TRIBE PROPERTY TECHNOLOGIES INC.

Consolidated Financial Statements
For the years ended December 31, 2022 and 2021

(Expressed in Canadian Dollars)

dmcl.ca

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report

To the Shareholders of Tribe Property Technologies Inc.

Opinion

We have audited the consolidated financial statements of Tribe Property Technologies Inc. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2022 and 2021, and the consolidated statements of loss and comprehensive loss, cash flows and changes in shareholders equity for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, describes events or conditions that indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters, that in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter described below to be a key audit matter to be communicated in our report.

Vancouver
1500 - 1140 West Pender St.
Vancouver, BC V6E 4G1
604.687.4747

Surrey
200 - 1688 152 St.
Surrey, BC V4A 4N2
604.531.1154

Tri-Cities
700 - 2755 Lougheed Hwy
Port Coquitlam, BC V3B 5Y9
604.941.8266

Victoria
320 - 730 View St.
Victoria, BC V8W 3Y7
250.800.4694

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN THE AUDIT
Impairment of non-financial assets – Impairment of Goodwill Refer to Notes 5 and 9 to the financial statements. As at December 31, 2022, the carrying amount of goodwill was $5,197,808. Goodwill is tested for impairment annually and whenever there is an indication of impairment. In performing the impairment assessment of the carrying amount of goodwill, the recoverable amounts of cash-generating units ("CGU") to which goodwill has been attributed are determined. The Company determined that the recoverable amount of the CGUs corresponded to their fair value less costs to sell. The estimation of the CGU's recoverable amounts requires the Company's management to exercise significant judgements. We considered this a key audit matter due to the significant estimation uncertainty and judgements required in determining the recoverable amounts of the CGUs. Auditing these management's estimates requires a high degree of auditor subjectivity and judgement and an increased extent of audit effort, including the involvement of valuation specialists.	Our approach to addressing the matter included the following procedures, among others: • With the assistance of valuation specialists: ○ Evaluated the appropriateness of the valuation methodology used by management; ○ Evaluated management's assessment in determining CGUs and the underlying carrying amounts; ○ Assessed the reasonableness of the valuation inputs and assumptions used in the fair value less costs to sell calculation; and ○ Tested the mathematical accuracy of the calculations. • Reviewed the adequacy of the disclosures made in relation to the impairment assessment of goodwill in the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Barry Hartley.

DMCL.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

May 1, 2023

TRIBE PROPERTY TECHNOLOGIES INC.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

As at	December 31, 2022	December 31, 2021
ASSETS		
Current assets		
Cash and cash equivalents (Note 23)	$ 8,096,696	$ 1,211,899
Accounts receivable (Note 21)	1,012,675	686,336
Prepaid expenses	452,387	298,231
Investments	67,689	75,832
Total current assets	9,629,447	2,272,298
Property and equipment (Note 8)	4,000,096	4,100,777
Intangible assets (Note 9)	7,227,498	7,151,440
Goodwill (Note 9)	5,197,808	4,857,516
TOTAL ASSETS	$ 26,054,849	$ 18,382,031
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 22)	$ 1,562,221	$ 1,401,986
Deferred revenue (Note 10)	134,306	238,258
Loans and borrowings (Note 11)	27,180	159,181
Current portion of lease obligations (Note 12)	859,755	855,813
Note payable (Note 13)	940,543	1,923,117
Total current liabilities	3,524,005	4,578,355
Lease obligations (Note 12)	2,932,113	2,951,132
Note payable (Note 13)	1,924,647	2,865,190
Deferred tax liability (Note 16)	29,000	-
TOTAL LIABILITIES	8,409,765	10,394,677
SHAREHOLDERS' EQUITY		
Share capital (Note 14)	54,196,162	34,697,639
Reserve (Notes 14 and 15)	2,453,299	1,749,832
Accumulated deficit	(39,004,377)	(28,460,117)
TOTAL SHAREHOLDERS' EQUITY	17,645,084	7,987,354
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 26,054,849	$ 18,382,031

Subsequent Events (Note 24)

These consolidated financial statements were authorized for issue by the Board of Directors on May 1, 2023. They are signed on behalf of the Board of Directors by:

/s/ "Joseph Nakhla" — CEO and Director

/s/ "Raymond Choy" — Director

The accompanying notes form an integral part of these consolidated financial statements.

TRIBE PROPERTY TECHNOLOGIES INC.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	For the years ended	
	December 31, 2022	**December 31, 2021**
REVENUE (Note 6)	**$ 17,812,550**	$ 15,830,906
OPERATING EXPENSES		
Cost of software and services and software licensing fees	**10,879,820**	8,322,399
Selling, general and administrative expenses (Note 7)	**15,114,860**	11,671,972
Depreciation (Note 8)	**894,068**	881,756
Amortization of intangible assets (Note 9)	**547,383**	370,802
Stock-based compensation (Notes 15 and 19)	**377,686**	815,645
Impairment of goodwill (Note 9)	**-**	657,389
	27,813,817	22,719,963
LOSS FROM OPERATIONS	**(10,001,267)**	(6,889,057)
OTHER INCOME AND EXPENSES		
Interest expense (Notes 11, 12 and 13)	**(706,867)**	(795,853)
Interest income	**204,376**	-
Foreign exchange gain (loss)	**(5,254)**	11,788
Fair value gain (loss) on investment	**(8,143)**	14,874
Listing expenses (Note 4)	**-**	(1,634,456)
Loss on sale of intangible assets (Note 9)	**(27,387)**	-
NET LOSS BEFORE TAX	**(10,544,542)**	(9,292,704)
Income tax recovery (Note 16)	**282**	1,683,435
NET LOSS	**$ (10,544,260)**	$ (7,609,269)
LOSS PER SHARE, BASIC AND DILUTED	**$ (0.50)**	$ (0.50)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING, BASIC AND DILUTED	**20,986,789**	15,238,370

The accompanying notes form an integral part of these consolidated financial statements.

TRIBE PROPERTY TECHNOLOGIES INC.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	For the years ended	
	December 31, 2022	**December 31, 2021**
Cash flows provided by (used in):		
OPERATING ACTIVITIES		
Net loss	**$ (10,544,260)**	$ (7,609,269)
Adjustments for items not affecting cash:		
Income tax recovery	**(282)**	(1,683,435)
Depreciation	**894,068**	881,756
Amortization of intangible assets	**547,383**	370,802
Impairment of goodwill	**-**	657,389
Interest expense	**706,867**	795,853
Interest income	**(204,376)**	-
Fair value loss (gain) on investment	**8,143**	(14,874)
Loss on sale of intangible assets	**27,387**	-
Stock-based compensation	**377,686**	815,645
Consulting fees	**-**	50,000
Listing expenses	**-**	1,381,428
	(8,187,384)	(4,354,705)
Net changes in non-cash working capital items:		
Receivables and prepaid expenses	**(321,614)**	328,465
Accounts payable and accrued liabilities	**133,282**	(979,795)
Deferred revenue	**(103,952)**	22,080
	(292,284)	(629,250)
Taxes paid	**-**	(80,067)
Interest paid	**(626,612)**	(694,855)
Net cash flows used in operating activities	**(9,106,280)**	(5,758,877)
INVESTING ACTIVITY		
Payment for acquisition of Gateway	**-**	(5,000,000)
Payment for acquisition of Southview	**(347,747)**	-
Purchase of property and equipment	**(203,486)**	(116,659)
Cash acquired from RTO	**-**	673,611
Cash acquired from acquisition	**37,461**	-
Purchase price adjustment	**(9,368)**	-
Purchase of intangible assets	**(500,000)**	(315,000)
Sale of intangible assets	**42,540**	-
Net cash flows used in investing activities	**(980,600)**	(4,758,048)
FINANCING ACTIVITIES		
Proceeds from issuance of shares, net of share issuance costs	**19,725,301**	12,384,990
Proceeds from exercise of stock options	**18,288**	-
Repayment of shareholder loans	**-**	(889,926)
Repayment of operating line of credit	**-**	(44,457)
Repayment of demand loan	**(135,373)**	(67,801)
Repayment of note payable	**(2,000,000)**	-
Repayment of lease obligations	**(583,269)**	(561,991)
Common shares repurchased	**(53,270)**	-
Net cash flows provided by financing activities	**16,971,677**	10,820,815
Net increase in cash	**6,884,797**	303,890
Cash and cash equivalents, beginning	**1,211,899**	908,009
Cash and cash equivalents, ending	**$ 8,096,696**	$ 1,211,899

Supplemental cash flow information:

Non-cash settlement of shareholder loans	**$**	**-**	$	1,266,365
Common shares issued for consulting services	**$**	**-**	$	50,000
Common shares issued for acquisition	**$**	**133,985**	$	-

The accompanying notes form an integral part of these consolidated financial statements.

TRIBE PROPERTY TECHNOLOGIES INC.
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Number of shares	Amount	Reserve	Accumulated deficit	Total
Balance, December 31, 2020	**12,600,000**	**$ 19,361,821**	**$ 646,481**	**$ (20,850,848)**	**$ (842,546)**
Shares issued for cash (Note 14)	2,665,984	13,329,920	-	-	13,329,920
Share issuance costs (Note 14)	-	(1,165,467)	220,537	-	(944,930)
Shares issued for reverse take-over (Notes 4 and 14)	361,000	1,805,000	67,169	-	1,872,169
Shares issued to settle related party loans (Notes 14 and 19)	253,270	1,266,365	-	-	1,266,365
Shares issued for consulting services (Notes 14 and 19)	10,000	50,000	-	-	50,000
Shares issued for acquisition of intangible assets (Notes 9 and 14)	12,977	50,000	-	-	50,000
Stock-based compensation (Notes 15 and 19)	-	-	815,645	-	815,645
Net and comprehensive loss for the year	-	-	-	(7,609,269)	(7,609,269)
Balance, December 31, 2021	**15,903,231**	**$ 34,697,639**	**$ 1,749,832**	**$ (28,460,117)**	**$ 7,987,354**
Balance, December 31, 2021	**15,903,231**	**$ 34,697,639**	**$ 1,749,832**	**$ (28,460,117)**	**$ 7,987,354**
Shares issued for cash (Note 14)	5,250,000	21,000,000	-	-	21,000,000
Share issuance costs (Note 14)	-	(1,611,377)	336,678	-	(1,274,699)
Exercise of stock options (Note 15)	6,650	29,185	(10,897)	-	18,288
Shares issued for Southview acquisition (Notes 5 and 14)	76,635	133,985	-	-	133,985
Stock-based compensation (Notes 15 and 19)	-	-	377,686	-	377,686
Common shares repurchased and held in treasury (Note 14)	-	(5,101)	-	-	(5,101)
Common shares repurchased and cancelled (Note 14)	(26,000)	(48,169)	-	-	(48,169)
Net and comprehensive loss for the year	-	-	-	(10,544,260)	(10,544,260)
Balance, December 31, 2022	**21,210,516**	**$ 54,196,162**	**$ 2,453,299**	**$ (39,004,377)**	**$ 17,645,084**

The accompanying notes form an integral part of these consolidated financial statements.

1. REPORTING ENTITY

On March 15, 2021, the Company (then "Cherry Street Capital Inc.", a Canadian capital pool company previously listed on the TSX Venture Exchange (the "Exchange") under the symbol "CHSC.P") ("Cherry Street") acquired all of the outstanding shares of Tribe Property Technologies Inc. ("Tribe Private") by way of a three-cornered amalgamation, pursuant to which a wholly-owned subsidiary of Cherry Street amalgamated with Tribe Private, with Tribe Private surviving as a wholly-owned subsidiary of Cherry Street under the name "Tribe Property Solutions Inc." (the "Qualifying Transaction"). On March 15, 2021, Cherry Street changed its name to "Tribe Property Technologies Inc." ("Tribe" or the "Company") and on March 25, 2021, the Company was listed on the Exchange under the symbol "TRBE". This transaction constituted Cherry Street's qualifying transaction for the purposes of the Exchange's policies and a reverse acquisition (the "RTO") for the purposes of Canadian securities laws (Note 4). Tribe Private has been identified as the accounting acquirer, and accordingly, the Company is considered to be a continuation of Tribe Private, and the net assets of Cherry Street at the date of the RTO are deemed to have been acquired by Tribe Private. These financial statements include the results of operations of Cherry Street from March 15, 2021. The comparative figures are those of Tribe Private prior to the RTO.

The Company was incorporated under the *Business Corporations Act* (Ontario) on June 5, 2017 and changed its name to Tribe Property Technologies Inc. on March 15, 2021. The Company's registered office is located at 2100-885 Scotia Plaza, 40 King Street West, Toronto, Ontario, M5H 3C2 and its principal place of business is located at 1606-1166 Alberni Street, Vancouver, BC, V6E 3Z3.

The Company's principal business activity is offering technology-enabled property management services to meet the needs of developers, condominium and residential communities, owners and residents. The services provided via its technology platform are focused on improving the living experience of the residents within each community, with a key focus on communication, information, education and protection. Through its technology platform, the Company provides on-demand access to important records and documents, simple communication tools, online payment options, bookable amenities and a ticketing system for residents to notify their developer or management of issues, warranty concerns and deficiencies.

These financial statements have been prepared on the basis that the Company will continue as a going concern which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. During the year ended December 31, 2022, the Company recorded a net loss of $10,544,260 and had cash outflows from operating activities of $9,106,280. At December 31, 2022, the Company had cash of $8,096,696 on hand and its current assets exceeded its current liabilities by $6,105,442. To date, the Company has financed its operating cash requirements primarily from the proceeds of share issuances and debt.

These above conditions, along with other factors, indicate material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The Company's ability to realize the carrying value of its assets and continue as a going concern is dependent on its ability to obtain continued financial support from its shareholders or lenders as required to satisfy liabilities as they come due and ultimately the execution of the Company's strategic plan to improve the scale and profitability of its business to achieve future profitable operations. These financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that may result should the Company be unable to continue as a going concern. Such adjustments could be material.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with the accounting policies presented below and are based on the IFRS and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective as of December 31, 2022. The policies set out below were consistently applied to all the periods presented unless otherwise noted.

The financial statements of the Company for the year ended December 31, 2022 were authorized for issue by the Board of Directors ("Board") on May 1, 2023.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Basis of preparation

The financial statements have been prepared on an accrual basis and are based on historical cost, except for certain financial instruments that are measured at fair value.

2.3 Basis of consolidation

These consolidated financial statements include the accounts of Tribe, and its wholly owned subsidiaries, Tribe Property Solutions Inc., Tribe Management Inc., R.D.C. Property Services Limited, and Southview Property Management Inc. Intercompany balances and transactions have been eliminated in preparing these consolidated financial statements.

2.4 Business combinations

The Company applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is measured at fair value and is equal to the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Company. The consideration transferred includes the fair value of any liabilities resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Company recognizes any non-controlling interests in the acquiree on an acquisition-by-acquisition basis, at the non-controlling interest's proportionate share of the recognized amounts of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred over the net identifiable assets acquired. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in the consolidated statement of loss and comprehensive loss. The Company recognizes contingent consideration relating to its business acquisitions at fair value at the date the transaction closes and revalues the component of contingent consideration recognized as a liability at each subsequent reporting date and on settlement. Contingent consideration that will be settled by delivering a fixed number of common shares is classified as equity and not revalued at each subsequent reporting date.

2.5 Foreign currency translation

Functional and presentation currency

The Company's consolidated financial statements are presented in Canadian dollars.

Each entity of the Company determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The determination of functional currency is based on the primary economic environment in which an entity operates. The functional currency of an entity reflects the underlying transactions, events and conditions that are relevant to the entity.

The functional currency of the Company and its subsidiaries is the Canadian dollar.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions (or using the average rate for the period when this is a reasonable approximation). Assets and liabilities are translated into the functional currency using the exchange rates prevailing at period end. Foreign exchange gains and losses resulting from the translation or settlement of monetary assets and liabilities denominated in currencies other than an entity's functional currency are recognized in profit or loss.

2.6 Cash and cash equivalents

Cash and cash equivalents include cash on hand, outstanding deposits and short-term deposits which are highly liquid with original maturities of less than three months.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Financial instruments

Classification and measurement

Financial assets

The classification and measurement of financial assets is based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments of principal and interest ("SPPI"). Financial assets are initially measured at fair value and are subsequently measured at either (i) amortized cost; (ii) fair value through other comprehensive income, or (iii) at fair value through profit or loss.

Amortized cost

Financial assets classified and measured at amortized cost are those assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise to cash flows that are SPPI. Financial assets classified at amortized cost are measured using the effective interest method. The Company's accounts receivable are classified in this category.

Fair value through other comprehensive income ("FVTOCI")

Financial assets classified and measured at FVTOCI are those assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise to cash flows that are SPPI. The Company does not have any assets classified and measured at FVTOCI.

Fair value through profit or loss ("FVTPL")

Financial assets classified and measured at FVTPL are those assets that do not meet the criteria to be classified at amortized cost or at FVTOCI. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets held at FVTPL are included in profit or loss in the period in which they arise. The Company's cash and investments are classified and measured at FVTPL.

Financial liabilities

All financial liabilities are initially recognized at fair value plus or minus transactions costs that are directly attributable to issuing the financial liability. Financial liabilities are measured at amortized cost unless they are required to be measured at FVTPL. The Company's accounts payable, loans and borrowings, and note payable are measured at amortized cost.

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses. The Company recognizes in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

2.8 Property and equipment

Property and equipment is measured at cost less accumulated depreciation and impairment losses. Cost includes expenses that are directly attributable to the acquisition of assets. An asset's residual value, useful life and depreciation method are reviewed during each financial year and adjusted if appropriate. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. Gains and losses on disposal of an item are determined by comparing the proceeds from disposal with the carrying amount of the item and is recognized in profit or loss. Depreciation is calculated based on the cost of the asset less its residual value and is recognized in net loss on a straight-line or declining balance basis over the estimated useful life of each item of property and equipment, since this most closely reflects

(In Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives, unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. The estimated useful lives for the current and comparative year are as follows:

Assets	Basis	Estimated useful life/rate
Computer hardware	Declining balance	55%
Computer software	Declining balance	30%
Furniture and equipment	Declining balance	20%
Leasehold improvements	Straight line	Lease term
Right-of-use assets	Straight line	Lease term

2.9 Intangible assets

Intangible assets with a finite life are stated at cost less accumulated amortization and accumulated write-downs for impairment. Amortization is provided over the estimated useful lives of the assets using the following methods and annual rates:

Asset	Basis	Rate
Customer relationships	Straight-line	15 years

Beginning on January 1, 2022, the Company revised the useful life of its customer relationships from 20 years to 15 years. The Company performed an evaluation of the length of the useful life and determined 15 years was a more appropriate measurement. This change increased the amortization of intangible assets for the year ended December 31, 2022, and will have the same effect for the periods thereafter.

2.10 Impairment

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The recoverable amount shall be estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, an entity shall determine the recoverable amount of the Cash Generating Unit (“CGU”) to which the asset belongs (the asset’s CGU).

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

2.11 Goodwill

Goodwill arising on an acquisition of a business is carried at cost, as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Company’s CGU’s (or groups of CGU’s) that is expected to benefit from the synergies of the combination. A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Leases

At the inception of a lease contract, the Company assesses whether the contract is or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assess whether: (i) the contract involves the use of an identified asset; (ii) the Company has the right to obtain substantially all the economic benefits from the use of the asset throughout the period, and; (iii) the Company has the right to direct the use of the asset.

The Company presents right-of-use assets in Property and Equipment on the statement of financial position. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term plus expected renewal options which are available to the Company. The estimated useful life of right-of-use assets is determined on the same basis as Property and Equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company’s incremental borrowing rate. Generally, the Company uses the rate implicit in the lease as the discount rate for leases.

Lease payments included in the measurement of the lease liability comprise of: (i) fixed payments; (ii) amounts expected to be payable under a residual value guarantee; (iii) the exercise price under purchase option that the Company is reasonably certain to exercise; (iv) lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option; and (v) penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in index or rate, if there is a change in the Company’s estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company recognizes depreciation for right-of-use assets and interest expense on lease liabilities in the consolidated statements of loss and comprehensive loss.

In the statement of cash flows, the Company includes repayments of the principal portion of the lease liabilities under financing activities. Lease payments for short-term leases, lease payment for leases of low-value assets that are not included in the measurement of the lease liability are classified as cash flows from operating activities.

2.13 Income taxes

Deferred tax assets are recognized for tax losses that can be carried forward to the extent that such assets can be realized. Deferred tax is also recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences:

- (i) the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- (ii) differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- (iii) deferred tax for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when the related asset is realized or liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Current tax is the expected tax payable on taxable income for the period, using tax rates enacted or substantively enacted, at the end of the reporting period, and any adjustments to tax payable in respect of previous years.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Share capital

Common shares

Common shares issued are classified as share capital, a component of shareholders' equity. Transaction costs directly attributable to the issuance of common shares are recognized as a deduction from share capital.

Equity units

Proceeds received on the issuance of units, comprised of common shares and warrants, are allocated using the residual value method. Under the residual value method, proceeds are allocated to the common shares up to their fair value, determined by reference to the quoted market price of the common shares on the issuance date, and the remaining balance, if any, to the reserve for warrants.

2.15 Stock-based compensation

Stock-based compensation to employees and non-employees includes expense related to the vesting of stock options. The fair value of stock options is measured at the grant date and each tranche is recognized on a straight-line basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes-Merton option pricing model ("BSM") considering the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest. The BSM requires management to estimate the expected volatility, the term of the equity instrument, the risk-free rate of return over the term, expected dividends, and the number of equity instruments expected to ultimately vest. In estimating expected volatility, the Company considers the historical share price volatility of its common shares as well the historical share price of similar publicly listed entities. The fair value of stock options is charged to profit or loss with a corresponding increase in contributed surplus within equity. Previously recognized expenses are not subsequently reversed for options that vest but are not exercised. If and when stock options are ultimately exercised, the applicable amount of contributed surplus is transferred to share capital.

2.16 Revenue recognition

The Company adopted IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15") using the full retrospective approach. Revenue is recognized upon transfer of control of promised products and services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. The Company determines the amount of revenue to be recognized through application of the following steps:

- Identification of the contract(s) with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when or as the Company satisfies the performance obligations.

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control of a product or service to a customer. Estimated allowances for returns and credits are recorded as a reduction of revenue at the time of revenue recognition.

Tribe provides integrated digitally-enabled property management services to property developers, condominium and residential communities and owners and residents. The Company generates revenue from two sources: software and services and software licensing fees.

Software and services

Revenue is recognized when the service has been provided to the customer and the performance obligation is satisfied. The contracts are billed on a month-to-month basis and as such, the performance obligation is satisfied at the end of the month.

Software licensing fees

Software licensing services are sold at a set price per property development. The customer has access to the platform indefinitely. Revenue is deferred and recognized as the performance obligation is satisfied over time. Management has determined that the average usage period for the application is 2 years and recognizes revenue over that period.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Cost of software and services and software licensing fees

The Company defines cost of software and services and software licensing fees as the salaries and related benefits of community managers, property accountants, managing brokers and resident caretakers, as well as the software licensing fees and hosting fees of the platform used to manage the condo and rental properties.

2.18 Government grant

Loans received from government grants are recognized initially at fair value, with the difference between the fair value of the loan based on prevailing market interest rates and the amount received recorded as a government grant gain in the consolidated statements of loss and comprehensive loss.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. These assumptions and estimates are regularly reviewed. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected. The Company's main judgements, estimates and assumptions are presented below:

3.1 Business combinations

On the completion of business acquisitions, management's judgement is required to estimate the purchase price and to identify and determined the fair value all assets acquired and liabilities assumed. The determination of the fair value of assets acquired and liabilities assumed is based on management's estimates and certain assumptions generally included in a present value calculation of the related cash flows.

3.2 Going concern

Management has applied judgements in the assessment of the Company's ability to continue as a going concern when preparing its consolidated financial statements. Management prepares its consolidated financial statements on a going concern basis unless management either intends to liquidate the Company or has no realistic alternative other than to do so.

3.3 Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the CGU to which goodwill has been allocated. The value in use calculation requires management to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value. The fair value calculation requires management's estimate of future revenues and a suitable revenue multiplier.

The Company tests goodwill for impairment at least annually in accordance with the requirements of IAS 36 *Impairment of Assets*. The recoverable amounts of CGU's are determined based on the greater of their fair value less costs of disposal and value in use.

For the purposes of impairment testing, assets are grouped into CGU's that have been identified as being the smallest identifiable group of assets that generate cash inflows that are independent of cash inflows of other assets or groups of assets. The determination of these CGU's is based on management's judgement in regards to shared infrastructure, geographical proximity, product type and other relevant factors.

3.4 Valuation of deferred tax assets

In assessing the realization of deferred tax assets, the Company considers the extent to which it is probable that the deferred tax asset will be realized. The ultimate realization of deferred tax assets is dependent on the generation of future taxable profits during the period in which those temporary losses and tax loss carry-forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment.

(In Canadian dollars)

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

3.5 Determination of useful life

Each significant component of property and equipment and intangible assets are depreciated over their estimated useful lives. Estimated useful lives are determined based on current facts and past management experience and take into consideration the anticipated physical life of the asset, existing long-term sales agreements and contracts, current and forecasted demand, and the potential for technological obsolescence.

4. REVERSE ACQUISITION TRANSACTION (RTO)

On March 15, 2021, Cherry Street acquired all of the outstanding shares of Tribe Private by way of a three-cornered amalgamation and changed its name to “Tribe Property Technologies Inc.” (Note 1). The transaction was completed by way of a share exchange between the shareholders of Cherry Street and the shareholders of Tribe Private. In exchange for 100% of the issued and outstanding shares of Tribe Private, the shareholders of Tribe Private received an aggregate of 15,529,257 common shares of the Company. Stock options of Cherry Street and Tribe Private were exchanged for stock options of the Company.

The transaction resulted in Tribe Private obtaining control of the combined entity by obtaining control of governance and management decision-making processes, and the resulting authority to govern the financial and operating policies of the combined entity.

The transaction constituted a RTO of Cherry Street by Tribe Private and has been accounted for as a RTO transaction in accordance with IFRS 2, Share-based payments. Cherry Street did not meet the definition of a business in accordance with IFRS 3, Business combinations, as such, the transaction does not constitute a business combination.

For accounting purposes, Tribe Private is treated as the accounting parent (legal subsidiary) and Cherry Street as the accounting subsidiary (legal parent). The fair value of the consideration paid by Tribe Private less the fair value of net assets acquired of Cherry Street constitutes listing expense and has been recorded in the statement of loss and comprehensive loss.

The RTO was measured at the fair value of the shares that Tribe Private would have had to issue to the shareholders of Cherry Street, being 361,000 common shares, to give the shareholders of Cherry Street the same percentage of equity interest in the combined entity that results from the reverse acquisition had it taken the legal form of Tribe Private acquiring Cherry Street.

Consideration paid on RTO		
361,000 common shares (Note 14)	$	1,805,000
Fair value of replacement options [(1)] (Note 15)		67,169
Total consideration		1,872,169
Fair value of net assets acquired		
Cash		673,611
Accounts payable		(182,870)
Net identifiable assets acquired		490,741
Excess consideration over net assets acquired		**1,381,428**
Transaction costs		253,028
Listing expenses	**$**	**1,634,456**

(1) Fair value of 36,100 options issued upon completion of the RTO.

(In Canadian dollars)

5. BUSINESS COMBINATIONS

On December 31, 2020, the Company acquired 100% of the common shares of Gateway Property Management Corp. ("Gateway") and R.D.C. Property Services Ltd. ("RDC") for 200,000 common shares of the Company and a promissory note of $9,000,000 (Note 13). Included in the agreement are purchase price adjustments that were based on revenue targets for the year ended December 31, 2021. In connection with the acquisition, the Company incurred and expensed transaction costs of $110,000.

In accordance with the measurement requirements set out under IFRS 3, Business Combinations, the preliminary purchase price allocation based on the fair value of assets acquired and liabilities assumed is as follows:

Fair value of Tribe shares (200,000 common shares at $5 per share)	$	1,000,000
Promissory note		8,688,417
Working capital adjustment		968,792
Fair value of purchase consideration	**$**	**10,657,209**
Allocated to:		
Cash	$	876,774
Investment in marketable securities		60,958
Accounts receivable		384,897
Prepaid expenses		262,162
Property and equipment		1,612,096
Intangible assets		6,257,650
Goodwill		4,766,641
Accounts payable and accrued liabilities		(550,189)
Lease liabilities		(1,323,780)
Deferred tax liability		(1,690,000)
Total	**$**	**10,657,209**

During the year ended December 31, 2021, the working capital payment was increased by $31,208 to $1,000,000 to account for delayed payment and adjustment of security (Notes 9 and 13). During the year ended December 31, 2022, the working capital adjustment payment was made (Note 13). No other adjustments were made to the purchase price allocation.

On June 30, 2022, the Company acquired 100% of the outstanding share capital of Southview Property Management Inc. ("Southview") for 76,635 common shares of the Company, $347,747 cash consideration, and up to $100,000 in cash consideration that is deferred until twelve months after the closing date, and subject to certain adjustments based on revenue and customer contracts. All common shares issued are subject to a voluntary lock-up from which one-third of the shares will be released every six months for a period of eighteen months.

(In Canadian dollars)

5. BUSINESS COMBINATIONS (continued)

In accordance with the measurement requirements set out under IFRS 3, Business Combinations, the purchase price allocation based on the fair value of assets and liabilities assumed is as follows:

Fair value of Tribe shares	$	133,985
(76,635 common shares at $1.96 per share) (Note 14)		
Deferred cash consideration		14,409
Cash consideration		347,747
Fair value of purchase consideration	**$**	**496,141**
Allocated to:		
Cash and cash equivalents	$	37,461
Accounts receivable		4,725
Prepaid expenses		20,656
Equipment		21,709
Right-of-use assets (Note 8)		65,605
Intangible assets (Note 9)		109,000
Goodwill (Note 9)		340,292
Deferred tax liability		(29,000)
Lease liabilities (Note 12)		(65,605)
Accounts payable and accrued liabilities		(8,702)
Total	**$**	**496,141**

The goodwill represented the excess of the purchase price over the fair value of net assets acquired. It is attributable to the workforce acquired and expected synergies from combining operations. None of the goodwill is deductible for tax purposes. The goodwill was added to the Gateway CGU (Note 9).

The receivables acquired in the transaction had a fair value of $4,725 which approximated the gross contractual amounts receivable. The best estimate at the acquisition date of the contractual cash flows for which collection is uncertain is $0.

6. REVENUE

A disaggregation of revenue from contracts with customers is as follows:

	For the years ended	
	December 31, 2022	**December 31, 2021**
Software and service fees	$ 15,856,924	$ 13,640,469
Transactional revenues	1,590,092	1,887,732
Software and services	17,447,016	15,528,201
Software licensing fees	365,534	302,705
Total revenue	$ 17,812,550	$ 15,830,906

(In Canadian dollars)

7. SELLING, GENERAL AND ADMINISTRATIVE

Selling, general and administrative expenses are comprised of:

	For the years ended	
	December 31, 2022	December 31, 2021
Salaries and wages	$ 9,067,634	$ 6,931,639
Office expenses	3,332,081	2,660,668
Professional fees	1,612,102	885,727
Subcontractors	610,473	387,407
Investor relations	304,406	635,621
Advertising and promotion	188,164	170,910
Total selling, general and administrative expenses	$ 15,114,860	$ 11,671,972

(In Canadian dollars)

8. PROPERTY AND EQUIPMENT

	Computer hardware	Computer software	Furniture and equipment	Leasehold improvements	Right-of-use assets	Total
Cost						
Balance, December 31, 2020	$ 242,879	$ 1,049,260	$ 156,797	$ 336,772	$ 1,896,451	$ 3,682,159
Additions (Note 12)	54,271	46,286	16,103	-	2,729,235	2,845,895
Balance, December 31, 2021	297,150	1,095,546	172,900	336,772	4,625,687	6,528,055
Additions (Note 12)	89,231	102,071	33,893	-	502,587	727,782
Disposals	-	-	-	(168,858)	-	(168,858)
Assets acquired (Note 5)	-	-	-	-	65,605	65,605
Balance, December 31, 2022	$ 386,381	$ 1,197,617	$ 206,793	$ 167,914	$ 5,193,879	$ 7,152,584
Accumulated amortization						
Balance, December 31, 2020	$ 170,156	$ 763,719	$ 43,356	$ 165,911	$ 402,379	$ 1,545,521
Depreciation	49,025	94,049	37,683	23,728	677,272	881,756
Balance, December 31, 2021	219,181	857,768	81,039	189,639	1,079,651	2,427,278
Depreciation	56,640	81,957	22,521	21,987	710,963	894,068
Disposals	-	-	-	(168,858)	-	(168,858)
Balance, December 31, 2022	$ 275,821	$ 939,725	$ 103,560	$ 42,768	$ 1,790,614	$ 3,152,488
Net book value						
Balance, December 31, 2021	$ 77,969	$ 237,778	$ 91,861	$ 147,133	$ 3,546,036	$ 4,100,777
Balance, December 31, 2022	$ 110,560	$ 257,892	$ 103,233	$ 125,146	$ 3,403,265	$ 4,000,096

(In Canadian dollars)

9. INTANGIBLE ASSETS AND GOODWILL

	Customer Relationships	Goodwill
Cost		
Balance, December 31, 2020	$ 7,285,608	$ 5,483,697
Additions (Note 5)	415,000	31,208
Impairment	-	(657,389)
Balance, December 31, 2021	7,700,608	4,857,516
Additions (Note 5)	684,000	340,292
Disposals	(77,288)	-
Purchase price adjustment	9,368	-
Balance, December 31, 2022	$ 8,316,688	$ 5,197,808
Accumulated amortization		
Balance, December 31, 2020	$ 178,366	$ -
Amortization	370,802	-
Balance, December 31, 2021	549,168	-
Amortization	547,383	-
Disposals	(7,361)	-
Balance, December 31, 2022	$ 1,089,190	$ -
Net book value		
Balance, December 31, 2021	$ 7,151,440	$ 4,857,516
Balance, December 31, 2022	$ 7,227,498	$ 5,197,808

For the purposes of assessing impairment of goodwill and non-financial assets, the Company must identify its CGUs. Determination of what constitutes a CGU is subject to management judgment. Management has determined that the Company has two CGUs: Tribe CGU and Gateway CGU. Both CGUs belong to the Software and Services segment as they pertain to the property management business associated with the Company's community-living technology platform.

At December 31, 2021, the Company tested its CGUs for impairment.

For the Gateway CGU, it was determined that the estimated recoverable amount of $10,511,813 exceeded its carrying amount of $9,278,310. The estimated recoverable amount of the Gateway CGU was calculated as the fair value of the assets less cost of disposal. The Company used a pre-tax discount rate of 8.7% that reflected current market assessments of the time value of money and the risks specific to the CGU. As certain inputs to the valuation are not based on observable market data, the recoverable value of Gateway CGU is categorized in Level 3 of the fair value measurement hierarchy. The Company recorded $nil impairment.

For the Tribe CGU, it was determined that the carrying amounts of $1,573,109 exceeded its estimated recoverable amount $915,720. The estimated recoverable amount of the Tribe CGU was calculated as value in use. The value in use was determined with a discounted cash flow approach based on the Company's historical performance. The Company used a risk adjusted discount rate of 16.5% over a 5-year period with terminal value. The Company recorded an impairment charge of $657,389 in operating expenses. The impairment was primarily attributable to an increase in selling, general and administrative expenses over historical periods as salaries and wages increased. A 1% increase in the assumed discount rate would result in an additional impairment of $49,000.

At December 31, 2022, the carrying amount of goodwill allocated to the Gateway CGU is $3,419,141 (2021 - $3,107,849) and the carrying amount of goodwill allocated to the Tribe CGU is $59,667 (2021 - $59,667).

At December 31, 2022, the Company tested its CGUs for impairment. The inputs for the calculated recoverable amounts below are not based on observable market data. As such, the recoverable amounts of both the Gateway and Tribe CGUs are categorized in Level 3 of the fair value measurement hierarchy.

For the Gateway CGU, the estimated recoverable amount was calculated using a revenue multiple of 1.00x based on 2022 revenues, less costs of disposal. This resulted in a recoverable amount of $11,713,377, exceeding the CGU carrying amount of $10,341,464. The revenue multiple used reflected current market assessments and the acquisition history of the Company. A 1% change in the recoverable amount is a difference of $117,134 and would not yield a different result. The Company recorded $nil impairment.

(In Canadian dollars)

9. INTANGIBLE ASSETS AND GOODWILL (continued)

For the Tribe CGU, the estimated recoverable amount was calculated using a revenue multiple of 1.00x based on 2022 revenues, less costs of disposal. This resulted in a recoverable amount of $5,848,432, exceeding the CGU carrying amount of $992,903. The revenue multiple used reflected current market assessments and the acquisition history of the company. A 1% change in the recoverable amount is a difference of $58,484 and would not yield a different result. The Company recorded $nil impairment.

During the year ended December 31, 2021, the Company completed acquisitions of three sets of property management contracts for total consideration of $415,000. Of this amount, $50,000 was settled through the issuance of common shares (Note 14). During the year ended December 31, 2022, there was a purchase price adjustment of $9,368 on one of the acquisitions.

During the year ended December 31, 2022, the Company added Customer Relationships and Goodwill through its acquisition of Southview (Note 5).

During the year ended December 31, 2022, the Company added Customer relationships through its acquisition of Martello Property Services Inc for total consideration of $550,000. The Company paid $475,000 on the closing date of July 31, 2022, with $75,000 payable on the date that is thirteen months after the closing date, and up to $170,000 payable upon the future delivery of property management contracts related to buildings that are currently under development. The $170,000 payable related to buildings under development was not added to intangible assets and not accrued as there is no certainty that the property management contracts for the buildings under development will be signed.

During the year ended December 31, 2022, the Company paid $25,000 related to previous customer relationship acquisitions price adjustments.

During the year ended December 31, 2022, the Company sold Customer relationships with a total amortized cost of $69,927 to Team Approach Property Services Ltd., for cash consideration of $42,540.

10. DEFERRED REVENUE

Balance, December 31, 2020	$	216,178
Billings		257,470
Revenue recognized		(235,390)
Balance, December 31, 2021		238,258
Billings		110,402
Revenue recognized		(214,354)
Balance, December 31, 2022	$	134,306

11. LOANS AND BORROWINGS

	December 31, 2022		December 31, 2021	
CEBA loan	$	27,180	$	23,808
Demand loan		-		135,373
	$	27,180	$	159,181

Operating line of credit

The Company has a $1,000,000 operating line of credit with the Toronto-Dominion Bank (“TD”) available to be drawn at the Company’s discretion. The interest rate is prime + 1.25% per annum and is calculated daily and payable monthly in arrears. All amounts are repayable immediately on demand by TD and the credit facility may be terminated by TD at any time.

CEBA loan

On April 30, 2020, the Company received a $40,000 line of credit under the Canada Emergency Business Account (“CEBA”) program funded by the Government of Canada. The CEBA line of credit is non-interest bearing and can be repaid without penalty at any time.

(In Canadian dollars)

11. LOANS AND BORROWINGS (continued)

On June 30, 2021, the outstanding balance on the CEBA line of credit of $40,000 automatically converted to a 2-year interest-free term loan (the "CEBA term loan"). If 75% of the CEBA term loan is repaid on or before December 31, 2023, the remaining 25% will be forgiven. If, on December 31, 2023, the Company exercises the option for a 2-year term extension, interest of 5% per annum will apply to any remaining balance during the extension period. The Company recorded the CEBA term loan at fair value using an effective interest rate of 13.3%. The fair value of the CEBA term loan is accreted up to its cost and during the year ended December 31, 2022 interest accretion of $3,372 (December 31, 2021 - $2,954) was recognized.

The Company repaid 75% of the loan on on February 21, 2023, and thus qualified for the 25% loan forgiveness (Note 24).

Demand loan

On January 17, 2019, the Company secured a loan facility of up to $300,000. The loan is due on demand and bears interest at prime plus 2% per annum, calculated on the daily outstanding balance of the loan, and is payable monthly.

The loan is secured by:
- First priority over all present and subsequently acquired personal property;
- Unlimited guarantee of advances executed by the Company, supported by second charge on all present and subsequently acquired personal property of the Company; and
- Evidence of business insurance, including general liability insurance.

The Company repaid the loan in full on December 9, 2022.

12. LEASES

The Company leases office space for its operations as well as computers and related equipment. The leased assets and liabilities were measured at the present value of the lease payments plus the anticipated exercise of renewal options, discounted using the incremental borrowing rate which was estimated to be between 10% and 13%.

The Company's lease liabilities are as follows:

	December 31, 2022	December 31, 2021
Current portion of lease obligations	$ 859,755	$ 855,813
Non-current portion of lease obligations	2,932,113	2,951,132
	$ 3,791,868	$ 3,806,945

The lease liability interest expense recognized in profit and loss and lease payments recognized in the financing component of statement of cash flows is as follows:

Balance, December 31, 2020	$ 1,639,700
New leases (Note 8)	2,729,235
Interest expense	408,652
Payments	(970,642)
Balance, December 31, 2021	3,806,945
New leases (Note 8)	502,587
Leases acquired (Note 5)	65,605
Interest expense	392,097
Payments	(975,366)
Balance, December 31, 2022	$ 3,791,868

(In Canadian dollars)

12. LEASES (continued)

As at December 31, 2022, the Company is committed to minimum lease payments as follows:

		December 31, 2022
Less than one year	$	860,797
One to five years		2,699,334
More than five years		1,800,648
Total undiscounted lease liabilities	$	5,360,779

The Company did not designate any leases as low-value or short-term under IFRS 16.

(In Canadian dollars)

13. NOTE PAYABLE

In connection with the acquisition of Gateway, the Company owed a note payable of $9,000,000 plus a working capital payment of $1,000,000 (Note 5). In the year ended December 31, 2022, the working capital payment adjustment was made. The note payable bears interest at 5% per annum, which is accrued and paid monthly. The principal is repayable as follows:

- $5,000,000, plus accrued interest, paid on March 29, 2021;
- $1,000,000, plus acrrued interest, paid on December 31, 2022;
- $1,000,000 payable on December 31, 2023;
- $1,000,000 payable on December 31, 2024;
- The remaining principal and any accrued interest outstanding, on December 31, 2025.

The note payable has been recorded at its fair value, using a market discount rate of 7.5% per annum:

	December 31, 2022	December 31, 2021
Current portion of note payable	$ 940,543	$ 923,117
Working capital payment	-	1,000,000
Total current portion of note payable	940,543	1,923,117
Non-current portion of note payable	1,924,647	2,865,190
Total note payable	$ 2,865,190	$ 4,788,307

14. SHARE CAPITAL

14.1 Authorized

Authorized, unlimited number of voting common shares without par value.

14.2 Issued common shares

In connection with the RTO, Tribe Private consolidated its common shares on the basis of one post-consolidation common share for every 9.1719 pre-consolidation common shares. All share figures have been recast to reflect the consolidation (Note 4). As at December 31, 2022 and December 31, 2021, the Company had 21,207,516 and 15,903,231 common shares outstanding, respectively.

On December 11, 2020, Tribe Private completed a brokered private placement financing through the issuance of 2,325,984 subscription receipts at a purchase price of $5.00 per receipt for gross proceeds of $11,629,920. In connection with the financing, the agents received a cash commission of $620,745, representing 6% of the gross proceeds, and 146,434 compensation options representing 6% of the subscription receipts sold. The gross proceeds were held in escrow pending satisfaction of certain conditions. The proceeds were released from escrow on March 16, 2021 and the common shares were recognized in the statement of changes in shareholders’ equity on that date. There were additional professional fees of $264,685 incurred by the Company that have been recorded as share issuance costs.

On March 5, 2021, Tribe Private completed a non-brokered private placement financing through the issuance of 340,000 subscription receipts at a purchase price of $5.00 per receipt for gross proceeds of $1,700,000. In connection with the financing, the agents received a cash commission of $59,500, representing 3.5% of the gross proceeds, and 11,900 compensation options representing 3.5% of the subscription receipts sold. The gross proceeds were held in escrow pending satisfaction of certain conditions. The proceeds were released from escrow on March 29, 2021 and the common shares were recognized in the statement of changes in shareholders’ equity on that date.

These compensation options were valued using the Black-Scholes-Merton option pricing model, using an exercise price of $5.00, expected life of 2 years, volatility of 50% and risk-free rate of 0.31%, resulting in a total fair value of $220,537. These compensation options have been recorded as share issuance costs.

On February 12, 2021, the Company settled $1,266,365 of amounts owing to related parties through the issuance of 253,273 common shares (Note 19).

14. SHARE CAPITAL (continued)

On March 15, 2021, the RTO was completed by way of a share exchange between the shareholders of Cherry Street and the shareholders of Tribe Private (Note 4). The RTO was measured at the fair value of the shares that Tribe Private would have had to issue to the shareholders of Cherry Street, being 361,000 common shares, to give the shareholders of Cherry Street the same percentage of equity interest in the combined entity that results from the reverse acquisition had it taken the legal form of Tribe Private acquiring Cherry Street (Note 4).

On March 15, 2021, the Company issued 10,000 common shares with a fair value of $50,000 to a related party, for consulting services received in connection with the going public transaction (Note 19).

On November 8, 2021, the Company issued 12,977 common shares with a fair value of $50,000 in connection with an acquisition of property management contracts (Note 9).

On January 14, 2022, the Company completed a private placement equity financing pursuant to which the Company raised gross proceeds of $21,000,000 from the sale of units of the Company (each, a “Unit”) at a price of $4.00 per Unit (5,250,000 common shares issued). Each Unit consists of one common share and one common share purchase warrant (“Warrant”) of the Company. Each Warrant entitles the holder to acquire one common share at a price of $5.10 per common share, until January 14, 2025, subject to adjustment in certain events. No value was attributed to the Warrants under the residual value method. Total issuance costs incurred was $1,274,699, of which $1,197,000 was paid to agents. The Company issued to the agents 299,248 compensation warrants (each, a “Compensation Option”) at a price of $5.10 per Compensation Option, until January 14, 2025, subject to adjustment in certain events. The Compensation Options were valued at $336,678 using the Black-Scholes-Merton option pricing model, using an exercise price of $5.10, expected life of 3 years, volatility of 50%, and risk-free rate of 1.25%.

On June 30, 2022, the Company issued 76,635 common shares with a fair value of $133,985 in connection with the acquisition of Southview (Note 5).

14.3 Normal-Course Issuer Bid

On June 9, 2022, the Company filed a Notice of Intention make a Normal-Course Issuer Bid (“NCIB”) with the Exchange, which would allow the Company to purchase outstanding common shares of the Company. Under the NCIB, the Company may acquire up to an aggregate of 907,337 Shares over the 12-month period commencing on June 13, 2022 and ending on June 12, 2023, representing approximately 10% of the public float as of May 31, 2022. Under the NCIB, the Company may not acquire more than 2% of the issued and outstanding common shares in any 30-day period. All common shares purchased by the Company under the NCIB will be returned to treasury and cancelled.

During the year ended December 31, 2022, the Company purchased 29,000 common shares at a total price of $53,270, and subsequently cancelled 26,000 shares in the year ended December 31, 2022. As of December 31, 2022, the Company was in the process of cancelling the remaining 3,000 common shares purchased, and the shares were classified as treasury shares (Note 24).

15. STOCK, COMPENSATION OPTIONS AND WARRANTS

The Company has a rolling stock option plan (“SOP”) whereby a maximum of 10% of the issued and outstanding common shares of the Company may be reserved for issuance pursuant to the exercise of stock options. The terms of the granted stock options are fixed by the Board of Directors and are not to exceed ten years. The exercise price of stock options is determined by the Board of Directors.

Stock options granted under the SOP may vest immediately on grant, or over a period as determined by the Board of Directors, or in respect of stock options granted for investor relations services, as prescribed by the Exchange policy.

(In Canadian dollars)

15. STOCK, COMPENSATION OPTIONS AND WARRANTS (continued)

15.1 Employee Stock Options

The Black-Scholes-Merton option pricing model inputs for employee stock options granted during the year ended December 31, 2022 are as follows:

Grant Date	Expiry Date	Share Price at Grant Date	Exercise Price	Risk-Free Interest Rate	Expected Life (in years)	Volatility Factor	Dividend Yield	Fair Value
January 18, 2022	December 31, 2026	$4.05	$5.00	1.67%	5.0	50%	0%	$1.56
April 11, 2022	December 31, 2026	$3.20	$3.50	2.58%	4.7	50%	0%	$1.35
September 1, 2022	December 31, 2027	$2.00	$2.00	3.31%	5.3	50%	0%	$0.97
December 20, 2022	December 31, 2027	$1.45	$1.55	3.04%	5.0	50%	0%	$0.65

The risk-free interest rate is based on the Canadian government bond rate for a similar term as the expected life of the stock options. The stock options vest over periods of 4 and 5 years.

Total stock-based compensation expense from employee stock options during the year ended December 31, 2022, was $322,924 (December 31, 2021 - $643,731) using the Black-Scholes-Merton option pricing model.

A continuity schedule of the Company's outstanding employee stock options for the years ended December 31, 2022, and 2021 is as follows:

	December 31, 2022		December 31, 2021	
	Number outstanding	Weighted average exercise price	Number outstanding	Weighted average exercise price
Outstanding, beginning	849,670	$ 3.96	394,530	$ 2.75
Granted	380,500	2.80	459,640	5.00
Exercised	(6,650)	2.75	-	-
Forfeited	(40,970)	5.00	(4,500)	5.00
Outstanding, ending	1,182,550	$ 3.55	849,670	$ 3.96
Exercisable, ending	601,683	$ 3.53	491,940	$ 3.20

(In Canadian dollars)

15. STOCK, COMPENSATION OPTIONS AND WARRANTS (continued)

At December 31, 2022, the Company had outstanding employee stock options as follows:

Expiry date	Options outstanding	Options exercisable	Exercise price	Weighted average remaining contractual life (in years)
April 30, 2025	387,880	387,880	$ 2.75	2.33
January 31, 2026	200,000	80,000	$ 5.00	3.09
February 21, 2026	231,670	105,470	$ 5.00	3.14
December 31, 2026	80,000	20,000	$ 5.00	4.00
December 31, 2026	50,000	8,333	$ 3.50	4.00
December 31, 2027	90,000	-	$ 2.00	5.00
December 31, 2027	143,000	-	$ 1.55	5.00
	1,182,550	601,683		3.33

15.2 Consultant Stock Options

There were no consultant stock options granted during the year ended December 31, 2022.

Total stock-based compensation expense from consultant stock options during the year ended December 31, 2022, was $6,431 (December 31, 2021 - $78,944) using the Black-Scholes-Merton option pricing model.

A continuity schedule of the Company's outstanding employee stock options for the years ended December 31, 2022, and 2021 is as follows:

	December 31, 2022		December 31, 2021	
	Number outstanding	Weighted average exercise price	Number outstanding	Weighted average exercise price
Outstanding, beginning	70,000	$ 5.00	-	$ -
Granted	-	-	70,000	5.00
Outstanding, ending	70,000	$ 5.00	70,000	$ 5.00
Exercisable, ending	70,000	$ 5.00	47,500	$ 5.00

At December 31, 2022, the Company had outstanding consultant stock options as follows:

Expiry date	Options outstanding	Options exercisable	Exercise price	Weighted average remaining contractual life (in years)
February 21, 2023	70,000	70,000	$ 5.00	0.14

(In Canadian dollars)

15. STOCK, COMPENSATION OPTIONS AND WARRANTS (continued)

15.3 Broker Compensation Options

The Black-Scholes-Merton option pricing model inputs for Broker compensation options granted during the year ended December 31, 2022, are as follows:

Grant Date	Expiry Date	Share Price at Grant Date	Exercise Price	Risk-Free Interest Rate	Expected Life (in years)	Volatility Factor	Dividend Yield	Fair Value
January 14, 2022	January 14, 2025	$4.09	$5.10	1.25%	3.0	50%	0%	$1.13

The broker compensation options were issued in connection with the brokered private placement on January 14, 2022 (Note 14). These compensation options were not issued out of the Company's SOP.

The risk-free interest rate is based on the Canadian government bond rate for a similar term as the expected life of the stock options. The broker compensation options vest over 3 years.

Total fair value of broker compensation options issued during the year ended December 31, 2022 was $336,678 (December 31, 2021 - $220,537) using the Black-Scholes-Merton option pricing model.

A continuity schedule of the Company's outstanding broker compensation options for the years ended December 31, 2022 and 2021 is as follows:

	December 31, 2022		December 31, 2021	
	Number outstanding	Weighted average exercise price	Number outstanding	Weighted average exercise price
Outstanding, beginning	158,334	$ 5.00	-	$ -
Granted	299,248	5.10	158,334	5.00
Outstanding, ending	457,582	$ 5.07	158,334	$ 5.00
Exercisable, ending	457,582	$ 5.07	158,334	$ 5.00

At December 31, 2022, the Company had outstanding broker compensation options as follows:

Expiry date	Options outstanding	Options exercisable	Exercise price	Weighted average remaining contractual life (in years)
March 15, 2023	158,334	158,334	$ 5.00	0.20
January 15, 2025	299,248	299,248	$ 5.10	2.04
	457,582	457,582		1.40

(In Canadian dollars)

15. STOCK, COMPENSATION OPTIONS AND WARRANTS (continued)

15.4 Board Stock Options

The Black-Scholes-Merton option pricing model inputs for board stock options granted during the year ended December 31, 2022 are as follows:

Grant Date	Expiry Date	Share Price at Grant Date	Exercise Price	Risk-Free Interest Rate	Expected Life (in years)	Volatility Factor	Dividend Yield	Fair Value
December 20, 2022	December 31, 2027	$1.45	$1.55	3.04%	5.0	50%	0%	$0.65

The risk-free interest rate is based on the Canadian government bond rate for a similar term as the expected life of the stock options. The stock options vest over periods of 4 and 5 years.

Total stock-based compensation expense from board stock options during the year ended December 31, 2022, was $48,331 (December 31, 2021 - $92,970) using the Black-Scholes-Merton option pricing model.

A continuity schedule of the Company's outstanding board stock options for the year ended December 31, 2022, and 2021 is as follows:

	December 31, 2022		December 31, 2021	
	Number outstanding	Weighted average exercise price	Number outstanding	Weighted average exercise price
Outstanding, beginning	90,900	$ 5.00	-	$ -
Granted	35,000	1.55	90,900	5.00
Outstanding, ending	125,900	$ 4.04	90,900	$ 5.00
Exercisable, ending	65,450	$ 5.00	20,000	$ 5.00

At December 31, 2022, the Company had outstanding board stock options as follows:

Expiry date	Options outstanding	Options exercisable	Exercise price	Weighted average remaining contractual life (in years)
February 21, 2026	90,900	65,450	$ 5.00	3.14
December 31, 2027	35,000	-	$ 1.55	5.00
	125,900	65,450		3.66

15.5 RTO Options

During the year ended December 31, 2021, 36,100 options were issued to Cherry Street in the RTO transaction (Note 4). All the options expired during the year ended December 31, 2022.

(In Canadian dollars)

15. STOCK, COMPENSATION OPTIONS AND WARRANTS (continued)

15.6 Warrants

The Company issued common share purchase warrants in connection with the brokered private placement on January 14, 2022 (Note 14)

A continuity schedule of the Company's outstanding common share purchase warrants for the year ended December 31, 2022 and 2021 is as follows:

	December 31, 2022		December 31, 2021	
	Number outstanding	Weighted average exercise price	Number outstanding	Weighted average exercise price
Outstanding, beginning	-	$ -	-	$ -
Issued	5,250,000	5.10	-	-
Outstanding, ending	5,250,000	$ 5.10	-	$ -

At December 31, 2022, the Company had outstanding common share purchase warrants exercisable as follows:

Expiry date	Warrants outstanding	Exercise price	Weighted average remaining contractual life (in years)
Jan 14, 2025	5,250,000	$ 5.10	2.04

16. INCOME TAXES

	For the year ended December 31, 2022	For the year ended December 31, 2021
Income tax (recovery) expense:		
Current income tax expense (recovery)	**$ (282)**	$ 80,067
Deferred income tax recovery	**-**	(1,763,502)
Total income tax recovery	**$ (282)**	$ (1,683,435)

(In Canadian dollars)

16. INCOME TAXES (continued)

A reconciliation of income taxes at statutory rates with reported taxes is as follows:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Net loss before tax	$ (10,544,542)	$ (9,292,704)
Canadian federal and provincial statutory income tax rate	27.00%	27.00%
Income tax benefit based on Canadian statutory tax rates	(2,846,950)	(2,509,030)
Effects of the following:		
Non-deductible expenditures	322,715	702,228
Adjustment for prior year losses	848,804	-
Tax impact of intangible assets	-	118,159
Tax impact of leases	(311,904)	(291,392)
Share issuance costs	(344,169)	(255,131)
Acquisition of tax losses and other related items	-	(64,620)
Other items	-	(448,779)
Changes in unrecognized deferred tax assets	2,331,222	1,065,130
Income tax recovery	$ (282)	$ (1,683,435)

The Company had deductible temporary differences and unused tax losses for which no deferred tax assets have been recognized as follows:

	December 31, 2022	December 31, 2021
Non-capital loss carry-forwards	$ 7,994,946	$ 6,291,154
Share issuance costs	474,905	273,841
Capital assets	1,141,786	828,745
Intangible assets	(1,491,610)	(1,605,047)
Other items	448,779	448,890
Marketable securities	(20,184)	(20,183)
Unrecognized deferred income tax assets	(8,548,622)	(6,217,400)
Deferred income tax assets	$ -	$ -

The Company has the following deferred income tax liability related to its intangible assets (Note 9):

	December 31, 2022	December 31, 2021
Intangible assets	$ 1,520,609	$ 1,605,047
Offset with deferred income tax assets	(1,491,609)	(1,605,047)
Deferred income tax liability	$ (29,000)	$ -

The Company had Canadian non-capital losses at December 31, 2022 of $29,610,912 (2021 - $23,300,571) which expire between 2032 to 2042, and SR&ED income tax credits of approximately $1.6 million (2021 – $1.6 million).

(In Canadian dollars)

17. FINANCIAL INSTRUMENTS

17.1 Categories of financial instruments and fair value measurements

The Company's financial assets and liabilities are classified as follows:

	Level	December 31, 2022	December 31, 2021
Financial assets:			
Fair value through profit and loss			
Cash and cash equivalents	1	$ 8,096,696	$ 1,211,899
Investments	1	67,689	75,832
Amortized cost			
Accounts receivable, net of allowance for doubtful accounts	2	1,012,675	686,336
Financial liabilities:			
Financial liabilities at amortized cost			
Accounts payable	2	$ 852,433	$ 673,607
Short-term debt	2	27,180	23,808
Demand loan	2	-	135,373
Note payable	2	2,865,190	4,788,307

17.2 Fair value information

The fair values of the Company's financial instruments approximate their carrying amounts due to the short-term nature of these instruments.

IFRS 13 *Fair Value Measurement* establishes a fair value hierarchy that reflects the significance of inputs used in measuring fair value as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

17.3 Management of financial risks

There were no transfers between levels of the fair value hierarchy during the years ended December 31, 2022, and 2021. As at December 31, 2022 and December 31, 2021, the Company's cash and cash equivalents, and investments were valued using Level 1 inputs of the fair value hierarchy.

The following is an analysis of the contractual maturities of the Company's financial liabilities as at December 31, 2022:

	Within 12 months	After 12 months
Accounts payable and accrued liabilities	$ 1,562,221	$ -
Short-term debt	27,180	-
Note payable	940,543	1,924,647
Total	**$ 2,529,944**	**$ 1,924,647**

The undiscounted note payable contractual maturities are $1,000,000 within 12 months and $2,000,000 after 12 months, respectively.

The Company's financial instruments expose the Company to certain financial risks, including credit risk, liquidity risk, interest rate risk and foreign currency risk.

Credit risk

Credit risk arises from the potential that a counterparty will fail to perform its obligations. The Company has a significant number of customers which minimizes concentration of credit risk. The Company is exposed to credit risk from customers. In order to reduce its credit risk, the Company deals only with financially sound counterparties and,

17. FINANCIAL INSTRUMENTS (continued)

accordingly, does not anticipate loss for non-performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. Over 75% of accounts receivable is current. The amounts disclosed in the balance sheet represent the maximum credit risks. Credit risk that arises from accounts receivable is considered low. The Company's cash is also exposed to credit risk. Cash is held with a major financial institution, consequently, the risk is assessed as low.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rates on its short-term debt, note payable and demand loan are fixed. Management monitors its interest rates compared to market rates on a regular basis. The Company does not use derivative instruments to reduce its exposure to interest rate risk. Accordingly, interest rate risk is assessed as low.

Currency risk

Currency risk is the risk that the Company's net loss will vary from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company has not entered into any forward currency contracts or other financial derivatives to hedge foreign exchange risk. The Company is exposed to limited foreign currency transactions and has assessed the currency risk as low.

Liquidity risk

The Company's objective is to have sufficient liquidity to meet its liabilities when they become due. The Company monitors its cash balances and cash flows generated from operations to meet its requirements. As at December 31, 2022, the most significant financial liabilities are its accounts payables and accrued liabilities, short-term debt, and note payable. As at December 31, 2022, the Company assessed liquidity risk as moderate.

(In Canadian dollars)

18. SEGMENTED INFORMATION

Management determined the Company's operating segments based on information reviewed by the Company's chief operating decision-maker, which consists of the Chief Executive Officer and the leadership team; largely on the basis of services offered and the classes of customers served.

The Company has three operating segments: (1) software and services, (2) software licensing fees, and (3) corporate. Software and services refers to the property management business associated with the Company's community-living technology platform. Software licensing fees refers to the Company's deficiency management software provided to developers and rental management software provided to landlords. The Company's corporate segment refers to the strategic and operational leadership of management, and shared corporate services to the group through the Company's head office operations. Financial performance and balances by segment are as follows:

	Software and Services	Software Licensing Fees	Corporate	Total
For the year ended December 31, 2022				
Revenue	$ 17,447,016	$ 365,534	$ -	$ 17,812,550
Expenses	19,266,270	5,318,791	3,772,031	28,357,092
Net loss	$ (1,819,254)	$ (4,953,257)	$ (3,772,031)	$ (10,544,542)
For the year ended December, 2021				
Revenue	$ 15,528,201	$ 302,705	$ -	$ 15,830,906
Expenses	15,840,075	3,742,610	3,200,101	22,782,786
Impairment of goodwill (Note 9)	657,389	-	-	657,389
Net loss	$ (969,263)	$ (3,439,905)	$ (3,200,101)	$ (7,609,269)
As at December 31, 2022				
Assets	$ 17,077,383	$ 8,977,466	$ -	$ 26,054,849
Liabilities	7,836,722	573,043	-	8,409,765
Property and equipment	3,687,613	312,483	-	4,000,096
Intangible assets	7,227,498	-	-	7,227,498
As at December 31, 2021				
Assets	$ 16,340,357	$ 2,041,674	$ -	$ 18,382,031
Liabilities	9,588,288	806,389	-	10,394,677
Property and equipment	3,788,663	312,114	-	4,100,777
Intangible assets	7,151,440	-	-	7,151,440

(In Canadian dollars)

19. RELATED PARTY TRANSACTIONS

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's Board of Directors and members of the executive team.

In the normal course of business, the Company enters into transactions with its related parties that are considered to be arm's length transactions and made at normal market prices and on normal commercial terms.

a) Key management compensation was as follows:

	For the years ended	
	December 31, 2022	December 31, 2021
Salaries	$ 1,009,500	$ 811,637
Board of Directors' fees	178,908	130,359
Short-term benefits	29,221	103,813
Stock-based compensation	269,942	597,344
	$ 1,487,571	$ 1,643,153

b) During the year ended December 31, 2021, the Company settled $1,266,365 of amounts owing to the then related parties through the issuance of 253,273 common shares (Note 14).

c) During the year ended December 31, 2021, the Company paid $37,500 and issued 10,000 common shares of the Company with a fair value of $50,000 to a related party for consulting services received in connection with the going public transaction (Notes 4 and 14).

d) During the year ended December 31, 2022, the Company made lease payments for office space of $500,180 to a company affiliated with a member of the executive team. As at December 31, 2022, the office leases have an average remaining term of 8 years, and the minimum remaining lease payments total $4,526,629. For the same period in 2021, the Company paid $500,180 for the same purpose.

e) During the year ended December 31, 2022, the Company incurred $750,000 in advisory fees to a growth capital company managed by a member on the Board of Directors.

20. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to ensure that there are adequate capital resources to safeguard the Company's ability to execute on its strategic operating plan, continue as a going concern and to maximize its financial flexibility by maintaining strong liquidity and by utilizing alternative sources of capital including equity, debt and bank loans or lines of credit to fund continued growth. In the management of capital, the Company includes the components of shareholders' equity and short-term liabilities, as well as cash. The Company sets the amount of capital in proportion to risk and based on the availability of funding sources. The Company manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. Additional debt and/or equity financing may be pursued in the future as deemed appropriate to balance debt and equity. To maintain or adjust the capital structure, the Company may issue new shares, take on additional debt or sell assets to reduce debt. The Company is not subject to any externally imposed capital requirements and the Company does not pay out dividends. There were no changes in the Company's approach to capital management during the period.

(In Canadian dollars)

21. ACCOUNTS RECEIVABLE

The balance of accounts receivable is comprised of the following:

	December 31, 2022	December 31, 2021
Accounts receivable, net of allowance for doubtful accounts	$ 973,111	$ 608,805
Other receivables	39,564	77,531
	$ 1,012,675	$ 686,336

As at December 31, 2022, an allowance for doubtful accounts of $33,561 (December 31, 2021 - $40,061) has been provided for balances outstanding over 90 days.

22. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2022	December 31, 2021
Accounts payable	$ 852,433	$ 673,607
Accrued liabilities	709,788	728,379
	$ 1,562,221	$ 1,401,986

23. CASH AND CASH EQUIVALENTS

	December 31, 2022	December 31, 2021
Cash	$ 1,531,315	$ 1,211,899
Cashable investment	6,565,381	-
	$ 8,096,696	$ 1,211,899

As at December 31, 2022, the Company held a 1-year cashable GIC investment with a balance of $6,565,381 (2021 - $nil), interest yield of 2.23% annually, and maturity date of April 25, 2023.

24. SUBSEQUENT EVENTS

Subsequent to December 3, 2022, the Company entered into the following transactions:

i) On January 3, 2023, the Company cancelled the 3,000 treasury shares that were purchased by the Company as part of the NCIB during the year ended December 31, 2022 (Note 14).

ii) On January 5, 2023, the Company completed the acquisition of a portfolio of strata property management assets from Warrington PCI Management (“Warrington”). The Company paid Warrington with consideration as follows:

a) $200,000 on the closing date;
b) $75,000 payable in common shares of the Company, upon the future delivery of property management contracts related to two buildings that are currently under development;
c) $100,000 payable on the date that is one month after the first anniversary of the closing date.

iii) On February 1, 2023, the Company completed a lease extension for the Calgary office which was originally expiring on June 30, 2023. The extension is until June 30, 2028.

iv) On February 21, 2023, the Company repaid $30,000 of the $40,000 CEBA loan. The Company received $10,000 in loan forgiveness as the payment was made prior to December 31, 2023. The CEBA loan was fully repaid (Note 11).