

# **TRIBE PROPERTY TECHNOLOGIES INC.**

Condensed Consolidated Interim Financial Statements  
For the three months ended March 31, 2021 and 2020  
(Expressed in Canadian Dollars - unaudited)

#### **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

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

As at	March 31, 2021 (unaudited)	December 31, 2020
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 6,751,379	\$ 908,009
Receivables	429,041	546,582
Prepaid expenses	270,120	306,077
Deferred financing asset	-	460,373
Investments	68,400	60,958
<b>Total current assets</b>	7,518,940	2,281,999
Property and equipment (Note 7)	4,478,353	2,136,638
Intangible assets (Note 8)	7,016,172	7,107,242
Goodwill (Note 8)	5,483,697	5,483,697
<b>TOTAL ASSETS</b>	<b>\$ 24,497,162</b>	<b>\$ 17,009,576</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 1,612,242	\$ 2,150,757
Deferred revenue (Note 9)	231,125	216,178
Loans and borrowings (Note 10)	207,780	268,485
Current portion of lease obligations (Note 11)	928,644	831,689
Note payable (Note 12)	1,168,792	6,252,125
Due to related parties (Note 13)	-	2,156,291
<b>Total current liabilities</b>	4,148,583	11,875,525
Lease obligations (Note 11)	3,139,733	808,011
Note payable (Note 12)	3,534,181	3,405,084
Deferred tax liability	1,763,502	1,763,502
<b>TOTAL LIABILITIES</b>	<b>12,585,999</b>	<b>17,852,122</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 14)	34,647,639	19,361,821
Reserve (Note 15)	1,273,804	646,481
Accumulated deficit	(24,010,280)	(20,850,848)
<b>TOTAL SHAREHOLDERS' EQUITY (DEFICIT)</b>	<b>11,911,163</b>	<b>(842,546)</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 24,497,162</b>	<b>\$ 17,009,576</b>

Subsequent Event (Note 20)

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on May 27, 2021. 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, 2021	March 31, 2020
<b>REVENUE</b> (Note 5)	\$ 3,786,129	\$ 1,071,851
<b>OPERATING EXPENSES</b>		
Cost of software and services and software licensing fees	2,017,640	726,493
Selling, general and administrative expenses (Note 6)	2,307,691	747,314
Depreciation (Note 7)	227,523	87,121
Amortization of intangible assets (Note 8)	91,070	12,849
Stock-based compensation (Notes 15 and 18)	339,617	-
<b>LOSS FROM OPERATIONS</b>	(1,197,412)	(501,926)
<b>OTHER INCOME AND EXPENSES</b>		
Interest expense	(278,452)	(15,491)
Foreign exchange gain (loss)	549	(735)
Fair value gain on investment	7,442	-
Listing expenses (Note 3)	(1,634,456)	-
<b>NET LOSS AND COMPREHENSIVE LOSS BEFORE TAX</b>	(3,102,329)	(518,152)
Income tax expense	(57,103)	-
<b>NET LOSS AND COMPREHENSIVE LOSS</b>	\$ (3,159,432)	\$ (518,152)
<b>BASIC AND DILUTED LOSS PER POST-CONSOLIDATION SHARE</b>	\$ (0.24)	\$ (0.04)
<b>WEIGHTED AVERAGE NUMBER OF POST-CONSOLIDATION COMMON SHARES OUTSTANDING, BASIC AND DILUTED</b>	13,238,430	11,866,067

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

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

	For the Three Months Ended	
	March 31, 2021	March 31, 2020
<b>Cash flows provided by (used in):</b>		
<b>OPERATING ACTIVITIES</b>		
<b>Net loss</b>	\$ (3,159,432)	\$ (518,152)
<b>Adjustments for items not affecting cash:</b>		
Income tax expense	57,103	-
Depreciation	227,523	87,121
Amortization of intangible assets	91,070	12,849
Interest expense	278,452	15,491
Fair value gain on investment	(7,442)	-
Stock-based compensation	339,617	-
Consulting fees	50,000	-
Listing expenses	1,381,428	-
	(741,681)	(402,691)
<b>Net changes in non-cash working capital items:</b>		
Receivables and prepaid expenses	613,871	12,445
Accounts payable and accrued liabilities	(778,488)	(48,978)
Deferred revenue	14,947	(43,607)
	(891,351)	(482,831)
Taxes paid	-	-
Interest paid	(231,986)	(15,346)
<b>Net cash flows used in operating activities</b>	<b>(1,123,337)</b>	<b>(498,177)</b>
<b>INVESTING ACTIVITY</b>		
Payment for acquisition of Gateway (Note 12)	(5,000,000)	-
Purchase of property and equipment	(10,576)	(3,255)
Cash acquired from Cherry Street Capital Inc. (Note 3)	673,611	-
<b>Net cash flows used in investing activities</b>	<b>(4,336,965)</b>	<b>(3,255)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares, net of share issuance costs (Note 14)	12,384,990	-
(Repayment of) proceeds from shareholder loans	(889,926)	500,000
(Repayment of) proceeds from operating line of credit	(44,457)	49,000
Repayment of demand loan	(16,950)	(16,950)
Repayment of lease obligations	(129,985)	(19,758)
<b>Net cash flows provided by financing activities</b>	<b>11,303,672</b>	<b>512,292</b>
<b>Net increase in cash</b>	<b>5,843,370</b>	<b>10,860</b>
<b>Cash, beginning</b>	<b>908,009</b>	<b>22,567</b>
<b>Cash, ending</b>	<b>\$ 6,751,379</b>	<b>\$ 33,427</b>
<b>Supplemental cash flow information:</b>		
Non-cash settlement of shareholder loans	\$ 1,266,365	\$ -

The accompanying notes form an integral part of these condensed 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
<b>Balance, December 31, 2019</b>	<b>11,866,067</b>	<b>\$ 15,692,168</b>	<b>\$ -</b>	<b>\$ (15,429,627)</b>	<b>\$ 262,541</b>
Net and comprehensive loss for the period	-	-	-	(518,152)	(518,152)
<b>Balance, March 31, 2020</b>	<b>11,866,067</b>	<b>\$ 15,692,168</b>	<b>\$ -</b>	<b>\$ (15,947,779)</b>	<b>\$ (255,611)</b>
<b>Balance, December 31, 2020</b>	<b>12,600,000</b>	<b>\$ 19,361,821</b>	<b>\$ 646,481</b>	<b>\$ (20,850,848)</b>	<b>\$ (842,546)</b>
Shares issued for cash (Note 14)	2,665,984	13,329,920	-	-	13,329,920
Share issuance costs	-	(1,165,467)	220,537	-	(944,930)
Shares issued for reverse take-over (Notes 3 and 14)	361,000	1,805,000	67,169	-	1,872,169
Shares issued to settle related party loans (Notes 13 and 14)	253,273	1,266,365	-	-	1,266,365
Shares issued for consulting services (Notes 14 and 18)	10,000	50,000	-	-	50,000
Stock-based compensation (Note 15 and 18)	-	-	339,617	-	339,617
Net and comprehensive loss for the period	-	-	-	(3,159,432)	(3,159,432)
<b>Balance, March 31, 2021</b>	<b>15,890,257</b>	<b>\$ 34,647,639</b>	<b>\$ 1,273,804</b>	<b>\$ (24,010,280)</b>	<b>\$ 11,911,163</b>

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 months ended March 31, 2021 and 2020

(In Canadian dollars - unaudited)

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## 1. REPORTING ENTITY

On March 15, 2021, Cherry Street Capital Inc. (a Canadian company previously listed on the TSX Venture Exchange (the "Exchange") under the symbol "CHSC.P") ("Cherry Street") acquired all of the outstanding shares of Tribe Property Technologies Inc. ("Tribe Private") by way of a three-cornered amalgamation in which a wholly-owned subsidiary of Cherry Street amalgamated with Tribe Private with Tribe Private surviving as a wholly-owned subsidiary of Cherry Street under the name "Tribe Property Solutions Inc.". On March 15, 2021, Cherry Street changed its name to "Tribe Property Technologies Inc." ("Tribe" or the "Company") and on March 25, 2021, the Company was listed on the Exchange under the symbol "TRBE" (Note 3).

The Company was incorporated under the Business Corporations Act (Ontario) on June 5, 2017 and changed its name to Tribe Property Technologies Inc. on March 15, 2021.

The principal business activity of the Company is offering an integrated technology-enabled property management service model to meet the needs of developers, condominium and residential communities, and owners and residents. The Company's registered office is 1130-400 Burrard Street, Vancouver, BC and its principal place of business is 419-1155 West Pender Street, Vancouver, BC.

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Company in future periods, including the possible impact on future financing opportunities.

## 2. BASIS OF PRESENTATION

### 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, 2020 and the notes thereto.

These condensed consolidated interim financial statements are based on the IFRS issued and effective as of May 27, 2021, 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 determine 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.

## TRIBE PROPERTY TECHNOLOGIES INC.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2021 and 2020

(In Canadian dollars - unaudited)

### 2. BASIS OF PRESENTATION (continued)

#### Impairment of goodwill

The Company evaluates the cash generating units ("CGUs") to which goodwill has been allocated each reporting period to determine if there are any indications of impairment. If any such indications exist, an estimate of the recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount of

the CGU exceeds the recoverable amount. Judgement is required in assessing whether a CGU has indications of impairment, and the determination of the recoverable amount requires the use of estimates.

### 3. REVERSE TAKEOVER TRANSACTION

On March 15, 2021, Cherry Street acquired all of the outstanding shares of Tribe Private by way of a three-cornered amalgamation and changed its name to "Tribe Property Technologies Inc." (Note 1). The transaction was completed by way of a share exchange between the shareholders of Cherry Street and the shareholders of Tribe Private. In exchange for 100% of the issued and outstanding shares of Tribe Private, the shareholders of Tribe Private received an aggregate of 15,529,257 common shares of the Company. Stock options of Cherry Street and Tribe Private were exchanged for equivalent stock options of the Company.

The transaction resulted in Tribe Private obtaining control of the combined entity by obtaining control of governance and management decision-making processes, and the resulting authority to govern the financial and operating policies of the combined entity.

The transaction constituted a reverse acquisition of Cherry Street by Tribe Private and has been accounted for as a reverse acquisition transaction in accordance with IFRS 2, Share-based payments (the "RTO"). The Company did not meet the definition of a business in accordance with IFRS 3, Business combinations, as such, the transaction does not constitute a business combination.

For accounting purposes, Tribe Private is treated as the accounting parent (legal subsidiary) and Cherry Street as the accounting subsidiary (legal parent). The fair value of the consideration paid by Tribe Private less the fair value of net assets acquired of Cherry Street constitutes listing expense and has been recorded in the statement of loss and comprehensive loss.

The RTO was measured at the fair value of the shares that Tribe Private would have had to issue to the shareholders of Cherry Street, being 361,000 common shares, to give the shareholders of Cherry Street the same percentage of equity interest in the combined entity that results from the reverse acquisition had it taken the legal form of Tribe Private acquiring Cherry Street.

	March 16, 2021
<b>Consideration paid on RTO</b>	
361,000 common shares	\$ 1,805,000
Fair value of replacement options <sup>(1)</sup>	67,169
Total consideration	1,872,169
<b>Less: Fair value of net assets acquired</b>	
Cash	673,611
Accounts payable	(182,870)
Net identifiable assets acquired	490,741
<b>Excess consideration over net assets acquired</b>	<b>1,381,428</b>
Transaction costs	253,028
<b>Listing expenses</b>	<b>\$ 1,634,456</b>

<sup>(1)</sup> Fair value of Company options upon completion of the RTO.



## TRIBE PROPERTY TECHNOLOGIES INC.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2021 and 2020

(In Canadian dollars - unaudited)

### 4. BUSINESS COMBINATION

On December 31, 2020, Tribe acquired 100% of the common shares of Gateway Property Management Corp. ("Gateway") and R.D.C. Property Services Ltd. ("RDC") for 200,000 common shares of the Company and a promissory note of \$9,000,000 (Notes 12 and 14). Included in the agreement are purchase price adjustments that are based on revenue targets for 2021. No value has been assigned to these adjustments as they cannot be reliably estimated, and their impact is expected to be insignificant to the purchase price. In connection with the acquisition, the Company incurred transaction costs of \$110,000.

Gateway and RDC are property management service companies with a network of clients across Canada. The acquisition expands Tribe's geographical footprint in the condo management services sector to the provinces of Alberta, Ontario, and Quebec, as well as significantly increases the scale of Tribe's rental management business.

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

Fair value of Tribe shares (200,000 common shares at \$5 per share)	\$	1,000,000
Promissory note		8,688,417
Working capital payment		968,792
<b>Fair value of purchase consideration</b>	<b>\$</b>	<b>10,657,209</b>
<b>Allocated to:</b>		
Cash	\$	876,774
Investment in marketable securities		60,958
Accounts receivable		384,897
Prepaid expenses		262,162
Property and equipment (Note 7)		1,612,096
Intangible assets (Note 8)		6,257,650
Goodwill (Note 8)		4,766,641
Accounts payable and accrued liabilities		(550,189)
Lease liabilities (Note 11)		(1,323,780)
Deferred tax liability		(1,690,000)
<b>Total</b>	<b>\$</b>	<b>10,657,209</b>

The goodwill represents 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 receivables acquired in the transaction have a fair value of \$384,897 which approximates the gross contractual amounts receivable. The best estimate at the acquisition date of the contractual cash flows for which collection is uncertain is \$0.

As of March 31, 2021, the allocation of the purchase price has not been finalized. The Company is currently in the process of finalizing the working capital payment adjustment. The Company will finalize the allocation of the purchase price no later than December 31, 2021.

**TRIBE PROPERTY TECHNOLOGIES INC.**

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2021 and 2020

(In Canadian dollars - unaudited)

**5. REVENUE**

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

	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Software and service fees	\$ 3,274,167	\$ 805,275
Transactional revenues	426,991	187,396
Software and services	3,701,158	992,671
Software licensing fees	84,971	79,180
Total revenue	\$ 3,786,129	\$ 1,071,851

**6. SELLING, GENERAL AND ADMINISTRATIVE**

Selling, general and administrative expenses are comprised of:

	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Salaries and wages	\$ 1,316,298	\$ 501,521
Office expenses	595,774	130,896
Professional fees	326,803	96,119
Investor relations	47,500	-
Advertising and promotion	21,316	18,778
	\$ 2,307,691	\$ 747,314

**TRIBE PROPERTY TECHNOLOGIES INC.**

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2021 and 2020

(In Canadian dollars - unaudited)

**7. PROPERTY AND EQUIPMENT**

	Computer hardware	Computer software	Furniture and equipment	Leasehold improvements	Right-of-use assets	Total
<b>Cost</b>						
Balance, April 30, 2020	200,229	1,039,713	72,184	168,751	559,216	2,040,093
Additions	11,962	4,090	576	-	13,342	29,970
Assets acquired (Note 4)	30,688	5,457	84,037	168,021	1,323,893	1,612,096
Balance, December 31, 2020	\$ 242,879	\$ 1,049,260	\$ 156,797	\$ 336,772	\$ 1,896,451	\$ 3,682,159
Additions	7,440	418	2,718	-	2,558,662	2,569,238
Balance, March 31, 2021	\$ 250,319	\$ 1,049,678	\$ 159,515	\$ 336,772	\$ 4,455,113	\$ 6,251,397
<b>Accumulated amortization</b>						
Balance, April 30, 2020	156,675	694,925	38,943	165,032	317,460	1,373,035
Depreciation	13,481	68,794	4,413	879	84,919	172,486
Balance, December 31, 2020	\$ 170,156	\$ 763,719	\$ 43,356	\$ 165,911	\$ 402,379	\$ 1,545,521
Depreciation	10,455	27,027	22,242	5,932	161,867	227,523
Balance, March 31, 2021	\$ 180,611	\$ 790,746	\$ 65,598	\$ 171,843	\$ 564,246	\$ 1,773,044
<b>Net book value</b>						
Balance, December 31, 2020	\$ 72,723	\$ 285,541	\$ 113,441	\$ 170,861	\$ 1,494,072	\$ 2,136,638
Balance, March 31, 2021	\$ 69,708	\$ 258,932	\$ 93,917	\$ 164,929	\$ 3,890,867	\$ 4,478,353

During the three months ended March 31, 2021, the Company entered into lease agreements for office space with a present value of future lease payments of \$2,521,815 and lease agreements for computer equipment with a present value of future lease payments of \$36,847.

**TRIBE PROPERTY TECHNOLOGIES INC.**

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2021 and 2020

(In Canadian dollars - unaudited)

**8. INTANGIBLE ASSETS AND GOODWILL**

	Customer Relationships	Goodwill
<b>Cost</b>		
Balance, April 30, 2020	\$ 1,027,958	\$ 717,056
Additions (Note 4)	6,257,650	4,766,641
Balance, December 31, 2020 and March 31, 2021	\$ 7,285,608	\$ 5,483,697
<b>Accumulated amortization</b>		
Balance, April 30, 2020	144,101	-
Amortization	34,265	-
Balance, December 31, 2020	\$ 178,366	\$ -
Amortization	91,070	-
Balance, March 31, 2021	\$ 269,436	\$ -
<b>Net book value</b>		
Balance, December 31, 2020	\$ 7,107,242	\$ 5,483,697
Balance, March 31, 2021	\$ 7,016,172	\$ 5,483,697

**9. DEFERRED REVENUE**

Balance, April 30, 2020	\$ 229,446
Billings	149,002
Revenue recognized	(162,270)
Balance, December 31, 2020	216,178
Billings	69,792
Revenue recognized	(54,845)
Balance, March 31, 2021	\$ 231,125

**10. LOANS AND BORROWINGS**

	March 31, 2021	December 31, 2020
Operating lines of credit	\$ -	\$ 44,457
CEBA loan	21,556	20,854
Demand loan	186,224	203,174
	\$ 207,780	\$ 268,485

*Operating lines of credit*

The Company has two operating lines of credit available to be drawn at the Company's discretion.

The Company has a \$1,000,000 operating line of credit available with the Toronto-Dominion Bank ("TD"). The interest rate is prime + 1.25% per annum and is calculated daily and payable monthly in arrears. All amounts are repayable immediately on demand by TD and the credit facility may be terminated by TD at any time.

The Company has a \$1,000,000 operating line of credit available with the Canadian Imperial Bank of Commerce ("CIBC"). The interest rate is prime + 0% per annum and is calculated daily and payable monthly in arrears. All amounts are repayable immediately on demand by CIBC and the credit facility may be terminated by CIBC at any time.

*CEBA loan*

On April 30, 2020, the Company received a \$40,000 line of credit ("CEBA loan") under the Canada Emergency Business Account ("CEBA") program funded by the Government of Canada. The CEBA loan is non-interest bearing and can be repaid without penalty at any time.

**TRIBE PROPERTY TECHNOLOGIES INC.**

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2021 and 2020

(In Canadian dollars - unaudited)

**10. LOANS AND BORROWINGS (continued)**

On June 30, 2021, the outstanding balance on the CEBA loan will automatically convert to a 2-year interest free term loan ("CEBA term loan"). If 75% of the CEBA term loan on June 30, 2021 is repaid on or before December 31, 2022, the repayment of the remaining 25% shall be forgiven. If, on December 31, 2022, the Company exercises the option for a 3-year term extension, interest of 5% per annum will apply to any remaining balance during the extension period.

The Company recorded the CEBA loan at fair value using an effective interest rate of 13.3%. The fair value of the loan is accreted up to its cost and during the three months ended March 31, 2021, interest accretion of \$702 was recognized.

*Demand loan*

On January 17, 2019, the Company secured a loan facility of up to \$300,000. The loan is due on demand and bears interest at prime plus 2% per annum, calculated on the daily outstanding balance of the loan and is due monthly.

The loan is secured by:

- First priority over all present and subsequently acquired personal property;
- Unlimited guarantee of advances executed by Tribe, supported by second charge on all present and subsequently acquired personal property of Tribe;
- Evidence of business insurance, including general liability insurance; and
- Postponement and assignment of creditor's claim executed by Tribe postponing shareholder loans in the amount of \$350,605.

A summary of the balances outstanding are as follows:

Balance, April 30, 2020	\$	248,375
Interest expense		6,942
Interest payments		(6,942)
Principal repayments		(45,201)
Balance, December 31, 2020		203,174
Interest expense		2,222
Interest payments		(2,222)
Principal repayments		(16,950)
Balance, March 31, 2021	\$	186,224

**11. LEASES**

The Company leases office space for its operations as well as computers and related equipment. The leased assets and liabilities were measured at the present value of the lease payments plus the anticipated exercise of renewal options, discounted using the incremental borrowing rate which was estimated to be between 10% and 13%.

The Company's lease liabilities are as follows:

	March 31, 2021	December 31, 2020
Current portion of lease obligations	\$ 928,644	\$ 831,689
Non-current portion of lease obligations	3,139,733	808,011
	\$ 4,068,377	\$ 1,639,700

**TRIBE PROPERTY TECHNOLOGIES INC.**

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2021 and 2020

(In Canadian dollars - unaudited)

**11. LEASES (continued)**

The lease liability interest expense recognized in the statement of loss and comprehensive loss and lease payments recognized in the financing component of the statement of cash flows is as follows:

Balance, April 30, 2020	\$	420,326
New leases		13,342
Leases acquired (Note 4)		1,323,780
Interest expense		26,540
Payments		(144,288)
Balance, December 31, 2020		1,639,700
New leases		2,558,662
Interest expense		105,265
Payments		(235,250)
Balance, March 31, 2021	\$	4,068,377

As at March 31, 2021, the Company is committed to minimum lease payments as follows:

	March 31, 2021
Less than one year	\$ 920,368
One to five years	3,188,993
More than five years	2,078,873
Total undiscounted lease liabilities	\$ 6,118,234

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

**12. NOTE PAYABLE**

In connection with the acquisition of Gateway (Note 4), the Company owes a note payable of \$9,000,000 plus a working capital adjustment of \$968,792. The note payable bears interest at 5% per annum, which is accrued and paid monthly. The principal is repayable as follows:

- \$5,000,000, plus accrued interest, upon completion of the RTO (Note 3). This was repaid during the three months ended March 31, 2021;
- \$1,000,000 payable on the second anniversary of the closing date;
- \$1,000,000 payable on the third anniversary of the closing date;
- \$1,000,000 payable on the fourth anniversary of the closing date;
- The remaining principal and any accrued interest outstanding, on the fifth anniversary of the closing date.

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

	March 31, 2021	December 31, 2020
Current portion of note payable	\$ 200,000	\$ 5,283,333
Working capital payment	968,792	968,792
Total current portion of note payable	1,168,792	6,252,125
Non-current portion of note payable	3,534,181	3,405,084
Total note payable	\$ 4,702,973	\$ 9,657,209

The balance of the note payable recognized in the statement of financial position is as follows:

Balance, December 31, 2020	9,657,209
Interest expense	158,264
Interest payment	(112,500)
Principal payment	(5,000,000)
Balance, March 31, 2021	\$ 4,702,973

**13. DUE TO RELATED PARTIES**

During the three months ended March 31, 2021, the Company settled \$2,156,291 of amounts due to related parties. Of the amount owing, \$889,926 was repaid in cash and \$1,266,365 was converted to common stock through the issuance of 253,273 common shares (Note 14).

## TRIBE PROPERTY TECHNOLOGIES INC.

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### 14. SHARE CAPITAL

#### 14.1 Authorized

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

#### 14.2 Issued common shares

In connection with the RTO, Tribe Private consolidated its common shares on the basis of one post-consolidation common share for every 9.1719 pre-consolidation common shares. All share figures have been recast to reflect the consolidation. As at March 31, 2021 and December 31, 2020, the Company had 15,890,257 and 12,600,000 common shares outstanding, respectively.

On December 11, 2020, Tribe Private completed a brokered private placement financing through the issuance of 2,325,984 subscription receipts at a purchase price of \$5.00 per receipt for gross proceeds of \$11,629,920. In connection with the financing, the agents received a cash commission of \$620,745, representing 6% of the gross proceeds, and 146,434 stock options representing 6% of the subscription receipts sold. The gross proceeds were held in escrow pending satisfaction of certain conditions. The proceeds were released from escrow on March 16, 2021 and the common shares were recognized in the statement of changes in shareholders' equity on that date.

On March 5, 2021, Tribe Private completed a non-brokered private placement financing through the issuance of 340,000 subscription receipts at a purchase price of \$5.00 per receipt for gross proceeds of \$1,700,000. In connection with the financing, the agents received a cash commission of \$59,500, representing 3.5% of the gross proceeds, and 11,900 stock options representing 3.5% of the subscription receipts sold. The gross proceeds were held in escrow pending satisfaction of certain conditions. The proceeds were released from escrow on March 29, 2021 and the common shares were recognized in the statement of changes in shareholders' equity on that date.

These stock options were valued using the Black-Scholes Merton Option Pricing Model, using an exercise price of \$5.00, expected life of 2 years, volatility of 50% and risk-free rate of 0.31%, resulting in a total fair value of \$220,537. These options have been recorded as share issuance costs.

On February 12, 2021, the Company settled \$1,266,365 of amounts owing to related parties through the issuance of 253,273 common shares (Note 13).

On March 16, 2021, the RTO was completed by way of a share exchange between the shareholders of Cherry Street and the shareholders of Tribe Property Technologies Inc. (Note 3). The RTO was measured at the fair value of the shares that Tribe Property Technologies Inc. would have had to issue to the shareholders of Cherry Street, being 361,000 common shares, to give the shareholders of Cherry Street the same percentage of equity interest in the combined entity that results from the reverse acquisition had it taken the legal form of Tribe Property Technologies Inc. acquiring Cherry Street.

On March 16, 2021, the Company issued 10,000 common shares with a fair value of \$50,000 to a related party, for consulting services received in connection with the public listing (Note 18).

### 15. STOCK OPTIONS

The Company has a rolling stock option plan 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 options are fixed by the Board of Directors and are not to exceed ten years. The exercise price of options is determined by the Board of Directors.

Options granted under the plan may vest immediately on grant, or over a period as determined by the Board of Directors or, in respect of options granted for investor relations services, as prescribed by Exchange policy. The Black-Scholes-Merton option pricing model inputs for stock options granted during the three months ended March 31, 2021 are as follows:

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**15. STOCK OPTIONS (continued)**

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
01-Feb-2021	31-Jan-2026	\$5.00	\$5.00	0.42%	5	50%	0%	\$2.15
22-Feb-2021	21-Feb-2026	\$5.00	\$5.00	0.67%	5	50%	0%	\$2.17
22-Feb-2021	21-Feb-2026	\$5.00	\$5.00	0.23%	2	50%	0%	\$1.39

The risk-free interest rate is based on the Canadian government bond rate for a similar term as the expected life of the stock options. The annualized volatility is based on comparable companies' historical share prices. The options vest over periods of 1, 2 and 4 years.

Total expenses arising from stock-based compensation recognized during the three months ended March 31, 2021 was \$339,617 (March 31, 2020 - nil), using the Black-Scholes-Merton option pricing model. The share price at grant date was based on the Company's most recent financing.

A continuity schedule of the Company's outstanding stock options for the three months ended March 31, 2021 and 2020 is as follows:

	March 31, 2021		March 31, 2020	
	Number outstanding	Weighted average exercise price	Number outstanding	Weighted average exercise price
<b>Outstanding, beginning</b>	394,530	\$ 2.75	-	\$ -
Cherry Street options exchanged in reverse acquisition	36,100	4.22	-	\$ -
Granted	778,874	5.00	-	-
<b>Outstanding, ending</b>	1,209,504	\$ 4.24	-	\$ -
<b>Exercisable, ending</b>	708,874	\$ 3.71	-	\$ -

At March 31, 2021, the Company had outstanding stock options exercisable to acquire common shares of the Company as follows:

Expiry date	Options outstanding	Options exercisable	Exercise price	Weighted average remaining contractual life (in years)
February 21, 2023	70,000	5,000	\$ 5.00	1.90
March 15, 2023	158,334	158,334	\$ 5.00	1.96
September 26, 2023	36,100	36,100	\$ 4.22	2.49
April 30, 2025	394,530	394,530	\$ 2.75	4.08
January 31, 2026	200,000	50,000	\$ 5.00	4.84
February 21, 2026	350,540	64,910	\$ 5.00	4.90
	1,209,504	708,874		3.99



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**16. FINANCIAL INSTRUMENTS***16.1 Categories of financial instruments and fair value measurements*

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

	Level	March 31, 2021	December 31, 2020
<b>Financial assets:</b>			
<b><i>Fair value through profit and loss</i></b>			
Cash	1	\$ 6,751,379	\$ 908,009
Investments	1	\$ 68,400	\$ 60,598
<b><i>Amortized cost</i></b>			
Receivables	2	\$ 429,041	\$ 546,582
<b>Financial liabilities:</b>			
<b><i>Financial liabilities at amortized cost</i></b>			
Accounts payable	2	\$ 1,333,076	\$ 1,978,029
Credit facility	2	\$ -	\$ 44,457
Short-term debt	2	\$ 21,556	\$ 20,854
Demand loan	2	\$ 186,224	\$ 203,174
Note payable	2	\$ 4,702,973	\$ 9,657,209
Due to related parties	2	\$ -	\$ 2,156,291

*16.2 Fair value information*

The fair values of the Company's financial instruments approximate their carrying amounts due to the short-term nature of these instruments.

IFRS 13 *Fair Value Measurement* establishes a fair value hierarchy that reflects the significance of inputs used in measuring fair value as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

*16.3 Management of financial risks*

There were no transfers between levels of the fair value hierarchy during the three months ended March 31, 2021 and 2020. As at March 31, 2021 and December 31, 2020, the Company's cash 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, 2021:

	Within 12 months	After 12 months
Accounts payable and accrued liabilities	\$ 1,612,242	\$ -
Short-term debt	21,556	-
Demand loan	186,224	-
Lease obligations	920,368	5,267,866
Note payable	1,168,792	4,450,000
<b>Total</b>	<b>\$ 3,909,182</b>	<b>\$ 9,717,866</b>

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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### 16. FINANCIAL INSTRUMENTS (continued)

#### *Credit risk*

The Company has a significant number of customers which minimizes concentration of credit risk. Credit risk arises from the potential that a counterparty will fail to perform its obligations. 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. The Company's cash are also exposed to credit risk. Cash is held with a major financial institution, consequently the risk is low.

#### *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rates on its short-term debt, note payable and demand loan is 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 income (loss) will vary from fluctuations of foreign exchange rates and the degree of volatility of these rates. 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, 2021, the most significant financial liabilities are accounts payables and accrued liabilities, short-term debt, the demand loan, and note payable. As at March 31, 2021, the Company assessed liquidity risk as moderate.

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**17. SEGMENTED INFORMATION**

Management determined the Company's operating segments based on information reviewed by the Company's chief operating decision-maker, which consists of the Chief Executive Officer and the leadership team; largely on the basis of services offered and the classes of customers served.

The Company has three operating segments: (1) software and services, (2) software licensing fees, and (3) corporate. Software and services refers to the tech-enabled management of condominium and residential communities. Software licensing fees refers to the support, community management platform and related services provided to developers, condominium and residential communities, and owners and residents. The Company's corporate segment provides general strategic and operational leadership and management, and shared services to the group through the Company's head office operations (finance and accounting, information technology and support, marketing and promotion, human resources). Financial performance and balances by segment are as follows:

	Software and Services	Software Licensing Fees	Corporate	Total
<b>For the three months ended March 31, 2021</b>				
Revenue	\$ 3,701,158	\$ 84,971	\$ -	\$ 3,786,129
Expenses	\$ 3,841,279	\$ 717,671	\$ 2,386,611	\$ 6,945,561
Net loss	\$ (140,121)	\$ (632,700)	\$ (2,386,611)	\$ (3,159,432)
<b>For the three months ended March 31, 2020</b>				
Revenue	\$ 992,671	\$ 79,180	\$ -	\$ 1,071,851
Expenses	\$ 954,932	\$ 443,108	\$ 191,963	\$ 1,590,003
Net income (loss)	\$ 37,739	\$ (363,928)	\$ (191,963)	\$ (518,152)
<b>As at March 31, 2021</b>				
Assets	\$ 17,382,666	\$ 7,114,496	\$ -	\$ 24,497,162
Liabilities	\$ 11,630,793	\$ 955,206	\$ -	\$ 12,585,999
<b>As at December 31, 2020</b>				
Assets	\$ 14,643,624	\$ 2,365,952	\$ -	\$ 17,009,576
Liabilities	\$ 13,849,833	\$ 4,002,289	\$ -	\$ 17,852,122

**18. RELATED PARTY TRANSACTIONS**

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

During 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:

	March 31, 2021	March 31, 2020
Salary	\$ 165,577	\$ 110,385
Short-term benefits	\$ 29,435	\$ 25,161
Stock-based compensation	\$ 244,729	\$ -

- b) During the three months ended March 31, 2021, the Company paid cash of \$37,500 and issued shares with a fair value of \$50,000 to a related party for consulting services received in connection with the going public transaction.
- c) During the three months ended March 31, 2021, the Company made lease payments for office space of \$125,045 to a company controlled by a director of a related entity. The office leases have an average term of 9.75 years.

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### **19. CAPITAL MANAGEMENT**

The Company's objectives when managing capital are to ensure that there are adequate capital resources to safeguard the Company's ability to execute on its strategic operating plan, continue as a going concern and to maximize its financial flexibility by maintaining strong liquidity and by utilizing alternative sources of capital including equity, debt and bank loans or lines of credit to fund continued growth. In the management of capital, the Company includes the components of shareholders' equity and short-term liabilities, as well as cash. The Company sets the amount of capital in proportion to risk and based on the availability of funding sources. The Company manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. Additional debt and/or equity financing may be pursued in the future as deemed appropriate to balance debt and equity. To maintain or adjust the capital structure, the Company may issue new shares, take on additional debt or sell assets to reduce debt. The Company is not subject to any externally imposed capital requirements and the Company does not pay out dividends. There were no changes in the Company's approach to capital management during the period.

### **20. SUBSEQUENT EVENT**

Subsequent to March 31, 2021, the Company entered into the following transaction:

On April 20, 2021, the Company acquired Key Property Management's rental portfolio, comprising 75 service contracts, further adding to Tribe's rental services in British Columbia. The purchase price of \$115,000 is payable as follows:

- a) \$90,000, paid in cash on the closing date; and
- b) The balance of \$25,000, payable on the 1<sup>st</sup> day of the fourteenth month following the closing date.