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FINANCIAL STATEMENTS

**AGILE BLOCKCHAIN CORP.**

Year Ended December 31, 2020 and 2019  
(Expressed in Canadian Dollars)

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# Agile Blockchain Corp.

## FINANCIAL STATEMENTS

Year Ended December 31, 2020 and 2019

(Expressed in Canadian Dollars)

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To the Shareholders of Agile Blockchain Corp.:

### Opinion

We have audited the financial statements of Agile Blockchain Corp. (the "Company"), which comprise the statements of financial position as at December 31, 2020 and December 31, 2019, and the statements of loss and comprehensive loss, changes in shareholders' deficiency and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and December 31, 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

### Basis for Opinion

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

### Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that as at December 31, 2020, the Company had an accumulated deficit and current liabilities exceed current assets. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of these matters.

### Other Information

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

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

In connection with our audits of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

## Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

The engagement partner on the audit resulting in this independent auditor's report is Jaspreet Chahal.

Burlington, Ontario

April 29, 2021

*MNP LLP*

Chartered Professional Accountants

Licensed Public Accountants

# Agile Blockchain Corp.

## STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars)

	Notes	December 31,	
		2020	December 31, 2019
<b>Assets</b>			
<b>Current assets:</b>			
Cash		\$ 224,879	\$ 15,222
Cash held in trust		402	202
Prepaid expenses and sundry assets		200,212	8,150
Tax receivables		11,835	27,371
Stowe One Receivables		163,355	75,000
Wage subsidy receivables		33,548	5,479
		<b>634,231</b>	<b>131,424</b>
<b>Non-current assets:</b>			
Equipment	5	8,200	11,714
Right-of-use asset	6	11,834	40,237
		<b>20,034</b>	<b>51,951</b>
<b>Total assets</b>		<b>\$ 654,265</b>	<b>\$ 183,375</b>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable and accrued liabilities	7	\$ 501,003	\$ 377,191
Deferred subscription receipt	8	-	15,000
Deferred revenue		24,955	24,955
Lease liability	9	14,516	30,313
Promissory notes payable	10	-	7,502
Shareholders' loans	11	60,799	-
		<b>601,273</b>	<b>454,961</b>
<b>Long-term liabilities:</b>			
Government loan	12	55,154	-
Lease liability	9	-	14,516
Promissory notes payable	10	189,280	141,185
		<b>244,434</b>	<b>155,701</b>
<b>Total liabilities</b>		<b>845,707</b>	<b>610,662</b>
<b>Shareholders' deficiency</b>			
Share capital	13	2,283,847	1,543,663
Warrants reserve	14	-	263,970
Stock option reserve	15	423,291	315,020
Contributed surplus	16	304,806	40,832
Deficit		(3,203,386)	(2,590,772)
<b>Total shareholders' deficiency</b>		<b>(191,442)</b>	<b>(427,287)</b>
<b>Total liabilities and equity</b>		<b>\$ 654,265</b>	<b>\$ 183,375</b>

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

Going concern - Note 1

Subsequent events - Note 23

**“Raymond Pomroy”**

Director

**“Alan Rootenberg”**

Director

# Agile Blockchain Corp.

## STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Expressed in Canadian Dollars)

Years ended December 31,

	Notes	2020	2019
<b>Revenue</b>		\$ 10,000	-
<b>Expenses:</b>			
Development costs		\$ 13,837	\$ 121,915
Management fees		28,166	17,206
Professional and consulting fees		430,087	279,092
Salaries and benefits		429,873	493,297
General and administrative		48,107	60,976
Marketing		14,740	34,019
Share-based compensation		108,271	285,044
Amortization		31,917	32,103
<b>Loss from operations</b>		<b>(1,104,998)</b>	<b>(1,323,652)</b>
<b>Other (income) expense</b>			
Interest income		(420)	(129)
Gain on debt restructuring	10	(72,614)	(64,275)
Government subsidy	17	(431,197)	-
Gain on bank loan discount		(6,185)	-
Interest expenses	9,10,11,12	28,032	18,002
		<b>(482,384)</b>	<b>(46,402)</b>
<b>Loss before income tax expense</b>		<b>(622,614)</b>	<b>(1,277,250)</b>
Income tax expense	21	-	-
<b>Net Loss and comprehensive loss</b>		<b>\$ (612,614)</b>	<b>\$ (1,277,250)</b>
<b>Weighted average number of common shares outstanding</b>		<b>76,024,191</b>	<b>72,579,779</b>
<b>Basic loss per share</b>	19	<b>\$ 0.01</b>	<b>\$ 0.02</b>

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

## Agile Blockchain Corp.

### STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY

(Expressed in Canadian Dollars)

Years ended December 31, 2020 and 2019

	Notes	Number of Shares	Share Capital	Warrants	Stock option reserve	Contributed Surplus	Deficit	Total
<b>Adjusted balance, January 1, 2019</b>		<b>72,624,747</b>	<b>1,372,705</b>	<b>263,970</b>	<b>35,808</b>	-	<b>(1,313,522)</b>	<b>358,961</b>
Recall shares issued for services		(2,250,000)	(45,000)	-	-	35,000	-	(10,000)
Performance warrants issuance		-	-	5,832	-	-	-	5,832
Exercise of performance warrants		2,160,000	216,000	(5,832)	-	5,832	-	216,000
Share issuance costs		-	(42)	-	-	-	-	(42)
Stock based compensation		-	-	-	279,212	-	-	279,212
Net loss for the year		-	-	-	-	-	(1,277,250)	(1,277,250)
<b>Balance, December 31, 2019</b>		<b>72,534,747</b>	<b>\$ 1,543,663</b>	<b>\$ 263,970</b>	<b>\$ 315,020</b>	<b>\$ 40,832</b>	<b>\$ (2,590,772)</b>	<b>\$ (427,287)</b>
<b>Balance, January 1, 2020</b>		<b>72,534,747</b>	<b>\$ 1,543,663</b>	<b>\$ 263,970</b>	<b>\$ 315,020</b>	<b>\$ 40,832</b>	<b>\$ (2,590,772)</b>	<b>\$ (427,287)</b>
Common shares issuance	13,16	4,934,839	740,226	-	-	4	-	740,230
Share issuance costs	13	-	(42)	-	-	-	-	(42)
Stock based compensation	15	-	-	-	108,271	-	-	108,271
Warrants expiration	14,16	-	-	(263,970)	-	263,970	-	-
Net loss for the year		-	-	-	-	-	(612,614)	(612,614)
<b>Balance, December 31, 2020</b>		<b>77,469,586</b>	<b>\$ 2,283,847</b>	<b>\$ -</b>	<b>\$ 423,291</b>	<b>\$ 304,806</b>	<b>\$ (3,203,386)</b>	<b>\$ (191,442)</b>

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

# Agile Blockchain Corp.

## STATEMENTS OF CASH FLOWS

(Expressed in Canadian Dollars)

Years ended December 31,	Notes	2020	2019
<b>Cash flow used in operating activities</b>			
Net loss for the period		\$ (612,614)	\$ (1,277,250)
Adjustments to net loss for non-cash items:			
Stock options issued as compensation		108,271	279,212
Performance warrants		-	5,832
Interest expenses		22,345	6,862
Gain on debt restructuring	10	(72,614)	(64,275)
Gain on bank loan discount	12	(6,185)	-
Depreciation - right-of-use asset	6	28,403	28,403
Depreciation - equipment	5	3,514	3,700
		(528,880)	(1,017,516)
Changes in non-cash working capital:			
Increase in prepaids and other receivables		(308,486)	(61,244)
Decrease in tax receivables		15,536	19,285
(Decrease) increase in accounts payables and accrued liabilities <sup>a)</sup>		93,499	208,457
Increase in deferred revenue		-	24,955
		(728,331)	(826,063)
<b>Cash flow used in investing activity</b>			
Purchase of equipment		-	(3,081)
		-	(3,081)
<b>Cash flow from financing activities</b>			
Proceeds from common shares issuance	13,16	740,230	216,000
Share issuance cost	13	(42)	(42)
(Decrease) increase in deferred subscription receipt	8	(15,000)	15,000
Proceeds from promissory notes issuance		93,000	206,100
Cancellation of common shares issued	13	-	(10,000)
Borrowings	11,12	120,000	-
		938,188	427,058
<b>Increase (decrease) in cash</b>		<b>209,857</b>	<b>(402,086)</b>
<b>Cash, beginning of year</b>		<b>15,424</b>	<b>417,510</b>
<b>Cash, end of year</b>		<b>\$ 225,281</b>	<b>\$ 15,424</b>
Cash		\$ 224,879	\$ 15,222
Cash held in trust		402	202
		\$ 225,281	\$ 15,424

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

Supplemental cash flow information:

<sup>a)</sup> Unpaid office rent and interest in accounts payables and accrued liabilities	\$	30,313	\$	24,859
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# Agile Blockchain Corp.

Notes to the Financial Statements

Years ended December 31, 2020 and 2019

(Expressed in Canadian Dollars)

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## 1. Nature of Operations

Agile Blockchain Corp. (“Agile” or the “Company”) was incorporated on March 2, 2018 in the Province of British Columbia, Canada. The Company is a software company developing software that would help different companies address their supply chain issues within their respective businesses using blockchain backed software solutions. Agile is a privately held corporation with no subsidiaries or any other affiliated companies. The current Head Office of Agile is located at 15 Toronto Street, Suite 602, Toronto, Ontario, M5C 2E3.

### Amalgamation

On December 21, 2018, the Company signed an amalgamation agreement (“Amalgamation Agreement”) with Stowe One Investments Corp. a BC company (“Stowe One”) and 1191212 BC Ltd. (“1191212”), a wholly owned subsidiary of Stowe One. Under the terms of the Amalgamation Agreement, Agile agreed to amalgamate with 1191212 and propose to combine the business and assets of Stowe One and Agile through the amalgamation (the “Transaction”), among other things, this would result in the Stowe One shares having a deemed value of \$0.07 per share. As of the date of the Amalgamation Agreement, Stowe One had a total of 7,214,607 shares outstanding.

In April and November 2020, the Company raised \$731,205 and \$9,021, respectively, by way of non-brokered private placements at a price of \$0.15 per common share in the capital of the Company (“Common Share”).

The Transaction was completed on February 10, 2021 and immediately prior to the closing of the Transaction, Stowe One changed its name to Solvbl Solutions Inc. (“SolVBL”) and consolidated its share capital on the basis of one post-consolidation common shares for each 2.1428571 pre-consolidation common shares (Note 13 - d & e and Note 22.)

### Going Concern

As at December 31, 2020, the Company had an accumulated deficit amounting to \$3,203,386 (December 31, 2019: \$2,590,772). As at December 31, 2020, the Company had current assets exceeding current liabilities of \$32,958 (December 31, 2019: current liabilities exceeding current assets of \$323,537). The Company has generated negative operating cashflow of \$728,331 for the year ended December 31, 2020 (2019: negative operating cashflow of \$826,063). The ability of the Company to continue as a going concern is dependent upon generating profitable operations from its developed products, the continuing financial support of shareholders or other investors, or obtaining new financing on commercial terms acceptable to the Company. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern.

The accompanying financial statements of the Company have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. The financial statements do not include any adjustments to reflect any events since December 31, 2020 or the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from this uncertainty.

### Covid – 19

In March 2020, the World Health Organization (“WHO”) classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. Many countries reacted by instituting quarantines and restrictions on travel. These actions are creating disruption in global supply chains and adversely impacting economic and market conditions and triggered a period of global economic slowdown. Generally, the business development activities of the Company have slowed due to COVID-19. Management is actively monitoring the global situation on its financial condition, liquidity, operations and workforce. Given the daily evolution of the COVID-19 outbreak and the global

# Agile Blockchain Corp.

## Notes to the Financial Statements

Years ended December 31, 2020 and 2019

(Expressed in Canadian Dollars)

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responses to curb its spread, the Company is not able to estimate the effects of the outbreak on its result of operations, financial condition and liquidity at this time.

Since the emergence in or about December 2019 of a novel strain of coronavirus ("COVID-19"), the highly contagious virus has spread across the world. On March 11, 2020, the World Health Organization declared the outbreak of COVID-19 a global pandemic. Since that time in response to the outbreak, governmental authorities in Canada and internationally have implemented various measures with the aim of preventing or limiting further spread of COVID-19. These measures, which have included travel restrictions, border closures, non-essential business closures, quarantines, self-isolations, and social distancing, have, among other things, resulted in widespread business, employment and economic disruptions. While the recent positive news of vaccine results are promising, the infection and death rates are still very worrying. The global pandemic continues to rapidly evolve and the ultimate impact of the COVID-19 outbreak is highly uncertain.

The continued global spread of COVID-19 could have an adverse impact on the business, operations and financial results of the Company, including with respect to issues related to securing clients in Canada, US and elsewhere and may also impact our business in the supply chain sector. The Company has not yet begun selling its products but is implementing or will implement precautionary measures, which would not have otherwise been implemented prior to the COVID-19 outbreak, at its facility to ensure the safety of its personnel, and potential clients and partners, which may adversely impact the Company's productivity and its business in the supply chain sector. For example, mandatory or voluntary self-quarantines may limit the staffing at the Company's facility. In addition, it is possible that among other things, travel restrictions to the US and elsewhere due to the COVID-19 pandemic may adversely affect the Company's ability to successfully market and sell its products in Canada and elsewhere. Continued spread of COVID-19 globally could also lead to a deterioration of general economic conditions including a possible national or global recession. Due to the unpredictability and scale of the effects of COVID-19, The Company is unable to accurately estimate the impact or level of materiality of COVID-19 on its business, operations or financial results. The Company will monitor the situation in order to assess any possible adverse impact on its business, supply chain and customers on an ongoing basis and to determine which measures, if any, will be taken to mitigate such adverse impact.

## 2. Basis of preparation

### a) Statement of Compliance:

These financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS").

These financial statements were approved by the Board of Directors for issue on April 29, 2021.

### b) Functional and Presentation Currency:

These financial statements have been prepared on a historical cost basis except for certain financial instruments, which are measured at fair value.

The functional currency of the Company is the Canadian Dollar, which is also the presentation currency of these financial statements.

### c) Accounting estimates and judgements

The preparation of these financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Such estimates primarily relate to unsettled transactions and events as at the date of the financial statements.

On an ongoing basis, management evaluates its judgments and estimates in relation to assets,

# Agile Blockchain Corp.

## Notes to the Financial Statements

Years ended December 31, 2020 and 2019

(Expressed in Canadian Dollars)

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liabilities, revenues, and expenses. Management uses various factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual results could differ from the estimates used under different assumptions and conditions.

*The most significant judgments applying to the Company's financial statements include:*

- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty. These financial statements have been prepared based on the going concern assumption, which assumes the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. In assessing whether this assumption is appropriate, management considers all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The assessment is based upon planned actions that may or may not occur for several reasons including the Company's own resources and external market conditions.
- Impairment of non-financial assets - Non-financial assets include property and equipment, and the right of use assets. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The recoverable amount is most sensitive to the discount rate and cash flow projections.
- Leases renewal terms and incremental borrowing rate - Judgement is required at the inception of a lease as to whether payments associated with future renewal options are included or excluded from the calculation of the lease liability. Management must assess the likelihood of such options being exercised based on factors such as lease rates, improvements made and cost associate with exiting. Additionally, the Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ('IBR') to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available. The Company Union estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific risk adjustments.
- Revenue recognition - Judgement is required in identifying the contract with the customer, identifying the performance obligations, determining the individual transaction price, and allocating said price to the individual performance obligations making up the contract. Revenue is recognized only when it is probable that the economic benefits associated with a transaction will flow to the Company, and when the amount of revenue can be reliably measured.
- Provisions - Provisions are accrued for liabilities with uncertain timing or amounts, if, in the opinion of management, it is both likely that a future event will confirm that a liability had been incurred at the date of the financial statements of financial position and the amount can be reasonably estimated. In cases where it is not possible to determine whether such a liability has occurred, or to reasonably estimate the amount of loss until the performance of some future event, no accrual is made until that time. In the ordinary course of business, the Company may be party to legal proceedings which include claims for monetary damages asserted against the Company. The adequacy of provisions is regularly assessed as new information becomes available.

# Agile Blockchain Corp.

## Notes to the Financial Statements

Years ended December 31, 2020 and 2019

(Expressed in Canadian Dollars)

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### Significant estimates or key sources of estimation uncertainty include:

- Current and deferred income taxes - Current income taxes require significant estimation in their calculation including the consideration of allowable deductions and tax rates. In assessing the probability of realizing deferred tax assets, management makes estimates related to the expectation of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that the tax positions taken will be sustained upon examination by applicable tax authorities.
- Allowance for expected credit losses - Management determines expected credit loss by evaluating individual receivable balances and considering customers' financial condition, customer creditworthiness, current economic trends and experience. Account receivables are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded as income when received. All receivables are expected to be collected within one year of the year ended.
- Useful lives of non-financial assets - The Company estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful lives of property and equipment are based on internal technical evaluations and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the property, plant and equipment would increase the recorded expenses and decrease the non-current assets;
- Share-based payment transactions and warrants - The Company measures the cost of equity-settled transactions with employees and directors by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions require determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, volatility, dividend yield of the share option and forfeiture rate. Similar calculations are made in order to value warrants. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

### **3. Significant Accounting Policies**

#### a) Financial Instruments

##### *Classification*

The Company classifies its financial assets and financial liabilities in the following measurement categories: i) those to be measured subsequently at fair value through profit or loss (FVTPL); ii) those to be measured subsequently at fair value through other comprehensive income (FVOCI); and iii) those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at FVTPL (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income.

# Agile Blockchain Corp.

## Notes to the Financial Statements

Years ended December 31, 2020 and 2019

(Expressed in Canadian Dollars)

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### *Amortized cost*

This category includes financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the solely principal and interest (“SPPI”) criterion. Financial asset classified in this category are measured at amortized cost using the effective interest method.

### *Fair value through profit or loss*

This category includes derivative instruments as well as quoted equity instruments which the Company has not irrevocably elected, at initial recognition or transition, to classify at FVOCI. This category would also include debt instruments whose cash flow characteristics fail the SPPI criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell. Financial assets in this category are recorded at fair value with changes recognized in profit or loss.

Financial assets at fair value through other comprehensive income Equity instruments that are not held-for-trading can be irrevocably designated to have their change in fair value recognized through other comprehensive income instead of through profit or loss. This election can be made on individual instruments and is not required to be made for the entire class of instruments. Attributable transaction costs are included in the carrying value of the instruments. Financial assets at fair value through other comprehensive income are initially measured at fair value and changes therein are recognized in other comprehensive income.

### *Measurement*

All financial instruments are required to be measured at fair value on initial recognition, plus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are directly attributable to the acquisition or issuance of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss.

Financial assets and financial liabilities with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income (irrevocable election at the time of recognition). For financial liabilities measured subsequently at FVTPL, changes in fair value due to credit risk are recorded in other comprehensive income.

Summary of the Company’s classification and measurements of financial assets and liabilities under IFRS 9: Financial Instruments:

	<b>Classification</b>	<b>Measurement</b>
Cash and cash in trust	Amortized cost	Amortized cost
Other receivables	Amortized cost	Amortized cost
Accounts payable and accrued liabilities	Amortized cost	Amortized cost
Promissory notes payable	Amortized cost	Amortized cost
Shareholders loans	Amortized cost	Amortized cost

### *Impairment of financial assets*

The Company recognizes a loss allowance for the expected credit losses associated with its

# Agile Blockchain Corp.

## Notes to the Financial Statements

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financial assets, other than financial assets measured at fair value through profit or loss. Expected credit losses are measured to reflect a probability-weighted amount, the time value of money, and reasonable and supportable information regarding past events, current conditions and forecasts of future economic conditions.

The Company applies the simplified approach for accounts receivables. Using the simplified approach, the Company records a loss allowance equal to the expected credit losses resulting from all possible default events over the assets' contractual lifetime.

The Company assesses whether a financial asset is credit-impaired at the reporting date. Regular indicators that a financial instrument is credit-impaired include significant financial difficulties as evidenced through borrowing patterns or observed balances in other accounts and breaches of borrowing contracts such as default events or breaches of borrowing covenants. For financial assets assessed as credit-impaired at the reporting date, the Company continues to recognize a loss allowance equal to lifetime expected credit losses.

For financial assets measured at amortized cost, loss allowances for expected credit losses are presented in the statement of financial position as a deduction from the gross carrying amount of the financial asset.

Financial assets are written off when the Company has no reasonable expectations of recovering all or any portion thereof.

- b) Cash and cash equivalents – Cash and cash equivalents include cash on account and demand deposits with original maturities of three months or less.
- c) Income taxes

Income tax expense consists of current and deferred tax expense. Current and deferred tax are recognized in profit or loss except to the extent that they relate to items recognized directly in deficiency in assets or other comprehensive loss.

Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in loss and comprehensive loss or in equity depending on the item to which the adjustment relates.

Deferred tax assets are recognized to the extent future recovery is probable. At the end of each reporting period, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

- d) Loss per share

Loss per share is computed by dividing the loss for the year by the weighted average number of common shares outstanding. Diluted loss per share is calculated in a similar manner, except that the weighted average number of common shares outstanding is increased to include potentially issuable common shares from the assumed exercise of common share purchase option, if dilutive. The diluted loss per share calculation excludes any potential conversion of options that would increase earnings per share or decrease loss per share.

# Agile Blockchain Corp.

## Notes to the Financial Statements

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### e) Equipment

Equipment is recorded at cost less accumulated amortization. The Company provides for amortization using the following methods at rates designed to amortize the cost of the equipment over their estimated useful lives. The annual amortization rates and methods are as follows:

Blockchain hardware	30%	Declining balance
Computer equipment	30%	Declining balance

The estimated residual value and useful lives of assets are reviewed by management annually at each reporting date and adjusted if necessary.

### f) Provisions and contingencies

Provisions are recognized when a legal contractual or constructive obligation exists, as a result of past events, and it is probable that a future outflow of resources that can be reliably estimated will be required to settle the obligation. Where the effect is material, the provision is discounted using an appropriate current market-based pre-tax discount rate. The increase in the provision due to passage of time is recognized as interest expense. When a contingency substantiated by confirming events can be reliably measured and is likely to result in an economic outflow, a liability is recognized as the best estimate required to settle the obligation. A contingent liability is disclosed where the existence of an obligation will only be confirmed by future events, or where the amount of a present obligation cannot be measured reliably or will likely not result in an economic outflow. Contingent assets are only disclosed when the inflow of economic benefits is probable. When the economic benefit becomes virtually certain, the asset is no longer contingent and is recognized in the financial statements.

### g) Impairment of long-lived assets

At each reporting date the Company assesses whether there is any indication that an asset may be impaired. Where an indication of impairment exists, the Company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Recoverable amount is the greater of fair value (less costs to sell) and value-in-use. It is determined for an individual asset, unless the asset's value-in-use cannot be estimated to be close to its fair value (less costs to sell) and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

### h) Shareholders equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or share options are shown in equity as a deduction, net of tax, from the proceeds.

### i) Share-based compensation

The Company uses the fair value method whereby the Company recognizes compensation costs for the granting of all stock options and direct awards of stock-based compensation on their fair value over the period of vesting using the Black-Scholes option pricing model. Any consideration paid by the option holders to purchase shares is credited to common shares.

# Agile Blockchain Corp.

## Notes to the Financial Statements

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Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity settled share-based payment transactions and measured at the fair value of goods or services received. If the fair value of the goods or services received cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or the services.

j) Special warrants

The Company issues special warrants to raise operating funds. The issued special warrants are automatically converted to common shares and the common share purchase warrants of the Company according to predetermined terms when the pre-defined subscribing conditions are met. They are evaluated and classified under IAS 32 Financial Instruments: Presentation. Equity classification applies to instruments where a fixed amount of cash (or liability) denominated in the issuer's functional currency is exchanged for a fixed number of shares (often referred to as the "fixed-for-fixed" criteria).

The Company measures the fair value of issued special warrants using the Black-Scholes option pricing model.

k) Financing warrants, performance warrants

Financing warrants and performance warrants have been issued in combination with common shares as part of a financing exercise or separately. Per IAS 32 Financial Instruments: Presentation, the number of shares issued by the Company upon the exercise of the warrant is fixed, the warrants therefore meet the "fixed-for-fixed" criteria for equity classification. Warrants classified as equity are valued using the Black-Scholes Model. When the warrants are exercised, the fair value of the warrants is transferred to share capital from the warrant reserve. If a warrant expires, the value of the warrant remains in warrant reserve.

l) Promissory notes payable

Promissory notes payables are classified as financial liabilities and are measured at fair value at initial recognition and subsequently at amortized cost. Transaction costs, if any, are deferred and amortized over the term of the liability using the effective interest method.

m) Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operation results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors.

Operating segments have been identified based on the information provided to the chief operating decision makers being the executive management team.

The operations of the Company represent one operating segment under IAS 8 Operating Segments. The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of the financial report.



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## n) Revenue

The Company recognizes blockchain software revenue when a contractual exchange agreement has been entered, the software development obligations have been performed, and the customers accept of the software products delivered, in an amount that reflects the consideration the Company expects to receive in exchange for the software products delivery.

The Company generates revenue through the sale of services for the Blockchain software products.

Primary products and services include:

- Supply-chain ecosystem which enables a single entity to monitor, measure and manage its inventory and supply management
- Tracking system that provides a level of security by registering tracker profiles on the ledger using a 256-bit hash.

Revenue is measured based on the gross consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control over a product or service to a customer.

The Company follows the following steps to recognize revenues:

1. Software (SW) Development
2. Training
3. Maintenance
4. Warranty provision

The Company recognizes blockchain software revenue when a contractual exchange agreement has been entered, the software development obligations have been performed, and the customers accept of the software products delivered, in an amount that reflects the consideration the Company expects to receive in exchange for the software products delivered.

## 4. Adoption of New Accounting Standards

The Company applied the following new standards, interpretations and amendments to standards that have been issued as of December 31, 2020.

### IFRS 3 Business combinations

Amendments to IFRS 3, issued in October 2018, provide clarification on the definition of a business. The amendments permit a simplified assessment to determine whether a transaction should be accounted for as a business combination or as an asset acquisition.

The amendments are effective for transactions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020. This standard has no impact on these financial statements.

### IAS 1 Presentation of financial statements

Amendments to IAS 1, issued in October 2018, provide clarification on the definition of material and how it should be applied. The amendments also align the definition of material across International Financial Reporting Standards and other publications.

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The amendments are effective for annual periods beginning on or after January 1, 2020 and are required to be applied prospectively. This standard has no impact on these financial statements.

### IAS 8 Accounting policies, changes in accounting estimates and errors

Amendments to IAS 8, issued in October 2018, provide clarification on the definition of material in the context of applying IFRS and how it should be applied. The amendments also align the definition of material across International Financial Reporting Standards and other publications.

The amendments are effective for annual periods beginning on or after January 1, 2020 and are required to be applied prospectively. This standard has no impact on these financial statements.

## 5. Equipment

	<b>Blockchain Hardware</b>	<b>Computer Equipment</b>	<b>Total</b>
<b><u>Cost</u></b>			
<b>Balance, January 1, 2019</b>	\$ 908	\$ 16,710	\$ 17,618
Additions	3,081	-	3,081
<b>Balance, December 31, 2019</b>	<b>3,989</b>	<b>16,710</b>	<b>20,699</b>
Additions	-	-	-
<b>Balance, December 31, 2020</b>	<b>\$ 3,989</b>	<b>\$ 16,710</b>	<b>\$ 20,699</b>
<b><u>Accumulated depreciation</u></b>			
<b>Balance, January 1, 2019</b>	(\$ 272)	(\$ 5,013)	(\$ 5,285)
Additions	(191)	(3,509)	(3,700)
<b>Balance, December 31, 2019</b>	<b>(463)</b>	<b>(8,522)</b>	<b>(8,985)</b>
Additions	(1,058)	(2,456)	(3,514)
<b>Balance, December 31, 2020</b>	<b>(\$ 1,521)</b>	<b>(\$ 10,978)</b>	<b>(\$ 12,499)</b>
<b><u>Net book value, December 31, 2019</u></b>	<b>\$ 3,526</b>	<b>\$ 8,188</b>	<b>\$ 11,714</b>
<b><u>Net book value, December 31, 2020</u></b>	<b>\$ 2,468</b>	<b>\$ 5,732</b>	<b>\$ 8,200</b>

## 6. Right-of-Use Asset

	<b>Corporate property lease</b>
<b><u>Cost</u></b>	
<b>Balance, January 1, 2019</b>	73,373
Additions	-
<b>Balance, December 31, 2019 and December 31, 2020</b>	<b>\$ 73,373</b>
<b><u>Accumulated depreciation</u></b>	
<b>Balance, January 1, 2019</b>	(4,733)
Additions	(28,403)
<b>Balance, December 31, 2019</b>	<b>(33,136)</b>
Additions	(28,403)
<b>Balance, December 31, 2020</b>	<b>(\$ 61,539)</b>
<b><u>Net book value, December 31, 2019</u></b>	<b>\$ 40,237</b>
<b><u>Net book value, December 31, 2020</u></b>	<b>\$ 11,834</b>

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## 7. Accounts Payable and Accrued Liabilities

	December 31, 2020	December 31, 2019
Accounts payable	\$ 281,107	\$ 191,029
Accrued liabilities	161,000	86,000
Payroll deductions payable	58,896	100,162
	<b>\$ 501,003</b>	<b>\$ 377,191</b>

## 8. Deferred Subscription Receipt

As at December 31, 2019 the Company had a balance of \$15,000 in subscription receipts from an anticipated non-brokered private placement. On March 27, 2020, this balance was transferred to TSX Trust to be used as a subscription to the funding detailed in Note 13 (e).

## 9. Lease Liability

	Lease liability
<b>Balance, January 1, 2019, adjusted for adopting IFRS 16</b>	<b>69,688</b>
Rent payable	(36,000)
Interest	11,141
<b>Balance, December 31, 2019</b>	<b>\$ 44,829</b>
Rent payable	(36,000)
Interest	5,687
<b>Balance, December 31, 2020</b>	<b>\$ 14,516</b>
Current	14,516
Long-term	-
	<b>\$ 14,516</b>

## 10. Promissory Notes Payable

	Promissory notes
<b>Balance, January 1, 2019</b>	<b>\$ -</b>
Principal	206,100
Interest accrued	6,862
Debt restructuring gain	(64,275)
<b>Balance, December 31, 2019</b>	<b>148,687</b>
Principal	93,000
Interest accrued	20,207
Debt restructuring gain	(72,614)
<b>Balance, December 31, 2020</b>	<b>\$ 189,280</b>
Current	-
Long-term	189,280
	<b>\$ 189,280</b>

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A summary of the Company's promissory notes issuance is as below:

Issuance Date	Amount	Gain		Interest		Balance as at December 31,		Original expiry date	Extended expiry date
		2019	2020	2019	2020	2019	2020		
<b>2019 additions:</b>									
May 24, 2019	\$ 51,000	(\$ 15,742)	(\$ 6,564)	\$ 2,334	\$ 3,465	\$ 37,592	\$ 34,493	June 30, 2019	June 30, 2022
June 28, 2019	33,000	(11,111)	(7,196)	1,136	2,151	\$ 23,025	\$ 17,981	September 28, 2019	September 28, 2022
July 15, 2019	22,500	(7,170)	(5,177)	868	1,546	\$ 16,198	\$ 12,566	October 15, 2019	October 15, 2022
July 31, 2019	33,000	(10,653)	(7,644)	1,119	2,238	\$ 23,466	\$ 18,060	October 31, 2019	October 31, 2022
August 15, 2019	15,000	(4,900)	(3,494)	443	1,005	\$ 10,543	\$ 8,054	November 15, 2019	November 15, 2022
August 31, 2019	12,300	(4,063)	(2,880)	307	814	\$ 8,544	\$ 6,478	November 30, 2019	November 30, 2022
September 13, 2019	19,800	(6,617)	(4,660)	419	1,295	\$ 13,602	\$ 10,236	December 15, 2019	December 15, 2022
September 19, 2019	12,000	(4,019)	(2,826)	234	782	\$ 8,215	\$ 6,170	December 19, 2019	December 19, 2022
December 30, 2019	7,500	(2,350)	(2,350)	2	593	\$ 7,502	\$ 5,745	March 31, 2020	March 31, 2022
	206,100	(64,275)	(42,792)	6,862	13,888	148,687	119,784		
<b>2020 additions</b>									
January 14, 2020	21,000		(6,656)		1,568		\$ 15,912	April 14, 2020	April 14, 2022
January 31, 2020	22,500		(7,225)		1,559		\$ 16,834	April 30, 2020	April 30, 2022
February 14, 2020	19,500		(6,332)		1,265		\$ 14,433	May 14, 2020	May 14, 2022
February 28, 2020	30,000		(9,609)		1,926		\$ 22,317	May 28, 2020	May 28, 2022
	93,000		(29,822)		6,318		69,496		
	\$ 299,100	(\$64,275)	(\$72,614)	\$ 6,862	\$ 20,207	\$ 148,687	\$ 189,280		

On November 16, 2020, the Company and its promissory notes holders agreed to further extend the maturity periods of an aggregate total of \$198,600 promissory notes:

Date of issuance	Interest per annum	Initial amount	Current expiration date	Extended expiration date
May 24, 2019	10%	\$ 51,000	June 30, 2021	June 30, 2022
June 28, 2019	10%	33,000	September 28, 2021	September 28, 2022
July 15, 2019	10%	22,500	October 15, 2021	October 15, 2022
July 31, 2019	10%	33,000	October 31, 2021	October 31, 2022
August 15, 2019	10%	15,000	November 15, 2021	November 15, 2022
August 31, 2019	10%	12,300	November 30, 2021	November 30, 2022
September 13, 2019	10%	19,800	December 15, 2021	December 15, 2022
September 19, 2019	10%	12,000	December 19, 2021	December 19, 2022
		<b>\$ 198,600</b>		

## 11. Shareholders' Loans

On September 25, 2020, the Company signed long-term loan agreements with three lenders for unsecured loans of \$60,000 in total. The loans bear an interest rate of five percent (5%) per annum and are due on December 31, 2022. The Company recognized \$799 interest expenses of these loans in 2020.

## 12. Government loans

On April 16, 2020, the Company received a loan of \$40,000 through the Canadian Emergency Business Account Program ("CEBA Loan"), which provides financial relief for Canadian small businesses during the COVID-19 pandemic. On December 21, 2020 the Company received further \$20,000 as extension of this loan. The CEBA Loan has an initial term date on December 31, 2022 (the "Initial Term Date") and may be extended to December 31, 2025. The CEBA Loan is non-revolving, with an interest rate of 0% per annum prior to the Initial Term Date. Repaying the balance of the CEBA loan on or before December 31, 2022 will result in loan forgiveness of \$20,000 out of the total \$60,000 loan.

The fair value of the loans as at December 31, 2020 was \$55,154 calculated using a 4.45% effective rate which corresponds to a rate that the Company would have obtained for a similar

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investment. The Company recognized an accretion expense of \$1,339 and a gain on discount of the government loan of \$6,185 in the statements of loss and comprehensive loss.

### 13. Share Capital

#### Authorized

Unlimited common shares

	Note	Number of Shares	Amount
<b>Balance as at January 1, 2019</b>		<b>72,624,747</b>	<b>\$ 1,372,705</b>
Recall of shares issued for services	a), b)	(2,250,000)	(45,000)
Shares for proceeds	c)	2,160,000	216,000
Share issuance cost			(42)
<b>Balance as at December 31, 2019</b>		<b>72,534,747</b>	<b>\$ 1,543,663</b>
Private placement (April 1, 2020)	d)	87,999	13,200
Private placement (April 15, 2020)	e)	4,786,700	718,005
Private placement (November 2, 2020)	f)	60,140	9,021
Share issuance cost			(42)
<b>Balance as at December 31, 2020</b>		<b>77,469,586</b>	<b>\$ 2,283,847</b>

- a) On January 16, 2019, the Company incurred \$10,000 to recall 500,000 common shares that were issued for services to a former service provider upon termination of their service agreement.
- b) On July 12, 2019, the Company cancelled 1,750,000 unreleased common shares issued at a price of \$0.02 per share to the former CEO of the Company in accordance with a consulting agreement entered during the year ended December 31, 2018.
- c) On October 2, 2019, The Company issued 500,000 common shares through same numbers of performance warrants ("P-warrants") granted and exercised with net proceeds of \$50,000 received and \$1,350 fair value warrant expenses recognized. On October 8, 2019 The Company issued 1,660,000 common shares through same numbers of performance warrants ("P-warrants") granted and exercised with net proceeds of \$165,958 received and \$4,482 fair value warrant expenses recognized. The fair value of warrants was calculated using the Black Schole model.
- d) On April 1, 2020, the Company closed a private placement equity financing and issued 87,999 Common Shares of the Company, at a price of \$0.15 per share, with gross proceeds of \$13,200 raised.
- e) On April 15, 2020, the Company closed a private placement equity financing and issued 4,786,700 Common Shares of the Company, at a price of \$0.15 per share, with gross proceeds \$718,005 raised, \$42 in share issuance costs were incurred and recognized.
- f) On November 2, 2020, the Company completed a private placement financing for gross proceeds of \$9,021. In connection with the closing of the financing, the Company issued an aggregate of 60,140 common shares, at a price of \$0.15 per common share.

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## 14. Warrants Reserve

	Note	Number of Warrants	Balance
<b>Balance as at January 1, 2019</b>		<b>11,587,373</b>	<b>\$ 263,970</b>
Performance warrants issuance	12 c)	2,160,000	5,832
Performance warrants exercise	12 c)	(2,160,000)	(5,832)
<b>Balance as at December 31, 2019</b>		<b>11,587,373</b>	<b>263,970</b>
Warrants expiration		(11,587,373)	(263,970)
<b>Balance as at December 31, 2020</b>		<b>-</b>	<b>\$ -</b>

8,287,373 warrants expired without exercise on March 29, 2020. 1,050,000 warrants expired without exercise on May 28, 2020 and 2,250,000 warrants expired without exercise on June 21, 2020.

## 15. Stock Option Reserve

### Stock option reserve:

The Company issued stock options to management, directors, employees and contractors according to its stock option plan as part of compensation in exchange for services provided. As at December 31, 2020, the Company had outstanding stock options as follows:

Grant Date	Options Outstanding	Options Vested	Options Unvested	Exercise Price	Fair Value (per option)	Expiration Date	Total value
20-Oct-18	650,000	650,000	-	\$0.10	\$0.0596	20-Oct-21	\$ 38,740
1-Nov-18	187,500	187,500	-	\$0.10	\$0.1582	*	29,654
1-Feb-19	50,000	50,000	-	\$0.10	\$0.0360	*	1,800
1-Mar-19	50,000	50,000	-	\$0.10	\$0.0360	*	1,800
1-Apr-19	50,000	50,000	-	\$0.10	\$0.0360	*	1,800
1-May-19	50,000	50,000	-	\$0.10	\$0.0360	*	1,800
1-Sep-19	700,000	700,000	-	\$0.10	\$0.0501	1-Sep-21	35,070
3-Sep-19	1,175,000	1,175,000	-	\$0.10	\$0.0505	3-Sep-21	59,338
25-Sep-19	1,540,000	1,540,000	-	\$0.10	\$0.0502	25-Sep-21	77,308
30-Sep-19	1,000,000	1,000,000	-	\$0.10	\$0.0506	30-Sep-21	50,600
4-May-20	746,666	400,000	346,666	\$0.15	\$0.0425	4-May-22	67,797
	<b>6,199,166</b>	<b>5,852,500</b>	<b>346,666</b>				<b>\$ 365,707</b>

On May 4, 2020, the Company granted 746,666 stock options to its key management at an exercise price of \$0.15 per share and with an expiry period of two years from the date of the options were granted. The stock options vest pursuant to the agreement between the stock option holders and the Company.

\*These stock options are fully vested and expire 30 days after the Company's shares are listed on the CSE.

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The summary of stock options granted up to December 31, 2020 is presented below:

	<b>Number of options</b>
<b>Outstanding, unvested January 1, 2019</b>	<b>2,080,000</b>
Granted	5,415,000
Vested	(3,087,500)
Cancelled	(1,842,500)
<b>Outstanding, unvested, December 31, 2019</b>	<b>2,565,000</b>
Granted	746,666
Vested	(2,615,000)
Forfeited	(350,000)
<b>Outstanding, unvested, December 31, 2020</b>	<b>346,666</b>

Range of Exercise Prices	Options Outstanding		Options Exercisable	
	Options Outstanding	Weighted Average Remaining Contractual Life	Options Exercisable	Weighted Average Exercise Price
\$0.10 - \$0.15	<b>6,199,166</b>	<b>0.63</b>	<b>5,877,500</b>	<b>\$0.10</b>

746,666 and 5,415,000 stock options were granted in the year ended December 31, 2020 and 2019, respectively. The weighted-average grant-date fair value of options granted in the years ended December 31, 2020 and 2019 are \$0.091 and \$0.059, respectively.

Total fair value expense for granted stock options recognized in the years ended December 31, 2020 and 2019 are \$108,271 and \$285,044, respectively.

The expense is included as stock-based compensation in the Company's statements of operations. Key assumptions used in the valuation for stock options granted in year ended December 31, 2020 including forfeitures are accounted for on an individual basis: average risk-free rate – 0.29%; expected dividend yield – 0%; weighted average expected terms: 2 years; volatility – 120% and underlying stock price: \$0.15, (year ended December 31, 2019: average risk-free rate – 1.611%; expected dividend yield – 0%; weighted average expected terms: 1.62 years; volatility – 120% and underlying stock price: \$0.10).

## 16. Contributed Surplus

	<b>Note</b>	
<b>Balance, January 1, 2019</b>		\$ -
Recall of shares issued for services	12 b)	35,000
Exercise of performance warrants	12 c)	5,832
<b>Balance, December 31, 2019</b>		<b>\$ 40,832</b>
Warrants expiration	13	263,970
Share issuance premium		4
<b>Balance, September 30, 2020</b>		<b>\$ 304,806</b>

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## 17. Government Subsidy

	Years ended December 31,	
	2020	2019
Investment tax credit	\$ 206,267	\$ Nil
Ontario provincial and territorial credit	27,031	Nil
Canadian emergency wage subsidy	197,899	Nil
	<u>\$ 431,197</u>	<u>\$ Nil</u>

\$97,468 and \$108,799 investment tax credit refund received from the Federal government and recognized as other income in the Company's statement of comprehensive loss.

\$27,031 Ontario provincial and territorial credit received in June 2020 and recognized as other income, together with \$320 interest income assessed by the government.

A \$164,351 Canadian emergency wage subsidy was received from the Federal government by December 31, 2020 and a \$33,548 Canadian emergency wage subsidy accrued in December 2020 and received in January 2021.

## 18. Related Party Transactions

The Company's related parties comprise its key management: CEO, CFO, and Directors of the Company. Transactions with related parties include salaries and service fees; shares and stock options issued for services; and loans received.

For the year ended December 31, 2020 and 2019, the Company paid \$52,000 and \$90,742 in service fees and salaries to its key management. A service fee of \$24,000 due to the Company's CFO was accrued in the year ended December 31, 2020 (December 31, 2019: \$24,000). The amounts due to related parties are recorded at the exchange amounts as agreed upon by the related parties under contracts signed with them, non-interest bearing, unsecured and with no fixed repayment terms.

3,000,000 common shares were issued to the Company's CEO in March 2018, out of which 1,750,000 unreleased common shares were cancelled in July 2019.

In the year ended December 31, 2020, the Company recorded an amount of \$65,973 being the fair value vested stock options granted to related parties (year ended December 31, 2019: \$185,519).

## 19. Basic loss per share

	Years ended December 31,	
	2020	2019
Basic loss per share	<u>\$ 0.01</u>	<u>\$ 0.02</u>

The calculation of basic loss per shares for the years ended December 31, 2020 and 2019 was based on the loss attributable to common shareholders of \$612,614 (2019 - \$1,277,250) and the weighted average number of common shares outstanding of 76,024,191 (2019 - 72,579,779).



# Agile Blockchain Corp.

Notes to the Financial Statements

Years ended December 31, 2020 and 2019

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## 20. Financial Instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

### (a) Fair value

Financial instruments included in the statement of the financial position as at December 31, 2020 consist of cash, cash held in trust, other receivables, accounts payable and accrued liabilities, promissory notes payable and shareholders loans with 2020 year-end carrying amounts which approximates their respective fair values.

### (b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises the following types of risk: credit risk, foreign exchange risk, liquidity risk and cash flow risk.

### (c) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to the liquidity of its various cash and receivable balances.

### (d) Foreign exchange risk

The Company is not exposed to any significant foreign exchange risk. The Company did not have any hedges or any other transactions related to foreign currency clearance at the time that these financial statements were issued. In the opinion of management, the foreign exchange risk exposure to the Company is low.

### (e) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company actively manages its liquidity risk through cash and equity management strategies. Such strategies include continuously monitoring forecasted and actual cash flows from operating, financing and investing activities.

The Company's cash flow is generated from debt financing or equity private placements.

The Company monitors cash on a regular basis and reviews expenses to ensure costs and commitments are being paid in a timely manner. Management has worked with and negotiated with vendors to ensure payment arrangements are satisfactory to all parties and that monthly cash commitments are managed within the Company's operating cash flow capabilities.

As at December 31, 2020, the Company had a cash balance of \$225,281. The following table summarizes the gross amount and maturity periods of the Company's contractual obligations of financial instruments as of December 31, 2020:

# Agile Blockchain Corp.

## Notes to the Financial Statements

Years ended December 31, 2020 and 2019

(Expressed in Canadian Dollars)

	Within 1 year	1-3 years	Total
Accounts payable and accrued liabilities	\$ 444,306	\$ 56,697	\$ 501,003
Government loan	-	55,154	\$ 55,154
Long term shareholders' loans	-	60,799	\$ 60,799
Lease payable	14,516	-	\$ 14,516
Promissory notes payable	-	189,280	189,280
	<b>\$ 458,822</b>	<b>\$ 361,930</b>	<b>\$ 820,752</b>

### (f) Cash flow interest risk

Cash flow interest risk is the risk that future cash flows associated with a monetary financial instrument will fluctuate in amount, such as a debt instrument held with a floating interest rate. In the opinion of management, the cash flow risk exposure to the Company is low.

## 21. Income Taxes

Income tax expense varies from the amount that would be computed by applying the basic federal and provincial tax rates to income (loss) from operations before income taxes, shown as follows:

Expiry Year	Amount
2038	\$ 792,475
2039	\$ 792,925
2040	634,496
	<b>\$ 2,219,896</b>

Deferred income taxes reflect the impact of loss carry forwards and of temporary differences between amounts of assets and liabilities for financial reporting purposes and such amounts as measured by tax laws. The following deferred tax assets and liabilities have been recognized for accounting purposes:

	Dec 31, 2020	Dec 31, 2019
Deferred tax asset	\$ 21,274	\$ 11,452
Deferred tax liability	(21,274)	(11,452)
<b>Net deferred tax liability</b>	<b>\$ -</b>	<b>\$ -</b>

A reconciliation of income taxes at statutory rates is as follows:

	December 31, 2020	December 31, 2019
Net income (loss) before recovery of income taxes	\$ (612,614)	\$ (1,277,250)
Effective tax rate	26.50%	26.50%
Effectuated income tax (recovery)	(162,343)	(338,471)
Tax effects of:		
Non-deductible expenses and other deductions	28,962	75,928
Change in tax benefits not recognized	133,381	262,543
Income tax (recovery) expense	<b>\$ -</b>	<b>\$ -</b>

# Agile Blockchain Corp.

Notes to the Financial Statements

Years ended December 31, 2020 and 2019

(Expressed in Canadian Dollars)

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## 22. Capital Management

The Company includes equity, comprised of common shares, warrant reserve, stock option reserve, contributed surplus and deficit, in the definition of capital. The Company's objectives when managing capital are as follows:

- (i) To safeguard the Company's assets and ensure the Company's ability to continue as a going concern; and
- (ii) To raise sufficient capital to achieve the ongoing business objectives including funding of future growth opportunities and meeting its general and administrative expenditures.

The Company manages its capital structure and makes adjustments to it, based on general economic conditions, the Company's short-term working capital requirements, and its planned capital requirements and strategic growth initiatives.

The Company's principal source of capital is from the issuance of common shares or special warrants. In order to achieve its objectives, the Company expects to spend its working capital, when applicable, and raise additional funds as required.

The Company does not have any externally imposed capital requirements.

## 23. Subsequent Events

Subsequent to the year end, on February 10, 2021 the Company and Solvbl Solutions Inc. (formerly Stowe One Investment Corp.) completed their previously announced business combination which resulted in the reverse take-over of SoLVBL by Agile (the "Transaction"). As a result of the Transaction, SoLVBL now carries on the business of Agile. The Company also publicly filed a non-offering final prospectus dated February 10, 2021 (the "Prospectus") in connection with the listing of its common shares (the "Common Shares") on the Canadian Securities Exchange ("CSE"). The Company received approval from the CSE to list its Common Shares on the CSE. Trading in the Common Shares commenced under the ticker symbol "SOLV" on or about February 23, 2021 following the issuance by the CSE of its final bulletin in respect of the listing.

Immediately prior to the completion of the Transaction, Stowe One Investment Corp.: (a) filed articles of amendment to change its name from "Stowe One Investment Corp." to "Solvbl Solutions Inc."; and (b) consolidated its share capital on the basis of one post-consolidation Common Share for each 2.1428571 pre-consolidation Common Shares. Under the terms of an amalgamation agreement between the Stowe One Investments Corp. (now SoLVBL), Agile and 1191212 BC Ltd., a wholly owned subsidiary of the Company ("Subco"), dated effective December 21, 2018, as amended and restated effective August 14, 2020, the Transaction was completed by way of a three-cornered amalgamation under the laws of British Columbia whereby Subco merged with and into Agile to form an amalgamated entity, named "1191212 BC Ltd.". On closing of the Transaction, the amalgamated "1191212 BC Ltd." became a wholly owned subsidiary of SoLVBL and the shareholders of Agile were issued one Common Share in exchange for every one Agile common share held immediately prior to the completion of the Transaction. In addition, each outstanding option to purchase Agile common shares was exchanged for the equivalent number of options to purchase Common Shares on the same terms and conditions as the original security.

In connection with the completion of the Transaction, all directors and officers of the Company resigned and were replaced by nominees of Agile, as follows: (a) Raymond Pomroy - Chief Executive Officer and Corporate Secretary; (b) Khurram Qureshi - Chief Financial Officer; (c) Vikas Gupta - Director; (d) Musabbir Chowdhury- Director; (e) Brenda Brown - Director; and (f) Alan Rootenberg - Director.