Condensed Interim Consolidated Financial Statements

For the three months ended
December 31, 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 three months ended December 31, 2025 and 2024.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unaudited, in Canadian dollars)

	Note	As at December 31, 2025	As at September 30, 2025
ASSETS			
Current			
Cash and cash equivalents		$ 8,567,950	$ 11,257,283
Accounts receivable		26,723,451	25,117,611
Contract assets		1,021,204	865,749
Inventories		248,115	232,601
Prepaid expenses		1,175,449	1,142,447
Mortgages and loans receivable		365,397	352,796
Other assets		966,875	966,875
		$ 39,068,441	$ 39,935,362
Non-current			
Legacy contract assets		$ 4,846,017	$ 4,846,017
Mortgages and loans receivable		-	14,133
Property and equipment	5	6,827,384	6,979,919
Deferred income tax assets		2,385,756	2,417,680
Intangible assets	6	15,459,133	15,839,714
Goodwill	6	13,909,918	13,909,918
Total Assets		$ 82,496,649	$ 83,942,743
LIABILITIES			
Current			
Accounts payable and accrued liabilities	7	$ 10,866,468	$ 11,455,087
Income tax payable		63,900	75,655
Obligations under lease	8	979,128	946,359
Cash-settled share-based payment liability	9	1,691,479	1,800,303
Contract liabilities		375,526	317,605
		$ 13,976,501	$ 14,595,009
Non-current			
Obligations under lease	8	$ 4,504,700	$ 4,633,603
Cash-settled share-based payment liability	9	110,968	122,700
Deferred income tax liability		3,085,245	3,216,499
Total Liabilities		$ 21,677,414	$ 22,567,811
EQUITY			
Share capital		$ 76,089,364	$ 76,089,364
Contributed surplus		4,414,083	4,414,083
Deficit		(19,684,212)	(19,128,515)
		$ 60,819,235	$ 61,374,932
		$ 82,496,649	$ 83,942,743

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 LOSS AND COMPREHENSIVE LOSS

(Unaudited, in Canadian dollars)

	Note	Three months ended December 31, 2025	Three months ended December 31, 2024
Revenue	11	$ 33,535,764	$ 29,194,946
Cost of sales		28,428,448	24,386,545
Gross profit		$ 5,107,316	$ 4,808,401
Corporate administration	12	4,083,061	4,479,951
Depreciation of property and equipment	5	580,974	544,142
Amortization of intangible assets	6	380,581	382,786
Income (loss) from operations		$ 62,700	$ (598,478)
Financing			
Interest income		59,918	139,868
Interest expense		(115,220)	(51,248)
		$ (55,302)	$ 88,620
Other income			
Gain from legacy business		-	1,402
Other (expense) income		(6,412)	352,857
		$ (6,412)	$ 354,259
Net income (loss) before income tax		$ 986	$ (155,599)
Income tax expense (recovery)	13	8,754	(30,503)
Net loss and comprehensive loss		$ (7,768)	$ (125,096)
Basic loss per share	10	$ (0.00)	$ (0.01)
Fully diluted loss per share	10	$ (0.00)	$ (0.01)

- 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 December 31, 2025	Three months ended December 31, 2024
Operating activities			
Net loss		$ (7,768)	$ (125,096)
Adjustments for non-cash items			
Depreciation of property and equipment	5	580,974	544,142
Amortization of intangible assets	6	380,581	382,786
Deferred share unit (recovery) expense		(96,479)	130,425
Share appreciation rights (recovery) expense		(24,077)	77,449
Share based compensation		-	7,339
Income tax expense (recovery)	13	8,754	(30,503)
Expected credit loss on mortgages and loans receivable		6,839	6,839
Interest income		(59,918)	(139,868)
Interest expense		115,220	51,248
Interest received		76,888	218,343
Gain on mortgage buyouts		-	(1,402)
Changes in working capital items	15	(2,340,509)	(1,596,560)
Income tax paid		(119,646)	(7,200)
Interest paid	8	(115,221)	(51,247)
Cash applied to operating activities		$ (1,594,362)	$ (533,305)
Investing activities			
Proceeds from repayment of mortgages and loans receivable		25,961	339,683
Purchase of property and equipment	5	(334,670)	(511,287)
Cash applied to investing activities		$ (308,709)	$ (171,604)
Financing activities			
Dividends paid		(547,950)	(561,104)
Principal lease payments	8	(238,312)	(242,229)
Purchase of common shares		-	(411,231)
Cash applied to financing activities		$ (786,262)	$ (1,214,564)
Decrease in cash		(2,689,333)	(1,919,473)
Cash and cash equivalents – beginning of the year		11,257,283	13,341,434
Cash and cash equivalents - end of the year		$ 8,567,950	$ 11,421,961

- 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, 2024		18,703,486	$ 77,204,930	$ 4,394,232	$ (17,081,088)	$ 64,518,074
NCIB shares purchased for cancellation		(157,400)	$ (411,231)	$ -	$ -	$ (411,231)
Share based payment – options		-	-	7,339	-	7,339
Dividends	9	-	-	-	(556,383)	(556,383)
Total comprehensive loss		-	-	-	(125,096)	(125,096)
At December 31, 2024		18,546,086	$ 76,793,699	$ 4,401,571	$ (17,762,567)	$ 63,432,703
NCIB shares purchased for cancellation		(281,100)	$ (704,335)	$ -	$ -	$ (704,335)
Share based payment – options		-	-	12,512	-	12,512
Dividends	9	-	-	-	(1,650,278)	(1,650,278)
Total comprehensive income		-	-	-	284,330	284,330
At September 30, 2025		18,264,986	$ 76,089,364	$ 4,414,083	$ (19,128,515)	$ 61,374,932
Shares cancelled under the NCIB		(700)	$ -	$ -	$ -	$ -
Dividends	9	-	-	-	(547,929)	(547,929)
Total comprehensive loss		-	-	-	(7,768)	(7,768)
At December 31, 2025		18,264,286	$ 76,089,364	$ 4,414,083	$ (19,684,212)	$ 60,819,235

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 February 10, 2026.

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, 2025.

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:

- Share purchase options and deferred share units that are accounted for according to the share-based payments criteria.

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.

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, 2025, 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 December 31, 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 December 31, 2025 are included below:

	For the three months ended December 31, 2025				
	Security	Legacy Operations	Corporate	Intersegment eliminations	Total
Revenue	$ 33,569,950	$ -	$ 1,038,128	$ (1,072,314)	$ 33,535,764
Cost of sales	28,462,634	-	-	(34,186)	28,428,448
Gross profit	$ 5,107,316	$ -	$ 1,038,128	$ (1,038,128)	$ 5,107,316
Corporate administration	3,980,192	66,202	1,074,795	(1,038,128)	4,083,061
Depreciation of property and equipment	580,247	-	727	-	580,974
Amortization of intangible assets	380,581	-	-	-	380,581
Income (loss) from operations	$ 166,296	$ (66,202)	$ (37,394)	$ -	$ 62,700
Financing					
Interest income	46,530	13,388	-	-	59,918
Interest expense	(115,220)	-	-	-	(115,220)
	$ (68,690)	$ 13,388	$ -	$ -	$ (55,302)
Other income					
Other income (loss)	1,354	(7,766)	-	-	(6,412)
	$ 1,354	$ (7,766)	$ -	$ -	$ (6,412)
Net income (loss) before income tax	$ 98,960	$ (60,580)	$ (37,394)	$ -	$ 986

Segment statements of income (loss) for the three months ended December 31, 2024 are included below:

	For the three months ended December 31, 2024				
	Security	Legacy Operations	Corporate	Intersegment eliminations	Total
Revenue	$ 29,225,297	$ -	$ 1,122,935	$ (1,153,286)	$ 29,194,946
Cost of sales	24,416,896	-	-	(30,351)	24,386,545
Gross profit	$ 4,808,401	$ -	$ 1,122,935	$ (1,122,935)	$ 4,808,401
Corporate administration	4,286,141	48,579	1,268,166	(1,122,935)	4,479,951
Depreciation of property and equipment	493,006	-	51,136	-	544,142
Amortization of intangible assets	382,786	-	-	-	382,786
Loss from operations	$ (353,532)	$ (48,579)	$ (196,367)	$ -	$ (598,478)
Financing					
Interest income	108,660	31,208	-	-	139,868
Interest expense	(50,723)	-	(525)	-	(51,248)
	$ 57,937	$ 31,208	$ (525)	$ -	$ 88,620
Other income					
Gain from legacy business	-	1,402	-	-	1,402
Other income	352,524	333	-	-	352,857
	$ 352,524	$ 1,735	$ -	$ -	$ 354,259
Net income (loss) before income tax	$ 56,929	$ (15,636)	$ (196,892)	$ -	$ (155,599)

Segment information as at December 31, 2025 and September 30, 2025 are as follows:

	Security	Legacy Operations	Corporate	Intersegment eliminations	Total
Segment assets:					
As at December 31, 2025	$ 73,333,268	$ 6,201,269	$ 60,399,251	$ (57,437,139)	$ 82,496,649
As at September 30, 2025	$ 74,780,078	$ 6,202,801	$ 61,258,875	$ (58,299,011)	$ 83,942,743
Segment liabilities:					
As at December 31, 2025	$ 40,945,320	$ -	$ 2,842,251	$ (22,110,157)	$ 21,677,414
As at September 30, 2025	$ 42,338,171	$ -	$ 3,201,669	$ (22,972,029)	$ 22,567,811

Revenues from sales to one customer of the Company amounted to 11.7% of consolidated revenues in the quarter ended December 31, 2025 (6.5% in the quarter ended December 31, 2024). These revenues are attributable to the Company's Security operating segment.

5. Property and equipment

The following table summarizes the changes in the net carrying amounts of property and equipment during the three months ended December 31, 2025:

	September 30, 2025			December 31, 2025
	Net carrying Amount	Net additions	Depreciation	Net carrying amount
Furniture and fixtures	$ 93,963	$ 32,100	$ 5,671	$ 120,392
Computer equipment	122,818	12,451	10,485	124,784
Managed security services equipment	130,397	-	25,478	104,919
Vehicles	105,855	19,971	17,440	108,386
Leasehold improvements	189,112	-	4,956	184,156
Uniforms	1,192,127	223,487	200,879	1,214,735
Security towers and equipment	182,965	46,661	10,036	219,590
Property and equipment	$ 2,017,237	$ 334,670	$ 274,945	$ 2,076,962
Right-of-use asset	4,962,682	93,769	306,029	4,750,422
Total	$ 6,979,919	$ 428,439	$ 580,974	$ 6,827,384

	September 30, 2024			December 31, 2024
	Net carrying Amount	Net additions	Depreciation	Net carrying amount
Furniture and fixtures	$ 33,653	$ 75,904	$ 1,593	$ 107,964
Computer equipment	97,215	20,328	9,330	108,213
Managed security services equipment	236,201	-	27,104	209,097
Vehicles	156,304	13,273	24,672	144,905
Leasehold improvements	23,809	127,659	6,163	145,305
Uniforms	1,216,478	274,123	215,285	1,275,316
Property and equipment	$ 1,763,660	$ 511,287	$ 284,147	$ 1,990,800
Right-of-use asset	1,369,656	1,845,435	259,995	2,955,096
Total	$ 3,133,316	$ 2,356,722	$ 544,142	$ 4,945,896

The Company currently has two categories of right-of-use assets relating to vehicles and property leases. At December 31, 2025, the carrying amount of vehicles under lease was $1,060,090 (September 30, 2025: $1,131,822), with $165,500 of depreciation included in the condensed interim consolidated statement of loss for the three months ended December 31, 2025 (December 31, 2024: $171,834).

At December 31, 2025, the property leases relating to office space had a carrying amount of $3,690,332 (September 30, 2025: $3,830,860), with $140,529 of depreciation included in the condensed interim consolidated statement of loss for the three months ended December 31, 2025 (December 31, 2024: $88,162).

6. *Goodwill and intangible assets*

	Software	Customer relationships	Tradename	Total intangible assets	Goodwill
Cost					
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 December 31, 2024	$ 86,585	$ 15,703,442	$ 5,980,000	$ 21,770,027	$ 13,909,918
Acquisitions	-	-	-	-	-
Retirements, disposals, and adjustments	-	-	-	-	-
Balance at September 30, 2025	$ 86,585	$ 15,703,442	$ 5,980,000	$ 21,770,027	$ 13,909,918
Acquisitions	-	-	-	-	-
Retirements, disposals, and adjustments	-	-	-	-	-
Balance at December 31, 2025	$ 86,585	$ 15,703,442	$ 5,980,000	$ 21,770,027	$ 13,909,918
Accumulated amortization					
Balance at September 30, 2024	$ 48,958	$ 4,351,072	$ -	$ 4,400,030	$ -
Amortization	5,343	377,443	-	382,786	-
Retirements, disposals, and adjustments	-	-	-	-	-
Balance at December 31, 2024	$ 54,301	$ 4,728,515	$ -	$ 4,782,816	$ -
Amortization	15,167	1,132,330	-	1,147,497	-
Retirements, disposals, and adjustments	-	-	-	-	-
Balance at September 30, 2025	$ 69,468	$ 5,860,845	$ -	$ 5,930,313	$ -
Amortization	3,138	377,443	-	380,581	-
Retirements, disposals, and adjustments	-	-	-	-	-
Balance at December 31, 2025	$ 72,606	$ 6,238,288	$ -	$ 6,310,894	$ -
Carrying amounts					
At December 31, 2025	$ 13,979	$ 9,465,154	$ 5,980,000	$ 15,459,133	$ 13,909,918
At September 30, 2025	$ 17,117	$ 9,842,597	$ 5,980,000	$ 15,839,714	$ 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 consolidated statements of loss and comprehensive loss.

7. Accounts payable and accrued liabilities

	December 31, 2025	September 30, 2025
Current liabilities:		
Accounts payable	$ 1,903,863	$ 1,556,026
Payroll tax and other statutory liabilities	5,073,374	6,002,354
Dividends payable	547,929	547,950
Vacation payable	1,943,438	2,039,415
Bonus accrual	429,069	691,875
Other payables	968,795	617,467
	$ 10,866,468	$ 11,455,087

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 liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its discount rate as the incremental borrowing rate.

SSC determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

	Vehicle lease liability	Property lease liability	Total lease liability
Balance at September 30, 2024	$ 1,175,150	$ 292,345	$ 1,467,495
Additions	52,131	1,818,329	1,870,460
Disposals	(25,733)	-	(25,733)
Principal payments on lease liabilities	(169,249)	(72,980)	(242,229)
Balance at December 31, 2024	$ 1,032,299	$ 2,037,694	$ 3,069,993
Additions	708,774	2,508,289	3,217,063
Disposals	(53,580)	-	(53,580)
Principal payments on lease liabilities	(489,962)	(163,552)	(653,514)
Balance at September 30, 2025	$ 1,197,531	$ 4,382,431	$ 5,579,962
Additions	93,769	-	93,769
Adjustments	-	48,409	48,409
Principal payments on lease liabilities	(163,295)	(75,017)	(238,312)
Balance at December 31, 2025	$ 1,128,005	$ 4,355,823	$ 5,483,828
Current portion	591,726	387,402	979,128
Long-term portion	536,278	3,968,422	4,504,700
Total balance at December 31, 2025	$ 1,128,004	$ 4,355,824	$ 5,483,828

During the three months ended December 31, 2025, the Company paid interest on vehicle leases in the amount of $38,722 (December 31, 2024: $36,208), and $76,499 on property leases (December 31, 2024: $15,039).

As at December 31, 2025, the total commitments relating to leases over the next 12 months are $1,377,337 (12 month lease commitments as at September 30, 2025, $1,361,430).

9. Share capital, contributed surplus and retained earnings

A. DIVIDENDS

The Company declared the following dividends since October 1, 2024 to the shareholders of record on the following dates.

Record date	Dividend per share	Shares outstanding	Total Dividend
December 31, 2024	$ 0.03	18,546,086	$ 556,383
March 31, 2025	$ 0.03	18,442,586	$ 553,278
June 30, 2025	$ 0.03	18,301,686	$ 549,051
September 30, 2025	$ 0.03	18,264,986	$ 547,950
December 31, 2025 (Note 7)	$ 0.03	18,264,286	$ 547,929

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, 2024	474,663
Granted	14,829
At December 31, 2024	489,492
Granted	41,989
At September 30, 2025	531,481
Granted	14,293
At December 31, 2025	545,774

The total carrying amount of the DSU liability as at December 31, 2025 was $1,301,317 (September 30, 2025 $1,397,796).

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, 2024	625,000
Granted	270,000
At December 31, 2024	895,000
Granted	-
At September 30, 2025	895,000
Granted	270,000
At December 31, 2025	1,165,000

The total carrying amount of the SARs liability as at December 31, 2025, and September 30, 2025 was:

	December 31, 2025	September 30, 2025
Current portion	$ 390,162	$ 402,507
Long-term portion	110,968	122,700
Total SARs liability	$ 501,130	$ 525,207

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 December 31, 2025	Three months ended December 31, 2024
Basic weighted average number of shares	18,264,294	18,424,311
Dilutive securities:		
Share options	N/A	N/A

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 three month periods ended December 31, 2025, and December 31, 2024, 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 years ended December 31, 2025 and 2024:

	Three months ended December 31, 2025	Three months ended December 31, 2024
Security services		
Physical protective security services	$ 31,551,779	$ 27,319,655
Cyber security services	2,018,170	1,905,642
	$ 33,569,949	$ 29,225,297
Legacy operations	-	-
Corporate and intersegment eliminations	(34,185)	(30,351)
	$ 33,535,764	$ 29,194,946

12. Corporate administration

	Three months ended December 31, 2025	Three months ended December 31, 2024
Contracted services	$ 217,270	$ 160,897
Cash-settled share based payment arrangements	(120,556)	207,874
Office	1,101,599	1,117,438
Bad debt (recovery) expense	(15,420)	122,148
Other administration	177,998	172,333
Professional fees	220,679	213,428
Salaries, wages and benefits	2,501,491	2,478,494
Share based compensation	-	7,339
Total expense	$ 4,083,061	$ 4,479,951

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 December 31, 2025	Three months ended December 31, 2024
Net income (loss) before income tax	$ 986	$ (155,599)
Canadian federal and provincial tax rates	27.0%	27.0%
Income tax expense (recovery) based on the above rates	266	(42,012)
Non-deductible expenses	8,488	8,879
Other	-	2,630
Income tax expense (recovery)	$ 8,754	$ (30,503)

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	December 31, 2025	September 30, 2025
Cash and cash equivalents	Amortized cost	1	$ 8,567,950	$ 11,257,283
Accounts receivable	Amortized cost	2	26,723,451	25,117,611
Legacy contract assets	Amortized cost	3	4,846,017	4,846,017
Mortgages and loans receivable	Amortized cost	2	456,227	457,672
Accounts payable and accrued liabilities	Other financial liabilities	2	10,866,468	11,455,087

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 December 31, 2025	Three months ended December 31, 2024
Change in working capital items		
Accounts receivable	$ (1,605,840)	$ 94,052
Inventories	(15,514)	(59,884)
Contract assets	(155,455)	(294,174)
Prepaid expenses	(33,002)	(168,533)
Contract liabilities	57,921	(15,599)
Accounts payable and accrued liabilities	(588,619)	(1,152,422)
Net decrease in cash	$ (2,340,509)	$ (1,596,560)

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 totalled $355,450 for the three months ended December 31, 2025 ($225,875 for the three months ended December 31, 2024) and are included within the expense categories detailed in Note 12. At December 31, 2025, accounts payable and accrued liabilities included related party transactions totalling $111,875 (September 30, 2025 - $417,775).

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.

As at December 31, 2025, the Company had a letter of credit issued by CIBC totaling $200,000 (September 30, 2025, $200,000). This instrument was issued in the ordinary course of business to support the Company's contractual obligation under a service agreement.

18. Comparative figures

Certain comparative figures have been reclassified to conform with the current period presentation, including the prior period reclassification of a gain from cost of sales to other income in accordance with IFRS.