

# MARBLE FINANCIAL INC.

## Management Discussion and Analysis (“MD&A”) of the Financial Position and Results of Operations for the nine months ended September 30, 2021 as of November 29, 2021

The following discussion is a review of the consolidated activities, results of operations and financial condition of Marble Financial Inc. and its subsidiary companies (the “Company” or “Marble”) for the nine months ended September 30, 2021. The discussion below should be read in conjunction with the Company’s condensed consolidated interim financial statements for the three and nine months ended September 30, 2021 and notes thereto. Those condensed consolidated interim 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 Company’s Board of Directors on November 29, 2021. 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 Company is available on SEDAR at [www.sedar.com](http://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 Company’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 readers in understanding the Company’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 Company may change rapidly. Except as may be required by applicable law, the Company 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.

### COMPANY OVERVIEW AND GOING CONCERN

Marble Financial’s proprietary technology and credit solutions empowers consumers, alternative lenders and financial service’s companies the ability to use AI data to better understand and transact with consumers along with providing consumers a simple easy to follow prescriptive path towards financial inclusion and a positive financial future. The Company’s cloud based MyMarble Platform is an online personal finance platform that provides consumers with the ability to build a positive credit report and credit score, gain specific and unique budgetary and credit insights with access to financial education and literacy, through Marble’s current products: MyMarble (formerly Score-Up), Marble Learn, Fast-Track, Boost and The Secured Future Credit Plan. Inverite Verification Inc., our cloud-based SaaS platform offers open banking and consumer-directed finance provider, offering banking verification solutions to the financial services industry for income verification, credit decisioning, fraud reduction, and know-your client/anti-money laundering purposes

Marble has focused on four key strategies, namely: increasing its product offerings, further developing the MyMarble Platform, utilizing data science and machine learning infrastructure, and entering into reseller, referral and licensing agreements with other financial services firms.

MyMarble (formerly Score-Up) is a proprietary artificial intelligence software that employs rigorous scientific, mathematical 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 Company offers several subscription models including freemium, basic, pro and premium levels.

Marble Learn combines expert-curated educational content and skill testing quizzes to give Canadians the power to have both a foundation in crucial financial knowledge and the empowerment to effectively utilize Marble's personal finance and credit rebuilding platform, the MyMarble Platform and its current products, MyMarble (formerly Score-Up), and Fast-Track. Marble Learn users will benefit from over 30 different courses across three core financial foundations, credit, budget, and debt management.

Marble's Fast-Track credit acceleration product caters to individuals whose poor credit rating makes it difficult to access traditional sources of financing through banks, credit unions and trusts companies due to an insolvency event. Fast-Track focuses, specifically, on customers who have completed a government regulated debt settlement process by filing a consumer proposal ("Consumer Proposal") through a Licensed Insolvency Trustee ("LIT") to settle their debt obligations and are interested in a proactive credit rebuilding strategy in order to return to an industry standard credit score on their credit report.

The Secured Future Credit Plan is a combined savings program and credit-building tool that is made available to Marble's customers. The Company offers Jenson Graf Risk Management Inc.'s ("Jenson's") GIC Savings Loan product on its MyMarble Platform and utilizes Marble's application flow, Inverite adjudication, and provides the opportunity to Jenson to approve or decline on the Affiliate portal. Post funding, the Affiliate portal provides insights to Jenson. By utilizing this product, it provides underserved and credit-constrained consumers with the opportunity to obtain a new trade line structured as a secured loan, with each payment made by the consumer reported to the credit bureaus to help build credit. By making monthly payments, consumers are contributing towards building their credit and establishing a savings account for future use. The Company will receive a referral fee from Jenson for each application processed. No loan funding is provided by the Company to clients.

Inverite Verification Inc. ("Inverite"), a Canadian open banking and consumer-directed finance provider offering banking verification solutions to the financial services industry for income verification, credit decisioning, fraud reduction, and know-your client/anti-money laundering purposes. Inverite operates a cloud-based SaaS platform such that its technology solutions can be integrated into customer systems. Inverite operates as a standalone division of the Company and offers its products and services outside of the MyMarble Platform. Inverite currently offers three SaaS services to customers, namely, Bank Verification, ID Verification and Risk Scoring. Inverite offers multiple application programming interfaces ("APIs") to access up to one year of user financial data in seconds for its bank verification service and has plugins available for most popular e-Commerce platforms, including WooCommerce and Shopify. Prior to acquiring Inverite, Marble was a customer using Inverite's SaaS technology specifically for its data aggregation and verification functionality for its Fast-Track loan approval process and Score-Up credit rebuilding

In October, 2021, Marble launched Boost, a new credit improvement subscription program. The Boost program is a 12-month interest-free installment loan that finances and grants the MyMarble consumer a 12-month subscription to MyMarble Premium which is reported to both TransUnion and Equifax as a new positive tradeline to the consumer's credit report

Even before the onset of the COVID-19 pandemic in March 2020, almost one-half of Canadians were living paycheque to paycheque, as noted in the BDA Canada Affordability Index 2019 (<https://debt solutions.bdo.ca/our-people/bdo-in-the-news/bdo-canada-affordability-index-2019-2/>). On January 18, 2021, MNP Ltd. announced the results of its quarterly consumer debt index (the "Index") survey conducted by Ipsos on behalf of MNP Ltd. The Index tracks Canadians' attitudes about their debt and ability to meet their monthly payment obligations. The Index has dropped five points since September 2020 to hit its record low, which is also the largest quarterly decline to date. This has largely been fueled by Canadians' negative perceptions of their personal finances, current household debt levels, and concerns about weathering more unexpected financial setbacks without taking on more debt and impact of the COVID-19 pandemic. Particularly, four in ten (43%) Canadians say they are not confident they can cover their living expenses for the next year without going further into debt, a four-point increase from September 2020. Around the same number feel concerned about their current level of debt (42%, +1) or regret the amount of debt they have taken on (45%, -1).(<https://mnpdebt.ca/en/resources/mnp-debt-blog/mnp-consumer-debt-index-reaches-lowest-point-ever->

recorded-as-covid-lockdown-measures-continue). A June 12, 2020 article noted Statistics Canada similarly exposed growing vulnerabilities with an increase in the household credit market debt to household disposable income ratio outlining that Canadians, on average, owed almost \$1.77 for every dollar of disposable income (<https://www.cbc.ca/news/business/statistics-canada-debt-1.5609510>). The ability to service debt affects a person's credit score, which may affect their ability to obtain credit from traditional sources. The Company believes there is a large market of underserved Canadians needing to rebuild and/or improve their financial credit worthiness, especially with the uncertain economic climate resulting from the COVID-19 pandemic.

Canada is a credit-based economy. Canadians need access to credit in order to manage their daily life and expenses, but many Canadians are marginalized and excluded from the mainstream credit system due to their inability to access credit from mainstream financial institutions, as a result of their poor credit score and credit report.

A credit score is an algorithmic determination based on the information contained in a consumer's credit report at a particular point in time. If a consumer has established credit with a lender that reports to one of the two credit bureau agencies in Canada, they will have a credit report on file with either TransUnion of Canada Inc. ("TransUnion"), Equifax Consumer Canada Co. ("Equifax"), or both. A credit report is a historical record of how a person managed their credit obligations. This data is then analyzed through the credit reporting agency's algorithm to create a person's individual credit scores.

Credit scores matter in Canada because the credit system leverages this information in assisting them in the credit approval or decline decisions. The credit score is an assessment of a consumer's risk and creditworthiness. A poor credit score means that less lenders are willing to take a risk on granting credit. Mainstream lenders, such as banks and credit unions that traditionally offer the lowest interest rates are not available to consumers with poor credit. Even if approved, the credit score can also affect the interest rate and payment terms that a consumer can obtain. Non-mainstream lenders who may be willing to grant credit to those with a poor credit score are typically alternative lenders who charge significantly higher interest rates to compensate them for the risk of granting credit to a consumer that has a history of not being creditworthy. Many Canadians may not even qualify for alternative non-bank lenders; therefore, these consumers may have no option but to look for credit through payday loan companies and pawn brokers that may offer credit but do not report consumer repayments to the credit reporting agencies in Canada. Without the ability to access credit or report repayment of credit, consumers with poor credit have limited options to rebuild credit.

A poor credit score can limit an individual's ability to obtain financial products such as an unsecured credit card, bank account, a mortgage, buy a car, obtain life insurance, rent an apartment, secure employment or even obtain a cell phone plan. It can take a very short period of time for a person to damage their credit score and the results can have severe long-term implications - up to seven or eight years in the case of an insolvency, which can affect their ability to obtain future credit.

Canadians who are financially excluded from the mainstream credit-based economy are generally characterized by:

- having poor credit scores
- having the inability to build a positive tradeline, and
- having a lack of financial literacy and financial education

There are several companies that offer a free credit score to consumers, but the Company saw a void in the market for a solution that provides and helps consumers with insights and recommendations on how to individually rebuild or improve their credit score. Credit score deterioration is not merely a function of consumers not choosing to make their debt obligations, it can stem from an unforeseen or unexpected life event such as job loss, divorce, critical illness or death in the family which results in inability to service debt obligations, especially in cases where a consumer carries unmanageable debt loads. The COVID-19 pandemic has magnified the debt problems for many Canadians but has also created an opportunity for Marble, as its business focus is not only on assisting Canadians in understanding and improving their credit scores but also to improve their overall financial literacy and personal finances.

The MyMarble Platform is a cloud-based software platform designed to provide users with personalized granular solutions in the areas of:

- Budgeting, cash flow analysis, trends and insights: By connecting their financial profile, customers have access to up-to-date and live financial recommendations that enable customers to analyze areas of financial improvement.
- Credit insights, recommendations and simulators: MyMarble (formerly Score-Up) empowers customers to rebuild and improve their credit score by utilizing the proprietary point deduction technology (“PDT”) that is the basis for credit score improvement recommendations, credit monitoring, coaching and budgeting.
- Financial literacy and education: Using the Company’s Marble Learn product, customers have access to industry expert course programs designed to improve financial literacy.
- Credit wellness post insolvency: Customers can exit a Consumer Proposal using the Company’s Fast-Track product.
- Combined savings and credit-rebuilding tool: Customers can build a savings plan and their credit with the Secured Future Credit Plan product. This product is provided by Jenson and is their GIC Savings Loan product.
- Credit improvement subscription program: Using the Company’s Boost program, consumers utilize a 12-month interest-free installment loan that finances and grants the consumer a 12-month subscription to MyMarble Premium and provides monthly reporting to both TranUnion and Equifax.

The Inverite Platform is a cloud-based SaaS platform that utilizes Artificial Intelligence (“AI”) and Machine Learning (“ML”) to offer the following three main products to the financial services industry; Bank Verification, ID Verification and Risk Scoring. Inverite’s value proposition to industry in Canada is:

- Highest consumer and financial institution coverage
- Fastest processing time
- Competitive pricing
- Enhanced categorization and richer insights
- Leading ML-model Risk Score
- Flexibility and ability to tailor offering, as required
- Rigorous security compliance, fraud deterrence
- Superior support model and turnaround time
- Experienced management team.

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 Company changed its name from MLI Marble Lending Inc. to the present Marble Financial Inc.

The head office of the Company is located at Suite 404-999 Canada Place, Vancouver, British Columbia, V6C 3E2. Marble’s common shares are listed for trading on the Canadian Securities Exchange (“CSE”) under the symbol “MRBL”, quoted on the OTC Pink market under the symbol “MRBLF” and on the Frankfurt Stock Exchange under the symbol “2V0”. The Company’s consolidated financial statements include the financial statements of the following subsidiaries:

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

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

As at September 30, 2021, the Company had a shareholders' deficiency of \$3,734,182 (December 31, 2020 – \$2,187,901) and an accumulated deficit of \$14,899,890 (December 31, 2020 – \$11,237,964) and therefore will need ongoing funding to continue its operations. There is no assurance that additional funding will be available on a timely basis or on terms acceptable to the Company. If the Company is unable to obtain sufficient funding, the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of the going concern accounting principle will be in significant doubt. The condensed consolidated interim financial statements have been prepared on the basis of a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The condensed consolidated interim financial statements do not reflect the adjustments or reclassification which would be necessary if the Company were unable to continue its operations in the normal course of business.

## HIGHLIGHTS AND OVERALL PERFORMANCE

Highlights during and subsequent to the nine months ended September 30, 2021 include:

- **November 29, 2021** – Marble completed the first tranche of a non-brokered private placement and issued 10,629,232 units at a price of \$0.13 per unit for gross proceeds of \$1,381,800. Each unit is comprised of one common share and one-half of a common share purchase warrant, with each whole warrant entitling the holder to purchase an additional common share at a price of \$0.15 for a period of 12 months following the closing date. In connection with the private placement, Marble issued an aggregate of 183,750 finders' units with the same terms as the units.
- **November 18, 2021** – Marble announced that its subsidiary Inverite has been engaged by five new industry clients and achieved a new record of 4,000 daily transactions on its platform.
- **November, 2021** – In November, 2021 Marble announced it entered a two additional licensing agreements for its Marble Connect API.
- **October 27, 2021** – Marble announced that Inverite entered into a data verification agreement with Home Owner Soon Financial Inc. ("HOS Financial"), one of the largest rent-to-own company in Canada and the resignation of Michael Feola from the Company's board of directors.
- **October 20, 2021** – Marble announced the launch of its Boost program, a 12-month interest-free installment loan that finances and grants the consumer a 12-month subscription to MyMarble Premium. In addition, it has engaged Thesis Capital Inc., an independent capital markets advisory firm to provide investor relations and advisory services to Marble. The initial term of the engagement is six months. Marble has granted Thesis 250,000 stock options under the Company's stock option plan. These options expire in five years, vest in equal one-quarter amounts on the date of grant and every three-month anniversary from the date of grant and are issued at \$0.12 per share.
- **September , 2021** – During September, 2021 Marble announced it has entered two additional licensing agreements for its Marble Connect API
- **September 22, 2021** – Marble announced that Inverite had achieved a record 80,000 monthly transactions in the month of August 2021.
- **September 16, 2021** – Marble announced that Inverite had executed a license agreement with CreditBook Risk Management to offer Inverite's customers further risk analysis data within the subprime space. The license agreement will initially allow Inverite to offer the CreditBook check as a revenue-generating add-on service with a next phase of inclusion into Inverite's own AI-powered Risk Score.
- **August 27, 2021** – On August 27, 2021, the Company entered into amending agreements with convertible debenture holders to extend the maturity date of an aggregate principal amount of \$1,303,000 of convertible debentures due July 7, 2022 to December 31, 2022, and in respect of the underlying warrants issuable on

conversion to extend their expiry date from January 7, 2023 to June 30, 2023. The principal amount of the convertible debentures is convertible into units at a price of \$0.30 per unit, with each unit being comprised of one common share and one-half warrant, with a whole warrant being exercisable to purchase a common share at \$0.45 until June 30, 2023 (extended from January 7, 2023 pursuant to the above mentioned amending agreement).

- **August 11, 2021** – Marble announced its proprietary digital API Integration (Marble Connect) with Citadel Mortgages. Citadel Mortgages is a full-service Mortgage Brokerage, servicing across Canada.
- **July 26, 2021** – Marble announced the execution of a \$10 million credit facility agreement amongst Marble, 1301771, TPFM, and CHP Agent Services Inc. (“CHP”), a subsidiary of Cypress Hills Partners Inc., to fund its Fast-Track Loan program.
- **July 22, 2021** – Marble announced that it has surpassed the 20,000 member milestone on the MyMarble Financial Wellness Platform.
- **July 16, 2021** – Marble announced that it has become a member of the Financial Data and Technology Association (FDATA) to support its open banking and data privacy strategy.
- **July 5, 2021** – Marble announced that it has added Lawrence Rhee as its Fintech Capital Markets, Special Situations Advisor and Michael Feola to its Board of Directors. The Company granted 300,000 RSUs to RHEETHINK Inc., of which, 150,000 RSUs vest on October 2, 2021, and the balance on January 2, 2022. The Company also announced the resignation of Vikas Ranjan from the Board of Directors.
- **June 30, 2021** – The Company granted an aggregate of 850,000 stock options to directors, employees and consultants of the Company. The options have a five year term, vest in equal one quarter amounts on the date of grant, and in each of the first year, second year and third year anniversaries from the date of grant, and are exercisable at a price of \$0.21 per share. The Company also cancelled an aggregate of 1,050,000 previously granted stock options.
- **June 16, 2021** – Marble announced its first digital API integration with Nuborrow to provide their customers access to the Marble Platform of practical financial wellness programs and guidance through MyMarble’s new API Integration business solution.
- **June 9, 2021** – Marble announced that its subsidiary, Inverite, has entered into a data verification agreement with one of Canada’s largest alternative PowerSports financing companies, engaged in financing ATV’s, snowmobiles, motorcycles, boats/personal watercrafts and RV’s/travel trailers.
- **June 1, 2021** – The Company announced that its subsidiary, Inverite, has completed its compliance with SOC 2 Type 1 Standards.
- **May 31, 2021** – The Company granted an aggregate of 375,000 stock options to directors, employees and consultants of the Company. The options have a five year term, vest in equal one quarter amounts on the date of grant, and in each of the first year, second year and third year anniversaries from the date of grant, and are exercisable at a price of \$0.23 per share.
- **May 20, 2021** – Marble announced that it had entered into an arrangement with Jenson to offer Jenson’s GIC Saving Loan product on the MyMarble Platform as the “The Secured Future Credit Plan”. The Company will provide lead generation and support the underwriting process through automation and provide customer insights on the Affiliate portal for Jenson. The Company will receive a referral fee for each application processed.
- **May 12, 2021** – Marble announced further expansion into the Auto Lending Space with 15 new referral partnerships, which will allow all 15 auto-lending companies to leverage MyMarble’s credit improvement recommendation technology to help consumers who require immediate assistance to improve their credit score

to obtain auto-financing at the best rates.

- **April 30, 2021** – Marble announced an online performance marketing arrangement with 55Rush to promote the Company’s MyMarble Platform with their Parent Life Network users.
- **April 22, 2021** – Marble announced the launch of affiliate marketing program with Fintel Connect, a leading performance marketing company dedicated to serving the financial services and fintech space.
- **April 12, 2021** – Marble announced that it had closed the acquisition of Inverite, a Canadian financial technology provider for real-time access to financial data and insights. Marble acquired all of the issued and outstanding shares of Inverite for a purchase price of \$1,460,000 plus an earn out provision of up to \$2,500,000, calculated based on a multiple of Annual Incremental Revenue (“AIR”) of Inverite over the two consecutive one-year periods following the closing, payable in cash or common shares at the option of Marble.
- **April 7, 2021** – Marble completed a non-brokered private placement of unsecured convertible debentures (the “New Debentures”) for gross proceeds of \$1,303,000. The New Debentures have a 15-month term and accrue simple interest at a rate of 10% per annum, payable semi-annually. The principal amount of the New Debentures will be convertible, at the option of the holder, into units at a price of \$0.30 per unit. Each unit will be comprised of one common share and one-half of one common share purchase warrant, with each whole warrant entitling the holder to purchase an additional common share at a price of at a price of \$0.45 for a period of 21 months from closing. If, at any time after the date that is four months and one day after closing, Marble’s common shares have traded or closed at a price of \$0.60 or more for 10 consecutive trading days on the CSE (or such other stock exchange where the majority of trading volume occurs), Marble has the right, in its sole discretion, to force the conversion of all or any part of the principal of the debentures into units at a price of \$0.30 per unit by giving notice via news release.
- **March 26, 2021** – Marble completed a non-brokered private placement and issued 2,333,334 units at a price of \$0.30 per unit for gross proceeds of \$700,000. Each unit is comprised of one common share and one-half of a common share purchase warrant, with each whole warrant entitling the holder to purchase an additional common share at a price of \$0.45 for a period of 12 months following the closing date, subject to accelerated expiry if Marble’s common shares trade or close at a price of \$0.55 or more for 10 consecutive trading days on the CSE.
- **February 22, 2021** - The aggregate principal amount of \$460,000 of 12% convertible debentures were converted into 1,533,333 common shares which resulted in a loss on settlement of \$22,036.
- **February 2, 2021** – Marble completed a non-brokered private placement and issued 2,000,000 units at a price of \$0.25 per unit for gross proceeds of \$500,000. Each unit is comprised of one common share and one-half of one common share purchase warrant, with each whole warrant entitling the holder to purchase an additional common share at a price of \$0.35 for a period of 12 months following the closing date, subject to accelerated expiry if Marble’s common shares trade or close at a price of \$0.45 or more for 10 consecutive trading days on the CSE. In connection with the private placement, the Company paid cash finders’ fees of \$6,300. During the review of the Q2 financial statements it was discovered that 400,000 unit were subscribed for but not paid for. The Company is in possession of the 400,000 units and has returned the 400,000 shares to treasury and cancelled the 200,000 warrants issued.
- **January 26, 2021** – Marble announced it had entered into an agreement with VoPay International Inc. (“VoPay”) to allow the Company to integrate VoPay’s technology into the MyMarble Platform which will allow electronic funds transfer payments to be offered to MyMarble clients.
- **January 22, 2021** – Marble launched a 12-month online marketing campaign through AGORACOM Internet Relations Corp. (“AGORACOM”). The total cost of the campaign is \$75,000 plus applicable taxes, payable through the issuance of common shares with the first 20% of the fee payable on the commencement date and 20% at the end of each of the third, sixth, ninth and twelfth months thereafter. Marble issued 40,843 common

shares on January 27, 2021 from treasury, for the first installment of the AGORACOM fee. The fair value of the 40,843 common shares was determined to be \$15,000 plus tax.

- **January 21, 2021** – Marble entered into a sublease agreement of its head office, commencing May 1, 2021 and expiring August 30, 2022. The sublease is for the amount of \$162,914 per annum and will reduce the Company’s minimum lease payments by \$108,609 over the sublease term.
- **January 18, 2021** – Marble announced that it had entered into a binding letter of intent to acquire Inverite.

## **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, verification revenue, gross profit, funding interest expense, operating expenses, and net income (loss) and growth in loans issued.

### ***Overall Operations and COVID-19***

The Company has focused on four specific key operational strategies, namely: increasing product offerings, further developing the MyMarble Platform, utilizing data science and machine learning, and increasing third party industry licensing and referral relationships with other financial services firms, all with the overall objective to drive sustainable growth and revenues. The Company has also focused on raising funds through the issuance of debt and equity securities to finance its operations, however starting in the first quarter of the 2020 fiscal year, the Company faced difficult capital markets resulting from COVID-19 pandemic.

The Company currently derives its revenues from interest income derived from Fast-Track, transaction fees from its wholly owned subsidiary, Inverite and customer subscription fees from its MyMarble (formerly Score-up) product, administration fees, SaaS and third-party monthly licensing. Subscription fees vary based on the subscription model (Basic, Pro and Premium) and features the client elects to use. License fees will also vary depending on the specific requirements for each third-party reseller.

The 2019 acquisition of Score-Up has also allowed Marble to broaden its ability to enter into other third-party industry reseller agreements and licensing arrangements. As such, the Company expanded its internal and external marketing efforts and entered into several referral arrangements and licensing agreements with third party financial services firms to offer the Company’s products. Since 2019, the Company has been successful in entering into several reseller, distributor and licensing-type arrangements for its products and MyMarble Platform. The Company started generating additional MyMarble subscription fee revenues in 2020 as a result of these reseller agreements and through its internal marketing and sales efforts. Marble plans to continue to expand its reseller and licensing relationships throughout 2021.

Prior to 2019, Marble’s primary business involved its Fast-Track loans which leverage financial technology (“fintech”) to bring its loan product to qualified residents of Canada – specifically, focusing on customers who completed a Consumer Proposal to settle their debt obligations and who are seeking a pro-active method to rebuild their credit in order to access traditional sources of financing such as banks, credit unions and trusts companies. However, in 2020, the Company’s loan portfolio reached its maximum offering size, based on available funding and unallocated free cash, and the Company stopped advancing further Fast-Track loans until an additional debt facility is obtained. On July 26, 2021, Marble announced it had entered into a \$10 million credit facility agreement with Cypress Hills Partners Inc. which will allow Marble to re-start its Fast-Track Loan program. As at September 30, 2021 and as at the date of this MD&A, the Company has not drawn down any funds pursuant to this credit facility or restarted its Fast-Track Loan program.

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the Company’s business are not known at this time. Marble operates a fully digital platform; its services and products are all accessed online, with no physical branches or consumer-facing offices. While the degree of severity and length of an economic downturn is difficult to predict, Marble believes that it is well positioned to navigate through this period. However, the overall economic impacts of COVID-19 could include an impact on our ability to obtain debt and equity financing,



impairment of investments, loan loss provisions, impairments in the value of our intangible assets and long-lived assets, or potential future decreases in revenue or the profitability of our ongoing operations. The Company is working closely with its third-party resellers and customers to support them through this changing environment. On March 26, 2020, the Company offered a temporary deferred payment relief program for customers meeting certain criteria that were put into further financial difficulty as a result of COVID-19. In addition, existing customers that purchased creditor insurance as part of their Fast-Track loan could apply for the benefits associated with this program, if required. Further, a new adjudication protocol for loan approvals for our Fast-Track product was put in place due to market dynamics and economic uncertainties as a result of COVID-19.

As at September 30, 2021, the Company held \$1,565,728 in loans receivable, net of allowance for loan impairment of \$101,678 (December 31, 2020 – \$2,257,878 net of allowance for loan impairment of \$220,000). The allowance for loan impairment of \$101,678 represents 6.49% of the Company's outstanding loan balance, inclusive of interest receivable, at September 30, 2021 (December 31, 2020 – 6.63%). A loan receivable is considered past due when a consumer debtor has not made a payment by the contractual due date and written off when the consumer debtor has declared bankruptcy or applied for a consumer protection, or the Company has sent the loan receivable to an external collection agency for collections. During the nine months ended September 30, 2021, the Company recovered \$ 6,840 in loans receivable (2020 – \$nil).

## **NINE MONTHS ENDED SEPTEMBER 30, 2021**

### ***Revenue***

The Company generated interest revenue from its loan portfolio of \$507,126 for the nine months ended September 30, 2021 (2020 - \$578,986). The decrease is primarily due to a lower number of consumer loans outstanding during the period. The Company anticipates with the \$10 million credit facility agreement entered into with Cypress Hills Partners Inc. that it will be able to re-start its Fast-Track program in Q4 2021.

For the nine months ended September 30, 2021, the Company generated subscription fees of \$234,576 (2020 – \$200,351) from subscriptions of MyMarble, \$37,667 (2020 – \$80,165) of service fees and other income and \$264,705 (2020 - \$nil) of verification fees generated from Inverite. Service fees decreased primarily due to the lower number of consumer loans outstanding during the period compared to the prior year period. The Company acquired Inverite on April 12, 2021.

### ***Interest expense***

The Company incurred bond interest expense of \$384,232 for the nine months ended September 30, 2021 (2020 - \$374,678).

### ***Bad debt expense***

The Company recorded bad debt expense of \$94,212 for the nine months ended September 30, 2021 (2020 – \$5,628). The increase of bad debt expense is a result of increased loan write-offs during the period, as a result of Marble's review of its loan portfolio.

### ***Gross Profit***

The Company generated net interest income of \$122,894 for the nine months ended September 30, 2021 (2020 – \$204,308). The decrease of \$81,414 is largely correlated to the decreased interest revenue generated from a lower loan portfolio compared to the prior period.

### ***Operating Expenses***

Operating expenses for the nine months ended September 30, 2021 increased to \$4,053,033 as compared to \$2,593,978 for the nine months ended September 30, 2020. For the period ended September 30, 2021, the Company had the following operating expenses:

- administration costs of \$1,086,363 (2020 - \$464,482) which increased from the prior year due to the growth of the operations, including entering into several reseller and licensing arrangements; incurring higher legal fees due to the acquisition of Inverite and financing transactions, and incurring administration costs from the operations of Inverite, as the Company works on expanding its product and service offerings. Administration costs are largely comprised of office expenses, loan issuance costs, professional fees, computer and technology expenses, telephone and utilities.
- amortization of \$107,295 (2020 - \$192,313) which decreased as the Company had minimal additions in 2021 and continues to amortize its internally developed software, MyMarble (formerly Score-Up) software platform, and depreciate its office lease. The Score-Up office lease was fully depreciated during 2020 and the Marble office was subleased beginning May 1, 2021, which resulted in a transfer of the right-of-use asset to the sublessee.
- consulting fees of \$780,502 (2020 - \$715,855) increased from the prior year due to an accounting adjustment.
- investor relations expense of \$67,430 (2020 - \$52,156) increased as the Company increased efforts to attract new investors.
- marketing expense of \$399,845 (2020 - \$84,009) has increased from 2020, as the Company increased efforts to grow the business and increase awareness of its products. The Company incurred less marketing expenses during 2020 as result of the uncertainty of the COVID-19 pandemic. Included in 2021 is \$15,000 which represents the fair value of the 40,843 common shares issued to AGORACOM and \$30,000 which represents the fair value of the shares issuable but not yet issued to AGORACOM.
- share based payments of \$357,980 (2020 - \$105,936) related to the fair value of share purchase options granted and vested during the period and the vesting of RSUs during the period. During the nine months ended September 30, 2021, the Company granted 3,360,000 share purchase options and 25,000 RSUs vested to various officers, directors, employees and consultants.
- salaries and benefits of \$1,231,689 (2020 - \$957,665) increased from 2020, largely as a result of the acquisition of Inverite staff and its employees and the CEO entering into an employment agreement where previously he was a consultant.
- transfer agent and filing fees of \$21,929 (2020 - \$21,562) were consistent between the periods.

#### ***Other Income (Expenses)***

- interest and accretion expense on convertible debentures and lease liabilities of \$148,619 (2020 - \$29,044) increased from 2020, largely as a result of new convertible debentures issued during the period with an aggregate principal of \$1,303,000. During the period, the maturity date of the \$1,303,000 convertible debentures was extended from July 7, 2022 to December 31, 2022 which resulted in additional accretion expense during the period.
- The Company incurred a loss on settlement of \$460,000 principal amount of convertible debentures of \$22,036 (2020 - \$nil) settled through the issuance of 1,533,333 common shares.
- The Company incurred a loss on the recognition of sublease of \$12,097 (2020 il) as the Company entered into a sublease agreement of its Marble office and derecognized the corresponding right-of-use asset during the period.
- The Company incurred a gain on the write-off of accounts payable of \$8,229 (2020 - \$nil) as the Company reviewed its accounts payable during the period and wrote-off amounts that are not expected to be paid.

#### ***Net Loss***

The Company incurred a net loss of \$3,661,926 for the nine months ended September 30, 2021 (2020 – \$2,143,826). The increase in the loss is primarily due to increased operating expenses as the Company incurred increased

administrative costs to facilitate the growth of operations and increased marketing costs for product and corporate marketing.

### **THREE MONTHS ENDED SEPTEMBER 30, 2021**

#### ***Revenue***

The Company generated interest revenue from its loan portfolio of \$153,297 for the three months ended September 30, 2021 (2020 - \$194,584). The decrease is primarily due to a lower number of consumer loans outstanding during the period.

For the three months ended September 30, 2021, the Company generated, subscription fees of \$29,468 (2020 – \$124,128) from subscriptions of MyMarble, \$11,106 (2020 – \$nil) of service fees and other income and \$139,407 (2020 - \$nil) of verification fees generated from Inverite.

#### ***Interest expense***

The Company incurred bond interest expense of \$126,804 for the three months ended September 30, 2021 (2020 - \$118,085).

#### ***Bad debt expense***

The Company recorded bad debt recovery of \$60,407 for the three months ended September 30, 2021 (2020 – bad debt recovery of \$26,474). The increase in bad debt recovery is a result of increased efforts and arrangements to collect on previously written off loans.

#### ***Gross Profit***

The Company generated net interest revenue of \$26,493 for the three months ended September 30, 2021 (2020 – \$76,499). The decrease of \$50,006 is largely correlated to the decreased interest revenue due to a lower loan portfolio compared to the prior period and higher bond interest expenses incurred.

#### ***Operating Expenses***

Operating expenses for the three months ended September 30, 2021 increased to \$1,212,129 as compared to \$811,621 for the three months ended September 30, 2020. For the period ended September 30, 2021, the Company had the following operating expenses:

- administration costs of \$209,921 (2020 - \$216,103) were consistent with the prior year. Administration costs are largely comprised of office expenses, loan issuance costs, professional fees, computer and technology expenses, telephone and utilities. In 2021 administration costs also reflected the operations for Inverite which was acquired in April 2021.
- amortization of \$17,733 (2020 - \$64,310) which decreased as the Company had minimal additions in 2021 and continues to amortize its internally developed software, Score-Up software platform, and depreciate its office lease. The Score-Up office lease was fully depreciated during 2020 and the Marble office was subleased beginning May 1, 2021.
- consulting fees of \$292,023 (2020 - \$212,459) increased due to an accounting adjustment during the period.
- investor relations expense of \$12,000 (2020 - \$8,681) was consistent with the comparative period.
- marketing expense of \$124,185 (2020 - \$21,095) has increased from 2020, as the Company increased efforts to grow the business and increase awareness of its products. The Company incurred less marketing expenses during 2020 as result of the uncertainty of the COVID-19 pandemic.

- share based payments of \$105,502 (2020 – (\$7,207)) related to the fair value of share purchase options granted and vested during the period and the vesting of RSUs during the period. During the period ended September 30, 2021, the Company granted 25,000 share purchase options to an employee and 300,000 RSUs to a consultant.
- salaries and benefits of \$442,916 (2020 - \$286,638) increased from 2020, largely as a result of the acquisition of Inverite in April 2021, adding employees as well as the CEO becoming an employee where previously was a consultant.

#### ***Other Income (Expenses)***

- interest and accretion expense on convertible debentures and lease liabilities of \$64,881 (2020 - \$9,705) increased from 2020, largely as a result of new convertible debentures issued in April 2021 with an aggregate principal of \$1,303,000. During the three months ended September 30, 2021, the maturity date of the \$1,303,000 convertible debentures was extended from July 7, 2022 to December 31, 2022 which resulted in additional accretion expense during the period.

#### ***Net Loss***

The Company incurred a net loss of \$1,010,129 for the three months ended September 30, 2021 (2020 – \$593,142). The increase in the loss is primarily due to increased operating expenses as the Company incurred increased administrative costs to facilitate the growth of operations.

#### **SUMMARY OF QUARTERLY RESULTS**

	<b>September 30, 2021</b>	<b>June 30, 2021</b>	<b>March 31, 2021</b>	<b>December 31, 2020</b>
Interest revenue	\$ 153,297	\$ 167,993	\$ 185,836	\$ 298,848
Other revenues	179,981	214,394	142,573	87,366
Net loss and comprehensive loss	1,010,129	(1,199,349)	(1,452,448)	(1,406,904)
Assets	4,045,889	4,581,184	4,252,985	4,571,913
Non-current financial liabilities	3,650,054	2,739,593	3,303,676	1,489,592
Basic and diluted loss per share	(0.01)	(0.02)	(0.02)	(0.02)

  

	<b>September 30, 2020</b>	<b>June 30, 2020</b>	<b>March 31, 2020</b>	<b>December 31, 2019</b>
Interest revenue	\$ 194,584	\$ 185,948	\$ 198,454	\$ 175,829
Other revenues	124,128	70,055	86,333	105,097
Net loss and comprehensive loss	(593,142)	(724,353)	(826,331)	(1,275,064)
Assets	4,385,247	4,596,311	4,849,827	5,141,305
Non-current financial liabilities	4,201,162	4,235,147	4,260,229	4,670,492
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	(0.01)

#### **LIQUIDITY AND CAPITAL RESOURCES**

As at September 30, 2021, the Company had a working capital deficit of \$3,041,107 (December 31, 2020 – \$1,140,280). The Company has relied upon debt and equity financings to finance its operations and meet its capital requirements. During the period ended September 30, 2021, the Company received proceeds of \$1,093,700 from non-brokered private placements, net of share issuance costs, received proceeds of \$100,000 from a loan and received proceeds of \$1,262,850 from a convertible debenture financing, net of debt issuance costs. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure and the amount of cash, the Company may issue new shares or debt or acquire or dispose of assets.

On July 26, 2021 the Company secured funding for new Fast-Track loans through a definitive credit facility agreement (the “Credit Facility Agreement”) amongst Marble, 1301771, TPFM, and CHP Agent Services Inc. (“CHP”), a subsidiary of Cypress Hills Partners Inc. The Credit Facility Agreement provides for a \$10 million credit facility to Marble, through 1301771 as borrower, with TPFM as servicing agent for originations, adjudications, administration and monitoring of the new Fast-Track loans, and CHP acting as administrative and collateral agent on behalf of the lenders. The aggregate amount of the funding is determined as a selected percentage (the “Advance Rate”) of the outstanding Eligible Customer Loans (as defined in the Credit Facility Agreement) in the loan portfolio, adjusted for customer loan payments received less accrued but unpaid amounts owing to CHP and the Lenders under the Credit Facility Agreement (the “Borrowing Base”), with an initial Advance Rate at 95% (the maximum) and a minimum threshold of 80%. The current amount of the credit facility is \$10,000,000 (the “Facility Amount”), with an option to increase the amount to \$20,000,000 upon mutual agreement. Interest is charged at Canadian Prime (subject to a ceiling of 5.0% and a floor of 3.5%) plus 13%, with a provisional discount if the Advance Rate is less than 95%. The maturity date for all funds advanced is three (3) years after the date of the first funding advance, with an option to extend for a further two (2) years upon mutual agreement. In connection with the Credit Facility Agreement, 1301171 has provided a general security agreement (“GSA”) and each of Marble and TPFM has provided a limited guarantee and a “bad act” guarantee together with a GSA. Upon borrowing funds, the Company must also maintain \$300,000 in unrestricted cash, and the Company has provided CHP with board of director observer rights and a right of first refusal on any additional debt or securitization financing beyond the Facility Amount. As at September 30, 2021, the Company has not drawn any funds pursuant to this credit facility.

The Company’s objectives when managing its liquidity and capital resources is to maintain a sufficient capital base to sustain and grow its overall operations, ensure adequate capital to fund bond redemptions, debenture redemptions, and sinking fund obligations, and provide adequate capital to fund future developments of the business. The Company has deferred the principal repayments on the sinking fund obligations until the Company is in a position to make the cash payments. Subsequent to September 30, 2021, the Company repaid the \$100,000 loan.

### *Summary of cash flows*

As at September 30, 2021, the Company had cash of \$180,819 (December 31, 2020 - \$1,326,253) and a working capital deficit of \$3,041,107 (December 31, 2020 - \$1,140,280). A summary of the Company’s cash flow is as follows:

	<b>Nine months ended September 30,</b>	
	<b>2021</b>	<b>2020</b>
Cash outflow used in operating activities	\$ (1,986,092)	\$ (764,409)
Cash outflow used in investing activities	(1,452,258)	(4,135)
Cash inflow from financing activities	2,292,916	343,557
Net change in cash	(1,145,434)	(424,987)
Opening balance, cash	1,326,253	755,262
Closing balance, cash	\$ 180,819	\$ 330,275

### *Operating Activities*

Cash outflow used in operating activities for the period ended September 30, 2021 was \$1,986,091 compared to \$764,409 for the period ended September 30, 2020. The cash outflow is primarily related to the loss for the year, offset by non-cash items and net changes in non-cash working capital items.

### *Investing Activities*

Cash outflow used in investing activity for the period ended September 30, 2021 was \$1,452,258 compared to \$4,135 for the period ended September 30, 2020. During 2021, the Company completed the acquisition of Inverite by making a cash payment of \$1,460,000 and received cash of \$18,136 from Inverite. The Company also acquired property and equipment of \$10,394 (2020 - \$4,135).

### *Financing Activities*

Cash inflow from financing activities for the period ended September 30, 2021 was \$2,292,916 compared to \$343,557 for the period ended September 30, 2020. During 2021, the Company completed two equity private placements that resulted in proceeds of \$1,093,700, net of share issuance costs, the Company completed a convertible debenture financing that resulted in \$1,262,850, net of issuance costs, received loan proceeds of \$100,000, received sublease payments of \$67,881, the Company made payments of \$51,661 for the redemption of bonds, made \$150,240 in payments towards lease liabilities, made \$10,741 in payments towards convertible debentures, and paid \$18,873 towards its loans payable. Financing activities in the prior year included the closing of convertible debenture financing, generating proceeds of \$400,000, receiving \$160,000 of convertible debenture funds in advance, receiving \$40,000 of proceeds from the government CEBA loan, paying out \$76,466 towards the redemption of bonds, paying \$9,587 towards loans payable, paying \$15,773 toward convertible debentures and paying \$154,617 for its lease liabilities.

### **OFF-BALANCE SHEET ARRANGEMENTS**

As at September 30, 2021, the Company 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 Company.

### **RELATED PARTY TRANSACTIONS**

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

#### **Compensation**

Salaries and other short-term employee benefits paid to the Company's key management personnel were \$104,000 and \$257,099 for the three and nine months ended September 30, 2021 (2020 - \$42,500 and \$127,500).

#### **Consulting fees**

Consulting fees paid to the Company's key management personnel and companies controlled by current and former key management personnel were \$54,625 (inclusive of GST) and \$175,900 (inclusive of GST) for the three and nine months ended September 30, 2021 (2020 - \$121,351 inclusive of GST and \$307,837 inclusive of GST). As at September 30, 2021, accounts payable and accrued liabilities included \$58,250 (December 31, 2020 - \$17,510) owing to key management personnel and companies controlled by key management personnel.

#### **Share purchase option plan**

Included in the share-based payments for the three and nine months ended September 30, 2021 is \$40,607 and \$175,811 (2020 - \$12,963 and \$37,063) related to the fair value of share purchase options vested for key management personnel.

### **OUTSTANDING SECURITY DATA**

#### *Common Shares*

At the date of this MD&A, Marble had authorized an unlimited number of common shares without par value and 88,291,989 common shares are issued and outstanding.

### *Non-Voting Shares*

At the date of this MD&A, Marble had authorized an unlimited number of non-voting shares without par value. There are no non-voting shares issued and outstanding.

### *Special Shares*

At the date of this MD&A, Marble had authorized an unlimited number of special shares without par value. There are no special shares issued and outstanding.

### *Warrants*

A summary of Marble's issued and outstanding warrants at the date of this MD&A is as follows:

<b>Expiry Date</b>	<b>Exercise Price</b>	<b>Number Outstanding</b>
October 22, 2022	\$ 0.25	1,886,234
December 7, 2022	\$ 0.25	1,723,500
December 23, 2022	\$ 0.25	4,671,666
February 2, 2022	\$ 0.35	800,000
March 25, 2022	\$ 0.45	1,166,667
July 7, 2022	\$ 0.30	133,832
November 29, 2022	\$ 0.15	5,406,490
		15,788,389

### *Share Purchase Options*

A summary of Marble's issued and outstanding share purchase options at the date of this MD&A is as follows:

<b>Expiry Date</b>	<b>Exercise Price</b>	<b>Number Outstanding</b>
March 20, 2024	\$ 0.20	1,325,000
September 23, 2024	\$ 0.25	500,000
November 1, 2024	\$ 0.21	175,000
December 3, 2024	\$ 0.21	250,000
December 30, 2024	\$ 0.20	100,000
January 23, 2025	\$ 0.20	100,000
March 2, 2025	\$ 0.19	100,000
November 30, 2025	\$ 0.16	450,000
December 30, 2025	\$ 0.23	300,000
January 25, 2026	\$ 0.40	2,135,000
May 31, 2026	\$ 0.23	375,000
June 30, 2026 <sup>(1)</sup>	\$ 0.21	350,000
August 27, 2026	\$ 0.17	25,000
October 19, 2026	\$ 0.12	25,000
October 19, 2026	\$ 0.145	250,000
		6,460,000

<sup>(1)</sup> On November 1, 2021, 500,000 options granted on June 30, 2021 with an expiry date of June 30, 2026 were forfeited/cancelled.

As at the date of this MD&A, 200,000 RSUs are also outstanding.

## **SUBSEQUENT EVENTS**

### *Share Capital Issuances*

On November 1, 2021, Marble issued 25,000 common shares pursuant to the exercise of restricted share units. An aggregate of \$4,625 was transferred from the share purchase option reserve to share capital as a result.

On November 22, 2021, Marble issued an aggregate of 200,000 common shares pursuant to the exercise of restricted share units.

On November 29, 2021, Marble closed a non-brokered private placement and issued 10,629,232 units at a price of \$0.13 per unit for gross proceeds of \$1,381,800. Each unit is comprised of one common share and one-half of one common share purchase warrant, with each whole warrant entitling the holder to purchase an additional common share at a price of \$0.15 for a period of 12 months following the closing date. In connection with the private placement, Marble issued an aggregate of 183,750 finders units with the same terms as the units.

### *Restricted Share Units Granted*

On October 1, 2021 the Company granted 50,000 RSUs to a consultant. All of the RSUs, vest on October 31, 2021.

### *Share Purchase Options Grant*

On October 19, 2021, the Company granted 25,000 share purchase options exercisable at \$0.145 per common share with an expiry date of October 19, 2026. The share purchase options are subject to standard vesting provisions of 25% on the date of grant and 25% on each anniversary date, such that all share purchase options fully vest over three years from the date of grant.

On October 19, 2021 the Company granted 250,000 share purchase options exercisable at \$0.12 per common share, with an expiry date of October 19, 2026. The share purchase options are subject to version provisions of 25% of the grant amount on the date of grant, and an additional 25% of the grant amount on the first, second and third quarter of the date of grant.

On November 1, 2021, 500,000 stock options granted on June 30, 2021 with an expiry date of June 30, 2026 were forfeited/cancelled.

## **CRITICAL ACCOUNTING ESTIMATES**

The preparation of the Company'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:

### **Impairment losses on loans receivable**

The Company regularly reviews its loans receivable for potential impairment. In determining whether an impairment loss should be recorded in profit or loss, the Company considers whether there is any observable data indicating that an increase in the credit risk or a decrease in the estimated future cash flows from a loan has occurred. This evidence may include observable data indicating that there has been an adverse change in the payment status of the borrower. Management uses estimates based on valuation techniques including the discounted cash flow model. The inputs to



these models are taken from observable markets where possible, but where this is not feasible, a degree of estimation is required. The estimates include future market interest rates.

### **Impairment of intangible assets**

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

### **Income taxes**

Income tax expenses recorded in these 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.

### **Business combinations**

Management determines whether assets acquired, and liabilities assumed constitute a business. A business consists of inputs and processes applied to those inputs that have the ability to create outputs. During the year ended December 31, 2019, the Company completed the acquisitions of 100% of the shares of each of Score-Up and Credit Meds and concluded that each of the transactions did not qualify as business combinations under IFRS 3, “Business Combinations.”

### **Purchase price allocation**

The acquisition of Inverite on April 12, 2021 was accounted for as a business combination at fair value in accordance with IFRS 3, “Business Combinations”. The acquired assets and assumed liabilities were adjusted to their fair values assigned through completion of a purchase price allocation. The purchase price allocation process resulting from a business combination requires management to estimate the fair value of identifiable assets acquired including intangible assets and liabilities assumed. These valuations are closely linked to the assumptions used by management on the future performance of the related assets and the discount rates applied. As at September 30, 2021 the valuation related to the Inverite acquisition has not yet been finalized.

### **CHANGES IN ACCOUNTING POLICIES**

There were no new accounting policies adopted during the period ended September 30, 2021.

### **DISCLOSURE CONTROLS AND PROCEDURES**

Disclosure controls and procedures are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized, and reported within the time periods specified by securities regulations and that the information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer’s Annual and Interim Filings) (“NI 52-109”), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the financial statements for the nine months ended September 30, 2021 and this accompanying MD&A (together, the “Annual Filings”).

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Annual Filings on SEDAR at [www.sedar.com](http://www.sedar.com).

**ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).