

MELCOR 100

LIVE. WORK. SHOP. PLAY. 1923-2023

ANNUAL REPORT

2022



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FINANCIAL DATA

(\$000s except as noted)	2022	2021	Change
Revenue	241,747	315,628	(23)%
Gross margin (%) ¹	49%	44%	10%
Fair value adjustment on investment properties	21,554	19,370	11%
Net income	89,354	56,311	59%
Net margin (%) ¹	37%	18%	108%
Funds from operations ²	60,859	81,327	(25)%
Shareholders' equity	1,178,336	1,116,469	6%
Total assets	2,167,050	2,113,927	3%
Cash from operations	18,351	72,822	(75)%

Share Data (000s)	2022	2021	Change
Basic (weighted average)	32,453	33,039	(2)%
Common shares issued at December 31	31,249	32,961	(5)%

Per Share Data (\$)	2022	2021	Change
Basic earnings	2.75	1.70	62%
Diluted earnings	2.74	1.70	61%
Funds from operations ³	1.88	2.46	(24)%
Book value ³	37.71	33.87	11%

1. Supplementary financial measure.

2. Non-GAAP financial measure.

3. Non-GAAP financial ratio.

Refer to the Non-GAAP and Non-Standard Measures section on page 39 of our annual MD&A (available on SEDAR.com and at Melcor.ca/Investors) for further information.

BUILDING COMMUNITY

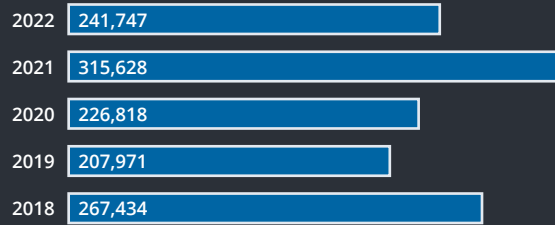
Since 1923, our focus has been the business of real estate. While the specifics of our business have changed over the years to reflect the times, real estate is fundamental to who we are. Today, we are a diversified real estate development and asset management company. We transform raw land into high-quality residential, commercial and mixed-use real estate. We develop and manage master-planned residential communities, business and industrial parks, office buildings, retail commercial centres and golf courses. Melcor owns a diversified portfolio of assets in Alberta, Saskatchewan, British Columbia,



Arizona and Colorado. With over 170 communities and commercial projects developed across western Canada since the 1950s and over 2.5 million square feet in commercial projects built, we have helped to shape much of Alberta's landscape. We manage 4.8 million square feet in commercial real estate assets and 476 residential rental units in the United States and Canada. We are committed to building communities that enrich quality of life – communities where people want to live, work, shop and play. We have been publicly traded since 1968 (TSX:MRD)

KEY METRICS

REVENUE



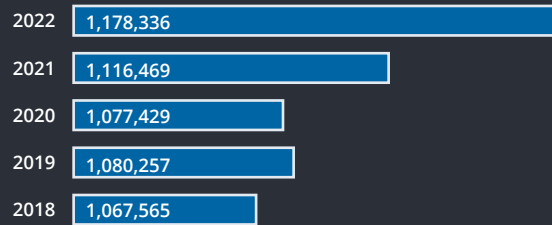
ASSETS



FUNDS FROM OPERATIONS



SHAREHOLDERS EQUITY



REVENUE BY DIVISION



GROSS MARGIN BY DIVISION



LETTER FROM THE EXECUTIVE CHAIR AND CEO

TIMOTHY C. MELTON



2023 is a significant milestone for Melcor as we celebrate 100 years of operations in the real estate industry.

My grandfather, Louis Timothy (LT) Melton, started a small real estate brokerage in 1923 with an early focus on the west end of Edmonton and particularly what was at the time the town of Jasper Place which later amalgamated with Edmonton. The original company, Stanley Investment Company, was named after LT's oldest son and my father, Stanley Louis Melton.

After returning from distinguished service in World War II in 1945, Stan helped his father with the business now called LT Melton Real Estate. The post war period and Stan's unique strategies brought growth and expansion throughout western Canada. Stan acquired the company from his father in 1947.

Under Stan's leadership, Melton Real Estate prospered and diversified into a fully integrated real estate company and included complementary subsidiaries offering mortgages, insurance, home construction and land development.

In 1968, Melton Real Estate went public as Stan firmly advocated for the idea that employees should have the opportunity to hold a stake in the company they contribute to. This legacy continues today through offerings such as the employee share purchase plan, which is accessible to all staff members.

From the late 1950s through to the 1970s, Melton Real Estate expanded across western Canada to a peak of 40 branch offices and over 500 sales agents, becoming the leading broker in western Canada with sales of \$222 million.

Stan Melton died suddenly in 1973 in the prime of his business life. His vision was competently carried on by dedicated staff and directors. In response to changing trends in the brokerage business, the company made the difficult, but prudent decision to divest of the brokerage division. The sale to AE Lepage was completed in 1976 for \$4.25 million.

The board of directors appointed me, Timothy Charles Melton, president in 1975.

1923

Stanley Investment Company was founded in Edmonton by LT Melton. The real estate company sold lots for \$100. LT rode his bike to meet with buyers. The Melton family lived on the second floor of the office building, located at 101 St & 102 Ave, the present-day location of City Centre mall.



1932

The company name is changed to LT Melton Real Estate. The photo is LT Melton at Jasper Place, 1926.



As a result of the Melton Real Estate brokerage sale, and with the growing focus on the lucrative land development business, the company name was changed to Melcor Developments Ltd.

The company began acquiring and building apartments, commercial and office buildings in the 1960s within the Investment Properties division and at one point, Melcor's portfolio included over 1.2 million sf of suburban and downtown office space, industrial projects, retail centres and low-rise residential construction. Many of these assets were sold during the recession of the 1980s to manage cash flow and service debt. By 1998, the company had 360,000 sf of leasable space.

In the early 2000s, Melcor once again embarked on its growth program and resumed development of commercial assets in Alberta. In total, Melcor and predecessor companies have built over 2.5 million sf of commercial buildings. These properties are transferred to Investment Properties for long-term income generation and serve to provide a stable revenue stream in contrast to the cyclical land development business. Today, Melcor owns and manages a total of 4.7 million sf of commercial assets and 476 residential units.

With growth in commercial assets via new properties built by Property Development and acquired by the Investment Properties division, the decision to carve out commercial assets as a

separate Real Estate Investment Trust was made, and Melcor REIT had its initial public offering in May 2013. Intended to be a growth engine by accessing the capital markets to acquire new properties developed by Melcor as well as third party properties, the REIT grew from an initial 1.6 million sf to 3.1 million sf and \$74 million in revenue and provides unitholders with a steady monthly distribution.

The REIT—celebrating its 10th anniversary in 2023—has paid out over \$5.98 per unit in distributions to unitholders.

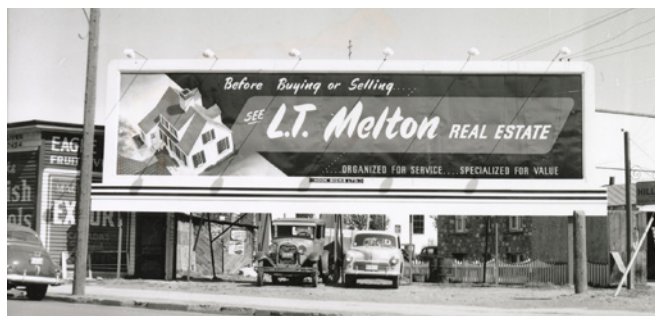
Many of the early characteristics of the company remain in place today: integrity and honour, the value of relationships with all stakeholders, and treating everyone with respect.

The company's impact, particularly on Alberta, has been significant. We have developed over 170 commercial projects and residential neighbourhoods, providing shelter for over 40,000 Alberta families.

Our longevity is a testament to our ability to adapt to changing market conditions. We have strategically expanded our operations into the United States twice – in the 1980s as a counter to the National Energy Program and again from 2008 to present as a counter to Alberta's reliance on the oil industry.

1940s

This prominent billboard proclaims: "Organized for Service... Specialized for Value." The cars below provide a sense of scale for the huge billboard.



1945

Stanley Melton returns from distinguished service in WWII with a wife, Peggy, and son, Timothy Charles Melton. In spite of a desire to own a farm, he joins his father's company and soon proves to have a keen sense for expanding the real estate brokerage business with unique concepts such as neighbourhood offices and the Melton Guaranteed Sales plan.

1947

Stan acquires the company from LT, whose health is failing. LT dies in 1951.



Many of the US residential rental assets have now been sold, while the land assets are under active development.

In conjunction with our annual results, we announced the appointment of Naomi Stefura as Chief Operating Officer (COO) of the company. Naomi has been an exceptional CFO, and we are confident that she will excel in her new role while concurrently holding her position as CFO.

During her 14 year tenure with Melcor, Naomi has demonstrated an unwavering commitment to the company's values, and has gained a deep understanding of our operating divisions. Naomi's promotion to COO is a testament to her hard work, expertise, and leadership skills. It is my pleasure to work with Naomi, and the entire Melcor team, to achieve our objectives.

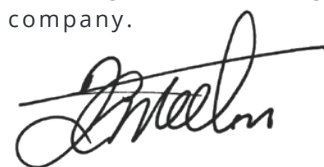
We are proud of our record of success and acknowledge the outstanding contribution of all those who have guided and worked for the company over the past century. We have always believed that our strength and success is a result of the dedicated effort of the good people who have worked for and with the company throughout our history.

On behalf of the board and all shareholders, I wish to acknowledge the entire Melcor team for their hard work and commitment to serving all company stakeholders and producing good results for the company.

Rising interest rates, combined with general inflation and geopolitical conflict provided some pause in 2022; however, we remain confident that our proven track record of successfully adapting to changing economic times position the company to continue to navigate cycles and trends as we have done for the past 100 years.

The outlook for Alberta is relatively positive for 2023 and we believe it will be another satisfactory year for the company. Our record of past performance, significant asset base and financial strength are reasons we remain confident in a bright future for the company.

In closing, Melcor wishes to thank shareholders for their continued support and confidence. We remain committed to protecting and enhancing your investment in the company.



1950s

The local sales offices provided Melton Real Estate with competitive advantage in the hottest neighbourhoods, and sales almost tripled between 1950 and 1952. The graphic below depicts Melton Sales Figures as presented in the 75th anniversary history book.



1953

The catchy slogan "Call a Melton Man and Start Packing" dots yard signs and billboards throughout Edmonton. Home sales are handled out of 16 local Edmonton offices.



Melton Homes 1950s

Melton Homes, first established under the name Sillton, provided exclusive listings for the brokerage division and ensured a pipeline of listings for the sales agents that no one else could offer.



The Sillton Homes brochure below is a reminder of home prices of this bygone era. The "Glenora" bungalow shown below sold for \$12,871. With \$2,600 down, the monthly interest and principal payment was \$83.

SILLTON HOMES
BEST VALUE OF SATISFACTION

Glenora

Another fine 3 bedroom Sillton Home with L-shaped living and dining room. Central corridor to master bedroom at rear. This exquisite home can be the beginning of a new pleasing way of life for you.

Price 12,871.40 Monthly Payment 83.14 (Interest & Principal)
Mortgage 2,600 Estimated Term 200
Down Payment

(3 years Fire Insurance coverage included)
N.H.A. APPROVED
SATISFACTION GUARANTEED OR YOUR MONEY REFUNDED

1968

Melton Real Estate and subsidiary companies amalgamate and begin trading on the Vancouver Stock Exchange.

The company graduates to the Toronto Stock Exchange in 1972.

The company has paid dividends in all but three years, and has paid dividends for 34 consecutive years.



1973

Stan Melton suffers a fatal heart attack at the CFL western final game. The Board appoints Garry Holmes president of the company.



1975

The Board appoints Timothy Charles Melton president of the company.



1976

The brokerage business was sold to A.E. Lepage, the company name was changed to Melcor Developments, and the focus shifted to land development.



Employee Development

Stan was an enthusiastic leader who insisted that developing a skilled management and sales team was a foremost consideration for future growth. Two major management development seminars were presented annually, as well as courses and seminars throughout the year, including specialized training in planning, supervision and motivation. As a result of this focus on training and development, the majority of Melcor and predecessor company promotions have been from within. Biannual management meetings continue to this day.

Melton's in a Nutshell was a 1950s era 20-page new hire manual outlining the company's guiding principles and values, sales strategies and tips, listing guidelines and an article on the importance of public relations.

Recognizing employees valuable contributions to the organization is another tradition that has been upheld since the 1950s. Company service awards are presented to employees for their 5, 10, 15, 20, 25 anniversary and beyond.



LETTER FROM THE COO AND CFO

NAOMI STEFURA



I am pleased to announce another year of results as Melcor enters its 100th year, with revenue of \$241.75 million and net income of \$89.35 million.

Demand for new homes was steady in our Canadian markets with increased momentum in the Calgary region where two new communities were introduced over the past few years. We brought on the second phase of Cobblestone Creek in Airdrie, AB (launched in 2021), and the first phase of The Pinnacle (mountain view estate lots at Sunset Ridge in Cochrane, AB).

The community development team has been active in replenishing lot supply after the record-setting pace of sales in 2021. We registered our final phase in West Haven Park (started 2006) and Cavanagh (started 2017). This year, we will complete the final phase in Rosewood, a smaller four phase community begun in 2019.

Demand for new homes was slightly softer through the middle of 2022 as interest rates began climbing; however, with stabilized interest rates in 2023, we are seeing demand grow once again, mirroring the growth in Alberta's population as

in migration has reached the highest level in a decade.

In total, our community development teams developed 29 new phases in 19 communities in 2022 and continued to advance new communities through the planning and approvals process.

The big outlier for the year was the lack of community sales in the US, where revenue is characterized by bulk sales agreements, which can result in variability from one period to another, making it challenging to compare results over time.

Counterbalancing the lack of US lot sales, we successfully finalized the sale of 117 residential properties in the US, resulting in a proceeds of \$35 million (equivalent to US\$26.15 million). Acquired between 2010 and 2013 for a total cost of \$11.94 million, these properties yielded a substantial profit of \$23.06 million. This transaction signifies the culmination of a well-executed strategic expansion into the US market, which was initially facilitated by a \$40 million debenture issued in early 2011.

1970s

After a pause in the residential home construction due to market conditions in the 1960s, the Homes division resumes operations and builds over 1100 quality homes in all price ranges in cities across western Canada.

Home construction is halted permanently in the early 1980s.



1999

Ralph Young is named president & CEO.



2000s

Melcor resumes amassing commercial assets through acquisition and our property development team.



Following this transaction and subsequent to the year, we returned \$24.01 million (US\$18.00 million) in cash to Canada to reduce borrowings on our credit facility as we navigate interest rate uncertainty.

In 2022, Property Development purchased 11.47 acres for \$13.69 million from Community Development, and completed and transferred 5 buildings (36,846 sf) valued at \$13.63 million with a margin of 17% (eliminated on consolidation). Transfers to Investment Properties will positively impact results in future years as we continue to grow our income-producing assets for long-term hold or for sale to the REIT. We are currently constructing the final building at Chestermere Station (Chestermere, AB), a project whose first building was transferred 17 years ago.

Our commercial income divisions, Investment Properties and REIT, contributed \$117.12 million in revenue, up 4% over the prior year due to growth in square footage owned and improved occupancy. Their higher contribution to revenue also improved gross margin for the year to 49% from 44% last year. Investment Properties manages 4.7 million sf of commercial GLA and 476 residential units (including property owned by the REIT).

2010+

Melcor begins acquiring residential rental units and land assets in the United States. A \$40 million privately-placed debenture in early 2011 provides the cash to support this growth strategy.

The community of Harmony (Aurora, CO) is one outcome of this strategy and is expected to have 3,500 homes at full build out. The Community Center at Harmony won the Denver MAME Award for Best Community Amenity in 2023.



At peak (2014), we owned 972 rental units in the US. In 2023, we sold 117 units, generating cash of \$35.00 million. These properties were originally purchased for \$11.94 million for a gain of \$23.06 million.

The Recreational Properties division also had a very successful year despite weather conditions leading to a shorter golf season than 2021.

We continue to focus on shareholder return through our dividend payments and Normal Course Issuer Bid (NCIB) program. In 2022, we increased our dividend 32% to \$0.58 per share. For the first quarter of 2023, our dividend increased a further 7%. In 2022, we repurchased the maximum shares allowable under our NCIB, thereby reducing shares outstanding by 5% and increasing each shareholders' ownership position.

With commitment and dedication, our team's built new communities and added new phases to existing ones, built and leased new commercial income-generating properties, maintained relationships with our tenants and helped golfers enjoy summer. I am incredibly proud of and grateful to our team for their strength and spirit.

Naomi Stefura

2013

The REIT is spun off as a separate public company as part of Melcor's growth strategy for income-generating assets.

Brian Baker is appointed president & CEO.

2017

Darin Rayburn is appointed president & CEO.

2022

Tim Melton is appointed CEO.

2023+

Naomi Stefura is appointed COO.

For more of the Melcor story, check out our 100th Anniversary website at Melcor100.ca

For information on current projects, please visit Melcor.ca



ENVIRONMENTAL, SOCIAL RESPONSIBILITY & GOVERNANCE

OUR COMMITMENT

At Melcor, we are deeply committed to sustainable practices that benefit our environment, society, and our stakeholders. We recognize that our actions have a significant impact on the world around us, and therefore, we prioritize ethical, responsible and transparent behaviour in all aspects of our business.

Our pursuit of excellence drives us to continuously strive for best practices in all areas of our operations. We build our strong foundation on the genuine values of a family-run organization, which has enabled us to cultivate long-lasting relationships with our clients, business partners, employees, and communities.

We take pride in leaving a positive and lasting impact on the environment and society. Through our sustainable business practices, we are committed to creating a brighter, healthier future for generations to come.



ENVIRONMENT

RESIDENTIAL DEVELOPMENT

Our development approach is to use the natural landscape as much as possible in community design, including intelligent storm water management facilities.

Our communities are filled with community gathering spaces – parks, playgrounds, community gardens and orchards.

COMMERCIAL DEVELOPMENT

We build efficient and sustainable buildings, and landscape with xeriscaping to reduce or eliminate the need for supplemental water by using native plants and trees.

PROPERTY MANAGEMENT

We reduced greenhouse gas emission intensity by 45% since 2012, the CO2 equivalent of 12,400 tonnes.

100% of our office properties use LED lights and have active recycling programs. 80% of buildings have motion sensing lights.

SOCIAL RESPONSIBILITY

RELATIONSHIP FOCUSED

Melcor has been built on relationships since 1923. Treating others with respect has always been a core value. We cultivate and greatly value our relationships with employees, tenants, clients, contractors, shareholders and the communities where we operate.

PEOPLE STRATEGY

Our people are the heart of our strategy and one of our three core values is to “empower and care for our exceptional team.” In 2021 and 2022, managers participated in The Working Mind, a training program for recognizing and managing mental health challenges in the workplace.

DIVERSITY & INCLUSION

Presently, 50% of Melcor’s Vice President’s are women, and 48% of our overall team. 38% of our Directors are women. Visible minorities make up 18% of our workforce.

GOVERNANCE

COMMUNITY INVESTMENT

Being invested in the communities where we do business is an important part of who we are. As we pursue excellence in our business, we also want the communities where we do business to be the best they can be. We give where we live to build strong communities. Our giving and involvement focuses on key pillars of strong communities: education, health, youth, sports, public gathering places such as libraries, and social programs that lend a helping hand to those in need.

SUPPORTING LOCAL

Our focus on relationships extends to our service providers as well. The majority of our service providers are small businesses that support our local economies.

EFFECTIVE GOVERNANCE

The majority of our directors are independent and we have appointed an independent lead director. Directors undertake a self evaluation on the effectiveness of the board and its committees annually.

CORPORATE GOVERNANCE

We are committed to effective corporate governance practices as a core component of our operating philosophy. Strong governance practices lay the foundation for a sustainable company and long-term value creation for our shareholders. As governance practices evolve, we periodically review, evaluate and enhance our governance program. Here are a few highlights of our program:

INDEPENDENCE

The majority of our directors are independent and our committees are comprised of a majority of independent directors. The independent directors meet *in camera* (without management and related directors) for a portion of each meeting held. As our Chair is related to Melcor, we have appointed a Lead Director, Cathy Roozen, who is independent of the company. Ms. Roozen chairs the *in camera* sessions and ensures that the board conducts itself in accordance with good governance practices.

INTEGRITY: THE HEART OF OUR BUSINESS

The highest standard of ethical conduct has always been at the heart of Melcor's operating philosophy. All employees, directors and officers follow our Code of Business Conduct and Ethics, which governs Melcor's work environment, regulatory compliance and the protection of our assets and reputation. The Code can be found on our website at www.melcor.ca.

STRATEGIC PLANNING PROCESS

The board ensures that Melcor establishes a solid strategy designed to optimize shareholder value. This process includes active consultation with management on the issues, business environment, assumptions, goals and financial budgets that underpin the strategy and ensures that risk levels are appropriate. To ensure that the board is fully informed and engaged in the strategic issues and critical risks of our business, one meeting each year is dedicated to the review and approval of our strategic plan to manage risk, protect shareholder value and build a sustainable business.

ALIGNMENT WITH SHAREHOLDER INTERESTS

Our compensation philosophy is to pay for superior performance. Thus a significant portion of executive compensation is "at risk": tied directly to results and thus linked to Melcor's success. This ensures alignment with shareholder interests and a focus on long-term value creation.



Douglas Goss, Q.C., AOE

Edmonton, Alberta, Canada

Independent
Counsel, Bryan & Company LLP

Director Since	2021
Attendance	100%
Compensation	\$33,000
Shareholdings	2,500
Committees	Governance



Andrew Melton

Calgary, Alberta, Canada

Related
CEO, Melcor REIT & Corporate Director

Director Since	1985
Attendance	100%
Compensation	\$nil
Shareholdings	228,924
Committees	Investment



Kathleen Melton, ICD.D

Calgary, Alberta, Canada

Related
Corporate Director

Director Since	2016
Attendance	100%
Compensation	\$55,500
Shareholdings	42,950
Committees	Governance, Investment



Timothy Melton

Edmonton, Alberta, Canada

Related
Executive Chair & CEO, Melcor

Director Since	1973
Attendance	100%
Compensation	\$nil
Shareholdings	2,301,500
Committees	Investment



Bruce Pennock

Edmonton, Alberta, Canada

Independent
Partner, Pennock Acheson Nielsen Devaney

Director Since	2021
Attendance	100%
Compensation	\$49,500
Shareholdings	5,000
Committees	Audit (Chair)



Janet Riopel, ICD.D

Edmonton, Alberta, Canada

Independent
President & CEO, TREYL Communications

Director Since	2022
Attendance	100%
Compensation	\$34,000
Shareholdings	1,750
Committees	Audit



Catherine Roozen

Edmonton, Alberta, Canada

Independent | Lead Director
Director & Secretary, Cathton Investments

Director Since	2007
Attendance	100%
Compensation	\$55,000
Shareholdings	145,600
Committees	Audit, Governance (Chair)



Ralph Young

Edmonton, Alberta, Canada

Independent
Corporate Director

Director Since	1976
2021 Attendance	100%
2021 Compensation	\$53,000
Shareholdings	1,405,300
Committees	Governance

FIVE YEAR PERFORMANCE MEASURES

	2022	% CHANGE	2021	% CHANGE	2020	% CHANGE	2019	% CHANGE	2018
ASSETS (\$000s)	2,167,050	2.5%	2,113,927	5.6%	2,001,285	(4.5)%	2,096,047	3.6%	2,023,076
SHAREHOLDERS' EQUITY (\$000s)	1,178,336	5.5%	1,116,469	3.6%	1,077,429	(0.3)%	1,080,257	1.2%	1,067,565
REVENUE (\$000s)	241,747	(23.4)%	315,628	39.2%	226,818	9.1%	207,971	(22.2)%	267,434
GROSS MARGIN ¹	48.9%		44.4%		43.3%		46.5%		46.8%
ADMINISTRATIVE EXPENSES/REVENUE ¹	9.5%		6.9%		8.0%		10.8%		8.8%
BASIC EARNINGS PER SHARE (\$)	2.75	61.8%	1.70	400.0%	0.34		1.13	(41.1)%	1.92
NET INCOME (\$000s)	89,354	58.7%	56,311	391.2%	11,464	(69.9)%	37,741	(41.3)%	64,273
FFO ² (\$000s)	60,859	(25.5)%	81,327	58.1%	51,424	34.4%	38,265	(31.8)%	56,127
FFO PER SHARE ³ (\$)	1.88	(23.8)%	2.46	58.7%	1.55	34.8%	1.15	(31.5)%	1.68
AVERAGE SHARE PRICE (\$)	13.24	4.0%	12.73	55.1%	8.21	(35.9)%	12.81	(11.1)%	14.41
DIVIDEND PER SHARE (\$)	0.58	31.8%	0.44	29.4%	0.34	(32.0)%	0.50	(3.8)%	0.52
DIVIDEND YIELD ⁴	4.38%		3.5%		4.1%		3.9%		3.6%
BOOK VALUE PER SHARE ⁵ (\$)	37.71	11.3%	33.87	4.0%	32.56	0.2%	32.51	1.6%	32.01
AVERAGE BOOK VALUE PER SHARE ⁵ (\$)	35.46	8.6%	32.66	(1.8)%	33.26	3.6%	32.09	3.5%	31.02
AVERAGE MARKET /AVERAGE BOOK ⁶ (\$)	0.37		0.38		0.25		0.40		0.46
PRICE/EARNINGS RATIO ⁷	4.81		7.49		24.15		11.34		7.51
RETURN ON EQUITY ⁸	7.58%		5.04%		1.06%		3.49%		6.02%
RETURN ON ASSETS ⁹	4.13%		2.66%		0.57%		1.80%		3.18%
DEBT/EQUITY RATIO ¹⁰ (EXCLUDING REIT UNITS)	0.78		0.81		0.80		0.84		0.80
ASSET TURNOVER ¹¹	11.16%		14.93%		11.33%		9.92%		13.22%

1. Supplementary financial measure. Refer to the Non-GAAP and Non-Standard Measures section on page 39 of the annual MD&A for further information.

2. Non-GAAP financial measure. Refer to the Non-GAAP and Non-Standard Measures section on page 39 of the annual MD&A for further information.

3. Non-GAAP financial ratio. Refer to the Non-GAAP and Non-Standard Measures section on page 39 of the annual MD&A for further information.

4. Dividend yield is dividends per share divided by the average share price.

5. Average book value per share is the average of the book values at each quarter end date.

6. Average market/average book is the average share price divided by the average book value per share.

7. Price/earnings ratio is the average share price for the year divided by the basic earnings per share.

8. Return on equity is net income for the year divided by equity at year end.

9. Return on assets is net income for the year divided by assets at year end.

10. Debt/equity ratio is debt, excluding REIT units, divided by shareholders equity.

11. Asset turnover is revenue divided by assets at year end.

ANNUAL GENERAL MEETING

We are pleased to invite you to our 54th annual meeting of shareholders. You may attend the meeting in person or via webcast. Both the live and online audience will have the opportunity to ask questions following the meeting. We encourage you to vote in advance of the meeting as per the instructions received in your voting package.

Wednesday, April 26, 2023 | 11:00 am MT

Fairmont Hotel Macdonald

Empire Ballroom

10065 100 Street | Edmonton, AB

Online: <https://www.gowebcasting.com/12427>

PROXY DEADLINE:

Monday, April 24, 2023 | 11:00 am MT

SHAREHOLDER SERVICES

For shareholder services, including dividend information, change of address and lost share certificates, please contact:

Odyssey Trust

Trader's Bank Building

702 67 Yonge Street

Toronto, ON M5E 1J8

1-888-290-1175

<https://odysseycontact.com>

KEY DATES

Annual Meeting: April 26, 2023 | 11:00 am MT

Earnings Dates:

Q1-2023 – May 10, 2023

Q2-2023 – August 10, 2023

Q3-2023 – November 8, 2023

Q4-2023 – TBD

CORPORATE INFORMATION

Melcor Developments Ltd.

900, 10310 Jasper Avenue

Edmonton, AB T5J 1Y8

P. 780.423.6931

1.855.673.6931

Exchange Listing

Toronto Stock Exchange: **MRD**

Auditors

PricewaterhouseCoopers LLP

Legal Counsel

Bryan & Company LLP

Investor Relations

P. 1.855.673.6931

ir@melcor.ca



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