MARBLE FINANCIAL INC.

(formerly MLI Marble Lending Inc.)

Management Discussion and Analysis ("MD&A") of the Financial Position and Results of Operations for the year ended December 31, 2019 as of April 24, 2020

The following discussion is a review of the consolidated activities, results of operations and financial condition of Marble Financial Inc. (formerly MLI Marble Lending Inc.) and its subsidiary companies (the "Group" or "Marble") for the year ended December 31, 2019. The discussion below should be read in conjunction with the Group's consolidated financial statements for the year ended December 31, 2019 and notes thereto. Those financial statements have been prepared by management and are in accordance with International Financial Reporting Standards ("IFRS"). The financial statements and the MD&A have been reviewed by the Audit Committee and approved by the Group's Board of Directors on April 24, 2020. The Canadian dollar is the functional and reporting currency of Marble. All dollar amounts within this report are expressed in Canadian dollars unless otherwise indicated.

Additional information related to the Group is available on SEDAR at www.sedar.com.

Caution Regarding Forward-Looking Statements

This MD&A may contain forward-looking statements for the purpose of applicable Canadian securities legislation. These statements reflect the Group's current expectations and estimates. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements are frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "suggest", "indicate" and other similar words or statements that certain events or conditions "may" or "will" occur. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause actual events or results to differ materially from estimated or anticipated events or results implied or expressed in such forward-looking statements. The forward-looking information contained in this MD&A is presented for the purpose of assisting shareholders in understanding the Group's strategic priorities and objectives as at the periods indicated and may not be appropriate for other purposes. No assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon. Circumstances affecting the Group may change rapidly. Except as may be required by applicable law, the Group does not undertake any obligation to update publicly or revise any such forward-looking statements, whether as a result of new information, future events or otherwise. Unless otherwise indicated, these statements speak only as of the date of this MD&A.

Actual results could differ materially from those anticipated in forward-looking statements stated within the MD&A.

GROUP OVERVIEW AND GOING CONCERN

Marble, a consumer credit rebuilding and financial wellness company, was formed to leverage financial technology ("fintech") and socially responsible credit rebuilding practices to Canadians, specifically at this time, those whom have restructured their debt through a Consumer Proposal. These are individuals whose poor credit makes it difficult to access traditional sources of financing such as banks, credit unions and trust companies. The Group has developed a one-stop consumer credit rebuilding business with its flagship product being its Fast Track unsecured loan of up to $15,000 to discharge Consumer Proposals to qualified Canadians. Marble has also developed a proprietary and scalable, financial services dashboard (the "Marble Platform"). The Marble Platform offers:

a. Free credit score - Marble customers have access to their credit score on a monthly basis. This helps customers monitor their credit rebuilding activities on route to achieving their credit worthiness goal.
b. Push email notification – Enables all customers to set as many friendly reminders as they need to make sure that they never miss a future payment, which in turn will affect their credit.
c. Budget App. – By connecting their bank accounts and credit cards to our App inside our Dashboard, customers can monitor and receive updates in real time on their spending relative to their established budgets.

d. Online Loan Application – A simple and easy process for Canadians who wish to apply for an unsecured Consumer Proposal discharge loan.
e. Agent Referral Program – Third Party Debt Restructuring Providers can refer their customers to Marble for a Consumer Proposal discharge loan as well as access to the other credit rebuilding tools inside the Dashboard.

The Group differentiates itself from other online/mobile compliant credit rebuilding and financial wellness companies operating in Canada by focusing on customers who have settled their debt with creditors, by filing a consumer proposal and are seeking a proactive strategy to rebuild their credit.

Marble was incorporated as Phoenix N2N Capital Inc. under the Business Corporation Act (British Columbia) on July 7, 2015. On September 15, 2016, Marble was continued under the Canada Business Corporation Act and on December 16, 2015 changed its name from Phoenix N2N Capital Inc. to MLI Marble Lending Inc. On November 8, 2019, the Group changed its name from MLI Marble Lending Inc. to Marble Financial Inc. The head office of the Group is located at 1200-1166 Alberni Street, Vancouver, British Columbia, V6E 3Z3. The Group's shares are traded on the CSE under the symbol MRBL and the OTCQB under the symbol MRBLF. The Group's consolidated financial statements include the financial statements of the following subsidiaries:

Company	Place of Incorporation	Effective Interest
TPFM The Phoenix Fund Management Ltd. ("TPFM")	Canada	100%
TPF The Phoenix Fund Inc. ("TPF")	Canada	100%
Score-Up Inc. ("Score-Up")	Canada	100%
Credit Meds Corp. ("Credit Meds")	Canada	100%

The Group has shareholders' equity deficiency of $1,159,954 (December 31, 2018 – deficiency of $1,525,713) and an accumulated deficit of $7,687,234 as at December 31, 2019 (December 31, 2018 – $4,535,588) and therefore will need ongoing funding to continue its operations. There is no assurance that additional funding will be available on a timely basis or on terms acceptable to the Group. If the Group is unable to obtain sufficient funding, the ability of the Group to meet its obligations as they come due and, accordingly, the appropriateness of the use of the going concern accounting principle will be in significant doubt. The consolidated financial statements have been prepared on the basis of a going concern which assumes the Group will be able to realize its assets and discharge its liabilities in the normal course of business. The consolidated financial statements do not reflect the adjustments or reclassification which would be necessary if the Group were unable to continue its operations in the normal course of business.

SELECTED ANNUAL INFORMATION

		December 31, 2019		December 31, 2018		December 31, 2017
Total revenue	$	779,939	$	806,565	$	567,901
Net loss and comprehensive loss	$	(3,151,646)	$	(1,215,257)	$	(545,920)
Total assets	$	5,141,305	$	4,543,490	$	5,012,482
Total non-current financial liabilities	$	4,670,492	$	4,832,678	$	1,061,798
Dividends	$	-	$	-	$	-

HIGHLIGHTS AND OVERALL PERFORMANCE

Highlights during and subsequent to the year ended December 31, 2019 include:

- **March 19, 2020** – The Group announced that it had closed an offering of convertible debentures (the "Debentures) in the amount of $400,000. The Debentures have a one-year term and accrue interest at a simple rate of 12% per annum, payable quarterly. The principal amount of the Debentures and all accrued, but unpaid, interest are convertible at the option of the holder into common shares of the Group at a price of 0.30 per common share. If the Group's common shares trade or close on the Exchange at $0.45 or higher for a period of 10 consecutive trading days, the Group has the option to force the conversion of the Debentures and all accrued but unpaid interest into common shares of the Group at a price of $0.30 per share. The Debentures and any conversion shares are subject to a statutory hold period expiring July 17, 2020. The Group has also received an additional $160,000 in proceeds towards convertible debentures that have not closed as at the date of this report.

- **March 12, 2020** – The Group announced the addition of Jason Wang to its management advisory team, providing oversight and guidance on the Credit Risk Governance and Data Analytics function for the Group. The Group has granted Mr. Wang 100,000 restricted share units (each, an "RSU") as a consultant. RSUs vest 25% on May 28, 2020, and 25% each three months thereafter; and

- **March 5, 2020** – The Group announced, in collaboration with Theory+Practice, (TAP) Phase One of its data science enrichment initiative that harnesses the power of Artificial Intelligence ("AI") and Machine Learning ("ML") to improve Marble's underwriting process.

- **February 26, 2020** – The Group announced that the province of Prince Edward Island ("PEI") has granted the company's subsidiary, TPFM The Phoenix Fund Management Ltd. ("TPFM") extra-provincial registration. Marble continues to grow its exposure across Canada and fulfill its mission in helping Canadians improve their financial wellness by offering PEI consumers its proprietary credit rebuilding products.

- **February 13, 2020**- The Group announced the licensing of its proprietary Score-Up credit building software application to JAAG Properties ("JAAG"), a leader in helping individuals work towards real estate ownership. The licensing agreement and partnership enables JAAG the ability to offer their customers the opportunity to maximize their credit score for mortgage financing, and for those clients who require more extensive credit rebuilding, they will be referred over to Marble's Fast Track product.

- **February 6, 2020** – The Group announced a strategic partnership with Finder.com, an independent financial comparison platform and information service, offering their customers, Marble's proprietary credit rebuilding product, Fast-Track.

- **January 29, 2020** - The Group announced that Adah Teotico, CPA, has joined the company as Vice President of Finance.

- **January 28, 2020** – The Group announced its partnership with Magical Credit, a leader in providing hassle-free short-term loans to customers online. The company's partnership with Magical Credit extends our continued growth strategy commitment to enable Canadians access to Marble's leading proprietary credit rebuilding and financial wellness products for achieving and maintaining long term credit health. Marble has granted 450,000 stock options at an exercise price of $0.20 per common share, which vest over three years and have a term of five years to officers and employees of the Company.

- **January 14, 2020** – The Group announced that the provinces of New Brunswick and Newfoundland & Labrador has granted the Company's subsidiary, TPFM The Phoenix Fund Management Ltd. ("TPFM") a license to operate as an Extra-Provincially Registered entity in these province's in order to carry on our business of offering consumer rebuilding products to customers in New Brunswick and Newfoundland & Labrador that are exploring ways to exit their existing consumer proposal and improve their credit score.

- **December 30, 2019** – The Group has granted 100,000 stock options at an exercise price of 0.20 per common share, which vest over three years and have a term of five years to an employee of the Company.

- **December 5, 2019** – The Group announced that the Financial and Consumer Affairs Authority of Saskatchewan has granted the Company's subsidiary, The Phoenix Fund Management Ltd, a license to operate as a Financing Corporation pursuant to The Trust and Loan Corporations Act, 1997. This now enables Marble to offer its Fast Track credit rebuilding product to consumers in Saskatchewan.

- **November 14, 2019** – the Group announced the continued strong partnership interest in its proprietary financial wellness product, Score-Up, in the rent-to-own-space with Homeowners Now Inc. ("HON") by offering their customers access to home ownership by maximizing their financial and credit worthiness. Through the strategic partnership developed with Marble's Score-Up, Homeowners Now can now enable deserving families the opportunity to gain access to homeownership options while at the same time improving their credit and financial well-being.

- **November 12, 2019** – The Group announced that it was be among the winners of the Canadian Lenders Association (CLA) and BMO's Top 25 Leaders in Lending Awards for 2019. The winners of the Leaders in Lending Awards were evaluated based on three criteria including the use of advanced fintech solutions to solve challenges in the lending journey, implementation of new or innovative strategies and business models, and positive outcomes following successful implementation. The CLA's goal was to advocate for improving access to credit for those 7 million Canadians (25%) who do not have access to credit through major banks and traditional lenders.

- **November 7, 2019** – the Group announced a new partnership with Lifestyles Management Inc. ("LMI") to offer its proprietary financial wellness product, Score-Up, to LMI customers. The strategic partnership with Marble Financial will allow Lifestyles Management Inc. to address one of the most underserved financial challenges for individuals, in today's marketplace; the personal credit score.

  The Company also announced that in the continuation of creating customer loyalty and promoting the integrity of our business, it has achieved the prestigious Accredited Business seal with the Better Business Bureau, achieving the highest A+ Rating "

- **November 1, 2019** – the Group announced the resignation of Robert Geisthardt from his position on the Board of Directors and Audit Committee Chair. Mr. Farhan Abbas will be assuming the role as Audit Committee Chair on a go forward basis.

  The Group also announced that it has granted 475,000 stock options to various employees, exercisable for a period of five years at a price of $0.21 per common share.

- **October 31, 2019** – the Group announced a new 5-year partnership of its industry-leading proprietary financial wellness product, Score-Up, with Home Owners Soon Financial Inc. ("HOS FINANCIAL") to continue to offer its customers access to home ownership by maximizing their financial and credit worthiness. In this new 5-year partnership, HOS FINANCIAL'S customers will have the option of a monthly Score-Up subscription, giving them this unique opportunity to set the right goals toward home ownership. This will be achieved through Marble's personalized data driven coaching program.

- **October 22, 2019** – the Group announced the appointment of Karim Nanji as Chief Executive Officer and Director in succession of Michele Marrandino who will move into the role of Executive Chairman and remain on the Board.

  The Group also announced the appointment of Mr. Farhan Abbas, CPA, CFA, a capital markets and accounting professional with in-depth knowledge and experience in finance has joined the Board of Directors. Mr. Abbas will be replacing Ms. Julie McClure, who has been on the Marble Board since 2018.

- **October 17, 2019** – the Group announced that it has partnered with Vancouver-based data science technology experts Theory+Practice ("TAP") to implement strategies towards an automated and integrated AI and Machine Learning platform. The results of the engagement will enhance Marble's credit decision-making process and improve the customer experience through data science and innovative technology. The Group's partnership with TAP will result in additional IP that will automate our credit decisions on a stable and scalable data platform with predictive algorithms that accurately identify individual's risk scores and eligibility for Marble's Fast Track credit rebuilding product.

  TAP will assist in the design and execution of automating Marble's current underwriting process in a manner that is informed and guided by thorough data profiling and complex risk score algorithms, identifying individuals' eligibility and propensity and likelihood to pay. The partnership will result in the First-Generation

Marble Score and an automated data pipeline and predictive decision engine. This will ensure that Marble customers receive the fastest and most diligent service experience, turning a potentially tough situation into a positive affirmation that help is there when they need it.

- **September 25, 2019** – the Group announced announce that seasoned financial technology executive, Jim Chan has joined the company as Chief Technology Officer. Mr. Chan will be responsible for the continued development of Marble's technology roadmap, harnessing his extensive experience in software and technology strategy. Along his appointment, the Company granted Mr. Chan 500,000 stock options, exercisable for a period of five years at a price of $0.25.

- **August 6, 2019** – the Group announced that it had acquired 100% of the issued and outstanding shares of each of Score-Up Inc. ("Score-Up") and Credit Meds Corp. ("Credit Meds"), two privately held Canadian corporations. In consideration for the outstanding shares, the Group paid cash consideration of $60,000 for the shares of Credit Meds and issued 590,459 common shares, with a fair value of $118,092, for the shares of Score-Up. Both transactions were accounted for as asset acquisitions.

  Score-Up is a proprietary software platform that employs scientific analytical mathematical software based on rigorous credit weight algorithms, analyzing an individual's credit data, financial information, and behavioral patterns to identify where the greatest positive impact can be achieved on a specific credit file. The software assesses an electronic version of the consumer's credit report and furnishes specific recommendations to improve credit scores to achieve the desired score needed for credit approval and wellness. The acquisition of the Score-Up platform will provide the Group, referring partners, and their clients the ability to implement specific action plans designed and tailored to achieve a consumer's unique credit and financial goals and lifestyle.

  Credit Meds is a front-end diagnostic tool that will allow the Group to assess the financial health of a consumer and provide the appropriate prescription and recommendations towards financial wellness and recovery.

- **July 15, 2019** – the Group issued an aggregate of 731,416 common shares with a fair value of $0.17 per common share for a total of $123,362 in satisfaction of payment to various consultants for the provision of services. Include in the issuance was 195,000 common shares to the Group's current Chief Executive Officer for services valued at $33,150 and 100,000 common shares to a former Director for services valued at $17,000

- **July 8, 2019** – the Group announced the addition of Daniel McClure to its management team as advisor, Strategy and Corporate Development.

- **July 3, 2019** – the Group announced that it has been approved for trading on the OTCQB Venture market in the USA under the symbol MRBLF.

- **July 2, 2019** – the Group announced that it has joined as a member of the Canadian Lenders Association ("CLA"). The CLA provides its members the tools to innovate and grow and to foster safe and ethical lending practices. To support the growth of companies that are in the business of lending, or providing other means of credit, to small business and individuals by non-conventional or innovative means to exchange ideas and explore ways of improving the sector; encourage principled and professional practices by Innovative Lenders; educate the public at large about Innovative Lending; encourage individual potential borrowers to be informed about the appropriateness of Innovative Lending to the borrowers' circumstance; and to advocate on behalf of, and represent the interests of Innovative Lenders

- **June 21, 2019** – the Group announced the engagement of Alastair Brownlow as Chief Financial Officer upon resignation of Ron Burton.

- **June 19, 2019** – the Group announced that veteran financial technology executive Karim Nanji has joined the Group as Chief Operating Officer. Mr. Nanji will have operating responsibility for Marble's commercial and administrative functions and will lead the Group's growth strategies for go-to-market, products and services and customer success initiatives. As COO, Mr. Nanji will drive the execution of the Group's vision as it transitions from a technology-enabled financial services focus to a technology-driven credit and personal financial wellness company.

- **June 13, 2019** – The Group announced that it has joined and became a member of the Canadian Debtors Association ("CDA"). The CDA is a non-profit association that is committed and strongly believes that Debtors deserve and must have their very own advocate that works solely for them. CDA is a group of professionals that are committed to helping individuals and families, particularly those who are financially vulnerable, to achieve a better quality of life. CDA's commitment includes introducing better structures, supports and the care that is needed for Debtors to successfully recover from financial breakdown and insolvency. CDA's approach aims to reduce the number of financially vulnerable Canadians facing financial crisis and overwhelming debt loads.

- **June 6, 2019** – The Group announced that it has entered into a five-year agreement with both Trans Global Insurance and Trans Global Life Insurance Companies to offer its clients optional coverage for loss of employment, disability, critical illness, and death. The Involuntary Unemployment and Disability benefits will cover the client's loan payment to Marble starting from the client's date of loss. The insurance will make all loan payments until the client returns to work, subject to a maximum of 12 months of coverage. For the critical illness and death benefits, the program has the ability to cover the client's entire outstanding loan balance up to the maximum amount of our unsecured loans of $15,000.

- **May 22, 2019** – The Group announced that BTV's CEO Clips, a series of short video profiles on innovative publicly traded companies across North America, will feature Marble Financial on the BNN Bloomberg Channel beginning May 25 & 26, Saturday & Sunday, throughout the day and evenings. View link: https://www.b-tv.com/marble-financial-credit-rebuilding-ceo-clip-90sec/

- **April 30, 2019** – the Group announced that it continues to implement on its 'Fresh Start" program by partnering with Smarter Loans to offer clients access to Marble's proprietary credit wellness platform and Marble's flagship unsecured consumer proposal discharge loan product.

- **April 25, 2019** – the Group announced that it has commenced implementing its 'Fresh Start" program by partnering with Loans Canada, the largest loan search platform in Canada. The partnership will allow Loans Canada to offer clients access to Marble's proprietary credit rebuilding dashboard and Marble's flagship unsecured consumer proposal discharge loan product.

- **April 23, 2019** – the Group repaid the $50,000 promissory note from a third party.

- **April 5, 2019** – the Group issued 200,000 common shares at a price of $0.05 per share on the exercise of stock options for gross proceeds of $10,000.

- **April 2, 2019** – the Group announced the formation of its Advisory board and the addition of Mr. Blake Elyea and Mr. Rahul Petkar to its newly formed Advisory Board.

- **On April 2, 2019** – the Group entered into a Market Stabilization and Liquidity Provision Services Agreement with the Independent Trading Group Inc. ("ITG"). The agreement provides for services to assist in establishing a fair and orderly market for the Group's securities for a fee of $4,000 per month. ITG will trade shares of the Group on the Canadian Stock Exchange for the purposes of maintaining a reasonable market and improving the liquidity of the Group's common shares. The Agreement terminates on June 30, 2019 and is automatically renewed for a subsequent three months. The Agreement can be terminated by either party providing written notice to the other party 30 days in advance.

- **March 21, 2019** – the Group acquired the remaining 60% of the outstanding voting preferred shares of TPF for a nominal amount which was included in comprehensive loss.

- **March 20, 2019 –** the Group completed its initial public offering by selling 17,500,000 units for $0.20 per unit raising $3,500,000 gross proceeds. Each unit consists of one common share and one-half of one common share purchase warrant. Each full warrant and $0.35 can purchase one common share for a period of one year from issuance. In connection with the issuance, the Group paid $536,624 in share issuance costs and granted a total of 1,575,000 agents', each exercisable for a period of one year at a price of $0.20. The agents' options were fair valued at $98,763 using the Black-Scholes pricing model using a share price of $0.20, expected life of one year, and a volatility of $0.80.

- **March 20, 2019 –** the Group granted 3.5 million common share purchase options to directors, employees and consultants under the Group's share purchase option plan. The strike price for the common share purchase options is set at the initial public offering price of $0.20. The common share purchase options will vest over three years and have a term of five years.

- **March 20, 2019** – the Group repaid the $150,000 promissory note from the listing agent.

- **February 25, 2019** – the Group entered into a marketing and awareness agreement with Hybrid Financial. The agreement provides for branding distribution and marketing campaigns, which include telephone marketing and email distribution about the Group. The term of the agreement is six months for a total fee of $145,000. The Group may terminate this Agreement during the Initial Period only if Hybrid has committed certain events of bankruptcy or insolvency, has lost any registration, license or other authorization required to perform its services thereunder or is in material breach or default of provisions hereof. Upon expiration of the initial term set out in the preceding paragraph, this Agreement shall be automatically renewed on a monthly basis. Following the Initial Period, the Group shall give written notice to terminate the Agreement or hold the services in abeyance of no less than fifteen days prior to the end of a calendar month.

- **February 15, 2019** – the Group filed a prospectus with the securities regulatory authorities in the provinces of British Columbia, Alberta and Ontario for the sale of a minimum of 15,000,000 Units (for gross proceeds of $3,000,000) and of up to a maximum of 30,000,000 Units (for gross proceeds of $6,000,000) at a price of $0.20 per Unit, each Unit consisting of one common share and one half of one common share purchase warrant. Each whole warrant will entitle the holder to purchase one common share at a price of $0.35 per share for a period of 12 months following the date of the closing of the offering. The Group has also granted the agent for the offering an option, exercisable in whole or in part at any time prior to the closing date, to sell up to an additional 4,500,000 Units on the same terms.

- **January 14, 2019** – the Group issued 150,000 common shares with a fair value of $0.20 per common share in satisfaction of bonus shares issuable on the $150,000 promissory note received during the year ended December 31, 2018.

- **January 14, 2019** – the Group completed a private placement of 80,000 Units at a price of $0.15 per Unit, each Unit consisted of one common share and one-half of a common share purchase warrant. The full warrant expires in one year and entitles the subscriber to the purchase of 40,000 common shares at a price of $0.30 per share.

DISCUSSION OF OPERATIONS

The key performance indicators that we use to manage our business and evaluate our financial results and operating performance consist of: Interest income, fee-based revenue, gross profit, funding interest expenses, operating expenses, and net income (loss) and growth in loans issued.

Loans issued and COVID-19

Management's objective in supporting the development of the Group in the short term includes sustained growth in loans issued on a monthly basis. Management's ultimate objective is to reach a target of 300 new loans issued per month. During the first quarter of the fiscal December 31, 2020 year, the Group faced difficult capital markets resulting from the global response to COVID-19. Accordingly, the Group is refocusing its efforts on Score-Up, marble's proprietary SaaS product to ensure Canadians can better manage their personal finance and credit wellness in the current uncertain times. The Group is also accelerating its efforts to launch Credit Meds to assets the growing number of Canadians that are no forced into insolvency because of the global economic climate.

As a result of the above, management has curtailed its projections on Fast Track given the uncertainty in the market and industry regarding the loans. We are taking a careful wait and see approach to the economy and the number of Canadians facing unemployment. That said, the future opportunity for Fast Track has increased because of the situation and Marble will be poised to get back to the projections once there is more certainty in the market.

As at December 31, 2019 the Group held a total balance of $3,148,314 in loans receivable, net of allowance for credit losses of $235,983 (December 31, 2018, $2,603,730 net of allowance for credit losses of $73,009). The allowance for credit losses of $235,983 represents 7% of the Group's outstanding loan balance at December 31, 2019 (2018 – 3%). The Group has taken a conservative approach with its allowance for credit losses, because of the COVID-19 crisis, resulting in its growth as compared to the prior year.

Revenue

The Group generated interest revenue of $572,175 for the year ended December 31, 2019 (2018 - $782,642). The decrease of 27% is primarily due to the reduction in initiating new consumer loans during the first quarter of the year as the major focus of the quarter was the preparation of a Prospectus in order to raise funds through an initial public offering. As the Group's loan portfolio continues to grow, management expects continued growth in its interest revenue.

The Group generated loan administration fees of $207,764 for the year ended December 31, 2019 (2018 – $23,923). The significant increase in loan administration fees is primarily related to set-up fees on new loans generated during the year.

Funding interest expense

The Group incurred interest expense of $542,807 for the year ended December 31, 2019 (2018 - $592,378). Interest expense was down due to a decreased bond debt. Additionally, the Group repaid its two promissory notes of $150,000 off on March 20, 2019 and the $50,000 promissory note on April 23, 2019.

Gross Profit

The Group generated a gross profit of $29,368 for the year ended December 31, 2019 (2018 – $190,264). The decrease of $160,896 is correlated to the lower balance in loans outstanding. Interest revenue is currently being generated on $3.1 million in consumer loans. For last year, the consumer loan portfolio was generating interest revenue on $4.0 million.

Operating Expenses

Operating expenses for the year ended December 31, 2019 increased to $3,257,735 as compared to $1,170,110 for the year ended December 31, 2018. For the year ended December 31, 2019, the Group had the following operating expenses:

- administration costs of $651,143 (2018 - $385,019) which increased as a result of the Group's focus during the year to complete its prospectus and public listing. As the Group develops and grows the business, it is expected that administration costs will grow at a commensurate pace;

- amortization of $109,223 (2018 - $3,557) which increased as a result of the Group started amortizing its internally generated software along with its newly acquired Score-Up software platform, which was in use during the year; Along with depreciation of the two office leases under IFRS 16.

- consulting fees of $978,547 (2018 - $574,528) which increased as the Group grew its advisory and management team to develop the business;

- investor relations fees of $282,227 (2018 - $nil) which increased following the Group's public listing. The Group has entered into investor relations contracts to help promote and maintain the Group's stock and market presence;

- lease accretion expense of $16,048 (2018 - $nil) related to two new office leases entered within the current year accounted for under IFRS 16.

- marketing expense of $406,170 (2018 - $48,479) which increased as the Group concentrates on the growth of its loan portfolio. Marketing expenses include the cost of travel, which was higher in the current year as a result of travel required for the development of the management team and board, and for the research and due diligence on acquisition targets;

- salary and benefits of $512,612 (2018 - $158,527) which increased along with other operating expenses as a result of additional staff hired to facilitate the growth of the Group's business;

- share based payments of $250,872 (2018 - $nil) related to the fair value of stock options granted and vested during the year. During the year ended December 31, 2019, the Group granted 6,400,000 stock options to various officers, directors, and consultants, which were valued and recognized using the Black-Scholes pricing model.

- transfer agent and filing fees of $50,893 (2018 - $nil) which were incurred for the first time as a result of the Group's public listing during the year.

Operating Loss

The Group incurred an operating loss of $3,151,646 for the year ended December 31, 2019 (2018 – $1,215,257). The growth in the loss is in line with management's expectations given the restructuring of the organization and changes to the scope of operations. As the Group reaches its target level of loans outstanding and further develops its supplementary product lines, it expects to see a reduction in operating loss.

Cash Flows

		2019		**2018**
Cash (outflow) inflow from operating activities	$	(3,032,655)	$	716,567
Cash outflow from investing activities		(145,402)		(85,555)
Cash inflow from financing activities		2,476,021		451,482
Net change in cash		(702,036)		1,082,494
Opening balance, cash		1,457,298		374,804
Closing balance, cash	$	755,262	$	1,457,298

Operating Activities

Cash outflow from operating activities for the year ended December 31, 2019 was $3,032,655 compared to inflow of $716,567 for the year ended December 31, 2018. The cash outflow is primarily related to the loss for the year, which grew as compared to the comparative year, offset by non-cash items and net changes in non-cash working capital items.

Investing Activities

Cash outflow from investing activities for the year ended December 31, 2019 was $145,402 compared to $85,555 for the year ended December 31, 2018 and was comprised of costs on development of internally developed software, additions to property, equipment, and right-of-use assets on the move to a new office, and the acquisition of Credit-Meds. Prior year investing activities included solely the costs of development of internally generated intangible assets. The Group ceased capitalizing additional costs to the software in the current year as it was available for use and instead commenced amortization on the balance.

Financing Activities

Cash inflow from financing activity for the year ended December 31, 2019 was $2,476,021 compared to $451,482 for the year ended December 31, 2018. During the current year the Group closed its initial public offering, generating net proceeds after share issuance costs of $2,984,100, received $10,000 on the exercise of 200,000 stock options, repaid $200,000 in promissory notes, paid out $236,406 on the redemption of bonds, paid $12,406 on loans payable, and paid $69,267 for its lease liabilities. During the comparative year, the Group generated $377,482 from the issuance of common shares and $23,000 on warrants issued, received $277,000 on the issuance of bonds and $200,000 from promissory notes, repaid $180,000 in promissory notes, and paid out $246,000 on the redemption of bonds.

SUMMARY OF QUARTERLY RESULTS

	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
Interest revenue	$ 175,829	$ 146,259	$ 122,809	$ 127,278
Other income	105,097	78,835	14,968	8,864
Gross profit	146,430	87,726	2,194	782
Net and comprehensive loss	(1,275,064)	(726,789)	(597,405)	(552,388)
Assets	5,141,305	6,574,462	6,460,329	7,339,468
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	(0.02)

	December 31, 2018	September 30, 2018	June 30, 2018
Interest revenue	$ 216,532	$ 158,726	$ 190,303
Other income	2,168	6,844	8,790
Gross profit	55,530	24,149	59,340
Net and comprehensive loss	(83,827)	(487,686)	(223,966)
Assets	4,543,490	4,412,983	4,830,051
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)

FOURTH QUARTER RESULTS

During the three-month period ended December 31, 2019, the Group had continued to grow its book of Fast Track loans at an increasing rate, resulting in higher reported interest and other revenue as compared to the previous quarters during the year. Combined with a lower interest expense, the Company showed a higher gross profit on its loans. Operating expenses for the three-month period ended December 31, 2019 were $1,273,522. The Company saw growth particularly in its administrative costs, salary and benefits, consulting fees, and marketing expenses as a result of its aggressive growth strategies and the acquisition of Score-Up near the end of the third quarter. The higher operating expenditures in the period resulted in a larger net and comprehensive loss as opposed to other periods during the year.

OFF-BALANCE SHEET ARRANGEMENTS

As at December 31, 2019, the Group had no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Group.

RELATED PARTY TRANSACTIONS

Related parties of the Group include subsidiaries, key management personnel, companies controlled by key management personnel and close family members of key management personnel. Key management personnel are persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any directors (whether executive or otherwise) of the Group. Key management personnel are composed of the Board of Directors and Executive Leadership Team.

Compensation

Salaries and other short-term employee benefits paid to the Group's key management personnel were $90,682 for the year ended December 31, 2019 (December 31, 2018 - $59,868).

Consulting fees

Consulting fees paid to the Group's key management personnel and companies controlled by current and former key management personnel were $362,699 for the year ended December 31, 2019 (December 31, 2018 - $269,987). As at December 31, 2019, accounts payable and accrued liabilities included $nil (December 31, 2018 - $273,738) owing to key management personnel and companies controlled by key management personnel.

Share purchase option plan

Related parties are participating in the Group's share purchase option plan. See Note 13 of the accompanying consolidated financial statements for information on the plan. Included in comprehensive loss for the year ended December 31, 2019 is $132,072 (December 31, 2018 - $nil) related to the fair value of options vested for key management personnel.

OUTSTANDING SECURITY DATA

Common Shares

At the date of this report, the Group had unlimited authorized common shares without par value and an aggregate of 55,750,763 common shares were issued and outstanding.

Share Purchase Warrants

As at the date of this report, the Group did not have any share purchase warrants outstanding.

Stock Options

A summary of the Group's issued and outstanding options at the date of this report was as follows:

Expiry Date	Exercise Price	Number Outstanding
March 20, 2024	$ 0.20	3,050,000
September 24, 2024	$ 0.25	500,000
November 1, 2024	$ 0.21	225,000
December 3, 2024	$ 0.21	250,000
December 30, 2024	$ 0.20	100,000
January 28, 2025	$ 0.20	450,000
		4,575,000

Restricted Share Units

As at the date of this report, the Company has 100,000 restricted share units (each, a "RSU") outstanding. The RSU's vest 25% on May 28, 2020, and 25% each three months thereafter.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2019, the Group had a working capital deficiency of $27,255 (December 31, 2018 – surplus of $856,082). The Group has relied upon debt and equity financings to finance its operations and meet its capital requirements. On January 14, 2019, the Group completed a private placement of 80,000 Units (for gross proceeds of $12,000) at a price of $0.15 per unit, each unit consisted of one common share and one-half of a common share purchase warrant. The full warrant expires on January 13, 2020 and entitles the subscriber to the purchase of 40,000 common shares at a price of $0.30 per share. On March 20, 2019, the Group completed an initial public offering selling 17,500,000 Units (for gross proceeds of $3,500,000) at a price of $0.20 per Unit, each Unit consisting of one common share and one half of one common share purchase warrant. All warrants expired unexercised subsequent ot the year ended December 31, 2019. Each whole warrant will entitle the holder to purchase one common share at a price of $0.35 until March 19, 2020. In addition, during this quarter, the Group paid back the $150,000 loan that was incurred in December 2018. On April 23, 2019 the Group also repaid the $50,000 promissory note it had received from a third party. On April 8, 2019, common share options for 200,000 shares at a price of $0.05 per share were exercised for gross proceeds of $10,000.

The Group's objectives when managing its liquidity and capital resources is to maintain a sufficient capital base to sustain future loan operations, bond redemptions and future development of the business.

PROPOSED TRANSACTIONS

There are no proposed transactions at the date of this report that have not been disclosed.

SUBSEQUENT EVENTS

Subsequent to December 31, 2019, the Group:

a) granted 450,000 stock options with an exercise price of $0.20 and life of five years to various officers and employees of the Company;

b) granted 100,000 restricted share units (each, an "RSU") to a consultant. RSUs vest 25% on May 28, 2020, and 25% each three months thereafter; and

c) closed an offering of convertible debentures (the "Debentures) in the amount of $400,000. The Debentures have a one-year term and accrue interest at a simple rate of 12% per annum, payable quarterly. The principal amount of the Debentures and all accrued, but unpaid, interest are convertible at the option of the holder into common shares of the Group at a price of 0.30 per common share. If the Group's common shares trade or close on the Exchange at $0.45 or higher for a period of 10 consecutive trading days, the Group has the option to force the conversion of the Debentures and all accrued but unpaid interest into common shares of the Group at a price of $0.30 per share. The Debentures and any conversion shares are subject to a statutory hold period expiring July 17, 2020.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make estimates and judgments and to form assumptions that affect the reported amounts and other disclosures in the consolidated financial statements. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results of these assumptions form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.
The estimates and underlying assumptions are reviewed on an ongoing basis. Changes to accounting estimates are recognized in the period in which the estimate is revised and all future periods which are affected by the change in estimate.

The principal areas where critical estimates and judgments have been applied are described below:

- **Assessment of control of TPF.** Although the Group owned less than half of TPF's voting preferred shares, management determined that the Group controls TPF and that all of the equity in TPF is attributable directly to the Group. The Group owns all of the non-voting common shares of TPF and had an agreement with the only other voting preferred shareholder, Target, whereby Target did not benefit from its position as the majority shareholder of TPF, other than from the receipt of certain fees. During the year ended December 31, 2019, the Group acquired the remaining voting shares of TPF for $600.

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

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

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

CHANGES IN ACCOUNTING POLICIES

New standard adopted

IFRS 16, Leases

The Group adopted IFRS 16 - Leases ("IFRS 16") on January 1, 2019. The objective of the new standard is to eliminate the classification of leases as either operating or financing leases for a lessee and report all leases on the statement of financial position. The only exemption to this will be for leases that are one year or less in duration or for leases of assets with low values. Under IFRS 16 a lessee is required to recognize a right-of-use asset, representing its right to use the underlying asset, and a lease liability, representing its obligations to make lease payments. IFRS 16 also changes the nature of expenses relating to leases, as lease expenses previously recognized for operating leases are replaced with depreciation expense on capitalized right-of-use assets and finance or interest expense for the corresponding lease liabilities associated with the capitalized right-of-use leased assets. The Group adopted IFRS 16 using the modified retrospective approach and did not restate comparative amounts for the year prior to first adoption.

The accounting policies adopted under IFRS 16 are described above under the heading "Leases:,

As part of the initial application of IFRS 16, the Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to profit on a straight-line basis over the lease term.

Effective January 1, 2019, the Group adopted IFRS 16 using the modified retrospective approach and accordingly the information presented for 2018 has not been restated. As of the initial date of application of IFRS 16, the Group has one office lease outstanding with a remaining term of under 12 months. The Group has elected to apply the practical expedient to account for leases for which the lease term ends within 12 months of the date of initial application as short-term leases, and therefore the adoption of IFRS 16 has not had an impact on the Group's reporting.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value of financial instruments

Financial instruments recognized in the consolidated statement of financial position at fair value include cash. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between unrelated participants at the measurement date. Fair values of interest receivable, other receivables, accounts payable and accrued liabilities, interest payable and other payables approximate their carrying values due to their short-term nature.

When measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the following valuation techniques:

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

Cash is measured at fair value based on a Level 1 designation.

Financial Instrument and Related Risks

The Group's risk management policies are established by the Board of Directors to set appropriate risk tolerance limits. Management's responsibility is to identify and analyze the risks faced by the Group and to monitor risks and adherence to limits and implement controls. Risk management policies and systems are reviewed periodically to reflect changes in market conditions and changes in the performance of the loans receivable.

The Group issues various fixed rate bonds to bondholders and seeks to earn an interest rate margin by investing these funds in loans receivable from consumer debtors. The Group's principal business activity results in a combined statement of financial position that consists primarily of financial instruments. The primary types of financial risk which arise from the Group's activities are credit risk, liquidity risk and market risk.

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 Group is exposed to this risk through its cash held at a financial institution, interest receivable, loans receivable and other receivables. For these financial assets recognized on the combined statement of financial position, the maximum exposure to credit risk is their carrying amount.

The Group's cash is held at a reputable Canadian financial institution. The Group has not experienced any loss on these accounts, although the balances in the accounts may exceed the insurable limits. The Group considers credit risk from cash to be minimal.

The Group's interest receivable, loans receivable and other receivables are receivable from its consumer debtors. The Group's primary business activity is to provide loans to high risk individual borrowers under consumer proposals. The Group attempts to mitigate the credit risk from its consumer debtors by performing a due diligence process on the consumer debtors prior to funding the loans receivable. Consumer debtors are referred to the Group by 4 Pillars, a credit counseling company, which screens potential consumer debtors for their ability and willingness to repay their obligations and avoid bankruptcy. In addition, the Group will perform additional due diligence work which includes, but is not limited to, verifying income, monthly expenditures, assets and liabilities of the consumer debtors. In addition, after the initial loan receivable is provided to the consumer debtor the Group will continuously monitor the loan receivable. Certain of the Group's loans receivable are secured by vehicles and general security agreements over all of the current and after-acquired assets of the consumer debtor.

Concentration of credit risk exists as the majority of the consumer debtors have comparable geographical and economic characteristics. Consumer debtors are primarily considered high risk individual borrowers and reside in Canada.

Liquidity risk

Liquidity risk describes the risk that the Group will not be able to meet its current and future cash flow needs, both expected and unexpected, without materially affecting its daily operations or overall financial condition. Cash flows payable under financial liabilities by remaining contractual maturities at December 31 are:

	Less than 3 months	**Between 3 months to 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Greater than 5 years**	**Total**
Accounts payable and accrued liabilities	$ 420,525	$ -	$ -	$ -	$ -	$ 420,525
Interest payable	21,457	-	-	-	-	21,457
Lease liabilities	44,060	124,912	166,292	122,154	-	457,418
Loans payable	6,291	18,873	25,164	32,957	-	83,285
Bonds	269,393	709,041	1,261,665	3,059,856	-	5,299,955
	$ 761,726	$ 852,826	$1,453,121	$3,214,967	$ -	$6,282,640

Market Risk

In the normal course of its operations, the Group engages in transactions that give rise to market risk. Market risk is the risk of uncertainty arising from possible market price movements and their impact on the future performance of the Group. Market price movements could adversely affect the value of the Group's financial assets and expected future cash flows. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return for a given level of risk.

The Group's financial instruments are all fixed-rate financial assets or financial liabilities. Therefore, the Group considers its exposure to interest rate risk to be minimal.