TRIBE PROPERTY TECHNOLOGIES INC.

Consolidated Financial Statements
For the years ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

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, 2023 and 2022, and the consolidated statements of loss and comprehensive loss, cashflows and changes in shareholders' equity for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (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, 2023 and 2022, 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, which describes events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists 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 our 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.

In addition to the matter describe in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be key audit matters to be communicated in our report.

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN THE AUDIT

Impairment of non-financial assets – Impairment of Goodwill
 	
Refer to Notes 4 and 8 to the financial statements.
 	
As at December 31, 2023, the carrying amount of goodwill was $975,010 and impairment of $5,025,000 was recorded.
 	
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 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 of disposal 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 consolidated 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 5, 2024

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

As at	December 31, 2023	December 31, 2022
ASSETS		
Current assets		
Cash and cash equivalents (Note 22)	$ 1,324,101	$ 8,096,696
Accounts receivable (Note 20)	1,528,151	1,012,675
Prepaid expenses	123,230	452,387
Investments	74,011	67,689
Total current assets	3,049,493	9,629,447
Property and equipment (Note 7)	3,557,628	4,000,096
Intangible assets (Note 8)	6,816,086	7,227,498
Goodwill (Note 8)	975,010	5,197,808
TOTAL ASSETS	$ 14,398,217	$ 26,054,849
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 21)	$ 1,488,617	$ 1,562,221
Deferred revenue (Note 9)	367,130	134,306
Loans and borrowings (Note 10)	3,039,469	27,180
Current portion of lease obligations (Note 11)	470,684	516,071
Notes payable (Note 12)	1,541,390	940,543
Total current liabilities	6,907,290	3,180,321
Lease obligations (Note 11)	3,112,481	3,275,797
Note payable (Note 12)	626,007	1,924,647
Deferred tax liability (Note 15)	82,000	29,000
TOTAL LIABILITIES	10,727,778	8,409,765
SHAREHOLDERS' EQUITY		
Share capital (Note 13)	54,282,309	54,196,162
Reserve (Notes 13 and 14)	2,559,808	2,453,299
Accumulated deficit	(53,171,678)	(39,004,377)
TOTAL SHAREHOLDERS' EQUITY	3,670,439	17,645,084
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 14,398,217	$ 26,054,849

Subsequent Event (Note 23)

These consolidated financial statements were authorized for issue by the Board of Directors on May 3, 2024. 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, 2023	**December 31, 2022**
REVENUE (Note 5)	**$ 19,388,463**	$ 17,812,550
OPERATING EXPENSES		
Cost of software and services and software licensing fees	**12,196,865**	11,517,528
Selling, general and administrative expenses (Note 6)	**13,896,210**	14,477,152
Depreciation (Note 7)	**858,088**	894,068
Amortization of intangible assets (Note 8)	**934,605**	547,383
Amortization of deferred financing asset (Note 10)	**24,858**	-
Stock-based compensation (Notes 14 and 18)	**106,509**	377,686
Impairment of goodwill (Note 8)	**5,025,000**	-
	33,042,135	27,813,817
LOSS FROM OPERATIONS	**(13,653,672)**	(10,001,267)
OTHER INCOME AND EXPENSES		
Interest expense (Notes 10, 11 and 12)	**(623,299)**	(706,867)
Interest income	**74,763**	204,376
Foreign exchange gain (loss)	**6,259**	(5,254)
Fair value gain (loss) on investment	**6,322**	(8,143)
Loss on revaluation of government grant (Note 10)	**(11,503)**	-
Loan forgiveness on government grant (Note 10)	**10,000**	-
Gain (loss) on sale of intangible assets (Note 8)	**12,148**	(27,387)
NET LOSS BEFORE TAX	**(14,178,982)**	(10,544,542)
Income tax recovery (Note 15)	**11,681**	282
NET LOSS	**$ (14,167,301)**	$ (10,544,260)
LOSS PER SHARE, BASIC AND DILUTED	**$ (0.67)**	$ (0.50)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING, BASIC AND DILUTED	**21,219,719**	20,986,789

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, 2023	**December 31, 2022**
Cash flows provided by (used in):		
OPERATING ACTIVITIES		
Net loss	**$ (14,167,301)**	**$ (10,544,260)**
Adjustments for items not affecting cash:		
Income tax recovery	**(22,132)**	(282)
Bad debt expense	**74,673**	-
Depreciation	**858,088**	894,068
Amortization of intangible assets	**934,605**	547,383
Amortization of deferred financing asset	**24,858**	-
Impairment of goodwill	**5,025,000**	-
Interest expense	**623,299**	706,867
Interest income	**(74,763)**	(204,376)
Fair value loss (gain) on investment	**(6,322)**	8,143
Loss (gain) on sale of intangible assets	**(12,148)**	27,387
Stock-based compensation	**106,509**	377,686
Loss on revaluation of CEBA loan	**11,503**	-
Loan forgiveness on government grant	**(10,000)**	-
	(6,634,131)	(8,187,384)
Net changes in non-cash working capital items:		
Receivables and prepaid expenses	**(140,960)**	(321,614)
Accounts payable and accrued liabilities	**(507,297)**	133,282
Deferred revenue	**232,824**	(103,952)
	(415,433)	(292,284)
Taxes recovered	**100,639**	-
Interest paid	**(534,486)**	(626,612)
Net cash flows used in operating activities	**(7,483,411)**	(9,106,280)
INVESTING ACTIVITY		
Payment for acquisition of Southview	**-**	(347,747)
Payment for acquisition of Meritus	**(400,000)**	-
Purchase of property and equipment	**(97,701)**	(203,486)
Cash acquired from acquisition	**77,295**	37,461
Purchase price adjustment	**(170,000)**	(9,368)
Purchase of intangible assets	**(200,000)**	(500,000)
Sale of intangible assets	**13,233**	42,540
Net cash flows used in investing activities	**(777,173)**	(980,600)
FINANCING ACTIVITIES		
Proceeds from issuance of shares, net of share issuance costs	**-**	19,725,301
Proceeds from exercise of stock options	**-**	18,288
Proceeds from draw on operating facility	**2,204,025**	-
Proceeds from draw on M&A facility	**1,520,000**	-
Repayment of operating facility	**(504,717)**	-
Repayment of M&A facility	**(5,833)**	-
Payment of deferred financing costs	**(198,864)**	-
Repayment of demand loan	**-**	(135,373)
Repayment of government loan	**(30,000)**	-
Repayment of note payable	**(1,000,000)**	(2,000,000)
Repayment of lease obligations	**(496,622)**	(583,269)
Common shares repurchased	**-**	(53,270)
Net cash flows provided by financing activities	**1,487,989**	16,971,677
Net increase in cash	**6,772,595**	6,884,797
Cash and cash equivalents, beginning	**8,096,696**	1,211,899

Cash and cash equivalents, ending	**$ 1,324,101**	$ 8,096,696

Supplemental cash flow information:

Common shares issued for acquisition	**$ 86,147**	$ 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, 2021	**15,903,231**	**$ 34,697,639**	**$ 1,749,832**	**$ (28,460,117)**	**$ 7,987,354**
Shares issued for cash (Note 13)	5,250,000	21,000,000	-	-	21,000,000
Share issuance costs (Note 13)	-	(1,611,377)	336,678	-	(1,274,699)
Exercise of stock options (Note 14)	6,650	29,185	(10,897)	-	18,288
Shares issued for Southview acquisition (Notes 4 and 13)	76,635	133,985	-	-	133,985
Stock-based compensation (Notes 14 and 18)	-	-	377,686	-	377,686
Common shares repurchased and held in treasury (Note 13)	-	(5,101)	-	-	(5,101)
Common shares repurchased and cancelled (Note 13)	(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**
Balance, December 31, 2022	**21,210,516**	**$ 54,196,162**	**$ 2,453,299**	**$ (39,004,377)**	**$ 17,645,084**
Shares issued for Meritus acquisition (Notes 4 and 13)	143,678	86,147	-	-	86,147
Stock-based compensation (Notes 14 and 18)	-	-	106,509	-	106,509
Common shares repurchased and cancelled (Note 13)	(3,000)	-	-	-	-
Net and comprehensive loss for the year	-	-	-	(14,167,301)	(14,167,301)
Balance, December 31, 2023	**21,351,194**	**$ 54,282,309**	**$ 2,559,808**	**$ (53,171,678)**	**$ 3,670,439**

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

1. REPORTING ENTITY

On March 15, 2021, the Company (as defined below) (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".

Tribe Property Technologies Inc. ("Tribe" or the "Company") was incorporated under the *Business Corporations Act* (Ontario) on June 5, 2017 under the name Cherry Street. The Company's registered office is located at Suite 3200, Bay Adelaide Centre – North Tower, 40 Temperance Street, Toronto, Ontario, M5H 0B4 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 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") applicable to a going concern entity. 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, 2023, the Company recorded a net loss of $14,167,301 and had cash outflows from operating activities of $7,483,411. At December 31, 2023, the Company had cash of $1,324,101 on hand and its current liabilities exceeded its current assets by $3,857,797. 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. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with the material 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, 2023. 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, 2023 were authorized for issue by the Board of Directors ("Board") on May 3, 2024.

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.

Certain comparative figures for the prior period have been reclassified to conform to the presentation in the current year.

During the current year, the Company reassessed certain salaries and wages in selling, general and administrative expenses recognized during the year ended December 31, 2022, and concluded that it was cost of software and

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

services. Therefore, the company has revised the presentation of the expenses from selling, general and administrative expenses to cost of software and services. The effect of the change was a reduction of selling, general and administrative expenses from $15,114,860 to $14,477,152 and an increase in the cost of software and services from $10,879,820 to $11,517,528. No other amounts were affected.

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, Southview Property Management Inc. ("Southview"), and Meritus Group Management Inc. ("Meritus"). Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and can affect those returns through its power over the investee. 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

<u>Functional and presentation currency</u>

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

Each entity 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.

<u>Transactions and balances</u>

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.

2.7 Financial instruments

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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 transaction 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 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

(In Canadian dollars)

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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 (Tribe CGU)	Straight-line	12 years
Customer relationships (Gateway CGU)	Straight-line	10 years

Beginning on January 1, 2023, the Company revised the useful life of its customer relationships from 15 years (both CGUs) to 12 and 10 years for the Tribe and Gateway CGUs respectively. The Company performed an evaluation of the length of the useful life and determined 12 and 10 years was a more appropriate measurement. This change increased the amortization of intangible assets for the year ended December 31, 2023, 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.

2.12 Leases

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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.

2.14 Share capital

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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

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.

2.17 Cost of software and services and software licensing fees

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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.

2.19 Loss per share

Loss per share is based on the income or loss attributable to common shareholders for the period divided by the weighted average number of common shares outstanding during the period.

2.20 New adopted accounting standards

The Company adopted amendments to IAS I, *Presentation of Financial Statements* and IFRS Practice Statement 2 *Making Material Judgements – Disclosure of Accounting Policies*, on January 1, 2023. The amendments require companies to disclose material accounting policies instead of significant accounting policies and clarify what qualifies under material accounting policies. Immaterial accounting policy information does not need to be disclosed. Material accounting policy information, when considered together with other information from the financial statements, can be reasonably expected to influence decisions that the primary users of the financial statements make based on those financial statements.

2.21 Future accounting policy changes

There are new accounting standard, amendments to accounting standards and interpretation that are effective for periods on or after January 1, 2024 with early adoption permitted. There have not been applied in preparing the consolidated financial statements for the year ended December 31, 2023. These standards and interpretations are not expected to have a material impact on the Company's consolidated financial statements.

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 of 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

For the purposes of impairment testing, the Company must determine its CGU's. Assets and liabilities are grouped into CGU's at the lowest level of separately identifiable cash clows. Determination of what constitutes a CGU and the respective allocation of shared corporate carrying values is subject to management judgement. The asset composition of a CGU can directly impact the recoverability of assets included within the CGU. Management has determined that the appropriate CGU's for the Company are Tribe, Gateway, and Meritus.

(In Canadian dollars)

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

Determining whether goodwill is impaired requires an estimation of the fair value and 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.

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.

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. BUSINESS COMBINATIONS

On June 30, 2022, the Company acquired 100% of the outstanding share capital of 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 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 (76,635 common shares) (Note 13)	$	133,985
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 7)		65,605
Intangible assets (Note 8)		109,000
Goodwill (Note 8)		340,292
Deferred tax liability (Note 15)		(29,000)
Lease liabilities (Note 11)		(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 8).

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.

(In Canadian dollars)

4. BUSINESS COMBINATIONS (continued)

During the six months ended June 30, 2023, an increase adjustment of $14,999 based on revenue performance was made to the deferred cash consideration balance, resulting in a balance of $29,408 as at June 30, 2023 (Note 8). The adjustment increased the goodwill balance by the same amount. The deferred cash consideration was paid on July 17, 2023.

On November 30, 2023, the Company acquired 100% of the outstanding share capital of Meritus for 143,678 common shares of the Company, $400,000 cash consideration, and a $300,000 promissory note (Note 12). There was a working capital decrease adjustment of $(35,578) on the promissory note. 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 connection with the acquisition, the Company incurred and expensed transaction costs of $56,413.

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	$	86,147
(143,678 common shares at $0.696 per share) (Note 13)		
Promissory Note (Note 12)		240,148
Cash consideration		400,000
Fair value of purchase consideration	**$**	**726,295**
Allocated to:		
Cash and cash equivalents	$	77,295
Accounts receivable		35,462
Prepaid expenses		16,178
Equipment		30,000
Right-of-use assets (Note 7)		100,149
Intangible assets (Note 8)		197,670
Goodwill (Note 8)		787,203
Deferred tax liability (Note 15)		(53,000)
Lease liabilities (Note 11)		(100,149)
Accounts payable and accrued liabilities		(364,513)
Total	**$**	**726,295**

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 Meritus CGU (Note 8). Meritus revenue for the month ended December 31, 2023 was $200,741.

The receivables acquired in the transaction had a fair value of $35,462 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.

5. REVENUE

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

	For the years ended	
	December 31, 2023	**December 31, 2022**
Software and service fees	$ 16,903,857	$ 15,856,924
Transactional revenues	2,076,415	1,590,092
Software and services	18,980,272	17,447,016
Software licensing fees	408,191	365,534
Total revenue	$ 19,388,463	$ 17,812,550

(In Canadian dollars)

6. SELLING, GENERAL AND ADMINISTRATIVE

Selling, general and administrative expenses are comprised of:

	For the years ended	
	December 31, 2023	**December 31, 2022**
Salaries and wages	$ 9,140,187	$ 8,429,926
Office expenses	2,638,546	3,332,081
Professional fees	1,224,825	1,612,102
Subcontractors	410,140	610,473
Investor relations	320,683	304,406
Advertising and promotion	151,275	188,164
Standby fees (Note 10)	10,554	-
Total selling, general and administrative expenses	$ 13,896,210	$ 14,477,152

(In Canadian dollars)

7. PROPERTY AND EQUIPMENT

	Computer hardware	Computer software	Furniture and equipment	Leasehold improvements	Right-of-use assets	Total
Cost						
Balance, December 31, 2021	$ 297,150	$ 1,095,546	$ 172,900	$ 336,772	$ 4,625,687	$ 6,528,055
Additions (Note 11)	89,231	102,071	33,893	-	502,587	727,782
Disposals	-	-	-	(168,858)	-	(168,858)
Assets acquired (Note 4)	-	-	-	-	65,605	65,605
Balance, December 31, 2022	386,381	1,197,617	206,793	167,914	5,193,879	7,152,584
Additions (Note 11)	14,795	81,252	1,654	-	187,770	285,471
Assets acquired (Note 4)	30,000	-	-	-	100,149	130,149
Balance, December 31, 2023	$ 431,176	$ 1,278,869	$ 208,447	$ 167,914	$ 5,481,798	$ 7,568,204
Accumulated amortization						
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
Depreciation	51,884	87,629	20,236	22,410	675,929	858,088
Balance, December 31, 2023	$ 327,705	$ 1,027,354	$ 123,796	$ 65,178	$ 2,466,543	$ 4,010,576
Net book value						
Balance, December 31, 2022	$ 110,560	$ 257,892	$ 103,233	$ 125,146	$ 3,403,265	$ 4,000,096
Balance, December 31, 2023	$ 103,471	$ 251,515	$ 84,651	$ 102,736	$ 3,015,255	$ 3,557,628

(In Canadian dollars)

8. INTANGIBLE ASSETS AND GOODWILL

	Customer Relationships	Goodwill
Cost		
Balance, December 31, 2021	$ 7,700,608	$ 4,857,516
Additions (Note 4)	684,000	340,292
Disposals	(77,288)	-
Purchase price adjustment	9,368	-
Balance, December 31, 2022	8,316,688	5,197,808
Additions (Note 4)	667,670	787,203
Disposals	(81,873)	-
Purchase price adjustment (Note 4)	(75,000)	14,999
Impairment	-	(5,025,000)
Balance, December 31, 2023	$ 8,827,485	$ 975,010
Accumulated amortization		
Balance, December 31, 2021	$ 549,168	-
Amortization	547,383	-
Disposals	(7,361)	-
Balance, December 31, 2022	1,089,190	-
Amortization	934,605	-
Disposals	(12,396)	-
Balance, December 31, 2023	$ 2,011,399	$ -
Net book value		
Balance, December 31, 2022	$ 7,227,498	$ 5,197,808
Balance, December 31, 2023	$ 6,816,086	$ 975,010

For the purpose 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 three CGUs: Tribe CGU, Gateway CGU, and Meritus CGU. All three 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, 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 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.

For the Tribe CGU, the estimated recoverable amount was calculated using a revenue multiple of 1 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.

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

At December 31, 2023, 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.

8. INTANGIBLE ASSETS AND GOODWILL (continued)

For the Gateway CGU, the estimated recoverable amount was calculated using a revenue multiple of 0.60 based on 2024 forecasted revenues, less costs of disposal. This resulted in a recoverable amount of $6,545,365, below the CGU carrying amount of $11,570,306. The revenue multiple used reflected current market assessments and the acquisition history of the Company. The Company recorded impairment of goodwill of $5,025,000.

For the Tribe CGU, the estimated recoverable amount was calculated using a revenue multiple of 0.60 based on 2024 forecasted revenues, less costs of disposal. This resulted in a recoverable amount of $3,456,993, exceeding the CGU carrying amount of $826,055. 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 $34,567 and would not yield a different result. The Company recorded $nil impairment.

For the Meritus CGU, the carrying amount is $1,072,022, the same as the fair value assessed as at November 30, 2023, the date of acquisition. The Company assessed qualitative and quantitative factors and did not identify any significant changes. No impairment is recognized.

At December 31, 2023, carrying amount of the goodwill allocated to the Gateway CGU is $181,140, the carrying amount of goodwill allocated to the Tribe CGU is $59,667, and the carrying amount of goodwill allocated to the Meritus CGU is $734,203.

During the year ended December 31, 2021, the Company completed acquisitions of three sets of property management contracts for total consideration of $415,000. 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 4).

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 were under development. At the time, $170,000 payable was not added to intangible assets and not accrued as there was no certainty that the property management contracts for the buildings under development would be signed. Based on revenue performance, the $75,000 payable was adjusted to $nil on August 31, 2023. On December 31, 2023, the $170,000 payable was paid and added to intangible assets, as the development of the buildings was completed, and the Company signed the associated property management contracts.

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 carrying value of $69,927, for consideration of $42,540.

During the year ended December 31, 2023, the Company added customer relationships through its acquisition of Warrington PCI Management for total consideration of $300,000. The Company paid $200,000 on the closing date of January 5, 2023, with $100,000 payable on the date that is thirteen months after the closing date, and up to $75,000 payable upon the future delivery of property management contracts related to buildings that are currently under development. The $75,000 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, 2023, the Company added Customer Relationships of $197,670 and Goodwill of $787,203 through its acquisition of Meritus (Note 4).

During the year ended December 31, 2023, the Company sold customer relationships with a carrying value of $69,477, for consideration of $81,625.

(In Canadian dollars)

9. DEFERRED REVENUE

Balance, December 31, 2021	$	238,258
Billings		110,402
Revenue recognized		(214,354)
Balance, December 31, 2022		134,306
Billings		441,646
Revenue recognized		(208,822)
Balance, December 31, 2023	$	367,130

10. LOANS AND BORROWINGS

	December 31, 2023		December 31, 2022	
Operating facility	$	1,699,308	$	-
M&A facility		1,514,167		-
Deferred financing costs		(174,006)		-
CEBA loan		-		27,180
	$	3,039,469	$	27,180

Operating & M&A facilities

On October 5, 2023, the Company signed a definitive loan agreement with a Canadian Schedule A bank, providing a senior term loan facility (the "Facility") for up to $15 million. The Facility consists of:

a) A $3 million operating line to support the Company's working capital requirements; and
b) A mergers and acquisitions ("M&A") facility of $7 million with an additional accordion feature of $5 million

The Company is subject to its assets as securities to the Facility, and is subject to certain covenants under the Facility.

The company incurred $198,864 in closing costs, which are classified as deferred financing costs and amortized to the maturity date of the loan, on September 8, 2025.

The Facility has an interest rate of prime +2.65% per annum. The maturity date on the Facility is the two-year anniversary date of the closing date, which is September 8, 2025. The Facility is repayable on demand at any time, therefore the balance of the Facility is classified as short-term as at December 31, 2023.

As at December 31, 2023, the balances of the operating and M&A facilities are $1,699,308 and $1,514,167 respectively. For the year ended December 31, 2023, amortization of deferred financing costs is $24,858, interest expense incurred from the Facility is $41,002, and standby fees incurred from the Facility are $10,554 (Note 6). As at December 31, 2023, the Company is not in breach of any financial covenants associated with the Facility. Subsequent to December 31, 2023, the Company breached the Facility's covenants (Note 23).

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.

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, 2023, interest accretion of $1,317 (December 31, 2022 - $3,372) was recognized.

(In Canadian dollars)

10. LOANS AND BORROWINGS (continued)

The Company repaid $30,000, which is 75% of the loan, on February 21, 2023, and thus qualified for the 25% loan forgiveness of $10,000. This resulted in a loss on revaluation of the CEBA loan of $11,503 for the year ended December 31, 2023 (December 31, 2022 - $nil).

11. 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, 2023	December 31, 2022
Current portion of lease obligations	$ 470,684	$ 516,071
Non-current portion of lease obligations	3,112,481	3,275,797
	$ 3,583,165	$ 3,791,868

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, 2021	$ 3,806,945
New leases (Note 7)	502,587
Leases acquired (Note 4)	65,605
Interest expense	392,097
Payments	(975,366)
Balance, December 31, 2022	3,791,868
New leases (Note 7)	187,770
Leases acquired (Note 4)	100,149
Interest expense	368,918
Payments	(865,540)
Balance, December 31, 2023	$ 3,583,165

As at December 31, 2023, the Company is committed to minimum lease payments as follows:

	December 31, 2023
Less than one year	$ 807,342
One to five years	2,874,128
More than five years	1,212,937
Total undiscounted lease liabilities	$ 4,894,407

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

12. NOTES PAYABLE

In connection with the acquisition of Gateway Property Management Corp. ("Gateway"), the Company owed a note payable of $9,000,000 plus a working capital payment of $1,000,000. During the year ended December 31, 2022, the working capital payment was made. The note payable bears interest at 5% per annum, which is accrued and paid monthly. Interest expense for the year ended December 31, 2023 is $209,456 (2022: $276,883). On September 20, 2023, the promissory note was amended and restated, with the principal repayable as follows:

- $5,000,000, plus accrued interest, paid on March 29, 2021;
- $1,000,000, plus accrued interest, paid on December 31, 2022;
- $1,000,000, plus accrued interest, paid on December 31, 2023;
- $500,000 payable on June 30, 2024 (amended on September 20, 2023);
- $1,000,000 payable on December 31, 2024;
- The remaining principal and any accrued interest outstanding, on June 30, 2025 (amended on September 20, 2023).

(In Canadian dollars)

12. NOTES PAYABLE (continued)

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

	December 31, 2023	December 31, 2022
Current portion of note payable	$ 1,464,967	$ 940,543
Non-current portion of note payable	459,680	1,924,647
Total note payable	$ 1,924,647	$ 2,865,190

In connection with the acquisition of Meritus, the Company owed a note payable of $300,000 less a working capital adjustment of $(35,578) (Note 4). During the year ended December 31, 2023, the working capital adjustment was made. The note payable bears interest at 7% per annum, which is accrued and paid monthly. Interest expense for the year ended December 31, 2023 is $2,602. The principal is repayable as follows:

- $88,141 payable on November 30, 2024;
- $88,141 payable on November 30, 2025;
- $88,141 payable on November 30, 2026.

The note payable has been recorded at its fair value, using a market discount rate of 13% per annum:

	December 31, 2023	December 31, 2022
Current portion of note payable	$ 76,423	$ -
Non-current portion of note payable	$ 166,327	$ -
Total note payable	$ 242,750	$ -

13. SHARE CAPITAL

13.1 Authorized

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

13.2 Issued common shares

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 4).

On November 30, 2023, the Company issued 143,678 common shares with a fair value of $86,147 in connection with the acquisition of Meritus (Note 4).

13.3 Normal-Course Issuer Bid

On June 9, 2022, the Company filed a Notice of Intention to 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.

(In Canadian dollars)

13. SHARE CAPITAL (continued)

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. During the year ended December 31, 2023, the Company cancelled the 3,000 treasury shares.

14. 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.

14.1 Employee Stock Options

The Black-Scholes-Merton option pricing model inputs for employee stock options granted during the year ended December 31, 2023 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
August 1, 2023	December 31, 2027	$0.96	$1.25	4.08%	4.42	50%	0%	$0.36
October 1, 2023	December 31, 2031	$0.95	$1.00	4.00%	8.06	50%	0%	$0.56

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 2 and 6 years respectively.

Total stock-based compensation expense from employee stock options during the year ended December 31, 2023 was $91,791 (December 31, 2022 - $322,924) 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, 2023 and December 31, 2022 is as follows:

	December 31, 2023		December 31, 2022	
	Number outstanding	Weighted average exercise price	Number outstanding	Weighted average exercise price
Outstanding, beginning	1,182,550	$ 3.55	849,670	$ 3.96
Granted	510,000	1.00	380,500	2.80
Exercised	-	-	(6,650)	2.75
Forfeited	(322,560)	3.13	(40,970)	5.00
Expired	(21,800)	2.75	-	-
Outstanding, ending	1,384,190	$ 2.70	1,182,550	$ 3.55
Exercisable, ending	617,923	$ 3.72	601,683	$ 3.53

(In Canadian dollars)

14. STOCK, COMPENSATION OPTIONS AND WARRANTS (continued)

At December 31, 2023, 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	292,190	292,190	$	2.75	1.33
January 31, 2026	200,000	120,000	$	5.00	2.09
February 21, 2026	133.500	119,900	$	5.00	2.14
December 31, 2026	67,500	33,750	$	5.00	3.00
December 31, 2026	50,000	24,999	$	3.50	3.00
December 31, 2027	95,000	23,750	$	1.55	4.00
December 31, 2027	10,000	3,334	$	1.25	0.34
December 31, 2031	500,000	-	$	1.00	7.83
	1,384,190	617,923			4.26

14.2 Consultant Stock Options

There were no consultant stock options granted during the year ended December 31, 2023.

Total stock-based compensation expense from consultant stock options during year ended December 31, 2023, was $nil (December 31, 2022 - $6,431) using the Black-Scholes-Merton option pricing model.

A continuity schedule of the Company's outstanding consultant stock options for the years ended December 31, 2023 and December 31, 2022 is as follows:

	December 31, 2023			December 31, 2022		
	Number outstanding	Weighted average exercise price		Number outstanding	Weighted average exercise price	
Outstanding, beginning	70,000	$	5.00	70,000	$	5.00
Expired	(70,000)		5.00	-		-
Outstanding, ending	-	$	-	70,000	$	5.00
Exercisable, ending	-	$	-	70,000	$	5.00

14.3 Broker Compensation Options

There were no broker compensation options granted during the year ended December 31, 2023.

A continuity schedule of the Company's outstanding broker compensation options for the years ended December 31, 2023 and December 31, 2022 is as follows:

(In Canadian dollars)

14. STOCK, COMPENSATION OPTIONS AND WARRANTS (continued)

	December 31, 2023			December 31, 2022		
	Number outstanding	Weighted average exercise price		Number outstanding	Weighted average exercise price	
Outstanding, beginning	457,582	$	5.07	158,334	$	5.00
Expired	(158,334)		5.00	299,248		5.10
Outstanding, ending	299,248	$	5.10	457,582	$	5.07
Exercisable, ending	299,248	$	5.10	457,582	$	5.07

At December 31, 2023, the Company had outstanding broker compensation options as follows:

Expiry date	Options outstanding	Options exercisable	Exercise price		Weighted average remaining contractual life (in years)
January 15, 2025	299,248	299,248	$	5.10	1.04

14.4 Board Stock Options

There were no board stock options granted during the year ended December 31, 2023.

Total stock-based compensation expense from board stock options during the year ended December 31, 2023 was $14,718 (December 31, 2022 - $48,331) 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, 2023 and December 31, 2022 is as follows:

	September 30, 2023			December 31, 2022		
	Number outstanding	Weighted average exercise price		Number outstanding	Weighted average exercise price	
Outstanding, beginning	125,900	$	4.04	90,900	$	5.00
Granted	-		-	35,000		1.55
Outstanding, ending	125,900	$	4.04	125,900	$	4.04
Exercisable, ending	99,650	$	4.70	65,450	$	5.00

At December 31, 2023, 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	90,900	$	5.00	2.14
December 31, 2027	35,000	8,750	$	1.55	4.00
	125,900	99,650			2.66

(In Canadian dollars)

14. STOCK, COMPENSATION OPTIONS AND WARRANTS (continued)

14.5 Warrants

The Company issued common share purchase warrants in connection with the brokered private placement on January 14, 2022 (Note 13).

A continuity schedule of the Company's outstanding common share purchase warrants for years ended December 31, 2023 and December 31, 2022 is as follows:

	December 31, 2023			December 31, 2022		
	Number outstanding	Weighted average exercise price		Number outstanding	Weighted average exercise price	
Outstanding, beginning	5,250,000	$	5.10	-	$	-
Issued	-		-	5,250,000		5.10
Outstanding, ending	5,250,000	$	5.10	5,250,000	$	5.10

At December 31, 2023, 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	1.04

15. INCOME TAXES

	For the year ended December 31, 2023		For the year ended December 31, 2022	
Income tax (recovery) expense:				
Current income tax expense (recovery)	**$**	**(11,681)**	$	(282)
Deferred income tax recovery		**-**		-
Total income tax recovery	**$**	**(11,681)**	**$**	(282)

(In Canadian dollars)

15. INCOME TAXES (continued)

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

	For the year ended December 31, 2023	For the year ended December 31, 2022
Net loss before tax	**$ (14,178,983)**	$ (10,544,542)
Canadian federal and provincial statutory income tax rate	**27.00%**	27.00%
Income tax benefit based on Canadian statutory tax rates	**(3,828,325)**	(2,846,950)
Effects of the following:		
Non-deductible expenditures	**133,829**	322,715
Adjustment for prior year losses	**(106,691)**	848,804
Tax impact of intangible assets	**(215,916)**	-
Tax impact of leases	**(9,050)**	(311,904)
Share issuance costs	**9,720**	(344,169)
Goodwill impairment	**1,356,750**	-
Changes in unrecognized deferred tax assets	**2,648,002**	2,331,222
Income tax recovery	**$ (11,681)**	$ (282)

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

	December 31, 2023	December 31, 2022
Non-capital loss carry-forwards	$ 10,382,264	$ 7,994,946
Share issuance costs	340,887	474,905
Capital assets	1,307,586	1,141,786
Intangible assets	(1,262,708)	(1,491,610)
Other items	448,779	448,779
Marketable securities	(20,184)	(20,184)
Unrecognized deferred income tax assets	(11,196,624)	(8,548,622)
Deferred income tax assets	**$ -**	**$ -**

The Company has the following deferred income tax liability related to its intangible assets (Note 8):

	December 31, 2023	December 31, 2022
Intangible assets	**$ 1,262,708**	$ 1,491,610
Offset with deferred income tax assets	**(1,344,708)**	(1,520,610)
Deferred income tax liability	**$ (82,000)**	$ (29,000)

The Company had Canadian non-capital losses at December 31, 2023 of $38,374,326 (2022 - $29,610,912) which expire between 2030 to 2043, and SR&ED income tax credits of approximately 1.6 million (2022 – $1.6 million).

(In Canadian dollars)

16. FINANCIAL INSTRUMENTS

16.1 Categories of financial instruments and fair value measurements

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

	Level	December 31, 2023	December 31, 2022
Financial assets:			
Fair value through profit and loss			
Cash and cash equivalents	1	$ 1,324,101	$ 8,096,696
Investments	1	74,011	67,689
Amortized cost			
Accounts receivable, net of allowance for doubtful accounts	2	1,528,151	1,012,675
Financial liabilities:			
Financial liabilities at amortized cost			
Accounts payable	2	$ 817,115	$ 852,433
CEBA Loan	2	-	27,180
Operating and M&A facilities	2	3,039,469	-
Notes payable	2	2,167,397	2,865,190

16.2 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).

16.3 Management of financial risks

There were no transfers between levels of the fair value hierarchy during years ended December 31, 2023 and 2022. As at December 31, 2023 and December 31, 2022, 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, 2023:

	Within 12 months	After 12 months
Accounts payable and accrued liabilities	$ 1,488,617	$ -
Notes payable	1,541,390	626,007
Operating and M&A facilities	3,039,469	-
Total	**$ 6,069,476**	**$ 626,007**

The undiscounted note payable contractual maturities are $1,589,891 within 12 months and $676,281 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,

16. 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 56% 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, 2023, the most significant financial liabilities are its accounts payables, loans and borrowings, and notes payable. As at December 31, 2023, the Company assessed liquidity risk as high.

(In Canadian dollars)

17. 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, 2023				
Revenue	$ 18,732,245	$ 408,191	$ 248,027	$ 19,388,463
Expenses	25,712,775	4,454,073	3,400,597	33,567,445
Net loss	$ (6,980,530)	$ (4,045,882)	$ (3,152,570)	$ (14,178,982)
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)
As at December 31, 2023				
Assets	$ 12,542,694	$ 1,681,517	$ 174,006	$ 14,398,217
Liabilities	6,789,454	724,849	3,213,475	10,727,778
Property and equipment	3,286,744	270,884	-	3,557,628
Intangible assets	6,816,086	-	-	6,816,086
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

The Meritus acquisition (Note 4) is reported under the Software and Services segment.

(In Canadian dollars)

18. 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, 2023	December 31, 2022
Salaries	$ 980,301	$ 1,009,500
Board of Directors' fees	191,063	178,908
Short-term benefits	25,140	29,221
Stock-based compensation	40,107	269,942
	$ 1,236,611	$ 1,487,571

b) During the year ended December 31, 2023, 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, 2023, the office leases have an average remaining term of 7 years, and the minimum remaining lease payments total $4,026,449. For the same period in 2022, the Company paid $500,180 for the same purpose.

c) During the year ended December 31, 2023, the Company made lease payments for office space of $180,956 to a company affiliated with a member of the Board of Directors. As at December 31, 2023, the office lease has a remaining term of 3.5 years, and the minimum remaining lease payments total $376,886. For the same period in 2022, the Company paid $83,540 for the same purpose.

19. 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.

20. ACCOUNTS RECEIVABLE

The balance of accounts receivable is comprised of the following:

	December 31, 2023	December 31, 2022
Accounts receivable, net of allowance for doubtful accounts	$ 1,094,979	$ 973,111
Other receivables	433,172	39,564
	$ 1,528,151	$ 1,012,675

(In Canadian dollars)

20. ACCOUNTS RECEIVABLE (continued)

As at December 31, 2023, an allowance for doubtful accounts of $48,929 (December 31, 2022 - $33,561) has been provided for balances over 90 days, applying a 20% allowance to accounts between 91-360 days, and applying a 100% allowance to accounts over 360 days.

21. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2023	December 31, 2022
Accounts payable	$ 817,115	$ 852,433
Accrued liabilities	671,502	709,788
	$ 1,488,617	$ 1,562,221

22. CASH AND CASH EQUIVALENTS

	December 31, 2023	December 31, 2022
Cash	$ 1,324,101	$ 1,531,315
Cashable investment	-	6,565,381
	$ 1,324,101	$ 8,096,696

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

On April 25, 2023, the 1-year cashable GIC investment held by the Company matured and was transferred to the Company's cash account.

23. SUBSEQUENT EVENT

As at February 29, 2023, the Company is in breach of a bank covenant in reference to the Facility (Note 10). The Company is currently in negotiations with the bank to remedy the breach and revise the covenants.