TRIBE PROPERTY TECHNOLOGIES INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the three and nine months ended September 30, 2023

This management's discussion and analysis ("MD&A") of the financial condition and results of operations of Tribe Property Technologies Inc. ("Tribe", the "Company", "we", "us" or "our") is for the three and nine months ended September 30, 2023. This MD&A should be read in conjunction with our audited consolidated financial statements for the year ended December 31, 2022, and our unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2023, prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), together with the notes thereto. This MD&A complements and supplements, but does not form part of, our financial statements. All dollar amounts in this MD&A are expressed in Canadian dollars ("CAD"), unless otherwise stated.

This MD&A contains non-IFRS measures, including Gross Profit, Gross Profit Percentage and Adjusted EBITDA. Refer to the section "Selected Quarterly Financial Information" for information on the calculation of these non-IFRS measures.

Date

The date of this MD&A is November 21, 2023, the date on which it was approved by the Board of Directors.

Additional information relating to Tribe, including our most recent annual information form for the year ended December 31, 2022, dated May 1, 2023, can be obtained from the System for Electronic Document Analysis and Retrieval ("SEDAR+") and is available for review under our profile on the SEDAR+ website at http://www.sedarplus.ca.

FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking information within the meaning of applicable Canadian securities legislation. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "does not expect", "is expected", "estimates", "intends", "anticipates", "does not anticipate", or "believes", or variations of such words and phrases or states that certain actions, events or results "may", "could", "would", "might" or "will" be taken to occur or be achieved. Forward-looking information in this MD&A include, but are not limited to our expectations regarding industry trends and challenges, overall market growth rates and our growth rates and growth strategies; addressable markets for our solutions; the achievement of advances in and expansion of our offerings and markets; expectations regarding our revenue and the revenue generation potential of our products, services and other solutions; our business plans and strategies including expected acquisitions; our expectations regarding certain of our future results, including, among others, revenue, expenses, sales growth, expenditures, operations and use of future cash flow; our ability to execute on our strategic growth priorities and to successfully integrate acquisition targets; our competitive position in our industry and our expectations regarding competition; our anticipated cash needs and needs for additional financing; our plans for the timing and expansion of our services; our ability to attract and retain personnel; payment obligations under existing commercial agreements; future prospective consolidation in the rental management sector; industry trends; and prospective benefits of our platform. To the extent that any forward-looking information contained herein may be considered future-oriented financial information or a financial outlook, such information has been included to provide readers with an understanding of management's expectations with respect to revenue generation and readers are cautioned that the information may not be appropriate for other purposes.

Forward-looking information is necessarily based upon a number of factors and assumptions that, if untrue, could cause actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such information. Forward-looking information is based upon a number of estimates and assumptions that, while considered reasonable by us at this time, are inherently subject to significant business, economic and competitive uncertainties and contingencies that may cause our actual financial results, performance, or achievements to be materially different from those expressed or implied herein. Some of the material factors or assumptions used to develop forward-looking information include, without limitation, our ability to capitalize on growth opportunities and implement our growth strategy; our ability to retain key personnel; our ability to maintain existing customer relationships and to continue to expand our customers' use of our product solutions; our ability to acquire new customers; our ability to enhance our offerings to remain at the forefront of our industry; the impact of competition; the successful integration of future acquisitions; the absence of material adverse changes in our business, our industry or the global economy; and that the risks and uncertainties described under "*Risks and Uncertainties*" will not materialize.

Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include, but are not limited to, fluctuations in the currency markets; changes in interest rates; disruption to the credit markets and delays in obtaining financing; inflationary pressures; risks arising from holding derivative instruments (such as credit risk, market liquidity risk and mark-to-market risk); changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada or the United States, or other countries in which we may carry on business;

international conflicts; integration of acquired businesses; business opportunities that may be presented to, or pursued by us; our ability to successfully integrate acquisitions; operating or technical difficulties in connection with business activities; the possibility of cost overruns or unanticipated expenses; employee relations; the risks of obtaining and renewing necessary licenses and permits; adverse changes in our credit rating; risks related to third parties passing off or otherwise leveraging our branding and/or messaging; risks related to intellectual property protection including cybersecurity risks and ransomware risks; and the occurrence of natural disasters, hostilities, acts of war or terrorism. The factors identified above are not intended to represent a complete list of the factors that could affect us. Additional factors are noted under the heading "*Risks and Uncertainties*".

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results, performance or achievement may vary materially from those expressed or implied by the forward-looking information contained in this MD&A. These factors should be carefully considered, and readers are cautioned not to place undue reliance on forward-looking information, which speaks only as of the date of this MD&A. All subsequent forward-looking information attributable to us is expressly qualified in its entirety by the cautionary statements contained in or referred to herein. We do not undertake any obligation to update the forward-looking information contained in this MD&A to reflect events or circumstances that occur after the date of this MD&A or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

COMPANY OVERVIEW

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." and on March 25, 2021, the Company was listed on the Exchange under the symbol "TRBE".

We were incorporated under the *Business Corporations Act* (Ontario) on June 5, 2017 under the name "Cherry Street Capital Inc.". As noted, in connection with the Qualifying Transaction, we changed our name to "Tribe Property Technologies Inc." on March 15, 2021. Our head office is located at 1606-1166 Alberni Street, Vancouver, BC, V6E 3Z3 and our registered office is located at Suite 3200, Bay Adelaide Centre – North Tower, 40 Temperance Street, Toronto, Ontario, M5H 0B4.

Our principal business activity is offering technology-enabled property management services to meet the needs of developers, condominium and residential communities, and owners and residents. The services provided via our 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 our technology platform, we provide 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.

Our community-living technology platform provides strata councils and residents with on-demand access to important records and documents, simple communication tools, online payment options and bookable amenities. Our community-living platform strengthens communications, empowers residents and builds community. It offers high value for community residents with features that allow councils, boards and homeowners' associations to protect their real estate investment through improved communication, greater collaboration and self-service tools for residents. Examples include secure and easy communications tools with easy-to-find records, on-demand access to shared community documents, amenity booking and a help desk ticketing system.

Our deficiency management software for real estate developers provides developers and residents with a ticketing system for residents to notify their developer or management of issues, warranty concerns or deficiencies. This deficiency management software is used by property developers to organize and streamline post-construction workflow from pre-inspection and owner walk-throughs to post-occupancy and beyond. Developers can digitally track and manage home issues, while owners can access digital homeowner manuals and submit warranty issues upon move-in, directly to customer care teams.

Our rental management software for landlords provides landlords and tenants with an online tool designed to streamline landlord tasks. The tool eliminates tedious tasks and streamlines every step in the rental process, allowing users to take advantage of listing websites, online rental applications, tenant vetting and onboarding, digital lease agreements, cashflow management, online rent collection and financial reporting. This software is available to owner-investors within our end-to-end community solution.

CORPORATE HIGHLIGHTS

- On July 12, 2023, we partnered with OctoAI Technologies Corp. to provide condominium boards and strata councils with enhanced reporting and benchmarking capabilities to better understand the operational and financial health of their buildings.

- On July 27, 2023, we partnered with KnockNok, an app which connects maintenance and repair services to residents requiring service in our communities. It will be available on the Tribe Home – Market platform.

- On October 5, 2023, we signed a definitive loan agreement with a Canadian Schedule A bank, which provides a senior term loan facility for up to $15 million. The facility consists of a $3 million operating line to support the company's working capital requirements, and an M&A facility of $7 million, with an additional accordion feature of $5 million.

- On October 10, 2023, we appointed our new Chief Financial Officer, Angelo Bartolini. He has over 12 years of experience in a public company setting, where he led as the CFO of Altus Group.

SELECTED QUARTERLY FINANCIAL INFORMATION

The following table sets forth selected financial information of the results of operations for the three and nine months ended September 30, 2023 and 2022 as follows:

	Three months ended		Nine months ended	
	September 30, 2023	**September 30, 2022**	**September 30, 2023**	**September 30, 2022**
Revenue	$ 4,798,627	$ 4,529,310	$ 14,278,328	$ 13,064,345
Cost of software and services and software licensing fees	2,928,352	2,942,847	8,624,603	7,942,773
Gross profit (1)	1,870,275	1,586,463	5,653,725	5,121,572
Operating expenses	3,811,451	4,208,811	12,487,139	12,478,550
Operating loss	(1,941,176)	(2,622,348)	(6,833,414)	(7,356,978)
Other expenses	(148,454)	(181,761)	(447,627)	(557,058)
Other income	19,315	70,238	92,492	152,714
Net loss before income taxes	(2,070,315)	(2,733,871)	(7,188,549)	(7,761,322)
Income tax recovery (expense)	(334)	-	(10,451)	282
Net loss	$ (2,070,649)	$ (2,733,871)	$ (7,199,000)	$ (7,761,040)
Basic and diluted loss per share	$ (0.10)	$ (0.13)	$ (0.34)	$ (0.37)
Gross profit percentage (1)	39.0%	35.0%	39.6%	39.2%
Adjusted EBITDA (2)	$ (1,439,286)	$ (2,186,234)	$ (5,510,047)	$ (6,097,277)

(1) Non-GAAP measures: Gross profit and gross profit percentage do not have a standardized meaning under IFRS, and therefore may not be comparable to similar measures presented by other issuers. We define gross profit as revenue less cost of software and services and software licensing fees, and gross profit percentage as gross profit calculated as a percentage of revenue. Gross profit and gross profit percentage should not be construed as an alternative for revenue or net loss in accordance with IFRS. We believe that gross profit and gross profit percentage are meaningful metrics in assessing our financial performance and operational efficiency.

(2) Non-GAAP measures: Adjusted EBITDA is also not a measure recognized in accordance with IFRS and does not have a prescribed or standardized meaning by IFRS. We define Adjusted EBITDA attributed to shareholders as net income or loss excluding severance and acquisition costs, interest expense and finance costs, foreign exchange gains and losses, current and deferred income taxes, depreciation and amortization, stock-based compensation, fair value gains and losses on investments, and other expenses. It should be noted that Adjusted EBITDA is not defined under IFRS and may not be comparable to similar measures used by other entities. We believe Adjusted EBITDA is a useful measure as it provides important and relevant information to our management about our operating and financial performance. Adjusted EBITDA also enables our management to assess our ability to generate operating cash flow to fund future working capital needs, and to support future growth. Excluding these items does not imply that they are non-recurring or not useful to investors. Investors should be cautioned

that Adjusted EBITDA attributable to shareholders should not be construed as an alternative to net income (loss) or cash flows as determined under IFRS.

The following table sets forth our total assets and non-current financial liabilities as September 30, 2023 and December 31 2022:

As at	September 30, 2023	December 31, 2022
Total assets	$ 18,806,196	$ 26,054,849
Note payable, non-current portion	1,452,093	1,924,647

Reconciliation of Net Loss to Adjusted EBITDA

The following table sets forth the reconciliation of net loss to Adjusted EBITDA for the three and nine months ended September 30, 2023 and 2022:

	Three months ended		Nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Net loss	$ (2,070,649)	$ (2,733,871)	$ (7,199,000)	$ (7,761,040)
Depreciation	207,716	228,411	646,183	661,622
Amortization of intangible assets	146,778	106,855	441,231	299,449
Stock-based compensation	46,979	100,848	135,536	298,630
Fair value loss (gain) on investment	3,005	4,361	(3,684)	16,672
Interest expense [1]	145,449	174,076	436,124	535,994
Interest income	(19,285)	(70,238)	(71,894)	(152,714)
Foreign exchange loss (gain)	(30)	3,324	(6,914)	4,392
Severance costs	72,663	-	72,663	-
Acquisition costs	27,754	-	27,754	-
Loss on revaluation of government grant	-	-	11,503	-
Loan forgiveness on government grant	-	-	(10,000)	-
Income tax expense (recovery)	334	-	10,451	(282)
Adjusted EBITDA	$ (1,439,286)	$ (2,186,234)	$ (5,510,047)	$ (6,097,277)

[1] Interest expense incurred on short-term debt, demand loan, note payable and amounts due to related parties

DISCUSSION OF OPERATIONS

Revenue

The following table sets forth a breakdown of revenue for the three and nine months ended September 30, 2023 and 2022:

	Three months ended		Nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Software and service fees	$ 4,264,785	$ 4,145,450	$ 12,661,316	$ 11,660,209
Transactional revenues	472,933	367,545	1,355,556	1,267,425
Software and services	4,737,718	4,512,995	14,016,872	12,927,634
Software licensing fees	60,909	16,315	261,456	136,711
Total revenue	$ 4,798,627	$ 4,529,310	$ 14,278,328	$ 13,064,345

During the three months ended September 30, 2023, we generated total revenue of $4,798,627, an increase of 6% over the same period in 2022. The increase in revenue was due to a 5% increase in software and service fees as a result of more properties on the Tribe platform, net of terminated non-strategic and unprofitable properties, and a 273% increase in software licensing fees.

During the nine months ended September 30, 2023, we generated total revenue of $14,278,328, an increase of 9% over the same period in 2022. The increase in revenue was due to a 8% increase in software and service fees as a result of more properties on the Tribe platform, net of terminated non-strategic and unprofitable properties, and a 91% increase in software licensing fees.

Consolidated gross profit and gross profit percentage

Gross profit increased by $283,812 and gross profit percentage increased to 39% for the three months ended September 30, 2023 from 35% compared to the same period in 2022. The increase in gross profit and gross profit percentage was a result of the addition of service contracts through organic growth and acquisitions, and restructuring efforts.

Gross profit increased by $532,153 and gross profit percentage increased to 39.6% for the nine months ended September 30, 2023 from 39.2% compared to the same period in 2022. The increase in gross profit was due to the addition of service contracts through organic growth and acquisitions, and restructuring efforts.

Selling, general and administrative expenses

The following table sets forth a breakdown of selling, general and administrative (“SG&A”) expenses for the three and nine months ended September 30, 2023 and 2022:

	Three months ended		Nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Salaries and wages	$ 2,369,847	$ 2,369,652	$ 7,663,977	$ 6,893,171
Office expenses	590,180	943,233	1,995,454	2,436,301
Professional fees	262,850	176,986	885,956	1,023,897
Subcontractors	80,598	163,696	306,473	481,403
Investor relations	69,724	79,037	282,778	244,371
Advertising and promotion	36,779	40,093	129,551	139,706
Total SG&A	$ 3,409,978	$ 3,772,697	$ 11,264,189	$ 11,218,849

During the three months ended September 30, 2023, our SG&A decreased by $362,719 or 10% compared to the same period in 2022. This was primarily due to reduced office expenses.

Salaries and wages during the three months ended September 30, 2023 remained flat compared to the same period in 2022.

The decrease in office expenses during the three months ended September 30, 2023 compared to the same period in 2022 was due to moving and preparation costs for our corporate head office located at 1606-1166 Alberni Street, Vancouver, BC. The relocation began in June 2022. Cost reduction efforts in 2023 also contributed to the decrease.

The increase in professional fees for the three months ended September 30, 2023 compared to the same period in 2022 was due to increased legal fees incurred in preparation for the acquisition of Meritus Group Management Inc., and the use of a third party service to streamline our accounts payable processes. The decrease in subcontractor expenses during the three months ended September 30, 2023 compared to the same period in 2022 was due to continued streamlining efforts of our product technology team.

The decrease in investor relations for the three months ended September 30, 2023 compared to the same period in 2022 was due to minor staffing changes.

During the nine months ended September 30, 2023, our SG&A increased by $45,340 or 0.4% compared to the same period in 2022. This was due to several factors, discussed below.

The increase in salaries and wages during the nine months ended September 30, 2023 compared to the same period in 2022 was due to increased headcount in management and administrative staff to support growth.

The decrease in office expenses during the nine months ended September, 2023 compared to the same period in 2022 was due to the same reasons for the three months ended September 30, 2023 discussed above.

The decrease in professional fees for the nine months ended September 30, 2023 compared to the same period in 2022 was due to $250,000 incurred in advisory fees for the nine months ended September 30, 2022. The decrease in subcontractor expenses during the nine months ended September 30, 2023 compared to the same period in 2022 was due to the same reasons for the three months ended September, 2023 discussed above.

The increase in investor relations for the nine months ended September 30, 2023 compared to the same period in 2022 was due to efforts to increase our public market presence.

Stock-based compensation

Stock-based compensation for the three months and nine months ended September 30, 2023 was $46,979 and $135,536 respectively, compared to $100,848 and $298,630 for the same periods in 2022 respectively. During the first nine months of 2023, we granted 10,000 stock options. During the first nine months of 2022, we granted 237,500 stock options. The timing of cancelled and expired stock options during the first nine months of 2023 also contributed to the decrease. Stock-based compensation is calculated at fair value using the Black-Scholes-Merton option pricing model.

Other expenses

During the three and nine months ended September 30, 2023, other expenses were $148,454 and $447,627 respectively compared to $181,723 and $557,058 for the same periods in 2022 respectively. The decrease was primarily due to decreased interest expense on the Gateway promissory note, which we continue to make principal and interest payments towards. We made a $1,000,000 payment on December 31, 2022. We repaid our demand loan in full on December 9, 2022.

Other income

During the three and nine months ended September 30, 2023, other income was $19,315 and $92,492 respectively compared to $70,238 and $152,714 for the same periods in 2022 respectively. The decrease was due to less cash held in the 1-year cashable GIC investment with an interest yield of 2.23% annually, resulting in less interest income. The GIC investment matured on April 25, 2023. This was partially offset by a loan forgiveness of $10,000 received on the CEBA loan when it was fully repaid on February 21, 2023.

Net loss

Net loss from the three months ended September 30, 2023 was $2,070,649 compared to $2,733,871 for the same period in 2022. The decrease in net loss was primarily due to increased gross margin and gross margin percentage, and decreased operating expenses discussed above.

Net loss for the nine months ended September 30, 2023 was $7,199,000 compared to $7,761,040 for the same period in 2022. The decrease in net loss was primary due to increased gross margin.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2023, we had cash and cash equivalents of $1,517,687 (December 31, 2022 - $8,096,696). All cash and cash equivalents were held in bank accounts with Canadian financial institutions. We have an operating line of credit facility of $3,000,000 with a Canadian Schedule A bank, available to be drawn at our discretion, which is being utilized as of the date of this MD&A. On January 14, 2022, we completed a private placement equity financing pursuant to which we raised gross proceeds of $21,000,000 from the sale of units of the Company. Each unit consists of one common share and one common share purchase warrant of the Company.

Operating activities

We had net cash flows used in operating activities of $5,844,194 during the nine months ended September 30, 2023 compared to $6,545,424 during the same period in 2022. The decrease in cash flows used is primarily driven by the decrease in net loss after adjustments not affecting cash, and further driven by the timing and receipts of our receivables.

Investing activities

We had net cash flows used in investing activities of $326,103 during the nine months ended September 30, 2023 compared to $957,779 during the same period in 2022. The decrease in cash flows used is due to the acquisition of Southview in the second quarter of 2022 and the acquisition of customer contracts from Martello Property Services in the third quarter of 2022.

Financing activities

We had net cash flows used by financing activities of $408,711 during the nine months ended September 30, 2023 compared to net cash flows provided by financing activities of $18,219,363 during the same period in 2022, driven by the net proceeds of $19,725,301 from the private placement equity financing in January 2022, partially offset by the $1,000,000 working capital adjustment payment on the Gateway note payable.

Funding requirements

We expect to devote financial resources to our current planned operations, the repayment of the Gateway promissory note and business development. We are currently assessing a number of acquisition opportunities. As at the date of this MD&A, we have an M&A facility of $7 million with an additional accordion feature of $5 million, with a Canadian Schedule A bank. We may need to raise additional financing through the public or private equity and debt markets. On January 14, 2022, we completed a private placement equity financing pursuant to which we raised gross proceeds of $21,000,000 from the sale of Units.

OFF-BALANCE SHEET ARRANGEMENTS

None.

RELATED PARTY TRANSACTIONS

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

In the normal course of business, we enter 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 for the three and nine months ended September 30, 2023 and 2022 was as follows:

	Three Months Ended		Nine Months Ended	
	September 30, 2023	**September 30, 2022**	**September 30, 2023**	**September 30, 2022**
Salary	$ 166,500	$ 251,035	$ 698,372	$ 701,785
Board of Directors’ fees	47,313	46,875	143,750	134,950
Short-term benefits	7,037	6,908	18.435	17,200
Stock-based compensation	31,243	64,175	85,150	199,965

b) During the nine months ended September 30, 2023, the Company made lease payments for office space of $375,135 to a company affiliated with a member of the executive team. As at September 30, 2023, the office leases have an average remaining term of 7.25 years, and the minimum remaining lease payments total $4,151,494. For the same period in 2022, the Company paid $375,135 for the same purpose.

On February 1, 2021, we granted the equivalent of 200,000 stock options of the Company to our Chief Executive Officer, with an exercise price of $5.00, vesting over four years and expiring on January 31, 2026. On February 22, 2021, we granted the equivalent of 150,000 stock options of the Company to our Chief Financial Officer, with an exercise price of $5.00, vesting over four years and expiring on February 21, 2026. On February 22, 2021, we granted the equivalent of 20,000 stock options of the Company to each of the four non-executive members on our Board of Directors with an exercise price of $5.00, vesting over two years and expiring on February 21, 2026.

On January 18, 2022, we granted the equivalent of 5,000 stock options of the Company to our EVP Management Services, with an exercise price of $5.00, vesting over four years and expiring on December 31, 2026.

On September 1, 2022, we granted 90,000 stock options of the Company to an officer of the Company, with an exercise price of $2.00, vesting over four years and expiring on December 31, 2027.

On December 20, 2022, we granted the equivalent of 20,000 stock options of the Company to our Chief Executive Officer, the equivalent of 20,000 stock options of the Company to our Chief Financial Officer, the equivalent of 10,000 stock options to our Chief Technology Officer, and the equivalent of 5,000 stock options of the Company to each of the five non-executive members on our board of Directors. All stock options granted this date have an exercise price of $1.55, vesting over four years and expiring on December 31, 2027.

ACCOUNTING POLICIES

Management’s discussion and analysis of our financial condition and results of operations is based on our condensed consolidated interim financial statements. Our condensed consolidated interim financial statements have been prepared in accordance with the accounting policies presented in Note 2 of our audited consolidated financial statements for the year ended December 31, 2022.

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.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Our financial assets and liabilities are classified as follows:

	September 30, 2023	December 31, 2022
Financial assets:		
Fair value through profit and loss		
Cash and cash equivalents	$ 1,517,687	$ 8,096,696
Investments	71,373	67,689
Amortized cost		
Accounts receivable, net of allowance for doubtful accounts	1,149,300	1,012,675
Financial liabilities:		
Financial liabilities at amortized cost		
Accounts payable	$ 594,125	$ 852,433
Short-term debt	-	27,180
Note payable	2,909,378	2,865,190

We use our cash and receivables to support our current planned operations and to settle our accounts payable, short-term debt and demand loan, all of which were incurred in the normal course of business. Our note payable was issued in connection with the Gateway acquisition and was used to finance the transaction. Our investments consist of shares of a publicly traded company on the Toronto Stock Exchange. We plan to liquidate these shares in the future.

Our financial instruments expose us to certain financial risks, including credit risk, interest rate risk, foreign currency risk and liquidity risk.

Credit risk

Credit risk arises from the potential that a counterparty will fail to perform its obligations. We have a significant number of customers which minimizes concentration of credit risk. We are exposed to credit risk from customers. In order to reduce our credit risk, we deal only with financially sound counterparties and, accordingly, do 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. Our cash is also exposed to credit risk. Cash is held with a major financial institution, consequently, the credit 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. Our interest rates on our short-term debt, note payable and demand loan are fixed. Management monitors our interest rates compared to market rates on a regular basis. We do not use derivative instruments to reduce our exposure to interest rate risk. Accordingly, interest rate risk is assessed as low.

Currency risk

Currency risk is the risk that our net income (loss) will vary from fluctuations of foreign exchange rates and the degree of volatility of these rates. We have not entered into any forward currency contracts or other financial derivatives to hedge foreign exchange risk. We are exposed to limited foreign currency transactions and have assessed the currency risk as low.

Liquidity risk

Our objective is to have sufficient liquidity to meet our liabilities when they become due. We monitor our cash balances and cash flows generated from operations to meet our requirements. As at September 30, 2023, the most significant financial liabilities are our accounts payables and accrued liabilities, and note payable. As at September 30, 2023, we assessed our liquidity risk as moderate.

RISKS AND UNCERTAINTIES

We are subject to a number of risks and uncertainties that may significantly impact our financial condition and future financial performance. Prospective investors should carefully consider the risks described in our most recent annual information form for the year ended December 31, 2022, dated May 1, 2023, available for review under our profile on the SEDAR website at www.sedar.com, before making an investment decision.

CONTINGENCIES

We are from time to time involved in legal proceedings of a nature considered normal to our business. We believe that none of the litigation in which we are currently involved, individually or in the aggregate, are material to our consolidated financial condition or results of operations.

OUTSTANDING SHARE DATA

As at November 21, 2023, we had 21,207,516 common shares outstanding, 1,509,855 stock options outstanding, 299,248 compensation options outstanding and 5,250,000 common share purchase warrants outstanding.