Tribe Property Technologies Announces Record Revenue and Improving Adjusted EBITDA for Q1-2024

- *Tribe achieves record revenue of $5.3 million while cost reduction strategies have resulted in Tribe achieving 27% year-over-year improvement in Adjusted EBITDA in Q1-2024.*
- *On May 27, 2024, Tribe announced an agreement to acquire Toronto-based DMSI Holdings Ltd. ("DMSI"), including three operating subsidiaries. DMSI reported unaudited consolidated revenue of $12.1 million with Net Income of $2.4 million for 12 months ended December 31, 2023.*
- *To complete the DMSI acquisition, the Company has announced a non-brokered private placement to raise aggregate gross proceeds of up to $3.5 million.*
- *Management provides a strong growth outlook driven by the DMSI acquisition which is expected to boost the Company's proforma annualized revenue run-rate to over $31 million. Tribe is expecting increasing monthly recurring revenue, gross margin improvement and improved profitability from organic and inorganic growth in 2024.*

VANCOUVER, BC, May 30, 2024 /CNW/ - **Tribe Property Technologies Inc.** (TSXV: TRBE) (OTCQB: TRPTF) ("**Tribe**" or the "**Company**"), a leading provider of technology-elevated property management solutions, today announces its financial results for the first quarter ended March 31, 2024. All amounts are stated in Canadian dollars on an as reported basis under IFRS (International Financial Reporting Standards) unless otherwise indicated.

Joseph Nakhla, Tribe's CEO commented, "We are thrilled to announce a record revenue quarter in Q1-2024 and a 27% year-over-year improvement in Adjusted EBITDA in the quarter. We are very pleased with the successful acquisition of the Meritus Group under the Tribe umbrella, which strengthens our condo management foothold in the Greater Toronto Area, and earlier this week, we announced the proposed acquisition of Toronto-based DMSI Holdings Ltd. ("**DMSI**"). Upon closing, the DMSI acquisition propels Tribe's proforma annualized revenue run-rate to over $31 million and significantly improves the Company's profitability profile. In addition, the acquisition of DMSI expands the Company's footprint in residential rental and commercial property management, making Tribe one of the largest rental property management companies in Canada[1]. In addition to M&A, we are expecting healthy organic growth to continue in 2024 with a focus on improving profitability."

Angelo Bartolini, Tribe's Chief Financial Officer stated, "Improving profitability has been Tribe's strategic focus over the past year, and we're delighted to report that our efforts are yielding significant results. These efforts are reflected in our improved gross margin, and reduced cash burn. This outstanding progress underscores our unwavering commitment to delivering value to our shareholders."

Mr. Bartolini, further adds, "To complete the acquisition of DMSI, the Company also announced a non-brokered private placement to raise aggregate gross proceeds of up to $3.5 million which will be led by PROPELR Growth ("**PROPELR**"), a highly respected equity investment fund. We are thankful for the support that PROPELR and other insiders have shown for Tribe's future growth plans."

Q1-2024 Financial and Business Highlights:

- Revenue: Tribe achieved record revenue in the first quarter 2024 with revenue of $5.34 million; an increase of 14.6% compared to $4.66 million for the first quarter of 2023. Revenue growth was positively impacted by organic growth and the acquisition of Meritus in the fourth quarter.
- Gross profit: Gross profit for the first quarter of 2024 was $1.84 million (39.2%) compared to $1.44 million (37.5%) in the first quarter of 2023. Gross profit percentage improvement was primarily accomplished through restructuring and cost reduction efforts.
- Adjusted EBITDA: Adjusted EBITDA for the first quarter of 2024 was an outflow of $1.36 million; an improvement of 26.9% compared to an outflow of $1.86 million in the first quarter of 2023.
- On February 1, 2024, Tribe Property Technologies Inc. announced the appointment of Angelo Bartolini as President in addition to his role of Chief Financial Officer (CFO). Mr. Bartolini brings a wealth of executive leadership expertise to his expanded role in the Company.

Events Subsequent to March 31, 2024:

- On May 27, 2024, The Company announced the acquisition of DMSI including three operating subsidiaries of DMSI; DMS Property Management Ltd., Del Management Solutions Inc., and Delcom Management Services Inc. Tribe will acquire 100% of the issued and outstanding shares of DMSI in consideration for $13,000,000, which will be satisfied by: (i) $10,000,000 in cash paid on closing, subject to adjustment; and (ii) $3,000,000 payable by promissory note.
- For the 12-month period ending December 31, 2023, DMSI generated revenue of $12.1 million and Net Income before income taxes of $2.4 million (consolidated unaudited results).
- Tribe anticipates funding the DMSI acquisition through cash on hand, drawing on the Company's acquisition debt facility and the Company also announced a non-brokered private placement to raise aggregate gross proceeds of up to $3,500,000 (the "**Financing**"). The Financing is being led by PROPELR, a Toronto based late-stage growth, equity investment fund, and will also include participation by the operators of DMSI.

Outlook:

Management remains optimistic that 2024 will be a strong year for Tribe, with improved revenue growth, profitability and expanding margins. In addition, the Company expects to further augment its growth through acquisitions. Tribe remains resilient in the current higher interest rate environment with technology solutions that benefit our clients. The Company is pleased to reiterate its key goals for 2024:

- Increase monthly recurring revenue. Organic growth will be fueled by landing new property management agreements, onboarding more communities onto the Tribe platform, winning new software licensing agreements and increasing digital services revenue.
- Make additional acquisitions. Tribe expects to close the DMSI acquisition by the end of May and continues to have several additional acquisition targets in its M&A pipeline.
- Improving profitability. The Company expects to continue driving efficiencies in the business resulting in improved gross margins and enhancing Tribe's EBITDA profile. The acquisition of DMSI also further accelerates the Company's goal to achieving profitability.
- Continue to innovate. Tribe is committed to investing in its proprietary software platform and adding functionality to its suite of products in order to maintain its industry leadership position.

First Quarter 2024 Financial Webcast

The Company will hold a conference call and simultaneous webcast to discuss its results on May 30, 2024 at 5:30 pm ET (2:30 am PT). The call will be hosted by Joseph Nakhla, Chief Executive Officer, and Angelo Bartolini, Chief Financial Officer. Please dial-in 10 minutes prior to start of the call.

Webinar Details:

Date:	May 30, 2024
Time:	5:30 pm ET (2:30 pm PT)
Webinar Registration:	https://bit.ly/TRBE-Q124-webinar
Dial-in:	+1 778 907 2071 (Vancouver local) +1 647 374 4685 (Toronto local)
Meeting ID#:	854 9800 8024

Please connect 5 minutes prior to the conference call to ensure time for any software download that may be required.

Non-IFRS Measures

The following and preceding discussion of financial results includes reference to Gross Profit, Gross Profit Percentage and Adjusted EBITDA, which are all non-IFRS financial measures. The measure of Gross Profit[3] and Gross Profit Percentage[3] is provided as management believes this is a good indicator in evaluating the operating performance of the Company. Adjusted EBITDA[2] is provided as a proxy for the cash earnings (loss) from the operations of the business as operating income (loss) for the Company includes non-cash amortization and depreciation expense and stock-based compensation.

Adjusted EBITDA[2]	**Three months ended March 31, 2024,**	
$000s	**2024**	**2023**
Net loss	$ (2,203)	$ (2,412)
Depreciation	213	217
Amortization	262	147
Stock-based compensation	53	75
Interest expense	227	147
Interest income	-	(31)
Severance costs	54	-
Acquisition costs	29	-
Other	3	(6)
Adjusted EBITDA [2]	$ (1,362)	$ (1,863)

Gross Profit[3]	**Three Months Ended March 31**	
$000s	**2024**	**2023**
Revenue, excluding ancillary revenues	$ 4,684	$ 3,834
Cost of software & services and software license fees (excluding costs related to ancillary revenues)	2,847	2,397
Gross Profit[3]	$ 1,837	$ 1,437
Gross Profit[3] Percentage	39.2 %	37.5 %

Financial Statements and Management's Discussion & Analysis

Please see the consolidated financial statements and related Management's Discussion & Analysis ("MD&A") for more details. The unaudited consolidated financial statements for the first quarter ended March 31, 2024 and related MD&A have been reviewed and approved by Tribe's Audit Committee and Board of Directors. Tribe recognizes that most of its investors are now accessing corporate and financial information either through pushed news services, directly from www.tribetech.com or SEDAR. Thus, Tribe has prepared this truncated news release to alert investors to its results and that a more detailed explanation and analysis is readily available in the MD&A. These reports have been filed on SEDAR at www.sedar.com and posted at www.tribetech.com.

Footnotes

(1) Source: https://issuu.com/riccardo11/docs/cpm_spring_2023_whos_who._lr

(2) Non-IFRS measure that does not have a standardized meaning and may not be comparable to a similar measure disclosed by other issuers. Adjusted EBITDA is also not a measure recognized in accordance with IFRS and does not have a prescribed or standardized meaning by IFRS. The

Company defines Adjusted EBITDA as net income or loss excluding depreciation and amortization, stock-based compensation, interest expense, income tax expense, impairment charges and other expenses. It should be noted that Adjusted EBITDA is not defined under IFRS and may not be comparable to similar measures used by other entities. The Company believes Adjusted EBITDA is a useful measure as it provides important and relevant information to management about the operating and financial performance of the Company. Adjusted EBITDA also enables management to assess its ability to generate operating cash flow to fund future working capital needs, and to support future growth. Excluding these items does not imply that they are non-recurring or not useful to investors. Investors should be cautioned that Adjusted EBITDA attributable to shareholders should not be construed as an alternative to net income (loss) or cash flows as determined under IFRS.

(3) Non-IFRS measure that does not have a standard meaning and may not be comparable to a similar measure disclosed by other issuers. Gross Profit and Gross Profit Percentage do not have a standardized meaning under IFRS, and therefore may not be comparable to similar measures presented by other issuers. The Company defines gross profit as revenue, excluding ancillary revenues, less cost of software and services and software licensing fees. Cost of software and services include direct costs of community managers, client accounting staff and accounting software, excluding client administration and other administrative applications. The Company defines gross profit percentage as gross profit calculated as a percentage of revenues, excluding ancillary revenues. Gross profit and gross profit percentage should not be construed as an alternative for revenue or net loss in accordance with IFRS. The Company believes that gross profit and gross profit percentage are meaningful metrics in assessing our financial performance and operational efficiency.

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About Tribe Property Technologies

Tribe is a property technology company that is disrupting the traditional property management industry. As a rapidly growing tech-forward property management company, Tribe's integrated service-technology delivery model serves the needs of a much wider variety of stakeholders than traditional service providers. Tribe seeks to acquire highly accretive targets in the fragmented North American property management industry and transform these businesses through streamlining and digitization of operations. Tribe's platform decreases customer acquisition costs, increases retention, and allows for the addition of value-added products and services through the platform. Visit tribetech.com for more information.

Cautionary Statement on Forward-Looking Information

This news release may contain certain "Forward-Looking Statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and applicable Canadian securities laws regarding the Company and its business. When or if used in this news release, the words "anticipate", "believe", "estimate", "expect", "target, "plan", "forecast", "may", "schedule" and similar words or expressions identify forward-looking statements or information. Forward-looking statements or information in this news release may relate to statements with respect to the aims and goals of the Company; financial projections; growth plans including future prospective consolidation in the property management sector; future acquisitions by the Company; closing of the acquisition of DMSI Holdings Ltd.; beliefs of the Company with respect to the independent owner-investors market; prospective benefits of the Company's platform; and other factors or *information. Such statements represent the Company's current views with respect to future events and are necessarily based upon several assumptions and estimates that, while considered reasonable by the Company, are inherently subject to significant business, economic, competitive, political, and social risks, contingencies, and uncertainties. Many factors, both known and unknown, could cause results, performance, or achievements to be materially different from the results, performance or achievements that are or may be expressed or implied by such forward-looking statements. The Company does not intend, and do not assume any obligation, to update these forward-looking statements or information to reflect changes in assumptions or changes in circumstances or any other events affecting such statements and information other than as required by applicable laws, rules, and regulations.*

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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