

# **MARBLE FINANCIAL INC.**

Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2021 and 2020  
*(Unaudited – Expressed in Canadian Dollars)*

**NOTICE OF NO AUDITOR REVIEW OF  
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited condensed consolidated interim financial statements of the Group have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

**MARBLE FINANCIAL INC.**

## Condensed Consolidated Interim Statements of Financial Position

(Unaudited – Presented in Canadian Dollars)

AS AT	March 31, 2021	December 31, 2020
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 1,415,144	\$ 1,326,253
Accounts receivable	104,981	571
Interest receivable (Note 6)	45,328	36,034
Loans receivable – current (Note 6)	617,361	794,643
Prepaid expenses	58,143	69,833
	2,240,957	2,227,334
<b>Loans receivable (Note 6)</b>	1,252,718	1,427,201
<b>Office furniture, equipment, and right-of-use assets (Note 7)</b>	248,732	290,399
<b>Intangible assets (Note 8)</b>	610,578	626,979
<b>Total assets</b>	4,352,985	4,571,913
<b>LIABILITIES AND SHAREHOLDERS' DEFICIENCY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	447,878	522,038
Interest payable	115,518	43,921
Convertible debentures (Note 9)	-	422,495
Loans payable (Notes 5 and 10)	25,164	25,164
Unearned revenue	88,758	198,856
Bonds payable – current (Note 11)	1,980,270	1,977,869
Lease liabilities (Note 12)	172,848	177,271
	2,830,436	3,367,614
<b>Loans payable (Notes 5 and 10)</b>	79,248	85,539
<b>Bonds payable (Note 11)</b>	3,146,490	3,183,489
<b>Lease liabilities (Note 12)</b>	77,938	123,172
<b>Total liabilities</b>	6,134,112	6,759,814
<b>Shareholders' deficiency</b>		
Share capital (Note 13)	10,210,184	8,480,151
Equity component of convertible debentures (Note 9)	-	27,347
Reserves (Note 13)	699,101	542,565
Accumulated deficit	(12,690,412)	(11,237,964)
<b>Total shareholders' deficiency</b>	(1,781,127)	(2,187,901)
<b>Total liabilities and shareholders' deficiency</b>	\$ 4,352,985	\$ 4,571,913

Nature of operations (Note 1)

Events after the reporting period (Note 17)

Approved on behalf of the Board of Directors on May 31, 2021

“Karim Nanji” Director
“Farhan Abbas” Director

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

**MARBLE FINANCIAL INC.**Condensed Consolidated Interim Statements of Loss and Comprehensive Loss  
(Unaudited – Presented in Canadian Dollars)

<b>For the three months ended March 31,</b>	<b>2021</b>	<b>2020</b>
Interest revenue		
Loans	185,836	198,454
Interest expense		
Bonds	(144,951)	(131,582)
Convertible debentures and lease liabilities (Notes 9 and 12)	(31,981)	(10,717)
	(176,932)	(142,299)
<b>Net interest (expense) income</b>	<b>8,904</b>	<b>56,155</b>
Other income		
Subscription fees	126,843	35,569
Service fees and other	15,730	50,764
<b>Total (expense) income</b>	<b>151,477</b>	<b>142,488</b>
<b>Bad debts and allowance for loan impairment</b>	<b>170,000</b>	<b>(11,224)</b>
<b>Operating expenses</b>		
Administration costs	381,349	101,505
Amortization (Notes 7 and 8)	58,068	64,404
Consulting fees (Note 14)	312,517	294,484
Investor relations	38,080	31,475
Marketing	112,414	45,894
Salary and benefits (Note 14)	333,251	348,166
Share based payments (Notes 13 and 14)	156,536	67,226
Transfer agent and filing fees	19,674	4,441
<b>Total operating expenses</b>	<b>(1,411,889)</b>	<b>(957,595)</b>
<b>Other expenses</b>		
Loss on settlement of convertible debentures (Note 9)	(22,036)	-
<b>Net loss and comprehensive loss</b>	<b>(1,452,448)</b>	<b>(826,331)</b>
Basic and diluted loss per common share	(0.02)	(0.01)
Weighted average number of shares outstanding – basic and diluted	73,843,319	55,750,763

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

**MARBLE FINANCIAL INC.**

Condensed Consolidated Interim Statements of Changes in Shareholders' Deficiency  
(Unaudited – Presented in Canadian Dollars)

	<u>Share Capital</u>		Stock option and warrant reserves	Equity component of convertible debentures	Deficit	Total
	Number of shares	Amount				
<b>Balance, December 31, 2019</b>	55,750,763	6,153,526	373,754	-	(7,687,234)	(1,159,954)
Equity component of convertible debentures	-	-	-	23,781	-	23,781
Share-based payments	-	-	67,226	-	-	67,226
Net loss for the period	-	-	-	-	(826,331)	(826,331)
<b>Balance, March 31, 2020</b>	55,750,763	6,153,526	440,980	23,781	(8,513,565)	(1,895,278)
Shares issued under RSU plan (Note 13)	75,000	12,375	(12,375)	-	-	-
Shares issued for private placement (Note 13)	15,567,401	2,335,110	-	-	-	2,335,110
Private placement costs – cash (Note 13)	-	(12,705)	-	-	-	(12,705)
Private placement costs – agents' warrants (Note 13)	-	(8,155)	8,155	-	-	-
Private placement costs – agents' units (Note 13)	303,333	-	-	-	-	-
Equity component of convertible debentures (Note 9)	-	-	-	9,511	-	9,511
Convertible debenture redeemed (Note 9)	-	-	-	(5,945)	-	(5,945)
Share-based payments	-	-	105,805	-	-	105,805
Net loss for the period	-	-	-	-	(2,724,399)	(2,724,399)
<b>Balance, December 31, 2020</b>	71,696,497	8,480,151	542,565	27,347	(11,237,964)	(2,187,901)
Shares issued for private placement (Note 13)	4,333,334	1,200,000	-	-	-	1,200,000
Private placement costs – cash (Note 13)	-	(6,300)	-	-	-	(6,300)
Convertible debenture redeemed (Note 9)	1,533,333	521,333	-	(27,347)	-	493,986
Shares issued for marketing campaign (Note 13)	40,843	15,000	-	-	-	15,000
Share-based payments	-	-	156,536	-	-	156,536
Net loss for the period	-	-	-	-	(1,452,448)	(1,452,448)
<b>Balance, March 31, 2021</b>	77,604,007	10,210,184	699,101	-	(12,690,412)	(1,781,127)

The accompany notes are an integral part of these condensed consolidated interim financial statements.

**MARBLE FINANCIAL INC.**

Condensed Consolidated Interim Statements of Cash Flows  
(Presented in Canadian Dollars) – unaudited

<b>For the three months ended March 31,</b>	<b>2021</b>	<b>2020</b>
<b>CASH FROM OPERATING ACTIVITIES</b>		
Net loss for the period	\$ (1,452,448)	\$ (826,331)
Items not affecting cash:		
Amortization	58,068	64,404
Accrued interest on bonds payable	18,120	17,990
Lease accretion	6,551	10,717
Share based payments (Note 14)	156,536	67,226
Shares issued for marketing campaign	15,000	-
Accretion on convertible debentures (Note 9)	5,654	2,892
Interest on convertible debentures	7,292	-
Interest on loans payable	-	1,705
Loss on settlement of convertible debentures	22,036	-
Changes in non-cash working capital items:		
Accounts receivables	(104,410)	-
Interest receivable	(9,294)	(6,714)
Loans receivable	351,765	(219,094)
Prepaid expenses	11,690	39,929
Unearned revenue	(110,098)	49,463
Accounts payable and accrued liabilities	(36,503)	(142,328)
Interest payable	71,597	103,090
Net cash used in operating activities	(988,444)	(837,051)
<b>CASH FROM INVESTING ACTIVITY</b>		
Acquisition of property, equipment, and right-of-use assets	-	(4,135)
Net cash used in investing activity	-	(4,135)
<b>CASH FROM FINANCING ACTIVITIES</b>		
Common shares issued, net of share issuance costs	1,193,700	-
Convertible debentures issued	-	400,000
Proceeds on convertible debentures received in advance	-	160,000
Payment of loans payable	(6,291)	(7,996)
Payment of lease liabilities	(46,615)	(51,440)
Payment of convertible debentures	(10,741)	-
Redemption of bonds	(52,718)	(76,466)
Net cash generated by financing activities	1,077,335	424,098
Change in cash during the period	88,891	(417,088)
Cash, beginning of the period	1,326,253	755,262
Cash, end of the period	\$ 1,415,144	\$ 338,174
Interest received	\$ 114,574	\$ 172,367
Interest paid	\$ 303,365	\$ 9,789

**Supplemental cash flow information** (Note 15)

**Reconciliation of changes in liabilities arising from financing activities** (Note 16)

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

## **MARBLE FINANCIAL INC.**

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2021 and 2020

(Unaudited – Presented in Canadian Dollars)

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### **1. NATURE OF OPERATIONS**

Marble Financial Inc. (formerly MLI Marble Lending Inc.) (“Marble”, collectively with its subsidiaries, the “Company”) was incorporated as Phoenix N2N Capital Inc. under the Business Corporation Act (British Columbia) on July 7, 2015. On September 15, 2016, Marble was continued under the Canada Business Corporation Act and on December 16, 2015 changed its name from Phoenix N2N Capital Inc. to MLI Marble Lending Inc. On November 8, 2019, Marble changed its name from MLI Marble Lending Inc. to Marble Financial Inc. The head office of the Company is located at Suite 404-999 Canada Place, Vancouver, British Columbia, V6C 3E2. Marble’s common shares are listed for trading on the Canadian Securities Exchange (“CSE”) under the symbol “MRBL,” quoted on the OTC Pink market under the symbol “MRBLF” and on the Frankfurt Stock Exchange under the symbol “2V0”.

The Company’s primary business activity is to help Canadians proactively rebuild their credit back to mainstream levels through data-driven financial technology solutions and financial literacy and education. The Company has entered into numerous non-exclusive referral agreements with third party financial services firms, and together with internal marketing efforts, has enabled the Company to provide its innovative products to individual clients referred to the Company. The Company’s MyMarble platform, with software and data-driven artificial intelligence (“AI”) tools, helps underserved Canadians improve their personal finance and creditworthiness. This proprietary technology platform and diagnostic software allows consumers to leverage artificial intelligence, data and statistics to visualize and control their finances and credit score and help lead them back to mainstream financial services.

These condensed consolidated interim financial statements have been prepared on the basis of a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at March 31, 2021, the Company had a working capital deficit of \$589,479 (December 31, 2020 – \$1,140,280), a shareholders’ deficiency of \$1,781,127 (December 31, 2020 – \$2,187,901) and an accumulated deficit of \$12,690,412 (December 31, 2020 – \$11,237,964) and therefore will need ongoing funding to continue its operations. There is no assurance that additional funding will be available on a timely basis or on terms acceptable to the Company. If the Company is unable to obtain sufficient funding, the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of the going concern accounting principle will be in significant doubt. These condensed consolidated interim financial statements do not reflect the adjustments or reclassification which would be necessary if the Company were unable to continue its operations in the normal course of business.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak continues to adversely affect workforces, economies, and financial markets globally, potentially leading to an economic downturn. Currently, it is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or ability to raise funds. However, weak economic conditions may affect the financial condition and credit worthiness of some of the Company’s consumer debtors.

## MARBLE FINANCIAL INC.

Notes to the Condensed Consolidated Interim Financial Statements

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(Unaudited – Presented in Canadian Dollars)

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### 2. BASIS OF PRESENTATION

#### Statement of compliance

The Company prepared these condensed consolidated interim financial statements in accordance with International Accounting Standard 34 (“IAS 34”) Interim Financial Reporting. These condensed consolidated interim financial statements were approved by the Board of Directors and authorized for issue on May 31, 2021. The accounting policies and methods of computation applied by the Company in these condensed consolidated interim financial statements are the same as those applied in the Company’s annual consolidated financial statements for the year ended December 31, 2020.

#### Basis of measurement

These condensed consolidated interim financial statements are prepared on the historical cost basis, except for certain items recorded at fair value. These condensed consolidated interim financial statements are presented in Canadian dollars, which is the Company’s functional currency.

#### Basis of consolidation

The Company’s consolidated financial statements include Marble and its wholly owned subsidiaries as follows:

<b>Company</b>	<b>Place of Incorporation</b>	<b>Effective Interest</b>
TPFM The Phoenix Fund Management Ltd. (“TPFM”)	Canada	100%
TPF The Phoenix Fund Inc. (“TPF”)	Canada	100%
Score-Up Inc. (“Score-Up”)	Canada	100%
Credit Meds Corp. (“Credit Meds”)	Canada	100%

Control is achieved where the Company has power over an entity, has exposure or rights to variable returns from its involvement with the entity and has the ability to use its power over the entity to affect the amount of the investor’s returns. Subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases. All inter-company balances, transactions, revenues and expenses have been eliminated on consolidation.

### 3. USE OF ESTIMATES AND JUDGMENTS

The preparation of these condensed consolidated financial statements requires management to make estimates and judgments and to form assumptions that affect the reported amounts and other disclosures in these consolidated financial statements. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results of these assumptions form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Changes to accounting estimates are recognized in the period in which the estimate is revised and all future periods which are affected by the change in estimate. The principal areas where critical estimates and judgments have been applied are described below:



**MARBLE FINANCIAL INC.**

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2021 and 2020

(Unaudited – Presented in Canadian Dollars)

**3. USE OF ESTIMATES AND JUDGMENTS** *(cont'd...)***Impairment of intangible assets**

Intangible assets which are available for use and have a definite useful life are assessed for indicators of impairment at the end of each reporting period. If indicators of impairment exist, the Company will test those intangible assets for impairment. The Company tests intangible assets with an indefinite useful life and intangible assets which are not yet ready for use on an annual basis. Significant judgment is required in determining the useful lives and recoverable amounts of intangible assets, and assessing whether certain events or circumstances constitute objective evidence of impairment. Estimates of the recoverable amounts of the intangible assets rely on certain inputs, including future cash flows and discount rates. Future cash flows are based on revenue projections and allocated costs which are estimated based on forecast results and business initiatives. Discount rates are based on market interest rates.

**Income taxes**

Income tax expenses recorded in these condensed consolidated interim financial statements are not final until tax returns are filed and accepted by taxation authorities. Therefore, results of operations in future reporting periods may be affected by the difference between the income tax expense estimates and the final tax assessments. Estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the ability to use the underlying future tax deductions against future taxable income. The assessment is based on enacted tax acts and estimates of future taxable income.

**Business combinations**

Management determines whether assets acquired, and liabilities assumed constitute a business. A business consists of inputs and processes applied to those inputs that have the ability to create outputs. During the year ended December 31, 2019, Marble completed the acquisition of the shares of each of Score-Up and Credit Meds (Note 5) and concluded that each of these transactions did not qualify as business combinations under IFRS 3, “Business Combinations.”

**4. ACQUISITION OF TPFM AND TPF**

On July 1, 2016, Marble acquired 100% of the outstanding voting common shares of TPFM, 100% of the outstanding non-voting common shares of TPF and 40% of the outstanding voting preferred shares of TPF and recognized the transactions as business combinations. As consideration, Marble issued 10,000,000 common shares and paid \$700,000. On March 21, 2019, Marble acquired the remaining 60% of the outstanding voting preferred shares of TPF for a nominal amount which was included in comprehensive loss.

**5. ACQUISITION OF SCORE-UP AND CREDIT MEDS**

On August 1, 2019, Marble acquired 100% of the issued and outstanding common shares of each of Score-Up and Credit Meds, two privately held Canadian corporations. In consideration for the outstanding common shares, Marble paid cash consideration of \$60,000 for the acquisition of Credit Meds and issued 590,459 common shares for the acquisition of Score-Up. Both transactions were accounted for as asset acquisitions.

**MARBLE FINANCIAL INC.**

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2021 and 2020

(Unaudited – Presented in Canadian Dollars)

**5. ACQUISITION OF SCORE-UP AND CREDIT MEDS (cont'd...)****Score-Up**

Score-Up is a proprietary software platform that employs scientific analytical mathematical software based on rigorous credit weight algorithms, analyzing an individual's credit data, financial information, and behavioral patterns to identify where the greatest positive impact can be achieved on a specific credit file. The purchase price of \$118,092 was allocated as follows:

<b>Purchase price consideration</b>	
Value of 590,459 common shares issued at \$0.20	\$ 118,092
<b>Assets acquired and liabilities assumed</b>	
Accounts receivable	4,252
Intangible assets	206,520
Right-of-use assets	26,668
Loans payable	(92,680)
Lease liabilities	(26,668)
	<b>\$ 118,092</b>

Accounts receivable included HST receivable. Score-Up's intangible assets consisted of its proprietary software platform and are amortized over a 10-year term. The Company incurred additional fees of \$40,373 upon acquisition of Score-Up to develop the intangible asset, which were included in prior period additions (Note 8). Right-of-use assets and lease liabilities consisted of an office lease with a term of 15 months that was discounted using an incremental borrowing rate of 10% per annum (Notes 7 and 12).

Loans payable assumed consisted of two business development loans (the "BDC Loans") in the amounts of \$26,000 and \$66,680 respectively. The BDC Loans bear interest at 8.05% per annum. There were 60 monthly payments inclusive of principal and interest on the \$26,000 loan that commenced on August 10, 2019, with the final payment due on October 10, 2024. The loan with remaining value of \$66,680 had an original principal of \$100,000 and had 40 remaining payments at the date of acquisition, with the final payment due on November 10, 2022. During the three months ended March 31, 2021, the Company made aggregate payments on the BDC Loans in the amount of \$7,399 inclusive of interest and administration fees of \$1,108. A continuity of the BDC Loans is as follows:

	<b>March 31, 2021</b>	<b>December 31, 2020</b>
Opening balance	\$ 70,703	\$ 83,285
Payments	(7,399)	(18,366)
Interest and administration fees	1,108	5,784
BDC loans payable (Note 10)	<b>\$ 64,412</b>	<b>\$ 70,703</b>

**MARBLE FINANCIAL INC.**

Notes to the Condensed Consolidated Interim Financial Statements

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(Unaudited – Presented in Canadian Dollars)

**5. ACQUISITION OF SCORE-UP AND CREDIT MEDS (cont'd...)****Credit Meds**

Credit Meds is a front-end diagnostic tool that allows the Company to assess the financial health of a consumer and provide the appropriate prescription and recommendations towards financial wellness and recovery. The purchase price of \$60,000 was allocated as follows:

<b>Purchase price consideration</b>		
Cash	\$	60,000
<b>Assets acquired and liabilities assumed</b>		
Intangible assets		60,000
	\$	60,000

The intangible assets acquired include the intellectual property related to the financial health diagnostic tool which will be amortized over a 10-year term (Note 8). As at March 31, 2021, the assets are not yet in use and amortization has not commenced.

**6. LOANS RECEIVABLE**

The Company provides loans to consumer debtors who meet the Company's evaluation criteria and who will use the borrowed funds to settle debts under formal or informal debt restructuring plans agreed upon by the creditors of the consumer debtors. The majority of the loans issued to consumer debtors are unsecured. The loans receivable generally bear interest between 18.99% and 24.99% and mature between three and seven years from the date of issuance.

**Loans receivable and interest receivable**

	<b>March 31, 2021</b>	<b>December 31, 2020</b>
Unsecured personal loans	\$ 2,075,033	\$ 2,469,131
Mortgages	6,931	8,747
Less: allowance for loan impairment	(166,557)	(220,000)
Total loans and interest receivable, net of allowance for loan impairment	1,915,407	2,257,878
Interest receivable	(45,328)	(36,034)
Loans receivable, current portion	(617,361)	(794,643)
Loans receivable – non-current portion	\$ 1,252,718	\$ 1,427,201

**Reconciliation of allowance for loan impairment**

	<b>March 31, 2021</b>	<b>December 31, 2020</b>
Balance, beginning of the period / year	\$ 220,000	\$ 235,983
Loans receivable written-off	(70,151)	(363,473)
Change in provision for impairment losses	16,708	347,490
Balance, end of the period / year	\$ 166,557	\$ 220,000

**MARBLE FINANCIAL INC.**

Notes to the Condensed Consolidated Interim Financial Statements

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(Unaudited – Presented in Canadian Dollars)

**6. LOANS RECEIVABLE (cont'd...)**

The Company makes estimates of expected loan receivable impairment losses based on the probability of credit losses occurring and considering the delinquency of the loans outstanding, past experiences regarding losses, and an ongoing assessment of the market and of individual consumer debtors. The Company also categorizes its loans by the number of days the loan payments are past due and estimates the probability of credit losses within these categories. The allowance for credit losses is maintained at a level that the Company considers adequate to absorb credit-related losses and due to the nature of the loan portfolio, the allowance for loan impairment is based on lifetime expected credit losses. The allowance for credit losses of \$166,557 represents 8% of the Company's outstanding loans receivable balance, inclusive of interest receivable, as at March 31, 2021 (2020 – 6.63%). The increase in allowance for credit losses as a percentage of the loan portfolio is due to a change in underlying assumptions about the Company's loan portfolio, more specifically, an increase in loans where payments are past due and a lower expectation of loan repayments as a result of the impact of the COVID-19 pandemic on the financial condition of the Company's consumer debtors.

A loan receivable is considered past due when a consumer debtor has not made a payment by the contractual due date and written off when the consumer debtor has declared bankruptcy or applied for a consumer protection, or the Company has sent the loan receivable to an external collection agency for collections. During the three months ended March 31, 2021, the Company wrote-off \$70,151 (2020 - \$nil) in loans receivable.

In prior years, loans receivable that were written-off were offset by a draw-down of a forbearance contingency, the amount of which was limited to the total funds available in the forbearance contingency. In December 2019, the Company discontinued the recognition of a forbearance contingency and the reserve was written off during the year ended December 31, 2020. The Company continues to collect forbearance fees on loans under the original terms of the pre-existing loan agreements, which are recorded as service fee income.

**Loans receivable past due but not impaired**

A loan receivable is considered past due when a payment has not been received by the contractual due date. The following table presents the carrying values of loans that are past due but not classified as impaired because: (i) the Company is in continuous contact with the consumer debtor and the Company and the consumer debtor have established an appropriate repayment plan, or (ii) the loan receivable is secured and the fair value of the collateral is sufficient to cover the carrying value of the loan receivable.

Loans and interest receivable that are past due but not impaired at March 31, 2021 and December 31, 2020 are as follows:

<b>March 31, 2021</b>	<b>30-60 days</b>	<b>61-90 days</b>	<b>Over 90 days</b>	<b>Total</b>
Personal loans	\$ 11,989	\$ 13,443	\$ 217,039	\$ 242,471
Mortgages	-	-	6,931	6,931
<b>Total past due, but not impaired</b>	<b>\$ 11,989</b>	<b>\$ 13,443</b>	<b>\$ 223,970</b>	<b>\$ 249,402</b>

  

<b>December 31, 2020</b>	<b>30-60 days</b>	<b>61-90 days</b>	<b>Over 90 days</b>	<b>Total</b>
Personal loans	\$ 46,271	\$ 23,632	\$ 155,225	\$ 225,128
Mortgages	-	-	8,747	8,747
<b>Total past due, but not impaired</b>	<b>\$ 46,271</b>	<b>\$ 23,632</b>	<b>\$ 163,972</b>	<b>\$ 233,875</b>

**MARBLE FINANCIAL INC.**

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2021 and 2020

(Unaudited – Presented in Canadian Dollars)

**6. LOANS RECEIVABLE (cont'd...)****Contractual maturities**

	<b>Under 1 year</b>	<b>1-5 years</b>	<b>Over 5 years</b>	<b>Total</b>
Unsecured personal loans	\$ 717,487	\$ 1,295,216	\$ 62,330	\$ 2,075,033
Mortgages	6,729	202	-	6,931
Total loans receivable	\$ 724,216	\$ 1,295,418	\$ 62,330	2,081,964
Less: allowance for credit losses				(166,557)
Loans and Interest receivable, net				\$ 1,915,407

**7. OFFICE FURNITURE, EQUIPMENT, AND RIGHT-OF-USE ASSETS**

	<b>Leasehold Improvement</b>	<b>Right-of- use assets</b>	<b>Furniture</b>	<b>Computers</b>	<b>Total</b>
<b>Cost</b>					
December 31, 2019	\$ 5,404	\$ 510,637	\$ 31,226	\$ 22,050	\$ 569,317
Additions	-	-	4,135	-	4,135
December 31, 2020 and March 31, 2021	\$ 5,404	\$ 510,637	\$ 35,361	\$ 22,050	\$ 573,452
<b>Accumulated Amortization</b>					
December 31, 2019	\$ 5,404	\$ 62,664	\$ 12,677	\$ 15,458	\$ 96,203
Amortization	-	179,101	4,123	3,626	186,850
December 31, 2020	5,404	241,765	16,800	19,084	283,053
Amortization	-	40,331	928	408	41,667
March 31, 2021	\$ 5,404	\$ 282,096	\$ 17,728	\$ 19,492	\$ 324,720
<b>Carrying values</b>					
December 31, 2020	\$ -	\$ 268,872	\$ 18,561	\$ 2,966	\$ 290,399
March 31, 2021	\$ -	\$ 228,541	\$ 17,633	\$ 2,558	\$ 248,732

**MARBLE FINANCIAL INC.**

Notes to the Condensed Consolidated Interim Financial Statements

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(Unaudited – Presented in Canadian Dollars)

**8. INTANGIBLE ASSETS**

	Internally developed software	Score-Up platform	Credit Meds software	Trademark	Total
<b>Cost</b>					
December 31, 2019,					
December 31, 2020 and					
March 31, 2021	\$ 409,084	\$ 246,893	\$ 60,000	\$ 17,567	\$ 733,544
<b>Accumulated Amortization</b>					
December 31, 2019	\$ 30,681	\$ 10,287	\$ -	\$ -	\$ 40,968
Amortization	40,908	24,689	-	-	65,597
December 31, 2020	71,589	34,976	-	-	106,565
Amortization	10,228	6,173	-	-	16,401
March 31, 2021	\$ 81,817	\$ 41,149	\$ -	\$ -	\$ 122,966
<b>Carrying values</b>					
December 31, 2020	\$ 337,495	\$ 211,917	\$ 60,000	\$ 17,567	\$ 626,979
March 31, 2021	\$ 327,267	\$ 205,744	\$ 60,000	\$ 17,567	\$ 610,578

Trademarks are assessed as having an indefinite useful life because they do not expire and the Company expects to continue to benefit from their use.

**9. CONVERTIBLE DEBENTURES**

In March 2020, Marble closed a private placement offering of unsecured convertible debentures (the “Debentures”) with an aggregate principal amount of \$400,000. In October 2020, the Company closed a second tranche and issued Debentures with an aggregate principal amount of \$160,000. The Debentures had a one-year term from the dates of issuance and accrued simple interest at a rate of 12% per annum, payable quarterly. The principal amount of the Debentures and all accrued, but unpaid, interest were convertible at the option of the holder into common shares of Marble at a price of \$0.30 per common share. The Company allocated \$33,292 to the equity component of the Debentures. In December 2020, the Company redeemed Debentures with principal amounts of \$100,000. During the three months ended March 31, 2021, the remaining Debentures were converted into 1,533,333 common shares of Marble, which resulted in a loss on settlement of \$22,036. The following is a continuity of the Debentures:

**MARBLE FINANCIAL INC.**

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**9. CONVERTIBLE DEBENTURES** (cont'd...)

	<b>March 31, 2021</b>	<b>December 31, 2020</b>
Balance, beginning of period / year	\$ 422,495	\$ -
Additions	-	560,000
Payments	(10,741)	(27,173)
Redemption	(424,700)	(156,627)
Interest on convertible debentures	7,292	48,729
Accretion of convertible debentures	5,654	24,913
	-	449,842
Equity component of convertible debenture	-	(27,347)
Balance, end of period / year	\$ -	\$ 422,495

**10. LOANS PAYABLE**

As part of the Government of Canada's response to the COVID-19 global pandemic, certain businesses were eligible to apply for loans under the Canada Emergency Business Account ("CEBA"). The CEBA loan program provides companies with a \$40,000 interest free loan to be used to cover non-deferrable operating expenses during the period where operations had been temporarily reduced due to the economic impacts of the COVID-19 virus. During the year ended December 31, 2020, the Company received a \$40,000 CEBA loan (the "CEBA Loan"). The CEBA Loan remains interest free until December 31, 2022 and has no fixed repayment schedule. If \$30,000 is repaid on or before December 31, 2022, the remaining \$10,000 will be forgiven. If any amount remains unpaid at December 31, 2022, the Company will enter into an extension agreement whereby it will accrue interest at 5% per annum, with a repayment schedule to be determined at that time.

The Company has made no repayments on the CEBA Loan during the period ended March 31, 2021. The following is a summary of the Company's loans payable:

	<b>March 31, 2021</b>	<b>December 31, 2020</b>
BDC Loans payable (Note 5)	\$ 64,412	\$ 70,703
CEBA Loan	40,000	40,000
Total loans payable	104,412	110,703
Loans payable – current	(25,164)	(25,164)
Loans payable – non-current	\$ 79,248	\$ 85,539

**11. BONDS**

	<b>March 31, 2021</b>	<b>December 31, 2020</b>
10% bonds – original offering (Note 11(a))	\$ 618,688	\$ 618,688
9% bonds – new offering (Note 11(b))	625,194	677,433
8% bonds – new offering (Note 11(b))	45,000	45,000
10% bonds – amended (Note 11(c))	3,587,878	3,570,237
10% bonds – new offering (Note 11(c))	250,000	250,000
Total bonds, net of associated transaction costs	5,126,760	5,161,358
Bonds payable – current	(1,980,270)	(1,977,869)
Bonds payable – non-current	\$ 3,146,490	\$ 3,183,489

## MARBLE FINANCIAL INC.

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### 11. BONDS (cont'd...)

#### a) 10% bonds – original offering

During previous years, the Company had issued an offering memoranda (the “Original Offering”) for unsecured bonds of up to a maximum of 15,000 bonds at a price of \$1,000 per bond, for expected total gross proceeds of \$15,000,000. The Original Offering was closed on July 15, 2016 when the New Offering commenced (Note 11(c)).

At the time of purchase, subscribers elected one of the following options with respect to the 10% interest payable on the bonds:

- a bond which entitled the holder to 10% simple interest per annum, payable quarterly at the equivalent quarterly rate of 2.5% within 15 business days of March 15, June 15, September 15 and December 15 of each year during the term of the bond; or
- a bond which entitled the holder to 10% compound interest calculated annually and payable on the date the bonds are redeemed by the Company in accordance with the terms of the Original Offering.

In the absence of written notice from the bondholder on or before August 31, 2018, the bonds shall mature on November 30, 2023 (the “Second 10% Maturity Date”).

Subject to (i) an annual maximum redemption limit of 10% of the bonds outstanding as of the last day of the previous calendar year, and (ii) cash flow of the Company, any individual bondholder may request an early redemption by providing 90 days prior written notice (the “Early Redemption Notice”). Bondholders who redeem some or all of their bonds prior to the First and/or Second 10% Maturity Dates are subject to the following redemption fees:

- Early Redemption Notice received between December 1, 2018 and November 30, 2019 - a redemption fee equal to 5% of the principal amount of the bonds being redeemed by the Company.
- Early Redemption Notice received between December 1, 2019 and November 30, 2020 - a redemption fee equal to 4% of the principal amount of the bonds being redeemed by the Company.
- Early Redemption Notice received between December 1, 2020 and November 30, 2021 - a redemption fee equal to 3% of the principal amount of the bonds being redeemed by the Company.
- Early Redemption Notice received between December 1, 2021 and November 30, 2022 - a redemption fee equal to 2% of the principal amount of the bonds being redeemed by the Company.
- Early Redemption Notice received between December 1, 2022 and November 29, 2023 - a redemption fee equal to 1% of the principal amount of the bonds being redeemed by the Company.

Redemption fees are deducted by the Company from the redemption amount to be paid to the bondholder.

During the period ended March 31, 2021, no bonds under the Original Offering were redeemed.

#### b) 8% and 9% bonds – new offering

On July 15, 2016, the Company issued a new offering memorandum (the “New Offering”) for a maximum of 50,000 unsecured bonds, at a price of \$1,000 per bond, for expected total gross proceeds of \$50,000,000 and comprising of 1 year 8% bonds and 3 year 9% bonds. The 8% bonds can be redeemed on the first anniversary of the date of issue to the bondholder (the “First 8% Maturity Date”) and the 9% bonds can be redeemed on the third anniversary of the date of issue to the bondholder (the “First 9% Maturity Date”).

At the time of purchase, the subscribers elected one of the following two options with respect to the 8% or 9% interest payable on the bonds:



## MARBLE FINANCIAL INC.

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### 11. BONDS (cont'd...)

#### b) 8% and 9% bonds – new offering (cont'd...)

- the bond entitled the holder to 8% or 9% simple interest per annum, payable monthly at the equivalent monthly rate of 0.67% or 0.75%, respectively, within 15 business days of the end of each month, during the term of the bond; or
- the bond entitled the holder to 8% or 9% compound interest calculated annually and payable on the date the bond is redeemed by the Company in accordance with the terms of the New Offering.

In the absence of written notice from the bondholder at least 90 days prior to the First 8% Maturity Date or the First 9% Maturity Date, the bonds shall mature on the following dates:

- in the case of the 8% bonds, on the next occurring anniversary of the First 8% Maturity Date if at least 90 days prior to such anniversary a redemption notice has been delivered (the “Subsequent 8% Maturity Date”); and
- in the case of the 9% bonds, on the third anniversary of the First 9% Maturity Date (the “Second 9% Maturity Date”).

On each Subsequent 8% Maturity Date and the Second 9% Maturity Date, the Company can redeem all 8% bonds that have not been reinvested (that is, where the maturity date has not been extended) and all 9% bonds, respectively, outstanding on that date by payment of the principal amount of the bonds and all accrued and unpaid interest thereon. Subject to (i) an annual maximum redemption limit of 10% of the bonds outstanding as of the last day of the previous calendar year, and (ii) cash flow of the Company, any individual bondholder may request redemption of some or all of their bonds by providing 90 days prior written notice (the “Early Redemption Notice”).

8% bondholders who redeem some or all of their bonds prior to the First and/or Subsequent 8% Maturity Date are subject to a redemption fee equal to 2.5% of the principal amount of the bonds being redeemed by the Company.

9% bondholders who redeem some or all of their bonds prior to the First and/or Second 9% Maturity Date are subject to the following redemption fees:

- Early Redemption Notice received on or after the second anniversary, but prior to the third anniversary, of the date the bond was issued – a redemption fee equal to 2% of the principal amount of the bonds being redeemed by the Company, except where a bondholder’s request is in accordance with the First 9% Redemption Notice.
- Early Redemption Notice received on or after the third anniversary, but prior to the fourth anniversary, of the date the bond was issued – a redemption fee equal to 6% of the principal amount of the bonds being redeemed by the Company.
- Early Redemption Notice received on or after the fourth anniversary, but prior to the fifth anniversary, of the date the bond was issued – a redemption fee equal to 4% of the principal amount of the bonds being redeemed by the Company.
- Early Redemption Notice received on or after the fifth anniversary, but prior to the sixth anniversary, of the date the bond was issued – a redemption fee equal to 2% of the principal amount of the bonds being redeemed by the Company.

Redemption fees are deducted by the Company from the redemption amount to be paid to the bondholder.

During the three months ended March 31, 2021, a total of \$nil of 8% bonds and \$52,718 of 9% bonds were redeemed.

**MARBLE FINANCIAL INC.**

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**11. BONDS (cont'd...)****c) Amended 10% bonds**

On November 15, 2018, the Company amended the terms of 10% bonds (Note 11(a)) with a total principal value of \$3.08 million and 8% bonds (Note 11(c)) with a total principal value of \$415,000. The maturity date of the bonds has been extended from November 30, 2018 to November 30, 2023, with principal repayments to be made in 16 equal instalments, payable on the 15th day of March, June, September and December of each year beginning on March 15, 2020. Interest on the outstanding principal of the 10% bonds accrue at 10% simple interest per annum and is due on a quarterly basis, beginning on December 15, 2018. On November 15, 2018, the Company further amended the repayment of interest to commence on March 15, 2019. Interest on the outstanding principal of the 8% bonds is payable on a monthly basis. The Company has deferred the principal repayments until the Company is in a position to make the cash payments.

The amendments of the bond terms became effective on March 21, 2019 when the initial public offering was completed and the Company became a reporting issuer.

On June 26, 2018, the Company issued additional bonds with a principal amount of \$250,000 with the same terms as the amended bonds.

**12. LEASE LIABILITIES**

During the year ended December 31, 2019, the Company entered into a new head office lease and acquired a lease through the acquisition of Score-Up. The following summarizes the remaining undiscounted minimum lease payments under the lease liabilities as at March 31, 2021:

Fiscal year	Payment
2021	141,079
2022	126,778
Amount representing future lease accretion	(17,071)
Total lease liability	250,786
Lease liabilities, current portion	(172,848)
Lease liabilities, non-current portion	\$ 77,938

The Company subsequently entered into a sublease agreement of its head office, commencing May 1, 2021 and expiring August 30, 2022. The sublease is for the amount of \$162,914 per annum and will reduce the Company's minimum lease payments by \$108,609 over the sublease term.

The following is a reconciliation of the changes in the lease liabilities:

	March 31, 2021	December 31, 2020
Opening balance	\$ 300,443	\$ 457,418
Lease accretion	6,551	36,596
Payments	(46,615)	(193,571)
Lease liabilities	\$ 250,786	\$ 300,443

## **MARBLE FINANCIAL INC.**

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### **13. SHARE CAPITAL**

#### **Authorized share capital**

- An unlimited number of common shares without par value.
- An unlimited number of non-voting shares without par value.
- An unlimited number of special shares without par value.

#### **Escrow shares**

As of March 31, 2021, 2,083,045 common shares are held in escrow (December 31, 2020 – 3,124,568) pursuant to an Escrow Agreement entered into in conjunction with Marble's initial public offering and listing on the CSE. Common shares are released from escrow as to 10% on the listing date and the balance in equal 15% tranches to be released every six months from the listing date.

#### **Issued share capital**

As at March 31, 2021, Marble had 77,604,007 (December 31, 2020 – 71,696,497) common shares issued and outstanding. No non-voting shares and no special shares are issued and outstanding.

During the three months ended March 31, 2021, Marble completed the following share issuances:

- a) On January 22, 2021, Marble launched a 12-month online marketing campaign through AGORACOM Internet Relations Corp. The total cost of the campaign is \$75,000 plus applicable taxes, payable through the issuance of common shares with the first 20% of the fee payable on the commencement date and 20% at the end of each of the third, sixth, ninth and twelfth months thereafter. Marble issued 40,843 common shares on January 27, 2021 from treasury, for the first installment of the fee. The fair value of the 40,843 common shares was determined to be \$15,000 plus tax.
- b) On February 2, 2021, Marble closed a non-brokered private placement and issued 2,000,000 units at a price of \$0.25 per unit for gross proceeds of \$500,000. Each unit is comprised of one common share and one-half of one common share purchase warrant, with each whole warrant entitling the holder to purchase an additional common share at a price of \$0.35 for a period of 12 months following the closing date, subject to accelerated expiry if the common shares trade or close at a price of \$0.45 or more for 10 consecutive trading days on the CSE. In connection with the private placement, the Company paid cash finders' fees of \$6,300.
- c) On March 25, 2021, Marble closed a non-brokered private placement and issued 2,333,334 units at a price of \$0.30 per unit for gross proceeds of \$700,000. Each unit is comprised of one common share and one-half of one common share purchase warrant, with each whole warrant entitling the holder to purchase an additional common share at a price of \$0.45 for a period of 12 months following the closing date, subject to accelerated expiry if the common shares trade or close at a price of \$0.55 or more for 10 consecutive trading days on the CSE.

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**12. SHARE CAPITAL** (cont'd...)

During the year ended December 31, 2020, Marble completed the following share issuances:

- d) On June 3, 2020 and November 27, 2020, Marble issued 25,000 and 50,000 common shares, respectively, pursuant to the exercise of restricted share units. An aggregate of \$12,375 was transferred from the share purchase option reserve to share capital as a result.
- e) On December 23, 2020, Marble closed a non-brokered private placement and issued an aggregate of 15,567,401 units at a price of \$0.15 per unit for gross proceeds of \$2,335,110. Each unit is comprised of one common share and one-half of one common share purchase warrant, with each whole warrant entitling the holder to purchase an additional common share at a price of \$0.25 for a period of two years from the closing date. Warrants are subject to accelerated expiry if the common shares trade or close at a price of \$0.35 or more for 10 consecutive trading days on the CSE. In connection with the private placement, Marble incurred share issuance costs of \$12,705 and, issued an aggregate of 346,033 finders' warrants with the same terms as the unit warrants. The finders' warrants have an estimated fair value of \$8,155 using the Black-Scholes pricing model and the following assumptions: a share price of \$0.15, expected life of one year, a volatility of 80%, and a risk-free interest rate ranging from 0.21% to 0.27%. In addition to the finders' fees and warrants, Marble also issued a total of 303,333 finders' units with the same terms as the private placement units. These finders' units were deemed to have a fair value of \$0.15 per unit.

**Share purchase options**

The Company has a share purchase option plan (the "Share Purchase Option Plan") under which it is authorized to grant options for the acquisition of its common shares to directors, employees and consultants up to a maximum of 10% of the issued and outstanding common shares of Marble at the time the plan was adopted. The exercise price shall not be less than the market price of Marble's common shares as at the grant date and in accordance with CSE policies. The options may be granted for a maximum term of five years. Options granted to directors, employees and consultants, other than consultants engaged in investor relations activities, will generally be subject to standard vesting provisions as to 25% on the date of grant and 25% on each anniversary date, such that all share purchase options fully vest over three years from the date of grant, unless otherwise determined by Marble's Board of Directors. Share purchase options granted to consultants engaged in investor relations activities will vest in stages over a minimum period of twelve months, pursuant to the Share Purchase Option Plan and as determined by Marble's Board of Directors.

During the three months ended March 31, 2021, Marble granted 2,135,000 share purchase options (2020 – 1,500,000). The weighted average fair value of the options granted during the period ended March 31, 2021 was approximately \$0.40 per option (2020 - \$0.08). The fair value was estimated using the Black-Scholes option pricing model using the following weighted average inputs:

	<b>March 31, 2021</b>	<b>December 31, 2020</b>
Risk-free interest rate	0.42%	0.83%
Expected volatility	80%	80%
Expected dividends	0%	0%
Expected life	2.5 years	2.5 years
Grant date share price	\$ 0.395	\$ 0.18

Expected volatility was determined based on the historical volatility of Marble's shares over a period commensurate with the expected option life. The expected option life incorporates an estimate of early exercise.

For the three months ended March 31, 2021, Marble recognized \$156,536 (2020 - \$65,222) on the consolidated statements of loss and comprehensive loss as share-based payments for options vesting during the period.

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**13. SHARE CAPITAL** *(cont'd...)***Share purchase options** *(cont'd...)*

A summary of share purchase option activity is as follows:

	<b>Number of share purchase options</b>	<b>Weighted Average Exercise Price</b>
Balance, December 31, 2019	6,400,000	\$ 0.20
Granted	1,500,000	0.19
Expired / Cancelled	(3,350,000)	0.20
Balance, December 31, 2020	4,550,000	\$ 0.20
Granted	2,135,000	0.40
Balance, March 31, 2021	6,685,000	\$ 0.27
Exercisable, March 31, 2021	3,190,000	\$ 0.24

The weighted average remaining contractual life of the options outstanding as at March 31, 2021 is 3.91 years. Details of share purchase options outstanding are as follows:

<b>Expiry Date</b>	<b>Exercise Price</b>	<b>Number Outstanding</b>	<b>Number Exercisable</b>
March 20, 2024	\$ 0.20	2,375,000	1,781,250
September 23, 2024	\$ 0.25	500,000	250,000
November 1, 2024	\$ 0.21	175,000	87,500
December 3, 2024	\$ 0.21	250,000	125,000
December 30, 2024	\$ 0.20	100,000	50,000
January 23, 2025	\$ 0.20	100,000	50,000
February 6, 2025	\$ 0.19	100,000	50,000
March 2, 2025	\$ 0.19	100,000	50,000
October 15, 2025	\$ 0.16	100,000	25,000
November 30, 2025	\$ 0.16	450,000	112,500
December 30, 2025	\$ 0.23	300,000	75,000
January 25, 2026	\$ 0.40	2,135,000	533,750
		6,685,000	3,190,000

**Warrants**

A summary of the warrant activity is as follows:

	<b>Number of warrants</b>	<b>Weighted Average Exercise Price</b>
Balance, December 31, 2019	8,790,000	\$ 0.35
Granted	8,281,400	0.25
Expired / Cancelled	(8,790,000)	0.35
Balance, December 31, 2020	8,281,400	\$ 0.25
Granted	2,166,667	0.40
Balance, March 31, 2021	10,448,067	\$ 0.28

**MARBLE FINANCIAL INC.**

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**13. SHARE CAPITAL (cont'd...)****Warrants (cont'd...)**

The weighted average remaining contractual life of the warrants outstanding as at March 31, 2021 is 1.93 years. Details of warrants outstanding are as follows:

<b>Expiry Date</b>	<b>Exercise Price</b>	<b>Number Outstanding</b>
22-Oct-22	\$ 0.25	1,886,234
07-Dec-22	\$ 0.25	1,723,500
23-Dec-22	\$ 0.25	4,671,666
02-Feb-22	\$ 0.35	1,000,000
25-Mar-22	\$ 0.45	1,166,667
		10,448,067

**Restricted Share Units**

During the year ended December 31, 2020, Marble adopted a long-term restricted share unit plan (the “RSU Plan”). The restricted share units (“RSUs”) entitle directors, officers or employees to acquire common shares of Marble, based on vesting provisions determined by Marble’s Board of Directors at the time of grant.

During the year ended December 31, 2020, Marble granted 100,000 RSUs to a consultant. These RSUs vest 25% on May 28, 2020, and 25% each three months thereafter. Marble valued the RSUs at \$0.165 per RSU to be recognized over the vesting term of the RSUs. During the three months ended March 31, 2021, Marble recognized \$4,125 as share-based payments related to RSUs vested (2020 - \$2,004). As at March 31, 2021, 25,000 RSUs are outstanding.

**14. RELATED PARTY TRANSACTIONS**

Related parties of the Company include key management personnel, companies controlled by key management personnel and close family members of key management personnel. Key management personnel are persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any directors (whether executive or otherwise) of the Company. Key management personnel are composed of the board of directors and executive leadership team.

**Compensation**

Salaries and other short-term employee benefits paid to the Company’s key management personnel were \$39,844 for the three months ended March 31, 2021 (2020 - \$nil).

**Consulting fees**

Consulting fees paid to the Company’s key management personnel and companies controlled by current and former key management personnel were \$89,775 for the period ended March 31, 2021 (2020 - \$89,906). As at March 31, 2021, accounts payable and accrued liabilities included \$22,230 (2020 - \$32,387) owing to key management personnel and companies controlled by key management personnel.

**Share purchase option plan**

Included in the share-based payments for the three months ended March 31, 2021 is \$91,829 (2020 - \$24,100) related to the fair value of share purchase options vested for key management personnel.

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**15. SUPPLEMENTAL CASH FLOW INFORMATION**

During the three months ended March 31, 2021, the Company recognized a \$4,125 addition to share capital pursuant to the vesting of RSUs (see Note 13). The Company also issued 40,843 common shares, valued at \$15,000 plus tax, as payment of the first installment of the fee related to the 12-month online marketing campaign through AGORACOM Internet Relations Corp.

There were no non-cash transactions for the three months ended March 31, 2020.

**16. RECONCILIATION OF CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES**

Liabilities arising from financing activities include bonds issued, interest included in bond payable, bond transaction costs capitalized, promissory notes, lease liabilities, and loans payable. A reconciliation of the changes in these liabilities is as follows:

	<b>March 31, 2021</b>	<b>December 31, 2020</b>
<b>Balance, beginning of the period / year</b>	\$ 6,237,776	\$ 5,880,734
<b>Changes from financing cash flows</b>		
Proceeds from convertible debentures	-	560,000
Lease payments	(46,615)	(193,571)
Loan payments made	(6,291)	(12,582)
Loan received	-	40,000
Payment of convertible debentures	(10,741)	(27,173)
Redemption of convertible debentures	(424,700)	(150,682)
Redemption of bonds	(52,718)	(220,897)
<b>Other changes</b>		
Interest accrued to bond payable	18,120	82,300
Lease accretion	6,551	36,596
Accrued and unpaid lease liability transferred to accounts payable	(9,593)	-
Equity component of convertible debentures issued	-	(33,292)
Accretion of convertible debenture	5,654	73,642
Accrued interest on convertible debentures	7,292	-
Unearned revenue	(110,098)	180,237
Interest payable	71,597	22,464
<b>Balance, end of the period / year</b>	<b>\$ 5,686,234</b>	<b>\$ 6,237,776</b>

## **MARBLE FINANCIAL INC.**

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### **17. EVENTS AFTER THE REPORTING PERIOD**

#### *Issuance of Convertible Debentures*

On April 7, 2021, Marble completed a non-brokered private placement of unsecured convertible debentures (the “New Debentures”) and raised gross proceeds of \$1,303,000. The New Debentures have a 15-month term and will accrue simple interest at a rate of 10% per annum, payable semi-annually. The principal amount of the New Debentures will be convertible, at the option of the holder, into units at a price of \$0.30 per unit. Each unit will be comprised of one common share and one-half of one common share purchase warrant, with each whole warrant entitling the holder to purchase an additional common share at a price of \$0.45 for a period of 21 months from the closing date. If, at any time after the date that is four months and one day after closing, Marble’s common shares have traded or closed at a price of \$0.60 or more for 10 consecutive trading days on the CSE, the Company has the right, in its sole discretion, to force the conversion of all or any part of the principal amount of the New Debentures into units at a price of \$0.30 per unit by giving notice via news release. At any time after the date that is 12 months after closing, Marble may, by providing written notice to a holder, repay all or any part of the principal amount of a New Debentures without penalty.

In connection with the private placement, Marble paid an aggregate of \$40,150 in finder fees and issued an aggregate of 133,832 finder warrants. Each finder warrant is exercisable into one common share at a price of \$0.30 for a period of 15 months following closing.

#### *Acquisition of Inverite*

On April 12, 2021, Marble completed the acquisition of Inverite Verification Inc. (“Inverite”), a Canadian financial technology provider for real-time access to financial data and insights. Marble acquired all of the issued and outstanding shares of Inverite for a purchase price of \$1,460,000 plus an earn out provision of up to \$2,500,000 calculated based on a multiple of Annual Incremental Revenue (“AIR”) of Inverite over the two consecutive one-year periods following the closing, payable in cash or common shares at the option of the Marble. The effective price of any common shares issued in satisfaction of the payment of any portion of the earn-out amount will be the greater of (i) the volume weighted average price of the common shares for the 10 consecutive trading days preceding the last day of the applicable earn-out period, and (ii) closing price of the common shares on the last trading day prior to the closing, which was \$0.235 per common share.

#### *Sublease of office*

On January 21, 2021, the Company entered into a sublease agreement of its head office, commencing May 1, 2021 and expiring August 30, 2022. The sublease is for the amount of \$162,914 per annum and will reduce the Company’s minimum lease payments by \$108,609 over the sublease term.