Condensed Interim Consolidated Financial Statements

For the three and nine months ended
June 30, 2025 and 2024

(Unaudited)

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, SSC Security Services Corp. discloses that its auditors have not reviewed the condensed interim consolidated financial statements for the nine months ended June 30, 2025 and 2024.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unaudited, in Canadian dollars)

	Note	As at June 30, 2025	As at September 30, 2024
ASSETS			
Current			
Cash and cash equivalents		$ 9,633,637	$ 13,341,434
Accounts receivable		23,221,954	22,672,285
Contract assets		1,022,819	376,566
Inventories		244,752	252,170
Prepaid expenses		759,630	813,364
Income tax recoverable		4,825	276,791
Mortgages and loans receivable		383,071	906,632
Other assets		966,875	966,875
		$ 36,237,563	$ 39,606,117
Non-current			
Legacy contract assets		$ 4,846,017	$ 4,846,017
Mortgages and loans receivable		28,266	74,907
Property and equipment	5	4,959,563	3,133,316
Deferred income tax assets		2,347,642	2,282,854
Intangible assets	6	16,221,638	17,369,997
Goodwill	6	13,909,918	13,909,918
Total Assets		$ 78,550,607	$ 81,223,126
LIABILITIES			
Current			
Accounts payable and accrued liabilities	7	$ 8,568,622	$ 10,524,410
Obligations under lease	8	750,065	777,597
Cash-settled share-based payment liability	9	1,267,234	1,161,567
Contract liabilities		298,054	252,669
		$ 10,883,975	$ 12,716,243
Non-current			
Obligations under lease	8	$ 2,379,510	$ 689,898
Cash-settled share-based payment liability	9	396,618	264,356
Deferred income tax liability		3,085,818	3,034,555
Total Liabilities		$ 16,745,921	$ 16,705,052
EQUITY			
Share capital		$ 76,187,521	$ 77,204,930
Contributed surplus		4,414,082	4,394,232
Deficit		(18,796,917)	(17,081,088)
		$ 61,804,686	$ 64,518,074
		$ 78,550,607	$ 81,223,126

ON BEHALF OF THE BOARD

"Douglas Emsley", Director

"Laurie Powers", CPA, CA, ICD.D, Director

- The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements -

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

(Unaudited, in Canadian dollars)

	Note	Three months ended June 30, 2025	Three months ended June 30, 2024	Nine months ended June 30, 2025	Nine months ended June 30, 2024
Revenue	11	$ 30,176,936	$ 29,726,057	$ 87,048,270	$ 91,010,463
Cost of sales		24,893,273	25,012,246	72,495,113	76,667,731
Gross profit		$ 5,283,663	$ 4,713,811	$ 14,553,157	$ 14,342,732
Corporate administration	12	4,226,603	4,007,575	12,663,934	11,835,270
Depreciation of property and equipment	5	560,701	590,521	1,659,642	1,731,637
Amortization of intangible assets	6	382,786	382,786	1,148,359	1,148,359
Income (loss) from operations		$ 113,573	$ (267,071)	$ (918,778)	$ (372,534)
Financing					
Interest income		81,460	189,345	321,235	521,667
Lease interest expense	8	(70,897)	(50,786)	(193,607)	(145,924)
		$ 10,563	$ 138,559	$ 127,628	$ 375,743
Other income					
(Loss) gain from legacy business		(148)	(6,765)	1,254	946,044
Other (loss) income		(31,904)	69,564	752,087	166,151
		$ (32,052)	$ 62,799	$ 753,341	$ 1,112,195
Net income (loss) before income tax		$ 92,084	$ (65,713)	$ (37,809)	$ 1,115,404
Income tax expense (recovery)	13	34,343	(91,786)	19,309	373,445
Net income (loss) and comprehensive income (loss)		$ 57,741	$ 26,073	$ (57,118)	$ 741,959
Basic income (loss) per share	10	$ 0.00	$ 0.00	$ (0.00)	$ 0.04
Fully diluted income (loss) per share	10	$ 0.00	$ 0.00	$ (0.00)	$ 0.04

- The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements -

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited, in Canadian dollars)

Cash flow from (applied to)	Note	Three months ended June 30, 2025	Three months ended June 30, 2024	Nine months ended June 30, 2025	Nine months ended June 30, 2024
Operating activities					
Net income (loss)		$ 57,741	$ 26,073	$ (57,118)	$ 741,959
Adjustments for non-cash items					
Depreciation of property and equipment	5	560,700	590,521	1,659,642	1,731,637
Amortization of intangible assets	6	382,787	382,786	1,148,359	1,148,359
Deferred share unit expense		85,101	78,784	105,667	7,320
Share appreciation rights expense		88,297	56,927	132,263	116,069
Share based compensation		5,199	14,515	19,850	56,913
Income tax expense (recovery)	13	34,343	(91,786)	19,309	373,445
Unrealized loss on other financial assets		-	-	-	1,882
Expected credit loss on mortgages and loans receivable		6,765	6,765	20,295	20,369
Interest income		(81,461)	(189,345)	(321,235)	(521,667)
Lease interest expense		70,897	50,786	193,607	145,924
Interest received		64,592	185,149	348,524	585,703
Realized gains from legacy assets		-	-	-	(968,296)
Gain on mortgage buyouts		-	-	(1,402)	-
Changes in working capital items	15	(2,780,070)	(1,454,131)	(3,033,119)	(3,227,459)
Income tax received (paid)		2,375	(18,384)	271,966	(402,669)
Interest paid	8	(70,897)	(50,786)	(193,607)	(145,923)
Cash (applied to) received from operating activities		$ (1,573,631)	$ (412,126)	$ 313,001	$ (336,434)
Investing activities					
Proceeds from legacy assets		-	-	-	1,866,927
Proceeds from repayment of mortgages and loans receivable		20,000	39,500	487,435	651,217
Purchase of property and equipment	5	(243,930)	(202,839)	(1,210,103)	(867,287)
Cash (applied to) received from investing activities		$ (223,930)	$ (163,339)	$ (722,668)	$ 1,650,857
Financing activities					
Dividends paid		(553,278)	(567,987)	(1,670,765)	(1,723,181)
Principal lease payments	8	(183,833)	(283,899)	(609,956)	(789,725)
Purchase of common shares		(340,302)	(302,339)	(1,017,409)	(1,368,387)
Proceeds from shares issued		-	-	-	90,718
Cash applied to financing activities		$ (1,077,413)	$ (1,154,225)	$ (3,298,130)	$ (3,790,575)
Decrease in cash		(2,874,974)	(1,729,690)	(3,707,797)	(2,476,152)
Cash and cash equivalents – beginning of the period		12,508,611	14,096,885	13,341,434	14,843,347
Cash and cash equivalents - end of the period		$ 9,633,637	$ 12,367,195	$ 9,633,637	$ 12,367,195

- The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements -

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Unaudited, in Canadian dollars)

	Note	Share Capital		Contributed Surplus	Deficit	Total
		Number	Amount	Share Options		
At September 30, 2023		19,313,087	$ 78,735,164	$ 4,358,645	$ (15,407,379)	$ 67,686,430
NCIB shares purchased for cancellation		(534,800)	$ (1,368,387)	$ -	$ -	$ (1,368,387)
Options exercised		37,799	119,247	(28,529)	-	90,718
Share based payment – options		-	-	56,913	-	56,913
Dividends	9	-	-	-	(1,708,271)	(1,708,271)
Total comprehensive income		-	-	-	741,959	741,959
At June 30, 2024		18,816,086	$ 77,486,024	$ 4,387,029	$ (16,373,691)	$ 65,499,362
NCIB shares purchased for cancellation		(112,600)	$ (281,094)	$ -	$ -	$ (281,094)
Share based payment – options		-	-	7,203	-	7,203
Dividends	9	-	-	-	(561,104)	(561,104)
Total comprehensive loss		-	-	-	(146,293)	(146,293)
At September 30, 2024		18,703,486	$ 77,204,930	$ 4,394,232	$ (17,081,088)	$ 64,518,074
NCIB shares purchased for cancellation		(401,800)	$ (1,017,409)	$ -	$ -	$ (1,017,409)
Share based payment – options		-	-	19,850	-	19,850
Dividends	9	-	-	-	(1,658,711)	(1,658,711)
Total comprehensive loss		-	-	-	(57,118)	(57,118)
At June 30, 2025		18,301,686	$ 76,187,521	$ 4,414,082	$ (18,796,917)	$ 61,804,686

1. Nature of operations

The predecessor corporation of SSC Security Services Corp. (the "Company" or "SSC") was incorporated under The Business Corporations Act (Saskatchewan) (the "Act") on October 25, 2011. The existing Company was formed by an amalgamation under the Act on August 8, 2013. The Company's common shares are publicly traded on the TSX Venture Exchange under the symbol "SECU" (OTCQX: SECUF). The Company provides cyber, physical and electronic security services across Canada.

The head office of the Company is located at 300 – 1914 Hamilton Street, Regina, Saskatchewan, S4P 3N6. The Company's registered and records office is located at 800 – 1801 Hamilton Street, Regina, Saskatchewan, S4P 4B4.

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on August 19, 2025.

2. Basis of presentation

A. STATEMENT OF COMPLIANCE

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Committee ("IFRIC"). They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last audited annual financial statements as at and for the period ended September 30, 2024.

B. BASIS OF MEASUREMENT

These condensed interim consolidated financial statements have been prepared on a historical cost basis except for the following material items in the consolidated statement of financial position:

- Financial instruments that are accounted for at fair value through profit and loss (Note 14).
- Share purchase options and deferred share units that are accounted for according to the share-based payments criteria.
- Assets held for sale are held at the lower of carrying value and fair value.

C. BASIS OF CONSOLIDATION

The condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiary Logixx Security Inc. ("Logixx"). Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases. All intercompany transactions and balances have been eliminated. All companies have a reporting date of September 30th.

D. FUNCTIONAL AND PRESENTATIONAL CURRENCY

The condensed interim consolidated financial statements are presented in Canadian dollars, the functional currency of the Company and its subsidiary, and all values are rounded to the nearest dollar with the exception of share and per share value.

E. USE OF ESTIMATES AND JUDGEMENTS

The preparation of condensed interim consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ materially from those 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 any future period affected.

Significant areas requiring the use of management estimates are further described in the following summary of significant accounting policies and notes:

- Fair value of financial instruments;
- Expected credit losses on financial assets;
- Estimates of future taxable income; and
- Impairment of non-financial assets.

Areas of judgement in applying accounting policies that have the most significant effect on the amount recognized in the condensed interim consolidated financial statements include:

- Classification and measurement of financial instruments including the business model applied;
- Recognition of deferred tax assets;
- Assessing recoverable amounts of all significant financial and non-financial assets; and
- There is judgement in determining the timing of revenue recognition pertaining to electronic installation services, where the entire contract is one performance obligation and is recognized over time using the percentage of completion basis. Timing of revenue recognition may differ from when customers are invoiced, which could result in contract assets or contract liabilities being recognized.

F. MEASUREMENT OF FAIR VALUES

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. The fair value hierarchy establishes three levels to classify the inputs of valuation techniques used to measure fair value. The three levels of the fair value hierarchy are described below:

- Level 1 – Fair values are determined using inputs that are quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 – Fair values are determined using inputs, other than quoted prices in level 1, that are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liabilities.
- Level 3 – Fair values are determined based on inputs for the asset or liability that are not based on observable market data. Assets under collection values are calculated using internal discounted cash flow models that rely on forward pricing provided by independent sources and long term basis assumptions. Assets that are impaired or in the process of security realization are dependent upon fair value assessments of underlying security, primarily land.

The Company regularly reviews significant inputs and valuation assumptions. If third party information is used to measure fair values, then the Company assesses the evidence obtained from third parties to support the conclusion that these valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which the valuations should be classified.

3. *Material accounting policies*

The accounting policies applied by the Company in these condensed interim consolidated financial statements are the same as those applied as at and for the year ended September 30, 2024, and are detailed in note 3 of the Company's audited consolidated financial statements.

4. *Segment reporting*

Segment reporting is prepared on the same basis that the Company's Chief Executive Officer, who is the Company's Chief Operating Decision Maker, manages the business, makes operating decisions and assesses performance. As at June 30, 2025, Management has determined that the Company operates in three segments: Security, Legacy Operations, and Corporate. The security segment provides security services to primarily commercial and public sector clients. Services include cyber security services, protective services as well as security system design, sales, installations, and monitoring and alarm response. Legacy operations relate to the previous canola streaming business. The Corporate segment includes intersegment charges and corporate overhead costs. Since May 2019, SSC has not deployed capital into new agriculture streams and is servicing those clients until their contracts with the Company mature.

The Company provides security services for enterprise customers across Canada. Segment results include items directly attributable to a segment and inter-segment administration charges, reflected as corporate revenue. The Company accounts for intersegment sales as if they were to external customers.

Segment statements of income (loss) for the three months ended June 30, 2025 are included below:

	For the three months ended June 30, 2025				
	Security	Legacy Operations	Corporate	Intersegment eliminations	Total
Revenue	$ 30,210,183	$ -	$ 1,153,265	$ (1,186,512)	$ 30,176,936
Cost of sales	24,926,521	-	-	(33,248)	24,893,273
Gross profit	$ 5,283,662	$ -	$ 1,153,265	$ (1,153,264)	$ 5,283,663
Corporate administration	4,080,391	131,054	1,168,422	(1,153,264)	4,226,603
Depreciation of property and equipment	558,749	-	1,952	-	560,701
Amortization of intangible assets	382,786	-	-	-	382,786
Income (loss) from operations	$ 261,736	$ (131,054)	$ (17,109)	$ -	$ 113,573
Financing					
Interest income	61,781	19,679	-	-	81,460
Lease interest expense	(70,897)	-	-	-	(70,897)
	$ (9,116)	$ 19,679	$ -	$ -	$ 10,563
Other income					
Loss from legacy business	-	(148)	-	-	(148)
Other loss	(24,952)	(6,952)	-	-	(31,904)
	$ (24,952)	$ (7,100)	$ -	$ -	$ (32,052)
Net income (loss) before income tax	$ 227,668	$ (118,475)	$ (17,109)	$ -	$ 92,084

Segment statements of income (loss) for the nine months ended June 30, 2025 are included below:

	For the nine months ended June 30, 2025				
	Security	Legacy Operations	Corporate	Intersegment eliminations	Total
Revenue	$ 87,139,100	$ -	$ 3,282,266	$ (3,373,096)	$ 87,048,270
Cost of sales	72,585,943	-	-	(90,830)	72,495,113
Gross profit	$ 14,553,157	$ -	$ 3,282,266	$ (3,282,266)	$ 14,553,157
Corporate administration	12,378,508	131,054	3,436,638	(3,282,266)	12,663,934
Depreciation of property and equipment	1,604,238	-	55,404	-	1,659,642
Amortization of intangible assets	1,148,359	-	-	-	1,148,359
Loss from operations	$ (577,948)	$ (131,054)	$ (209,776)	$ -	$ (918,778)
Financing					
Interest income	247,067	74,168	-	-	321,235
Lease interest expense	(193,082)	-	(525)	-	(193,607)
	$ 53,985	$ 74,168	$ (525)	$ -	$ 127,628
Other income					
Gain from legacy business	-	1,254	-	-	1,254
Other income (loss)	772,202	(20,115)	-	-	752,087
	$ 772,202	$ (18,861)	$ -	$ -	$ 753,341
Net income (loss) before income tax	$ 248,239	$ (75,747)	$ (210,301)	$ -	$ (37,809)

Segment statements of income (loss) for the three months ended June 30, 2024 are included below:

	For the three months ended June 30, 2024				
	Security	Legacy Operations	Corporate	Intersegment eliminations	Total
Revenue	$ 29,811,280	$ -	$ 1,081,024	$ (1,166,247)	$ 29,726,057
Cost of sales	25,097,469	-	-	(85,223)	25,012,246
Gross profit	$ 4,713,811	$ -	$ 1,081,024	$ (1,081,024)	$ 4,713,811
Corporate administration	3,810,502	84,770	1,193,327	(1,081,024)	4,007,575
Depreciation of property and equipment	512,798	-	77,723	-	590,521
Amortization of intangible assets	382,786	-	-	-	382,786
Income (loss) from operations	$ 7,725	$ (84,770)	$ (190,026)	$ -	$ (267,071)
Financing					
Interest income	130,042	59,303	-	-	189,345
Lease interest expense	(47,170)	-	(3,616)	-	(50,786)
	$ 82,872	$ 59,303	$ (3,616)	$ -	$ 138,559
Other income					
Loss from legacy business	-	(6,765)	-	-	(6,765)
Other income	69,495	-	69	-	69,564
	$ 69,495	$ (6,765)	$ 69	$ -	$ 62,799
Net income (loss) before income tax	$ 160,092	$ (32,232)	$ (193,573)	$ -	$ (65,713)

Segment statements of income (loss) for the nine months ended June 30, 2024 are included below:

	For the nine months ended June 30, 2024				
	Security	Legacy Operations	Corporate	Intersegment eliminations	Total
Revenue	$ 91,220,820	$ -	$ 3,181,938	$ (3,392,295)	$ 91,010,463
Cost of sales	76,878,088	-	-	(210,357)	76,667,731
Gross profit	$ 14,342,732	$ -	$ 3,181,938	$ (3,181,938)	$ 14,342,732
Corporate administration	11,510,751	177,581	3,328,876	(3,181,938)	11,835,270
Depreciation of property and equipment	1,506,256	-	225,381	-	1,731,637
Amortization of intangible assets	1,148,359	-	-	-	1,148,359
Income (loss) from operations	$ 177,366	$ (177,581)	$ (372,319)	$ -	$ (372,534)
Financing					
Interest income	298,040	223,627	-	-	521,667
Lease interest expense	(131,992)	-	(13,932)	-	(145,924)
	$ 166,048	$ 223,627	$ (13,932)	$ -	$ 375,743
Other income					
Gain from legacy business	-	946,044	-	-	946,044
Other income (loss)	166,801	(650)	-	-	166,151
	$ 166,801	$ 945,394	$ -	$ -	$ 1,112,195
Net income (loss) before income tax	$ 510,215	$ 991,440	$ (386,251)	$ -	$ 1,115,404

Segment information as at June 30, 2025 and September 30, 2024 are as follows:

	Security	Legacy Operations	Corporate	Intersegment eliminations	Total
Segment assets:					
As at June 30, 2025	$ 68,942,375	$ 6,247,209	$ 61,614,212	$ (58,253,189)	$ 78,550,607
As at September 30, 2024	$ 69,823,338	$ 6,873,616	$ 63,775,150	$ (59,248,978)	$ 81,223,126
Segment liabilities:					
As at June 30, 2025	$ 36,745,555	$ -	$ 2,926,572	$ (22,926,206)	$ 16,745,921
As at September 30, 2024	$ 37,802,165	$ -	$ 2,824,883	$ (23,921,996)	$ 16,705,052

The Company does not have revenues from any customers that represents a greater than 10% share of consolidated revenue.

5. *Property and equipment*

The Company's property and equipment are comprised of the following:

	June 30, 2025		
	Cost	Accumulated Depreciation	Carrying Amount
Furniture and fixtures	$ 486,724	$ 197,671	$ 289,053
Computer equipment	350,508	230,931	119,577
Managed security services equipment	1,070,368	913,974	156,394
Vehicles	700,024	593,496	106,528
Leasehold improvements	385,572	189,606	195,966
Uniforms	3,687,645	2,467,596	1,220,049
Property and equipment	$ 6,680,841	$ 4,593,274	$ 2,087,567
Right-of-use asset	4,386,533	1,514,537	2,871,996
Total	$ 11,067,374	$ 6,107,811	$ 4,959,563

	September 30, 2024		
	Cost	Accumulated Depreciation	Carrying Amount
Furniture and fixtures	$ 215,345	$ 181,692	$ 33,653
Computer equipment	295,328	198,113	97,215
Managed security services equipment	1,070,368	834,167	236,201
Vehicles	719,943	563,639	156,304
Leasehold improvements	198,515	174,706	23,809
Uniforms	3,030,385	1,813,907	1,216,478
Property and equipment	$ 5,529,884	$ 3,766,224	$ 1,763,660
Right-of-use asset	3,082,191	1,712,535	1,369,656
Total	$ 8,612,075	$ 5,478,759	$ 3,133,316

The following table summarizes the changes in the net carrying amounts of property and equipment during the nine months ended June 30, 2025:

	September 30, 2024			June 30, 2025
	Net carrying Amount	Net additions	Depreciation	Net carrying amount
Furniture and fixtures	$ 33,653	$ 271,379	$ 15,979	$ 289,053
Computer equipment	97,215	55,180	32,818	119,577
Managed security services equipment	236,201	-	79,807	156,394
Vehicles	156,304	27,789	77,565	106,528
Leasehold improvements	23,809	198,495	26,338	195,966
Uniforms	1,216,478	657,260	653,689	1,220,049
Property and equipment	$ 1,763,660	$ 1,210,103	$ 886,196	$ 2,087,567
Right-of-use asset	1,369,656	2,275,785	773,445	2,871,996
Total	$ 3,133,316	$ 3,485,888	$ 1,659,641	$ 4,959,563

	September 30, 2023			June 30, 2024
	Net carrying Amount	Net additions	Depreciation	Net carrying amount
Furniture and fixtures	$ 44,848	$ 2,831	$ 8,505	$ 39,174
Computer equipment	130,683	33,525	48,833	115,375
Managed security services equipment	350,618	-	86,455	264,163
Vehicles	151,159	173,451	120,918	203,692
Leasehold improvements	52,064	-	22,642	29,422
Uniforms	1,174,622	657,480	626,452	1,205,650
Property and equipment	$ 1,903,994	$ 867,287	$ 913,805	$ 1,857,476
Right-of-use asset	1,664,201	826,012	817,832	1,672,381
Total	$ 3,568,195	$ 1,693,299	$ 1,731,637	$ 3,529,857

The Company currently has two categories of right-of-use assets relating to vehicles and property leases. At June 30, 2025, the carrying amount of vehicles under lease was $903,463 (September 30, 2024: $1,107,890), with $164,269 and $502,445 of depreciation included in the condensed interim consolidated statement of income (loss) for the three and nine-month periods ended June 30, 2025 respectively (June 30, 2024: $183,181 and $515,659 respectively).

At June 30, 2025, the property leases relating to office space had a carrying amount of $1,968,532 (September 30, 2024: $261,766), with $91,940 and $271,001 of depreciation included in the condensed interim consolidated statement of income (loss) for the three and nine-month periods ended June 30, 2025 respectively (June 30, 2024: $99,704 and $302,173 respectively).

6. Goodwill and intangible assets

	Software	Customer relationships	Tradename	Total intangible assets	Goodwill
Cost					
Balance at September 30, 2023	$ 86,585	$ 15,703,442	$ 5,980,000	$ 21,770,027	$ 13,909,918
Acquisitions	-	-	-	-	-
Retirements, disposals, and adjustments	-	-	-	-	-
Balance at June 30, 2024	$ 86,585	$ 15,703,442	$ 5,980,000	$ 21,770,027	$ 13,909,918
Acquisitions	-	-	-	-	-
Retirements, disposals, and adjustments	-	-	-	-	-
Balance at September 30, 2024	$ 86,585	$ 15,703,442	$ 5,980,000	$ 21,770,027	$ 13,909,918
Acquisitions	-	-	-	-	-
Retirements, disposals, and adjustments	-	-	-	-	-
Balance at June 30, 2025	$ 86,585	$ 15,703,442	$ 5,980,000	$ 21,770,027	$ 13,909,918
Accumulated amortization					
Balance at September 30, 2023	$ 27,586	$ 2,841,298	$ -	$ 2,868,884	$ -
Amortization	16,029	1,132,330	-	1,148,359	-
Retirements, disposals, and adjustments	-	-	-	-	-
Balance at June 30, 2024	$ 43,615	$ 3,973,628	$ -	$ 4,017,243	$ -
Amortization	5,343	377,444	-	382,787	-
Retirements, disposals, and adjustments	-	-	-	-	-
Balance at September 30, 2024	$ 48,958	$ 4,351,072	$ -	$ 4,400,030	$ -
Amortization	16,029	1,132,330	-	1,148,359	-
Retirements, disposals, and adjustments	-	-	-	-	-
Balance at June 30, 2025	$ 64,987	$ 5,483,402	$ -	$ 5,548,389	$ -
Carrying amounts					
At June 30, 2025	$ 21,598	$ 10,220,040	$ 5,980,000	$ 16,221,638	$ 13,909,918
At September 30, 2024	$ 37,627	$ 11,352,370	$ 5,980,000	$ 17,369,997	$ 13,909,918

The useful lives over which software and customer relationships are amortized are stated in Note 3 - Material Accounting Policies. The amortization expense is included in the Condensed Interim Statements of Income (Loss) and Comprehensive Income (Loss).

7. Accounts payable and accrued liabilities

	June 30, 2025	September 30, 2024
Current liabilities:		
Accounts payable	$ 1,215,345	$ 1,983,528
Payroll tax and other statutory liabilities	3,707,244	4,542,834
Dividends payable	549,051	561,104
Commission accrual	1,000	4,747
Vacation payable	2,007,167	1,821,093
Bonus accrual	551,000	686,250
Other payables	537,815	924,854
	$ 8,568,622	$ 10,524,410

Accounts payable and accrued liabilities are unsecured and are usually paid within 30 days of recognition. The carrying amount of accounts payable and accrued liabilities are considered to be the same as their fair values, due to their short-term nature.

8. Obligations under lease

The lease payments are discounted using the interest rate implicit in the lease, or if that cannot be determined, the Company's incremental borrowing rate.

	Vehicle lease liability	Property lease liability	Total lease liability
Balance at September 30, 2023	$ 1,006,119	$ 739,507	$ 1,745,626
Additions	777,189	43,607	820,796
Principal payments on lease liabilities	(489,303)	(300,422)	(789,725)
Balance at June 30, 2024	$ 1,294,005	$ 482,692	$ 1,776,697
Additions	190,532	-	190,532
Disposals	(136,431)	(80,693)	(217,124)
Principal payments on lease liabilities	(172,956)	(109,654)	(282,610)
Balance at September 30, 2024	$ 1,175,150	$ 292,345	$ 1,467,495
Additions	368,784	1,977,765	2,346,549
Disposals	(74,513)	-	(74,513)
Principal payments on lease liabilities	(500,984)	(108,972)	(609,956)
Balance at June 30, 2025	$ 968,437	$ 2,161,138	$ 3,129,575
Current portion	544,160	205,905	750,065
Long-term portion	424,277	1,955,233	2,379,510
Total balance at June 30, 2025	$ 968,437	$ 2,161,138	$ 3,129,575

During the three and nine-month periods ended June 30, 2025, the Company paid interest on vehicle leases in the amount of $32,953 and $102,502 respectively (three and nine-month periods ended June 30, 2024: $42,751 and $117,635 respectively). The Company paid interest on property leases of $37,944 and $91,105 respectively for the three and nine-month periods ended June 30, 2025 (three and nine-month periods ended June 30, 2024: $8,035 and $28,289 respectively).

9. Share capital, contributed surplus and retained earnings

A. DIVIDENDS

The Company declared the following dividends since October 1, 2023 to the shareholders of record on the following dates.

Record date	Dividend per share	Shares outstanding	Total Dividend
December 31, 2023	$ 0.03	19,193,386	$ 575,802
March 31, 2024	$ 0.03	18,932,886	$ 567,987
June 30, 2024	$ 0.03	18,816,086	$ 564,483
September 30, 2024	$ 0.03	18,703,486	$ 561,104
December 31, 2024	$ 0.03	18,546,086	$ 556,383
March 31, 2025	$ 0.03	18,442,586	$ 553,278
June 30, 2025 (Note 7)	$ 0.03	18,301,686	$ 549,051

B. CASH-SETTLED SHARE-BASED PAYMENT ARRANGEMENTS

Deferred Share Unit Plan

The Company has a Deferred Share Unit Plan (the "DSU Plan") whereby the Company grants deferred share units ("DSUs") to eligible directors. Each eligible director is given the opportunity to elect, in lieu of cash, to receive all, or a portion of, their annual board retainer or board meeting fees in the form of DSUs. The DSUs are cash-settled payment transactions and are valued at the fair value of the rights based on the closing stock price at the end of the reporting period.

A continuity schedule of the total number of DSUs is presented below:

At September 30, 2023	663,556
Granted	51,219
Settled	-
At June 30, 2024	714,775
Granted	15,887
Settled	(255,999)
At September 30, 2024	474,663
Granted	42,578
Settled	-
At June 30, 2025	517,241

The total carrying amount of the DSU liability as at June 30, 2025 was $1,267,234 (September 30, 2024 $1,161,567).

Share Appreciation Rights

On October 27, 2022, the Company adopted a Share Appreciation Rights Plan (the "SAR Plan") pursuant to which it may grant share appreciation rights ("SARs") to certain employees and executive officers that entitle them to a cash payment equal to the share price appreciation over 5 years. The SARs vest one-third per year over a three-year vesting period and expire at the end of a five-year period after the grant date.

A continuity schedule of the total number of SARs is presented below:

At September 30, 2023	355,000
Granted	270,000
Settled	-
At June 30, 2024	625,000
Granted	-
Settled	-
At September 30, 2024	625,000
Granted	270,000
Settled	-
At June 30, 2025	895,000

The total carrying amount of the SARs liability as at June 30, 2025 was $396,618 (September 30, 2024 $264,356).

10. Basic and diluted weighted average number of common shares

Diluted weighted average number of common shares is based on the following:

	Three months ended June 30, 2025	Three months ended June 30, 2024	Nine months ended June 30, 2025	Nine months ended June 30, 2024
Basic weighted average number of shares	18,437,829	18,853,523	18,482,393	19,066,223
Dilutive securities:				
Share options	399,997	399,997	N/A	400,411

The average market value of the Company's shares for the purpose of calculating the dilutive effect of share options was based on quoted market prices for the year during which the options were outstanding. Due to the net loss in the nine month period ended June 30, 2025, share options were anti-dilutive.

11. Revenue

DISAGGREGATION OF REVENUE

Revenue is recognized in a manner that depicts the transfer of promised goods or services to the customer and at an amount that reflects the consideration expected to be received in exchange for transferring those goods and services. Standard 30-day payment terms apply to the majority of accounts receivable for the Company. The table below provides a disaggregation of the Company's overall revenues for the three and nine-month periods ended June 30, 2025 and 2024:

	Three months ended June 30, 2025	Three months ended June 30, 2024	Nine months ended June 30, 2025	Nine months ended June 30, 2024
Security services				
Physical protective security services	$ 28,118,054	$ 27,704,412	$ 81,328,156	$ 85,643,985
Cyber security services	2,092,130	2,106,868	5,810,944	5,576,836
	$ 30,210,184	$ 29,811,280	$ 87,139,100	$ 91,220,821
Corporate and intersegment eliminations	(33,248)	(85,223)	(90,830)	(210,358)
	$ 30,176,936	$ 29,726,057	$ 87,048,270	$ 91,010,463

12. Corporate administration

	Three months ended June 30, 2025	Three months ended June 30, 2024	Nine months ended June 30, 2025	Nine months ended June 30, 2024
Contracted services	$ 145,222	$ 195,608	$ 460,805	$ 666,777
Cash-settled share based payment arrangements	173,398	135,711	237,929	123,390
Office	1,041,115	967,245	3,190,816	3,079,665
Bad debt expense (recovery)	7,227	(51,499)	158,678	(245,554)
Other administration	254,263	132,820	606,960	478,419
Professional fees	175,702	239,429	551,994	587,354
Salaries, wages and benefits	2,424,477	2,373,746	7,436,902	7,088,306
Share based compensation	5,199	14,515	19,850	56,913
Total expense	$ 4,226,603	$ 4,007,575	$ 12,663,934	$ 11,835,270

13. Income taxes

The income tax expense differs from the amounts that would result from applying the federal and provincial income tax rate to the net income before income taxes. These differences result from the following items:

	Three months ended June 30, 2025	Three months ended June 30, 2024	Nine months ended June 30, 2025	Nine months ended June 30, 2024
Net income (loss) before income tax	$ 92,084	$ (65,713)	$ (37,809)	$ 1,115,404
Canadian federal and provincial tax rates	27.0%	27.0%	27.0%	27.0%
Income tax expense (recovery) based on the above rates	24,863	(17,743)	(10,208)	301,159
Non-deductible expenses	9,480	6,059	29,517	23,488
Other	-	(80,102)	-	48,798
Income tax expense (recovery)	$ 34,343	$ (91,786)	$ 19,309	$ 373,445

14. Financial instruments

The following sets forth the fair value of the Company's financial assets and liabilities by level within the fair value hierarchy. As required by IFRS 13, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

	Classification	Level	June 30, 2025	September 30, 2024
Cash and cash equivalents	Amortized cost	1	$ 9,633,637	$ 13,341,434
Accounts receivable	Amortized cost	2	23,221,954	22,672,285
Other assets	Fair value through profit or loss	2	966,875	966,875
Legacy contract assets	Fair value through profit or loss	3	4,846,017	4,846,017
Mortgages and loans receivable	Amortized cost	2	499,556	1,085,564
Accounts payable and accrued liabilities	Other financial liabilities	2	8,568,622	10,524,410

The fair value of short-term financial instruments approximates their carrying amounts due to the relatively short period to maturity. These include cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities.

15. Changes in working capital items

	Three months ended June 30, 2025	Three months ended June 30, 2024	Nine months ended June 30, 2025	Nine months ended June 30, 2024
Change in working capital items				
Accounts receivable	$ (1,456,537)	$ 128,301	$ (549,669)	$ (1,341,349)
Inventories	3,961	85,301	7,418	3,193
Contract assets	(319,062)	(36,381)	(646,253)	(414,544)
Prepaid expenses	(74,908)	85,897	53,734	22,838
Contract liabilities	90,711	71,045	45,385	139,539
Accounts payable and accrued liabilities	(1,024,235)	(1,788,294)	(1,943,734)	(1,637,136)
Net decrease in cash	$ (2,780,070)	$ (1,454,131)	$ (3,033,119)	$ (3,227,459)

16. Related party transactions

The Company enters into certain transactions with private companies controlled by key management of SSC. These transactions are in the normal course of operations and are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Related party expenses for the three and nine-month periods ended June 30, 2025 totalled $234,077 and $691,471 respectively ($247,052 and $745,434 respectively for the three and nine-month periods ended June 30, 2024) and are included within the expense categories detailed in Note 12. At June 30, 2025, accounts payable and accrued liabilities included related party transactions totalling $318,750 (September 30, 2024 - $425,000).

17. Commitments and contingencies

Lawsuits and claims that have arisen in the normal course of business are pending for and against the Company and provisions have been recorded where appropriate. It is the opinion of management that the final determination of these claims will not have a material adverse effect on the financial position or the results of the Company.

The Company signed a ten-year property lease that commenced December 1, 2024. The Company's annual fiscal commitments under this lease are as follows:

2025	$ -
2026	197,066
2027	243,778
2028	252,537
Thereafter	2,065,546
	$ 2,758,928

18. Comparative figures

Certain comparative figures in the Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss) have been reclassified to conform to the presentation adopted in the current period. Certain salaries, wages, and benefit expenses have been reclassified from direct expenses to corporate administration to be consistent with the presentation of the current period.