



**AmeriTrust Financial Technologies Inc.
(formerly PowerBand Solutions Inc.)**

**Consolidated Financial Statements
Years Ended December 31, 2024 and 2023
(Expressed in Canadian Dollars)**



206-5250 Solar Drive, Mississauga, ON, L4W 0G4
Phone: (647) 793-8100 | Fax: (905) 497-1190
Web: www.hdcpa.ca

Independent Auditors' Report

To the Shareholders of AmeriTrust Financial Technologies Inc. (formerly PowerBand Solutions Inc.)

Opinion

We have audited the consolidated financial statements of AmeriTrust Financial Technologies Inc. (formerly PowerBand Solutions Inc.) and its subsidiaries (the “Group” or the “Company”), which comprise the consolidated statements of financial position as at December 31, 2024 and December 31, 2023, and the consolidated statements of income (loss) and comprehensive income (loss), consolidated statements of cash flows, and consolidated statements of changes in shareholders’ equity (deficiency) for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 to the consolidated financial statements which describes the material uncertainty that may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern*, we have determined the matters described below to be the key audit matters to be communicated in our auditor’s report.

1. **Provision for potential loss on lease contracts**

Description of the key audit matter

We draw attention to Note 26 in the consolidated financial statements. Previously, one of the financial institutions to whom the lease contracts were sold had requested that the Company repurchase certain lease contracts that the financial institution had identified that fall within the repurchase clause of the Forward Flow Purchase and Security Agreement. Management completed a further review of certain additional lease contracts, and had recorded an estimated provision for potential loss with respect to lease contracts identified by both the financial institution and management.

However, during the year, the financial institution has confirmed that there is no current demand or legal action by the financial institution against the Company. Therefore, there has been a change in estimate for the provision for potential loss on lease contracts.

Why the matter is a key audit matter

We considered this a key audit matter due to the significant judgement made by management in recording the provision for potential loss on lease contracts that may arise from the repurchase. Furthermore, during the year, management believes there has been a change in estimate of the likelihood of a future outflow and/or in the expected amount to be settled for this contingent liability. This resulted in a high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating audit evidence relating to management's estimates.

How our audit addressed the key audit matter

We responded to this matter by performing procedures over the provision for potential loss on lease contracts. Our audit work in relation to this included, but was not limited to, the following:

- Gained an understanding of management's methodology, process and calculations in estimating the change in the provision for potential loss.
- Performed inquiries with the financial institution regarding the likelihood of a current demand for the Company to repurchase additional lease contracts, and obtained their confirmation in this regard.
- Performed inquiries with the Company's internal and external legal counsel.
- Interviewed members of senior management and those charged with governance.
- Assessed the accuracy and valuation of the change in the provision recorded by evaluating the nature of the change in estimate and the circumstances surrounding such a change, and ensuring that all of the necessary criteria are met for a change in estimate, including the change in likelihood of a future outflow and/or in the expected amount to be settled for this contingent liability.
- Assessed the appropriateness of the disclosures as presented in the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises:

- The information included in the Management's Discussion and Analysis of Financial Conditions and Results of Operations for the year ended December 31, 2024.

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

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

We obtained the Management's Discussion and Analysis of Financial Conditions and Results of Operations for the year ended December 31, 2024 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 in this auditor's report. We have nothing to report in this regard.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The 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 Group'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, base on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2024, and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

"Harpreet Dhawan" (signed)

HDCPA Professional Corporation

Chartered Professional Accountants,

Authorized to practice public accounting by CPA Ontario

Mississauga, ON
April 10, 2025

AmeriTrust Financial Technologies Inc.
(formerly PowerBand Solutions Inc.)
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Note	As at, December 31, 2024	As at, December 31, 2023
ASSETS			
Current assets			
Cash and cash equivalents	6	\$ 10,231,191	\$ 1,937,182
Accounts receivable, net	7	70,495	411,242
Other current assets	8	245,699	218,151
Total current assets		10,547,385	2,566,575
Non-current assets			
Leased vehicles and other equipment, net	9, 11	635,349	1,726,537
Right-of-use asset	12	922,247	2,006,855
Investment	10	431,141	564,888
Other non-current assets		82,945	-
Total non-current assets		2,071,682	4,298,280
Total assets		\$ 12,619,067	\$ 6,864,855
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)			
Current liabilities			
Accounts payable and accrued liabilities	13, 18	\$ 4,109,075	\$ 3,004,251
Provision for potential loss on lease contracts	26	-	12,217,512
Seller reserve provision		34,498	31,709
Lease obligation - current portion	14	467,127	688,524
Bank loan	15	60,000	60,000
Debt - current portion	18, 19	1,873,690	2,499,466
Total current liabilities		6,544,390	18,501,462
Non-current liabilities			
Lease obligation - long term portion	14	453,745	1,768,367
Long-term debt	19	-	186,822
Total non-current liabilities		453,745	1,955,189
Total liabilities		6,998,135	20,456,651
Shareholders' Equity (Deficiency)			
Share capital	16	78,603,740	65,785,071
Reserves	16	17,589,025	16,992,919
Other comprehensive income		735,449	1,210,623
Deficit		(91,307,282)	(96,010,564)
Total shareholders' equity (deficiency) attributed to owners		5,620,932	(12,021,951)
Non-controlling interest	17	-	(1,569,845)
Total shareholders' equity (deficiency)		5,620,932	(13,591,796)
Total liabilities and shareholders' equity (deficiency)		\$ 12,619,067	\$ 6,864,855

Nature of operations and going concern (note 1); Subsequent events (note 27)
Approved on behalf of the Board of Directors:

"Jeff Morgan" (signed) _____
Director

"Bryan Hunt" (signed) _____
Director

AmeriTrust Financial Technologies Inc.
(formerly PowerBand Solutions Inc.)
Consolidated Statements of Income (Loss)
(Expressed in Canadian Dollars)

Years Ended December 31,	2024	2023
Continuing operations		
Revenue		
Lease vehicle income (note 9)	189,012	367,480
Lease originations and servicing revenue	1,971,862	2,499,871
	2,160,874	2,867,351
Cost of revenue		
Lease vehicle depreciation (note 9, 11)	54,305	123,306
Lease acquisition and servicing costs	988,461	1,275,415
	1,042,766	1,398,721
Gross Profit	1,118,108	1,468,630
Expenses		
Salaries and wages (note 18)	4,569,561	4,781,940
Professional fees (note 18)	1,377,221	3,226,579
Share based compensation (note 16(d))	812,150	508,360
Regulatory fees	178,240	145,961
Insurance	200,590	451,846
Advertising and promotion	80,792	222,928
Rent and Utilities	50,038	103,119
Office and sundry expenses	361,849	415,038
Travel expense	86,574	40,112
Telephone	48,247	113,690
Interest and bank charges	74,994	98,786
Depreciation of tangible assets (note 11)	20,279	120,085
Depreciation of right of use assets (note 12)	38,172	669,633
Accretion (note 14, 19)	-	375,561
Provision for expected loss on receivables (note 7, 18)	78,611	490,629
Write-off of uncollectable sales tax and other amounts (note 8)	-	367,278
Foreign exchange (gain) loss	(486)	4,109
	7,976,832	12,135,654
Loss from operations	(6,858,724)	(10,667,024)
Other income (expense)		
Forgiveness of debt (note 19(a))	453,524	-
Other income (expense) (note 9, 11)	(45,118)	663,336
Change in provision for potential loss on lease contracts (note 26)	12,653,521	(11,892,406)
Unrealized (loss) gain on fair value adjustment (note 10)	(133,748)	122,229
Gain on cancellation of lease (note 14)	466,680	-
Impairment of leased vehicles (note 9, 11)	(306,608)	-
	13,088,251	(11,106,841)
Income (Loss) before taxes	6,229,527	(21,773,865)
Income taxes	-	-
Net income (loss) from continuing operations	\$ 6,229,527	\$ (21,773,865)

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

AmeriTrust Financial Technologies Inc.
(formerly PowerBand Solutions Inc.)
Consolidated Statements of Income (Loss)
(Expressed in Canadian Dollars)

Years Ended December 31,	2024	2023
Discontinued operations		
Income (loss) for the year from discontinued operations (note 24)	(20,309)	54,595
Net income (loss) for the year	6,209,218	(21,719,270)
Net income (loss) attributable to:		
Equity holders of AmeriTrust Financial Technologies Inc. (formerly PowerBand Solutions Inc.)	\$ 6,172,147	\$ (20,758,081)
Non-controlling interest (note 17)	\$ 37,071	\$ (961,189)
Basic and diluted net earnings (loss) per share-Equity holders of AmeriTrust Financial Technologies Inc. (formerly PowerBand Solutions Inc. from continuing and discontiuing operations	\$ 0.014	\$ (0.069)
From continuing operations	\$ 0.014	(0.070)
Weighted average number of common shares outstanding - basic and diluted	440,485,960	299,348,796

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

AmeriTrust Financial Technologies Inc.
(formerly PowerBand Solutions Inc.)
Consolidated Statements of Comprehensive Income (Loss)
(Expressed in Canadian Dollars)

Years Ended December 31,	2024	2023
Net Income (loss)	\$ 6,209,218	\$(21,719,270)
Other comprehensive income		
Gain (loss) on foreign currency translation	(411,265)	248,892
Total comprehensive income (loss)	\$ 5,797,953	\$(21,470,378)
Total comprehensive income (loss) attributable to:		
Equity holders of AmeriTrust Financial Technologies Inc. (formerly PowerBand Solutions Inc.)	\$ 5,738,515	\$(20,496,274)
Non-controlling interest	\$ 59,438	\$(974,104)

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

AmeriTrust Financial Technologies Inc.
(formerly PowerBand Solutions Inc.)
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

Years Ended December 31,	2024	2023
Cash flows provided by (used in) operating activities		
Net Income (loss) for the year	\$ 6,209,218	\$ (21,719,270)
Net (Income) loss from discontinued operations	20,309	(54,595)
Net Income (loss) from continuing operations	6,229,527	(21,773,865)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Accretion on lease liability (note 14)	-	165,920
Accretion on loan (note 19(b))	-	209,641
Depreciation of tangible assets (note 11)	74,584	243,391
Depreciation of right of use assets (note 13)	38,172	669,633
Interest expense	-	40,972
Provision for expected loss on receivable (note 7)	78,611	490,629
Foreign exchange loss	(486)	4,109
Forgiveness of debt (note 19(a))	(453,524)	-
Gain on cancellation of lease (note 14)	(466,680)	-
Impairment of leased vehicles (note 9)	306,608	-
Unrealized loss (gain) on fair value adjustment (note 10)	133,748	(122,229)
Provision for potential loss adjustment on lease contracts (note 26)	(12,653,521)	11,892,406
Provision for uncollectable sales tax (note 8)	-	367,278
Loss on disposition of leased vehicles (note 9)	118,915	74,310
Share based compensation (note 16(d))	812,150	508,360
	(5,781,896)	(7,229,445)
(Increase) Decrease in:		
Accounts receivable	263,397	128,651
Other current assets	(80,785)	446,001
Increase (Decrease) in:		
Accounts payable and accrued liabilities	859,136	(247,173)
Seller reserve provision	-	67
Net cash provided by (used in) operating activities	(4,740,148)	(6,901,899)
Cash flows provided by (used in) investing activities		
Purchase of leased vehicles and other equipment (note 11)	-	(463,819)
Proceeds from disposition of Leased vehicles (note 9)	658,100	345,114
Net cash provided by (used in) investing activities	658,100	(118,705)

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

AmeriTrust Financial Technologies Inc.
(formerly PowerBand Solutions Inc.)
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

Years Ended December 31,	2024	2023
Cash flows provided by (used in) financing activities		
Private placements, net	12,602,625	-
Payment of debt (note 19)	(365,976)	(463,399)
Payment of lease liability (note 14)	(39,482)	(866,568)
Proceeds from related parties (note 18)	-	88,571
Net cash (used in) provided by financing activities	12,197,167	(1,241,396)
Net change in cash	8,115,119	(8,262,000)
Effect of exchange rate changes on cash held in foreign currencies	178,890	(45,476)
Cash, beginning of year	1,937,182	10,244,658
Cash, end of year	\$ 10,231,191	\$ 1,937,182

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

AmeriTrust Financial Technologies Inc.
(formerly PowerBand Solutions Inc.)
Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
(Expressed in Canadian dollars)

	Number of issued and outstanding shares #	Share Capital \$	Reserves \$	Other comprehensive income \$	Non-controlling interest \$	Deficit \$	Total Shareholders equity (deficiency) \$
Balance December 31, 2022	298,765,462	65,699,571	16,570,059	948,816	(595,741)	(75,252,483)	7,370,222
Restricted share units issued	583,334	85,500	(85,500)	-	-	-	-
Share-based compensation	-	-	508,360	-	-	-	508,360
Foreign currency translation	-	-	-	261,807	(12,915)	-	248,892
Loss for the year	-	-	-	-	(961,189)	(20,758,081)	(21,719,270)
Balance, December 31, 2023	299,348,796	65,785,071	16,992,919	1,210,623	(1,569,845)	(96,010,564)	(13,591,796)
Balance December 31, 2023	299,348,796	65,785,071	16,992,919	1,210,623	(1,569,845)	(96,010,564)	(13,591,796)
Private placements	364,156,662	13,081,726	-	-	-	-	13,081,726
Share issue costs	-	(479,101)	-	-	-	-	(479,101)
Restricted share units issued	3,916,666	216,044	(216,044)	-	-	-	-
Share-based compensation	-	-	812,150	-	-	-	812,150
Change in non-controlling interest	-	-	-	(41,542)	1,510,407	(1,468,865)	-
Foreign currency translation	-	-	-	(433,632)	22,367	-	(411,265)
Income for the year	-	-	-	-	37,071	6,172,147	6,209,218
Balance, December 31, 2024	667,422,124	78,603,740	17,589,025	735,449	-	(91,307,282)	5,620,932

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

AmeriTrust Financial Technologies Inc.
(formerly PowerBand Solutions Inc.)
Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the years ended December 31, 2024 and 2023

1. NATURE OF OPERATIONS AND GOING CONCERN

AmeriTrust Financial Technologies Inc. (formerly PowerBand Solutions Inc.) (“AmeriTrust” or the “Company”) was incorporated under the Business Corporations Act (British Columbia) on September 29, 2009. The Company’s head office is located at Suite 300, 1100 Burloak Drive, Burlington, Ontario, L7N 6B2. The registered office is located at 745 Thurlow Street, Suite 2400, Vancouver, BC, Canada V6E 0C5. The Company develops, markets and sells access to cloud-based transaction platforms to finance and lease new and used vehicles.

These consolidated financial statements (“financial statements”) have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. In assessing whether the going concern 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 Company incurred an income of \$6,209,218 (December 31, 2023 – loss of \$21,719,270), of which \$37,071 (December 31, 2023 – loss of \$961,189) was attributed to the non-controlling interest during the year ended December 31, 2024, and as of that date, the Company had a deficit of \$91,307,282 (December 31, 2023 - \$96,010,564). As at December 31, 2024, the Company has a working capital surplus of \$4,002,995 (December 31, 2023 – deficit of \$15,934,887)

The continuity of the Company’s operations is dependent on raising future financing for working capital and obtaining profitable operations. Management anticipates that such financing will be required in the future. While management believes that it will be able to secure the necessary financing through shareholder loans and the issuance of new equity or debt instruments, there is no assurance that the Company will be successful in these actions. There can be no assurance that adequate financing will be available or available at terms favorable to the Company. Management acknowledges that these factors indicate the existence of material uncertainties that may cast significant doubt as to the Company’s ability to continue as a going concern. Should it be determined that the Company is no longer a going concern, adjustments which could be material could be required to the carrying values of the assets and liabilities. These financial statements do not reflect any adjustments to the carrying values of the assets or liabilities or any impact on the consolidated statements of income (loss) and comprehensive income (loss), and consolidated statement of financial position classifications that would be necessary should the going concern assumption not be appropriate.

These consolidated financial statements were approved by the Board of Directors for issuance on April 9, 2025.

2. BASIS OF PREPARATION

a) Statement of compliance

These consolidated financial statements, including comparatives have been prepared in accordance with International Financial Reporting Standard (“IFRS”), as issued by the International Accounting Standards Board (“IASB”), incorporating interpretations issued by the IFRS Interpretations Committee (“IFRICs”) and effective for the year ended December 31, 2024.

AmeriTrust Financial Technologies Inc.
(formerly PowerBand Solutions Inc.)
Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the years ended December 31, 2024 and 2023

2. BASIS OF PREPARATION (continued)

b) Basis of consolidation

The consolidated financial statements of AmeriTrust include the accounts of the Company, and its subsidiaries, made up to 31 December each year.

Legal Entity	Location	Ownership-2024	Ownership-2023
Powerband Solutions Global Dealer Services Inc.	Canada	100%	100%
AmeriTrust Financial Technologies Inc. (formerly PowerBand Solutions Inc.)	Canada	100%	100%
AmeriTrust Auto LLC	USA	100%	0%
⁽³⁾ Powerband Solutions US Inc.	USA	100%	91%
⁽¹⁾⁽³⁾ Drivrz Financial Holdings, LLC (formerly MUSA Holdings LLC)	USA	100%	94.60%
⁽³⁾ DRVRZ US, LLC (dissolved on October 30, 2024)	USA	100%	65.52%
⁽²⁾ IntellaCar Solutions LLC (discontinued on February 28, 2023)	USA	100%	100%
⁽¹⁾ Effective April 28, 2021, increased to 94.6% from 54.60%			
⁽²⁾ Effective October 1, 2022 increased to 100% from 60%			
⁽³⁾ Effective June 13, 2024 increased to 100%			

The above subsidiaries are directly controlled by the Company and are fully consolidated. All intercompany balances, transactions and income are eliminated.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the consolidated statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognized at their fair value at the acquisition date. The results of acquired operations are included in the consolidated statement of income (loss) and statement of comprehensive income (loss) from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

c) Basis of measurement

These consolidated financial statements have been prepared on a historical costs basis except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting. All the amounts presented have been rounded to the nearest dollar.

d) Foreign currency

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of foreign currency transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in currencies other than the Company's functional currency are recognized in the consolidated statements of loss.

Functional and presentation currency

The consolidated financial statements are presented in Canadian dollars unless otherwise noted. The functional currencies of the Company and its subsidiaries are as follows:

AmeriTrust Financial Technologies Inc.
(formerly PowerBand Solutions Inc.)
Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the years ended December 31, 2024 and 2023

2. BASIS OF PREPARATION (continued)

d) Foreign currency (continued)

Legal Entity	Functional currency
Powerband Solutions Global Dealer Services Inc.	Canadian dollar
AmeriTrust Financial Technologies Inc. (formerly PowerBand Solutions Inc.)	Canadian dollar
AmeriTrust Auto LLC	US dollar
Powerband Solutions US Inc.	US dollar
Drivrz Financial Holdings LLC (formerly MUSA Holdings LLC)	US dollar
DRIVRZ US LLC (dissolved on October 30, 2024)	US dollar
IntellaCar Solutions LLC (discontinued on February 28, 2023)	US dollar

Foreign operation

The results and financial position of the Company's foreign operation in the Unites States are translated into the presentation currency as follows:

- (i) Assets and liabilities are translated at the closing rate at the date of the consolidated statements of financial position.
- (ii) Income and expenses for the consolidated statements of income (loss) and the consolidated statements of comprehensive income (loss) are translated at average exchange rates.
- (iii) All resulting exchange differences are recognized in other comprehensive income (loss).

3. MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these consolidated financial statements are set out below:

Revenue recognition

The Company applies IFRS 15 to revenue streams. The Company recognizes revenue in a manner that depicts the transfer of promised goods or services to a customer at an amount that reflects the consideration expected to be received in exchange for transferring those goods and services, applying the following five steps:

1. Identify the contract with a customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations; and
5. Recognize revenue when, or as, the Company satisfies a performance obligation.

Specific revenue items are as follows:

- (a) Lease vehicle income – The Company recognizes payments received or receivable from lessor under an operating lease agreement as lease vehicle income. The performance obligation is fulfilled monthly, and the revenue is recognized over the term of the lease.

AmeriTrust Financial Technologies Inc.
(formerly PowerBand Solutions Inc.)
Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the years ended December 31, 2024 and 2023

3. MATERIAL ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

(b) Lease originations and servicing revenue - The Company, through the flow lease arrangement, leases vehicles to customers primarily through dealer relationships. The leases are sold to financial institutions within three business days and the ownership is transferred to the financial institutions. The Company is considered as an agent at the time of the lease origination as the Company obtains legal title to the lease only momentarily, through flow lease arrangement, before legal title is transferred to the financial institution. The Company earns a lease acquisition fee as stated in the lease contract with the customer.

The Company is considered as a principal in the sale of the lease to the financial institution as the Company has the discretion to select the financial institution and establish the price at which the lease will be sold to the financial institution and therefore has the ability to obtain substantially all the remaining benefits of the lease contract entered into with the customer. The Company earns a gain on the sale of the lease and recognizes revenue in the gross amount of consideration when the lease is transferred to the financial institution and the performance obligation is satisfied.

The revenue from lease acquisition fee income and gain on sale is recognized as lease origination revenue upon sale of the lease when control and ownership is transferred to the financial institutions. The Company performs an assessment of the probability that the gain on sale revenue earned may be reversed in the subsequent period. The estimate is based on the probability that a customer entering into the leasing arrangement will not make the required payments, which results in the customer being in default and therefore triggers a claw back on the gain on sale revenue earned.

The Company also executes a service relationship with financial institutions. The service fees from the service contracts entered into with the financial institutions are recorded as revenue as the performance of the service is completed. The performance obligation is to collect monthly lease payments on behalf of the financial institution from the customers over the lease term. The Company records the loan servicing fees based on the average netbook value of the leased vehicle, at a point in time, on a monthly basis as the performance obligation is met.

The Company applies the practical expedient available under IFRS 15.63 and does not capitalize incremental costs of obtaining contracts if the amortization period is one year or less. In obtaining these contracts, the Company incurs a number of incremental costs, such as commissions paid to vehicle dealership. As the amortization period of these costs, if capitalized, would be less than one year, the Company makes use of the practical expedient in IFRS 15.94 and expenses them as they incur.

When payments received from customers exceed revenue recognized to date on a particular contract, any excess (a contract liability) is reported in the consolidated statements of financial position under other liabilities.

Cost of revenue

Cost of revenue primarily includes the cost to acquire used vehicles, lease acquisition costs paid to dealers, the cost of servicing the lease portfolio, and depreciation of leased vehicles.

Seller reserve provision

Seller reserve provision relates to payments received on account of services rendered, in the event a customer was to default on a lease payment and recourse action need to be taken or deposits received from customers for vehicles that still need to be delivered.

AmeriTrust Financial Technologies Inc.
(formerly PowerBand Solutions Inc.)
Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the years ended December 31, 2024 and 2023

3. MATERIAL ACCOUNTING POLICIES (continued)

Earnings (loss) per common share

Basic earnings (loss) per common share is computed using the weighted average number of common shares outstanding during the year. Diluted earnings (loss) per share reflects the potential dilution of common shares equivalents, such as outstanding stock options, warrants and restricted share units ("RSU"), in the weighted average number of common shares outstanding during the year, if dilutive. For this purpose, the treasury stock method is used for the assumed proceeds upon the exercise of outstanding stock options for purchase of common shares at the average market price during the period. For the periods recording a loss, basic and dilutive figures are the same, as the exercise of all stock options, warrants and RSUs would be anti-dilutive.

Government grants

A government grant is recognized if there is reasonable assurance that it will be received and that the Company will comply with the conditions associated with the grant. If the conditions are met, the Company recognizes the grant in the consolidated statements of income (loss) on a systematic basis in line with its recognition of the expenses the grant is intended to compensate. For grants related to income, a company can elect to either offset the grant against the related expenditure or include it in other income. Government grants received by the Company during the period which are accounted for as government grants related to income are offset against the related expenditures the grant is intended to compensate.

For grants related to assets, a company can elect to either recognize the grant as deferred income or deduct the amount from the carrying value of the assets. Government grants received by the Company during the period which are accounted for as government grants related to assets are recorded as a reduction of the cost of the related asset.

Financial instruments

Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently reclassified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income.

The classification determines the method by which the financial assets are carried on the consolidated statement of financial position subsequent to inception and how changes in value are recorded. Cash and cash equivalents, accounts receivable and investments are measured at amortized cost with subsequent impairments recognized in the consolidated statements of income (loss).

Impairment of financial assets

An 'expected credit loss' ("ECL") impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in the consolidated statements of income (loss) for the period.

AmeriTrust Financial Technologies Inc.
(formerly PowerBand Solutions Inc.)
Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the years ended December 31, 2024 and 2023

3. MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets carried at amortized cost are assessed at each reporting date on whether they are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Company applies the expected credit loss approach in determining provisions for financial assets carried at amortized cost. The approach that the Company has taken for accounts receivable is a provision matrix approach whereby expected credit losses are recognized based on aging characterization and credit worthiness of the customer. Specific provisions may be used where there is information that a specific customer's expected credit losses have increased. The specific accounts are only written off once all collection avenues have been explored or when legal bankruptcy has occurred. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information. The credit risk on a financial asset is considered to have increased significantly if it is uninsured and if it is more than 90 days past due. Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets and expensed in the consolidated statements of income (loss) for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through the consolidated statements of income (loss) to the extent that the carrying amount of the investment at the date of impairment is reversed does not exceed what the amortized cost would have been had the impairment had not been recognized.

Financial liabilities

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) other financial liabilities. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the consolidated statement of financial position subsequent to inception and how changes in value are recorded. Accounts payable and accrued liabilities, loan, lease obligation and due to related parties are classified as other financial liabilities and carried on the consolidated statements of financial position at amortized cost. As at December 31, 2024, and 2023, the Company does not have any derivative financial liabilities.

Cash and cash equivalents

Cash includes cash on deposit in Canadian and US chartered banks and are subject to negligible risk of changes in value, cash held in trust with the legal council and restricted cash to secure a repurchase amount and a security interest in any other deposit accounts with investor. Cash equivalents consist of short-term deposits with original maturities of three months or less from the date of acquisition.

Leased vehicles and other equipment

Upon initial acquisition, leased vehicles and other equipment are valued at cost, being the purchase price and the directly attributable costs of acquisition to bring the asset to the location and condition necessary for the asset to be capable of operating in the manner intended by management. In subsequent periods, leased vehicles and other equipment are stated at cost less accumulated depreciation and any impairment in value.

Each component or part of leased vehicles and other equipment with a cost that is significant in relation to total cost of the item will be depreciated separately unless there is no difference in depreciation on the respective components.

AmeriTrust Financial Technologies Inc.
(formerly PowerBand Solutions Inc.)
Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the years ended December 31, 2024 and 2023

3. MATERIAL ACCOUNTING POLICIES (continued)

Leased vehicles and other equipment (continued)

Depreciation

Leased vehicles and other equipment related to operations are depreciated using the straight-line method based on their estimated useful lives. Where significant parts of an asset have differing useful lives, depreciation is calculated on each separate part. The estimated useful life of each item or part has due regard to both its own physical life limitations and the present assessment of economical recoverability, and to possible future variations in those assessments. Estimates of remaining useful lives and residual values are reviewed annually. Changes in estimates which affect depreciation are accounted for prospectively. The expected useful lives are as follows:

Furniture, fixtures and equipment	5 years straight line
Computer equipment / Software	3 years straight line
Leasehold improvement	8.5 years straight line
Leased vehicles	200,000 miles straight line.

Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of an asset's fair value less cost to sell or its value in use. In addition, long-lived assets that are not amortized are subject to an annual impairment assessment.

Goodwill, intangible assets that have an indefinite useful life are not subject to amortization and intangible assets that are not ready for use are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Interests in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The results and assets and liabilities of joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5.

Under the equity method, an investment in a joint venture is recognized initially in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the joint venture. When the Company's share of losses of a joint venture exceeds the Company's interest in that joint venture (which includes any long-term interests that, in substance, form part of the net investment in joint venture), the Company discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Company's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized immediately in the consolidated statements of income (loss) in the period in which the investment is acquired. The requirements of IAS 36 are applied to determine whether it is necessary to recognize any impairment loss with respect to the Company's investment in a joint venture.

AmeriTrust Financial Technologies Inc.
(formerly PowerBand Solutions Inc.)
Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the years ended December 31, 2024 and 2023

3. MATERIAL ACCOUNTING POLICIES (continued)

Interests in joint ventures (continued)

Profits and losses resulting from upstream and downstream transactions between the Company and its investment are recognised in the Company's financial statements only to the extent of unrelated investor's interests in the associates. Unrealized losses are eliminated, and accounting policies of equity accounted investments have been changed where necessary to ensure consistency with the policies adopted by the Company.

Investments in equity instruments that are not held for trading are designated as FVTOCI and are measured at fair value plus transaction costs. Subsequently they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investment's revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity instrument, instead it is transferred to retained earnings. Dividends on these investments in equity instruments are recognized in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment.

Leases and right-of-use assets

IFRS 16 Leases sets out the principles for recognition, measurement, presentation, and disclosure of leases. It eliminates the classification of leases as either operating or finance leases required by IAS 17 and introduces a single lessee accounting model.

The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether the Company has the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement and if the Company has the right to direct the use of the asset.

The Company recognizes a right-of-use ("ROU") asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, at the commencement of the lease, with the following exceptions: (i) the Company has elected not to recognize ROU assets and liabilities for leases where the total lease term is less than or equal to 12 months, or (ii) for leases of low value. The payments for such leases are recognized in the consolidated statements of income (loss) on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. Lease payments include fixed payments less any lease incentives, and any variable lease payments where variability depends on an index or rate.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest in the lease liability and by reducing the carrying amount to reflect the lease payments made.

The Company re-measures the lease liability and makes a corresponding adjustment to the related ROU asset whenever:

- the lease term has changed;
- the lease payments change due to changes in an index;
- a lease contract is modified, and the lease modification is not accounted for as a separate lease.

The ROU assets are initially measured based on the present value of lease payments, lease payments made at or before the commencement day, and any initial direct costs. They are subsequently measured at cost less accumulated amortization and impairment losses. The ROU asset is depreciated over the shorter of the lease term or the useful life of the underlying asset. The ROU asset is subject to testing for impairment if there is an indicator of impairment.

ROU assets and the lease liability are presented separately in the consolidated statements of financial position.

AmeriTrust Financial Technologies Inc.
(formerly PowerBand Solutions Inc.)
Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the years ended December 31, 2024 and 2023

3. MATERIAL ACCOUNTING POLICIES (continued)

Leases and right-of-use assets (continued)

Variable lease payments that do not depend on an index or rate are not included in the measurement of the ROU asset and lease liability. The related payments are recognized as an expense in the period in which the triggering event occurs and are included in the consolidated statements of income (loss).

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not applied this practical expedient to any of its leases and has separated out non-lease components.

Leases – Company as lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease, if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for a major part of the economic life of the asset and if at the inception date, the present value of the lease payments amounts to at least substantially all of the fair value of the underlying asset.

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income from operating leases is recognized on a straight-line basis over the lease terms and is included in the consolidated statement of income (loss). The leases in which the Company transfers all the risks and rewards incidental to ownership of an asset are classified as finance leases and the Company recognizes assets held under a finance lease in its consolidated statement of financial position and presents them as receivable at an amount equal to the net investment in lease.

Convertible debt

The proceeds received on issue of the Company's convertible debt are allocated into their liability and equity components. The amount initially attributed to the debt component equals the discounted cash flows using a market rate of interest that would be payable on a similar debt instrument that does not include an option to convert. Subsequently, the debt component is accounted for as a financial liability measured at amortized cost until extinguished on conversion or maturity of the bond. The conversion option classified as equity is determined as the residual amount after deducting the fair value of the liability component from the total proceeds. This is recognized and included in equity and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity. No gain or loss is recognized in the consolidated statement of income (loss) upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible debenture are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the term of the convertible debentures using the effective interest method.

Provisions, contingent liabilities, and contingent assets

Provisions are recognized when the Company has a present or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each financial reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Company. It can also be a present obligation arising from past events that is not recognized because it is not probable that an outflow of economic resources will be required, or the amount of obligation cannot be measured reliably.

AmeriTrust Financial Technologies Inc.
(formerly PowerBand Solutions Inc.)
Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the years ended December 31, 2024 and 2023

3. MATERIAL ACCOUNTING POLICIES (continued)

Provisions, contingent liabilities, and contingent assets (continued)

A contingent liability is not recognized but is disclosed in the notes to the financial statements when a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognized as a provision.

A contingent asset is a probable asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Company. The Company does not recognize contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares and share purchase warrants are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares, warrants or options are recognized as a deduction from equity, net of tax.

Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and share purchase warrants issued as private placement units. The residual method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurement component.

The fair value of the common shares issued in private placements is determined to be the more easily measurable component as they are valued at the fair value which is determined by the closing price on the issuance date. The remaining balance, if any, is allocated to the attached share purchase warrants. Any fair value attributable to the share purchase warrants is recorded to reserves.

Share-based payments

The Company issues stock options to directors, consultants and employees pursuant to its stock option plan. The compensation expense for the share-based payments is determined based on the fair value at the grant date using the Black-Scholes option-pricing model and is recorded in the statement of operations over the stock option vesting period. Management uses judgment to determine the inputs to the Black-Scholes option-pricing model including the expected award lives and underlying share price volatility. Volatility is estimated by considering the Company's historic share price volatility over similar periods to the expected life of the awards under consideration. Changes in these assumptions will impact the calculation of fair value and the amount of compensation expense recognized in the consolidated statements of income (loss). The resulting fair value is then adjusted for an estimated forfeiture amount. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior periods if awards ultimately exercised are different to that estimated on vesting. When stock options are exercised, any consideration paid by directors, consultants and employees, as well as the related share-based compensation, is credited to share capital.

Agents' options and warrants issued in connection with common share placements are recorded at their fair value on the date of issue as share issuance costs. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options expected to vest. On the exercise of stock options and agents' options and warrants, share capital is credited for consideration received and for fair value amounts previously credited to contributed surplus.

The Company issues Restricted Share Units ("RSU") to directors, consultants and employees pursuant to its RSU plan. The Company measures the cost of equity-settled share-based transactions by reference to the fair value of the equity instruments at the date at which they are granted and are recorded in the consolidated statements of income (loss) over the vesting period.

AmeriTrust Financial Technologies Inc.
(formerly PowerBand Solutions Inc.)
Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the years ended December 31, 2024 and 2023

3. MATERIAL ACCOUNTING POLICIES (continued)

Income taxes

Tax expense comprises current and deferred tax. Tax expense is recognized in income except to the extent it relates to items recognized in other comprehensive income or directly in equity.

Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to tax authorities.

Deferred taxes are the taxes expected to be payable or recoverable on differences between the carrying amount of assets in the statement of financial position and their corresponding tax bases used in the computation of taxable profit or loss and are accounted for using the liability method.

Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Deferred tax assets are reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

In assessing the probability of realized income tax assets, management makes estimates related to the expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

Deferred tax liabilities are generally recognized for all taxable temporary differences between the carrying amounts of assets or liabilities and their corresponding tax bases. However, deferred tax liabilities are not recognized for taxable temporary differences arising on investments in subsidiaries where the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future, or on temporary differences that arise from goodwill which is not deductible for tax purposes.

Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets in a transaction that affects neither the taxable profit nor the accounting profit.

Non-controlling interests

When the proportion of the equity held by non-controlling interests' changes, the Company adjusts the carrying amounts of the controlling and non-controlling interests to reflect the changes in their relative interest in the subsidiary. The Company recognizes directly in equity any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received and attributes it to the shareholders of the Company.

Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties subject to common control are also considered to be related. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

AmeriTrust Financial Technologies Inc.
(formerly PowerBand Solutions Inc.)
Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the years ended December 31, 2024 and 2023

3. MATERIAL ACCOUNTING POLICIES (continued)

New Accounting Standards and recent pronouncements

The standards listed below include only those which the Company reasonably expects may be applicable to the Company in the current period and at a future date. The Company does not expect that the adoption of the following standards will have a material impact on the consolidated financial statements in future periods. There was no significant impact of new guidance applicable for the year ended December 31, 2024.

Amendments to the Classification and Measurement of Financial Instruments (IFRS 9, Financial Instruments and IFRS 7, Financial Instruments: Disclosures)

Disclosures with an effective date for annual reporting periods beginning on or after January 1, 2026. The amendments clarify the date of recognition and derecognition of some financial assets and liabilities and introduce a new exception for some financial liabilities settled through an electronic payment system. Other changes include a clarification of the requirements when assessing whether a financial asset meets the solely payments of principal and interest criteria and new disclosures for certain instruments with contractual terms that can change cash flows (including instruments where cash flow changes are linked to environmental, social or governance targets).

IFRS 18 Presentation and Disclosure in Financial Statements

This is a new standard which will replace IAS 1, Presentation of Financial Statements, introduces three sets of new requirements to give investors more transparent and comparable information about companies' financial performance for better investor decisions.

- Three defined categories for income and expenses – operating, investing or financing – to improve the structure of the income statements, and require all companies to provide new defined subtotals, including operating profit.
- Requirement for companies to disclose explanation of management-defined performance measures (MPMs) that are related to the income statement; and
- Enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes.

This new standard is effective for reporting periods beginning on or after January 1, 2027, with earlier application permitted.

IFRS 10 Consolidated Financial Statements (“IFRS 10”) and IAS 28 – Investments in Associates and Joint Ventures (“IAS 28”)

In September 2014, IFRS 10 and IAS 28 were amended to address a conflict between the requirements of the standards and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined; however early adoption is permitted.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions, and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

AmeriTrust Financial Technologies Inc.
(formerly PowerBand Solutions Inc.)
Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the years ended December 31, 2024 and 2023

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities:

Going concern evaluation

Significant judgments used in the preparation of these financial statements relate to the assessment of the Company's ability to continue as a going concern. Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing its financial statements. Management prepares the financial statements on a going concern basis unless management either intends to liquidate the entity or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. As a result of the assessment, management concluded the going concern basis of accounting is appropriate.

Share-based payments

The Company provides incentives via share-based payment entitlements (Note 16). The fair value of entitlements is determined in accordance with the accounting policy. If certain assumptions used in the fair value calculation were to change, there would be an impact on the share-based payment expenses recognized in the current period.

Estimated useful lives

Management estimates the useful lives of property and equipment, based on the period during which the assets are available for use. The amounts and timing of the depreciation for these amounts are affected by the useful lives. The estimates are reviewed annually and are adjusted as new information becomes available.

Impairment of long-lived assets

The Company considers both internal and external sources of information in assessing its tangible and intangible assets for impairment when events or circumstances indicate such. The Company determines the recoverable amount, which is the greater of its value in use and its fair value less costs to sell, using discounted cash flow expected to be derived from the tangible or intangible asset, and the appropriate discount rate. During the year ended December 31, 2024, an amount of \$306,608 (December 31, 2023 - \$nil) was recorded as impairment of leased vehicles.

Leases

Critical judgments in determining the lease term

Extension and termination options are included in a number of property leases held by the Company. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Potential future cash outflows have not been included in the lease liability if it is not reasonably certain that the leases will be extended. The assessment is reviewed if a significant event or a significant change in circumstances occurs that affects this assessment and that is within the control of the lessee.

Lease origination revenue claw backs

A portion of the lease origination revenue is subject to claw backs in the event of early termination, default, or prepayment by the end-customers and other contractual obligations. The Company's exposure for these events is limited to the fees that it receives. An estimated refund liability for claw backs against the revenue recognized for lease origination is recorded in the period in which the related revenue is recognized and is based on the Company's historical claw back experience. The Company updates its estimates at each reporting date. As at December 31, 2024, the Company recorded a liability of \$nil (December 31, 2023 - \$563,887) as a provision for claw back.

Leases – company as lessor

Significant judgements are used in the determination of the economic life of a vehicle. Management estimates the economic life of the vehicle as 200,000 miles. At the inception of each lease, it is classified as finance lease, or an operating lease based on meeting the threshold of 75% or more the economic life and the present value of the lease payments amount to 90% or more of the fair value of the underlying asset.

AmeriTrust Financial Technologies Inc.
(formerly PowerBand Solutions Inc.)
Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the years ended December 31, 2024 and 2023

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

Provision for expected credit losses

The Company performs impairment testing annually for accounts receivable in accordance with IFRS 9. The Expected Credit Loss (“ECL”) model requires considerable judgment, including consideration of how changes in economic factors affect ECLs, which are determined on a probability-weighted basis. IFRS 9 outlines a three-stage approach to recognizing ECLs which is intended to reflect the increase in credit risks of a financial instrument based on 1) 12-month expected credit losses or 2) lifetime expected credit losses. The Company measures provision for ECLs at an amount equal to lifetime ECLs.

The Company applies simplified approach to determine ECLs on accounts receivable by using a provision matrix based on historical credit loss experiences. The historical results were used to calculate the run rates of default which were then applied over the expected life of the accounts receivable, adjusted for forward looking estimates.

Provision for potential loss on lease contracts

Estimating the provision for potential loss on lease contracts requires careful consideration of several significant judgments and assumptions. These judgments must be consistently reviewed and updated in light of new information and changing circumstances to ensure that the provision remains accurate and reliable.

Fair value of investments in private companies

Financial assets held within a different business model other than ‘hold to collect’ or ‘hold to collect and sell’ are categorized at fair value through profit or loss. The fair value at the reporting date is determined in line with IFRS 13, Fair value measurement. Financial assets in this category are determined using a valuation technique where no active market exists. A significant judgement is applied due to the lack of external market information and uncertainties associated with future cash flow projections.

Interest in other entities

On December 31, 2023, and on June 13, 2024, the Company had 91% interest in Powerband Solutions US Inc., and 94.60% interest in Drivrz Financial Holdings, LLC. The Company’s interest increased to 100% as of December 31, 2024, as a result of internal restructuring. Management assessed the involvement of the Company in accordance with IFRS 10, *Consolidated Financial Statements* and concluded that the Company continues to exercise control on the date of internal restructuring.

5. INTEREST IN JOINT VENTURE

In November 2018 the Company executed a Definitive Agreement to establish a partnership named D2D Automotive Auction (“D2DAA”) through the formation of a new United States based limited liability corporation, owned equally by the Company and Bryan Hunt. D2DAA and operated an automotive online remarketing auction network in the U.S. that involved direct consumer to dealer, as well as dealer to dealer, auction transactions. D2DAA was registered and based in Arkansas, United States.

The Company owns 50% of the voting shares and 50% of the net assets of D2DAA. During the past several years the joint venture has incurred losses. The Company recognized losses up to the amount of investment balance. Since the Company’s share of losses in the joint venture exceeded the interest in that joint venture, the Company has discontinued recognizing any further share in the losses from the fiscal year ending December 31, 2021.

D2DAA was dissolved on May 22, 2024.

AmeriTrust Financial Technologies Inc.
(formerly PowerBand Solutions Inc.)
Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the years ended December 31, 2024 and 2023

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of funds held in Canadian and American financial institutions broken down as follows:

	December 31, 2024	December 31, 2023
	\$	\$
Cash at Canadian bank on hand*	5,277,997	570,438
Cash at American bank on hand**	4,953,194	1,366,744
	10,231,191	1,937,182

*Balance consists of \$nil (December 31, 2023 - \$455,000) held in guaranteed investment certificates (GICs) with Canadian financial institutions. The GICs matured on September 11, 2024, earned an annual interest rate of 4.60%. This is classified as Cash and cash equivalents.

**Balance consists of \$3,597,250 (December 31, 2023 - \$nil) held in GICs with US financial institution. The GICs mature on April 30, 2025, and are redeemable on demand and therefore classified as Cash and cash equivalents. The amount also includes restricted cash of \$180,824 (December 31, 2023 - \$166,046) based on terms of the agreement with financial institutions.

7. ACCOUNTS RECEIVABLE

	December 31, 2024	December 31, 2023
	\$	\$
Accounts receivable	713,298	2,668,366
Less: Expected credit losses	(642,803)	(2,257,124)
	70,495	411,242

For the year ended December 31, 2024, a provision for an expected credit loss of \$78,611 (December 31, 2023 - \$490,629) is related to selected customers.

8. OTHER CURRENT ASSETS

The other current assets include prepaid expenses, and HST receivable as noted in the table.

	December 31, 2024	December 31, 2023
	\$	\$
Prepaid expenses	168,744	168,574
HST receivable	76,955	49,577
	245,699	218,151

During the year ended December 31, 2024, a write-off for uncollectable sales tax of \$nil (December 31, 2023 - \$79,950) was recorded.

AmeriTrust Financial Technologies Inc.
(formerly PowerBand Solutions Inc.)
Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the years ended December 31, 2024 and 2023

9. LEASED VEHICLES

Leased vehicles represent the lease contracts repurchased by the Company's subsidiary, Drivrz Financial from the financial institution based on the terms of the Forward Flow Purchase and Security Agreement and the lease contracts that are self-funded totaling \$635,349 at December 31, 2024 (December 31, 2023 - \$1,682,717), net of depreciation. At lease inception the Company determined whether each lease is a financing, or an operating lease and they are classified accordingly.

During the year ended December 31, 2024, the Company sold some leased vehicles for gross proceeds of \$658,100 (December 31, 2023 - \$345,114) and reported a loss from sale of \$118,915 (December 31, 2023 - \$74,310) that is included in other expense in the statement of income (loss). See note 18 for notes relating to sale of leased vehicles to related party.

The Company recorded an impairment loss of \$306,608 during the year ended December 31, 2024, for all leases for which the lease rental payments are in default and are considered as non-performing leases. No impairment loss was recognized for the year ended December 31, 2023. All these leases are reported in leased vehicles and other equipment (see Note 11).

Lease payments received from the leased contracts are recorded as lease vehicle income on a straight-line basis. The cost of the vehicle is depreciated on a straight-line basis over the remaining estimated economic life of the vehicle, and this is recorded in the cost of goods sold as lease vehicle depreciation. For the year ended December 31, 2024, the Company recorded lease vehicle income of \$189,012 (year ended December 31, 2023 - \$367,480) and lease vehicle depreciation of \$54,305 (year ended December 31, 2023 - \$123,306).

10. INVESTMENT

On July 18, 2018, the Company signed a Letter of Intent with Zoom Blockchain Solutions Inc. ("Zoom") to establish a disruptive automotive-related blockchain and application technologies solution. Zoom was to develop a blockchain powered mobile application to buy and sell cars. As part of the transaction a deposit of US\$200,000 (\$254,640) was made by the Company during the year ended December 31, 2020. The discussions between the Company and Zoom did not materialize and there was no further progress. On May 13, 2021, the deposit was exchanged for 10% secured convertible notes payable in Rego Payment Architectures Inc., a Delaware corporation, parent company of Zoom, with initial maturity date of October 31, 2022, further extended to April 30, 2025. The investment was recorded at fair value of US\$299,320 (\$431,141 CAD) (December 31, 2023 - US\$426,765 (\$564,888 CAD)) including the amount of interest accrued as of December 31, 2024. An unrealized loss of \$133,748 was recorded for the year ended December 31, 2024 (December 31, 2023 – unrealized gain of \$122,229).

The Letter of Intent was considered void and the investment in Rego Payment Architectures Inc. is a passive investment.

AmeriTrust Financial Technologies Inc.
(formerly PowerBand Solutions Inc.)
Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the years ended December 31, 2024 and 2023

11. LEASED VEHICLES AND OTHER EQUIPMENT

	Furniture fixtures and equipment	Computer equipment	Leasehold improvements	Software	Leased vehicles	Total
	\$	\$	\$	\$		\$
<i>Cost</i>						
Balance at December 31, 2022	341,460	108,225	8,709	246,467	1,828,757	2,533,619
Additions	-	-	-	-	463,819	463,819
Disposal	-	-	-	-	(437,246)	(437,246)
Impairment	-	-	-	-	-	-
Currency translation adjustment	(200)	(606)	(91)	(148)	(21,238)	(22,283)
Balance at December 31, 2023	341,260	107,619	8,618	246,319	1,834,092	2,537,909
Additions	-	-	-	-	-	-
Disposal	-	-	-	-	(777,398)	(777,398)
Impairment	-	(25,787)	-	-	(306,608)	(332,395)
Currency translation adjustment	-	2,114	133	-	90,943	93,190
Balance at December 31, 2024	341,260	83,946	8,751	246,319	841,029	1,521,305
<i>Accumulated depreciation</i>						
Balance at December 31, 2022	284,215	46,027	3,840	203,704	28,069	565,855
Depreciation	57,045	21,409	1,142	42,615	123,306	245,517
Balance at December 31, 2023	341,260	67,436	4,982	246,319	151,375	811,372
Depreciation	-	16,510	3,769	-	54,305	74,584
Balance at December 31, 2024	341,260	83,946	8,751	246,319	205,680	885,956
<i>Net book value</i>						
Balance at December 31, 2023	0	40,183	3,636	-	1,682,717	1,726,537
Balance at December 31, 2024	0	0	0	-	635,349	635,349

Depreciation for the year ended December 31, 2024, included \$nil (December 31, 2023 - \$2,127) reported as discontinued operations. Impairment for the year ended December 31, 2024, included \$25,787 (December 31, 2023 - \$nil) reported as discontinued operations.

The Company reported other income of \$22,732 (December 31, 2023 - \$506,984) for proceeds received from leased vehicles impaired in the year ended December 31, 2022. The other income also includes interest income from cash held in guaranteed investment certificates.

AmeriTrust Financial Technologies Inc.
(formerly PowerBand Solutions Inc.)
Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the years ended December 31, 2024 and 2023

12. RIGHT OF USE ASSETS

	Canada	USA	Total
<i>Cost</i>	\$	\$	\$
Balance as at December 31, 2022	355,380	4,873,566	5,228,946
Additions	-	-	-
Deduction from disposal	-	-	-
Currency translation adjustment	-	(50,450)	(50,450)
Balance as at December 31, 2023	355,380	4,823,116	5,178,496
Additions	-	962,354	962,354
Deduction from cancellation (note 14)	-	(2,057,821)	(2,057,821)
Currency translation adjustment	-	49,031	49,031
Balance as at December 31, 2024	355,380	3,776,680	4,132,060
<i>Accumulated depreciation</i>			
Balance as at December 31, 2022	(315,890)	(2,186,118)	(2,502,008)
Depreciation	(39,490)	(630,143)	(669,633)
Balance as at December 31, 2023	(355,380)	(2,816,261)	(3,171,641)
Depreciation	-	(38,172)	(38,172)
Balance as at December 31, 2024	(355,380)	(2,854,433)	(3,209,813)
<i>Net carrying amount</i>			
At December 31, 2023	-	2,006,855	2,006,855
At December 31, 2024	-	922,247	922,247

The Company had leased property for its offices in Canada and the USA, which has been capitalized as a right-of-use asset under IFRS 16. In the first quarter of 2024, the Company vacated the lease office in USA and the lease has since been terminated. Therefore, the right-of-use asset and lease liability has been removed. On April 1, 2024, the Company entered into a month-to-month lease arrangement for office space in USA from a related party and the arrangement terminated in December 2024. This has not been reported as a right-of-use asset. In December 2024, the Company entered into a two-year lease arrangement for office space in USA and this is capitalized as a right-of-use asset. See Note 14 for associated lease liability.

13. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2024	December 31, 2023
	\$	\$
Trade payable	2,097,727	1,699,309
Accrued liabilities	2,011,348	1,304,942
	4,109,075	3,004,251

14. LEASES

The Company leases its office space in Canada, and in USA. On the adoption of IFRS 16, the Company recognized lease liabilities. The term of the Canadian leases is for 5 years with an option to renew, and the USA lease has a term of 9 years with an option to renew. The term of the Canadian lease expired on June 30, 2023, and was not renewed.

AmeriTrust Financial Technologies Inc.
(formerly PowerBand Solutions Inc.)
Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the years ended December 31, 2024 and 2023

14. LEASES (continued)

The lease for the office in USA was terminated and replaced with a two-year lease of a new facility in December 2024. The right-of-use asset and lease liability for the terminated lease was removed and the net balance of \$466,680 was reported in the statement of income (loss) as a gain on cancellation of lease.

Leases are recognized as a right-to-use asset with a corresponding liability at the date at which the leased asset is available for use. Each lease payment is allocated between the liability and the finance cost. The finance cost is charged to the consolidated statements of income (loss) over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the Company's incremental borrowing rate is used, being the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

The liability pertaining to the lease of the facilities was measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate for the new USA office leases and the associated right-of-use asset was measured at the value of the lease liability plus the estimated cost of restoring the facility.

The maturity analysis of contractual undiscounted cash flows, excluding likely lease term extensions, of the lease liabilities, are disclosed in note 20 in the table under liquidity risk. The company's lease liability for the facilities is as follows:

	Canada	USA	Total
	\$	\$	\$
Balance as at December 31, 2022	52,436	3,166,432	3,218,868
Repayment of lease liability	(54,541)	(812,027)	(866,568)
Accretion expense	2,105	163,815	165,920
Currency translation adjustment	-	(61,329)	(61,329)
Balance as at December 31, 2023	-	2,456,891	2,456,891
Deduction from cancellation	-	(2,524,501)	(2,524,501)
Additions	-	962,354	962,354
Repayment of lease liability	-	(39,482)	(39,482)
Accretion expense	-	-	-
Currency translation adjustment	-	65,610	65,610
Balance as at December 31, 2024	-	920,872	920,872
<i>Current portion</i>			
Balance as at December 31, 2023	-	688,524	688,524
Balance as at December 31, 2024	-	467,127	467,127
<i>Long-term portion</i>			
Balance as at December 31, 2023	-	1,768,367	1,768,367
Balance as at December 31, 2024	-	453,745	453,745

AmeriTrust Financial Technologies Inc.
(formerly PowerBand Solutions Inc.)
Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the years ended December 31, 2024 and 2023

15. GOVERNMENT STIMULUS SUBSIDIES

The Company has participated in available stimulus subsidies offered by the Federal Governments of Canada and the United States to help offset the negative impact of the COVID-19 pandemic.

Canada Emergency Business Account (“CEBA”)

The Company received on April 22, 2020, an amount of \$40,000 towards CEBA which is an interest-free loan to cover operating costs. The Company received an additional amount of \$20,000 on June 28, 2021, and the total loan balance on December 31, 2022, is \$60,000. On January 18, 2024, the loan was converted to a term loan with interest of 5% per annum and repayable by December 31, 2026.

Employee Retention Credit (“ERC”)

The Employee Retention Credit was established by the CARES Act. It was intended to help businesses retain their workforces and avoid layoffs during the coronavirus pandemic. It provides a per employee credit to eligible businesses based on a percentage of qualified wages and health insurance benefits paid to employees. It works as a refundable payroll tax credit claimed quarterly, and it can provide reductions to payroll taxes or cash refunds.

The CARES Act provides an employee retention credit (“CARES Employee Retention credit”), which is a refundable tax credit against certain employment taxes of up to \$5,000 per employee for eligible employers. The tax credit is equal to 50% of qualified wages paid to employees during a quarter, capped at \$10,000 of qualified wages per employee through December 31, 2020. Additional relief provisions were passed by the United States government, which extend and slightly expand the qualified wage caps on these credits through December 31, 2021. Based on these additional provisions, the tax credit is now equal to 70% of qualified wages paid to employees during a quarter, and the limit on qualified wages per employee has been increased to \$10,000 of qualified wages per quarter. The Company qualifies for the tax credit under the CARES Act and expects to continue to receive additional tax credits under the additional relief provisions for qualified wages through December 31, 2021. The American Rescue Plan Act, provided that the ERC would go through December 31, 2021; however, the ERC was terminated a quarter early by the enactment of the Infrastructure Investment and Jobs Act, at the end of the third calendar quarter of 2021.

During the year ended December 31, 2021, the Company claimed ERCs of US\$593,065 (\$741,094 CAD) and was reported as a reduction of Salaries and wages in the consolidated statements of Loss. The amount was expected to be settled and were disclosed within Other current assets in the Statement of Financial Position. Refer to Note 8. During the year ended December 31, 2022, the Company received US\$301,445 (\$365,312 CAD) and the balance remaining amount of US\$291,620 (\$394,649 CAD) was received during the year ended December 31, 2023.

16. SHARE CAPITAL AND RESERVES

(a) Authorized:

The Company is authorized to issue:

- an unlimited number of Common Shares with no stated par value

In April 2018, the Company consolidated the Company’s issued share capital on a ratio of four (4) old common shares for each one (1) new post-consolidated common share (the “Share Consolidation”). All current and comparative references to the number of common shares, weighted average number of common shares, loss per share, stock options and warrants have been restated to give effect to this share consolidation, unless otherwise noted.

AmeriTrust Financial Technologies Inc.
(formerly PowerBand Solutions Inc.)
Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the years ended December 31, 2024 and 2023

16. SHARE CAPITAL AND RESERVES (continued)

(b) Shares issued in Private Placements:

On April 26, 2024, the Company closed on \$1,040,000 of the first tranche of a Private Placement financing, representing 69,333,332 shares at a price of \$0.015 per share.

On June 21, 2024, the Company closed on \$1,157,000 of the second and final tranche of a Private Placement financing, representing 77,133,332 shares at a price of \$0.015 per share.

The share issuance costs for both above tranches amounted to \$91,306.

On October 2, 2024, the Company closed on \$10,884,726 of a Private Placement financing, representing 217,690,000 shares at a price of \$0.05 per share. The share issuance costs amounted to \$387,795.

(c) Share Purchase Warrants

On June 22, 2022, in connection with a bridge loan received from D2D Auto Auction LLC that was later fully settled in 2022, the Company issued 15,113,640 warrants to purchase common shares to the lender. These warrants have an exercise price of \$0.40 and are exercisable for up to five years from the date of issuance. The warrants were valued using the Black-Scholes calculator with risk free interest rate of 3.31%, volatility of 117.04% and expected life of 2.5 years, with a value of \$1,497,593.

Share purchase warrant transactions are summarized as follows:

	December 31, 2024		December 31, 2023	
	Number of share purchase warrants	Weighted average exercise price (\$)	Number of share purchase warrants	Weighted average exercise price (\$)
Balance, beginning of period	95,218,001	0.40	107,916,455	0.41
Warrants granted	-	-	-	-
Warrants exercised	-	-	-	-
Warrants cancelled	-	-	-	-
Warrants expired	(750,000)	(0.30)	(12,698,454)	(0.51)
Balance, end of period	94,468,001	0.40	95,218,001	0.40

A summary of the Company's share purchase warrants outstanding as at December 31, 2024 is presented below:

Number of share purchase warrants (#)	Exercise Price (\$)	Expiry Date
77,151,200	0.40	June 22, 2027
17,316,801	0.40	July 15, 2027

The weighted average remaining contractual life of the share purchase warrants is 2.49 years.

AmeriTrust Financial Technologies Inc.
(formerly PowerBand Solutions Inc.)
Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the years ended December 31, 2024 and 2023

16. SHARE CAPITAL AND RESERVES (continued)

(d) Share-based compensation

(i) Stock option plan

The Company has adopted a stock option plan (the "Option Plan") for directors, officers, employees, and consultants of the Company. At the Company's Annual General Meeting held on September 18, 2024, the shareholders approved the 2024 Incentive Stock Option Plan (20% Fixed Plan), reserving for issuance up to 89,933,091 common shares of the Company.

In January 2021, the Company granted 200,000 stock options to consultants, 68,000 vested immediately and 66,000 each vested over a period of one year and two years respectively. The stock options were issued with an exercise price of \$0.29 and an expiry date five years from the date of issuance. The fair value of share-based compensation in connection with this stock option grant was \$46,597. During the year ended December 31, 2024, included in the share-based compensation is \$nil (2023 - \$168), related to the vested portion of these options.

In June 2021, the Company granted 1,325,000 stock options to employees and consultants, 250,000 vested immediately, 300,000 vested on January 1, 2022, and January 1, 2023, respectively, 125,000 vested on June 30, 2022, and 350,000 vests on January 1, 2024. The stock options were issued with an exercise price of \$0.76 and \$0.79 and an expiry date five years from the date of issuance. The fair value of share-based compensation in connection with this stock option grant was \$804,275. During the year ended December 31, 2024, included in the share-based compensation is \$nil (2023 - \$320), related to the vested portion of these options.

In October 2021, the Company granted 8,492,500 stock options to directors, consultants, and employees, 1,675,000 of which vested in two tranches on April 24, 2022, and October 26, 2022, and 6,817,500 vested in two tranches on October 26, 2022, and October 26, 2023. The stock options were issued with an exercise price of \$0.89 and an expiry date five years from the date of issuance. The fair value of share-based compensation in connection with this stock option grant was \$6,089,198. During the year ended December 31, 2024, included in the share-based compensation is \$nil (2023 - \$361,267), related to the vested portion of these options.

On June 13, 2024, the Company granted 6,000,000 stock options to consultants, which vested immediately. The stock options were issued with an exercise price of \$0.14 and an expiry date three years from the date of issuance. The fair value of share-based compensation in connection with this stock option grant was \$251,524. During the year ended December 31, 2024, included in the share-based compensation is \$251,524 (2023 - \$nil), related to the vested portion of these options.

On December 19, 2024, the Company granted 21,000,000 stock options to directors, consultants, and employees. The stock options will vest in four tranches of 5,250,000 each on June 19, 2025, December 19, 2025, June 19, 2026, and December 19, 2026, respectively. The stock options were issued with an exercise price of \$0.105 and an expiry date five years from the date of issuance. The fair value of share-based compensation in connection with this stock option grant was \$2,088,984. During the year ended December 31, 2024, included in the share-based compensation is \$67,016 (2023 - \$nil), related to the vested portion of these options.

The total share-based compensation (for both stock options and Restricted share units) for the year ended December 31, 2024, is \$812,150 (2023 - \$508,360), related to the vested portion of the stock options.

AmeriTrust Financial Technologies Inc.
(formerly PowerBand Solutions Inc.)
Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the years ended December 31, 2024 and 2023

16. SHARE CAPITAL AND RESERVES (continued)

(d) Share-based compensation (continued)

(i) Stock option plan (continued)

In determining the amount of share-based compensation, the Company used the Black-Scholes option pricing model to establish the fair value of options granted by applying the following:

	2024	2024	2022
Grant date share price	\$0.105	\$0.055	\$0.71 - \$0.76
Risk-free interest rate	3.06%	3.71%	1.24% – 1.28%
Expected life of options	3.75 years	1.5 years	3 years
Expected annualized volatility	197.58%	230.52%	117%
Expected dividend yield	-	-	-
Black-Scholes value of each option	\$0.0995	\$0.0419	\$0.5369 - \$0.6242

Information with respect to the Company's stock options is presented below:

	December 31, 2024		December 31, 2023	
	Number of stock options	Weighted average exercise price (\$)	Number of stock options	Weighted average exercise price (\$)
Balance, beginning of period	5,627,000	0.4550	10,937,193	0.4550
Options issued	27,000,000	0.1130	-	-
Options exercised	-	-	-	-
Options expired	(600,000)	(0.1000)	(841,000)	(0.3000)
Options cancelled/forfeited	(2,475,000)	(0.3400)	(4,469,194)	(0.5500)
Balance, end of period	29,552,000	0.1490	5,627,000	0.4010

A summary of the Company's stock options outstanding and exercisable as at December 31, 2024 is presented below:

Expiry date	Options Outstanding			Options Exercisable	
	Number of options	Weighted average remaining contractual life	Weighted average exercise price	Number of options	Weighted average exercise price
		years	\$		\$
February 12, 2025*	500,000	0.12	0.22	500,000	0.22
February 25, 2025*	400,000	0.15	0.16	400,000	0.16
October 27, 2025	320,000	0.83	0.22	320,000	0.22
January 4, 2026	132,000	1.01	0.29	132,000	0.29
October 26, 2026	1,200,000	1.82	0.89	1,200,000	0.89
June 13, 2027	6,000,000	2.45	0.14	6,000,000	1.14
December 19, 2029	21,000,000	4.97	0.105	-	0.105
	29,552,000	4.12	0.15	8,552,000	0.26

*These stock options expired unexercised on February 12, 2025, and February 25, 2025.

AmeriTrust Financial Technologies Inc.
(formerly PowerBand Solutions Inc.)
Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the years ended December 31, 2024 and 2023

16. SHARE CAPITAL AND RESERVES (continued)

(d) Share-based compensation (continued)

(i) Stock option plan (continued)

A summary of the Company's stock options outstanding and exercisable as at December 31, 2023 is presented below:

Expiry date	Options Outstanding			Options Exercisable	
	Number of options	Weighted average remaining contractual life	Weighted average exercise price	Number of options	Weighted average exercise price
		years	\$		\$
July 10, 2024	1,100,000	0.53	0.10	1,100,000	0.10
February 12, 2025	500,000	1.12	0.22	500,000	0.22
February 25, 2025	400,000	1.15	0.16	400,000	0.16
February 27, 2025	300,000	1.16	0.21	300,000	0.21
October 20, 2025	500,000	1.81	0.22	500,000	0.22
October 27, 2025	845,000	1.83	0.22	845,000	0.22
January 4, 2026	132,000	2.01	0.29	132,000	0.29
April 16, 2026	400,000	2.29	0.72	400,000	0.72
October 26, 2026	1,450,000	2.82	0.89	1,450,000	0.89
	5,627,000	1.72	0.40	5,627,000	0.40

(ii) Restricted share unit plan

At the Company's Annual General Meeting held on September 18, 2024, the shareholders approved the 2024 Restricted Share Unit Plan, reserving for issuance a maximum of 30,000,000 common shares of the Company. The 30,000,000 Restricted Share Units are included in the 89,933,091 common shares of the Incentive Stock Option Plan (20% Fixed Plan). As at December 31, 2024, 17,540,166 RSUs have been granted and outstanding.

RSUs outstanding as at December 31, 2024:

	Number of RSUs
Balance as at December 31, 2022	1,223,500
Granted	4,116,667
Vested**	(583,334)
Cancelled / forfeited	(2,000,001)
Balance as at December 31, 2023	2,756,832
Granted	18,950,000
Vested	(3,916,666)
Cancelled / forfeited	(250,000)
Balance as at December 31, 2024	17,540,166

Vested** - this does not include 999,999 RSU's that vested on September 14, 2023, however the shares were not issued as at December 31, 2024.

AmeriTrust Financial Technologies Inc.
(formerly PowerBand Solutions Inc.)
Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the years ended December 31, 2024 and 2023

16. SHARE CAPITAL AND RESERVES (continued)

(d) Share-based compensation (continued)

(ii) Restricted share unit plan (continued)

On March 6, 2023, the Company issued 516,667 restricted share units to employees at a price of \$0.045 per common share, 166,667 restricted share units vested immediately with the balance to vest over a period of three years. During the year ended December 31, 2024, included in the share-based compensation is \$2,616 (2023 - \$17,034), related to the vested portion of these units.

On March 8, 2023, the Company issued 3,600,000 restricted share units to directors and employees at a price of \$0.06 per common share, that vest over a period of three years. During the year ended December 31, 2024, included in the share-based compensation is \$12,215 (2023 - \$129,570), related to the vested portion of these units.

On May 1, 2024, the Company issued 500,000 restricted share units to employees at a price of \$0.04 per common share, that vest over a period of three years. During the year ended December 31, 2024, included in the share-based compensation is \$8,170 (2023 - \$nil), related to the vested portion of these units.

On May 29, 2024, the Company issued 300,000 restricted share units to employees at a price of \$0.055 per common share, 100,000 restricted share units vested immediately with the balance to vest over a period of two years. During the year ended December 31, 2024, included in the share-based compensation is \$10,382 (2023 - \$nil), related to the vested portion of these units.

On June 13, 2024, the Company issued 6,000,000 restricted share units to consultants at a price of \$0.055 per common share, 3,500,000 restricted share units vested immediately with the balance to vest on the one-year anniversary. During the year ended December 31, 2024, included in the share-based compensation is \$268,219 (2023 - \$nil), related to the vested portion of these units.

On September 18, 2024, the Company issued 6,500,000 restricted share units to a consultant at a price of \$0.085 per common share, that vest over a period of thirty months. During the year ended December 31, 2024, included in the share-based compensation is \$108,579 (2023 - \$nil), related to the vested portion of these units.

On October 8, 2024, the Company issued 400,000 restricted share units to consultants at a price of \$0.125 per common share, that vest on the one-year anniversary. During the year ended December 31, 2024, included in the share-based compensation is \$11,510 (2023 - \$nil), related to the vested portion of these units.

On November 21, 2024, the Company issued 5,250,000 restricted share units to a consultant at a price of \$0.125 per common share, that vest on the one-year anniversary. During the year ended December 31, 2024, included in the share-based compensation is \$71,919 (2023 - \$nil), related to the vested portion of these units.

AmeriTrust Financial Technologies Inc.
(formerly PowerBand Solutions Inc.)
Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the years ended December 31, 2024 and 2023

17. NON-CONTROLLING INTERESTS

Drivrz Holdings LLC	
NCI in subsidiary at December 31, 2024	0.00%
At December 31, 2022	(595,741)
Foreign currency translation	(12,915)
Share of loss	(961,189)
At December 31, 2023	(1,569,845)
Change in NCI	1,510,407
Foreign currency translation	22,367
Share of income	37,071
At December 31, 2024	-

18. RELATED PARTY TRANSACTIONS

On March 22, 2024, the Company's subsidiary, Drivrz Financial sold six lease vehicles that were capitalized and included in leased vehicles and other equipment for gross proceeds of US\$381,406 (CD\$514,364) to a Missouri limited liability company, in which one of the board members of the Company has substantial interest. See note 9.

The Company and its joint venture partner D2DAA were developing a consumer-focused platform named DrivrzXchange that is an inclusive multi-sided marketplace that allows buyers and sellers of all types to list and/or find vehicles. The total cost capitalized for development amounting to \$1,709,280 was recorded as an impairment loss for the year ended December 31, 2022. As at December 31, 2024, accounts receivable from D2DAA are \$nil (December 31, 2023 - \$490,629) and a provision for expected loss on receivables is recorded in the consolidated statements of income (loss).

On April 26, 2024, the Company closed on \$1,040,000 of the first tranche of a Private Placement financing, representing 69,333,332 shares at a price of \$0.015 per share. Certain key management personnel of the Company subscribed for 26,666,666 common shares for gross proceeds of \$400,000. On October 2, 2024, the Company closed on \$10,884,726 of a Private Placement financing, representing 217,690,000 shares at a price of \$0.05 per share. Certain key management personnel of the Company subscribed for 3,900,000 common shares for gross proceeds of \$195,000.

Shareholder loans and transactions

- a) As at December 31, 2024, the due to related parties loan balance of \$nil (December 31, 2023 - \$33,065), consisted of funds received from shareholders for working capital. This loan was interest bearing at 9% per annum due on demand and was settled in full during the year.

Compensation of key management personnel of the Company

Key management personnel include those people who have authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of the Board of Directors, corporate officers, including the Chief Executive Officer, the President, the Chief Financial Officer, Chief Operating Officer and the Chief Technology Officer.

AmeriTrust Financial Technologies Inc.
(formerly PowerBand Solutions Inc.)
Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the years ended December 31, 2024 and 2023

18. RELATED PARTY TRANSACTIONS (continued)

Key management personnel compensation for the year ended December 31, 2024, and 2023 was as follows:

	December 31, 2024	December 31, 2023
Salaries and wages	\$ 572,272	\$ 174,960
Professional fees	223,340	393,150
Share based compensation	47,627	166,304
Rent	49,313	-
	892,552	734,414

The Company incurred professional fees of \$nil (2023 - \$202,455) for services rendered by an entity controlled by a shareholder. At December 31, 2024, the total amount payable to key management personnel of the Company and an entity controlled by a shareholder amounted to \$395,698 (December 31, 2023 - \$363,715) and recorded in Accounts payable and accrued liabilities.

19. DEBT

- a) In May 2023, the Company's subsidiary Drivrz Financial and the financial institution executed a Repurchase and Loss Reimbursement agreement for certain vehicle leases in the total amount of \$1,222,547 (US\$923,374.07). Upon execution of the agreement the financial institution transferred all interests in and title in each of the vehicles to Drivrz Financial. The total amount was to be paid in equal installments over a period of 24 months, plus 5% interest per annum on the outstanding balance as of the first day of the month. The fair value of the total amount of debt is determined using the effective interest rate of 5% per annum. During the year 2024 the Company repaid \$365,976 (2023 - \$463,399). The parties mutually agreed to terminate the repayment of the balance of the debt and therefore the unpaid balance amounting to \$453,524 was reported in the consolidated statement of income (loss) as forgiveness of debt. At December 31, 2023, the present value of the debt was \$791,263 and was reported as current and long term debt of \$604,441 and \$186,822, respectively.
- b) On June 2, 2022, the Company and a shareholder (former CEO) entered into loan agreements for total amount of \$4,324,013 advanced to the Company. On June 22, 2022, upon closing of the first tranche of the private placement, the Company paid the shareholder \$2,000,000 as per the agreement and agreed to pay the remaining principal loan balance of \$2,324,013 after a period of 18 months from the closing of the private placement. The loan is measured at fair value on initial recognition. The fair value is determined using an effective interest rate of 13.80%, taking into account the rate that the Company would have obtained a similar debt. In December 2022, an amount of \$633,150 was adjusted to this loan balance being the consideration for sale of a business unit. See Note 27 for settlement of the debt after the year-end December 31, 2024. The present value of the debt at December 31, 2024, is \$1,873,690 (December 31, 2023, is \$1,861,960), and interest accretion of \$nil (December 31, 2023 - \$209,641) for the year ended December 31, 2024, is recorded in the consolidated statements of income (loss).

20. FINANCIAL INSTRUMENTS

The Company is exposed in varying degrees to a variety of financial instrument-related risks. The main types of risks are credit risk, liquidity risk and market risk. These risks arise from the normal course of operations and all transactions are undertaken as a going concern. The type of risk exposure and the way in which such exposure is managed is provided as follows:

AmeriTrust Financial Technologies Inc.
(formerly PowerBand Solutions Inc.)
Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the years ended December 31, 2024 and 2023

20. FINANCIAL INSTRUMENTS (continued)

Credit risk

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its accounts receivable and other receivables. The nature of the Company's customer base minimizes the risk exposure by limiting the counterparties with which financial transactions are entered.

The aging of the accounts receivable are as follows:

	December 31, 2024	December 31, 2023
	\$	\$
Current to 30 days past due	65,963	355,736
Past due (31-60 days)	-	1,339
Past due (> 61 days)	4,533	54,167
	70,495	411,242

The Company maintains minimal cash reserves on hand. Adequate liquidity to meet all current payment obligations and future planned capital expenditures are provided by investments from the shareholders.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet liabilities when due. This is provided through cash injections by the shareholder when needed. The Company also manages liquidity risk by continuously monitoring actual and budgeted expenses.

At December 31, 2024, all the Company's accounts payable and accrued liabilities had contractual terms of less than one year.

	Contractual cash flows				
	Less than 1 year	1-3 years	4-5 years	After 5 years	
	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities	4,109,075	4,109,075	-	-	-
Lease payments (undiscounted)	668,689	346,356	322,333	-	-
Bank loan	60,000	60,000	-	-	-
Debt - current	1,873,690	1,873,690	-	-	-
	6,711,454	6,389,121	322,333	-	-

Market risk

The market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The Company has limited exposure to any market risk.

AmeriTrust Financial Technologies Inc.
(formerly PowerBand Solutions Inc.)
Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the years ended December 31, 2024 and 2023

20. FINANCIAL INSTRUMENTS (continued)

Interest rate risk

The interest rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate due to changes in market interest rates. The Company believes that interest rate risk is low as it has no investments in market instruments. The Company does not have interest rate risk related to its credit facilities, since all credit is done through shareholder loans and short-term loans with set interest rates. The Company's leasing activity is subject to the interest rate risk from the swift movement in interest rates that can affect the funding partners and the availability of credit.

Currency risk

The currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Company is exposed to the currency risk because of components of revenue and costs being denominated in currencies other than Canadian dollar, primarily the United States dollar. The Company holds cash and accounts receivable, accounts payable and accrued liabilities in currencies other than the Canadian dollar, primarily the United States dollar.

For the year ended December 31, 2024, if the Canadian dollar had strengthened 5% against the United States dollar, with all other variables held constant, net income for the period would have been \$455,516 lower (December 31, 2023 - \$886,306). Conversely, if the Canadian dollar had weakened 5% against the United States dollar with all other variables held constant, there would be an equal, and opposite impact, on net income.

Fair value

The Company classifies its fair value measurements within a fair value hierarchy, which reflects the significance of the inputs used in making the measurements as defined in IFRS 13 - *Financial Instruments: Fair Value Measurement* ("IFRS 13").

Level 1 – Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.

Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Unobservable inputs which are supported by little or no market activity. As required by IFRS 13, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The fair value of cash, accounts receivable, accounts payable and accrued liabilities all approximate their carrying values due to their short-term nature. Cash and accounts receivable are measured at amortized cost using Level 1 and Level 2 inputs, respectively. The accounts payable and accrued liabilities, loan, current and long-term lease obligation, are measured at amortized cost and classified as Level 2. Investments are measured as Level 3.

21. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and continue to develop and market its software applications. The capital structure of the Company consists of equity attributable to common shareholders, comprised of issued capital and deficit. The Company maintains and adjusts its capital structure based on changes in economic conditions and the Company's planned requirements. The Company may adjust its capital structure by issuing new equity, issuing new debt, and controlling the capital expenditures program. The Company is not subject to externally imposed capital requirements. The Company is dependent on financing from shareholders to develop its technology and fund its activities. There were no changes in the Company's approach to capital management during the year ended December 31, 2024.

AmeriTrust Financial Technologies Inc.
(formerly PowerBand Solutions Inc.)
Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the years ended December 31, 2024 and 2023

22. LEGAL CLAIMS

In August 2018, the Company was served a Notice of Civil Claim in the Superior Court of British Columbia by Advanced Media Solutions Limited ("AMSL"), a Company incorporated pursuant to the laws of the British Virgin Islands. AMSL is seeking payment of USD\$450,000. The Company disputes the facts set out in the Civil Claim and has filed a Response to Civil Claim, as well as a Counterclaim to the Plaintiff and other individuals and entities involved for damages. The Company believes the claim is without merit. The Company has assessed the claims totaling \$450,000 as highly unlikely to be successful. A trial date was scheduled from June 17 to June 28, 2024 but the trial date lapsed because of inaction from AMSL. No new trial date has been set.

Frunzi v. MUSA Auto Holdings, LLC, Texas District Court, Dallas County, Case # DC-18-14445:

Mr. Frunzi's employment was terminated for cause on September 5, 2018. Mr. Frunzi subsequently asserted a claim for breach of his employment agreement. He seeks money damages in the amount of the severance payment specified in his employment agreement, which is an amount comprised of 18 months' base salary, his prior year's bonus, and health insurance premiums for 18 months. He also seeks the value of the profit interest units that vested under his grant agreement before his employment was terminated. In addition to money damages, Mr. Frunzi seeks a declaratory judgment that MUSA breached his employment agreement and an accounting that can be used to determine the value of the profit interest units that vested before the termination. The amount in controversy is about \$427,500, not including the value of any profit interest units claimed by Frunzi. The case was submitted to non-binding arbitration and the arbitrator found that Frunzi's conduct was grounds to terminate him under common law but that there was not "cause" to terminate Frunzi under the employment agreement. The arbitrator found that Frunzi is entitled to USD \$427,500 in back compensation and \$102,539 in attorneys' fees. The arbitrator declined to award Frunzi any amount under the now terminated profits interest plan. The Company recorded an accrued liability for USD \$534,038 (CAD \$768,427) for the year ended December 31, 2024. This amount is included in salaries and wages in the statement of income (loss).

D&P Holdings, Inc. v. PowerBand Solutions US Inc. and MUSA Auto Finance, LLC, Case No. 2021-82453, in the 295th Judicial District Court, Harris County, Texas. D&P Holdings, Inc. sued the Company and certain of its affiliates, asserting a claim for breach of contract. Plaintiff alleges that the company breached an agreement that appointed Plaintiff as the exclusive provider of certain Finance and Insurance products to be offered to the Company's customers. In June 2024, a Settlement and Release Agreement was executed by the parties and the lawsuit has been withdrawn.

On February 16, 2023, the Company's former Chief Compliance Officer, filed a charge of discrimination with the Dallas office of the Equal Employment Opportunity Commission ("EEOC"), alleging discrimination on the basis of sex and age and is claiming severance, compensation, benefits and equity that is contractually entitled. The Chief Compliance Officer was terminated for cause in April 2022. The EEOC rejected the charge of discrimination. Subsequently the Chief Compliance Officer filed for arbitration, seeking severance benefits allegedly due under the employment agreement. The Company intends to vigorously defend the claim asserted.

In November 2020, the Company was served a Notice of Civil Claim in the Superior Court of British Columbia by Miller Thomson LLP. Miller Thomson is seeking payment of \$69,127.29 for legal fees. The Company disputes the facts set out in the Civil Claim.

In June 2023, PowerBand Solutions (now known as AmeriTrust) and a third party were served with a Statement of Claim in the amount of \$495,392 from Denton's Canada LLP., relating to outstanding professional fees for the period of approximately 2012 through 2015. PowerBand Solutions Inc. (now known as AmeriTrust) did not retain the claimant during this period, and denied that it was obligated to pay these fees. On January 29, 2025, the parties settled the claim. AmeriTrust will pay Denton's Canada LLP a sum of \$150,000 by February 28, 2025, in full satisfaction of the claim. See note 27

On September 20, 2024, the Company was served with a Statement of claim from the former Chief Executive Officer relating to liquidated damages in the amount of \$1,897,977 pursuant to a Mutual Separation Agreement ("MSA"). This amount has been reported as a debt in the statement of financial position. See note 19. On November 11, 2024, the Company filed a Statement of Defence for breach of the terms of the MSA and counterclaim for damages for breach of contract. On January 29, 2025, the parties signed a mutual full and final release of the claim. See note 27.

AmeriTrust Financial Technologies Inc.
(formerly PowerBand Solutions Inc.)
Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the years ended December 31, 2024 and 2023

22. LEGAL CLAIMS (continued)

On November 18, 2024, the Company was served with a Statement of claim from a former employee relating to damages for wrongful dismissal of employment in the amount of \$249,315. The Company denies each of the allegations set out in the Statement of claim and intends to vigorously defend the claim asserted.

23. SEGMENTED REPORTING

Operating segments are components of an entity that engages in business activities from which they earned revenues and incur expenses related to the operations for which can be clearly distinguished and for which the operating results are regularly reviewed by a chief operating decision maker to make resource allocation decisions and to assess performance. During the year ended December 31, 2024, the Chief Financial Officer served in the function of the Chief Operating Decision Maker (CODM). The Chief Financial Officer is responsible for allocating resources and assessing the performance of the following segments: Canadian operations and US operations.

Transactions between reportable segments are accounted for in accordance with the accounting policies described in the summary of significant accounting policies.

The Company's CODM measures the performance of each operating segment based on operating profit (loss). The segmented information is set out in the following tables:

Year ended December 31, 2024				Year ended December 31, 2023		
	Canada	USA	Total	Canada	USA	Total
	\$	\$	\$	\$	\$	\$
Revenue						
Lease vehicle income	-	189,012	189,012	-	367,480	367,480
Lease originations and servicing revenue	-	1,971,862	1,971,862	-	2,499,871	2,499,871
	-	2,160,874	2,160,874	-	2,867,351	2,867,351

Year ended December 31, 2024				Year ended December 31, 2023		
	Canada	USA	Total	Canada	USA	Total
	\$	\$	\$	\$	\$	\$
Continuing operations						
Operating loss before other income	2,561,415	4,297,309	6,858,724	4,185,887	6,481,137	10,667,024
Other (income) expense	125,050	(13,213,301)	(13,088,251)	(252,814)	11,359,655	11,106,841
Discontinued operations (income) loss	-	20,309	20,309	-	(54,595)	(54,595)
	2,686,465	(8,895,683)	(6,209,218)	3,933,073	17,786,197	21,719,270

As At December 31, 2024				As At December 31, 2023		
	Canada	USA	Total	Canada	USA	Total
	\$	\$	\$	\$	\$	\$
Segment assets	5,837,233	6,781,834	12,619,067	1,277,255	5,587,600	6,864,855
Segment liabilities	2,405,313	4,592,822	6,998,135	2,609,454	17,847,197	20,456,651

24. DISCONTINUED OPERATIONS

On February 28, 2023, the Company discontinued the operations of its wholly owned subsidiary, IntellaCar Solutions LLC (re-branded as DrivrzLane). Management had reviewed the business strategy and the technology of DrivrzLane and made the decision that its product offering did not fit in with the future strategic direction of AmeriTrust's (formerly PowerBand's) e-commerce platform to lease and finance new and used vehicles.

AmeriTrust Financial Technologies Inc.
(formerly PowerBand Solutions Inc.)
Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the years ended December 31, 2024 and 2023

24. DISCONTINUED OPERATIONS (continued)

On July 28, 2023, IntellaCar Solutions LLC was deemed to be forfeited by the State of Texas business registry. Subsequently, Intellacar Solutions LLC was named in an arbitration proceeding initiated by a creditor regarding an outstanding claim for unpaid amounts, however no formal service agreement exists between the creditor and IntellaCar Solutions LLC. Given the lack of formal agreement and the forfeited status, the potential financial impact of the arbitration proceeding remains uncertain. An amount of \$268,050 (US\$186,288) is included in the Company's accounts payable and accrued liabilities.

The results of the discontinued operations, which have been included in the consolidated statement of income (loss) for the year ended December 31, 2024, were as follows:

	December 31, 2024	December 31, 2023
Revenue	-	46,345
Cost of goods sold	-	6,915
Gross profit	-	39,430
Expenses	20,309	(15,165)
Income (Loss) on discontinued operations	(20,309)	54,595

During the year ended December 31, 2024, IntellaCar Solutions LLC, contributed \$nil (December 31, 2023 - \$29,596) to the Company's net operating cash flows, paid \$nil (December 31, 2023 - \$nil) in respect of investing activities, and received \$nil (December 31, 2023 - \$88,528) in respect of financing activities.

25. INCOME TAXES

The following table reconciles the expected income taxes expense (recovery) at the Canadian statutory income tax rates to the amounts recognized in the consolidated statements of loss and comprehensive loss for the years ended December 31, 2024, and 2023:

	Year ended December 31, 2024 (\$)	Year ended December 31, 2023 (\$)
Income (Loss) before income taxes	6,209,218	(21,719,270)
Canadian statutory income tax rates	26.5%	26.5%
Expected income tax recovery	1,645,443	(5,755,607)
Non-deductible items	(473,564)	458,647
Change in estimate	(29,422)	72,098
Share issuance cost	(126,962)	-
Foreign tax rate difference	(107,902)	214,452
Change in deferred tax assets not recognized	(907,593)	5,010,410
Income tax expense (recovery)	-	-

AmeriTrust Financial Technologies Inc.
(formerly PowerBand Solutions Inc.)
Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the years ended December 31, 2024 and 2023

25. INCOME TAXES (continued)

Deferred taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax values. Deferred tax assets (liabilities) as at December 31, 2024, and 2023 are as follows:

	December 31, 2024	December 31, 2023
	(\$)	(\$)
Non-capital loss carryforwards	297,242	608,806
Investments	(62,457)	(97,900)
Right of use assets and leases	(234,785)	(510,906)
	-	-

The unrecognized deductible temporary differences as at December 31, 2024, and 2023 are comprised of the following:

	December 31, 2024	December 31, 2023
	\$	\$
Non-capital losses	26,723,661	24,378,400
Net operating losses	25,707,080	29,075,361
Lease liability	920,872	2,456,891
Intangible and fixed assets	2,029,108	1,841,400
Accounts receivable	1,251,548	1,251,548
Financing costs	755,815	658,974
CEBA loan	20,000	20,000
Investments	3,740,010	3,740,010
Investment tax credits	34,194	34,194
	61,182,288	63,456,778

The Company has non-capital loss carryforwards of approximately \$26,723,661 (2023 \$24,378,400) which may be carried forward to apply against future year income tax for Canadian income tax purposes, subject to the final determination by taxation authorities, expiring in the following years:

Expiry	Canadian	United States	Total
	\$	\$	\$
2038	1,029,873	-	1,029,873
2039	5,027,186	-	5,027,186
2040	3,902,279	-	3,902,279
2041	6,450,946	-	6,450,946
2042	4,253,789	-	4,253,789
2043	3,714,327	-	3,714,327
2044	2,345,261	-	2,345,261
No expiry	-	25,707,080	25,707,080
Total	26,723,661	25,707,080	52,430,741

AmeriTrust Financial Technologies Inc.
(formerly PowerBand Solutions Inc.)
Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the years ended December 31, 2024 and 2023

26. CONTINGENT LIABILITY AND PROVISION

One of the financial institutions to whom the lease contracts were sold had previously requested that the Company repurchase certain lease contracts which the financial institution has identified would fall within the repurchase clause of the Forward Flow Purchase and Security Agreement. Based on this request an amount of \$6,926,644 was reported as contingent liability at December 31, 2022. It was not possible at that stage to predict the outcome or provide a reasonable estimate of the amounts of losses on the lease contracts, therefore, no provision was recognized at December 31, 2022.

During the year ended December 31, 2023, management completed a review of the above lease contracts and certain additional lease contracts and estimated the amount of provision for loss on lease contracts as \$12,217,512, which includes a provision for claw back for the amount of \$563,887. An amount of \$11,892,406 was reported as provision for loss on lease contracts in the statement of income (loss) for the year ended December 31, 2023.

During the year 2024, the Company has taken steps to strengthen its relationship with the financial institution, ensuring improved communication and collaboration. The financial institution has confirmed that there is no current demand or legal action by the financial institution against the Company. As a result, management believes that there has been a change in the estimate of the likelihood of a future outflow and/or in the expected amount to be settled for this contingent liability. Therefore, the Company has revised the amount of estimated provision at December 31, 2024, as \$nil in the consolidated statement of financial position. The Company believes that since the total estimated amount of potential loss is an accounting estimate and may not be representative of the actual potential loss exposure, the actual loss could differ based on future occurrences. Management will continue to monitor the situation and any revisions to this accounting estimate will be recognized in the future periods in which the estimate may be revised.

27. SUBSEQUENT EVENTS

Subsequent to the period ended December 31, 2024, the following corporate activities occurred:

1. In June 2023, PowerBand Solutions (now known as AmeriTrust) and a third party were served with a Statement of Claim in the amount of \$495,392 from Denton's Canada LLP., relating to outstanding professional fees for the period of approximately 2012 through 2015. PowerBand Solutions Inc. (now known as AmeriTrust) did not retain the claimant during this period and denied that it was obligated to pay these fees. On January 29, 2025, the parties settled the claim. AmeriTrust paid Denton's Canada LLP a sum of \$150,000 on January 31, 2025, in full satisfaction of the claim. Dentons will obtain an Order dismissing the Dentons action on a without cost basis and shall deliver a copy of the issued and entered dismissal order upon receipt.
2. On September 20, 2024, the Company was served with a Statement of claim from the former Chief Executive Officer relating to liquidated damages in the amount of \$1,897,977 pursuant to a Mutual Separation Agreement ("MSA"). This amount has been reported as a debt in the statement of financial position. See note 19. On November 11, 2024, the Company filed a Statement of Defence for breach of the terms of the MSA and counterclaim for damages for breach of contract. On January 29, 2025, the parties signed a mutual full and final release of the claim. The parties executed an Assignment and License Agreement to assign Source Code assets (as that term is defined in the Assignment and License Agreement) and all of its Intellectual property rights, related to previously developed legacy software that is no longer utilized by the Company, provided that AmeriTrust is paid reasonable expenses to facilitate such transfer. These assets have a carrying value of \$nil (December 31, 2023 - \$nil) in the consolidated statement of financial position.
3. In January 2025, the Company issued 3,125,000 restricted share units to key management at a price of \$0.125 per common share, that vest on the one-year anniversary.