

TRIBE PROPERTY TECHNOLOGIES INC.

Condensed Consolidated Interim Financial Statements
For the three months ended March 31, 2024 and 2023

(Expressed in Canadian Dollars - unaudited)

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

As at	March 31, 2024 (unaudited)	December 31, 2023
ASSETS		
Current assets		
Cash and cash equivalents	\$ 838,381	\$ 1,324,101
Accounts receivable (Note 18)	1,426,185	1,528,151
Prepaid expenses and deposits	115,738	123,230
Investments	79,601	74,011
Total current assets	2,459,905	3,049,493
Property and equipment (Note 6)	3,463,052	3,557,628
Intangible assets (Note 7)	6,556,013	6,816,086
Goodwill (Note 7)	975,010	975,010
TOTAL ASSETS	\$ 13,453,980	\$ 14,398,217
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 19)	\$ 1,840,741	\$ 1,488,617
Deferred revenue (Note 8)	333,273	367,130
Loans and borrowings (Note 9)	3,945,939	3,039,469
Current portion of lease obligations (Note 10)	510,955	470,684
Notes payable (Note 11)	1,554,770	1,541,390
Total current liabilities	8,185,678	6,907,290
Lease obligations (Note 10)	3,034,951	3,112,481
Notes payable (Note 11)	630,509	626,007
Deferred tax liability (Note 3)	82,000	82,000
TOTAL LIABILITIES	11,933,138	10,727,778
SHAREHOLDERS' EQUITY		
Share capital (Note 12)	54,282,309	54,282,309
Reserve (Note 13)	2,613,158	2,559,808
Accumulated deficit	(55,374,625)	(53,171,678)
TOTAL SHAREHOLDERS' EQUITY	1,520,842	3,670,439
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 13,453,980	\$ 14,398,217

Subsequent Events (Note 20)

These condensed consolidated financial statements were authorized for issue by the Board of Directors on May 28, 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 condensed consolidated interim financial statements.

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

	For the Three Months Ended	
	March 31, 2024	March 31, 2023
REVENUE (Note 4)	\$ 5,338,192	\$ 4,659,047
OPERATING EXPENSES		
Cost of software and services and software licensing fees	3,362,210	3,036,026
Selling, general and administrative expenses (Note 5)	3,428,384	3,485,617
Depreciation (Note 6)	213,312	217,078
Amortization of intangible assets (Note 7)	237,393	147,227
Amortization of deferred financing asset (Note 10)	24,858	-
Stock-based compensation (Notes 13 and 16)	53,350	75,133
NET OPERATING EXPENSES	7,319,507	6,961,081
LOSS FROM OPERATIONS	(1,981,315)	(2,302,034)
OTHER INCOME AND EXPENSES		
Interest expense (Notes 9, 10 and 11)	(226,951)	(147,358)
Interest income	50	31,301
Foreign exchange gain (loss)	(321)	6,884
Fair value gain (loss) on investment	5,590	313
Loss on revaluation of government grant	-	(11,503)
Loan forgiveness on government grant	-	10,000
NET LOSS	(2,202,947)	\$ (2,412,397)
LOSS PER SHARE, BASIC AND DILUTED	\$ (0.10)	\$ (0.11)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING, BASIC AND DILUTED	21,351,194	21,207,516

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

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

	For the Three Months Ended	
	March 31, 2024	March 31, 2023
Cash flows provided by (used in):		
OPERATING ACTIVITIES		
Net loss	\$ (2,202,947)	\$ (2,412,397)
Adjustments for items not affecting cash:		
Bad debt expense	29,894	-
Depreciation	213,312	217,078
Amortization of intangible assets	237,393	147,227
Amortization of deferred financing asset	24,858	-
Interest expense	226,951	147,358
Interest income	(50)	(31,301)
Fair value loss (gain) on investment	(5,590)	(313)
Stock-based compensation	53,350	75,133
Loss on revaluation of government grant	-	11,503
Loan forgiveness on government grant	-	(10,000)
	(1,422,829)	(1,855,712)
Net changes in non-cash working capital items:		
Receivables and prepaid expenses	79,564	(284,833)
Accounts payable and accrued liabilities	365,091	(135,721)
Deferred revenue	(33,857)	(241)
	410,798	(420,795)
Interest paid	(199,306)	(131,577)
Net cash flows used in operating activities	(1,211,337)	(2,408,084)
INVESTING ACTIVITY		
Purchase of property and equipment	(20,729)	(23,744)
Purchase of intangible assets	-	(200,000)
Net cash flows used in investing activities	(20,729)	(223,744)
FINANCING ACTIVITIES		
Proceeds from draw on operating facility	935,113	-
Repayment of operating facility	-	-
Repayment of government loan	-	(30,000)
Repayment of M&A facility	(53,501)	-
Repayment of lease obligations	(135,266)	(130,937)
Net cash flows provided (used) by financing activities	746,346	(160,937)
Net decrease in cash	(485,720)	(2,792,765)
Cash and cash equivalents, beginning	1,324,101	8,096,696
Cash and cash equivalents, ending	838,381	\$ 5,303,931

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

TRIBE PROPERTY TECHNOLOGIES INC.**Condensed Consolidated Interim Statements of Changes in Shareholders' Equity**

(Expressed in Canadian Dollars - unaudited)

	Number of shares	Amount	Reserve	Accumulated deficit	Total
Balance, December 31, 2022	21,210,516	\$ 54,196,162	\$ 2,453,299	\$ (39,004,377)	\$ 17,645,084
Stock-based compensation (Notes 13 and 16)	-	-	75,133	-	75,133
Treasury shares cancelled	(3,000)	-	-	-	-
Net and comprehensive loss for the period	-	-	-	(2,412,397)	(2,412,397)
Balance, March 31, 2023	21,207,516	\$ 54,196,162	\$ 2,528,432	\$ (41,416,774)	\$ 15,307,820
Balance, December 31, 2023	21,351,194	\$ 54,282,309	\$ 2,559,808	\$ (53,171,678)	\$ 3,670,439
Stock-based compensation (Notes 13 and 16)	-	-	53,350	-	53,350
Net and comprehensive loss for the period	-	-	-	(2,202,947)	(2,202,947)
Balance, March 31, 2024	21,351,194	\$ 54,282,309	\$ 2,613,158	\$ (55,374,625)	\$ 1,520,842

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

TRIBE PROPERTY TECHNOLOGIES INC.

Notes to the Condensed Consolidated Interim Financial Statements
For the three and nine months ended March 31, 2024 and 2023
(In Canadian dollars)

1. REPORTING ENTITY

Tribe Property Technologies Inc. (“Tribe” or the “Company”) was incorporated under the *Business Corporations Act* (Ontario) on June 5, 2017. 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 is listed on the TSX Venture Exchange (“Exchange”) under the symbol “TRBE”.

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.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board (“IASB”). Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) have been omitted or condensed, and therefore these condensed consolidated interim financial statements should be read in conjunction with the Company’s audited consolidated financial statements for the period ended December 31, 2023 and the notes thereto.

These condensed consolidated interim financial statements are based on the IFRS issued and effective as of May 28, 2024, the date these condensed consolidated interim financial statements were authorized for issuance by the Company’s Board of Directors, and follow the same accounting policies and methods of computation as the most recent annual financial statements.

2.2 Significant accounting judgements, estimates and assumptions

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.

Going concern

Management has applied judgements in the assessment of the Company’s ability to continue as a going concern when preparing its condensed consolidated interim financial statements. Management prepares its condensed consolidated interim 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.

Impairment of goodwill

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

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

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

TRIBE PROPERTY TECHNOLOGIES INC.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended March 31, 2024 and 2023

(In Canadian dollars)

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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.

2.3 Basis of preparation

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

3. BUSINESS COMBINATIONS

On November 30, 2023, the Company acquired 100% of the outstanding share capital of Meritus Group Management Inc. ("Meritus") for 143,678 common shares of the Company, \$400,000 cash consideration, and a \$300,000 promissory note (Note 11). 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 11)		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 6)		100,149
Intangible assets (Note 7)		197,670
Goodwill (Note 7)		787,203
Deferred tax liability		(53,000)
Lease liabilities (Note 10)		(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 7).

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.

TRIBE PROPERTY TECHNOLOGIES INC.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended March 31, 2024 and 2023

(In Canadian dollars)

4. REVENUE

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

	<u>Three Months ended</u>	
	March 31, 2024	March 31, 2023
Software and service fees	\$ 4,489,316	\$ 4,192,503
Transactional revenues	745,755	375,990
Software and services	5,235,071	4,568,493
Software licensing fees	103,121	90,554
Total revenue	\$ 5,338,192	\$ 4,659,047

5. SELLING, GENERAL AND ADMINISTRATIVE

Selling, general and administrative expenses are comprised of:

	<u>Three Months ended</u>	
	March 31, 2024	March 31, 2023
Salaries and wages	\$ 2,319,476	\$ 2,340,143
Office expenses	690,649	698,111
Professional fees	253,663	198,847
Subcontractors	94,101	110,358
Investor relations	41,845	79,435
Standby fees (Note 9)	7,543	-
Advertising and promotion	21,107	58,723
Total selling, general and administrative expenses	\$ 3,428,384	\$ 3,485,617

TRIBE PROPERTY TECHNOLOGIES INC.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended March 31, 2024 and 2023

(In Canadian dollars)

6. PROPERTY AND EQUIPMENT

	Computer hardware	Computer software	Furniture and equipment	Leasehold improvements	Right-of-use assets	Total
Cost						
Balance, December 31, 2022	\$ 386,381	\$ 1,197,617	\$ 206,793	\$ 167,914	\$ 5,193,879	\$ 7,152,584
Additions (Note 10)	14,795	81,252	1,654	-	187,770	285,471
Assets acquired (Note 3)	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
Additions (Note 10)	-	20,224	505	-	98,007	118,736
Balance, March 31, 2024	\$ 431,176	\$ 1,299,093	\$ 208,952	\$ 167,914	\$ 5,579,805	\$ 7,686,940
Accumulated amortization						
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
Depreciation	2,702	26,422	4,106	5,182	174,900	213,312
Balance, March 31, 2024	\$ 330,407	\$ 1,053,776	\$ 127,902	\$ 70,360	\$ 2,641,443	\$ 4,223,888
Net book value						
Balance, December 31, 2023	\$ 103,471	\$ 251,515	\$ 84,651	\$ 102,736	\$ 3,015,255	\$ 3,557,628
Balance, March 31, 2024	\$ 100,769	\$ 245,317	\$ 81,050	\$ 97,554	\$ 2,938,362	\$ 3,463,052

TRIBE PROPERTY TECHNOLOGIES INC.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended March 31, 2024 and 2023

(In Canadian dollars)

7. INTANGIBLE ASSETS AND GOODWILL

	Customer Relationships	Goodwill
Cost		
Balance, December 31, 2022	\$ 8,316,688	\$ 5,197,808
Additions (Note 3)	667,670	787,203
Disposals	(81,873)	-
Purchase price adjustment (Note 3)	(75,000)	14,999
Impairment	-	(5,025,000)
Balance, December 31, 2023	8,827,485	975,010
Additions	-	-
Purchase price adjustment	(22,680)	-
Balance, March 31, 2024	\$ 8,804,805	\$ 975,010
Accumulated amortization		
Balance, December 31, 2022	\$ 1,089,190	\$ -
Amortization	934,605	-
Disposals	(12,396)	-
Balance, December 31, 2023	2,011,399	-
Amortization	237,393	-
Balance, March 31, 2024	\$ 2,248,792	\$ -
Net book value		
Balance, December 31, 2023	\$ 6,816,086	\$ 975,010
Balance, March 31, 2024	\$ 6,556,013	\$ 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, 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.

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 was 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, 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

TRIBE PROPERTY TECHNOLOGIES INC.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended March 31, 2024 and 2023

(In Canadian dollars)

7. INTANGIBLE ASSETS AND GOODWILL (continued)

signed. Based on revenue performance, the \$100,000 payable was adjusted to \$77,320 and paid during the three months ended March 31, 2024.

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).

On December 31, 2023, \$170,000 was paid and added to intangible assets acquired under the Martello Property Services Inc acquisition, as the development of the buildings was completed and the Company signed the associated property management contracts.

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

8. DEFERRED REVENUE

Balance, December 31, 2022	\$	134,306
Billings		441,646
Revenue recognized		(208,822)
Balance, December 31, 2023		367,130
Billings		35,103
Revenue recognized		(68,960)
Balance, March 31, 2024	\$	333,273

9. LOANS AND BORROWINGS

	March 31, 2024	December 31, 2023
Operating facility	\$ 2,634,420	\$ 1,699,308
M&A facility	1,460,667	1,514,167
Deferred financing costs	(149,148)	(174,006)
	\$ 3,945,939	\$ 3,039,469

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 \$3 million operating line to support the Company's working capital requirements; and
- 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 March 31, 2024.

For the three months ended March 31, 2024, amortization of deferred financing costs is \$24,858, interest expense incurred from the Facility is \$95,021, and standby fees incurred from the Facility are \$7,543 (Note 5). As at March 31, 2024, the Company is in breach of financial covenants associated with the Facility. The Company is currently in negotiations with the bank to remedy the breach and revise the covenants.

TRIBE PROPERTY TECHNOLOGIES INC.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended March 31, 2024 and 2023

(In Canadian dollars)

10. 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:

	March 31, 2024	December 31, 2023
Current portion of lease obligations	\$ 510,955	\$ 470,684
Non-current portion of lease obligations	3,034,951	3,112,481
	\$ 3,545,906	\$ 3,583,165

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, 2022	\$ 3,791,868
New leases (Note 6)	187,770
Leases acquired (Note 3)	100,149
Interest expense	368,918
Payments	(865,540)
Balance, December 31, 2023	3,583,165
New leases (Note 6)	98,007
Interest expense	88,388
Payments	(223,654)
Balance, March 31, 2024	\$ 3,545,906

As at March 31, 2024, the Company is committed to minimum lease payments as follows:

	March 31, 2024
Less than one year	\$ 841,144
One to five years	2,869,447
More than five years	1,062,883
Total undiscounted lease liabilities	\$ 4,773,474

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

11. 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. The note payable bears interest at 5% per annum, which is accrued and paid monthly. Interest expense for the three months ended March 31, 2024 is \$34,907 (2023: \$51,964). 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).

TRIBE PROPERTY TECHNOLOGIES INC.

Notes to the Condensed Consolidated Interim Financial Statements
For the three and nine months ended March 31, 2024 and 2023
(In Canadian dollars)

11. NOTE PAYABLE (continued)

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

	March 31, 2024	December 31, 2023
Current portion of note payable	\$ 1,472,788	\$ 1,464,967
Non-current portion of note payable	461,766	459,680
Total note payable	\$ 1,934,554	\$ 1,924,647

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 3). 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 three months ended March 31, 2024 is \$7,975 (2023: \$nil). 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:

	March 31, 2024	December 31, 2023
Current portion of note payable	\$ 81,982	\$ 76,423
Non-current portion of note payable	168,743	166,327
Total note payable	\$ 250,725	\$ 242,750

12. SHARE CAPITAL

12.1 Authorized

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

12.2 Issued common shares

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 3).

13. 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.

13.1 Employee Stock Options

There were no employee stock options granted during the three months ended March 31, 2024.

Total stock-based compensation expense from employee stock options during the three months ended March 31, 2024 was \$51,828 (March 31, 2023 - \$69,174) using the Black-Scholes-Merton option pricing model.

TRIBE PROPERTY TECHNOLOGIES INC.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended March 31, 2024 and 2023

(In Canadian dollars)

13. STOCK, COMPENSATION OPTIONS AND WARRANTS (continued)

A continuity schedule of the Company's outstanding employee stock options for the three months ended March 31, 2024 and December 31, 2023 is as follows:

	March 31, 2024		December 31, 2023	
	Number outstanding	Weighted average exercise price	Number outstanding	Weighted average exercise price
Outstanding, beginning	1,384,190	\$ 2.70	1,182,550	\$ 3.55
Granted	-	-	510,000	1.00
Forfeited	(118,526)	4.49	(322,560)	3.13
Expired	-	-	(21,800)	2.75
Outstanding, ending	1,229,664	\$ 2.53	1,384,190	\$ 2.70
Exercisable, ending	577,163	\$ 3.65	617,923	\$ 3.72

At March 31, 2024, 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	287,830	287,830	\$ 2.75	1.08
January 31, 2026	200,000	160,000	\$ 5.00	1.84
February 21, 2026	43,500	43,500	\$ 5.00	1.89
December 31, 2026	57,500	33,750	\$ 5.00	2.75
December 31, 2026	50,000	24,999	\$ 3.50	2.75
December 31, 2027	87,500	23,750	\$ 1.55	3.75
December 31, 2027	3,334	3,334	\$ 1.25	3.75
December 31, 2031	500,000	-	\$ 1.00	7.58
	1,229,664	577,163		4.22

13.2 Consultant Stock Options

There were no consultant stock options granted during the three months ended March 31, 2024.

Total stock-based compensation expense from consultant stock options during the three months ended March 31, 2024, was \$nil (March 31, 2023 - \$nil) using the Black-Scholes-Merton option pricing model.

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13. STOCK, COMPENSATION OPTIONS AND WARRANTS (continued)

A continuity schedule of the Company's outstanding consultant stock options for the three months ended March 31, 2024 and December 31, 2023 is as follows:

	March 31, 2024		December 31, 2023	
	Number outstanding	Weighted average exercise price	Number outstanding	Weighted average exercise price
Outstanding, beginning	-	\$ -	70,000	\$ 5.00
Expired	-	-	(70,000)	5.00
Outstanding, ending	-	\$ -	-	\$ -
Exercisable, ending	-	\$ -	-	\$ -

13.3 Broker Compensation Options

There were no broker compensation options granted during the three months ended March 31, 2024.

A continuity schedule of the Company's outstanding broker compensation options for the three months ended March 31, 2024 and December 31, 2023 is as follows:

	March 31, 2024		December 31, 2023	
	Number outstanding	Weighted average exercise price	Number outstanding	Weighted average exercise price
Outstanding, beginning	299,278	\$ 5.10	457,582	\$ 5.07
Expired	-	-	(158,334)	5.00
Outstanding, ending	299,248	\$ 5.10	299,248	\$ 5.10
Exercisable, ending	299,248	\$ 5.10	299,248	\$ 5.10

At March 31, 2024, 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	0.79

13.4 Board Stock Options

There were no board stock options granted during the three months ended March 31, 2024.

Total stock-based compensation expense from board stock options during the three months ended March 31, 2024 was \$1,522 (March 31, 2023 - \$5,959) using the Black-Scholes-Merton option pricing model.

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13. STOCK, COMPENSATION OPTIONS AND WARRANTS (continued)

A continuity schedule of the Company's outstanding board stock options for the three months ended March 31, 2024 and December 31, 2023 is as follows:

	March 31, 2024		December 31, 2023	
	Number outstanding	Weighted average exercise price	Number outstanding	Weighted average exercise price
Outstanding, beginning	125,900	\$ 4.04	125,900	\$ 4.04
Granted	-	-	-	-
Outstanding, ending	125,900	\$ 4.04	125,900	\$ 4.04
Exercisable, ending	99,650	\$ 4.70	99,650	\$ 4.70

At March 31, 2024, 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	1.89
December 31, 2027	35,000	8,750	\$ 1.55	3.75
	125,900	99,650		2.41

13.5 Warrants

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

A continuity schedule of the Company's outstanding common share purchase warrants for the three months ended March 31, 2024 and December 31, 2023 is as follows:

	March 31, 2024		December 31, 2023	
	Number outstanding	Weighted average exercise price	Number outstanding	Weighted average exercise price
Outstanding, beginning	5,250,000	\$ 5.10	5,250,000	\$ 5.10
Issued	-	-	-	-
Outstanding, ending	5,250,000	\$ 5.10	5,250,000	\$ 5.10

At March 31, 2024, 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	0.79

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14. FINANCIAL INSTRUMENTS

14.1 Categories of financial instruments and fair value measurements

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

	Level	March 31, 2024	December 31, 2023
Financial assets:			
Fair value through profit and loss			
Cash and cash equivalents	1	\$ 838,381	\$ 1,324,101
Investments	1	79,601	74,011
Amortized cost			
Accounts receivable, net of allowance for doubtful accounts	2	1,426,185	1,528,151
Financial liabilities:			
Financial liabilities at amortized cost			
Accounts payable	2	\$ 1,247,573	\$ 817,115
Operating and M&A facilities	2	3,945,939	3,039,469
Notes payable	2	2,185,279	2,167,397

14.2 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).

14.3 Management of financial risks

There were no transfers between levels of the fair value hierarchy during the three months ended March 31, 2024 and 2023. As at March 31, 2024 and December 31, 2023, 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 March 31, 2024:

	Within 12 months	After 12 months
Accounts payable and accrued liabilities	\$ 1,840,358	\$ -
Note payable	1,554,770	630,509
Operating and M&A facilities	3,945,939	
Total	\$ 7,341,067	\$ 630,509

The undiscounted note payable contractual maturities are \$1,588,141 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.

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14. FINANCIAL INSTRUMENTS (continued)

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, 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 81% 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 loans and borrowings, and notes payable 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 March 31, 2024, the most significant financial liabilities are its accounts payables, loans and borrowings, and notes payable. As at March 31, 2024, the Company assessed liquidity risk as high.

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15. 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 three months ended March 31, 2024				
Revenue	\$ 4,866,552	\$ 103,121	\$ 368,519	\$ 5,338,192
Expenses	5,559,384	1,090,682	891,073	7,541,139
Net loss	\$ (692,832)	\$ (987,561)	\$ (522,554)	\$ (2,209,947)
For the three months ended March 31, 2023				
Revenue	\$ 4,568,493	\$ 90,554	\$ -	\$ 4,659,047
Expenses	5,208,786	1,176,737	685,921	7,071,444
Net loss	\$ (640,293)	\$ (1,086,183)	\$ (685,921)	\$ (2,412,397)
As at March 31, 2024				
Assets	\$ 11,922,444	\$ 1,382,388	\$ 149,148	\$ 13,453,980
Liabilities	7,029,373	808,678	4,095,087	11,933,138
Property and equipment	3,199,701	263,351	-	3,463,052
Intangible assets	6,556,013	-	-	6,556,013
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

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16. 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:

	<u>Three Months Ended</u>	
	<u>March 31, 2024</u>	<u>March 31, 2023</u>
Salaries	\$ 250,250	\$ 293,521
Board of Directors' fees	47,312	46,875
Short-term benefits	11,321	3,888
Stock-based compensation	43,717	54,550
	<u>\$ 352,600</u>	<u>\$ 398,834</u>

- b) During the three months ended March 31, 2024, the Company made lease payments for office space of \$134,424 to a company affiliated with a member of the executive team. As at March 31, 2024, the office leases have an average remaining term of 6.75 years, and the minimum remaining lease payments total \$3,892,026. For the same period in 2023, the Company paid \$125,045 for the same purpose.
- c) During the three months ended March 31, 2024, the Company made lease payments for office space of \$49,453 to a company affiliated with a member of the Board of Directors. As at March 31, 2024, the office lease has a remaining term of 3.25 years, and the minimum remaining lease payments total \$350,634. For the same period in 2023, the Company paid \$49,834 for the same purpose.

17. 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.

18. ACCOUNTS RECEIVABLE

The balance of accounts receivable is comprised of the following:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>
Accounts receivable, net of allowance for doubtful accounts	\$ 1,089,795	\$ 1,094,979
Other receivables	336,390	433,172
	<u>\$ 1,426,185</u>	<u>\$ 1,528,151</u>

As at March 31, 2024, an allowance for doubtful accounts of \$78,645 (December 31, 2023 - \$48,929) 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.

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19. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2024	December 31, 2023
Accounts payable	\$ 1,247,573	\$ 817,115
Accrued liabilities	593,168	671,502
	\$ 1,840,741	\$ 1,488,617

20. SUBSEQUENT EVENTS

Subsequent to March 31, 2024, the Company entered into the following transactions:

- i. On May 24, 2024, the Company entered into an agreement to acquire all the issued and outstanding shares of DMSI Holdings Ltd ("DMSI"). Pursuant to the agreement, the Company has agreed to pay DMSI total consideration of \$13,000,000 as follows:
 - a) \$10,000,000 in cash on closing, subject to adjustment;
 - b) \$3,000,000 payable by promissory note.

The transaction is expected to close by the end of May 2024.

- ii. In connection with the acquisition of DMSI above, the Company will conduct a non-brokered private placement of up to 6,730,770 units (each, a "Unit") of the Company at a price of \$0.52 per Unit to raise aggregate gross proceeds of up to \$3,500,000 (the "Financing"). Each Unit will consist of one common share of the Company (a "Common Share") and one-half of one Common Share purchase warrant (each whole Common Share purchase warrant, a "Warrant"). Each Warrant will entitle the holder to purchase one Common Share at a price of \$0.82 at any time on or before that date, which is five years after the closing date of the Financing. The net proceeds of the Financing, in addition to a drawdown from the M&A facility, will be used by the Company for the satisfaction of the DMSI purchase.