



# Tribe Property Technologies Announces 74% Increase in Revenue and 93% Improvement in Adjusted EBITDA in Q3-2024

- *Tribe achieved record quarterly revenue of \$8.33 million in Q3-2024, an increase of 74% from the same period last year, driven by healthy organic growth and the acquisitions of DMS and Meritus Management Group (Meritus).*
- *Tribe is pleased to report a 93% Year-over-Year improvement in Adjusted EBITDA as a result of increasing revenues in the quarter and the execution of strategic integration and efficiency projects resulting in cost reductions.*
- *Management provides a strong growth outlook and is on track with its goal of achieving Adjusted EBITDA positive by the end of 2024; and generating positive cash flow from operating activities in 2025.*

VANCOUVER, BC, Nov. 28, 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 third quarter ended September 30, 2024. All amounts are stated in Canadian dollars on an as reported basis under IFRS (International Financial Reporting Standards) unless otherwise indicated.

Joseph Nakhla, Chief Executive Officer of Tribe, commented, "We are thrilled with the financial performance of the quarter. The acquisition of DMS and prior to that, Meritus, in combination with our robust organic growth, has propelled Tribe's annualized revenue run rate to over \$32 million and has significantly enhanced the Company's profitability profile. Furthermore, our cost optimization efforts have delivered material benefits, evidenced by the significant improvement in our Adjusted EBITDA. We remain on track to reach break-even Adjusted EBITDA by year-end and expect to start generating positive cash flow from operating activities in 2025. We are starting to realize the benefits of our national footprint and expanded revenue streams."

## Q3-2024 Financial Highlights:

- **Revenue:** Tribe achieved record revenue of \$8.33 million in Q3-2024, an increase of 74% compared to \$4.80 million in Q3-2023. Revenue growth was positively impacted by organic growth and the acquisitions of DMSI and Meritus Group Management Inc.
- **Gross profit<sup>(2)</sup>:** Gross profit was \$3.03 million in Q3-2024, an increase of 99% compared to \$1.52 million in Q3-2023. Gross profit was favorably impacted by the increase in revenue and cost optimization efforts as a result of executing on strategic integration and efficiency projects in the quarter.
- **Gross margin percentage:** Tribe achieved Gross margin percentage of 38.8% in Q3-2024, in line with Gross margin percentage of 38.8% in Q3-2023. Gross margin percentage remained stable, supported by revenue growth and cost optimization initiatives.
- **Adjusted EBITDA<sup>(1)</sup>:** Tribe had an Adjusted EBITDA loss of \$0.11 million in Q3-2024, an improvement of 93% compared to an Adjusted EBITDA loss of \$1.44 million in Q3-2023. Adjusted EBITDA improvement was driven by higher gross profit and enhanced operational efficiencies.
- **Revenue Segmentation:** Recurring revenue, which is composed of Tribe's management service fees across condo, rental, commercial and not for profit housing, was \$7.12 million in Q3-2024,

an increase of 67%, compared to \$4.26 million in Q3-2023. The increase in recurring revenue was due to the onboarding of new customers, as well as the DMS and Meritus acquisitions. Transactional revenue was \$1.21 million as compared to \$0.53 million in Q3-2023, representing an increase of 128%. This growth was primarily driven by an increase in financial services revenues through banking partnerships and software licensing fees for upcoming real estate development projects; underscoring the Company's ongoing commitment to identifying new avenues for creating value for stakeholders.

### **Q3-2024 Business Highlights:**

- On July 17, 2024, Tribe launched its Tribe Home app for Android devices and introduced enhancements to its iOS version, improving customer experience and making it easier than ever to manage and live in multi-family residential homes, such as condos and townhouses.
- On August 22, 2024, Tribe announced that it had rebranded and unified all of DMSI's various service divisions under the name DMS.
- Tribe also announced it had begun the expansion of DMS' service offerings to Tribe's current customer base of Strata and Condo Corporations, Investor-Owners and Property Developers, leveraging expanded service offerings across Canada.

### **Outlook:**

The Company is on track to achieve its key goals for 2024 with accelerating revenue growth, improved profitability and expanding margins. The Company is pleased to report on its key goals for 2024:

- Increase monthly recurring revenue. Organic growth 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. The company expects to continue executing on its aggressive M&A strategy. Tribe closed its transformational acquisition of DMSI in June 2024 and continues to have several additional acquisition targets in its M&A pipeline.
- Improve profitability. The Company expects to continue driving efficiencies in the business resulting in improved gross margins and enhancing Tribe's EBITDA profile. The completion of key integration milestones for DMS has accelerated the Company's goal of achieving profitability.
- Continue to innovate. Tribe continued to invest in its proprietary software platform this year, adding functionality to its suite of products in order to maintain its industry leadership position.

The persistent housing shortage across North America remains a key long-term driver of increased construction activity and demand for Tribe's services. Tribe's advanced tech-elevated property management solutions continue to be the cornerstone of its success, delivering exceptional value and efficiencies to stakeholders and strengthening the Company's expansive national footprint.

### **Third Quarter 2024 Financial Webcast**

The Company will hold a conference call and simultaneous webcast to discuss its results on November 28, 2024 at 1:00 pm ET (10:00 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: November 28, 2024  
Time: 1:00 pm ET (10:00 am PT).  
Webinar Registration: <https://bit.ly/TRBE-Q324-webinar>  
Dial-in: +1 778 907 2071 (Vancouver local)  
+1 647 374 4685 (Toronto local)

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

## Footnotes

- (1) Adjusted EBITDA is a non-IFRS measure that does not have a standardized meaning and may not be comparable to a similar measure disclosed by other issuers. 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. 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 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 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.
- (2) Gross Profit and Gross Profit Percentage are non-IFRS measures that do not have a standard meaning and may not be comparable to a similar measure disclosed by other issuers. The Company defines Gross Profit as revenue less cost of software and services and software licensing fees, and Gross Profit Percentage as Gross Profit calculated as a percentage of revenue. 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 the Company's financial performance and operational efficiency.

## 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.

<u>Adjusted EBITDA</u> <sup>1</sup>	<u>Three months ended</u>		<u>Nine months ended</u>	
	<u>September 30</u>		<u>September 30, 2024</u>	
<u>\$000s</u>	<u>2024</u>	<u>2023</u>	<u>2023</u>	<u>2023</u>
Net loss	\$ (1,341)	\$ (2,071)	\$ (6,241)	\$ (7,199)
Depreciation	202	208	620	646
Amortization	388	147	913	441
Stock-based compensation	26	47	96	136
Interest expense	437	145	983	436
Interest income	-	(20)	-	(72)
Severance costs	100	73	140	73
Acquisition costs	25	28	649	28
Other	58	4	193	1
<b>Adjusted EBITDA</b> <sup>1</sup>	<b>\$ (105)</b>	<b>\$ (1,439)</b>	<b>\$ (2,647)</b>	<b>\$ (5,510)</b>

<u>Gross Profit</u> <sup>2</sup>	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>September 30</u>		<u>September 30</u>	
<u>\$000s</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenue, excluding ancillary revenues	\$ 7,823	\$ 3,921	\$ 18,146	\$ 11,759
Cost of software & services and software license fees (excluding costs related to ancillary revenues)	4,790	2,398	10,937	7,240
<b>Gross Profit</b> <sup>2</sup>	<b>\$ 3,033</b>	<b>\$ 1,523</b>	<b>\$ 7,209</b>	<b>\$ 4,519</b>
<b>Gross Profit</b> <sup>2</sup> Percentage	<b>38.8 %</b>	<b>38.8 %</b>	<b>39.7 %</b>	<b>38.4 %</b>

## 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 third quarter ended September 30, 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](http://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](http://www.sedar.com) and posted at [www.tribetech.com](http://www.tribetech.com).

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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](http://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; integration of the acquisition of Meritus Group Management Inc or DMS.; beliefs of the Company with respect to property management and real estate development markets; 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.*

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