TRIBE PROPERTY TECHNOLOGIES INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2023

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

This MD&A contains non-IFRS measures, including Gross Profit, Gross Profit Percentage and Adjusted EBITDA. Refer to the section "*Selected Annual Financial Information*" and "*Results of Operations – Fourth Quarter*" for information on the calculation of these non-IFRS measures. Non-IFRS measures have limitations as analytical tools and should not be considered in isolation nor as a substitute for analysis of the Company's financial information reported under IFRS and should be read in conjunction with the consolidated financial statements for the periods indicated.

<u>Date</u>

The date of this MD&A is May 3, 2024, the date on which it was approved by the Board of Directors.

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

FORWARD-LOOKING INFORMATION

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

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

Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include, but are not limited to, fluctuations in the currency markets; changes in interest rates; disruption to the credit markets and delays in obtaining financing; inflationary pressures; risks arising from holding derivative instruments (such as credit risk, market liquidity risk and mark-to-market risk); changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada or the United States, or other countries in which we may carry on business; international conflicts; integration of acquired businesses; business opportunities that may be presented to, or pursued by us; our ability to successfully integrate acquisitions; operating or technical difficulties in connection with business activities; the possibility of cost overruns or unanticipated expenses; employee relations; the risks of obtaining and renewing necessary licenses and permits; adverse changes in our credit rating; risks related to third parties passing off or otherwise leveraging our branding and/or messaging; risks related to intellectual property protection including cybersecurity risks and ransomware risks; and the occurrence of natural disasters, hostilities, acts of war or terrorism. The factors identified above are not intended to represent a complete list of the factors that could affect us. Additional factors are noted under the heading "*Risks and Uncertainties*".

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

COMPANY OVERVIEW

On March 15, 2021, the Company (then "Cherry Street Capital Inc.", a Canadian capital pool company previously listed on the TSX Venture Exchange (the "Exchange") under the symbol "CHSC.P") ("Cherry Street")) acquired all of the outstanding shares of Tribe Property Technologies Inc. ("Tribe Private") by way of a three-cornered amalgamation, pursuant to which a wholly-owned subsidiary of Cherry Street amalgamated with Tribe Private, with Tribe Private surviving as a wholly-owned subsidiary of Cherry Street under the name "Tribe Property Solutions Inc." (the "Qualifying Transaction"). On March 15, 2021, Cherry Street changed its name to "Tribe Property Technologies Inc." and on March 25, 2021, the Company was listed on the Exchange under the symbol "TRBE".

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

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

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

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

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

CORPORATE HIGHLIGHTS

- On January 14, 2022, we completed a private placement equity financing pursuant to which we raised gross proceeds of $21,000,000 from the sale of units of the Company (each, a "Unit") at a price of $4.00 per Unit. Each Unit consists of one common share and one common share purchase 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.

- On January 25, 2022, we partnered with Nextlevel Drycleaners to bring concierge laundry services and storage lockers for dry cleaning pickup and delivery to our communities across the Lower Mainland in British Columbia.

- On March 9, 2022, we partnered with TUT Fitness Group Inc. to offer exercise equipment to designated communities, and future Tribe/TUT bundled product offerings for developers of new residential housing constructions.

- On March 30, 2022, we partnered with Umbracity, a network of fully automated and smart umbrella rental kiosks, to provide on-demand access to umbrellas for our communities.

- We granted 147,500 stock options to employees of the Company at a price of $3.50 to $5.00 per stock option at various dates between January 18, 2022 and April 11, 2022. The stock options have an expiry date of December 31, 2026.

- On May 17, 2022, we appointed our first VP of Investor Relations, Shobana Willilams. She has over 15 years of experience in investor relations, capital markets, corporate communications, and marketing.

- On June 7, 2022, we partnered with Wyze Meter Solutions, a Canadian leader is smart submetering, ESG reporting, electric vehicle charging and utility expense managements solutions. The partnership will bring these services to our buildings across the country.

- On June 9, 2022, we filed a notice of intention to make a normal course issuer bid (NCIB) with the TSX Venture Exchange, which will allow us to purchase outstanding common shares of the company. Under the NCIB, we may acquire up to 907,337 shares over the 12-month period commencing on June 13, 2022 and ending on June 12, 2023. For the year ended December 31, 2022, we purchased 29,000 common shares for a total price of $53,270. As of the date of this MD&A, all of the 29,000 common shares purchased were cancelled.

- On June 30, 2022, we partnered with WeDoLaundry to bring ecofriendly valet laundry services to our communities across British Columbia and Ontario.

- On June 30, 2022, we acquired 100% of the outstanding share capital of Southview Property Management Inc. ("Southview") for 76,635 common shares (with fair value of $133,985) of the Company, $347,747 cash consideration, and $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. The common shares issued were equal to the twenty-day average closing price immediately prior to the closing date. 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. On June 30, 2023, the deferred cash consideration balance was adjusted to $29,408, based on revenue performance. The deferred balance was paid on July 17, 2023.

- On July 31, 2022, we acquired a portfolio of strata property management assets from Martello Property Services Inc ("Martello") for consideration up to $720,000. We paid $475,000 cash on the closing date, and $75,000 cash is payable thirteen months after the closing date. The remaining $170,000 is payable upon the future delivery of property management contracts related to buildings that are currently under development.

- On September 13, 2022, we partnered with Hytec Water Management Ltd. to better equip our residential communities against water leaks and corrosion.

- On November 8, 2022, we launched our digital marketplace, Tribe Home – Market, for our communities. It is accessible through our proprietary platform Tribe Home. Our digital marketplace leverages group-buying power to provide deals on services and products such as insurance and groceries, curated for geography and building type.

- On November 16, 2022, we were recognized for our rapid revenue growth as part of the Deloitte Technology Fast 50 and Fast 500 awards programs. The Deloitte Technology Fast 50 recognizes Canada's 50 fast-growing technology companies based on revenue-growth percentage over the past four years. The Deloitte Fast 500 program recognizes 500 fast revenue growing companies in the Canada and the USA.

- On November 23, 2022, we partnered with EnerSavings Solutions Inc. to offer custom-energy saving solutions such as EV charging stations, HVAC solutions, and LED lighting to our buildings across the country.

- For the year ended December 31, 2022, we granted a total of 415,500 stock options.

- On January 5, 2023, we completed the acquisition of a portfolio of strata property management assets from Warrington PCI Management ("Warrington"). We paid Warrington with consideration as follows:

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

- On March 9, 2023, we partnered with VendorPM, which allows our property managers to connect with more than 30,000 service providers, to receive quotations for services in a streamlined manner.

- On May 30, 2023, we appointed our Chief Operating Officer, Dan Feeny. He was previously our Chief Technology Officer and interim COO.

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

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

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

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

- On November 30, 2023, we acquired 100% of the outstanding share capital of Meritus Group Management Inc. ("Meritus") for 143,678 common shares (with a fair value of $133,985) of the Company, $400,000 cash consideration, and a $300,000 promissory note.

SELECTED ANNUAL FINANCIAL INFORMATION

The following table sets forth selected financial information of the results of operations for the years ended December 31, 2023 and 2022 as follows:

	For the years ended	
	December 31, 2023	**December 31, 2022**
Revenue	$ 19,388,463	$ 17,812,550
Cost of software and services and software licensing fees (1)	12,196,865	11,517,528
Operating expenses (1)	20,845,270	16,296,289
Operating loss	(13,653,672)	(10,001,267)
Other expenses	(634,802)	(747,651)
Other income	109,492	204,376
Net loss before income taxes	(14,178,982)	(10,544,542)
Income tax recovery	11,681	282
Net loss	$ (14,167,301)	$ (10,544,260)
Basic and diluted loss per share	$ (0.67)	$ (0.50)
Adjusted EBITDA (2)	$ (6,563,347)	$ (8,182,130)

The following table sets forth gross profit information for the years ended December 31, 2023 and 2022 as follows:

	For the years ended	
	December 31, 2023	**December 31, 2022**
Revenue, excluding ancillary revenues	$ 16,160,063	$ 15,170,231
Cost of software and services and software licensing fees (excluding costs related to ancillary revenues)	9,526,945	9,418,127
Gross profit (3)	6,633,118	5,752,104
Gross profit percentage (3)	41.0%	37.9%

(1) During the current year, the Company reassessed certain salaries and wages in operating expenses recognized during the year ended December 31, 2022, and concluded that it was cost of software and services. Therefore, the Company has revised the presentation of the expenses from operating expenses to cost of software and services. The effect of the change was a reduction of operating expenses from $16,933,997 to $16,296,289 and an increase of cost of software and services from $10,879,820 to $11,517,528. No other amounts were affected.

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

(3) Non-IFRS measures: Gross profit and gross profit percentage do not have a standardized meaning under IFRS, and therefore may not be comparable to similar measures presented by other issuers. We define gross profit as revenue, excluding ancillary revenues, less cost of software and services and software licensing fees. Cost of

software and services include direct costs of community managers, client accounting staff and accounting software, excluding client administration and other administrative applications. We define gross profit percentage as gross profit calculated as a percentage of revenues, excluding ancillary revenues. Gross profit and gross profit percentage should not be construed as an alternative for revenue or net loss in accordance with IFRS. We believe that gross profit and gross profit percentage are meaningful metrics in assessing our financial performance and operational efficiency.

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

As at	**December 31, 2023**	**December 31, 2022**
Total assets	$ 14,398,217	$ 26,054,849
Notes payable, non-current portion	626,007	1,924,647

Reconciliation of Net Loss to Adjusted EBITDA

The following table sets forth the reconciliation of net loss to Adjusted EBITDA for the years ended December 31, 2023 and 2022:

	For the years ended	
	December 31, 2023	**December 31, 2022**
Net loss	$ (14,167,301)	$ (10,544,260)
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	-
Stock-based compensation	106,509	377,686
Fair value loss (gain) on investment	(6,322)	8,143
Loss (gain) on sale of intangible assets	(12,148)	27,387
Interest expense [(1)]	623,299	706,867
Interest income	(74,763)	(204,376)
Standby fees	10,554	-
Foreign exchange loss (gain)	(6,259)	5,254
Severance costs	74,298	-
Acquisition costs	56,413	-
Loss on revaluation of government grant	11,503	-
Loan forgiveness on government grant	(10,000)	-
Income tax expense (recovery)	(11,681)	(282)
Adjusted EBITDA	$ (6,563,347)	$ (8,182,130)

(1) Interest expense incurred on short-term debt, demand loan, notes payable and amounts due to related parties

DISCUSSION OF OPERATIONS

Revenue

The following table sets forth a breakdown of revenue for the years ended December 31, 2023 and 2022:

	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

During the year ended December 31, 2023, we generated total revenue of $19,388,463, an increase of 8.9% over the same period in 2022. The increase in revenue was due to a 6.6% increase in software and service fees as a result of more properties on the Tribe platform, net of terminated non-strategic and unprofitable properties, and the acquisition of Meritus. Furthermore, there was a 30.6% increase in transactional revenues due to an increase in financial services revenues associated with our banking partnership, and a 11.7% increase in software licensing fees.

Consolidated gross profit and gross profit percentage

Gross profit increased by $881,014 and gross profit percentage increased to 41% for the year ended December 31, 2023 from 37.9% compared to the same period in 2022. The increase in gross profit and gross profit percentage was a result of the addition of service contracts through organic growth and acquisitions, and restructuring efforts.

Selling, general and administrative expenses

The following table sets forth a breakdown of selling, general and administrative ("SG&A") expenses for the years ended December 31, 2023 and 2022:

	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	10,554	-
Total SG&A	$ 13,896,210	$ 14,477,152

During the year ended December 31, 2023, our SG&A decreased by $580,942 or 4% compared to the same period in 2022.

The increase in salaries and wages during the year ended December 31, 2023 compared to the same period in 2022 was due to increased administrative staff to support revenue growth.

The decrease in office expenses during the year ended December 31, 2023 compared to the same period in 2022 was due to moving and preparation costs for our corporate head office located at 1606-1166 Alberni Street, Vancouver, BC. The relocation began in June 2022. Cost reduction efforts in 2023 also contributed to the decrease.

The decrease in professional fees for the year ended December 31, 2023 compared to the same period in 2022 was due to advisory fees paid to a growth capital company in 2022. The decrease in subcontractor expenses during the year ended December 31, 2023 compared to the same period in 2022 was due to continued streamlining efforts of our product technology team.

Stock-based compensation

Stock-based compensation for the year ended December 31, 2023 was $106,509, compared to $377,686 for the same period in 2022. During year ended December 31, 2023, we granted 510,000 stock options, with 500,000 of those options being granted in Q4 2023. During the year ended December 31, 2022, we granted 415,500 stock options, with 178,000 of those options being granted in Q4 2022. The timing of the option grants was the main factor for the decrease. The timing of cancelled and expired stock options during the year ended December 31, 2023 also contributed to the decrease. Stock-based compensation is calculated at fair value using the Black-Scholes-Merton option pricing model.

Impairment of goodwill

During the year ended December 31, 2023, we had an impairment of $5,025,000 to our goodwill. The carrying value of one of our cash generating units exceeded its recoverable value, and as a result, an impairment charge for the difference was recorded.

Other expenses

During the year ended December 31, 2023, other expenses were $634,802 compared to $747,651 for the same period in 2022. The decrease was primarily due to decreased interest expense on the Gateway promissory note, which we continue to make principal and interest payments towards. We made a $1,000,000 payment on December 31, 2022, and another $1,000,000 payment on December 31, 2023. This was partially offset by interest expense on the operating and M&A facilities for the year ended December 31, 2023.

Other income

During the year ended December 31, 2023 other income was $109,492 compared to $204,376 for the same period in 2022. The decrease was due to less cash held in the 1-year cashable GIC investment with an interest yield of 2.23% annually, resulting in less interest income. The GIC investment matured on April 25, 2023. This was partially offset by a loan forgiveness of $10,000 received on the CEBA loan when it was fully repaid on February 21, 2023.

Net loss

Net loss for the year ended December 31, 2023 was $14,167,301 compared to $10,544,260 for the same period in 2022. The increase in net loss was primarily due to the goodwill impairment in 2023, partially offset by increased gross margin and gross margin percentage, and decreased operating expenses other than goodwill impairment discussed above.

Summary of quarterly results

The following table sets forth a summary of financial data for our most recent eight quarters as follows:

	Quarter ended	Revenue	Total comprehensive loss	Basic and diluted loss per common share
Q4, 2023	December 31, 2023	$ 5,110,135	$ (6,968,301)	$ (0.33)
Q3, 2023	September 30, 2023	4,798,627	(2,070,649)	(0.10)
Q2, 2023	June 30, 2023	4,820,654	(2,715,954)	(0.13)
Q1, 2023	March 31, 2023	4,659,047	(2,412,397)	(0.11)
Q4, 2022	December 31, 2022	4,748,205	(2,783,220)	(0.13)
Q3, 2022	September 30, 2022	4,529,310	(2,733,871)	(0.13)
Q2, 2022	June 30, 2022	4,332,820	(2,970,344)	(0.14)
Q1, 2022	March 31, 2022	4,202,215	(2,057,107)	(0.10)

Variations in our revenue and total comprehensive loss for the periods above resulted primarily from the following factors:

- In the second quarter of 2022, our net loss increased by $913,237 to $2,970,344, or a loss per share of $0.14. The increase in net loss was due to an increase in headcount and advisory services to support continued growth, resulting in increased salaries and wages, and professional fees.
- In the third quarter of 2022, our net loss decreased by $236,473 to $2,733,871, or a loss per share of $0.13. The decrease in net loss was due to a decrease in professional fees. There was more advisory services required in the second quarter of 2022.
- In the fourth quarter of 2022, our net loss increased by $49,349 to $2,783,220, or a loss per share of $0.13. The increase in net loss was due to increased SG&A expenses and increased amortization of intangibles due to a change in useful life (see section *Accounting Policies* below).
- In the first quarter of 2023, our net loss decreased by $370,823 to $2,412,397, or a loss per share of $0.11. The decrease in net loss was due to increased gross margin percentage, decreased office expenses and professional fees, and decreased interest expense.
- In the second quarter of 2023, our net loss increased by $303,557 to $2,715,954, or a loss per share of $0.13. The increase in net loss was due increased professional fees, and severance costs related to restructuring efforts.
- In third quarter of 2023, our revenue decreased by $22,027 to $4,798,627. We terminated a portfolio of buildings that did not fit our strategic and financial profile. Our net loss decreased by $645,305 to $2,070,649, or a loss per share of $0.10. The decrease in net loss was primarily due to restructuring efforts, leading to decreased salaries and wages and subcontractor expenses.
- In the fourth quarter of 2023, our revenue increased by $311,508, driven by the acquisition of Meritus and net addition of buildings to the Tribe Home platform. Our net loss increased by $4,897,652 to $6,968,301, driven by the impairment of goodwill discussed above.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2023, we had cash and cash equivalents of $1,324,101 (December 31, 2022 - $8,096,696). All cash and cash equivalents were held in bank accounts with Canadian financial institutions. We have an operating line of credit facility of $3,000,000 with a Canadian Schedule A bank, available to be drawn at our discretion, which is being utilized as of the date of this MD&A.

Operating activities

We had net cash flows used in operating activities of $7,483,411 during the year ended December 31, 2023 compared to $9,106,280 during the same period in 2022. The decrease in cash flows used is primarily driven by the decrease in net loss after adjustments not affecting cash, and further driven by the timing and receipts of our receivables.

Investing activities

We had net cash flows used in investing activities of $777,173 during the year ended December 31, 2023 compared to $980,600 during the same period in 2022. The decrease in cash flows used is due to the acquisition of Southview and the acquisition of customer contracts from Martello Property Services for the year ended December 31, 2022. The total purchase price of these acquisitions was higher than the total purchase price for the acquisitions of customer contracts from PCI Warrington and Martello, and acquisition of Meritus for the year ended December 31, 2023.

Financing activities

We had net cash flows used by financing activities of $1,487,989 during the year ended December 31, 2023 compared to net cash flows provided by financing activities of $16,971,677 during the same period in 2022, driven by the net proceeds of $19,725,301 from the private placement equity financing in January 2022, partially offset by the $2,000,000 in payments on the Gateway note payable.

Funding requirements

We expect to devote financial resources to our current planned operations, the repayment of the Gateway promissory note, the operating and M&A facilities, and business development. We are currently assessing a number of acquisition opportunities. As at the date of this MD&A, we have an M&A facility of $7 million with an additional accordion feature of $5 million, with a Canadian Schedule A bank. We may need to raise additional financing through the public or private equity and debt markets.

OFF-BALANCE SHEET ARRANGEMENTS

None.

RELATED PARTY TRANSACTIONS

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

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

a) Key management compensation for the year ended December 31, 2023 and 2022 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

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.

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

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

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

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

On October 10, 2023, we granted the equivalent of 500,000 stock options of the Company to our Chief Financial Officer. The stock options have an exercise price of $1.00. 100,000 of the options immediately vested, and an additional 80,000 options will vest on September 1st on each of the following five years.

RESULTS OF OPERATIONS – FOURTH QUARTER

The following table sets forth selected financial information of the results of operations for the quarter ended December 31, 2023 as follows:

	For the three months ended December 31, 2023
Revenue	$ 5,110,135
Cost of software and services and software licensing fees	3,572,262
Operating expenses	8,358,131
Operating loss	(6,820,258)
Other expenses	(187,830)
Other income	17,655
Net loss before income taxes	(6,990,433)
Income tax recovery	22,132
Net loss	$ (6,968,301)
Basic and diluted loss per share	$ (0.33)
Adjusted EBITDA (1)	$ (1,053,300)

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

The following table sets forth gross profit information for the quarter ended December 31, 2023 as follows:

	For the three months ended December 31, 2023
Revenue, excluding ancillary revenues	$ 4,400,972
Cost of software and services and software licensing fees (excluding costs related to ancillary revenues)	2,344,127
Gross profit (2)	2,056,845
Gross profit percentage (2)	46.7%

(2) Non-IFRS measures: Gross profit and gross profit percentage do not have a standardized meaning under IFRS, and therefore may not be comparable to similar measures presented by other issuers. We define gross profit as revenue, excluding ancillary revenues, less cost of software and services and software licensing fees. Cost of software and services include direct costs of community managers, client accounting staff and accounting software, excluding client administration and other administrative applications. We define gross profit percentage as gross profit calculated as a percentage of revenues, excluding ancillary revenues. Gross profit and gross profit percentage should not be construed as an alternative for revenue or net loss in accordance with IFRS. We believe that gross profit and gross profit percentage are meaningful metrics in assessing our financial performance and operational efficiency.

ACCOUNTING POLICIES

Management's discussion and analysis of our financial condition and results of operations is based on our audited consolidated financial statements which have been prepared in accordance with IFRS and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective as of December 31, 2023.

Our significant accounting policies are included in the notes to the audited consolidated financial statements for the year ended December 31, 2023.

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.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Our financial assets and liabilities are classified as follows:

	December 31, 2023	December 31, 2022
Financial assets:		
Fair value through profit and loss		
Cash and cash equivalents	$ 1,324,101	$ 8,096,696
Investments	74,011	67,689
Amortized cost		
Accounts receivable, net of allowance for doubtful accounts	1,528,151	1,012,675
Financial liabilities:		
Financial liabilities at amortized cost		
Accounts payable	$ 817,115	$ 852,433
CEBA Loan	-	27,180
Operating and M&A facilities	3,213,475	-
Note payable	2,167,397	2,865,190

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

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

Credit risk

Credit risk arises from the potential that a counterparty will fail to perform its obligations. We have a significant number of customers which minimizes concentration of credit risk. We are exposed to credit risk from customers. In order to reduce our credit risk, we deal only with financially sound counterparties and, accordingly, do not anticipate loss for non-performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. Our cash is also exposed to credit risk. Cash is held with a major financial institution, consequently, the credit risk is assessed as low.

Interest rate risk

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

Currency risk

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

Liquidity risk

Our objective is to have sufficient liquidity to meet our liabilities when they become due. We monitor our cash balances and cash flows generated from operations to meet our requirements. As at December 31, 2023, the most significant financial liabilities are our accounts payables and accrued liabilities, and note payable. As at December 31, 2023, we assessed our liquidity risk as high.

RISKS AND UNCERTAINTIES

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

CONTINGENCIES

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

OUTSTANDING SHARE DATA

As at May 3, 2024, we had 21,351,194 common shares outstanding, 1,355,564 stock options outstanding, 299,248 compensation options outstanding and 5,250,000 common share purchase warrants outstanding.