WONDERFI TECHNOLOGIES INC.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in Canadian dollars - audited)

Raymond Chabot Grant Thornton

Independent Auditor's Report

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To the Shareholders of
WonderFi Technologies Inc.

Opinion

We have audited the consolidated financial statements of WonderFi Technologies Inc. (hereafter "the Company"), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of loss and comprehensive loss, the consolidated statements of changes in shareholders' equity and the consolidated statements of cash flows for the years ended December 31, 2024 and 2023, and notes to consolidated financial statements, including material accounting policy information.

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

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, 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.

Key audit matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. This matter was 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 this matter. We have determined that the matter described below is the key audit matter to be communicated in our report.

Existence and rights and obligations of digital asset inventory and client digital assets

As described in Notes 3, 9 and 11 to the consolidated financial statements, the Company holds digital assets presented under Digital asset inventory and Client digital assets (hereafter "digital assets") totalling $2,009,961,522. We identified the existence and rights and obligations of the digital assets as a key audit matter.

Why the matter was determined to be a key audit matter

Digital assets are significant to our audit because the total balance as at December 31, 2024 is material to the consolidated financial statements and because of the complexities involved in auditing existence and rights and obligations of the digital assets recognized. Given these considerations, the related audit effort in evaluating management's judgments was extensive and required a high degree of auditor judgment.

How the matter was addressed in the audit

Our audit procedures related to the existence and rights and obligations of the digital assets included, among others:

- We assigned professionals with specialized skills in blockchain, digital assets and cryptography;
- For digital assets safeguarded by a custodian:
  - We obtained confirmations of quantities;
  - When conclusive, we tested the operating effectiveness of internal controls related to the existence and rights and obligations of digital assets, including customer key management, by obtaining and evaluating the report attesting that those controls at the service organization (custodians) are operating effectively;
  - When the operating effectiveness of internal controls related to the existence and rights and obligations of digital assets, including customer key management, was not conclusive, we tested the existence and rights and obligations of digital assets by confirming directly to the blockchain using our own node and tested that the entity had control over its keys;
- For the remaining digital assets held by third parties, we obtained and reviewed service agreements and performed the appropriate procedures, depending on the third party, among the following:
  - We obtained confirmations of quantities;
  - We analyzed transactions subsequent to year-end;
  - We traced the digital assets directly to the blockchain using our own node.

Information other than the consolidated financial statements and the auditor's report thereon

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

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 Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact 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 the 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the 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 Company's internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 of the current period 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 Louis Roy.

Raymond Chabot Grant Thornton LLP[1]

Montréal
March 29, 2025

[1] CPA auditor, public accountancy permit no. A125741

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Notes to the Consolidated Financial Statements:

WONDERFI TECHNOLOGIES INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at December 31, 2024 and 2023

(expressed in Canadian Dollars, except share and per share amounts)

	Notes	December 31, 2024	December 31, 2023
Assets			
Current assets			
Cash	7	34,346,337	26,087,974
Trade and other receivables	8	929,226	555,140
Digital asset inventory	9	14,370,289	11,227,648
Client custodial cash	10	105,604,138	97,563,362
Client digital assets (i)	11	1,995,591,233	907,050,666
Prepaid expenses		1,421,063	1,366,934
Loans receivable		268,815	373,121
Income tax credit receivable (restated – Note 5)		1,017,130	1,017,130
Total current assets		**2,153,548,231**	**1,045,241,975**
Investments	12	2,594,439	12,816,506
Investment in associate	13	6,839,062	7,238,751
Right-of-use assets	14	-	353,950
Property and equipment	15	145,525	236,733
Intangible assets (restated - Note 5)	16	40,288,843	48,219,429
Goodwill (restated - Note 5)	17	20,295,690	20,295,690
Total assets		**2,223,711,790**	**1,134,403,034**
Liabilities			
Current liabilities			
Trade and other payables	18	14,403,199	11,002,277
Current portion of lease liabilities	14	-	242,538
Client custodial cash liabilities	10	105,604,138	97,563,362
Client digital assets liabilities (ii)	11	1,995,591,233	907,050,666
Income tax payable	24	2,069,681	-
Current portion of contingent consideration	19	1,893,773	3,831,412
Current warrant liabilities	20	432,380	-
Total current liabilities		**2,119,994,404**	**1,019,690,255**
Contingent consideration	19	1,041,726	4,393,521
Warrant liabilities	20	-	2,425,176
Deferred tax liabilities	24	-	3,733,994
Lease liabilities	14	-	70,660
Long-term debt		225,723	314,646
Total liabilities		**2,121,261,853**	**1,030,628,252**
Shareholders' equity			
Share capital	21	284,021,894	285,225,857
Contributed surplus		14,402,649	13,282,266
Deficit (restated - Note 5)		(195,974,606)	(194,733,341)
Total shareholders' equity		**102,449,937**	**103,774,782**
Total shareholders' equity and liabilities		**2,223,711,790**	**1,134,403,034**

(i) safeguarding assets

(ii) safeguarding liabilities

WONDERFI TECHNOLOGIES INC.

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the Years Ended December 31, 2024 and 2023

(expressed in Canadian Dollars, except share and per share amounts)

	Notes	Year Ended December 31, 2024	Year Ended December 31, 2023
Revenue		**57,742,798**	**28,276,353**
Expenses			
Salaries and wages		15,606,997	11,805,491
Bank and transaction fees		6,852,767	4,166,297
Marketing		5,390,555	1,415,541
Professional and consulting fees		7,585,689	5,195,399
Software licenses		5,062,481	4,705,164
Commission expenses		2,828,944	3,208,699
General and administrative expenses		5,173,225	2,709,803
Compliance fees		1,663,257	1,613,486
Share-based payments	21	2,420,386	2,387
Depreciation and amortization (restated - Note 5)		8,941,705	10,550,491
Operating loss		**(3,783,208)**	**(17,096,405)**
Other expense (income)			
Interest income		(4,432,214)	(1,656,127)
Interest expense		94,093	119,688
Acquisition costs	6	237,544	5,397,264
Provisions and allowances	8,18	14,237,778	4,186,449
Share issuance cost	21	-	149,324
Foreign exchange loss (gain)		(796,673)	(526,257)
Changes in fair value of investments	12	(504,627)	(8,527,723)
Gain on distribution from investments	12	(673,031)	-
Share of loss of an associate	13	399,689	2,274,147
Other losses and gains	23	(9,440,188)	(159,004)
Net loss before income taxes		**(2,905,579)**	**(18,354,166)**
Income tax expense (recovery)	24	2,069,680	(522,156)
Deferred tax recovery	24	(3,733,994)	(335,286)
Total Comprehensive loss		**(1,241,265)**	**(17,496,724)**
Net loss per share attributable to common stockholders:			
Basic and fully diluted		$ 0.00	$ (0.04)
Weighted average number of common shares outstanding:			
Basic and fully diluted		649,123,094	437,653,656

WONDERFI TECHNOLOGIES INC.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the Years Ended December 31, 2024 and 2023
(expressed in Canadian Dollars, except share and per share amounts)

	Note(s)	Number of common shares	Share capital ($)	Contributed surplus ($)	Deficit ($)	Total shareholders' equity ($)
Balance as of December 31, 2023		**651,507,804**	**285,225,857**	**13,282,266**	**(194,733,341)**	**103,774,782**
Shares issued for options exercise	21	573,004	162,844	(43,687)	-	119,157
Shares issued for warrant exercise	21	80,000	24,600	4,548	-	29,148
Restricted shares issued	21	3,195,410	1,260,864	(1,260,864)	-	-
Share-based payments	21	-	-	2,420,386	-	2,420,386
Shares repurchased	21	(12,463,854)	(2,652,271)	-	-	(2,652,271)
Net loss for the period		-	-	-	(1,241,265)	(1,241,265)
Balance as of December 31, 2024		**642,892,364**	**284,021,894**	**14,402,649**	**(195,974,606)**	**102,449,937**
Balance as of December 31, 2022		**214,637,855**	**209,164,509**	**13,174,390**	**(177,236,617)**	**45,102,282**
Private placements	21	22,800,000	3,627,480	-	-	3,627,480
Share issuance cost	21	-	(390,106)	170,863	-	(219,243)
Shares issued for services	21	18,036,577	3,127,382	455,834	-	3,583,216
Shares issued for options exercise	21	296,130	87,359	(23,089)	-	64,270
Shares issued for warrant exercise	21	200,000	66,000	12,020	-	78,020
Restricted shares issued	21	4,946,266	1,032,665	(1,032,665)	-	-
Share-based payments	21	-	-	2,387	-	2,387
Shares issued for business combinations	21	390,590,976	68,510,568	522,526	-	69,033,094
Net loss for the period (restated - Note 5)		-	-	-	(17,496,724)	(17,496,724)
Balance as of December 31, 2023		**651,507,804**	**285,225,857**	**13,282,266**	**(194,733,341)**	**103,774,782**

WONDERFI TECHNOLOGIES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2024 and 2023
(expressed in Canadian Dollars, except share and per share amounts)

	Notes	Year Ended December 31, 2024	Year Ended December 31, 2023
Operating activities			
Net loss for the period		(1,241,265)	(17,496,724)
Changes in non-cash operating items			
Depreciation and amortization (restated - Note 5)		8,941,705	10,550,491
Share-based payments	21	2,420,386	2,387
Shares issued for services	21	-	3,583,216
Share of loss of an associate		399,689	2,274,147
Foreign exchange loss (gain)		(796,673)	(526,257)
Changes in fair value of investments		(504,627)	(8,527,723)
Gain on distribution from investments		(673,031)	-
Share issuance cost		-	149,324
Interest expense		94,093	119,688
Interest income		(4,432,214)	(1,656,127)
Other losses and gains	23	(9,440,188)	(159,004)
Income tax expense		2,069,680	-
Deferred tax recovery	24	(3,733,994)	(335,286)
		(5,655,174)	**5,474,856**
Changes in working capital items	25	4,593,302	(5,295,559)
Cash used in operating activities		**(2,303,137)**	**(17,317,427)**
Investing activities			
Sale of investment	12	11,634,829	104,828
Interest earned on client custodial cash		4,428,889	1,638,115
Loan receivable collected		57,631	1,376,431
Purchase of investment	12	(81,984)	-
Purchase of intangible assets	16	(190,985)	(787,500)
Purchase of property and equipment	15	(177,834)	(33,241)
Additions to investment in associate	13	-	(500,000)
Cash collateral withdrawn		-	3,536,375
Net cash consideration for business combinations	6	-	23,547,680
Cash provided by investing activities		**15,670,546**	**28,882,688**
Financing activities			
Proceeds from private placements	21	-	5,016,000
Share issuance costs	21	-	(368,567)
Shares repurchased	21	(2,652,271)	-
Proceeds from options exercised	21	119,157	64,270
Proceeds from warrants exercised	20,21	24,000	60,000
Lease payments	14	(298,181)	(313,903)
Long-term debt payments		(88,923)	(186,784)
Contingent consideration payments	19	(2,212,828)	-
Cash provided by (used in) financing activities		**(5,109,046)**	**4,271,016**
Net change in cash		**8,258,363**	**15,836,277**
Cash, beginning of period		26,087,974	10,251,697
Cash, end of period		**34,346,337**	**26,087,974**

1. NATURE OF OPERATIONS

WonderFi Technologies Inc. ("WonderFi" or the "Company") aims to revolutionize access to digital assets. The Company is engaged in the development and acquisition of technology platforms to facilitate investments in the emerging industry of digital assets. WonderFi boasts one of the largest communities of crypto investors within a single regulated ecosystem in Canada and is devoted to offering its users access to new regulated verticals, designed to empower the next generation of investors. The Company's common shares trade on the Toronto Stock Exchange ("TSX") under the symbol "WNDR". The Company's registered office is located at Suite 2200, 885 West Georgia St., Vancouver, British Columbia, V6C 3E8.

WonderFi and its subsidiaries are primarily in the business of providing digital asset exchange services to a diverse base of retail, institutional and private wealth clients within a Canadian Investment Regulatory Organization ("CIRO") regulated trading environment. Additionally, the company operates a digital asset payments solution platform allowing customers to instantly convert digital assets to fiat with same day settlement.

On July 7th, 2023, the Company acquired all the issued and outstanding shares of Coinsquare Limited ("Coinsquare"). Founded in 2014, Coinsquare provides customers with a proprietary platform engineered to deliver a robust, secure, and intelligent interface for trading digital assets.

On July 7th, 2023, the Company acquired all the issued and outstanding shares of CoinSmart Financial Inc. ("CoinSmart"). CoinSmart is a leading Canadian-headquartered crypto asset trading platform dedicated to providing customers with an intuitive way for buying and selling digital assets. CoinSmart also has a digital asset payments solution, SmartPay, which has successfully processed over one million transactions to date.

On November 15th, 2023, by way of an asset purchase agreement the Company acquired all of the specified client accounts of Bitvo Inc. ("Bitvo"). Bitvo is a crypto-trading platform based in Calgary, Alberta that is registered as a restricted dealer in Canada.

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (hereafter "IFRS Accounting Standards").

These consolidated financial statements were approved and authorized for issue by the Board of Directors on March 29, 2025.

Basis of presentation and measurement

These consolidated financial statements have been prepared on a historical cost basis except for digital assets inventory, client digital assets, investments, client digital assets liabilities, contingent considerations and

(Continued on next page)

warrant liabilities which are measured at fair value and investment in associate, which is measured using the equity method.

Certain comparative figures have been reclassified to conform with the presentation adopted in the current year.

- Aggregation of "Due to liquidity providers" grouped into "Trade and other payables" previously reported separately.

Foreign currency translation

The consolidated financial statements are presented in Canadian dollars. Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ('the Functional Currency'). The Company determines the Functional Currency of each subsidiary which best reflects the economic environment in which the subsidiary operates and conducts its transactions.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and 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 in the consolidated statements of net income or loss and comprehensive income or loss.

Non-monetary items are not retranslated at the period-end. They are measured at historical cost, except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

On consolidation, assets and liabilities have been translated into Canadian Dollar at the closing rate at the reporting date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into Canadian Dollar at the closing rate. Income and expenses have been translated into Canadian Dollar at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are reclassified to profit or loss and are recognised as part of the gain or loss on disposal, if applicable.

Basis of consolidation

These consolidated financial statements include accounts of the Company and its wholly-owned subsidiaries, from the date of control, as at December 31, 2024. All intercompany balances and transactions have been eliminated upon consolidation.

(Continued on next page)

(expressed in Canadian Dollars, except share and per share amounts)

Subsidiaries	Jurisdiction	Ownership	Functional Currency
BigTerminal.com Inc.	Canada	100%	Canadian Dollar
Blockchain Foundry Inc.	Canada	100%	Canadian Dollar
Blockchain Foundry 2018 Ltd.	Canada	100%	Canadian Dollar
Coin Capital Asset Management Inc.	Canada	100%	Canadian Dollar
Coin Capital Investment Management Inc.	Canada	100%	Canadian Dollar
CoinSmart Financial Inc.	Canada	100%	Canadian Dollar
Coinsquare Canada Ltd.	Canada	100%	Canadian Dollar
Coinsquare Capital Markets Limited	Canada	100%	Canadian Dollar
Coinsquare Investments Ltd.	Canada	100%	Canadian Dollar
Coinsquare Limited	Canada	100%	Canadian Dollar
S.D.T. OU	Estonia	100%	Canadian Dollar
Simply Digital Technologies Inc.	Canada	100%	Canadian Dollar
Simply Digital Technologies UAB	Lithuania	100%	Canadian Dollar
Simply Digital Technologies USA Inc.	United States	100%	United States Dollar
Twenty One Digital Inc.	Canada	100%	Canadian Dollar
WonderFi Australia Pty Ltd (formerly FXI Institutions Pty Ltd)	Australia	100%	Australia Dollar
WonderFi Digital Inc.	Canada	100%	Canadian Dollar
WonderFi Interactive Ltd.	Canada	100%	Canadian Dollar
WonderFi Labs Inc.	British Virgin Islands	100%	United States Dollar

On November 20, 2024, WonderFi Technologies Inc. incorporated a wholly-owned subsidiary, WonderFi Labs Inc. that pursuant to the British Virgin Islands Business Companies Act, 2004. There was no activity transacted through this subsidiary during the fiscal 2024.

On December 22, 2024, WonderFi Technologies Inc. dissolved its wholly-owned subsidiary, Bitbuy Gaming Inc. The dissolution was part of a strategic decision to streamline operations and focus on core business activities.

On December 30, 2024, WonderFi Technologies Inc. completed the amalgamation of its wholly-owned subsidiaries. The assets of Coinberry Limited, Bitbuy Holdings Inc., Bitbuy Technologies Inc. and Blockchain Markets Inc have been consolidated into Coinsquare Capital Markets Limited's balance sheet as of the amalgamation date. This strategic move was undertaken to streamline operations, reduce administrative costs, and enhance overall efficiency.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

This note provides a list of the material accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated.

Business combinations

The Company follows the acquisition method to account for business combinations in accordance with IFRS 3, *Business Combinations*. The consideration for the acquisition of a business is measured as the fair value of assets transferred, equity instruments issued and liabilities incurred as at the date of acquisition. Identifiable assets acquired and liabilities assumed in a business combination are measured at their estimated fair values on the date of a business acquisition.

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The excess of the consideration transferred over the estimated fair value of the net assets acquired is recorded as goodwill. If the consideration transferred is less than the net assets acquired, the difference is recognized directly in the consolidated statement of income or loss and comprehensive income or loss as a gain on acquisition.

Results of operations of a business acquired are included in the Company's consolidated financial statements from the date of the business acquisition. Acquisition costs including those tied to continuing employment of pre-existing shareholders for future services are recognized in the consolidated statement of income or loss and comprehensive income or loss.

New information obtained during the measurement period, which is up to 12 months following the acquisition date, about facts and circumstances existing at the acquisition date may affect the purchase price allocation.

Revenue recognition

The Company records revenue from contracts with customers in accordance with IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15") as follows:

- Identifying the contract with a customer;
- Identifying the performance obligations;
- Determining the transaction price;
- Allocating the transaction price to the performance obligations;
- Recognizing revenue when/as performance obligations are satisfied.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably. The following are the specific revenue recognition criteria which must be met before revenue is recognized:

Transaction Revenue

Transaction revenue includes fees earned from retail and institutional customers when they buy, sell, or convert digital assets on the Company's platform. The Company earns revenue through transaction fees as well as from spreads embedded in the prices quoted to customers.

The Company's service consists of a single performance obligation: to provide a digital asset execution or matching service. The performance obligation is satisfied at a point in time when the trade is executed and the digital asset or fiat currency is delivered to the customer.

The transaction price is determined based on either a stated trading fee (expressed as a percentage of transaction value) or the spread between the quoted price to the customer and the reference price available from third-party liquidity providers or the Company's internal order book.

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In accordance with IFRS 15 – Revenue from Contracts with Customers, the Company evaluates whether it is acting as a principal or an agent in facilitating each transaction. This assessment requires significant judgement and is based on indicators of control, including whether the Company:

- controls the digital asset prior to its transfer to the customer,
- is primarily responsible for fulfilling the promise to the customer,
- has inventory risk before or after transfer, and
- has discretion in setting prices.

Based on this assessment, the Company has concluded that it acts as an agent in these transactions. The Company does not obtain control of the digital asset prior to transfer to the customer, does not assume inventory risk, and does not have pricing discretion beyond the application of a transparent and pre-disclosed spread. The price of the digital asset is determined by reference to market-based prices provided by external liquidity sources or internal order books. Accordingly, revenue is presented net of the gross transaction value, and only the transaction fee or spread retained by the Company is recognized as revenue.

Revenue is recognized at the point in time when the customer's transaction is executed and the Company has fulfilled its performance obligation. Contracts with customers are open-ended and are established at the transaction level; they can be terminated by either party at any time without penalty.

Payments Revenue

Payments revenue represents service fees earned from enabling merchants or nonprofit organizations (the Company's customers) to accept digital assets as payment for goods, services, or donations. The Company's performance obligation is to facilitate the real-time conversion of digital assets received from payers into fiat currency and to remit the resulting proceeds to the customer.

The Company satisfies its performance obligation at the point in time when the digital asset has been successfully converted and settlement instructions have been initiated. The transaction price is based on a predefined pricing schedule, which may include fixed or volume-based fees.

The Company has assessed that it acts as an agent in these arrangements because it does not control the digital asset prior to conversion, does not assume inventory or price risk, and does not set the exchange rate, which is determined by external liquidity providers. Accordingly, revenue is presented net of the crypto-to-fiat proceeds remitted to the customer.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the President and Chief Executive Officer. The Company has three operating segments: Trading, Payments and Corporate.

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Cash

Cash comprises deposits held with financial institutions, third-party payment processors, and crypto asset exchanges with which the Company maintains trading accounts.

Digital asset inventory

The Company has assessed that it acts in a capacity as a commodity broker trader as defined in IAS 2, Inventories, in characterizing certain of its digital asset holdings as inventory. If assets held by commodity broker-traders are principally acquired for the purpose of selling in the near future and generating a profit from fluctuations in price or broker-traders' margin, such assets are accounted for as inventory, and changes in fair value (less costs to sell) are recognized in the statements of loss and comprehensive loss. Fair value is determined by reference to quoted prices published by CoinMarketCap, a pricing aggregator.

Client custodial cash and client custodial cash liabilities

Client custodial cash relates to funds deposited and held for the exclusive benefit of customers. The client funds are held in bank accounts with reputable financial institutions which the Company has control over and bears any associated risk. Client custodial cash liabilities represent the obligation to return cash deposits held by customers in their fiat wallets and unsettled fiat deposits and withdrawals. The excess (deficit) of all assets backing client liabilities is for the benefit of the Company and not owed to customers. The Company restricts the use of the cash amounts underlying the client custodial cash liabilities to meet regulatory requirements and classifies the assets and liabilities as current based on their purpose.

Client digital assets and client digital assets liabilities

Client digital assets and liabilities represent the Company's obligation to safeguard customers' digital assets in digital wallets on the Company's platform. The Company safeguards these assets for customers and is obligated to safeguard them from loss, theft, or other misuse. Client digital assets and liabilities are classified as current, as they are regularly traded on exchange platforms globally between willing buyers and sellers, which provide a high degree of liquidity. The excess (deficit) of all assets backing liabilities is for the benefit of the Company and not owned to customers. In accordance with IAS 38, I*ntangible Assets*, client digital assets are initially recognized at cost, and the revaluation method is used to measure client digital assets subsequently. The fair value of client digital assets liabilities is reflective of the fair value of the client digital assets described above.

Client digital assets and liabilities are measured at fair value using the quoted price on CoinMarketCap (Cryptocompare in 2023). The Company believes any price difference amongst the principal market and an aggregated price to be immaterial. Management considers this fair value to be a Level 2 input under IFRS 13, *Fair Value Measurement*, and the fair value hierarchy, as the price on this source represents an average of quoted prices on multiple digital currency exchanges.

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Investments

Investments represent equity securities purchased for strategic purposes and that held for long-term investment objectives. In accordance with IFRS 9, these assets are measured at fair value through profit or loss.

Investment in an associate

An associate is an entity in which the Company has significant influence, but not control or joint control, over the financial and operating policies. Interest in associates is accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Company's share of the profit or loss and comprehensive income or loss of equity accounted investees, until the date on which significant influence ceases.

After application of the equity method, the Company determines whether it is necessary to recognize an impairment loss on its investment in its equity-accounted investees. At each reporting date, the Company determines whether there is objective evidence that the investments in the equity-accounted investees are impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the equity-accounted investees and its carrying value, and then recognizes the loss within its share of profit or loss of its equity-accounted investees in the consolidated income or loss.

Property and equipment

Property and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses. Property and equipment are depreciated on a straight-line basis based on the useful life of each component as follows:

- Computer equipment 36 months
- Furniture and fixtures 36 months

The residual value, useful life and depreciation method applied to each class of assets are reassessed at each reporting date.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised within general and administrative expenses.

Intangible assets

Intangible assets acquired separately are initially measured at cost plus direct acquisition costs. Intangible assets acquired in the Business Combinations are measured at their fair value as at the acquisition date.

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The Company's intangible assets consist of technology, customer relationships and brand names acquired in Business Combinations are amortized on a straight-line basis over their useful lives as follows:

- Customer relationships 7 years
- Technology 10 years
- Brand 10 years

The residual value, useful life and depreciation method applied to each class of assets are reassessed at each reporting date.

Goodwill

Goodwill represents the excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired at the date of acquisition. Cost comprises the fair value of assets given, liabilities assumed, and equity instruments issued, plus the amount of any non-controlling interests in the acquiree plus, if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree. Contingent consideration is included in cost at its acquisition date fair value and, in the case of contingent consideration classified as a financial liability, remeasured subsequently through profit or loss. Direct costs of acquisitions are recognized immediately as an expense. Goodwill is carried at cost less any accumulated impairment losses. Goodwill is allocated to each cash generating unit ("CGU") or group of CGUs. A CGU represents the lowest level within the entity at which the goodwill is monitored for internal management purposes, which is not higher than an operating segment. Goodwill is not amortized, but rather reviewed for impairment annually or more frequently if events or circumstances indicate that the asset might be impaired.

Impairment of non-financial assets and goodwill

The carrying amount of the Company's property and equipment and intangible assets with definite lives, which includes technology, customer relationships and brands acquired in Business Combinations, are reviewed whenever an indicator of impairment exists. If such indication exists, the asset's recoverable amount is estimated.

Goodwill and indefinite life intangible assets are reviewed based on its group of cash-generating units ("CGU") for impairment annually or at any time if an indicator of impairment exists.

An impairment loss is recognised for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. Assets that cannot be tested individually are grouped at the lowest levels for which there are separately identifiable cash inflows, typically at the CGU level. An impairment loss is recognized whenever the carrying amount of an asset or its CGU exceeds its recoverable amount. Impairment losses are recognized in the consolidated statements of income or loss and comprehensive income or loss.

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An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses are assessed at each reporting date for an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. Any reversal of impairment losses cannot increase the carrying value of the asset to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Leases

Leases are recognized as a right-of-use asset with a corresponding liability at the date at which the leased asset is available for use in accordance with IFRS 16, *Leases*. Each lease payment is allocated between the liability and the finance cost. The finance cost is charged to profit or 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.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments, less any lease incentives receivable;
- Variable lease payments that are based on an index or rate;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- Payments for penalties for terminating the lease.

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.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

Payments associated with short-term leases and leases of low-value assets less than $5,000 are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a term of 12 months or less.

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

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Provisions

Under IAS 37, *Provisions, Contingent Liabilities and Contingent assets*, provisions represent liabilities to the Company for which the amount or timing is uncertain. A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When the Company expects that part or all of the expense will be refunded, the refund will be recognized as a separate asset only on the date when there is certainty of receiving the asset. The expense will be recognized in the statement of income or loss net of the expected refund.

Income taxes

Income tax expense comprises current and deferred income tax. Current tax and deferred tax are recognized in the consolidated statement of loss and comprehensive loss except to the extent that they relate to a business combination, or items recognized directly in equity or in other comprehensive income or loss.

Current tax is the expected tax payable or recoverable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is recognized based on tax rates expected to apply to the period when these differences are reversed.

Deferred tax assets are recognized only to the extent it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. This involves an assessment of when those deferred tax assets are likely to be realized, and a judgment as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as in the amounts recognized in profit or loss in the period in which the change occurs. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Share capital

Financial instruments issued by the Company are classified as share capital only to the extent that they do not meet the definition of a financial liability.

The Company’s common shares are classified as equity instruments. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

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Repurchases by the Company of its own common shares under a Normal Course Issuer Bid ("NCIB") are accounted for in accordance with IAS 32, *Financial Instruments: Presentation*. Upon reacquiring common shares under an NCIB, the Company deducts from equity the purchase price of these common shares and any costs to acquire such common shares. Any such common shares held by the Company are considered treasury shares until they are cancelled.

Contributed Surplus

Contributed surplus includes consideration recognized pursuant to equity-settled share-based compensation including options, restricted share units and warrants classified as equity.

Share based payments

Share-based payments are recorded in accordance with IFRS 2, *Share-based Payment*.

Restricted share units

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. For restricted share units ("RSUs"), the fair value at the grant date is determined by multiplying the Company's share price at the grant date by the number of RSUs granted. The resulting fair value of the RSUs is then adjusted for an estimated forfeiture rate which is determined based on historical data and is recognized over the vesting period. Actual number of RSUs that will eventually vest is likely to be different from estimation.

Shares

The Company grants shares vesting immediately in exchange of certain services. In the absence of evidence to the contrary, the Company presumes the services have been received at the grant date and recognizes the services expense in full with a corresponding increase to share capital.

The fair value of shares vesting immediately is based on the closing stock price at the grant date if the fair value of services cannot be reliably measured.

Options and brokers warrants

The Company operates a stock option plan to certain employees. Employee options are measured at the fair value of the options granted and recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant party becomes fully entitled to the award ("Vesting Date").

The Company also grants options and warrants in exchange of certain services from non-employees. Options and warrants to non-employees are measured at the fair value of services received or the fair value of the equity instruments issued if it is determined the fair value of the services cannot be reliably measured. The service expenses are recorded at the date the services are received.

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The fair value of options and warrants is measured at the grant date and each tranche is recognized on a graded-vesting basis over the vesting period based on the number of options and warrants expected to ultimately vest. The number of options and warrants expected to vest is reviewed for adjustment at least annually. The terms and conditions of the options and warrants granted are accounted for in measuring the fair value using the Black-Scholes option pricing model.

Where options and warrants are exercised, the cash proceeds along with the amount previously recorded as share-based payment reserves under contributed surplus is reclassified to share capital. Where options and warrants expire unexercised, amounts previously recorded as contributed surplus remain as such.

Units and warrants liabilities

Units issued as part of private placements consisting of one common share of the Company and one-half of one common share purchase warrants are compound financial instruments which are accounted for based on the nature of the individual components. As the conversion option for the warrants has a variable conversion rate which is subject to future events that may take place, the conversion option is noted to violate the fixed-for-fixed criteria within IAS 32, *Financial Instruments: Presentation*, and is classified as a derivative liability, due to the value of the instrument changing based on the underlying change in the fair value of shares, measured at fair value through profit and loss ("FVTPL"). The residual value between the cash proceeds received from such private placements, and the fair value assigned to the warrants is recognized as equity. The fair value of warrants is updated at each reporting period, with the change in fair value being recognized in the current period statement of loss and comprehensive loss.

Financial Instruments

Financial assets

Recognition and initial measurement

The Company recognizes financial assets when it becomes party to the contractual provisions of the instrument. Financial assets are measured initially at their fair value plus, in the case of financial assets not subsequently measured at FVTPL, transaction costs that are directly attributable to their acquisition. Transaction costs attributable to the acquisition of financial assets subsequently measured at FVTPL are expensed in profit or loss when incurred.

Classification and subsequent measurement

Subsequent to initial recognition, all financial assets, except investments, are classified and subsequently measured at amortized cost. Interest revenue is calculated using the effective interest method and gains or losses arising from impairment, foreign exchange and derecognition are recognized in profit or loss. Financial assets measured at amortized cost comprise cash, client custodial cash, trade and other receivables and loans receivable.

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Investments

The Company's investments comprise of interests in equity instruments of unlisted companies. The Company subsequently measures all equity investments at fair value. The equity investments are measured at FVTPL, using either active market transactions to value its investment or other valuation methods whenever no active market exists. Variation in fair value is recorded in the consolidated statements of loss and comprehensive loss.

Reclassifications

The Company reclassifies debt instruments only when its business model for managing those financial assets has changed. Reclassifications are applied prospectively from the reclassification date and any previously recognized gains, losses or interest are not restated.

Impairment

The Company recognizes a loss allowance for the expected credit losses associated with its financial assets, other than debt instruments measured at FVTPL and equity investments. Expected credit losses ("ECLs") are measured to reflect a probability-weighted amount, the time value of money, and reasonable and supportable information regarding past events, current conditions and forecasts of future economic conditions.

The Company assesses whether a financial asset is credit-impaired at the reporting date. The Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date.

Loss allowances for expected credit losses are presented in the consolidated statements of financial position as a reduction from the gross carrying amount of the financial asset.

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

Derecognition of financial assets

The Company derecognizes a financial asset when its contractual rights to the cash flows from the financial asset expire.

Financial liabilities

Recognition and initial measurement

The Company recognizes a financial liability when it becomes party to the contractual provisions of the instrument. At initial recognition, the Company measures financial liabilities at their fair value plus transaction costs that are directly attributable to their issuance, with the exception of financial liabilities subsequently measured at FVTPL, for which transaction costs are immediately recorded in profit or loss.

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Where an instrument contains both a liability and equity component, these components are recognized separately based on the substance of the instrument, with the liability component measured initially at fair value and the equity component assigned the residual amount. Transaction costs of equity transactions are split between the two components.

Classification and subsequent measurement

The following financial liabilities are measured at FVTPL:

- Warrant financial liabilities
- Client digital assets liabilities (to the extent of the obligation to deliver fiat currency, except digital assets)
- Contingent consideration

Changes in the fair value of these financial liabilities are recognized in profit or loss. Financial liabilities are not reclassified subsequent to initial recognition.

The following financial liabilities are measured at amortized cost:

- Trade and other payables
- Client custodial cash liabilities
- Long-term debt

Subsequently, these financial liabilities are measured at amortized cost using the effective interest method.

Derecognition of financial liabilities

The Company derecognizes a financial liability only when its contractual obligations are discharged, cancelled or expire.

Loss Per Share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by the treasury stock method and to the extent that it is not antidilutive. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

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Recently issued accounting pronouncements

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

At the date of authorization of these consolidated financial statements, several new, but not yet effective, standards and amendments to existing standards, and interpretations have been published by the International Accounting Standards Board (IASB). None of these standards or amendments to existing standards have been early adopted by the Company. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Company's consolidated financial statements except IFRS 18.

IFRS 18 Presentation and Disclosures in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. Although IFRS 18 includes many of the requirements of IAS 1, it introduces new requirements to better structure financial statements and provides more detailed and useful information to investors, including:

- two new subtotals defined in the statement of profit or loss, namely (1) operating profit and (2) profit or loss before financing and income taxes;
- the classification of all income and expenses within the statement of profit or loss in one of five categories;
- a new requirement to disclose performance measures defined by management;
- an improvement in the principles related to the aggregation and disaggregation of information in the financial statements and accompanying notes.

The publication of IFRS 18 results also in consequential amendments to other IFRS standards, including IAS 7 Statement of Cash Flows.

IFRS 18 is effective for annual periods beginning on or after 1 January 2027, with earlier application permitted. IFRS 18 will apply retrospectively with specific transitional provisions. The Company is currently working to identify all impacts that the amendments will have on the primary financial statements and notes to the consolidated financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected.

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Revenue recognition

Judgement is required in determining whether the Company is the principal or agent in transactions between customers. The Company evaluates the presentation of revenue on a gross or net basis based on whether it controls the digital assets before it is transferred to the customer or whether it acts as an agent by arranging for other customers on the platform to provide the digital assets to the customer. The Company has concluded that it acts as an agent in facilitating the ability for a customer to purchase and sell digital assets.

Valuation of business combinations

Judgment is used in determining whether an acquisition is a business combination or an asset acquisition. Judgment is also made on identifying assets acquired. For a business combination, significant estimates and assumptions are required to determine the purchase price allocation, including the valuation of intangible assets acquired.

Derivative liabilities

The Company values derivative liabilities associated with certain of its warrants from certain financing arrangements by reference to their fair value at the date at which the instrument is granted and each reporting period. Estimating fair value requires judgment in determining the most appropriate valuation model, which is determined based on the characteristics of the related instrument being issued. Further, this estimate also requires determining the most appropriate inputs to include in the valuation model, including the expected life and volatility as well as other subjective variables, and making assumptions about them. The Company values its derivative liabilities using a lattice-binomial option-pricing model ("Binomial Model"), which in management's opinion, best provides a fair measure of the fair value of these warrants. Changes in the input assumptions can materially affect the fair value estimate.

Contingent Consideration

The Company values contingent consideration liabilities arising from business acquisitions and the acquisition of specified customer relationships to their fair value at the date at which the instrument is granted and each reporting period. These liabilities reflect potential future payments based on various input factors. The key assumptions used to calculate the fair value of the contingent consideration are those regarding discount rates and inputs dependant on the contingency specific to each instrument. Contingent consideration is calculated using a discounted cash flow model which in management's opinion, best provides a fair measure of the fair value. Changes in the input assumptions can materially affect the fair value estimate.

Income taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income and possible sales tax collectable or payable.

The Company's liability for unrecognized tax benefits requires the use of assumptions and significant judgment to estimate the exposures associated with the Company's filing position. Although the Company believes that

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the judgments and estimates made are reasonable, actual results could differ and resulting adjustments could materially affect effective income tax rate and income tax provision. Any changes, based on additional available information, are accounted for prospectively as a change in accounting estimate.

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Impairment of non-financial assets

Management uses significant judgment in determining the fair value of non-financial assets, estimating the useful lives and impairment. The Company uses judgment in determining the carrying amount of non-financial assets by identifying the cash-generating units to which the asset belongs for purposes of testing for impairment. The Company's estimate of the recoverable amount involves estimating future cash flows before taxes from the relevant CGU. Future cash flows are estimated based on multi-year extrapolation of the most recent historical actual results and budgets. Impairment losses are recognized through profit or loss.

Digital asset inventory

There is limited guidance on the recognition and measurement of digital currencies. In accordance with IAS 2, *Inventories,* the Company notes that its subsidiaries act as a commodity broker-traders for its digital assets holdings. If assets held by commodity broker-traders are principally acquired for the purpose of selling in the near future and generating a profit from fluctuations in price or broker-traders' margin, such digital assets are accounted for as inventory and changes in fair value less cost to sell are recognized in profit or loss.

Client digital assets and client digital assets liabilities fair values

Client digital assets and client digital assets liabilities are carried at their fair value determined by the quoted price on CoinMarketCap (Cryptocompare in 2023). The digital assets asset market is still a new market and is highly volatile; historical prices are not necessarily indicative of future value. A significant change in the market prices for digital assets would have a significant impact on the Company's consolidated financial position.

The Company accounts for client digital assets and client digital assets liabilities as intangible assets in accordance with IAS 38, *Intangible Assets*. Upon acquisition, the assets are recorded at cost. On an ongoing basis the revaluation method is used to measure the value of the assets. The revaluation method has been applied as an active market exists for the assets under the revaluation model, revaluation loss will be recognized in the consolidated profit or loss, revaluation gain will be recognized in other comprehensive income or loss and accumulated in the revaluation reserve within equity except to the extent that they reverse a revaluation loss previously recognized in the consolidated profit or loss.

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Share based payment expenses

The estimation of share-based payment cost required the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Company had made estimates as to the volatility of its own shares, the probable life of share options granted and the time of exercise of those share options. The model used by the Company is the Black-Scholes valuation model.

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures and meet its liabilities for the ensuing year, involves significant judgment based on historical experience and other factors including an expectation of future events that are believed to be reasonable under the circumstances.

5. RESTATEMENT RELATING TO FINAL PURCHASE PRICE ALLOCATION

In the consolidated financial statements certain comparative figures have been restated to conform with the final purchase price allocation for July 7, 2023 acquisitions of Coinsquare Limited and CoinSmart Financial Inc., resulting from new information about facts and circumstances existing at the acquisition dates.

Restatements of Consolidated Statements of Financial Position

- $1,048,000 of customer relationships was recognized on the final purchase price allocation of Coinsquare Limited. This amount was previously recorded in goodwill.
- $400,000 of brand was recognized on the final purchase price allocation of Coinsquare Limited. This amount was previously recorded in goodwill.
- $1,864,000 of technology was recognized on the final purchase price allocation of Coinsquare Limited. This amount was previously recorded in goodwill.
- $326,932 of trade and other receivables previously recorded in the preliminary allocation of purchase consideration was not recognized on the final allocation of purchase consideration for Coinsquare Limited as based on new circumstances management determined this amount not to be collectable.
- $8,064,000 of customer relationships was recognized on the final purchase price allocation of CoinSmart Financial Inc. This amount was previously recorded in goodwill.
- $757,000 of technology was recognized on the final purchase price allocation of CoinSmart Financial Inc. This amount was previously recorded in goodwill.
- $586,000 of brand was recognized on the final purchase price allocation of CoinSmart Financial Inc. This amount was previously recorded in goodwill.
- The total adjustment to goodwill resulting from the final purchase price allocation was $12,392,068.

Restatements of Consolidated Statements of Income or Loss and Comprehensive Income or Loss

- $803,545 of amortization was recorded for the period covering July 7, 2023 to December 31, 2023 resulting from the recognition of the customer relationships, brand and technology in both the Coinsquare Limited and CoinSmart Financial Inc.'s final purchase price allocation ($386,831 - Q3 2023 and $416,714 - Q4 2023).
- $414,214 of amortization was recorded for the period covering January 1, 2024 to March 31, 2024 resulting from the recognition of the customer relationships, brand and technology in both the Coinsquare Limited and CoinSmart Financial Inc.'s final purchase price allocation.

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6. BUSINESS COMBINATIONS

Acquisition of Coinsquare Limited

On July 7, 2023, the Company completed the acquisition of Coinsquare Limited by purchasing all of the issued and outstanding shares of the entity. Through its subsidiary, Coinsquare Capital Markets Ltd. ("CCML"), Coinsquare Limited's principal activity is delivering a robust, secure, and intelligent interface for trading Bitcoin, Ethereum, and other digital assets. Coinsquare has grown to become Canada's oldest operating digital asset firm, with over half a million registered Canadian users. This acquisition was made to further solidify WonderFi as a leader amongst crypto companies in Canada. Pursuant to the purchase agreement, the Company issued 270,920,353 common shares on July 7, 2023. The fair value of the common shares has been determined as the closing market price of WonderFi's common shares on July 7, 2023.

The acquisition of Coinsquare by the Company has been accounted for as a business combination. The assets acquired from the acquisition are to be recorded at their estimated fair values in accordance with IFRS 3, *Business Combination*. IFRS 3 allows for a measurement period, which shall not exceed one year from the acquisition date, in which the Company may gather the information necessary to record the acquisition in accordance with IFRS 3.

The net assets acquired recognized in the consolidated financial statements are based on the final assessment of Coinsquare 's fair value. The Company has concluded its evaluation of the fair value of the identifiable intangible assets as at June 30, 2024.

Final goodwill to be recognized for this acquisition is the presence of certain intangible assets, such as assembled workforce, which do not qualify for separate recognition, and the fact that additional value is generated through the collective use of the acquired assets rather than individually. Goodwill has been allocated to the trading segment and is not expected to be deductible for income tax purposes.

The preliminary and final allocation of purchase consideration is as follows:

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(expressed in Canadian Dollars, except share and per share amounts)

	Preliminary Allocation July 7, 2023	Finalized Allocation July 7, 2023
Assets acquired:		
Cash	18,444,204	18,444,204
Restricted cash	2,318,375	2,318,375
Trade and other receivables	2,553,571	2,226,640
Digital assets inventory	1,846,610	1,846,610
Prepaid expenses	517,948	517,948
Client custodial cash	34,871,146	34,871,146
Client digital assets	320,323,932	320,323,932
Loans receivable	1,382,685	1,382,685
Investments	4,151,534	4,151,534
Investment in associate	8,474,127	8,474,127
Customer relationships	-	1,048,000
Technology	-	1,864,000
Brand	-	400,000
	394,884,132	397,869,201
Liabilities assumed:		
Trade and other payables	3,928,136	3,928,136
Client custodial cash liabilities	34,871,146	34,871,146
Client digital assets liabilities	320,323,932	320,323,932
Long-term debt	427,111	427,111
	359,550,325	359,550,325
Net assets acquired	35,333,807	38,318,876
Consideration	47,894,246	47,894,246
Goodwill	12,560,439	9,575,370
The consideration consists of the following components:		
Share consideration at closing	47,411,062	47,411,062
Stock options consideration	483,184	483,184
	47,894,246	47,894,246

Receivables were recognized at their fair value, which is not substantially different from their gross contractual value as at the date of acquisition.

Pursuant to the purchase agreement, 1,362,967 Coinsquare options are deemed to have been replaced by WonderFi's options at an exchange ration of 6.946745 as part of the transaction. The following assumptions were used in the calculation of the fair value of 9,468,184 WonderFi options issued resulting from the replacement as per Black-Scholes option pricing model:

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(expressed in Canadian Dollars, except share and per share amounts)

	Weighted average assumptions
Share price at grant date	$0.18
Exercise price	$0.17 to $0.30
Expected volatility (based on comparable publicly listed entities)	141.0%
Expected life	between .05 to 4.9
Expected dividends	Nil
Risk-free interest rate	4.33%

During the year ended December 31, 2023, the Company paid $1,967,090, for advisory, legal, valuation and consulting fees in cash relating to the acquisition of Coinsquare, recorded in acquisition costs. The Company paid 4,659,222 common shares for a total of $1,873,224 recorded in acquisition costs for advisory services relating to the acquisition of Coinsquare.

During the year ended December 31, 2023, Coinsquare contributed $6,398,553 to the Company's revenue and income of $8,125,124 to total net loss since the acquisition date. If the acquisition had occurred on January 1, 2023, Coinsquare would have contributed an additional $12,088,517 of revenues and $3,085,744 of net loss of the Company.

Acquisition of CoinSmart Financial Inc

On July 7, 2023, the Company completed the acquisition of CoinSmart Financial Inc. by purchasing all of the issued and outstanding shares of the entity. CoinSmart is a leading Canadian-headquartered crypto asset trading platform dedicated to providing customers with an intuitive way for buying and selling digital assets. This acquisition was made to further solidify WonderFi as a leader amongst crypto companies in Canada. Pursuant to the purchase agreement, the Company issued 117,924,334 common shares on July 7, 2023. The fair value of the common shares has been determined as the closing market price of WonderFi's common shares on July 7, 2023.

The acquisition of CoinSmart by the Company has been accounted for as a business combination. The assets acquired from the acquisition are to be recorded at their estimated fair values in accordance with IFRS 3, *Business Combination*. IFRS 3 allows for a measurement period, which shall not exceed one year from the acquisition date, in which the Company may gather the information necessary to record the acquisition in accordance with IFRS 3.

The net assets acquired recognized in the consolidated financial statements are based on the final assessment of CoinSmart's fair value. The Company has concluded its evaluation of the fair value of the identifiable intangible assets as at June 30, 2024.

Final goodwill to be recognized for this acquisition is primarily related to growth expectations, expected future profitability, the substantial skill and expertise of CoinSmart's workforce and expected cost synergies. Goodwill relating to the SmartPay platform has been allocated to the payments segment and is not expected to be deductible for tax purposes. Goodwill relating to the CoinSmart retail platform has been allocated to the trading segment and is not expected to be deductible for tax purposes.

The preliminary and final allocation of purchase consideration is as follows:

(Continued on next page)

(expressed in Canadian Dollars, except share and per share amounts)

	Preliminary Allocation July 7, 2023	Finalized Allocation July 7, 2023
Assets acquired:		
Cash	5,103,476	5,103,476
Prepaid expenses	329,906	329,906
Digital assets inventory	5,892,670	5,892,670
Client custodial cash	9,267,230	9,267,230
Client digital assets	36,652,066	36,652,066
Right-of-use assets	243,601	243,601
Property and equipment	52,781	52,781
Customer relationships	-	8,064,000
Technology	-	757,000
Brand	-	586,000
	57,541,730	66,948,730
Liabilities assumed:		
Trade and other payables	6,399,283	6,399,283
Income tax payable	101,538	101,538
Client custodial cash liabilities	9,267,230	9,267,230
Client digital assets liabilities	36,652,066	36,652,066
Lease liabilities	243,601	243,601
	52,663,718	52,663,718
Net assets acquired	4,878,012	14,285,012
Consideration	25,005,331	25,005,331
Goodwill	20,127,319	10,720,319
The consideration consists of the following components:		
Share consideration at closing	20,636,758	20,636,758
Stock options consideration	30,121	30,121
Warrants consideration	9,221	9,221
Contingent Consideration	4,329,231	4,329,231
	25,005,331	25,005,331

Pursuant to the purchase agreement, 817,651 CoinSmart options and 731,215 CoinSmart warrants are deemed to have been replaced by WonderFi's options and warrants as part of the transaction at an exchange ratio of 1.801462.

The following assumptions were used in the calculation of the fair value of 1,472,967 WonderFi options issued resulting from the replacement as per Black-Scholes option pricing model:

	Weighted average assumptions
Share price at grant date	$0.18
Exercise price	$0.12 to $0.18
Expected volatility (based on comparable publicly listed entities)	141.0%
Expected life	between .38 to 5.0

(Continued on next page)

(expressed in Canadian Dollars, except share and per share amounts)

Expected dividends	Nil
Risk-free interest rate	4.33%

The following assumptions were used in the calculation of the fair value of 1,317,256 WonderFi warrants issued resulting from the replacement as per Black-Scholes option pricing model:

	Weighted average assumptions
Share price at grant date	$0.56
Exercise price	.3 Years
Expected volatility (based on comparable publicly listed entities)	141.0%
Expected life	.30
Expected dividends	Nil
Risk-free interest rate	4.33%

Additionally, former CoinSmart shareholders will also receive one Earnout Right for each common share held which entitles them to a pro-rata share of a "SmartPay Revenue Payment". A revenue payment is an amount equal to 30% of the SmartPay revenue for the applicable interim earnout period, up to a maximum aggregate amount of $15,000,000 for all interim earnout payment periods. Under the agreement, WonderFi has the option to satisfy its obligations to make all remaining earnout payments by making a payment equal to $10,000,500 less the sum of all earnout payments already made. The Company may further elect to satisfy up to 50% of the aggregate earnout payment by the issuance to the holders of common shares, valued using the 10-day volume weighted average trading price of the common shares. The fair value of the contingent consideration on completion of the transaction, discounted at 16.0%, is $4,329,231. The contingent consideration is to be repaid over a period of three years with the last payment due on July 7, 2026.

During the year ended December 31, 2023, the Company paid $1,266,587 for advisory, legal, valuation and consulting fees in cash relating to the acquisition of CoinSmart, recorded in acquisition costs. The Company paid 4,659,222 common shares for a total of $815,364 recorded in acquisition costs for advisory services relating to the acquisition of CoinSmart.

During the year ended December 31, 2023, CoinSmart Financial Inc. contributed $8,549,110 to the Company's revenue and income of $4,295,200 to total net loss since the acquisition date. If the acquisition had occurred on January 1, 2023, CoinSmart would have contributed an additional $16,118,413 of revenues and $596,978 of net income to the Company.

7. CASH

The Company holds cash as follows:

	December 31, 2024	**December 31, 2023**
Cash - Canadian Dollar	24,146,975	24,053,742
Cash - United States Dollar	10,114,032	1,717,913
Cash - Australian Dollar	85,330	-
Cash - Euro	-	316,319
	34,346,337	**26,087,974**

(Continued on next page)

(expressed in Canadian Dollars, except share and per share amounts)

8. TRADE AND OTHER RECEIVABLES

The Company has trade and other receivables as follows:

	December 31, 2024	December 31, 2023
Sales tax receivable	898,438	473,351
Trade and other receivables	30,788	81,789
	929,226	**555,140**

During the period, the Company derecognized $479,000 ($2,330,639 - December 31, 2023) of sales tax receivables. The write-off is recognized in Provisions and allowances for the years ended December 31, 2024 and 2023.

9. DIGITAL ASSET INVENTORY

The Company holds digital assets as inventory as follows:

	December 31, 2024		December 31, 2023	
	Units	Amount ($)	Units	Amount ($)
Bitcoin (BTC)	39.80	5,348,355	59.81	3,349,181
Ethereum (ETH)	570.13	2,730,021	388.12	1,173,259
Others	-	6,291,913	-	6,705,208
Balance, end of period		**14,370,289**		**11,227,648**

Included in the total other balances are 752,543.70 (2,983,866.86 – December 31, 2023) units of United States dollar stablecoins valued at $1,572,775 ($3,953,588 – December 31, 2023).

10. CLIENT CUSTODIAL CASH ASSETS AND LIABILITIES

The Company holds cash on behalf of clients as follows:

	December 31, 2024	December 31, 2023
	Amount ($CAD)	Amount ($CAD)
Cash - Canadian Dollar	97,416,680	61,676,844
Cash - United States Dollar	7,829,275	34,749,669
Cash - Euro	358,183	678,098
Cash - British Pound Sterling	-	387,251
Cash - Australian Dollar	-	71,500
Balance, end of period	**105,604,138**	**97,563,362**

The cash held on behalf of clients is segregated in separate bank accounts managed by the Company. The cash held enables clients to execute trades involving digital assets. The Company has control over these assets and bears the associated risks.

(Continued on next page)

(expressed in Canadian Dollars, except share and per share amounts)

11. CLIENT DIGITAL ASSETS AND LIABILITIES

The Company holds digital assets on behalf of clients as follows:

	December 31, 2024		December 31, 2023	
	Units	**Amount ($)**	**Units**	**Amount ($)**
Bitcoin (BTC)	7,553.90	1,015,044,968	8,213.09	459,942,360
Ethereum (ETH)	47,854.25	229,144,859	59,528.03	179,949,558
Others	-	751,401,406	-	267,158,748
Balance, end of period		**1,995,591,233**		**907,050,666**

In order to comply with registration requirements, the Company is required at all times to hold not less than 80% of the total value of all digital assets held on behalf of clients with a custodian that meets the definition of a qualified custodian under NI 31-103. As a result of this requirement, the Company reallocates the remaining 20% of the digital assets on an as-needed basis across its hot wallets and exchanges to maintain sufficient liquidity to settle customer trades and withdrawals. For the digital assets held by the Company, they are safeguarded separately and distinctly from the Company digital asset inventory. As at December 31, 2024, 100% (94% - December 31, 2023) of the total value of all digital assets held on behalf of clients are stored at a qualified custodian.

The Company has control over these assets and bears the associated risks. The Company is exposed to changes in digital asset prices to the extent that any such excess or deficit exists across the different digital assets.

12. INVESTMENTS

Investments held	**Method**	**Fair Value Hierarchy**	**December 31, 2024**	**December 31, 2023**
Blockchange I	FVTPL	Level 2	1,438,900	11,942,801
Blockchange II	FVTPL	Level 2	1,043,203	847,702
Other investments	FVTPL	Level 3	112,336	26,003
Balance, end of period			**2,594,439**	**12,816,506**

Activities relating to the investments held by the Company during the years ended December 31, 2024, and 2023, are as follows:

	December 31, 2024	**December 31, 2023**
Balance, beginning of period	12,816,506	536,858
Acquired from the business combinations (Note 6)	-	4,151,534
Purchase of investment	81,984	-
Sale of investment	(11,634,829)	(104,828)
Gain on change in fair value of investment	-	8,527,723
Changes in fair value of investments	504,627	-
Gain on distribution from investments	673,031	-
Gain (loss) on revaluation of investment due to foreign exchange	153,120	(294,781)
Balance, end of period	**2,594,439**	**12,816,506**

The Company records the following investment in equity instruments as financial assets at fair value through profit and loss. A gain (loss) on the revaluation of investments due to foreign exchange was recognized during the twelve months ended December 31, 2024 and 2023, in the amount of $153,120 and ($294,781).

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On July 7, 2023, as part of the business combination with Coinsquare Limited., the Company acquired investments in Blockchange Ventures with a fair value of $4,046,706. Blockchange is a venture capital firm that seeks to vest in early stage blockchain companies, protocols, and applications.

On July 7, 2023, as part of the business combination with Coinsquare Limited., the Company acquired 100,000 in the common shares of Connect First Credit Union Ltd ("Connect First") with a fair value of $104,828. During the year ended December 31, 2023, the Company sold the entirety of its investment for a cash consideration of $104,828.

On January 11, 2024, the Company received a cash distribution of $720,872 from its investment held in Blockchange Ventures I, L.P.

On February 20, 2024, the Company received 61,720 units of unrestricted Solana (SOL) as a distribution from its investment held in Blockchange Ventures I, L.P. At the time of receipt, the 61,720 units were worth $8,871,655.

On March 18, 2024, the Company received 159,144 units of unrestricted Polkadot (DOT) as a distribution from its investment held in Blockchange Ventures I, L.P. At the time of receipt, the 159,144 units were worth $2,042,302.

On June 26, 2024, the Company purchased 300 share units of Argo Digital Gold LTD for $81,984 ($60,000 USD).

13. INVESTMENT IN ASSOCIATE

On July 7, 2023 through its business combination with Coinsquare Limited the Company acquired a 45.86% interest in Tetra Trust Company ("Tetra"). The Company determined that it has significant influence over the investee. The Company accounts for its investment in its associate using the equity method.

On December 22, 2023, the Company increased its common shares holding in Tetra to 16,317,504 common shares after acquiring 910,000 treasury shares from Tetra for total consideration of $500,000. As a result of the transaction Company's interest was reduced from 45.86% to 37.06% due to the Company purchasing less than its previous proportionate interest in the entity.

As at December 31, 2024 and 2023, the Company determined there were no indicators of impairment.

The following table summarises the financial information of Tetra as included in its own financial statements.

(Continued on next page)

(expressed in Canadian Dollars, except share and per share amounts)

Statements of Financial Position

	December 31, 2024	December 31, 2023
Assets		
Cash	12,049,435	11,702,596
Other current assets	779,295	492,200
Total current assets	**12,828,730**	**12,194,796**
Non-current assets	366,063	186,516
Total assets	**13,194,793**	**12,381,312**
Liabilities		
Current liabilities	2,551,791	1,052,471
Non-current liabilities	42,959	189,040
Total liabilities	**2,594,750**	**1,241,511**
Total net assets	**10,600,043**	**11,139,801**

Statement of Loss

	Year Ended December 31, 2024	July 7, 2023 to December 31, 2023
Revenue	**2,773,861**	**767,384**
Operating expenses	**4,076,163**	**2,850,865**
Other loss (gain)	(223,812)	2,894,719
Total net loss	**1,078,490**	**4,978,200**

The following table reconciles the summarized financial information of Tetra to the carrying amount of the Company's investment in the entity.

	December 31, 2024	December 31, 2023
Percentage Ownership Interest as at period end	37.06%	37.06%
Company's share of net assets	**3,928,376**	**4,128,410**
Goodwill	3,842,208	3,842,208
Change in fair value of net assets	(931,522)	(731,867)
Carrying amount of interest in equity affiliates	**6,839,062**	**7,238,751**
Weighted average ownership interest for the period	37.06%	45.68%
Company's share of loss for the period	**399,689**	**2,274,147**

	December 31, 2024	December 31, 2023
Balance, beginning of period	7,238,751	-
Acquired in business combinations (Note 6)	-	8,474,127
Additions to investment in associate	-	500,000
Loss on dilution of ownership in associate	-	538,771
Allocation of net loss for the period	(399,689)	(2,274,147)
Balance, end of period	**6,839,062**	**7,238,751**

(Continued on next page)

(expressed in Canadian Dollars, except share and per share amounts)

14. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The following table presents the right-of-use assets, lease liabilities and commitments for the years ended December 31, 2024 and 2023:

	Right-of-use assets
Cost:	
As of December 31, 2022	401,994
Additions during the period	223,567
Disposal during the period	(95,420)
Acquired from business combinations (Note 5)	243,601
As of December 31, 2023	**773,742**
Modifications	2,245
Disposal during the period	(775,987)
As of December 31, 2024	-
Depreciation:	
As of December 31, 2022	**(172,899)**
Depreciation during the period	(276,860)
Disposal during the period	29,967
As of December 31, 2023	**(419,792)**
Depreciation during the period	(321,095)
Disposal during the period	740,887
As of December 31, 2024	-
Carrying Amount:	
As of December 31, 2023	**353,950**
As of December 31, 2024	-

	Lease liabilities
As of December 31, 2022	**234,388**
Additions during the period	223,567
Acquired from business combinations (Note 5)	243,601
Interest expense during the period	28,058
Payment during the period	(313,903)
Disposal during the period	(102,513)
As of December 31, 2023	**313,198**
Interest expense during the period	17,838
Payment during the period	(298,181)
Disposal during the period	(35,100)
Modifications	2,245
As of December 31, 2024	-

Commitments	**December 31, 2024**	**December 31, 2023**
Current portion of lease liabilities	-	242,538
Long-term lease liabilities	-	70,660
	-	**313,198**

Commitments	**December 31, 2024**	**December 31, 2023**
2024	-	242,538
2025	-	43,292
2026	-	27,368

(Continued on next page)

(expressed in Canadian Dollars, except share and per share amounts)

15. PROPERTY AND EQUIPMENT

	Computer equipment	Furniture and fixtures	Total
Cost:			
As of December 31, 2022	**405,936**	**187,904**	**593,840**
Acquired from business combination (Note 6)	38,678	14,103	52,781
Additions during the period	33,241	-	33,241
Disposals during the period	(90,409)	-	(90,409)
As of December 31, 2023	**387,446**	**202,007**	**589,453**
Additions during the period	129,195	48,639	177,834
As of December 31, 2024	**516,641**	**250,646**	**767,287**
Depreciation:			
As of December 31, 2022	**(104,909)**	**(56,896)**	**(161,805)**
Depreciation during the period	(217,314)	(64,010)	(281,324)
Disposals during the period	90,409	-	90,409
As of December 31, 2023	**(231,814)**	**(120,906)**	**(352,720)**
Depreciation during the period	(203,872)	(65,170)	(269,042)
As of December 31, 2024	**(435,686)**	**(186,076)**	**(621,762)**
Carrying Amount:			
As of December 31, 2023	**155,632**	**81,101**	**236,733**
As of December 31, 2024	**80,955**	**64,570**	**145,525**

16. INTANGIBLE ASSETS

	Technology	Customer relationships	Brand	License	Total
Cost:					
As of December 31, 2022	13,204,049	30,218,265	3,752,765	-	47,175,079
Acquired from business combination (restated - Note 5 & 6)	2,621,000	9,112,000	986,000	-	12,719,000
Additions during the period	-	3,500,000	-	-	3,500,000
Disposals during the period	(2,339,000)	-	(683,000)	-	(3,022,000)
As of December 31, 2023	**13,486,049**	**42,830,265**	**4,055,765**	**-**	**60,372,079**
Additions during the period	-	300,160	-	120,822	420,982
As of December 31, 2024	**13,486,049**	**43,130,425**	**4,055,765**	**120,822**	**60,793,061**
Amortization:					
As of December 31, 2022	(1,129,023)	(3,723,728)	(329,592)	-	(5,182,343)
Amortization during the period (restated - Note 5)	(3,526,532)	(5,445,965)	(1,019,810)	-	(9,992,307)
Disposals during the period	2,339,000	-	683,000	-	3,022,000
As of December 31, 2023	**(2,316,555)**	**(9,169,693)**	**(666,402)**	**-**	**(12,152,650)**
Amortization during the period (restated - Note 5)	(1,314,178)	(6,641,492)	(395,898)	-	(8,351,568)
As of December 31, 2024	**(3,630,733)**	**(15,811,185)**	**(1,062,300)**	**-**	**(20,504,218)**
Carrying Amount:					
As of December 31, 2023	**11,169,494**	**33,660,572**	**3,389,363**	**-**	**48,219,429**
As of December 31, 2024	**9,855,316**	**27,319,240**	**2,993,465**	**120,822**	**40,288,843**

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(expressed in Canadian Dollars, except share and per share amounts)

On April 26, 2024, WonderFi's wholly-owned subsidiary Bitbuy Technologies Inc. ("Bitbuy") purchased specified client accounts of Bitstamp Limited ("Bitstamp"). The fair value of the total consideration to be paid is $300,160 (Note 19).

On April 08, 2024, the Company completed the acquisition of FXI Institutions Pty. Ltd. ("FXI"), an incorporated Australian company, by purchasing all of the issued and outstanding shares of the entity. The acquisition of FXI by the Company has been accounted for as an asset acquisition in accordance with IFRS 3, Business Combination. The purchase price was $120,822 ($135,178 AUD) which was solely attributed to the Australian Transaction Reports and Analysis Centre ("AUSTRAC") license held by the firm permitting digital asset trading and payment remittances within the region. The Company paid $237,544 for advisory, legal, valuation and consulting fees in cash relating to the FXI Institutions Pty transaction, recorded as acquisition costs in the consolidated statements of loss and comprehensive loss. On May 13, 2024, the Company changed the legal name of FXI to WonderFi Australia Pty. Ltd.

17. GOODWILL

The following presents the carrying value of goodwill for the years ended December 31, 2024 and 2023:

	December 31, 2024	December 31, 2023
Net carrying value, beginning of period	**20,295,690**	-
Acquired from business combination (restated Note 5 & 6)	-	20,295,690
Net carrying amount, end of period	**20,295,690**	**20,295,690**

Impairment

The Company tests for impairment on an annual basis. For the periods ending December 31, 2024, the Company had the operated four cash generating units. Those being Canadian Exchange, Bitbuy, Coinsquare and SmartPay ("Payments").

For the period ending December 31, 2023, the Company had the operated five cash generating units. Those being Bitbuy, Coinsquare, Payments, Coinberry and Blockchain Foundry.

The recoverable amount of the CGUs was determined based on value-in-use calculations which require the use of assumptions. The value in use is calculated using a five-year discounted cash flow model, with terminal value. The Company created a range of outcomes in determining the recoverable amount. The key assumptions used to calculate the value in use are those regarding discount rates, growth rates (revenue) and expected changes in margins. The values of these assumptions reflect past experience. Cash flow projections have been discounted using rate of return derived from the Company's after-tax weighted average cost of capital considering specific risk relating to each CGU.

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(expressed in Canadian Dollars, except share and per share amounts)

Below are the results and key assumptions used in the annual impairment test for each CGU:

	Canadian Exchange	Payments	Bitbuy	Coinsquare	Coinberry	Blockchain Foundry
Amounts as of December 31, 2024:						
Recoverable Amount	96,671,250	3,776,535	-	-	-	-
Carrying Amount	56,741,871	3,258,350	-	-	-	-
Excess (impairment) as at December 31, 2024	**39,929,379**	**518,185**	**-**	**-**	**-**	**-**
Amounts as of December 31, 2023:						
Recoverable Amount	-	9,584,140	93,222,205	49,654,490	-	-
Carrying Amount	-	3,963,453	58,844,759	28,795,273	-	-
Excess (impairment) as at December 31, 2023	**-**	**5,620,687**	**34,377,446**	**20,859,217**	**-**	**-**

In order to test goodwill for impairment, the Company allocates the carrying value of goodwill to CGUs based on the lowest level goodwill is monitored for internal management purposes. The aggregate carrying amount of goodwill allocated to each CGU as follows:

Canadian Exchange CGU

The Canadian Exchange CGU includes those assets directly attributable to the operations of the Company's digital asset exchange platforms operating in Canada. Following an amalgamation of the Bitbuy and Coinsquare customer lists and technologies on May 25, 2024, into a single CIRO regulator dealer member, this group of assets are distinct, and the cashflows from operating the combined group of assets are now interdependent. During the year ended December 31, 2024, the Company determined the carrying value of the assets were deemed be recoverable:

	December 31, 2024		December 31, 2023	
	Goodwill	Intangibles	Goodwill	Intangibles
Net carrying value, beginning of period	-	-	-	-
Acquired from business combination	-	-	-	-
Additions during the period	-	-	-	-
Transfer between cash generating units	16,436,370	41,861,618	-	-
Amortization during the period	-	(5,060,006)	-	-
Impairment during the period	-	-	-	-
Net carrying amount, end of period	**16,436,370**	**36,801,612**	**-**	**-**

The key assumptions used in the model are as follows:

	December 31, 2024	December 31, 2023
Discount rate	19.50%	-
Terminal growth rate	6.50%	-
Terminal EBITA percentage	30.88%	-

The Company has determined the impact of what a reasonable change in each key assumption would be to the discounted cashflows and the effect it would have on the recoverable amount. If all other assumptions were held constant, and the discount rate was decreased by 10%, the recoverable amount of the assets would be $108,864,446. If all other assumptions were held constant, and the forecasted gross margin rate was decreased by 10%, the recoverable amount of the assets would be $92,813,391.

(Continued on next page)

(expressed in Canadian Dollars, except share and per share amounts)

Bitbuy CGU

The Bitbuy CGU includes those assets directly attributable to the operations of the Company's standalone Bitbuy platform. During the year ended December 31, 2024 the Company combined those assets used in the operations of its Bitbuy platform with those used in its Coinsquare platform into a consolidated operating environment regulated under CIRO. As a result, the cashflows generated from each platform were assessed to be no longer independent from each other, and the carrying value of those assets previously attributed to the Bitbuy CGU have been reallocated to the Canadian Exchange CGU. During the year ended December 31, 2023, the Company determined the carrying value of the assets were deemed be recoverable:

	December 31, 2024		December 31, 2023	
	Goodwill	**Intangibles**	**Goodwill**	**Intangibles**
Net carrying value, beginning of period	6,861,000	41,184,717	-	35,016,345
Acquired from business combination (restated Note 5 & 6)	-	-	6,861,000	8,785,987
Additions during the period	-	300,160	-	3,500,000
Transfer between cash generating units	(6,861,000)	(38,967,088)	-	-
Amortization during the period (restated Note 5)	-	(2,517,789)	-	(6,117,615)
Impairment during the period	-	-	-	-
Net carrying amount, end of period	**-**	**-**	**6,861,000**	**41,184,717**

The key assumptions used in the model are as follows:

	December 31, 2024	**December 31, 2023**
Discount rate	-	16.00%
Terminal growth rate	-	7.55%
Terminal EBITA percentage	-	38.15%

Coinsquare CGU

The Coinsquare CGU includes those assets directly attributable to the operations of the Company's standalone Coinsquare platform. During the year ended December 31, 2024 the Company combined those assets used in the operations of its Bitbuy platform with those used in its Coinsquare platform into a consolidated operating environment regulated under CIRO. As a result, the cashflows generated from each platform were assessed to be no longer independent from each other, and the carrying value of those assets previously attributed to the Coinsquare CGU have been reallocated to the Canadian Exchange CGU. During the year ended December 31, 2023, the Company determined the carrying value of the assets were deemed be recoverable:

	December 31, 2024		December 31, 2023	
	Goodwill	**Intangibles**	**Goodwill**	**Intangibles**
Net carrying value, beginning of period	**9,575,370**	3,129,757	**-**	**-**
Acquired from business combination (restated Note 5 & 6)	-	-	9,575,370	3,312,000
Transfer between cash generating units	(9,575,370)	(2,894,530)	-	-
Amortization during the period (restated Note 5)	-	(235,227)	-	(182,243)
Impairment during the period	-	-	-	-
Net carrying amount, end of period	**-**	**-**	**9,575,370**	**3,129,757**

(Continued on next page)

(expressed in Canadian Dollars, except share and per share amounts)

The key assumptions used in the model are as follows:

	December 31, 2024	December 31, 2023
Discount rate	-	16.00%
Terminal growth rate	-	6.78%
Terminal EBITA percentage	-	25.13%

SmartPay CGU

The SmartPay CGU includes those assets directly attributable to the operations of the Company's SmartPay platform. During the years ended December 31, 2024 and 2023 the Company determined the carrying value of the assets were deemed be recoverable:

	December 31, 2024		December 31, 2023	
	Goodwill	**Intangibles**	**Goodwill**	**Intangibles**
Net carrying value, beginning of period	**3,859,319**	3,904,955	**-**	**-**
Acquired from business combination (restated Note 5 & 6)	-	-	3,859,319	4,339,642
Amortization during the period (restated Note 5)	-	(538,546)	-	(434,687)
Impairment during the period	-	-	-	-
Net carrying amount, end of period	**3,859,319**	**3,366,409**	**3,859,319**	**3,904,955**

The key assumptions used in the model are as follows:

	December 31, 2024	December 31, 2023
Discount rate	21.00%	18.00%
Terminal growth rate	10.00%	9.15%
EBITA percentage	40.49%	31.64%

The Company has determined the impact of what a reasonable change in each key assumption would be to the discounted cashflows and the affect it would have on the recoverable amount. If all other assumptions were held constant, and the discount rate was decreased by 10%, the recoverable amount of the assets would be $4,275,403. If all other assumptions were held constant, and the forecasted gross margin rate was decreased by 10%, the recoverable amount of the assets would be $3,583,847.

Coinberry CGU

The Coinberry CGU includes those assets directly attributable to the operations of the Company's Coinberry platform. During the year period ended December 31, 2023 management ceased the operations of the Coinberry platform and transferred the associated customer list to the Company's Bitbuy platform.

	December 31, 2024	December 31, 2023
	Intangibles	**Intangibles**
Net carrying value, beginning of period	-	6,976,391
Transfer between cash generating units	-	(3,718,629)
Amortization during the period	-	(3,257,762)
Net carrying amount, end of period	**-**	**-**

(Continued on next page)

(expressed in Canadian Dollars, except share and per share amounts)

Blockchain Foundry CGU

During the twelve months period ended December 31, 2023 management ceased the operations of the Blockchain Foundry CGU as part of its corporate restructuring. As such the carrying amount and recoverable amount were assessed to be nil as at December 31, 2023.

18. TRADE AND OTHER PAYABLES

The Company has trade and other payables as follows:

	December 31, 2024	December 31, 2023
Trade payables and accrued liabilities	8,652,679	5,732,149
Prime Trust Bank claim	5,750,520	-
Due to liquidity providers	-	4,643,164
Restructuring provision	-	626,964
	14,403,199	**11,002,277**

During the year ended December 31, 2023, as a result of the Coinsquare and CoinSmart business combination transaction (Note 6), the Company recognized a restructuring provision of $1,855,810, which included employee termination benefits and consulting fees relating directly to the restructuring. As at December 31, 2024 the Company has settled all amounts owing resulting from the restructuring. As at December 31, 2023 the Company had yet to settle $626,964 of the amount.

On April 16, 2024, the Company recognized a professional fee provision of $4,832,916 resulting from a special committee investigation into the activities of dissenting shareholders. The provision included the estimated legal fees, consulting fees, and professional fees directly related to the special committee's investigation and resolution of the matter. As at December 31, 2024 the Company has settled all amounts owing resulting from the provision.

In November 2024, the Company recognized a provision of $3,175,342 for a major security event on November 6, 2024. The provision relates to the resolution of the matter and expenses relating to the implementation of preventative measures. As at December 31, 2024 the Company has settled all amounts owing resulting from the provision.

In December 2024, the Company recognized a provision of $5,750,520 to settle a legal matter relating to a claim brought against its subsidiary Coinsmart Financial Inc. by PCT Litigation Trust the receivers of Prime Trust Bank. The claim relates to preferential payments prior to the collapse of Prime Trust Bank paid during normal course business and prior to the July 7, 2023, acquisition of Coinsmart Financial Inc. by WonderFi Technologies Inc. (Note 6). As at December 31, 2024 the Company has yet to settle $5,750,520.

19. CONTINGENT CONSIDERATION

	December 31, 2024	December 31, 2023
SmartPay acquisition contingent consideration (Note 6)	673,951	5,512,433
Bitvo acquisition contingent consideration	2,054,913	2,712,500
Bitstamp acquisition contingent consideration	206,635	-
Balance, end of period	**2,935,499**	**8,224,933**

(Continued on next page)

(expressed in Canadian Dollars, except share and per share amounts)

	December 31, 2024	December 31, 2023
Current portion of contingent consideration	1,893,773	3,831,412
Long-term portion of contingent consideration	1,041,726	4,393,521
Balance, end of period	**2,935,499**	**8,224,933**

Activities relating to the investments held by the Company during the years ended December 31, 2024, and year ended December 31, 2023, are as follows:

	December 31, 2024	December 31, 2023
Balance, beginning of period	8,224,933	-
Recognized in business combinations (Note 6)	-	4,329,231
Recognized in the purchase of specified client accounts	229,999	2,712,500
Payments	(2,212,828)	-
Changes in fair value of contingent consideration	(3,306,605)	1,183,202
Balance, end of period	**2,935,499**	**8,224,933**

On November 15, 2023, WonderFi's wholly-owned subsidiary Bitbuy Technologies Inc. ("Bitbuy") purchased specified client accounts of Bitvo Inc. ("Bitvo"). Under the terms and conditions of the Bitvo purchase agreement, the Company made an upfront pre-payment to Bitvo of $787,500 and will pay the remaining consideration, over three years commencing on the closing date, a total of 50% of a net-revenue share from the acquired client accounts, subject to certain conditions and up to $7,000,000 net revenue maximums. The fair value of the net-revenue share at the date of purchase was $2,712,500 and recognized as contingent consideration. The contingent consideration was calculated using a discounted cash flow model. The key assumptions used to calculate the fair value of the contingent consideration are those regarding discount rates. The discount rate used to value the contingency at initial recognition was 16%. The discount rate used to value to contingency at December 31, 2024 was 16% (16% - December 31, 2023).

On April 26, 2024, WonderFi's wholly-owned subsidiary Bitbuy Technologies Inc. ("Bitbuy") purchased specified client accounts of Bitstamp Limited ("Bitstamp"). Under the terms and conditions of the Bitstamp purchase agreement, the Company made an upfront pre-payment to Bitstamp of $70,163 and will pay the remaining consideration, over three years commencing on the close of the activation period, a total of 50% of a net-revenue share from the acquired client accounts, subject to certain conditions and up to $300,000,000 net revenue maximums. The fair value of the net-revenue share at the date of purchase was $229,999 and recognized as contingent consideration. The contingent consideration was calculated using a discounted cash flow model. The key assumptions used to calculate the fair value of the contingent consideration are those regarding discount rates. The discount rate used to value the contingency at initial recognition was 16%. The discount rate used to value to contingency at December 31, 2024 was 16%.

On February 15, 2024, the Company made a payment to SmartPay earnout right holders of $867,318 for the interim earnout payment period ending December 31, 2023.

On July 31, 2024, the Company made a payment to Bitvo earnout right holders of $295,002 for the interim earnout payment period ending June 30, 2024.

(Continued on next page)

(expressed in Canadian Dollars, except share and per share amounts)

On August 15, 2024, the Company made a payment to SmartPay earnout right holders of $650,443 for the interim earnout payment period ending June 30, 2024.

On November 26, 2024, the Company made a payment to Bitvo earnout right holders of $400,065 for the interim earnout payment period ending September 30, 2024.

20. WARRANT LIABILITIES

For the year ended December 31, 2024, the Company's warrant liabilities are composed of units from the following issuances of warrants:

	Bought Deal	Bought Deal	Private Placement
Closing date	26-Oct-21	4-Feb-22	30-Jan-23
Warrants issued	6,760,002	10,183,333	22,800,000
Stock Price	$2.50	$1.86	$0.19
Warrants strike price	$2.55	$3.10	$0.30
Fair value of warrants on issuance	$0.89	$0.30	$0.06
Warrants term	3 years	2 years	2 years
Warrant valuation assumptions:			
Valuation model at issuance	Binomial model	Market quote	Binomial model
Valuation model as at December 31, 2023	Market quote	Market quote	Binomial model
Fair value of warrants as at December 31, 2023	$0.05	$0.01	$0.09

The change in warrant liabilities is as follows:

	October 26, 2021 Warrants		February 4, 2022 Warrants		January 30, 2023 Warrants		Total
	Units	Amount ($)	Units	Amount ($)	Units	Amount ($)	Amount ($)
As of December 31, 2022	6,760,002	371,800	10,183,333	509,166	-	-	880,966
Recognition of derivative warrant liabilities on issuance of warrants	-	-	-	-	22,800,000	1,388,520	1,388,520
Exercise of warrants	-	-	-	-	(200,000)	(18,020)	(18,020)
Revaluation of derivative warrant liabilities	-	(33,800)	-	(458,250)	-	665,760	173,710
As of December 31, 2023	**6,760,002**	**338,000**	**10,183,333**	**50,916**	**22,600,000**	**2,036,260**	**2,425,176**
Exercise of warrants	-	-	-	-	(80,000)	(5,150)	(5,150)
Expiry of warrants	(6,760,002)	(33,800)	(10,183,333)	(50,916)	-	-	(84,716)
Revaluation of derivative warrant liabilities	-	(304,200)	-	-	-	(1,598,730)	(1,902,930)
As of December 31, 2024	**-**	**-**	**-**	**-**	**22,520,000**	**432,380**	**432,380**

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Warrant liability related to January 30, 2023 private placement

On January 30, 2023, the Company completed a private placement with the issuance of 22,800,000 Units at a price of $0.22 per unit for aggregate gross proceeds to the Company of $5,016,000. Each Unit consists of one common share of the Company and one share purchase warrant of the Company. Each warrant is exercisable to acquire one common share of the Company at an exercise price of $0.30 until January 30, 2025.

In the event of an additional rights offering, the exercise price and number of shares that such Warrants may be convertible to, may be adjusted. The adjustment results in variability in both the conversion price and the number of shares to be issued, and as such, the Warrants breach the fixed-for-fixed requirement and are classified as a derivative liability measured through FVTPL.

This warrant liability was measured on the issuance period, by using a Binomial Model based on the facts and circumstances on the issuance date. The fair value of the warrants has been measured at $1,388,520 on issuance. The fair value of the warrants as at December 31, 2024 was determined to be $432,380 ($2,036,260 – December 31, 2023) using a Binomial Model. A resulting $1,598,730 gain on revaluation derivative warrant liabilities ($665,760 loss – December 31, 2023) has been recorded in the consolidated statements of income or loss and comprehensive income or loss for the period ending December 31, 2024.

Warrant liability related to October 26, 2021 Bought Deal public offering

On October 26, 2021, the Company completed a $26,364,002 Bought Deal public offering (the Offering). Under the terms of the Offering, the Company issued 13,520,001 units at a subscription price per Unit of $1.95, each Unit consisting of one common share and one-half of a common share purchase warrant (a Warrant), exercisable for a period of 36 months from the date of issuance at an exercise price of $2.55. In the event of an additional rights offering, the exercise price and number of shares that such Warrants may be convertible to, may be adjusted. The adjustment results in variability in both the conversion price and the number of shares to be issued, and as such, the Warrants breach the fixed-for-fixed requirement and are classified as a derivative liability measured through FVTPL.

This warrant liability was measured on the issuance period, by using a Binomial Model based on the facts and circumstances on the issuance date. The fair value of the warrants has been measured at $6,016,402 on issuance. The warrants associated with the October 26, 2021 Bought Deal public offering became publicly traded four months after issuance on March 10, 2022. Any resulting gain and loss are recorded in the consolidated statements of loss and comprehensive loss. A such the Company used the market quote price of $0.05 to determine the fair value of the warrant liability at $338,800 on December 31, 2023. On October 26, 2024, all outstanding 6,760,002 warrants expired. A resulting $33,800 gain has been recorded in the consolidated statements of income or loss and comprehensive income or loss for the period ending December 31, 2024.

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(expressed in Canadian Dollars, except share and per share amounts)

Warrant liability related to February 4, 2022 Bought Deal public offering

On February 4, 2022, the Company completed a private placement with the issuance of 18,750,000 Units at a price of $2.40 per unit for aggregate gross proceeds to the Company of $45,000,000. Each Unit consists of one common share of the Company and one-half Warrant of the Company. Each Warrant is exercisable to acquire one Common Share of the Company at an exercise price of $3.10 until February 4, 2024. Overallotment warrants of 808,333 were also issued.

In the event of an additional rights offering, the exercise price and number of shares that such Warrants may be convertible to, may be adjusted. The adjustment results in variability in both the conversion price and the number of shares to be issued, and as such, the Warrants breach the fixed-for-fixed requirement and are classified as a derivative liability measured through FVTPL.

The warrants associated with the February 4, 2022 Bought Deal financing became publicly traded immediately after issuance. Any resulting gain and loss are recorded in the consolidated statements of loss and comprehensive loss. The fair value of the warrants has been measured at $3,055,000 on issuance, using the market quote price of $0.30. The fair value of the warrants as of December 31, 2023 was determined to be $50,916 using the market quote price. On February 4, 2024, all outstanding 10,183,333 expired. A resulting $50,916 gain has been recorded in the consolidated statements of income or loss and comprehensive income or loss for the period ending December 31, 2024.

21. SHARE CAPITAL

Authorized
The Company is authorized to issue an unlimited number of common shares without par value.

Share Capital Activity

	Number of shares	Amount ($)
Balance as of December 31, 2023	651,507,804	285,225,857
Shares repurchased (i)	(12,463,854)	(2,652,271)
Conversion of restricted shares units (ii)	3,195,410	1,260,864
Shares Issued for warrant exercise (iii)	80,000	24,600
Shares Issued for options exercise (iv)	573,004	162,844
Balance as of December 31, 2024	**642,892,364**	**284,021,894**

	Number of shares	Amount ($)
Balance as of December 31, 2022	214,637,855	209,164,509
Issuance of common shares through private placements (v)	22,800,000	3,237,374
Conversion of restricted shares units (xii)	4,946,266	1,032,665
Shares issued for business combinations (vi) (ix) (x)	390,590,976	68,510,568
Shares issued for services (vii) (vii) (viii) (xi)	18,036,577	3,127,382
Shares Issued for options exercise (xiii)	296,130	87,359
Shares Issued for warrant exercise (xiv)	200,000	66,000
Balance as of December 31, 2023	**651,507,804**	**285,225,857**

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(i) During the year ended December 31, 2024, the Company repurchased 12,463,854 of its common shares on the open market through its brokers at an average purchase price of $0.21 per share for a total cost of $2,652,271.

On April 8, 2024, the Company announced its intent to commence a Normal Course Issuer Bid ("NCIB"). Under the NCIB, the company was permitted to purchase up to 25,126,596 of its common shares with daily purchases not exceeding 257,899 Common Shares on the TSX during any trading day. The agreement was terminated by the Company on June 6, 2024. Under this agreement the company repurchased 7,888,354 at an average purchase price of $0.21 per share for a total cost of $1,642,156

On July 12, 2024, the Company renewed its NCIB permitting the Company to purchase up to an aggregate maximum of 19,726,712 common shares and up to 257,899 common shares on each trading day during the term of the agreement expiring April 9, 2025. Under this agreement the company repurchased 4,575,500 at an average purchase price of $0.22 per share for a total cost of $1,010,115.

(ii) A total of 3,195,410 common shares of the Company were issued to the employees, and directors of the Company upon vesting of the RSUs at the fair value of $1,260,864 during the year ended December 31, 2024.

(iii) A total of 80,000 warrants were exercised for 80,000 common shares of the Company for cash proceeds of $24,000, during the years ended December 31, 2024, which an amount of $24,600 was added to share capital and the difference to contributed surplus.

(iv) A total of 573,004 stock options were exercised for 573,004 common shares of the Company for cash proceeds of $119,156 during the year ended December 31, 2024, which an amount of $162,844 was added to share capital and the difference to contributed surplus.

(v) On January 30, 2023, the Company completed a private placement with the issuance of 22,800,000 Units at a price of $0.22 per unit for aggregate gross proceeds to the Company of $5,016,000. Each Unit consists of one common share of the Company and one share purchase warrant of the Company. Each warrant is exercisable to acquire one common share of the Company at an exercise price of $0.30 until January 30, 2025. An amount of $3,627,480 was allocated to Share capital and an amount of $1,388,520 to warrant liability.

The Company incurred cash-based share issuance costs of $368,567 regarding the private placement, of which $102,026 was recorded to the statement of income or loss and comprehensive income or loss and $266,541 to share capital. As part of the private placement, the Company also issued 1,368,000 compensation options to certain agents. Each compensation option exercisable into one common share at an exercise price of $0.22 for a period of 24 months following the completion of the offering. The fair value of the compensation option has been measured using the Black-Scholes option pricing model at $170,863 and has been recorded as share issuance costs. An amount of $47,298 was recorded to the statement of income or loss and comprehensive income or loss and $123,565 was recorded to share capital. The following assumptions were used in the calculation of broker warrants as per Black-Scholes option pricing model:

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(expressed in Canadian Dollars, except share and per share amounts)

	Weighted average assumptions
Share price at grant date	$0.19
Exercise price	$0.22
Expected volatility (based on comparable publicly listed entities)	138%
Expected life (years)	2.00
Expected dividends	Nil
Risk-free interest rate	3.67%

(vi) On April 10, 2023, WonderFi issued 1,746,289 common shares of the Company, totaling $462,748, to the shareholders of Blockchain Foundry Inc. to satisfy the holdback consideration pursuant to the terms of the purchase agreement.

(vii) On April 20, 2023, the Company issued 1,344,000 common shares totaling $202,036 to fulfill payment of a sponsorship agreement with a third-party vendor.

(viii) On July 24, 2023, WonderFi issued 829,220 common shares of the Company to a former director for settlement of all outstanding fees totalling $149,258.

(ix) On July 7, 2023, WonderFi issued 270,920,353 common shares of the Company to the shareholders of Coinsquare Limited on a 6.9467:1 basis with respect to the Coinsquare Business Combination (Note 6). The Company also issued 10,704,135 common shares to advisors for consulting fees totalling $1,873,224.

(x) On July 7, 2023, WonderFi issued 117,924,334 common shares of the Company to the shareholders of CoinSmart Financial Inc. on a 1.8015:1 basis with respect to the CoinSmart Business Combination (Note 6). The Company also issued 4,659,222 common shares to advisors for consulting fees totalling $815,364.

(xi) On July 7, 2023, WonderFi issued 500,000 common shares of the Company to a former advisor for settlement of all outstanding fees totalling $87,500.

(xii) A total of 4,946,266 common shares of the Company were issued to the employees, and directors of the Company upon vesting of the RSUs at the fair value of $1,032,665 during the year ended December 31, 2023.

(xiii) A total of 296,130 stock options were exercised for 296,130 common shares of the Company for cash proceeds of $ 64,270 during the year ended December 31, 2023, which an amount of $87,359 was added to share capital and the difference to contributed surplus.

(xiv) A total of 200,000 warrants were exercised for 200,000 common shares of the Company for cash proceeds of $60,000, during the year ended December 31, 2023, which an amount of $66,000 was added to share capital and the difference to contributed surplus.

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(expressed in Canadian Dollars, except share and per share amounts)

Stock Options

The Company has established a Stock Option Plan under which, the Board of Directors may, from time to time, grant options to directors, officers, employees, or consultants of the Company. The aggregate number of shares issuable upon the exercise of all stock options and RSUs granted under the Plan shall not exceed 10% of the issued and outstanding common shares of the Company. Under the Stock Option Plan, the exercise price of an option cannot be lower than the closing price on the TSX on the trading date preceding the date of grant. Each stock option and all rights thereunder shall be expressed to expire on the date as set out in the option agreement or the maximum term of 10 years, whatever comes earlier.

The weighted average inputs used in the measurement of the fair values at grant date of the stock options during the years ended December 31, 2024 and 2023 are as follows:

	December 31, 2024	December 31, 2023
Share price at grant date	$0.22	$0.19
Exercise price	$0.22	$0.20
Expected volatility (based on comparable publicly listed entities)	131%	139%
Expected life (years)	4.74	4.36
Expected dividends	Nil	Nil
Risk-free interest rate	3.35%	3.92%

During the year ended December 31, 2024 the weighted average of the fair value of granted options was estimated on dates of grant at $0.14. Volatility was based upon comparable trading entities. The weighted average share price for the exercised options was $0.28.

During the year ended December 31, 2023 the weighted average of the fair value of granted options was estimated on dates of grant at $0.17. Volatility was based upon comparable trading entities. The weighted average share price for the exercised options was $0.29.

A summary of the Company stock options as at and during the years ended December 31, 2024 and 2023 is as follows:

	Number of options	Weighted average exercise price	Weighted average remaining life
Balance as of December 31, 2023	22,417,128	0.35	3.81
Granted	7,342,894	0.22	4.30
Exercised	(573,004)	0.21	0.50
Expired / cancelled / forfeited	(4,806,535)	0.76	7.04
Balance as of December 31, 2024	24,380,483	0.23	3.40
Exercisable as of December 31, 2024	11,510,167	0.24	4.39

	Number of options	Weighted average exercise price	Weighted average remaining life
Balance as of December 31, 2022	11,624,155	0.73	4.53
Granted	11,032,728	0.14	2.73
Granted for Business Combinations (Note 6)	10,941,151	0.25	3.57
Exercised	(296,061)	0.22	1.27
Expired / cancelled / forfeited	(10,884,845)	0.45	3.32
Balance as of December 31, 2023	22,417,128	0.35	3.81
Exercisable as of December 31, 2023	7,951,667	0.27	2.52

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(expressed in Canadian Dollars, except share and per share amounts)

During the year ended December 31, 2024 the Company recorded share-based payments expense net of forfeited reversals based on the graded vesting schedule of the granted options of $1,458,755 ($433,698 – December 31, 2023).

On July 7th, 2023, the Company performed a repricing of 4,614,821 existing WonderFi options as part of the Coinsquare and CoinSmart business combination transaction (Note 6). The weighted average exercise price of the options prior to the repricing was $0.96 and each option was subsequently repriced to $0.30. The stock price at the time of the repricing was $0.18. The incremental fair value increase resulting from the modification was equal to $118,826 resulting in an immediate expense of $37,676 recorded to share-based payments. The remaining incremental fair value increase will be recognized over the term until the date when the modified equity instruments vest.

Restricted Share Units

The Board of Directors may, from time to time, award RSUs to directors, officers, and employees. Under the incentive plan the maximum number of shares the Company is entitled to issue from treasury for payments in respect of awards of stock options and RSUs cumulatively should not exceed 10% of the total number of shares issued and outstanding. Upon vesting, the awardees of the RSUs will receive one common share of the Company for each RSU held. These RSUs include service conditions only.

A summary of the Company's RSUs as at and during the years ended December 31, 2024 and 2023 is as follows:

	Number of RSUs
Balance as of December 31, 2023	5,759,545
Granted	18,125,000
Vested and Issued	(3,195,410)
Expired / cancelled / forfeited	(300,007)
Balance as of December 31, 2024	20,389,128

	Number of RSUs
Balance as of December 31, 2022	4,190,698
Granted	9,061,021
Vested and Issued	(4,960,330)
Expired / cancelled / forfeited	(2,531,844)
Balance as of December 31, 2023	5,759,545

During the year ended December 31, 2024 the Company recorded share-based payments expense net of forfeited reversals based on the graded vesting schedule of the granted RSUs of $961,631. The Company recorded a total share-based expenses of $24,524 which an amount recorded as share-based payments recovery of $431,311 and an amount of $455,836 recorded as acquisition costs during the year ended December 31, 2023.

The vesting of RSUs is based on the following service condition schedule:

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(expressed in Canadian Dollars, except share and per share amounts)

Number of RSUs Granted	Fair Value per RSUs ($)	First Vesting Date	Vesting Criteria
747,384	0.17	24-Feb-23	100% vest immediately
510,000	0.195	11-Apr-23	100% vest immediately
1,250,000	0.165	18-May-23	100% vest immediately
1,500,000	0.175	07-Jul-23	50% vesting immediately, 50% vesting sixth months thereafter
1,148,816	0.185	10-Jul-23	100% vest immediately
600,000	0.185	10-Jul-23	50% immediate vesting, 4.17% every quarter thereafter
1,250,000	0.185	10-Jul-24	50% vesting on first anniversary, 4.166% every quarter thereafter
121,528	0.18	04-Aug-23	100% vest immediately
417,000	0.135	14-Sep-23	100% vest immediately
1,500,000	0.175	14-Sep-23	50% vesting immediately, 50% vesting sixth months thereafter
16,293	0.125	11-Oct-23	100% immediately
700,000	0.32	07-Jul-24	100% vesting sixth months after grant
500,000	0.24	01-Feb-24	50% vesting immediately, 50% vesting five months thereafter
500,000	0.26	02-Apr-24	10% vesting immediately, 90% vesting 8 months thereafter
3,675,000	0.15	01-Jan-25	15% vest on January 1, 2025, 8.5% vest every quarter thereafter.
1,500,000	0.15	26-Aug-25	50% vest on August 26, 2025, remaining 50% vest on December 31, 2025
500,000	0.2	01-Jan-25	14.2% of the RSUs shall vest on January 1, 2025. 7.8% of the RSUs shall vest every quarter thereafter.
750,000	0.2	28-Feb-25	Units vest every three months over three years.
2,000,000	0.2	31-May-26	100% vest upon the resignation or voluntary departure of the director.
2,500,000	0.32	31-Mar-25	Units vest every three months over three years.
5,500,000	0.32	31-Dec-27	Units vest every three months over three years.

Brokers warrants

A summary of the Company's warrants as at and during years ended December 31, 2024 and year ended December 31, 2023 as follows:

	Number of Warrants
Balance as of December 31, 2023	9,021,743
Expired / cancelled / forfeited	(2,087,815)
Balance as of December 31, 2024	6,933,928
Balance as of December 31, 2022	10,515,141
Granted for Business Combinations (Note 6)	1,317,256
Expired / cancelled / forfeited	(2,810,654)
Balance as of December 31, 2023	9,021,743

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(expressed in Canadian Dollars, except share and per share amounts)

Escrow Shares

The Company and certain shareholders of the Company entered into voluntary Lock-up Agreements where certain common shares are subject to resale restrictions, as per the escrow schedules. All escrow conditions are satisfied solely based on the passage of time pursuant to the lock up agreements. As at December 31, 2024 the lock up agreements do not specify and factors that could result in the escrow shares not being released holders.

Pooled shares for the Coinsquare Limited and CoinSmart Financial Inc. Business Combinations (Note 6) shall be released as follows:

Number of Pooled Shares	First Release Date	Release Policy
556,811	7-Aug-23	100% on date of release
556,811	7-Sep-23	100% on date of release
556,811	7-Oct-23	100% on date of release
556,811	7-Nov-23	100% on date of release
140,407,124	7-Jan-24	100% on date of release
123,565,777	7-Jul-24	100% on date of release
72,248,964	7-Jan-25	100% on date of release

As at December 31, 2024, a total of 72,248,964 (December 31, 2023 – 340,324,819) shares remain in escrow as part of the pooling agreements which were released on January 7, 2025.

22. REVENUES

The following table presents revenues of the Company disaggregated by revenue source:

	Year Ended December 31, 2024	Year Ended December 31, 2023
Transaction Revenue	54,920,825	25,397,739
Payments Revenues	2,821,973	2,878,614
Total other losses (gains)	**57,742,798**	**28,276,353**

23. OTHER LOSSES AND GAINS

The following table presents the disaggregated other losses and gains of the Company:

	Year Ended December 31, 2024	Year Ended December 31, 2023
Disposal of digital assets	-	19,887
Revaluation of digital assets	-	(286,633)
Revaluation of digital asset inventory	(4,145,937)	(710,399)
Changes in fair value of warrant liabilities	(1,987,646)	173,710
Changes in fair value of contingent consideration	(3,306,605)	1,183,202
Loss on dilution of ownership in associate	-	(538,771)
Total other losses (gains)	**(9,440,188)**	**(159,004)**

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(expressed in Canadian Dollars, except share and per share amounts)

24. INCOME TAXES

Income tax expense/(recovery) consist of the following components:

	December 31, 2024	December 31, 2023
Related to current year	2,069,680	-
Related to prior years	-	(522,156)
Current income tax expense (recovery)	**2,069,680**	**(522,156)**
Origination and reversal of temporary differences	(4,146,023)	(4,333,445)
Movement in unrecognized deferred income tax assets	412,029	3,998,159
Deferred income tax recovery	**(3,733,994)**	**(335,286)**
Total income tax expense/(recovery)	**(1,664,314)**	**(857,442)**

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 27% (2023 - 27%) to the effective tax rate is as follows:

	December 31, 2024	December 31, 2023
Net Loss before income taxes	(2,905,579)	(18,354,166)
Statutory income tax rate (%)	27%	27%
Expected recovery at statutory rate	**(784,506)**	**(4,955,625)**
Increase (decrease) in taxes resulting from:		
Non-deductible transaction costs	-	1,646,653
Other non-deductible (non-taxable) items	(655,436)	(445,471)
Statutory tax rate differences	9,817	(7,946)
Prior year true-ups	(646,218)	(1,093,212)
Change in deferred income tax assets not recognized (restated - Note 5)	412,029	3,998,159
Total income tax expense / (recovery)	**(1,664,314)**	**(857,442)**

The significant components of the Company's deferred income tax liabilities are comprised of the following:

Deferred income tax asset (liability)	December 31, 2024	December 31, 2023
Intangible assets	(10,352,642)	(10,552,867)
Investments	461,606	-
Right-of-use assets	-	(93,797)
Other	402,378	
Tax losses carryforwards	9,488,658	6,912,670
	-	**(3,733,994)**

Deferred income tax expense (recovery)	December 31, 2024	December 31, 2023
Intangible assets	(200,225)	(2,418,660)
Investments	(461,606)	
Right-of-use assets	(93,797)	33,086
Other	(402,378)	
Tax losses carryforwards	(2,575,988)	2,050,288
	(3,733,994)	**(335,286)**

Change in deferred income tax balances	December 31, 2024	December 31, 2023
Net deferred income tax liability, beginning of year	(3,733,994)	(4,069,280)
Recovery/(expense) through earnings	3,733,994	335,286
Net deferred income tax liability, end of year	**-**	**(3,733,994)**

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(expressed in Canadian Dollars, except share and per share amounts)

Deferred income tax assets are recorded to the extent that the realization of the related tax benefit is probable based on estimated future earnings. Deferred income tax assets have not been recognized with respect to the following deductible temporary differences:

	December 31, 2024	December 31, 2023
Property and equipment	2,011,365	1,762,369
Investments	1,306,878	-
Lease Liabilities	-	152,942
Tax loss carryforwards	120,997,651	108,236,489
Share Issue Costs	3,554,327	5,991,381
Other	-	8,080,433
	127,870,221	**124,223,614**

The Company has non-capital losses to which no deferred tax asset was recognized. The non-capital losses are available to reduce future year's taxable income and will commence to expire in 2039 if not utilized.

25. ADDITIONAL DETAILS TO THE STATEMENTS OF CASH FLOWS

	Year Ended December 31, 2024	Year Ended December 31, 2023
Trade and other payables	3,968,221	(8,184,520)
Trade and other receivables	(374,086)	4,368,507
Prepaid expenses	(54,129)	1,033,886
Digital asset inventory	1,053,296	(2,090,455)
Income tax credit receivable	-	(1,367,843)
Disposal of digital assets	-	944,866
Total changes in working capital items	**4,593,302**	**(5,295,559)**

26. RELATED PARTY TRANSACTIONS

Company’s related parties consist of entities where the executive officers and directors of the Company are principals meaning their position in these entities results in their having control or significant influence over the financial or operating policies of these entities.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel are the Company’s executive management team and members of the Board of Directors. Key management personnel compensation comprised of share-based compensation, and any salaries paid to these individuals.

During the years ended December 31, 2024 and 2023, related party transactions were as follows:

	Year Ended December 31,	
	2024	2023
Directors fees(1)	3,038,001	1,179,081
Directors Share-based payments (2)	500,330	134,168
Key Management Salaries and benefits (3)	1,638,607	1,717,281
Key Management Share-based payments (3)	809,492	1,163,869
Earn Out Payments (4)	261,572	-
Acquisition payments (5)	-	3,394,421
	6,248,002	**7,588,820**

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(expressed in Canadian Dollars, except share and per share amounts)

(1) Directors' fees represent fees, special committee fees and/or consulting payments paid to current or former directors during the years ending December 31, 2024 and 2023.
(2) Salaries and benefits paid to 5 key management personnel during the during the years ended December 31, 2024 and 2023
(3) The Company issued options and RSUs to directors and key management personnel of the Company and recorded the share-based payments related to such issuances based on the vesting schedules.
(4) During the year ended December 31, 2024, certain board of director members, as former CoinSmart shareholders, received amounts relating to the smart pay revenue payment.
(5) Pursuant to the business combination agreement for CoinSmart and Coinsquare, there were 15,363,357 shares issued to related parties with a fair value of $2,688,587, as well as cash payments made to certain board of directors members totalling $250,000. Additionally, restricted stock units were issued to key management personnel vesting immediately with a total fair value of $455,834.

27. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value measurements

IFRS 13, *Fair-Value Measurement*, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

The Company's assets and liabilities measured at fair value on a recurring basis have been categorized into the fair value hierarchy as follows:

	Category	Fair Value as at December 31, 2024	Fair Value as at December 31, 2023
Financial assets at FVTPL			
Digital asset inventory	Level 2	14,370,289	11,227,648
Client digital assets	Level 2	1,995,591,233	907,050,666
Investments	Level 2	2,482,103	12,790,503
Investments	Level 3	112,336	26,003
Financial liabilities at FVTPL			
Client digital assets liabilities	Level 2	1,995,591,233	907,050,666
Warrant liabilities	Level 2	432,380	2,425,176
Contingent consideration	Level 3	2,935,499	4,393,521

There was no movement of financial instruments between levels during the period.

The Company determined that the carrying values of its short-term financial assets and liabilities approximate the corresponding fair values because of the relatively short periods to maturity of these instruments and the low credit risk.

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Financial risk management

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adhere to market conditions. The Company has exposure to credit risk, liquidity risk and market risk as a result of its use of financial instruments. This note presents information about the Company's exposure to each of the risks and the Company's objectives, policies, and processes for measuring and managing these risks. Further quantitative disclosures are included as applicable.

The Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has implemented and monitors compliance with risk management policies.

Currency risk

The Company's expenses are primarily denominated in Canadian dollars. The Company's corporate offices are based in Canada and current exposure to exchange rate fluctuations is minimal. As at December 31, 2024, the Company was exposed to currency risk through the cash held in a currency other than the Canadian dollar (Note7). As at December 31, 2024, the Company held $10,114,031 (US$ 7,029,002) of its cash in US Dollars. A 10% depreciation (or appreciation) of the US dollar against the Canadian dollar would result in a $1,011,403 loss (or gain) respectively in the Company's earnings for the period.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company does not have any financial instruments directly influenced by market interest rates. As a result, management has assessed interest rate risk as limited.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk on cash in client assets and its own cash, trade receivable, loan receivable and client digital assets and its own digital asset inventories. To minimize the credit risk, the Company places its cash and client custodial cash with major financial institutions. The Company uses the custodial services of BitGo and Coinbase for client digital assets and uses Fireblocks and various liquidity providers to hold the Company's digital asset inventory used in the settlement of client transactions. The Company does not self-custody its digital assets. In addition, the Company is subject to credit risk in relation to the balances of its investments. To minimize the credit risk on the investments, the Company regularly monitors its investments.

Price and concentration risk

Price risk is the risk of dispositions of investments at less than favourable prices due to unfavourable market conditions. The Company is exposed to insignificant price and concentration risk on its digital assets.

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Counterparty Risk

Counterparty risk is the risk of an unexpected loss if a third party fails to meet its contractual obligations. The Company is exposed to counterparty risk primarily through its digital asset inventories and client digital assets. While the Company intends to only transact with counterparties that it believes to be creditworthy, there can be no assurance that a counterparty will not default and that the Company will not sustain a material loss on a transaction as a result.

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 manages the liquidity risk resulting from its trade and other payables, client liabilities, contingent consideration, long-term debt and warrant financial liabilities by maintaining cash and crypto inventory balances that are adequate to satisfy trade and other payables, client liabilities and other liabilities and monitoring cash outflows. The Company maintains a balance between continuity of funding and the flexibility through the use of borrowings and expects to have adequate sources of funding to finance the Company's projects and operations.

The following table outlines the Company's contractual undiscounted obligations:

	0 - 1 Year ($)	2 - 3 Years ($)	3 + Years ($)
Trade and other payables	14,403,199	-	-
Client custodial cash liabilities	105,604,138	-	-
Client digital assets liabilities	1,995,591,233	-	-
Contingent consideration	1,893,773	1,041,726	-
Warrant liabilities	432,380	-	-
Long term debt	57,096	114,192	54,435

Digital currencies risk and risk management

The Company generates a significant portion of its total revenue from transaction fees on its platform, which are incurred during the purchase, sale, and trading of crypto assets by customers. Transaction fees are primarily on a percentage of the transaction value and may vary based on payment type and transaction value. Consequently, crypto asset price risk could adversely affect the Company's operating results. The Company's future profitability may depend on the market prices of Bitcoin, Ethereum, and other crypto assets. Crypto asset prices, along with the Company's operating results, have fluctuated significantly, and there is no assurance that these prices will follow historical trends.

Digital asset prices are influenced by various factors, including global supply and demand, interest rates, exchange rates, inflation or deflation, and global political and economic conditions. A decline in the market prices of Bitcoin, Ethereum, and other crypto assets could have an adverse effect on the Company's earnings, the carrying value of its crypto assets, and future cash flows. This may also impact the Company's liquidity and its ability to meet ongoing obligations. Additionally, the volatility in crypto asset prices could lead to increased

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(expressed in Canadian Dollars, except share and per share amounts)

uncertainty and risk in the Company's financial planning and forecasting. The Company may face challenges in maintaining its revenue streams and profitability if crypto asset prices experience significant downturns. Furthermore, regulatory changes and market sentiment towards digital assets could exacerbate these risks, potentially leading to stricter regulations and reduced market confidence, which could further impact the Company's operations and financial stability.

As of December 31, 2024, the Company holds digital assets valued at $14,370,289 with reputable custodians and liquidity providers, compared to $11,227,648 as of December 31, 2023. If the market price of the Company's digital assets had changed by 10% as of December 31, 2024, with all other variables remaining constant, the corresponding change in value would be approximately $1,437,029.

Some fiat and digital assets of the Company are held on account with various third-party digital asset trading platforms. These deposits are held on account to allow for successful completion of user purchases and sales of digital assets. These digital assets are transferred to the Company's digital custodian accounts and fiat funds are transferred to financial institutions on an ongoing basis.

28. CAPITAL MANAGEMENT

Risk management

The group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Company consists of equity composed of issued share capital, contributed surplus and cash. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issuances or by undertaking other activities as deemed appropriate under the specific circumstances. The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management as at December 31, 2024, remains unchanged from the year ended December 31, 2023.

29. EARNINGS PER SHARE

Basic income (loss) per share is calculated by dividing the net earnings by the weighted average number of shares. The Basic and fully diluted income (loss) per share for the years ended December 31, 2024 and 2023 are as follows:

	Year Ended December 31, 2024			Year Ended December 31, 2023		
	Net loss	weighted average # of shares	Loss per share	Net loss	weighted average # of shares	Loss per share
Basic and fully diluted loss per share	$ (1,241,265)	649,123,094	$ 0.00	(17,496,724)	437,653,656	$ (0.04)

Given the company's loss position, no diluted loss per share has been calculated for the years ended December 31, 2024 and 2023, as the effect would be anti-dilutive.

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(expressed in Canadian Dollars, except share and per share amounts)

30. SEGMENT INFORMATION

The Company operates through three reportable segments: Trading, Payments and Corporate. Trading consists of operations from the Company's crypto exchange brands; Bitbuy and Coinsquare. The Payments segment consists of operations from SmartPay the company's global crypto payment processing division. Other general operations including research and development, public company expenditures and those pertaining to M&A activities are reported under the Corporate segment.

The operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, who is responsible for allocating resources and assessing the performance of the operating segments. The chief operating decision-maker has been identified as the President and Chief Executive Officer. All material revenues and non-current assets are in Canada.

	Year Ended December 31, 2024			
	Trading	**Payments**	**Corporate**	**Total**
Revenue	54,920,825	2,821,973	-	57,742,798
Salaries and wages	14,068,414	1,156,945	381,638	15,606,997
Bank and transaction fees	6,241,642	468,161	142,964	6,852,767
Marketing	4,912,516	9,490	468,549	5,390,555
Professional and consulting fees	5,635,396	1,835,524	114,769	7,585,689
Software licenses	4,509,639	384,741	168,101	5,062,481
Commission expenses	2,293,723	275,395	259,826	2,828,944
General and administrative expenses	2,306,355	(893,769)	3,760,639	5,173,225
Compliance fees	1,549,057	73,743	40,457	1,663,257
Share-based payments	-	-	2,420,386	2,420,386
Depreciation and amortization	8,180,221	593,159	168,325	8,941,705
Other expense (income)	(4,619,093)	4,211,955	(470,491)	(877,629)
Segment net income (loss) before income taxes	**9,842,955**	**(5,293,371)**	**(7,455,163)**	**(2,905,579)**

	Year Ended December 31, 2023			
	Trading	**Payments**	**Corporate**	**Total**
Revenue	25,397,739	2,878,614	-	28,276,353
Salaries and wages	8,619,345	289,023	2,897,123	11,805,491
Bank and transaction fees	3,485,259	260,205	420,833	4,166,297
Marketing	968,801	28,901	417,839	1,415,541
Professional and consulting fees	1,936,806	77,069	3,181,524	5,195,399
Software licenses	3,869,223	115,534	720,407	4,705,164
Commission expenses	2,418,149	752,550	38,000	3,208,699
General and administrative expenses	513,471	31,226	2,165,106	2,709,803
Compliance fees	1,058,217	45,922	509,347	1,613,486
Share-based payments	-	-	2,387	2,387
Depreciation and amortization (restated - Note 5)	10,237,885	289,132	23,474	10,550,491
Other expense (income)	(9,354,509)	(196,764)	10,809,034	1,257,761
Segment net income (loss) before income taxes	**1,645,092**	**1,185,816**	**(21,185,074)**	**(18,354,166)**

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31. SUBSEQUENT EVENTS

i. On January 1, 2025, in accordance with IFRS 16, the Company recognizes a right-of-use asset and corresponding lease liability of $ 2,077,488 for a lease agreement entered into with a third party for an office space in Toronto. The lease has an initial term of 5 years.

ii. During the month of January 2025, a total of 15,905,700 share purchase warrants that were issued as part of the Company's January 30, 2023, brokered private placement were exercised for 15,905,700 common shares of the Company for cash proceeds of $4,771,710, which an amount of $5,566,995 was added to share capital and the difference to contributed surplus. The remaining 6,614,300 share purchase warrants expired on January 30, 2025.

iii. During the month of January 2025, the Company repurchased 2,380,000 of its common shares on the open market through its brokers at an average purchase price of $0.32 per share for a total cost of $772,600. These common shares were cancelled on February 6, 2025.

iv. On February 18, 2025, the Company entered into a settlement agreement with an arm's length third party, pursuant to which it settled certain claims. Notwithstanding that the Company was of the view that the claims were without merit, the board determined that, for a number of reasons, entering into the settlement was in the best interests of the Company. Pursuant to the terms of the settlement agreement, the company paid $6 million in cash to the third party, and agreed to grant 2.0 million restricted share units to the third party. Concurrently with entering into the settlement agreement, directors Rob Godfrey, Igor Gimelshtein and Noel Biderman resigned from the board.