

GRAVITAS FINANCIAL INC.
Consolidated Financial Statements

For the years ended December 31, 2019 and 2018

Audit. Tax. Advisory.

Independent Auditor's Report

To the Shareholders of Gravitas Financial Inc.

Opinion

We have audited the consolidated financial statements of Gravitas Financial Inc. and its subsidiaries (the "Company"), which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statement of income and comprehensive income, consolidated statement of change in deficiency and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The consolidated financial statements of the Company for the year ended December 31, 2018, were audited by another auditor who expressed an unmodified opinion on those statements on May 17, 2019.

We draw attention to Note 30 to the consolidated financial statements, which explains that certain comparative information presented for the year ended December 31, 2018 has been reclassified to conform with the presentation requirements of IFRS 5, non-current assets held for sale and discontinued operations.

Material uncertainty related to going concern

We draw attention to Note 2 in the consolidated financial statements, which indicates that the Company incurred several years of losses and as of December 31, 2019, the Company's current liabilities exceeded its total assets. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner of the audit resulting in this independent auditor's report is Soheil Talebi.

McGovern Hurley LLP



Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
June 16, 2020

Gravitas Financial Inc.

Consolidated Statements of Financial Position

(Presented in Canadian dollars)

As at	Notes	December 31, 2019	December 31, 2018
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents		2,010,390	3,630,378
Guaranteed investment certificates	8	-	1,278,283
Receivable from brokers and clients	5	-	25,416,704
Trade and other receivables	6	944,697	1,918,005
Loan receivables	7	-	434,259
Prepaid expenses		-	314,295
Current assets		2,955,087	32,991,924
Non-current assets			
Loan receivables	7	-	472,310
Investments in associates	9	-	4,003,777
Equity investments and other investments	10	69	18,760,902
Goodwill	11	-	3,366,877
Intangible assets		-	330,035
Property and equipment	13	-	287,629
Non-current assets		69	27,221,530
Total assets		2,955,156	60,213,454
LIABILITIES			
Current liabilities			
Trade and other payables	14, 15	3,315,482	7,564,937
Payable to brokers and clients	5	-	23,549,585
Loans payable and other liabilities	16	-	1,813,014
Debentures	15	83,569,333	-
Income taxes payable	24	-	289,197
Deferred revenue		-	2,456,086
Current liabilities		86,884,815	35,672,819
Non-current liabilities			
Debentures	15	-	95,951,421
Loans payable and other liabilities	16	-	1,059,564
Deferred revenue		-	1,896,094
Deferred taxes		267,566	264,579
Lease inducement		-	6,640
Non-current liabilities		267,566	99,178,298
Total liabilities		87,152,381	134,851,117
DEFICIENCY			
Share capital	18	2,000,600	2,000,600
Contributed surplus		4,373,695	6,778,324
Accumulated deficit		(90,387,248)	(104,109,150)
Accumulated other comprehensive loss		(184,272)	(200,989)
Total deficiency to shareholders		(84,197,225)	(95,531,215)
Non-controlling interest	19	-	20,893,552
Total deficiency		(84,197,225)	(74,637,663)
Total liabilities and deficiency		2,955,156	60,213,454

The accompanying notes are an integral part of the consolidated financial statements.

Going Concern (Note 2)

Related Party Transactions (Note 21)

Contingencies (Note 28)

Subsequent Events (Note 31)

On behalf of the Board:

/s/ Vikas Ranjan
Director

/s/ Winfield Ding
Director

Gravitas Financial Inc.

Consolidated Statements of Income and Comprehensive Income

(Presented in Canadian dollars, except for share and per share amounts)

For the years ended December 31,	Notes	2019 \$	2018 \$
CONTINUING OPERATIONS:			
Revenues			
Listing and research fees		1,015,217	526,226
Consulting and management fees		100,580	83,548
Interest earned		425,993	540,583
Product sales, royalties and other		55,182	-
Total revenues		1,596,972	1,150,357
Expenses			
Professional fees and transaction costs		4,930,915	2,064,622
Compensation and management fees		1,314,544	2,214,084
General and administrative		555,077	1,410,403
Interest expense		2,991,443	2,800,189
Impairment expense	17	1,401,920	2,200,584
Stock-based compensation	22	25,682	564,890
Share of results in associates	9	(68,565)	(55,238)
Amortization	13	10,972	27,384
Gain on restructuring of Mint debentures	15	-	-
Loss on disposal of investments	9, 10	1,231,530	242,383
Loss on settlement		5,670,812	33,315
Foreign exchange loss (gain)		4,031	(158,154)
Change in fair value of investments		178,690	978,333
Total expenses, net of (gains)		18,247,051	12,322,795
Loss before income taxes		(16,650,079)	(11,172,438,)
Current income tax provision	24	-	(16,336)
Deferred tax recovery	24	(64,674)	170,448
Net loss from continuing operations		(16,714,753)	(11,018,326)
DISCONTINUED OPERATIONS:			
Net income from discontinued operations	12	25,141,558	24,877,013
Net income for the year		8,426,805	13,858,687
Other comprehensive income (loss)			
Amounts that may be reclassified to profit and loss			
Cumulative translation adjustment		16,717	(218,530)
Total other comprehensive income (loss) for the year		16,717	(218,530)
Total comprehensive income for the year		8,443,522	13,640,157
Net income (loss) attributable to:			
- Shareholders		14,191,609	279,469
- Non-controlling interest	19	(5,764,804)	13,579,218
		8,426,805	13,858,687
Total comprehensive income (loss) attributable to:			
- Shareholders		14,208,326	60,939
- Non-controlling interest	19	(5,764,804)	13,579,218
		8,443,522	13,640,157
Net income (loss) per share, basic and diluted			
- Continuing operations		(0.23)	(0.15)
- Discontinued operations		0.35	0.34
Net income per share, basic and diluted	20	0.12	0.19
Weighted average number of outstanding common shares, basic and diluted	20	72,601,305	72,601,305

The accompanying notes are an integral part of the consolidated financial statements.

Gravitas Financial Inc.

Consolidated Statements of Change in Deficiency

(Presented in Canadian dollars, except for common shares)

Notes	Number of common shares	Share capital	Accumulated other comprehensive (loss) income		Contributed surplus	Accumulated deficit	Non- controlling interest	Total
			Available-for- sale financial assets	Foreign currency translation				
		\$	\$	\$	\$	\$	\$	\$
Balance, December 31, 2017	72,601,305	2,000,600	4,592,217	17,541	1,470,151	(107,577,744)	240,375	(99,256,860)
Impact of adopting IFRS 9 - reclassification	-	-	(4,592,217)	-	-	4,592,217	-	-
Impact of adopting IFRS 9 - remeasurement	-	-	-	-	-	(576,882)	-	(576,882)
Impact of adopting IFRS 9 and IFRS 15	-	-	-	-	-	(438,325)	-	(438,325)
Restated as at January 1, 2018	72,601,305	2,000,600	-	17,541	1,470,151	(104,000,734)	240,375	(100,272,067)
Non-controlling interest – adjustment to change in ownership	-	-	-	-	-	(451,486)	451,486	-
Foreign currency translation	-	-	-	(218,530)	-	-	-	(218,530)
Additional non controlling interest	-	-	-	-	4,322,113	-	9,097,969	13,420,083
Additional share acquisition in subsidiary	-	-	-	-	-	63,601	(63,601)	-
Deconsolidation of subsidiaries	-	-	-	-	-	-	(2,668,612)	(2,668,612)
Stock-based compensation	23	-	-	-	1,242,777	-	-	1,242,777
Stock options awarded in subsidiary	-	-	-	-	(256,717)	-	256,717	-
Net income for the year	-	-	-	-	-	279,469	13,579,218	13,858,687
Balance, December 31, 2018	72,601,305	2,000,600	-	(200,989)	6,778,324	(104,109,150)	20,893,552	(74,637,663)
Non-controlling interest – adjustment to change in ownership	-	-	-	-	-	(469,707)	469,707	-
Foreign currency translation	-	-	-	16,717	-	-	-	16,717
Additional non controlling interest	-	-	-	-	-	-	33,485	33,485
Disposal of discontinuing operations	-	-	-	-	(3,095,854)	-	(15,631,940)	(18,727,940)
Stock-based compensation	23	-	-	-	691,225	-	-	691,225
Net income (loss) for the year	-	-	-	-	-	14,191,609	(5,764,804)	8,426,805
Balance, December 31, 2019	72,601,305	2,000,600	-	(184,272)	4,373,695	(90,387,248)	-	(84,197,225)

The accompanying notes are an integral part of the consolidated financial statements.

Gravitas Financial Inc.

Consolidated Statements of Cash Flows

(Presented in Canadian dollars)

For the year ended December 31,	Note	2019 \$	2018 \$
OPERATING ACTIVITIES			
Net loss from continuing operations		(16,714,753)	(11,018,3)
Net income from discontinued operations		25,141,558	24,877,013
Adjustments:			
Amortization - intangible assets		-	28,558
Amortization – equipment	13	581,800	110,607
Interest accretion – debentures	15	4,011,330	1,931,727
Lease inducement		(6,640)	(20,028)
Stock based compensation	22	573,148	1,242,777
Loss (gain) on settlements	15	5,670,812	(46,158,564)
Gain on disposal of subsidiary	12	(38,262,960)	(2,542,420)
Change in fair value of convertible debentures – conversion feature		-	2,447,981
Loss on disposal of investments		1,231,530	490,286
Impairment	17	1,582,395	2,982,446
Share of results in associates	9	220,153	2,143,175
Unrealized exchange gain		(12,457)	(135,017)
Accretion on loans receivables		(11,612)	(18,207)
Discount on issuance of loan receivables		-	10,337
Interest and dividends		3,143,014	156,398
Cash used in operations before working capital changes		(12,852,682)	(23,271,257)
Change in working capital	23	6,815,858	6,622,813
Net cash used in operating activities		(6,036,824)	(16,848,444)
INVESTING ACTIVITIES			
Net cash disposed on loss of control subsidiaries	12	(1,536,338)	(1,435,275)
Net cash acquired in an asset acquisition		88,212	-
Short term investments		6,868,530	928,946
Payment for property and equipment	14	(31,069)	(14,056)
Purchase of equity investments		(4,413,106)	(6,076,478)
Proceeds from disposal of investments		-	7,746,885
Advances to associates		-	(2,401,995)
Repayment of advances from associates		-	5,623,647
Investment in loan receivables		-	(813,764)
Proceeds from loan receivables		-	1,295,980
Investment in convertible debentures		-	(1,159,570)
Proceeds from convertible debentures		-	300,000
Dividends received on investment in associates		-	240,000
Proceeds from disposal of discontinued operations		3,608,697	-
Net cash generated from investing activities		4,584,986	4,234,320
FINANCING ACTIVITIES			
Proceeds from issuance of shares to non-controlling interest	20	-	6,197,879
Proceeds from issuance of debentures	16	500,000	-
Repayment of loan payable		(668,150)	-
Proceeds from issuance of preferred shares		-	400,000
Net cash (used in) generated from financing activities		(168,150)	6,597,879
Foreign currency translation effect on cash and cash equivalents		-	(218,530)
Net change in cash and cash equivalents during the year		(1,619,988)	(6,234,775)
Cash and cash equivalents, beginning of year		3,630,378	9,865,153
Cash and cash equivalents, end of year		2,010,390	3,630,378

The accompanying notes are an integral part of the consolidated financial statements.

Supplemental cash flow information [Note 23]

Gravitas Financial Inc.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2019 and 2018

(Presented in Canadian dollars unless otherwise noted)

1. NATURE OF OPERATIONS

Gravitas Financial Inc. (the “Company” or “Gravitas”) is an investment holding firm. On May 28, 2019, the Company announced that it has entered into an accommodation agreement (the “Accommodation Agreement”) with the majority holder of its debentures to implement a sale and investment solicitation process (“SISP”) for all or a portion of the business and property of the Company. As part of the Accommodation Agreement, subsequent to 2019, on April 21, 2020 the Company closed the Debt Repurchase Agreement and retired all the debentures and accrued interest payable (\$83,569,333 principal and \$2,684,557 interest payable as of December 31, 2019).

Gravitas is a publicly listed company on the Canada Securities Exchange (“CSE”) and trades under the symbol, GFI. The Company was incorporated under the Canada Business Corporation Act with its registered office and principal place of business at 333 Bay Street, Suite 1700, Toronto, Ontario M5H 2R2.

2. STATEMENT OF COMPLIANCE, BASIS OF PRESENTATION AND GOING CONCERN

These Financial Statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These Financial Statements have been prepared on a going concern basis, under the historical cost convention, modified to include the fair valuation of certain financial instruments to the extent required or permitted under accounting standards as set out in the relevant accounting policies.

Going Concern

These Financial Statements have been prepared on a going concern basis, which assumes the Company will continue its operations in the foreseeable future and that it will be able to realize its assets and discharge its liabilities in the normal course of operations. As of December 31, 2019, the Company’s current liabilities exceed current assets by \$83,929,728. The Company has incurred several years of losses and as of December 31, 2019, has a cumulative deficit of \$90,387,248 (2018: \$104,109,150); negative cash flows from operations for the year ended December 31, 2019 total \$6,036,824 (2018 - \$16,848,444); and has a shareholder deficiency of \$84,197,225 as at December 31, 2019 (2018: \$95,531,215). These conditions raise a material uncertainty that causes significant doubt about the Company’s ability to continue as a going concern. These conditions indicate the existence of material uncertainties that may cast significant doubt on the Company’s ability to continue as a going concern. The consolidated financial statements do not reflect adjustments to the carrying value of assets and liabilities or reported expenses and balance sheet classifications that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.

These Consolidated Financial Statements (“Financial Statements”) were approved by the Board of Directors on June 15, 2020.

3. SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates, Judgements and Assumptions

The preparation of these financial statements requires the Company to make judgments in applying its accounting policies and estimates and assumptions about the future. Judgments, estimates and assumptions affect the Company’s reported amounts of assets, liabilities, and items in net income or loss, and related disclosure. Estimates are based on various assumptions that the Company believes are reasonable under the circumstances. These estimates form the basis for making judgments about the carrying value of assets and liabilities and the reported amounts of items in net income or loss that are not apparent from other sources. The Company evaluates its estimates on an ongoing basis. Actual results may differ from the Company’s estimates.

Gravitas Financial Inc.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2019 and 2018

(Presented in Canadian dollars unless otherwise noted)

The following are significant management judgments and estimates in applying the accounting policies of the Company that have the most significant effect on these financial statements.

Loss of control - An investee is de-consolidated from the date control is lost. This assessment requires significant judgment based on the characteristics of the investee, and timing of the transaction.

Fair value of financial assets and financial liabilities - Fair value of financial assets and financial liabilities on the statement of financial position that cannot be derived from active markets, are determined using a variety of techniques including the use of mathematical models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. The judgments include, but are not limited to, consideration of model inputs such as volatility, estimated life and discount rates.

Income taxes - The estimate of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions, the Company assesses whether it is probable that some or all of the deferred income tax assets will not be realized the ultimate realization of deferred tax assets is dependent upon the generation of future taxable income. If changes were made to the Company's assessment regarding its ability to use future tax deductions, the Company may be required to recognize more or fewer deferred tax assets and future income tax provisions or recoveries could be affected.

Expected credit losses - Management must exercise judgment to estimate the expected credit losses related to various financial assets. The evaluation of the expected credit losses is established considering the specific credit risk to its counterparties, historical trends and economic conditions.

Share-based compensation - The determination of the share-based compensation expense resulting from the Company granting stock options or options to certain of the Company's assets depends on the use of option pricing and probability weighted models, which are subject to measurement uncertainty. Subjective assumptions are required for these models, including expected stock price volatility and the use of historical data points which may or may not be indicative of future performance.

Provisions - The Company and its subsidiaries from time to time are subject to legal proceedings. Contingent loss provisions are recorded by the Company when it is probable that loss will occur and it can be estimated.

Contingencies - See Note 28.

Basis of consolidation

These Financial Statements include the accounts of the Company and its subsidiaries. Subsidiaries are entities which the Company has power over decisions about relevant activities. The existence and effect of potential voting rights that are currently exercisable, or convertible are considered when assessing whether control exists. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. Entities are deconsolidated from the date on which control ceases. Accounting policies of subsidiaries have been changed, where necessary, to ensure consistency with the Company's policies. The acquisition method of accounting is used to account for the acquisition of subsidiaries. Purchase consideration is measured as the fair value of the assets given, equity instruments issued, and liabilities assumed at the date of exchange. The transaction costs directly attributable to the acquisition are expensed.

Gravitas Financial Inc.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2019 and 2018

(Presented in Canadian dollars unless otherwise noted)

Consolidated subsidiaries	Jurisdiction of incorporation	Direct or Indirect Percentage Ownership (a)
The Mint Corporation ("Mint") ^(b)	Canada	0% (2018: 53.9%)
Gravitas Ventures Inc. ("GVI") ^(b)	Canada	0% (2018: 100%)
New India Investment Corporation ^(b)	Canada	0% (2018: 100%)
Capital Ideas Media Inc.	Canada	0% (2018: 49.98%)
2474184 Ontario Inc. ("2474")	Canada	55%
Revenue.com US Corporation ("Revenue.com")	USA	55%
Gravitas Ilium Corporation ("GIC") ^(b)	Canada	0% (2018: 46.1%)
2242257 Ontario Inc. ("2242") ^(b)	Canada	0% (2018: 49.54%)
Gravitas Securities Inc. ^(b)	Canada	0% (2018: 95.2%)
Gravitas Wealth Advisors, LLC ^(b)	USA	0% (2018: 100%)
2434355 Ontario Inc. ^(b)	Canada	0% (2018: 100%)
Gravitas Capital International Inc. ^(b)	USA	0% (2018: 100%)
Gravitas Independent Portfolio Manager ^(b)	Canada	0% (2018: 100%)
Foregrowth Inc. ("FGI") ^(b)	Canada	0% (2018: 93%)
Foregrowth Holdco Inc. ("FGH") ^(b)	Canada	0% (2018: 100%)
Foregrowth Holdco 1 Inc. ^(b)	Canada	0% (2018: 100%)
Foregrowth Holdco 2 Inc. ^(b)	Canada	0% (2018: 100%)
Foregrowth Wealth Management Inc. ^(b)	Canada	0% (2018: 100%)
Gravitas Corporate Services Inc. ("GCS")	Canada	100%
Ubika Corp. ("Ubika") ^(b)	Canada	0% (2018: 100%)
SmallCapPower Corp.	Canada	0% (2018: 100%)
Capital Ideas Media Inc.	Canada	50.02%
Branson Corporate Services Inc. ^(b)	Canada	0%; 51% (2018: by GCS)
Gravitas Financial Services Holdings Inc. ("GFSHI")	Canada	100%
Gravitas Siraj Holdco Inc.	Canada	100%
Principle Capital Partners Corp., formerly known as Gravitas Mining Corp. ("PCPC") ^(b)	Canada	0% (2019); 64.6% (2018)
Gravitas Investment GP Inc. ^(b)	Canada	0% (2019); 100% (2018: by PCPC)
Zhaojin Gravitas Mining Investments Inc. ^(b)	Canada	0% (2019); 60% (2018: by PCPC)
Gravitas Special Situations GP Inc. ^(b)	Canada	0% (2019); 80% (2018: by PCPC)
Gravitas Global GP Inc.	Canada	100%
Siraj Ontario Corporation	Canada	100%
Gravitas Select Flow-Through GP Inc. ("GSFT")	Canada	100%
Prime City One Capital Corporation ("Prime City") ^(b)	Canada	0% (2018: 4.7%)
SearchGold Guinee SARL	Guinee, Africa	100%
Global Compliance Network Inc.	Canada	100%

(a) Unless otherwise noted, the percentage noted in the table are as of December 31, 2019 and December 31, 2018.

(b) Wholly and partially owned subsidiaries disposed in 2019 (Note 12)

Investment in associates

Associates are all entities over which the Company has significant influence but not control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method after initially being recognized at cost.

Gravitas Financial Inc.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2019 and 2018

(Presented in Canadian dollars unless otherwise noted)

The Company's investments in associates are as follows:

Investment in associates	Jurisdiction of incorporation	Percentage of ownership (%)
Portfolio Analysts Inc. ("PAI") (1)	Canada	0%(2018:40%)
Mint United Arab Emirates ("UAE") Operations (Note 19)(1)	U.A.E.	0%(2018:51% (by Mint))

(1) Investments in Mint and PAI are disposed of during 2019 (Note 12)

Non-controlling interests

Non-controlling interests ("NCI") represent equity interests owned by outside parties. NCI may be initially measured at fair value or at the NCI's proportionate share of the recognized amounts of the acquirees' identifiable net assets. The choice of measurement is made on a transaction by transaction basis. The share of net assets attributable to NCI are presented as a component of equity. Their share of net income or loss and comprehensive income or loss is recognized directly in equity. Total comprehensive income or loss of subsidiaries is attributed to the shareholders of the Company and to the NCI, even if this results in the NCI having a deficit balance.

Functional and presentation currency and basis of evaluation

These Financial Statements are presented in Canadian dollars, which is also the functional currency of the Company and its subsidiaries, with the exception of one non-operating subsidiary whose functional currency in United States dollars. Monetary assets and liabilities in foreign currency are translated at the exchange rate in effect at the statement of financial position date, whereas other assets and liabilities are translated at the exchange rate in effect at the transaction date. Revenues and expenses are translated at the average rate in effect during the year. Gains and losses are included in consolidated statement of loss and comprehensive loss for the year.

Each subsidiary determines its own functional currency and items included in their financial statements are measured using that functional currency. The determination of functional currency is based on the primary economic environment (including monetary policy) in which an entity operates. The functional currency of an entity reflects the underlying transactions, events and conditions that are relevant to the entity. Factors that an entity considers when determining its functional currency include: (1) the currency that mainly influences sale price for goods and services; (ii) the currency of the country whose competitive forces and regulations mainly determine that sale price of its goods and services; (iii) the currency that mainly influences labour, material and other costs of providing goods and services; (iv) the currency in which funds from financing activities are generated; and (v) the currency in which receipts from operating activities are usually retained.

The assets and liabilities of any foreign operations having a functional currency other than the Canadian dollar are translated into Canadian dollar at the exchange rate prevailing at the consolidated statement of financial position date, and at the average exchange rate for the reporting period for revenue and expense accounts. The cumulative foreign currency translation adjustment is recorded as a component of accumulated other comprehensive income or loss in shareholder's equity.

On disposal of a subsidiaries' entire interest in a foreign operation or the Company's loss control of that operation: (i) all of the exchange differences accumulated in equity in respect of that operation attributable to the Company are reclassified to profit or loss; and (ii) any cumulative amount of exchange differences relating to that foreign operation attributable to the non-controlling interests is de-recognized but is not reclassified to profit or loss. In the case of a partial disposal that does not result in the Company losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests and not recognized in profit or loss.

Cash and cash equivalents

Cash and cash equivalents include all cash and investments with an original maturity of three months or less. The Company maintains its cash in bank accounts in amounts that may exceed federally insured limits. The Company has not experienced any losses in these accounts in the past. The fair value of cash and cash equivalents approximates their current carrying amounts since all such items are short-term in nature.

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Business combinations, goodwill and intangible assets

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value at the date of acquisition. Acquisition related transaction costs are expensed as incurred. Identifiable assets and liabilities, including intangible assets, of acquired businesses are recorded at their fair value at the date of acquisition. When the Company acquires control of a business, any previously held equity interest also is re-measured to fair value. The excess of the purchase consideration and any previously held equity interest over the fair value of identifiable net assets acquired is goodwill. If the fair value of identifiable net assets acquired exceeds the purchase consideration and any previously held equity interest, the difference is recognized in the consolidated statements of loss and comprehensive loss immediately as a gain or loss on step acquisition.

Changes in the Company's ownership interest in subsidiaries that do not result in a loss of control are accounted for as equity transactions. Any differences between the change in the carrying amount of NCI and the consideration paid or received is attributed to owner's equity.

Intangible assets

Intangible assets consisted of brand names and licenses and backlog and customers. Intangible assets with a finite useful life are stated in historical cost, less any accumulated amortization and any accumulated impairment losses. Historical costs include all costs directly attributable to the acquisition. These intangibles are amortized over their estimated useful lives of two years on a straight-line basis.

Receivable from and payable to brokers and clients

The Company's partially-owned subsidiary, Gravitas Securities Inc. ("GSI") is required to carry clients' accounts and accordingly, receives, delivers or holds cash or securities in connection with such clients. Balances due from the carrying brokers relate to GSI's share of client balances. In addition, the GSI is required to indemnify the carrying brokers for any liabilities, damages, costs or expenses incurred by reason of failure of clients to make payment or delivery with respect to client accounts. To secure the payment of any amount due under this agreement, GSI is required to maintain a minimum deposit of \$250,000 with its carrying brokers. The Company's liability under these arrangements is not quantifiable. However, GSI considers the potential to be remote for the Company to be required to make payments under these agreements. Accordingly, no contingent liability is carried on the statement of financial position related to these transactions.

Assets held for sale and discontinued operations

Non-current assets, or disposal groups comprising of assets and liabilities are classified as held for sale, if it is highly probable that they will be recovered primarily through the sale rather than through continuing use. Such assets or disposal groups are generally measured at the lower of their carrying amount and fair value less costs to sell.

A discontinued operations is a component that either has been disposed off or is classified as held for sale and represents a separate major line of business or geographical area of operations, or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale.

Impairment of non-financial assets

Goodwill and indefinite life intangibles are tested for impairment annually or when there is an indication that the asset may be impaired. Property and equipment and finite life intangible assets are tested for impairment if events or changes in circumstances, assessed quarterly, indicate that their carrying amount may not be recoverable. For impairment testing, assets other than goodwill are grouped at the lowest level for which there are separately identifiable cash inflows. Impairment losses are recognized and measured as the excess of the carrying value of the assets over their recoverable amount. An asset's recoverable amount is the higher of its value in use and its fair value less costs of disposal. Value in use is defined as the present value of the future cash flows expected to be derived from an asset or a cash generating unit. Previously recognized impairment losses, other than those attributable to goodwill, are reviewed for possible reversal at each reporting date and, if the asset's recoverable amount has increased, all or a portion of the

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impairment is reversed. The carrying amount after a reversal must not exceed the carrying amount (net of depreciation) that would have been determined had no impairment loss been recognized.

Goodwill represents the excess of the purchase price of the acquired companies over the estimated fair value assigned to the individual assets acquired and liabilities assumed.

The Company assesses at least annually for impairment its goodwill on a cash generating unit (“CGUs”) level. For the purposes of impairment testing, goodwill is allocated to each of the Company’s CGUs or a group of CGUs that is expected to benefit from the synergies of the combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are independent of the cash flows from other assets or group of assets. Assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. An impairment loss is recognized for the amount by which the asset’s carrying value exceeds its recoverable value. Impairment losses recognized in respect of CGUs are first allocated to reduce goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

Property and equipment

Property and equipment are stated at historical cost, less any accumulated amortization and any accumulated impairment losses. Historical costs include all costs directly attributable to the acquisition. Amortization of property and equipment are calculated on components that have homogeneous useful lives, using the declining balance basis method to depreciate the initial cost as follows: (i) office furniture and office equipment - 10% to 33%; (ii) computer equipment - 20% to 63%; and (iii) amortization of leasehold improvements are recognized over the lease term of six years. Useful lives, residual values, amortization rates and amortization methods are reviewed annually for reasonableness. Any gain or loss on disposal of property and equipment is determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

Valuation of equity investments and other

Investment transactions are recorded on a trade date basis. The cost of investments represents the amount paid for each security and is determined on an average cost basis excluding transaction costs. Transaction costs directly attributable to the acquisition of financial assets classified as FVTPL are recognized immediately in net income. The fair value of the Company’s investments as at the financial reporting date are determined as follows:

Common shares in quoted companies - All securities listed on a recognized public stock exchange are generally valued at their last bid price. The Company uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day’s bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Company determines the point within the bid-ask to spread that is most representative of the fair value based on the specific facts and circumstances.

Options and warrants - The options and warrants are valued at fair value using the Black-Scholes pricing model which considers factors such as the market value of the underlying security, strike price, volatility and terms.

Investments in private companies - Investments in private companies are valued by certain subjective measures, including recent share transactions, prices for comparable entities, review of cash flow projections and the company prospects, financial ratios and discounted cash flows are techniques used to determine fair value

Provisions

Provisions represent a liability to the Company for which the amount or timing is uncertain. Provisions are recognized when the Company has a legal obligation as a result of prior events, it is probable that a financial outflow of resources will occur, and the amount can be reasonably estimated.

Income taxes

Income tax expense includes current and deferred tax. This expense is recognized in profit or loss, except for income tax related to the components of other comprehensive income (loss) or equity, in which case the tax expense is

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recognized in other comprehensive income (loss) or equity, respectively. Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect to previous period. Deferred tax is recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable income will be available against which those deductible temporary differences and the carry forward of non-capital losses can be utilized.

Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred tax relates to the same taxable entity and the same taxation authority. A deferred tax asset is recognized to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future profit will allow the deferred tax assets to be recovered.

Equity

Share capital represents the amount received upon the share issuance. If shares are issued when options and warrants are exercised, the share capital account also comprises the share-based payment cost previously recognized in contributed surplus. Other elements of equity include the following: (i) contributed surplus includes share-based payments related to options and warrants until such equity instruments are exercised; (ii) retained earnings (deficit) includes all current and prior period profits or losses and issuance costs net of any tax benefits; and (iii) foreign currency translation adjustments.

Equity settled share-based remuneration

The Company operates equity settled share-based remuneration plans for its eligible directors, officers, employees and consultants. Occasionally during the process of raising capital, the Company or its subsidiaries issues warrants to the brokers. All goods and services received in exchange for the grant of any share-based payments are measured at their fair value unless the fair value cannot be estimated reliably. If the Company cannot estimate reliably the fair value of the goods and services received, the Company shall measure their value indirectly by reference to the fair value of the equity instruments granted. For transactions with employee and others providing similar services, the Company measures the fair value of the services by reference to the fair value of the equity instruments granted.

Equity settled share-based payments under equity settled share-based payments plans (except warrants to brokers) are ultimately recognized as an expense in profit or loss with a corresponding credit to contributed surplus, in equity. Warrants issued to brokers are recognized as issuance costs of equity instruments with a corresponding credit to contributed surplus in equity.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in the assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from the previous estimate. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior period if share options ultimately exercised are different to that estimated on vesting.

Certain share-based payment awards might provide the employee with either cash or equity, but the choice as to which option occurs is outside the control of both the employee and the Company. Such arrangements are accounted as cash

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settled and equity settled. The probability of cash settlement is reflected in the fair value of the liability and the results in recognition of a change (with the expected outcome applied to the fair value) over the vesting period. If the award is ultimately settled in equity, the fair value of the liability is reduced to nil.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Basic and diluted net income (loss) per share

Basic income (loss) per share is calculated by dividing the income (loss) attributable to ordinary equity holders of the Company by the weighted average number of common shares outstanding during the period. Diluted income (loss) per share is calculated by adjusting the income (loss) attributable to ordinary equity holders of the Company, and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares which include options and warrants. Dilutive potential common shares shall be deemed to have been converted into common shares at the beginning of the period or, if later, at the date of issue of the potential common shares.

Financial Instruments

Debt instruments and business model assessment

On initial recognition, all debt instruments are classified based on both the business model under which the asset is held and the contractual cash flow characteristics of the financial instrument. The business model assessment involves determining whether financial assets are held and managed by the Company for generating and collecting contractual cash flows, selling the financial assets or both. The Company assesses the business model at a portfolio level using judgment supported by relevant objective evidence including: (i) how the performance of the asset is evaluated and reported to the Company's management; (ii) the frequency, volume, reason and timing of sales in prior periods and expectations about future sales activity; (iii) whether the assets are held purely for trading purposes i.e., assets that are acquired by the Company principally for the purpose of selling or repurchase in the near term or held as part of a portfolio that is managed for short-term profits; and (iv) the risks that affect the performance of assets held within a business model and how those risks are managed.

Cash flow characteristics assessment

The contractual cash flow characteristics assessment involves assessing the contractual features of an instrument to determine if they give rise to cash flows that are consistent with a basic lending arrangement i.e. if they represent cash flows that are solely payments of principal and interest ("SPPI"). Principal is defined as the fair value of the instrument at initial recognition. Principal may change over the life of the instruments due to repayments. Interest is defined as consideration for the time value of money and the credit risk associated with the principal amount outstanding and for other basic lending risks and costs (liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains any contractual terms that could change the timing or amount of contractual cash flows such that the financial asset would not meet the SPPI criteria. In making the assessment, the Company considers: (i) contingent events that would change the amount and/or timing of cash flows; (ii) leverage features; (iii) prepayment and extension terms; (iv) penalties relating to prepayments; terms that limit the Company's claim to cash flows from specified assets; and (v) features that modify consideration of the time value of money.

Debt instruments measured at AMC

Debt instruments are measured at AMC using the effective interest rate, if they are held within a business model whose objective is to hold the financial asset for collecting contractual cash flows where those cash flows represent SPPI. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. AMC is calculated considering any discount or premium on acquisition, transaction costs and fees that are an integral part of the effective interest rate. Amortization of these deferred costs is included in interest income in the consolidated statements of income (loss). Impairment on

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debt instruments measured at AMC is calculated using the ECL approach. Loans and debt securities measured at amortized cost are presented net of the allowance for credit losses in the consolidated statements of financial position.

Equity instruments

Equity instruments are measured at FVTPL unless they are not held for trading purposes and an irrevocable election is made to designate these instruments at FVOCI upon initial recognition. The measurement election is made on an instrument-by-instrument basis. Changes in fair value are recognized in the consolidated statement of income (loss) for equity instruments measured at FVTPL. These instruments are measured at fair value in the statement of financial position, with transaction costs being added to the cost of the instrument. Dividends received that are return on capital, are recorded in income in the statements of income (loss). Unrealized fair value gains/losses are recognized in OCI and are not subsequently reclassified to the statement of income (loss) when the instrument is derecognized or sold. The realized gain or loss on de-recognition are directly transferred from OCI to retained earnings, unlike AFS under IAS 39 which were recycled through the statement of income (loss).

Financial assets designated at FVTPL

Financial assets classified in this category are those that have been designated so by management on initial recognition or are held for trading purposes. Financial assets are designated at FVTPL if doing so eliminates or significantly reduces an accounting mismatch which would otherwise arise. Financial assets designated at FVTPL are recorded in the statement of financial position at fair value. For assets designated at FVTPL, changes in fair values are recognized in income in the statements of income (loss).

Based on this assessment, management has determined that all the debt instruments held are classified as AMC and none of the debt instruments are considered FVTOCI. Further, cash and cash equivalents, receivables from brokers and clients, trade and other receivables, loan receivables, and guaranteed investment certificates that were classified as loans and receivables under IAS 39 are now classified as amortized cost, as their previous category under IAS 39 was eliminated, with no change in the carrying amounts. Convertible debentures held are reclassified as FVTPL.

There were no changes to the classification of financial liabilities due to the adoption of IFRS 9. The Company does not have any hedge accounting relationship, and thus there is no impact on adoption of IFRS 9.

Impairment

The Company applies the three-stage approach to measure allowance for credit losses, using the expected credit loss impairment approach as required under IFRS 9, for the following categories of financial instruments that are not measured at FVTPL: (i) financial assets at AMC; (ii) debt securities as at FVOCI (which there are none); and (iii) off-balance sheet loan commitments (which there are none). The Company has adopted the simplified approach for calculation of impairment for trade and other receivables and receivable from brokers and clients based on a provision matrix, while the staging approach described below is used for loan receivables.

The allowance for credit losses is based on the stage in which the financial instrument falls on the reporting date. The financial instruments migrate through the three stages based on the change in their risk of default since initial recognition. The allowance for credit losses reflects an unbiased, probability-weighted credit loss that considers numerous scenarios based on reasonable and supportable information about past events, current conditions and future forecasts of economic conditions. Forward-looking information is incorporated into the estimation of ECL.

Measurement of ECL

The ECL impairment model measures the credit losses using the following three-stage approach based on the extent of credit deterioration of the financial assets since initial recognition:

- Stage 1 – Where there has not been a significant increase in credit risk (“SICR”) since initial recognition of a financial instrument, an amount equal to twelve months ECL is recorded. The ECL is computed using a probability of default (“PD”) occurring over the next twelve months. The 12-month ECL are the expected credit losses that result from default events that are possible within 12 months after the reporting date. For those instruments with a remaining maturity of less than twelve months, a probability of default corresponding to remaining term to maturity is used.

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- Stage 2 – When a financial instrument experiences a SICR after initial recognition but is not considered to be in default, it is included in Stage 2. This requires the computation of ECL based on the PD over the remaining estimated life of the financial instrument.
- Stage 3 – Financial instruments that are in default are included in this stage. Similar to Stage 2, the allowance for credit losses captures lifetime ECL.

The PD, exposure at default (“EAD”), and loss given default (“LGD”) are inputs used to estimate the ECL. These inputs are modelled based on macroeconomic factors that are closely related with credit losses in the relevant portfolios and are probability-weighted. Details of these statistical parameters/inputs are as follows: (i) PD is an estimate of the likelihood of default over a given time horizon and is expressed as a percentage; (ii) EAD is the expected exposure in the event of default at a future default date and is expressed as an amount; and (iii) LGD is an estimate of the loss arising in case where a default occurs at a given time and is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realization of any collateral. It is expressed as a percentage of the EAD.

Forward-looking information (“FLI”) and Macroeconomic factors

The measurement of ECL for each stage and the assessment of SICR considers information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of FLI requires significant judgement. The Company relies on a broad range of FLIs, such as expected gross domestic product growth, unemployment rates, house price indices and in some cases oil prices. The inputs used in the model for calculating ECL may not always capture all characteristics of the market at the date of the financial statements. To capture portfolio characteristics and risks, qualitative adjustments or overlays are made using management judgement.

Assessment of significant increase in credit risk (“SICR”)

The determination of whether the ECL on a financial instrument is calculated on a twelve-month period or lifetime basis is dependent on the stage the financial asset falls into at the reporting date. A financial instrument moves across stages based on an increase or decrease in its risk of default at the reporting date compared to its risk of default at initial recognition.

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company’s historical experience and expert credit assessment, delinquency and monitoring, and macroeconomic outlook including forward-looking information. With regards to delinquency and monitoring, there is a rebuttable presumption that the risk of default of the financial instrument has increased since initial recognition when contractual payments are more than 30 days overdue.

With regards to its macroeconomic outlook assessment, the Company considers the movements in gross domestic product, forward looking unemployment rates, the housing price index and in certain cases, oil prices.

Definition of default

The Company considers a financial instrument to be in default when: (i) the borrower is unlikely to pay its credit obligations to the Company in full, without recourse like the existence of a general security agreement (if any is held); or (ii) the borrower is past due more than 90 days on any material credit obligation to the Company. The Company classifies a receivable as impaired when, in its opinion, there is a reasonable doubt as to the timely collectability, either in whole or in part, of principal or interest, or the loan is past due greater than 90 days.

Write-offs

The Company writes off an impaired financial asset, either partially or in full, when there is no realistic prospect of recovery. Where financial assets are secured, write-off is after the expected receipts from the realization of collateral.

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In subsequent periods, recoveries if any, against written off loans are credited to the provision for credit losses in the statements of income (loss) and comprehensive income (loss).

Derecognition

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are recognized in the statements of income (loss) and comprehensive income (loss).

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of income (loss) and comprehensive income (loss).

The Company adopted IFRS 15 Revenue from Contracts with Customers from January 1, 2018 which resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with the initial application of IFRS 15, the Company has applied simplified the transition method to all contracts that were not completed as at the January 1, 2018, date of initial application.

Revenue recognition

The Company has established a five step model for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The core principles of revenue recognition policy are to identify the contract with the customer, identify the performance obligation, determine the transaction price, allocate the transaction price and recognize revenue when the entity satisfies the performance obligation. The transaction price is allocated to each separate performance obligation in proportion to the stand-alone selling price. In addition, variable consideration are only recognized to the extent that is highly probable that a significant reversal in the amount of the cumulative revenue recognized will not occur.

Investment banking and wealth management – Revenue consists of private placement fees and commissions earned on corporate finances activities, commission-based brokerage services and sale of fee-based products and services. Revenue is recognized upon the completion of the private placement which also represents the completion of the performance obligation.

Recruitment services fee – Revenue consists of short-term and permanent placement recruiting fees. Revenue is recognised when a candidate provides each hour of service, which is also the performance obligation. For permanent placement fees, revenue will be recognized when the candidate initiates employment, which concludes the performance obligation.

Listing and research fees – Revenue consists of marketing services which includes publishing articles, videos and other content on behalf of customers. The contract includes indeterminate number of acts and revenue is recognized when the “control” of goods and services is transferred to the customer at a point in time. Revenue for listing and research is deferred until all the performance obligations identified in the contract are performed and delivered to the customer.

Consulting and management fees – Revenue consists of consulting and advisory fees. Revenue is recognized on a straight-line basis over the term of the contract which represents the satisfaction of the performance obligation over time.

Other revenues – Other revenue consists of conference income and events held by the Company. Revenue is recognized based on the completion of the conference which represents the completion of the performance obligation.

Interest earned – Revenue is recognised when interest is earned based on effective interest rate.

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4. STANDARDS, AMENDMENTS, AND INTERPRETATIONS ISSUED AND ADOPTED

IFRS 16, Leases

In January 2016, the International Accounting Standards Board (IASB) issued IFRS 16, Leases, to set out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a lease agreement. The standard supersedes IAS 17, Leases and other lease related interpretations, eliminates the classification of leases as either operating lease or finance leases and introduces a single lessee accounting model.

At the commencement date of a lease, a lessee recognizes a liability to make lease payments and an asset representing the right to use the underlying asset. The standard includes two recognition exemptions – leases of “low value” assets and short-term leases (i.e. leases with a lease term of 12 months or less). Lessees will be required to recognize an interest expense element on the lease liability and a depreciation expense on the lease right-of-use (ROU) asset. Upon occurrence of certain events, such as a change in the lease term or a change in future lease payments resulting from a change in an index or rate, the lessee is required to remeasure the lease liability and will generally recognize the impact as an adjustment to the lease ROU asset. Lessor accounting under IFRS 16 is substantially unchanged from IAS 17.

IFRS 16 is effective for annual periods beginning on or after January 1, 2019. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach.

Initial application of IFRS 16

The Company has applied IFRS 16 from January 1, 2019 using the modified retrospective approach. Accordingly, comparative information was not restated. The Company elected to utilize practical expedients available under the modified retrospective approach in order to:

- i) Not reassess whether a contract is, or contains, a lease at the date of initial application, resulting in the Company only applying IFRS 16 to existing contracts previously identified as leases under IAS 17 and IFRIC 4;
- ii) Apply a single discount rate to leases with reasonably similar characteristics; and
- iii) Not apply the requirements of IFRS 16 to short term leases and leases for which the underlying asset is of low value.

For leases previously classified as operating leases under IAS 17, the Company recognized a lease liability under IFRS 16 equal to the present value of remaining lease payments discounted at the lessee’s incremental borrowing rate and chose to recognize a lease ROU asset in an amount equal to the lease liability. As of January 1, 2019, the Company recognized an increase in lease assets and liabilities of \$2,788,902 on the consolidated statements of financial position. The lease ROU asset balance is included in “property and equipment” in the statements of financial position. The long-term portion of the lease liability balance is included in “loan payable and other liabilities – non-current” and the current portion is included in “loan payable and other liabilities – current” in the consolidated balance sheets.

The table below reconciles the lease commitments disclosed in the 2018 annual consolidated financial statements to the lease liability recognized on January 1, 2019:

Lease commitments disclosed as at December 31, 2018	1,856,874
Discounted using the lessee's incremental borrowing rate of 18.6%	1,205,514
Add: adjustments relating to changes in the lease rate affecting variable payments	1,599,795
Less: short-term lease recognised on straight-line basis	(16,407)
Lease liability recognized as at January 1, 2019	2,788,902
Current lease liabilities	989,288
Non-current	1,799,614
Lease liability recognized as at December 31, 2019	-
Current lease liabilities	-
Non-current	-

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As a result of initial adoption of IFRS 16, general and administrative decreased while depreciation expense and interest expense increased on the consolidated statement of income (loss). The net effect result is not material and no reclassification is needed on the opening balance of January 1, 2019.

Accounting policy for leases under IFRS 16

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease that conveys to the Company the right to control the use of an underlying asset in return for payment. If the contract meets the definition of a lease, the lease liability is recognized in an amount equal to the present value of the unpaid lease payments discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used. Lease payments include: (i) all fixed payments; (ii) variable payments that depend on an index or rate; and (iii) any purchase option or termination penalty reasonably certain to be incurred. A lease ROU asset is recognized in an amount equal to the lease liability less any lease incentives received and plus: (i) any payments made prior to the start of the lease; (ii) any initial direct costs incurred; and (iii) an estimate of the cost to restore the asset as required by the lease contract. The Company remeasures the lease liability in response to changes in future lease payments, such as consumer price index (CPI) escalations or changes in lease term, adjusting the lease asset by an equivalent amount. Depreciation starts at the commencement date of the lease.

The Company applies the cost model to subsequently measure lease ROU assets and applies same impairment policy as other property and equipment. Lease ROU assets are depreciated over the period of the lease term.

IFRIC 23- Uncertainty Over Income Tax Treatments

On June 2017, the IFRS Interpretations Committee issued IFRIC 23, which clarifies how the recognition and measurement requirements of IAS 12 'Income Taxes' are applied where there is uncertainty over income tax treatments. It is effective for annual periods beginning on or after 1 January 2019. Adoption of this interpretation did not have material impact on the Company.

Standards, amendments, and interpretations issued but not yet adopted

New and amendments to IFRSs in issue but not yet effective except for the above, the Company has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

IFRS 17 Insurance Contracts¹

Amendments to IFRS 3 Definition of a business²

Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture²

Amendments to IAS 1 Classification of Liabilities as Current or Non-Current⁴

Amendments to IAS 1 and IAS 8 Definition of Material³

Amendments to IFRS 9, IAS 29 and IFRS 7 1 Interest Rate Benchmark Reform³

¹ Effective for annual periods beginning on or after January 1, 2021

² Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after January 1, 2020

³ Effective for annual periods beginning on or after a date to be determined

⁴ Effective for annual periods beginning on or after January 1, 2020

⁵ Effective for annual periods beginning on or after January 1, 2022

In addition to the above new and amendments to IFRSs, a revised Conceptual Framework for Financial Reporting was issued in 2018. Its consequential amendments, the Amendments to References to the Conceptual Framework in IFRS Standards, will be effective for annual periods beginning on or after January 1, 2020. The management is currently assessing its impact of adopting these amendments and don't expect material impact on the consolidated financial statements in the foreseeable future.

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5. RECEIVABLE FROM AND PAYABLE TO BROKERS AND CLIENTS

The Company's formerly partially owned subsidiary, Gravitas Securities Inc. ("GSI") was required to carry clients' accounts on its statement of financial position, and accordingly receives, delivers or holds cash or securities in connection with such clients. As at December 31, 2018, client funds held in segregated accounts were \$25,416,704. Amounts payable to clients and brokers on the Company's books were \$23,549,585 as at December 31, 2018. In 2019, as the GSI was disposed of by the Company, the receivable from and payable to brokers and clients were also disposed.

6. TRADE AND OTHER RECEIVABLES

	December 31, 2019	December 31, 2018
	\$	\$
Trade receivables and other receivables	330,434	1,349,535
Less: Expected credit losses	-	(222,043)
Interest receivable (a)	-	55,147
Harmonized sales tax receivables ("HST")	614,263	392,312
Advances to related companies (b)	-	138,447
Advances to related companies, at 8% per annum, due on demand	-	176,492
Other	-	28,115
	944,697	1,918,005

(a) Interest income accrued on impaired loan receivables amount to \$Nil.

(b) The Company had advances to the Limited Partnerships managed by the Company's subsidiaries. Advances are interest bearing and are due on demand. The receivable was derecognized on sale of a subsidiary.

7. LOAN RECEIVABLES

	December 31, 2019	December 31, 2018
	\$	\$
Secured loans	250,000	250,000
Unsecured loans	17,000	242,078
Employee forgivable loans	-	496,751
Less: Expected credit losses	(267,000)	(82,260)
Balance, end of the year	-	906,569
Less: current portion	-	(434,259)
Non-current portion	-	472,310

Secured loans and unsecured loans

These loan receivables bear interest rates ranging from Nil% to 10% per annum with maturity dates of up to February 2020. Secured loans are secured under general security agreements.

Employee forgivable loans

Certain employees of 2242257 Ontario Inc., a former partially owned subsidiary of the Company, have interest-free loans. The Company would forgive 14.3% (one-seventh) of the principal amount annually. Loan recipients would be required to repay their outstanding loan balance immediately upon ending their employment. The Company amortizes the loan on a straight-line basis over seven years. These loans were disposed with the disposal of 2242257 Ontario Inc.

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8. GUARANTEED INVESTMENT CERTIFICATES

Guaranteed investment certificates had a maturity date of within one year.

	December 31, 2019	December 31, 2018
	\$	\$
Guaranteed investment certificate, 0.50%, maturing during April 2020	-	203,111
Guaranteed investment certificate, 0.60%, maturing during April 2020	-	518,721
Guaranteed investment certificate, 0.60%, maturing during June 2019	-	20,000
Treasury bill, 1.13%, maturing during March 2020	-	251,251
Guaranteed investment certificate, 0.6%, maturing during October 2019	-	230,200
Guaranteed investment certificate, 0.45%, maturing during February 2019	-	15,000
Guaranteed investment certificate, 0.6% maturing during July 2019	-	15,000
Guaranteed investment certificate, 0.6% maturing during November 2019	-	25,000
	-	1,278,283

9. INVESTMENTS IN ASSOCIATES

	December 31, 2019	December 31, 2018
	\$	\$
Balance, beginning of the year	4,003,777	8,959,733
Advances to Mint UAE (a)	288,718	2,401,995
Net repayments to Hafed Holdings Inc.	-	(5,486,325)
Net repayments to associates	-	(137,322)
Investment held in deconsolidated subsidiary	-	900,000
Investment held in subsidiary Prime City	(444,261)	-
Investment transferred to equity investments	(198,655)	-
Investment disposed of	(3,920,930)	-
Dividends received	-	(240,000)
Share of results in associates	(220,153)	(2,138,720)
(Impairment)/reversal of impairment	491,504	(255,584)
Balance, end of year	-	4,003,777

(a) During the year ended December 31, 2019, the Company and Mint advanced \$288,718 (year ended December 31, 2018: \$2,401,995) to Mint UAE. This loan bears interest at 4.5% and matured on October 23, 2018. As at December 31, 2019, the Company has recognized a full provision on the investments in Mint UAE, which has been recorded in the statement of income (loss). The investment was disposed of with the disposal of MINT at December 31, 2019.

Mint UAE and MGEPS

Mint UAE comprises five primary entities: Mint Middle East LLC (“MME”); Mint Electronic Payment Services Limited (“MEPS”); Mint Capital LLC (“MCO”); Mint Gateway for Electronic Payment Services (“MGEPS”); and Hafed Holding LLC (“Hafed”); MME is 51% owned by Mint, and 49% owned by Global Business Systems for Multimedia (“GBS”). MME and its affiliates focus on payroll cards, merchant network solutions and micro finance loans to existing payroll card holders. MME manages the issuance, administration, customer support, payment processing and set up and reporting of payroll cards and related activities. MCO provides micro finance loans to payroll card holders. MEPS is 49% owned by MME but is a fully controlled subsidiary of MME by virtue of a nominee agreement which provides for Board and management control, as well as a 100% commercial interest in the operations of MEPS. MCO is a 100% subsidiary of Mint. MGEPS is 49% owned by MCO and GBS owns the remaining 51%. Under the terms of a nominee agreement, GBS has nominated a 2% share of its ownership and commercial interest in MGEPS in favor of MCO. Accordingly, MCO beneficially owns 51% of MGEPS. MGEPS owns 10% of Hafed’s shares, with 49% commercial interest. All assets and liabilities of the Mint Corporation and its primary entities were disposed at December 31, 2019 (Note 12)

GIC Merchant Banking Corporation (“GICMB”)

The Company owned a 32.7% interest in GICMB. In 2018, due to additional issuances of shares by GICMB, the Company’s ownership interest decreased from 42.86% to 32.7%. The Company determined that as of February 2, 2018, it no longer

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had control of GICMB as it no longer had a majority on the board of directors of GICMB and therefore it does not have the practical ability to direct the relevant activities of GICMB. On February 2, 2018, as a result of deconsolidation, an equity investment was recorded based on the fair value of the shares held at that date, and a gain on deconsolidation of \$942,010 was recognized in 2018. During the period from February 3 to December 31, 2018, the Company's share of the loss of GICMB of \$151,297 has been recorded in the statement of loss.

Analysis of assets and liabilities over which the Company lost control are as follows:

	\$
Cash and cash equivalents	1,433,969
Trade, prepaid and other receivables	1,412,909
Due from related parties	(168,210)
Guaranteed investment certificate	20,000
Property and equipment	77,477
Loans receivable	245,266
Trade and other payables	(2,943,455)
Loans payable	(100,000)
Equity investments	1,196,611
Net assets disposed	1,174,567
Consideration received	
Fair value of investment retained	(800,000)
Non-controlling interest	(1,316,577)
Gain on disposition of subsidiaries recognized in 2018	942,010

On July 13, 2019, as part of the sale and Investment solicitation process (the "SISP"), the Company entered into an Accommodation Agreement and closed the sale of the associate investment in GICMB. The net assets disposed and gain on disposal analysis is as follows:

	\$
Investment in associate disposed	576,024
Loans and other receivables disposed	143,576
Net assets disposed	719,600
Consideration received	225,000
Loss on disposition of investment	(494,600)

Portfolio Analysts Inc.

The Company owned a 40% interest in Portfolio Analysts Inc. ("PAI") giving it significant influence over PAI's operations. PAI is a holding company for Portfolio Strategies Corporation ("PSC"), which is a dealer in mutual funds and exempt securities in the provinces of Alberta, British Columbia, Saskatchewan, Manitoba and Ontario. As the Company did have the ability to control the key operating activities of PAI, it was accounted for using the equity method. As of December 31, 2019, investment in PAI has been disposed of:

	\$
Investment in associate assets disposed	3,543,561
Consideration received	2,480,000
Loss on disposition of investment	(1,063,561)

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10. EQUITY INVESTMENTS AND OTHER INVESTMENTS

	December 31, 2019	December 31, 2018
	\$	\$
Fair value through profit and loss ("FVTPL")		
Investments in public companies:		
Common shares	69	5,133,590
Investment in private companies:		
Common shares	-	3,099,986
Preferred shares	-	2,101,188
Options	-	84,300
Warrants	-	2,786,924
Other investments		
Investments in funds and related joint venture	-	5,554,913
Mining properties	-	1
	69	18,760,902

Preferred shares

Through its former wholly owned subsidiary, New India Investment Corporation, the Company invested a total of \$1,806,792 in Innoviti Payments Solutions Private Limited ("Innoviti"), a private company incorporated in India under the Indian Companies Act. The Company acquired Series C Preferred shares of Innoviti, which are compulsorily convertible into common shares on a one-for-one basis within three years and carry a cumulative dividend of 0.1%. During 2017, Innoviti raised additional funds from third parties, diluting the Company's interest to approximately 3.7%. As at December 31, 2019, New India Investment Corporation had been disposed of.

During 2018, the Company's former subsidiary Gravitas Ilium Corporation invested \$250,000 in preferred shares in GICMB. The preferred shares carry no voting rights. While the preferred shares are outstanding, the common shareholders cannot be paid any dividends that would result in the company having insufficient assets to redeem the preferred shares at their redemption amount. Gravitas Ilium Corporation and its subsidiaries had been disposed of at December 31, 2019.

Warrants

The fair value of the warrants the Company held in equity investments was estimated using the Black-Scholes pricing model and was based on the following assumptions:

	December 31, 2019		December 31, 2018	
	Range	Weighted Average	Range	Weighted Average
Fair value of warrant	\$NIL to \$NIL	\$NIL	\$0.00 to \$4.35	\$0.07
Stock price	\$NIL to \$NIL	\$NIL	\$0.01 to \$6.25	\$0.17
Expected life (in years)	NIL to NIL	-	0.05 to 10.01	2.05
Volatility	NIL% to NIL%	NIL%	21.5% to 295.01%	115.94%
Risk free rate	NIL% to NIL%	NIL%	1.88% to 2.41%	2.23%

Investment Funds

PCPC was formerly a partially owned subsidiary of the Company as at December 31, 2018 and is no longer a subsidiary as at December 31, 2019. It has invested in the following funds, which make up most of the investment fund balance. These were classified as a FVTPL investment on the statements of financial position as at December 31, 2018:

- (i) 90,550 Class O units of an unconsolidated limited partnership called Gravitas Special Situations Limited Partnership or ("GSSLP"). As of December 31, 2019, the value of this investment was \$Nil (December 31, 2018: \$1,430,690). Gravitas Special Situations GP Inc., an former 80% subsidiary was the general partner of GSSLP. As per the confidential information memorandum, 99.99% of the net income or net loss was allocated to Limited Partners of GSSLP. The manager of GSSLP is Gravitas Securities Inc. (a former subsidiary of the Company). The Limited Partners in GSSLP are not entitled to participate in the control of GSSLP. The Company was the promoter of GSSLP.

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- (ii) 320,421 units of an unconsolidated fund called Gravitas Zhaojin Gold Industry Fund was owned by the Company's former subsidiary PCP. As of December 31, 2019, the Company owned no more of the fund units (2018: \$3,079,246).
- (iii) investment in Zijin Midas Exploration Fund LLC. As of December 31, 2019, the Company owned \$nil of the investment (2018: \$1,044,977).

11. GOODWILL

The goodwill balance of \$3,366,877 as at December 31, 2018 related to the acquisition of 2242, which management considered to be a separate CGU. Assets, including goodwill, and liabilities of 2242 had been disposed of as at December 31, 2019 (Note 12).

12. SALE OF ASSETS AND DISCONTINUED OPERATIONS

Loss of control of Branson

In February 2019, the shareholders of Branson entered into a series of transactions by which the shareholders acquired their proportionate share of the assets of Branson and also redeemed their interests in the Company. Effective February 23, 2019, the Company, through its subsidiary, no longer holds an interest in Branson (2018: 51%) and the Company recognized a loss of \$940,193 on deconsolidation during the year ended December 31, 2019:

Disposal of PCPC

In June 2019, the Company entered into a sale and purchase agreement with Yuhua International Capital Inc. ("Yuhua") whereby Yuhua will acquire the Company's shares of PCPC as well as certain receivables for cash consideration. The sale of PCPC shares closed on June 13, 2019 and the Company recognized a loss on deconsolidation of \$1,893,923 during the year ended December 31, 2019.

Sales and Investment Solicitation Process ("SISP")

In May 2019 the Company executed a sales and investment solicitation process ("SISP") with the major debenture holder to facilitate the sale of all or substantially all of the assets of the Company. Shareholders voted in majority to sell all or substantially all of the subsidiaries and assets of the Company in the annual general and special meeting held on October 29, 2019.

In connection with the SISP the following events have occurred:

- a. On September 24, 2019, the Company entered into an agreement to dispose of all the shares it owned in Prime City for cash consideration of \$100,000, and closed the transaction on December 20, 2019. The Company recorded a loss on disposal of subsidiary of \$361,632 on the statement of income for this transaction.
- b. On September 26, 2019, the Company entered into an agreement to sell the common shares of The Mint Corporation registered and beneficially owned by the Company and certain outstanding loans and other indebtedness owed to the Company by Mint and certain of its affiliates. The agreement was amended October 7, 2019 and December 31, 2019 and the transaction closed on December 31, 2019 for aggregate cash consideration of \$1,098,099. The Company also forgave debt and payables in total of \$5,261,931. A gain of \$36,377,915 was recorded on disposal of subsidiary on the consolidated statement of income for this transaction.
- c. On October 8, 2019 the Company sold all of the issued and outstanding shares in Ubika Corp. and certain loans and indebtedness, but excluding Capital Ideas Media Inc. a subsidiary of Ubika Corp., for cash consideration of \$150,000. \$3,886,229 debt and payables were forgiven. A \$13,000 loss on disposal of subsidiary was recorded on the statement of income for this transaction.

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- d. On October 8, 2019 the Company sold all the issued and outstanding shares in Gravitas Ventures Inc. (“GVI”) and various other assets for cash consideration of \$250,000. \$6,395,682 debt and payables were forgiven. \$2,141,376 loss on disposal of subsidiary was recorded for this transaction.
- e. On November 5, 2019 Gravitas Financial Services Holdings Inc., a wholly owned subsidiary of Gravitas Financial Inc., sold all of its interest in Portfolio Analyst Inc. for consideration of \$2,480,000 (note 9).
- f. On November 12, 2019 the Company sold all of the issued and outstanding shares in New India Investment Corp. (“NIIC”) and certain debt owed to NIIC to the Company \$1,262,423 for cash consideration of \$900,000. A \$304,989 loss on disposal of subsidiary was recorded.
- g. On April 28, 2020 the Company closed the transaction relating to the sale of all of its interest in Gravitas Ilium Corporation (“GIC”) and all claims by the Company for indebtedness owed by GIC and its subsidiary, Foregrowth Inc., to the Company pursuant to a share purchase agreement with Ilium Capital Corp. dated October 11, 2019 (as initially amended on December 30, 2019) and for an amended aggregate consideration of \$300,000. A debt of \$699,698 was settled. The transaction was recorded effective December 30, 2019. A gain on disposal of \$3,450,017 was recorded for this transaction.

Loss of control of GICMB

During 2018, due to additional issuances of shares by GICMB, the Company’s ownership interest decreased from 42.86% to 32.7%. The Company determined that as of February 2, 2018, it no longer had control of GICMB as it no longer had a majority on the board of directors of GICMB and therefore it does not have the practical ability to direct the relevant activities of GICMB. However, the Company retains significant influence over GICMB and has therefore recorded an investment in associate. The Company recognized a gain on deconsolidation of \$942,010 (See note 9). The remaining 32.7% interest in GICMB was subsequently disposed on July 13, 2019.

Loss of control of Claxton

Claxton was dissolved in 2018 and the Company recognized gain of \$1,600,409.

Gain on disposal of subsidiaries

The major classes of assets and liabilities of the entities disposed-off and the gain or loss on disposals are as follows:

2019	GIC	PCOC	NIIC	Mint	GVI	UBIKA	Branson	PCPC	Total
Total assets	41,962,881	57,284	1,851,237	126,446	3,069,860	776,877	657,515	6,344,224	54,846,324
Total liabilities	(45,565,650)	(60,587)	(1,908,671)	(23,373,674)	(7,074,166)	(4,500,106)	-	(2,195,241)	(84,678,095)
Net carrying value of the disposal group	(3,602,769)	(3,303)	(57,434)	(23,247,228)	(4,004,306)	(3,723,229)	657,515	4,148,983	(29,831,771)
Non-controlling interest	891,842	(1,570)	-	(15,702,122)	-	-	618,012	(1,444,462)	(15,638,300)
Derecognition of reserves	(1,138,788)	(364,669)	-	(1,592,397)	-	-	-	-	(3,095,854)
Cash consideration	(300,000)	(100,000)	(900,000)	(1,098,099)	(250,000)	(150,000)	-	(1,150,000)	(3,948,099)
Other consideration	-	-	-	-	-	-	(335,334)	-	(335,334)
Debts and payables settled	699,698	107,910	1,262,423	5,261,931	6,395,682	3,886,229	-	339,402	17,953,275
Gain (loss) on disposal	3,450,017	361,632	(304,989)	36,377,915	(2,141,376)	(13,000)	(940,193)	(1,893,923)	34,896,083

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The discontinued operations of the subsidiaries disposed of for the year ended December 31, 2019 is as follows:

2019	GIC Group	Prime City	NIIC	Mint	GVI	UBIKA	Branson	PCPC	Total
Revenues	15,423,664	-	-	-	-	1,457,272	1,936	744,626	17,627,498
Expenses	(13,712,879)	(534,305)	-	(1,998,510)	(19,103)	(990,456)	-	(773,860)	(18,029,113)
Interest expenses	(24,982)	-	-	(3,694,694)	-	-	-	(146,563)	(3,866,239)
Investment and other income (expense)	(2,839,363)	-	1,229	-	(1,521,659)	(936,555)	-	(188,422)	(5,484,770)
Income (loss) before taxes	(1,153,560)	(534,305)	1,229	(5,693,204)	(1,540,762)	(469,739)	1,936	(364,219)	(9,752,624)
Income taxes	-	-	-	-	(1,901)	-	-	-	(1,901)
Income (loss) after taxes	(1,153,560)	(534,305)	1,229	(5,693,204)	(1,542,663)	(469,739)	1,936	(364,219)	(9,754,525)
Gain (loss) on disposal of subsidiary	3,450,017	361,632	304,989	36,377,915	2,141,376	13,000	940,193	1,893,923	34,896,083
Net income (loss) from discontinued operations	2,296,457	(172,673)	(303,760)	30,684,711	(3,684,039)	(482,739)	(938,257)	(2,258,142)	25,141,558

2018	GIC Group	NIIC	Mint	GVI	UBIKA	Branson	PCPC	Claxton	GIG	GSSGI	GMBC	BTG	Total
Revenues	7,774,548	-	-	-	1,129,659	828,408	126,186	-	389,248	-	195,751	321,712	10,765,512
Expenses	(12,056,645)	(68,356)	(3,274,350)	-	(2,876,500)	(1,121,882)	(1,537,713)	-	(489,241)	(88,261)	(42,510)	(434,191)	(21,989,649)
Interest expenses	(401,027)	-	(3,249,776)	-	-	(9,336)	(345,689)	-	-	-	-	-	(4,005,828)
Investment and other income (expense)	-	-	43,788,982	(2,873,389)	-	(838,611)	(2,243,068)	-	-	-	-	-	37,833,914
Income (loss) before taxes	(4,683,124)	(68,356)	37,264,856	(2,873,389)	(1,746,841)	(1,141,421)	(4,000,284)	-	(99,993)	(88,261)	153,241	(112,479)	22,603,949
Income taxes	(258,908)	-	-	-	-	-	-	-	-	-	(10,447)	-	(269,355)
Income (loss) after taxes	(4,942,032)	(68,356)	37,264,856	(2,873,389)	(1,746,841)	(1,141,421)	(4,000,284)	-	(99,993)	(88,261)	142,794	(112,479)	22,334,594
Gain (loss) on disposal of subsidiary	-	-	-	-	-	-	-	1,600,409	-	-	942,010	-	2,542,419
Net income (loss) from discontinued operations	(4,942,032)	(68,356)	37,264,856	(2,873,389)	(1,746,841)	(1,141,421)	(4,000,284)	1,600,409	(99,993)	(88,261)	1,084,804	(112,479)	24,877,013

Cashflows from discontinued operations

2019	GIC	PCOC	NIIC	Mint	GVI	UBIKA	Branson	PCPC	Total
Cashflows from operations	(727,782)	29,910	(3,447)	(80,310)	(1,357,259)	(296,614)	9,209	(792,802)	(3,219,095)
Cashflows from investing	-	-	-	-	800,529	282,190	-	1,103,856	2,186,575
Cashflows from financing	500,000	-	-	-	-	-	-	(668,150)	(168,150)
Cash beginning	1,500,728	11,509	3,496	174,068	638,927	21,375	11,509	375,396	2,737,008
Cash ending	1,272,946	41,419	49	93,758	82,197	6,951	20,718	18,300	1,536,338

2018	GIC Group	NIIC	Mint	GVI	UBIKA	Branson	PCPC	Claxton	GIG	GSSGI	GMBC	BTG	Total
Cashflows from operations	102,342	3,496	(1,038,340)	(153,478)	(125,058)	(38,384)	(1,149,066)	(27,421)	-	-	-	(240,329)	(2,666,238)
Cashflows from investing	-	-	(3,202,231)	171,953	(2,737)	(84,500)	(3,934,618)	-	-	-	-	(1,393,063)	(8,445,196)
Cashflows from financing	(50,000)	-	4,316,550	-	-	-	1,566,625	-	-	-	-	1,433,502	7,266,677
Cash beginning	1,448,386	-	98,089	620,452	149,170	134,393	3,892,455	28,727	-	-	-	257,387	6,629,059
Cash ending	1,500,728	3,496	174,068	638,927	21,375	11,509	375,396	1,306	-	-	-	57,497	2,784,302

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13. PROPERTY AND EQUIPMENT

A continuity of property and equipment of the Company is as follows:

	Leased office equipment *	Lease of office premise *	Office and Computer equipment	Leasehold improvement	Total
	\$	\$	\$	\$	\$
Cost:					
Balance as at January 1, 2018	-	-	460,844	301,403	762,247
Additions	-	-	14,056	-	14,056
Disposals	-	-	(62,330)	(15,147)	(77,477)
Balance as at December 31, 2018	-	-	412,570	286,256	698,826
Recognition of right-of-use asset on initial application of IFRS 16 on January 1, 2019	35,071	2,753,830	-	-	2,788,901
Additions	-	-	31,069	-	31,069
Reclassification to discontinued operations	(35,071)	(2,753,830)	(186,817)	(286,256)	(3,261,974)
Write-offs	-	-	(256,822)	-	(256,822)
Balance as at December 31, 2019	-	-	-	-	-
Accumulated amortization:					
Balance as at January 1, 2018	-	-	226,995	73,595	300,590
Amortization	-	-	48,253	62,354	110,607
Balance as at December 31, 2018	-	-	275,248	135,949	411,197
Depreciation	-	1,252,800	16,679	1,856	1,271,335
Reclassification to discontinued operations	-	(1,252,800)	(100,422)	(137,805)	(1,491,027)
Write-offs	-	-	(191,505)	-	(191,505)
Balance as at December 31, 2019	-	-	-	-	-
Carrying amount:					
Balance as at December 31, 2018	-	-	137,322	150,307	287,629
Balance as at December 31, 2019	-	-	-	-	-

* Reflects leases previously classified as operating leases, for which lease assets were recognized on January 1, 2019.

14. TRADE AND OTHER PAYABLES

A summary of trade and other payables of the Company is as follows:

	December 31, 2019	December 31, 2018
	\$	\$
Trade payables	581,566	4,750,368
Interest payables (a) (Note 15)	2,684,557	180,285
Option and put derivative liability regarding FGI (note 22)	-	537,537
Due to related parties, non-interest bearing, due on demand	-	18,160
Accrued compensation (b)	49,359	2,078,587
	3,315,482	7,564,937

(a) This amount represents the interest accrued on Gravitas' Debenture Series #1 and Series #2 (Note 15) as at December 31, 2019. During May 2019, the Company entered into an Accommodation Agreement with the majority holder of its debentures under which the debtholder have agreed to waive the payment of interest for the year until the earlier of July 12, 2019 and such later date as is agreed to with the debtholder, unless earlier terminated. The waiver has been extended to the date until the debentures were repurchased by the Company which was completed on April 21, 2020. See Note 30.

(b) Amount at December 31, 2018 represented shares and warrants due as compensation for investment banking services which were provided to third parties by a subsidiary of the Company. The amount at December 31, 2019 represents wages and compensation payable to executives.

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15. DEBENTURES

Summary of the debentures are as follows:

	Gravitas Series #1 (a)	Gravitas Series #2 (b)	Mint Series A (c)	Mint Series C (c)	FGI Convertible unsecured (d)	Total
	\$	\$	\$	\$	\$	\$
Balance, January 1, 2018	30,023,000	53,347,426	48,535,156	9,935,500	-	141,841,082
Accretion of interest (c)	-	114,299	1,753,021	55,526	-	1,922,846
Reduction of liability on debentures (c)	-	-	(48,631,844)	(9,991,026)	-	(58,622,870)
Present value of Series A debentures (c)	-	-	10,810,363	-	-	10,810,363
Balance, December 31, 2018	30,023,000	53,461,725	12,466,696	-	-	95,951,421
Accretion of interest (c)	-	84,608	3,925,328	-	13,945	4,011,330
Issuance of debentures	-	-	-	-	500,000	500,000
Liabilities disposed (Note 12)	-	-	(16,392,024)	-	(513,945)	(16,905,969)
Balance, December 31, 2019	30,023,000	53,546,333	-	-	-	83,569,333

Company's Debentures

- (a) The Company's Debentures Series#1 have a face value of \$30,023,000 with an interest rate of 3.5% payable quarterly. These debentures are secured by a first ranking lien over the collateral assets of the Company, subject to: (i) the security interest previously granted and registered in respect to the debenture of \$54,022,000 issued in June 2013; and (ii) any specified priority encumbrances that may be incurred during the term of the indenture and the debenture. During May 2017, the Company, for a fee of \$300,230, extended the maturity date of this debenture to December 3, 2020. This amount was included within interest expense.
- (b) The Company's Debentures Series#2 have a face value of \$54,022,000 with an interest rate to the greater of: (i) 3% per annum; or (ii) an amount as is equal to 80% of the earnings before interest expense and tax ("EBT") on a consolidated basis, subject to an aggregate maximum amount of 8% per annum. The base 3% interest amount shall be payable quarterly, with the annual adjustment made based on the net earnings calculation annually and paid out on April 30 of each year. The debentures are redeemable at par value on June 23, 2023. The debentures are renewable for an additional ten-year period upon the payment of a renewal fee equal to 1% of the principal amount of the debentures outstanding at the date of the renewal. Upon any such renewal, the rate of interest on the debentures shall be adjusted such that the minimum interest rate shall be equal to the Government of Canada ten-year bond rate, plus 5%. This debenture is secured by Gravitas' assets.

In May 2019, the Company entered into an Accommodation Agreement with the majority holder of the Company's debentures. Under the Accommodation Agreement, the Company has agreed to implement a sale and investment solicitation process ("SISP"), the purpose of which is to seek proposals for a debt financing or refinancing and/or equity financing for a restructuring transaction, and/or a sale of all or a portion of the business and property of the Company and to subsequently implement one or more non-overlapping transactions. The sale and investment solicitation process includes the Company's equity interests in various portfolio companies and in certain circumstances may include the assets of certain operating entities in which the Company has an equity interest. On April 21, 2020, the Company completed the SISP and repurchased the Debentures Series#1 and Series#2 with interest accrued to that date for cash consideration of \$1,189,394.

Mint's Debentures

- (c) On May 31, 2018, Mint completed a transaction to restructure the Corporation's Series A and Series C debentures having an aggregate value of principal and accrued interest of \$64,062,727. Substantially all of the Series A debentures were held by two holders (the "majority Series A holders") with all of the Series C debentures being held by one of the majority Series A holders. As part of the transaction, the Corporation acquired for cancellation

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Series A debentures with an aggregated value of principal and accrued interest of \$40,449 for \$8,084, thereby leaving the majority Series A holders as the sole holders of the Series A debentures at closing.

Under the transaction, Mint acquired for cancellation \$28,979,520 principal amount of the outstanding Series A debentures and all claims for interest and other amounts owing under the Series A debentures, thereby reducing the amount owing to \$20,000,000. The Series A debentures were amended to provide that they mature on December 31, 2021 and, commencing on October 1, 2019, will bear cash interest at 10% per annum, payable quarterly.

If Mint does not have sufficient funds to pay cash interest when required, the shortfall will be paid by the issuance of subscription receipts convertible into common shares of Mint priced at the greater of 95% of the 10-day volume weighted average price of the common shares and the minimum price permitted by the TSX Venture Exchange. Each subscription receipt will convert, for no additional consideration, into one common share of Mint at the election of the holder within one year from the date of issuance.

The Series C debentures in the principal amount of \$10,000,000 were amended to postpone that debt in favour of the Series A debentures and to provide that the Series C debentures would be cancelled and deemed to be repaid upon payment of the Series A debentures. This amendment retained the security under the Series C debentures but limited the total debt under the Series A and Series C debentures to \$20,000,000 owing under the Series A debentures. This \$20,000,000 owing under the Series A debentures was the agreed total settlement of the principal and accrued interest on the Series A and Series C debentures. The Series A debentures are secured by a first position security in the assets of Mint and MME. The Series C debentures are secured by security in the assets of Mint and MCO.

In consideration for the settlement, the Series A holders received at no additional cost: (a) 17,300,000 common shares of Mint, (b) 11,700,000 common share purchase warrants of Mint, and (c) subscription receipts to acquire a total of 16,000,000 common shares of Mint. Each warrant is exercisable for one common share at any time on or after January 1, 2019 and on or before December 31, 2021 at an exercise price of \$0.10. The subscription receipts were issued in eight series of 2,000,000 subscription receipts per series with each subscription receipt exercisable into one common share of Mint. The subscription receipts are exercisable on or after the respective exercise date until December 31, 2022.

As of December 31, 2019, 16,000,000 subscription receipts (Series 1 through 8) were exercisable but had not been exercised. All subscription receipts are subject to a one-year hold from the date of their respective Subscription Receipt Date. All subscription receipts that are not exercised and converted on or prior to December 31, 2022 expire automatically.

Gain on Restructuring of Series A and Series C Debentures

For the year ended December 31, 2018, Mint recognized a gain of \$45,831,643 arising from the restructuring of the Series A and Series C debentures. At the time of the restructuring transaction the principal and accrued interest owing on all Series A debentures held by the “majority” and “minority” holders, and the Series C debentures was \$64,062,727. On May 31, 2018, Mint common shares were trading at a price of \$0.20 per share.

The Corporation has estimated the fair value of consideration granted, in accordance with accounting standards, as follows:

- (i) \$10,810,363 being the present value of the \$20,000,000 principal amount of the Series A debentures, discounted at an assumed interest rate of 25% per annum. This discount rate reflects the timing and amount of interest coupon payments, and retirement of the principal at its December 31, 2021 maturity date. In accordance with accounting standards, Mint is required to use an interest rate that assumes a debt obligation on an unsecured basis without any adjustment to reflect the security granted for that debt, or the value of the additional securities granted at no cost as part of the transaction (i.e. common shares, warrants and

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- subscription receipts). On this basis, a 25% interest rate has been used as the rate on unsecured debt that a company in Mint's comparable condition would incur on unsecured debt;
- (ii) \$3,460,000 being the value of the 17,300,000 common shares granted at the May 31, 2018 share price of \$0.20 per common share;
 - (iii) \$2,275,977 being the estimated fair value of the 11,700,000 warrants granted at the closing date using the Black-Scholes pricing model;
 - (iv) \$932,474 being the estimated fair value of the 16,000,000 subscription receipts granted at the closing date using the Black-Scholes pricing model; and
 - (v) \$8,084 being the purchase price paid by Mint to acquire for cancellation the Series A debentures not held by the "majority" holders valued at \$40,449.

Transaction costs of \$744,186, comprising of \$417,265 of legal fee and \$326,921 of investor warrants, were incurred as part of the transaction and were expensed in 2018. The grant date fair value of the warrants issued was determined using the Black-Scholes model with the following assumptions: an expected volatility of 218%; a risk-free rate of 1.75%; an expected life of 2.8 years; no expected dividends; and a share price of \$0.13.

At December 31, 2019, the Mint Debentures were disposed with the disposal of Mint.

FGI's Debentures

- (d) In May 2019, FGI, a subsidiary of the Company, issued a debenture with a face value of \$500,000 with an interest rate of 12% per annum. Interest is payable on the maturity date of May 1, 2021 or the date of prepayment. If no event of default has occurred, FGI has the option to prepay in cash the entire principal amount outstanding on the debenture plus any accrued interest. These debentures are unsecured and the principal sum outstanding under the debenture is convertible, upon and subject to certain conditions, into common shares of FGI at a conversion price of \$0.5976 for each \$1.00 of principal amount of the debenture being converted, at any time on or prior to the earlier of the maturity date or the date of prepayment of the debenture. There are also provisions for the adjustment of the number of common shares issuable upon the conversion of the debenture in certain events. These debentures had been disposed of with the disposal of FGI by the Company as at December 31, 2019.

16. LOANS PAYABLE AND OTHER LIABILITIES

	December 31, 2019	December 31, 2018
	\$	\$
Bridge loans, due by PCPC (a)	-	1,777,533
Lease liability (b)	-	-
Preferred share liability, due by PCPC (a)	-	760,000
Promissory notes, due by Mint (c)	-	335,481
Other (d)	-	(436)
Balance, end of the year	-	2,872,578
Less: current portion	-	(1,813,014)
Non-current portion	-	1,059,564

- (a) PCPC was a subsidiary in 2018, but the Company's investment in PCPC was disposed in June 2019 (note 12). PCPC ceased to be consolidated in the financial statements of the Company as at December 31, 2019.
- (b) This reflects the lease liability recognized on January 1, 2019 as a result of adopting IFRS 16 as detailed in Note 4, that had been disposed of as at December 31, 2019.
- (c) On August 30, 2018, Mint issued \$305,000 principal amount of Series 2018N unsecured promissory notes with a maturity of twelve months from the first closing of the offering. Mint also issued a total of 610,000 investor warrants (two bonus nontransferable warrants for every \$1 principal amount of the promissory notes). Each warrant is exercisable for one common shares of Mint at any time during

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the 12 months following the first closing at an exercise price of \$0.20. If the common shares trade at a price that closes at or above \$0.40 per share for 10 consecutive trading days, Mint may accelerate the expiration date of the warrants to a date that not less than 30 days from the date Mint provides the notice of such acceleration, provided such accelerated expiration date may not be earlier than four months plus one day after the last closing of the offering. Mint will pay the entire principal and accrued interest on the maturity date. The promissory notes bear interest at 15% per annum which accrues and is payable at maturity. Overdue principal and interest bears interest at 18% per annum from maturity date until paid. Mint may prepay all or a portion of the promissory notes, plus accrued interest, at any time, provided that a minimum of nine months interest is paid. On November 12, 2018, Mint conducted a second closing of the Series 2018N financing with net proceeds of \$50,000. Mint issued 100,000 investor warrants and 4,000 finder warrants in conjunction with the second closing. The holders of the promissory notes are entitled to participate in any equity private placement (a "Subsequent Offering") closed by Mint prior to the repayment of the notes, in the case of each note holder up to an amount equal to the principal plus interest payable on the holder's note at the time of the Subsequent Offering. The price payable by note holders who elect to participate in a Subsequent Offering will be the greater of (i) a 15% discount to the price payable by subscribers who are not note holders, and (ii) the minimum price permitted by the TSX Venture Exchange. If a note holder elects to participate in a Subsequent Offering, the holder's note will be exchanged for securities under the Subsequent Offering.

The above promissory notes were determined to be compound financial instruments comprising a host debt component and a residual equity component representing the warrants. The host or liability component of the promissory note was recognized initially at the fair value, by discounting the stream of future payments of interest and principal at the prevailing market rate of 25% per annum for a similar liability of comparable credit status and providing substantially the same cash flows that do not have an associated warrant. The carrying amount of the warrants was estimated using the residual method, comprising the difference between the principal amount and the initial carrying value of host debt component and is included as a reserve in shareholders' deficiency.

Below is the movement in Mint's promissory notes:

	\$
Proceeds from issuance of promissory notes	355,000
Amount allocated to equity/warrants on issuance	(28,400)
Accretion expense	8,881
Balance, December 31, 2018	335,481
Accretion expense	19,519
Interest expense	58,198
Gain on debt settlement	(82,289)
Payments to debtholders on December 31, 2019	(286,395)
Promissory note disposed of with disposal of MINT	(44,504)
Balance, December 31, 2019	-

- (d) During the year, a subsidiary of the Company received a loan of \$50,000 from a director of the Company. The loan was disposed with the disposal of the subsidiary.

17. IMPAIRMENT

	December 31, 2019	December 31, 2018
	\$	\$
Impairment/ (reversal of impairment) of investments in associates	-	255,583
Impairment of convertible debentures and loans receivables	182,000	2,537,187
Impairment of debentures	-	(95,241)
Impairment of accounts receivable and due from related parties	1,921,084	59,126
Impairment of interest receivable	1,307,100	426,442
Reversal of impairment	(701,164)	(200,652)
	2,709,020	2,982,446
Continued operations	1,401,920	2,200,584
Discontinued operations	1,307,100	781,862

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18. SHARE CAPITAL

The authorized share capital of the Company consists of an unlimited number of common shares. As at December 31, 2019, outstanding shares were 72,601,305 (2018: 72,601,305). Share capital totals \$2,000,600 (2018: \$2,000,600).

19. INTERESTS IN SUBSIDIARIES

As at December 31, 2019							
Expressed in thousands of dollars	GIC ⁽¹⁾	BCS	Mint ⁽¹⁾	PCPC	Rev	Prime City ⁽¹⁾	Total
	\$	\$	\$	\$	\$	\$	
Minority Shareholder %	0%	0%	0%	0%	55%	0%	
Statement of Financial Position Amounts							
Current assets	-	-	-	-	-	-	-
Non-current assets	-	-	-	-	-	-	-
Total assets	-	-	-	-	-	-	-
Current liabilities	-	-	-	-	-	-	-
Non-current liabilities	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-
Accumulated NCI	-	-	-	-	-	-	-
NCI classified as Held for sale	-	-	-	-	-	-	-
Total comprehensive loss (income) allocated to NCI:							
For the year ended December 31, 2019	(2,441)	(34)	(3,317)	(131)	193	(35)	(5,765)
For the year ended December 31, 2018	2,617	686	(17,411)	1,311	(587)	(195)	(13,579)

GIC – Gravitas Ilium Corp, BCS – Branson Corporate Services Inc., Mint – The Mint Corp., PCPC – Principle Capital Partners Corp., Rev – Revenue.com US Corp, Prime City – Prime City One Capital Corporation. Branson ceased to be a subsidiary in February 2019, PCPC ceased to be a subsidiary in June 2019, and Prime City became a subsidiary in Jan 2019 and ceased to be a subsidiary in December 2019.

(1) Assets and Liabilities of GIC, Mint and Prime City had been disposed of as at December 31, 2019 (Note 12)

As at December 31, 2018							
Expressed in thousands of dollars	GIC	BCS	Mint	PCPC	Rev	Other *	Total
	\$	\$	\$	\$	\$	\$	\$
Minority Shareholder %	53.9%	49%	46.1%	35.4%	55%	-	
Statement of Financial Position Amounts							
Current assets	29,760	144	224	631	1	-	30,760
Non-current assets	9,934	574	-	6,987	-	-	17,495
Total assets	39,694	718	224	7,618	1	-	48,255
Current liabilities	35,347	13	6,769	2,044	350	-	44,523
Non-current liabilities	2,157	-	12,467	1,060	-	-	15,684
Total liabilities	37,504	13	19,236	3,104	350	-	60,207
Accumulated NCI	1,548	(584)	18,547	1,576	(193)	-	20,894

* Other – includes deconsolidated subsidiaries: CREC – Claxton Real Estate Company Ltd, GICMB – GIC Merchant Bank Corporation and subsidiary CIM – Capital Ideas Media Inc which is now a wholly-owned subsidiary.

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During the year ended December 31, 2019, the proportion of the equity held by non-controlling interests changed as a result of cash proceeds from common share equity raises in subsidiaries of \$500,000 (2018: \$6,197,889) and the conversion by Mint's debenture holders of its debentures into Mint's common shares valued at \$Nil (December 31, 2018: \$6,668,450). The changes in ownership interest was recorded to non-controlling interests to adjust the carrying amounts of the controlling and non-controlling interests for reflecting the changes in their relative interests in the subsidiary. The subsidiaries except for 2474, Rev and Capital Ideas Media Inc. were disposed of during 2019.

Changes in the Company's interest in subsidiaries during the years ended December 31, 2019 and 2018 are as follows.

The Mint Corporation ("Mint")

During January 2018, Mint completed the sale of units (comprising of one common share and one warrant) at \$0.20 each for proceeds of \$3,000,000 and 3,409,090 units at \$0.22 each for proceeds of \$750,000. Each unit consisted of one common share in Mint and one warrant. Each warrant is exercisable for one common share during the 12 months following the first closing of the offering for an exercise price of \$0.30. As a result of these offerings, the Company issued 791,954 finder warrants. A subsidiary of the Company subscribed for a total of 227,273 shares in the financing. As a result of these financings, the Company's interest in Mint was reduced from 68.23% to 60.63%.

During the year ended December 31, 2018, broker warrants in Mint were exercised for a total of \$486,018 resulting in the issuance of 3,555,615 common shares. As a result of these issuances, the Company's interest in Mint was reduced from 60.63% to 58.30%.

As noted within Note 15, on May 31, 2018 Mint restructured its Series A and Series C debt resulting in a reduction in debt owed to \$20,000,000. As a result of this, during the year ended December 31, 2018, the debenture holders received 17,300,000 common shares of Mint. As a result of this issuance, the Company's interest in Mint was reduced from 58.30% to 53.90%.

In March 2019, Mint completed the sale of 5,000,000 units (the "Units") at a price of \$0.10 per Unit, for gross proceeds of \$500,000. Each Unit consists of one common shares and one-half common share purchase warrant. Each whole warrant is exercisable for one common share during the period ending March 13, 2021 for an exercise price of \$0.20. If the volume weighted average price of the common shares on the TSX Venture Exchange is over \$0.40 per share for five consecutive trading days ending more than four months after the last closing of the private placement, Mint may give written notice to the registered holders of the warrants accelerating the expiry date to a date not less than 30 days following the date of that notice. The warrants and common shares issued as part of the Units are subject to a four month hold period which expired on July 14, 2019. As a result of the issuance of the common shares, the Company's interest in Mint was reduced from 53.90% to 52.57%.

Assets and liabilities of Mint were disposed with the disposal of MINT at December 31, 2019 (Note 12).

Revenue.com

On February 28, 2018, the Company sold its assets of Revenue.com to a subsidiary of Aeon Ventures Inc ("Aeon"), a United States listed public company on the OTC. The consideration was as follows: (i) cash proceeds of \$55,075 (US\$43,000), (ii) 500,000 common shares of Aeon, and (iii) a possible earnout of up to \$12,808,150 (US\$10 million) based on certain revenue achievement targets. These targets had not been reached as at December 31, 2018 therefore no earnout has been recorded with respect to the sale.

Gravitas Ilium Corporation ("GIC")

In 2018, FGI raised \$375,000, which decreased GIC's ownership in FGI from 96% to 93.2%.

During September 2018, China Central Securities via its Hong Kong subsidiary, Central China International acquired a 9.9% interest in 2242 for total consideration of \$1,500,000. As a result of this transaction, GIC's interest in 2242 decreased from 54.99% to 49.54%.

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Assets and liabilities of GIC were disposed of with the disposal of GIC at December 31, 2019 (Note 12).

Prime City

On January 16, 2019, the Company acquired Prime City through a conversion of its convertible debenture held in Prime City and holds 54.1% of Prime City as a result.

Assets and liabilities of Prime City were disposed of with Prime City in 2019 (Note 12).

20. INCOME (LOSS) PER SHARE

Income (loss) per share is based on the weighted average number of common shares of the Company outstanding during the period. The diluted income (loss) per share reflects the potential dilution of common share equivalents, such as outstanding share options and warrants. The weighted average number of shares outstanding for the year ended December 31, 2019 are 72,601,305 (2018: 72,601,305). In addition, 5,500,000 (2018: 6,250,000) stock options are outstanding. No warrants were outstanding as of December 31, 2019 and December 31, 2018. The diluted outstanding number of shares of the Company was 72,601,305 as of December 31, 2019 (2018: 72,601,305) as the outstanding options were antidilutive.

Basic and diluted net income per share for the year ended December 31, 2019 totaled \$0.12 (net income of \$0.19 for the year ended 2018), of which \$0.23 net loss (2018: \$0.15 loss) was from continuing operations and \$0.35 income (2018: \$0.34 income) was from discontinuing operations.

21. RELATED PARTY TRANSACTIONS

Parties are considered related if the party has the ability, either directly or indirectly, to control the other party or exercise significant influence over the other party in making operating and financial decisions. This would include the Company's and their subsidiaries' senior management. Parties are also related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is a related party transaction when there is a transfer of resources or obligations between related parties. The following are the related party transactions during the years ended December 31, 2019 and 2018. Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Usually outstanding balances are settled in cash.

During the year ended December 31, 2019, the Company:

- Incurred \$3,260,591 (2018: \$4,729,581) to directors and senior officers of the Company and its subsidiaries, including the Chief Executive Officer, its Chief Financial Officer, its former Chief Financial Officer, and Executive Vice Presidents or Vice Presidents of the Company and/or its subsidiary companies. This amount has been included in compensation and management fees, professional fees and general and administrative fees. \$82,692 (2018 - \$18,000) was outstanding at December 31, 2019.
- Expensed \$51,285 (2018: \$51,360) to Soigne Technologies Inc., a company in which an employee has an interest.
- Through Mint UAE, paid \$521,136 (2018: \$508,070) to Global Business Systems ("GBS") for management and consulting fees in connection with the management agreement for the Mint UAE operations. The amount forms part of the Company's share of losses of associates.
- Charged rent of \$143,270 (2018: \$96,296) to associated companies which had offices within the Company's premise.
- Expensed \$Nil (2018: \$60,000) of management fees to a shareholder of one of its subsidiaries

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- Disposed of its interest in an associate, GICMB, to purchasers connected with key management and directors of GICMB (note 9).
- Disposed of its interest in an associate PAI to a purchaser who is connected to a subsidiary of the Company (note 9).
- Disposed of its interest in Branson to purchasers connected to key management and a minority shareholder of Branson (note 12).
- Disposed of its interest in PCPC and certain loan receivable to a company controlled by one of its independent directors (note 12).
- Disposed of its interest in Prime City to a company controlled by a director of a subsidiary (note 12).
- Disposed of its interest in MINT to purchasers who were minority shareholders of MINT (note 12).
- Disposed of its interest in Ubika and certain loans and indebtedness to a company controlled by three of the Company's directors and a director of a subsidiary (note 12).
- Disposed of its interest in Gravitas Ventures Inc. and various other assets to a company controlled by three directors of the Company and a director of a subsidiary (note 12).
- Disposed of its interests in New India Investment Corp. to a company controlled by three directors of the Company and a director of a subsidiary (note 12).
- Disposed of its interest in GIC and all claims by the Company for indebtedness owed by GIC and its subsidiary to the Company, to a purchaser who is connected with two of the directors of the Company and key management and directors of a subsidiary (note 12).

As of December 31, 2019, amounts due from and due to related parties are as follows:

- \$300,000 (2018: \$nil) was receivable as proceeds for the disposal of GIC (note 12) that was unsecured, interest free, and was received in 2020.
- \$nil (2018: \$424,999) represents the interest-free amount outstanding and payable to GBS by Mint. GBS is the operator of the day-to-day activities of Mint UAE operations.
- Parties related to the Company purchased \$Nil (2018: \$100,000) of Mint's promissory notes described in Note 16(c).
- Loan and interest of \$nil (2018: \$310,945) is due from a director of an associated company. The loan was disbursed in 2014.

22. STOCK OPTION PLAN AND STOCK BASED COMPENSATION

The Company has adopted a stock-based option plan under which the Board of Directors may award options for common shares to directors, officers, employees and consultants. The maximum number of common shares issuable pursuant to the share option plan must not exceed 10% of the total number of the Company's outstanding. The exercise price of each option is determined by the Board of Directors and cannot be less than the discounted market value of the common shares on the eve of the award. The term of the options cannot exceed five years. On February 28, 2018, the Company issued a total of 6,250,000 stock options to directors and officers. Each option expires on February 28, 2021 and has an exercise price of \$0.10, subject to certain vesting provisions over two years. The Company valued these options at \$366,875 using the Black-Scholes option valuation model. Due to the vesting provisions, this amount will be expensed to stock-based compensation over a two-year period. During 2018, a total of 750,000 options were cancelled as a result of employees' resignations. During the year ended December 31, 2019, 1,750,000 options were cancelled due to resignation of one of the Directors. During the year ended December 31, 2019, a total of \$25,682 (2018: \$308,175) has

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been expensed. As of December 31, 2019, there were 3,750,000 stock options outstanding with an exercise price of \$0.10 expiring February 28, 2021.

The fair value of the stock options granted was estimated with the following assumptions:

	December 31, 2018
Expected dividend yield	0%
Expected average volatility (a)	171%
Risk-free average interest rate	2.01%
Expected option life (years)	3.0
Share price	\$0.07
Exercise price	\$0.10

(a) Volatility was determined based on various valuation model and inputs from comparable companies, as appropriate.

Option on Mint Shares Held by Gravitas

During November 2017, to incentivize the directors and officers of the Company to enhance the value of its investment in Mint, the Company agreed to grant a total of 16,250,000 options. These three-year options, subject to certain conditions including the requirement that the stock price of Mint trade over \$0.50 for a consecutive ten-day period, entitle the holder to acquire one share of Mint's shares held by the Company for each option granted. For the year ended December 31, 2019, a total of \$Nil (2018: \$256,717) has been expensed and as a result of disposition of MINT, these options are no longer in these financial statements as at December 31, 2019.

Stock Options of Subsidiaries

During the year ended December 31, 2019, a total of 3,100,000 options (2018: 5,025,000) were issued by Mint. 4,350,000 options were forfeited and cancelled for Mint during the year ended December 31, 2019 (2018: 650,000), and a total of 400,000 options expired during the year (2018: Nil). No stock options were exercised during the year ended December 31, 2019 (2018: Nil). A total of 10,275,000 options are outstanding as at December 31, 2019 (2018: 11,925,000).

Using the fair value method, the recorded expense of the noted stock options for the year ended December 31, 2019 was \$547,466 (2018: \$521,113). The fair value of the stock options granted was estimated using the various valuation models with the following assumptions:

	December 31, 2019	December 31, 2018
Expected dividend yield	0%	0%
Expected average volatility (a)	177%-184%	112% - 209%
Risk-free average interest rate	1.61%-1.77%	1.75% - 2.26%
Expected option life (years)	3.0	0.6 - 3.0
Share price	\$0.03 - 0.14	\$0.12- \$0.46
Exercise price	\$0.05 - 0.13	\$0.10 - \$0.25

(a) Volatility was determined based on various valuation model and inputs from comparable companies, as appropriate.

During the year ended December 31, 2019, a total of Nil (2018: 1,677,872) options were issued by FGI. Using the fair value method, the recorded expense in discontinued operation of the noted stock options was \$118,078 (2018: \$156,775).

The fair value of the stock options granted was estimated using the various valuation models with the following assumptions:

	December 31, 2018
Expected dividend yield	0%
Expected average volatility (a)	100%
Risk-free average interest rate	1.93%
Expected option life (years)	4
Share price	\$0.60
Exercise price	\$0.60

(b) Volatility was determined based on various valuation model and inputs from comparable companies, as appropriate.

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Option and Put Agreement of Subsidiary

On December 22, 2017, FGI entered into option and put agreements with certain officers. These agreements offered an option to acquire 5,896,304 shares of FGI, which would represent 25% of the issued and outstanding shares of FGI. In addition, a grant of a put right was issued. This put right allows the officers the right to force FGI to re-purchase for cancellation the same shares on exercise of those options. The Company has treated these options as compensation expense for the services provided by these officers in the amount of \$496,720 as cash and equity settled with corresponding credits to liability of \$324,725 and contributed surplus of \$171,995. Fair value change in the liability component for the year ended December 31, 2019 was \$Nil (2018: \$212,812). The following assumptions were used to value the liability: risk free interest rate: 1.93%, volatility: 100%, dividend yield: \$Nil, expected life: 9 years and stock price: \$0.60.

23. ADDITIONAL INFORMATION – CASH FLOWS

The changes in working capital items are detailed as follows:

For the year ended	December 31, 2019	December 31, 2018
	\$	\$
Change in:		
Trade and other receivables	(3,926,628)	924,845
Receivable from brokers and clients	(3,319,195)	2,291,484
Prepaid expenses	78,306	(212,851)
Trade and other payables	11,302,447	3,196,776
Payable to brokers and clients	7,054,739	(2,719,459)
Customer deposits	(4,352,180)	3,110,248
Other liabilities	(21,631)	31,769
Changes in working capital	6,815,858	6,622,812

There were substantially no cash equivalents as at December 31, 2019 and 2018.

Additional supplementary information:

For the year ended	December 31, 2019	December 31, 2018
	\$	\$
Interest paid	(151,571)	(2,825,803)
Interest received	-	156,398

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24. INCOME TAXES

Relationship between expected tax expense and accounting net earnings (loss)

The relationship between the expected tax expense based on the combined federal and provincial income tax rate in Canada and the reported tax expense in the consolidated statement of comprehensive income can be reconciled as follows:

	For the years ended December 31,	
	2019	2018
	\$	\$
Expected income tax recovery calculated using the combined federal and provincial income tax rate in Canada of 26.5% (2018 – 26.5%)	2,250,746	3,816,075
Expiry of losses on dissolution of corporation	-	-
Prior year adjustments	-	-
Reduction of non-capital losses on forgiven debt	-	(1,592,625)
Non-deductible expenses	(4,770,515)	928,066
Tax rate changes and other adjustments	(343,049)	86,605
Non-taxable portion of dividend	-	(31,800)
Non-taxable portion of capital gain	-	-
Changes in unrecognized temporary differences	2,796,243	(3,091,077)
Income tax expense	66,575	115,244
Current income tax expense (recovery) - continuing operations	-	(16,336)
Deferred income tax expense (recovery) - continuing operations	64,674	-
Current income tax expense - discontinued operations	1,901	131,580
Deferred income tax (recovery) - discontinued operations	-	-

The Company has the following timing differences that have not been recognized on the financial statements:

	For the years ended December 31,	
	2019	2018
	\$	\$
Debentures	475,667	560,275
Property and equipment	485,953	402,678
Intangible assets	148,106	148,106
Investments	510,680	26,376,380
Mining properties	1,967,873	1,967,873
Convertible debentures	-	4,074,633
Issuance costs of equity instruments	120,092	982,8378
Deferred revenue	-	3,908,549
Loans	-	135,596
Capital loss carry forwards	41,791,996	8,880,917
Non-capital losses carried forward	39,699,016	55,910,988
Total deductible temporary differences	85,199,382	103,348,778

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The ability to realize the tax benefits is dependent upon several factors, including the future profitability of operations. Deferred tax assets are recognized only to the extent that it is probable that sufficient taxable profits will be available to allow the asset to be recovered. The Company has the following non-capital losses which are available to reduce income taxes in future periods, for which no deferred tax asset has been recognized in the consolidated statement of financial position, that can be carried over the following years:

	For the years ended December 31,	
	2019	2018
	\$	\$
2024	1,040,877	1,040,877
2025	557,157	557,157
2027	958,736	999,807
2028	226,914	304,989
2029	183,490	458,406
2030	653,947	4,373,511
2031	286,987	1,431,746
2032	246,178	4,836,830
2033	1,201,676	14,470,604
2034	1,749,637	12,380,305
2035	3,121,480	10,882,064
2036	4,388,774	10,540,216
2037	6,513,084	21,628,471
2038	6,981,183	-
2039	11,588,895	-
	39,699,016	83,904,943

25. FINANCIAL INSTRUMENTS

Fair value

The carrying value of cash and cash equivalents, receivable from brokers and clients, trade and other receivables and trade and other payables are considered to be a reasonable approximation of the fair value due to the short-term maturity of these instruments. The carrying value of guaranteed investment certificates are considered to be reasonable approximate of the fair value since these instruments are redeemable at any time, except the guaranteed investment certificates used as deposit collateral for the office lease disposed are considered to impaired with a fair value of \$nil due to estimate of no recoverability. Equity interests in private entities are measured at fair value using subjective measures, including recent share transactions, prices for comparable entities, review of cash flow projections and the company prospects, financial ratios and other discounted cash flow techniques.

The table below summarizes the assets and liabilities that are included at their fair values in the Company's statement of financial position as at December 31, 2019 and December 31, 2018. These assets and liabilities have been categorized into hierarchical levels, according to the significance and reliability of the inputs used in determining fair value measurements.

The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the assets or liabilities are not based on observable market data (unobservable inputs).

	As at December 31, 2019			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Common shares in quoted companies	69	-	-	69
Equity investments and other	69	-	-	69

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	As at December 31, 2018			
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Common shares in quoted companies	6,602,310	-	-	6,602,310
Common shares in private companies	-	-	1,631,266	1,631,266
Preferred shares in private companies	-	-	2,101,188	2,101,188
Warrants	-	2,871,224	-	2,871,224
Investment fund and related joint venture	-	-	5,554,914	5,554,914
Equity investments and other	6,602,310	2,871,224	9,287,368	18,760,901

The Company's options, warrants, investment funds and related joint venture and conversion features on debentures held are classified within Level 2 of the fair value hierarchy since the fair value is determined using a model that includes the volatility and price of the companies in which the Company invested. The method and valuation techniques used for purpose of measuring fair value, are unchanged compared to the previous reporting periods.

For investments classified in level 3, the fair value was determined through several methods, including recent private placements made by third parties and financial models.

26. CAPITAL MANAGEMENT

The Company manages its capital structure and adjusts related to changes in the economic environment and the underlying risks of its assets. In its definition of capital, the Company includes debentures and equity (deficiency). The following table shows the items included in the definition of capital. There has been no change with respect to the overall capital management strategy during the year ended December 31, 2019.

	December 31, 2019 \$	December 31, 2018 \$
Debentures (long-term)	-	95,951,421
Deficiency	(84,197,225)	(74,637,663)
	(84,197,225)	21,313,758

27. FINANCIAL RISKS

The Company is exposed to the following risks through its financial instruments.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company has two types of financial assets that are subject to the expected credit loss model:

1. Trade and other receivables from wealth management, recruitment, listing and research fees
2. Loans and receivables carried at AMC

While cash and cash equivalents and receivable from brokers and clients are also subject to the impairment requirements of IFRS 9, the identified credit risk and impairment loss is not significant.

The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade and other receivables and receivables from brokers and clients, while ECL calculation based on stage assessment has been performed for loan receivables.

The loss allowance at December 31, 2019 determined under IFRS 9 was as follows.

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	Current or less than 30 days past due	31-90 days past due	Greater than 90 days past due	Total
As of December 31, 2019				
<u>Trade and other receivables</u>				
Projected loss rate	1.00%	1.30%	1.50%	
Gross carrying amount	\$ 606,003	186,282	152,412	944,697
Loss allowance	\$ 6,060	2,422	2,286	10,768

The loss allowance at December 31, 2018 determined under IFRS 9 was as follows.

	Current or less than 30 days past due	31-90 days past due	Greater than 90 days past due	Total
As of December 31, 2018				
<u>Trade and other receivables</u>				
Projected loss rate	1.00%	1.30%	1.50%	
Gross carrying amount	\$ 48,935	4,683	1,821,709	1,875,327
Loss allowance	\$ 489	61	45,543	46,093

Stage continuity for the allowance for credit losses

	Stage 1	Stage 2	Stage 3	Total
<u>Loans receivable</u>				
Balance at December 31, 2018 (net of loss allowance)	469,839	405,324	31,405	906,568
Repayments	(80,432)	(50,000)	-	(130,432)
Accretion Income	-	11,612	-	11,612
Loss on disposition	-	5,972	-	5,972
Loans disposed with subsidiaries	(416,318)	(172,162)	(20,500)	(608,980)
(Loss) Reversal of expected credit losses	26,911	(200,746)	(10,905)	(184,740)
Projected loss rate	0.00%	100.00%	100.00%	
Balance at December 31, 2019	-	-	-	-

	Stage 1	Stage 2	Stage 3	Total
<u>Loans receivable</u>				
Balance at January 1, 2018	2,028,461	146,708	1,331,529	3,359,990
IFRS 9 – Transition adjustment	-	-	-	(120,815)
Transfer from / (to) Stage 2	(250,000)	250,000	-	-
Loan origination	-	50,000	960,776	1,010,776
Repayments	(616,480)	-	(24,500)	(640,980)
Accretion Income	-	18,207	-	18,207
De-recognition of financial asset	(665,230)	-	-	(665,230)
Impairment	-	-	(2,230,305)	(2,230,305)
Premium on issuance	-	(10,337)	-	(10,337)
Loss allowance on loans receivables	(26,912)	(49,254)	(6,095)	(82,260)
Projected loss rate	5.42%	10.84%	16.25%	
Balance December 31, 2018	469,839	405,324	31,405	906,568

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Allowance for credit losses

	Allowance for Trade receivables	Allowance for Loans receivables	Total loss allowance
Allowance for credit losses, December 31, 2018	37,235	82,260	119,495
Increase (decrease) in loan allowances recognised in profit or loss	(37,235)	(82,260)	(119,495)
Allowance for credit losses, December 31, 2019	-	-	-

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations with financial liabilities that would be settled either by delivering cash or another financial asset. See Note 2 for Going Concern uncertainty. The Company has current assets of \$2,955,087 which will be used to cover its operating and investing activities. The expected timing of consolidated cash flows relating to financial liabilities as at December 31, 2019, are as follows:

	Less than 1 year \$	1-5 years \$	6-10 years \$	Total \$
Current liabilities	3,315,482	-	-	3,583,048
Debentures	83,569,333	-	-	83,569,333
Non-current loan payable and accrued	-	-	-	-
	86,884,815	-	-	87,152,381

Subsequent to December 31, 2019, the Company was able to retire the debentures and accrued interest payables as of April 21, 2020 for cash consideration of \$1,189,394.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to the following three types of market risk: interest rate risk, currency risk and other price risk.

Interest rate risk - Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk since some of the Company's debentures bear interest at a variable rate based on the earnings before interest expense and tax ("EBIT"). Had the interest rate been 1% higher throughout the year ended December 31, 2019, the net income would have decreased by \$835,693 (2018: \$957,727).

Currency risk - Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates relative to the Company's functional currency, the Canadian dollar. The Company does not hedge its foreign exchange risk. A 10% change in either direction of the United States dollar exchange rate would have not changed the net income materially (2018: \$666,821).

Other price risk - The Company is exposed to fluctuations in the market prices of its investments in quoted companies. The fair value of the investments in quoted and private companies represents the maximum exposure to price risk. As at December 31, 2019, a 10% change in the closing price of common shares held by the Company on the stock market would have changed the net income by \$7 (2018: \$2,059,249).

28. CONTINGENCIES

A partially owned subsidiary of the Company was named as one of several defendants in legal actions relating to the sale of a specific investment product. The claims made by one of the plaintiffs totals \$1,000,000. The subsidiary's management has evaluated this claim and believes the claims is without merit and intends to vigorously defend

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itself. The second claim approximates \$454,000. The claim has been evaluated by the subsidiary's management and a provision has been made for a portion of it.

In addition, the subsidiary received two claims for damages relating to the termination of the sponsorship of the registration for two past Investment Advisors who acted as an Agent for the subsidiary. The claim made by one of the plaintiffs totals \$700,000. Management has evaluated this claim and believes the claim is without merit and intends to vigorously defend itself. The second claim totals \$100,000. The claim has been evaluated by management and a provision has been made for a portion of it. A third investment advisor filed a counterclaim against the subsidiary in the amount of approximately \$30,000 after the subsidiary acted to collect an outstanding loan balance. The subsidiary's management has evaluated the counterclaim and believes that it is without merit and intends to defend itself.

With the disposal of the subsidiaries, management believes the above contingencies have no more impact on the Company.

29. SEGMENTED INFORMATION

The entire senior management team of the Company, which includes the Chief Executive Officer, the Chief Financial Officer, senior Vice Presidents and the Board of Directors have been identified as the chief operating decision makers with respect to segmented information disclosures. As the Company's senior officers are operational in function, management believes that they represent the appropriate level of management to analyze and determine the distinct operating segments of the Company. The Company operated in two distinct operating segments plus a corporate segment. The segments are as follows:

1. **Financial Services:** This group of entities operate in financial product and distribution businesses and require high levels of compliance and governance as well as capital markets, advisory, regulatory and compliance needs of private and publicly listed corporations. (Discontinued)
2. **Portfolio Investments:** This group of entities acquires long-term interests in companies that have high potential for value additions and where the Company provides key strategic inputs and management support either directly or through board representations. (Discontinued)
3. **Corporate:** This group primarily represents the cost of the corporate overhead expenses not allocated to other segment and is comprised of Gravitas Financial Inc.

After the completion of the disposals of the subsidiaries in 2019, the continuing operation of the Company has only one segment (Corporate) on going. The presentation of the results of continuing operations in the consolidated statement of comprehensive income reflects the continuing operation of the segment.

Segmented information for the year ended and as at December 31, 2018 was as follows:

Segmented Information – Income Statement

For the year ended (expressed in thousands of dollars)	December 31, 2018			
	Financial Services	Portfolio Investments	Corporate	Total
	\$	\$	\$	\$
Revenues	7,368	3,366	83	10,817
Expenses, net of gains, excluding the undernoted	(4,168)	(36,044)	(5,305)	(34,906)
Interest expense	398	3,598	2,344	6,339
Compensation & management fees	1,493	3,967	1,881	7,341
Professional fees and recruitment	9,866	6,746	1,457	18,069
Net income (loss) before income tax	(221)	25,099	(10,904)	13,974

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Segmented Information – Statement of Financial Position

As at	December 31, 2018			
	Financial Services	Portfolio Investments	Corporate	Total
(expressed in thousands of dollars)	\$	\$	\$	\$
Total assets	30,543	918	28,752	60,213
Total liabilities	28,115	23,169	83,567	134,851
Investment in associates ¹	(34)	3,302	735	4,004

(1) The amount noted within investment in associates is included within total assets.

Segmented Information – Geographic Locations

The Company presently has operations in Canada only.

30. COMPARATIVE AMOUNTS

Consolidated statement of income and comprehensive income has been reclassified to match the current year presentation of discontinued operations. See Note 12 for details of discontinued operations.

31. SUBSEQUENT EVENT

As part of the Accommodation Agreement described in Note 15, on April 21, 2020, the Company closed the Debt Repurchase Agreement and retired all the debentures and accrued interest payable (\$83,569,333 principal and \$2,684,557 interest payable as of December 31, 2019, see note 15) for cash consideration of \$1,189,394.