2,730,741	2,730,741	(302,872)	2,427,869
Dividends declared (note 9(a))	-	-	(97,360,095)	(97,360,095)	-	(97,360,095)
Share repurchases (note 9(b))	-	-	(278,389)	(278,389)	-	(278,389)
Contributions	-	-	-	-	1,075,723	1,075,723
Distributions	-	-	-	-	(3,573,402)	(3,573,402)
Balance at April 30, 2023	\$ 24,099,401	\$ 370,000	\$ 116,501,058	\$ 140,970,459	\$ 49,348,901	\$ 190,319,360

See accompanying notes to these condensed consolidated interim financial statements.

WALL FINANCIAL CORPORATION

Condensed Consolidated Interim Statements of Cash Flows

For the three months ended April 30, 2024 and 2023

(Unaudited)	2024	2023
Cash provided by (used in):		
Operating activities:		
Net earnings	\$ 2,992,839	\$ 2,427,869
Adjustments for items not involving cash:		
Depreciation	3,197,674	3,313,857
Deferred income tax recovery	(2,096,677)	(8,974,782)
Current income tax expense	3,387,566	10,010,222
Finance costs	6,916,078	6,340,408
	<u>14,397,480</u>	<u>13,117,574</u>
Additions to development properties	(26,678,373)	(9,599,483)
Interest paid	(8,022,842)	(6,859,619)
Income taxes paid	(13,341,455)	-
Changes in non-cash operating working capital:		
Amounts receivable	1,842,132	(2,946,559)
Accounts payable and accrued liabilities	(1,291,251)	2,278,351
Inventory	(36,707)	(28,608)
Deposits and prepaids	(1,463,707)	293,133
	<u>(34,594,723)</u>	<u>(3,745,211)</u>
Investing activities:		
Additions to investment properties	(6,029,112)	(3,134,182)
Additions to property, plant, and equipment	(264,440)	((898,571)
	<u>(6,293,552)</u>	<u>(4,032,753)</u>
Financing activities:		
Dividends paid	-	(97,360,095)
Repayment of loan from shareholder	(100,000,000)	-
Payment of financing fees	(22,537)	(192,373)
Repayment of mortgages payable	(2,470,950)	(2,438,353)
Bank and other indebtedness	137,239,635	96,408,928
Contributions from non-controlling interest	488,611	1,075,723
Share repurchase	(1,002,928)	(278,389)
	<u>34,231,831</u>	<u>(2,784,559)</u>
Decrease in cash and cash equivalents	(6,656,444)	(10,562,523)
Cash and cash equivalents, beginning of period	22,788,744	25,412,793
Cash and cash equivalents, end of period	<u>\$ 16,132,300</u>	<u>\$ 14,850,270</u>

See accompanying notes to condensed consolidated interim financial statements.

WALL FINANCIAL CORPORATION

Notes to Condensed Consolidated Interim Financial Statements

For the three months ended April 30, 2024 and 2023
(unaudited)

1. Reporting entity:

Wall Financial Corporation (“WFC”) is a publicly listed company incorporated under the British Columbia Business Corporations Act. Its shares are listed on the Toronto Stock Exchange under the symbol “WFC”.

These condensed consolidated interim financial statements comprise WFC and its subsidiaries (together referred to as the “Company”), and the Company’s interests in joint ventures. The Company predominantly operates in the greater Vancouver area of British Columbia in the development and management of residential and commercial rental units, development and construction of residential housing for re-sale, and the development and management of hotel properties.

The registered office of the Company is located at 10th Floor, 938 Howe Street, Vancouver, BC V6Z 1N9, Canada.

2. Basis of presentation:

(a) Statement of compliance:

These condensed consolidated interim financial statements (“Interim Financial Statements”) and the notes thereto have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”). These Interim Financial Statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company’s consolidated financial statements for the years ended January 31, 2024 and 2023 (“Annual Audited Financial Statements”), which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the IASB.

The Company’s quarterly results are impacted by the cyclical nature of the Company’s business. Revenues and other income can fluctuate significantly from period to period due to the timing and quantity of closings of residential and commercial units at the development properties. Assets can fluctuate due to the amount of development activities undertaken by the Company and are also impacted by the acquisitions and dispositions of rental properties, which the Company will manage and review on an ongoing basis to maximize value for shareholders. Dividends fluctuate as the Company is on a flexible dividend policy; the amount and timing of dividends will be based on the Company’s availability of and need for cash.

These Interim Financial Statements were approved by the Company’s Board of Directors on June 13, 2024, and are the responsibility of the Company’s management.

(b) Basis of measurement:

These Interim Financial Statements are presented in Canadian dollars, which is also the functional currency of each of the Company’s subsidiaries, and have been prepared on the historical cost basis.

WALL FINANCIAL CORPORATION

Notes to Condensed Consolidated Interim Financial Statements

For the three months ended April 30, 2024 and 2023
(unaudited)

2. Basis of presentation (continued):

(c) Use of estimates and judgements:

In preparing these Interim Financial Statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, and the reported amounts of revenues and expense. The significant judgements made by management in applying the Company's accounting policies and key estimates are disclosed in note 2 of the Annual Audited Financial Statements. There have been no changes to the significant accounting estimates and assumptions during the three months ended April 30, 2024. Actual results could differ from those estimates.

3. Material accounting policies:

These Interim Financial Statements were prepared using the same accounting policies and methods as those used in the Annual Audited Financial Statements except for the following two amendments to IAS 1, Presentation of Financial Statements that are effective for February 1, 2024.

- (a) The first amendment clarifies that the classification between current and non-current liabilities is based on rights that are in existence at the end of the reporting period. The classification is unaffected by expectations of whether an entity will exercise its right to defer settlement of a liability. It also introduces a definition of "settlement" as the transfer of cash, equity instruments, other assets or services to the counterparty.
- (b) The second amendment introduces Non-Current Liabilities with Covenants. It specifies that the classification of debt as current or non-current at the reporting date is not affected by the entity's compliance to the covenants after the reporting date.

The Company has adopted the above amendments from February 1, 2024. The adoption of these amendments does not have any material impact on the Company's financial disclosures.

4. Debt on properties:

	April 30, 2024	January 31, 2024
Bank and other indebtedness:		
Properties under development	\$ 69,367,237	\$ 64,838,245
Investment properties	83,000,000	79,600,000
General corporate debt	131,957,656	2,647,013
Total bank and other indebtedness	284,324,893	147,085,258
Mortgages payable:		
Investment properties	343,095,163	344,857,258
Property, plant and equipment	48,491,139	49,199,995
	391,586,302	394,057,258
Less: deferred financing fees	(7,133,680)	(7,293,584)
	384,452,622	386,763,669
Less: current portion of mortgages payable	(56,102,278)	(56,648,933)
Non-current portion of mortgages payable	\$ 328,350,344	\$ 330,114,736

WALL FINANCIAL CORPORATION

Notes to Condensed Consolidated Interim Financial Statements

For the three months ended April 30, 2024 and 2023
(unaudited)

4. Debt on properties (continued):

(a) Bank and other indebtedness on properties under development:

As April 30, 2024 the Company had outstanding borrowings of \$69,367,237 (January 31, 2024 - \$64,838,245) on available construction financing facilities in the form of Canadian dollar prime rate loans, and bankers' acceptances. The maximum available funding under such facilities is \$69,455,000 (January 31, 2024 - \$69,455,000). The credit facilities are secured by first mortgages and insurance proceeds on the related properties. The borrowings are due on demand.

(b) Bank and other indebtedness on investment properties:

As April 30, 2024 the Company had outstanding borrowings of \$83,000,000 (January 31, 2024 - \$79,600,000) on available credit facilities in the form of Canadian dollar prime rate loans, and bankers' acceptances. The maximum available funding under such facilities is \$83,00,000 (January 31, 2024 - \$79,600,000). The credit facilities are secured by first mortgages and assignment of rents and insurance proceeds on the related properties. The borrowings are due on demand.

(c) General corporate debt:

At April 30, 2024, the Company's borrowings of \$131,957,656 (January 31, 2024 - \$2,647,013) are made available by way of lines of credit with an available aggregate amount of \$168,049,000 (January 31, 2024 - \$168,049,000). The debt is in the form of Canadian dollar prime rate and Canadian Overnight Repo Rate Average loans. The debt is secured by fixed and floating demand debentures, second mortgages, and an assignment of rents on certain investment properties, and property, plant, and equipment. The borrowings are due on demand.

(d) Mortgages payable:

Mortgages payable on investment properties of \$343,095,163 (January 31, 2024 - \$344,857,258) bears interest at fixed rates ranging from 1.48% to 4.80% (January 31, 2024 - 1.48% to 4.80%) with one variable rate mortgage at 7.8% (January 31, 2024 - 7.8%).

As at April 30, 2024, the mortgage payable on property, plant and equipment of \$48,491,139 (January 31, 2024 - \$49,199,995). As at April 30, 2024, this mortgage bears interest at 7.39% (January 31, 2024 - 7.65%) bears interest at bankers' acceptance rates plus applicable stamping fees. An additional amount of \$50,000,000 is available to the Company and can be drawn at any time but not after August 31, 2024.

All mortgages are secured by first and second fixed charges over the Company's properties under development for sale, investment properties, and property, plant, and equipment.

WALL FINANCIAL CORPORATION

Notes to Condensed Consolidated Interim Financial Statements

For the three months ended April 30, 2024 and 2023
(unaudited)

5. Net finance expense (income):

	Three months ended April 30,	
	2024	2023
Finance income:		
Investment income	\$ 14,613	\$ 14,812
Interest income	329,586	277,606
	<u>344,199</u>	<u>292,418</u>
Finance costs:		
Interest on:		
Bank and other indebtedness	5,580,113	4,578,834
Mortgages payable	2,625,169	2,612,785
	<u>8,205,282</u>	<u>7,191,619</u>
Interest capitalized to properties under development for sale and investment properties	(1,289,204)	(851,211)
	<u>6,916,078</u>	<u>6,340,408</u>
Net finance cost	\$ 6,571,879	\$ 6,047,990

6. Financial instruments:

The carrying values of the Company's cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities, approximate their fair values due to the short-term nature of these financial assets and liabilities. The face value of bank and other indebtedness approximates its fair value, as it is due on demand. Management estimates that these differences are not material to the consolidated financial statements.

The fair value of mortgages payable is estimated by discounting the future contractual cash flows at the market interest rate that is available to the Company for similar financial instruments. The fair value of the mortgages payable at April 30, 2024 was \$372,475,000 (January 31, 2024 - \$374,207,000).

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The fair value of mortgages payable is considered Level 2 and investment properties are considered Level 3.

7. Investment properties:

On April 12 2024, the Company funded an additional payment of \$4,000,000 for an investment property that was initially purchased on January 31, 2023. The purchase agreement had a contingent payment due upon rezoning of the site and the determination of its density. The rezoning was approved in principle in March 2024.

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Notes to Condensed Consolidated Interim Financial Statements

For the three months ended April 30, 2024 and 2023
(unaudited)

On March 1, 2024 the Company purchased one residential strata unit for \$620,000. On March 25, 2024, the Company purchased one commercial strata unit for \$1,525,000.

On March 30, 2023 and April 3, 2023, the Company purchased two residential strata units for \$1,379,000.

8. Properties under development for sale:

On April 30, 2024, the Company purchased land for \$23,700,000. On April 14, 2023, the Company purchased 12 residential strata units for \$6,800,000.

9. Share capital:

(a) Dividends:

On February 3, 2023, the Company declared a cash dividend of \$3.00 per Common Share to holders of record of the Common Shares on February 17, 2023 for a total dividend payment of \$97,360,095 which was paid on March 3, 2023.

(b) Normal Course Issuer Bid ("NCIB"):

On March 10, 2023, the TSX accepted the Company's notice of intention to commence a NCIB which allows the Company to repurchase, at its discretion, up to 688,362 Common Shares in the market or as otherwise permitted by the TSX, subject to normal terms and limitations (the "2023 NCIB"). Common Shares purchased by the Company will be cancelled. On March 15, 2023, the Company entered into an Automatic Share Purchase Plan ("ASPP") with a broker that allows the purchase of Common Shares for cancellation under the NCIB at any time during predetermined trading blackout periods. During the three months ended April 30, 2023, the Company purchased and cancelled 14,600 Common Shares at a weighted average price of \$17.52 per share for \$278,389 including transaction costs under the 2023 NCIB.

On March 14, 2024, the TSX accepted the Company's notice of intention to commence a NCIB which allows the Company to repurchase, at its discretion, up to 672,142 Common Shares in the market or as otherwise permitted by the TSX, subject to normal terms and limitations (the "2024 NCIB"). Common Shares purchased by the Company will be cancelled. On March 14, 2024, the Company entered into an ASPP with a broker that allows the purchase of Common Shares for cancellation under the 2024 NCIB at any time during predetermined trading blackout periods.

The Company purchased 23,100 Common Shares from February 1, 2024 to March 14, 2024 under the 2023 NCIB at a weighted average price of \$22.30 per share. The Company purchased 22,300 Common Shares from March 18, 2024 to April 30, 2024 under its 2024 NCIB at a weighted average price of \$21.77 per share. During the three months ended April 30, 2024, the Company purchased 45,400 Common Shares at a weighted average price of \$22.04 per share. The Company cancelled 45,100 Common Shares from February 1, 2024 to April 30, 2024.

From February 1, 2023 to April 30, 2024 the Company purchased a total of 180,100 Common Shares under its 2023 NCIB and 2024 NCIB at a weighted average price \$20.08 per share.

9. Subsequent events:

(a) On May 13, 2024, the Company purchased an investment property for \$10,878,639.

WALL FINANCIAL CORPORATION

Notes to Condensed Consolidated Interim Financial Statements

For the three months ended April 30, 2024 and 2023
(unaudited)

- (b) The Company purchased 17,100 Common Shares from May 1, 2024 to June 14, 2024 at a weighted average price of \$20.89 and cancelled 45,400 shares.

WALL FINANCIAL CORPORATION

Notes to Condensed Consolidated Interim Financial Statements

For the three months ended April 30, 2024 and 2023
(unaudited)

10. Segment disclosures:

The Company operates in three different segments of the real estate industry: ownership and management of revenue-producing residential and commercial properties (“Rental”), ownership and management of hotel properties (“Hotel”), and the development and sale of residential housing (“Development”). Operating performance of the Company is evaluated primarily based on the net operating income of these three segments. Centrally managed expenses such as interest, amortization, and general administrative costs are not included or allocated to the operating segment results.

The following summarizes the Company’s assets as at April 30, 2024 and January 31, 2024:

	April 30, 2024	January 31, 2024
Identifiable assets:		
Properties:		
Investment properties (Rental)	\$ 580,248,468	\$ 574,496,635
Property, plant, and equipment (Hotel)	116,611,780	117,226,209
Properties under development for sale (Development)	217,208,666	190,930,639
	<u>914,068,914</u>	<u>882,653,483</u>
Corporate	6,509,768	13,624,275
	<u>\$ 920,578,682</u>	<u>\$ 896,277,758</u>

WALL FINANCIAL CORPORATION

Notes to Condensed Consolidated Interim Financial Statements

For the three months ended April 30, 2024 and 2023
(unaudited)

11. Segment disclosures (continued):

The following summarizes the Company's operating results for the three months ended April 30, 2024 and 2023:

	Rental		Hotel		Development		Corporate		Consolidated		
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	
For the three months ended April 30,											
Revenue	\$ 11,982,088	\$ 10,940,878	\$ 23,600,693	\$ 20,859,515	\$ 254,843	\$ 404,479	\$ -	\$ -	\$ 35,837,624	\$ 32,204,872	
Depreciation expense	1,843,059	1,838,256	1,351,516	1,473,033	-	-	3,099	2,568	3,197,674	3,313,857	
Net earnings (loss) before taxes	2,760,143	2,020,000	4,960,637	3,522,018	(560,355)	241,014	(2,876,697)	(2,319,723)	4,283,728	3,463,309	