
APARTMENTLOVE INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

THREE AND NINE MONTHS ENDED
SEPTEMBER 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 September 30, 2022	As at December 31, 2021
ASSETS		
Current assets		
Cash	\$ 488,791	\$ 552,733
Accounts receivable (note 3)	129,570	24,036
Prepaid expenses and deposits	278,717	35,900
	897,078	612,669
Non-current assets		
Equipment (note 4)	1,070	1,612
Intangible assets (notes 5 & 6)	638,651	267,136
Total assets	\$ 1,536,799	\$ 881,417
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current liabilities		
Accounts payable and accrued liabilities (note 7)	\$ 317,690	\$ 417,862
Term loans (note 8)	64,917	-
	382,607	417,862
Non-current liabilities		
Term loans (note 8)	741,206	451,780
Total liabilities	1,123,813	869,642
Shareholders' Equity		
Share capital (note 10)	3,980,567	2,939,464
Equity portion of convertible loan (note 8)	91,075	55,678
Contributed surplus	444,516	443,466
Warrants (note 12)	401,698	44,444
Deficit	(4,504,870)	(3,471,277)
Total shareholders' equity	412,986	11,775
Total liabilities and shareholders' equity	\$ 1,536,799	\$ 881,417

Nature of operations and going concern (note 1)
Subsequent events (note 16)

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 Income (Loss) and Comprehensive Income (Loss)
(Expressed in Canadian Dollars)
(Unaudited)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenue (note 9)	\$ 182,397	\$ 1,339	\$ 186,131	\$ 3,398
Direct expenses	1,594	236	2,890	548
Gross profit	180,803	1,103	183,241	2,850
Expenses				
Selling, general and administrative expenses (notes 14)	503,026	116,432	1,071,095	225,415
Stock-based compensation (notes 11 & 14)	-	-	40,400	145,137
Amortization and depreciation (notes 4 & 5)	67,781	19,057	138,013	45,770
Finance cost (note 8)	21,592	4,465	77,935	3,386
Total expenses	(592,399)	(139,954)	(1,327,443)	(419,708)
Net loss before other items	(411,596)	(138,851)	(1,144,202)	(416,858)
Write-off of accrued accounts payable	-	-	111,387	-
Gain on cancellation of shares (note 15)	-	175,000	-	175,000
Other (expense) income	(587)	-	(778)	1,203
Net and comprehensive income (loss) for the period	\$ (412,183)	\$ 36,149	\$ (1,033,593)	\$ (240,655)
Net earnings (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 13)	46,587,591	39,800,621	42,092,595	38,173,576

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	146,550	-	-	-	-	146,550
Common shares issued for conversion of convertible debt	138,685	(19,862)	-	-	-	118,823
Cancellation of common shares previously issued in exchange for assets	(210,000)	-	-	-	-	(210,000)
Stock-based compensation	-	-	-	95,600	-	95,600
Net loss for the period	-	-	-	-	(240,655)	(240,655)
Balance, September 30, 2021	\$ 2,648,236	\$ 9,167	\$ 53,500	\$ 313,915	\$ (2,881,262)	\$ 143,556
Balance, December 31, 2021	\$ 2,939,464	\$ 55,678	\$ 44,444	\$ 443,466	\$ (3,471,277)	\$ 11,775
Private placements, net of issuance costs	926,753	-	357,254	-	-	1,284,007
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	-	-	-	-	(1,033,593)	(1,033,593)
Balance, September 30, 2022	\$ 3,980,567	\$ 91,075	\$ 401,698	\$ 444,516	\$ (4,504,870)	\$ 412,986

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)

	Nine Months Ended September 30,	
	2022	2021
Operating activities		
Net loss for the period	\$(1,033,593)	\$ (240,655)
Items not affecting cash:		
Amortization and depreciation	138,013	45,770
Stock-based compensation	40,400	145,137
Finance cost	77,860	(9,060)
Gain on cancellation of shares	-	(175,000)
Changes in non-cash working capital items:		
Accounts receivable	(82,478)	(20,433)
Prepaid expenses and deposits	(242,817)	(900)
Accounts payable and accrued liabilities	(150,067)	(13,996)
Net cash used in operating activities	(1,252,682)	(269,137)
Investing activities		
Purchase of equipment	-	(4,102)
Purchase of intangible assets	(133,986)	(94,512)
Net cash used in investing activities	(133,986)	(98,614)
Financing activities		
Private placement, net of issuance costs	1,284,007	364,646
Net cash used in business combination	(348,161)	-
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	1,322,726	529,646
Net change in cash	(63,942)	161,895
Cash, beginning of period	552,733	47,362
Cash, end of period	\$ 488,791	\$ 209,257
Non-cash items not included in cash flows:		
Common shares issued for settlement of payables	\$ -	\$ 146,550
Warrants issued in exchange of services	\$ 28,916	\$ -

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

ApartmentLove Inc.

Notes to Condensed Interim Financial Statements

Three and Nine Months Ended September 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 September 30, 2022, the Company had a positive working capital of \$514,471 (December 31, 2021 - \$194,807). The Company had an accumulated deficit of \$4,504,870 (December 31, 2021 - \$3,471,277) as at September 30, 2022 and incurred a net loss during the nine months ended September 30, 2022 of \$1,033,593 (nine months ended September 30, 2021 - \$240,655). 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 September 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 November 29, 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, except as noted below. 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 Nine Months Ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)
(Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combination

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired. The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the acquirer assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date. The difference between the acquisition date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred is recognized as goodwill.

If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognized as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognized and also recognizes additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

3. ACCOUNTS RECEIVABLE

	As at September 30, 2022	As at December 31, 2021
Trade receivables	\$ 87,110	\$ -
Goods and services tax recoverable	31,724	24,036
Accrued revenue	10,736	-
	\$ 129,570	\$ 24,036

At September 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 nine months ended September 30, 2022.

ApartmentLove Inc.

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

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 September 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	542	-	542
Balance, September 30, 2022	\$ 2,497	\$ 5,349	\$ 7,846
Net book value			
Balance, December 31, 2021	\$ 1,612	\$ -	\$ 1,612
Balance, September 30, 2022	\$ 1,070	\$ -	\$ 1,070

5. INTANGIBLE ASSETS

Cost	Website Development Costs	Website	Brand	Listing Relationships	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	97,711	-	-	-	36,275	133,986
Acquired in business combination (note 6)	-	166,862	48,937	159,201	-	375,000
Balance, September 30, 2022	\$ 586,293	\$ 166,862	\$ 48,937	\$ 159,201	\$ 151,046	\$ 1,112,339
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	104,681	13,905	4,078	13,267	1,540	137,471
Balance, September 30, 2022	\$ 326,925	\$ 13,905	\$ 4,078	\$ 13,267	\$ 115,513	\$ 473,688
Net book value						
Balance, December 31, 2021	\$ 266,338	\$ -	\$ -	\$ -	\$ 798	\$ 267,136
Balance, September 30, 2022	\$ 259,368	\$ 152,957	\$ 44,859	\$ 145,934	\$ 35,533	\$ 638,651

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

6. ACQUISITIONS

On July 12, 2022, the Company completed a transaction to acquire all of the assets of Owner Direct Rentals Inc., including customer lists and domain names. The Company paid \$337,500 in cash with a holdback of \$37,500 to be released in February 2023 as consideration for the acquired assets, and \$16,228 for working capital adjustments.

The acquisition has been accounted for as a business combination with the Company as the acquirer. The net assets acquired and allocation of the purchase consideration was as follows:

Accounts receivable (i)	\$ 23,056
Intangible assets - Website	166,862
Intangible assets - Brand	48,937
Intangible assets - Listing relationships	159,201

Accrued liabilities	(6,828)
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Net assets acquired	\$ 391,228
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Acquisition-date fair value of the total consideration transferred	\$ 391,228
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Representing:	
Cash - purchase price	337,500
Cash - working capital adjustment	10,661
Accounts payable - purchase price	37,500
Accounts payable - working capital adjustment	\$ 5,567

Cash used to acquire the business combination, net of cash acquired

Acquisition-date fair value of the total consideration transferred	\$ 391,228
Less: accounts payable	43,067

Net cash used in the business combination	\$ 348,161
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(i) The fair value of trade receivables and gross contractual amount is \$23,056. There is no provision for uncollectable trade receivables as of the acquisition date.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	As at September 30, 2022	As at December 31, 2021
Trade payables	\$ 302,348	\$ 357,862
Accrued liabilities	8,312	60,000
Payroll liabilities	7,030	-
	\$ 317,690	\$ 417,862

All of the accounts payable and accrued liabilities at September 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.

Notes to Condensed Interim Financial Statements

Three and Nine Months Ended September 30, 2022 and 2021

(Expressed in Canadian Dollars)

(Unaudited)

8. TERM LOANS

	As at September 30, 2022	As at December 31, 2021
CEBA Loan (i)	\$ 38,202	\$ 33,319
Convertible debentures (ii)	767,921	418,461
	\$ 806,123	\$ 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 September 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 nine months ended September 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 September 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	72,977	-	72,977
Balance, September 30, 2022	\$ 767,921	\$ 91,075	\$ 858,996
Allocated as:			
Current			64,917
Non-current			703,004
Balance, September 30, 2022			\$ 767,921

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

8. TERM LOANS (continued)

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

As at September 30, 2022

Less than one year	\$ 60,000
One to two years	793,000
Total undiscounted term loans	853,000
Amount representing implicit interest	(46,877)
Term loans	\$ 806,123

9. 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 nine months ended September 30, 2022 and 2021, as a result of the COVID-19 pandemic, the Company provided free listings to its contract customers.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenue by major category				
Annual billing revenue	\$ 62,096	\$ -	\$ 62,096	\$ -
Commission revenue	108,274	-	108,274	-
Contract programming revenue	9,750	-	9,750	-
Insurance revenue	1,538	-	1,538	-
Listing fees	739	1,339	4,473	3,398
	\$ 182,397	\$ 1,339	\$ 186,131	\$ 3,398

(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.

10. 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 September 30, 2022, the total number of shares issued was 48,707,008 and valued at \$3,980,567. The change in issued share capital for the periods presented were as follows:

ApartmentLove Inc.

Notes to Condensed Interim Financial Statements

Three and Nine Months Ended September 30, 2022 and 2021

(Expressed in Canadian Dollars)

(Unaudited)

10. SHARE CAPITAL (continued)

(b) Common shares issued (continued)

	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 cancelled (iv)	(3,750,000)	(210,000)
Common shares issued for payables (v)	1,465,499	146,550
Common shares issued for debentures (vi)	1,386,850	138,685
Balance, September 30, 2021	37,301,801	\$ 2,648,236
Balance, December 31, 2021	38,575,350	\$ 2,939,464
Private placements (i)	9,356,659	1,036,227
Share issuance costs (i)	-	(109,474)
Common shares issued for option exercise (ii)	774,999	114,350
Balance, September 30, 2022	48,707,008	\$ 3,980,567

(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 25,000 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 \$45,342, out of which \$33,449 related to the common share portion was recorded as a reduction to share capital and \$11,893 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 1,676,664 Units at a price of \$0.15 per Unit for gross proceeds of \$251,500. In connection with the private placement, the Company issued 60,000 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 \$23,660, out of which \$17,639 related to the common share portion was recorded as a reduction to share capital and \$6,021 related to the warrant portion was recorded as a reduction to warrant reserves.

On September 2, 2022, the Company closed the third tranche of the private placement. The Company issued 3,046,662 Units at a price of \$0.15 per Unit for gross proceeds of \$456,999. In connection with the private placement, the Company issued 137,333 warrants as finder's fee. The gross proceeds of \$456,999 were allocated between share capital (in the amount of \$336,028) and warrant reserves (in the amount of \$120,971) based on the pro rata fair value of common shares and warrants. The Company incurred share issuance costs of \$79,405, out of which \$58,386 related to the common share portion was recorded as a reduction to share capital and \$21,019 related to the warrant portion was recorded as a reduction to warrant reserves.

(ii) During the nine months ended September 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. The fair value of the Company's shares were \$0.16 - \$0.22 per share on the exercise dates.

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

10. SHARE CAPITAL (continued)

- (b) Common shares issued (continued)
- (iii) During the nine months ended September 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 nine months ended September 30, 2021, 3,750,000 shares were cancelled as part of the settlement of a nuisance lawsuit. The value of the shares cancelled was \$210,000. The company made a payment of \$35,000 to settle the suit (note 15).
- (v) During the nine months ended September 30, 2021, \$146,550 of the amounts due to shareholders were converted to common shares, and 1,465,499 common shares were issued at \$0.10 per share.
- (vi) During the nine months ended September 30, 2021, the Company issued 1,386,850 common shares in exchange for convertible debentures in the total principal amount of \$130,000 plus \$8,685 in accrued interest.

11. 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 nine months ended September 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, September 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 10(b)(ii))	(774,999)	0.097
Balance, September 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 nine months ended September 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 Nine Months Ended September 30, 2022 and 2021 (Expressed in Canadian Dollars) (Unaudited)

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

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

Expiry Date	Exercise Price (\$)	Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (exercisable)
December 31, 2022	0.08	0.25	500,001	500,001
December 31, 2022	0.10	0.25	300,000	300,000
March 31, 2023	0.10	0.50	1,080,000	1,080,000
December 31, 2023	0.25	1.25	730,000	730,000
December 31, 2024	0.25	2.25	400,000	400,000
	0.153	0.85	3,010,001	3,010,001

12. WARRANTS

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

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2020 and September 30, 2021	929,100	\$ 0.095
Balance, December 31, 2021	710,000	0.091
Granted (i)(ii)(iii)	4,900,663	0.25
Balance, December 31, 2021 and September 30, 2022	5,610,663	\$ 0.230

- (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 25,000 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.

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

12. WARRANTS (continued)

(i) (continued)

The fair value of 25,000 warrants was determined to be \$3,200 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 \$3,200, \$2,361 related to the common share portion is recorded as a reduction to share capital and \$839 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 838,332 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 60,000 warrants as payment for finder's fee in connection with the closing of the Private Placement.

The value allocated to 838,332 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 60,000 warrants was determined to be \$5,940 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 \$5,940, \$4,428 related to the common share portion is recorded as a reduction to share capital and \$1,512 is related to the warrant portion is recorded as a reduction to warrant reserves.

(iii) On September 2, 2022, as part of the closing of the third tranche of the Private Placement, the Company issued 1,523,331 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 137,333 warrants as payment for finder's fee in connection with the closing of the Private Placement.

The value allocated to 1,523,331 warrants was determined to be \$120,971 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 137,333 warrants was determined to be \$19,776 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 \$19,776, \$14,541 related to the common share portion is recorded as a reduction to share capital and \$5,235 is related to the warrant portion is recorded as a reduction to warrant reserves.

ApartmentLove Inc.

Notes to Condensed Interim Financial Statements

Three and Nine Months Ended September 30, 2022 and 2021

(Expressed in Canadian Dollars)

(Unaudited)

12. WARRANTS (continued)

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

Expiry Date	Exercise Price (\$)	Remaining Contractual Life (years)	Number of Warrants Outstanding
December 14, 2022	0.10	0.21	50,000
August 30, 2023	0.08	0.92	330,000
August 30, 2023	0.10	0.92	330,000
May 24, 2024 (iv)	0.25	1.65	2,341,667
June 16, 2024 (iv)	0.25	1.71	898,332
September 2, 2024 (iv)	0.25	1.93	1,660,664
	0.230	1.64	5,610,663

(iv) 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).

13. EARNINGS (LOSS) PER SHARE

The calculation of basic and diluted loss per share for the three and nine months ended September 30, 2022 was based on the net and comprehensive loss attributable to common shares of \$412,183 and \$1,033,593, respectively (three and nine months ended September 30, 2021 – income of \$36,149 and loss of \$240,655, respectively), and the weighted average number of common shares outstanding for the three and nine months ended September 30, 2022 of 46,587,591 and 42,092,595, respectively (three and nine months ended September 30, 2021 – 39,800,621 and 38,173,576, respectively). Diluted loss per share for the three and nine months ended September 30, 2022 did not include the effect of stock options, warrants and convertible debentures as they are anti-dilutive.

14. RELATED PARTY TRANSACTIONS

The Company considers its key management personnel to be its executive officers and directors. During the three and nine months ended September 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 September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Management fees and commissions (i)	\$ 60,225	\$ 27,750	\$ 211,103	\$ 89,250
Stock-based compensation (ii)	-	-	40,400	95,600
	\$ 60,225	\$ 27,750	\$ 251,503	\$ 184,850

ApartmentLove Inc.

Notes to Condensed Interim Financial Statements

Three and Nine Months Ended September 30, 2022 and 2021

(Expressed in Canadian Dollars)

(Unaudited)

14. RELATED PARTY TRANSACTIONS (continued)

- (i) During the three and nine months ended September 30, 2022 the company incurred \$60,225 and \$211,103, respectively (three and nine months ended September 30, 2021 - \$27,750 and \$89,250, respectively), in management fees and commissions paid to the officers and companies controlled by directors of the Company. Of these amounts, management fees of \$60,225 and \$157,663, respectively (three and nine months ended September 30, 2021 - \$27,750 and \$89,250, 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 nine months ended September 30, 2021 - \$nil) are recognized as a deduction from term loans, commissions of \$33,496 (three and nine months ended September 30, 2021 - \$nil) are recognized as a reduction to share capital, and commissions of \$11,824 (three and nine months ended September 30, 2021 - \$nil) are recognized as a reduction to warrant reserves.
- (ii) During nine months ended September 30, 2022, the Company issued 400,000 (nine months ended September 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 (nine months ended September 30, 2021 - \$0.10) per share. The options vested immediately and expire as described in note 11. The stock based compensation expense recognized related to these options amounted to \$nil and \$40,400, respectively (three and nine months ended September 30, 2021 - \$nil and \$95,600, respectively).

15. COMMITMENTS AND CONTINGENCIES

In May of 2018, the Company issued notice to two shareholders that were issued common shares 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 an agreement with the shareholder to settle all amounts due for \$35,000 and to cancel the previously issued shares. The settlement represents a net gain to the Company of \$175,000, which was recognized during the year ended September 30, 2022.

16. SUBSEQUENT EVENTS

On November 3, 2022, the Company announced that it has entered into an agreement with Canaccord Genuity Corp. (the "Agent") to complete a brokered private placement (the "Offering") on a commercially reasonable efforts agency basis of up to 3,000 convertible debenture units of the Company (the "Debenture Units") at a price of \$1,000 per Debenture Unit to raise aggregate gross proceeds of up to \$3,000,000.

Each Debenture Unit shall be comprised of: (i) one \$1,000 principal amount unsecured convertible debenture of the Company (a "Convertible Debenture"); and (ii) 5,000 common share purchase warrants of the Company (each, a "Warrant"). The Convertible Debentures will mature 24 months from the closing of the Offering (the "Closing Date") and will bear interest at a rate of 10% per annum, payable in cash on a quarterly basis. The outstanding principal amount of each Convertible Debenture shall be convertible at the option of the holder thereof into common shares of the Company (the "Common Shares") at a price of \$0.20 per Common Share (the "Conversion Price"). Each Warrant shall be exercisable to acquire one Common Share at an exercise price of \$0.30 per Common Share for a period of 24 months from the Closing Date, provided that if, at any time following the date that is four months and one day from the Closing Date, the daily volume weighted average trading price of the Common Shares on the Canadian Securities Exchange (the "CSE") is greater than \$0.75 per Common Share for the preceding five consecutive trading days, the Company shall have the right to accelerate the expiry date of the Warrants to a date that is at least 30 days following the date of such written notice.

ApartmentLove Inc.

Notes to Condensed Interim Financial Statements

Three and Nine Months Ended September 30, 2022 and 2021

(Expressed in Canadian Dollars)

(Unaudited)

16. SUBSEQUENT EVENTS (continued)

The Company has also granted the Agent an option to sell up to an additional \$2,000,000 of Debenture Units under the Offering, exercisable in whole or in part up until 48 hours prior to the Closing Date (the "Agents' Option").

Upon the closing of the Offering, the Company shall pay to the Agent: (i) a cash commission equal to 6.0% of the aggregate gross proceeds of the Offering payable in cash or Debenture Units, or any combination of cash or Debenture Units at the option of the Agent; (ii) warrants exercisable at any time prior to the date that is 24 months from the Closing Date to acquire that number of units (each, an "Agents' Unit") which is equal to 6.0% of the gross proceeds of the Offering divided by the Conversion Price, at an exercise price equal to the Conversion Price; and (iii) a Corporate Finance Fee equal to that number of Debenture Units which is equal to 3.0% of the aggregate number of Debenture Units issued pursuant to the Offering. Each Agents' Unit shall be comprised of one Common Share and one Warrant.

The closing of the Offering is subject to customary closing conditions and receipt of all regulatory approvals, including but not limited to the approval of the CSE. All securities issued pursuant to the Offering will be subject to a statutory four month hold period from their date of issuance.

As part of the Offering, the Company's board of directors passed a resolution allowing each of the Company's current \$753,000 plus accrued interest \$0.25 convertible debenture holders to swap their current debentures in exchange for the new \$0.20 convertible debentures. Additionally, the term of the outstanding \$60,000 debenture has been extended for a period of one year.

On November 9, 2022, the Company announced that it has executed an asset purchase agreement with an Ontario based internet listing services company (the "Seller") to purchase the internet listing services business of the Seller for a cash purchase price of \$940,000, subject to customary working capital adjustments, and is expected to close on or about November 30, 2022.

On November 16, 2022, the Company's common shares commenced trading on the OTCQB Venture Market under the ticker symbol "APMLF".