



Condensed Interim Consolidated Financial Statements

**For the three and nine months ended
June 30, 2024 and 2023**

(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, 2024 and 2023.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unaudited)

	Note	As at June 30, 2024	As at September 30, 2023
ASSETS			
Current			
Cash and cash equivalents		\$ 12,367,195	\$ 14,843,347
Accounts receivable	18	23,176,492	21,835,143
Contract assets	15	309,213	-
Inventories		277,578	280,771
Prepaid expenses		504,522	527,360
Other financial assets		166,875	168,758
Mortgages and loans receivable	8	774,920	1,487,928
Assets held for sale	6	800,000	800,000
		\$ 38,376,795	\$ 39,943,307
Non-current			
Legacy contract assets	7	\$ 4,918,310	\$ 5,816,941
Mortgages and loans receivable	8	226,119	226,119
Property and equipment	9	3,529,857	3,568,195
Deferred income tax assets	17	2,467,186	2,410,164
Intangible assets	10	17,752,784	18,901,143
Goodwill	10	13,909,918	13,909,918
		\$ 81,180,969	\$ 84,775,787
LIABILITIES			
Current			
Accounts payable and accrued liabilities	11	\$ 8,613,027	\$ 10,254,241
Income tax payable		282,597	256,061
Obligation under lease	12	898,663	898,285
Contract liabilities	15	265,762	231,556
		\$ 10,060,049	\$ 11,640,143
Non-current			
Obligation under lease	12	\$ 878,034	\$ 847,341
Cash-settled share-based payment liabilities	13	2,029,236	1,888,847
Deferred income tax liability	17	2,714,288	2,713,026
		\$ 5,621,558	\$ 5,449,214
EQUITY			
Share capital	13	\$ 77,486,024	\$ 78,735,164
Contributed surplus		4,387,029	4,358,645
Deficit		(16,373,691)	(15,407,379)
		\$ 65,499,362	\$ 67,686,430
		\$ 81,180,969	\$ 84,775,787

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)

	Note	Three months ended June 30, 2024	Three months ended June 30, 2023	Nine months ended June 30, 2024	Nine months ended June 30, 2023
Revenue	15	\$ 29,726,057	\$ 26,511,808	\$ 91,010,463	\$ 79,748,572
Cost of sales		25,424,674	22,511,067	77,898,671	67,506,028
Gross profit		\$ 4,301,383	\$ 4,000,741	\$ 13,111,792	\$ 12,242,544
Corporate administration	16	3,595,147	3,455,378	10,604,330	10,865,070
Depreciation of property and equipment	9	590,521	476,152	1,731,637	1,394,797
Amortization of intangibles	10	382,786	357,384	1,148,359	1,129,863
Loss from operations		\$ (267,071)	\$ (288,173)	\$ (372,534)	\$ (1,147,186)
Financing					
Interest income		189,345	88,621	521,667	325,607
Interest expense		(50,786)	(36,402)	(145,924)	(108,428)
		\$ 138,559	\$ 52,219	\$ 375,743	\$ 217,179
Other income					
(Loss) gain from legacy business	18	(6,765)	180,812	946,044	1,078,731
Other income		69,564	39,989	166,151	189,639
		\$ 62,799	\$ 220,801	\$ 1,112,195	\$ 1,268,370
Net (loss) income before income tax		\$ (65,713)	\$ (15,153)	\$ 1,115,404	\$ 338,363
Income tax (recovery) expense	17	(91,786)	(2,859)	373,445	105,435
Net income (loss) and comprehensive income (loss)		\$ 26,073	\$ (12,294)	\$ 741,959	\$ 232,928
Basic income (loss) per share	14	\$ 0.00	\$ (0.00)	\$ 0.04	\$ 0.01
Fully diluted income (loss) per share	14	0.00	(0.00)	0.04	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)

Cash flow from (applied to)	Note	Three months ended June 30, 2024	Three months ended June 30, 2023	Nine months ended June 30, 2024	Nine months ended June 30, 2023
Operating activities					
Net income (loss)		\$ 26,073	\$ (12,294)	\$ 741,959	\$ 232,928
Adjustments for non-cash items					
Depreciation of property and equipment	9	590,521	476,152	1,731,637	1,394,797
Amortization of intangibles	10	382,786	357,384	1,148,359	1,129,863
Deferred share unit expense (recovery)	20	78,784	(2,059)	7,320	75,470
Share appreciation rights expense	20	56,927	29,251	116,069	88,270
Share based compensation	20	14,515	35,704	56,913	128,477
Income tax (recovery) expense	17	(91,786)	(2,859)	373,445	105,435
Income tax (paid) recovered		(18,384)	-	(402,669)	(345,403)
Unrealized market value loss on other financial assets	18	-	56,189	1,882	255,855
Expected credit loss (gain) on mortgages	18	6,765	(35,115)	20,369	(21,585)
Interest revenue		(189,345)	(88,621)	(521,667)	(325,607)
Interest received		185,149	178,011	585,703	589,597
Unrealized and realized gains from legacy assets	18	-	(165,746)	(968,296)	(1,174,504)
Gain on mortgage buyouts		-	(36,140)	-	(138,497)
Changes in working capital items	19	(1,454,131)	(2,520,705)	(3,227,459)	(3,212,144)
Cash applied to operating activities		\$ (412,125)	\$ (1,730,848)	\$ (336,435)	\$ (1,217,048)
Investing activities					
Proceeds from legacy assets and assets held for sale		-	809,429	1,866,927	3,253,381
Proceeds from repayment of mortgages and loans receivable		39,500	1,922,797	651,217	3,068,274
Purchase of property and equipment	9	(202,839)	(238,913)	(867,287)	(767,444)
Purchase of intangible assets	10	-	-	-	(29,113)
Cash (applied to) received from investing activities		\$ (163,339)	\$ 2,493,313	\$ 1,650,857	\$ 5,525,098
Financing activities					
Dividends paid		(567,987)	(583,612)	(1,723,181)	(1,756,674)
Interest expense		50,786	36,402	145,924	108,428
Interest paid		(50,786)	-	(145,923)	-
Principal lease payments	12	(283,899)	(222,526)	(789,725)	(596,955)
Purchase of common shares	13	(302,339)	(149,423)	(1,368,387)	(692,024)
Proceeds from shares issued	13	-	23,438	90,718	82,198
Cash applied to financing activities		\$ (1,154,225)	\$ (895,721)	\$ (3,790,574)	\$ (2,855,027)
(Decrease) increase in cash		(1,729,690)	(133,256)	(2,476,152)	1,453,023
Cash and cash equivalents – beginning of the period		14,096,885	12,781,394	14,843,347	11,195,115
Cash and cash equivalents - end of the period		\$ 12,367,195	\$ 12,648,138	\$ 12,367,195	\$ 12,648,138

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Unaudited)

	Note	Share Capital		Contributed Surplus		Deficit	Total
		Number	Amount	Share Options			
At September 30, 2022	13	19,618,338	\$ 79,574,976	\$ 4,234,190	\$ (13,164,632)	\$ 70,644,534	
NCIB shares purchased for cancellation		(240,200)	\$ (692,024)	\$ -	\$ -	\$ (692,024)	
Options exercised		34,249	108,048	(25,850)	-	82,198	
Share based payment – options		-	-	128,477	-	128,477	
Dividends		-	-	-	(1,750,495)	(1,750,495)	
Total comprehensive loss		-	-	-	232,928	232,928	
At June 30, 2023	13	19,412,387	\$ 78,991,000	\$ 4,336,817	\$ (14,682,199)	\$ 68,645,618	
NCIB shares purchased for cancellation		(99,300)	\$ (255,836)	\$ -	\$ -	\$ (255,836)	
Options exercised		-	-	-	-	-	
Share based payment – options		-	-	21,828	-	21,828	
Dividends		-	-	-	(579,393)	(579,393)	
Total comprehensive income		-	-	-	(145,787)	(145,787)	
At September 30, 2023	13	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		-	-	-	(1,708,271)	(1,708,271)	
Total comprehensive income		-	-	-	741,959	741,959	
At June 30, 2024	13	18,816,086	\$ 77,486,024	\$ 4,387,029	\$ (16,373,691)	\$ 65,499,362	

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024, in Canadian dollars
Unaudited

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, 2024.

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, 2023.

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 condensed interim consolidated statement of financial position:

- Financial instruments that are accounted for at fair value through profit and loss (Note 18).
- 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 subsidiaries SRG and 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 subsidiaries, and all values are rounded to the nearest dollar with the exception of share and per share value.

E. USE OF ESTIMATES AND JUDGMENTS

The preparation of condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments, 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 judgment 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;
- Identification of the fair values of assets and liabilities acquired in a business combination;
- Assessing recoverable amounts of all significant financial and non-financial assets; and
- There is judgment 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.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024, in Canadian dollars
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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. Asset under collection 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. Significant 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, 2023, 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, 2024, 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 all outstanding amounts are in the collection process.

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, 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	25,509,897	-	-	(85,223)	25,424,674	
Gross profit	\$ 4,301,383	\$ -	\$ 1,081,024	\$ (1,081,024)	\$ 4,301,383	
Corporate administration	3,398,074	84,770	1,193,327	(1,081,024)	3,595,147	
Depreciation of property and equipment	512,798	-	77,723	-	590,521	
Amortization of intangibles	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	
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)	

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024, in Canadian dollars
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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	78,109,028	-	-	(210,357)	77,898,671	
Gross profit	\$ 13,111,792	\$ -	\$ 3,181,938	\$ (3,181,938)	\$ 13,111,792	
Corporate administration	10,279,811	177,581	3,328,876	(3,181,938)	10,604,330	
Depreciation of property and equipment	1,506,256	-	225,381	-	1,731,637	
Amortization of intangibles	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	
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 statements of income (loss) for the three months ended June 30, 2023 are included below:

	For the three months ended June 30, 2023					
	Security	Legacy Operations	Corporate	Intersegment eliminations	Total	
Revenue	\$ 26,538,337	\$ -	\$ 994,927	\$ (1,021,456)	\$ 26,511,808	
Cost of sales	22,537,596	-	-	(26,529)	22,511,067	
Gross profit	\$ 4,000,741	\$ -	\$ 994,927	\$ (994,927)	\$ 4,000,741	
Corporate administration	3,231,857	79,925	1,003,724	(860,128)	3,455,378	
Depreciation of property and equipment	409,198	-	66,954	-	476,152	
Amortization of intangibles	357,384	-	-	-	357,384	
Income (loss) from operations	\$ 2,302	\$ (79,925)	\$ (75,751)	\$ (134,799)	\$ (288,173)	
Financing						
Interest income	\$ 32,935	\$ 55,686	\$ -	\$ -	\$ 88,621	
Interest expense	(163,829)	-	(7,372)	134,799	(36,402)	
	\$ (130,894)	\$ 55,686	\$ (7,372)	\$ 134,799	\$ 52,219	
Other income						
Gain from legacy business	\$ -	\$ 180,812	\$ -	\$ -	\$ 180,812	
Other income (loss)	(53,178)	-	93,167	-	39,989	
	\$ (53,178)	\$ 180,812	\$ 93,167	\$ -	\$ 220,801	
Net (loss) income before income tax	\$ (181,770)	\$ 156,573	\$ 10,044	\$ -	\$ (15,153)	

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024, in Canadian dollars
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Segment statements of income (loss) for the nine months ended June 30, 2023 are included below:

	For the nine months ended June 30, 2023					
	Security	Legacy Operations	Corporate	Intersegment eliminations	Total	
Revenue	\$ 79,701,962	\$ 118,196	\$ 3,112,864	\$ (3,184,450)	\$ 79,748,572	
Cost of sales	67,494,251	83,363	-	(71,586)	67,506,028	
Gross profit	\$ 12,207,711	\$ 34,833	\$ 3,112,864	\$ (3,112,864)	\$ 12,242,544	
Corporate administration	9,987,167	257,256	3,305,619	(2,684,972)	10,865,070	
Depreciation of property and equipment	1,217,918	-	176,879	-	1,394,797	
Amortization of intangibles	1,129,863	-	-	-	1,129,863	
Loss from operations	\$ (127,237)	\$ (222,423)	\$ (369,634)	\$ (427,892)	\$ (1,147,186)	
Financing						
Interest income	\$ 82,714	\$ 242,893	\$ -	\$ -	\$ 325,607	
Interest expense	(514,379)	-	(21,941)	427,892	(108,428)	
	\$ (431,665)	\$ 242,893	\$ (21,941)	\$ 427,892	\$ 217,179	
Other income						
Gain from legacy business	\$ -	\$ 1,078,731	\$ -	\$ -	\$ 1,078,731	
Other income (loss)	(33,099)	8,477	214,261	-	189,639	
	\$ (33,099)	\$ 1,087,208	\$ 214,261	\$ -	\$ 1,268,370	
Net (loss) income before income tax	\$ (592,001)	\$ 1,107,678	\$ (177,314)	\$ -	\$ 338,363	

Segment information as at June 30, 2024 and September 30, 2023 are as follows:

	Security	Legacy Operations	Corporate	Intersegment eliminations	Total
Segment assets:					
As at June 30, 2024	\$ 69,065,660	\$ 6,965,409	\$ 65,257,906	\$ (60,108,006)	\$ 81,180,969
As at September 30, 2023	\$ 66,450,295	\$ 8,578,931	\$ 66,409,864	\$ (56,663,303)	\$ 84,775,787
Segment liabilities:					
As at June 30, 2024	\$ 37,005,666	\$ 10,817	\$ 3,446,149	\$ (24,781,025)	\$ 15,681,607
As at September 30, 2023	\$ 34,913,348	\$ 10,817	\$ 3,707,378	\$ (21,542,186)	\$ 17,089,357
Capital expenditures:					
As at June 30, 2024	\$ 862,178	\$ -	\$ 5,109	\$ -	\$ 867,287
As at September 30, 2023	\$ 741,131	\$ -	\$ 26,313	\$ -	\$ 767,444

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

5. Business Acquisition

ACQUISITION OF LOGIXX SECURITY INC.

On June 1, 2022, the Company acquired all the outstanding shares of Logixx Security Inc. and repaid shareholder debt for aggregate cash consideration of \$23,770,927. There were no finders' fees payable in connection with this transaction. Acquisition costs in the amount of \$273,122 were incurred on this transaction and expensed. This includes professional fees incurred towards financial, tax and legal due diligence.

Logixx is a Toronto, Ontario-based provider of physical protective security services as well as security system design, sales, installations, monitoring and alarm response.

This transaction qualifies as a business combination and was accounted for in accordance with IFRS 3 Business Combinations using the acquisition method of accounting. To account for the transaction, the Company has performed a business valuation of Logixx at the date of acquisition and a purchase price allocation.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024, in Canadian dollars
Unaudited

The following table summarizes the consideration and closing date fair values of the net identifiable assets acquired pursuant to the Logixx acquisition:

	June 1, 2022	Measurement period adjustments ⁽¹⁾	June 1, 2022 revised
Cash	\$ 2,773,151	\$ -	\$ 2,773,151
Accounts receivable	13,823,922	-	13,823,922
Inventories	240,340	-	240,340
Contract assets	119,593	-	119,593
Prepaid expenses	62,942	-	62,942
Right-of-use asset	765,383	-	765,383
Property and equipment	851,855	-	851,855
Software	57,472	-	57,472
Tradenname	3,800,000	(130,000)	3,670,000
Customer relationships	7,626,000	(189,000)	7,437,000
Goodwill	4,391,897	101,700	4,493,597
Total assets	\$ 34,512,555	\$ (217,300)	\$ 34,295,255
Accounts payable and accrued liabilities	\$ 7,397,325	\$ -	\$ 7,397,325
Obligations under lease	765,383	-	765,383
Contract liabilities	312,840	-	312,840
Deferred tax liability	2,117,360	(68,580)	2,048,780
Total liabilities	\$ 10,592,908	\$ (68,580)	\$ 10,524,328
Net assets acquired	\$ 23,919,647	\$ (148,720)	\$ 23,770,927
Total consideration			
Cash	\$ 23,919,647	\$ (148,720)	\$ 23,770,927
	\$ 23,919,647	\$ (148,720)	\$ 23,770,927

⁽¹⁾ The measurement period ended May 31, 2023, and all adjustment during this period related to working capital adjustments.

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets Acquired	Valuation technique
Customer relationships	Multi-period excess earnings method: The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the customer relationships, by excluding any cash flows related to contributory assets.
Tradenname	Relief-from-royalty method: The relief-from-royalty method is based on the premise that the fair value of the tradenname is equal to the net present value of the future expected foregone royalties paid due to ownership of the tradenname.

The goodwill is attributable mainly to the skills and technical talent of Logixx Security Inc.'s work force and the synergies expected to be achieved from integrating the company into the SSC's existing security business.

For the four month period ended September 30, 2022 following its acquisition, Logixx contributed \$27,013,092 to consolidated revenues and \$414,978 of net loss before income taxes. If the acquisition had occurred on October 1, 2021, management estimates that consolidated revenue would have been \$99,521,269, and consolidated net earnings for the year would have been \$472,495.

6. Assets held for sale

Assets held for sale result from the Company taking ownership of land and associated fixtures as a result of enforcing security on contracts. A continuity schedule of the assets held for sale is presented below:

At September 30, 2022	\$ 800,000
Sale of assets held for sale	-
At June 30, 2023, September 30, 2023, and June 30, 2024	\$ 800,000

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7. Legacy contract assets

Legacy contract assets arose from agreements for which settlements were called for in tonnes of crop, the amount of which was determined based on terms in the crop purchase agreements which were capitalized on a contract by contract basis and were recorded at fair value as a derivative financial instrument. All active marketing and capital streaming contracts have now been settled, and the remaining balance relates to legacy contract assets under collection. A continuity schedule of legacy contract assets is presented below:

	June 30, 2024	September 30, 2023
Legacy contract assets:		
Opening balance - date	October 1, 2023	October 1, 2022
Opening balance	\$ 5,816,941	\$ 8,013,701
Settlements on contracts	(1,866,927)	(3,751,117)
Unrealized and realized gains	968,296	1,554,357
	\$ 4,918,310	\$ 5,816,941
	June 30, 2024	September 30, 2023
Current	\$ -	\$ -
Non-current	4,918,310	5,816,941
	\$ 4,918,310	\$ 5,816,941

8. Mortgages and loans receivable

Mortgages and loans receivable consist of conventional first mortgages and loans secured by land and equipment. A continuity schedule of the mortgages and loans receivable is presented below:

	June 30, 2024	September 30, 2023
Mortgages and loans receivable		
Current	\$ 774,920	\$ 1,487,928
Non-current	226,119	226,119
	\$ 1,001,039	\$ 1,714,047

Interest income on mortgages and loans receivable for the nine months ended June 30, 2024 was \$23,734 and \$87,160 (three and nine months ended June 30, 2023 - \$38,576 and \$211,727 respectively).

Details regarding the expected mortgage credit losses are outlined below:

	Performing (stage 1)	Significant increase in credit risk (stage 2)	Expected credit losses on impaired mortgages (stage 3)	Total
Mortgages and loans receivable - gross carrying value as at June 30, 2024	\$ -	\$ -	\$ 1,770,711	\$ 1,770,711
Expected credit loss balance on mortgages and loans receivable as at September 30, 2023	-	-	(711,611)	(711,611)
Re-measurement	-	-	(58,061)	(58,061)
Write-downs	-	-	-	-
Transfers to assets held for sale	-	-	-	-
Expected credit loss balance on mortgages and loans receivable as at June 30, 2024	-	-	(769,672)	(769,672)
Mortgages and loans receivable - net carrying value as at June 30, 2024	\$ -	\$ -	\$ 1,001,039	\$ 1,001,039

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	Performing (stage 1)	Significant increase in credit risk (stage 2)	Expected credit losses on impaired mortgages (stage 3)	Total
Mortgages and loans receivable - gross carrying value as at September 30, 2023	\$ -	\$ -	\$ 2,425,658	\$ 2,425,658
Expected credit loss balance on mortgages and loans receivable as at September 30, 2022	-	-	(634,268)	(634,268)
Re-measurement	-	-	(77,343)	(77,343)
Write-downs	-	-	-	-
Transfers to assets held for sale	-	-	-	-
Expected credit loss balance on mortgages and loans receivable for the year ended September 30, 2023	-	-	(711,611)	(711,611)
Mortgages and loans receivable - net carrying value as at September 30, 2023	\$ -	\$ -	\$ 1,714,047	\$ 1,714,047

Mortgages and loans receivable principal and interest past due are as follows:

	1 to 30 days	31 to 60 days	61 to 90 days	Over 90 days	Total
As at June 30, 2024	\$ -	\$ -	\$ -	\$ 1,001,039	\$ 1,001,039

9. Property and equipment

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

	June 30, 2024		
	Cost	Accumulated Depreciation	Carrying Amount
Furniture and fixtures	\$ 78,917	\$ 39,744	\$ 39,174
Computer equipment	266,098	150,722	115,376
Managed security services equipment	681,679	417,516	264,163
Vehicles	525,429	321,737	203,692
Leasehold improvements	140,054	110,633	29,421
Uniforms	2,817,698	1,612,047	1,205,651
Property and equipment	\$ 4,509,875	\$ 2,652,399	\$ 1,857,477
Right-of-use asset	3,745,773	2,073,395	1,672,380
Total	\$ 8,255,648	\$ 4,725,794	\$ 3,529,857

	September 30, 2023		
	Cost	Accumulated Depreciation	Carrying Amount
Furniture and fixtures	\$ 76,085	\$ 31,237	\$ 44,848
Computer equipment	232,573	101,890	130,683
Managed security services equipment	681,679	331,061	350,618
Vehicles	371,831	220,672	151,159
Leasehold improvements	140,054	87,990	52,064
Uniforms	2,160,218	985,596	1,174,622
Property and equipment	\$ 3,662,440	\$ 1,758,446	\$ 1,903,994
Right-of-use asset	3,145,561	1,481,360	1,664,201
Total	\$ 6,808,001	\$ 3,239,806	\$ 3,568,195

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The following table summarizes the changes in the net carrying amounts of property and equipment during the nine months ended June 30, 2024:

	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	115,376		
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	29,421		
Uniforms	1,174,622	657,480	626,452	1,205,651		
Property and equipment	\$ 1,903,994	\$ 867,287	\$ 913,805	\$ 1,857,477		
Right-of-use asset	1,664,201	826,012	817,832	1,672,380		
Total	\$ 3,568,195	\$ 1,693,299	\$ 1,731,637	\$ 3,529,857		

	September 30, 2022			June 30, 2023		
	Net carrying Amount	Net additions	Depreciation	Net carrying amount		
Furniture and fixtures	\$ 41,600	\$ 17,016	\$ 8,752	\$ 49,864		
Computer equipment	73,592	106,521	45,972	134,141		
Managed security services equipment	471,373	2,310	92,130	381,553		
Vehicles	120,071	46,020	62,037	104,054		
Leasehold improvements	74,433	8,900	23,340	59,993		
Uniforms	1,081,964	586,677	540,986	1,127,655		
Property and equipment	\$ 1,863,033	\$ 767,444	\$ 773,217	\$ 1,857,260		
Right-of-use asset	1,294,073	913,867	646,520	1,561,420		
Total	\$ 3,157,106	\$ 1,681,311	\$ 1,419,737	\$ 3,418,680		

The Company currently has two categories of right-of-use assets relating to vehicles and property leases. At June 30, 2024, the carrying amount of vehicles under lease was \$1,230,978 (September 30, 2023: \$964,233), with \$183,181 and \$515,659 of depreciation included in the condensed statement of income (loss) for the three and nine-month periods ended June 30, 2024 respectively (June 30, 2023: \$134,739 and \$381,952 respectively).

At June 30, 2024, the property leases relating to office space had a carrying amount of \$441,402 (September 30, 2023: \$699,968), with \$99,704 and \$302,173 of depreciation included in the condensed statement of income (loss) for the three and nine-month periods ended June 30, 2024 respectively (June 30, 2023: \$92,298 and \$264,568 respectively).

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10. Goodwill and intangible assets

	Software	Customer relationships	Tradenname	Total intangible assets	Goodwill
Cost					
Balance at September 30, 2022	\$ 57,472	\$ 15,703,442	\$ 5,980,000	\$ 21,740,914	\$ 13,909,918
Acquisitions	29,113	-	-	29,113	-
Retirements, disposals, and adjustments	-	-	-	-	-
Balance at September 30, 2023	\$ 86,585	\$ 15,703,442	\$ 5,980,000	\$ 21,770,027	\$ 13,909,918
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
Accumulated amortization					
Balance at September 30, 2022	\$ 7,184	\$ 1,336,775	\$ -	\$ 1,343,959	\$ -
Amortization	20,402	1,504,523	-	1,524,925	-
Retirements, disposals, and adjustments	-	-	-	-	-
Balance at September 30, 2023	\$ 27,586	\$ 2,841,298	\$ -	\$ 2,868,884	\$ -
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	\$ -
Carrying amounts					
At June 30, 2024	\$ 42,970	\$ 11,729,814	\$ 5,980,000	\$ 17,752,784	\$ 13,909,918
At September 30, 2023	\$ 58,999	\$ 12,862,144	\$ 5,980,000	\$ 18,901,143	\$ 13,909,918

The amortization of customer relationships is included in corporate administration expense on the consolidated statements of income (loss) and comprehensive income (loss). The useful lives over which these intangible assets are amortized are stated in Note 3 - Significant Accounting Policies.

11. Accounts payable and accrued liabilities

	June 30, 2024	September 30, 2023
Current liabilities:		
Accounts payable	\$ 1,461,568	\$ 1,569,200
Payroll tax and other statutory liabilities	2,702,279	4,446,454
Dividends payable	564,483	579,393
Commission accrual	2,084	1,875
Vacation payable	1,996,926	1,903,766
Bonus accrual	531,700	791,250
Other payables	1,353,987	962,303
	\$ 8,613,027	\$ 10,254,241

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.

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12. 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, 2022	\$ 941,769	\$ 397,900	\$ 1,339,669
Additions	362,950	529,736	892,686
Principal payments on lease liabilities	(239,510)	(357,445)	(596,955)
Balance at June 30, 2023	\$ 1,065,209	\$ 570,191	\$ 1,635,400
Additions	232,722	151,754	384,476
Disposals	(40,570)	-	(40,570)
Principal payments on lease liabilities	(251,242)	17,562	(233,680)
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
Current portion	651,118	247,545	898,663
Long-term portion	642,887	235,147	878,034
Total balance at June 30, 2024	\$ 1,294,005	\$ 482,692	\$ 1,776,697

During the three and nine-months ended June 30, 2024, the Company paid interest on vehicle leases in the amount of \$42,751 and \$117,635 respectively (three and nine months ended June 30, 2023 - \$25,272 and \$74,036 respectively). The Company paid interest on property leases of \$8,035 and \$28,289 respectively for the three and nine months ended June 30, 2024 (three and nine months ended June 30, 2023 - \$11,130 and \$34,392 respectively).

13. Share capital, contributed surplus and retained earnings

A. SHARES AUTHORIZED

The Company's authorized share capital consists of an unlimited number of Class "A" common voting shares ("common shares") without par value.

B. SHARES ISSUED AND PURCHASED

	Number of Shares	Share Capital
Common shares - September 30, 2022	19,618,338	\$ 79,574,976
Shares cancelled under the normal course issuer bid	(240,200)	(692,024)
Options exercised	34,249	108,048
Common shares - June 30, 2023	19,412,387	\$ 78,991,000
Shares cancelled under the normal course issuer bid	(99,300)	(255,836)
Options exercised	-	-
Common shares - September 30, 2023	19,313,087	78,735,164
Shares cancelled under the normal course issuer bid	(534,800)	(1,368,387)
Options exercised	37,799	119,247
Common shares - June 30, 2024	18,816,086	77,486,024

The Company has a normal course issuer bid for the repurchase of approximately ten percent of the Company's public float in a given year. The normal course issuer bid was renewed on January 4, 2024 and will be active until the earlier of January 3, 2025 and the date by which SSC has acquired the maximum shares which may be purchased.

During the nine months ended June 30, 2024, the Company bought back 478,800 shares under its normal course issuer bid at an average price of \$2.53 per share (nine months ended June 30, 2023 - 240,200 shares at an average price of \$2.85). During the nine months ended June 30, 2024, the Company cancelled 534,800 shares (nine months ended June 30, 2023 - 240,200).

C. SHARE PURCHASE OPTIONS

The Company has an incentive share purchase option plan (the "Option Plan") whereby the Company may grant share options to eligible employees, officers, directors and consultants at an exercise price, expiry date, and vesting over a three year period. Each share option converts into one common share of the Company on exercise. Refer to Note 16 for share-based payment compensation.

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At June 30, 2024, the following options to purchase common shares were outstanding:

Options outstanding						
Option series	Average remaining life (in years)	Vested	Unvested	Exercised	Expired or cancelled	Total
Series 1	0.00	593,667	-	-	593,667	-
Series 2	0.00	313,833	-	132,304	181,529	-
Series 3	1.64	95,556	47,776	-	-	143,332
Series 4	1.67	4,444	2,222	-	-	6,666
Series 5	2.93	83,333	166,667	-	-	250,000
Weighted average	2.07	1,090,833	216,665	132,304	775,196	399,998

Option series	Expiry date	Exercise price	Fair value at date of grant
(1) granted on December 15, 2017	December 15, 2022	\$ 4.62	\$ 4.62
(2) granted on December 21, 2018	December 21, 2023	\$ 2.40	\$ 2.40
(3) granted on February 18, 2021	February 18, 2026	\$ 2.85	\$ 2.85
(4) granted on March 1, 2021	March 1, 2026	\$ 2.82	\$ 2.82
(5) granted on June 3, 2022	June 3, 2027	\$ 2.44	\$ 2.44

The fair value of the stock options is estimated at the grant date based on the Black-Scholes pricing model using the assumptions below. The assumptions below are for options issued since September 30, 2022 and are based on management's best estimates at the time of issuance.

Inputs into the model	Option Series
	Series 5
Grant date share price	\$ 2.44
Exercise price	\$ 2.44
Average vesting period from grant date	3.00 years
Volatility	60.74%
Expected life	5.00 years
Dividend yield	4.00%
Risk free interest rate	2.94%

Volatility above is calculated based on the daily historical share price volatility over the expected life of the option.

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

Options outstanding at September 30, 2022 (weighted average exercise price of \$3.57)	923,794
Exercised	(34,332)
Expired or cancelled	(451,665)
Options outstanding at June 30, 2023, and September 30, 2023 (weighted average exercise price of \$2.58)	437,797
Exercised	(37,799)
Options outstanding at June 30, 2024 (weighted average exercise price of \$2.59)	399,998

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D. DIVIDENDS

The Company declared the following dividends since October 1, 2022 to the shareholders of record on the following dates.

Record date	Dividend per share	Shares outstanding	Total Dividend
December 31, 2022	\$ 0.03	19,483,738	\$ 584,512
March 31, 2023	\$ 0.03	19,453,721	\$ 583,612
June 30, 2023	\$ 0.03	19,412,387	\$ 582,372
September 30, 2023	\$ 0.03	19,313,087	\$ 579,393
December 31, 2023	\$ 0.03	19,193,386	\$ 575,802
March 31, 2024	\$ 0.03	18,932,886	\$ 567,987
June 30, 2024 (Note 11)	\$ 0.03	18,816,086	\$ 564,483

E. 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, 2022	585,462
Granted	56,033
Settled	-
At June 30, 2023	641,495
Granted	22,061
Settled	-
At September 30, 2023	663,556
Granted	51,219
Settled	-
At June 30, 2024	714,775

The total carrying amount of the DSU liability as at June 30, 2024 was \$1,794,085 (September 30, 2023 \$1,769,765). Refer to Note 20 for expenses relating to the valuation of the DSUs.

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, 2022	-
Granted	355,000
Settled	-
At June, 2023 and September 30, 2023	355,000
Granted	270,000
Settled	-
At June 30, 2024	625,000

The total carrying amount of the SARs liability as at June 30, 2024 was \$235,151 (September 30, 2023 \$119,082). Refer to Note 20 for expenses relating to the valuation of the SARs.

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14. 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, 2024	Three months ended June 30, 2023	Nine months ended June 30, 2024	Nine months ended June 30, 2023
Basic weighted average number of shares	18,853,523	19,687,167	19,066,223	19,502,760
Dilutive securities:				
Share options	399,997	N/A	400,411	611,748

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.

15. 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 June 30, 2024 and 2023:

	Three months ended June 30, 2024	Three months ended June 30, 2023	Nine months ended June 30, 2024	Nine months ended June 30, 2023
Security services				
Physical protective security services	\$ 27,704,412	\$ 24,727,022	\$ 85,643,985	\$ 74,940,412
Cyber security services	2,106,868	1,811,315	5,576,836	4,761,550
	\$ 29,811,280	\$ 26,538,337	\$ 91,220,821	\$ 79,701,962
Legacy operations	\$ -		\$ -	\$ 118,196
Corporate and intersegment eliminations	(85,223)	(26,529)	(210,358)	(71,586)
	\$ 29,726,057	\$ 26,511,808	\$ 91,010,463	\$ 79,748,572

The following table provides information about contract assets and contract liabilities from contracts with customers:

	June 30, 2024	September 30, 2023
Contract assets	\$ 309,213	\$ -
Contract liabilities	\$ 265,762	\$ 231,556

The contract assets primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date. Amounts are billed in accordance with the terms of each customer contract, generally subsequent to the performance of obligations and related revenue recognition, resulting in accounts receivable with standard payment terms.

The contract liabilities primarily relate to customer payments prior to satisfying contracted obligations and recognizing revenue.

16. Corporate administration

	Three months ended June 30, 2024	Three months ended June 30, 2023	Nine months ended June 30, 2024	Nine months ended June 30, 2023
Contracted services	\$ 111,610	\$ 193,959	\$ 337,813	\$ 700,490
Cash-settled share based payment arrangements (Note 20)	135,711	27,192	123,390	163,740
Office	1,084,004	974,249	3,407,789	3,192,871
Bad debt (recovery)	(59,030)	40,861	(245,554)	(415,397)
Other administration	199,551	271,710	667,346	783,328
Professional fees	239,429	140,508	587,354	661,446
Salaries, wages and benefits	1,869,358	1,771,195	5,669,279	5,650,115
Share based compensation	14,515	35,704	56,913	128,477
Total expense	\$ 3,595,147	\$ 3,455,378	\$ 10,604,330	\$ 10,865,070

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17. 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, 2024	Three months ended June 30, 2023	Nine months ended June 30, 2024	Nine months ended June 30, 2023
Net income before income tax	\$ (65,713)	\$ (15,153)	\$ 1,115,404	\$ 338,363
Canadian federal and provincial tax rates	27.0%	27.0%	27.0%	27.0%
Income tax expense based on the above rates	(17,743)	(4,091)	301,159	91,358
Non-deductible expenses	6,059	14,682	23,488	59,223
Other	(80,102)	(13,449)	48,798	(45,146)
Income tax expense	\$ (91,786)	\$ (2,858)	\$ 373,445	\$ 105,435

18. Financial instruments

CAPITAL RISK MANAGEMENT - The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the capital structure. The Company's capital consists of \$65,499,362 (September 30, 2023 - \$67,686,430) of equity attributable to common shareholders, comprised of share capital, contributed surplus, and accumulated deficit.

CREDIT RISK MANAGEMENT - The Company's financial assets subject to credit risk include cash and cash equivalents, accounts receivable, mortgages and legacy contract assets. Management's view is that the carrying amounts of these assets represent the maximum credit exposure.

The carrying amount of these assets is:

	June 30, 2024	September 30, 2023
Cash and cash equivalents	\$ 12,367,195	\$ 14,843,347
Accounts receivable	23,176,492	21,835,143
Legacy contract assets (Note 7)	4,918,310	5,816,941
Mortgages and loans receivable (Note 8)	1,001,039	1,714,047
	\$ 41,463,036	\$ 44,209,478

Management has implemented a number of policies and procedures to manage credit risk. These include: continuously monitoring counterparties' creditworthiness, assignments of collateral and security, and assignment of insurance. For the remaining legacy business contracts, management also monitors the industry environment to ensure that policies, activities and prices are appropriate and relevant.

The aging of trade and other receivables and expected credit losses are as follows:

	June 30, 2024	September 30, 2023
Not past due	\$ 17,965,878	\$ 17,865,424
Past due 0-90 days	4,047,570	3,205,178
More than 90 days past due	1,467,800	1,273,541
Total trade and other receivables	23,481,247	22,344,143
Expected credit loss	(304,755)	(509,000)
Total trade and other receivables net of expected credit losses	\$ 23,176,492	\$ 21,835,143

LIQUIDITY RISK - The Company manages liquidity risk through ongoing management and forecasting of cash flows, budgeting, and equity financings. Cash flow forecasting is performed to monitor cash requirements and to manage capital management decisions. Such forecasting takes into account current customers, mortgage amortization schedules, contractual obligations and the Company's expectations. The term and payment dates of the Company's borrowings are generally matched with the timing at which it is expected to receive payments from customers. However, should the timing of payments differ from what is contracted, this does not change the requirement to repay loans from the bank, potentially affecting liquidity. It is due to these timing uncertainties that the Company maintains a high level of cash liquidity on an ongoing basis.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024, in Canadian dollars
Unaudited

Financial liabilities and other contractual obligations at June 30, 2024, and their maturities are summarized below:

	Payment due by period					Total
	< 1 year	1 - 3 years	4 - 5 years	> 5 years		
Accounts payable and accrued liabilities	\$ 8,613,027	\$ -	\$ -	\$ -	\$ -	\$ 8,613,027
Lease principal and interest obligations	1,041,608	893,942	43,362	21,681		2,000,593
	\$ 9,654,635	\$ 893,942	\$ 43,362	\$ 21,681	\$ -	\$ 10,613,620

INTEREST RATE RISK - The company has mortgages and loans receivable that are measured at amortized cost and contain a fixed interest rate. There is no variability in cash flow amounts or timing of cash flows with changes in interest rates, but, there are changes in the fair value of these financial assets. A 1% change in the interest rate results in a \$26,365 (September 30, 2023 - \$34,383) change in the fair value of the mortgages and loans receivable.

FOREIGN CURRENCY RISK - Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and other foreign currencies will affect the Company's operations and financial results. During the nine months ended June 30, 2024, approximately 9.3% (September 30, 2023 - 9.4%) of the Company's revenues were received or receivable in U.S. dollars, while a smaller percentage of its total costs were paid or payable in U.S. dollars. A significant change in the exchange rate would have a nominal effect on income or loss.

OTHER RISKS - The Company is not subject to other significant foreign currency, or other price risks.

FAIR VALUE - The following sets forth the Company's financial assets and liabilities measured at fair value 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, 2024	September 30, 2023
Cash and cash equivalents	Amortized cost	1	\$ 12,367,195	\$ 14,843,347
Accounts receivable	Amortized cost	2	23,176,492	21,835,143
Other financial assets	Fair value through profit or loss	2	166,875	168,758
Legacy contract assets	Fair value through profit or loss	3	4,918,310	5,816,941
Mortgages and loans receivable	Amortized cost	2	705,670	1,760,615
Accounts payable and accrued liabilities	Other financial liabilities	2	8,613,027	10,254,241

The following table represents expected credit recoveries (impairments) recognized in the consolidated statement of income (loss) and comprehensive income (loss):

	Three months ended June 30, 2024	Three months ended June 30, 2023	Nine months ended June 30, 2024	Nine months ended June 30, 2023
Accounts receivable - corporate administration	\$ (59,030)	\$ (40,861)	\$ (245,554)	\$ 415,397
Mortgages and loans receivable	\$ (6,765)	\$ 35,115	\$ (20,369)	\$ 21,585

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.

Certain liabilities and obligations of the Company are secured by property of the Company including an assignment of the rights of the Company under the legacy contracts and any collateral security granted in favour of the Company in connection with each contract.

The legacy business gains and losses are made up of the following components:

	Three months ended June 30, 2024	Three months ended June 30, 2023	Nine months ended June 30, 2024	Nine months ended June 30, 2023
Unrealized and realized gains on legacy assets	\$ -	\$ 165,746	\$ 968,296	\$ 1,174,504
Unrealized loss on other financial assets	-	(56,189)	(1,883)	(255,855)
Gain on mortgage buyouts	-	36,140	-	138,497
Expected credit (loss) gain	(6,765)	35,115	(20,369)	21,585
(Loss) gain from legacy business	\$ (6,765)	\$ 180,812	\$ 946,044	\$ 1,078,731

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024, in Canadian dollars
Unaudited

19. Changes in working capital items

	Three months ended June 30, 2024	Three months ended June 30, 2023	Nine months ended June 30, 2024	Nine months ended June 30, 2023
Change in working capital items				
Accounts receivable	\$ 128,301	\$ (1,026,319)	\$ (1,341,349)	\$ (746,677)
Inventory	85,301	(137,339)	3,193	(82,866)
Contract assets	(36,381)	(162,283)	(414,544)	72,368
Prepaid expenses	85,897	48,198	22,838	444,205
Contract liabilities	71,045	(21,921)	139,539	(363,201)
Accounts payable and accrued liabilities	(1,788,294)	(1,221,041)	(1,637,136)	(2,535,973)
Net decrease in cash	\$ (1,454,131)	\$ (2,520,705)	\$ (3,227,459)	\$ (3,212,144)

20. Key management personnel compensation

Members of the key management team include the Board of Directors, the President and Chief Executive Officer, the Chief Financial Officer, and the Chief Operating Officer.

	Three months ended June 30, 2024	Three months ended June 30, 2023	Nine months ended June 30, 2024	Nine months ended June 30, 2023
Salaries and benefits	\$ 338,736	\$ 243,645	\$ 1,101,594	\$ 757,336
Deferred share unit expense (recovery)	78,784	(2,059)	7,320	75,470
Share appreciation rights expense	56,927	29,251	116,069	88,270
Share based payments	14,515	35,704	56,913	128,477
Total key management compensation expense	\$ 488,962	\$ 306,541	\$ 1,281,896	\$ 1,049,553

21. 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 \$745,434 for the nine months ended June 30, 2024 (\$846,743 for the nine months ended June 30, 2023) and are included within the expense categories detailed in Note 16. At June 30, 2024, accounts payable and accrued liabilities included related party transactions totalling \$150,000 (September 30, 2023 - \$480,035).

22. 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.

23. Comparative figures

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