



SECURITY SERVICES CORP.



**FY2026 SECOND QUARTER ENDED MARCH 31, 2026**  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**LOGIXX**  
SECURITY

**SSC Security Services Corp.**  
**Management's Discussion and Analysis**  
**For the Second Quarter Ended March 31, 2026**  
(All amounts are in thousands of Canadian dollars unless otherwise indicated)

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") of SSC Security Services Corp. and its subsidiary ("the Company", "we", "our", "SSC") provides information to assist readers of, and should be read in conjunction with the unaudited condensed interim consolidated financial statements for the quarter ended March 31, 2026, including the notes thereto, the Annual Information Form ("AIF") for the fiscal year September 30, 2025, as well as the audited financial statements for the year ended September 30, 2025, including the notes thereto, and the associated MD&A. In the opinion of management, such financial statements contain all adjustments necessary for a fair presentation of the results for such periods. All dollar references in our financial statements and in this report are in Canadian dollars unless otherwise stated.

Additional information related to SSC Security Services Corp. may be obtained from SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) or on our website at [www.securityservicescorp.ca](http://www.securityservicescorp.ca).

On May 26, 2026, subsequent to the period covered by this MD&A and prior to its filing, the Company entered into an Arrangement Agreement with Allied Universal. See "Subsequent Event – Arrangement Agreement" below. Unless otherwise stated, the discussion and analysis contained in this MD&A are as of May 25, 2026.

## **Subsequent Event – Arrangement Agreement**

On May 26, 2026, SSC entered into a definitive arrangement agreement (the "Agreement") with Universal Protection Service, LP (operating as Allied Universal) (and together with its wholly-owned subsidiary acting as purchaser, "Allied Universal"), pursuant to which Allied Universal will acquire all of the issued and outstanding common shares of SSC by way of a statutory plan of arrangement under The Business Corporations Act, 2021 (Saskatchewan) (the "Transaction"). Under the terms of the Transaction, SSC Shareholders will receive all-cash consideration of \$4.4075 per share, representing a 119% premium to the closing price on May 25, 2026. The aggregate consideration payable to SSC shareholders under the Transaction is approximately \$80.5 million.

Concurrent with the Transaction, SSC will sell its cyber security services business and its legacy agriculture business (together, the "Carve-Out Business") to a corporation controlled by SSC's current and former senior management team (the "Management Purchasers") pursuant to a management buyout. Because certain directors and officers of SSC are also Management Purchasers, a special committee of independent directors was established to oversee the Transaction on behalf of disinterested shareholders. The Transaction constitutes a "business combination" and "related party transaction" under Multilateral Instrument 61-101 and accordingly requires minority shareholder approval in addition to the standard two-thirds approval threshold.

The Transaction is subject to: (i) approval by at least two-thirds of votes cast by SSC Shareholders, and by a simple majority of votes cast excluding shares held by the Management Purchasers, at a special meeting expected to be held in late June or early July 2026; (ii) receipt of the Interim Order and Final Order of the Court of King's Bench for Saskatchewan; (iii) TSX Venture Exchange approval; and (iv) other customary closing conditions. The Board of Directors has unanimously (with conflicted directors abstaining) determined that the Transaction is in the best interests of SSC and recommends that shareholders vote in favour. The Transaction is expected to close in July 2026.

As a result of the Transaction, SSC has suspended all dividend payments effective immediately. The Agreement and management information circular (expected to be mailed to shareholders in June 2026) will be filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and contain complete details regarding the Transaction. This MD&A was filed after the announcement on May 26, 2026; forward-looking statements herein should be read in the context of the Agreement. See "Cautionary Statement on Forward-Looking Information" below.

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## Overview & Highlights

SSC is a leading Canadian security company, debt-free, with approximately 3,000 employees operating in every province across the country. With a strong balance sheet, internally generated cash flow, a revolving credit facility, and additional debt financing capacity, SSC is well capitalized to meet its near-term operational obligations. Subsequent to the end of the period, SSC announced the Transaction described above and has suspended its quarterly dividend effective immediately. The Company's common shares are publicly traded on the TSX Venture Exchange under the symbol "SECU" (OTCQX: SECUF).

### *Three months ended March 31, 2026*

Revenues for the quarter ended March 31, 2026 were \$32.0 million compared with \$27.7 million during the same three-month period last year, an increase of \$4.3 million or 15.5%. The increase in revenues was entirely attributed to internally generated organic growth.

Gross profit was \$5.0 million (15.6% margin) for the three months ended March 31, 2026, compared with the gross profit of \$4.5 million (16.1%) in the same three-month period last year. The slight decline in gross margin percentage primarily reflects start-up costs associated with new contract mobilizations during the quarter, which were not fully offset by pricing in the period.

Adjusted EBITDA per share was \$0.06 for the three months ended March 31, 2026, compared to Adjusted EBITDA per share of \$0.06 for the same three-month period last year.

### *Six months ended March 31, 2026*

Revenues for the two quarters ended March 31, 2026 were \$65.6 million compared with \$56.9 million during the same period last year, an increase of \$8.7 million or 15.3%. The increase is entirely attributed to internally generated organic growth.

Gross profit was \$10.1 million (15.4%) for the six months ended March 31, 2026, compared with \$9.3 million (16.3%) in the same six-month period last year.

Adjusted EBITDA per share was \$0.12 for the six months ended March 31, 2026, consistent with Adjusted EBITDA per share of \$0.12 for the same six-month period last year.

## STRATEGY

During the period ended March 31, 2026, the Company's strategy was to deploy its balance sheet into organic growth and acquisitions in the Canadian security industry. Subsequent to quarter-end, the Company entered into the Transaction described above. As of March 31, 2026, management, directors and employees owned approximately 35.6% of the Company's outstanding shares (35.8% on a fully-diluted basis).

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**Selected Financial Information**

The following selected financial information for the quarters ended March 31, 2026, and 2025 have been derived from the unaudited condensed interim consolidated financial statements and should be read in conjunction with those financial statements and related notes. Non-IFRS measures are defined and reconciled in the Non-IFRS Measures section of this MD&A:

| Statement of Comprehensive Income (Loss) | Quarter ended |        | Six months ended |        |
|--|---------------|--------|------------------|--------|
|  | March 31      |        | March 31         |        |
|  | 2026          | 2025   | 2026             | 2025   |
| <b>Revenue</b>                           | <b>32,042</b> | 27,676 | <b>65,577</b>    | 56,871 |
| Cost of Sales                            | <b>27,042</b> | 23,215 | <b>55,470</b>    | 47,602 |
| Gross Profit                             | <b>5,000</b>  | 4,461  | <b>10,107</b>    | 9,269  |
| Gross Margin (%)                         | <b>15.6%</b>  | 16.1%  | <b>15.4%</b>     | 16.3%  |
| <b>Comprehensive Net Income (Loss)</b>   | <b>167</b>    | 10     | <b>159</b>       | (115)  |
| Adjusted Net Income                      | <b>358</b>    | 392    | <b>715</b>       | 999    |
| <b>Adjusted EBITDA</b>                   | <b>1,154</b>  | 1,034  | <b>2,216</b>     | 2,205  |
| Per Share (Basic & Fully Diluted)        |               |        |                  |        |
| Comprehensive Net Income (Loss)          | <b>0.01</b>   | 0.00   | <b>0.01</b>      | (0.01) |
| Adjusted Net Income                      | <b>0.02</b>   | 0.02   | <b>0.04</b>      | 0.05   |
| <b>Adjusted EBITDA</b>                   | <b>0.06</b>   | 0.06   | <b>0.12</b>      | 0.12   |
| Dividends Paid per share                 | <b>0.03</b>   | 0.03   | <b>0.06</b>      | 0.06   |

| Statement of Financial Position | As at          | As at          |
|---------------------------------|----------------|----------------|
|                                 | March 31, 2026 | March 31, 2025 |
| Cash                            | <b>6,656</b>   | 12,509         |
| Accounts Receivable             | <b>24,914</b>  | 21,765         |
| Legacy business assets          | <b>5,987</b>   | 6,075          |
| Working Capital                 | <b>25,063</b>  | 25,605         |
| Long-term debt                  | <b>0</b>       | 0              |
| Total assets                    | <b>78,809</b>  | 80,056         |
| Total liabilities               | <b>18,371</b>  | 17,424         |
| Total shareholders' equity      | <b>60,438</b>  | 62,631         |

**RESULTS FOR THE QUARTER ENDED MARCH 31, 2026 AND 2025**

**Revenues**

Revenues for the quarter ended March 31, 2026, were \$32.0 million compared with \$27.7 million during the same quarter last year, an increase of \$4.3 million (revenue increase of 15.5%). Recurring monthly revenue from our core physical security contract base remained the largest contributor to growth, supplemented by net new contract wins.

Revenues for the YTD ended March 31, 2026 were \$65.6 million compared with \$56.9 million during the same period last year, an increase of \$8.7 million or 15.3%.

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***Adjusted EBITDA***

While Adjusted EBITDA does not have a standard definition under IFRS, Adjusted EBITDA and Adjusted EBITDA per share are the primary metrics used by management to determine the performance of the Company, and Adjusted EBITDA is the basis on which companies operating in our industry are valued for transaction purposes. Our calculation of Adjusted EBITDA excludes all impacts of the Company's Legacy business, making more relevant backward and forward comparisons of results using these metrics.

Adjusted EBITDA for the quarter ended March 31, 2026, was \$1.2 million (\$0.06 per share), as compared to \$1.0 million (\$0.06 per share) during the same quarter last year. For the six months ended March 31, 2026, Adjusted EBITDA was \$2.2 million (\$0.12 per share), as compared to \$2.2 million (\$0.12 per share) during the same six months last year.

A reconciliation of earnings to EBITDA and Adjusted EBITDA is provided in the Non-IFRS section of this MD&A.

***Gross Profit***

Gross profit for the quarter ended March 31, 2026 was \$5.0 million (15.6% of revenue) compared to \$4.5 million (16.1% of revenue) during the same quarter last year. Gross profit for the six months ended March 31, 2026 was \$10.1 million (15.4% of revenue) compared to \$9.3 million (16.3% of revenue) during the same six-month period last year.

Overall, the gross margin percentage for each of the periods remains consistent with management expectations for the security business.

***Comprehensive and Adjusted Net Income (Loss)***

Comprehensive net income for the quarter ended March 31, 2026 was \$0.2 million (profit of \$0.01 per share), compared to a comprehensive net income in the same quarter last year of \$0.0 million (profit of \$0.00 per share). Adjusted net income for the quarter ended March 31, 2026 was \$0.4 million (profit of \$0.02 per share), compared to an adjusted net income in the same quarter last year of \$0.4 million (profit of \$0.02 per share).

Comprehensive net income for six months ended March 31, 2026 was \$0.2 million (profit of \$0.01 per share), compared to comprehensive net loss for the same six months last year of \$0.1 million (loss of \$0.01 per share). Adjusted net income for six months ended March 31, 2026 was \$0.7 million (profit of \$0.04 per share), compared to adjusted net income for the same six months last year of \$1.0 million (profit of \$0.05 per share).

A reconciliation of earnings to Adjusted Net Income and Adjusted EBITDA is provided in the Non-IFRS section of this MD&A.

***Financial Position***

SSC continues to be in a very strong financial position. Total assets as at March 31, 2026 decreased by \$1.2 million, or 1.6%, compared to total assets as of March 31, 2025. Our cash position at the end of the quarter ended March 31, 2026, was \$6.7 million, down from \$12.5 million at the end of the comparable quarter ended March 31, 2025. This decrease in cash is explained in the Consolidated Statement of Cash Flows and is primarily due to timing of related changes in working capital. The Company continues to carry no long-term debt.

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## Summary of Quarterly Results

The following is a summary of selected highlights of the eight most recent quarterly results of the Company:

| Net and comprehensive income (loss) | Mar 31, 2026  | Dec 31, 2025 | Sep 30, 2025 | June 30, 2025 | Mar 31, 2025 | Dec 31, 2024 | Sep 30, 2024 | June 30, 2024 |
|-------------------------------------|---------------|--------------|--------------|---------------|--------------|--------------|--------------|---------------|
| Total revenue                       | <b>32,042</b> | 33,536       | 32,368       | 30,177        | 27,676       | 29,195       | 29,612       | 29,726        |
| Comprehensive net income (loss)     | <b>167</b>    | (8)          | 216          | 58            | 10           | (125)        | (146)        | 26            |
| Adjusted EBITDA                     | <b>1,154</b>  | 1,063        | 2,027        | 1,445         | 1,034        | 1,171        | 1,241        | 1,265         |
| Per share (Basic)                   |               |              |              |               |              |              |              |               |
| Comprehensive net income (loss)     | <b>0.01</b>   | (0.00)       | 0.01         | 0.00          | 0.00         | (0.01)       | (0.01)       | 0.00          |
| Adjusted net income                 | <b>0.02</b>   | 0.02         | 0.05         | 0.04          | 0.02         | 0.03         | 0.03         | 0.04          |
| Adjusted EBITDA                     | <b>0.06</b>   | 0.06         | 0.11         | 0.08          | 0.06         | 0.06         | 0.06         | 0.06          |
| Per share (FD)                      |               |              |              |               |              |              |              |               |
| Comprehensive net income (loss)     | <b>0.01</b>   | (0.00)       | 0.01         | 0.00          | 0.00         | (0.01)       | (0.01)       | 0.00          |
| Adjusted net income                 | <b>0.02</b>   | 0.02         | 0.05         | 0.04          | 0.02         | 0.03         | 0.02         | 0.04          |
| Adjusted EBITDA                     | <b>0.06</b>   | 0.06         | 0.11         | 0.08          | 0.05         | 0.06         | 0.07         | 0.07          |

| Financial Position         |               |        |        |        |        |        |        |        |
|----------------------------|---------------|--------|--------|--------|--------|--------|--------|--------|
| Cash                       | <b>6,656</b>  | 8,568  | 11,257 | 9,634  | 12,509 | 11,422 | 13,341 | 12,367 |
| Accounts receivable        | <b>24,914</b> | 26,723 | 25,118 | 23,222 | 21,765 | 22,578 | 22,672 | 23,176 |
| Legacy business assets     | <b>5,987</b>  | 6,011  | 6,013  | 6,057  | 6,075  | 6,203  | 6,628  | 6,719  |
| Working capital            | <b>25,063</b> | 25,092 | 25,340 | 25,354 | 25,605 | 26,255 | 26,745 | 26,523 |
| Total assets               | <b>78,809</b> | 82,497 | 83,943 | 78,551 | 80,056 | 80,800 | 81,223 | 81,181 |
| Total liabilities          | <b>18,371</b> | 21,677 | 22,568 | 16,746 | 17,424 | 17,367 | 16,705 | 15,682 |
| Total shareholders' equity | <b>60,438</b> | 60,819 | 61,375 | 61,805 | 62,631 | 63,433 | 64,518 | 65,499 |
| Common shares outstanding  | <b>18,264</b> | 18,264 | 18,264 | 18,302 | 18,443 | 18,546 | 18,703 | 18,816 |
| Dividends paid per share   | <b>0.03</b>   | 0.03   | 0.03   | 0.03   | 0.03   | 0.03   | 0.03   | 0.03   |

*Due to changes in business operations, certain prior period figures have been reclassified.*

### BUSINESS SEGMENT OPERATING RESULTS

As of March 31, 2026, the Company operated three segments: Security Services, Legacy Operations, and Corporate. The accounting policies of the three segments are consistent with those of the consolidated entity. Subsequent to the end of the period, pursuant to the Transaction, the composition of these segments will change materially. See "Subsequent Event – Arrangement Agreement" above.

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A summary of segment operating performance during the second quarter ended March 31, 2026 and 2025 is provided below:

|  | Quarter ended<br>March 31, 2026 |                                     |              | Six months ended<br>March 31, 2026 |                                     |               |
|--|---------------------------------|-------------------------------------|--------------|------------------------------------|-------------------------------------|---------------|
|  | Security<br>Services            | Legacy<br>Operations &<br>Corporate | Total        | Security<br>Services               | Legacy<br>Operations &<br>Corporate | Total         |
| Revenue  | 32,076                          | (36)                                | 32,042       | 65,647                             | (70)                                | 65,577        |
| Cost of sales                                  | 27,077                          | (36)                                | 27,042       | 55,540                             | (70)                                | 55,470        |
| <b>Gross profit</b>                            | <b>5,000</b>                    | <b>0</b>                            | <b>5,000</b> | <b>10,107</b>                      | <b>0</b>                            | <b>10,107</b> |
| <i>Gross margin %</i>                          | <i>15.6%</i>                    | <i>0.0%</i>                         | <i>15.6%</i> | <i>15.4%</i>                       | <i>0.0%</i>                         | <i>15.4%</i>  |
| Corporate<br>administration                    | 4,961                           | (108)                               | 4,853        | 9,902                              | (4)                                 | 9,898         |
| <b>Income (loss) from<br/>operations</b>       | <b>40</b>                       | <b>108</b>                          | <b>147</b>   | <b>205</b>                         | <b>4</b>                            | <b>209</b>    |
| Financing (loss)<br>income                     | (85)                            | 11                                  | (74)         | (154)                              | 24                                  | (130)         |
| Other income<br>(loss)                         | 72                              | 88                                  | 159          | 73                                 | 79                                  | 152           |
| <b>Net income (loss)<br/>before income tax</b> | <b>25</b>                       | <b>206</b>                          | <b>231</b>   | <b>124</b>                         | <b>107</b>                          | <b>232</b>    |

|  | Quarter ended<br>March 31, 2025 |                                     |              | Six months ended<br>March 31, 2025 |                                     |                |
|--|---------------------------------|-------------------------------------|--------------|------------------------------------|-------------------------------------|----------------|
|  | Security<br>Services            | Legacy<br>Operations &<br>Corporate | Total        | Security<br>Services               | Legacy<br>Operations &<br>Corporate | Total          |
| Revenue  | 27,703                          | (27)                                | 27,676       | 56,929                             | (58)                                | 56,871         |
| Cost of sales                                  | 23,242                          | (27)                                | 23,215       | 47,660                             | (58)                                | 47,602         |
| <b>Gross profit</b>                            | <b>4,461</b>                    | <b>0</b>                            | <b>4,461</b> | <b>9,269</b>                       | <b>(0)</b>                          | <b>9,269</b>   |
| <i>Gross margin %</i>                          | <i>16.1%</i>                    | <i>0.0%</i>                         | <i>16.1%</i> | <i>16.3%</i>                       | <i>0.0%</i>                         | <i>16.3%</i>   |
| Corporate<br>administration                    | 4,947                           | (52)                                | 4,895        | 10,109                             | 193                                 | 10,302         |
| <b>(Loss) income<br/>from operations</b>       | <b>(486)</b>                    | <b>52</b>                           | <b>(434)</b> | <b>(839)</b>                       | <b>(193)</b>                        | <b>(1,032)</b> |
| Financing income                               | 5                               | 23                                  | 28           | 63                                 | 54                                  | 117            |
| Other income<br>(loss)                         | 438                             | (6)                                 | 432          | 797                                | (12)                                | 785            |
| <b>Net (loss) income<br/>before income tax</b> | <b>(43)</b>                     | <b>69</b>                           | <b>26</b>    | <b>21</b>                          | <b>(151)</b>                        | <b>(130)</b>   |

**NORMAL COURSE ISSUER BID**

During the six months ended March 31, 2026, the Company did not buy back any shares under a normal course issuer bid ("NCIB") (six months ended March 31, 2025 – bought back 260,900 shares at an average price of \$2.60).

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## **The Security Business**

As of March 31, 2026, SSC's wholly owned subsidiary Logixx Security Inc. provided cyber, physical and electronic security services to primarily commercial, industrial and public sector clients, including federal and provincial governments, Crown corporations, hospitals, airports, utility companies and police forces.

### ***Cyber Security Services***

As of March 31, 2026, cyber security services were offered under the registered name SRG Security Resource Group ("SRG") and comprised approximately 6% of the Company's revenue, providing MSS, vulnerability and risk analysis, CISO consulting, and cyber security staff augmentation.

Pursuant to the Transaction announced on May 26, 2026, the cyber security business forms part of the Carve-Out Business to be sold to ManagementCo. The cyber security division will not form part of the continuing business acquired by Allied Universal.

### ***Physical Security Services***

As of March 31, 2026, physical security services represented approximately 91% of the Company's revenue. The Company provided on-site security guard, remote camera monitoring, mobile patrol, and investigative services to commercial and public sector clients across Canada. Physical security services form part of the core business to be acquired by Allied Universal under the Transaction.

### ***Electronic Security***

As of March 31, 2026, electronic security services represented approximately 3% of the Company's revenue. The Company designed, built, installed, and monitored electronic security systems on a primarily project-based basis. Electronic security services form part of the core business to be acquired by Allied Universal under the Transaction.

## **The Legacy Business**

As of March 31, 2026, the Company no longer provided services to new clients related to its legacy agriculture streaming business. The financial impact of winding-up the Legacy business is excluded from the Company's calculation of Adjusted EBITDA and Adjusted EBITDA per share, making the results as measured by those metrics "security-only" results. This is to help shareholders and investors make relevant comparisons of current results against previous results.

Legacy business related assets include assets held for sale, mortgages and loans receivable and legacy contract assets. As of March 31, 2026, the carrying value of these legacy assets was \$6.0 million, consistent with \$6.0 million at the end of the previous fiscal year.

Pursuant to the Transaction announced on May 26, 2026, the legacy agriculture business and its associated assets form part of the Carve-Out Business to be sold to ManagementCo. These assets will not be retained by SSC or form part of the continuing business acquired by Allied Universal.

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## Liquidity and Capital Resources

During the period ended March 31, 2026, the Company's internally generated cash flow from operating and investing activities was sufficient to cover its operational expenses, although the timing of cash flows and expenses varied between periods.

At March 31, 2026, we had net working capital of \$25.1 million (March 31, 2025: \$25.6 million). We continued to draw on our working capital to meet our financial obligations. Capital not invested earns daily interest by being kept on deposit with a Canadian chartered bank.

### Cash Flows

| Statement of Cash Flows                              | Quarter ended<br>31-Mar |         | Six months ended<br>31-Mar |         |
|--|-------------------------|---------|----------------------------|---------|
|  | 2026                    | 2025    | 2026                       | 2025    |
| Cash (applied to) received from operating activities | (915)                   | 2,420   | (2,509)                    | 1,887   |
| Cash applied to investing activities                 | (197)                   | (327)   | (506)                      | (499)   |
| Cash applied to financing activities                 | (800)                   | (1,006) | (1,586)                    | (2,221) |

### Operating Activities

Cash applied to operating activities was \$0.9 million during the quarter ended March 31, 2026 as compared to cash received from Operating Activities of \$2.4 million during the quarter ended March 31, 2025. This reduction from the prior year relates to the timing of working capital items.

Cash applied to operating activities was \$2.5 million during the six months ended March 31, 2026 as compared to cash received from operating activities of \$1.9 million during the six months ended March 31, 2025.

### Investing Activities

Cash applied to investing activities was \$0.2 million during the quarter ended March 31, 2026 compared to cash applied of \$0.3 million during the quarter ended March 31, 2025. Investing activity in both periods primarily comprised the purchase of property and equipment, partially offset by repayments on legacy mortgages and loans receivable.

Cash applied to investing activities of \$0.5 million during the six months ended March 31, 2026 was consistent with cash applied of \$0.5 million during the six months ended March 31, 2025.

### Financing Activities

Cash applied to financing activities was \$0.8 million during the quarter ended March 31, 2026 consistent to cash applied to financing activities of \$1.0 million during the quarter ended March 31, 2025.

Cash applied to financing activities was \$1.6 million during the six months ended March 31, 2026 compared to cash applied to financing activities of \$2.2 million during the six months ended March 31, 2025.

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**Dividends**

During the period ended March 31, 2026, the Company paid a quarterly dividend of \$0.03 per share. Shareholders of record as of the end of each quarter received their dividend payments on approximately the 15th day of the following month.

As a result of the Transaction announced on May 26, 2026, SSC has suspended all dividend payments pending the successful outcome of the Transaction. The quarterly dividend of \$0.03 per share for the quarter ended March 31, 2026, was paid in April 2026. No further dividends will be declared or paid as a result of the Arrangement Agreement.

**Other Items**

As of March 31, 2026 there have been no material changes to our contractual obligations from that of our 2025 Annual MD&A, and the Company continues to have no outstanding long-term debt as of March 31, 2026. During the second quarter of fiscal year 2026, SSC did not have any material transactions with related parties.

Subsequent to the period, the Transaction described above constitutes a related party transaction under MI 61-101. See 'Subsequent Event – Arrangement Agreement' above.

Financial instruments are described in Note 14 to the Company's unaudited condensed interim consolidated financial statements for the quarter ended March 31, 2026.

The Company has two standby letters of credit totaling \$450,000 issued under its CIBC credit facility. There are no other material off-balance sheet arrangements.

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## **Material Accounting Estimates**

See our Fiscal Year 2025 Annual MD&A and our September 30, 2025 Annual Audited Consolidated Financial Statements and notes thereto for a discussion of the accounting policies and estimates that are critical to the understanding of our business operations and the results of our operations.

## **Risk Factors**

A discussion of risks which outline conditions currently known to management which could have a material impact on the financial results of the Company can be found in the section entitled "Risk Factors" in the Company's Annual Information Form and are incorporated into this MD&A by reference. In addition, readers should be aware that the Transaction announced on May 26, 2026, introduces material risks and uncertainties, full particulars of which will be set out in the circular to be filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

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## New Accounting Standard and Interpretations

### Future amendments and interpretations

The International Accounting Standards Board ("IASB") issued a number of new and revised accounting standards which are effective for future periods. Standards required to be applied and that may have an impact for SSC are outlined below:

| Proposed Standard  | Description   | Effective Date                                      | Expected Impact   |
|--|---|---|---|
| Amendments to IFRS 9 - Financial Instruments and IFRS 7 - Financial Instruments: Disclosures   | These amendments clarify both the classification of financial assets linked to environmental, social, and governance as well as the timing in which a financial asset or financial liability is derecognized when using electronic payment systems. | Fiscal years beginning on or after January 1, 2026. | The Company does not expect any significant impact on the consolidated financial statements but continues to do analysis. |
| Introduction of IFRS 18, Presentation and Disclosure in Financial Statements (replacing IAS 1, Presentation of Financial Statements) | This new standard aims to improve how information is communicated in the financial statements through several presentation and disclosure changes.  | Fiscal years beginning on or after January 1, 2027. | The Company continues to assess the impacts of this new standard.   |

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**Outstanding Share Data**

At March 31, 2026, there were 18,264,286 common voting shares outstanding (March 31, 2025 – 18,442,586).

The following table sets forth the issued and outstanding common voting shares and the common voting shares issuable on the conversion, exercise or exchange of securities into common voting shares.

| Common shares                                  | Shares Outstanding | Weighted Average (QTD) | Weighted Average (YTD) |
|--|--------------------|------------------------|------------------------|
| Basic common shares                            | 18,264,286         | 18,264,286             | 18,264,286             |
| Issuable upon exercise of options <sup>1</sup> | 399,998            | 399,998                | 399,998                |
| <b>Fully diluted common shares</b>             | <b>18,664,284</b>  | <b>18,664,284</b>      | <b>18,664,284</b>      |

Notes:

- (1) Stock option plan – the Company has a stock option plan and, pursuant to the stock option plan, a total of 399,998 stock options are outstanding. All of the outstanding stock options issued have been issued to officers, employees and consultants of the Company. The Company also has outstanding share appreciation rights and deferred share units which are cash-settled and therefore excluded from the diluted share count.

Pursuant to the Agreement, the treatment of outstanding equity awards upon closing will be described in the management information circular to be filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

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### **Non-IFRS Measures**

This MD&A includes certain measures which have not been prepared in accordance with IFRS such as Adjusted net income (loss), Adjusted net income (loss) per share, Adjusted EBITDA and Adjusted EBITDA per share. These non-IFRS measures are not recognized under IFRS and, accordingly, readers are cautioned that these measures should not be construed as alternatives to net income determined in accordance with IFRS. The non-IFRS measures presented are unlikely to be comparable to similar measures presented by other issuers.

We use these non-IFRS measures for our own internal measurement purposes. These non-IFRS measures do not have any standardized meaning prescribed by IFRS, and these measures may be calculated differently by other companies. The presentation of these non-IFRS measures enables investors and analysts to understand the underlying operating and financial performance of the Company in the same way as it is evaluated by us. We periodically assess these non-IFRS measures and the components thereof to ensure their continued use is beneficial to the evaluation of the underlying operating and financial performance of the Company.

#### **ADJUSTED NET INCOME (LOSS), ADJUSTED NET INCOME (LOSS) PER SHARE, ADJUSTED EBITDA AND ADJUSTED EBITDA PER SHARE**

Adjusted net income (loss) and adjusted net income (loss) per share are non-IFRS measures calculated by excluding the following from net income (loss) and earnings per share ("EPS"):

- Expected credit and impairment losses.
- Unrealized market value loss (gain).
- Realization of legacy operations upfront payments.
- Non-recurring and other expenses; and
- Amortization of intangible assets associated with acquisitions.

Adjusted EBITDA and Adjusted EBITDA per share are non-IFRS financial measures calculated by excluding the following from adjusted net income (loss) and adjusted net income (loss) per share:

- Amortization of capital assets.
- Income tax expense (recovery); and
- Interest expense.

Management's view is that Adjusted net income (loss), Adjusted net income (loss) per share, Adjusted EBITDA, and Adjusted EBITDA per share are useful metrics for investors and analysts to evaluate the pre-tax earnings of the Company without the effects of non-cash charges (such as amortization of capital and intangible assets, realization of legacy operations upfront payments, and interest expenses). While the loss/gain on market value adjustments of the Company will be a recurring item until the legacy operations mature, this loss/gain does not reflect the underlying operating performance of the Company, nor is it necessarily indicative of future operating results.

Furthermore, these calculations of Adjusted net income (loss), adjusted net income (loss) per share, Adjusted EBITDA and Adjusted EBITDA per share exclude all Legacy Business impacts on these metrics. They are the results of only the security business of the company. Any Legacy Business impacts fall outside our measurement of these metrics so that quarter to quarter and year to year comparisons now and into the future are relevant.

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| Reconciliation of Adjusted Net Income and Adjusted EBITDA | Quarter ended<br>March 31 |       | Six months ended<br>March 31 |        |
|---|---------------------------|-------|------------------------------|--------|
|   | 2026                      | 2025  | 2026                         | 2025   |
| <b>Comprehensive Net Income (Loss)</b>                    | <b>167</b>                | 10    | <b>159</b>                   | (115)  |
| Expected credit and impairment losses                     | 7                         | 7     | 14                           | 14     |
| Unrealized market value adjustments                       | 0                         | 0     | 0                            | 0      |
| Non-recurring and other expenses                          | 175                       | 128   | 273                          | 254    |
| Non-cash DSU (recovery) expense                           | (228)                     | (110) | (325)                        | 21     |
| Intangible amortization                                   | 380                       | 383   | 761                          | 766    |
| Share-based payment (recovery) expense                    | (142)                     | (26)  | (166)                        | 59     |
| <b>Adjusted Net Income</b>                                | <b>358</b>                | 392   | <b>715</b>                   | 999    |
| Income tax expense (recovery)                             | 64                        | 15    | 73                           | (15)   |
| Amortization of capital assets                            | 608                       | 556   | 1,189                        | 1,098  |
| Interest expense  | 124                       | 71    | 239                          | 123    |
| <b>Adjusted EBITDA</b>                                    | <b>1,154</b>              | 1,034 | <b>2,216</b>                 | 2,205  |
| <b>Per Share (Basic   Fully Diluted)</b>                  |                           |       |                              |        |
| Comprehensive net income (loss)                           | <b>0.01</b>               | 0.00  | <b>0.01</b>                  | (0.01) |
| Adjusted net income                                       | <b>0.02</b>               | 0.02  | <b>0.04</b>                  | 0.05   |
| Adjusted EBITDA   | <b>0.06</b>               | 0.06  | <b>0.12</b>                  | 0.12   |

Note:

- (1) Non-recurring and other expenses are those deemed by management to be non-cash, non-recurring, relating to financing and/or acquisitions, security realization expenses, severance costs, share-based payments, or other, predominantly reported within general and administrative expenses.

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## **Outlook**

On May 26, 2026, the Company announced the Arrangement Agreement as described under "Subsequent Event – Arrangement Agreement" above. In light of this announcement, management is not providing a standalone strategic outlook for future periods.

The Company's business continued to perform in line with management's expectations through the quarter ended March 31, 2026, with year-over-year revenue growth of 15.5% driven by organic contract wins and recurring physical security revenues. Management will continue to operate the business in the ordinary course pending closing of the Transaction.

Shareholders should refer to the management information circular and related materials to be filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) for complete details regarding the Arrangement.

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## **Cautionary Statement on Forward-looking Information**

On May 26, 2026, subsequent to the period covered by this MD&A, the Company announced the Arrangement Agreement with Allied Universal. All forward-looking statements in this MD&A are qualified in their entirety by reference to the Arrangement Agreement. Readers should not place reliance on forward-looking statements regarding the Company's standalone business strategy, capital allocation, acquisition plans, dividend policy, or continued listing on the TSX Venture Exchange, as these are subject to the Arrangement. The Arrangement remains subject to shareholder approval, court approval, and other conditions. There is no certainty that the Arrangement will be completed on the terms announced.

Certain information contained in this MD&A contains forward-looking statements concerning the future results, future performance, intentions, objectives, plans and expectations of the Company. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "estimates", "intends", "anticipates", "believes" or variations of such words and phrases (including negative and grammatical variations) or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements include known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements are based on assumptions and analyses made by the Company in light of its experience and perception of historical trends, current conditions and expected future developments, and other factors the Company believes are appropriate, and are subject to risks and uncertainties. Although the Company believes the assumptions underlying these statements are reasonable, they may prove to be incorrect.

The forward-looking statements contained in this MD&A are expressly qualified in their entirety by this cautionary statement and by the risk factors described under the heading "Risk Factors" in this MD&A and as otherwise disclosed in the Company's filings with securities regulatory authorities, available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). The forward-looking statements in this MD&A are made as of the date of this MD&A and the Company does not undertake any obligation to publicly update such forward-looking statements, except as required by applicable securities laws or as may be required in connection with the Arrangement.

# CORPORATE INFORMATION

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