

TRIBE PROPERTY TECHNOLOGIES INC.

Condensed Consolidated Interim Financial Statements
For the three and six months ended June 30, 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	June 30, 2021 (unaudited)	December 31, 2020
ASSETS		
Current assets		
Cash	\$ 4,528,731	\$ 908,009
Receivables	566,848	546,582
Prepaid expenses	563,333	306,077
Deferred financing asset	-	460,373
Investments	68,842	60,958
Total current assets	5,727,754	2,281,999
Property and equipment (Note 7)	4,346,221	2,136,638
Intangible assets (Note 8)	7,015,102	7,107,242
Goodwill (Note 8)	5,483,697	5,483,697
TOTAL ASSETS	\$ 22,572,774	\$ 17,009,576
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 1,297,373	\$ 2,150,757
Deferred revenue (Note 9)	212,313	216,178
Loans and borrowings (Note 10)	191,556	268,485
Current portion of lease obligations (Note 11)	905,610	831,689
Note payable (Note 12)	1,168,792	6,252,125
Due to related parties (Note 13)	-	2,156,291
Total current liabilities	3,775,644	11,875,525
Lease obligations (Note 11)	3,051,006	808,011
Note payable (Note 12)	3,551,898	3,405,084
Deferred tax liability	1,763,502	1,763,502
TOTAL LIABILITIES	12,142,050	17,852,122
SHAREHOLDERS' EQUITY		
Share capital (Note 14)	34,647,639	19,361,821
Reserve (Note 15)	1,437,894	646,481
Accumulated deficit	(25,654,809)	(20,850,848)
TOTAL SHAREHOLDERS' EQUITY (DEFICIT)	10,430,724	(842,546)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 22,572,774	\$ 17,009,576

Subsequent Events (Note 20)

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on August 26, 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)

	<u>For the Three Months Ended</u>		<u>For the Six Months Ended</u>	
	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
REVENUE (Note 5)	\$ 3,970,816	\$ 1,155,121	\$ 7,756,945	\$ 2,226,972
OPERATING EXPENSES				
Cost of software and services and software licensing fees	1,989,402	625,275	4,007,042	1,351,768
Selling, general and administrative expenses (Note 6)	2,962,696	481,151	5,270,387	1,228,465
Depreciation (Note 7)	209,511	282,643	437,034	369,764
Amortization of intangible assets (Note 8)	91,070	12,851	182,140	25,700
Stock-based compensation (Notes 15 and 18)	164,090	646,481	503,707	646,481
LOSS FROM OPERATIONS	(1,445,953)	(893,280)	(2,643,365)	(1,395,206)
OTHER INCOME AND EXPENSES				
Interest expense (Notes 10, 11 and 12)	(174,488)	(63,437)	(452,940)	(78,928)
Foreign exchange loss	(2,465)	(1,400)	(1,916)	(2,135)
Fair value gain on investment	442	-	7,884	-
Listing expenses (Note 3)	-	-	(1,634,456)	-
NET LOSS AND COMPREHENSIVE LOSS BEFORE TAX	(1,622,464)	(958,117)	(4,724,793)	(1,476,269)
Income tax expense	(22,065)	-	(79,168)	-
NET LOSS AND COMPREHENSIVE LOSS	\$ (1,644,529)	\$ (958,117)	\$ (4,803,961)	\$ (1,476,269)
LOSS PER SHARE, BASIC AND DILUTED	\$ (0.10)	\$ (0.08)	\$ (0.33)	\$ (0.12)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING, BASIC AND DILUTED	15,890,254	11,866,067	14,571,665	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 Six Months Ended	
	June 30, 2021	June 30, 2020
Cash flows provided by (used in):		
OPERATING ACTIVITIES		
Net loss	\$ (4,803,961)	\$ (1,476,269)
Adjustments for items not affecting cash:		
Income tax expense	79,168	-
Depreciation	437,034	369,764
Amortization of intangible assets	182,140	25,700
Interest expense	452,940	78,928
Fair value gain on investment	(7,884)	-
Stock-based compensation	503,707	646,481
Consulting fees	50,000	-
Listing expenses	1,381,428	-
	(1,725,428)	(355,396)
Net changes in non-cash working capital items:		
Receivables and prepaid expenses	182,851	(242,798)
Accounts payable and accrued liabilities	(1,075,560)	186,998
Deferred revenue	(3,865)	(43,618)
	(2,622,002)	(454,814)
Taxes paid	(37,506)	-
Interest paid	(390,387)	(29,287)
Net cash flows used in operating activities	(3,049,895)	(484,101)
INVESTING ACTIVITIES		
Payment for acquisition of Gateway	(5,000,000)	-
Purchase of property and equipment	(74,429)	(10,301)
Purchase of intangible assets	(90,000)	-
Cash acquired from Cherry Street	673,611	-
Net cash flows used in investing activities	(4,490,818)	(10,301)
FINANCING ACTIVITIES		
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)	89,000
Repayment of demand loan	(33,900)	(33,901)
Repayment of lease obligations	(255,272)	(48,506)
Net cash flows provided by financing activities	11,161,435	506,593
Net increase in cash	3,620,722	12,191
Cash, beginning	908,009	22,567
Cash, ending	\$ 4,528,731	\$ 34,758
Supplemental cash flow information:		
Non-cash settlement of shareholder loans	\$ 1,266,365	\$ -
Common shares issued for consulting services	50,000	-

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
Balance, December 31, 2019	11,866,067	\$ 15,692,168	\$ -	\$ (15,429,627)	\$ 262,541
Stock-based compensation	-	-	646,481	-	646,481
Net and comprehensive loss for the period	-	-	-	(1,476,269)	(1,476,269)
Balance, June 30, 2020	11,866,067	\$ 15,692,168	\$ 646,481	\$ (16,905,896)	\$ (567,247)
Balance, December 31, 2020	12,600,000	\$ 19,361,821	\$ 646,481	\$ (20,850,848)	\$ (842,546)
Shares issued for cash (Note 14)	2,665,984	13,329,920	-	-	13,329,920
Share issuance costs (Note 14)	-	(1,165,467)	220,537	-	(944,930)
Shares issued for reverse takeover (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)	253,270	1,266,365	-	-	1,266,365
Shares issued for consulting services (Notes 14 and 18)	10,000	50,000	-	-	50,000
Stock-based compensation (Notes 15 and 18)	-	-	503,707	-	503,707
Net and comprehensive loss for the period	-	-	-	(4,803,961)	(4,803,961)
Balance, June 30, 2021	15,890,254	\$ 34,647,639	\$ 1,437,894	\$ (25,654,809)	\$ 10,430,724

In connection with the reverse takeover transaction (Note 3), 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 (Note 14).

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

TRIBE PROPERTY TECHNOLOGIES INC.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2021 and 2020

(In Canadian dollars - unaudited)

1. REPORTING ENTITY

On March 15, 2021, the Company (then “Cherry Street Capital Inc.”, a Canadian capital pool company previously listed on the TSX Venture Exchange (the “Exchange”) under the symbol “CHSC.P”) (“Cherry Street”) acquired all of the outstanding shares of Tribe Property Technologies Inc. (“Tribe Private”) by way of a three-cornered amalgamation, pursuant to which a wholly-owned subsidiary of Cherry Street amalgamated with Tribe Private, with Tribe Private surviving as a wholly-owned subsidiary of Cherry Street under the name “Tribe Property Solutions Inc.” (the “Qualifying Transaction”). On March 15, 2021, Cherry Street changed its name to “Tribe Property Technologies Inc.” (“Tribe” or the “Company”) and on March 25, 2021, the Company was listed on the Exchange under the symbol “TRBE”. This transaction constituted Cherry Street’s qualifying transaction for the purposes of the Exchange’s policies and a reverse acquisition (the “RTO”) for the purposes of Canadian securities laws (Note 3). Tribe Private has been identified as the accounting acquirer, and accordingly, the Company is considered to be a continuation of Tribe Private, and the net assets of Cherry Street at the date of the reverse acquisition are deemed to have been acquired by Tribe Private. These financial statements include the results of operations of Cherry Street from March 15, 2021. The comparative figures are those of Tribe Private prior to the reverse acquisition.

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 Company’s registered office is located at 2100-885 Scotia Plaza, 40 King Street West, Toronto, Ontario, M5H 3C2 and its principal place of business is located at 419-1155 West Pender Street, Vancouver, BC, V6E 2P4.

The Company’s principal business activity 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 services provided by its technology platform are designed to improve the living experience of the residents within each community, with a key focus on communication, information, education and protection. Through its technology platform, the Company provides on-demand access to important records and documents, simple communication tools, online payment options, bookable amenities and a ticketing system for residents to notify their developer or management of issues, warranty concerns and deficiencies.

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 August 26, 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 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.

TRIBE PROPERTY TECHNOLOGIES INC.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2021 and 2020

(In Canadian dollars - unaudited)

2. BASIS OF PRESENTATION (continued)

Going concern

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

Impairment of goodwill

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 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 15, 2021
Consideration paid on RTO	
361,000 common shares	\$ 1,805,000
Fair value of replacement options ⁽¹⁾	67,169
Total consideration	1,872,169
Less: Fair value of net assets acquired	
Cash	673,611
Accounts payable	(182,870)
Net identifiable assets acquired	490,741
Excess consideration over net assets acquired	1,381,428
Transaction costs	253,028
Listing expenses	\$ 1,634,456

⁽¹⁾ Fair value of Company options upon completion of the RTO.

TRIBE PROPERTY TECHNOLOGIES INC.

Notes to the Condensed Consolidated Interim Financial Statements

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(In Canadian dollars - unaudited)

4. BUSINESS COMBINATION

On December 31, 2020, the Company 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 the Company's geographical footprint in the condo management services sector to the provinces of Alberta and Ontario, as well as significantly increases the scale of its 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 adjustment		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 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)
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.

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 June 30, 2021, the working capital payment adjustment has not yet been made.

TRIBE PROPERTY TECHNOLOGIES INC.

Notes to the Condensed Consolidated Interim Financial Statements

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(In Canadian dollars - unaudited)

5. REVENUE

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

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Software and service fees	\$ 3,295,112	\$ 853,896	\$ 6,569,279	\$ 1,659,171
Transactional revenues	547,116	217,853	974,107	405,249
Software and services	3,842,228	1,071,749	7,543,386	2,064,420
Software licensing fees	128,588	83,372	213,559	162,552
Total revenue	\$ 3,970,816	\$ 1,155,121	\$ 7,756,945	\$ 2,226,972

6. SELLING, GENERAL AND ADMINISTRATIVE

Selling, general and administrative expenses are comprised of:

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Salaries and wages	\$ 1,677,622	\$ 270,190	\$ 2,993,920	\$ 771,711
Office expenses	844,091	207,725	1,439,865	375,722
Professional fees	248,093	-	574,896	59,018
Investor relations	154,028	-	201,528	-
Advertising and promotion	38,862	3,236	60,178	22,014
Total selling, general and administrative expenses	\$ 2,962,696	\$ 481,151	\$ 5,270,387	\$ 1,228,465

TRIBE PROPERTY TECHNOLOGIES INC.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 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
Cost						
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	42,498	29,213	2,718	-	2,572,188	2,646,617
Balance, June 30, 2021	\$ 285,377	\$ 1,078,473	\$ 159,515	\$ 336,772	\$ 4,468,639	\$ 6,328,776
Accumulated amortization						
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	20,593	49,311	26,706	11,864	328,560	437,034
Balance, June 30, 2021	\$ 190,749	\$ 813,030	\$ 70,062	\$ 177,775	\$ 730,939	\$ 1,982,555
Net book value						
Balance, December 31, 2020	\$ 72,723	\$ 285,541	\$ 113,441	\$ 170,861	\$ 1,494,072	\$ 2,136,638
Balance, June 30, 2021	\$ 94,628	\$ 265,443	\$ 89,453	\$ 158,997	\$ 3,737,700	\$ 4,346,221

During the six months ended June 30, 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 \$50,373.

TRIBE PROPERTY TECHNOLOGIES INC.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2021 and 2020

(In Canadian dollars - unaudited)

8. INTANGIBLE ASSETS AND GOODWILL

	Customer Relationships	Goodwill
Cost		
Balance, April 30, 2020	\$ 1,027,958	\$ 717,056
Additions (Note 4)	6,257,650	4,766,641
Balance, December 31, 2020	7,285,608	5,483,697
Additions	90,000	-
Balance, June 30, 2021	\$ 7,375,608	\$ 5,483,697
Accumulated amortization		
Balance, April 30, 2020	\$ 144,101	\$ -
Amortization	34,265	-
Balance, December 31, 2020	178,366	-
Amortization	182,140	-
Balance, June 30, 2021	\$ 360,506	\$ -
Net book value		
Balance, December 31, 2020	\$ 7,107,242	\$ 5,483,697
Balance, June 30, 2021	\$ 7,015,102	\$ 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	159,630
Revenue recognized	(163,495)
Balance, June 30, 2021	\$ 212,313

10. LOANS AND BORROWINGS

	June 30, 2021	December 31, 2020
Operating line of credit	\$ -	\$ 44,457
CEBA term loan	22,282	20,854
Demand loan	169,274	203,174
	\$ 191,556	\$ 268,485

Operating line of credit

The Company has a \$1,000,000 operating line of credit with the Toronto-Dominion Bank ("TD") available to be drawn at the Company's discretion. 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.

CEBA term loan

On April 30, 2020, the Company received a \$40,000 line of credit under the Canada Emergency Business Account ("CEBA") program funded by the Government of Canada. The CEBA line of credit 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 and six months ended June 30, 2021 and 2020

(In Canadian dollars - unaudited)

10. LOANS AND BORROWINGS (continued)

On June 30, 2021, the outstanding balance on the CEBA line of credit of \$40,000 automatically converted to a 2-year interest-free term loan (the "CEBA term loan"). If 75% of the CEBA term loan is repaid on or before December 31, 2022, the remaining 25% will 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 term loan at fair value using an effective interest rate of 13.3%. The fair value of the CEBA term loan is accreted up to its cost and during the three and six months ended June 30, 2021, interest accretion of \$702 and \$1,428, respectively, 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 payable monthly.

The loan is secured by:

- First priority over all present and subsequently acquired personal property;
- Unlimited guarantee of advances executed by the Company, supported by second charge on all present and subsequently acquired personal property of the Company; and
- Evidence of business insurance, including general liability insurance.

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		4,301
Interest payments		(4,301)
Principal repayments		(33,900)
Balance, June 30, 2021	\$	169,274

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:

	June 30, 2021	December 31, 2020
Current portion of lease obligations	\$ 905,610	\$ 831,689
Non-current portion of lease obligations	3,051,006	808,011
	\$ 3,956,616	\$ 1,639,700

TRIBE PROPERTY TECHNOLOGIES INC.

Notes to the Condensed Consolidated Interim Financial Statements

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(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 are 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 (Note 7)		2,572,188
Interest expense		208,573
Payments		(463,845)
Balance, June 30, 2021	\$	3,956,616

As at June 30, 2021, the Company is committed to minimum lease payments as follows:

		June 30, 2021
Less than one year	\$	876,637
One to five years		3,070,675
More than five years		1,863,171
Total undiscounted lease liabilities	\$	5,810,483

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 payment 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 on March 29, 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:

	June 30, 2021	December 31, 2020
Current portion of note payable	\$ 200,000	\$ 5,283,333
Working capital payment adjustment due	968,792	968,792
Total current portion of note payable	1,168,792	6,252,125
Non-current portion of note payable	3,551,898	3,405,084
Total note payable	\$ 4,720,690	\$ 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		223,487
Interest payment		(160,006)
Principal payment		(5,000,000)
Balance, June 30, 2021	\$	4,720,690

13. DUE TO RELATED PARTIES

During the first quarter of 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 253,270 common shares (Note 14).

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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 (Note 3). As at June 30, 2021 and December 31, 2020, the Company had 15,890,254 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 compensation 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. There were additional professional fees of \$264,685 incurred by the Company that have been recorded as share issuance costs.

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 compensation 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 compensation 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 compensation 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 253,270 common shares (Note 13).

On March 15, 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 15, 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 going public transaction (Note 18).

15. STOCK OPTIONS

The Company has a rolling stock option plan ("SOP") whereby a maximum of 10% of the issued and outstanding common shares of the Company may be reserved for issuance pursuant to the exercise of stock options. The terms of the granted stock options are fixed by the Board of Directors and are not to exceed ten years. The exercise price of stock options is determined by the Board of Directors.

Stock options granted under the SOP may vest immediately on grant, or over a period as determined by the Board of Directors, or in respect of stock options granted for investor relations services, as prescribed by the Exchange policy. The Black-Scholes Merton option pricing model inputs for stock options granted during the six months ended June 30, 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-February-2021	31-January-2026	\$5.00	\$5.00	0.42%	5	50%	0%	\$2.15
22-February-2021	21-February-2026	\$5.00	\$5.00	0.67%	5	50%	0%	\$2.17
22-February-2021	21-February-2023	\$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 stock options vest over periods of 1, 2, 3 and 4 years.

Total expense arising from stock-based compensation recognized during the three and six months ended June 30, 2021 was \$164,090 and \$503,707, respectively (three and six months ended June 30, 2020 - \$646,481), 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 six months ended June 30, 2021 and 2020 is as follows:

	June 30, 2021		June 30, 2020	
	Number outstanding	Weighted average exercise price	Number outstanding	Weighted average exercise price
Outstanding, beginning	394,530	\$ 2.75	-	\$ -
Cherry Street options exchanged in reverse acquisition (Note 3)	36,100	4.22	-	-
Granted ⁽¹⁾	778,874	5.00	394,530	2.75
Outstanding, ending	1,209,504	\$ 4.24	394,530	\$ 2.75
Exercisable, ending	703,874	\$ 3.70	394,530	\$ 2.75

⁽¹⁾ The continuity schedule for the six months ended June 30, 2021 includes compensation options issued in connection with the brokered private placement and non-brokered private placement financings (Note 14). These compensation options were not issued out of the Company's SOP.

At June 30, 2021, the Company had outstanding stock options as follows:

Expiry date	Options outstanding	Options exercisable	Exercise price	Weighted average remaining contractual life (in years)
March 15, 2022	36,100	36,100	\$ 4.22	0.71
February 21, 2023	70,000	17,500	\$ 5.00	1.65
March 15, 2023 ⁽¹⁾	158,334	158,334	\$ 5.00	1.71
April 30, 2025	394,530	394,530	\$ 2.75	3.83
January 31, 2026	200,000	40,000	\$ 5.00	4.59
February 21, 2026	350,540	57,410	\$ 5.00	4.65
	1,209,504	703,874		3.70

⁽¹⁾ Compensation options issued in connection with the brokered private placement and non-brokered private placement financings (Note 14). These compensation options were not issued out of the Company's SOP.

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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	June 30, 2021	December 31, 2020
Financial assets:			
Fair value through profit and loss			
Cash	1	\$ 4,528,731	\$ 908,009
Investments	1	68,842	60,598
Amortized cost			
Receivables	2	566,848	546,582
Financial liabilities:			
Financial liabilities at amortized cost			
Accounts payable	2	\$ 1,196,768	\$ 1,978,029
Credit facility	2	-	44,457
Short-term debt	2	22,282	20,854
Demand loan	2	169,274	203,174
Note payable	2	4,720,690	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 and six months ended June 30, 2021 and 2020. As at June 30, 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 June 30, 2021:

	Within 12 months	After 12 months
Accounts payable and accrued liabilities	\$ 1,297,373	\$ -
Short-term debt	22,282	-
Demand loan	169,274	-
Lease obligations	876,637	4,933,846
Note payable	1,168,792	4,400,000
Total	\$ 3,534,358	\$ 9,333,846

The Company's financial instruments expose the Company to certain financial risks, including credit risk, interest rate risk, foreign currency risk and liquidity risk.

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16. FINANCIAL INSTRUMENTS (continued)

Credit risk

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

Interest rate risk

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

Currency risk

Currency risk is the risk that the Company's net loss will vary from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company has not entered into any forward currency contracts or other financial derivatives to hedge foreign exchange risk. The Company is exposed to limited foreign currency transactions and has assessed the currency risk as low.

Liquidity risk

The Company's objective is to have sufficient liquidity to meet its liabilities when they become due. The Company monitors its cash balances and cash flows generated from operations to meet its requirements. As at June 30, 2021, the most significant financial liabilities are its accounts payables and accrued liabilities, short-term debt, the demand loan, and note payable. As at June 30, 2021, the Company assessed its 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
For the six months ended June 30, 2021				
Revenue	\$ 7,543,386	\$ 213,559	\$ -	\$ 7,756,945
Expenses	7,749,769	1,705,166	3,105,971	12,560,906
Net loss	\$ (206,383)	\$ (1,491,607)	\$ (3,105,971)	\$ (4,803,961)
For the six months ended June 30, 2020				
Revenue	\$ 2,064,420	\$ 162,552	\$ -	\$ 2,226,972
Expenses	1,819,857	898,223	985,161	3,703,241
Net income (loss)	\$ 244,563	\$ (735,671)	\$ (985,161)	\$ (1,476,269)
As at June 30, 2021				
Assets	\$ 17,239,271	\$ 5,333,503	\$ -	\$ 22,572,774
Liabilities	11,528,689	613,361	-	12,142,050
As at December 31, 2020				
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.

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

a) Key management compensation was as follows:

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Salary	\$ 211,469	\$ 94,615	\$ 377,046	\$ 205,000
Short-term benefits	34,211	18,043	63,646	43,204
Stock-based compensation	124,664	342,009	369,393	342,009

b) During the six months ended June 30, 2021, the Company paid cash of \$37,500 and issued 10,000 common shares with a fair value of \$50,000 to a related party for consulting services received in connection with the going public transaction (Note 14).

c) During the six months ended June 30, 2021, the Company made lease payments for office space of \$250,090 to a company controlled by a director of a subsidiary. The office leases have an average term of 9.5 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 EVENTS

On July 26, 2021, Gateway and Tribe Management Inc. horizontally amalgamated to form Tribe Management Inc. and on July 31, 2021, Gateway West Management Corporation was amalgamated vertically into Tribe Management Inc., with the resulting Tribe Management Inc. continuing under the provisions of the *Canada Business Corporations Act*.