

TRIBE PROPERTY TECHNOLOGIES INC.

Consolidated Financial Statements

For the period ended December 31, 2020 and year ended April 30, 2020

(Expressed in Canadian Dollars)



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Directors of Tribe Property Technologies Inc. :

Opinion

We have audited the consolidated financial statements of Tribe Property Technologies Inc. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2020 and April 30, 2020, and the consolidated statements of loss and comprehensive loss, cash flows and changes in shareholders equity for the period May 1, 2020 to December 31, 2020 and for the year ended April 30, 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and April 30, 2020, and its financial performance and its cash flows for the period May 1, 2020 to December 31, 2020 and for the year ended April 30, 2020 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes events or conditions that indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC



April 28, 2021

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

As at	December 31, 2020	April 30, 2020
ASSETS		
Current assets		
Cash	\$ 908,009	\$ 119,433
Receivables (Note 7)	546,582	526,402
Prepaid expenses	306,077	15,392
Deferred financing asset (Note 16)	460,373	-
Investments	60,958	-
Total current assets	2,281,999	661,227
Property and equipment (Note 8)	2,136,638	667,058
Intangible assets (Note 9)	7,107,242	883,857
Goodwill (Note 9)	5,483,697	717,056
TOTAL ASSETS	\$ 17,009,576	\$ 2,929,198
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 10)	\$ 2,150,757	\$ 719,537
Deferred revenue (Note 11)	216,178	229,446
Loans and borrowings (Note 12)	268,485	276,622
Current portion of lease obligations (Note 13)	831,689	214,195
Note payable (Note 14)	6,252,125	-
Due to related parties (Note 15)	2,156,291	1,625,873
Total current liabilities	11,875,525	3,065,673
Lease obligations (Note 13)	808,011	206,131
Note payable (Note 14)	3,405,084	-
Deferred tax liability (Note 18)	1,763,502	73,502
TOTAL LIABILITIES	17,852,122	3,345,306
SHAREHOLDERS' EQUITY		
Share capital (Note 16)	19,361,821	15,692,168
Reserve (Note 17)	646,481	-
Accumulated deficit	(20,850,848)	(16,108,276)
TOTAL SHAREHOLDERS' EQUITY	(842,546)	(416,108)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 17,009,576	\$ 2,929,198

Subsequent Events (Note 23)

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

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

	For the period May 1 2020 – December 31, 2020	For the year ended April 30, 2020
REVENUE (Note 5)	\$ 3,065,479	\$ 4,213,193
OPERATING EXPENSES		
Cost of property management and digital services	1,938,893	3,043,783
Selling, general and administrative expenses (Note 6)	2,255,454	2,527,379
Depreciation (Note 8)	172,486	556,552
Amortization of intangible assets (Note 9)	34,265	51,398
Stock-based compensation (Notes 17 and 21)	646,481	-
Transaction costs (Notes 16 and 21)	2,669,653	-
LOSS FROM OPERATIONS	(4,651,753)	(1,965,919)
OTHER INCOME AND EXPENSES		
Interest expense (Notes 12, 13 and 15)	(91,176)	(115,355)
Foreign exchange gain (loss)	357	(2,309)
Government grant (Note 12)	-	21,118
NET LOSS AND COMPREHENSIVE LOSS BEFORE TAX	(4,742,572)	(2,062,465)
Income tax expense (Note 18)	-	(1,679)
NET LOSS AND COMPREHENSIVE LOSS	\$ (4,742,572)	\$ (2,064,144)
BASIC AND DILUTED LOSS PER POST-CONSOLIDATION SHARE (Note 23)	\$ (0.40)	\$ (0.17)
WEIGHTED AVERAGE NUMBER OF POST-CONSOLIDATION COMMON SHARES OUTSTANDING, BASIC AND DILUTED (Note 23)	11,944,528	11,866,067

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

TRIBE PROPERTY TECHNOLOGIES INC.
Consolidated Statements of Cash Flow
(Expressed in Canadian Dollars)

	For the period May 1 2020 – December 31, 2020	For the year ended April 30, 2020
Cash flows provided by (used in):		
OPERATING ACTIVITIES		
Net loss	\$ (4,742,572)	\$ (2,064,144)
Adjustments for item not affecting cash:		
Income tax expense	-	1,679
Depreciation	172,486	556,552
Amortization of intangibles	34,265	51,398
Interest expense	91,176	120,757
Government grant	-	(21,118)
Stock-based compensation	646,481	-
Transaction costs	2,669,653	-
	(1,128,511)	(1,354,876)
Net changes in non-cash working capital items:		
Receivables and prepaid expenses	(124,179)	73,750
Accounts payable and accrued liabilities	880,727	123,055
Deferred revenue	(13,268)	(26,180)
	(385,231)	(1,184,251)
Taxes paid	-	-
Interest paid	(33,482)	(61,776)
Net cash flows used in operating activities	(418,713)	(1,246,027)
INVESTING ACTIVITY		
Cash acquired on acquisition of Gateway (Note 4)	876,774	-
Purchase of property and equipment	(16,628)	(16,163)
Acquisition of False Creek	-	(35,000)
Net cash flows provided by (used in) investing activity	860,146	(51,163)
FINANCING ACTIVITIES		
Proceeds from shareholder loans (Note 15)	475,000	1,430,000
Proceeds from demand loan (Note 12)	-	42,471
Proceeds from CEBA loan (Note 12)	-	40,000
Proceeds from operating line of credit	35,092	9,365
Repayment of demand loan	(45,201)	(51,625)
Repayments of lease obligations	(117,748)	(74,277)
Net cash flows provided by financing activities	347,143	1,395,934
Net increase in cash	788,576	98,744
Cash, beginning	119,433	20,689
Cash, ending	\$ 908,009	\$ 119,433
Supplemental cash flow information:		
Non-cash settlement of shareholder loans	\$ -	\$ 350,000

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

TRIBE PROPERTY TECHNOLOGIES INC.
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Number of shares	Amount	Reserve	Accumulated deficit	Total
Balance, April 30, 2019	108,834,376	\$ 15,692,168	\$ -	\$ (13,344,132)	\$ 2,348,036
Realized fair value loss on sale of investment (Note 21)	-	-	-	(700,000)	(700,000)
Net and comprehensive loss for the year	-	-	-	(2,064,144)	(2,064,144)
Balance, April 30, 2020	108,834,376	\$ 15,692,168	\$ -	\$ (16,108,276)	\$ (416,108)
Balance, April 30, 2020	108,834,376	\$ 15,692,168	\$ -	\$ (16,108,276)	\$ (416,108)
Shares issued for transaction costs (Notes 16 and 21)	4,897,547	2,669,653	-	-	2,669,653
Shares issued for Gateway acquisition (Note 4 and 16)	1,834,386	1,000,000	-	-	1,000,000
Stock-based compensation (Note 17 and 21)	-	-	646,481	-	646,481
Net and comprehensive loss for the period	-	-	-	(4,742,572)	(4,742,572)
Balance, December 31, 2020 (Note 23)	115,566,309	\$ 19,361,821	\$ 646,481	\$ (20,850,848)	\$ (842,546)

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

TRIBE PROPERTY TECHNOLOGIES INC.

Notes to the Consolidated Financial Statements

December 31, 2020

(In Canadian dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Tribe Property Technologies Inc. (the “Company” or “Tribe”), formerly Bazinga Technologies Inc., was incorporated under the Business Corporations Act of British Columbia on December 14, 2011. 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. Subsequent to April 30, 2020, the Company changed its name from Bazinga Technologies Inc. to Tribe Property Technologies Inc. The Company’s registered office is Unit 1130, 400 Burrard Street, Vancouver, BC and its principal place of business is Unit 419, 1155 West Pender Street, Vancouver, BC. On March 25, 2021, the Company completed a transaction by way of a reverse take-over of Cherry Street Capital Inc. (“Cherry Street”) and was listed on the TSX Venture Exchange (the “Exchange”) under the symbol “TRBE” (Note 23).

These financial statements have been prepared on the basis that the Company will continue as a going concern which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. During the period ended December 31, 2020, the Company recorded a loss of \$4,742,572 (year ended April 30, 2020: \$2,064,144) and had cash outflows from operating activities of \$418,713 (year ended April 30, 2020: \$1,246,027). At December 31, 2020, the Company had cash of \$908,009 (\$119,433 at April 30, 2020) on hand and its current liabilities exceeded its current assets by \$9,593,526 (\$2,404,446 at April 30, 2020). To date, the Company has financed its operating cash requirements primarily from the proceeds of share issuances, advances from shareholders and debt.

These above conditions, along with other factors, indicate material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. The Company’s ability to realize the carrying value of its assets and continue as a going concern is dependent on its ability to obtain continued financial support from its shareholders or lenders as required to satisfy liabilities as they come due and ultimately the execution of the Company’s strategic plan to improve the scale and profitability of its business to achieve future profitable operations. Subsequent to December 31, 2020, the Company received aggregate gross proceeds from private placements of \$13,329,920 (Note 23). These financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that may result should the Company be unable to continue as a going concern.

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. SIGNIFICANT ACCOUNTING POLICIES

2.1 *Statement of compliance*

These consolidated financial statements have been prepared in accordance with the accounting policies presented below and are based on the IFRS and International Financial Reporting Interpretations Committee (“IFRIC”) interpretations issued and effective as of December 31, 2020. The policies set out below were consistently applied to all the periods presented unless otherwise noted.

On March 14, 2021, the Company changed its year end from April 30 to December 31. The consolidated statements of loss and comprehensive loss, statements of cash flows, and statements of changes in equity are for the period from May 1, 2020 to December 31, 2020. As a result, the comparative information included in these consolidated financial statements may not be directly comparable.

The financial statements of the Company for the year ended December 31, 2020 were authorized for issue by the Board of Directors (“Board”) on April 28, 2021.

2.2 *Basis of preparation*

The financial statements have been prepared on an accrual basis and are based on historical cost, except for certain financial instruments that are measured at fair value.

TRIBE PROPERTY TECHNOLOGIES INC.

Notes to the Consolidated Financial Statements

December 31, 2020

(In Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Basis of consolidation

These consolidated financial statements include the accounts of Tribe, and its wholly owned subsidiaries, Tribe Management Inc., Gateway Property Management Corp., Gateway West Management Corp., and R.D.C. Property Services Limited. Intercompany balances and transactions have been eliminated in preparing these consolidated financial statements.

2.4 Business combinations

The Company applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is measured at fair value and is equal to the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Company. The consideration transferred includes the fair value of any liabilities resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Company recognizes any non-controlling interests in the acquiree on an acquisition-by-acquisition basis, at the non-controlling interest's proportionate share of the recognized amounts of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interests over the net identifiable assets acquired. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in the consolidated statement of loss and comprehensive loss. The Company recognizes contingent consideration relating to its business acquisitions at fair value at the date the transaction closes and revalues the component of contingent consideration recognized as a liability at each subsequent reporting date and on settlement. Contingent consideration that will be settled by delivering a fixed number of common shares is classified as equity and not revalued at each subsequent reporting date.

2.5 Foreign currency translation

Functional and presentation currency

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

Each entity of the Company determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The determination of functional currency is based on the primary economic environment in which an entity operates. The functional currency of an entity reflects the underlying transactions, events and conditions that are relevant to the entity.

The functional currency of the Company and its subsidiaries is the Canadian dollar.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions (or using the average rate for the period when this is a reasonable approximation). Assets and liabilities are translated into the functional currency using the exchange rates prevailing at period end. Foreign exchange gains and losses resulting from the translation or settlement of monetary assets and liabilities denominated in currencies other than an entity's functional currency are recognized in profit or loss.

2.6 Cash and cash equivalents

Cash and cash equivalents include cash on hand, outstanding deposits and short-term deposits which are highly liquid with original maturities of less than three months.

TRIBE PROPERTY TECHNOLOGIES INC.

Notes to the Consolidated Financial Statements

December 31, 2020

(In Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Financial instruments

Classification and measurement

Financial assets

The classification and measurement of financial assets is based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments of principal and interest ("SPPI"). Financial assets are initially measured at fair value and are subsequently measured at either (i) amortized cost; (ii) fair value through other comprehensive income, or (iii) at fair value through profit or loss.

Amortized cost

Financial assets classified and measured at amortized cost are those assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise to cash flows that are SPPI. Financial assets classified at amortized cost are measured using the effective interest method. The Company's cash and cash equivalents and accounts receivable are classified in this category.

Fair value through other comprehensive income ("FVTOCI")

Financial assets classified and measured at FVTOCI are those assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise to cash flows that are SPPI. The Company does not have any assets classified and measured at FVTOCI.

Fair value through profit or loss ("FVTPL")

Financial assets classified and measured at FVTPL are those assets that do not meet the criteria to be classified at amortized cost or at FVTOCI. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets held at FVTPL are included in profit or loss in the period in which they arise. The Company's investments are classified and measured at FVTPL.

Financial liabilities

All financial liabilities are initially recognized at fair value plus or minus transactions costs that are directly attributable to issuing the financial liability. Financial liabilities are measured at amortized cost unless they are required to be measured at FVTPL. The Company's accounts payable, short-term debt, demand loan, notes payable and amounts due to related parties are measured at amortized cost.

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses. The Company shall recognize in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

2.8 Property and equipment

Property and equipment is measured at cost less accumulated depreciation and impairment losses. Cost includes expenses that are directly attributable to the acquisition of assets. An asset's residual value, useful life and depreciation method are reviewed during each financial year and adjusted if appropriate. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. Gains and losses on disposal of an item are determined by comparing the proceeds from disposal with the carrying amount of the item and is recognized in profit or loss.

TRIBE PROPERTY TECHNOLOGIES INC.

Notes to the Consolidated Financial Statements

December 31, 2020

(In Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Property and equipment (continued)

Depreciation is calculated based on the cost of the asset less its residual value and is recognized in net loss on a straight-line or declining balance basis over the estimated useful life of each item of property and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives, unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. The estimated useful lives for the current and comparative year are as follows:

Assets	Basis	Estimated useful life/rate
Computer hardware	Declining balance	55%
Computer software	Declining balance	30%
Furniture and equipment	Declining balance	20%
Leasehold improvements	Straight line	Lease term
Right-of-use assets	Straight line	Lease term

2.9 Intangible assets

Intangible assets with a finite life are stated at cost less accumulated amortization and accumulated write-downs for impairment. Amortization is provided over the estimated useful lives of the assets using the following methods and annual rates:

Asset	Basis	Rate
Customer relationships	Straight-line	20 years

2.10 Impairment

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The recoverable amount shall be estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, an entity shall determine the recoverable amount of the Cash Generating Unit ("CGU") to which the asset belongs (the asset's CGU).

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

2.11 Goodwill

Goodwill arising on an acquisition of a business is carried at cost, as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Company's CGU's (or groups of CGU's) that is expected to benefit from the synergies of the combination. A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

TRIBE PROPERTY TECHNOLOGIES INC.

Notes to the Consolidated Financial Statements

December 31, 2020

(In Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Leases

At the inception of a lease contract, the Company assesses whether the contract is or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset; (ii) the Company has the right to obtain substantially all the economic benefits from the use of the asset throughout the period, and; (iii) the Company has the right to direct the use of the asset.

The Company presents right-of-use assets in Property and Equipment on the statement of financial position. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term plus expected renewal options which are available to the Company. The estimated useful life of right-of-use assets is determined on the same basis as Property and Equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses the rate implicit in the lease as the discount rate for leases.

Lease payments included in the measurement of the lease liability comprise of: (i) fixed payments; (ii) amounts expected to be payable under a residual value guarantee; (iii) the exercise price under purchase option that the Company is reasonably certain to exercise; (iv) lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option; and (v) penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company recognizes depreciation for right-of-use assets and interest expense on lease liabilities in the consolidated statements of loss and comprehensive loss.

In the statement of cash flows, the Company includes repayments of the principal portion of the lease liabilities under financing activities. Lease payments for short-term leases, lease payment for leases of low-value assets that are not included in the measurement of the lease liability are classified as cash flows from operating activities.

2.13 Income taxes

Deferred tax assets are recognized for tax losses that can be carried forward to the extent that such assets can be realized. Deferred tax is also recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences:

- (i) the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- (ii) differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- (iii) deferred tax for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when the related asset is realized or liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Current tax is the expected tax payable on taxable income for the period, using tax rates enacted or substantively enacted, at the end of the reporting period, and any adjustments to tax payable in respect of previous years.

TRIBE PROPERTY TECHNOLOGIES INC.

Notes to the Consolidated Financial Statements

December 31, 2020

(In Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Share capital

Common shares

Common shares issued are classified as share capital, a component of shareholders' equity. Transaction costs directly attributable to the issuance of common shares are recognized as a deduction from share capital.

Equity units

Proceeds received on the issuance of units, comprised of common shares and warrants, are allocated using the residual value method. Under the residual value method, proceeds are allocated to the common shares up to their fair value, determined by reference to the quoted market price of the common shares on the issuance date, and the remaining balance, if any, to the reserve for warrants.

2.15 Stock-based compensation

Stock-based compensation to employees and non-employees includes expense related to the vesting of stock options. The fair value of stock options is measured at the grant date and each tranche is recognized on a straight-line basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes-Merton option pricing model ("BSM") taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest. The BSM requires management to estimate the expected volatility, the term of the equity instrument, the risk-free rate of return over the term, expected dividends, and the number of equity instruments expected to ultimately vest. In estimating expected volatility, the Company considers the historical share price volatility of its common shares as well the historical share price of similar publicly listed entities. The fair value of stock options is charged to profit or loss with a corresponding increase in contributed surplus within equity. Previously recognized expenses are not subsequently reversed for options that vest but are not exercised. If and when stock options are ultimately exercised, the applicable amount of contributed surplus is transferred to share capital.

2.16 Revenue recognition

The Company adopted IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15") using the full retrospective approach. Revenue is recognized upon transfer of control of promised products and services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. The Company determines the amount of revenue to be recognized through application of the following steps:

- Identification of the contract(s) with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when or as the Company satisfies the performance obligations.

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control of a product or service to a customer. Estimated allowances for returns and credits are recorded as a reduction of revenue at the time of revenue recognition.

Tribe provides integrated digitally-enabled property management services to property developers, condominium and residential communities and owners and residents. The Company generates revenue from two sources: property management services and digital services.

Property management services

Revenue is recognized when the service has been provided to the customer and the performance obligation is satisfied. The contracts are billed on a month-to-month basis and as such, the performance obligation is satisfied at the end of the month.

Digital services

Digital services are sold at a set price per property development. The customer has access to the platform indefinitely. Revenue is deferred and recognized as the performance obligation is satisfied over time. Management has determined that the average usage period for the application is 2 years and recognizes revenue over that period.

TRIBE PROPERTY TECHNOLOGIES INC.

Notes to the Consolidated Financial Statements

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Government grant

Loans received from government grants are recognized initially at fair value, with the difference between the fair value of the loan based on prevailing market interest rates and the amount received recorded as a government grant gain in the consolidated statements of loss and comprehensive loss.

2.18 Investment tax credits

Investment tax credits are recorded when the Company has complied with eligible requirements to receive the credit, using the cost reduction approach. Investment tax credits related to eligible scientific research and experimental development ("SRED") expenditures are included in profit or loss as a reduction of the expenses that they relate to. Investment tax credits related to the acquisition of property and equipment are deducted from the cost of the related assets, with any amortization calculated on the net amount, when received or when the Company has reasonable assurance that investment tax credits will be realized.

The investment tax credits are subject to review and audit by the Canada Revenue Agency ("CRA"). Although the Company has used its best judgment and understanding of the related income tax legislation in determining the amounts and timing of investment tax credits, it is possible that the amounts could change by a material amount in the near term depending on a review and audit by the CRA.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. These assumptions and estimates are regularly reviewed. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected. The Company's main judgements, estimates and assumptions are presented below:

3.1 Business combinations

On the completion of business acquisitions, management's judgement is required to estimate the purchase price and to identify and 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.

3.2 Going concern

Management has applied judgements in the assessment of the Company's ability to continue as a going concern when preparing its consolidated financial statements. Management prepares its consolidated financial statements on a going concern basis unless management either intends to liquidate the Company or has no realistic alternative other than to do so.

3.3 Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the CGU's 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. Where the actual future cash flows are less than expected, a material impairment loss may arise.

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. These calculations require the use of estimates.

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.

Value in use calculations require assumptions about revenue growth rates, operating margins, and discount rates. In arriving at its forecasts, the Company considered past experience, economic trends and inflation as well as industry and market trends.

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

3.4 Valuation of deferred tax assets

In assessing the realization of deferred tax assets, the Company considers the extent to which it is probable that the deferred tax asset will be realized. The ultimate realization of deferred tax assets is dependent on the generation of future taxable profits during the period in which those temporary losses and tax loss carry-forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment.

3.5 Determination of useful life

Each significant component of property and equipment and intangible assets are depreciated over their estimated useful lives. Estimated useful lives are determined based on current facts and past management experience and take into consideration the anticipated physical life of the asset, existing long-term sales agreements and contracts, current and forecasted demand, and the potential for technological obsolescence.

4. BUSINESS 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 1,834,386 common shares of the Company and a promissory note of \$9,000,000 (Notes 14 and 16). 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.

Of the promissory note, \$5,000,000 plus accrued interest was paid on March 29, 2021 following the escrow release of the proceeds from the subscription receipt financings (Note 23). 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	\$	1,000,000
(1,834,386 common shares at \$0.5451 per share)		
Promissory note		8,688,417
Working capital payment		968,792
Fair value of purchase consideration	\$	10,657,209
Allocated to:		
Cash	\$	876,774
Investment in marketable securities		60,958
Accounts receivable		384,897
Prepaid expenses		262,162
Property and equipment (Note 8)		1,612,096
Intangible assets (Note 9)		6,257,650
Goodwill (Note 9)		4,766,641
Accounts payable and accrued liabilities		(550,189)
Lease liabilities (Note 13)		(1,323,780)
Deferred tax liability		(1,690,000)
Total	\$	10,657,209

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.

TRIBE PROPERTY TECHNOLOGIES INC.

Notes to the Consolidated Financial Statements

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4. BUSINESS COMBINATION (continued)

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. Had the acquisition occurred on May 1, 2020, Gateway would have contributed revenues of \$6,537,222 and net income of \$357,877.

As of December 31, 2020, 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.

5. REVENUE

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

	For the period ended May 1 - December 31, 2020	For the year ended April 30, 2020
Management fees	\$ 2,331,331	\$ 3,139,233
Other service revenues	453,076	651,267
Administrative fees	78,480	101,830
Property management services	2,862,887	3,892,330
Digital services	202,592	320,863
Total revenue	\$ 3,065,479	\$ 4,213,193

6. SELLING, GENERAL AND ADMINISTRATIVE

Selling, general and administrative expenses are comprised of:

	For the period ended May 1 - December 31, 2020	For the year ended April 30, 2020
Salaries and wages	\$ 1,074,796	\$ 1,477,605
Office expenses	617,574	782,574
Professional fees	537,564	192,266
Advertising and promotion	25,520	74,934
	\$ 2,255,454	\$ 2,527,379

7. RECEIVABLES

The balance of receivables is comprised of the following:

	December 31, 2020	April 30, 2020
Accounts receivable	\$ 438,154	\$ 186,543
Other receivables (Note 21)	108,428	339,859
	\$ 546,582	\$ 526,402

As at December 31, 2020, 100% of the Company's accounts receivable are current.

TRIBE PROPERTY TECHNOLOGIES INC.

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8. PROPERTY AND EQUIPMENT

	Computer hardware	Computer software	Furniture and equipment	Leasehold improvements	Right-of-use assets	Total
Cost						
Balance, April 30, 2019	\$ 167,796	\$ 1,039,713	\$ 71,200	\$ 168,751	\$ 543,992	\$ 1,991,452
Additions	32,433	-	984	-	15,224	48,641
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
Accumulated amortization						
Balance, April 30, 2019	\$ 123,259	\$ 301,871	\$ 30,756	\$ 163,292	\$ 197,305	\$ 816,483
Depreciation	33,416	393,054	8,187	1,740	120,155	556,552
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
Net book value						
Balance, April 30, 2020	\$ 43,554	\$ 344,788	\$ 33,241	\$ 3,719	\$ 241,756	\$ 667,058
Balance, December 31, 2020	\$ 72,723	\$ 285,541	\$ 113,441	\$ 170,861	\$ 1,171,325	\$ 2,136,638

TRIBE PROPERTY TECHNOLOGIES INC.

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9. INTANGIBLE ASSETS AND GOODWILL

	Customer Relationships	Goodwill
Cost		
Balance, April 30, 2020, and April 30, 2019	\$ 1,027,958	\$ 717,056
Additions (Note 4)	6,257,650	4,766,641
Balance, December 31, 2020	\$ 7,285,608	\$ 5,483,697
Accumulated amortization		
Balance, April 30, 2019	\$ 92,703	\$ -
Amortization	51,398	-
Balance, April 30, 2020	144,101	-
Amortization	34,265	-
Balance, December 31, 2020	\$ 178,366	\$ -
Net book value		
Balance, April 30, 2020	\$ 883,857	\$ 717,056
Balance, December 31, 2020	\$ 7,107,242	\$ 5,483,697

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2020	April 30, 2020
Accounts payable	\$ 1,978,029	\$ 649,537
Accrued liabilities	172,728	70,000
	\$ 2,150,757	\$ 719,537

11. DEFERRED REVENUE

Balance, April 30, 2019	\$ 255,626
Billings	233,866
Revenue recognized	(260,046)
Balance, April 30, 2020	229,446
Billings	149,002
Revenue recognized	(162,270)
Balance, December 31, 2020	\$ 216,178

12. LOANS AND BORROWINGS

	December 31, 2020	April 30, 2020
Operating line of credit	\$ 44,457	\$ 9,365
CEBA loan	20,854	18,882
Demand loan	203,174	248,375
	\$ 268,485	\$ 276,622

CEBA loan

On April 30, 2020, the Company was approved and 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.

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12. LOANS AND BORROWINGS (continued)

CEBA loan (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 difference between the amount received and the fair value of the CEBA loan of \$21,118 was recorded as a gain on government grant during the year ended April 30, 2020. The fair value of the loan is accreted up to its cost and during the period ended December 31, 2020, accretion of \$1,972 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 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, 2019	\$	253,529
Draws		42,471
Interest expense		19,540
Interest payments		(15,540)
Principal repayments		(51,625)
Balance, April 30, 2020		248,375
Interest expense		6,942
Interest payments		(6,942)
Principal repayments		(45,201)
Balance, December 31, 2020	\$	203,174

13. LEASES

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

The Company's lease liabilities are as follows:

	December 31, 2020	April 30, 2020
Current portion of lease obligations	\$ 831,689	\$ 214,195
Non-current portion of lease obligations	808,011	206,131
	\$ 1,639,700	\$ 420,326

TRIBE PROPERTY TECHNOLOGIES INC.

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13. LEASES (continued)

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, April 30, 2019	\$	462,125
New leases		32,478
Interest expense		46,236
Payments		(120,513)
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

As at December 31, 2020, the Company is committed to minimum lease payments as follows:

	December 31, 2020	
Less than one year	\$	852,029
One to five years		1,040,956
More than five years		113,880
Total undiscounted lease liabilities	\$	2,006,865

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

14. 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 Qualifying Transaction (Note 23). This was repaid subsequent to December 31, 2020 (Note 23);
- \$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:

	December 31, 2020		April 30, 2020	
Current portion of note payable	\$	5,283,333	\$	-
Working capital payment		968,792		-
Total current note payable		6,252,125		-
Non-current portion of note payable		3,405,084		-
Total note payable	\$	9,657,209	\$	-

15. DUE TO RELATED PARTIES

As at December 31, 2020 the Company owed \$2,156,291 (April 30, 2020 - \$1,625,873) to companies controlled by directors of the Company. The amounts due to related parties are unsecured, bear interest at 5% per annum and have no set repayment terms. Subsequent to December 31, 2020, the amounts due to related parties were settled (Note 23).

16. SHARE CAPITAL

16.1 Authorized

Authorized, unlimited number of voting common shares without par value and 1,868,000 Class A preferred shares without par value.

TRIBE PROPERTY TECHNOLOGIES INC.

Notes to the Consolidated Financial Statements

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16. SHARE CAPITAL (continued)

16.2 Issued common shares

As at December 31, 2020 and April 30, 2020, the Company had 115,566,309 and 108,834,376 common shares outstanding, respectively (Note 23).

On September 9, 2020, the Company entered into advisory agreements (Note 21) for services in connection with pursuing a public listing, in exchange for the issuance of 4,897,547 common shares, issuable upon the entering into of a binding letter of intent for the purposes of a public listing. The Company signed a letter of intent with Cherry Street Capital Inc. ("Cherry Street") on October 30, 2020, and as such the common shares were issuable at that date (Note 23).

The common shares were issued on November 25, 2020 and recognized as share capital in the statement of shareholders equity, at their fair value of \$0.5451 per share, or \$2,669,653 with a corresponding expense in the condensed consolidated statement of loss and comprehensive loss.

In December 2020, the Company completed a brokered private placement financing through the issuance of 2,325,984 post-consolidation (Note 23) subscription receipts at a purchase price of \$5.00 per receipt for gross proceeds of \$11,629,920 ("Subscription Receipt Financing"). In connection with the financing, the agents are entitled to receive a cash commission of \$620,745, representing 6% of the gross proceeds, and 146,434 compensation options representing 6% of the subscription receipts sold. As at December 31, 2020 the funds were held in escrow, pending the satisfaction of certain escrow release conditions. The funds were released from escrow on March 16, 2021 (Note 23). Upon completion of the brokered private placement financing in December, 50% of the agents cash commission was payable and, along with additional share issuance costs of \$150,000, was accrued as a deferred financing fee as of December 31, 2020.

On December 31, 2020, the Company issued 1,834,386 common shares with a fair value of \$0.5451 per share, totaling \$1,000,000, as part of the total consideration to acquire Gateway and RDC (Note 4).

17. STOCK OPTIONS

The Company has a 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 are 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 period ended December 31, 2020 is 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
01-May-2020	30-April-2025	\$0.25	\$0.30	0.37%	5	100%	0%	\$0.18

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 vested immediately.

Total expenses arising from stock-based compensation recognized during the period ended December 31, 2020 was \$646,481 (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.

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17. STOCK OPTIONS (continued)

A continuity schedule of the Company's outstanding stock options for the period ended December 31, 2020 and year ended April 30, 2020 are as follows:

	For the period May 1 2020 - December 31, 2020		For the year ended April 30, 2020	
	Number outstanding	Weighted average exercise price	Number outstanding	Weighted average exercise price
Outstanding, beginning	-	\$ -	-	\$ -
Granted	3,619,820	0.30	-	-
Outstanding, ending	3,619,820	\$ 0.30	-	\$ -
Exercisable, ending	3,619,820	\$ 0.30	-	\$ -

At December 31, 2020, 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)
April 30, 2025	3,619,820	3,619,820	\$ 0.30	4.5

18. INCOME TAXES

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

	December 31, 2020	April 30, 2020
Net loss for the year	\$ (4,742,572)	\$ (2,064,144)
Canadian federal and provincial statutory income tax rate	27.00%	27.00%
Income tax benefit based on Canadian statutory income tax	(1,280,494)	(557,319)
Effects of the following:		
Non-deductible expenditures	45,179	(62,500)
Acquisition of tax losses	(119,953)	-
Prior year losses carried forward	(162,873)	-
Changes in unrecognized deferred tax assets	1,518,141	621,498
Income tax expense	\$ -	\$ 1,679

At December 31, 2020 and April 30, 2020, the Company had deductible temporary differences and unused tax losses for which no deferred tax assets have been recognized as follows:

	December 31, 2020	April 30, 2020
Deferred income tax assets:		
Non-capital loss carry-forwards	\$ 4,724,057	\$ 3,324,872
Capital assets	436,297	309,257
Marketable securities	(8,084)	-
Unrecognized deferred income tax assets	(5,152,270)	(3,634,129)
	\$ -	\$ -

TRIBE PROPERTY TECHNOLOGIES INC.

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18. INCOME TAXES (continued)

As at December 31, 2020 and April 30, 2020, the Company has the following deferred income tax liability related to its intangible assets (Note 10):

	December 31, 2020	April 30, 2020
Deferred income tax liability:		
Intangible assets	\$ 1,763,502	\$ 73,502
	\$ 1,763,502	\$ 73,502

The Canadian non-capital losses at December 31, 2020 of \$17,496,506 expire between 2031 to 2040.

19. FINANCIAL INSTRUMENTS

19.1 Categories of financial instruments and fair value measurements

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

	Level	December 31, 2020	April 30, 2020
Financial assets:			
<i>Fair value through profit and loss</i>			
Cash	1	\$ 908,009	\$ 119,433
Investments	1	\$ 60,598	\$ -
<i>Amortized cost</i>			
Receivables	2	\$ 546,582	\$ 526,402
Financial liabilities:			
<i>Financial liabilities at amortized cost</i>			
Accounts payable	2	\$ 1,978,029	\$ 649,537
Credit facility	2	\$ 44,457	\$ 9,365
Short-term debt	2	\$ 20,854	\$ 18,882
Demand loan	2	\$ 203,174	\$ 248,375
Note payable	2	\$ 9,657,209	\$ -
Due to shareholders	2	\$ 2,156,291	\$ 1,625,873

19.2 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).

19.3 Management of financial risks

There were no transfers between levels of the fair value hierarchy during the period ended December 31, 2020 and year ended April 30, 2020. As at December 31, 2020, the Company's cash and investments were valued using Level 1 inputs of the fair value hierarchy, while as at April 30, 2020 the Company had no financial assets measured and recognized at fair value using Level 2 or Level 3 inputs of the fair value hierarchy.

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19. FINANCIAL INSTRUMENTS (continued)

19.3 Management of financial risks (continued)

The following is an analysis of the contractual maturities of the Company's financial liabilities as at December 31, 2020:

	Within 12 months	After 12 months
Accounts payable and accrued liabilities	\$ 2,150,757	\$ -
Credit facility	44,457	-
Short-term debt	20,854	-
Demand loan	203,174	-
Lease obligations	852,029	1,154,836
Due to related parties	2,156,291	-
Note payable	6,252,125	4,500,000
Total	\$ 11,679,687	\$ 5,654,836

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

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 December 31, 2020, the most significant financial liabilities are accounts payables and accrued liabilities, short-term debt, the demand loan, credit facility, note payable and amounts due to shareholders. As at December 31, 2020, the Company assessed liquidity risk as high. Subsequent to December 31, 2020, the Company received aggregate gross proceeds from private placements of \$13,329,920 (Note 23).

20. 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.

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20. SEGMENTED INFORMATION (continued)

The Company has three operating segments: (1) property management services, (2) digital services, and (3) corporate. Property management services refers to the tech-enabled management of condominium and residential communities. Digital services 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:

	Digital Services	Property Management Services	Corporate	Total
As at and for the period ended December 31, 2020				
Revenue	\$ 202,592	\$ 2,862,887	\$ -	\$ 3,065,479
Expenses	\$ 1,125,518	\$ 2,718,619	\$ 3,963,914	\$ 7,808,051
Net income (loss)	\$ (922,926)	\$ 144,268	\$ (3,963,914)	\$ (4,742,572)
Assets	\$ 2,365,952	\$ 14,643,624	\$ -	\$ 17,009,576
Liabilities	\$ 4,002,289	\$ 13,849,833	\$ -	\$ 17,852,122
As at and for the year ended April 30, 2020				
Revenue	\$ 320,863	\$ 3,892,330	\$ -	\$ 4,213,193
Expenses	\$ 1,847,822	\$ 3,818,071	\$ 611,444	\$ 6,277,337
Net income (loss)	\$ (1,526,959)	\$ 74,259	\$ (611,444)	\$ (2,064,144)
Assets	\$ 2,377,647	\$ 551,551	\$ -	\$ 2,929,198
Liabilities	\$ 2,665,151	\$ 680,155	\$ -	\$ 3,345,306

21. 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:

	For the period ended May 1 – December 31, 2020	For the year ended April 30, 2020
Salary	\$ 300,746	\$ 426,192
Short-term benefits	\$ 43,534	\$ 83,657

- b) During the period ended December 31, 2020 and year ended April 30, 2020, the Company earned rent and consulting income from a company with a common director of \$nil and \$27,885, respectively.
- c) As at December 31, 2020 and April 30, 2020, the Company had amounts receivable of \$4,301 and \$12,365, respectively, from a company controlled by a director (Note 7).
- d) During the period ended December 31, 2020 and year ended April 30, 2020, the Company sold \$3,840 and \$18,720, respectively, of software products and services to companies controlled by a director.
- e) During the period ended December 31, 2020, the Company incurred stock-based compensation expense \$342,009 (year ended April 30, 2020 - \$nil) related to stock options granted to officers and directors of the Company.
- f) During the period ended December 31, 2020, the Company issued 3,497,547 common shares to a company controlled by a director, as consideration for advisory services received in connection with pursuing a public listing during the period (Note 16).
- g) During the year ended April 30, 2020, the Company sold its remaining investment in OctoAI Technologies Corp. ("OctoAI") to companies controlled by directors of the Company in exchange for the settlement of related party debt at a deemed value of \$0.10 per share. Management determined the fair value of the OctoAI shares at the time of settlement to be \$0.30 per share, resulting in a loss of \$700,000. The loss was recorded in deficit as it was deemed a transaction with shareholders in their capacity as shareholders.

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22. CAPITAL MANGEMENT

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.

23. SUBSEQUENT EVENTS

Subsequent to the period ended December 31, 2020, the Company entered into the following transactions:

Completion of Qualifying Transaction

On March 16, 2021, the Company completed a reverse take-over of Cherry Street and changed its name to Tribe Property Technologies Inc. In connection with the reverse take-over, the Company consolidated its common shares on the basis of one post-consolidation common share for every 9.1719 pre-consolidation common shares, resulting in 15,890,257 common shares outstanding as of March 25, 2021. The Company began trading on the TSX-V Exchange under the ticker "TRBE" on March 25, 2021 (Note 1).

Basic and diluted loss per share for the years ended December 31, 2020 and 2019 is based on the post-consolidated number of shares outstanding.

Settlement of amounts due to related parties

On January 12, 2021, \$300,000 plus accrued interest of the amounts due to related parties was repaid. Additionally, on February 12, 2021, the Company settled the remaining balance outstanding of \$1,866,264. \$1,266,365 was converted to common stock through the issuance of 2,323,008 pre-consolidation shares, and remaining the balance was repaid (Note 15).

Subscription receipt financings

On March 5, 2021, the Company 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 are entitled to receive a cash commission of \$59,500, representing 3.5% of the gross proceeds, and 11,900 compensation options representing 3.5% of the subscription receipts sold.

The aggregate gross proceeds from the December brokered private placement (Note 16) and the March non-brokered private placement, of \$13,329,920, were released from escrow on March 16, 2021, following the satisfaction of the Escrow Release Conditions, including the receiving conditional approval for listing on the TSX Venture Exchange following the amalgamation with Cherry Street.

Repayment of Gateway promissory note

On March 29, 2021, \$5,000,000 plus accrued interest of the promissory note was repaid to Gateway, following the escrow release of the proceeds from the subscription receipt financings (Note 14).

Issuance of stock options

On February 1, 2021, the Company granted 1,834,380 pre-consolidation stock options to an officer of the Company, with an exercise price of \$0.5451, vesting over four years and expiring on January 31, 2026. On February 22, 2021, the Company granted 2,381,632 pre-consolidation stock options to officers and employees of the Company with an exercise price of \$0.5451, vesting over four years and expiring on February 21, 2026. The Company additionally granted 1,017,191 pre-consolidation stock options to directors and consultants of the Company with an exercise price of \$0.5451, vesting over two years and expiring on February 21, 2026.

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23. SUBSEQUENT EVENTS (continued)

Advisory, Employment, and Investor Relations agreements

On February 22, 2021, the Company entered into an employment agreement with the CFO, pursuant to which, if the Company experiences a change of control, excluding the Transaction, the CFO is entitled to six months of salary.

On February 26, 2021, the Company entered into an agreement with Kin Communications Inc. ("Kin") for investor relations services for one year. The Company will pay Kin \$12,500 per month and issue 50,000 post-consolidation stock options at a price of \$5.00 per share vesting 25% per quarter over twelve months with a two-year term. On February 22, 2021, the Company granted the equivalent number of pre-consolidation stock options at an equivalent pre-consolidation exercise price, as described above.

Acquisition of Key rental portfolio

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

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