

MARBLE FINANCIAL INC.

Condensed Consolidated Interim Financial Statements

For the three months and six months ended June 30, 2022 and 2021
(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 Company 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 Loss and Comprehensive Loss
(Unaudited – Presented in Canadian Dollars)

AS AT	June 30, 2022	December 31, 2021
ASSETS		
Current assets		
Cash	\$ 166,098	\$ 1,106,678
Accounts receivable	92,442	90,128
Interest receivable (Note 6)	76,499	66,456
Loans receivable – current (Note 6)	383,209	461,565
Prepaid expenses	60,483	72,919
Investment in sublease (Note 13)	28,392	110,795
	807,123	1,908,541
Loans receivable (Note 6)	658,325	772,940
Furniture, equipment, and right-of-use assets (Note 7)	29,134	30,333
Intangible assets (Note 8)	1,813,976	1,919,842
Goodwill (Note 5)	1,380,419	1,399,824
Total assets	\$ 4,688,977	\$ 6,031,480
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current liabilities		
Accounts payable and accrued liabilities (Note 15)	898,473	812,728
Interest payable (Note 15)	275,343	198,878
Contingent earn-out provision (Note 5)	-	390,000
Convertible debentures (Note 9 and 15)	1,250,969	1,203,446
Loans payable (Notes 4, 10 and 15)	183,497	95,164
Unearned revenue	36,200	13,256
Bonds payable – current (Note 12)	4,171,340	3,380,475
Lease liabilities (Note 13)	32,166	125,230
	6,847,988	6,219,177
Contingent earn-out provision (Note 5)	592,000	592,000
Deferred income tax liability (Note 5)	386,432	386,432
Loans payable (Notes 4, 10 and 15)	79,460	20,375
Bonds payable (Note 12)	1,006,542	1,777,835
Total liabilities	8,912,422	8,995,819
Shareholders' deficiency		
Share capital (Note 14)	12,874,146	12,162,422
Shares issuable (Note 14)	67,800	67,800
Equity component of convertible debentures (Note 9)	115,338	115,338
Reserves (Note 14)	1,027,624	983,738
Accumulated deficit	(18,308,353)	(16,293,637)
Total shareholders' deficiency	(4,223,445)	(2,964,339)
Total liabilities and shareholders' deficiency	\$ 4,688,977	\$ 6,031,480

Nature of operations (Note 1); Events after the reporting period (Note 20); Comparative figures (Note 21)

Approved on behalf of the Board of Directors on August 29, 2022

“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)

	For the three months ended June 30,		For the six months ended June 30,	
	2022	2021	2022	2021
Revenues				
Loan interest revenue	\$ 132,247	\$ 167,993	\$ 270,164	\$ 353,829
Verification fees	167,441	125,298	316,744	125,298
Subscription fees	20,216	78,265	36,916	205,108
Service fees and other	2,593	10,831	2,649	26,561
Total Revenues	322,497	382,387	626,473	710,796
Operating expenses				
Administration costs	175,667	455,112	378,599	762,764
Amortization (Notes 7 and 8)	56,581	31,494	113,007	89,562
Bad debts expense and allowance for loan impairment	79,647	(15,381)	143,955	154,619
Consulting fees (Note 15)	202,501	175,962	377,957	488,479
Interest expense (Note 15)	153,875	142,464	320,762	307,192
Investor relations	24,955	17,350	96,011	55,430
Marketing	27,670	163,246	84,528	275,660
Salary and benefits (Note 15)	492,977	455,522	979,785	788,773
Share based payments (Notes 14 and 15)	16,039	95,942	109,511	252,478
Software and platform technology services	91,217	39,982	187,838	113,679
Transfer agent and filing fees	6,814	(5,594)	11,066	14,080
Total operating expenses	1,327,943	1,556,099	2,803,019	3,302,716
Other income (expenses)				
Accretion expense (Notes 9 and 13)	(25,490)	(21,770)	(51,065)	(33,974)
Loss on settlement of convertible debentures (Note 9)	-	-	-	(22,036)
Loss on recognition of sublease	-	(12,096)	-	(12,096)
Write off of accounts payable	-	8,229	-	8,229
Gain on settlement of earn-out provision (Note 5)	212,895	-	212,985	-
Total other income (expenses)	187,405	(25,637)	161,830	(59,877)
Net loss and comprehensive loss	\$ (818,041)	\$ (1,199,349)	\$ (2,014,716)	\$ (2,651,797)
Basic and diluted loss per common share	\$ (0.01)	\$ (0.02)	\$ (0.02)	\$ (0.04)
Weighted average number of shares outstanding – basic and diluted	95,206,280	77,604,007	94,303,372	75,734,051

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)

Share Capital							
	Number of shares	Amount	Shares issuable	Stock option and warrant reserves	Equity component of convertible debentures	Deficit	Total
Balance, December 31, 2020	71,696,497	8,480,151	-	542,565	27,347	(11,237,964)	(2,187,901)
Shares issued under RSU plan (Note 14)	25,000	4,125	-	(4,125)	-	-	-
Shares issued for private placements (Note 14)	4,333,334	1,200,000	-	-	-	-	1,200,000
Private placement costs – cash (Note 14)	-	(6,300)	-	-	-	-	(6,300)
Shares issued for convertible debentures (Note 14)	1,533,333	521,333	-	-	(27,347)	-	493,986
Shares issued for marketing campaign (Note 14)	40,843	15,000	-	-	-	-	15,000
Shares issuable for marketing campaign (Note 14)	-	-	30,000	-	-	-	30,000
Equity component of convertible debentures	-	-	-	-	73,403	-	73,403
Debt issuance costs – agents' warrants (Note 9)	-	-	-	9,641	-	-	9,641
Share-based payments (Note 14)	-	-	-	252,478	-	-	252,478
Shares cancelled (Note 14)	(400,000)	(100,000)	-	-	-	-	(100,000)
Net loss for the period	-	-	-	-	-	(2,651,797)	(2,651,797)
Balance, June 30, 2021	77,229,007	10,114,309	30,000	800,559	70,403	(13,889,761)	(2,871,490)
Shares issued under RSU plan (Note 14)	300,000	54,000	-	(54,000)	-	-	-
Shares issued for private placements (Note 14)	15,384,616	2,000,000	-	-	-	-	2,000,000
Private placement costs – agents' warrant (Note 14)	-	(7,837)	-	-	-	-	(7,837)
Private placement costs – agents' units (Note 14)	306,530	-	-	7,837	-	-	7,837
Shares issuable for marketing campaign (Note 14)	-	1,950	-	-	-	-	1,950
Shares issuable for marketing campaign (Note 14)	-	-	37,800	-	-	-	37,800
Equity component of convertible debentures	-	-	-	-	41,935	-	41,935
Share-based payments (Note 14)	-	-	-	229,342	-	-	229,342
Net loss for the period	-	-	-	-	-	(2,403,876)	(2,403,876)
Balance, December 31, 2021	93,220,153	12,162,422	67,800	983,738	115,338	(16,293,637)	(2,964,339)
Shares issued under RSU plan (Note 14)	375,000	65,625	-	(65,625)	-	-	-
Shares issued for warrant exercises (Note 14)	4,883,988	488,399	-	-	-	-	488,399
Shares issued for earn-out provision (Note 14)	1,577,000	157,700	-	-	-	-	157,700
Share-based payments (Note 14)	-	-	-	109,511	-	-	109,511
Net loss for the period	-	-	-	-	-	(2,014,716)	(2,014,716)
Balance, June 30, 2022	100,056,141	12,874,146	67,800	1,027,624	115,338	(18,308,353)	(4,223,445)

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

MARBLE FINANCIAL INC.

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

For the six months ended June 30,	2022	2021
CASH FROM OPERATING ACTIVITIES		
Net loss for the period	\$ (2,014,716)	\$ (2,651,797)
Items not affecting cash:		
Amortization	113,007	89,562
Accrued interest on bonds payable	39,572	6,095
Lease accretion	3,542	12,124
Share based payments (Note 14)	109,511	252,478
Shares issued and issuable for marketing campaign Note 14)	-	45,000
Accretion on convertible debentures (Note 9)	47,523	21,851
Interest on loans payable	-	7,292
Interest from sublease	(3,127)	(3,078)
Loss on recognition of sublease	-	12,097
Gain on settlement of earn-out provision (Note 5)	(212,895)	-
Loss on settlement of convertible debentures (Note 9)	-	22,036
Write-off of accounts payable	-	(8,229)
Changes in non-cash working capital items:		
Accounts receivables	(2,314)	(22,494)
Interest receivable	(10,043)	(13,041)
Loans receivable	192,971	590,931
Prepaid expenses	12,436	8,877
Unearned revenue	22,944	(172,946)
Accounts payable and accrued liabilities	85,746	122,630
Interest payable	76,465	87,763
Net cash used in operating activities	(1,539,378)	(1,592,849))
CASH FROM INVESTING ACTIVITIES		
Acquisition of property, equipment, and right-of-use asset (Note 7)	(5,942)	(1,575)
Acquisition of Inverite (Note 5)	-	(1,441,864)
Net cash used in investing activities	(5,942)	(1,443,439)
CASH FROM FINANCING ACTIVITIES		
Common shares issued, net of share issuance costs	488,399	1,093,700
Convertible debentures issued (Note 9)	-	1,262,850
Sublease payments received	85,530	27,153
Payment of loans payable	(92,582)	(12,582)
Proceeds of loans received (Note 14)	240,000	
Payment of lease liabilities (Note 13)	(96,607)	(102,833)
Payment of convertible debentures	-	(10,741)
Redemption of bonds (Note 12)	(20,000)	(21,661)
Net cash generated by financing activities	604,740	2,235,886
Change in cash during the period	(940,580)	(800,402)
Cash, beginning of the period	1,106,678	1,326,253
Cash, end of the period	\$ 166,098	\$ 525,851
Interest received	\$ 101,167	\$ 187,705
Interest paid *	\$ 204,872	\$ 408,334

* Includes interest paid on bonds, convertible debentures and loans

Supplemental cash flow information (Note 16)

Reconciliation of changes in liabilities arising from financing activities (Note 19)

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 and six months ended June 30, 2022 and 2021
(Unaudited – Presented in Canadian Dollars)

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 activities have been focussed on assisting underbanked Canadians proactively improve and maintain their credit and financial wellness through data-driven financial technology, literacy and education solutions through its MyMarble Platform, as well as to provide banking verification solutions to the financial services industry for income verification, credit decisioning, fraud reduction, and know-your client (“KYC”)/anti-money laundering purposes, through its wholly owned subsidiary, Inverite Verification Inc. (“Inverite”). The Company’s cloud based proprietary MyMarble Platform is an online personal finance platform that provides consumers both a freemium and premium version offering the prescription ability to understand, build and maintain a positive credit report and credit score, gain specific and unique budgetary and credit insights with access to financial education and literacy, through Marble’s current products: MyMarble, Marble Learn, Fast-Track, Boost and The Secured Future Credit Plan. Inverite offers a proprietary cloud-based SaaS platform which provides its open banking and consumer-directed finance solutions for alternative lenders to evaluate consumer date in near real-time to better evaluate, adjudicate and transact with credit requests, Inverite offers solutions for its alternative lending clients for income verification, credit decisioning, credit risk scoring, fraud reduction and KYC purposes. The Company and Inverite enter into non-exclusive referral and licensing agreements with third party financial services firms and alternative lenders to offer their platform-based solutions.

These consolidated 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 June 30, 2022, the Company had a working capital deficit of \$6,040,865 (December 31, 2021 – \$4,310,636), a shareholders’ deficiency of \$4,223,445 (December 31, 2021 – \$2,964,339) and an accumulated deficit of \$18,308,353 (December 31, 2021 – \$16,293,637) 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 consolidated 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
For the three months and six months ended June 30, 2022 and 2021
(Unaudited – Presented in Canadian Dollars)

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 August 29, 2022. 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, 2021. The condensed interim consolidated financial statements do not include all of the information required for full annual financial statements.

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:

Company	Place of Incorporation	Effective Interest
TPFM The Phoenix Fund Management Ltd. (“TPFM”)	British Columbia	100%
TPF The Phoenix Fund Inc. (“TPF”)	British Columbia	100%
Score-Up Inc. (“Score-Up”)	Ontario	100%
Credit Meds Corp. (“Credit Meds”)	Ontario	100%
Inverite Verification Inc. (“Inverite”)	British Columbia	100%
1301771 B.C. Ltd. (“1301771”)	British Columbia	100%

On April 23, 2021, 1301771 B.C. Ltd. was incorporated under the BCBCA as a special purpose vehicle whose business and undertaking is restricted to the origination, funding and financing of consumer loan assets, together with such other activities as may be reasonably required or advisable in connection therewith. 1301771 was created for the purposes of procuring financing for Fast-Track Loans originated by TPFM and thereafter receiving an assignment of the Fast-Track Loans and holding them as collateral for a security interest provided to the lenders.

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.

MARBLE FINANCIAL INC.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months and six months ended June 30, 2022 and 2021

(Unaudited – Presented in Canadian Dollars)

3. USE OF ESTIMATES AND JUDGMENTS *(cont'd...)*

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:

Impairment losses on loans receivable

The Company regularly reviews its loans receivable for potential impairment. In determining whether an impairment loss should be recorded in profit or loss, the Company considers whether there is any observable data indicating that an increase in the credit risk or a decrease in the estimated future cash flows from a loan has occurred. This evidence may include observable data indicating that there has been an adverse change in the payment status of the borrower. Management uses estimates based on valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of estimation is required. The estimates include future market interest rates.

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 4) and concluded that each of these transactions did not qualify as business combinations under IFRS 3, “Business Combinations.”. On April 12, 2021, Marble completed the acquisition of 100% of the shares of Inverite (Note 5) which was accounted for as a business combination at fair value in accordance with IFRS 3, “Business Combinations” as the operations of Inverite meet the definition of a business. The acquired assets and assumed liabilities were adjusted to their fair values assigned through completion of a purchase price allocation, as described in Note 5. The purchase price allocation process resulting from a business combination requires management to estimate the fair value of identifiable assets acquired including intangible assets and liabilities assumed. The valuations are closely linked to the assumptions used by management on the future performance of the related assets and the discount rates applied.

MARBLE FINANCIAL INC.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months and six months ended June 30, 2022 and 2021

(Unaudited – Presented in Canadian Dollars)

4. 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.

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:

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

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 8 and 13).

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 six months ended June 30, 2022, the Company made aggregate payments on the BDC Loans in the amount of \$12,582 inclusive of interest and administration fees of \$1,673.

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:

Purchase price consideration	
Cash	\$ 60,000
Assets acquired and liabilities assumed	
Intangible assets	\$ 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 June 30, 2022, the assets are not yet in use and amortization has not commenced.

MARBLE FINANCIAL INC.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months and six months ended June 30, 2022 and 2021

(Unaudited – Presented in Canadian Dollars)

5. ACQUISITION OF INVERITE

On April 12, 2021, the Company 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 which will be based on a multiple of annual incremental revenues (“AIR”) of Inverite over the two consecutive one-year periods following the closing date, payable in cash or common shares at the option of the Company. 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 of the Company for the 10 consecutive trading days preceding the last day of the applicable earn-out period, and (ii) closing share price on the last trading day prior to the closing date, which was \$0.235 per share.

The transaction was accounted for as a business combination and, as the operations of Inverite meet the definition of a business, all transaction costs were expensed. The goodwill resulting from the allocation of the purchase price to the total fair value of net assets will represent the sales and growth potential of Inverite.

Inverite is a Canadian open banking and consumer-directed finance provider offering banking verification solutions to the financial services industry for income verification, credit decisioning, fraud reduction, and know-your-client/anti-money laundering purposes.

The fair value of the consideration transferred has been allocated to the assets acquired and liabilities assumed based on their estimated fair values at the date of acquisition as follows:

Purchase price consideration	
Cash	\$ 1,460,000
Estimated fair value of earn-out provision	982,000
	<hr/>
	\$ 2,442,000
Assets acquired and liabilities assumed	
Working capital	\$ 37,378
Loan payable	(40,000)
Deferred income tax liability	(386,432)
Intangible assets	1,431,230
Goodwill	1,399,824
	<hr/>
	\$ 2,442,000

On May 17, 2022, the Company issued 1,577,000 common shares at \$0.10 per share in connection with the year one earn-out provision, with a fair value of \$157,700, which resulted in a gain on settlement of \$212,895. The fair value of the year one earn-out provision was \$370,595 compared to \$390,000 which was initially recorded on the date of acquisition, resulting in a reduction of \$19,405 of goodwill.

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.

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...)**Loans receivable and interest receivable**

	June 30, 2022	December 31, 2021
Unsecured personal loans	\$ 1,239,534	\$ 1,398,492
Mortgages	-	759
Less: allowance for loan impairment	(121,501)	(98,289)
Total loans and interest receivable, net of allowance for loan impairment	1,118,033	1,300,961
Interest receivable	(76,499)	(66,456)
Loans receivable, current portion	(383,209)	(461,565)
Loans receivable – non-current portion	\$ 658,325	\$ 772,940

Reconciliation of allowance for loan impairment

	June 30, 2022	December 31, 2021
Balance, beginning of the period / year	\$ 98,289	\$ 220,000
Loans receivable recovered	-	-
Change in provision for impairment losses	23,212	(121,711)
Balance, end of the period	\$ 121,501	\$ 98,289

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 \$121,501 represents 9.80% of the Company's outstanding loans receivable balance, inclusive of interest receivable, as at June 30, 2022 (December 31, 2021 – 7.56%). 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 partly as a result of the impact of the COVID-19 pandemic, inflation and other factors 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 six months ended June 30, 2022, the Company recovered \$nil (2021 - \$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

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.

MARBLE FINANCIAL INC.

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

Loans and interest receivable that are past due but not impaired at June 30, 2022 and December 31, 2021 are as follows:

June 30, 2022	30-60 days	61-90 days	Over 90 days	Total
Personal loans	\$ 28,358	\$ 30,920	\$ 291,943	\$ 351,221
Mortgages	-	-	-	-
Total past due, but not impaired	\$ 28,358	\$ 30,920	\$ 291,943	\$ 351,221

December 31, 2021	30-60 days	61-90 days	Over 90 days	Total
Personal loans	\$ 29,264	\$ 21,859	\$ 261,695	\$ 312,818
Mortgages	-	-	759	759
Total past due, but not impaired	\$ 29,264	\$ 21,859	\$ 262,454	\$ 313,577

Contractual maturities

	Under 1 year	1-5 years	Over 5 years	Total
Unsecured personal loans	\$ 507,373	\$ 708,615	\$ 23,546	\$ 1,239,534
Mortgages	-	-	-	-
Total loans receivable	\$ 507,373	\$ 708,615	\$ 23,546	\$ 1,239,534
Less: allowance for credit losses				(121,501)
Loans and Interest receivable, net				\$ 1,118,033

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

	Leasehold Improvement	Right-of-use assets	Furniture	Computers	Total
Cost					
December 31, 2020	\$ 5,404	\$ 510,637	\$ 35,361	\$ 22,050	\$ 573,452
Additions	-	5,125	-	16,294	21,419
Disposals	-	(485,544)	-	-	(485,544)
December 31, 2021	\$ 5,404	\$ 30,218	\$ 35,361	\$ 38,344	\$ 109,327
Additions	-	292	-	5,650	5,942
June 30, 2022	5,404	30,510	35,361	43,994	115,269
Accumulated Amortization					
December 31, 2020	\$ 5,404	\$ 241,765	\$ 16,800	\$ 19,084	\$ 283,053
Amortization	-	57,639	3,712	3,776	65,127
Disposals	-	(269,186)	-	-	(269,186)
December 31, 2021	5,404	30,218	20,512	22,860	78,994
Amortization	-	292	1,485	5,364	7,141
June 30, 2022	\$ 5,404	\$ 30,510	\$ 21,997	\$ 28,224	\$ 86,135
Carrying values					
December 31, 2021	\$ -	\$ -	\$ 14,849	\$ 15,484	\$ 30,333
June 30, 2022	\$ -	\$ -	\$ 13,364	\$ 15,770	\$ 29,134

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8. INTANGIBLE ASSETS

	Internally developed software	Score-Up platform	Credit Meds software	Trademark	Inverite platform	Total
Cost						
December 31, 2020	\$ 409,084	\$ 246,893	\$ 60,000	\$ 17,567	\$ -	\$ 733,544
Internal development	30,116	-	-	-	-	30,116
Acquisition	-	-	-	-	1,431,230	1,431,230
December 31, 2021	\$ 439,200	\$ 246,893	\$ 60,000	\$ 17,567	\$ 1,431,230	\$ 2,194,890
Internal development	-	-	-	-	-	-
Acquisition	-	-	-	-	-	-
June 30, 2022	\$ 439,200	\$ 246,893	\$ 60,000	\$ 17,567	\$ 1,431,230	\$ 2,194,890
Accumulated Amortization						
December 31, 2020	\$ 71,589	\$ 34,976	\$ -	\$ -	\$ -	\$ 106,565
Amortization	42,414	24,690	-	-	101,379	168,483
December 31, 2021	\$ 114,003	\$ 59,666	\$ -	\$ -	\$ 101,379	\$ 275,048
Amortization	21,960	12,345	\$ -	\$ -	71,561	105,866
June 30, 2022	\$ 135,963	\$ 72,011	\$ -	\$ -	\$ 172,941	\$ 380,914
Carrying values						
December 31, 2021	\$ 325,197	\$ 187,227	\$ 60,000	\$ 17,567	\$ 1,329,851	\$ 1,919,842
June 30, 2022	\$ 303,237	\$ 174,882	\$ 60,000	\$ 17,567	\$ 1,258,290	\$ 1,813,976

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, 2022, the remaining Debentures principal of \$460,000 was converted into 1,533,333 common shares of Marble, which resulted in a loss on settlement of \$22,036.

On April 7, 2021, the Company closed a non-brokered private placement of unsecured convertible debentures (the “New Debentures”) with an aggregate principal amount of \$1,303,000. The New Debentures had a 15-month term from the date of issuance and accrue simple interest at a rate of 10% per annum, payable semi-annually. The principal amount of the New Debentures and all accrued but unpaid interest are convertible, at the option of the holder, into units at a price of \$0.30 per unit. Each unit is comprised of one common share and one-half of one share purchase warrant, with a whole warrant exercisable to purchase a common share at a price of \$0.45 until 21

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

months after the closing date. The Company may force conversion of the principal amount into units at \$0.30 per unit if at any time after four months and a day after the closing date, the common shares have traded or closed on the CSE at \$0.60 or more for 10 consecutive trading days. In connection with the private placement, the Company paid an aggregate of \$40,150 in finder fees and issued an aggregate of 133,832 finder warrants with an estimated fair value of \$9,641 using the Black-Scholes pricing model using the following weighted average assumptions:

Risk-free rate	0.26%
Expected life of finder warrants	1.25 years
Annualized volatility	80%
Dividend rate	0%

Each finder warrant is exercisable into one common share at a price of \$0.30 for a period of 15 months following closing. (See Note 14).

In August 2021, the Company entered into amending agreements with the New Debentures holders to extend the maturity date of the New Debentures from July 7, 2022 to December 31, 2022, and in respect of the underlying warrants issuable on conversion to extend their expiry date from January 7, 2023 to June 30, 2023.

The following is a continuity of the Debentures and New Debentures:

	June 30, 2022	December 31, 2021
Balance, beginning of period / year	\$ 1,318,784	\$ 422,495
Additions	-	1,303,000
Debt issuance costs	-	(49,791)
Payments	-	(10,741)
Redemption	-	(424,700)
Interest on Debentures	-	7,292
Accretion of convertible debentures	47,523	71,229
	<u>1,366,307</u>	<u>1,318,784</u>
Equity component of convertible debentures	(115,338)	(115,338)
Balance, end of period / year	\$ 1,250,969	\$ 1,203,446

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. On January 12, 2021, the Government of Canada announced that it would extend the debt repayment forgiveness deadline to December 31, 2023.

As part of the acquisition of Inverite, the Company acquired an additional \$30,000 of CEBA loans under the same repayment terms as the CEBA Loan.

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10. LOANS PAYABLE (cont'd...)

The Company has made no repayments on the CEBA Loans during the six months ended June 30, 2022.

During the six month period ended June 30, 2022, the Company received loans from a company controlled by a director and as at June 30, 2022, \$60,000 principal amount of loans was owing. The loans bear interest at a rate of 8% per annum and have no fixed terms of repayments.

During the six month period ended June 30, 2022, the Company received a loan of \$100,000 from a third party which was outstanding as at June 30, 2022. The loan is non-interest bearing and has no specific terms of repayment.

The following is a summary of the Company's loans payables:

	June 30, 2022	December 31, 2021
BDC Loans payable (Note 5)	\$ 32,957	\$ 45,539
Loans from related party (Note 15)	60,000	-
Loans from third party	100,000	-
CEBA Loans	70,000	70,000
Total loans payable	262,957	115,539
Loans payable – current	(183,497)	(95,164)
Loans payable – non-current	\$ 79,460	\$ 20,375

11. CREDIT FACILITY

On July 26, 2021 the Company secured funding for new Fast-Track loans through a definitive credit facility agreement (the "Credit Facility Agreement") amongst Marble, 1301771, TPFM, and CHP Agent Services Inc. ("CHP"), a subsidiary of Cypress Hills Partners Inc. The Credit Facility Agreement provides for a \$10 million credit facility to Marble, through 1301771 as borrower, with TPFM as servicing agent for originations, adjudications, administration and monitoring of the new Fast-Track loans, and CHP acting as administrative and collateral agent on behalf of the lenders. The aggregate amount of the funding is determined as a selected percentage (the "Advance Rate") of the outstanding Eligible Customer Loans (as defined in the Credit Facility Agreement) in the loan portfolio, adjusted for customer loan payments received less accrued but unpaid amounts owing to CHP and the Lenders under the Credit Facility Agreement (the "Borrowing Base"), with an initial Advance Rate at 95% (the maximum) and a minimum threshold of 80%. The current amount of the credit facility is \$10,000,000 (the "Facility Amount"), with an option to increase the amount to \$20,000,000 upon mutual agreement. Interest is charged at Canadian Prime (subject to a ceiling of 5.0% and a floor of 3.5%) plus 13%, with a provisional discount if the Advance Rate is less than 95%. The maturity date for all funds advanced is three years after the date of the first funding advance, with an option to extend for a further two years upon mutual agreement. In connection with the Credit Facility Agreement, 1301171 has provided a general security agreement ("GSA") and each of Marble and TPFM has provided a limited guarantee and a "bad act" guarantee together with a GSA. Upon borrowing funds, the Company must also maintain \$300,000 in unrestricted cash, and the Company has provided CHP with board of director observer rights and a right of first refusal on any additional debt or securitization financing beyond the Facility Amount. As at June 30, 2022 and December 31, 2021, \$Nil has been borrowed pursuant to the Credit Facility Agreement.

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12. BONDS

	June 30, 2022	December 31, 2021
10% bonds – original offering (Note 12(a))	\$ 653,322	\$ 655,189
9% bonds – new offering (Note 12(b))	657,458	645,372
8% bonds – new offering (Note 12(b))	20,000	20,000
10% bonds – amended (Note 12(c))	3,597,102	3,587,749
10% bonds – new offering (Note 12(c))	250,000	250,000
Total bonds, net of associated transaction costs	5,177,882	5,158,310
Bonds payable – current	(4,171,340)	(3,380,475)
Bonds payable – non-current	\$ 1,006,542	\$ 1,777,835

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 12(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.

The Company has deferred the interest payments due since February 15, 2022 until the Company is in a position to make the cash payments.

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.

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12. BONDS (*cont'd...*)

a) 10% bonds – original offering (*cont'd...*)

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

During the period ended June 30, 2022, \$20,000 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:

- 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.

The Company has deferred the interest payments due since February 15, 2022 until the Company is in a position to make the cash payments.

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.

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12. BONDS (cont'd...)

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 six months ended June 30, 2022, no 8% bonds and no 9% bonds were redeemed.

c) Amended 10% bonds

On November 15, 2018, the Company amended the terms of 10% bonds (Note 12(a)) with a total principal value of \$3.08 million and 8% bonds (Note 12(b)) 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 and interest payments due since February 15, 2022 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.

13. 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.

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 \$214,474 per annum and will reduce the Company's minimum lease payments by \$114,040 over the sublease term. During the six month period ended June 30, 2021, the Company recorded a loss of \$12,096 on recognition of the sublease and derecognized the corresponding right-of-use asset.

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13. LEASE LIABILITIES (cont'd...)

The following summarizes the remaining undiscounted minimum lease payments under the lease liabilities as at June 30, 2022:

Fiscal year	Payment
2022	\$ 32,299
Amount representing future lease accretion	(133)
Total lease liability	32,166
Lease liabilities, current portion	(32,166)
Lease liabilities, non-current portion	\$ -

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

	June 30, 2022	December 31, 2021
Opening balance	\$ 125,230	\$ 300,443
Lease accretion	3,542	20,123
Payments	(96,606)	(195,336)
Lease liabilities	\$ 32,166	\$ 125,230

14. 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 June 30, 2022, no common shares are held in escrow (December 31, 2021 – 1,041,522) 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 June 30, 2022, Marble had 100,056,141 (December 31, 2021 – 93,220,153) common shares issued and outstanding. No non-voting shares and no special shares are issued and outstanding.

During the six months ended June 30, 2022, Marble completed the following share issuances:

- On January 4, 2022, Marble issued 150,000 common shares pursuant to the exercise of restricted share units. An aggregate of \$30,750 was transferred from the share purchase option reserve to share capital as a result.
- On February 1, 2022, Marble issued 25,000 common shares pursuant to the exercise of restricted share units. An aggregate of \$5,750 was transferred from the share purchase option reserve to share capital as a result.

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14. SHARE CAPITAL (cont'd...)

- c) On February 28, 2022, Marble issued 25,000 common shares pursuant to the exercise of restricted share units. An aggregate of \$3,875 was transferred from the share purchase option reserve to share capital as a result.
- d) On April 2, 2022, Marble issued 150,000 common shares pursuant to the exercise of restricted share units. An aggregate of \$30,750 was transferred from the share purchase option reserve to share capital as a result.
- e) On May 3, 2022, Marble issued 25,000 common shares pursuant to the exercise of restricted share units. An aggregate of \$5,750 was transferred from the share purchase option reserve to share capital as a result.
- f) On May 17, 2022, Marble issued 1,577,000 common shares at \$0.10 per share pursuant to the first year earn-out provision in connection with the Inverite acquisition.
- g) On May 24, 2022, Marble announced that it would temporarily reduce the exercise price of its warrants (other than warrants issued as compensation to agents and finders) (the “Eligible Warrants”) to \$0.10 for a period of 30 days ending on June 24, 2022. If an Eligible Warrant was exercised at the reduced exercise price within the 30-day period, each common share issued on exercise will be accompanied by an additional common share purchase warrant entitling the holder to purchase one common share of the Company at a price of \$0.20 until December 24, 2023. Upon the expiry of the 30-day period, any unexercised Eligible Warrants reverted to their original exercise price and expiry date. On May 31, 2022, Marble issued 1,047,000 common shares pursuant to the exercise of Eligible Warrants at a price of \$0.10 per share for proceeds of \$104,700 and issued 1,047,000 warrants exercisable at \$0.20 per share until December 24, 2023.
- h) On June 06, 2022, Marble issued 700,834 common shares pursuant to the exercise of Eligible Warrants at a price of \$0.10 per share for proceeds of \$70,083.40 and issued 700,834 warrants exercisable at \$0.20 per share until December 24, 2023.
- i) On June 16, 2022, Marble issued 358,333 common shares pursuant to the exercise of Eligible Warrants at a price of \$0.10 per share for proceeds of \$35,833.30 and issued 358,333 warrants exercisable at \$0.20 per share until December 24, 2023.
- j) On June 20, 2022, Marble issued 450,000 common shares pursuant to the exercise of Eligible Warrants at a price of \$0.10 per share for proceeds of \$45,000 and issued 450,000 warrants exercisable at \$0.20 per share until December 24, 2023.
- k) On June 24, 2022, Marble issued 2,327,821 common shares pursuant to the exercise of Eligible Warrants at a price of \$0.10 per share for proceeds of \$232,782.10 and issued 2,327,782 warrants exercisable at \$0.20 per share until December 24, 2023.

During the year ended December 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 plus applicable taxes. The fair value of the 40,843 common shares was determined to be \$15,000 plus tax. As at December 31, 2021, Marble has yet to issue shares representing the fees payable for the second, third, fourth and fifth installments. As a result, Marble has recorded \$67,800 of shares issuable.

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(Unaudited – Presented in Canadian Dollars)

14. SHARE CAPITAL (cont'd...)

- 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.

During the review of the second quarter financial statements it was discovered that 400,000 units were subscribed for but not paid for. The Company was in possession of the 400,000 units and returned the 400,000 shares to treasury and cancelled the 200,000 warrants issued.

- c) On February 22, 2021, Marble issued an aggregate of 1,533,333 common shares pursuant to the conversion of \$460,000 principal amount of Debentures at a price of \$0.30 per common share (see Note 9).
- d) 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.
- e) On May 31, 2021, Marble issued 25,000 common shares pursuant to the exercise of restricted share units. An aggregate of \$4,125 was transferred from the share purchase option reserve to share capital as a result.
- f) On September 24, 2021, Marble issued 25,000 common shares pursuant to the exercise of restricted share units. An aggregate of \$5,750 was transferred from the share purchase option reserve to share capital as a result.
- g) On November 1, 2021, Marble issued 25,000 common shares pursuant to the exercise of restricted share units. An aggregate of \$5,750 was transferred from the share purchase option reserve to share capital as a result.
- h) On November 22, 2021, Marble issued an aggregate of 200,000 common shares pursuant to the exercise of restricted share units. An aggregate of \$37,000 was transferred from the share purchase option reserve to share capital as a result.
- i) On November 29, 2021 Marble completed the first tranche of a non-brokered private placement and issued 10,629,232 units at a price of \$0.13 per unit for gross proceeds of \$1,381,800. Each unit is comprised of one common share and one-half of a common share purchase warrant, with each whole warrant entitling the holder to purchase an additional common share at a price of \$0.15 for a period of 12 months following the closing date. In connection with the private placement, Marble issued an aggregate of 183,750 finders' units with the same terms as the units.
- j) On December 14, 2021, Marble issued 50,000 common shares pursuant to the exercise of restricted share units. An aggregate of \$7,750 was transferred from the share purchase option reserve to share capital as a result.
- k) On December 17, 2021 Marble completed the second tranche of a non-brokered private placement and issued 4,755,384 units at a price of \$0.13 per unit for aggregate gross proceeds of \$618,200. As part of this second closing, the Company paid a total of 122,780 finders' units to certain finders on the same terms as the units.

MARBLE FINANCIAL INC.

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14. SHARE CAPITAL (cont'd...)**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 six months ended June 30, 2022, Marble granted 3,975,000 share purchase options (FY2021 – 3,910,000). The weighted average fair value of the options granted during the period ended June 30, 2022, was approximately \$0.13 per option (FY2021 - \$0.14). The fair value was estimated using the Black-Scholes option pricing model using the following weighted average inputs:

	June 30, 2022	December 31, 2021
Risk-free interest rate	2.65%	0.71%
Expected volatility	80%	80%
Expected dividends	0%	0%
Expected life	2.5 years	2.5 years
Grant date share price	0.098	\$ 0.30

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 six months ended June 30, 2022, Marble recognized \$41,620 (2021 - \$156,536) as share-based payments for options vesting during the period.

A summary of share purchase option activity is as follows:

	Number of share purchase options	Weighted Average Exercise Price
Balance, December 31, 2020	4,550,000	0.20
Granted	3,910,000	0.31
Expired / Cancelled / Forfeited	(2,110,000)	0.14
Balance, December 31, 2021	6,350,000	\$ 0.27
Granted	3,975,000	0.13
Expired / Cancelled / Forfeited	(2,450,000)	0.37
Balance, June 30, 2022	7,875,000	0.17
Exercisable, June 30, 2022	4,800,000	0.17

The weighted average remaining contractual life of the options outstanding as at June 30, 2022 is 3.79 years.

MARBLE FINANCIAL INC.

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14. SHARE CAPITAL (cont'd...)

Details of share purchase options outstanding as at June 30, 2022 are as follows:

Expiry Date	Exercise Price	Number Outstanding	Number Exercisable
March 20, 2024	\$ 0.20	1,325,000	1,325,000
September 23, 2024	\$ 0.25	500,000	375,000
November 1, 2024	\$ 0.21	175,000	131,250
December 3, 2024	\$ 0.21	250,000	187,500
December 30, 2024	\$ 0.20	100,000	75,000
January 23, 2025	\$ 0.20	100,000	75,000
March 2, 2025	\$ 0.19	100,000	75,000
November 30, 2025	\$ 0.16	100,000	50,000
December 30, 2025	\$ 0.23	150,000	75,000
May 31, 2026	\$ 0.23	350,000	175,000
June 30, 2026	\$ 0.21	250,000	125,000
October 19, 2026	\$ 0.12	250,000	187,500
November 30, 2026	\$ 0.165	250,000	62,500
January 31, 2027	\$ 0.135	100,000	25,000
April 28, 2027	\$ 0.13	2,475,000	856,250
May 16, 2027	\$ 0.13	1,400,000	1,000,000
		7,875,000	4,800,000

Warrants

As at June 30, 2022, an aggregate of 16,260,803 warrants are outstanding comprised of 15,476,007 common share purchase warrants and 784,796 finder warrants. A summary of the warrant activity is as follows:

	Number of warrants	Weighted Average Exercise Price
Balance, December 31, 2020	8,281,400	\$ 0.25
Granted	10,146,070	0.21
Expired / Cancelled	(200,000)	0.35
Balance, December 31, 2021	18,227,470	\$ 0.16
Granted	4,883,988	0.20
Exercised	(4,883,988)	0.10
Expired / Cancelled	(1,966,667)	0.41
Balance, June 30, 2022	16,260,803	0.19

The weighted average remaining contractual life of the warrants outstanding as at June 30, 2022 is 0.75 years.

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14. SHARE CAPITAL (cont'd...)

Details of common share purchase warrants and finder warrants outstanding as at June 30, 2022 are as follows:

Common share purchase warrants:

Expiry Date	Exercise Price	Number Outstanding
October 22, 2022	\$ 0.25	702,034
November 29, 2022	\$ 0.15	4,563,461
December 7, 2022	\$ 0.25	460,000
December 17, 2022	\$ 0.15	2,083,191
December 23, 2022	\$ 0.25	2,783,333
December 24, 2023	\$ 0.20	4,883,988
		15,476,007

Finder warrants:

Expiry Date	Exercise Price	Number Outstanding
July 7, 2022	\$ 0.30	133,832
October 22, 2022	\$ 0.25	4,200
November 29, 2022	\$ 0.15	91,875
December 7, 2022	\$ 0.25	38,500
December 17, 2022	\$ 0.15	61,390
December 23, 2022	\$ 0.25	454,999
		784,796

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, consultants 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, 2021, Marble granted an aggregate of 550,000 RSUs to an officer and consultants. Of these:

- 100,000 vested as to 25% on August 1, 2021, and 25% each three months thereafter. Marble valued the RSUs at \$0.185 per RSU to be recognized over the vesting term of the RSUs;
- 300,000 vested as to 50% on October 2, 2021 and 50% on January 2, 2022. Marble valued the RSUs at \$0.205 per RSU to be recognized over the vesting term of the RSUs ;
- 50,000 vested as to 100% on October 31, 2021. Marble valued the RSUs at \$0.125 per RSU to be recognized over the vesting term of the RSUs; and
- 100,000 vested as to 50% on November 30, 2021, and 25% each three months thereafter. Marble valued the RSUs at \$0.155 per RSU to be recognized over the vesting term of the RSUs.

During the six months ended June 30, 2022, Marble granted 1,000,000 RSUs to consultants. Of these:

- 300,000 vest as to 50% on April 2, 2022 and 50% on July 2, 2022. Marble valued the 300,000 RSUs at \$39,000, to be recognized over the vesting term of the RSUs.
- 300,000 vest as to 25% on July 28, 2022, and 25% every three months thereafter. Marble valued the 300,000 RSUs at \$28,500, to be recognized over the vesting term of the RSUs.
- 400,000 vest as to 25% on August 16, 2022, and 25% every three months thereafter. Marble valued the 400,000 RSUs at \$40,000, to be recognized over the vesting term of the RSUs,

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14. SHARE CAPITAL (cont'd...)

During the six months ended June 30, 2022, Marble recognized \$67,891 as share-based payments related to RSUs (2021 - \$4,125). As at June 30, 2022, 875,000 RSUs are outstanding.

15. 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.

As at June 30, 2022, accounts payable and accrued liabilities included consulting fees payable totaling \$123,875 (December 31, 2021 - \$106,785) owing to current and former key management personnel and companies controlled by key management personnel as follows: \$74,000 (2021 - \$73,500) owing to a company controlled by the executive chairman; \$22,050 (2021 - \$5,460) owing to a company controlled by the current CFO; and \$27,825 (2021 - \$27,825) owing to a company that formerly provided accounting and CFO services.

As at June 30, 2022 \$300,000 (December 31, 2021 - \$300,000) in principal amount of New Debentures were held by two directors and interest payable in connection with New Debentures held by the directors as at June 30, 2022 was \$14,877 (December 31, 2021 - \$22,347).

As at June 30, 2022, \$60,000 (December 31, 2021 - Nil) of loans was payable to a company controlled by a director, and interest payable in connection with the loans as at June 30, 2022 was \$1,170 (December 31, 2021 - Nil).

During the six month periods ended June 30, 2022 and June 30, 2021, compensation paid or accrued to key management personnel was as follows:

- a) Salaries and other short-term employee benefits paid to the Company's key management personnel, namely the Chief Executive Officer ("CEO") and Chief Technology Officer ("CTO"), were \$104,000 and \$208,000 for the three months and six months ended June 30, 2022 (2021 - \$104,000 and \$176,000).
- b) Consulting fees paid to the Company's key management personnel and companies controlled by current and former key management personnel were \$64,050 (inclusive of GST) and \$116,130 (inclusive of GST) for the three months and six months ended June 30, 2022 (2021 - \$55,125 and \$131,775 (inclusive of GST)).
- c) Included in the share-based payments for the three months and six months ended June 30, 2022 were \$69,353 and \$90,066 (2021 - \$43,442 and \$135,271) related to the fair value of share purchase options vested for key management personnel.
- d) During the six month period ended June 30, 2022, an aggregate of \$14,877 (June 30, 2021 - \$6,904) of interest expense was incurred on New Debentures held by two directors.
- e) During the six month period ended June 30, 2022, an aggregate of \$1,170 (June 30, 2021 - \$Nil) of interest expense was incurred on loans advanced by a company controlled by a director.

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16. SUPPLEMENTAL CASH FLOW INFORMATION

The Company's significant non-cash transactions during the six month period ended June 30, 2022 were as follows:

- a) The Company recognized a \$65,625 addition to share capital pursuant to the issuance of common shares pursuant to the vesting of RSUs (see Note 14).
- b) The Company issued 1,577,000 common shares with a fair value of \$157,700 in connection with the year one earnout provision of the Inverite acquisition. (see Note 5).

The Company's significant non-cash transactions during the six month period ended June 30, 2021 were as follows:

- a) The Company recognized \$4,125 as share capital from reserves on the issuance of common shares pursuant to the vesting of RSUs.
- b) The Company issued 40,843 common shares with a fair value of \$15,000 plus taxes and recorded shares issuable of \$30,000 for amounts owed pursuant to a marketing campaign.
- c) The Company issued an aggregate of 133,832 finder warrants with an estimated fair value of \$9,641.

17. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, to provide our solutions to benefit our customers and clients, to provide returns to shareholders and benefits to our stakeholders, and to maintain a flexible capital structure which optimizes the cost of capital to an acceptable risk. The Company considers its capital for this purpose to be its cash, loan receivables, shareholders' deficiency and bonds. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure and the amount of cash, the Company may issue common shares or debt or acquire or dispose of assets. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. There were no changes to the Company's approach to managing capital during the period.

18. EBUNCH

On April 28, 2022, Marble announced it had entered into a binding letter of intent to acquire all of the securities of eBunch Data and Development Ltd. for consideration of \$550,000, to be paid as to: (i) \$350,000 through the issuance of that number of common shares of Marble (the "Marble Shares") issued at a price equal to the volume-weighted average price ("VWAP") of the Marble Shares on the Canadian Stock Exchange (the "CSE") for the five (5) prior trading days ending 3 trading days prior to the execution of the definitive agreement; and (ii) a minimum of \$200,000 in cash, less adjustments. The vendors also have a two-year performance-based opportunity to receive a cash payment equal to \$0.10 for every \$1.00 in gross income earned over \$750,000, calculated separately in each year during the earn-out period. As at June 30, 2022, this transaction had not closed.

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19. RECONCILIATION OF CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Liabilities arising from financing activities include convertible debentures issued, bonds issued, interest included in bond payable, bond transaction costs capitalized, lease liabilities, and loans payable.

A reconciliation of the changes in these liabilities is as follows:

	June 30, 2022	December 31, 2021
Balance, beginning of the period / year	\$ 6,814,659	\$ 6,237,776
Changes from financing cash flows		
Proceeds from convertible debentures	-	1,303,000
Debt issuance costs	-	(40,150)
Lease payments	(96,607)	(195,336)
Loan payments made	(92,582)	(25,164)
Proceeds from loans	240,000	(10,741)
Redemption of convertible debentures	-	(424,700)
Redemption of bonds	(20,000)	(77,717)
Other changes		
Interest accrued to bond payable	39,572	74,669
Lease accretion	3,543	20,123
Equity component of convertible debentures issued	-	(115,338)
Accretion of convertible debenture	47,523	71,229
Accrued interest on convertible debentures	-	7,292
Unearned revenue	22,944	(185,600)
Interest payable	76,465	154,957
Fair value of brokers' warrants	-	(9,641)
Acquisition of Inverite – CEBA loan	-	30,000
Balance, end of the period / year	\$7,035,517	\$ 6,814,659

20. EVENTS AFTER THE REPORTING PERIOD

Subsequent to June 30, 2022, Marble issued an aggregate of 350,000 common shares pursuant to the exercise of RSUs

On July 29, 2022, the Company granted an aggregate of 100,000 share purchase options exercisable at \$0.09 per common share with an expiry date of July 29, 2027 to certain employees. The share purchase options are all subject to vesting provisions.

Subsequent to June 30, 2022, an aggregate of 300,000 share purchase options expired or were forfeited/cancelled.

On July 7, 2022, an aggregate of 133,832 broker warrants expired unexercised.

On July 27, 2022 the Company entered into loan agreements with each of two directors and a company controlled by a director. The loans bear interest at a rate of 12% per annum and mature on or before September 30, 2022 or such other date as may be agreed to with the Company and each lender. Subsequent to June 30, 2022, an aggregate of \$225,000 was advanced by related parties pursuant to the loan agreements and other advances.

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20. EVENTS AFTER THE REPORTING PERIOD (*cont'd...*)

Subsequent to June 30, 2022, the Company entered into loan agreements with two third party lenders. An aggregate of \$100,000 was received by the Company pursuant to the loan agreements. The loans bear interest at a rate of 12% per annum and mature on or before September 30, 2022 or such other date as may be agreed to with the Company and each lender.

21. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to current year's presentation.