AVANTE CORP.

Condensed Interim Consolidated Financial Statements

Unaudited for the three and nine-month periods ended December 31, 2024 and 2023

NOTICE TO READER OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The condensed interim consolidated financial statements of Avante Corp. for the three and nine-month periods ended December 31, 2024 are the responsibility of the Company's Management. These financial statements have not been reviewed on behalf of the shareholders by the independent external auditors of the Company. The condensed interim consolidated financial statements have been prepared by Management and include the selection of appropriate accounting principles, judgments and estimates necessary to prepare these financial statements in accordance with International Financial Reporting Standards.

TABLE OF CONTENTS

Condensed Interim Consolidated Statements of Financial Position ..... - 3 -
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss ..... - 4 -
Condensed Interim Consolidated Statements of Changes in Equity ..... - 5 -
Condensed Interim Consolidated Statements of Cash Flows ..... - 6 -
1. NATURE OF BUSINESS ..... - 7 -
2. BASIS OF PRESENTATION ..... - 7 -
3. SUMMARY OF MATERIAL ACCOUNTING POLICIES ..... - 9 -
4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS ..... - 10 -
5. EARNINGS (LOSS) PER SHARE ..... - 13 -
6. REVENUE RECOGNITION ..... - 14 -
7. ASSETS AND LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATIONS ..... - 15 -
8. ACCOUNTS RECEIVABLE ..... - 16 -
9. INVENTORIES ..... - 16 -
10. PROPERTY, PLANT AND EQUIPMENT ..... - 17 -
11. CAPITALIZED COMMISSION ..... - 18 -
12. GOODWILL AND INTANGIBLE ASSETS ..... - 18 -
13. BUSINESS ACQUISITIONS ..... - 20 -
14. BANK INDEBTEDNESS ..... - 20 -
15. OBLIGATIONS UNDER LEASE ..... - 21 -
16. SHAREHOLDERS' EQUITY ..... - 22 -
17. NON-CONTROLLING INTERESTS ..... - 22 -
18. INCOME TAXES ..... - 25 -
19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT ..... - 25 -
20. CAPITAL MANAGEMENT ..... - 28 -
21. RELATED PARTY TRANSACTIONS ..... - 28 -
22. REORGANIZATION AND ACQUISITION COSTS ..... - 29 -
23. SEGMENT REPORTING ..... - 29 -
24. CONTINGENCIES ..... - 35 -
25. SUBSEQUENT EVENTS ..... - 28 -

AVANTE CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024 AND MARCH 31, 2024

	Dec 31, 2024	Mar 31, 2024
ASSETS	*Unaudited*	
CURRENT		
Cash and cash equivalents	$ 5,038,875	$ 6,030,907
Accounts receivable (note 8)	6,118,765	7,392,456
Inventories (note 9)	1,564,894	1,103,250
Contract assets (note 6b)	611,723	285,548
Prepaid expenses	911,675	591,836
	14,245,932	15,403,997
NON-CURRENT ASSETS		
Property, plant & equipment (note 10)	2,912,635	2,335,755
Capitalized commissions (note 11)	32	4,164
Deferred tax assets (note 18)	435,633	435,632
Intangible assets (note 12)	1,861,130	2,488,697
Goodwill (note 12)	4,501,317	4,501,317
	9,710,747	9,765,565
	$ 23,956,679	**$ 25,169,562**
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	4,392,916	4,570,790
Loan from officer	96,208	89,670
Corporate tax payable	-	1,466
Obligations under lease (note 15)	645,179	562,052
Contract liabilities (note 6b)	2,426,220	2,388,521
Put option liability (note 13)	1,269,562	1,269,562
	8,830,085	8,882,061
NON-CURRENT LIABILITIES		
Obligations under lease (note 15)	747,126	818,096
Dividend payable to non-controlling shareholder of NSSG	509,436	606,486
Cash settled share-based payment liabilities (note 21)	1,311,125	1,209,875
Deferred tax liability (note 18)	143,957	143,957
	2,711,644	2,778,414
TOTAL LIABILITIES	**11,541,729**	**11,660,475**
SHAREHOLDERS' EQUITY		
Share capital (note 16a)	30,233,361	30,233,361
Contributed surplus (note 16b)	2,491,179	2,395,960
Equity component of put option	(370,752)	(370,752)
Accumulated other comprehensive deficit	607	(2,019)
Accumulated deficit	(19,891,995)	(18,726,858)
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	12,462,400	13,529,692
Non-controlling interest (note 17)	(47,450)	(20,605)
TOTAL EQUITY	**12,414,950**	**13,509,087**
TOTAL EQUITY & LIABILITIES	**$ 23,956,679**	**$ 25,169,562**

Contingencies (note 24)
Subsequent events (note 25)

AUTHORIZED FOR ISSUE ON BEHALF OF THE BOARD:

Signed "Emmanuel Mounouchos" Director *Signed "Daniel Argiros" Director*

See accompanying notes to the condensed interim consolidated financial statements

AVANTE CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS FOR THE THREE AND NINE-MONTH PERIODS ENDED DECEMBER 31, 2024 AND DECEMBER 31, 2023

	For the three-month period ended		For the nine-month period ended	
	Dec 31, 2024	**Dec 31, 2023**	**Dec 31, 2024**	**Dec 31, 2023**
	Unaudited		*Unaudited*	
Revenues from continuing operations (note 6a)	$ 8,411,628	$ 6,941,380	$ 24,415,219	$ 17,690,546
Cost of sales	4,970,212	3,993,235	14,491,694	10,586,147
Gross profit	3,441,416	2,948,145	9,923,525	7,104,399
Operating expenses				
Salaries, benefits and commissions	1,489,008	1,390,841	4,578,960	3,379,032
Administration	1,470,575	1,011,846	4,212,301	2,462,358
Depreciation on capital assets (note 10)	266,746	210,834	758,366	611,584
Amortization on intangible assets (note 12)	161,272	125,261	483,816	359,867
Merchant transaction fees and bank charges	158,391	109,641	427,914	288,705
Share based payments (note 16b)	50,008	43,600	95,219	15,837
	3,596,000	2,892,023	10,556,576	7,117,383
Income (loss) before other income and expenses and reorganization and acquisition costs	(154,584)	56,122	(633,051)	(12,984)
Other (income) expenses				
Miscellaneous income	(65,521)	(46,879)	(409,194)	(334,560)
Interest expense	63,756	53,261	219,114	173,852
Foreign exchange loss	3,441	(8,378)	30,068	3,489
	1,676	(1,996)	(160,012)	(157,219)
Income (loss) before reorganization and acquisition costs	(156,260)	58,118	(473,039)	144,235
Reorganization, development and acquisition costs (note 22)	-	63,263	720,451	459,337
Income (loss) before income taxes	(156,260)	(5,145)	(1,193,490)	(315,102)
Provision for income taxes				
Deferred income tax expense (recovery) (note 18)	(1,508)	(7,836)	(1,508)	(1,777)
Net income (loss) from continuing operations for the period	(154,752)	2,691	(1,191,982)	(313,325)
Net income from discontinued operations for the period net of tax (note 24)	-	-	-	144,117
Net income (loss) for the period	$ (154,752)	$ 2,691	$ (1,191,982)	$ (169,208)
Net income (loss) for the period attributable to:				
Equity holders of the parent	(144,967)	66,871	(1,165,137)	(105,028)
Non-controlling interests	(9,785)	(64,180)	(26,845)	(64,180)
	$ (154,752)	$ 2,691	$ (1,191,982)	$ (169,208)
Other comprehensive income (loss) from continuing operations: Items that may be reclassified subsequently to net loss				
Unrealized gain (loss) on translating financial statements of foreign operations	6,768	5,072	2,626	5,072
	$ 6,768	$ 5,072	$ 2,626	$ 5,072
Total comprehensive income (loss) for the period	**$ (147,984)**	**$ 7,763**	**$ (1,189,356)**	**$ (164,136)**
Equity holders of the parent	(138,199)	71,943	(1,162,510)	(99,956)
Non-controlling interests	(9,785)	(64,180)	(26,845)	(64,180)
Total comprehensive income (loss) for the period	$ (147,984)	$ 7,763	$ (1,189,356)	$ (164,136)
Net income (loss) per share attributable to equity holders of the parent (note 5)				
Basic and diluted loss per share from continuing operations (note 5)	($0.005)	$0.003	($0.044)	($0.004)
Basic and diluted income per share from discontinued operations	$0.000	$0.000	$0.000	$0.005
Basic and diluted loss per share	($0.005)	$0.003	($0.044)	$0.001
Weighted average number of shares outstanding for basic and diluted calculation	26,643,739	26,575,067	26,643,739	26,546,524

See accompanying notes to the condensed interim consolidated financial statements

AVANTE CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD ENDED DECEMBER 31, 2024 AND DECEMBER 31, 2023

	Share Capital	Contributed Surplus	Equity component of put option	Deficit	Accumulated Other Comprehensive Income	Subtotal	Non-controlling Interest	Total Equity
Balance at April 1, 2023	**$30,138,388**	**$ 2,340,769**	**$ -**	**$ (15,698,067)**	**$ -**	**$ 16,781,090**	**-**	**$ 16,781,090**
Income for the period	-	-	-	(105,028)	-	(105,028)	(64,180)	(169,208)
Unrealized gain on translating financial statements of foreign operations	-	-	-	-	5,072	5,072	-	5,072
Share based payments	-	15,837	-	-	-	15,837	-	15,837
Issuance of common shares	94,969	-	-	-	-	94,969	140,687	235,656
Balance at December 31, 2023 (Unaudited)	**$30,233,357**	**$ 2,356,606**	**$ -**	**$ (15,803,095)**	**$ 5,072**	**$ 16,791,940**	**$ 76,507**	**$ 16,868,447**
Balance at April 1, 2024	**$30,233,361**	**$ 2,395,960**	**$ (370,752)**	**$ (18,726,858)**	**$ (2,019)**	**$ 13,529,692**	**(20,605)**	**$ 13,509,087**
Loss for the period				(1,165,137)		(1,165,137)		(1,165,137)
Unrealized gain on translating financial statements of foreign operations	-	-	-	-	2,626	2,626	(26,845)	(24,219)
Share based payments	-	95,219	-	-	-	95,219	-	95,219
Balance at December 31, 2024 (Unaudited)	**$30,233,361**	**$ 2,491,179**	**$ (370,752)**	**$ (19,891,995)**	**$ 607**	**$ 12,462,401**	**$ (47,450)**	**$ 12,414,950**

AVANTE CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE AND NINE-MONTH PERIODS ENDED DECEMBER 31, 2024 AND DECEMBER 31, 2023

	For the three-month period ended		For the nine-month period ended	
	Dec 31, 2024	**Dec 31, 2023**	**Dec 31, 2024**	**Dec 31, 2023**
Operating activities				
Comprehensive income (loss) for the period	$ (154,752)	$ 2,691	$ (1,191,982)	$ (169,208)
Gain on disposal of capital assets	-	-	(4,752)	(110,906)
Share based payments	50,008	43,600	95,219	15,837
Interest on bank loans and leases	49,725	(2,073)	171,820	171,514
Depreciation on capital assets (note 10)	266,746	210,834	758,366	611,584
Amortization on intangible assets (note 12)	161,272	125,261	483,816	359,867
Amortization on capitalized commission (note 11)	1,572	-	4,132	2,728
Provision for income tax	-	(6,363)	-	(304)
	374,571	373,950	316,619	881,112
Net change in non-cash working capital:				
Accounts receivable	1,365,156	(687,742)	1,273,691	(1,153,786)
Inventories	(240,622)	110,040	(461,644)	(82,808)
Contract assets (note 6b)	(285,888)	(11,698)	(326,175)	131,430
Prepaid expenses	79,457	(16,317)	(319,840)	(342,449)
Current income tax	-	-	(1,466)	-
Accounts payable and accrued liabilities	474,091	232,705	(274,922)	(601,463)
Contract liabilities (note 6b)	115,122	391,856	138,949	(268,721)
	1,507,316	18,844	28,593	(2,317,797)
Cash from (used in) continuing operations	1,881,887	392,794	345,212	(1,436,685)
Net cash flows attributable to discontinued operations	-	-	-	-
Net cash from (used in) operating activities	1,881,887	392,794	345,212	(1,436,685)
Financing activities				
Proceeds from loans	-	-	-	500,000
Principal loan payments	-	-	-	(1,000,000)
Subsidiary dividend paid to NCI	-	(39,644)	-	(39,644)
Principal lease payments (note 15)	-	(171,464)	(352,262)	(493,270)
Interest on bank loans, and leases	(45,932)	2,073	(165,282)	(171,514)
Cash from (used in) continuing operations	(45,932)	(209,035)	(517,544)	(1,204,427)
Net cash flows attributable to discontinued operations	-	-	-	-
Net cash from (used in) financing activities	(45,932)	(209,035)	(517,544)	(1,204,427)
Investing activities				
Deposit on acquisition, net of cash (note 26)	-	50,398	-	(1,689,194)
Loan to North Star Support Group S.R.L.	-	720,000	-	-
Purchase of capital assets	(650,822)	(113,622)	(739,825)	(151,830)
Disposal of capital assets	143,748	5,797	147,564	122,824
Additions to leases	(210,401)	(26,900)	(227,001)	(26,900)
Cash from (used in) continuing operations	(717,475)	635,672	(819,262)	(1,745,100)
Net cash flows attributable to discontinued operations	-	-	-	-
Net cash from (used in) investing activities	(717,475)	635,672	(819,262)	(1,745,100)
Increase (decrease) in cash during the period	1,118,480	819,432	(991,594)	(4,386,214)
Cash and cash equivalents, beginning of period	3,913,644	4,908,737	6,030,907	10,114,383
Unrealized foreign exchange gain on cash and cash equivalents held in foreign currencies	6,751	944	(438)	944
Cash and cash equivalents, end of period	$ 5,038,875	$ 5,729,113	$ 5,038,875	$ 5,729,113

See accompanying notes to the condensed interim consolidated financial statements

1. NATURE OF BUSINESS

Avante Corp. (the "Company") develops security technologies, products and solutions for personal and condominium protective services, monitoring and control applications, secure transportation and private investigations. All of these activities are conducted through the following subsidiaries: Avante Security Inc. ("Avante Security"), which is 100% owned, Avante International Inc., which is 100% owned, Avante Holding Corp., which is 100% owned, The Reserve, which is 51% owned and North Star Support Group S.R.L. ("NSSG"), in which the Company acquired a 55% majority interest on October 1, 2023.

The Company's common shares are listed on the TSX Venture Exchange under the symbol XX.V (OTC: ALXXF).

Avante Security Inc. is a premier provider of integrated security solutions, delivering world-class protection for high-net-worth individuals, luxury residences, and corporate clients across Canada and internationally. With a steadfast commitment to innovation, discretion, and excellence, we combine advanced technology with proactive risk management to create a secure environment for our clients—wherever they are in the world.

At the forefront of our technology-driven approach is our proprietary AI-powered video analytics, which enables real-time threat detection, predictive analytics, and intelligent weapons and perimeter protection. This cutting-edge technology enhances our **Avante Verified** service, ensuring unparalleled accuracy in verifying active threats for residential and corporate security applications.

Our comprehensive suite of services includes bespoke security system design, installation, and remote video monitoring, complemented by rapid alarm response, executive protection, mobile patrols, and secure transportation. As a leader in security integration and electronic building management, Avante Security leverages intelligent perimeter protection and state-of-the-art video analytics to provide proactive threat mitigation.

In an increasingly complex global security landscape, Avante Security remains at the forefront, offering sophisticated surveillance solutions, proprietary communication technology, and elite close protection security services for international travelers and corporate executives. Our unwavering dedication to safety, discretion, and technological advancement ensures that we continue to set new benchmarks for excellence in the security industry.

Avante Black, a division of Avante Security, offers highly specialized services that are bespoke to specific needs of the client for a specific purpose. Services offered include specialized security services providing 24 hour, 7 days a week, 365 days security, cyber monitoring, investigations and international secured transportation.

On October 1, 2023, Avante Corp., via its subsidiary Avante International Inc., acquired a 55% in North Star Support Group S.R.L. ("NSSG"), which is a risk management and security company. It primarily specializes in offering international secured transportation, investigation services, medical services, emergency SOS services, sophisticated cyber sentiment monitoring and sensitive investigations tailored for executive customers on a global scale.

In September 2023, Avante Corp., operating through its subsidiary Avante Holding Corp., formally established The Reserve, which commenced its auto storage services in December 2023. The service offers security for high-value vehicle owners in Toronto, Ontario.

The address of the Company's corporate office is 1959 Leslie Street, Toronto, Ontario, Canada. The Company is domiciled in Canada and was incorporated in Canada.

2. BASIS OF PRESENTATION

a) Statement of compliance

These condensed interim consolidated financial statements of the Company have been prepared in accordance with IAS 34, "Interim Financial Reporting" as issued by the International Accounting Standards Board ("IASB") and using the accounting policies described herein. Accordingly, certain information and footnote disclosure normally included in the annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the IASB, have been omitted or condensed.

The notes presented in these condensed interim consolidated financial statements include only significant events and transactions and do not include all matters normally disclosed in the Company's annual audited consolidated financial statements and are therefore referred to as condensed.

These condensed interim consolidated financial statements should be read in conjunction with the Company's audited financial statements for the year ended March 31, 2024.

The financial information included herein reflects all adjustments that, in the opinion of management, are necessary for a fair presentation of the results for the interim periods presented. The results of operations for the periods ended December 31, 2024, and 2023 are not necessarily indicative of the results to be expected for the full year.

The condensed interim consolidated financial statements were authorized for issue by the Board of Directors on February 24, 2025.

b) Basis of measurement

These condensed interim consolidated financial statements of the Company are presented in Canadian dollars, which is the Company's presentation currency. NSSG, a subsidiary, uses the euro as its functional currency, while the Company and all other subsidiaries uses Canadian dollars as its functional currency. Transactions in foreign currencies are translated into the respective functional currencies at the exchange rates on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange at the reporting date.

Assets and liabilities of foreign operations are translated into the presentation currency at the spot exchange rate in effect as of the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rates for the reporting period. Any resulting translation differences from the above translation methods are recognized in other comprehensive income.

The preparation of these condensed interim consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the condensed interim consolidated financial statements, are disclosed in Note 4.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Basis of Consolidation

The condensed interim consolidated financial statements include the accounts of the Company and other entities that the Company controls (subsidiaries). Control exists when the Company is exposed or has the existing rights to variable returns and the current ability to direct activities that significantly affect the entities' returns. Consolidation of the subsidiaries begins on the date on which control is obtained and ends when control of the entity ceases to exist. The Company assesses control on an ongoing basis.

Non-controlling interests in subsidiaries are identified separately from the Company's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets.

The financial statements of the Company and subsidiaries are prepared as of the same dates and periods. The condensed interim consolidated financial statements are prepared using uniform accounting policies by all companies in the Company. Transactions and balances between the Company and its consolidated entities have been eliminated on consolidation.

The Company's composition is made of the subsidiaries listed below.

	Ownership interest held at	
Name of entity	**Dec 31, 2024**	**Mar 31, 2024**
Avante Security Inc.	100%	100%
Avante International Inc.	100%	100%
Avante Holding Corp.	100%	100%
North Star Support Group S.R.L.	55%	55%
The Reserve	51%	51%

On October 1, 2023 Avante Corp., set up a wholly owned subsidiary, Avante International Inc., to acquire a 55% stake in NSSG, a risk management and security company (note 13). The comprehensive purchase cost amounted to $1,834,561, with payment structured as a blend of $1,728,000 in cash and the issuance of 154,301 common shares in the Company. NSSG is consolidated with effect from October 1, 2023.

In October 2023, Avante Corp., set up a wholly owned subsidiary, Avante Holding Corp., which formed a partnership and holds a 51% ownership stake in The Reserve. The Reserve is consolidated with effect from September 14, 2023 (note 17).

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Accounting standards effective in the year

IAS 1: Presentation of Financial Statements

In January 2020, IASB issued Classification of Liabilities as Current or Non-current, which amends IAS 1 - Presentation of Financial Statements. The narrow scope amendments affect only the presentation of liabilities in the statement of financial position and not the amount or timing of their recognition. It clarifies that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period and specifies that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability.

It also introduces a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The Company adopted this amendment on April 1, 2023, with no material impact to the financial statements.

IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors

In February 2021, the IASB issued narrow-scope amendments to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8"). The amendments to IAS 8 clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. The Company adopted this amendment on April 1, 2023, with no material impact to the financial statements.

IAS 12: Income Taxes

In May 2021, the IASB issued targeted amendments to IAS 12 – Income Taxes to specify how companies should account for deferred tax on transactions such as leases and decommissioning obligations. In specified circumstances, companies are exempt from recognizing deferred tax when they recognize assets or liabilities for the first time. Previously, there had been some uncertainty about whether the exemption applied to transactions such as leases and decommissioning obligations transactions for which companies recognize both an asset and a liability. The amendments clarify that the exemption does not apply and that companies are required to recognize deferred tax on such transactions. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations.

The Company adopted this amendment on April 1, 2023, with no material impact to the financial statements.

Accounting standards issued but not yet effective in the year

Amendments to IAS21 - Lack of exchangeability

The IASB amended IAS 21 'The Effects of Changes in Foreign Exchange Rates' to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. These new requirements will apply from 2025, with early application permitted. At this time, management does not expect the amendments to have significant impact, if any, on its condensed interim consolidated financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

There have been no material revisions to the nature and number of estimates and judgments made in prior periods. For assumptions made by Avante Corp. in the estimates made to calculate the recoverable amount of CGU's, refer to note 12.

Judgements

Information about critical judgements in applying accounting policies that have the most significant risk of causing material adjustment to the amounts reported in these consolidated financial statements are discussed below:

1. Expected credit losses for accounts receivable and contract assets

The Company has exercised judgement in quantifying the allowance for expected credit losses. While it is possible that certain accounts receivable considered good may turn doubtful at a later date, there are no indicators that they would at the present time. The Company analyzes accounts receivable for any accounts that may become uncollectable to determine the allowance. This assessment is based on discussions with clients for items that may be disputed.

At each reporting date, the Company shall measure the loss allowance on accounts receivables at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Company shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that amounts may be credit impaired. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is evaluated for consideration of credit impairment.

2. Income taxes

Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may be materially different than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. Judgement is used to evaluate whether a deferred tax asset can be recovered based on the Company's assessment of existing tax laws, estimates of future profitability, and tax planning strategies.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

3. Provision for impairment of inventories

The provision for impairment of inventories requires estimation and judgement to assess the lower of cost and net realizable value. The provision is assessed by taking into account recent sales, aging of inventories, historical costs and other factors that affect inventory obsolescence.

4. Intangible assets and goodwill

Management is required to use judgement in determining the economic useful lives of identifiable intangible assets. Judgement is also required in identifying indicators of impairment and in identifying the Company's cash generating units ("CGUs").

5. Revenue and contract assets

There is judgement in determining the timing of revenue recognition pertaining to electronic installation services, where the entire contract is one performance obligation and is recognized over time using the percentage of completion basis. Timing of revenue recognition may differ from when customers are invoiced, which could result in contract assets or contract liabilities being recognized.

6. Segment reporting

The Company has exercised judgement in identifying its reportable segments and applying the related aggregation criteria required under IFRS 8. In the prior year, the Company had one reporting segment, Avante Security. With the acquisition of NSSG on October 1, 2023, the Company now has two reportable segments consisting of Avante Security and NSSG.

7. Estimates

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income (loss) in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year include accrued liabilities. These estimates are created based on management's assumptions, based on current circumstances, and management believes represent a reasonable basis upon which to estimate the future liability. With respect to put option valuation, acquired through business combinations, the Company determines fair values using such estimates as discount rates, EBITDA and outcome (normal vs. accelerated).

These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. With respect to goodwill impairment testing, the Company determines value in use and fair value less costs of disposal using such estimates as cash flows and discount rates. These estimates are reviewed periodically by management.

Share-based payments and derivative liabilities are determined by the Black-Scholes option pricing model, which is used by the Company to determine the fair value of stock options. Significant estimates are used in the calculation of the input variables in the Black-Scholes model, which include: risk free interest rate (based on government bonds), expected stock price volatility, expected life, and expected dividend yield.

5. EARNINGS (LOSS) PER SHARE

The following reflects the income (loss) and share data used in the basic and diluted earnings (loss) per share computations for the period ended:

	For the three-month period ended	
	Dec 31, 2024	Dec 31, 2023
Basic and diluted earnings per share from continuing operations	$ (0.005)	$ 0.003
Basic and diluted earnings per share from discontinued operations	-	-
Basic and diluted earnings per share	(0.005)	0.003
Net income (loss) attributable to equity holders of the parent - basic and fully diluted from continuing operations	(144,967)	66,871
Net income (loss) attributable to equity holders of the parent - basic and fully diluted from discontinued operations	-	-
Total net income/(loss) attributable to equity holders of the parent- basic and fully diluted	(144,967)	66,871
Weighted average number of shares outstanding for basic and diluted calculation	26,643,739	26,575,067

	For the nine-month period ended	
	Dec 31, 2024	Dec 31, 2023
Basic and diluted loss per share from continuing operations	$ (0.044)	$ (0.004)
Basic and diluted earnings per share from discontinued operations	-	0.005
Basic and diluted earnings/(loss) per share	(0.044)	0.001
Net income (loss) attributable to equity holders of the parent - basic and fully diluted from continuing operations	(1,165,137)	(105,028)
Net income (loss) attributable to equity holders of the parent - basic and fully diluted from discontinued operations	-	144,117
Total net income/(loss) attributable to equity holders of the parent - basic and fully diluted	(1,165,137)	39,088
Weighted average number of shares outstanding for basic and diluted calculation	26,643,739	26,546,524

Potential common shares are antidilutive when their conversion to common shares increases earnings per share or decreases loss per share from continuing operations. Antidilutive common shares are excluded from weighted average number of shares outstanding for the purposes of calculating the diluted earnings per share.

6. REVENUE RECOGNITION

a) 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. Segment revenues by service type for the three months ended December 31, 2024 and 2023 were as follows:

	For the three-month period ended						
	Dec 31, 2024				Dec 31, 2023		
	Avante Security	NSSG	Elimination	Total	Avante Security	Elimination	Total
Protective Services	$ 2,529,669	$ -	$ -	$ 2,529,669	$ 2,587,580	-	$ 2,587,580
Monitoring and Managed Services	1,406,659	-	(1,080)	1,405,579	1,224,099	-	1,224,099
Electronic Services	2,443,385	-	-	2,443,385	2,078,279	-	2,078,279
Secured Transport	295,554	-	-	295,554	1,051,422	-	1,051,422
Investigations	322,460	-	-	322,460	-	-	-
Specialized Security	190,857	-	-	190,857	-	-	-
Auto storage	790	-	-	790	-	-	-
Operations	-	941,164	(8,637)	932,527	-	-	-
Investigations	-	58,422		58,422	-	-	-
Consulting	-	232,754	(367)	232,387	-	-	-
Total Revenue	**$ 7,189,374**	**$ 1,232,339**	**$ (10,084)**	**$ 8,411,629**	**$ 6,941,380**	**$ -**	**$ 6,941,380**

Segment revenues by type of service for the nine months December 31, 2024 and 2023 were as follows:

	For the nine-month period ended						
	Dec 31, 2024				Dec 31, 2023		
	Avante Security	NSSG	Elimination	Total	Avante Security	Elimination	Total
Protective Services	$ 7,948,456	$ -	$ -	$ 7,948,456	$ 7,705,853	-	$ 7,705,853
Monitoring and Managed Services	4,101,501	-	(3,713)	4,097,788	3,453,706	-	3,453,706
Electronic Services	6,319,309	-	-	6,319,309	5,479,565	-	5,479,565
Secured Transport	1,267,404	-	-	1,267,404	1,051,422	-	1,051,422
Investigations	1,540,750	-	-	1,540,750	-	-	-
Specialized Security	396,750	-	-	396,750	-	-	-
Auto storage	8,633		-	8,633	-	-	-
Operations	-	2,267,678	(110,661)	2,157,017	-	-	-
Investigations	-	140,639	(2,343)	138,296	-	-	-
Consulting		540,817		540,817	-	-	-
Total Revenue	**$ 21,582,802**	**$ 2,949,135**	**$ (116,717)**	**$ 24,415,219**	**$ 17,690,546**	**$ -**	**$ 17,690,546**

(b) Contract Assets and Liabilities

	Dec 31, 2024	Mar 31, 2024
Work-in-progress - contracts in process	$ 611,723	$ 285,548

6. REVENUE RECOGNITION (CONTINUED)

Timing differences between invoicing, cash collection, and revenue recognition results in accounts receivable and also results in unbilled work-in-progress (contract assets), and deferred revenue (contract liabilities) on the consolidated statement of financial position. 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 of 'Net 30 Days' for these types of contracts. For certain contracts, the Company receives customer payment prior to satisfying contracted obligations and recognizing revenue, resulting in deferred revenue (contract liabilities).

Contract liabilities balance at March 31, 2023	$	2,139,672
Additions during the year		12,984,719
Recognized during the year		(12,735,870)
Contract liabilities balance at March 31, 2023 to be recognized in fiscal year 2025		2,388,521
Contract liabilities balance at March 31, 2024	$	2,388,521
Additions during the year		10,974,416
Recognized during the year		(10,936,716)
Contract liabilities balance at December 31, 2024 to be recognized in fiscal year 2025		302,563
Contract liabilities balance at December 31, 2024 to be recognized after fiscal year 2025		2,123,657
Contract liabilities balance at December 31, 2024	**$**	**2,426,220**

7. ASSETS AND LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATIONS

On March 30, 2022, the Company entered into a definitive share purchase agreement (the "SPA") with SSC Security Services Corp. ("SSC") pursuant to which SSC agreed to acquire all of the Company's ownership interest in Logixx Security. Under the terms of the SPA, the Company would receive $23,950,000 in cash including repayment of intercompany loans of $7,802,074 less reimbursement of SSC's costs related to a prior transaction agreement of $750,000 plus or minus closing working capital compared to an agreed minimum threshold. On June 1, 2022, the Company sold Logixx Security to SSC under the SPA and received $23,733,248, net of the expense reimbursement and estimated working capital surplus. On September 12, 2023 the Company received $144,000 from SSC for the working capital adjustment. In addition, the Company will receive the benefit of Logixx Security's collected accounts receivable since closing that was older than 90 days old as of closing (approximately $1.1 million), net of a 5% collection fee payable to SSC. The company is pursuing legal action against SSC for the payment of the collection of overdue receivables (note 8).

The estimated total amount due from SSC is included within non-trade receivables within "Accounts receivable" on the condensed interim consolidated statements of financial position as at December 31, 2024 and consists of the unpaid portion of the cost of agreed transition services provided by the Company to SSC since the closing of the transaction and Logixx Security accounts receivable older than 90 days at closing (net of SSC's collection fee) that the Company anticipates will be collected by SSC in accordance with the SPA. SSC has not remitted its collection to date and thus the Company has commenced a lawsuit for payment.

8. ACCOUNTS RECEIVABLE

The accounts receivable on the financial statements are net of allowance for doubtful accounts of $167,706 as at December 31, 2024 (March 31, 2024: $232,050). Changes in the allowance for doubtful accounts during the period were as follows:

	Dec 31, 2024	Mar 31, 2024
Allowance for doubtful accounts - opening balance	$ 232,050	$ 160,716
Net increase (decrease) during the period	(64,344)	71,334
Allowance for doubtful accounts - closing balance	$ 167,706	$ 232,050

As at December 31, 2024 and March 31, 2024, the aging of the Company's accounts receivables was as follows:

	Balance Due	1 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days
Trade receivables	$6,419,424	$2,626,268	$524,396	$442,844	$2,825,916
Unbilled trade receivables	335,827	317,172	-	-	18,655
Non-trade receivables	869,255	869,255	-	-	-
Allowance for doubtful accounts	(232,050)	-	-	-	(232,050)
Balance at March 31, 2024	**$7,392,456**	**$3,812,695**	**$524,396**	**$442,844**	**$2,612,521**
Trade receivables	5,109,011	$2,412,959	$804,179	$305,515	$1,586,357
Unbilled trade receivables	26,310	-	-	-	26,310
Non-trade receivables	1,151,150	1,151,150.01	-	-	-
Allowance for doubtful accounts	(167,706)	-	-	-	(167,706)
Balance at December 31, 2024	**$6,118,765**	**$3,564,109**	**$804,179**	**$305,515**	**$1,444,962**

The consolidated entity has recognized a recovery of $(38,734) at December 31, 2024 in profit or loss in respect of the expected credit losses for the nine months then ended (December 31, 2023: $47,254). As at December 31, 2024, there was $1,612,667 (March 31, 2024: $2,844,571) of accounts receivable outstanding for over 90 days of which management did not consider $1,444,962 (March 31, 2024: $2,612,521) impaired.

9. INVENTORIES

	Dec 31, 2024	Mar 31, 2024
Inventory	$ 1,564,894	$ 1,103,250

All inventory is considered finished goods. Inventory expensed to cost of sales during the three and nine months ended December 31, 2024, amounted to $516,874 and $1,770,122 respectively (December 31, 2023: $873,961 and $2,158,129 for the three and nine-month periods).

10. PROPERTY, PLANT AND EQUIPMENT

	Computer equipment	Equipment, furniture and fixtures	Leasehold improvements	Computer software	Software under development	Right-of-use asset	Vehicles	Uniforms	Buildings	Total
	$	$	$	$		$	$	$	$	$
Cost										
Balance at March 31, 2024	$ 519,503	$ 798,159	$ 817,782	$ 345,418	$ -	$ 2,066,128	$ 81,176	$ 143,143	$ 473,300	$ 5,244,609
Additions	55,500	57,546	-	-	554,345	610,330	-	72,434	-	1,350,155
Disposals	-	-	-	-	-	(141,042)	-	-	-	(141,042)
Foreign exchange gain (loss)	-	1,479	-	-	-	(6,407)	-	-	-	(4,928)
Balance at December 31, 2024	**575,003**	**857,184**	**817,782**	**345,418**	**554,345**	**2,529,009**	**81,176**	**215,577**	**473,300**	**6,448,794**
Accumulated depreciation										
Balance at March 31, 2024	**409,521**	**518,312**	**731,639**	**345,418**	**-**	**691,228**	**36,542**	**73,645**	**102,549**	**2,908,854**
Depreciation	28,894	47,759	14,719	-	-	621,391	10,043	21,361	14,199	758,366
Disposals	-	-	-	-	-	(123,069)	-	-	-	(123,069)
Foreign exchange gain (loss)	-	369	-	-	-	(8,360)	-	-	-	(7,991)
Balance at December 31, 2024	**438,415**	**566,440**	**746,358**	**345,418**	**-**	**1,181,190**	**46,585**	**95,006**	**116,748**	**3,536,159**
Carrying Amounts										
Balance at March 31, 2024	**109,982**	**279,847**	**86,143**	**-**	**-**	**1,374,900**	**44,634**	**69,498**	**370,751**	**2,335,755**
Balance at December 31, 2024	$ 136,588	$ 290,744	$ 71,424	$ -	$ 554,345	$ 1,347,819	$ 34,591	$ 120,571	$ 356,552	$ 2,912,635

	Computer equipment	Equipment, furniture and fixtures	Leasehold improvements	Computer software	Right-of-use asset	Vehicles	Uniforms	Buildings	Total
	$	$	$	$	$	$	$	$	$
Cost									
Balance at March 31, 2023	$ 486,256	$ 677,052	$ 723,044	$ 345,418	$ 1,636,640	$ 59,014	$ 115,043	$ 473,300	$ 4,515,767
Additions from continuing operations	24,042	12,106	94,738	-	287,736	22,162	22,088	-	462,872
Acquired through business acquisition					82,466				82,466
Disposals from continuing operations	-	-	-	-	(279,065)	-	-	-	(279,065)
Balance at December 31, 2023	**510,298**	**689,158**	**817,782**	**345,418**	**1,727,777**	**81,176**	**137,131**	**473,300**	**4,782,040**
Accumulated depreciation									
Balance at March 31, 2023	**380,082**	**434,051**	**723,044**	**326,370**	**59,524**	**22,163**	**44,236**	**83,617**	**2,073,087**
Depreciation from continuing operations for the period	24,307	36,645	3,689	18,355	481,562	9,954	22,873	14,199	611,584
Disposals from continuing operations	-	-	-	-	(82,707)	-	-	-	(82,707)
Balance at December 31, 2023	**404,389**	**470,696**	**726,733**	**344,725**	**458,379**	**32,117**	**67,109**	**97,816**	**2,601,964**
Carrying Amounts									
Balance at March 31, 2023	**106,174**	**243,001**	**-**	**19,048**	**1,577,116**	**36,851**	**70,807**	**389,683**	**2,442,680**
Balance at December 31, 2023	$ 105,909	$ 218,462	$ 91,049	$ 693	$ 1,269,398	$ 49,059	$ 70,022	$ 375,484	$ 2,180,076

Depreciation expense is $266,746 and $758,366 for the three months and nine months ended December 31, 2024 (three months and nine months ended December 31, 2023: $210,834 and $611,584).

The Company carries two categories of right-of-use assets: vehicles and property. At December 31, 2024 the carrying amount of vehicles under lease was $711,573 (March 31, 2024: $593,813), with $148,744 and $414,990 of depreciation for the three months and nine months ended December 31, 2024 (three months and nine months ended December 31, 2023: $104,763 and $341,055).

The right-of-use asset property had a carrying amount of $636,246 at December 31, 2024 (March 31, 2024: $781,087). Depreciation in the amount of $69,372 and $206,401 is included for the three and nine months ended December 31, 2024 (three months and nine months ended December 31, 2023: $59,945 and $140,507).

All assets of the Company, including its Accounts Receivables, Inventories and Property, Plant and Equipment, have been pledged as general security against the senior secured credit facilities established with the Company's bank (Note 14). Gains and losses on disposals are booked in the miscellaneous (income) expense line on the condensed interim consolidated statement of income and comprehensive income.

11. CAPITALIZED COMMISSION

Commissions on long-term contracts (12 months in length or longer) are capitalized at the initiation of the contract and amortized over the length of the contract as revenue is recognized. The unamortized amount of commission on long-term contracts as of December 31, 2024 was $32 (March 31, 2024: $4,164), with $1,572 and $4,132 amortized in the three months and nine months ended December 31, 2024 (three months and nine months ended December 31, 2023: $2,728 and $2,728).

12. GOODWILL AND INTANGIBLE ASSETS

A. INTANGIBLE ASSETS

	Trade Name	Customer relationships	Order backlog	Total
	$	$	$	$
Cost				
Balance at March 31, 2024	$660,026	$5,362,080	$262,000	$6,284,106
Additions	-	-	-	-
Disposals		(143,750)		(143,750)
Balance at December 31, 2024	**660,026**	**5,218,330**	**262,000**	**6,140,356**
Amortization				
Balance at March 31, 2024	$136,030	$3,397,379	$262,000	$3,795,409
Amortization	82,736	401,081	-	483,816
Balance at December 31, 2024	**218,765**	**3,798,460**	**262,000**	**4,279,226**
Carrying amounts				
Balance at March 31, 2024	**$ 523,996**	**$ 1,964,701**	**$ -**	**$ 2,488,697**
Balance at December 31, 2024	**$ 441,260**	**$ 1,419,871**	**$ -**	**$ 1,861,130**

	Trade Name	Customer relationships	Order backlog	Total
	$	$	$	$
Cost				
Balance at March 31, 2023	$80,873	$4,755,673	$262,000	$5,098,546
Acquired through NSSG business combination	175,450	460,900	-	636,350
Balance at December 31, 2023	**256,323**	**5,216,573**	**262,000**	**5,734,896**
Amortization				
Balance at March 31, 2023	$80,873	$2,895,383	$262,000	$3,238,256
Amortization from continuing operations for the period	5,761	354,106	-	359,867
Balance at December 31, 2023	**86,634**	**3,249,489**	**262,000**	**3,598,123**
Carrying amounts				
Balance at March 31, 2023	**$ -**	**$ 1,860,290**	**$ -**	**$ 1,860,290**
Balance at December 31, 2023	**$ 169,689**	**$ 1,967,084**	**$ -**	**$ 2,136,773**

12. GOODWILL AND INTANGIBLE ASSETS (CONTINUED)

On December 1, 2022 the Company acquired the customer list of C & B Alarms Ltd ("C&B Alarms") pursuant to an Asset Purchase Agreement between the Company and C & B Alarms Ltd. ("C&B") in the Muskoka region. The total purchase price was $575,000, $431,250 was paid in cash, the Company held back $143,750 of the purchase price against certain representations and warranties. As certain representations were not met, the held-back amount was fully offset, reducing the final purchase price to $431,250. The full amount of the acquisition was allocated to the intangible asset Customer Relationships on the Consolidated Statement of Financial Position as of March 31, 2023.

On October 1, 2023, Avante Corp., acquired a controlling interest of 55% in NSSG, an international risk management and security company. The comprehensive purchase cost amounted to $1,834,561, with payment structured as a blend of $1,728,000 in cash and the issuance of 154,301 common shares in the Company. NSSG is consolidated with effect from October 1, 2023. As a result of the acquisition of NSSG, the Company recorded $1,185,560 of identifiable intangible assets. These intangible assets are primarily related to customer relationships and trade name, with useful lives ranging from 5.25 to 9.25 years.

Intangible amortization expense for the three months and nine months ended December 31, 2024 is $161,272 and $483,816 (three months and nine months ended December 31, 2023: $125,261 and $359,867).

B. GOODWILL

Balance at March 31, 2023	**$ 2,971,997**
Acquisition of a subsidiary	**$ 1,529,320**
Balance at March 31, 2024	**$ 4,501,317**
Balance at December 31, 2024	**$ 4,501,317**

The above intangible assets and goodwill were acquired upon the acquisitions of the businesses of INTO Electronics Inc. at August 22, 2014, LVS Inc. at April 1, 2015, Architronics Limited ("Architronics") at March 1, 2017 and Watermark Security Inc. at August 1, 2018 as well as the acquisition of the business of NSSG at October 1, 2023. The goodwill recognized on NSSG acquisition is primarily attributed to the anticipated synergy in services, global expansion through leveraging respective networks, innovation and expertise in technology, and enhanced operational efficiency.

The key assumptions used to calculate the fair value of these intangible assets include discount rates, growth rates and margins. The cost of goodwill is calculated as the excess of purchase price of the acquired business over the estimated fair value of the tangible and intangible assets acquired and liabilities assumed at the date of acquisition and is allocated to the cash generating unit ("CGU") expected to benefit from the acquisition. A CGU is the smallest group of assets for which there are separate identifiable cash flows. The Company has two CGUs at December 31, 2024, consisting of Avante Security and NSSG.

Amortization

The amortization of tradenames, customer relationships, order backlog and non-compete agreement is included in amortization on intangible assets on the condensed interim consolidated statements of income and comprehensive income.

13. BUSINESS ACQUISITIONS

Acquisition of Veridin Systems Canada Inc. and Intelligarde International Inc., subsequently sold to SSC

Veridin Systems Canada Inc. was acquired by the Company on September 17, 2018 and integrated with Logixx Security and sold to SSC on June 1, 2022. Within an escrow account, the Company held back $94,923 of the purchase price against certain representations and warranties. The parties are engaged in litigation processes to settle the amounts owing between the parties.

Intelligarde International Inc. was acquired by the Company on November 30, 2018 and integrated with Logixx Security and sold to SSC on June 1, 2022. The Company held back $712,500 of the purchase price. The amount in the escrow account as of April 19, 2024 was $549,299. Subsequent to year-end, the Company reached a settlement with the seller where the Company received $250,000 (note 27).

Acquisition of NSSG

On October 1, 2023 Avante Corp., via its subsidiary Avante International Inc., acquired a controlling interest of 55% in NSSG, an international risk management and security company. The comprehensive purchase cost amounted to $1,834,561, with payment structured as a blend of $1,728,000 in cash and the issuance of 154,301 common shares in the Company. NSSG is consolidated with effect from October 1, 2023.

The acquisition was undertaken to strengthen the Group's presence in the global security market by utilizing NSSG's worldwide client base for cross-selling its services and technology to NSSG's Fortune 500 clients.

As part of the transaction, Avante Corp. entered into a shareholder’s agreement with respect to NSSG and a loan agreement with NSSG. Pursuant to the loan agreement, the Company will, indirectly through the Purchaser, advance to NSSG a loan in principal amount of up to EUR 1,000,000 for a term of 4 years, bearing interest at a rate equal to the Bank of Canada Prime Rate plus 1%, and repayable in 8 quarterly equal repayments starting on the date that is 24 months after the date of each drawdown under the loan. This first draw of EUR 500,000 was executed on September 25, 2023.

Following the acquisition of NSSG, Mrs. Grigore, the former owner of NSSG, was granted a put option, which can be exercised any time after the four-year Lock-up period expires, starting from the acquisition date. As of March 31, 2024, the fair value of the put option was revalued at $1,269,562. The next revaluation will occur at the year-end.

14. BANK INDEBTEDNESS

On June 1, 2022, the Company entered into credit facilities with a bank consisting of a $2 million revolving credit facility, together with credit card facilities for each of Avante Corp. and Avante Security, supported by a first fixed security interest in favour of the bank over all assets of Avante Corp. and Avante Security. Such credit arrangements are provided by the bank on a demand basis, and the revolver is subject to a borrowing base consisting of 75% of eligible accounts receivable and 50% of inventory, minus priority payables.

The provision of the credit facilities is subject to a minimum consolidated current ratio of 1.20 as of March 31, 2023, and thereafter, and the Company was in compliance with that covenant as of December 31, 2024.

The agreement further stipulates that the advances cannot exceed 75% of accounts receivable and 50% of inventory less priority payables; Avante corp. is in compliance with these requirements as of March 31, 2024. Drawings under the revolver are permitted by way of letters of credit (at 2.00% per annum), prime rate advances (at the bank’s prime rate plus 0.50%) and bankers’ acceptances (stamping fee of 2.00%).

As of December 31, 2024, there were no drawings on the line of credit. The Company must maintain a current asset to current liability ratio of at least 1.20:1.00 at all times, as calculated on a quarterly basis. The Company was onside with covenants throughout the year and as at December 31, 2024. The borrowing base of the line of credit is 75% of accounts receivable, excluding items aged greater than ninety days, plus 50% of inventory less priority payables which consist of accrued payments such as salaries, commissions and HST payable. The Company borrowing base must exceed the amount borrowed on the line of credit.

14. BANK INDEBTEDNESS (CONTINUED)

On July 7, 2022, the Company executed an unsecured Loan Agreement with affiliates of Fairfax Financial Holdings Limited ("Fairfax"), who collectively own 19.88% of the Company's common shares. This note should be read in conjunction with the related-party transactions Note 21 to fully understand the nature and impact of the Loan Agreement with Fairfax affiliates.

15. OBLIGATIONS UNDER LEASE

The Company's 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 and property lease liabilities as of the respective period ends were as follows:

	Vehicle lease liability	Property lease liability	Total liability
Balance at March 31, 2023	**$ 797,759**	**$ 836,253**	**$ 1,634,012**
Current obligations under lease	381,206	188,586	569,792
Long-term obligations under lease	416,553	647,667	1,064,220
Balance at March 31, 2023	**$ 797,759**	**$ 836,253**	**$ 1,634,012**
Additions from acquisition of NSSG	63,098	84,515	147,613
Additions during the year	355,062	149,449	504,511
Disposals during the year	(240,085)	-	(240,085)
Principal payments	(418,780)	(247,123)	(665,902)
Balance at March 31, 2024	**$ 557,054**	**$ 823,094**	**$ 1,380,148**
Current obligations under lease	320,530	241,522	562,052
Long-term obligations under lease	236,524	581,572	818,096
Balance at March 31, 2024	**$ 557,054**	**$ 823,094**	**$ 1,380,148**
Additions during the year	525,471	12,177	537,648
Disposals during the year	(18,911)	-	(18,911)
Principal payments	(359,405)	(147,175)	(506,580)
Balance at December 31, 2024	**$ 704,209**	**$ 688,096**	**$ 1,392,305**
Current obligations under lease	438,446	206,733	645,179
Long-term obligations under lease	265,763	481,363	747,126
Balance at December 31, 2024	**$ 704,209**	**$ 688,096**	**$ 1,392,305**

The Company leased certain vehicles with a value of $704,208 (March 31, 2024: $557,054), at an effective annual rate of interest of 22.8% (March 31, 2024: 19.19%). The payment terms include blended monthly payments of $59,072 plus applicable taxes (March 31, 2024: $60,939) for 12 to 60 months ending between April 2025 and August 2028, with an aggregate buy out obligation of $nil as of December 31, 2024 (March 31, 2024: $nil). Interest expense from these leases, included in the condensed interim consolidated statements of income and comprehensive income for the three months and nine months ended December 31, 2024 was $39,754 and $129,737 (three months and nine months ended December 31, 2023: $22,384 and $80,893).

Various office properties with a value of $688,096 (March 31, 2024: $823,095), are leased with blended monthly payments of $26,304 plus applicable taxes (March 31, 2024: $25,796). An incremental borrowing rate of 7.0% is used. The property leases end between January 2025 and January 2028. Interest expense from these leases, included in the condensed interim consolidated statement of income and comprehensive income for the three months and nine months ended December 31, 2024 was $16,351 and $43,455 (three months and nine months ended December 31, 2023: $13,261 and $27,104).

16. SHAREHOLDERS' EQUITY

[a] Share capital issued and outstanding

Unlimited common shares	Number of Shares		Amount
Balance at March 31, 2022	26,489,438	$	30,138,388
Balance at March 31, 2023	26,489,438	$	30,138,388
Issue of shares on acquisition of NSSG (note 13)	154,301		106,561
Share issue costs	-		(11,588)
Balance at March 31, 2024	26,643,739	$	30,233,361
Balance at December 31, 2024	26,643,739	$	30,233,361

[b] Share options

The Company has an incentive Share Option Plan ("the Plan") under which non-transferable options to purchase common shares of the Company may be granted to directors, officers, employees or service providers of the Company. The terms of the Plan provide that the Directors have the right to grant options to acquire common shares of the Company at not less than the closing market price of the shares on the day preceding the grant at terms of up to ten years. No amounts are paid or payable by the recipient on receipt of the option.

Options for Directors vest when granted, while vesting of options for non-directors is as follows: 33.33% on the first anniversary; 33.33% on the second anniversary; and the remainder on the third anniversary following the grant date. For the chairman of the Board vesting of the options is as follows: 25% of the option will vest on the first anniversary; 25% on the second anniversary; 25% on the third anniversary; and the remainder on the fourth anniversary following the grant date.

On September 29, 2015, the shareholders of the Company approved an amendment to the stock option plan whereby it reverted to a 10% rolling stock option plan. This plan is approved annually by the shareholders of the Company and was approved by the shareholders on October 24, 2023, and again on October 24, 2024. Accordingly, the Company has a total of 824,374 options available to be issued as at December 31, 2024, with the maximum term remaining at 10 years (March 31, 2024: 1,199,374).

	Number of Options	Weighted Average Exercise Price
Balance at March 31, 2023	**1,483,333**	**$1.05**
Option granted during the period	115,000	$0.88
Options expired during the period	(133,333)	$2.22
Balance at March 31, 2024	**1,465,000**	**$0.93**
Option granted during the period	370,000	$0.81
Balance at December 31, 2024	**1,835,000**	**$0.91**

During the three months and nine months ended December 31, 2024, 370,000 share options were issued to employees and the strike price was $0.81, no share options were forfeited. During the three months and nine months ended December 31, 2023, 115,000 share options were issued to a member of the board of directors and an employee and the strike price was $0.88, no share options were forfeited. None of the outstanding options were exercised in the three and nine months ended December 30, 2024 or during the year ended March 31, 2024.

Using the Black-Scholes pricing model, the Company recognized $nil for forfeited options for the three and nine months ended December 31, 2024 (nine months ended December 31, 2023: $nil for forfeited options).

16. SHAREHOLDERS' EQUITY (CONTINUED)

In calculating the share-based compensation expense, the Company used the assumptions as listed below as at the date of grants:

	Fiscal 2025	Fiscal 2024
Risk-free interest rate	2.80%	3.92%
Expected volatility	68.47%	63.08% - 63.72%
Expected time until exercise	10 years	5 years
Expected dividend yield	NIL	NIL
Expected forfeiture	0-20%	0-5%
Share price	$0.81	$0.88

The expected price volatility is based on the historic volatility (based on the expected life of the options), adjusted for any expected changes to future volatility due to publicly available information.

The following table summarizes stock options vested and outstanding at December 31, 2024:

Grant Date	Number of Options Outstanding	Remaining Years	Number of Options Vested	Exercise Price	Expiry Date
2022-04-28	200,000	2.58	200,000	0.88	2027-04-28
2022-04-28	200,000	2.58	200,000	0.97	2027-04-28
2022-04-28	200,000	2.58	-	1.07	2027-04-28
2022-04-28	200,000	2.58	-	1.18	2027-04-28
2022-04-28	100,000	2.58	100,000	0.88	2027-04-28
2022-09-26	250,000	2.99	166,667	0.80	2027-09-26
2022-10-11	200,000	3.53	200,000	0.77	2027-09-26
2023-08-29	100,000	3.92	100,000	0.88	2028-08-29
2023-07-31	15,000	3.84	5,000	0.88	2028-07-31
2024-09-27	370,000	10.00	-	0.81	2034-09-27
	1,835,000		971,667		

1. Expiry date extended in accordance with the share option plan.

17. NON-CONTROLLING INTERESTS

NSSG

On October 1, 2023, the Company acquired control of North Star Support Group S.R.L. ("NSSG") upon achieving economic and voting interests of 55%. As a result, effective October 1, 2023, the Company commenced consolidating the entity. The transaction has been accounted for as a business combination in accordance with IFRS 3, Business Combinations.

Following the acquisition of NSSG, Mrs. Grigore, the former owner, was granted a put option (note 13). At the initial recognition of this put option, the NCI related to the shares subject to the option was eliminated. The difference between the present value of expected redemption amount and the carrying amount of the NCI was adjusted within equity.

The Reserve

In September 2023, Avante Corp., operating through its subsidiary Avante Holding Corp., formally established The Reserve, which commenced its services in December 2023. The following table summarizes the financial information related to The Reserve, before any intra-group eliminations:

As at (and for the period ended)	Dec 31, 2024	Mar 31, 2024
Current assets	18,589	9,956
Non-current assets	187,298	240,735
Current liabilities	(262,957)	(215,527)
Non-current liabilities	(39,667)	(77,114)
Net assets (100%)	**(96,737)**	**(41,950)**
Revenue	8,633	9,856
Net income (loss)	(54,787)	(42,050)
Other comprehensive income	-	-
Total comprehensive income (loss) (100%)	**(54,787)**	**(42,050)**
NCI	**(26,845)**	**(20,605)**
Cash flows from operating activities	59,439	163,369
Cash flows from investment activities	-	(31,749)
Cash flows from financing activities	(40,950)	(131,520)
Net increase (decrease) in cash and cash equivalents	18,489	100

18. INCOME TAXES

In prior annual fiscal years, the Company incurred non-capital losses for income tax purposes. Those losses are available to the Company to reduce the current portion of income taxes payable, if any. Income tax expense is recognized based on management's estimate of tax rates of 26.5% expected to be in effect for the Company's full financial year.

For the nine months ending December 31, 2024, the Company recognized $1,508 deferred income tax recovery (nine months ended December 31, 2023: expense of $1,777). The deferred tax assets are attributable to previously unused non-capital tax loss carry forwards that it estimates will be used against taxable income for the year ended March 31, 2025 and future taxable periods.

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

[a] Risk management

The Company is exposed through its operations to the following financial risks:

- Market Risk
- Credit Risk
- Liquidity Risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in this note.

General Objectives, Policies and Processes:

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's management. The Board of Directors receive quarterly reports from the Company's management, through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are primarily comprised of two types of risk: foreign currency risk and interest rate risk.

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

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.

The Company is exposed to foreign currency risk on revenue and expenses where it invoices or procures in a foreign currency. It is also exposed to foreign currency risk on cash and cash equivalents, trade receivables, trade payables and loans payable denominated in foreign currencies, principally in US dollars, GBP and RON. The company does not employ any hedging strategies or use derivative instruments to mitigate this risk.

Interest Rate Risk:

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company has an available revolving credit facility limit, provided on a demand basis, from its bank of $2,000,000 (as of June 1, 2022) and an unsecured term loan facility from its largest shareholder of $10,000,000 (as of July 7, 2022) but neither credit arrangement was utilized as of December 31, 2024.

During late June 2022 the Company began investing surplus funds in one-year, cashable guaranteed investment certificates issued by its bank at fixed interest rates, so interest rate risk to rising market interest rates now exists in respect of such investments offset by the Company's ability to cash the guaranteed investment certificate and reinvest the proceeds following the initial one month non-redeemable period.

b) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. For credit risk on accounts receivable see Note 8. Financial instruments, which are potentially subject to credit risk for the Company consist primarily of cash and cash equivalents, guaranteed investment certificates, accounts receivables, and amounts due from the purchasers of Logixx Security. The carrying amounts of financial assets represent the maximum credit exposure. The Company has gross credit exposure at December 31, 2024 relating to cash of $nil (March 31, 2024: $nil) and guaranteed investment certificates of $2,462,177 (March 31, 2024: $3,744,974). All cash and guaranteed investment certificates are held in or with Canadian banks which have credit ratings of A+ and Aa2 from rating agencies Standard & Poor's and Moody's respectively. The Company has performed a sensitivity analysis on changes in the credit risk associated with these banks and considers this risk to be minimal for all cash assets based on changes that are reasonably possible at the reporting date.

c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of approximately 90 days. To achieve this objective, the Company prepares annual financial budgets and updates short-term liquidity requirements at least monthly based on revised estimates. Further, the Company utilizes delegated authorizations for varying expenditure levels and types to further manage expenditure. The Company also monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable.

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

The following table sets out the Company's contractual maturities (representing undiscounted contractual cash flows including interest) of financial liabilities:

	Up to 3 months	3 to 12 months	1 to 2 years	2 to 5 years	Over 5 years	Contractual amount	Carrying amount
At March 31, 2024	**$ 4,319,547**	**$ 857,876**	**$ 427,959**	**$ 415,450**	**$ -**	**$ 6,020,831**	**$ 5,950,923**
Accounts payable and accrued liabilities	4,391,125	1,791	-	-	-	4,392,916	4,392,916
Obligations under lease	240,284	592,088	505,352	286,150	-	1,623,874	1,392,305
At December 31, 2024	**$ 4,631,409**	**$ 593,879**	**$ 505,352**	**$ 286,150**	**$ -**	**$ 6,016,789**	**$ 5,785,221**

Contractual amounts reflect undiscounted principal payments and future interest payments. Carrying amount excludes interest, is discounted, includes any residual value.

The working capital as at December 31, 2024 was $5,799,187 compared to $6,521,936 at March 31, 2024.

d) Determination of Fair Value

Fair values have been determined for measurement and/or disclosure purposes based on the Black-Scholes option pricing model. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The balance sheet carrying amounts for cash and cash equivalents, accounts receivable, notes receivable, accounts payable and accrued liabilities, bank indebtedness and vehicle loans and finance leases, and the prior year end's derivative liabilities approximate fair value due to their short-term nature.

e) Fair Value Hierarchy:

Financial instruments that are measured subsequent to initial recognition at fair value or disclosed at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

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

All financial instruments at fair value are level 1.

20. CAPITAL MANAGEMENT

The Company defines its cash, guaranteed investment certificates, common shares and stock options as capital. The Company's objectives when maintaining capital are:

- To preserve the ability to ensure business continuity thereby creating a return for the shareholders, investors and other interested parties.
- To ensure adequate return for the shareholders by pricing of services that is adjusted to the level of risk in the business activity.

To support business activity and maximize shareholder value, the Company takes into consideration various factors, including the growth of the business-related infrastructure and the up-front cost of developing new services. The Company's officers and senior management are responsible for managing the capital and do so through monthly meetings and regular review of financial information. The Board of Directors is responsible for overseeing this process. The Company manages capital with the objective of maintaining adequate capital resources through the optimization of the cash flows from operations and capital transactions. As of June 1, 2022 and July 7, 2022, the Company's new senior secured credit facility provided on a demand basis and its new unsecured term loan facility, respectively, are both subject to financial covenants, draw conditions and other terms that must be complied with in order for such sources of financing to be used by the Company (Notes 14). The Company has compiled with all the terms of both facilities as at December 31, 2024 and March 31, 2024.

21. RELATED PARTY TRANSACTIONS

The Company entered into a contract effective May 1, 2018 with a private company controlled by a significant shareholder (and subsequent to March 30, 2022 an officer) to provide consulting services for the Company. The Company incurred $nil of expense in the nine-month period ended December 31, 2024 (December 31, 2023: $nil). The balance outstanding payable by the Company at December 31, 2024, is $27,186 (March 31, 2024: $27,186).

During the year ended March 31, 2024, the Company entered into an employee contract with a family member of a significant shareholder and an officer of the Company. Under the terms of the contract, the family member provided sales services to the Company on a contractual basis. The total amount paid to the family member for services rendered during the nine-month period ended December 31, 2024, was $39,722. The terms of the contract were negotiated at arm's length and were comparable to those that would be offered to unrelated third parties.

During the nine-month period ended December 31, 2024, the Company entered into an employee contract with a family member of a significant shareholder and an officer of the Company. Under the terms of the agreement, the family member provided consulting services to the Company on a contract basis. The total amount paid to the family member for services rendered during the nine-month period ended December 31, 2024 was $29,231. The terms of the agreement were negotiated at arm's length and were comparable to those that would be provided to unrelated third parties.

On July 7, 2022, the Company executed an unsecured Loan Agreement with affiliates of Fairfax Financial Holdings Limited that also collectively own 19.88% of the Company's common shares. Pursuant to the Loan Agreement, the Company is permitted to draw, on a non-revolving basis, up to $10 million of loans until July 7, 2027 for terms to maturity ending on July 7, 2027, at an interest rate of 5.0% that can be paid by the Company in cash or in kind. A standby fee of 0.5% per annum is charged by Fairfax on the unused portion of the term loan facility, and the fee is recorded within the interest expense on the condensed interim consolidated statement of income (loss) and comprehensive income (loss) in the amount of $37,500 (nine months ended December 31, 2023: $37,500).

The Loan Agreement ranks junior to the senior secured credit facilities provided by the Company's bank, but are guaranteed on an unsecured basis by all subsidiaries of the Company.

21. RELATED PARTY TRANSACTIONS (CONTINUED)

Pursuant to the Loan Agreement, the Company's consolidated senior indebtedness (excluding drawings under the Term Loan and net of permitted cash balances) shall not exceed 3.5 times Adjusted EBITDA (as defined in the Loan Agreement) on a rolling four quarter basis. In addition, further drawings under the Loan Agreement are conditional on the Company's existing Chief Executive Officer being involved in the day-to-day operations of the Company. To date, there have not been any drawings advanced under the Loan Agreement.

Remuneration of Directors and Officers was as follows:

	For the nine-month period ended	
Directors and Officers Remuneration	**Dec 31, 2024**	**Dec 31, 2023**
Salaries, short term employee benefits	$ 509,928	$ 420,192
Bonus (short-term and long-term)	437,219	446,000
Director fees	150,000	150,000
Share based payments	64,565	70,116
	$ 1,161,712	$ 1,086,308

The officers of the Company receive the short-term compensation based on achieving targeted free cash flow as determined by the Compensation committee on an annual basis.

The officers of the Company are eligible for long-term incentive payments, structured as cash-settled share-based payments, contingent upon specific criteria. At the reporting date, the fair value of the outstanding liability for cash-settled share-based payments was $1,311,125.

The total expense recognized for the period arising from cash-settled share-based payments was $101,250, which is included in employee benefits expense. This amount reflects the fair value of the share-based payments remeasured at the reporting date.

22. REORGANIZATION AND ACQUISITION COSTS

The Company incurred reorganization and acquisition costs in the amount of $nil and $720,451 for the three months and nine months ended December 31, 2024 (three months and nine months ended December 31, 2023: $63,263 and $459,337). The costs incurred during the nine months ended December 31, 2024, included a $1million payment related to the settlement of a dispute with a former officer and shareholder of the Company, partially offset by a $0.3 million payout from the insurance company for the case, along with other consulting and legal fees. During the nine months ended December 31, 2023 reorganization and acquisition costs included software development and professional fees paid to consultants, rebranding and reorganization expenses.

23. SEGMENT REPORTING

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenue and expenses that relate to transactions with any of the Company's other components. The operating results of all operating segments are reviewed regularly by the Company's chief operating decision maker to make decisions about resources to be allocated to the segment and assessing their performance. The Company's chief operating decision maker is the Chief Executive Officer.

23. SEGMENT REPORTING (CONTINUED)

Avante Security provides premium security services for residential customers in Toronto and Muskoka, Ontario through the use of advanced technology and a focus on client service. Avante Security's business provides a complete offering ranging from system design, sales, installations, and monitoring to services such as alarm response and patrols, personal protection, house staff training, and secure transportation.

NSSG is a risk management and security firm that primarily specializes in international secure transportation, investigation services, and advanced cyber sentiment monitoring, as well as providing sensitive investigations tailored for executive clients on a global scale. NSSG also offers risk management, crisis management, remote medicine, due diligence, and travel risk management services. Operating from Romania, the company serves clients in Saudi Arabia, Italy, Israel, the United Kingdom, and a worldwide clientele.

The Company's revenue by geographic region for the three months and nine months ending December 31, 2024 was as follows:

For the three months ended December 31, 2024

Region	Revenue
Canada	6,727,708
USA	471,790
Egypt	264,453
Ukraine	111,846
Germany	69,773
Italy	41,829
Romania	22,755
Azerbaijan	125,149
Moldavia	98,275
Turkey	56,173
Others	421,877
Total	8,411,628

For the nine months ended December 31, 2024

Region	Revenue
Canada	18,623,627
USA	2,885,090
Egypt	850,318
Ukraine	246,359
Germany	184,776
Italy	177,789
Romania	123,105
Azerbaijan	125,149
Moldavia	192,202
Turkey	141,388
Others	865,417
Total	24,415,219

23. SEGMENT REPORTING (CONTINUED)

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

	For the three-month period ended December 31, 2024				
	Avante Security	NSSG	Corporate	Intersegment eliminations	Total
Revenues	$ 7,189,373	$ 1,232,339	$ -	$ (10,084)	$ 8,411,628
Cost of sales	4,462,697	517,599	-	(10,084)	4,970,212
Gross profit	2,726,676	714,740	-	-	3,441,416
Operating expenses					
Salaries, benefits and commissions	723,352	387,028	378,628	-	1,489,008
Administration	796,811	160,933	512,831	-	1,470,575
Depreciation on capital assets	224,316	30,189	12,241	-	266,746
Amortization on intangible assets	-	-	161,272	-	161,272
Merchant transaction fees and bank charges	149,719	4,297	4,375	-	158,391
Share based payments	-	-	50,008	-	50,008
	1,894,198	582,447	1,119,355	-	3,596,000
Income (loss) before other income and expenses	832,478	132,293	(1,119,355)	-	(154,584)
Other (income) expenses					
Miscellaneous (income) expense	(52,703)	-	(12,818)	-	(65,521)
Interest (income) expense	178,809	(4,636)	(110,417)	-	63,756
Foreign exchange (gain) loss	1,040	2,401	-	-	3,441
Total other (income) expenses	127,146	(2,235)	(123,235)	-	1,676
Income (loss) before reorganization, and acquisition costs	705,332	134,528	(996,120)	-	(156,260)
Reorganization and acquisition costs	-	-	-	-	-
Income (loss) before income taxes	705,332	134,528	(996,120)	-	(156,260)
Provision for income taxes					
Deferred income tax expense (recovery)	-	(1,508)	-	-	(1,508)
	-	(1,508)	-	-	(1,508)
Net income (loss) for the year	705,332	136,036	(996,120)	-	(154,752)
Other comprehensive income (loss) from continuing operations:					
Unrealized gain (loss) on translating financial statements of foreign operations	-		6,768	-	6,768
Total comprehensive income (loss) from continuing operations for the period	**$ 705,332**	**$ 136,036**	**$ (989,352)**	**$ -**	**$ (147,984)**

23. SEGMENT REPORTING (CONTINUED)

Segment statements of income (loss) and comprehensive income (loss) for the comparative three months ending December 31, 2023 are included below:

	For the three-month period ended December 31, 2023			
	Avante Security	Corporate	Intersegment eliminations	Total
Revenues	$ 6,941,380	$ -	$ -	$ 6,941,380
Cost of sales	3,993,235	-	-	3,993,235
Gross profit	2,948,145	-	-	2,948,145
Operating expenses				
Salaries, benefits and commissions	978,172	412,669	-	1,390,841
Administration	1,042,857	(31,011)	-	1,011,846
Depreciation on capital assets	228,466	(17,632)	-	210,834
Amortization on intangible assets	-	125,261	-	125,261
Merchant transaction fees and bank charges	104,901	4,740	-	109,641
Share based payments	-	43,600	-	43,600
	2,354,396	537,627	-	2,892,023
Income (loss) before other income and expenses	593,749	(537,627)	-	56,122
Other (income) expenses				
Miscellaneous (income) expense	3,270	(50,149)	-	(46,879)
Interest expense	54,659	(1,398)	-	53,261
Foreign exchange (gain) loss	(8,378)	-	-	(8,378)
Total other (income) expenses	49,551	(51,547)	-	(1,996)
Income (loss) before reorganization, and acquisition costs	544,198	(486,080)	-	58,118
Reorganization and acquisition costs	53,347	9,916	-	63,263
Income (loss) before income taxes	490,851	(495,996)	-	(5,145)
Provision for income taxes				
Deferred income tax expense (recovery)	(7,836)	-	-	(7,836)
	(7,836)	-	-	(7,836)
Net income (loss) for the year from continuing operations	498,687	(495,996)	-	2,691

23. SEGMENT REPORTING (CONTINUED)

Segment statements of income (loss) and comprehensive income (loss) for the nine months ending December 31, 2024 are included below:

	For the nine-month period ended December 31, 2024				
	Avante Security	NSSG	Corporate	Intersegment eliminations	Total
Revenues	$ 21,582,802	$ 2,949,135		$ (116,717)	$ 24,415,219
Cost of sales	13,243,615	1,364,796		(116,717)	14,491,694
Gross profit	8,339,186	1,584,338	-	-	9,923,525
Operating expenses					
Salaries, benefits and commissions	2,068,093	1,112,654	1,398,213	-	4,578,960
Administration	3,144,441	558,886	508,974	-	4,212,301
Depreciation on capital assets	623,731	99,243	35,392	-	758,366
Amortization on intangible assets	-	-	483,816	-	483,816
Merchant transaction fees and bank charges	400,982	12,865	14,067	-	427,914
Share based payments	-	-	95,219	-	95,219
	6,237,247	1,783,648	2,535,681	-	10,556,576
Income (loss) before other income and expenses	2,101,940	(199,310)	(2,535,681)	-	(633,051)
Other (income) expenses					
Miscellaneous (income) expense	(58,230)	-	(350,964)	-	(409,194)
Interest (income) expense	357,254	14,270	(152,410)	-	219,114
Foreign exchange (gain) loss	9,877	19,944	247	-	30,068
Total other (income) expenses	308,901	34,214	(503,127)	-	(160,012)
Income (loss) before reorganization, and acquisition costs	1,793,038	(233,524)	(2,032,554)	-	(473,039)
Reorganization and acquisition costs	-	-	720,451	-	720,451
Income (loss) before income taxes	1,793,038	(233,524)	(2,753,004)	-	(1,193,490)
Provision for income taxes					
Deferred income tax expense (recovery)	-	(1,508)	-	-	(1,508)
	-	(1,508)	-	-	(1,508)
Net income (loss) for the year	**$ 1,793,038**	**$ (232,016)**	**$ (2,753,004)**	**$ -**	**$ (1,191,982)**
Other comprehensive income (loss) from continuing operations:					
Unrealized gain (loss) on translating financial statements of foreign operations	-		2,626	-	2,626
Total comprehensive income (loss) from continuing operations for the period	**$ 1,793,038**	**$ (232,016)**	**$ (2,750,378)**	**$ -**	**$ (1,189,356)**

23. SEGMENT REPORTING (CONTINUED)

Segment statements of income (loss) and comprehensive income (loss) for the nine months ending December 31, 2023 are included below:

	For the nine-month period ended December 31, 2023			
	Avante Security	Corporate	Intersegment eliminations	Total
Revenues	$ 17,690,546	$ -	$ -	$ 17,690,546
Cost of sales	10,586,147	-	-	10,586,147
Gross profit	7,104,399	-	-	7,104,399
Operating expenses				
Salaries, benefits and commissions	2,151,498	1,227,534	-	3,379,032
Administration	2,750,979	(288,621)	-	2,462,358
Depreciation on capital assets	599,930	11,654	-	611,584
Amortization on intangible assets	-	359,867	-	359,867
Merchant transaction fees and bank charges	275,545	13,160	-	288,705
Share based payments	-	15,837	-	15,837
	5,777,952	1,339,431	-	7,117,383
Income (loss) before other income and expenses	1,326,447	(1,339,431)	-	(12,984)
Other (income) expenses				
Miscellaneous (income) expense	(101,391)	(233,169)	-	(334,560)
Interest expense	140,272	33,580	-	173,852
Foreign exchange (gain) loss	3,489	-	-	3,489
Total other (income) expenses	42,370	(199,589)	-	(157,219)
Income (loss) before reorganization, and acquisition costs	1,284,077	(1,139,842)	-	144,235
Reorganization and acquisition costs	273,440	185,897	-	459,337
Income (loss) before income taxes	1,010,637	(1,325,739)	-	(315,102)
Provision for income taxes				
Deferred income tax expense (recovery)	(1,777)	-	-	(1,777)
	(1,777)	-	-	(1,777)
Net income (loss) for the year from continuing operations	**$ 1,012,414**	**$ (1,325,739)**	**$ -**	**$ (313,325)**

Segment assets and liabilities as at December 31, 2024 and March 31, 2024 are as follows:

Segment assets are as follow:	**Avante Security**	**NSSG**	**Corporate**	**Total**
As at March 31, 2024	$ 15,987,882	$ 3,812,279	$ 5,369,401	$ 25,169,562
As at December 31, 2024	$ 17,524,910	$ 1,782,696	$ 4,649,073	23,956,679
Segment liabilities are as follow:				
As at March 31, 2024	$ 6,107,380	$ 1,404,960	$ 4,148,135	$ 11,660,475
As at December 31, 2024	$ 6,058,974	$ 1,210,231	$ 4,272,524	$ 11,541,729

24. CONTINGENCIES

From time to time, the Company may become liable for legal, contractual and other claims by various parties, including customers, suppliers, former employees and vendors of businesses acquired by the Company. Depending on the nature or duration of any potential proceedings or claims, the Company may incur substantial costs and expenses, be required to devote significant management time and resources to the matters and suffer adverse judgements or outcomes in respect of these claims, although it is difficult to predict final outcomes with any degree of certainty. Except as disclosed from time to time in the Company's consolidated financial statements, the Company does not believe that any of the claims to which the Company is currently a party will have a material adverse effect on the Company's profitability or financial condition; however, the Company cannot provide any assurance to that effect.

25. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through the date the financial statements were issued. Based on this evaluation, the Company has determined that there were no material subsequent events that would require adjustment to, or disclosure in, the financial statements as of the reporting date.