
APARTMENTLOVE INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

THREE AND SIX MONTHS ENDED
JUNE 30, 2022 AND 2021

(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

NOTICE TO READER

The accompanying unaudited condensed interim financial statements of ApartmentLove Inc. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements have not been reviewed by the Company's auditors.

ApartmentLove Inc.
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

	As at June 30, 2022	As at December 31, 2021
ASSETS		
Current assets		
Cash	\$ 850,633	\$ 552,733
Accounts receivable (note 3)	45,181	24,036
Prepaid expenses and deposits	302,838	35,900
	1,198,652	612,669
Non-current assets		
Equipment (note 4)	1,251	1,612
Intangible assets (note 5)	271,840	267,136
Total assets	\$ 1,471,743	\$ 881,417
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current liabilities		
Accounts payable and accrued liabilities (note 6)	\$ 259,413	\$ 417,862
Term loans (note 7)	62,659	-
	322,072	417,862
Non-current liabilities		
Term loans (note 7)	721,872	451,780
Total liabilities	1,043,944	869,642
Shareholders' Equity		
Share capital (note 9)	3,702,472	2,939,464
Equity portion of convertible loan (note 7)	91,075	55,678
Contributed surplus	444,516	443,466
Warrants (note 11)	282,423	44,444
Deficit	(4,092,687)	(3,471,277)
Total shareholders' equity	427,799	11,775
Total liabilities and shareholders' equity	\$ 1,471,743	\$ 881,417

Nature of operations and going concern (note 1)
Subsequent events (note 14)

Approved by the Board of Directors:

"George Davidson"

Director

"Mackenzie Regent"

Director

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

ApartmentLove Inc.**Condensed Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Revenue (note 8)	\$ 2,701	\$ 1,166	\$ 3,734	\$ 1,991
Direct expenses	750	281	1,296	312
Gross profit	1,951	885	2,438	1,679
Expenses				
Selling, general and administrative expenses (note 13)	330,781	44,396	568,069	88,678
Stock-based compensation (notes 10 & 13)	-	-	40,400	145,137
Amortization and depreciation (notes 4 & 5)	36,836	14,355	70,232	35,267
Finance cost (note 7)	20,788	6,045	56,343	10,604
Total expenses	(388,405)	(64,796)	(735,044)	(279,686)
Net loss before other items	(386,454)	(63,911)	(732,606)	(278,007)
Write-up of accrued accounts payable	(90)	-	111,387	-
Other (expense) income	91	-	(191)	1,203
Net and comprehensive loss for the period	\$ (386,453)	\$ (63,911)	\$ (621,410)	\$ (276,804)
Net loss per share - basic and diluted	\$ (0.01)	\$ (0.00)	\$ (0.02)	\$ (0.01)
Weighted average number of common shares outstanding - basic and diluted (note 12)	40,955,588	39,664,951	39,807,845	37,346,569

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

ApartmentLove Inc.**Condensed Interim Statements of Changes in Shareholders' Equity (Deficiency)****(Expressed in Canadian Dollars)****(Unaudited)**

	Share Capital	Equity Portion of Convertible Loan	Warrants	Contributed Surplus	Deficit	Shareholders' Equity (Deficiency)
Balance, December 31, 2020	\$ 2,208,355	\$ 3,821	\$ 53,500	\$ 218,315	\$ (2,640,607)	\$ (156,616)
Common shares issued for cash, net of issuance costs	364,646	-	-	-	-	364,646
Equity component of convertible loans	-	25,208	-	-	-	25,208
Common shares issued for 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 for the period	-	-	-	-	(276,804)	(276,804)
Balance, June 30, 2021	\$ 2,719,551	\$ 29,029	\$ 53,500	\$ 313,915	\$ (2,917,411)	\$ 198,584
Balance, December 31, 2021	\$ 2,939,464	\$ 55,678	\$ 44,444	\$ 443,466	\$ (3,471,277)	\$ 11,775
Private placement, net of issuance costs	648,658	-	237,979	-	-	886,637
Equity component of convertible loans	-	35,397	-	-	-	35,397
Stock-based compensation	-	-	-	40,400	-	40,400
Stock options exercised	114,350	-	-	(39,350)	-	75,000
Net loss for the period	-	-	-	-	(621,410)	(621,410)
Balance, June 30, 2022	\$ 3,702,472	\$ 91,075	\$ 282,423	\$ 444,516	\$ (4,092,687)	\$ 427,799

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

ApartmentLove Inc.
Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Six Months Ended June 30,	
	2022	2021
Operating activities		
Net loss for the period	\$ (621,410)	\$ (276,804)
Items not affecting cash:		
Amortization and depreciation	70,232	35,267
Stock-based compensation	40,400	145,137
Finance cost	56,268	10,604
Changes in non-cash working capital items:		
Accounts receivable	(21,145)	(20,342)
Prepaid expenses and deposits	(266,938)	(900)
Accounts payable and accrued liabilities	(158,449)	(59,935)
Net cash used in operating activities	(901,042)	(166,973)
Investing activities		
Purchase of equipment	-	(1,235)
Purchase of intangible assets	(74,575)	(57,325)
Net cash used in investing activities	(74,575)	(58,560)
Financing activities		
Private placement, net of issuance costs	886,637	-
Common shares issued for cash, net of share issue costs	-	364,646
Proceeds from stock options exercised	75,000	-
Proceeds from term loans, net of transaction costs	311,880	165,000
Net cash provided by financing activities	1,273,517	529,646
Net change in cash	297,900	304,113
Cash, beginning of period	552,733	47,362
Cash, end of period	\$ 850,633	\$ 351,475
Non-cash items not included in cash flows:		
Common shares issued for settlement of payables	\$ -	\$ 97,013
Common shares issued in exchange of services	-	49,537
Warrants issued in exchange of services	\$ 9,749	\$ -

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

ApartmentLove Inc.

Notes to Condensed Interim Financial Statements Three and Six Months Ended June 30, 2022 and 2021 (Expressed in Canadian Dollars) (Unaudited)

1. NATURE OF OPERATIONS AND GOING CONCERN

ApartmentLove Inc. (the "Company") was federally incorporated under the laws of Canada on January 19, 2015, with operations commencing July 15, 2015. The Company provides an interactive real estate website (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.

These unaudited condensed interim 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 June 30, 2022, the Company had a positive working capital of \$876,580 (December 31, 2021 - \$194,807). The Company also had an accumulated deficit of \$4,092,687 (December 31, 2021 - \$3,471,277) as at June 30, 2022 and incurred a net loss during the six months ended June 30, 2022 of \$621,410 (six months ended June 30, 2021 - \$276,804). 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 June 30, 2022 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 unaudited condensed interim 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 was inappropriate. These adjustments could be material.

The Company listed on the Canadian Securities Exchange (the "CSE") and began trading on August 30, 2021 under the ticker symbol "APLV".

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB.

The policies applied in these unaudited condensed interim financial statements are based on IFRS issued and outstanding as of August 10, 2022, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended December 31, 2021. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2022 could result in restatement of these unaudited condensed interim financial statements.

ApartmentLove Inc.
Notes to Condensed Interim Financial Statements
Three and Six Months Ended June 30, 2022 and 2021
(Expressed in Canadian Dollars)
(Unaudited)

3. ACCOUNTS RECEIVABLE

	As at June 30, 2022	As at December 31, 2021
Goods and services tax recoverable	\$ 45,181	\$ 24,036

At June 30, 2022, the Company estimated an allowance for doubtful accounts of \$16,511 (December 31, 2021 - \$16,511). The Company has not written off any of its receivables, nor has it had a recovery of bad debts during the three and six months ended June 30, 2022.

4. EQUIPMENT

Cost	Computers	Furniture and Fixtures	Total
Balance, December 31, 2020	\$ 1,850	\$ 5,349	\$ 7,199
Additions	1,717	-	1,717
Balance, December 31, 2021 and June 30, 2022	\$ 3,567	\$ 5,349	\$ 8,916
Accumulated depreciation			
Balance, December 31, 2020	\$ 1,519	\$ 4,903	\$ 6,422
Charge for the year	436	446	882
Balance, December 31, 2021	\$ 1,955	\$ 5,349	\$ 7,304
Charge for the period	361	-	361
Balance, June 30, 2022	\$ 2,316	\$ 5,349	\$ 7,665
Net book value			
Balance, December 31, 2021	\$ 1,612	\$ -	\$ 1,612
Balance, June 30, 2022	\$ 1,251	\$ -	\$ 1,251

ApartmentLove Inc.
Notes to Condensed Interim Financial Statements
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(Expressed in Canadian Dollars)
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5. INTANGIBLE ASSETS

Cost	Website Development Costs	Domains	Total
Balance, December 31, 2020	\$ 212,659	\$ 114,771	\$ 327,430
Additions	275,923	-	275,923
Balance, December 31, 2021	\$ 488,582	\$ 114,771	\$ 603,353
Additions	58,430	16,145	74,575
Balance, June 30, 2022	\$ 547,012	\$ 130,916	\$ 677,928

Accumulated amortization and impairment

Balance, December 31, 2020	\$ 138,266	\$ 99,257	\$ 237,523
Charge for the year	83,978	14,716	98,694
Balance, December 31, 2021	\$ 222,244	\$ 113,973	\$ 336,217
Charge for the period	68,631	1,240	69,871
Balance, June 30, 2022	\$ 290,875	\$ 115,213	\$ 406,088

Net book value

Balance, December 31, 2021	\$ 266,338	\$ 798	\$ 267,136
Balance, June 30, 2022	\$ 256,137	\$ 15,703	\$ 271,840

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	As at June 30, 2022	As at December 31, 2021
Trade payables	\$ 251,101	\$ 357,862
Accrued liabilities	8,312	60,000
	\$ 259,413	\$ 417,862

All of the accounts payable and accrued liabilities at June 30, 2022 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 \$356 (December 31, 2021 - \$1,946), these payables are unsecured, non-interest bearing and are due on demand.

ApartmentLove Inc.
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Three and Six Months Ended June 30, 2022 and 2021
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7. TERM LOANS

	As at June 30, 2022	As at December 31, 2021
CEBA Loan (i)	\$ 36,499	\$ 33,319
Convertible debentures (ii)	748,032	418,461
	\$ 784,531	\$ 451,780

- (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, 2023. If the loan is paid back by December 31, 2023, \$20,000 of the loan will be forgiven. If the loan is not paid back by December 31, 2023 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 government subsidy that is presented in the statement of loss in other income. The balance as at June 30, 2022 includes \$10,405 (December 31, 2021 - \$7,225) of 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 to \$0.25 per common share. During the three and six months ended June 30, 2022, the Company closed a non-brokered private placement of convertible debentures totaling \$328,000 (2021 - \$590,000). The fair value of the loans was determined to be \$292,603 (2021 - \$518,280) using an effective interest rate of 16.79% and \$35,397 (2021 - \$71,720) being allocated to equity component of convertible debenture. During the 2022 fiscal year, a total of \$nil (2021 - \$138,685), which included accrued interest to date in the amount of \$nil (2021 - \$8,685) was converted into common shares. The balance as at June 30, 2022 includes \$59,627 (December 31, 2021 - \$6,539) of accretion and interest payable.

Convertible debentures	Fair Value	Equity Component	Total
Balance, December 31, 2020	\$ 21,652	\$ 3,821	\$ 25,473
Conversion of convertible debentures into common shares	(118,822)	(19,863)	(138,685)
Convertible debentures issued	518,280	71,720	590,000
Transaction costs	(17,400)	-	(17,400)
Accretion and interest expense	14,751	-	14,751
Balance, December 31, 2021	\$ 418,461	\$ 55,678	\$ 474,139
Convertible debentures issued	292,603	35,397	328,000
Transaction costs	(16,120)	-	(16,120)
Accretion and interest expense	53,088	-	53,088
Balance, June 30, 2022	\$ 748,032	\$ 91,075	\$ 839,107
Allocated as:			
Current			62,659
Non-current			685,373
Balance, June 30, 2022			\$ 748,032

ApartmentLove Inc.
Notes to Condensed Interim Financial Statements
Three and Six Months Ended June 30, 2022 and 2021
(Expressed in Canadian Dollars)
(Unaudited)

7. TERM LOANS (continued)

The maturity analysis of the undiscounted contractual balances of the term loans is as follows:

As at June 30, 2022

Less than one year	\$ 60,000
One to two years	793,000
Total undiscounted term loans	853,000
Amount representing implicit interest	(68,469)
Term loans	\$ 784,531

8. 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. During the three and six months ended June 30, 2022 and 2021, as a result of the COVID-19 pandemic, the Company provided free listings to its contract customers.

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2022	2021	2022	2021
Revenue by major category				
Listing fees	\$ 2,701	\$ 1,166	\$ 3,734	\$ 1,991

(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.

ApartmentLove Inc.
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9. SHARE CAPITAL

(a) Authorized share capital

The authorized share capital consisted of an unlimited number of voting common shares.

(b) Common shares issued

As at June 30, 2022, the total number of shares issued was 45,660,350 and valued at \$3,702,472. The change in issued share capital for the periods presented were as follows:

	Number of Shares	Share Capital
Balance, December 31, 2020	34,194,990	\$ 2,208,355
Common shares issued for cash (iii)	4,004,462	400,446
Share issuance costs (iii)	-	(35,800)
Common shares issued for payables (iv)	970,125	97,013
Common shares issued in exchange for services (v)	495,374	49,537
Balance, June 30, 2021	39,664,951	\$ 2,719,551
Balance, December 31, 2021	38,575,350	\$ 2,939,464
Private placement (i)	6,310,001	700,199
Share issuance costs (i)	-	(51,541)
Common shares issued for option exercise (ii)	774,999	114,350
Balance, June 30, 2022	45,660,350	\$ 3,702,472

(i) On May 24, 2022, the Company closed the first tranche of its non-brokered private placement of Units (the "Private Placement"). Each Unit is comprised of one common share and one-half of one common share purchase warrant. Each full warrant can be exercised to purchase one common share at a price of \$0.25 per share for a period of 2 years from the grant date. The Company issued 4,633,333 Units at a price of \$0.15 per Unit for gross proceeds of \$695,000. In connection with the Private Placement, the Company issued 26,667 warrants as payment for finder's fee. The gross proceeds of \$695,000 were allocated between share capital (in the amount of \$512,705) and warrant reserves (in the amount of \$182,295) based on the pro rata fair value of common shares and warrants. The Company incurred share issuance costs of \$45,556, out of which \$33,607 related to the common share portion was recorded as a reduction to share capital and \$11,949 related to the warrant portion was recorded as a reduction to warrant reserves.

On June 16, 2022, the Company closed the second tranche of the private placement. The Company issued 1,676,668 Units at a price of \$0.15 per Unit for gross proceeds of \$251,500. In connection with the private placement, the Company issued 64,000 warrants as finder's fee. The gross proceeds of \$251,500 were allocated between share capital (in the amount of \$187,494) and warrant reserves (in the amount of \$64,006) based on the pro rata fair value of common shares and warrants. The Company incurred share issuance costs of \$24,056, out of which \$17,934 related to the common share portion was recorded as a reduction to share capital and \$6,122 related to the warrant portion was recorded as a reduction to warrant reserves.

(ii) During the six months ended June 30, 2022, 774,999 stock options were exercised at a price of \$0.08 - \$0.10 per share for total proceeds of \$75,000. The options exercised had an original fair value of \$39,350 previously recognized in contributed surplus which was transferred to share capital upon exercise of the options.

ApartmentLove Inc.
Notes to Condensed Interim Financial Statements
Three and Six Months Ended June 30, 2022 and 2021
(Expressed in Canadian Dollars)
(Unaudited)

9. SHARE CAPITAL (continued)

(b) Common shares issued (continued)

- (iii) During the six months ended June 30, 2021, the Company completed a private placement to issue 4,004,462 common shares for total proceeds of \$364,646 (net of share issuance costs).
- (iv) During the six months ended June 30, 2021, \$97,013 of the amounts due to shareholders were converted to common shares, and 970,125 common shares were issued at \$0.10 per share.
- (v) During the six months ended June 30, 2021, the Company issued 495,374 common shares in exchange for \$49,537 in consulting services.

10. STOCK OPTIONS

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

The following table reflects the continuity of stock options for the six months ended June 30, 2022 and 2021:

	Number of Stock Options	Weighted Average Exercise Price
Balance, December 31, 2020	1,615,164	\$ 0.09
Granted (ii)	1,800,000	0.10
Balance, June 30, 2021	3,415,164	\$ 0.09
Balance, December 31, 2021	3,655,000	\$ 0.138
Granted (i)	400,000	0.25
Expired (iii)	(270,000)	0.25
Exercised (note 9(b)(ii))	(774,999)	0.097
Balance, June 30, 2022	3,010,001	\$ 0.153

- (i) On March 16, 2022, the Company granted 400,000 stock options to members of the board of directors of the Company, exercisable at a price of \$0.25 per share. The options vested immediately and expire on December 31, 2024. The fair value was determined to be \$40,400 using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.185, dividend yield of 0%, expected volatility of 100%, risk free interest rate of 1.83% and expected life of 2.80 years.
- (ii) On February 28, 2021, the Company granted 1,800,000 stock options to members of the board of directors of the Company, exercisable at a price of \$0.10 per share. The options vested immediately and expire on March 31, 2023. The fair value was determined to be \$95,400 using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.10, dividend yield of 0%, expected volatility of 100%, risk free interest rate of 0.28% and expected life of 2.08 years.
- (iii) During the six months ended June 30, 2022, a total of 270,000 stock options with an exercise price of \$0.25 per share which were not exercised by option holders lapsed and they were cancelled.

ApartmentLove Inc.

Notes to Condensed Interim Financial Statements Three and Six Months Ended June 30, 2022 and 2021 (Expressed in Canadian Dollars) (Unaudited)

10. STOCK OPTIONS (continued)

- (iv) 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 happen. The Company's shares became publicly traded on August 30, 2021 however, the Company does not yet 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.

During the three and six months ended June 30, 2022, the Company recorded share-based compensation expense of \$nil and \$40,400, respectively (three and six months ended June 30, 2021 - \$nil and \$95,600, respectively), related to stock options.

The following table reflects the actual stock options issued and outstanding as at June 30, 2022:

Expiry Date	Exercise Price (\$)	Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (exercisable)
December 31, 2022	0.08	0.50	500,001	500,001
December 31, 2022	0.10	0.50	300,000	300,000
March 31, 2023	0.10	0.75	1,080,000	1,080,000
December 31, 2023	0.25	1.50	730,000	730,000
December 31, 2024	0.25	2.51	400,000	400,000
	0.153	1.10	3,010,001	3,010,001

11. WARRANTS

The following table reflects the continuity of warrants for the three and six months ended June 30, 2022 and 2021:

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2020 and June 30, 2021	929,100	\$ 0.095
Balance, December 31, 2021	710,000	0.091
Granted (i)(ii)	3,245,668	0.25
Balance, December 31, 2021 and June 30, 2022	3,955,668	\$ 0.221

- (i) On May 24, 2022, as part of the closing of the first tranche of the Private Placement, the Company issued 2,316,667 warrants, exercisable into one additional common share at a price of \$0.25 for a period of 2 years from the grant date. The Company issued an additional 26,667 warrants as payment for finder's fee in connection with the closing of the Private Placement.

The value allocated to 2,316,667 warrants was determined to be \$182,295 based on the relative fair value between the fair value of the common shares and the fair value of the warrants issued in the Private Placement. The fair value of the warrants was determined using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.18, dividend yield of 0%, expected volatility of 162%, risk free interest rate of 2.57% and expected life of 2 years.

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11. WARRANTS (continued)

(i) (continued)

The fair value of 26,667 warrants was determined to be \$3,413 using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.18, dividend yield of 0%, expected volatility of 162%, risk free interest rate of 2.57% and expected life of 2 years. Out of \$3,413, \$2,518 related to the common share portion is recorded as a reduction to share capital and \$895 is related to the warrant portion is recorded as a reduction to warrant reserves.

(ii) On June 16, 2022, as part of the closing of the second tranche of the Private Placement, the Company issued 838,334 warrants, exercisable into one additional common share at a price of \$0.25 for a period of 2 years from the grant date. The Company issued an additional 64,000 warrants as payment for finder's fee in connection with the closing of the Private Placement.

The value allocated to 838,334 warrants was determined to be \$64,006 based on the relative fair value between the fair value of the common shares and the fair value of the warrants issued in the Private Placement. The fair value of the warrants was determined using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.145, dividend yield of 0%, expected volatility of 162%, risk free interest rate of 3.24% and expected life of 2 years.

The fair value of 64,000 warrants was determined to be \$6,336 using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.145, dividend yield of 0%, expected volatility of 162%, risk free interest rate of 3.24% and expected life of 2 years. Out of \$6,336, \$4,724 related to the common share portion is recorded as a reduction to share capital and \$1,612 is related to the warrant portion is recorded as a reduction to warrant reserves.

The following table reflects the actual warrants issued and outstanding as at June 30, 2022:

Expiry Date	Exercise Price (\$)	Remaining Contractual Life (years)	Number of Warrants Outstanding
December 14, 2022	0.10	0.46	50,000
August 30, 2023	0.08	1.17	330,000
August 30, 2023	0.10	1.17	330,000
May 24, 2024 (iii)	0.25	1.90	2,343,334
June 16, 2024 (iii)	0.25	1.96	902,334
	0.221	1.77	3,955,668

(iii) The warrants provide that if the volume weighted average trading price of the common shares on the CSE is equal to or greater than \$0.45 per share for over a 20 consecutive trading day period, the Company shall have the right to accelerate, by issuing a press release announcing such acceleration, the expiry date of the warrants to 30 calendar days after the date of such press release (such that warrant holders may either exercise all or a portion of the warrants in such 30 day period, or failing such exercise, any unexercised warrants would expire).

ApartmentLove Inc.

Notes to Condensed Interim Financial Statements Three and Six Months Ended June 30, 2022 and 2021 (Expressed in Canadian Dollars) (Unaudited)

12. LOSS PER SHARE

The calculation of basic and diluted loss per share for the three and six months ended June 30, 2022 was based on the net and comprehensive loss attributable to common shares of \$386,453 and \$621,410, respectively (three and six months ended June 30, 2021 – \$63,911 and \$276,804, respectively), and the weighted average number of common shares outstanding for the three and six months ended June 30, 2022 of 40,955,588 and 39,807,845, respectively (three and six months ended June 30, 2021 – 39,664,951 and 37,346,569, respectively). Diluted loss per share for the three and six months ended June 30, 2022 and 2021 did not include the effect of stock options, warrants and convertible debentures as they are anti-dilutive.

13. RELATED PARTY TRANSACTIONS

The Company considers its key management personnel to be its executive officers and directors. During the three and six months ended June 30, 2022, 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 companies controlled by members of directors. The total compensation relating to key management is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Management fees and commissions	\$ 95,945	\$ 27,750	\$ 150,878	\$ 61,500
Stock-based compensation	-	-	40,400	95,600
	\$ 95,945	\$ 27,750	\$ 191,278	\$ 157,100

- (i) During the three and six months ended June 30, 2022 the company incurred \$95,945 and \$150,878, respectively (three and six months ended June 30, 2021 - \$33,750), in management fees and commissions paid to the officers and companies controlled by directors of the Company. Of these amounts, management fees of \$50,625 and \$97,438, respectively (three and six months ended June 30, 2021 - \$27,750 and \$61,500, respectively) are recorded as salaries and commissions within selling, general and administrative expenses in profit or loss, commissions of \$nil and \$8,120, respectively (three and six months ended June 30, 2021 - \$nil) are recognized as a deduction from term loans, commissions of \$33,496 (three and six months ended June 30, 2021 - \$nil) are recognized as a reduction to share capital, and commissions of \$11,824 (three and six months ended June 30, 2021 - \$nil) are recognized as a reduction to warrant reserves.
- (ii) During six months ended June 30, 2022, the Company issued 400,000 (six months ended June 30, 2021 - 1,800,000) stock options to members of the board of directors (the "Board") that entitled the option holder to purchase one common share at a price of \$0.25 (six months ended June 30, 2021 - \$0.10) per share. The options vested immediately and expire as described in note 10. The stock based compensation expense recognized related to these options amounted to \$nil and \$40,400, respectively (three and six months ended June 30, 2021 - \$nil and \$95,600, respectively).

14. SUBSEQUENT EVENTS

On July 14, 2022, the Company acquired substantially all of the assets of Owner Direct, a short-term vacation rental Company for \$375,000 in cash.