TRIBE PROPERTY TECHNOLOGIES INC.

Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 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	September 30, 2024 (unaudited)	December 31, 2023
ASSETS		
Current assets		
Cash and cash equivalents	$ 1,575,952	$ 1,324,101
Accounts receivable (Note 18)	2,519,971	1,528,151
Prepaid expenses and deposits	348,937	123,230
Investments	84,491	74,011
Total current assets	4,529,351	3,049,493
Property and equipment (Note 6)	3,167,896	3,557,628
Intangible assets (Note 7)	12,013,637	6,816,086
Goodwill (Note 7)	7,033,208	975,010
TOTAL ASSETS	$ 26,744,092	$ 14,398,217
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 19)	$ 4,985,565	$ 1,488,617
Deferred revenue (Note 8)	265,048	367,130
Loans and borrowings (Note 9)	10,625,418	3,039,469
Current portion of lease obligations (Note 10)	604,799	470,684
Notes payable (Note 11)	2,291,085	1,541,390
Total current liabilities	18,771,915	6,907,290
Lease obligations (Note 10)	2,815,950	3,112,481
Notes payable (Note 11)	1,617,875	626,007
Deferred tax liability (Note 3)	82,000	82,000
TOTAL LIABILITIES	23,287,740	10,727,778
SHAREHOLDERS’ EQUITY		
Share capital (Note 12)	60,026,185	54,282,309
Reserve (Note 13)	2,842,711	2,559,808
Accumulated deficit	(59,412,544)	(53,171,678)
TOTAL SHAREHOLDERS’ EQUITY	3,456,352	3,670,439
TOTAL LIABILITIES AND SHAREHOLDERS’ EQUITY	$ 26,744,092	$ 14,398,217

These condensed consolidated financial statements were authorized for issue by the Board of Directors on November 27th, 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		For the Nine Months Ended	
	September 30, 2024	**September 30, 2023**	**September 30, 2024**	**September 30, 2023**
REVENUE (Note 4)	**$ 8,333,637**	$ 4,798,627	**$ 19,830,859**	$ 14,278,328
OPERATING EXPENSES				
Cost of software and services and software licensing fees	**5,092,375**	3,148,026	**12,057,820**	9,281,635
Selling, general and administrative expenses (Notes 5 and 16)	**3,458,546**	3,190,304	**11,329,987**	10,607,157
Depreciation (Note 6)	**201,656**	207,716	**620,095**	646,183
Amortization of intangible assets (Note 7)	**363,392**	146,778	**837,967**	441,231
Amortization of deferred financing asset (Note 9)	**24,858**	-	**74,574**	-
Stock-based compensation (Notes 13 and 16)	**26,470**	46,979	**95,977**	135,536
NET OPERATING EXPENSES	**9,167,297**	6,739,803	**25,016,420**	21,111,742
LOSS FROM OPERATIONS	**(833,660)**	(1,941,176)	**(5,185,561)**	(6,833,414)
OTHER INCOME AND EXPENSES				
Interest expense (Notes 9, 10 and 11)	**(437,092)**	(145,449)	**(983,026)**	(436,124)
Interest income	**2,409**	19,285	**2,509**	71,894
Foreign exchange gain (loss)	**-**	30	**(321)**	6,914
Fair value gain (loss) on investment	**12,246**	(3,005)	**10,480**	3,684
Loss on disposal of property and equipment	**(12,670)**	-	**(12,670)**	-
Loss on sale of software asset	**(72,172)**	-	**(72,172)**	-
Loss on revaluation of government grant	-	-	**-**	(11,503)
Loan forgiveness on government grant	**-**	-	**-**	10,000
NET LOSS BEFORE TAX	**(1,340,939)**	(2,070,315)	**(6,240,761)**	(7,188,549)
Income tax expense	**(105)**	(334)	**(105)**	(10,451)
NET LOSS	**$ (1,341,044)**	$ (2,070,649)	**$ (6,240,866)**	$ (7,199,000)
LOSS PER SHARE, BASIC AND DILUTED	**$ (0.04)**	$ (0.10)	**$ (0.24)**	$ (0.34)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING, BASIC AND DILUTED	**33,277,806**	21,207,516	**26,192,137**	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 Nine Months Ended	
	September 30, 2024	**September 30, 2023**
Cash flows provided by (used in):		
OPERATING ACTIVITIES		
Net loss	**$ (6,240,866)**	$ (7,199,000)
Adjustments for items not affecting cash:		
Income tax expense	**-**	10,451
Bad debt expense	**66,390**	-
Depreciation	**620,095**	646,183
Amortization of intangible assets	**837,967**	441,231
Amortization of deferred financing asset	**74,574**	-
Interest expense	**983,026**	436,124
Interest income	**(2,509)**	(71,894)
Fair value loss (gain) on investment	**(10,480)**	(3,684)
Stock-based compensation	**95,977**	135,536
Loss on disposal of property and equipment	**12,670**	-
Loss on sale of software asset	**72,172**	
Loss on revaluation of government grant	**-**	11,503
Loan forgiveness on government grant	**-**	(10,000)
	(3,490,984)	(5,603,550)
Net changes in non-cash working capital items:		
Receivables and prepaid expenses	**986,737**	139,786
Accounts payable and accrued liabilities	**1,298,293**	(176,798)
Deferred revenue	**(102,082)**	197,104
	2,182,948	160,092
Taxes paid	**-**	(10,117)
Interest paid	**(816,823)**	(390,619)
Net cash flows used in operating activities	**(2,124,859)**	(5,844,194)
INVESTING ACTIVITY		
Purchase of property and equipment	**(57,413)**	(76,103)
Payment for acquisition of DMSI (Note 3)	**(10,000,000)**	-
Cash balance acquired from DMSI	**(97,480)**	-
Sale of software asset	**100**	-
Purchase of intangible assets (Note 7)	**-**	(200,000)
Deposit for acquisition of Meritus	**-**	(50,000)
Net cash flows used in investing activities	**(10,154,793)**	(326,103)
FINANCING ACTIVITIES		
Proceeds from private placement financing (Note 12)	**3,665,439**	-
Proceeds from LIFE financing (Note 12)	**2,510,400**	-
Share issuance costs (Note 12)	**(245,037)**	-
Proceeds from draw on operating facility	**1,369,061**	-
Repayment of operating facility	**(2,368,852)**	-
Proceeds from draw on M&A facility	**8,615,333**	-
Repayment of M&A facility	**(104,167)**	-
Repayment of Gateway loan	**(500,000)**	-
Repayment of DMSI VTB	**(250,000)**	-
Repayment of government grant	**-**	(30,000)
Repayment of lease obligations	**(160,675)**	(378,711)
Net cash flows provided (used) by financing activities	**12,531,503**	(408,711)
Net increase (decrease) in cash	**251,851**	(6,579,009)
Cash and cash equivalents, beginning	**1,324,101**	8,096,696
Cash and cash equivalents, ending	**$ 1,575,952**	$ 1,517,687

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)	-		-		135,536		-		135,536
Treasury shares cancelled	(3,000)		-		-		-		-
Net and comprehensive loss for the period	-		-		-		(7,199,000)		(7,199,000)
Balance, September 30, 2023	**21,207,516**	**$**	**54,196,162**	**$**	**2,588,835**	**$**	**(46,203,377)**	**$**	**10,581,620**
Balance, December 31, 2023	**21,351,194**	**$**	**54,282,309**	**$**	**2,559,808**	**$**	**(53,171,678)**	**$**	**3,670,439**
Shares issued for cash (Note 12)	11,876,613		6,006,910		168,929		-		6,175,839
Share issuance costs (Note 12)	-		(263,034)		17,997		-		(245,037)
Stock-based compensation (Notes 13 and 16)	-		-		95,977		-		95,977
Net and comprehensive loss for the period	-		-		-		(6,240,866)		(6,240,866)
Balance, September 30, 2024	**33,227,807**	**$**	**60,026,185**	**$**	**2,842,711**	**$**	**(59,412,544)**	**$**	**3,456,352**

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

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 November 27, 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

<u>Business combinations</u>

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.

<u>Going concern</u>

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.

<u>Impairment of goodwill</u>

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.

(In Canadian dollars)

2. MATERIAL ACOCUNTING 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 $95,786.

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 $0.696 per share) (Note 12)		
Promissory Note (Note 11)		240,148
Cash consideration		400,000
Fair value of purchase consideration	**$**	**726,295**
Allocated to:		
Cash and cash equivalents	$	77,295
Accounts receivable		35,462
Prepaid expenses		16,178
Property and equipment (Note 6)		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.

On June 4, 2024, the Company acquired 100% of the outstanding share capital of DMSI Holding Ltd. ("DMSI") for $10,000,000 cash consideration, and a $3,000,000 promissory note (Note 11). There was a working capital decrease adjustment of $(221,736) on the promissory note. In connection with the acquisition, the Company incurred and expensed transaction costs of $609,316.

(In Canadian dollars)

3. BUSINESS COMBINATIONS (continued)

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

Cash consideration	$	10,000,000
Promissory Note (Note 11)		2,380,300
Fair value of purchase consideration	**$**	**12,380,300**
Allocated to:		
Bank indebtedness	$	(97,480)
Accounts receivable		1,595,691
Income tax receivable		265,926
Prepaid expenses		409,038
Property and equipment (Note 6)		6,157
Right-of-use assets (Note 6)		153,728
Intangible assets (Note 7)		6,058,198
Goodwill (Note 7)		6,058,198
Lease liabilities (Note 10)		(153,728)
Accounts payable and accrued liabilities		(1,334,978)
Other liabilities		(580,450)
Total	**$**	**12,380,300**

The Company elected to allocate 50% of the purchase price over the fair value of the net assets acquired to Intangible assets, and the remaining 50% to Goodwill. The Company has determined this is the most reasonable allocation prior to engaging a professional valuator to complete the purchase price allocation.

4. REVENUE

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

	Three Months Ended		**Nine Months Ended**	
	September 30, 2024	**September 30, 2023**	**September 30, 2024**	**September 30, 2023**
Software and service fees	$ 7,119,492	$ 4,264,785	$ 16,531,315	$ 12,661,316
Transactional revenues	1,116,141	472,933	2,971,328	1,355,556
Software and services	8,235,633	4,737,718	19,502,643	14,016,872
Software licensing fees	98,004	60,909	328,216	261,456
Total revenue	$ 8,333,637	$ 4,798,627	$ 19,830,859	$ 14,278,328

(In Canadian dollars)

5. SELLING, GENERAL AND ADMINISTRATIVE

Selling, general and administrative expenses are comprised of:

	Three Months Ended		Nine Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Salaries and wages	$ 1,900,702	$ 2,150,173	$ 6,548,915	$ 7,006,945
Office expenses	946,061	590,180	2,414,944	1,995,454
Professional fees	342,083	262,850	1,648,850	885,956
Subcontractors	206,054	80,598	442,811	306,473
Investor relations	42,193	69,724	195,249	282,778
Standby fees (Note 9)	107	-	14,369	-
Advertising and promotion	21,346	36,779	64,849	129,551
Total selling, general and administrative expenses	$ 3,458,546	$ 3,190,304	$ 11,329,987	$ 10,607,157

(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)	-	56,909	504	-	98,007	155,420
Disposals	(60,521)	(958,705)	(78,590)	-	-	(1,097,816)
Assets acquired (Note 3)	4,567	-	1,590	-	153,728	159,885
Balance, September 30, 2024	$ 375,222	$ 377,073	$ 131,951	$ 167,914	$ 5,733,533	$ 6,785,693
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	20,302	81,716	12,365	15,547	490,165	620,095
Disposals	(48,291)	(886,433)	(78,150)	-	-	(1,012,874)
Balance, September 30, 2024	$ 299,716	$ 222,637	$ 58,011	$ 80,725	$ 2,956,708	$ 3,617,797
Net book value						
Balance, December 31, 2023	$ 103,471	$ 251,515	$ 84,651	$ 102,736	$ 3,015,255	$ 3,557,628
Balance, September 30, 2024	$ 75,506	$ 154,436	$ 73,940	$ 87,189	$ 2,776,825	$ 3,167,896

(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	(75,000)	14,999
Impairment	-	(5,025,000)
Balance, December 31, 2023	8,827,485	975,010
Additions (Note 3)	6,058,198	6,058,198
Purchase price adjustment	(22,680)	-
Balance, September 30, 2024	$ 14,863,003	$ 7,033,208
Accumulated amortization		
Balance, December 31, 2022	$ 1,089,190	$ -
Amortization	934,605	-
Disposals	(12,396)	-
Balance, December 31, 2023	2,011,399	-
Amortization	837,967	
Balance, September 30, 2024	$ 2,849,366	$ -
Net book value		
Balance, December 31, 2023	$ 6,816,086	$ 975,010
Balance, September 30, 2024	$ 12,013,637	$ 7,033,208

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 four CGUs: Tribe CGU, Gateway CGU, Meritus CGU, and DMSI CGU. All four 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

(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 nine months ended September 30, 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 3).

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.

During the nine months ended September 30, 2024, the Company added Customer relationships and Goodwill of $6,058,198, respectively through its acquisition of DMSI (Note 3).

8. DEFERRED REVENUE

Balance, December 31, 2022	$	134,306
Billings		441,646
Revenue recognized		(208,822)
Balance, December 31, 2023		367,130
Billings		110,700
Revenue recognized		(212,782)
Balance, September 30, 2024	$	265,048

9. LOANS AND BORROWINGS

	September 30, 2024		December 31, 2023	
Operating facility	$	699,518	$	1,699,308
M&A facility		10,025,332		1,514,167
Deferred financing costs		(99,432)		(174,006)
	$	10,625,418	$	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) 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 June 30, 2024.

For the nine months ended September 30, 2024, amortization of deferred financing costs is $74,574, interest expense incurred from the Facility is $535,472, and standby fees incurred from the Facility are $14,369 (Note 5). On May 28, 2024, the Company renegotiated the credit terms such that the operating facility is up to $1 million and the M&A facility is up to $10 million.

(In Canadian dollars)

9. LOANS AND BORROWINGS (continued)

On November 21, 2024 the Company renegotiated the terms of the agreement such that financial covenants have changed beginning in August 2024. As at September 30, 2024, the Company is in compliance with the financial covenants associated with the Facility.

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:

	September 30, 2024	December 31, 2023
Current portion of lease obligations	$ 604,799	$ 470,684
Non-current portion of lease obligations	2,815,950	3,112,481
	$ 3,420,749	$ 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
Leases acquired (Note 3)	153,728
Interest expense	267,541
Allocation to accounts payable	(253,476)
Payments	(428,216)
Balance, September 30, 2024	$ 3,420,749

As at September 30, 2024, the Company is committed to minimum lease payments as follows:

	September 30, 2024
Less than one year	$ 918,358
One to five years	2,807,341
More than five years	762,775
Total undiscounted lease liabilities	$ 4,488,474

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 nine months ended September 30, 2024 is $96,196 (2023: $156,687). 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); paid on June 21, 2024;
- $1,000,000 payable on December 31, 2024;

(In Canadian dollars)

11. NOTES PAYABLE (continued)

- The remaining principal and any accrued interest outstanding, on June 30, 2025 (amended on September 20, 2023).

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

	September 30, 2024	December 31, 2023
Current portion of note payable	$ 1,452,093	$ 1,464,967
Non-current portion of note payable	-	459,680
Total note payable	$ 1,452,093	$ 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 nine months ended September 30, 2024 is $24,720 (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. The market discount rate was determined by a professional valuator at the time of the Meritus acquisition.

	September 30, 2024	December 31, 2023
Current portion of note payable	$ 76,680	$ 76,423
Non-current portion of note payable	190,791	166,327
Total note payable	$ 267,471	$ 242,750

In connection with the acquisition of DMSI, the Company owed a note payable of $3,000,000 less a working capital adjustment of $(221,736) (Note 3). The note payable bears nil interest. Interest expense for the nine months ended September 30, 2024 is $59,097 (2023: $nil). The principal is repayable in three quarterly payments of $250,000 and nine quarterly payments of $225,363, beginning on September 4, 2024 and ending on June 4, 2027. The Company paid the first $250,000 principal repayment on September 4, 2024.

The note payable has been recorded at its fair value of $2,380,300, using a market discount rate of 9.85% per annum. The market rate discount rate was determined by the interest rate for the Company's operating and M&A facilities (Note 9) at the time of the DMSI acquisition.

	September 30, 2024	December 31, 2023
Current portion of note payable	$ 762,312	$ -
Non-current portion of note payable	1,427,084	-
Total note payable	$ 2,189,396	$ -

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).

On June 3, 2024, the Company completed a private placement equity financing in which the Company raised gross proceeds of $3,665,439 from the issuance of 7,048,921 units of the Company (each, a "Unit") at a price of $0.52 per Unit. Each Unit consists of one common share and a half common share purchase warrant of the Company. Each

(In Canadian dollars)

12. SHARE CAPITAL (continued)

warrant entitles the holder to acquire one common share at a price of $0.82 per common share, until June 3, 2029, subject to adjustment in certain events. No value was attributed to the Warrants under the residual value method. Total issuance costs incurred was $102,961 of which $5,820 was paid to agents.

On June 21, 2024, the Company completed a private placement equity financing under the Listed Issue Financing Exemption ("LIFE"), in which the Company raised gross proceeds of $2,510,400 from the issuance of 4,827,691 units of a Company (each, a "Unit") at a price of $0.52 per Unit. Each Unit consists of one common share and a half common share purchase warrant of the Company. Each warrant entitles the holder to acquire one common share at a price of $0.82 per common share, until June 21, 2029, subject to adjustment in certain events. $168,929 was attributed to the warrants under the residual value method. Total issuance costs incurred was $142,076, of which $74,616 was paid to agents. The Company issued to the agents 132,057 compensation warrants (each, a "Compensation Option") at a price of $0.82 per Compensation Option, until June 21, 2029, subject to adjustment in certain events. The Compensation Options were valued at $17,997 using the Black-Scholes-Merton pricing model, using an exercise price of $0.82, expected life of 5 years, volatility of 50%, and risk-free rate of 3.36% (Note 13).

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 nine months ended September 30, 2024.

Total stock-based compensation expense from employee stock options during the three months and nine months ended September 30, 2024 was $24,931 and $91,394 respectively (September 30, 2023 - $44,044 and $123,739 respectively) using the Black-Scholes-Merton option pricing model.

A continuity schedule of the Company's outstanding employee stock options for the nine months ended September 30, 2024 and December 31, 2023 is as follows:

	September 30, 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	(143,569)	4.23	(322,560)	3.13
Expired	(49,791)	3.53	(21,800)	2.75
Outstanding, ending	1,154,830	$ 2.48	1,384,190	$ 2.70
Exercisable, ending	635,705	$ 3.24	617,923	$ 3.72

(In Canadian dollars)

13. STOCK, COMPENSATION OPTIONS AND WARRANTS (continued)

At September 30, 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	0.58
January 31, 2026	200,000	160,000	$ 5.00	1.34
February 21, 2026	43,500	43,500	$ 5.00	1.39
December 31, 2026	46,250	23,750	$ 5.00	2.25
December 31, 2027	77,250	20,625	$ 1.55	3.25
December 31, 2031	500,000	100,000	$ 1.00	7.08
	1,154,830	635,705		3.80

13.2 Consultant Stock Options

There were no consultant stock options granted during the nine months ended September 30, 2024.

Total stock-based compensation expense from consultant stock options during the three and nine months ended September 30, 2024, was $nil and $nil respectively (September 30, 2023 - $nil and $nil respectively) using the Black-Scholes-Merton option pricing model.

A continuity schedule of the Company's outstanding consultant stock options for the nine months ended September 30, 2024 and December 31, 2023 is as follows:

	September 30, 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

The Black-Scholes-Merton option pricing model inputs for broker compensation options granted during the nine months ended September 30, 2024, 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
June 21, 2024	June 21, 2029	$0.45	$0.82	3.36%	5.0	50%	0%	$0.14

(In Canadian dollars)

13. STOCK, COMPENSATION OPTIONS AND WARRANTS (continued)

The broker compensation options were issued in connection with the LIFE financing on June 21, 2024 (Note 12). These compensation options were not issued out of the Company's SOP.

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

Total fair value of broker compensation options issued during the nine months ended September 30, 2024 was $17,997 (September 30, 2023 - $nil) using the Black-Scholes-Merton option pricing model (Note 12).

A continuity schedule of the Company's outstanding broker compensation options for the nine months ended September 30, 2024 and December 31, 2023 is as follows:

	September 30, 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
Granted	132,057	0.82	-	-
Expired	-	-	(158,334)	5.00
Outstanding, ending	431,305	$ 3.79	299,248	$ 5.10
Exercisable, ending	431,305	$ 3.79	299,248	$ 5.10

At September 30, 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	0.29
June 21, 2029	132,057	132,057	$ 0.82	4.72
	431,305	431,305		1.65

13.4 Board Stock Options

There were no board stock options granted during the nine months ended September 30, 2024.

Total stock-based compensation expense from board stock options during the three and nine months ended September 30, 2024 was $1,539 and $4,583 respectively (September 30, 2023 - $2,935 and $11,797 respectively) using the Black-Scholes-Merton option pricing model.

(In Canadian dollars)

13. STOCK, COMPENSATION OPTIONS AND WARRANTS (continued)

A continuity schedule of the Company's outstanding board stock options for the nine months ended September 30, 2024 and December 31, 2023 is as follows:

	September 30, 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 September 30, 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	1.39
December 31, 2027	35,000	8,750	$ 1.55	3.25
	125,900	99,650		1.91

13.5 Warrants

The Company issued common share purchase warrants in connection with the private placement financing and LIFE financing (Note 12) for the nine months ended September 30, 2024. Residual value of $168,969 was allocated to the warrants in connection with the LIFE financing.

A continuity schedule of the Company's outstanding common share purchase warrants for the nine months ended September 30, 2024 and December 31, 2023 is as follows:

	September 30, 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	5,938,307	0.82	-	-
Outstanding, ending	11,188,307	$ 2.83	5,250,000	$ 5.10

At September 30, 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)
January 14, 2025	5,250,000	$ 5.10	0.29
June 3, 2029	3,524,461	$ 0.82	4.68
June 21, 2029	2,413,846	$ 0.82	4.73
	11,188,307		2.63

(In Canadian dollars)

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	September 30, 2024	December 31, 2023
Financial assets:			
Fair value through profit and loss			
Cash and cash equivalents	1	$ 1,575,952	$ 1,324,101
Investments	1	84,491	74,011
Amortized cost			
Accounts receivable, net of allowance for doubtful accounts	2	2,519,971	1,528,151
Financial liabilities:			
Financial liabilities at amortized cost			
Accounts payable	2	$ 2,767,088	$ 817,115
Operating and M&A facilities	2	10,625,418	3,039,469
Notes payable	2	3,908,960	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 and nine months ended September 30, 2024 and 2023. As at September 30, 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 September 30, 2024:

	Within 12 months	After 12 months
Accounts payable and accrued liabilities	$ 4,985,565	$ -
Note payable	2,291,085	1,617,875
Operating and M&A facilities	10,625,418	-
Total	**$ 17,902,068**	**$ 1,617,875**

The undiscounted note payable contractual maturities are $2,553,342 within 12 months and $1,763,340 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, 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 93% of

14. FINANCIAL INSTRUMENTS (continued)

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, with the exception of the operating and M&A loans (Note 9), which have a variable interest rate. 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 September 30, 2024, the most significant financial liabilities are its accounts payables, loans and borrowings, and notes payable. As at September 30, 2024, the Company assessed liquidity risk as high.

(In Canadian dollars)

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 nine months ended September 30, 2024				
Revenue	$ 19,502,622	$ 328,237	$ -	$ 19,830,859
Expenses	18,669,815	3,074,678	4,327,127	26,071,620
Net loss	$ 832,807	$ (2,746,441)	$ (4,327,127)	$ (6,240,761)
For the nine months ended September 30, 2023				
Revenue	$ 14,016,872	$ 261,456	$ -	$ 14,278,328
Expenses	15,567,433	3,453,217	2,446,226	21,466,877
Net loss	$ (1,550,561)	$ (3,191,761)	$ (2,446,226)	$ (7,188,549)
As at September 30, 2024				
Assets	$ 23,991,011	$ 2,653,649	$ 99,432	$ 26,744,092
Liabilities	11,523,124	1,039,766	10,724,850	23,287,740
Property and equipment	2,982,663	185,233	-	3,167,896
Intangible assets	12,013,637	-	-	12,013,637
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

(In Canadian dollars)

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:

	Three Months Ended		Nine Months Ended	
	September 30, 2024	**September 30, 2023**	**September 30, 2024**	**September 30, 2023**
Salary	$ 245,167	$ 166,500	$ 783,763	$ 698,372
Board of Directors' fees	49,396	47,313	144,021	143,750
Short-term benefits	10,643	7,037	32,740	18,435
Stock-based compensation	24,697	31,243	95,579	85,150
	$ 329,903	$ 252,093	$ 1,056,103	$ 945,707

b) During the nine months ended September 30, 2024, the Company made lease payments for office space of $403,271 to a company affiliated with a member of the executive team. As at September 30, 2024, the office leases have an average remaining term of 6.25 years, and the minimum remaining lease payments total $3,655,224 For the same period in 2023, the Company paid $375,135 for the same purpose.

c) During the nine months ended September 30, 2024, the Company made lease payments for office space of $149,626 to a company affiliated with a member of the Board of Directors. As at September 30, 2024, the office lease has a remaining term of 2.75 years, and the minimum remaining lease payments total $296,922. For the same period in 2023, the Company paid $131,126 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:

	September 30, 2024	**December 31, 2023**
Accounts receivable, net of allowance for doubtful accounts	$ 2,033,126	$ 1,094,979
Other receivables	486,845	433,172
	$ 2,519,971	$ 1,528,151

As at September 30, 2024, an allowance for doubtful accounts of $154,426 (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.

(In Canadian dollars)

19. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2024	December 31, 2023
Accounts payable	$ 2,767,088	$ 817,115
Accrued liabilities	1,918,477	671,502
Other payable	300,000	-
	$ 4,985,565	$ 1,488,617

Included in accounts payable is $253,476 of lease liabilities (Note 10). The other payable of $300,000 consists of the remaining balance of a promissory note owed to DMSI Holdings (Note 3). The principal will not bear any interest prior to the maturity date of December 31, 2033, and is payable in full upon the earlier of thirty days following written demand or the maturity date.