

**CSE FORM 2A**

**LISTING STATEMENT**

**APARTMENTLOVE INC.**

**(the “Company” or “ApartmentLove”)**

**August 27, 2021**

## **NOTE TO READER**

This Listing Statement contains a copy of the final long form non-offering prospectus of ApartmentLove Inc. (the “**Company**” or “**ApartmentLove**”) dated July August 9, 2021 (the “**Prospectus**”). Certain sections of the Canadian Securities Exchange (the “**Exchange**”) form of Listing Statement have been included following the Prospectus to provide additional disclosure on the Company required by the Exchange, as well as updating certain information contained in the Prospectus.

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### FORM 2A – LISTING STATEMENT

January 2015

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**SCHEDULE "A"**

**Final Long Form Prospectus dated August 9, 2021**

See attached.

No securities regulatory authority has expressed an opinion about these securities, and it is an offence to claim otherwise. This non-offering prospectus does not constitute a public offering of securities.

## PROSPECTUS

Non-Offering Prospectus

August 9, 2021



No securities are being offered pursuant to this non-offering prospectus (the "**Prospectus**"). This Prospectus is being filed with the securities regulatory authority in the Province of Alberta to enable ApartmentLove Inc. (the "**Corporation**") to become a "reporting issuer" in the Province of Alberta pursuant to applicable securities legislation and to develop an organized market for the common shares of the Corporation (the "**Common Shares**"). Since no securities are being offered pursuant to this Prospectus, no proceeds will be raised, and all expenses incurred in connection with the preparation and filing of this Prospectus will be paid by the Corporation from its general corporate funds.

There is no market through which the securities of the Corporation may be sold. This may affect the pricing of the Corporation's securities in the secondary markets; the transparency and availability of trading prices; the liquidity of the Corporation's securities and the extent of issuer regulations. See "*Risk Factors*".

The Corporation has applied to list its Common Shares on the Canadian Securities Exchange (the "**CSE**"). In order to obtain a listing, the Corporation must fulfill all of the listing requirements of the CSE, including obtaining a receipt for this Prospectus from the Alberta Securities Commission (the "**ASC**"), distributing its Common Shares to a minimum number of public shareholders and meeting certain financial and other requirements.

**No underwriter or selling agents have been involved in the preparation of this Prospectus or performed any review or independent due diligence of the contents of this Prospectus.**

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

**An investment in securities of the Corporation is speculative and involves a high degree of risk. In reviewing this Prospectus, you should carefully consider the matters described under the heading "*Risk Factors*".**

The Corporation's registered head office is located at Suite 1600, 421 7<sup>th</sup> Avenue S.W., Calgary, Alberta, T2P 4K9.

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## FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements and forward-looking information within the meaning of applicable securities legislation about the Corporation and the development of its business. The use of any of the words "may", "will", "should", "expect", "anticipate", "continue", "plan", "estimate", "believe", "intend", "project", "forecast", and other similar expressions is intended to identify forward-looking statements or information.

These forward-looking statements include statements regarding:

- the listing of its Common Shares on the CSE;
- performance of the Corporation's products or services and product or service candidates;
- supply and demand of the Corporation's products and services;
- projections on revenues generated from the sale of the Corporation's products or services (or related products and services);
- regulatory approval and market acceptance of the Corporation's products and services;
- growth strategy and opportunities;
- anticipated operating expenses and business operational requirements;
- future funds from operations; and
- expectations regarding the ability to raise capital.

The forward-looking statements and information contained in this Prospectus are based on certain key expectations and assumptions made by the Corporation, including expectations and assumptions relating to the ongoing ability of the Corporation to develop and market its products and services, the availability of capital to undertake planned expenditures, the acceptance by the CSE of the listing of the Corporation's Common Shares, the ability of the Corporation to attract wholesale and retail customers, the ability of the Corporation to obtain regulatory approval for its products and services, the expected market for the Corporation's products and services will continue to grow, the availability and cost of labour and services, and prevailing applicable laws remaining unchanged. These statements are only predictions and involve known and unknown risks, uncertainties, and other factors, including the risks in the section entitled "*Risk Factors*", which may cause the Corporation's actual results, levels of activity, performance, or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

Although the Corporation has attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

The forward-looking statements and information contained in this Prospectus are made as of the date hereof and, unless so required by applicable law, the Corporation undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information future events or otherwise. The forward-looking statements and information contained in this Prospectus are expressly qualified by this cautionary statement.

## CURRENCY PRESENTATION AND EXCHANGE RATE INFORMATION

In this Prospectus, unless otherwise indicated, all references to "C\$", "\$" or "dollars" refer to Canadian Dollars, all references to "USD\$" refer to United States Dollars.

## GLOSSARY

The following is a glossary of certain general terms used in this Prospectus. Terms and abbreviations used in the financial statements and management's discussion and analysis included in, or appended to, this Prospectus are defined separately, and the terms and abbreviations defined below are not used therein, except where otherwise indicated. Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders.

**"\$0.08 Warrants"** means the 330,000 outstanding Common Share purchase warrants of the Corporation with an exercise price of \$0.08 entitling the holder thereof to purchase one (1) Common Share at the exercise price for a period of two (2) years from the date of issue.

**"\$0.10 Warrants"** means, collectively: (a) the 269,100 outstanding Common Share purchase warrants of the Corporation with an exercise price of \$0.10 entitling the holder thereof to purchase one (1) Common Share at the exercise price for a period of two (2) years from the date of issue; and (b) the 330,000 outstanding Common Share purchase warrants of the Corporation with an exercise price of \$0.10 entitling the holder thereof to purchase one (1) Common Share at the exercise price for a period of two (2) years from the Listing Date.

**"ApartmentLove Active Inventory"** means the number of active listings promoting residential homes and apartments for rent on the Website.

**"ASC"** means Alberta Securities Commission.

**"Audit Committee"** means the audit committee of the Corporation as defined in NI 52-110.

**"Audited Financial Statements"** mean the audited annual financial statements of the Corporation for the years ended December 31, 2020 and 2019 attached hereto as Schedule A.

**"Board of Directors"** or **"Board"** means the board of directors of the Corporation.

**"CBCA"** means the *Canada Business Corporations Act*.

**"CDS"** means the Canadian Depository for Securities.

**"CEO"** means Chief Executive Officer.

**"CFO"** means Chief Financial Officer.

**"Common Shares"** means the common shares in the capital of the Corporation.

**"Compensation Committee"** means the compensation committee of the Board.

**"Convertible Debentures"** means the outstanding convertible debentures of the Corporation in the aggregate principal amount of \$195,000, which accrue interest at a rate of 10% per annum, calculated and compounded annually, and are convertible into Common Shares at a price of \$0.10 per Common

Share at the option of the holder any time prior to the date that is two (2) years following the issuance date of such Convertible Debenture.

"**Corporation**" means ApartmentLove Inc., a corporation incorporated pursuant to the CBCA on January 19, 2015.

"**COVID-19**" means the 2019 novel coronavirus (SARS-CoV-2).

"**CSE**" or "**Exchange**" means the Canadian Securities Exchange.

"**CSO**" means Chief Strategy Officer.

"**DAU**" means a daily active user that visit the Website.

"**Domains**" means the domain names owned by the Corporation as listed in "*General Description of the Business – ApartmentLove Domain Names*".

"**Escrow Agent**" means Odyssey Trust Company at its office located at 1230 – 300 5<sup>th</sup> Avenue S.W., Calgary, Alberta, T2P 3C4.

"**Escrow Agreement**" means the escrow agreement dated February 4, 2021 among the Corporation, the Escrow Agent, and certain escrowed Shareholders.

"**Financial Statements**" mean, collectively, the Audited Annual Financial Statements and the Interim Financial Statements.

"**IFRS**" means International Financial Reporting Standards.

"**Insider**" has the meaning given to such term in the *Securities Act* (Alberta).

"**Interim Financial Statements**" means the unaudited interim financial statements of the Corporation for the 3-month period ended March 31, 2021 attached hereto as Schedule C.

"**Landlords**" means the landlords of the residential rental listings being displayed on the Website, which includes, but is not limited to, property management companies, apartment building owners and operators, industry associations, and private landlords.

"**Listing**" means the proposed listing of the Common Shares on the CSE for trading.

"**Listing Date**" means the day that the Common Shares are listed for trading on the CSE pursuant to the Listing.

"**Management**" means the officers of the Corporation.

"**MAU**" means the aggregate total users that visit the Website in a calendar month.

"**MD&A**" means the management's discussion and analysis of the Corporation for the year ended December 31, 2020 and the three-month period ended March 31, 2021 attached hereto as Schedule B and Schedule D, respectively.

"**NEO**" means a named executive officer of the Corporation, as defined in National Instrument 51-102F6 – *Statement of Executive Compensation*.

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees*.

"**NI 58-101**" means National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

"**NP 46-201**" means National Policy 46-201 – *Escrow for Initial Public Offerings*.

"**NP 58-201**" means National Policy 58-201 – *Corporate Governance Guidelines*.

"**Option Plan**" means the incentive stock option plan of the Corporation dated October 19, 2018.

"**Options**" means the incentive stock options to purchase Common Shares issued pursuant to the Option Plan.

"**Preferred Shares**" means preferred shares in the capital of the Corporation.

"**Promoter**" has the meaning specified in section 1(rr) of the *Securities Act* (Alberta).

"**Prospectus**" means this (final) prospectus of the Corporation.

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval maintained by the Canadian Securities Administrators at [www.sedar.com](http://www.sedar.com).

"**SEO**" means search engine optimization.

"**Shareholders**" means the holders of the Common Shares and, if applicable, the holders of Preferred Shares.

"**United States**" or "**U.S.**" means the United States of America.

"**Warrants**" means, collectively, the \$0.08 Warrants and the \$0.10 Warrants.

"**Website**" means the Corporation's website ([www.apartmentlove.com](http://www.apartmentlove.com)).

"**Website Systems**" mean, collectively the Website and associated databases, servers, and hosting environments.

## SUMMARY OF PROSPECTUS

*The following is a summary of the information contained in this Prospectus and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus.*

***Capitalized terms used in this summary, which are not defined in the summary, have the meanings ascribed to them elsewhere in this Prospectus. Unless otherwise indicated, references to the "Corporation", "we", "us" and similar terms are to ApartmentLove Inc.***

### **The Corporation**

The Corporation was incorporated pursuant to the CBCA under the name "Culada Asset Management, Inc." on January 19, 2015. The Shareholders approved a resolution to change the name of the Corporation to "ApartmentLove Inc." at the annual general meeting of the Shareholders held on May 31, 2018. The Corporation then changed its name by way of certificate of amendment pursuant to the CBCA issued on June 19, 2018. On March 6, 2019, the Corporation amended its articles to split its issued and outstanding Common Shares on the basis of 6.25 Common Shares issued for each 1 Common Share held prior to the share split. On May 18, 2021, the Corporation amended its articles to create the Preferred Shares and remove the transfer restrictions on the Common Shares. See "*Corporate Structure*".

The Corporation's principal business is operating the Website. The Website is an Internet based residential real estate marketplace platform that has been developed for the purpose of connecting prospective tenants with landlords of residential rental properties in Canada, the United States, and elsewhere around the world. As at the date of this Prospectus, the Corporation earns revenue by charging Landlords per listing on the Website. The Corporation has secured listing agreements with Landlords in Canada, the United States, and Europe. See "*General Description of the Business*".

### **Use of Available Funds**

No securities are being offered and no proceeds will be raised pursuant to this Prospectus. The Corporation's available cash has been used and will continue to be used, to the extent required, to fund its operations and for the principal purposes set out in this Prospectus. However, there may be circumstances where, for business reasons, a reallocation of funds or further financing may be necessary. See "*Use of Available Funds*".

### **Risk Factors**

An investment in the Common Shares should be considered to be "highly speculative" and one that involves significant risk inherent in digital marketing, internet and software technology, and the residential rental marketing industry all of which are subject to sudden and often significant fluctuations which could materially adversely affect the Corporation and the underlying value of the Common Shares. An investment should only be considered by investors who can afford the total loss of their investment. A prospective investor in the Common Shares should be aware that there are various risks that could have a material adverse effect on, among other things, the properties, business, and condition (financial or otherwise) of the Corporation. These risk factors which are listed below, together with all other information contained in this Prospectus, including information contained in the section entitled "*Forward-Looking Statements*", should be carefully reviewed, and considered before an investment in the Common Shares is made. The risks listed below do not necessarily comprise all the risks faced by the Corporation.

Potential risks include, but are not limited to: the Corporation's ability to generate revenue; the ability of the Corporation to compete with both direct and indirect competition; infrastructure risks; cybersecurity risks; inability to leverage technology; the Corporation's reliance on strategic partnerships; the Corporation's ability to accurately forecast its business needs; reputational risk; litigation risk; conflicts of interest; foreign currency risk; no cash dividends for the foreseeable future; global economic and financial markets; COVID-19 effects on capital markets and residential real estate, governmental regulation; need for additional capital to continue operations; the ability of the Corporation to continue as a going concern; the need for additional financings and dilution; costs related to investment in growth; the Corporation's dependence on and performance of key personnel; the regulatory burden of the listing of the Common Shares on the CSE; the Corporation's lack of material revenues and history of losses; the Corporation's limited operating results; the Corporation's ability to develop and protect its intellectual property; the Corporation's inability to develop adequate sufficient internal controls over financial reporting; the control of the insiders over the Corporation; no market for the Common Shares; no certainty that the Common Shares will trade on the CSE or any other public securities exchange; and the illiquidity and price volatility of the Common Shares. See "Risk Factors".

### Summary of Financial Information

The following selected financial information has been derived from, and is qualified in its entirety by, the Financial Statements attached to and forming part of this Prospectus and should be read in conjunction with such Financial Statements and the related notes thereto, along with the MD&A attached to and forming part of this Prospectus. The Financial Statements have been prepared in accordance with IFRS. See "Selected Financial Information of the Corporation and Management's Discussion and Analysis".

Select Financial Data	For the three month period ended March 31, 2021 (unaudited)	For the year ended December 31, 2020 (audited)	For the year ended December 31, 2019 (audited)
Revenue	\$825	\$14,588	\$52,574
Current Assets	\$496,118	\$58,259	\$97,069
Current Liabilities	\$158,191	\$256,141	\$202,764
Non-Current Liabilities	\$193,769	\$49,418	\$0
Deficit	\$2,853,500	\$2,640,607	\$2,117,448
Cumulative Net Loss per Common Share	\$0.01	\$0.02	\$0.02

## **CORPORATE STRUCTURE**

### **Name, Address and Incorporation**

The Corporation was incorporated pursuant to the CBCA under the name "Culada Asset Management, Inc." on January 19, 2015. The Shareholders approved a resolution to change the name of the Corporation to "ApartmentLove Inc." at the annual general meeting of the Shareholders held on May 31, 2018. The Corporation then changed its name by way of certificate of amendment pursuant to the CBCA issued on June 19, 2018. On March 6, 2019, the Corporation amended its articles to split its issued and outstanding Common Shares on the basis of 6.25 Common Shares issued for each 1 Common Share held prior to the share split. On May 18, 2021, the Corporation amended its articles to create the Preferred Shares and remove the transfer restrictions on the Common Shares.

The principal place of business of the Corporation is located at Suite 201 (Unit 10), 1405 St. Paul Street, Kelowna, British Columbia, V1Y 9N2 and its registered head office is located at Suite 1600, 421 7<sup>th</sup> Avenue S.W., Calgary, Alberta, T2P 4K9.

### **Intercorporate Relationships**

As at the date of this Prospectus, the Corporation does not have any subsidiaries.

## **GENERAL DESCRIPTION OF THE BUSINESS**

### **Three-Year History**

The business of the Corporation is to provide active, efficient, and effective promotion of residential rental listings in Canada and the United States through the Website. Pursuant to an asset purchase agreement dated April 30, 2018, the Corporation acquired the Canadian assets of ECOM Media Group Inc. ("**ECOM**") for an aggregate deemed purchase price of \$375,000 paid through the issuance of 750,000 Common Shares (which were subsequently subject to a share split on a 6.25-for-1 basis). At the time of the acquisition of ECOM, the Corporation believed that the acquisition would result in the Corporation being positioned to expand rapidly through both organic acquisition of users and additional acquisitions of competitors in Canada and the United States. Following the acquisition, the Corporation came to believe that material misrepresentations were made to the Corporation by ECOM and the principals of ECOM and the Corporation spent a majority of the 12 month period following the acquisition of ECOM in litigation with ECOM and its principals. The litigation dispute with ECOM and its principals was settled on June 28, 2019, whereby the Corporation's claim in the amount of \$282,375.95 was settled through the return and cancellation of 3,529,699 of the Common Shares previously issued to ECOM.

In 2019, the Corporation focused on building the Website and its service offering while exploring financing opportunities. However, the Corporation did not undertake any material financing transactions during that time.

In 2020, in response to the COVID-19 pandemic, the Corporation terminated or furloughed all Management and staff, cancelled all non-essential spending, and entered into negotiations with its SEO service providers that it was under contract with to avoid further costs and expenses. During 2020, the Corporation received COVID-19 relief from the federal government in the form of a Canada Emergency Response Benefit (CERB) in the aggregate amount of approximately \$60,000 (of which, only \$40,000 is repayable if the Corporation repays such amount by December 31, 2022). Using the funds received from the federal government under the CERB program, the Corporation was able to retain a new, more cost

effective Website development team to redesign the Website and re-engineer the architecture underlying the Website Systems.

On November 20, 2020, the Corporation completed a private placement of a Convertible Debenture, issuing \$25,000 in principal amount of Convertible Debenture to an arm's length Shareholder. The Convertible Debenture accrues interest at a rate of ten percent (10%) per annum which is payable upon maturity. Both interest and principal amounts are convertible into Common Shares, at the discretion of the holder of the Convertible Debenture, at or any time prior to the date that is two (2) years following the issuance date of the Convertible Debenture at a conversion price of \$0.10 per Common Share. See "*Prior Sales*".

On December 23, 2020, the Corporation: (i) issued an aggregate of 1,632,500 Common Shares pursuant to the closing of a private placement of Common Shares, at a price of \$0.10 per share, for gross consideration of \$163,250; (ii) issued an aggregate of 370,076 Common Shares, at a deemed price of \$0.10 per share, pursuant to the settlement of an aggregate of \$37,006.60 of debt related to accounts payable; and (iii) issued an aggregate of 688,310 Common Shares, at a deemed price of \$0.10 per share, pursuant to the settlement of an aggregate of \$68,831 of debt incurred related to services rendered to the Corporation. See "*Prior Sales*".

On December 29, 2020, the Corporation filed a preliminary prospectus, which was amended and restated on March 30, 2021, and further amended and restated on June 22, 2021. On June 29, 2021, the Corporation withdrew the second amended and restated preliminary prospectus dated June 22, 2021.

On January 22, 2021, the Corporation entered into an agreement with a European listing aggregator headquartered in London, England with rental properties located around the world. During the 1<sup>st</sup> week of June, 2021, the Corporation successfully completed the base layer integration of the rental property inventory database of Uniplaces Limited with the Website Systems, which significantly expanded the Websites international rental property inventory. See "*General Description of the Business – Overview of the Business – Pricing Model*".

On February 5, 2021, the Corporation completed a private placement of Convertible Debentures, issuing an aggregate of approximately \$165,000 principal amount of Convertible Debentures to arm's length Shareholders. The Convertible Debentures accrue interest at a rate of ten percent (10%) per annum which is payable upon maturity. Both interest and principal amounts are convertible into Common Shares, at the discretion of the holder of the Convertible Debenture, at or any time prior to the date that is two (2) years following the issuance date of such Convertible Debenture at a conversion price of \$0.10 per Common Share. See "*Prior Sales*".

On March 3, 2021, the Corporation entered into an agreement with a U.S. company headquartered in Somerville, Massachusetts to provide rental application processing services using the U.S. company's proprietary method and system for processing rental applications. Pursuant to the terms of the agreement, if rental applications derived from the Website are processed by the U.S. company's rental application portal, the Corporation shall receive a fee equal to ten (10%) percent of the amount of the application fee. See "*General Description of the Business – Overview of the Business – Pricing Model*".

On March 15, 2020, the Corporation: (i) issued an aggregate of 2,654,462 Common Shares pursuant to the closing of a private placement of Common Shares, at a price of \$0.10 per share, for gross consideration of \$265,446.20; (ii) issued an aggregate of 970,125 Common Shares, at a deemed price of \$0.10 per share, pursuant to the settlement of an aggregate of \$97,112.50 of debt related to accounts payable; and (iii) issued an aggregate of 495,374 Common Shares, at a deemed price of \$0.10 per share,



pursuant to the settlement of an aggregate of \$49,537.40 of debt incurred related to services rendered to the Corporation. See "*Prior Sales*".

On March 26, 2021, the Corporation issued 1,350,000 Common Shares pursuant to the closing of a private placement of Common Shares, at a price of \$0.10 per share, for aggregate gross consideration of \$135,000. See "*Prior Sales*".

On April 1, 2021, the Corporation resumed its contractual relationship with its SEO service providers and its Website SEO program that aims to generate additional traffic to the Website. See "*General Description of the Business – Overview of the Business – Key Partners & Suppliers*" and "*Use of Available Funds*".

## **Overview of the Business**

The Corporation's principal business is promoting residential rental homes and apartments for rent to prospective renters seeking rental accommodations of generally not less than one calendar year via the internet through operating the Website and providing promotional services to paying Landlords in Canada, the United States, and elsewhere around the world. The Website is an internet based residential rental real estate marketing website and earns revenues by charging Landlords to promote their residential rental accommodations to prospective renters searching for rental homes on the Website. The Corporation also invoices Landlords who advertise an unlimited number of residential rental accommodations on the Website each month. The Website connects prospective tenants with Landlords by promoting homes and apartments for rent. The Corporation's goal is to appeal to the prospective tenants' desires by advertising residential rental property listings throughout the world on behalf of Landlords via a user friendly and attractive internet interface. See "*Risk Factors*".

The Corporation offers its services of promoting residential rental listings on behalf of Landlords seeking to find tenants for rentals of generally one (1) calendar year in Canada and the United States as well as promoting residential rental listings on behalf of Landlords seeking to find international students for short term residential real estate rentals of between one (1) week to one (1) year in 32 countries around the world. The ApartmentLove Active Inventory represents rental listings in North America and Europe. It is the opinion of Management that the Corporation is well positioned to meet its near and long-term operational and financial targets. See "*Risk Factors*".

The Corporation believes that a key driver to increase its DAUs and MAUs, which in turn would lead to growth in the Corporation's revenue, is the successful implementation of the Corporation's SEO program. The Corporation suspended its SEO program in April 2020 as a cost savings measure in response to the COVID-19 pandemic, however the Corporation resumed its SEO program on April 1, 2021 with a focus on the United States market. Management believes that based on the growth of DAUs and MAUs since the resumption of the SEO program on April 1, 2021, that the Corporation will be able to generate positive revenue growth towards the end of 2021 and in 2022. Prior to the COVID-19 pandemic, the Corporation generated revenue by charging real estate management companies in Canada and the United States for the right to advertise an unlimited number of rental property listings on the Website each month. Following the increase in traffic to the Website following the resumption of the Corporation's SEO program (as measured by the increasing number of MAUs in the United States), Management intends to resume its "monthly recurring client billing" revenue model in Canada and the United States in the fourth quarter (Q4) of 2021. The Corporation intends to charge Canadian Landlords \$79.99 per month and U.S. Landlords USD\$79.99 per month to promote their respective listing inventories on the Website. See "*General Description of the Business – Overview of the Business – Key Partners & Suppliers*", "*Forward-Looking Statements*" and "*Use of Available Funds*" and "*Risk Factors*".

As at the date of this Prospectus, the Corporation has entered into marketing agreements with Landlords in North America and Europe, the names of those partners and the existence of such partnership contracts are subject to provisions of non-disclosure agreements and include confidential information and trade secrets of the Corporation. As at 9:41 pm Eastern Time on June 8, 2021, the Website had 275,957 active listings comprising the ApartmentLove Active Inventory. The number of listings in the ApartmentLove Active Inventory has increased by 97,507 listings (or 54.7%) from 12:50 p.m. Eastern Time on December 21, 2020 when there were 178,450 active listings comprising the ApartmentLove Active Inventory.

For the year ended December 31, 2020, the Website attracted a total of 160,496 total users, which represents 440 DAUs and 13,375 MAUs. As of April 20, 2021, the Corporation had 81,701 total unique users to the Website in 2021, which represents an average of 698 DAUs and in excess of 250,000 total unique users to the Website on an annualized basis. Management believes the increased user traffic to the Website is a direct result of the resumption of the Corporation's SEO program on April 1, 2021. In the period from the resumption of the Corporation's SEO program on April 1, 2021 to June 7, 2021, the Website attracted 47,948 total users, which amount represents approximately 705 DAUs and 21,300 MAUs over the period. On an annualized basis, the number of total users to the Website since April 1, 2021 represents an aggregate of approximately 255,600 annual users, which amount, if achieved over the course of a 12 month period, would represent an increase of approximately 59.3% of users to the Website as compared to the number of users to the Website for the year ended December 31, 2020. Management believes the increased user traffic to the Website is a direct result of the resumption of the Corporation's SEO program. See "*Forward-Looking Statements*" and "*Risk Factors*".

### ***Key Partners & Suppliers***

The Corporation's key Landlord partners include large property management companies, apartment building owners and operators and listing aggregators in addition to small or private landlords and real estate speculators that own or control one or multiple residential rental accommodations in North America, Europe, or elsewhere around the world. See "*General Description of the Business – Overview of the Business – Pricing Model*".

The Corporation's key supplier partners include SEO service providers and other custom website development experts. These suppliers are of particular importance to the Corporation as the Corporation's custom website team includes conversion rate experts that apply proprietary testing methodologies to the Website to improve the on-site user experience as measured by time on site, page views per session, lead generation, and conversion rates, among other metrics. The Corporation's SEO service providers are responsible for the generation of "organic website traffic", namely Website visitors originating from major search engines like Google and Bing when searching for keywords qualifying a city name in a target market such as "apartments for rent in..." and variations and permutations thereof.

### ***Key Employees***

The Corporation has one key employee, its President, CEO and Corporate Secretary, Trevor Davidson. Trevor is a graduate of the Sobey School of Business at Saint Mary's University. Trevor is the President, CEO, Corporate Secretary and a director of the Corporation. Prior to founding the Corporation, Trevor was the manager of acquisitions and development for a publicly traded childcare company with operations in more than fifty (50) markets across Canada. Trevor has a sales and marketing background which dovetails with his business degree. Trevor has worked in digital marketing, technology, and finance capacities since 2007. See "*Executive Compensation*" and "*Risk Factors*".

## ***Research and Development***

The Website was developed by the Corporation and is the sole and exclusive property of the Corporation. The Website Systems utilize the following technologies: HTML, CSS, JavaScript, PHP, and MySQL. Management is evaluating the cost-benefit analysis of developing native mobile applications for both Android (Google) and iOS (Apple) operating systems. As of the date of this Prospectus, the Corporation is actively undergoing development projects for its Website Systems including the ability for integration with Landlords in North America and Europe, and the redesign of the front-end/customer facing components of the Website. Management believes that the Website Systems are configured in a unique, dynamic, and proprietary fashion such that the Website Systems can be economically scaled to accommodate exponential growth in rental listings without denigrating the user experience.

## ***Intellectual Property and Intangible Properties***

The Corporation is the registered owner of the following service mark in the United States:



The mark consists of a stylized, shaded house design with a stylized, unshaded heart appearing centered inside of the house. A design of a stylized roof with a chimney appears above the house.

The registration no. for the foregoing service mark is 5,179,927 and it was registered on April 11, 2017 with the United States Patent and Trademark Office.

The Corporation is the registered owner of the following service mark in Canada and the United States:

### **ApartmentLove**

The registration no. for the foregoing service mark is TMA944,544 and it was registered on July 29, 2016 with the Canadian Intellectual Property Office.

## **ApartmentLove Domain Names**

As at the date of this Prospectus, the Corporation is the registered owner of the Domains listed below:

abbotsfordapartments.net	deltaapartmentrentals.com	rentbonjour.com
abbotsford-apartments.net	edmonton-apartments.com	rent-canada.com
apartmentlove.com	fortmcmurray-rentals.com	renthello.ca
apartment-rentals-toronto.com	fort-nelson-apartments.com	renthello.com
apartment-rentals-vancouver.com	fort-st-john-apartments.com	renthello.net
apartmentscanada.com	guelph-apartments.com	rentmanitoba.com
apartments-for-rent-winnipeg.com	hamilton-apartments.com	rentmb.com
apartmentsgatineau.com	italian-apartment.it	rentontario.net
apartments-in-grande-prairie.com	kelsonapartmentrentals.com	rentquebec.com
apartments-in-richmond.com	kitchener-apartments.com	rentsalut.com
apartments-in-vancouver.com	langley-apartments.com	rentsaskatchewan.com
apartments-in-windsor.com	leduc-apartment-rentals.com	richmondapartmentrentals.com
apartments-kelowna.com	lethbridge-apartments.com	sarnia-apartments.com
apartments-kingston.com	london-apartment-rentals.net	scarborough-apartments.com
apartments-maple-ridge.com	mississauga-apartments.com	sherwoodparkapartments.com
apartments-montreal.com	myidealhomerentals.com	stcatharinesapartments.com
apartments-toronto.com	myidealrental.com	sudbury-apartments.com
burlington-apartments.net	nanaimo-apartment-rentals.com	surrey-apartments.com
burnaby-apartments.com	newwestminsterapartments.com	taylor-apartments.com
calgaryapartments.net	niagarafallsapartments.ca	thoroldapartments.com
campbell-river-apartments.com	north-vancouver-apartments.com	torontohomerentals.com
canadianresidentialrentals.com	northyork-apartments.com	vernon-apartments.com
chetwynd-apartments.com	oakville-apartments.com	victoria-apartment-rentals.com
cloverdale-apartments.com	red-deer-apartments.com	waterloo-apartments.net
courtenay-apartments.com	rent-alberta.com	welland-apartments.com
culada.com	rentalfrog.com	west-kelowna-apartments.com
dawson-creek-apartments.com	rentbc.com	westvan-apartments.com

## ***Branding and Technology***

The Corporation relies on its technology, registered branding, the Website, the unique user experience of the Website, SEO, and the Domains to compete with competitor websites and residential rental listing services. Management intends to continue to pursue organic expansion efforts with Landlords in North America, Europe, and elsewhere around the world. See "*Use of Available Funds*", "*Material Contracts*" and "*Risk Factors*".

## ***Pricing Model***

The Corporation's e-commerce pricing model comprises charging a base rate (not inclusive of applicable taxes) to Landlords as follows:

1. \$45.00 for one 30 day listing on the Website;
2. \$75.00 for one 60 day listing on the Website; and
3. \$90.00 for one 90 day listing on the Website.

In addition to the above base rates charged by the Corporation to Landlord's for a listing on the Website, the Corporation also plans to introduce an ability for Landlords to pay an additional fee to have their listing featured more prominently on the Website to increase the exposure of such "featured listings" on the Website. The Corporation has not yet determined the exact price or mechanics of the proposed featured listing service as at the date of this Prospectus.

The Corporation has entered into an agreement dated April 2, 2016 with a U.S. listing aggregator, pursuant to which the U.S. listing aggregator has agreed to promote its entire residential rental listing inventory on the Website for no upfront base rate listing fee. Pursuant to the terms of the agreement with the U.S. listing aggregator, once the Website generates at least 1,000 total rental inquiries or "leads" in any given calendar month, the Corporation will begin earning revenue beginning on the next calendar month at a rate of USD\$10.00 per lead and incur a cost of USD\$5.00 per lead as a cost to be paid to the US listing aggregator. By way of example, if the Corporation were to deliver 800 leads to the U.S. listing aggregator in a calendar month, and has never provided at least 1,000 leads to the U.S. listing aggregator in any prior calendar month, then no revenue will be earned for that calendar month or the next calendar month, even if over 1,000 leads are earned in the next calendar month. However, once the Corporation has provided 1,000 or more leads to the U.S. listing aggregator in a calendar month, each and every lead in all subsequent calendar months are subject to the fee per lead, for which the Corporation shall earn net fees of USD\$5.00 per lead.

As at the date of this Prospectus, the Corporation has not yet generated at least 1,000 leads for the U.S. listing aggregator in any single calendar month and has therefore not yet generated any revenue from the partnership with the U.S. listing aggregator. However, based on the Corporation's current MAU growth, the Corporation is, as at the date of this Prospectus, currently in negotiations with the U.S. listing aggregator to have the 1,000 minimum lead threshold to begin receiving revenues under the partnership waived, which would result in the Corporation immediately thereafter receiving revenues pursuant to the partnership. See "*Forward Looking-Statements*" and "*Risk Factors*".

The Corporation has entered into an agreement with a European rental property listing aggregator which provides for a cost per booking revenue model in Europe. Pursuant to the agreement with the European rental property listing aggregator, the Corporation will promote the residential rental listings of the European listing aggregator on the Website for no upfront base rate listing fee and the Corporation earns

revenue by charging prospective tenants a commission based on the monthly rent of the property that they use the Website to apply for and the Landlord accepts. The commission charged by the Corporation under the agreement with the European listing aggregator is equal to 30% of the amount of the first months rent of the applicable rental property. For example, if a prospective tenant completes an application for an apartment in Paris, France with an average monthly rent of €2,000 via the Website and such application is accepted by the applicable Landlord, the Corporation would earn a "booking fee" equal to 30% of the monthly average rent charged to the prospective tenant at the time of booking, or €600. The amount of the earned booking fee would then be remitted to the Corporation by the European listings aggregator at the time of booking. As of the date of this Prospectus, the Corporation has completed technical integrations of the Website Systems with the database of the European listing aggregator and has active rental accommodations subject to the aforementioned revenue per booking arrangement in 32 countries around the world. However, the partnership with the European listing aggregator is in a preliminary stage as of the date of the Prospectus, as such, no revenue is currently derived from the foregoing cost per booking revenue model for clients in Europe described in this Prospectus, however Management believes it will begin generating revenues from the partnership with the European listing aggregator in the future. See "*Forward Looking-Statements*" and "*Risk Factors*".

The Corporation has entered into an agreement with a U.S. company headquartered in Somerville, Massachusetts to provide rental application processing services using the U.S. company's proprietary method and system for processing rental applications. Pursuant to the terms of the agreement, if rental applications derived from the Website are processed by the U.S. company's rental application portal, the Corporation shall receive a fee equal to ten (10%) percent of the amount of the application fee. Fee's payable to the Corporation under the agreement are payable quarterly, within 60 days after the end of each calendar quarter. As of the date of this Prospectus, no fees have been paid to the Corporation pursuant to this agreement. See "*Forward Looking-Statements*" and "*Risk Factors*".

## ***Principal Markets***

### *Market Research*

According to research compiled by Statistics Canada, as reported in the 2016 Canadian Census<sup>1</sup>, there were 4,474,530 renter inhabited homes in Canada in 2016. According to research collected by the Pew Research Center, approximately 43,300,000 households were inhabited by renters in the United States in 2016.<sup>2</sup> Using this research, Management estimates the total addressable market for rental properties in the Canada and the United States to be approximately 47,774,530. Based on research conducted by Management, Management believes that the average cost per 30 day listing on a competitor's website to be thirty-nine dollars and ninety-nine cents (\$39.99) in Canada and fifty U.S. dollars (USD\$50) in the United States for a simple blended "average cost per listing" of approximately forty-five dollars (\$45) per 30-day listing.

According to an article published in The Globe and Mail on November 28, 2017 titled: Canadian rental vacancy rate decreases for the first time in three years<sup>3</sup>, the rental vacancy rate was 3% in October 2017. Given the size of the Canadian market, as defined above, and the Canadian vacancy rate for rental properties, Management has estimated approximately 134,236 rental properties in Canada are

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<sup>1</sup> Source: Statistics Canada, 2016 Census of Population. 2016 Census. Statistics Canada Catalogue no. 98-316-X2016001. Ottawa. Released November 29, 2017.

<sup>2</sup> Source: [http://www.pewresearch.org/fact-tank/2017/07/19/more-u-s-households-are-renting-than-at-any-point-in-50-years/ft\\_17-07-18\\_renterssignificantgrowth\\_3/](http://www.pewresearch.org/fact-tank/2017/07/19/more-u-s-households-are-renting-than-at-any-point-in-50-years/ft_17-07-18_renterssignificantgrowth_3/).

<sup>3</sup> Source: The Globe and Mail titled: Canadian rental vacancy rate decreases for the first time in three years (published November 28, 2017) and available at <https://www.ctvnews.ca/business/canadian-rental-vacancy-rate-decreases-for-the-first-time-in-three-years-cmhc-1.3697531>.

advertised for rent each year. According to research collected by the United States Census Bureau, the rental vacancy rate in the United States in 2016 was 6.9%.<sup>4</sup> Based on this research, Management has estimated, given the size of the U.S. market, and the U.S. vacancy rate for rental properties, that there are approximately 2,987,700 rental properties in the United States are advertised for rent each year. Taken together, Management estimates an aggregate of 3,121,936 rental properties are advertised for rent in Canada and the United States each year. Applying the average cost per listing on a competitor's website noted above to the total Management estimated addressable market, Management estimates landlords spend approximately \$140 million in North America advertising residential rental listings via the internet.

### *Competition and Competitor Analysis*

Management has identified the following companies as direct competitors to the Corporation and the Website in Canada and the United States:

- **Apartments.com** (<https://www.apartments.com/>) – Based in Chicago, IL - Apartments.com advertises rental properties across the United States. Management believes that Apartments.com has built a website that is professional in appearance with quality content such as blogs, instructional videos, and other online resources. Incorporating personalized searches, walk-through video demonstrations, community reviews, a responsive website, and apps for both iPhone and Android operating systems, Apartments.com delivers a multimedia experience that, in Management's opinion, is well-received by Landlords and tenants in the United States.
- **ApartmentList.com** (<https://www.apartmentlist.com>) – ApartmentList.com launched in September 2011 and, according to the statements on its website, has more than 4,000,000 units on their platform and has reached more than 150,000,000 users in more than 40 cities since inception. ApartmentList.com has raised USD\$110,000,000 in funding from investors including a USD\$50,000,000 placement which closed the beginning of 2018.<sup>5</sup>
- **Zumper** (<https://www.zumper.com/>) – Zumper is based in San Francisco, CA and, according to the statements on its website, it raised USD\$90,000,000 in venture capital funding. Zumper acquired PadMapper, a popular map-based listing website with listing positions across Canada, in February of 2016.
- **Realtor.ca** (<https://www.realtor.ca/mls>) – Based in Toronto, ON, Realtor.ca operates the Multiple Listing Service (MLS) across Canada. Realtor.ca has developed a rental engine which has gained traction with certain real estate agents, primarily those in the Greater Toronto Area as evidenced by the 6,783 active rental properties listed in the Greater Toronto Area on the website and no current active rental properties listed in Calgary.<sup>6</sup>
- **Rentfaster.ca** (<https://www.rentfaster.ca/>) – Based in Calgary, AB, Rentfaster.ca launched in 2005 and has developed an inventory of rental listings mostly in the province of Alberta. Rentfaster.ca displays industry standard listing details and has developed a mobile application.
- **RentSeeker.ca** (<http://www.rentseeker.ca/>) – Based in Toronto, ON, RentSeeker.ca is an internet listing site with rental listings in many Canadian markets. RentSeeker.ca has deployed mobile apps for both iPhone and Android operating systems and has implemented a social media

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<sup>4</sup> Source: U.S. Census Bureau, Current Population Survey/Housing Vacancy Survey, February 27, 2018.

<sup>5</sup> Source: <https://www.inman.com/2020/12/21/apartment-list-nabs-50m-funding-round-at-600m-valuation>.

<sup>6</sup> Source: <https://www.realtor.ca> as at 9:08 p.m. Pacific Time on June 8, 2021.

marketing strategy as evidenced by their approximately 77.3 thousand Twitter followers and 54,633 Facebook followers as at 9:11 p.m. Pacific Time on June 8, 2021.

- **Viewit.ca** (<http://viewit.ca/>) – Based in Toronto, ON, ViewIt.ca was among the earliest internet listing sites to promote home and apartment rentals in Canada via the internet. Charging \$54.95 to promote a listing, ViewIt.ca charges a premium price for what Management considers to be a basic service offering.

Management has identified the following companies as potential direct competitors to the Corporation and the Website in Europe:

- **Idealista** (<https://www.idealista.com/>) – Based in Madrid, Spain - Idealista.com is a meeting point for buyers and sellers of real estate. The platform also claims to provide buyers and sellers of real estate with useful information to help and guide them in their buying and selling. For the month ended May 31, 2021, Idealista.com received approximately 50.4 million user visits.<sup>7</sup>
- **Casa.It** (<https://www.casa.it/>) – Based in Milan, Italy – Casa.It operates a website platform and mobile app that connects both buyers and sellers of real estate and landlords and tenants of rental properties. For the month ended May 31, 2021, Casa.It received approximately 24.45 million user visits.<sup>8</sup>
- **RightMove** (<https://www.rightmove.co.uk/>) – Based in London, England – Rightmove generates revenue from listing estate agents on its website and offering additional advertising products to those agents. The ads are visible to users who search for the area chosen by the estate agent. Individuals selling property privately (i.e. directly without an agent) are prohibited from advertising on the site. The website of RightMove is operated by RightMove plc, a publicly listed company on the London Stock Exchange whose shares trade under the symbol "RMV". For the month ended May 31, 2021, Rightmove.com received approximately 114.5 million user visits.<sup>9</sup>
- **Zoopla** (<https://www.zoopla.co.uk/>) – Based in London, England – The Zoopla website is operated by ZPG Ltd., a British real estate company that is wholly-owned by Silver Lake Partners, a global private equity firm focused on investments in technology, technology-enabled and related industries. Zoopla owns a searchable directory of United Kingdom based residential properties. In addition to providing residential real estate aggregating and listing services through its platform, Zoopla has developed an automated valuation model that provides a computed valuation estimate for United Kingdom residential properties. For the month ended May 31, 2021, Zoopla received approximately 40.3 million user visits.<sup>10</sup>
- **SeLogger** (<https://www.seloger.com/>) – Based in Paris, France – SeLogger.com is the largest online service to look, rent and sell a property in France. For the month ended May 31, 2021, SeLogger.com received approximately 20.9 million user visits.<sup>11</sup>

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<sup>7</sup> Source: Similar Web Assessment for <https://www.idealista.com/> as at June 16, 2021.

<sup>8</sup> Source: Similar Web Assessment for <https://www.casa.it/> as at June 16, 2021.

<sup>9</sup> Source: Similar Web Assessment for <https://www.rightmove.co.uk/> as at June 16, 2021.

<sup>10</sup> Source: Similar Web Assessment for <https://www.zoopla.co.uk/> as at June 16, 2021.

<sup>11</sup> Source: Similar Web Assessment for <https://www.seloger.com/> as at June 16, 2021.



- **ImmobilienScout24** (<https://www.immobilienscout24.de/>) – Based in Berlin, Germany – ImmobilienScout24 is one of the largest German online marketplace for real estate. For the month ended May 31, 2021, ImmobilienScout24.de received approximately 44.4 million user visits.<sup>12</sup>

**Information provided about each competitor is based on research and information that has been sourced by the Corporation and may not be accurate or may be subject to change without notice. The Corporation may encounter additional direct or indirect competition by known or unknown competitors at anytime.**

The Corporation faces, and expects to continue to face, competition from other companies in the automated residential rental real estate marketing industry, some of which may have longer operating histories, more financial resources and more experience than the Corporation. Increased competition by larger and well-financed competitors, and/or competitors that have longer operating histories and more marketing experience than the Corporation, could have a material adverse effect on the Corporation's business, financial condition and results of operations. To remain competitive, the Corporation will require research and development, marketing, sales and other support.

The Corporation expects to face additional competition from new market entrants which are not yet active in the industry. If a significant number of new service providers enter the market in the near term, the Corporation may experience increased competition for market share and may experience downward price pressure on the Corporation's ability to charge listing fees as new entrants compete for their services on price, which could have a material adverse effect on the Corporation's business.

In addition, if the number of users of residential real estate rental marketing websites increases, the demand for website features and services could increase and the Corporation expects that competition would then become more intense, as current and future competitors begin to offer an increasing number of diversified features and services on their websites. To remain competitive, the Corporation will require a continued high level of investment in its marketing and promotions, features and functionalities, services, branding, products and technologies, research and development, sales, client support, and SEO. The Corporation may not have sufficient resources to carry out its business plan, or develop marketing, sales, and promotional plans, client support programs, or SEO on a competitive basis, which could materially and adversely affect the business, financial condition, and results of operations of the Corporation.

The Corporation's ability to become and remain competitive in the market will depend upon, among other things:

- the level of competition in the automated residential rental real estate marketing industry;
- the Corporation's ability to identify, acquire and integrate strategic acquisitions and partnerships;
- the Corporation's ability to build a global brand ready for international marketing;
- the Corporation's ability to offer new products and services and to extend existing products and services into new markets;
- the Corporation's ability to successfully implement its SEO program and derive the intended results therefrom; and

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<sup>12</sup> Source: Similar Web Assessment for <https://www.immobilienscout24.de> as at June 16, 2021.

- the Corporation's ability to remain competitive in its pricing.

Developments by others in the Corporation's industry may render the Corporation's products, services or technologies obsolete or non-competitive.

Management of the Corporation believe that design and continual development of the Website and Website Systems, in conjunction with its marketing and SEO programs, will allow the Corporation and the Website to remain competitive with the Corporation's competitors and the products and services that they offer. See "*Risk Factors*".

#### *Employees, Specialized Skills and Knowledge*

The Corporation currently does not have any full-time employees, however it has two (2) full and part time contractors, being the Corporation's President, CEO and Corporate Secretary, Trevor Davidson, and the Corporation's CFO, George Davidson.

In order to successfully run and develop an internet based residential real estate rental marketing website, specialized skills and knowledge in the fields of business, finance, technology, marketing, website design, consumer behavior, trend analysis, economics, geographies, and SEO are required. The Corporation fulfills these specialized skills and knowledge through the hire of its management personnel and specialized technical contractors on an as needed basis. While the Corporation does not have any immediate plans to hire employees, it may do so in the future.

#### *Foreign Operations*

The Corporation operates the Website from Canada, however the Corporation targets Landlords and Users in the United States, Europe and globally.

#### ***Response to COVID-19***

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Corporation to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Corporation's business or results of operations at this time.

### **NON-OFFERING PROSPECTUS**

This Prospectus is being filed with the securities regulatory authority in the Province of Alberta to enable the Corporation to become a "reporting issuer" in the Province of Alberta pursuant to applicable securities legislation and to develop an organized market for the Common Shares. Since no securities are being offered pursuant to this Prospectus, no proceeds will be raised. All expenses incurred in connection with the preparation and filing of this Prospectus will be paid by the Corporation.

### **USE OF AVAILABLE FUNDS**

This is a non-offering prospectus. The Corporation is not raising any funds in conjunction with this Prospectus and accordingly, there are no proceeds. The sole purpose of this Prospectus is to permit the Corporation to apply to list the Common Shares on the CSE.

## Use of Available Funds

The Corporation has incurred losses since its incorporation. Although the Corporation expects to become profitable, there is no guarantee that will happen, and the Corporation may never become profitable. The Corporation anticipates it will continue to have negative cash flow from operating activities for the foreseeable future and will require additional financing. There is no assurance that additional capital or other types of financing will be available if needed or that such financings will be on terms at least as favorable to the Corporation as those previously obtained, or at all. See "*Risk Factors*".

As of December 31, 2020, the Corporation had negative cash flows from operations and cash on hand of \$47,362. Subsequent to December 31, 2020, the Corporation completed the second and third tranche closings of a private placement of Common Shares, issuing an aggregate of 4,004,462 Common Shares, at a price of \$0.10 per share, for aggregate gross proceeds of \$400,446.20, completed a private placement of Convertible Debentures, issuing an aggregate of approximately \$165,000 in principal amount of Convertible Debentures, and settled debt related to accounts payable and services rendered to the Corporation in the aggregate amount of \$146,649.90 through the issuance of 1,466,499 Common Shares at a deemed price of \$0.10 per share. See "*General Description of the Business – Three-Year History*" and "*Prior Sales*".

There is no assurance that additional capital or types of financing will be available if needed or that these financings will be on terms at least as favorable to the Corporation as those previously obtained. As of the date of this Prospectus, the Corporation had cash and receivables of approximately \$368,500. Based upon Management's current intentions, the estimated expenditures for which the total available funds will be used in the 12 months after the date hereof are as follows:

Sources	Funds
<b>Total funds available</b>	<b>\$368,500</b>
<b>Principal Uses of Funds</b>	
Listing on the CSE	\$60,000 <sup>(1)</sup>
Website development	\$24,000
SEO, social media marketing, and other marketing and advertising initiatives	\$47,000
Other current liabilities	\$65,000 <sup>(2)</sup>
General and administrative expenses	\$150,000 <sup>(3)</sup>
Unallocated working capital to fund ongoing operations and for reviewing business opportunities	\$22,500 <sup>(4)</sup>
<b>Total uses of funds</b>	<b>\$368,500</b>

**Notes:**

- (1) As of the date of this Prospectus, invoiced CSE Listing fees have been paid in full by the Corporation. The anticipated expenses remaining to complete the Listing are for additional CSE Listing fees of approximately \$10,000, audit fees of approximately \$30,000 and additional legal fees of approximately \$20,000.
- (2) Excludes payables and accruals accounted for in CSE listing costs.
- (3) General and administrative expenses for the next twelve months, based on current operations, includes management and consulting salaries of \$111,000 and anticipated general operating expenses of \$39,000.
- (4) This amount will be used in part for additional general and administrative expenditures as necessary, including but not limited to payment of any contingent liabilities as they may become due.

In conjunction with the commencement of the European "revenue per lead/booking" model and the continued operation of such model in the United States, Management believes the proposed expenditures in SEO, combined with supporting social media marketing and other general marketing,

advertising and promotional activities, will increase Website traffic and therefore accelerate revenue growth from both of those operating segments of the Corporation in the near term. See "*General Description of the Business – Overview of the Business – Pricing Model*".

Management believes that the best model to create value for Shareholders was to first secure a large inventory of residential rental properties from Landlords on a free basis. Once the Website has a large inventory of rental properties in its target markets, Management believes the best next step is to invest marketing resources into the promotion of the Website and its rental inventory to prospective renters. Management believes that once it has secured a large inventory of residential rental property listings on the Website and established a high number of Website users in a region or local market, it can then begin charging Landlords upfront listing fees, or engage in a payment for lead program, to generate revenue. Management believes that the Website is now at the stage where it has a large enough inventory of rental properties comprising the ApartmentLove Active Inventory that it can move into the final stage of creating value for Shareholders and begin charging Landlords in accordance with its previously described revenue generating models, supported by robust SEO and marketing programs to increase user traffic to the Website. See "*General Description of the Business – Overview of the Business*".

At this time the Corporation believes that growth of both active rental property listings on the Website and increase in active users of the Website are the best metrics to assess the execution of the Corporation's business plan. As at 9:41 pm Eastern Time on June 8, 2021, the Website had 275,957 active listings comprising the ApartmentLove Active Inventory. The number of listings in the ApartmentLove Active Inventory has increased by 97,507 listings (or 54.7%) from 12:50 p.m. Eastern Time on December 21, 2020 when there were 178,450 active listings comprising the ApartmentLove Active Inventory. For the year ended December 31, 2020, the Website attracted a total of 160,496 total users, which represents 440 DAUs and 13,375 MAUs. As of April 20, 2021, the Corporation had 81,701 total unique users to the Website in 2021, which represents an average of 698 DAUs and in excess of 250,000 total unique users to the Website on an annualized basis. Management believes the increased user traffic to the Website is a direct result of the resumption of the Corporation's SEO program on April 1, 2021. In the period from the resumption of the Corporation's SEO program on April 1, 2021 to June 7, 2021, the Website attracted 47,948 total users, which amount represents approximately 705 DAUs and 21,300 MAUs over the period. On an annualized basis, the number of total users to the Website since April 1, 2021 represents an aggregate of approximately 255,600 annual users, which amount, if achieved over the course of a 12 month period, would represent an increase of approximately 59.3% of users to the Website as compared to the number of users to the Website for the year ended December 31, 2020. Management believes the increased user traffic to the Website is a direct result of the resumption of the Corporation's SEO program. See "*General Description of the Business – Overview of the Business*".

Management believes that growth in DAUs is directly attributable to the Corporation's investment in SEO. Management will continue to allocate resources to the furtherance of the SEO program with the aim of generating as many DAUs and MAUs as possible. Management believes that increasing DAUs and MAUs on the Website will make the Website more attractive to current and potential Landlords, resulting in an increase in listings of rental properties on the Website by Landlords and an associated increase in revenues from listing fees or fees for leads generated under the "revenue per lead/booking" model operated in the United States and proposed to be operated in Europe. See "*General Description of the Business – Overview of the Business*".

**The Corporation has not yet achieved positive operating cash flow, and there is no assurance that the Corporation will experience positive cash flow from operations at any point in the future.**

The Corporation intends to spend the funds available to it as stated in this Prospectus. However, given that the Corporation has not been cash flow positive since its inception, while the Corporation intends to spend its current working capital as stated above, there may be circumstances where, for sound business reasons, a re-allocation of funds may be necessary or advisable. The actual amount that the Corporation spends in connection with each of the intended uses of proceeds may vary significantly from the amount specified above, and will depend on many factors, including, but not limited to, those listed under the heading "*Risk Factors*".

### **Significant Events, Milestones or Objectives**

The Corporation intends to spend the funds available to it for developing the Website, pursuing growth and expansion initiatives, corporate overhead cost, and to complete the Listing on the CSE. The Corporation intends to spend the funds available to it as stated in this Prospectus. There may be circumstances however, where, for sound business reasons, a reallocation of funds may be necessary. The amounts and time of the expenditures will vary depending upon a number of factors, including regulatory developments, market reaction to the adoption of new revenue models for the Website in North America, Europe and globally, success in developing new products and services, market reception of new products and services, changing of search engine algorithms or other factors that the Corporation's SEO program currently relies upon, and other factors referred to under "*Risk Factors*". Accordingly, while it is currently intended by Management that the available funds will be expended as set forth above, actual expenditures may in fact differ from these amounts and allocations.

The primary business objective of the Corporation over the next 12 months is to continue its SEO and marketing plan as further described below:

#### *SEO and Marketing Plan (April 1, 2021)*

Management has identified 168 industry associations in the United States that Management believes are capable of showcasing the Website to a receptive, well-qualified, engaged, in-need, and action-oriented group of landlords in target markets across the United States. A comprehensive listing of the United States industry associations along with contact information for same is available online at <http://www.apartmentassociations.com>.

The Corporation has previously joined the Alberta Residential Landlord Association and the Calgary Residential Rental Association in Canada, and the Houston Apartment Association and the National Apartment Association in the United States in prior years. Therefore, Management is familiar with the opportunities afforded to members of industry associations in Canada and the United States. Management plans to partner with many industry associations, primarily in the United States, as part of the Corporation's organic growth plans and marketing strategies. The Corporation believes that by joining the aforementioned industry organizations, the Corporation will gain access to the landlord members of the respective organizations and allowing the Corporation to market the Website directly to each such landlord member. See "*Use of Available Funds*".

Having secured the ApartmentLove Active Inventory as described in "*General Description of the Business – Overview of the Business*" above, the Corporation plans to invest resources for the purpose of generating greater amounts of Website traffic, namely from university students, recent graduates, and young working professionals in the age 18 to 34 year old demographic in the target markets, which demographic currently comprises approximately 50% of the aggregate Website traffic, and subsequently showcasing the ApartmentLove Active Inventory and MAU traffic numbers to Landlords in Canada and the United States to entice such Landlords to pay to advertise their respective rental property listings on the Website.

In February 2020, the Corporation engaged the expert services of a dedicated SEO marketing and development firm to reconfigure many aspects of the Website's code logic to better align with Google's proprietary search ranking algorithm for the specific purpose of having the Website displayed on the first page of Google's search results for certain keyword searches including, but not limited to: "apartments for rent", "homes for rent", "1 bedroom apartments for rent", "2 bedroom apartments for rent", "3 bedroom apartments for rent", "condos for rent", "houses for rent" and other words and phrases of a similar nature that its target demographic may use when searching for rental accommodations in the United States via Google and other prominent search engines. In the future, Management intends to include other marketing and promotional strategies such as, but not limited to, print, radio, television, billboard, public transit advertising, and guerilla marketing tactics as a means of capturing the attention of its target demographic and bolster the Corporation's value proposition to potential Landlords as the Corporation grows and as cash flow permits. See "*Material Contacts*" and "*Risk Factors*".

Management is of the opinion that custom SEO development efforts for the Website along with other paid advertising and the timely and strategic acquisition of competitors in key rental markets will help generate sufficient MAUs for paying Landlords to advertise their respective rental listings on the Website. Moreover, Management is of the opinion that by introducing traditional marketing strategies such as print, outdoor, radio, and television tactics and further expanding the Corporation's marketing mix to include new and other promotional strategies such as the emergence of "social media influencers" in the future as cash flow and marketing spend permit will further extend the reach and capacity of the Corporation's engagement with its target demographic and increase the Corporation's market share in North America, Europe, and elsewhere around the world. See "*Use of Available Funds*" and "*Risk Factors*".

## **DIVIDENDS OR DISTRIBUTIONS**

The Corporation has not declared or paid any dividends or distributions on its Common Shares since inception. The Corporation currently intends to retain future earnings, if any, for use in its business and does not anticipate paying dividends or distributions in the foreseeable future on its Common Shares. Any determination to pay future dividends or distributions will remain at the discretion of the Board of Directors and will depend on the earnings, financial condition of the Corporation and such other factors deemed relevant by the Board of Directors.

## **SELECTED FINANCIAL INFORMATION OF THE CORPORATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS**

The following Financial Statements and MD&A are included as schedules to this Prospectus:

- Schedule A: Audited Annual Financial Statements of the Corporation for the years ended December 31, 2020 and 2019;
- Schedule B: MD&A of the Corporation for the year ended December 31, 2020;
- Schedule C: Interim Financial Statements of the Corporation for the three-month period ended March 31, 2021; and
- Schedule D: Interim MD&A of the Corporation for the three-month period ended March 31, 2021.

## Select Financial Information of the Corporation

The following selected financial information has been derived from, and is qualified in its entirety by, the Financial Statements attached to and forming part of this Prospectus and should be read in conjunction with such Financial Statements and the related notes thereto. The Financial Statements have been prepared in accordance with IFRS.

Select Financial Data	For the three month period ended March 31, 2021 (unaudited)	For the year ended December 31, 2020 (audited)	For the year ended December 31, 2019 (audited)
Revenue	\$825	\$14,588	\$52,574
Current Assets	\$496,118	\$58,259	\$97,069
Current Liabilities	\$158,191	\$256,141	\$202,764
Non-Current Liabilities	\$193,769	\$49,418	\$0
Deficit	\$2,853,500	\$2,640,607	\$2,117,448
Cumulative Net Loss per Common Share	\$0.01	\$0.02	\$0.02

## Management's Discussion and Analysis

The MD&A of the Corporation for the fiscal year ended December 31, 2020 and the MD&A of the Corporation for the three-month period ended March 31, 2021 are attached to this Prospectus as Schedule B and Schedule D, respectively.

## DESCRIPTION OF SECURITIES

No securities are being offered pursuant to this Prospectus. The following is a description of the authorized share capital of the Corporation for informational purposes.

### Common Shares

The Corporation is authorized to issue an unlimited number of Common Shares, and at the date of this Prospectus, a total of 39,664,951 Common Shares are issued and outstanding.

All Common Shares of the Corporation rank equally as to dividends, voting powers, and participation in assets. All holders of Common Shares are entitled to receive notice of any meetings of Shareholders of, and to attend and to cast one vote per Common Share at all such meetings.

The holders of Common Shares are entitled to vote at all meetings of the Shareholders. Holders of Common Shares are also entitled to dividends, if, as and when declared by the Board and, upon

liquidation or winding-up of the Corporation, to share the residual assets of the Corporation. The Common Shares do not have any pre-emptive, conversion, or redemption rights, and all have equal voting rights. There are no special rights or restrictions of any nature attached to any of the Common Shares, all of which rank equally as to all benefits which might accrue to the holders of the Common Shares.

### Preferred Shares

The Corporation is authorized to issue an unlimited number of Preferred Shares, and at the date of this Prospectus, no Preferred Shares are issued and outstanding.

The Preferred Shares may be issued in one or more series, and the directors are authorized to fix the number of shares in each series, and to determine the designation, rights, privileges, restrictions and conditions attached to the shares of each series. **The Preferred Shares are entitled to a priority over the Common Shares with respect to the payment of dividends and the distribution of assets upon the liquidation of the Corporation.**

### Warrants

As of the date of the Prospectus, there are 929,100 Warrants issued and outstanding. See "*Consolidated Capitalization*".

### Stock Options

As at the date of this Prospectus, there is a total of 3,415,161 outstanding Options. See "*Options to Purchase Securities*".

## DESCRIPTION OF MATERIAL INDEBTEDNESS

Other than as disclosed herein, as of the date of the Prospectus, to the knowledge of the directors and officers of the Corporation there is no material indebtedness of the Corporation.

For further details on the material indebtedness of the Corporation, please see the Financial Statements, and the related notes thereto, as well as the MD&A attached to and forming part of this Prospectus. See "*Selected Financial Information of the Corporation and Management's Discussion and Analysis*".

## CONSOLIDATED CAPITALIZATION

The following table outlines the capitalization of the Corporation as at the dates listed below:

Description	Authorized	Outstanding as at March 31, 2021	Outstanding as at the date of this Prospectus
Common Shares	Unlimited	39,664,951	39,664,951
Preferred Shares	Unlimited	0	0
Warrants <sup>(1)</sup>	Unlimited	929,100	929,100
Options <sup>(2)</sup>	10% of issued and outstanding common shares	3,415,161	3,415,161



Convertible Debentures <sup>(3)</sup>	\$500,000	\$190,000	\$190,000
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**Notes:**

- (1) The outstanding Warrants have an average exercise price of approximately \$0.093.
- (2) There are 340,161 Options outstanding at an exercise price of \$0.064 that expire on December 31, 2021; 625,000 Options outstanding at an exercise price of \$0.08 that expire on December 31, 2022; 650,000 Options outstanding at an exercise price of \$0.10 that expire on December 31, 2022; and 1,800,000 Options outstanding at an exercise price of \$0.10 that expire on March 31, 2023.
- (3) The Convertible Debentures earn Interest is accrued at a rate of ten (10%) percent per annum. Both interest and principal amounts are convertible into Common Shares, at the discretion of the holder of the Convertible Debenture, at or any time prior to the date that is two (2) years following the issuance date of the Convertible Debenture at a conversion price of \$0.10 per Common Share.

## **OPTIONS TO PURCHASE SECURITIES**

### **Incentive Stock Option Plan**

The Corporation adopted the Option Plan on December 20, 2018, and the Option Plan is the Corporation's only equity compensation plan. As of the date of this Prospectus, there are an aggregate of 3,415,161 issued and outstanding Options to purchase Common Shares.

On October 22, 2019, the Board approved an amendment to the Option Plan increasing the maximum number of Options to be issued under the Option Plan from 10% to 12% for a one year term which has since been revised back to 10%.

The purpose of this Option Plan is to attract and retain consultants, employees, officers and directors and to motivate them to advance the interests of the Corporation by affording them the opportunity to acquire an equity interest in the Corporation through Options to purchase Common Shares granted under the Option Plan.

### ***Share Reserve***

Pursuant to the terms of the Option Plan, the Corporation has reserved a number of Common Shares equal to 10% of the issued and outstanding Common Shares for issuance pursuant to Options under the Option Plan, which, as of the date of this Prospectus, is 3,966,495 Common Shares. The number of Common Shares available for issuance pursuant to Options granted under the Option Plan increases (or decreases) as the number of issued and outstanding Common Shares increases (or decreases). In general, Common Shares subject to Options granted under the Option Plan that are exercised, terminated or cancelled, or returned to the Corporation for any reason, shall be available for issuance pursuant to subsequent Options granted pursuant to the Option Plan.

### ***Administration***

The Board, or a committee of the Board designated by the Board, will administer the Option Plan. Subject to the terms of the Option Plan, the Board has the power to determine when and how Options will be granted, which employees, directors or consultants will receive Options, the terms of the Options granted, including the number of Common Shares subject to each Option grant and the vesting schedule of the Options, if any, and to interpret the terms of the Option Plan and the Option agreements, among other things. The Board also has the authority to accelerate the time at which an Option may vest or be exercised, to approve forms of Option agreements to be used under the Option Plan and amend the terms of any Option agreement, and to amend, suspend or terminate the Option Plan at any time.

### **Exercise Price**

The exercise price at which an Option holder may purchase a Common Share upon the exercise of an Option shall be determined by the Board, or the committee designated by the Board, as applicable, and shall be set out in the Option agreement issued in respect of the Option. The exercise price shall not be less than the market value of the Common Shares, as determined by the terms of the Option Plan.

### **Maximum Term of Options**

The term of any Option granted under the Option Plan (the "**Term**") shall be determined by the Board, or the committee designated by the Board, as applicable, at the time the Option is granted but, subject to earlier termination in the event that the Option holder ceases to be an eligible holder of an Option pursuant to the terms and conditions of the Option Plan. Options granted under the Option Plan are not to be transferable or assignable except as provided for under the Option Plan.

### **Termination**

Subject to the terms and conditions of the Option Plan, an Option holder may exercise an Option in whole or in part at any time and from time to time during the Term. Any Option not exercised within the Term shall terminate and become null, void and of no effect as of the date of expiry of the Option. The expiry date of an Option shall be the date so fixed by the Board, or the committee designated by the Board, as applicable, at the time the Option is granted as set out in the Option agreement, subject to earlier termination in the event of certain triggering events occurring, as provided for under the Option Plan, such as the termination, death, disability or change in status of the Option holder.

The foregoing description of the Option Plan does not purport to be complete and is qualified in its entirety by reference to the full text of the Option Plan.

## **PRIOR SALES**

### **Prior Sales**

In the twelve (12) month period preceding the date of this Prospectus, the Corporation issued the following Common Shares or securities convertible into Common Shares:

<b>Date of Issuance</b>	<b>Type of Security</b>	<b>Number of Securities Issued</b>	<b>Issuance/Exercise Price per Security</b>
July 22, 2020	Common Shares	156,250 <sup>(2)</sup>	\$0.08
November 6, 2020	Common Shares	631,250 <sup>(2)</sup>	\$0.08
November 6, 2020	Common Shares	250,000 <sup>(2)</sup>	\$0.064
November 20, 2020	Convertible Debentures	\$25,000 in aggregate principal amount	\$0.10 <sup>(6)</sup>
December 14, 2020	Warrants <sup>(1)</sup>	50,000	\$0.10
December 23, 2020	Common Shares	2,690,886 <sup>(3)</sup>	\$0.10

Date of Issuance	Type of Security	Number of Securities Issued	Issuance/Exercise Price per Security
February 5, 2021	Convertible Debentures	\$165,000 in aggregate principal amount	\$0.10 <sup>(6)</sup>
March 15, 2021	Common Shares	4,119,961 <sup>(4)</sup>	\$0.10
March 26, 2021	Common Shares	1,350,000 <sup>(5)</sup>	\$0.10

**Notes:**

- (1) Comprised of the issuance of the \$0.10 Warrants.
- (2) Issued pursuant to an exercise of Options.
- (3) 1,632,500 of the Common Shares were issued pursuant to a private placement of Common Shares from treasury, 370,076 of the Common Shares were issued pursuant to the settlement of debt related to accounts payable, and 688,310 of the Common Shares were issued pursuant to the settlement of debt incurred related to services rendered to the Corporation.
- (4) 2,654,462 of the Common Shares were issued pursuant to a private placement of Common Shares from treasury, 970,125 of the Common Shares were issued pursuant to the settlement of debt related to accounts payable, and 495,374 of the Common Shares were issued pursuant to the settlement of debt incurred related to services rendered to the Corporation.
- (5) Issued pursuant to a private placement of Common Shares from treasury.
- (6) The Convertible Debentures earn Interest is accrued at a rate of ten (10%) percent per annum. Both interest and principal amounts are convertible into Common Shares, at the discretion of the holder of the Convertible Debenture, at or any time prior to the date that is two (2) years following the issuance date of the Convertible Debenture at a conversion price of \$0.10 per Common Share.

## PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and officers of the Corporation, other than as set out below, no person directly or indirectly beneficially owns, or exercises control or direction over, Common Shares carrying more than 10% of the voting rights attaching to all the outstanding Common Shares as at the date of this Prospectus.

Name	Position or Office held with the Corporation	Common Shares Beneficially Owned or Controlled	Number of Convertible or Exchangeable Securities Outstanding	Percentage of Ownership on an Undiluted Basis <sup>(1)</sup>	Percentage of Ownership on a Fully-diluted Basis <sup>(2)</sup>
Trevor Davidson	Director, CEO, President and Corporate Secretary	6,103,095	1,222,583	15.4%	15.8%

**Notes:**

- (1) Based on a total of 39,664,951 issued and outstanding Common Shares as at the date of this Prospectus
- (2) Based on a total of 46,288,212 fully diluted Common Shares, assuming exercise of all outstanding Warrants, Options, and Convertible Debentures, including accrued interest to the end of the term of the Convertible Debentures, as at the date of this Prospectus.

## ESCROWED SECURITIES

In the event that the Common Shares become listed on the CSE, the Corporation anticipates that it will be classified as an "emerging issuer", as defined under NP 46-201 upon such Listing. The Common Shares held by the persons named below (collectively, the "**Escrow Holders**") will be subject to escrow pursuant to the Escrow Agreement. The Escrow Holders include all persons who would fall within the definition of "principal" of an emerging issuer under NP 46-201.

Name and municipality of residence of security holder	Number of Common Shares held	Percentage of Ownership on an Undiluted Basis <sup>(1)</sup>	Percentage of Ownership on a Fully-diluted Basis <sup>(2)</sup>
Trevor Davidson, Director, President, CEO and Corporate Secretary Kelowna, BC	6,103,095	15.4%	15.8%
Philip J. Doublet, Director and Chair of the Board Victoria, BC	201,500	0.5%	1.1%
Lisa Handfield, Former Director <sup>(3)</sup> Calgary, AB	75,000	0.2%	1.1%
George Davidson, Director Calgary, AB	500,000	1.3%	3.2%
Maureen Lively <sup>(4)</sup> Calgary, AB	1,065,900	2.7%	2.3%
Ashley Kirk <sup>(5)</sup> Kelowna, BC	225,313	0.6%	0.4%
Laura Doublet <sup>(6)</sup> Victoria, BC	125,000	0.3%	0.3%
Adam Brener Calgary, AB	468,750	1.2%	1.0%
Brandy Creek Investments, Inc. <sup>(7)</sup> Calgary, AB	900,000	2.3%	1.9%
Doublet Family Trust <sup>(8)</sup> Calgary, AB	150,000	0.4%	0.3%
McGillivray Group Inc. <sup>(9)</sup> Toronto, ON	1,750,000	4.4%	3.8%
<b>Total</b>	<b>11,564,558</b>	<b>29.3%</b>	<b>31.2%</b>

**Notes:**

- (1) Based on a total of 39,664,951 issued and outstanding Common Shares as at the date of this Prospectus
- (2) Based on a total of 46,288,212 fully diluted Common Shares, assuming exercise of all outstanding Warrants, Options, and Convertible Debentures, including accrued interest to the end of the term of the Convertible Debentures, as at the date of this Prospectus.
- (3) Lisa Handfield resigned as a director of the Corporation effective May 29, 2021.
- (4) Maureen Lively is the recently former common law spouse of George Davidson (Director & CFO).
- (5) Ashley Kirk is the spouse of Trevor Davidson (Director, President, CEO and Corporate Secretary).
- (6) Laura Doublet is the spouse of Philip J. Doublet (Director & Chair of the Board).
- (7) The Common Shares held by Brandy Creek Investments Inc. are indirectly owned or controlled by George Davidson.
- (8) The Common Shares held by Doublet Family Trust are indirectly owned or controlled by Philip J. Doublet.
- (9) McGillivray Group Inc. is a company controlled by Andrew McGillivray, a former director of the Corporation.

**Escrow Agreement**

The Corporation has entered into the Escrow Agreement with the Escrow Agent and the Escrow Holders, pursuant to which the Escrow Holders would agree to deposit in escrow their Common Shares (the "**Escrowed Securities**") with the Escrow Agent. The Escrow Agreement has been prepared in accordance with Form 46-201F1 – *Escrow Agreement*, and as the Corporation is an "emerging issuer", it provides that 10% of the Escrowed Securities will be released from escrow upon the date of the Corporation listing its Common Shares on the CSE, with an additional 15% to be released upon each six-month interval thereafter, over a period of thirty-six (36) months.

Pursuant to the terms of the Escrow Agreement, the Escrowed Securities may not be transferred or otherwise dealt with during the term of the Escrow Agreement unless the transfers or dealings within the escrow are:

1. transfers to continuing or, upon their appointment, incoming directors, and senior officers of the Corporation or of a material operating subsidiary, with approval of the Board;
2. transfers to an RRSP or similar trustee plan provided that the only beneficiaries are the transferor or the transferor's spouse or children or parents;
3. transfers upon bankruptcy to the trustee in bankruptcy;
4. pledges to a financial institution as collateral for a loan, provided that upon a realization the securities remain subject to escrow; and
5. tenders of Escrowed Securities to a take-over bid are permitted provided that, if the tenderer is a Principal of the successor Corporation upon completion of the take-over bid, securities received in exchange for tendered Escrowed Securities are substituted in escrow on the basis of the successor Corporation's escrow classification.

Escrow Release Date	Number of Escrowed Securities being Released
On the date the Corporation's securities are listed on the CSE	10% of the Escrowed Securities
6 months after the Listing Date	15% of the Escrowed Securities
12 months after the Listing Date	15% of the Escrowed Securities
18 months after the Listing Date	15% of the Escrowed Securities
24 months after the Listing Date	15% of the Escrowed Securities
30 months after the Listing Date	15% of the Escrowed Securities
36 months after the Listing Date	15% of the Escrowed Securities

**DIRECTORS AND EXECUTIVE OFFICERS**

The name, province (or state) and country of residence and position with the Corporation of each director and officer of the Corporation, and the principal business or occupation in which each director and officer of the Corporation has been engaged during the immediately preceding five years, and the period during which each director has served as director is set out in the table below. Each director's term of office expires at the next annual general meeting of the Corporation or when their successors have been elected and qualified. The executive officers of the Corporation are appointed by the Board of Directors and hold office until their resignation, removal from office or death.

Name, province and country of residence	Position with the Corporation	Principal Occupation During the Past Five Years	Period as Director and/or Officer	Number of Common Shares and Percentage of Common Shares Held <sup>(1)</sup>
Trevor Davidson Kelowna, BC, Canada	President, CEO, Corporate Secretary and Director	Management Professional	April 15, 2019 – Present	6,103,095 <sup>(2)</sup> (15.4%)
George Davidson Calgary, AB, Canada	CFO and Director	Management Professional	January 18, 2021 – Present	1,400,000 <sup>(3)</sup> (3.5%)
Philip J. Doublet Victoria, BC, Canada	Chairman and Director	Management Professional	April 15, 2019 – Present	351,500 <sup>(4)</sup> (0.9%)
Scott MacMillan Toronto, ON, Canada	Director	Management Professional	June 29, 2021 – Present	325,000 <sup>(5)</sup> (0.8%)
Murray Bryant Toronto, ON, Canada	Director	Professor	June 29, 2021 – Present	Nil
Brian Thompson Calgary, AB, Canada	Director	Management Professional	June 29, 2021 – Present	Nil
Ian Korman Vaughan, ON, Canada	Director	Marketing Professional	June 29, 2021 – Present	100,000 (0.3%)

**Notes:**

- (1) Based on a total of 39,664,951 issued and outstanding Common Shares as at the date of this Prospectus.
- (2) Trevor Davidson also holds 1,222,583 securities convertible into Common Shares.
- (3) 900,000 of the Common Shares are indirectly held by George Davidson through Brandy Creek Investments Inc. George Davidson also holds 997,582 securities convertible into Common Shares.
- (4) 150,000 of the Common Shares are indirectly held by Philip J. Doublet through the Doublet Family Trust. Philip J. Doublet also holds 325,001 securities convertible into Common Shares.
- (5) The 325,000 Common Shares are indirectly held by Scott MacMillan through MacMillan Company Limited.

The directors and executive officers of the Corporation, as a group, beneficially own, directly or indirectly, or exercise control or direction over 8,279,595 Common Shares, representing approximately 20.9% of the issued and outstanding Common Shares as of the date of this Prospectus.

A description of each of the executive officers and directors of the Corporation (including details with regard to their principal occupations for the last five years) follows:

***Trevor Davidson, President, Chief Executive Officer and Director (Age 36)***

A graduate of the Sobey School of Business at Saint Mary's University, Trevor Davidson is the President, Chief Executive Officer, and a director of the Corporation. Prior to founding the Corporation, Trevor was the manager of acquisitions and development for a publicly traded childcare company with operations in more than fifty (50) markets across Canada. Trevor has a sales and marketing background which dovetails with his business degree. Trevor has worked in digital marketing and finance capacities since 2007. Trevor expects to commit the time necessary to perform any work required in connection with his duties as a CEO, President, Corporate Secretary and director of the Corporation and expects this to be approximately 100% of his time. Trevor is under a management contract with the Corporation. Trevor has not entered into a non-competition or non-disclosure agreement with the Corporation. See "*Executive Compensation*".

***George Davidson, Chief Financial Officer and Director (Age 68)***

George Davidson studied civil engineering at Western University before undertaking a 35 year work career, which includes construction projects from around the world. After graduating with an MBA from the Richard Ivey School of Business, George took an e-commerce start-up public on the TSX Venture Exchange. George also led a North American supply chain corporation and the mergers and acquisitions divisions of both public and private companies and has spearheaded the business development groups responsible for multi-million dollar commercial and industrial construction projects. George expects to commit the time necessary to perform any work required in connection with his duties as a CFO and director of the Corporation and expects this to be approximately 30% to 45% of his time. George is under a management contract with the Corporation. George has not entered into a non-competition or non-disclosure agreement with the Corporation. See "*Executive Compensation*".

***Philip J. Doublet, P.Eng, Director & Chairman of the Board (Age 62)***

Philip J. Doublet is a senior executive, business coach, and management consultant with 30 years of experience in industries including: oil & gas, manufacturing, technology, and higher education. Philip's areas of expertise include coaching and mentoring, private equity financing and deal structures, board governance, and strategic planning. Philip has founded nine companies to date, three of which he still maintains an ownership position. Philip expects to commit the time necessary to perform any work required in connection with his duties as a director and Chairman of the Board and expects this to be approximately 20% of his time. Philip is not under any contract with the Corporation. Philip has not entered into a non-competition or non-disclosure agreement with the Corporation.

***Scott MacMillan, Director (Age 46)***

Scott MacMillan is a 20-plus-year Media and Strategy veteran, best-selling author, and host of the Entrepreneur to Author podcast. Scott's experience includes leading international consulting engagements while at Boston Consulting Group, working with senior executives in Sales, Human Resources, Corporate Development, and Technology. A seasoned corporate executive himself, Scott served on the Rogers Media Senior Leadership Team as Head of Strategy where he led the strategic

analysis, negotiation support, and then cross-enterprise integration of the company's \$4.2 billion dollar rights deal with the National Hockey League. He subsequently had profit and loss responsibility for Rogers Media's direct-to-consumer digital subscription business as Head of Digital Product and Innovation. Scott is currently President and Executive Publisher at Grammar Factory Publishing where he works directly with entrepreneurs in Canada, the US, Australia, and Asia-Pacific to leverage content intellectual property for strategic business growth.

***Murray Bryant, Director (Age 73)***

Murray Bryant is Professor Emeritus of the Richard Ivey School of Business. Murray studied as a post-graduate student at the University of Auckland, the Ohio State University, and the University of Cincinnati. Murray is an award winning teacher who has taught in several countries around the world and has worked as a consultant with global companies. Murray's area of expertise is Accounting (Chartered Accountant of Australia and New Zealand) and Corporate Governance — researcher for the ICD Commission on Executive Compensation, and has published in both those areas of study. Murray's most recent book was "The Return of Trust? Institutions and the Public after the Icelandic Financial Crisis".

***Brian Thompson, Director (Age 71)***

Brian Thompson has held senior management and executive roles in the non-profit sector, post-secondary education, financial services, and insurance. Brian provided management consulting to businesses in the wholesale distribution sector, display marketing and retail operations. Brian has significant experience and expertise in risk management, financial management, marketing, retail/commercial banking, audit and compliance, strategic management, process re-engineering, people management and operations. Brian has provided leadership to a variety of high performing teams in a number of functional and international geographic areas. Brian has a degree in Political Science and Economics from Trent University.

***Ian Korman, Director (Age 49)***

Ian Korman is the CEO and co-founder of a large digital marketing and SEO company and is also CEO and co-founder of Digital Media Academy of Canada – DMAC. Ian's main focus in both companies is on client relations, business/market development, and strategic partnerships. Ian has lectured and led customized training programs for organizations such as Ontario's Ministry of the Environment, GTAA/Toronto Pearson Airport, University of Toronto Astronomy & Astrophysics Dept., and OCAD University. As CEO of the digital marketing and SEO company, Ian has led digital marketing campaigns for companies such as, Walmart/George, Osler LLP, Royal Canadian Circus, and Maple Leaf Sports & Entertainment.

**Cease Trade Orders or Bankruptcies**

To the knowledge of the Corporation, no existing or proposed director, officer or Promoter of the Corporation is, or within the 10 years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any other Corporation that, while that person was acting in the capacity of a director, chief executive officer or chief financial officer of that Corporation, was the subject of a cease trade order or similar order that denied the Corporation access to any exemptions under applicable securities law, for a period of more than 30 consecutive days, was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.



## **Penalties or Sanctions**

To the knowledge of the Corporation, no director, officer or Promoter of the Corporation, or a securityholder anticipated to hold sufficient securities of the Corporation to affect materially the control of the Corporation has, within the last 10 years before the date of this Prospectus, been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body that would be likely to be considered important to a reasonable investor making a decision in regards to the Corporation.

## **Personal Bankruptcies**

To the knowledge of the Corporation, no director, officer or Promoter of the Corporation or a securityholder anticipated to hold sufficient securities of the Corporation to affect materially the control of the Corporation, or a personal holding company of such persons has, within the 10 years before the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such individual.

## **Conflicts of Interest**

The Corporation's directors and officers may serve as directors or officers of other companies or have significant shareholdings in other companies and, to the extent that such other companies may participate in ventures in which the Corporation may participate, the directors of the Corporation may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Corporation's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. The directors of the Corporation are required to act honestly, in good faith and in the best interests of the Corporation.

The directors and officers of the Corporation are aware of the existence of laws governing the accountability of directors and officers for corporate opportunity and requiring disclosures by the directors of conflicts of interest and the Corporation will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors and officers. All such conflicts will be disclosed by such directors or officers in accordance with applicable laws and shall govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law. The directors and officers of the Corporation are not aware of any such conflicts of interest.

## **EXECUTIVE COMPENSATION**

Prior to obtaining the final receipt for this Prospectus, the Corporation is not a reporting issuer in any jurisdiction. As a result, certain information required by Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers* ("**Form 51-102F6V**") has been omitted pursuant to Section 1.3(8) of Form 51-102F6V.

### **Named Executive Officers**

The following discussion describes the significant elements of the Corporation's executive compensation program, with emphasis on the process for determining compensation payable to the Corporation's CEO and CFO and, other than the CEO and the CFO, the Corporation's three most highly-compensated

executive officers earning over \$150,000, or the three most highly compensated individuals acting in a similar capacity, as further described in National Instrument 51-102 – *Continuous Disclosure Obligations* (collectively, the "**Named Executive Officers**" or "**NEOs**").

The NEOs are:

Trevor Davidson – CEO, President, Corporate Secretary and Director; and  
George Davidson – CFO and Director.

### Compensation Discussion and Analysis

At present, the Board as a whole determines the compensation of the Corporation's CEO and CFO and does so with reference to industry standards and the financial situation of the Corporation. The Board has the sole responsibility for determining the compensation of the directors of the Corporation.

The Board adopted a compensation committee on October 19, 2018 to monitor and review the salary and benefits of the executive officers of the Corporation at the present time. As of the date of this Prospectus, the sole member of the Compensation Committee is Philip J. Doublet.

### Compensation Objectives

The general objectives of the Corporation's compensation strategy will be to: (a) compensate Management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (b) align Management's interests with the long-term interests of Shareholders; (c) provide a compensation package that is commensurate with other early stage issuers to enable the Corporation to attract and retain talent; and (d) ensure that the total compensation package is designed in a manner that takes into account the constraints that the Corporation is under by virtue of the fact that it is in an early stage of its development and growth, without a history of earnings.

### Director and NEO compensation, excluding compensation securities

The following table states the names of each NEO and director and their annual compensation, consisting of salary, consulting fees, bonuses and other annual compensation excluding compensation securities, for each of the Corporation's three most recently completed financial years.

Table of compensation excluding compensation securities							
Name and Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of Perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Trevor Davidson Director, President, CEO & Corporate Secretary	2020	\$100,000	\$NIL	\$NIL	\$NIL	\$NIL	\$100,000
	2019	\$124,000	\$NIL	\$NIL	\$NIL	\$NIL	\$124,000
	2018	\$66,000	\$NIL	\$NIL	\$NIL	\$NIL	\$66,000
Philip J. Doublet, Director & Chairman of the Board	2020	\$NIL	\$NIL	\$11,000	\$NIL	\$NIL	\$11,000
	2019	\$34,000	\$NIL	\$NIL	\$NIL	\$NIL	\$34,000
	2018	\$19,500	\$NIL	\$NIL	\$NIL	\$NIL	\$19,500

Lisa Handfield, Former Director <sup>(1)</sup>	2020	\$NIL	\$NIL	\$5,500	\$NIL	\$NIL	\$5,500
George Davidson, CFO, Director	2020	\$78,289.04	\$NIL	\$5,000	\$NIL	\$NIL	\$83,289.04
	2019	\$91,000	\$NIL	\$NIL	\$NIL	\$NIL	\$91,000
	2018	\$16,500	\$NIL	\$NIL	\$NIL	\$NIL	\$16,500

**Note:**

(1) Lisa Handfield resigned as a director of the Corporation effective May 29, 2021.

## Stock Options and Other Compensation Securities

The following table discloses the particulars of compensation securities expected to be granted to the NEOs and directors of the Corporation in the financial year ended December 31, 2020:

Compensation Securities							
Name and Position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
Trevor Davidson Director, President, CEO & Corporate Secretary	Option	200,000 (5.8%) <sup>(1)</sup>	September 16, 2020	\$0.10	N/A	N/A	December 31, 2022
Philip J. Doublet Director & Chairman of the Board	Option	200,000 (5.8%) <sup>(1)</sup>	September 16, 2020	\$0.10	N/A	N/A	December 31, 2022
Lisa Handfield Former Director <sup>(2)</sup>	Option	150,000 (4.4%) <sup>(1)</sup>	September 16, 2020	\$0.10	N/A	N/A	December 31, 2022
George Davidson CFO & Director	Option	100,000 (2.9%) <sup>(1)</sup>	September 16, 2020	\$0.10	N/A	N/A	December 31, 2022

**Notes:**

(1) Based on a total of 3,415,161 issued and outstanding Options as at the date of this Prospectus.

(2) Lisa Handfield resigned as a director of the Corporation effective May 29, 2021.

## Pension Benefits

The Corporation does not have any form of pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement. The Corporation does not have any form of deferred compensation plan.

## **Employment, Consulting and Management Agreements**

### *Trevor Davidson Management Services Agreement*

The Corporation has entered into a management services agreement dated October 1, 2018 with Trevor Davidson to serve as the President and CEO of the Corporation. As the President and CEO of the Corporation Trevor intends to implement plans to advance the Corporation's mission and objectives and to promote revenue generation, profitability, and growth as an organization. Trevor will oversee the Corporation's operations to ensure production efficiency, quality, service, and cost-effective management of resources are being upheld. Responsible for the successful operations of the Corporation, Trevor will report to the Board and provide same with timely reports detailing the Corporation's financial health and competitive positioning within the markets and industries the Corporation works. Primarily responsible for the identification and development of new and emerging technologies, markets, partnerships and other such strategic opportunities in Canada, the United States and elsewhere around the world; Trevor, working with senior Management, the Corporation's advisors, and members of the Board, will ensure all of the Corporation's business units are equipped with the resources they require to execute the Corporation's business plans. In exchange for such services, the Corporation has agreed to pay \$6,250 per month in fees to Trevor. The term of the management services agreement with Trevor is ongoing and expires only pursuant to the termination provisions as expressly defined in the management services agreement. The compensation paid to Trevor will be set on or about the 1st calendar day of each new calendar year and such new compensation will survive for the then current calendar year or as Trevor and the Corporation may, from time to time, agree. Trevor is under a management contract with the Corporation. See "*Executive Compensation*".

It is the shared understanding of Trevor Davidson and the Corporation that the duties of Trevor Davidson as CEO and President of the Corporation include, but are not limited to, the following:

- Develop a strategic plan to advance the Corporation's mission and objectives and to promote revenue generation, profitability, and sustainable growth as an organization.
- Plan, develop, and implement strategies for generating financial resources and revenues for the Corporation. Identify acquisition and merger opportunities and direct the engagement and implementation of such activities.
- Produce operating budgets and approve Corporation procedures, policies, and standards. Review activity reports and financial statements to determine progress and status in attaining the Corporation's objectives.
- Revise the Corporation's objectives and plans in accordance with prevailing market conditions.
- Evaluate the performance of staff for compliance with established policies and objectives of the Corporation and assess contributions being made in attaining the Corporation's objectives.
- Promote the Corporation at conferences and tradeshow (when safe to do so), and on radio, television, and other media vehicles.
- Promote the Corporation at legislative sessions, committee meetings, and at formal functions including, but not limited to, local, regional, national, and international industry events.
- Reports at the annual general meeting of the Shareholders as well as at meetings of the Board of Directors.

- Direct the Corporation's planning and policy-making committees.
- Lead the executive management team and work with all members of the Corporation to explore, develop, and action new and creative opportunities that improve the Corporation's competitive positioning within the markets that it operates and the underlying profitability of the Corporation and value of the Shareholders.
- Foster a safe and inclusive workplace that celebrates diversity and is free of harassment and prejudice.

#### *George Davidson Management Services Agreement*

The Corporation has entered into a management services agreement dated December 1, 2020 with Brandy Creek Investments Inc., a corporation controlled by George Davidson, wherein George Davidson has been contracted to serve as the CFO of the Corporation. As the CFO of the Corporation, George reports to the President and CEO, and is tasked with coordinating all financial activities on behalf of the Corporation by leading the finance and accounting teams through the preparation of monthly, quarterly, and annual reporting efforts and more specifically by way of undertaking to facilitate the raising of capital and the closing of acquisitions. George will spearhead the identification of strengths and weaknesses in the Corporation's financial health and will implement proactive strategies to ensure stability of same. In his capacity as CFO, George is paid \$3,000 per month in fees to a consulting company controlled by George. The term of the management services agreement entered into by the Corporation with George is ongoing and expires only pursuant to the termination provisions as expressly defined in the agreement. The compensation paid to George will be set on or about the 1<sup>st</sup> calendar day of each new calendar year and such new compensation will survive for the then current calendar year or as George and the Corporation may, from time to time, agree. See "*Executive Compensation*".

#### **Termination and Change of Control Benefits**

Other than as described below, the Corporation has not granted any termination or change of control benefits. There are no compensatory plans or arrangements with respect to the Board resulting from the resignation, retirement, or any other termination of employment of the officer's employment or from a change of Board Members' responsibilities following a change of control of the Corporation. In case of termination of Board members, common law and statutory law applies.

Pursuant to the management services agreement dated October 1, 2018 between Trevor Davidson and the Corporation, the Corporation has agreed to provide Trevor Davidson with advance notice or pay in lieu thereof equivalent to one (1) month for every year Trevor Davidson has served as an executive officer of the Corporation, up to a maximum of twelve (12) months. In addition, if the Corporation provides payment in lieu of notice, the Corporation has agreed to provide payment of an additional five (5%) percent of such payment amount to compensate Trevor Davidson for lack of benefits over the notice period.

#### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

As at the date of this Prospectus, no existing or former executive officer, director or employee of the Corporation is indebted to the Corporation, nor do such persons have any indebtedness to another entity that is the subject of a guarantee, support agreement, letter of credit or similar guarantee provided by the Corporation.

## **AUDIT COMMITTEE**

### **The Audit Committee's Mandate**

The purpose of the Audit Committee is to act on behalf of the Board of Directors to oversee all material aspects of the Corporation's reporting, control, and audit functions, except those specifically related to the responsibilities of another standing committee of the Board. The Audit Committee's role includes a particular focus on the qualitative aspects of financial reporting to Shareholders and on the Corporation's processes for the management of business and financial risk and for compliance with significant applicable legal, ethical, and regulatory requirements.

In addition, the Audit Committee is responsible for: (1) selection and oversight of the Corporation's independent accountant; (2) establishing procedures for the receipt, retention and treatment of complaints regarding accounting, internal controls and auditing matters; (3) establishing procedures for the confidential, anonymous submission by the Corporation's employees of concerns regarding accounting and auditing matters; (4) establishing internal financial controls; (5) engaging outside advisors; and (6) funding for the outside auditor and any outside advisors engagement by the Audit Committee.

The Audit Committee's role also includes coordination with other Board committees and maintenance of strong, positive working relationships with Management, external and internal auditors, counsel, and other committee advisors.

A copy of the Audit Committee's Charter is attached as Schedule E to this Prospectus.

### **Composition of Audit Committee**

The Audit Committee is currently comprised of Murray Bryant (Chair), Scott MacMillan, Brian Thompson and Ian Korman. All members of the Audit Committee are independent within the meaning of NI 52-110 and all members of the Audit Committee are financially literate within the meaning of NI 52-110.

### **Relevant Education and Experience**

In addition to each member's general business experience, the education and experience of each Audit Committee member that is relevant to the performance of their responsibilities as an Audit Committee member are as follows:

Mr. Bryant is a chartered accountant from Australia and New Zealand, who has been a professor of accounting for some 35 years. Mr. Bryant has researched Executive Compensation in Canada and was the lead investigator in the ICD Blue Ribbon Commission on Executive Compensation, whose recommendations were accepted and enacted by the Canadian Securities Administrators. Mr. Bryant has served on various non-profit board of directors, including serving on the audit committees of such boards. Mr. Bryant's research on accounting scandals and malfeasance has been published in the U.S. in several different journals. Mr. Bryant has consulted with global companies on strategy and measurement systems.

Mr. MacMillan graduated Bregman Scholar with an MBA from the University of Toronto Rotman School of Business. Mr. MacMillan has worked extensively with financial documents and financial models as a management consultant and project leader at Boston Consulting Group supporting Financial Services, Pharmaceuticals, and Technology clients in Canada, the United States, Australia, and Hong Kong. Subsequently, as Head of Strategy at Rogers Media, Mr. MacMillan served as a member of the Senior Leadership Team, where he had profit and loss responsibility for direct-to-consumer digital

subscription properties, including Sportsnet NOW™, Rogers NHL® LIVE™, and Texture™ by Next Issue, which was later sold to Apple Inc.

During an extensive tenure with the Canadian Imperial Bank of Commerce (CIBC), Mr. Thompson's experience in the management of operational, regulatory and credit risk through a variety of roles such as National Leader, Mutual Fund Managers in which he was responsible for the development, coordination and delivery of high quality and cost effective Mutual Fund compliance services that met MFDA and strategic business objectives. In his position as General Manager, Business Risk, he was responsible for the overall risk management of the field risk operations team in Western Canada. Additionally, as Director, Business Risk and Control Self- Assessment, Mr. Thompson had responsibility for the introduction and application of the Control Self-Assessment methodology within the Retail and Commercial sectors of the CIBC in Canada to improve the identification and mitigation of key risk areas. As Director of Audit Operations for CIBC, Mr. Thompson co-managed the audit operations resource pool, participated in selected retail branch and international audit assignments and assessed audit findings.

Mr. Korman has extensive experience performing audit related services and serving on various audit committees of board of directors of corporation's in multiple capacities over the prior 15 years. This includes but is not limited to Mr. Korman acting as the current CFO of Digital Marketing Academy of Canada Inc. (DMAC). Mr. Korman's main business focus is business development and strategic partnerships. Mr. Korman's previous experiences also include budget reviews as well as financial reporting and forecasting.

See "*Directors and Executive Officers*" for further biographic details about the members of the Audit Committee.

### **Pre-Approval Policies and Procedures for Non-Audit Service**

We have not adopted specific policies and procedures for the engagement of non-audit services. The Audit Committee will review the engagement of non-audit services as required.

### **External Auditor Service Fees**

The following table discloses the audit fees billed to the Corporation by its external auditor:

<b>Audit Service Fees</b>	<b>Amount</b>
Years ended December 31, 2019, 2018 and 2017 <sup>(1)</sup>	\$52,000
Year ended December 31, 2020	\$8,000
<b>Total</b>	<b>\$60,000</b>

**Note:**

- (1) The Corporation conducted the audit of its financial statements for the years ended December 31, 2019, 2018 and 2017 within the two years preceding the date of this Prospectus and the aggregate amount of the fees for such audit were billed by the Corporation's auditor within such time.

### **Reliance on Certain Exemptions**

The Corporation is an "IPO Venture Issuer" pursuant to relevant Canadian securities legislation, the Corporation is relying on the exemption in section 6.1 of NI 52-110 from the reporting requirements of Part 5 of NI 52- 110.

## **CORPORATE GOVERNANCE**

Corporate governance relates to the activities of the Board of Directors, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of Management who are appointed by the Board of Directors and who are charged with the day to day management of the Corporation. The Board of Directors is committed to sound corporate governance practices which are both in the interest of its Shareholders and contribute to effective and efficient decision making. NI 58-101 establishes corporate governance disclosure requirements which apply to all public companies in Canada. The Corporation's general approach to corporate governance is summarized below.

### **Board of Directors**

NI 52-110 sets out the standard for director independence. Under NI 52-110, a director is "independent" if he has no direct or indirect material relationship with the Corporation. A material relationship is a relationship which could, in the view of the Board of Directors, be reasonably expected to interfere with the exercise of a director's independent judgment. NI 52-110 also sets out certain situations where a director will automatically be considered to have a material relationship to the Corporation.

Applying the definition set out in section 1.4 of NI 52-110, five of the seven current members of the Board of Directors are independent. The independent directors are Philip J. Doublet, Murray Bryant, Scott MacMillan, Brian Thompson and Ian Korman.

Directors are expected to attend Board meetings and meetings of committees on which they serve and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities.

Trevor Davidson and George Davidson are not considered to be "independent" within the meaning of NI 52-110 by reason of their respective roles as executive officers of the Corporation.

The Board believes that it functions independently of Management and reviews its procedures on an ongoing basis to ensure that it is functioning independently of Management. The Board meets without Management present, as circumstances require. When conflicts arise, interested parties are precluded from voting on matters in which they may have an interest. In light of the suggestions contained in NP 58-201, the Board convenes meetings, as deemed necessary, at which non-independent directors and members of Management are not in attendance.

### **Other Directorships**

No directors of the Corporation have held directorships with other reporting issuers over the preceding five years.

### **Orientation and Continuing Education**

When new directors are appointed, they receive an orientation, commensurate with their previous experience, on the Corporation's properties, business, technology, and industry and on the responsibilities of directors. Board meetings may also include presentations by Management and employees to give the members of the Board additional insight into the Corporation's business. The Board works closely with Management, and, accordingly, the Board is in a position to assess the performance of individual directors on an ongoing basis.



## **Ethical Business Conduct**

The Board has adopted a written code of business conduct and ethics, affixed to this Prospectus as Schedule F to encourage, and promote a culture of ethical business conduct amongst the directors, officers, employees, and consultants of the Corporation.

To ensure the directors exercise independent judgment in considering transactions and agreements in which a director or officer has a material interest, all such matters are considered and approved by the independent director(s). Any interested director would be required to declare the nature and extent of their interest and would not be entitled to vote at meetings of Board which evoke such a conflict.

The Corporation believes that it has adopted corporate governance procedures and policies which encourage ethical behaviour by the Corporation's directors, officers, and employees.

The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual directors' participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of Management and in the best interests of the Corporation. Further, the Corporation's auditor has full and unrestricted access to the Audit Committee at all times to discuss the audit of the Corporation's financial statements and any related findings as to the integrity of the financial reporting process.

## **Compensation**

The Board of Directors is responsible for determining all forms of compensation to be paid to the Corporation's directors and NEOs. The Corporation's process for determining the compensation of its directors and NEOs is described above under the heading "*Executive Compensation*".

## **Nomination and Assessment**

Management is continually in contact with individuals involved in the finance, economics, technology, marketing, globalization, human resources, insurance, banking, risk, asset management, real estate, and many other industries and disciplines. From these sources, the Corporation has made numerous contacts and continues to consider nominees for future Board positions. The Corporation conducts diligence and reference checks on any suitable candidate. New nominees must have a track record in general business management, special expertise in the area of strategic interest to the Corporation, the ability to devote the time required and willingness to serve. The Board does not currently have a nominating committee.

The Board assesses on an annual basis the performance of the Board as a whole, the committees of the Board, and each of the individual directors in order to satisfy itself that each is functioning effectively.

## **Other Board Committees**

The Board has no standing committees other than the Compensation Committee and the Audit Committee.

## **RISK FACTORS**

The following are certain factors relating to the business of the Corporation, which factors investors should carefully consider before purchasing securities of the Corporation. In addition, the information set forth elsewhere in this Prospectus should be given special consideration when evaluating an investment

in any of the Common Shares or other securities of the Corporation. These risks, described below, as well as additional risks and uncertainties not presently known to the Corporation, or that are currently considered immaterial, may impact the Corporation, operating results, liquidity and financial condition and could have material adverse affects. If any or all of these risks become increasingly significant and threaten the Corporation as a going concern, investors could lose a portion or all of their investment.

An investment in the Corporation is speculative. An investment in the Corporation will be subject to certain material risks and investors should not invest in securities of the Corporation unless they can afford to lose their entire investment. The following is a description of certain risks and uncertainties that may affect the business of the Corporation.

## **Risks Related to the Corporation's Business and Industry**

### ***Revenue Risk***

To increase its revenue and maintain profitability, the Corporation must add new customers or increase revenue from its existing customers. Numerous factors, however, may impede its ability to add new customers and increase revenue from its existing customers, including the Corporation's inability to convert new Landlords into paying customers, the Corporation's inability to generate enough leads or referrals to generate revenue under its "revenue per lead/booking" model, failure to successfully add additional rental property inventory to the Website, or failure to ensure the effectiveness of the Corporation's marketing and SEO programs. In addition, if Landlords or prospective tenants do not perceive the Website to be of sufficiently high value and quality, the Corporation will not be able to attract a sufficient number of Landlords or tenants to successfully grow the number of users of the Website.

In addition, the Corporation's ability to attract Landlords and prospective tenants to the Website and increase revenue depends in large part on the successful implementation of the Corporation's SEO program and the ability to enhance and improve the Website to meet the needs of its target market. The success of the SEO program or any enhancement to the Website depend on several factors, including but not limited to third party search algorithms, competitive pricing, integration with existing technologies, and overall market acceptance. If the Corporation is unable to successfully grow user traffic to the Website or enhance the Website to meet customer requirements, or otherwise gain market acceptance, its business, results of operations and financial condition would be materially and adversely affected.

### ***Competition***

The industry in which the Corporation operates is highly competitive, is evolving and is characterized by technological change. Current or future competitors may have longer operating histories, larger customer bases, greater brand recognition and more extensive commercial relationships in certain jurisdictions, and greater financial, technical, marketing, SEO and other resources than the Corporation. As a result, the Corporation's competitors may be able to develop products and services better received by customers or may be able to respond more quickly and effectively than the Corporation can to new or changing opportunities, technologies, regulations or customer requirements. In addition, larger competitors may be able to leverage a larger customer base to adopt more aggressive pricing policies and offer more attractive sales terms, which could cause the Corporation to lose potential sales or be forced to charge or accept lower fees.

Competition may intensify as the Corporation's competitors enter into business combinations or alliances or raise additional capital, or as established companies in other market segments or geographic markets expand into the Corporation's market segments or geographic markets. The Corporation also expects to face additional competition from new entrants. To remain competitive, the Corporation will require a

continued high level of investment in research and development, marketing, SEO, sales and client support. If the Corporation cannot compete against existing and future competitors, its business, results of operations and financial condition could be materially and adversely affected.

The Corporation's success will be dependent on its ability to market its products and services. There is no guarantee that the Corporation's products and services will remain competitive. Unforeseen competition, and the inability of the Corporation to effectively develop and expand the market for its products and services, could have a significant adverse effect on the growth potential of the Corporation. The Corporation cannot assure that it will be able to compete effectively against existing and future competitors. In addition, competition or other competitive pressures may result in fee reductions, reduced revenue or loss of market share, any of which could have a material adverse effect on the Corporation's business, financial condition or results of operations.

### ***Infrastructure Risk***

The Corporation's continued growth depends, in part, on the ability of its existing and potential customers to access the Website 24 hours a day, seven days a week, without interruption or degradation of performance. The Corporation may experience disruptions, data loss, outages and other performance problems with its infrastructure due to a variety of factors, including infrastructure changes, introductions of new functionality, human or software errors, capacity constraints, denial-of-service attacks, or other security related incidents which may be beyond the control of the Corporation. In some instances, the Corporation may not be able to identify the cause or causes of these performance problems immediately or in short order or at all. The Corporation may not be able to maintain the level of service uptime and performance required by its customers, especially during peak usage times and as the Website becomes more complex and its user traffic increases. If the Website is unavailable or if the Corporation's customers are unable to access the Website within a reasonable amount of time, or at all, this may negatively impact the Corporation's brand, reputation and customer satisfaction. Moreover, the Corporation depends on services from various third parties to maintain the Website Systems. Any disruptions in these services, including as a result of actions outside of its control, would significantly impact the continued performance of the Website. In the future, these services may not be available to the Corporation on commercially reasonable terms, or at all. Any loss of the right to use any of these services could result in decreased functionality of the Website until equivalent technology is either developed by the Corporation or, if available from another provider, is identified, obtained and integrated into the Website Systems. If the Corporation does not accurately predict its infrastructure capacity requirement, its customers could experience service shortfalls while using the Website. The Corporation may also be unable to effectively address capacity constraints, upgrade the Website Systems as needed, and continually develop its technology and network architecture to accommodate actual and anticipated changes in technology.

Any of the above circumstances or events could materially harm the Corporation's reputation, business, results of operations and financial conditions.

### ***Cybersecurity Risks***

Increasingly, companies are subject to a wide variety of attacks on their networks and systems on an ongoing basis. In addition to traditional computer "hackers", malicious code (such as viruses and worms), employee theft or misuse, and denial-of-service attacks, sophisticated nation-state and nation-state supported actors now engage in cybersecurity attacks (including advanced persistent threat intrusions). Despite significant efforts to create security barriers to such threats, it is impossible for the Corporation to entirely mitigate these risks. The security measures the Corporation has integrated into its internal network and platform, which are designed to detect unauthorized activity and prevent or minimize security breaches, may not function as expected or may not be sufficient to protect its internal networks and

platform against certain attacks. In addition, techniques used to sabotage or to obtain unauthorized access to networks in which data is stored or through which data is transmitted change frequently and generally are not recognized until launched against a target. As a result, the Corporation may be unable to anticipate these techniques or implement adequate preventative measures to prevent an electronic intrusion into its networks.

If a breach of customer data security were to occur, as a result of third-party action, human error, malfeasance or by other means, and the confidentiality or integrity of the Website users' data was compromised, the Corporation could incur significant liability and the Website may be perceived as less desirable than the Corporation's competitors' websites, which could negatively affect the Corporation's business and damage its reputation. Security breaches impacting the Website could result in a risk of loss or unauthorized disclosure of customers' information, which, in turn, could lead to litigation, regulatory actions or investigations, and possible liability. In addition, a network or security breach could damage the Corporation's relationships with its existing customers, resulting in the loss of customers, and have a negative impact on its ability to attract and retain new customers.

### ***Inability to Leverage Technology***

The Corporation's future growth depends on its ability to leverage technology to further develop the Website Systems. Development of new technological solutions is complex and subject to a number of risks present in the industry. The Corporation may not be able to successfully update the Website to meet the needs or expectations of Landlords or prospective tenants in the future, and there can be no assurances the Corporation's engineering and development efforts will result in the development of the Website Systems timely manner or at all, or that any developments to the Website will achieve market acceptance. Any failure to design and implement technological updates to the Website Systems may have a material adverse effect on the Corporation's business, growth, operating results and financial condition.

### ***Reliance on Strategic Partnerships***

To grow its business, the Corporation anticipates that it will continue to depend on relationships with third parties, including but not limited to its SEO service providers. Identifying partners and service providers, and negotiating and documenting relationships with them, requires significant time and resources. If the Corporation is unsuccessful in establishing and maintaining its relationships with third parties, or if these third parties are unable or unwilling to provide adequate services to the Corporation, the Corporation's ability to compete in the marketplace or to grow its revenue could be materially impaired, and its results of operations may suffer. Even if the Corporation is successful, it cannot be sure that these relationships will result in increased usage of the Website or increased revenue.

### ***Difficulty in Forecasting***

Market opportunity estimates and growth forecasts, whether obtained from third-party sources or developed internally, are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. The Corporation's estimates and forecasts relating to the size and expected growth of its target market, market demand and adoption, capacity to address this demand, and pricing may prove to be inaccurate. The Corporation must rely largely on its own market research to forecast demand and projected revenue as detailed forecasts are not generally obtainable from other sources. A failure in the demand for the Corporation's products or services to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of the Corporation.

### ***Reputational Risk***

Reputational damage can result from the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views, whether true or not. Reputation loss may result in decreased customer confidence and become an impediment to the adoption of the Website by Landlords and prospective tenants, thereby having a material adverse impact on its financial performance, financial condition, cash flows and growth prospects.

### ***Litigation***

The Corporation may become party to litigation, mediation and/or arbitration from time to time in the ordinary course of business which could adversely affect its business. Monitoring and defending against legal actions, whether or not meritorious, can be time-consuming, divert Management's attention and resources and cause the Corporation to incur significant expenses. In addition, legal fees and costs incurred in connection with such activities may be significant and the Corporation could, in the future, be subject to judgments or enter into settlements of claims for significant monetary damages. Substantial litigation costs or an adverse result in any litigation may adversely impact the Corporation's business, operating results or financial condition.

### ***Conflicts of Interest***

Certain of the Corporation's directors and/or officers may also serve as directors and/or officers of other companies and consequently there exists the possibility for such directors and officers to be in a position of conflict requiring them to abstain from certain decisions. Conflicts, if any, will be subject to the procedures and remedies of the CBCA and any decisions made by any of such directors and officers involving the Corporation are subject to the duties and obligations to deal fairly and in good faith with a view to the best interests of the Corporation.

### ***Internal Controls***

Internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. However, internal controls over financial reporting are not guaranteed to provide absolute assurance with regard to the reliability of financial reporting and financial statements.

Any failure to develop or maintain effective controls or any difficulties encountered in their implementation could harm the Corporation's results of operations or cause the Corporation to fail to meet its reporting obligations and may result in a restatement of its financial statements for prior periods. Ineffective disclosure controls and procedures and internal control over financial reporting could also cause investors to lose confidence in the Corporation's reported financial and other information, which would likely have a negative effect on the trading price of the Common Shares.

### ***Dividend Risk***

The Corporation has not paid dividends in the past and does not anticipate paying dividends in the foreseeable future. The Corporation expects to retain its earnings to finance further growth and, when appropriate, retire debt.

## ***Global Economy Risk***

Global financial conditions have always been subject to volatility. This volatility may impact the Corporation's ability to obtain equity or debt financing in the future and, if obtained, on terms favourable to the Corporation. Increased levels of volatility and market turmoil can adversely impact the Corporation's operations and the value and price of the Common Shares could be adversely affected.

## ***COVID-19 and other Public Health Crises***

A local, regional or national outbreak of a contagious disease, such as the current outbreak of COVID-19, could have an adverse effect on local economies and potentially the global economy, which may adversely impact the price and demand for the Corporation's products. The Corporation's employees (if applicable) and contractors may be unable to work due to quarantine, self-isolation, social distancing, restrictions on travel, restrictions on meetings and work from home requirements. The extent to which the COVID-19 pandemic impacts the Corporation's operations will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including but not limited to the continued duration of the outbreak, new information that may emerge concerning variants COVID-19 and the actions taken to contain new or existing variants of COVID-19. Moreover, the spread of COVID-19 globally is expected to have an ongoing material adverse effect on global and regional economies and may result in a negative impact to international stock markets, which may impact the trading price of the Common Shares. The foregoing adverse effects on the economy, the stock market or the trading price of the Common Shares could have a material adverse effect on the Corporation's business, results of operations or ability to raise capital.

## **RISKS RELATED TO THE CORPORATION**

### ***Need for Additional Financing to Continue Operations***

The Corporation requires additional capital for the development of the Website, the expansion of the Website into new markets and to fund marketing programs to increase user traffic and adoption of the Website by Landlords and prospective tenants. The Corporation may also encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may increase the Corporation's capital needs and/or cause the Corporation to spend its cash resources faster than currently expected. Accordingly, the Corporation will need to obtain substantial additional funding in order to continue its operations. The uncertainties surrounding the Corporation's ability to fund its operations raise substantial doubt about the Corporation's ability to continue as a going concern.

To date, the Corporation has financed its operations entirely through investments by its founders and other investors. The Corporation may seek additional funds through public or private equity or debt financing. Additional funding from those or other sources may not be available when or in the amounts needed, on acceptable terms, or at all. If the Corporation raises capital through the sale of equity, or securities convertible into equity, it would result in dilution to our existing Shareholders, which could be significant depending on the price at which the Corporation may be able to sell its securities in the future. If the Corporation's raises additional capital through the incurrence of indebtedness, the Corporation would likely become subject to covenants restricting its business activities, and holders of debt instruments will have rights and privileges senior to those of our equity securityholders. In addition, servicing the interest and principal repayment obligations under debt facilities could divert funds that would otherwise be available to support activities to acquire additional market share and grow revenues.

There are no assurances that future funding will be available to the Corporation on favorable terms, or at all. If additional funding is not obtained, the Corporation may need to reduce, defer or cancel expenses related to developing the Website and growing traffic to the Website, including but not limited to the SEO program and supporting marketing, to the extent necessary. The failure to fund the Corporation's operating and capital requirements could have a material adverse effect on the business, financial condition and results of operations of the Corporation.

### ***Negative Cash Flow from Operations***

During the fiscal year ended December 31, 2020 and the three-month period ended March 31, 2021, the Corporation had negative cash flow from operating activities. Although the Corporation anticipates it will have positive cash flow from operating activities in future periods, to the extent that the Corporation has negative cash flow in any future period, proceeds from any future financings may be used to fund such negative cash flow from operating activities.

### ***Going Concern***

The Corporation has not generated significant revenues or positive net income since inception, and the Corporation expects to incur a net loss for the fiscal year ending December 31, 2021. There can be no assurances that the Corporation will be able to achieve a level of revenues adequate to generate sufficient cash flow from operations or obtain funding from financings through private placements, public offerings and/or bank financing necessary to support the Corporation's working capital requirements. To the extent that funds generated from any private placements, public offerings and/or bank financing are insufficient, the Corporation will have to raise additional working capital. No assurance can be given that additional financing will be available, or if available, will be on acceptable terms. These conditions raise substantial doubt about the Corporation's ability to continue as a going concern. If adequate working capital is not available, the Corporation may be forced to discontinue operations, which would cause investors to lose their entire investment. The Corporation's auditors have indicated that these conditions raise substantial doubt about the Corporation's ability to continue as a going concern.

### ***Additional Financings and Dilution***

In the future, the Corporation hopes to rely on revenues generated from operations to fund all of the cash requirements of the Corporation's activities. However, there can be no assurance that the Corporation will be able to generate any significant cash from its operating activities in the future. Future financings may not be available on a timely basis, in sufficient amounts or on terms acceptable to the Corporation, if at all. Any debt financing or other financing of securities senior to the Common Shares will likely include financial and other covenants that will restrict the Corporation's flexibility. Any failure to comply with these covenants would have a material adverse effect on the Corporation's business, prospects, financial condition and results of operations because the Corporation could lose its existing sources of funding and impair its ability to secure new sources of funding. There can be no assurance that the Corporation will be able to generate any investor interest in its securities. If the Corporation does not obtain additional financing, the Corporation's business may never become profitable or sustainable, in which case an investor in the Corporation's securities would likely lose the entirety of their investment.

### ***Costs related to Investment in Infrastructure, Growth, Regulatory Compliance and Operations***

The Corporation expects to incur significant ongoing costs and obligations related to its investment in growth development of the Website Systems, which could have a material adverse impact on the Corporation's results of operations, financial condition and cash flows. The Corporation's efforts to grow its business may be costlier than anticipated by Management, and the Corporation may not be able to

generate sufficient revenue or raise funds to offset such higher operating expenses. The Corporation may incur significant losses in the future for a number of reasons, including unforeseen expenses, difficulties, complications and delays, and other unknown events.

### ***Reliance on Key Personnel***

The Corporation's success depends largely on the continued services of its executive officers and other key contractors and third-party service providers. The Corporation relies on its leadership team in the areas of research and development, operations, security, marketing, SEO, engineering, sales, customer support, general and administrative functions, and on individual contributors in its research and development and operations. From time to time, there may be changes in the Corporation's executive management team resulting from the hiring or departure of executives, which could disrupt, and harm, Management's ability to implement the Corporation's business plan. The loss of one or more of the Corporation's executive officers or other key contractors and third-party service providers could harm the Corporation's business. As of the date of this Prospectus, the Corporation does not have key person insurance in effect for any member of Management.

In addition, to execute its growth plan, the Corporation must attract and retain highly qualified personnel. Competition for these personnel is intense and there can be no assurances that the Corporation will be able to continue to attract and retain the personnel necessary for the development and operation of the Corporation's business. In addition, job candidates and existing employees often consider the value of the equity awards they receive in connection with their employment. If the perceived value of the Corporation's equity awards declines, it may harm the Corporation's ability to recruit and retain highly skilled employees. If the Corporation fails to attract new personnel or fails to retain and motivate current personnel, its business and future growth prospects could be harmed.

### ***Regulatory Burden Pursuant to Public Listing***

The Corporation intends to seek a listing on the CSE, although to date the Corporation has not been subject to the continuous and timely disclosure requirements of Canadian securities laws or other rules, regulations or the policies of the CSE. The Corporation is working with its legal, accounting and financial advisors to identify those areas in which changes should be made to our financial management control systems to manage our obligations as a public company listed on the CSE. These areas include corporate governance, corporate controls, disclosure controls and procedures and financial reporting and accounting systems. The Corporation has made, and will continue to make, changes in these and other areas, including our internal controls over financial reporting. However, we cannot assure holders of our Common Shares that these and other measures that we might take will be sufficient to allow us to satisfy our obligations as a public company listed on the CSE on a timely basis. In addition, compliance with reporting and other requirements applicable to public companies listed on the CSE will create additional costs for us and will require the time and attention of Management. We cannot predict the amount of the additional costs that we might incur, the timing of such costs or the impact that Management's attention to these matters will have on our business.

### ***Limited Operating History***

The Corporation has a very limited operating history upon which to base an evaluation of its business and prospects. The Corporation's short operating history may hinder its ability to successfully meet its objectives and makes it difficult for potential investors to evaluate the Corporation's business or prospective operations. The Corporation has not generated any significant revenues or net income since inception and is not currently profitable and may never become profitable.



Operating results for future periods are subject to numerous uncertainties, and the Corporation cannot assure an investor in its securities that the Corporation will achieve or sustain profitability. As an early-stage corporation, the Corporation is subject to all the risks inherent in the financing, expenditures, operations, complications and delays inherent in a new business. Future operating results will depend upon many factors, including the Corporation's ability to successfully generate traffic to the Website, the Corporation's ability to successfully monetize traffic to the Website, the Corporation's ability to develop and market new products, control costs, and general economic conditions. The Corporation's prospects must be considered in light of the risks encountered by companies in the early stage of development, particularly companies in new and rapidly evolving markets. There can be no assurance that the Corporation's efforts will be successful in addressing the aforementioned risks or that the Corporation will ultimately be able to attain profitability.

### ***Protection of Intellectual Property***

The Corporation's commercial success depends to a significant degree upon its ability to develop new or improved technologies, instruments and products, and to obtain patents, where appropriate, or other intellectual property rights or statutory protection for these technologies and products in Canada and the United States. Despite devoting resources to the research and development of proprietary technology, the Corporation may not be able to develop new technology that is patentable or protectable. Further, patents issued to the Corporation, if any, could be challenged, held invalid or unenforceable, or be circumvented and may not provide the Corporation with necessary or sufficient protection or a competitive advantage. Competitors and other third parties may be able to design around the Corporation's intellectual property or develop products similar to its products that are not within the scope of such intellectual property. The Corporation's inability to secure its intellectual property rights may have a materially adverse effect on its business and results of operations.

Prosecution and protection of the intellectual property rights sought can be costly and uncertain, often involve complex legal and factual issues and consume significant time and resources. The laws of certain countries may not protect intellectual property rights to the same extent as the laws of Canada or the United States.

### ***Failure to Develop Adequate Internal Controls over Financial Reporting***

As the Corporation matures it will need to continue to develop and improve its current internal control systems and procedures to manage its growth. The Corporation is required to establish and maintain appropriate internal controls over financial reporting. Failure to establish appropriate controls, or any failure of those controls once established, could adversely impact the Corporation's public disclosures regarding its business, financial condition or results of operations. In addition, Management's assessment of internal controls over financial reporting may identify weaknesses and conditions that need to be addressed in the Corporation's internal controls over financial reporting or other matters that may raise concerns for investors. Any actual or perceived weaknesses and conditions that need to be addressed in the Corporation's internal control over financial reporting, disclosure of Management's assessment of the Corporation's internal controls over financial reporting or disclosure of the Corporation's public accounting firm's attestation to its report on Management's assessment of the Corporation's internal controls over financial reporting may have an adverse impact on the price of the Common Shares.

## **RISKS RELATED TO OUR SECURITIES**

### ***Control of Executive Officers, Directors and their respective Affiliates***

The Corporation's executive officers and directors currently represent beneficial ownership, in the aggregate, of approximately 17.3% of the issued and outstanding Common Shares. As a result, these shareholders may be able to influence the Corporation's management and affairs and control the outcome of matters submitted to the Corporation's shareholders for approval, including the election of directors and any sale, merger, consolidation, or sale of all or substantially all of the Corporation's assets. These shareholders may have interests, with respect to their Common Shares, that are different from those of other investors in the Corporation, and the concentration of voting power among one or more of these shareholders may have an adverse effect on the price of the Common Shares. In addition, this concentration of ownership might adversely affect the market price of the Common Shares by:

- delaying, deferring or preventing a change of control of the Corporation;
- impeding a merger, consolidation, takeover or other business combination involving the Corporation; or
- discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Corporation.

### ***No Existing Market for the Common Shares***

There has been no public market for shares of the Common Shares. The Corporation cannot predict the extent to which investor interest in the Corporation will lead to the development of a trading market in the Common Shares or how liquid that market might become. The market price for the Common Shares may decline below an investor's acquisition price, and the Corporation's stock price is likely to be volatile.

### ***Public Listing of Common Shares***

There is currently no public market for the Common Shares and there can be no assurance that one will ever develop. The Corporation has applied to list the Common Shares on the CSE, however the Board of Directors, in its sole discretion, may choose to take actions necessary to list the Common Shares on an alternative national securities exchange, or not list the Common Shares on a securities exchange at all. As a result, the Common Shares may not be listed on a securities exchange for an extended period of time, if at all. If the Common Shares are not listed on an exchange, it may be difficult to sell or trade in the Common Shares.

### ***Volatility of the Price of Common Shares***

The market price of the Common Shares could be subject to wide fluctuations in response to, among other things, the risk factors described in this section of the Prospectus, and other factors beyond the Corporation's control, such as fluctuations in the valuation of companies perceived by investors to be comparable to the Corporation. Furthermore, the stock markets have experienced price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. These fluctuations often have been unrelated or disproportionate to the operating performance of those companies. These broad market and industry fluctuations, as well as general economic, political, and market conditions, such as recessions, interest rate changes or international currency fluctuations, may negatively affect the market price of the Common Shares. In the past, many companies that have experienced volatility in the market price of their securities have been subject to securities class action litigation. The Corporation may be the target of this type of litigation in the future.

Securities litigation against the Corporation could result in substantial costs and divert Management's attention from other business concerns, which could seriously harm the business of the Corporation.

## **PLAN OF DISTRIBUTION**

This is a non-offering Prospectus. No securities are offered pursuant to this Prospectus.

The Corporation has applied to list its Common Shares on the CSE. In order to obtain the Listing, the Corporation must fulfill all of the listing requirements of the CSE, including obtaining a receipt for this Prospectus from the ASC, distributing its Common Shares to a minimum number of public shareholders and meeting certain financial and other requirements.

As at the date of the Prospectus, the Corporation does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside of Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc).

## **PROMOTER**

Trevor Davidson is considered to be a Promoter of the Corporation for the purposes of applicable securities laws as he took the initiative in founding and organizing the Corporation. George Davidson is considered to be a Promoter of the Corporation for the purposes of applicable securities laws as he took the initiative and assisted in founding and organizing the Corporation. See "*Directors and Officers*".

Except as disclosed in this Prospectus, to the best of the Corporation's knowledge, no person who was a Promoter of the Corporation within the last two years:

1. received anything of value directly or indirectly from the Corporation or a subsidiary; or
2. sold or otherwise transferred any asset to the Corporation or a subsidiary within the last two years.

## **LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

The Corporation received a statement of claim dated February 4, 2019 filed in the Court of Queen's Bench of Alberta by plaintiffs: Trufla Technology Ltd., Sharp Mobile Marketing Inc., Sharp Digital Marketing Ltd., and Gemstar Holdings Ltd. The Corporation deemed the lawsuit to be without merit. Subsequently, on a no-fault basis, in January 2021, to settle this nuisance claim the Corporation reached an agreement with the plaintiffs to settle all amounts due and to cancel all previously issued shares for a lump sum payment of \$35,000.

Other than the above, there are no other legal proceedings outstanding, threatened or pending as of the date of this Prospectus by or against the Corporation or to which it is a party or its business or any of its assets is the subject of, nor to the knowledge of the directors and officers of the Corporation are any such legal proceedings contemplated which could become material to a purchaser of the Corporation's securities.

There have not been any penalties or sanctions imposed against the Corporation by a court relating to provincial or territorial securities legislation or by a securities regulatory authority, nor have there been

any other penalties or sanctions imposed by a court or regulatory body against the Corporation, and the Corporation has not entered into any settlement agreements before a court relating to provincial or territorial securities legislation or with a securities regulatory authority.

## INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed above, no insider, director or executive officer of the Corporation and no associate or affiliate of any director, executive officer or insider has any material interest, direct or indirect, in any transaction within the three years before the date of the Prospectus that has materially affected or is reasonably expected to materially affect the Corporation. See "*Executive Compensation*".

## AUDITOR, REGISTRAR AND TRANSFER AGENT

### Auditor

The Corporation's auditor is RSM Alberta LLP, Chartered Professional Accountants, of Calgary, Alberta.

RSM Alberta LLP prepared the auditor's reports for the years ended December 31, 2020 and 2019 on the annual consolidated financial statements of the Corporation included in this Prospectus.

### Transfer Agent and Registrar

The registrar and transfer agent of the Corporation is Odyssey Trust Company at its offices, of 1230 – 300 5<sup>th</sup> Avenue SW, Calgary, AB, T2P 3C4.

## MATERIAL CONTRACTS

Other than contracts entered into in the ordinary course of business and as disclosed in the table below, the Corporation has not entered into any material contracts not disclosed elsewhere in this Prospectus:

Name of Contract	Parties	Date	Nature of Contract	Consideration
Escrow Agreement	The Corporation and its insiders, directors and executive officers	February 4, 2021	Form 46-102F1 – <i>Escrow Agreement</i>	N/A

## INTEREST OF EXPERTS

The audited consolidated financial statements of the Corporation included with this Prospectus have been subject to audit by RSM Alberta LLP and their audit report is included herein. RSM Alberta LLP have advised it is independent with respect to the Corporation within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Alberta.

## OTHER MATERIAL FACTS

There are no other material facts about the Corporation which are not otherwise disclosed in this Prospectus.

**SCHEDULE A  
ANNUAL FINANCIAL STATEMENTS**

*(See attached)*

ApartmentLove Inc.

Financial Statements  
For the year ended December 31, 2020  
*(in Canadian dollars, except share amounts)*

## **INDEPENDENT AUDITOR'S REPORT**

To the Shareholders of ApartmentLove Inc.

### *Opinion*

We have audited the financial statements of ApartmentLove Inc. (the "Company"), which comprise the statement of financial position as at December 31, 2020 and 2019 and the statements of loss and comprehensive loss, changes in shareholders' equity (deficiency) and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

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 2019, and its financial performance and its cash flows for the years then ended 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 2(c) to the financial statements, which indicates that the Company incurred a net loss of \$523,159 during the year ended December 31, 2020 and, as of that date, the Company's current liabilities exceeded its total assets by \$197,882 and the Company had an accumulated deficit of \$2,640,607. As stated in Note 2(c), along with other conditions described in note 2(c), these events or conditions indicate that a material uncertainty exists 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.

### *Other Information*

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis (MDA).

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained the Management discussion and analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### *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.

**THE POWER OF BEING UNDERSTOOD**  
AUDIT | TAX | CONSULTING

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.

RSM Alberta LLP

Chartered Professional Accountants  
June 7, 2021  
Calgary, Alberta



**ApartmentLove Inc.**  
**Statements of Financial Position**  
**As at December 31, 2020**

		2020	2019
<b>Assets</b>	Notes	\$	\$
<b>Current assets</b>			
Cash		47,362	63,487
Accounts receivable	5	5,897	29,742
Prepaid expenses		5,000	3,840
Total current assets		<u>58,259</u>	<u>97,069</u>
Equipment	6	777	1,203
Intangible assets	7	89,907	92,109
Total assets		<u>148,943</u>	<u>190,381</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	8	256,141	202,764
Total current liabilities		256,141	202,764
Term loans	9	49,418	-
Total liabilities		<u>305,559</u>	<u>202,764</u>
<b>Shareholders' Deficiency</b>			
Share capital	14	2,208,355	1,829,596
Equity portion of convertible loan		3,821	-
Warrants	16	53,500	50,900
Contributed surplus		218,315	224,569
Deficit		(2,640,607)	(2,117,448)
Total shareholders' deficiency		<u>(156,616)</u>	<u>(12,383)</u>
Total liabilities and shareholders' deficiency		<u>148,943</u>	<u>190,381</u>

Going concern (note 2(c))  
Subsequent events (notes 9 and 21)  
Commitments and contingencies (note 20)

See accompanying notes to the financial statements.

Approved by the Board of Directors

Signed "Philip Doublet", Director

Signed "George Davidson", Director

**ApartmentLove Inc.****Statements of Loss and Comprehensive Loss****As at December 31, 2020**

		<b>2020</b>	<b>2019</b>
	Notes	\$	\$
Revenue	10	14,588	52,574
Direct expenses		<u>4,987</u>	<u>8,335</u>
Gross profit		<u>9,601</u>	<u>44,239</u>
Selling, general and administrative expenses	11,12,17	370,598	673,555
Stock-based compensation	12,16,17	102,027	191,270
Amortization and depreciation		75,382	61,559
Provision for doubtful debts	5	16,511	-
Finance cost		4,894	-
Government grants	9	(20,000)	-
Other income		(16,652)	(3,300)
Gain on cancellation of shares		<u>-</u>	<u>(282,276)</u>
Total expenses		<u>(532,760)</u>	<u>(640,808)</u>
Net loss and comprehensive loss		<u>(523,159)</u>	<u>(596,569)</u>
Loss per share			
Basic and diluted	15	<u>(0.02)</u>	<u>(0.02)</u>

See accompanying notes to the financial statements

**ApartmentLove Inc.**

**Statements of Changes in Shareholders' Equity (Deficiency)  
For the Year Ended December 31, 2020**

	Common shares	Equity portion of convertible loan	Warrants	Contributed surplus	Deficit	Shareholders' equity (deficiency)
	\$	\$	\$	\$	\$	\$
<b>Balance at December 31, 2018</b>	<b>1,351,005</b>	-	-	<b>208,299</b>	<b>(1,520,879)</b>	<b>38,425</b>
Common shares issued for cash	665,727	-	-	-	-	665,727
Share issuance costs	(79,410)	-	50,900	-	-	(28,510)
Common shares issued in exchange for services	175,000	-	-	-	-	175,000
Cancellation of common shares previously issued in exchange for assets	(282,726)	-	-	-	-	(282,726)
Stock-based compensation	-	-	-	16,270	-	16,270
Net loss and comprehensive loss	-	-	-	-	(596,569)	(596,569)
<b>Balance at December 31, 2019</b>	<b>1,829,596</b>	-	<b>50,900</b>	<b>224,569</b>	<b>(2,117,448)</b>	<b>(12,383)</b>
Common shares issued for cash	162,250	-	-	-	-	162,250
Share issuance costs	(8,349)	-	2,600	-	-	(5,749)
Equity component of convertible loans	-	3,821	-	-	-	3,821
Common shares issued for settlement of payables	37,577	-	-	-	-	37,577
Common shares issued in exchange for services	68,261	-	-	-	-	68,261
Stock-based compensation	-	-	-	33,766	-	33,766
Stock options exercised	119,020	-	-	(40,020)	-	79,000
Net loss and comprehensive loss	-	-	-	-	(523,159)	(523,159)
<b>Balance at December 31, 2020</b>	<b>2,208,355</b>	<b>3,821</b>	<b>53,500</b>	<b>218,315</b>	<b>(2,640,607)</b>	<b>(156,616)</b>

See accompanying notes to the financial statements

**ApartmentLove Inc.****Statements of Cash Flows )  
For the Year Ended December 31, 2020**

	2020	2019
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Net loss for the year	(523,159)	(596,569)
<b>Adjustments to reconcile net loss to net cash from operating activities</b>		
Amortization and depreciation	75,382	61,559
Stock-based compensation	102,027	191,270
Provision for doubtful debts	16,511	-
Government grants	(20,000)	-
Finance cost	1,608	-
Gain on cancellation of shares	-	(282,276)
	<u>(347,631)</u>	<u>(626,016)</u>
<b>Changes in non-cash working capital</b>		
Accounts receivable	7,334	5,527
Prepaid expenses	(1,160)	32,699
Accounts payable and accrued liabilities	144,085	28,617
	<u>150,259</u>	<u>66,843</u>
<b>Net cash used in operating activities</b>	<u>(197,372)</u>	<u>(559,173)</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of equipment	(218)	(230)
Purchase of intangible assets	(72,536)	(41,862)
<b>Net cash used in investing activities</b>	<u>(72,754)</u>	<u>(42,091)</u>
<b>FINANCING ACTIVITIES</b>		
Common shares issued for cash (net of share issue costs)	156,501	636,766
Proceeds from stock options exercised	12,500	-
Proceeds from term loans	85,000	-
<b>Net cash from investing activities</b>	<u>254,001</u>	<u>636,766</u>
<b>Net change in cash and bank indebtedness</b>	(16,125)	35,502
Cash, beginning of year	63,487	27,985
<b>Cash, end of year</b>	<u><u>47,362</u></u>	<u><u>63,487</u></u>

## Non Cash Amounts:

The Company settled accounts payable of \$104,077 through the issuance of \$37,577 shares and the exercise of \$66,500 stock options during the year ended December 31, 2020 (note 14).

See accompanying notes to the financial statements.

**ApartmentLove Inc.**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**

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1. Incorporation and operations

ApartmentLove Inc. (the "Company") was federally incorporated under the laws of Canada on January 19, 2015, with operations commencing July 15, 2015. The Company previously operated under the name Culada Asset Management, Inc. until June 19, 2018. The Company provides an interactive real estate website ([www.apartmentlove.com](http://www.apartmentlove.com)) which promotes housing, apartments and other rental properties online by offering prospective tenants photographs, property descriptions, text, price, location, maps and other information that could be considered beneficial to a prospective tenant when making a rental decision.

The Company's head office is located at 1600, 421 – 7th Avenue SW, Calgary, Alberta, Canada, T2P 4K9.

2. Basis of preparation and going concern

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and IFRS Interpretations Committee. A summary of the Company's significant accounting policies under IFRS is presented in note 3. The policies set out below have been consistently applied to all periods presented unless otherwise noted.

The financial statements were approved and authorized for issue by the Board of Directors on June 7, 2021.

(b) Basis of measurement

The financial statements have been prepared on a historical cost basis except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value.

**ApartmentLove Inc.**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**

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(c) Going concern

These financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to realize its assets and satisfy its liabilities in the normal course of business for the foreseeable future. Management is aware, in making its going concern assessment, of material uncertainties related to events and conditions that may cast significant doubt upon the Company's ability to continue as a going concern. As at December 31, 2020, the Company had negative net working capital of \$197,882 (2019 - \$105,695). The Company also had an accumulated deficit of \$2,640,607 (2019 - \$2,117,448) as at December 31, 2020 and incurred a net loss during the year ended December 31, 2020 of \$523,159 (2019 - \$596,569). The Company has not yet been able to generate the transaction volumes required to create positive cash flows from operations. Whether and when the Company can generate sufficient operating cash flows to pay for its expenditures and settle its obligations as they fall due subsequent to December 31, 2020 is uncertain. Until this time, management may have to raise funds by way of debt or equity issuances. The Company will closely monitor its cash and will take the necessary measures to preserve cash, such as reducing spending as required until the Company succeeds in gathering sufficient sales volumes to consistently achieve profitable operations and generate positive cash flows from operations.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption inappropriate. These adjustments could be material.

(d) Functional currency

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

(e) Use of estimates and judgments

The timely preparation of the financial statements in conformity with IFRS requires that management make estimates and use judgment regarding the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the year. Such estimates primarily relate to unsettled transactions and events as at the date of the financial statements. Accordingly, actual results may differ from estimated amounts as future events occur. Significant estimates and judgments made by management in the preparation of the financial statements are outlined in note 4.

## ApartmentLove Inc.

### Notes to Financial Statements Year Ended December 31, 2020

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#### 3. Significant accounting policies

##### (a) New accounting standards adopted during the year:

There are no new standards which are effective for the first time for periods beginning on or after January 1, 2020 that have an impact on these financial statements.

##### (b) Equipment

Equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced. Depreciation is recognized on equipment as follows:

Computers	3-year straight-line
Furniture and fixtures	3-year straight-line

The Company allocates the amount initially recognized in respect of an item of equipment to its significant component within each cash-generating unit and depreciates separately each such component. Residual values, method of depreciation and useful lives of the assets are reviewed annually and adjusted if appropriate.

Gains and losses on disposals of equipment are determined by comparing the proceeds with the carrying amount of the asset and are included as part of other gains and losses in the statement of loss and comprehensive loss.

##### (c) Intangible assets

The Company's intangible assets include the costs of developing its website, mobile application, search engine optimization tool and purchased domains.

##### (i) Research and development

Research costs are expensed when incurred. Development costs are capitalized when the feasibility and profitability of the project can reasonably be considered certain. Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalized if the product or process is technically and commercially feasible and the Company has sufficient resources to complete development. The expenditure capitalized includes the cost of materials and direct labour. Other development expenditure is recognized in the statement of loss and comprehensive loss as an expense as incurred. Capitalized development expenditure is stated at cost less accumulated amortization and impairment losses.

## ApartmentLove Inc.

### Notes to Financial Statements Year Ended December 31, 2020

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(ii) Subsequent expenditure

Subsequent expenditure on capitalized intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are expensed as incurred.

(iii) Amortization

Amortization is charged to the statement of loss and comprehensive loss on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life are systematically tested for impairment at each balance sheet date. Other intangible assets are amortized from the date they are available for use. All intangible assets are being amortized using the straight-line method over 3 years.

(d) Revenue recognition

The Company recognizes revenue at the time the performance obligation has been met by posting the rental listing as an active listing.

The Company's primary sources of revenue with customers are the provision of rental property listings services. The Company recognizes the revenue on individual rental listings at the time the listing is posted and active on the website. The Company also offers listing contracts to customers to provide an unlimited number of listings each month over a defined service period for a monthly recurring rate. Revenue from long-term contracts is recognized monthly over the life of the contract.

(e) Income taxes

Income tax comprises current and deferred tax. Income tax is recognized in the statement of loss and comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case the income tax is also recognized directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the statement of financial position date and are expected to apply when the deferred tax asset or liability is settled.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is not recognized.



## ApartmentLove Inc.

### Notes to Financial Statements Year Ended December 31, 2020

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Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(f) Financial instruments

Financial instruments are measured at fair value on initial recognition, which is typically the transaction price unless a significant financing component is present. Subsequent measurement is dependent on whether the instrument is classified as “amortized cost”, “fair value through profit or loss” or “fair value through other comprehensive income”. The classification of financial assets is determined by their characteristics and their context in the Company’s business model.

The Company classifies financial assets and liabilities as follows:

- (i) Amortized cost: Cash, accounts receivable, accounts payable and accrued liabilities and term loans are held by the Company to collect or pay contractual cash flows and are measured at amortized cost. Financial instruments measured at amortized cost are recognized initially at fair value, adjusted for any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortized cost using the effective interest rate method, less any impairment losses.
- (ii) Fair value through profit or loss: Financial liabilities at fair value through profit or loss are measured at fair value and net gains and losses, including interest expense are recognized in profit or loss. The Company does not have any financial liabilities recognized at fair value through profit or loss.
- (iii) Fair value through other comprehensive income: The Company has no financial instruments that do not meet the criteria to be measured at amortized cost or fair value through profit or loss and, accordingly, no financial instruments are measured at fair value through other comprehensive income.

The Company derecognizes a financial asset when the contractual right to the cash flow expires, or the right to receive the contractual cash flows from the financial asset and substantially all the risks and rewards of ownership of the financial asset are transferred. The Company derecognizes a financial liability when the contractual obligations are discharged, cancelled or expired.

(iv) Equity instruments

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and stock options and warrants are recognized as a deduction from equity, net of any tax effects.

## ApartmentLove Inc.

### Notes to Financial Statements Year Ended December 31, 2020

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#### (v) Impairment

The Company recognizes loss allowances for expected credit losses on its financial assets measured at amortized cost. Expected credit losses exist if, after initial recognition of the financial asset, one or more indicators exist that reduce estimated future cash flows from the financial asset and that impact can be reliably measured. The Company applies the simplified approach to expected credit loss measurement on accounts receivable, which uses a lifetime expected impairment to determine the expected credit loss. The Company uses a combination of historical and forward-looking information to determine the appropriate expected credit loss. The carrying amount of the asset is reduced through an allowance account, and the loss is recognized in selling, general and administrative expenses.

#### (g) Stock options and warrants

Stock options granted are accounted for using the fair value method under which compensation expense is recorded based on the estimated fair value of options and warrants at the grant date using the Black-Scholes option pricing model. The Company measures share based payments to non-employees at the fair value of the goods or services received at the date of receipt of the goods or services. If the fair value of the goods or services cannot be measured reliably, the value of the option and warrants granted are measured using the Black-Scholes option-pricing model. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of options and warrants that vest.

Each tranche in an award is considered a separate award with its own vesting period. Compensation cost is expensed over the vesting period with a corresponding increase in contributed surplus. When stock options and warrants are exercised, the cash proceeds along with the amount previously recorded as contributed surplus is recorded as share capital.

#### (h) Compound financial instruments

Certain financial instruments are comprised of a liability and an equity component. The various components of these instruments are accounted for in equity and liabilities according to their classification, as defined in IAS 32 "Financial Instruments: Disclosure and Presentation".

The components classified as liabilities are valued at issuance at the present value taking into account the credit risk at issuance date of the future cash flows including interest and repayment of the principal value of an instrument with the same characteristics but without any option for conversion or redemption in shares. The component classified as equity is defined as the difference between the fair value of the instrument and the fair value of the financial liability component.

## ApartmentLove Inc.

### Notes to Financial Statements Year Ended December 31, 2020

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(i) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed for indicators of impairment at each reporting date. If indicators of impairment exist, the recoverable amount of the asset is estimated. For the purposes of assessing impairment, equipment and intangible assets are grouped into cash generating units ("CGU").

The recoverable amount of a CGU is the greater of its fair value less costs of disposal and its value in use. Fair value is determined to be the amount for which the asset could be sold in an arm's length transaction between knowledgeable and willing parties. Fair value less costs of disposal may be determined using discounted future net cash flows. These cash flows are discounted at an appropriate discount rate, which would be applied by a market participant. Value in use is determined by estimating the present value of the future net cash flows to be derived from the continued use of the CGU in its present form. These cash flows are discounted at a rate based on the time value of money and risks specific to the CGU.

The fair value less costs of disposal used to determine the recoverable amounts of equipment and intangible assets are classified at Level 2 fair value measurements, as they are based on observable market data.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its recoverable amount. An impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amount of goodwill, if any, allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. Impairment losses are recognized in net income.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized. A goodwill impairment loss is not reversed.

(j) Earnings (loss) per share

Basic earnings (loss) per share is calculated using the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share reflects the potential dilution that would occur if in-the-money options and warrants were exercised. The Company uses the treasury stock method for outstanding stock options and warrants which assumes that all outstanding stock options and warrants with exercise prices below average Company market prices are exercised and assumed proceeds plus the unamortized portion of stock-based compensation are used to purchase the Company's common shares at the average Company market price during the period.

## ApartmentLove Inc.

### Notes to Financial Statements Year Ended December 31, 2020

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#### 4. Use of estimates and judgments

The timely preparation of the consolidated financial statements requires that management make estimates and use judgment regarding the reported amounts of assets, liabilities, revenues and expenses and disclosures of contingent assets and liabilities as at the date of the consolidated financial statements. Such estimates primarily relate to unsettled transactions and events as at the date of the consolidated financial statements. Accordingly, actual results may differ from estimated amounts as future events occur.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal actual results. Revisions to accounting estimates are recognized in the period in which estimates are revised and in any future years affected.

#### (a) **Significant judgments in applying accounting policies:**

The following significant judgments have been made by management in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in these consolidated financial statements:

##### *i. Intangible Asset - Impairment*

Judgments are required to assess when impairment indicators, or reversal indicators exist, and impairment testing is required. These indicators include, but are not limited to, significant changes in markets for the Company's products or services or management's intended use of the asset.

##### *ii. Income taxes*

Judgment is required in the calculation of current and deferred taxes in applying tax laws and regulations, estimating the timing of the reversals of temporary differences and estimating the realizability of deferred tax assets.

##### *iii. Revenue*

Judgments are required when evaluating when a performance obligation is satisfied, and revenue may be recognized. In making its judgments, the Company considers when a customer obtains control of the service promised in a contract.

## ApartmentLove Inc.

### Notes to Financial Statements Year Ended December 31, 2020

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(b) **Key sources of estimation uncertainty:**

The following key estimates and related assumptions concerning the sources of estimation uncertainty that have a significant risk of causing adjustments to the carrying amounts of assets and liabilities have been made by management:

i. *Intangible assets*

1. Depreciation and amortization

Management uses its best estimates to choose depreciation and amortization methods and makes related assumptions of residual values and useful lives when preparing the related calculations. The Company considers historical trends, conditions under which assets are to be used and other industry related factors in determining estimated useful lives of the assets.

2. Impairment

The recoverable amount of assets used in impairment tests are based on estimates of the fair value of similar assets and other relevant assumptions.

ii. *Stock-based compensation*

In estimating the fair value of stock options and warrants using the Black-Scholes option pricing model, the Company uses assumptions related to the risk-free interest rate, expected lives of options and warrants, estimated forfeitures, estimated market price of the Company's shares and estimated future volatility of the Company's share price.

iii. *Income taxes*

Tax interpretations, regulations and legislation in the various jurisdictions in which the Company operates are subject to change. As such, income taxes are subject to measurement uncertainty. Tax provisions are recognized when it is considered probable that there will be a future outflow of funds to a taxing authority. In such cases, a provision is made for the amount that is expected to be settled, where this can be reasonably estimated. This requires management to make some assumptions as to the ultimate outcome, which can change over time depending on facts and circumstances. A change in estimate of the likelihood of a future outflow and/or in the expected amount to be settled would be recognized in the statement of income in the period in which the change occurs.

iv. *Compound Financial Instruments*

Certain financial instruments are comprised of a liability and an equity component. The determination of the amount allocated to the liability and equity components requires management to estimate various components and characteristics of present value calculations used in determining the fair value of the instrument.

**ApartmentLove Inc.**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**

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5. Accounts receivable

	<b>2020</b>	<b>2019</b>
	\$	\$
Trade receivables	2,050	16,040
Goods and Services Tax recoverable	3,847	13,702
	<u>5,897</u>	<u>29,742</u>

Trade receivables are due within 30 days from the date of billing. See note 18(b) for further details on the Company's credit risk.

At December 31, 2020, the Company estimated an allowance for doubtful accounts of \$16,511 (2019 - \$NIL). The Company has not written off any of its receivables, nor has it had a recovery of bad debts.

6. Equipment

	<b>Computers</b>	<b>Furniture and fixtures</b>	<b>Total</b>
	\$	\$	\$
<b>Cost</b>			
Balance at December 31, 2018	1,402	5,349	6,751
Additions	230	-	230
Balance at December 31, 2019	1,632	5,349	6,981
Additions	218	-	218
Balance at December 31, 2020	<u>1,850</u>	<u>5,349</u>	<u>7,199</u>
<b>Accumulated depreciation</b>			
Balance at December 31, 2018	1,151	3,882	5,033
Charge for the year	149	596	745
Balance at December 31, 2019	1,300	4,478	5,778
Charge for the year	219	425	644
Balance at December 31, 2020	<u>1,519</u>	<u>4,903</u>	<u>6,422</u>
<b>Net book value</b>			
Balance at December 31, 2019	<u>332</u>	<u>871</u>	<u>1,203</u>
Balance at December 31, 2020	<u>331</u>	<u>446</u>	<u>777</u>

**ApartmentLove Inc.**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**

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7. Intangible assets

	Website development costs \$	Mobile Applications \$	Search Engine Optimization \$	Domains \$	Total \$
<b>Cost</b>					
Balance at December 31, 2018	103,047	78,000	170,332	109,985	461,364
Additions	37,076	-	-	4,786	41,862
Balance at December 31, 2019	140,123	78,000	170,332	114,771	503,226
Additions	72,536	-	-	-	72,536
Balance at December 31, 2020	212,659	78,000	170,332	114,771	575,762
<b>Accumulated amortization and impairment</b>					
Balance at December 31, 2018	77,252	78,000	170,332	24,719	350,303
Charge for the year	23,354	-	-	37,460	60,814
Balance at December 31, 2019	100,606	78,000	170,332	62,179	411,117
Additions	37,660	-	-	37,078	74,738
Balance at December 31, 2020	138,266	78,000	170,332	99,257	485,855
<b>Net book value</b>					
Balance at December 31, 2019	39,517	-	-	52,592	92,109
Balance at December 31, 2020	74,393	-	-	15,514	89,907

8. Accounts payable and accrued liabilities

	2020 \$	2019 \$
Trade payables	221,141	180,456
Accrued liabilities	35,000	21,982
Goods and Services Tax payable	-	326
	256,141	202,764

All of the accounts payable and accrued liabilities at December 31, 2020 and 2019 are due on standard credit terms and are expected to be settled within one year. Trade payables include amounts due to related parties amounting to \$44,856 (2019 - \$47,950), these payables are unsecured, non-interest bearing and are due on demand.

**ApartmentLove Inc.**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**

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9. Term loans

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
CEBA Loan (i)	27,766	-
Convertible debentures (ii)	21,652	-
	<u>49,418</u>	<u>-</u>

- (i) The Company applied for and received a \$60,000 CEBA loan in the 2020 fiscal year. The loan was provided by the Government of Canada to provide capital to companies to see them through the current challenges related to the COVID 19 pandemic and better position them to return to providing services and creating employment. The loan is unsecured. The loan is interest free to December 31, 2022. If the loan is paid back by December 31, 2022, \$20,000 of the loan will be forgiven. If the loan is not paid back by December 31, 2022 the full \$60,000 loan will be converted to loan repayable over three years with a 5% interest rate. To estimate the fair value, the debt component was estimated first at \$26,094, considering the forgiveness and interest free aspects. An effective rate of 20% was used which corresponds to a rate that the Company would have obtained for a similar loan. The \$20,000 residual value was attributed to a governmental subsidy that is presented in the statement of loss in other income. The balance as at December 31, 2020 includes \$1,672 accretion interest payable which was calculated using effective interest rates of 20%.
- (ii) On October 13, 2020 the Board approved the issuance of convertible debentures with a two-year term and an interest rate to accrue at the rate of 10% per annum, convertible into common shares at \$0.10 per common share. On November 30, 2020, the company closed a non-brokered private placement of convertible debentures totalling \$ 25,000. The fair value of the loans were determined to be \$21,652 using an interest rate of 20% and \$3,821 being allocated to equity component of convertible debenture. The balance as at December 31, 2020 includes \$1,746 of interest payable. Accretion expense of \$225 for the year ended December 31, 2020 was calculated using effective interest rates of 20%. Subsequent to year end, a total of \$165,000 of convertible debentures with the same terms were issued.



## ApartmentLove Inc.

### Notes to Financial Statements Year Ended December 31, 2020

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#### 10. Revenues

##### (a) Disaggregation of revenue

The Company disaggregates revenue by two major categories: (1) Revenues earned on individual listings and (2) listing contracts. Listing fee contracts have defined terms and may require a minimum or specified number of available listings on the Company's website for a defined period of time. Revenues on individual listings relate to customers directly posting their listing to the Company's Website.

	<b>2020</b>	<b>2019</b>
	\$	\$
<b>Revenue by major category</b>		
Listing fees	9,434	33,293
Listing contracts	5,154	19,281
	<u>14,588</u>	<u>52,574</u>

##### (b) Accounts receivable and contract balances

Timing differences between invoicing, cash collection, and revenue recognition results in accounts receivable and also results in customer deposits and deferred revenue on the balance sheet. Amounts are billed in accordance with the terms of each customer contract, generally subsequent to the performance of obligations and related revenue recognition, resulting in accounts receivable.

#### 11. Selling, general and administrative expenses

Selling, general and administrative expenses are comprised of the following:

	<b>2020</b>	<b>2019</b>
	\$	\$
Bank charges	607	838
Marketing	3,284	12,632
Meals and entertainment	2,967	6,004
Office	28,431	24,388
Professional fees	84,914	220,659
Salaries and commissions (note 12)	228,392	339,811
Hosting and security	13,454	29,133
Travel	4,681	40,090
Insurance	3,868	-
	<u>370,598</u>	<u>673,555</u>

## ApartmentLove Inc.

### Notes to Financial Statements Year Ended December 31, 2020

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#### 12. Related party transactions

- i. During 2020 the company incurred \$214,258 (2019 - \$322,245) in management fees, corporate secretarial fees, professional fees paid to the officers, close relatives of officers and companies controlled by directors of the Company. These amounts are recorded in salaries and commissions and professional fees.
- ii. During 2020, the Company issued 650,000 stock options to members of the board of directors and members of its advisory committee that entitle the option holder to purchase one common share at a price of 0.10 per share. The options vest immediately and expire on December 31, 2022. The stock based compensation expense recognized related to these options amounted to \$ 33,766.
- iii. During 2020, the company issued 688,310 common shares for a value of \$ 68,261 as payment for management fees and consulting services to directors or companies controlled by directors.

#### 13. Income taxes

Reconciliation of the effective tax rate:

	2020	2019
	\$	\$
Income before income taxes	(523,159)	(596,569)
Expected current income recovery at 25% (2019 – 26.5%)	(130,790)	(158,091)
Differences resulting from:		
Stock based compensation	25,507	50,687
Effect of changes in tax rates	-	(3,263)
Equity portion of convertible debentures	955	-
Non-deductible and other expenses	-	1,591
Unrecognized deferred tax asset	104,328	109,076
Closing balance	-	-

**ApartmentLove Inc.**

**Notes to Financial Statements  
Year Ended December 31, 2020**

Significant components of deferred income tax assets and liabilities are as follows:

	<b>2020</b>	<b>2019</b>
	\$	\$
Deferred tax assets (liabilities)		
Equipment	(103)	440
Intangible assets	(11,913)	47,836
Non-capital loss carryforwards	439,703	353,796
Unrecognized deferred tax asset	(427,687)	(402,072)
	<u>-</u>	<u>-</u>

The Company has non-capital loss carry forwards of \$1,762,765 that expire in 2036-2040.

14. Share capital

(a) Authorized

    Unlimited voting common shares

(b) Issued

<b>Common Shares</b>	<b>Number of Shares</b>	<b>Amount \$</b>
<b>Balance, December 31, 2018</b>	25,646,510	1,351,005
Shares issued		
Common shares issued for cash	6,599,793	665,727
Share issuance costs	-	(79,410)
Common shares issued for assets cancelled	(3,529,699)	(282,726)
Common shares issued in exchange for services	1,750,000	175,000
<b>Balance, December 31, 2019</b>	<u>30,466,604</u>	<u>1,829,596</u>
Shares issued		
Common shares issued for cash (i)	1,632,500	162,250
Share issuance costs	-	(8,349)
Shares issued for settlement of payables (ii)	370,076	37,577
Stock options exercised (iii)	1,037,500	119,020
Common shares issued in exchange for services (iv)	688,310	68,261
<b>Balance, December 31, 2020</b>	<u>34,194,990</u>	<u>2,208,355</u>

## ApartmentLove Inc.

### Notes to Financial Statements Year Ended December 31, 2020

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- (i) During 2020, the Company completed a private placement to issue 1,632,500 common shares for total proceeds of \$156,501 (net of share issuance costs).
- (ii) During 2020, \$37,577 of the amounts due to shareholders were converted to common shares, and 370,076 common shares at \$0.10 per share were issued.
- (iii) During 2020, certain option holders exercised 1,037,500 stock options with exercise prices of between \$0.064 and \$0.08 per share for gross proceeds of \$79,000. The exercise resulted in a transfer of previously recognized stock-based compensation of \$40,020 from contributed surplus to share capital.
- (iv) During 2020, the Company issued 688,310 common shares in exchange for \$68,261 in consulting services.

#### 15. Loss per share

The weighted average number of common shares used in the calculation of loss per shares is as follows:

	<b>2020</b>	<b>2019</b>
Basic and diluted	<u>33,289,529</u>	<u>27,148,967</u>

The impact of the convertible debentures, stock options and warrants has not been included in the diluted loss per share because they are anti-dilutive.

## ApartmentLove Inc.

### Notes to Financial Statements Year Ended December 31, 2020

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#### 16. Stock-based compensation and warrants

At the discretion of the Board of Directors, the Company may grant options and warrants to directors, officers, employees and key consultants.

(a) The following is a summary of the Company's stock options outstanding:

	<b>Number of Options</b>	<b>Weighted Average Exercise Price \$</b>
<b>Balance, December 31, 2018</b>	3,246,412	0.08
Cancelled	(562,501)	0.08
<b>Balance, December 31, 2019</b>	2,683,911	0.08
Granted	650,000	0.10
Cancelled	(681,250)	0.08
Exercised	(1,037,500)	0.08
<b>Balance, December 31, 2020</b>	<u>1,615,161</u>	<u>0.09</u>

During 2020 the Company issued 650,000 (2019 – NIL) share options to members of the board of directors and members of its advisory committee that entitle the option holder to purchase one common share at a price of \$0.10 per share. The options vested immediately and expire on December 31, 2022.

During the year 681,250 stock options with an exercise price of \$0.08 per share which were not exercised by option holders lapsed and they were cancelled.

During the year 1,037,500 options were exercised by directors, officers and employees for cash proceeds totalling \$12,500 and settlement of payables to shareholders amounting to \$66,500. The Company's weighted average share price at the time the options were exercised was \$0.08.

There were 1,615,161 options exercisable at December 31, 2020 (2019 – 2,475,579). The weighted average life of all options outstanding at December 31, 2020 was 1.79 years (2019 – 1.52 years).

Share-based compensation of \$33,766 was expensed during the year ended December 31, 2020 (2019 - \$ 226,669).

## ApartmentLove Inc.

### Notes to Financial Statements Year Ended December 31, 2020

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The fair value of stock options granted during the year were estimated on the date of the grant using the Black-Scholes option pricing model with the following weighted average assumptions.

	<b>2020</b>
Risk-free interest rate	0.25%
Expected volatility	100%
Expected life	2.5 years
Expected dividend yield	0%
Estimated forfeiture rate	0%
Fair value per option	0.055
Share price on date of grant	0.10

A forfeiture rate of NIL% was used when recording stock-based compensation as it was expected, that all officers, directors, and employees would continue with the Company over the vesting period. Any forfeitures will be accounted for as they actually happen. The Company's shares were not traded publicly during the year ended December 31, 2020 and, as a result, the Company does not have the necessary trading history to compute its expected volatility using historical volatility; therefore, the Company has used the historical volatilities of certain members of its peer group for input into the Black-Scholes Option Pricing Model.

(b) A summary of warrant transactions is as follows:

	<b>Number of Warrants</b>	<b>Weighted Average Exercise Price \$</b>	<b>Expiry Date</b>
<b>Outstanding at December 31, 2018</b>	-	-	
Issued April 11, 2109	330,000	0.08	February 14, 2023
Issued August 1, 2019	330,000	0.10	February 14, 2023
Issued august 1, 2019	219,100	0.10	November 15, 2021
<b>Outstanding at December 31, 2019</b>	879,100	0.090	
Issued	50,000	0.100	December 14, 2022
<b>Outstanding at December 31, 2020</b>	<b>929,100</b>	<b>0.095</b>	

Warrants include the value of warrants granted to support financings. When warrants are subsequently exercised, the fair value of such warrants is credited to the share capital account. Warrants issued as share issuance costs during the year ended December 31, 2020 were \$2,600 (2019 - \$50,900). When warrants expire, their value is credited to contributed surplus.

## ApartmentLove Inc.

### Notes to Financial Statements Year Ended December 31, 2020

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There were 929,100 warrants exercisable at December 31, 2020 (2019 – 879,100) with a weighted average life of 1.82 years (2019 – 2.81 years).

The fair value of stock warrants granted during the year ended December 31, 2020 were estimated on the date of the grant using the Black-Scholes option pricing model with the following weighted average assumptions.

	<b>2020</b>
Risk-free interest rate	0.25%
Expected volatility	100%
Expected life	2 years
Expected dividend yield	0%
Estimated forfeiture rate	0%
Face value of warrants	0.052
Exercise price	0.10

#### 17. Personnel expenses

The Company considers its key management personnel to be its executive officers and directors. During the year, the Company provided service period stock-based compensation and was charged management fees and commissions for the services provided by its executive officers, directors and close family members of directors. The total compensation relating to key management is as follows:

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Management and consulting fees	214,258	322,245
Stock-based compensation	102,027	191,270
Total compensation	<u>316,285</u>	<u>513,515</u>

#### 18. Financial instruments and risk management

The Company is exposed to credit, liquidity and market risks in the normal course of the Company's operations. These risks are mitigated by the Company's financial management policies and practices described below:

##### (a) Fair values

The fair values of the Company's cash, accounts receivable, accounts payable and accrued liabilities, and term loans approximate their carrying values because of their short-term nature or because they bear interest at market rates.

## ApartmentLove Inc.

### Notes to Financial Statements Year Ended December 31, 2020

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The significance of inputs used in making fair value measurements are examined and classified according to a fair value hierarchy. Fair values of assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level 2 include valuations using inputs other than quoted prices for which all significant outputs are observable, either directly or indirectly and are based on valuation models and techniques where the inputs are derived from a quoted indices. Level 3 valuations are based on inputs that are unobservable and significant to the overall fair value measurement.

#### (b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer and by general economic conditions affecting the real estate and rental markets, as the Company will be impacted by fluctuations in these markets. Management believes the default risk is minimal and that the nature of the Company's revenues do not lend to large receivables. Credit risk is managed by the Company through credit approval and monitoring procedures. Further quantitative disclosures in respect of the Company's exposure to credit risk arising from accounts receivable, are set out in note 5. The Company is also exposed to credit risk associated with cash. The risk is mitigated as the cash is maintained with a major financial institution. The maximum exposure to credit risk is represented by the carrying amount of each financial asset on the balance sheet.

#### (c) 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 is exposed to interest rate price risk to the extent that the term loans are at fixed interest rates.

#### (d) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The financial liabilities on its balance sheet consist of accounts payable and accrued liabilities and are all due within one year. Management closely monitors cash flow requirements to ensure that it has sufficient cash on demand to meet operational and financial obligations. The Company has encountered challenges with meeting its current obligations, as described in note 2(c).

#### 19. Capital management

The Company's policy is to maintain a strong capital base to provide financial flexibility and to sustain the future development of the business.



## ApartmentLove Inc.

### Notes to Financial Statements Year Ended December 31, 2020

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The Company manages and adjusts its capital structure as a result of changes in economic conditions and the risk characteristics of the industry in which its customers operate. The Company considers its capital structure to include working capital and shareholders' equity. The Company's capital consists of the following:

	2020	2019
	\$	\$
Current assets	58,259	97,069
Current liabilities	(256,141)	(202,764)
Working capital deficiency	(197,882)	(105,695)
Share capital	2,168,335	1,829,596
Equity portion of convertible loan	3,821	-
Warrants	53,500	50,900
Contributed surplus	258,335	224,569
Deficit	(2,640,607)	(2,117,448)
Total deficiency	(354,498)	(118,078)

In order to maintain or adjust the capital structure, the Company may adjust its capital spending, issue shares or obtain financing from other sources on commercially reasonable terms. To assess capital and operating efficiency and financial strength, the Company continually monitors its working capital including its cash position.

The Company is currently economically dependent on its shareholders to meet its short-term obligations, until the Company is able to obtain sustainable operations.

There has been no change to management's approach to managing capital during the year.

#### 20. Commitments and contingencies

In May of 2018, the Company issued notice to two shareholders that were contracted for providing services to the Company for the development of mobile applications and for work related to search engine optimization. In May of 2017, the Company became aware of concerns related to the progress of both projects and undertook a comprehensive review of the work performed to that date.

## ApartmentLove Inc.

### Notes to Financial Statements Year Ended December 31, 2020

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As a result of the Company's findings, management asserted that the common shares issued should be cancelled in accordance with the provisions of the appropriate statutes in the province of Alberta. Subsequently in January 2021, the Company reached a proposed agreement with the shareholder to settle all amounts due for \$35,000 and to cancel all of the previously issued shares. The proposed settlement represents a contingent gain to the Company and has not been accrued at December 31, 2020.

#### 21. Subsequent events

- (a) Subsequent to year end, the Company closed a placement, converted certain outstanding accounts payable to equity and issued shares for services at \$0.10 per share, issuing a total of 5,469,961 common shares for total proceeds of \$546,996.
- (b) Subsequent to the year end, the Board approved the issuance of 1,800,000 stock options to officers and directors. The options have an exercise price of \$0.10, vest immediately and have an expiry date of March 31, 2023.

#### 22. COVID 19

On March 11, 2020, the World Health Organization declared a pandemic following the emergence and rapid spread of a novel strain of coronavirus ("COVID19"). Governments worldwide have enacted emergency measures to combat the spread of the virus, including travel bans, quarantine periods, social distancing, and closures of non-essential businesses. In Canada, the Government of Alberta declared a state of public health emergency on March 17, 2020 in response to the growing pandemic. The pandemic is having a significant effect on overall economic conditions and may affect the Company's ability to generate sales and collect receivables. In the first quarter of 2020, through to the date of these financial statements, the global financial markets have experienced significant volatility in response to the worldwide spread of COVID-19. The extent to which COVID-19 impacts the Company's operations and valuation of its assets will depend on future developments which are highly uncertain and cannot be predicted with confidence, including new information which may emerge concerning the severity of COVID-19 and actions taken to contain the virus or its impact, among others.

While it is unknown how long these conditions will last and what the complete financial effect will be to the Company, to date, the Company has experienced a significant decline in operations and related revenues. In response, the Company took several immediate actions including lowering costs primarily through headcount reductions and decreasing discretionary expenditures. Although the timing of the resumption of normal operations is uncertain, management plans to fund operations through utilizing cash reserves on-hand and may have to raise funds by way of debt or equity issuances.

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of ApartmentLove Inc.

### *Opinion*

We have audited the financial statements of ApartmentLove Inc., (the "Company"), which comprise the statement of financial position as at December 31, 2019, 2018, and 2017 and the statements of loss and comprehensive loss, changes in shareholders' equity (deficiency) and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019, 2018, and 2017 and its financial performance and its cash flows for the years then ended 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 2(c) to the consolidated financial statements, which indicates that the Corporation had negative working capital of \$105,701 and an accumulated deficit of \$2,164,809 at December 31, 2019 and a net loss of \$861,211 for the year ended December 31, 2019. As stated in note 2(c), along with other conditions described in note 2(c), these events or conditions along with other conditions described in note 2(c) indicate that a material uncertainty exists that may cast significant doubt on the Corporation's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### *Other Information*

Management is responsible for the other information. The other information comprises Management's discussion and analysis.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained the Management discussion and analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### *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.

RSM Alberta LLP

Chartered Professional Accountants  
June 7, 2021  
Calgary, Alberta

## ApartmentLove Inc.

### Statements of Financial Position As at December 31, 2019

		2019	2018	2017
<b>Assets</b>	Notes	\$	\$	\$
<b>Current assets</b>				
Cash		63,487	27,985	-
Accounts receivable	5	29,742	35,269	228
Prepaid expenses		3,840	36,539	-
Total current assets		97,069	99,793	228
Equipment	6	1,203	1,718	2,547
Intangible assets	7	92,109	111,061	40,230
Total assets		190,381	212,572	43,005
<b>Liabilities</b>				
<b>Current liabilities</b>				
Bank indebtedness	11	-	-	390
Accounts payable and accrued liabilities	8	202,764	174,147	95,788
Due to shareholders	9	-	-	20,566
Term loans	11	-	-	43,915
Total current liabilities		202,764	174,147	160,659
<b>Shareholders' Equity (Deficiency)</b>				
Share capital	16	1,829,596	1,351,005	601,350
Equity portion of convertible loan		-	-	5,655
Warrants	18	50,900	-	-
Contributed surplus		224,569	208,299	96,935
Deficit		(2,117,448)	(1,520,879)	(821,594)
Total shareholders' equity (deficiency)		(12,383)	38,425	(117,654)
Total liabilities and shareholders' equity (deficiency)		190,381	212,572	43,005

Going concern (note 2(c))  
Subsequent events (notes 22 and 23)  
Commitments and contingencies (note 22)

See accompanying notes to the financial statements.

Approved by the Board of Directors

signed "Philip Doublet", Director

signed "George Davidson", Director

**ApartmentLove Inc.****Statements of Loss and Comprehensive Loss  
As at December 31, 2019**

		<b>2019</b>	<b>2018</b>	<b>2017</b>
	Notes	\$	\$	\$
Revenue	12	52,574	54,420	17,378
Direct expenses		8,335	1,453	145
Gross profit		44,239	52,967	17,233
Selling, general and administrative expenses	13,14,19	673,555	288,785	179,979
Stock-based compensation	14,17,19	191,270	117,364	21,162
Interest		-	5,723	8,733
Amortization and depreciation		61,559	47,383	32,962
Accretion		-	3,507	6,324
Other income		(3,300)	(4,225)	-
Impairment of intangible assets	7	-	276,250	238,999
Loss on settlement of term loans		-	17,465	-
Gain on cancellation of shares	16(b)(vii)	(282,276)	-	-
Total expenses		640,808	752,252	488,159
Net loss and comprehensive loss		(596,569)	(699,285)	(470,926)
Loss per share				
Basic and diluted	17	(0.02)	(0.03)	(0.03)

See accompanying notes to the financial statements

ApartmentLove Inc.

**Statements of Changes in Shareholders' Equity (Deficiency)  
For the Year Ended December 31, 2019**

	Common shares	Equity portion of convertible loan	Warrants	Contributed Surplus	Deficit	Shareholders' Equity (Deficiency)
	\$	\$	\$	\$	\$	\$
<b>Balance at January 1, 2017</b>	<b>427,395</b>	<b>6,645</b>	-	<b>90,644</b>	<b>(350,668)</b>	<b>174,016</b>
Common shares issued for cash	51,975	-	-	-	-	51,975
Common shares issued on conversion of convertible loans	19,480	(1,148)	-	-	-	18,332
Stock options exercised	28,000	-	-	(12,000)	-	16,000
Common shares issued in exchange for services	64,000	-	-	-	-	64,000
Equity component of convertible loans	-	158	-	7,629	-	7,787
Stock-based compensation	10,500	-	-	10,662	-	21,162
Net loss and comprehensive loss	-	-	-	-	(470,926)	(470,926)
<b>Balance at December 31, 2017</b>	<b>601,350</b>	<b>5,655</b>	-	<b>96,935</b>	<b>(821,594)</b>	<b>(117,654)</b>
Common shares issued for cash	265,166	-	-	-	-	265,166
Common shares issued in exchange for loan repayment	103,489	(5,655)	-	-	-	97,834
Common shares issued in exchange for assets	375,000	-	-	-	-	375,000
Common shares issued in exchange for services	6,000	-	-	-	-	6,000
Stock-based compensation	-	-	-	111,364	-	111,364
Net loss and comprehensive loss	-	-	-	-	(699,285)	(699,285)
<b>Balance at December 31, 2018</b>	<b>1,351,005</b>	-	-	<b>208,299</b>	<b>(1,520,879)</b>	<b>38,425</b>
Common shares issued for cash	665,727	-	-	-	-	665,727
Share issuance costs	(79,410)	-	50,900	-	-	(28,510)
Common shares issued in exchange for services	175,000	-	-	-	-	175,000
Cancellation of common shares previously issued in exchange for assets	(282,726)	-	-	-	-	(282,726)
Stock-based compensation	-	-	-	16,270	-	16,270
Net loss and comprehensive loss	-	-	-	-	(596,569)	(596,569)
<b>Balance at December 31, 2019</b>	<b>1,829,596</b>	-	<b>50,900</b>	<b>224,569</b>	<b>(2,117,448)</b>	<b>(12,383)</b>

See accompanying notes to the financial statements

**ApartmentLove Inc.**

**Statements of Cash Flows  
Year Ended December 31, 2019**

	2019	2018	2017
Notes	\$	\$	\$
<b>OPERATING ACTIVITIES</b>			
Net loss for the year	(596,569)	(699,285)	(470,926)
<b>Adjustments to reconcile net loss to net cash from operating activities</b>			
Amortization and depreciation	61,559	47,383	32,962
Impairment of intangible assets	-	276,250	238,999
Stock-based compensation	191,270	117,364	21,162
Accretion	-	3,507	6,324
Loss on settlement of term loans	-	17,465	-
Gain on cancellation of shares	(282,276)	-	-
Deferred revenue	-	-	(13,968)
Services settled with common shares	-	-	64,000
Accrued interest on term loans	-	5,723	2,415
	(626,016)	(231,593)	(119,032)
<b>Changes in non-cash working capital</b>			
Accounts receivable	5,527	(35,041)	8,568
Prepaid expenses	32,699	(36,539)	282
Accounts payable and accrued liabilities	28,617	78,359	63,387
	66,843	6,779	72,237
<b>Net cash used in operating activities</b>	<b>(559,173)</b>	<b>(224,814)</b>	<b>(46,795)</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of equipment	(230)	(163)	(251)
Purchase of intangible assets	(41,861)	(18,473)	(33,609)
Advances (repayments) from shareholders	-	(20,566)	4,326
Repayments from related parties	-	-	(36,000)
Proceeds (repayment) from term loans	-	(11,640)	41,500
<b>Net cash used in investing activities</b>	<b>(42,091)</b>	<b>(50,842)</b>	<b>(24,034)</b>
<b>FINANCING ACTIVITIES</b>			
Common shares issued for cash (net of share issue costs)	636,766	304,031	51,975
Proceeds from stock options exercised	-	-	16,000
<b>Net cash from investing activities</b>	<b>636,766</b>	<b>304,031</b>	<b>67,975</b>
<b>Net change in cash and bank indebtedness</b>	<b>35,502</b>	<b>28,375</b>	<b>(2,854)</b>
Cash (bank indebtedness), beginning of year	27,985	(390)	2,464
<b>Cash (bank indebtedness), end of year</b>	<b>63,487</b>	<b>27,985</b>	<b>(390)</b>

See accompanying notes to the financial statements.



## ApartmentLove Inc.

### Notes to Financial Statements Year Ended December 31, 2019

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#### 1. Incorporation and operations

ApartmentLove Inc. (the "Company") was federally incorporated under the laws of Canada on January 19, 2015, with operations commencing July 15, 2015. The Company previously operated under the name Culada Asset Management, Inc. until June 19, 2018. The Company provides an interactive real estate website ([www.apartmentlove.com](http://www.apartmentlove.com)) which promotes housing, apartments and other rental properties online by offering prospective tenants photographs, property descriptions, text, price, location, maps and other information that could be considered beneficial to a prospective tenant when making a rental decision.

The Company's head office is located at 15th floor, Bankers Court, 850 - 2nd Street SW, Calgary, AB T2P 3R5.

#### 2. Basis of preparation and going concern

##### (a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and IFRS Interpretations Committee. A summary of the Company's significant accounting policies under IFRS is presented in note 3. The policies set out below have been consistently applied to all periods presented unless otherwise noted.

The financial statements were approved and authorized for issue by the Board of Directors on June 7, 2021.

##### (b) Basis of measurement

The financial statements have been prepared on a historical cost basis except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value.

## ApartmentLove Inc.

### Notes to Financial Statements Year Ended December 31, 2019

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(c) Going concern

These financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to realize its assets and satisfy its liabilities in the normal course of business for the foreseeable future. Management is aware, in making its going concern assessment, of material uncertainties related to events and conditions that may cast significant doubt upon the Company's ability to continue as a going concern. As at December 31, 2019, the Company had negative net working capital of \$105,695 (2018 - \$74,354; 2017 - \$160,431). The Company also had an accumulated deficit of \$2,117,448 (2018 - \$1,520,879; 2017 - \$821,594) as at December 31, 2019 and incurred a net loss during the year ended December 31, 2019 of \$596,569 (2018 - \$699,285; 2017 - \$470,926). The Company has not yet been able to generate the transaction volumes required to create positive cash flows from operations. Whether and when the Company can generate sufficient operating cash flows to pay for its expenditures and settle its obligations as they fall due subsequent to December 31, 2019 is uncertain. Until this time, management may have to raise funds by way of debt or equity issuances. The Company will closely monitor its cash and will take the necessary measures to preserve cash, such as reducing spending as required until the Company succeeds in gathering sufficient sales volumes to consistently achieve profitable operations and generate positive cash flows from operations.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption inappropriate. These adjustments could be material.

(d) Functional currency

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

(e) Use of estimates and judgments

The timely preparation of the financial statements in conformity with IFRS requires that management make estimates and use judgment regarding the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the year. Such estimates primarily relate to unsettled transactions and events as at the date of the financial statements. Accordingly, actual results may differ from estimates amounts as future events occur. Significant estimates and judgments made by management in the preparation of the financial statements are outlined in note 4.

## ApartmentLove Inc.

### Notes to Financial Statements Year Ended December 31, 2019

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#### 3. Significant accounting policies

##### (a) New standards adopted during the year:

The following new standards are effective for the first time for periods beginning on or after January 1, 2019 and has been applied in preparing these consolidated financial statements.

##### **Impact of changes in accounting policies**

##### (i) IFRS 16-"Leases"

In January 2016, the IASB issued IFRS 16 Leases ("IFRS 16"), which replaces the existing IFRS guidance on leases: IAS 17 Leases ("IAS 17"). Under IAS 17, lessees were required to determine if the lease is a finance or operating lease, based on specified criteria of whether the lease transferred significantly all the risks and rewards associated with ownership of the underlying asset. Finance leases were recognized on the Statements of Financial Position while operating leases were recognized in the Statements of Loss and Comprehensive Loss when the expense was incurred. Under IFRS 16, lessees must recognize a lease liability and a right-of-use asset for most lease contracts. The recognition of the present value of the lease payments for certain contracts previously classified as operating leases resulted in increases to assets, liabilities, amortization and finance expense, and a decrease in general and administrative expenses. The adoption of the standard did not have an impact on the financial statements.

##### (b) Equipment

Equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced. Depreciation is recognized on equipment as follows:

Computers	3-year straight-line
Furniture and fixtures	3-year straight-line

The Company allocates the amount initially recognized in respect of an item of equipment to its significant component within each cash-generating unit and depreciates separately each such component. Residual values, method of depreciation and useful lives of the assets are reviewed annually and adjusted if appropriate.

Gains and losses on disposals of equipment are determined by comparing the proceeds with the carrying amount of the asset and are included as part of other gains and losses in the statement of loss and comprehensive loss.

## ApartmentLove Inc.

### Notes to Financial Statements Year Ended December 31, 2019

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#### (c) Intangible assets

The Company's intangible assets include the costs of developing its website, mobile application, search engine optimization tool and purchased domains.

##### (i) Research and development

Research costs are expensed when incurred. Development costs are capitalized when the feasibility and profitability of the project can reasonably be considered certain. Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalized if the product or process is technically and commercially feasible and the Company has sufficient resources to complete development. The expenditure capitalized includes the cost of materials and direct labour. Other development expenditure is recognized in the statement of loss and comprehensive loss as an expense as incurred. Capitalized development expenditure is stated at cost less accumulated amortization and impairment losses.

##### (ii) Subsequent expenditure

Subsequent expenditure on capitalized intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are expensed as incurred.

##### (iii) Amortization

Amortization is charged to the statement of loss and comprehensive loss on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life are systematically tested for impairment at each balance sheet date. Other intangible assets are amortized from the date they are available for use. All intangible assets are being amortized using the straight-line method over 3 years.

#### (d) Revenue recognition

The Company recognizes revenue at the time the performance obligation has been met by posting the rental listing as an active listing.

The Company's primary sources of revenue with customers are the provision of rental property listings services. The Company recognizes the revenue on individual rental listings at the time the listing is posted and active on the website. The Company also offers listing contracts to customers to provide an unlimited number of listings each month over a defined service period for a monthly recurring rate. Revenue from long-term contracts is recognized monthly over the life of the contract.

## ApartmentLove Inc.

### Notes to Financial Statements Year Ended December 31, 2019

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The Company early adopted IFRS 15 Revenue from Contracts with Customers effective January 1, 2017. There were no implementation adjustments arising from the adoption of the standard.

#### (e) Income taxes

Income tax comprises current and deferred tax. Income tax is recognized in the statement of statement of loss and comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case the income tax is also recognized directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the statement of financial position date and are expected to apply when the deferred tax asset or liability is settled.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is not recognized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

#### (f) Financial instruments

Financial instruments are measured at fair value on initial recognition, which is typically the transaction price unless a significant financing component is present. Subsequent measurement is dependent on whether the instrument is classified as “amortized cost”, “fair value through profit or loss” or “fair value through other comprehensive income”. The classification of financial assets is determined by their characteristics and their context in the Company’s business model.

The Company classifies financial assets and liabilities as follows:

- (i) Amortized cost: Cash, accounts receivable, accounts payable and accrued liabilities, due to shareholders, term loans and lease liability are held by the Company to collect or pay contractual cash flows and are measured at amortized cost. Financial instruments measured at amortized cost are recognized initially at fair value, adjusted for any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortized cost using the effective interest rate method, less any impairment losses.

## ApartmentLove Inc.

### Notes to Financial Statements Year Ended December 31, 2019

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- (ii) Fair value through profit or loss: Financial liabilities at fair value through profit or loss are measured at fair value and net gains and losses, including interest expense are recognized in profit or loss. The Company does not have any financial liabilities recognized at fair value through profit or loss.
- (iii) Fair value through other comprehensive income: The Company has no financial instruments that do not meet the criteria to be measured at amortized cost or fair value through profit or loss and, accordingly, no financial instruments are measured at fair value through other comprehensive income.

The Company derecognizes a financial asset when the contractual right to the cash flow expires, or the right to receive the contractual cash flows from the financial asset and substantially all the risks and rewards of ownership of the financial asset are transferred. The Company derecognizes a financial liability when the contractual obligations are discharged, cancelled or expired.

- (iv) Equity instruments

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and stock options and warrants are recognized as a deduction from equity, net of any tax effects.

- (v) Impairment

The Company recognizes loss allowances for expected credit losses on its financial assets measured at amortized cost. Expected credit losses exist if, after initial recognition of the financial asset, one or more indicators exist that reduce estimated future cash flows from the financial asset and that impact can be reliably measured. The Company applies the simplified approach to expected credit loss measurement on accounts receivable, which uses a lifetime expected impairment to determine the expected credit loss. The Company uses a combination of historical and forward-looking information to determine the appropriate expected credit loss. The carrying amount of the asset is reduced through an allowance account, and the loss is recognized in selling, general and administrative expenses.

- (g) Stock options and warrants

Stock options granted are accounted for using the fair value method under which compensation expense is recorded based on the estimated fair value of options and warrants at the grant date using the Black-Scholes option pricing model. The Company measures share based payments to non-employees at the fair value of the goods or services received at the date of receipt of the goods or services. If the fair value of the goods or services cannot be measured reliably, the value of the option and warrants granted are measured using the Black-Scholes option-pricing model. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of options and warrants that vest.

Each tranche in an award is considered a separate award with its own vesting period. Compensation cost is expensed over the vesting period with a corresponding increase in contributed surplus. When stock options and warrants are exercised, the cash proceeds along with the amount previously recorded as contributed surplus is recorded as share capital.

(h) Compound financial instruments

Certain financial instruments are comprised of a liability and an equity component. The various components of these instruments are accounted for in equity and liabilities according to their classification, as defined in IAS 32 "Financial Instruments: Disclosure and Presentation".

The components classified as liabilities are valued at issuance at the present value taking into account the credit risk at issuance date of the future cash flows including interest and repayment of the principal value of an instrument with the same characteristics but without any option for conversion or redemption in shares. The component classified as equity is defined as the difference between the fair value of the instrument and the fair value of the financial liability component.

(i) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed for indicators of impairment at each reporting date. If indicators of impairment exist, the recoverable amount of the asset is estimated. For the purposes of assessing impairment, equipment and intangible assets are grouped into cash generating units ("CGU").

The recoverable amount of a CGU is the greater of its fair value less costs of disposal and its value in use. Fair value is determined to be the amount for which the asset could be sold in an arm's length transaction between knowledgeable and willing parties. Fair value less costs of disposal may be determined using discounted future net cash flows. These cash flows are discounted at an appropriate discount rate, which would be applied by a market participant. Value in use is determined by estimating the present value of the future net cash flows to be derived from the continued use of the CGU in its present form. These cash flows are discounted at a rate based on the time value of money and risks specific to the CGU.

The fair value less costs of disposal used to determine the recoverable amounts of equipment and intangible assets are classified at Level 2 fair value measurements, as they are based on observable market data.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its recoverable amount. An impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amount of goodwill, if any, allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. Impairment losses are recognized in net income.

## ApartmentLove Inc.

### Notes to Financial Statements Year Ended December 31, 2019

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Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized. A goodwill impairment loss is not reversed.

(j) Earnings (loss) per share

Basic earnings (loss) per share is calculated using the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share reflects the potential dilution that would occur if in-the-money options and warrants were exercised. The Company uses the treasury stock method for outstanding stock options and warrants which assumes that all outstanding stock options and warrants with exercise prices below average Company market prices are exercised and assumed proceeds plus the unamortized portion of stock-based compensation are used to purchase the Company's common shares at the average Company market price during the period.

4. Use of estimates and judgments

The timely preparation of the consolidated financial statements requires that management make estimates and use judgment regarding the reported amounts of assets, liabilities, revenues and expenses and disclosures of contingent assets and liabilities as at the date of the consolidated financial statements. Such estimates primarily relate to unsettled transactions and events as at the date of the consolidated financial statements. Accordingly, actual results may differ from estimated amounts as future events occur.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal actual results. Revisions to accounting estimates are recognized in the period in which estimates are revised and in any future years affected.

(a) ***Significant judgments in applying accounting policies:***

The following significant judgments have been made by management in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in these consolidated financial statements:

*i. Acquisition*

Judgment is required to determine if an acquisition is a business combination or an asset acquisition, which is dependent on whether the acquired assets and liabilities meet the definition of a business.



## ApartmentLove Inc.

### Notes to Financial Statements Year Ended December 31, 2019

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*ii. Intangible Asset - Impairment*

Judgments are required to assess when impairment indicators, or reversal indicators exist, and impairment testing is required. These indicators include, but are not limited to, significant changes in markets for the Company's products or services or management's intended use of the asset.

*iii. Income taxes*

Judgment is required in the calculation of current and deferred taxes in applying tax laws and regulations, estimating the timing of the reversals of temporary differences and estimating the realizability of deferred tax assets.

*iv. Revenue*

Judgments are required when evaluating when a performance obligation is satisfied, and revenue may be recognized. In making its judgments, the Company considers when a customer obtains control of the service promised in a contract.

**(b) Key sources of estimation uncertainty:**

The following key estimates and related assumptions concerning the sources of estimation uncertainty that have a significant risk of causing adjustments to the carrying amounts of assets and liabilities have been made by management:

*i. Intangible assets*

1. Depreciation and amortization

Management uses its best estimates to choose depreciation and amortization methods and makes related assumptions of residual values and useful lives when preparing the related calculations. The Company considers historical trends, conditions under which assets are to be used and other industry related factors in determining estimated useful lives of the assets.

2. Impairment

The recoverable amount of assets used in impairment tests are based on estimates of future cash flows, discount rates, fair value of similar assets, and other relevant assumptions.

## ApartmentLove Inc.

### Notes to Financial Statements Year Ended December 31, 2019

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*ii. Stock-based compensation*

In estimating the fair value of stock options and warrants using the Black-Scholes option pricing model, the Company uses assumptions related to the risk-free interest rate, expected lives of options and warrants, estimated forfeitures, estimated market price of the Company's shares and estimated future volatility of the Company's share price.

*iii. Income taxes*

Tax interpretations, regulations and legislation in the various jurisdictions in which the Company operates are subject to change. As such, income taxes are subject to measurement uncertainty. Tax provisions are recognized when it is considered probable that there will be a future outflow of funds to a taxing authority. In such cases, a provision is made for the amount that is expected to be settled, where this can be reasonably estimated. This requires management to make some assumptions as to the ultimate outcome, which can change over time depending on facts and circumstances. A change in estimate of the likelihood of a future outflow and/or in the expected amount to be settled would be recognized in the statement of income in the period in which the change occurs.

*iv. Compound Financial Instruments*

Certain financial instruments are comprised of a liability and an equity component. The determination of the amount allocated to the liability and equity components requires management to estimate various components and characteristics of present value calculations used in determining the fair value of the instrument.

5. Accounts receivable

	2019	2018	2017
	\$	\$	\$
Trade receivables	16,040	28,105	228
Goods and Services Tax recoverable	13,702	7,164	-
	<u>29,742</u>	<u>35,269</u>	<u>228</u>

Trade receivables are due within 30 days from the date of billing. See note 21 for further details on the Company's credit risk. Trade receivables include amounts due to related parties amounting to \$Nil (2018 - \$21,916; 2017- \$Nil), the amounts due from related companies are unsecured, non-interest bearing, and are due on demand.

At December 31, 2019, the Company estimated an allowance for doubtful accounts of \$NIL (2018 - \$NIL). The Company has not written off any of its receivables, nor has it had a recovery of bad debts.

## ApartmentLove Inc.

### Notes to Financial Statements Year Ended December 31, 2019

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#### 6. Equipment

	Computers \$	Furniture and fixtures \$	Total \$
<b>Cost</b>			
Balance at January 1, 2017	988	5,349	6,337
Additions	251	-	251
Balance at December 31, 2017	1,239	5,349	6,588
Additions	163	-	163
Balance at December 31, 2018	1,402	5,349	6,751
Additions	230	-	230
Balance at December 31, 2019	1,632	5,349	6,981
<b>Accumulated depreciation</b>			
Balance at January 1, 2017	603	1,263	1,866
Charge for the year	392	1,783	2,175
Balance at December 31, 2017	995	3,046	4,041
Charge for the year	156	836	992
Balance at December 31, 2018	1,151	3,882	5,033
Charge for the year	149	596	745
Balance at December 31, 2019	1,300	4,478	5,778
<b>Net book value</b>			
Balance at December 13, 2017	244	2,303	2,547
Balance at December 31, 2018	251	1,467	1,718
Balance at December 31, 2019	332	871	1,203

## ApartmentLove Inc.

### Notes to Financial Statements Year Ended December 31, 2019

#### 7. Intangible assets

	Website development costs \$	Mobile Applications \$	Search Engine Optimization \$	Domains \$	Total \$
<b>Cost</b>					
Balance at January 1, 2017	74,533	70,000	166,000	-	310,533
Additions	21,277	8,000	4,332	-	33,609
Balance at December 31, 2017	95,810	78,000	170,332	-	344,142
Additions	7,237	-	-	109,985	117,222
Balance at December 31, 2018	103,047	78,000	170,332	109,985	461,364
Additions	37,076	-	-	4,786	41,862
Balance at December 31, 2019	140,123	78,000	170,332	114,771	503,226
<b>Accumulated amortization and impairment</b>					
Balance at January 1, 2017	24,793	6,806	2,527	-	34,126
Charge for the year	30,787	-	-	-	30,787
Impairment	-	71,194	167,805	-	238,999
Balance at December 31, 2017	55,580	78,000	170,332	-	303,912
Charge for the year	21,672	-	-	24,719	46,391
Balance at December 31, 2018	77,252	78,000	170,332	24,719	350,303
Charge for the year	23,354	-	-	37,460	60,814
Balance at December 31, 2019	100,606	78,000	170,332	62,179	411,117
<b>Net book value</b>					
Balance at December 31, 2017	40,230	-	-	-	40,230
Balance at December 31, 2018	25,795	-	-	85,266	111,061
Balance at December 31, 2019	39,517	-	-	52,592	92,109

During the year ended December 31, 2017, the Company determined that certain costs pertaining to the development of the mobile application and the search engine optimization may exceed their recoverable amount. During the year, the Company reviewed the costs incurred to date and determined that the work completed by the vendors was not consistent with the contract specifications, which ultimately lead to the company taking steps to cancel share certificates that were previously issued to the vendor as described in note 22 (a).

## ApartmentLove Inc.

### Notes to Financial Statements Year Ended December 31, 2019

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As a result of the investigation and correspondence with the vendors, the Company determined that the value in use and the fair value less costs to sell are both nominal and that the recoverable amounts of these assets is \$NIL. Therefore, an impairment has been recorded in the statement of loss of \$238,999 (2016 - \$NIL).

During the year ended December 31, 2018, the Company completed an asset acquisition whereby it acquired domains and other intangible assets in exchange for 4,687,500 common shares, adjusted for the stock split, valued at \$375,000 (note 16 (b) (vii)), plus acquisition costs of \$11,235. The Company determined that certain acquired assets were impaired and an impairment loss of \$ 276,250 was recorded in the statement of loss and comprehensive loss during the year ended December 31, 2018. The remaining \$109,985 has been allocated to domains.

#### 8. Accounts payable and accrued liabilities

	2019	2018	2017
	\$	\$	\$
Trade payables	180,456	168,593	67,231
Accrued liabilities	21,982	-	20,000
Deferred revenues	-	5,554	-
Goods and Services Tax payable	326	-	8,557
	<u>202,764</u>	<u>174,147</u>	<u>95,788</u>

All of the accounts payable and accrued liabilities at December 31, 2019, 2018 and 2017 are due on standard credit terms and are expected to be settled within one year. Trade payables include amounts due to related parties amounting to \$ 47,950 (2018: \$72,950, 2017: Nil), these payables are unsecured, non-interest bearing and are due on demand.

#### 9. Due to shareholders

As at December 31, 2017, the amounts due to shareholders consisted of loan agreements with shareholders with total principal balances of \$22,327 that bore interest at 18% and matured September 30, 2018. The loan agreements included a conversion option to convert a portion or all of the outstanding principal and interest to common shares of the Company at a price of \$0.032 per share, which was accounted for using the residual method. The fair value of the loans were determined to be \$16,672 using an interest rate of 21% and \$5,655 being allocated to equity component of convertible debenture. The balance as at December 31, 2017 includes \$1,746 of interest payable. Accretion expense of \$6,324 for the year ended December 31, 2017 was calculated using effective interest rates between 22% and 28%.

During 2018, \$18,209 of the principal amounts due to shareholders were converted to common shares and \$4,118 were repaid in cash.

## ApartmentLove Inc.

### Notes to Financial Statements Year Ended December 31, 2019

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#### 10. Due to related party

During 2016, the Company entered into a loan agreement with a company that is controlled by a now former director of the Company for \$36,000. The loan agreement bore interest at 4.7% commencing January 31, 2017 and was secured by a general security agreement against the assets of the Company. The loan and accrued interest was fully repaid during the year ended December 31, 2017.

#### 11. Term loans

During the year ended December 31, 2017 the Company entered into seven term loan agreements with shareholders, directors and a corporation that operates at arm's length. All of the loans bore interest at 9%, with the full principal and interest balance due on May 9, 2018. The loans issued had the following additional details:

	2019	2018	2017
	\$	\$	\$
Four term loans to shareholders of the Company, of which \$7,936 is personally guaranteed by the CEO of the Company. The balance includes accrued interest of \$931.	-	-	16,931
One term loan to an arm's length corporation that is personally guaranteed by the CEO of the Company. The balance includes accrued interest of \$175.	-	-	3,175
Two term loans to directors of the Company, of which \$7,936 is personally guaranteed by the CEO of the Company. The balance includes accrued interest of \$1,309.	-	-	23,809
	<u>-</u>	<u>-</u>	<u>43,915</u>

During the year ended December 31, 2018, \$11,640 of the above-mentioned loans were repaid in cash and \$32,275 were converted into common shares at a price of \$0.056 per share.

#### 12. Revenues

##### (a) Disaggregation of revenue

The Company disaggregates revenue by two major categories: (1) Revenues earned on individual listings and (2) listing contracts. Listing contracts have defined terms and may require a minimum or specified number of available listings on the Company's website for a defined period of time. Revenues on individual listings relate to customers directly posting their listing to the Company's Website.

## ApartmentLove Inc.

### Notes to Financial Statements Year Ended December 31, 2019

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	2019	2018	2017
<b>Revenue by major category</b>			
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Listing fees	33,293	37,666	1,505
Listing contracts	19,281	16,754	15,873
	<u>52,574</u>	<u>54,420</u>	<u>17,378</u>

(b) Accounts receivable and contract balances

Timing differences between invoicing, cash collection, and revenue recognition results in accounts receivable and also results in customer deposits and deferred revenue on the balance sheet. Amounts are billed in accordance with the terms of each customer contract, generally subsequent to the performance of obligations and related revenue recognition, resulting in accounts receivable.

13. Selling, general and administrative expenses

Selling, general and administrative expenses are comprised of the following:

	2019	2018	2017
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Bank charges	838	548	2,513
Marketing	12,632	8,463	1,473
Meals and entertainment	6,004	4,712	500
Office	24,388	6,459	3,514
Professional fees	220,659	112,843	74,336
Salaries and commissions (note19)	339,811	126,098	90,688
Hosting and security	29,133	6,400	5,749
Travel	40,090	23,262	1,206
	<u>673,555</u>	<u>288,785</u>	<u>179,979</u>

14. Related party transactions

- i. During 2019 the company incurred \$322,245 (2018 - \$177,554, 2017 - \$88,100) in management fees, corporate secretarial fees, professional fees paid to the officers, close relatives of officers and companies controlled by directors of the Company. These amounts are recorded in salaries and commissions and professional fees.

## ApartmentLove Inc.

### Notes to Financial Statements Year Ended December 31, 2019

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- ii. During 2018, the Company issued 1,718,750 stock options, adjusted for stock split, to members of the board of directors and members of its advisory committee that entitle the option holder to purchase one common share at a price of 0.08 per share. The options vest immediately and expire on July 31, 2020
- iii. During 2018, the company issued 75,000 common shares for a value of \$ 6,000 as payment for consulting services to a company with a common director.
- iv. During 2017, consulting costs of \$17,000 were incurred for consulting services to a company with a common director.
- v. The Company incurred interest on certain term loans as described in note 11 and amounts due to shareholders and related parties as described in notes 9 and 10.

#### 15. Income taxes

Reconciliation of the effective tax rate:

	2019	2018	2017
	\$	\$	\$
Income before income taxes	<u>(596,569)</u>	<u>(699,285)</u>	<u>(470,926)</u>
Expected current income recovery at 26.5% (2018 – 27% and 2017- 27%)	(158,091)	(185,837)	(127,150)
Differences resulting from:			
Stock based compensation	50,687	31,688	5,714
Effect of changes in tax rates	(3,263)	-	-
Equity portion of convertible debentures	-	947	2,102
Non-deductible and other expenses	1,591	1,272	2,292
Unrecognized deferred tax asset	<u>109,076</u>	<u>151,930</u>	<u>117,042</u>
Income tax expense	<u>-</u>	<u>-</u>	<u>-</u>



## ApartmentLove Inc.

### Notes to Financial Statements Year Ended December 31, 2019

Significant components of deferred income tax assets and liabilities are as follows:

	2019	2018	2017
	\$	\$	\$
Deferred tax assets (liabilities)			
Equipment	440	631	732
Intangible assets	47,836	65,759	79,896
Non-capital loss carryforwards	353,796	171,523	98,648
Convertible loan	-	-	(946)
Unrecognized deferred tax asset	(402,072)	(237,913)	(178,330)
	<u>-</u>	<u>-</u>	<u>-</u>

The Company has non-capital loss carry forwards of \$1,335,078 that expire in 2036-2039.

#### 16. Share capital

##### (a) Authorized

Unlimited voting common shares

##### (b) Issued

<b>Common Shares</b>	<b>Number of Shares</b>	<b>Amount</b>
<b>Balance, January 1, 2017</b>	12,907,788	\$ 427,395
Shares issued		
Common shares issued for cash (i)	787,637	51,975
Shareholder loans settled for shares (ii)	572,875	19,480
Stock options exercised (iii)	500,000	28,000
Common shares issued in exchange for services (iv)	1,092,500	74,500
<b>Balance, December 31, 2017</b>	15,860,800	\$ 601,350
Shares issued		
Common shares issued for cash (v)	3,265,800	265,166
Shareholder loans settled for shares (vi)	1,757,410	103,489
Common shares issued in exchange for assets (vii)	4,687,500	375,000
Common shares issued in exchange for services (viii)	75,000	6,000
<b>Balance, December 31, 2018</b>	25,646,510	1,351,005
Shares issued		
Common shares issued for cash (ix)	6,599,793	665,727
Share issuance costs	-	(79,410)
Common shares issued for assets cancelled (vii)	(3,529,699)	(282,726)
Common shares issued in exchange for services (x)	1,750,000	175,000
<b>Balance, December 31, 2019</b>	<u>30,466,604</u>	<u>1,829,596</u>

## ApartmentLove Inc.

### Notes to Financial Statements Year Ended December 31, 2019

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During the year ended December 31, 2018, the Company completed a 6.25:1 share split transaction and the share capital numbers at December 31, 2017 have been presented on a post-split basis. The exercise price and the number of common shares issuable for the Company's outstanding stock options have been proportionately adjusted to reflect the share split transaction.

- (i) During 2017, the Company closed multiple placements at \$0.056 and \$0.08 per share, adjusted for the stock split, issuing a total of 787,637 common shares, adjusted for the stock split, for proceeds of \$51,975.
- (ii) During 2017, the Company settled amounts due to shareholders of \$18,332 in exchange for 572,875 common shares, adjusted for the stock split. The difference of \$1,148 represents the equity portion of the conversion feature.
- (iii) During 2017, certain option holders exercised 500,000 stock options with an exercise price of \$0.032, adjusted for the stock split, per share for gross proceeds of \$16,000. The difference between the cash proceeds and the amount of stated capital represents \$12,000 of stock-based compensation that was previously charged to contributed surplus.
- (iv) During 2017, the Company issued 1,092,500 common shares, adjusted for the stock split, in exchange for \$64,000 in consulting expenses, of which 437,500 common shares, adjusted for the stock split, were issued to a former director for consulting fees valued at \$14,000. Stock based compensation of \$10,500 was recorded on the share issuance to the former director that were below the fair value of the Company's share price. 555,000 common shares, adjusted for the stock split, were issued to the President & Chief Executive Officer for management fees valued at \$44,400. The remaining 100,000 common shares, adjusted for the stock split, were issued for shareholders for consulting services performed valued at \$5,600.
- (v) During 2018, the Company completed a private placement to issue 3,265,800 common shares for total gross proceeds of \$265,166.
- (vi) During 2018, the Company settled amounts due to shareholders of \$25,420 in exchange for 1,757,410 common shares.
- (vii) On April 30, 2018, the Company entered into a purchase and sale agreement (the "Agreement") to acquire certain assets from Ecom Media Group Inc. ("Ecom") in exchange for total consideration of \$375,000. The Company issued 4,687,500 common shares, adjusted for the stock split, as consideration for the transaction. The acquisition was accounted for as an asset acquisition. During the year ended December 31, 2018, the Corporation determined that certain of the assets acquired were impaired and recognized an impairment loss of \$276,250 (note 7).

## ApartmentLove Inc.

### Notes to Financial Statements Year Ended December 31, 2019

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In connection with the Agreement, the Company entered into a management services agreement with the vendor to assist with the transition of the business in April of 2018. The term of the Agreement was for one year, with monthly payments of \$4,000 and was terminated under the provisions of the agreement effective November 30, 2018.

In June 2019, the Company became aware that the former shareholders of Ecom had defaulted under the terms of the purchase and sale agreement. Accordingly, the Company took steps to cancel 3,529,699 of the common shares, adjusted for the stock split, previously issued as consideration, and recognized a gain on the cancellation of the shares of \$282,276.

- (viii) During the year ended December 31, 2018, 75,000 common shares were issued to a company controlled by the Chief Financial Officer for management fees valued at \$6,000.
- (ix) During 2019, the Company completed a private placement to issue 6,599,793 common shares for total gross proceeds of \$665,727.
- (x) In July of 2018, the Company executed an endorsement agreement with an arm's length party to provide various marketing and promotional services to the Company. The Company is required to issue a cash payment of \$25,000 to the endorsee, which was due in December of 2018 and is required to make an annual royalty payment to the endorsee based on gross revenues earned during the year. The royalty payments are to be settled using a combination of cash and common shares for total consideration of \$200,000 per year. The minimum consideration due to the endorsee if total revenues are below \$250,000 is \$25,000 in cash and \$175,000 in common shares at their market price and a maximum payment of \$175,000 in cash and \$25,000 in common shares at their market price, if the Company's total revenues exceed \$1,750,000. During the year ended December 31, 2019, the Company issued 1,750,000 common shares, as consideration for the agreement.

#### 17. Loss per share

The weighted average number of common shares, adjusted for the stock split, used in the calculation of loss per shares is as follows:

	2019	2018	2017
Basic and diluted	<u>27,148,967</u>	<u>20,496,360</u>	<u>14,560,189</u>

The impact of the convertible debentures, stock options and warrants have not been included in the diluted loss per share because they are anti-dilutive.

## ApartmentLove Inc.

### Notes to Financial Statements Year Ended December 31, 2019

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#### 18. Stock-based compensation and warrants

At the discretion of the Board of Directors, the Company may grant options and warrants to directors, officers, employees and key consultants.

(a) The following stock options were granted:

- In December 2017, stock options were granted to directors to acquire 625,000 common shares, adjusted for the stock split, at an exercise price of \$0.08. The options vest one-third on each of December 31, 2018, 2019 and 2020.
- During 2018, the Company issued 1,718,750 stock options, adjusted for stock split, to members of the board of directors and members of its advisory committee that entitle the option holder to purchase one common share at a price of \$0.08 per share. The options vest immediately and expire on July 31, 2020 and December 31, 2020.

The following is a summary of the Company's stock options outstanding:

	Number of Options	Weighted Average Exercise Price \$
<b>Balance, January 1, 2017</b>	4,180,325	0.05
Granted	625,000	0.08
Cancelled	(2,250,000)	0.06
Exercised	(500,000)	0.06
<b>Balance, December 31, 2017</b>	2,055,325	
Granted	2,031,251	0.08
Cancelled	(840,164)	0.06
<b>Balance, December 31, 2018</b>	3,246,412	0.08
Cancelled	(562,501)	0.08
<b>Balance, December 31, 2019</b>	2,683,911	0.08

There were 2,475,579 options exercisable at December 31, 2019 (2018 – 2,621,415; 2017 – 1,203,550). The weighted average life of all options outstanding at December 31, 2019 is 1.52 years (2018 – 2.59 years; 2017 – 3.94 years).

Stock-based compensation expense for stock options vested during 2019 was \$16,270 (2018 - \$111,364, 2017 - \$21,162). As at December 31, 2019, the Company has exercisable options outstanding at prices ranging between \$0.03 and \$0.08 per share.

## ApartmentLove Inc.

### Notes to Financial Statements Year Ended December 31, 2019

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The fair value of stock options granted during the years ended December 31, 2017 and 2018 were estimated on the date of the grant using the Black-Scholes option pricing model with the following weighted average assumptions.

	2017	2018
Risk-free interest rate	1.86%	2.08% - 2.11%
Expected volatility	100%	100%
Expected life	5 years	2- 5 years
Expected dividend yield	0%	0%
Estimated forfeiture rate	0%	0%
Fair value per option	0.06	0.27 - 0.37
Share price on date of grant	0.08	0.05

A forfeiture rate of NIL% was used when recording stock-based compensation as it was expected, that all officers, directors, and employees would continue with the Company over the vesting period. Any forfeitures will be accounted for as they actually happen. The Company's shares were not traded publicly during the years ended December 31, 2017 and 2018 and, as a result, the Company does not have the necessary trading history to compute its expected volatility using historical volatility; therefore, the Company has used the historical volatilities of certain members of its peer group for input into the Black-Scholes Option Pricing Model.

(b) A summary of warrant transactions is as follows:

	Number of Warrants	Weighted Average Exercise Price	Expiry Date
		\$	
<b>Outstanding at December 31, 2017 and 2018</b>			
Issued April 18, 2019	330,000	0.08	February 14, 2023
Issued August 1, 2019	330,000	0.10	February 14, 2023
Issued August 1, 2019	219,100	0.10	November 15, 2021
<b>Outstanding at December 31, 2019</b>	<b>879,100</b>	<b>0.09</b>	

Warrants include the value of warrants grants to support financings. When warrants are subsequently exercised, the fair value of such warrants is credited to the share capital account as share issuance costs. Share issuance costs for warrants issued during the year ended December 31, 2019 was \$50,900 (2018 - \$NIL, 2017 - \$NIL). When warrants expire, their value is credited to contributed surplus.

## ApartmentLove Inc.

### Notes to Financial Statements Year Ended December 31, 2019

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There were 879,100 warrants exercisable at December 31, 2019 (2018 and 2017 – NIL) with a weighted average life of 2.81 years.

The fair value of stock warrants granted during the years during the year ended December 31, 2019 were estimated on the date of the grant using the Black-Scholes option pricing model with the following weighted average assumptions.

	<b>2019</b>
Risk-free interest rate	1.4% - 1.6%
Expected volatility	100%
Expected life	2 - 3.83 years
Expected dividend yield	0%
Estimated forfeiture rate	0%
Face value of warrants	0.52 - 0.65
Exercise price	0.08 - 0.10

#### 19. Personnel expenses

The Company considers its key management personnel to be its executive officers and directors. During the year, the Company provided service period stock-based compensation and was charged management fees and commissions for the services provided by its executive officers, directors and close family members of directors. The total compensation relating to key management is as follows:

	2019	2018	2017
	\$	\$	\$
Management and consulting fees	322,245	177,554	88,100
Commissions	-	-	2,588
Stock-based compensation	191,270	111,364	21,162
Total compensation	<u>513,515</u>	<u>288,918</u>	<u>111,850</u>

#### 20. Financial instruments and risk management

The Company is exposed to credit, liquidity and market risks in the normal course of the Company's operations. These risks are mitigated by the Company's financial management policies and practices described below:

##### (a) Fair values

The fair values of the Company's accounts receivable, accounts payable and accrued liabilities, due to shareholders and term loans approximate their carrying values because of their short-term nature or because they bear interest at market rates.

## ApartmentLove Inc.

### Notes to Financial Statements Year Ended December 31, 2019

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The significance of inputs used in making fair value measurements are examined and classified according to a fair value hierarchy. Fair values of assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level 2 include valuations using inputs other than quoted prices for which all significant outputs are observable, either directly or indirectly and are based on valuation models and techniques where the inputs are derived from a quoted indices. Level 3 valuations are based on inputs that are unobservable and significant to the overall fair value measurement.

#### (b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer and by general economic conditions affecting the real estate and rental markets, as the Company will be impacted by fluctuations in these markets. Management believes the default risk is minimal and that the nature of the Company's revenues do not lend to large receivables. Credit risk is managed by the Company through credit approval and monitoring procedures. Further quantitative disclosures in respect of the Company's exposure to credit risk arising from accounts receivable, are set out in note 6. The Company is also exposed to credit risk associated with cash. The risk is mitigated as the cash is maintained with a major financial institution. The maximum exposure to credit risk is represented by the carrying amount of each financial asset on the balance sheet.

#### (c) 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 is exposed to interest rate price risk to the extent that the amounts due to shareholders, the amount due to a related party and the term loans are at fixed interest rates.

#### (d) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The financial liabilities on its balance sheet consist of accounts payable and accrued liabilities and are all due within one year. Management closely monitors cash flow requirements to ensure that it has sufficient cash on demand to meet operational and financial obligations. The Company has encountered challenges with meeting its current obligations, as described in note 2(c).

## 21. Capital management

The Company's policy is to maintain a strong capital base to provide financial flexibility and to sustain the future development of the business.

The Company manages and adjusts its capital structure as a result of changes in economic conditions and the risk characteristics of the industry in which its customers operate. The Company considers its

## ApartmentLove Inc.

### Notes to Financial Statements Year Ended December 31, 2019

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capital structure to include working capital and shareholders' equity. The Company's capital consists of the following:

	2019	2018	2017
	\$	\$	\$
Current assets	97,069	99,793	228
Current liabilities	<u>(202,764)</u>	<u>(174,147)</u>	<u>(160,659)</u>
Working capital deficiency	(105,695)	(74,354)	(160,431)
Share capital	1,829,596	1,351,005	601,350
Equity portion of convertible loan	-	-	5,655
Warrants	50,900	-	-
Contributed surplus	224,569	208,299	96,935
Deficit	<u>(2,117,448)</u>	<u>(1,520,879)</u>	<u>(821,594)</u>
Total deficiency	<u>(118,078)</u>	<u>(35,929)</u>	<u>(278,085)</u>

In order to maintain or adjust the capital structure, the Company may adjust its capital spending, issue shares or obtain financing from other sources on commercially reasonable terms. To assess capital and operating efficiency and financial strength, the Company continually monitors its working capital including its cash position.

The Company is currently economically dependent on its shareholders to meet its short-term obligations, until the Company is able to obtain sustainable operations.

There has been no change to management's approach to managing capital during the year.

#### 22. Commitments and contingencies

- (a) In May of 2018, the Company issued notice to two shareholders that were contracted for providing services to the Company for the development of mobile applications and for work related to search engine optimization. In May of 2017, the Company became aware of concerns related to the progress of both projects and undertook a comprehensive review of the work performed to that date.

As a result of the Company's findings, management asserted that the common shares issued should be cancelled in accordance with the provisions of the appropriate statutes in the province of Alberta. Subsequently in January 2020, the Company reached a proposed agreement with the shareholder to settle all amounts due for \$35,000 and to cancel all of the previously issued shares. The proposed settlement represents a contingent gain to the Company and has not been accrued at December 31, 2019.



## ApartmentLove Inc.

### Notes to Financial Statements Year Ended December 31, 2019

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- (b) In October of 2018, the Company entered into a 12-month office lease commencing November 1, 2018. The lease agreement requires monthly payments of \$800, which are inclusive of operating costs. The annual lease repayment terms require annual total payments of \$1,600 during the year ended December 31, 2018 and total payments of \$10,300 during the year ended December 31, 2019.

#### 23. Subsequent events

- (a) On March 11, 2020, the World Health Organization declared a pandemic following the emergence and rapid spread of a novel strain of coronavirus ("COVID19"). Governments worldwide have enacted emergency measures to combat the spread of the virus, including travel bans, quarantine periods, social distancing, and closures of non-essential businesses. In Canada, the Government of Alberta declared a state of public health emergency on March 17, 2020 in response to the growing pandemic. The pandemic is having a significant effect on overall economic conditions and may affect the Company's ability to generate sales and collect receivables. In the first quarter of 2020, through to the date of these financial statements, the global financial markets have experienced significant volatility in response to the worldwide spread of COVID-19. The extent to which COVID-19 impacts the Company's operations and valuation of its assets will depend on future developments which are highly uncertain and cannot be predicted with confidence, including new information which may emerge concerning the severity of COVID-19 and actions taken to contain the virus or its impact, among others.

While it is unknown how long these conditions will last and what the complete financial effect will be to the Company, to date, the Company has experienced a significant decline in operations and related revenues. In response, the Company took several immediate actions including lowering costs primarily through headcount reductions and decreasing discretionary expenditures. Although the timing of the resumption of normal operations is uncertain, management plans to fund operations through utilizing cash reserves on-hand and may have to raise funds by way of debt or equity issuances.

- (b) Subsequent to year end certain option holders exercised 1,037,500 stock options, adjusted for the stock split, with exercise prices of between \$0.064 and \$0.08 per share for gross proceeds of \$79,000.
- (c) Subsequent to year end, \$18,209 of the amounts due to shareholders were converted to common shares, and 152,332 common shares, adjusted for the stock split, at \$0.056 per share were issued.
- (d) Subsequent to year end, 681,250 stock options, adjusted for the stock split, with an exercise price of \$0.08 per share which were not exercised by option holders lapsed and they were cancelled.
- (e) On October 13, 2020, the Board approved the issuance of convertible debentures with a two-year term and an interest rate to accrue at the rate of 10% per annum, convertible into common shares at \$0.10 per common share. Subsequent to year end, a total of \$190,000 of convertible debentures were issued.

## **ApartmentLove Inc.**

### **Notes to Financial Statements Year Ended December 31, 2019**

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- (f) Subsequent to year end, the Company closed a placement and converted certain outstanding accounts payable at \$0.10 per share, issuing a total of 9,198,341 common shares for total proceeds of \$919,834.
- (g) Subsequent to the year end, the Board approved the issuance of 1,800,000 stock options to officers and directors. The options have an exercise price of \$0.10, vest immediately and have an expiry date of March 31, 2023.
- (h) Subsequent to the year end, the Company approved the issuance of 50,000 broker's warrants to a financing agent. The warrants have an exercise price of \$0.10, vest immediately and have an expiry date of December 14, 2022.

**SCHEDULE B  
ANNUAL MD&A**

*(See attached)*

**ApartmentLove Inc.**

**Management Discussion & Analysis**

For the year ended

December 31, 2020

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### Overview

The following is Management's Discussion & Analysis ("MD&A") of the activities, results of operations, and financial condition of ApartmentLove Inc. ("ApartmentLove" or the "Company") for the year ended December 31, 2020 and the comparable year ended December 31, 2019.

This MD&A should be read in conjunction with the audited financial statements for the year ended December 31, 2020, and the audited financial statements for the year ended December 31, 2019. The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Certain sections of this MD&A may contain forward-looking statements and forward-looking information (collectively "Forward-Looking Information" as defined under applicable Canadian securities laws). Management believes the assumptions used in support of such Forward Looking Information to be reasonable however, there can be no assurances or guaranties of any sort as to the actual accuracy of any such assumptions and/or future performance of ApartmentLove whatsoever. Accordingly, actual results could differ materially from those expressed, or implied, in such Forward-Looking Information and readers of this MD&A are cautioned to not place any undue reliance on Forward-Looking Information.

The Company's audited financial statements have been prepared on a "going concern" basis, which presumes that ApartmentLove will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. All monetary amounts are reported in Canadian dollars unless otherwise noted.

To date, the operations of the Company have been funded through private placements of debt and equity. The continued operations of ApartmentLove are dependent on the Company's ability to generate profitable operations in the future and to complete subsequent private placements of debt and equity, should they be necessary, until such a time as the Company is able to generate profitable operations.

The effective date for this MD&A is June 7, 2021.

### Description of the Business

The Company was incorporated on January 19, 2015, pursuant to the Canada Business Corporations Act (the "CBCA") under the name "Culada Asset Management Inc.", which such name, on May 18, 2018, was officially changed to "ApartmentLove Inc." by a resolution of the shareholders of the Company (the "Shareholders") at the Annual General Meeting of the Shareholders on May 31, 2018. The registered address for service of the Company's is Suite 1600, 421 - 7<sup>th</sup> Avenue SW, Calgary, Alberta T2P 4K9.

ApartmentLove operates an Internet Listing Service ("ILS") that promotes residential rental homes and apartments for rent via the Internet on behalf of landlords seeking new rental tenants for lease terms generally of not less than one continuous calendar year. The Company's website ([www.apartmentlove.com](http://www.apartmentlove.com)) (the "Website") provides landlords with the ability to post advertisements that promote residential rental vacancies in Canada, the United States, and soon to begin promoting rental vacancies in many countries across Europe; and prospective renters with the ability to search for such residential rental vacancies and contact landlords for the purpose of scheduling viewings with the understood goal of signing a lease or tenancy agreement of generally not less than one continuous calendar year. Among other attributes and information that users of the Website generally require to make informed rental decisions, or rental listings on the Website include, but are not limited to, pictures, rental price, street address and location map, features and amenities, and a description of the rental property advertised for rent

in addition to a mapping function and search filtering tools to help users find residential rental accommodations suitable for the user's unique needs, wants, and budget.

Management believed the path to value creation was to first secure a large inventory of residential rental properties from landlords on a free basis, then to invest marketing resources into the promotion of rental inventory to prospective renters. Then, after having established a high number of users in a region or local market, begin charging landlords upfront listing fees, or engage in a payment for lead program, for the right to promote their rental vacancies to the Company's user base via the Website in their respective market. As such, the Company has been gaining interest from landlords and now, as of May 21, 2021, had 266,794 active rental properties as compared to 177,686 properties as of November 19, 2019, listed for rent on the Website across Canada and the United States.

That 50.1% increase in listings translated to a corresponding significant increase in users. During the year-end December 31, 2020, the Company attracted a total of 160,496 users to the Website for daily and monthly active users ("DAUs" and "MAUs") of 439.7 and 13,374, respectively. For the January 1, 2021, to May 18, 2021 period (marking the first 110 days of the year), the Company had 81,701 total unique users, an increase of 64.7% during the first 110 days of 2021 as compared to the 49,613 total unique users in all of 2020. Management believes that growth in MAUs is directly attributable to the Company's investment in Search Engine Optimization ("SEO") (which began April 1, 2021). This has resulted in a current 698 DAUs, which provides an annualized total number of users in excess of 250,000 which is a 58.7% increase over 2020 website traffic. Management believes this should now translate into new revenues throughout the balance of 2021 leading to anticipated cashflow positive operations.

The Company intends to continue to grow its inventory of residential rental listings being displayed on the Website by contacting property management companies, apartment building owners and operators, industry associations, and private landlords directly, as well as through integrations with rental listing aggregation companies across Canada, the United States, and in Europe (collectively, the "Landlords"). To achieve that continued listing growth, ApartmentLove plans to expand the size of its sales team.

The Company has generated and purchased various intangible assets (such as: domains, subdomains, client lists, and social media accounts) along with trademarks and is considering the development of dedicated mobile applications for Android and iPhone operating systems. It is Management's opinion that the Mobile Apps may enhance the user experience and generate a larger number of rental inquiries thereby improving the effectiveness of the ApartmentLove offering and the value same provides to both paying Landlord clients and renters using ApartmentLove assets to rent residential accommodations via the Internet.

### **Non-Offering Prospectus**

As of the date of this MD&A, the Company has filed a non-offering prospectus in support of a proposed listing of the common shares of ApartmentLove (the "Common Shares") on the Canadian Securities Exchange (the "CSE") (the "Non-Offering Prospectus" or the "Prospectus").

### **Going Concern**

This MD&A and the Audited Financial Statements attached hereto have been prepared assuming the Company will continue as a going concern. The going concern basis of presentation assumes the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Although the Company believes it will be successful, there is no guarantee the Company will attain its goal of becoming a profitable ILS. As a result, there is material uncertainty about the Company's ability to continue as a going concern.

The Company has yet to generate substantial revenue from operations. During the fiscal years ended December 31, 2020, and 2019, the Company incurred net losses of \$523,159 and \$596,569, respectively. As of December 31, 2020, the Company had an accumulated deficit of \$2,640,607 as compared to an accumulated deficit

of \$2,177,448 as at, December 31, 2019. As of December 31, 2020, ApartmentLove had a negative working capital balance of \$197,882 as compared to a negative working capital balance of \$105,593 as of December 31, 2019. However, since the end of 2020, the Company raised \$165,000 in convertible debt financing and an additional \$546,996 comprised of \$400,446 in cash receipts and \$146,550 in conversion of existing debt and services into Common Shares in equity to improve its working capital position as of May 15, 2021, to a positive \$352,615.

While the Company expects to incur further operating losses for the foreseeable future, it reasonably expects the actioning of its ongoing SEO plans will continue to generate MAUs, attract customers, and establish competitive positions in new markets, which management believes will lead to cashflow positive operations. The Company's ability to continue as a going concern may also be dependent upon its ability to obtain new financing to carry out its business plans, become profitable, and to meet its corporate overhead needs and discharge its liabilities as and when they come due. Although the Company has been successful in the past in obtaining financing, there is no assurance of any kind that the Company will be able to obtain adequate financing (if any) in the future or that such financing (if any) will be made available on commercially reasonable terms to the Company (if at all). Therefore, the foregoing could be construed as suggesting that a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern could exist.

Accordingly, realization values may be substantially different from the carrying values shown and the financial statements do not give effect to adjustments that may be necessary to correct the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

### **Financial Highlights**

For the year-end December 31, 2020, the Company incurred operating losses of \$523,159 as compared to operating losses of \$596,569 for the year end December 31, 2019; had an accumulated deficit of \$2,640,607 as compared to an accumulated deficit of \$2,117,448 for the year end December 31, 2019; and as of December 31, 2020 ApartmentLove had a negative working capital balance of \$197,882 as compared to a negative working balance of \$105,695 as at December 31, 2019.

After the 2020 year-end, debt and equity financings have improved the Company's liquidity to a positive working capital balance of \$352,615 as of May 15, 2021, comprised of current assets of \$420,153 and current liabilities of \$67,538.

### **Selected Financial Information – Income Statement Items**

<b>For the Year Ended: December 31,</b>	<b>2020</b>	<b>2019</b>
Revenue	\$14,588	\$52,574
Net Loss	\$523,159	\$596,569
Net Loss per Share	\$0.02	\$0.02

In 2020 the Company was materially adversely affected by the profound impact of the COVID-19 global pandemic. As such, the Company's revenues declined significantly as the Company was forced to reduce headcount and cut sales, marketing, and other promotional expenditures to preserve cash and maintain operations amid the pandemic. As such, management focused its then limited resources on the refinement of the Website, evaluation of new markets, and the successful completion of debt and equity financings yielding the Company the capital resources to execute its business plan. While all revenues were derived from paid online listings with no changes to the listing fees charged by the Corporation during 2020, management believes future revenues will become a mix of online paid listings, plus revenue derived from the Corporation's US Revenue per Lead Model, as well as its European Revenue per Booking Model programs it intends on implementing in 2021.



Selling, general and administrative expenses decreased substantially from \$673,555 in 2019 to \$370,598 in 2020; with professional fees decreasing from \$220,659 in 2019 to \$84,914 in 2020. The 2020 professional fee costs were primarily related to the preparation of the Company's non-offering prospectus. Salaries and management fees, included in the total selling, general and administrative expenses, also decreased from \$339,811 in 2019 to \$228,392 in 2020 again as the result of rationalization of staff due to the COVID-19 pandemic. Stock based compensation costs also dropped in 2020 to \$102,027 as compared to \$191,270 in 2020 from the issuance of new management stock options but no new third-party warrants. Amortization and depreciation marginally increased from \$61,559 in 2019 to \$75,382 in 2020. There was no gain on cancellation of shares in 2020 as opposed to a gain of \$282,276 in 2019 on the cancellation of previously issued shares to ECOM Media Group Inc. However, the Company recognized \$20,000 in income from government grants in 2020 (\$Nil in 2019). As a result of the COVID-19 pandemic, the Company established an allowance for doubtful accounts receivable of \$16,511 in 2020 (\$Nil in 2019).

#### Selected Financial Information – Balance Sheet Items

For the Year Ended: December 31,	2020	2019
Current Assets	\$58,259	\$97,069
Net Equipment	\$777	\$1,203
Net Intangible Assets	\$89,907	\$92,109
<b>Total Assets</b>	<b>\$148,943</b>	<b>\$190,381</b>
Current Liabilities	\$256,141	\$202,764
Term Loans	\$49,418	-
Share Capital	\$2,208,355	\$1,829,596
Equity Portion of Convertible Debt	\$3,821	-
Warrants	\$53,500	\$50,900
Contributed Surplus	\$218,315	\$224,569
Shareholders' Equity (Deficit)	(\$2,640,607)	(\$2,117,448)
<b>Total Liability and Equity</b>	<b>\$148,943</b>	<b>\$190,381</b>

During the year ended December 31, 2020, current assets dropped by \$38,810 as compared to December 31, 2019, primarily as a result of an \$16,125 reduction in cash on hand and a \$23,845 drop in accounts receivable due to the drop in sales occasioned by the COVID-19 pandemic. Share capital increased to \$2,208,355 in 2020 as compared to \$1,829,596 in 2019 from the private placement of Common Shares and the exercise of options.

#### For the Year Ended December 31, 2019

Comparative Quarterly Results	Mar 31/19	Jun 30/19	Sep 30/19	Dec 31/19
Revenue	\$15,620	\$14,810	\$20,634	1510
Net Income (Loss)	(\$244,366)	(\$278,436)	\$191,526	(\$265,293)
Loss per Share	\$0.005	\$0.005	\$0.005	0.005

For the Year Ended December 31, 2020

Comparative Quarterly Results	Mar 31/20	Jun 30/20	Sep 30/20	Dec 31/20
Revenue	\$7,389	\$2,677	\$3,097	\$1,425
Net Income (Loss)	(\$176,439)	(\$102,841)	(\$162,190)	(\$81,689)
Loss per Share	\$0.005	\$0.005	\$0.005	\$0.005

The significant drop in Q2, Q3, and Q4 losses in 2020 as compared to 2019 was primarily the result of reductions in staff and consultant fees resulting from the COVID 19 pandemic offset by the gain in cancellation of Common Shares in the amount of \$282,276 in Q3 2019.

The gain of \$282,276 in Q3, 2019 from the cancellation of the Common shares to ECOM Media Group Inc. provided the net gain in the quarter.

Professional fees decreased from \$220,659 in 2019 to \$84,914 in 2020, and salaries and management fees decreased from \$339,811 in 2019 to \$228,392 in 2020. Those substantive increases in cost were related to reductions in staff due to the COVID 19 pandemic, as well as additional professional fees incurred during the furtherance of two unsuccessful financings undertaken in 2019.

#### **Liquidity and Capital Resources**

The Company had a working capital deficit of \$197,882 in 2020 as compared to \$105,695 in 2019. The Company used \$72,536 in the purchase of intangible assets in the form of website development in 2020 which contributed to the majority of the gain in the working capital deficit. However, subsequent to the 2020 year-end, debt and equity financings have improved the Company's liquidity to a positive working capital balance of \$352,615 as of May 15, 2021.

The total cash generated from financing activities, net of share issuance costs, through the private placement sale of Common Shares during the year ended December 31, 2020, was \$153,901 as compared to \$586,317 for the year ended December 31, 2019. The Company also raised \$60,000 in the form of a government of Canada CEBA loan as well as raising \$25,000 in convertible debenture financing. ApartmentLove did not issue any new debt, nor did it have any existing debt to settle in 2019.

#### **Dividends**

There were no dividends paid during the year ended December 31, 2020, by the Company.

#### **Off-Balance Sheet Arrangements**

As of the date hereof, there are no "off-balance sheet arrangements" that have, or in Management's opinion are likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources.

#### **Related Party Transactions**

The Company had no related party transactions for the year ended December 31, 2020. Key management personnel are those persons that have authority and responsibility for planning, directing, and controlling the activities of the Company, directly and/or indirectly. As of December 31, 2020, the Company's key management personnel consisted of its directors and its President and Chief Executive Officer. The Company incurred fees and expenses in the normal course of operations in connection with the Key Personnel. The following table summarizes the fees and expenses related to such Key Personnel:

For the Year Ended: December 31,	2020	2019
Management Fees and Salaries	\$214,258	\$322,245
Stock Based Compensation	\$102,027	\$191,270
<b>Summary Totals</b>	<b>\$316,285</b>	<b>\$513,515</b>

### **Significant Accounting Policies**

The Company's financial statements are impacted by the accounting policies used, and the estimates and assumptions made by Management during the preparation of financial statements. The Company's accounting policies and accounting estimates are described in Note 3 to the Audited Financial Statements for the year ended December 31, 2020.

### **Financial Instruments and Risk Management**

The Company's objective is to maintain sufficient working capital to maintain financial flexibility and to sustain the future development of the Company. To maintain financial flexibility, the Company may, from time to time, issue new and additional Common Shares and adjust the Company's capital spending to manage the Company's then current and projected cash requirements. To assess the Company's financial strength, the Company continually monitors the Company's cash balances and working capital. In the management of capital, the Company includes the components of Shareholder's Equity as well as cash and cash equivalents.

The Company's share capital is not subject to any external restrictions as of the date of this MD&A.

To date there have been no changes to the Company's approach to capital management.

The Company's financial instruments consist of cash, accounts receivable, prepaid expenses, accounts payable, and, from time to time, short-term and long-term loans. The fair values of these financial instruments approximate their respective carrying values due to the short-term nature of these instruments, or their respective cash values.

The Company may be exposed to a variety of financial risks by virtue of its activities including currency, credit, and liquidity as well as supernatural forces such as fire, flood, insurrection, and other acts of God including, but not limited to pandemics such as the Novel Coronavirus 2019 ("COVID-19").

### **Disclosure of Outstanding Security Data**

As of the date of this MD&A, the Company's share capital consisted of 39,644,951 Common Shares from a total of 185 individual shareholders; 3,415,166 options to purchase Common Shares; 929,100 warrants to purchase Common Shares; and \$190,000 in convertible debentures with a 2-year term, earning accruing interest at 10% per annum. The debentures, and accrued interest, may be converted by the debenture holders prior to their maturity date into common shares of the Company at a conversion rate of \$0.10 per common share.

### **Risks**

#### **A. Liquidity Risk**

Liquidity Risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed to Liquidity Risk with respect to ensuring the sufficiency of funds for working capital and commitments. The Company monitors the maturity dates of existing accounts payable and accrued liabilities, loans payable, and all other commitments to mitigate Liquidity Risk. As of December 31, 2020, the Company's financial liabilities are comprised of accounts payable and accrued liabilities.

**B. Credit Risk**

Credit Risk arises from the potential that a counterparty will fail to perform its obligations. Management does not believe there is significant Credit Risk from any of the Company's customers as orders are only processed after payment is received. Notwithstanding the foregoing, the Company reviews financial assets past due on an ongoing basis with the objective of identifying potential matters which could delay the collection of funds at an early stage. Once items are identified as being "past due", contact is made with the respective customer to determine the reason for the delay in payment and to establish an agreement to clear such outstanding balance. To manage cash and Credit Risk, the Company works most closely with established property management companies that have an established operating history and a good name in the rental market in addition to charging private individuals for fees at the time of listing their respective rental properties on the Website.

**C. Currency Risk**

The Company currently generates revenue in Canadian and US dollars and expenses, from time to time, are incurred in both Canadian and US dollars. As such, the Company is exposed to fluctuations in earnings from volatility in foreign currency rates. However, Management concludes the exposure to Currency Risk is "not material" and further notes that as of the date of this MD&A the Company does not utilize any financial instruments or cash management policies, save and except for the presentation of all financial statements in Canadian dollars, to mitigate such Currency Risks.

**D. Health Risk**

On March 11, 2020, the World Health Organization assessed COVID-19 as a pandemic. Such assessment has resulted in governments worldwide enacting emergency measures to combat the spread of COVID-19. These measures, which include but are not limited to the implementation of travel bans, self-imposed quarantine periods, social distancing, and business closures in Canada, the United States, and elsewhere around the world, have caused material disruption to businesses globally resulting in an economic slowdown as global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted to the impacts of the COVID-19 pandemic with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is, as of the date of this MD&A, unknown, as is the efficacy of the government and central bank interventions which individually and/or collectively may never be known. It is not possible to reliably estimate the length of time and the severity of these developments and the impact of same on the financial results and condition of the Company and in any future period caused either directly or indirectly by COVID-19 and the aforementioned measures undertaken by banks and governments around the world.

June 7, 2021

Signed "George Davidson"

Chief Financial Officer

**SCHEDULE C  
INTERIM FINANCIAL STATEMENTS**

*(See attached)*

ApartmentLove Inc.

Condensed Interim Financial Statements

For the period ended March 31, 2021

*(in Canadian dollars, except share amounts)*

**ApartmentLove Inc.**  
**Condensed Interim Statements of Financial Position**  
**As at March 31, 2021**

		<b>March 31, 2021</b>	<b>December 31, 2020</b>
		<i>(Unaudited)</i>	<i>(Audited)</i>
<b>Assets</b>	<b>Notes</b>	<b>\$</b>	<b>\$</b>
<b>Current assets</b>			
Cash		487,938	47,362
Accounts receivable and other receivables		7,280	5,897
Prepaid expenses		900	5,000
Total current assets		<u>496,118</u>	<u>58,259</u>
Equipment		647	777
Intangible assets		117,690	89,907
<b>Total assets</b>		<u><u>614,455</u></u>	<u><u>148,943</u></u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		158,191	256,141
<b>Non-current liabilities</b>			
Term loans	4	<u>193,769</u>	<u>49,418</u>
<b>Total liabilities</b>		<u><u>321,960</u></u>	<u><u>305,559</u></u>
<b>Shareholders' Equity</b>			
Share capital	7	2,719,551	2,208,355
Equity portion of convertible loans		29,029	3,821
Warrants		53,500	53,500
Contributed surplus		313,915	218,315
Deficit		<u>(2,853,500)</u>	<u>(2,640,607)</u>
<b>Total shareholders' equity (deficiency)</b>		<u>262,495</u>	<u>(156,616)</u>
<b>Total liabilities and shareholders' equity</b>		<u><u>614,455</u></u>	<u><u>148,943</u></u>

Going concern (note 2(c))

Commitments and contingencies (note 9)

See accompanying notes to the financial statements.

Approved by the Board of Directors

signed "Philip Doublet", Director

signed "George Davidson", Director

## ApartmentLove Inc.

### Condensed Interim Statements of Loss and Comprehensive Loss

(Unaudited)

	Notes	Three-months ended March 31	
		2021	2020
		\$	\$
<b>Revenue</b>		825	7,389
<b>Direct expenses</b>		31	1,130
<b>Gross profit</b>		794	6,259
<b>Expenses</b>			
Selling, general and administrative expenses		44,280	159,455
Stock-based compensation		145,137	6,512
Amortization and depreciation		20,912	17,625
Finance costs		4,561	-
Other (income) expenses		(1,203)	(894)
<b>Total expenses</b>		213,687	182,698
<b>Net loss and comprehensive loss</b>		(212,893)	(176,439)
<b>Loss per share</b>			
Basic and diluted		(0.01)	(0.01)
Basic and diluted weighted average shares outstanding		35,622,245	30,306,622

See accompanying notes to the financial statements



## ApartmentLove Inc.

### Condensed Interim Statements of Changes in Shareholders' Deficiency

For the Period Ended March 31, 2021

(Unaudited)

	Common Shares	Equity Portion of Convertible Loan	Contributed Surplus	Warrants	Deficit	Shareholders' Equity (Deficiency)
	\$	\$	\$	\$	\$	\$
<b>Balance at December 31, 2019</b>	<b>1,829,596</b>	-	<b>224,569</b>	<b>50,900</b>	<b>(2,117,448)</b>	<b>(12,383)</b>
Common shares issued for cash	162,250	-	-	-	-	162,250
Share issuance costs	(8,349)	-	-	2,600	-	(5,749)
Equity component of convertible loans	-	3,821	-	-	-	3,821
Common shares issued for settlement of payables	37,577	-	-	-	-	37,577
Common shares issued in exchange for services	68,261	-	-	-	-	68,261
Stock-based compensation	-	-	33,766	-	-	33,766
Stock options exercised	119,020	-	(40,020)	-	-	79,000
Net loss and comprehensive loss	-	-	-	-	(523,159)	(523,159)
<b>Balance at December 31, 2020</b>	<b>2,208,355</b>	<b>3,821</b>	<b>218,315</b>	<b>53,500</b>	<b>(2,640,607)</b>	<b>(156,616)</b>
Common shares issued for cash	400,446	-	-	-	-	400,446
Share issuance costs	(35,800)	-	-	-	-	(35,800)
Equity component of convertible loans	-	25,208	-	-	-	25,208
Common shares issued on settlement of payables	97,013	-	-	-	-	97,013
Common shares issued in exchange for services	49,537	-	-	-	-	49,537
Stock-based compensation	-	-	95,600	-	-	95,600
Net loss and comprehensive loss	-	-	-	-	(212,893)	(212,893)
<b>Balance at March 31, 2021</b>	<b>2,719,551</b>	<b>29,029</b>	<b>313,915</b>	<b>53,500</b>	<b>(2,853,500)</b>	<b>262,495</b>

299,202

See accompanying notes to the financial statements

# ApartmentLove Inc.

## Notes to Condensed Interim Financial Statements Period Ended March 31, 2021

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	Three-months ended March 31,	
	2021	2020
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Net loss for the period	(212,893)	(176,439)
<b>Adjustments to reconcile net loss to net cash from operating activities</b>		
Amortization and depreciation	20,912	17,625
Stock-based compensation	145,137	6,512
Finance costs	4,561	-
	<u>(42,283)</u>	<u>(152,302)</u>
<b>Changes in non-cash working capital</b>		
Accounts receivable	(2,717)	(16,482)
Prepaid expenses	4,100	-
Accounts payable	394	98,786
	<u>1,777</u>	<u>82,304</u>
<b>Net cash used in operating activities</b>	<u>(40,506)</u>	<u>(69,998)</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of intangible assets	<u>(48,564)</u>	<u>(52,393)</u>
<b>Net cash used in investing activities</b>	<u>(48,564)</u>	<u>(52,393)</u>
<b>FINANCING ACTIVITIES</b>		
Common shares issued for cash	364,646	60,000
Proceeds from term loan	165,000	-
<b>Net cash from investing activities</b>	<u>529,646</u>	<u>60,000</u>
<b>Net change in cash and bank balances</b>	440,576	(62,391)
Cash and bank balances, beginning of period	<u>47,362</u>	<u>63,487</u>
<b>Cash and bank balances, end of period</b>	<u>487,938</u>	<u>1,096</u>

### Non Cash Amounts:

The Company settled accounts payable of \$97,013 through the issuance of shares during the period ended March 31, 2021 (note 7).

See accompanying notes to the financial statements.

## **ApartmentLove Inc.**

### **Notes to Condensed Interim Financial Statements**

**Period Ended March 31, 2021**

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1. Incorporation and operations

ApartmentLove Inc. (the "Company") was federally incorporated under the laws of Canada on January 19, 2015, with operations commencing July 15, 2015. The Company previously operated under the name Culada Asset Management, Inc. until June 19, 2018. The Company provides an interactive real estate website ([www.apartmentlove.com](http://www.apartmentlove.com)) which promotes housing, apartments and other rental properties online by offering prospective tenants photographs, property descriptions, text, price, location, maps and other information that could be considered beneficial to a prospective tenant when making a rental decision.

The Company's head office is located at 1600, 421 – 7th Avenue SW, Calgary, Alberta, Canada, T2P 4K9.

2. Basis of preparation

(a) Statement of compliance

These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standards (IAS) 34, Interim Financial Reporting.

Accordingly, certain information and footnote disclosures normally included in the annual financial statements prepared in accordance with IFRS, as issued by the International Accounting Standards Board (IASB) have been omitted or condensed. These unaudited condensed interim financial statements should be read in conjunction with the Company's financial statements for the year ended December 31, 2020. There have been no changes to the Company's significant accounting policies from those disclosed in the 2020 audited annual financial statements.

The financial statements were approved and authorized for issue by the Board of Directors on May 27, 2021.

(b) Basis of measurement and going concern

The financial statements have been prepared on a historical cost basis except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value.

(c) Going concern

These financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to realize its assets and satisfy its liabilities in the normal course of business for the foreseeable future. Management is aware, in making its going concern assessment, of material uncertainties related to events and conditions that may cast significant doubt upon the Company's ability to continue as a going concern. As at March 31, 2021, the Company has a positive net working capital of \$337,927 (December 31, 2020 negative net working capital - \$197,882). The Company also has an accumulated deficit of \$2,853,500 (December 31, 2020 - \$2,640,607) as at March 31, 2021 and incurred a net loss during the period ended March 31, 2021 of \$212,893 (2020 - \$176,439).

## ApartmentLove Inc.

### Notes to Condensed Interim Financial Statements

Period Ended March 31, 2021

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The Company has not yet been able to generate the transaction volumes required to create positive cash flows from operations. Whether and when the Company can generate sufficient operating cash flows to pay for its expenditures and settle its obligations as they fall due subsequent to March 31, 2021 is uncertain. The Company will closely monitor its cash and will take the necessary measures to preserve cash, such as reducing spending as required until the Company succeeds in gathering sufficient sales volumes to consistently achieve profitable operations and generate positive cash flows from operations.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption inappropriate. These adjustments could be material.

(d) Functional currency

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

(e) Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS requires that management make estimates and use judgment regarding the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the year. Such estimates primarily relate to unsettled transactions and events as at the date of the financial statements. Accordingly, actual results may differ from estimates amounts as future events occur.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

*i. Intangible Assets - Impairment*

Judgments are required to assess when impairment indicators, or reversal indicators exist, and impairment testing is required. These indicators include, but are not limited to, significant changes in markets for the Company's products or services or management's intended use of the asset.

# ApartmentLove Inc.

## Notes to Condensed Interim Financial Statements

Period Ended March 31, 2021

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ii. *Income taxes*

Judgment is required in the calculation of current and deferred taxes in applying tax laws and regulations, estimating the timing of the reversals of temporary differences and estimating the realizability of deferred tax assets.

3. Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair values for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

*Share-based payment transactions*

The fair values of the employee share options and warrants are measured using the Black-Scholes option pricing model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behavior), expected dividends, expected forfeiture rates, and the risk-free interest rate (based on a government bond with a comparable term). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair values.

4. Term loans

	2021	2020
	\$	\$
CEBA Loan (i)	29,061	27,766
Convertible debentures (ii)	164,708	21,652
	<u>193,769</u>	<u>49,418</u>

- (i) The Company applied for and received a \$60,000 CEBA loan in the 2020 fiscal year. The loan was provided by the Government of Canada to provide capital to companies to see them through the current challenges related to the COVID 19 pandemic and better position them to return to providing services and creating employment. The loan is unsecured. The loan is interest free to December 31, 2022. If the loan is paid back by December 31, 2022, \$20,000 of the loan will be forgiven. If the loan is not paid back by December 31, 2022 the full \$60,000 loan will be converted to loan repayable over three years with a 5% interest rate. To estimate the fair value, the debt component was estimated first at \$26,094, considering the forgiveness and interest free aspects. An effective rate of 20% was used which corresponds to a rate that the Company would have obtained for a similar loan. The \$20,000 residual value was attributed to a governmental subsidy that is presented in the statement of loss in other income. The balance as at March 31, 2021 includes \$ 1,295 (December 31, 2020: \$1,672) accretion interest payable which was calculated using effective interest rates of 20%.

# ApartmentLove Inc.

## Notes to Condensed Interim Financial Statements

### Period Ended March 31, 2021

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- (ii) On October 13, 2020 the Board approved the issuance of convertible debentures with a two-year term and an interest rate to accrue at the rate of 10% per annum, convertible into common shares at \$0.10 per common share. During the 2021 fiscal year, the company closed a non- brokered private placement of convertible debentures totalling \$ 165,000 (2020: \$ 25,000). The fair value of the loans were determined to be \$139,792 (2020: \$ 21,652) using an interest rate of 20% and \$ 25,208 (2020:\$ 3,819) being allocated to equity component of convertible debenture. The balance as at March 31, 2021 includes \$3,390 of interest payable (December 31, 2020: \$1,746) Accretion expense of \$2,324 (December 31,2020: \$225) for the period ended March 31, 2021 was calculated using an effective interest rate of 20%.

#### 5. Revenues

##### (a) Disaggregation of revenue

The Company disaggregates revenue by two major categories: (1) Revenues earned on individual listings and (2) long-term listing fee contracts. Listing fee contracts have defined terms and may require a minimum or specified number of available listings on the Company's website for a defined period of time. Revenue on individual listings relate to customers directly posting their listing to the Company's website.

Revenue by major category	Three-months ended March 31,	
	2021	2020
	\$	\$
Listing fees	825	2,190
Listing contracts	-	5,199
	<u>825</u>	<u>7,389</u>

##### (b) Accounts receivable and contract balances

Timing differences between invoicing, cash collection, and revenue recognition results in accounts receivable and also results in customer deposits and deferred revenue on the balance sheet. Amounts are billed in accordance with the terms of each customer contract, generally subsequent to the performance of obligations and related revenue recognition, resulting in accounts receivable.

#### 6. Related party transactions and balances

During the period the company incurred \$33,750 (2020- \$122,915) in director and management fees these which have been included in salaries and commissions.

#### 7. Share capital

- (a) Authorized  
Unlimited voting common shares

# ApartmentLove Inc.

## Notes to Condensed Interim Financial Statements

Period Ended March 31, 2021

. Issued

Common Shares	Number of Shares	Amount
<b>Balance, December 31, 2019</b>	30,466,604	\$ 1,829,596
Shares issued		
Common shares issued for cash	1,632,500	162,250
Share issuance costs	-	(8,349)
Shares issued for settlement of payables	370,076	37,577
Stock options exercised	1,037,500	79,000
Common shares issued in exchange for services	688,310	68,261
<b>Balance, December 31, 2020</b>	34,194,990	2,208,355
Shares issued		
Common shares issued for cash (i)	4,004,462	400,446
Share issuance costs	-	(35,800)
Shares issued for settlement of payables (ii)	970,125	97,013
Common shares issued in exchange for services (iii)	495,374	49,537
<b>Balance, March 31, 2021</b>	39,664,951	2,719,551

- (i) During the period to March 31, 2021, the Company completed a private placement to issue 4,004,462 common shares for total cash proceeds of \$364,646 net of share issuance costs.
- (ii) During the period to March 2021, \$97,013 of the amounts due to shareholders were converted to common shares, and 970,125 common shares at \$0.10 per share were issued.
- (i) During the period to March 31, 2021, the Company issued 495,374 common shares in exchange for \$49,537 in consulting services.

## ApartmentLove Inc.

### Notes to Condensed Interim Financial Statements

Period Ended March 31, 2021

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8. Stock-based compensation and warrants

At the discretion of the Board of Directors, the Company may grant options to directors, officers, employees and key consultants.

(a) The following is a summary of the Company's stock options outstanding:

	Number of Shares	Weighted Average Exercise Price \$
<b>Balance, December 31, 2019</b>	2,683,911	0.08
Granted	650,000	0.10
Cancelled	(681,250)	0.08
Exercised	(1,037,500)	0.08
<b>Balance, December 31, 2020</b>	1,615,161	0.09
Granted	1,800,000	0.10
<b>Balance, March 31, 2021</b>	3,415,161	0.09

During the three-months ended March 31, 2021 the Company issued 1,800,000 (2020 – Nil) share options to members of the board of directors and members of its advisory committee that entitle the option holder to purchase one common share at a price of \$0.10 per share. The options vested immediately and expire on March 31, 2023.

There were 3,415,161 options exercisable at March 31, 2021 (December 31, 2020 – 1,615,161). The weighted average life of all options outstanding at March 31, 2021 was 1.79 years (December 31, 2020 – 1.79 years).

Share-based compensation of \$95,600 was expensed during the three months ended March 31, 2021 (2020 - \$ 33,766).

The fair value of stock options granted during the period ended March 31, 2021 were estimated on the date of the grant using the Black-Scholes option pricing model with the following weighted average assumptions.

	<b>2020</b>
Risk-free interest rate	0.28%
Expected volatility	100%
Expected life	2.1 years
Expected dividend yield	0%
Estimated forfeiture rate	0%
Fair value per option	0.053
Share price on date of grant	0.10

A forfeiture rate of NIL% was used when recording stock-based compensation as it was expected, that all officers, directors, and employees would continue with the Company over the vesting period. Any forfeitures will be accounted for as they actually happen. The Company's shares were not traded publicly during the period ended March 31, 2021 and, as a result, the Company does not have the necessary trading history to compute its



## ApartmentLove Inc.

### Notes to Condensed Interim Financial Statements

#### Period Ended March 31, 2021

expected volatility using historical volatility; therefore, the Company has used the historical volatilities of certain members of its peer group for input into the Black-Scholes Option Pricing Model.

(b) A summary of warrant transactions is as follows:

	Number of Warrants	Weighted Average Exercise Price	Expiry Date
		\$	
<b>Outstanding at December 31, 2019</b>	879,100	0.090	
Issued	50,000	0.100	December 14, 2022
<b>Outstanding at December 31, 2020 and March 31, 2021</b>	<b>929,100</b>	<b>0.095</b>	

Warrants include the value of warrants grants to support financings. When warrants are subsequently exercised, the fair value of such warrants is credited to the share capital account as share issuance costs. Share issuance costs for warrants issued during the period ended March 31, 2021 was \$Nil (2020 - \$2,600). When warrants expire, their value is credited to contributed surplus.

There were 929,100 warrants exercisable at December 31, 2020 (December 31, 2020 – 929,100) with a weighted average life of 1.57 years (2020 – 1.82 years).

The fair value of stock warrants granted during the years during the period ended March 31, 2021 were estimated on the date of the grant using the Black-Scholes option pricing model with the following weighted average assumptions.

	2020
Risk-free interest rate	0.25%
Expected volatility	100%
Expected life	2 years
Expected dividend yield	0%
Estimated forfeiture rate	0%
Face value of warrants	0.052
Exercise price	0.10

## **ApartmentLove Inc.**

### **Notes to Condensed Interim Financial Statements**

**Period Ended March 31, 2021**

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#### 9. Commitments and contingencies

In May of 2018, the Company issued notice to two shareholders that were issued for providing services to the Company for the development of the mobile application and for work related to the search engine optimization. In May of 2017, the Company became aware of concerns related to the progress of the project and undertook a comprehensive review of the work performed to that date.

As a result of the Company's findings, management asserted that the common shares issued should be cancelled in accordance with the provisions of the appropriate statutes in the province of Alberta. In January 2021, the Company reached a proposed agreement with the shareholder to settle all amounts due for \$35,000 and to cancel the previously issued shares. The proposed settlement represents a contingent gain to the Company and has not been accrued at March 31, 2021.

**SCHEDULE D  
INTERIM MD&A**

*(See attached)*

# ApartmentLove Inc.

## Management Discussion & Analysis

For the three months ended:

March 31, 2021

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### Overview

The following is Management's Discussion & Analysis ("MD&A") of the activities, results of operations, and financial condition of ApartmentLove Inc. ("ApartmentLove" or the "Company") for the interim three-month period ended March 31, 2021, and the comparable period ended March 31, 2020.

This MD&A should be read in conjunction with the unaudited in-house prepared financial statements for the period ended March 31, 2021 and the audited financial statements for the year ended December 31, 2020. The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Certain sections of this MD&A may contain forward-looking statements and forward-looking information (collectively "Forward-Looking Information" as defined under applicable Canadian securities laws). Management believes the assumptions used in support of such Forward Looking Information to be reasonable however, there can be no assurances or guarantees of any sort as to the actual accuracy of any such assumptions and/or future performance of ApartmentLove whatsoever. Accordingly, actual results could differ materially from those expressed, or implied, in such Forward-Looking Information and readers of this MD&A are cautioned to not place any undue reliance on Forward-Looking Information.

The Company's audited financial statements have been prepared on a "going concern" basis, which presumes that ApartmentLove will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. All monetary amounts are reported in Canadian dollars unless otherwise noted.

To date, the operations of the Company have been primarily funded through private placements of debt and equity. The continued operations of ApartmentLove are dependent on the Company's ability to generate profitable operations in the future and to complete subsequent private placements of debt and equity, should they be necessary, until such a time as the Company is able to generate profitable operations.

The effective date for this MD&A is June 10, 2021.

### Description of the Business

The Company was incorporated on January 19, 2015 pursuant to the Canada Business Corporations Act (the "CBCA") under the name "Culada Asset Management Inc.", which such name, on May 18, 2018, was officially changed to "ApartmentLove Inc." by a resolution of the shareholders of the Company (the "Shareholders") at the Annual General Meeting of the Shareholders on May 31, 2018. The registered address for service of the Company's is Suite 1600, 421 - 7<sup>th</sup> Avenue SW, Calgary, Alberta T2P 4K9.

ApartmentLove operates an Internet Listing Service ("ILS") that promotes residential rental homes and apartments for rent via the Internet on behalf of landlords seeking new rental tenants for lease terms generally of not less than one continuous calendar year. As of the date of this MD&A, the Company's website ([www.apartmentlove.com](http://www.apartmentlove.com)) (the "Website") provides landlords with the ability to post advertisements that promote residential rental vacancies in Canada and the United States, and is soon to

begin permitting the advertisements of landlords wanting to promote rental vacancies in many other countries across Europe; and prospective renters with the ability to search for such residential rental vacancies and contact landlords for the purpose of scheduling viewings with the understood goal of signing a lease or tenancy agreement of generally not less than one continuous calendar year. Among other attributes and information that users of the Website generally require to make informed rental decisions, or rental listings on the Website include, but are not limited to, pictures, rental price, street address, location map, features and amenities, and a description of the rental property advertised for rent in addition to a mapping function and search filtering tools to help users find residential rental accommodations suitable for the renter given their unique needs, wants, and budget.

Management believed the path to value creation was to first secure a large inventory of residential rental properties from landlords on a free basis, then to invest marketing resources into the promotion of such rental inventory to prospective renters. Then, after having established a high number of users in a region or local market, begin charging landlords upfront listing fees for the right to promote their rental vacancies to the Company's user base via the Website in their respective market. As such, the Company has been gaining interest from landlords and now, as of June 8, 2021, has 275,957 active rental properties as compared to 178,450 properties listed for rent on December 21, 2020 listed for rent on the Website across Canada and the United States.

That 54.6% increase in listings translated to a corresponding significant increase in users. During the year-end December 31, 2020, the Company attracted a total of 160,496 users to the Website for daily and monthly active users ("DAUs" and "MAUs") of 440 and 13,375 respectively. For the April 1, 2021 to June 7, 2021 period (marking the period beginning with the restart of the Company's Search Engine Optimization ("SEO") program), the Company had 47,948 total unique users which equates to 705 DAUs, and 21,300 MAUs, an increase of 62.8% during that period only, as compared to the 49,613 total users in all of 2020. At steady state that will generate in excess of 250,000 total users in 2021. Management believes that growth in MAUs is directly attributable to the Company's investment in SEO. Management believes this should now translate into new revenues throughout the balance of 2021 leading to anticipated cashflow positive operations.

The Company intends to continue to grow its inventory of residential rental listings being displayed on the Website by contacting property management companies, apartment building owners and operators, industry associations, and private landlords directly, as well as through integrations with rental listing aggregation companies across North America, Europe, and elsewhere around the world. To achieve that continued listing growth, ApartmentLove plans to expand the size of its sales team.

The Company has generated and purchased various intangible assets (such as: domains, subdomains, client lists, and social media accounts) along with trademarks and is considering the development of dedicated mobile applications for Android and iPhone operating systems. It is Management's opinion that the mobile apps will enhance the user experience and generate a larger number of rental inquiries thereby improving the effectiveness of the ApartmentLove offering and the value same provides to both paying landlord clients and prospective renters using ApartmentLove assets to find rental accommodations via the internet.

### Non-Offering Prospectus

As of the date of this MD&A, the Company has filed a non-offering prospectus in support of a proposed listing of the Common Shares of ApartmentLove (the “**Common Shares**”) on the Canadian Securities Exchange (the “**CSE**”) (the “**Non-Offering Prospectus**” or the “**Prospectus**”).

### Going Concern

This MD&A and the Financial Statements attached hereto have been prepared assuming the Company will continue as a going concern. The going concern basis of presentation assumes the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Although the Company believes it will be successful, there is no guarantee the Company will attain its goal of becoming a profitable ILS. As a result, there is material uncertainty about the Company’s ability to continue as a going concern.

The Company has yet to generate substantial revenue from operations. As a result of COVID-19, ApartmentLove recorded a significant drop in revenue over the past year from \$52,574 in 2019 to \$14,588 in 2020, and especially as it refers to revenues in Q1/21 versus Q1/20 where revenues for the quarters were \$825 and \$7,389, respectively. However, since the end of 2020, the Company raised \$165,000 in debt financing and an additional \$546,996 in equity comprised of \$400,446 in cash receipts and \$146,550 in conversion of existing debt and services into Common Shares to improve its working capital position to a positive \$374,634.

While the Company expects to incur further operating losses for the foreseeable future, it reasonably expects the actioning of its ongoing SEO plans will continue to generate MAUs, attract customers, and establish competitive positions in new markets, which Management believes will lead to cashflow positive operations. The Company’s ability to continue as a going concern is dependent upon its ability to develop the Business into a profitable business, to obtain the necessary financing to carry out its business plans, become profitable, and to meet its corporate overhead needs and discharge its liabilities as and when they come due. Although the Company has been successful in the past in obtaining financing, there is no assurance of any kind that the Company will be able to obtain adequate financing (if any) in the future or that such financing (if any) will be made available on commercially reasonable terms to the Company (if at all). Therefore, the foregoing could be construed as suggesting that a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern could exist.

However, Management wishes to point out that for the May 1, 2021 to May 23, 2021 period, it averaged 12.6 leads per day, or approximately 390 leads per month. That lead volume is up from a total of 51 leads generated in February 2021. The Company attributes the 664% increase in lead volume to the actioning of its SEO program, the Website redesign, and continued investment in conversion rate optimization strategies.

Notwithstanding the foregoing, realization values of estimates and projections may be substantially different from the carrying values shown and the financial statements do not give effect to adjustments that may be necessary to correct the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.



### Financial Highlights

For the three-month period ended March 31, 2021, the Company incurred a net loss of \$212,893 as compared to a net loss of \$176,439 for the three-month period ended March 31, 2020; for an accumulated deficit to date of \$2,853,500.

#### **Selected Financial Information – Balance Sheet Items**

Balance Sheet Items	As at March 31/21	As at Dec. 31/20
Current Assets	\$496,118	\$58,259
Net Equipment	\$647	\$777
Net Intangible Assets	\$117,690	\$89,907
<b>Total Assets</b>	<b>\$614,455</b>	<b>\$148,943</b>
Current Liabilities	\$158,191	\$256,141
Term Loans	\$193,769	\$49,418
Share Capital	2,719,551	\$2,208,355
Equity Portion of Convertible Debt	\$29,029	3,821
Warrants	\$53,500	\$53,500
Contributed Surplus	\$313,915	\$218,315
Shareholders' Equity (Deficit)	(\$2,853,500)	(\$2,640,607)
<b>Total Liability and Equity</b>	<b>\$614,455</b>	<b>\$148,943</b>

During the first quarter of 2021 the Company closed a private placement, converted certain outstanding accounts payable into equity and issued Common Shares for services at \$0.10 per share, issuing a total of 5,469,961 Common Shares for total proceeds of \$546,996. The Company also placed a total of \$165,000 in new convertible debenture debt.

Current liabilities in the form of accounts payable and accrued liabilities decreased from \$256,141 at year-end 2020 to \$115,215 as at March 31, 2020.

As a result of the COVID 19 pandemic the Company obtained a \$60,000 CEBA loan in 2020, which is not due for repayment until December 31, 2022. \$20,000 of the loan is forgivable if \$40,000 of the CEBA loan is repaid by then.

For the three months Ended March 31,	2021	2020
Revenue	\$825	\$7,389
Net Loss	\$212,893	\$176,439
Loss per Share	\$0.01	\$0.01

Revenues significantly dropped in the quarter as a direct result of the COVID-19 pandemic. While all revenues to date were derived from single listing e-Commerce transactions (with no changes to the listing fees charged by the Corporation from the year prior), Management believes future revenues will become a

mix of monthly recurring listing subscription sales, and revenue per lead derived from the Corporation's US Revenue per Lead Model, where the Company is paid by Landlords for each lead online lead it generates as opposed to paying a recurring monthly listing fee. Similarly, its European Revenue per Booking Model program will pay the Corporation a fee equal to 30% of the first month's rent for any apartment rented on the ApartmentLove Website. it intends on implementing in 2021.

Selling, general and administrative expenses decreased from \$159,455 for the three months ended March 31, 2020 to \$44,280 for the three-month period ending March 31, 2021, while stock-based compensation expense increased from \$6,512 in Q1, 2020; to \$145,137 in Q1, 2021 primarily resulting from the issuance of 1,800,000 Board options on February 28, 2021 at a strike price of \$0.10 per Common Share, with an expiry date of March 31, 2023.

Results for the Previous 8 Quarters are as follows:

*For the Year Ended December 31, 2019*

Comparative Quarterly Results	Mar 31/19	Jun 30/19	Sep 30/19	Dec 31/19
Revenue	\$15,620	\$14,810	\$20,634	\$1,510
Net Income (Loss)	(\$244,366)	(\$278,436)	\$191,526	(\$265,293)
Loss per Share	\$0.005	\$0.005	\$0.005	\$0.005

*For the Year Ended December 31, 2020*

Comparative Quarterly Results	Mar 31/20	Jun 30/20	Sep 30/20	Dec 31/20
Revenue	\$7,389	\$2,677	\$3,097	\$1,425
Net Income (Loss)	(\$176,439)	(\$102,841)	(\$162,190)	(\$81,689)
Loss per Share	\$0.005	\$0.005	\$0.005	\$0.005

The significant drop in Q2, Q3, and Q4 losses in 2020 as compared to 2019 was primarily the result of reductions in staff and consultant fees resulting from the COVID 19 pandemic offset by the gain in cancellation of Common Shares to ECOM Media Group Inc. in the amount of \$282,276 in Q3 2019.

Professional fees decreased from \$220,659 in 2019 to \$84,914 in 2020, and salaries and management fees decreased from \$339,811 in 2019 to \$228,392 in 2020. Those substantive increases in cost were related to reductions in staff due to the COVID 19 pandemic, as well as additional professional fees incurred during the furtherance of two unsuccessful financings undertaken in 2019.

### **Dividends**

There were no dividends paid during the three-month period ended March 31, 2021 by the Company, and no dividend payments are planned for the foreseeable future.

### **Off-Balance Sheet Arrangements**

As of the date hereof, there are no “off-balance sheet arrangements” that have, or in Management’s opinion are likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources.

### **Related Party Transactions**

The Company had no related party transactions for the period ended March 31, 2021. Key Management personnel are those persons that have authority and responsibility for planning, directing, and controlling the activities of the Company, directly and/or indirectly. As of the three-month period ended March 31, 2021, the Company’s key Management personnel consisted of its directors and its President and Chief Executive Officer.

### **Financial Instruments and Risk Management**

The Company’s objective is to maintain sufficient working capital to maintain financial flexibility and to sustain the future development of the Company. To maintain financial flexibility, the Company may, from time to time, issue new Common or Preferred Shares and/or adjust the Company’s capital spending to manage the Company’s then current and projected cash requirements. To assess the Company’s financial strength, the Company continually monitors the Company’s cash balances and working capital. In the management of capital, the Company includes the components of Shareholder’s Equity as well as cash and cash equivalents.

The Company’s share capital is not subject to any external restrictions as of the date of this MD&A.

To date there have been no changes to the Company’s approach to capital management.

The Company's financial instruments consist of cash, accounts receivable, prepaid expenses, accounts payable, deferred revenue, and, from time to time, short or long-term loans. The fair values of these financial instruments approximate their respective carrying values due to the nature of these instruments, or their respective cash values.

The Company may continue to be exposed to a variety of financial risks by virtue of its activities including currency, credit, and liquidity as well as supernatural forces such as fire, flood, insurrection, and other acts of god including, but not limited to pandemics such as the Novel Coronavirus 2019 (“COVID-19”).

### **Disclosure of Outstanding Security Data**

As of the date of this MD&A, the Company’s share capital consisted of 39,644,951 Common Shares from a total of 185 individual shareholders; 3,415,166 options to purchase Common Shares; and 929,100 warrants to purchase Common Shares, and \$190,000 in convertible debentures with a 2-year term, accruing interest at 10% per annum, compounded annually. The debentures, and accrued interest, may be converted by the debenture holders prior to their maturity date into Common Shares of the Company at a conversion rate of \$0.10 per Common Share.

## Risks

### **A. Liquidity Risk**

Liquidity Risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed to Liquidity Risk with respect to ensuring the sufficiency of funds for working capital and commitments. The Company monitors the maturity dates of existing accounts payable and accrued liabilities, loans payable, and all other commitments to mitigate Liquidity Risk. As at March 31, 2021, the Company's financial liabilities are comprised of accounts payable, accrued liabilities, and convertible debt obligations.

### **B. Credit Risk**

Credit Risk arises from the potential that a counterparty will fail to perform its obligations. Management does not believe there is significant Credit Risk from any of the Company's customers as orders are only processed after payment is received. Notwithstanding the foregoing, the Company reviews financial assets past due on an ongoing basis with the objective of identifying potential matters which could delay the collection of funds at an early stage. Once items are identified as being "past due", contact is made with the respective customer to determine the reason for the delay in payment and to establish an agreement to clear such outstanding balance. To manage cash and Credit Risk, the Company works most closely with established property management companies that have an established operating history and a good name in the rental market in addition to charging private individuals for fees at the time of listing their respective rental properties on the Website.

### **C. Currency Risk**

The Company generates revenue in Canadian and US dollars and expenses, from time to time, are incurred in both Canadian and US dollars. As such, the Company is exposed to fluctuations in earnings from volatility in foreign currency rates. However, Management concludes the exposure to Currency Risk is "not material" and further notes that as of the date of this MD&A the Company does not utilize any financial instruments or cash management policies, save and except for the presentation of all financial statements in Canadian dollars, to mitigate such Currency Risks.

### **D. Health Risk**

On March 11, 2020, the World Health Organization assessed COVID-19 as a pandemic. Such assessment has resulted in governments worldwide enacting emergency measures to combat the spread of COVID-19. These measures, which include but are not limited to the implementation of travel bans, self-imposed quarantine periods, social distancing, and business closures in Canada, the United States, and elsewhere around the world, have caused material disruption to businesses globally resulting in an economic slowdown as global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted to the impacts of the COVID-19 pandemic with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is, as of the date of this MD&A,

Management Discussion & Analysis

unknown, as is the efficacy of the government and central bank interventions which individually and/or collectively may never be known. It is not possible to reliably estimate the length of time and the severity of these developments and the impact of same on the financial results and condition of the Company and in any future period caused either directly or indirectly by COVID-19 and the aforementioned measures undertaken by banks and governments around the world.

As of the date of these financial statements for the three-month period ended March 31, 2021, the Corporation has been impacted by COVID-19 however, the Corporation has managed its resources and Management believes it is positioned to successfully emerge from the COVID-19 that was certified as a pandemic and therefore a health risk on March 11, 2020.

June 10, 2021

(signed) "George Davidson"

George Davidson, MBA  
Chief Financial Officer

**SCHEDULE E  
AUDIT COMMITTEE CHARTER**

*(See attached)*

**APARTMENTLOVE INC.**  
(the “**COMPANY**”)

**AUDIT COMMITTEE CHARTER**

This Charter establishes the composition, the authority, roles and responsibilities and the general objectives of the Company’s audit committee, or its Board of Directors in lieu thereof (the “**Audit Committee**”). The roles and responsibilities described in this Charter must at all times be exercised in compliance with the legislation and regulations governing the Company and any subsidiaries.

**1. COMPOSITION**

- (a) *Number of Members.* The Audit Committee must be comprised of a minimum of three directors of the Company.
- (b) *Chair.* If there is more than one member of the Audit Committee, members will appoint a chair of the Audit Committee (the “**Chair**”) to serve for a term of one (1) year on an annual basis. The Chair may serve as the chair of the Audit Committee for any number of consecutive terms.
- (c) *Financial Literacy.* All members of the audit committee will be financially literate as defined by applicable legislation. If upon appointment a member of the Audit Committee is not financially literate as required, the person will be provided with a period of three months to acquire the required level of financial literacy.

**2. MEETINGS**

- (a) *Quorum.* The quorum required to constitute a meeting of the Audit Committee is set at a majority of members.
- (b) *Agenda.* The Chair will set the agenda for each meeting, after consulting with Management and the external auditor. Agenda materials such as draft financial statements must be circulated to all Audit Committee members for members to have a reasonable amount of time to review the materials prior to the meeting.
- (c) *Notice to Auditors.* The Company’s auditors (the “**Auditors**”) will be provided with notice as necessary of any Audit Committee meeting, will be invited to attend each such meeting and will receive an opportunity to be heard at those meetings on matters related to the Auditor’s duties.
- (d) *Minutes.* Minutes of the Audit Committee meetings will be accurately recorded, with such minutes recording the decisions reached by the committee.

**3. ROLES AND RESPONSIBILITIES**

The roles and responsibilities of the Audit Committee include the following:

## External Auditor

The Audit Committee will:

- (a) *Selection of the external auditor.* Select, evaluate, and recommend to the Board, for shareholder approval, the Auditor to examine the Company's accounts, controls and financial statements. *Scope of Work.* Evaluate, prior to the annual audit by the Auditors, the scope and general extent of the Auditor's review, including the Auditor's engagement letter.
- (b) *Compensation.* Recommend to the Board the compensation to be paid to the external auditors.
- (c) *Replacement of Auditor.* If necessary, recommend the replacement of the Auditor to the Board of Directors.
- (d) *Approve Non-Audit Related Services.* Pre-approve all non-audit services to be provided by the Auditor to the Company or its subsidiaries.
- (e) *Responsibility for Oversight.* Must directly oversee the work of the Auditor. The Auditor must report directly to the Audit Committee.
- (f) *Resolution of Disputes.* Assist with resolving any disputes between the Company's Management and the Auditors regarding financial reporting.

## Consolidated Financial Statements and Financial Information

The Audit Committee will:

- (a) *Review Audited Financial Statements.* Review the audited consolidated financial statements of the Company, discuss those statements with Management and with the Auditor, and recommend their approval to the Board.
- (b) *Review of Interim Financial Statements.* Review and discuss with Management the quarterly consolidated financial statements, and if appropriate, recommend their approval by the Board.
- (c) *MD&A, Annual and Interim Earnings Press Releases, Audit Committee Reports.* Review the Company's management discussion and analysis, interim and annual press releases, and audit committee reports before the Company publicly discloses this information.
- (d) *Auditor Reports and Recommendations.* Review and consider any significant reports and recommendations issued by the Auditor, together with Management's response, and the extent to which recommendations made by the Auditor have been implemented.

## Risk Management, Internal Controls and Information Systems



The Audit Committee will:

- (a) *Internal Control.* Review with the Auditors and with Management, the general policies and procedures used by the Company with respect to internal accounting and financial controls. Remain informed, through communications with the Auditor, of any weaknesses in internal control that could cause errors or deficiencies in financial reporting or deviations from the accounting policies of the Company or from applicable laws or regulations.
- (b) *Financial Management.* Periodically review the team in place to carry out financial reporting functions, circumstances surrounding the departure of any officers in charge of financial reporting, and the appointment of individuals in these functions.
- (c) *Accounting Policies and Practices.* Review management plans regarding any changes in accounting practices or policies and the financial impact thereof.
- (d) *Litigation.* Review with the Auditors and legal counsel any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the Company and the manner in which these matters are being disclosed in the consolidated financial statements.
- (e) *Other.* Discuss with Management and the Auditors correspondence with regulators, employee complaints, or published reports that raise material issues regarding the Company's financial statements or disclosure.

#### Complaints

- (a) *Accounting, Auditing and Internal Control Complaints.* The Audit Committee must establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls or auditing matters.
- (b) *Employee Complaints.* The Audit Committee must establish a procedure for the confidential transmittal on condition of anonymity by the Company's employees of concerns regarding questionable accounting or auditing matters.

#### **4. AUTHORITY**

- (a) *Auditor.* The Auditor, and any internal auditors hired by the company, will report directly to the Audit Committee.
- (b) *Independent Advisors.* The Audit Committee may, at the Company's expense and without the approval of Management, retain the services of independent legal counsels and any other advisors it deems necessary to carry out its duties and set and pay the monetary compensation of these individuals.

#### **5. REPORTING**

The Audit Committee will report to the Board on:

- (a) the Auditor's independence;

- (b) the performance of the Auditor and any recommendations of the Audit Committee in relation thereto;
- (c) the reappointment and termination of the Auditor;
- (d) the adequacy of the Company's internal controls and disclosure controls;
- (e) the Audit Committee's review of the annual and interim consolidated financial statements;
- (f) the Audit Committee's review of the annual and interim management discussion and analysis;
- (g) the Company's compliance with legal and regulatory matters to the extent they affect the financial statements of the Company; and
- (h) all other material matters dealt with by the Audit Committee.

**SCHEDULE F**  
**CODE OF BUSINESS CONDUCT AND ETHICS**

*(See attached)*

**APARTMENTLOVE INC.**  
(the “**COMPANY**”)

**CODE OF BUSINESS CONDUCT AND ETHICS**  
(adopted as of October 19, 2018)

**INTRODUCTION**

The Company is committed to maintaining the highest standards of ethical conduct, promoting integrity, deterring wrongdoing, and complying with applicable laws, rules, and regulations. In furtherance of this commitment, the Board of Directors (the “**Board**”) of the Company has adopted this Code of Business Conduct and Ethics (the “**Code**”) for all directors, officers and employees of the Company and its subsidiaries (each, a “**Company Individual**”). The principles set forth in this Code describe how each of the Company Individuals should conduct themselves. **All of the Company Individuals are expected to adhere to the principles of this Code.**

The Code applies to all of the Company Individuals, and all of the Company Individuals are accountable for compliance with the Code. The Board, or a committee of the Board, is responsible for updating the Code and monitoring compliance with the Code. The requirements of this Code are in addition to, and not in substitution for, any applicable laws, rules, regulations, common law or other contractual provisions.

This Code does not address every expectation or condition regarding proper and ethical business conduct. Accordingly, this Code is intended to serve as a source of guiding principles for Company Individuals. Company Individuals are encouraged to discuss issues about particular circumstances that may be relevant to one or more of the provisions of this Code with the Chair of the Board, or other representative appointed by the Board (the “**Board Code Representative**”), who may consult with inside or outside legal counsel as appropriate.

The Board encourages the reporting of any behaviour by Company Individuals which violates the Code and the Board will not tolerate retaliation against any person who in good faith reports such violations to the Board or the Board Code Representative.

**REPORTING VIOLATIONS OF THE CODE**

Company Individuals must promptly advise either a supervisor or the Board Code Representative if a Company Individual believes that he or she has observed a violation of the Code by any Company Individual, or by anyone purporting to be acting on the Company’s behalf. Any such reports may be made anonymously. Confidentiality will be maintained, to the extent permitted by law. If a Company Individual is not comfortable reporting such behaviour to a supervisor or the Board Code Representative, the individual may report to the Company’s external legal counsel.

The Company will not take or allow any reprisal against any Company Individual who, in good faith, reports a suspected violation of this Code. Any reprisal will be a serious breach of the Code and subject to disciplinary action.

**COMPLIANCE WITH LAWS, RULES AND REGULATIONS**

The Company requires that all Company Individuals strictly comply with applicable laws, rules and regulations of Canada and other countries where the Company may conduct business. These include all provincial, federal, and other laws, including securities and insider trading laws, and the Company's Insider Trading Policy. The obligation is on each Company Individual to ensure that applicable laws are known to him or her. The fact that in some countries certain standards of conduct are legally prohibited but are not enforced in practice, or their violation is not subject to public criticism or censure, will not excuse an illegal action by a Company Individual. Any case of non-compliance with an applicable law may subject a Company Individual to disciplinary action.

## **CONFLICTS OF INTEREST**

Company Individuals must base business decisions and personal actions on the best interests of the Company. Any situation that creates or appears to create a material conflict of interest must be avoided by a Company Individual. In addition to the conflicts of interest defined by applicable corporate law, a conflict of interest occurs when a Company Individual's private interest interferes in any way with the interests of the Company or may have an adverse effect on the Company Individual's motivation or the proper performance of their position with the Company. If a material conflict of interest arises, the Company Individual involved must disclose the conflict and take prompt action to remedy it in addition to taking any actions required by applicable corporate law. The following are examples of conflicts of interest:

- (a) accepting outside employment with, or accepting personal payments from, any organization which does business with the Company or is a competitor of the Company;
- (b) personally having, or having a close family member who has, a financial interest in a firm which does business with the Company;
- (c) receiving personal loans or guarantees of obligations as a result of one's position as a Company Individual;
- (d) engaging in conduct or entering into any transaction or agreement that competes with the Company's existing or prospective business or takes advantage of an opportunity which should be offered to the Company first;
- (e) accepting or giving bribes, kickbacks or any other improper payments for services relating to the conduct of the business of the Company;
- (f) accepting or giving gifts, favours, entertainment, or services, other than such minor gifts, etc. as are the practice in the Company's industry; and
- (g) having an interest in a transaction involving the Company.

If the Company determines that a Company Individual's employment or activity outside the Company interferes with performance or the ability to meet the requirements of the Company as they are modified from time to time, the director or employee may be asked to terminate the outside employment or activity. To protect the interests of both the Company Individual and the Company, any activity that involves potential or apparent conflict of interest may be undertaken only after disclosure to the Company by the Company Individual and review and approval by

management or the Board, as applicable. Similarly, to the extent that a Company Individual is interested in accepting an appointment as a director of another company or entity whose business is competitive with, or likely to be competitive with, that of the Company, such appointment may be accepted only after disclosure to the Company by the Company Individual and review and approval by Management or the Board, as applicable.

The requirements of this section of the Code are in addition to, and not in substitution for, any requirements imposed by applicable corporate law.

## **CORPORATE OPPORTUNITY**

Except as may be approved by the Board or the Chair, Company Individuals are prohibited from:

- (a) taking any opportunities that belong to the Company;
- (b) taking any opportunities that are discovered through the use of Company corporate property or information, or as a result of being a Company Individual;
- (c) using corporate property, information, or position; or
- (d) competing with the Company, in any way that will benefit themselves personally, or benefit their family, or be to the benefit of persons or entities outside the Company, whether or not it has a material impact on the Company's financial performance.

## **CONFIDENTIALITY**

It is the Company's policy that information regarding business affairs of the Company, other than information that has already been made available to the public, is confidential and should not be discussed with anyone outside the Company. If requested by the Company, Company Individuals must sign a written agreement confirming their obligations with respect to confidential information.

All Company Individuals must keep confidential information entrusted to them by the Company in their capacity as a Company Individual strictly confidential, except when the Company authorizes disclosure or when required by laws, regulations, or legal proceedings. Company Individuals should avoid discussing confidential information in public areas such as airplanes, elevators, and restaurants and on mobile phones, and should avoid inadvertent disclosure of confidential information through the use of laptop computers or other similar electronic devices in public places. Company Individuals should consult Management or the Board Code Representative, as applicable, if they believe they have a legal obligation to disclose confidential information.

No Company Individual shall use confidential information for his or her own personal benefit or to benefit persons or entities outside the Company.

The Company's policies on maintaining confidentiality of Company information are further set forth in the Company's Disclosure Policy.

## **FAIR DEALING**

The Company seeks to outperform its competition fairly and honestly, seeking competitive advantages through superior performance, not through unethical or illegal business practices. All Company Individuals are expected to act at all times with the highest degree of integrity.

Information about competitors, customers and suppliers is a valuable asset in the competitive markets in which the Company operates. The Company will obtain this information legally. Theft of proprietary information, inducing disclosures by a competitor's past or present employees, or any actions that could create an appearance of an improper agreement in respect of competitors is prohibited. Any Company Individual who is authorized to retain a consultant to gather competitive information must take steps to ensure that the consultant adheres to these policies. When in doubt about the propriety of any information-gathering technique or about whether a competitor, supplier, or other external contact has provided confidential information, a Company Individual should contact a member of Management or the Board Code Representative, as applicable.

All Company Individuals must treat the Company's customers, suppliers, competitors, creditors, directors, officers, and employees fairly and with respect. No Company Individual may take unfair advantage of anyone dealing or involved with the Company through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice.

## **RESPECT FOR COMPANY INDIVIDUALS**

All Company Individuals have the right to pursue their careers at the Company free from harassment and free from discrimination based on any ground prohibited by law, including race, colour, ancestry, place of origin, political belief, religion, marital status, family status, physical or mental disability, sex, sexual orientation or age.

The Company prohibits workplace harassment and discrimination. Company Individuals are encouraged and expected to report workplace harassment, discrimination, or other inappropriate conduct as soon as it occurs.

## **HEALTH AND SAFETY**

The Company is committed to making the work environment safe, secure and healthy for its employees and others. The Company complies with all applicable laws and regulations relating to safety and health in the workplace. All Company Individuals are expected to promote a positive working environment for all. Company Individuals are expected to consult and comply with all Company rules regarding workplace conduct and safety and should immediately report any unsafe or hazardous conditions or materials, injuries and accidents connected with the Company's business, and any activity that compromises Company security, to Management or the Board Code Representative. Company Individuals must not work under the influence of any substances that would impair the safety of others. All acts of workplace violence are prohibited.

## **PROTECTION AND PROPER USE OF COMPANY ASSETS**

All Company Individuals must perform their duties in a manner that protects the Company's assets and resources and ensures their efficient use. The Company's assets include the time that Company Individuals spend at work and their work product, as well as the Company's equipment, vehicles, supplies, computers and software, trading and bank accounts, company information and intellectual property. The Company's assets must be protected from loss,

damage, theft, misuse and waste and they may only be used for legitimate Company business purposes and not for personal benefit or gain.

Examples of prohibited personal use of the Company's assets include:

- (a) removal of Company property for personal use;
- (b) unauthorized use of Company vehicles or residences, if any;
- (c) use of company-paid contractors, if any, to perform work at a Company Individual's home; and
- (d) unauthorized copying of software, tapes, books and other legally protected work owned by the Company.

All Company Individuals must comply with security procedures in place to protect the Company's assets from time to time.

Company Individuals should exercise prudence in incurring and approving business expenses, work to minimize such expenses, and ensure that such expenses are reasonable and serve the Company's business interests.

## **ACCURACY OF BUSINESS RECORDS**

Honest and accurate recording and reporting of information is extremely important. Investors rely on the Company to provide accurate information about it and its affiliates and to make responsible business decisions based on reliable records. All books, records and accounts must accurately reflect transactions and events, and all financial records must conform both to generally accepted accounting principles and to the Company's internal control systems. Undisclosed or unrecorded funds or assets are not allowed. No entry may be made that intentionally hides or disguises the true nature of any transaction.

## **ACCOUNTING**

The Audit Committee is responsible for establishing procedures for the receipt, retention, and treatment of complaints regarding accounting, internal accounting controls or auditing matters. Company Individuals who have concerns or complaints regarding such matters must promptly submit those concerns or complaints to the chair of the Audit Committee or the Company's legal counsel.

## **WAIVERS AND AMENDMENTS**

Only the Board may waive application of, or amend any provision of, this Code. A request for such a waiver should be submitted in writing to the Board for its consideration. The Board may modify or repeal the provisions of the Code or adopt a new Code at any time it deems appropriate, with or without notice.

## **NO RIGHTS OR OBLIGATIONS CREATED**



This Code is a statement of the fundamental principles and key policies and procedures that govern the conduct of the Company's business. It is not intended to, and does not, in any way constitute an assurance of continued employment or create any rights in any Company Individual or other person or entity.

This Code is intended as a component of the flexible governance framework within which the Board, assisted by its committees, directs the affairs of the Company. It is for the sole and exclusive benefit of the Company and may not be used or relied upon by any other party. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company's charter documents, it is not intended to establish any legally binding obligations on the Company or limit or diminish any rights or remedies of the Company.

## CERTIFICATE OF THE CORPORATION

Dated: August 9, 2021

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by the Corporation as required by the securities legislation of the Province of Alberta.

"Trevor Davidson" (signed)

Trevor Davidson  
Chief Executive Officer

"George Davidson" (signed)

George Davidson  
Chief Financial Officer

### On behalf of the Board of Directors

"Philip J. Doublet" (signed)

Philip J. Doublet  
Director

"Scott MacMillan" (signed)

Scott MacMillan  
Director

"Murray Bryant" (signed)

Murray Bryant  
Director

"Brian Thompson" (signed)

Brian Thompson  
Director

"Ian Korman" (signed)

Ian Korman  
Director

## CERTIFICATE OF THE PROMOTERS

Dated: August 9, 2021

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by the Corporation as required by the securities legislation of the Province of Alberta.

*"Trevor Davidson" (signed)*

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Trevor Davidson  
Promoter

*"George Davidson" (signed)*

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George Davidson  
Promoter

**Schedule B**  
**Form 2A Listing Statement Disclosure – Additional Information**

All terms used but not defined in this Schedule B have the meanings given to them in the Prospectus, attached to this Listing Statement as Schedule A.

**3. CAPITALIZATION**

**a) Issued Capital**

	<b>Number of Securities (non-diluted)</b>	<b>Number of Securities (fully-diluted)</b>	<b>% of Issued (non-diluted)</b>	<b>% of Issued (fully diluted)</b>
<u>Public Float</u>				
<b>Total outstanding (A)</b>	<b>39,664,951</b>	<b>46,288,212</b>	<b>100%</b>	<b>100%</b>
<hr/>				
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	8,729,595	10,824,761	22.0%	23.4%
<b>Total Public Float (A-B)</b>	<b>30,935,356</b>	<b>35,463,451</b>	<b>78.0%</b>	<b>76.6%</b>
<u>Freely-Tradeable Float</u>				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	11,564,558	14,109,724	29.2%	30.5%
<b>Total Tradeable Float (A-C)</b>	<b>28,100,393</b>	<b>32,178,488</b>	<b>70.8%</b>	<b>69.5%</b>

8. **Public Securityholders (Registered)**

**Class of Security**

<b><u>Size of Holding</u></b>	<b><u>Number of holders</u></b>	<b><u>Total number of securities</u></b>
1 – 99 securities	<u>1</u>	<u>1</u>
100 – 499 securities	<u>0</u>	<u>0</u>
500 – 999 securities	<u>0</u>	<u>0</u>
1,000 – 1,999 securities	<u>0</u>	<u>0</u>
2,000 – 2,999 securities	<u>52</u>	<u>130,000</u>
3,000 – 3,999 securities	<u>5</u>	<u>16,880</u>
4,000 – 4,999 securities	<u>0</u>	<u>0</u>
5,000 or more securities	<u>122</u>	<u>30,788,476</u>
	<b><u>180</u></b>	<b><u>30,935,356</u></b>

9. **Public Securityholders (Beneficial)**

**Class of Security**

<b><u>Size of Holding</u></b>	<b><u>Number of holders</u></b>	<b><u>Total number of securities</u></b>
1 – 99 securities	<u>1</u>	<u>1</u>
100 – 499 securities	<u>0</u>	<u>0</u>
500 – 999 securities	<u>0</u>	<u>0</u>
1,000 – 1,999 securities	<u>0</u>	<u>0</u>
2,000 – 2,999 securities	<u>52</u>	<u>130,000</u>
3,000 – 3,999 securities	<u>5</u>	<u>16,880</u>
4,000 – 4,999 securities	<u>0</u>	<u>0</u>
5,000 or more securities	<u>122</u>	<u>30,788,476</u>
Unable to confirm	<b><u>180</u></b>	<b><u>30,935,356</u></b>

10. **Non-Public Securityholders (Registered)**

**Class of Security**

<b><u>Size of Holding</u></b>	<b><u>Number of holders</u></b>	<b><u>Total number of securities</u></b>
1 – 99 securities	<u>0</u>	<u>0</u>
100 – 499 securities	<u>0</u>	<u>0</u>
500 – 999 securities	<u>0</u>	<u>0</u>
1,000 – 1,999 securities	<u>0</u>	<u>0</u>
2,000 – 2,999 securities	<u>0</u>	<u>0</u>
3,000 – 3,999 securities	<u>0</u>	<u>0</u>
4,000 – 4,999 securities	<u>0</u>	<u>0</u>
5,000 or more securities	<u>7</u>	<u>8,729,595</u>
	<b><u>7</u></b>	<b><u>8,729,595</u></b>

b) **Convertible/ Exchangeable Securities**

Description of Security(include conversion / exercise terms, including conversion /exercise price)	Number of convertible / exchangeable securities outstanding	Number of listed securities issuable upon conversion / exercise
Options for purchase of Common Shares. Exercisable at \$0.064 per Common Share Expiring Dec. 31, 2021. All such Options have vested.	340,161	340,161
Options for purchase of Common Shares. Exercisable at \$0.08 per Common Share Expiring Dec. 31, 2022. All such Options have vested.	625,000	625,000
Options for purchase of Common Shares. Exercisable at \$0.10 per Common Share Expiring Dec. 31, 2022. All such Options have vested.	650,000	650,000
Options for purchase of Common Shares. Exercisable at \$0.10 per Common Share Expiring Mar. 31, 2023. All such Options have vested.	1,800,000	1,800,000
Warrants for the purchase of Common Shares. Exercisable at \$0.08 per Common Share. All such Warrants havevested. These Warrants expire on the 2-year anniversary of the Company's listing date.	330,000	330,000
Warrants for the purchase of Common Shares. Exercisable at \$0.10 per Common Share. All such Warrants havevested. These Warrants expire on the 2-year anniversary of the Company's listing date.	330,000	330,000
Warrants for the purchase of Common Shares. Exercisable at \$0.10 per Common Share. All such Warrants havevested. These Warrants expire on Nov. 15, 2021.	219,100	219,100

Warrants for the purchase of Common Shares. Exercisable at \$0.10 per Common Share. All such Warrants have vested. These Warrants expire on December 14, 2022.	50,000	50,000
Convertible Debenture paying 10% interest, compounded annually, and convertible into Common Shares at the 2-year anniversary of their respective debenture agreement date at a rate of \$0.10 per Common Shares.	1,900,000	2,299,000
<b>TOTAL:</b>	<b>6,244,261</b>	<b>6,643,261</b>

c) **Other Listed Securities**

The Issuer has no listed securities reserved for issuance.

**3. OTHER MATERIAL FACTS**

There are no material facts about the Issuer and its securities that are not disclosed under the preceding items or in the Prospectus and that are necessary in order for this Listing Statement to contain full, true, and plain disclosure of all material facts relating to the Issuer and its securities.

## CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, ApartmentLove Inc. hereby applies for the listing of the above mentioned securities on the Exchange. The foregoing contains full, true and plain disclosure of all material information relating to ApartmentLove Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Calgary, Alberta this 27th day of August, 2021.

"Trevor Davidson" (signed)

Trevor Davidson  
Chief Executive Officer

"George Davidson" (signed)

George Davidson  
Chief Financial Officer

## ON BEHALF OF THE BOARD OF DIRECTORS

"Philip J. Doublet" (signed)

Philip J. Doublet  
Director

"Brian Thompson" (signed)

Brian Thompson  
Director



## CERTIFICATE OF THE PROMOTERS

The foregoing contains full, true and plain disclosure of all material information relating to ApartmentLove Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Calgary, Alberta this 27th day of August, 2021.

*"Trevor Davidson" (signed)*

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Trevor Davidson

*"George Davidson" (signed)*

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George Davidson