AVANTE CORP.

Condensed Interim Consolidated Financial Statements

Unaudited for the three and six-month periods ended September 30, 2025 and 2024

NOTICE TO READER OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The condensed interim consolidated financial statements of Avante Corp. for the three and six-month periods ended September 30, 2025 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.

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AVANTE CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2025 AND MARCH 31, 2025

	Sep 30, 2025	Mar 31, 2025
ASSETS	*Unaudited*	
CURRENT		
Cash and cash equivalents	$ 4,280,821	$ 4,723,488
Accounts receivable (note 7)	7,336,934	7,426,444
Inventories (note 8)	1,175,544	1,031,149
Contract assets (note 6b)	256,009	227,657
Prepaid expenses	707,646	425,800
	13,756,955	13,834,538
NON-CURRENT ASSETS		
Property, plant & equipment (note 9)	2,480,760	2,250,909
Deferred tax assets (note 16)	292,569	292,569
Intangible assets and Capitalized commissions (note 10)	2,031,569	2,227,892
Goodwill (note 10)	4,440,144	4,440,144
	9,245,042	9,211,514
	$ 23,001,997	**$ 23,046,052**
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	3,603,307	3,639,669
Loan from officer	109,247	102,498
Corporate tax payable	243,890	253,888
Obligations under lease (note 13)	613,349	665,628
Contract liabilities (note 6b)	3,048,130	2,855,198
	7,617,923	7,516,881
NON-CURRENT LIABILITIES		
Obligations under lease (note 13)	582,790	591,146
Dividend payable to non-controlling shareholder of NSSG	231,541	596,921
Cash settled share-based payment liabilities (note 19)	1,589,688	1,442,875
Deferred tax liability (note 16)	141,690	141,689
	2,545,709	2,772,631
TOTAL LIABILITIES	**10,163,632**	**10,289,512**
SHAREHOLDERS' EQUITY		
Share capital (note 14)	30,239,034	30,239,034
Contributed surplus	2,563,948	2,531,453
Accumulated other comprehensive income (loss)	(156,366)	(111,381)
Deficit	(19,991,248)	(20,104,023)
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	12,655,368	12,555,083
Non-controlling interest (note 15)	182,997	201,457
TOTAL EQUITY	**12,838,365**	**12,756,540**
TOTAL EQUITY & LIABILITIES	**$ 23,001,997**	**$ 23,046,052**

Contingencies (note 22)

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 INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) FOR THE THREE AND SIX-MONTH PERIODS ENDED SEPTEMBER 30, 2025 AND SEPTEMBER 30, 2024

	For the three-month period ended		For the six-month period ended	
	Sep 30, 2025	**Sep 30, 2024**	**Sep 30, 2025**	**Sep 30, 2024**
	Unaudited		*Unaudited*	
Revenues from continuing operations (note 6a)	$ 8,879,306	$ 8,088,966	$ 17,626,299	$ 16,003,591
Cost of sales	5,165,451	4,612,387	10,593,915	9,521,482
Gross profit	3,713,855	3,476,579	7,032,384	6,482,109
Operating expenses				
Salaries, benefits and commissions	1,698,477	1,593,943	3,238,614	3,089,952
Administration	1,327,119	1,505,574	2,474,942	2,741,726
Depreciation on capital assets (note 9)	233,807	246,239	477,623	491,620
Amortization of intangible assets (note 10)	165,979	161,272	334,041	322,544
Merchant transaction fees and bank charges	120,753	117,333	238,195	269,523
Share based payments (note 14)	14,252	22,606	32,495	45,211
	3,560,388	3,646,967	6,795,911	6,960,576
Income (loss) before other income and expenses and reorganization and acquisition costs	153,468	(170,388)	236,474	(478,467)
Other (income) expenses				
Miscellaneous income	(59,727)	(49,648)	(118,294)	(343,673)
Interest expense	86,447	85,757	155,106	155,358
Foreign exchange loss	43,709	18,469	87,875	26,627
	70,428	54,578	124,686	(161,688)
Income (loss) before reorganization and acquisition costs	83,039	(224,966)	111,787	(316,779)
Reorganization, development and acquisition costs (note 20)	-	684,382	-	720,451
Income (loss) before income taxes	83,039	(909,348)	111,787	(1,037,230)
Provision for income taxes				
Current income tax expense (recovery) (note 16)	-	-	17,473	-
Net income (loss) from continuing operations for the period	83,039	(909,348)	94,314	(1,037,230)
Net income (loss) for the period	$ 83,039	$ (909,348)	$ 94,314	$ (1,037,230)
Net income (loss) for the period attributable to:				
Equity holders of the parent	93,037	(900,064)	112,774	(1,020,170)
Non-controlling interests	(9,998)	(9,284)	(18,460)	(17,060)
	$ 83,039	$ (909,348)	$ 94,314	$ (1,037,230)
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	(49,124)	(4,435)	(44,985)	(4,142)
	$ (49,124)	$ (4,435)	$ (44,985)	$ (4,142)
Total comprehensive income (loss) for the period	**$ 33,915**	**$ (913,783)**	**$ 49,329**	**$ (1,041,372)**
Equity holders of the parent	43,913	(904,499)	67,790	(1,024,312)
Non-controlling interests	(9,998)	(9,284)	(18,460)	(17,060)
Total comprehensive income (loss) for the period	$ 33,915	$ (913,783)	$ 49,329	$ (1,041,372)
Net income (loss) per share attributable to equity holders of the parent (note 5)				
Basic and diluted income (loss) per share	$0.003	($0.034)	$0.004	($0.038)
Weighted average number of shares outstanding for basic and diluted calculation	26,648,739	26,643,739	26,648,739	26,643,739

See accompanying notes to the condensed interim consolidated financial statements

AVANTE CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED SEPTEMBER 30, 2025 AND SEPTEMBER 30, 2024

	Share Capital	Contributed Surplus	Other Equity	Deficit	Accumulated other comprehensive income (loss)	Total-Owners of parent	Non-controlling Interest	Total Equity
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	-	-	-	(1,020,170)	-	(1,020,170)	(17,060)	(1,037,230)
Unrealized loss on translating financial statements of foreign operations	-	-	-	-	(4,142)	(4,142)	-	(4,142)
Share based payments	-	45,211	-	-	-	45,211	-	45,211
Balance at September 30, 2024 (Unaudited)	**$30,233,361**	**$ 2,441,171**	**$ (370,752)**	**$ (19,747,028)**	**$ (6,161)**	**$ 12,550,591**	**$ (37,665)**	**$ 12,512,926**
Balance at April 1, 2025	**$30,239,034**	**$ 2,531,453**		**$ (20,104,023)**	**$ (111,381)**	**$ 12,555,083**	**$ 201,457**	**$ 12,756,540**
Income (loss) for the period	-	-	-	112,775	-	112,775	(18,460)	94,315
Unrealized loss on translating financial statements of foreign operations	-	-	-	-	(44,985)	(44,985)	-	(44,985)
Share based payments	-	32,495	-	-	-	32,495	-	32,495
Balance at September 30, 2025 (Unaudited)	**$30,239,034**	**$ 2,563,948**	**$ -**	**$ (19,991,248)**	**$ (156,366)**	**$ 12,655,368**	**$ 182,997**	**$ 12,838,365**

See accompanying notes to the condensed interim consolidated financial statements

AVANTE CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE AND SIX-MONTH PERIODS ENDED SEPTEMBER 30, 2025 AND SEPTEMBER 30, 2024

	For the three-month period ended		For the six-month period ended	
	Sep 30, 2025	**Sep 30, 2024**	**Sep 30, 2025**	**Sep 30, 2024**
Operating activities				
Comprehensive income (loss) for the period	$ 83,039	$ (909,348)	$ 94,314	$ (1,037,230)
Gain on disposal of capital assets	143,488	-	109,003	(4,752)
Share based payments	14,252	22,606	32,495	45,211
Interest on bank loans and leases	56,214	66,258	113,527	122,095
Depreciation on capital assets (note 9)	233,807	246,239	477,623	491,620
Amortization of intangible assets (note 10)	165,979	161,272	334,041	322,544
Amortization of capitalized commission (note 10)	-	1,266	-	2,560
Provision for income tax	(2,268)	-	-	-
	694,511	(411,707)	1,161,003	(57,952)
Net change in non-cash working capital:				
Accounts receivable	(798,308)	(225,352)	89,510	(91,465)
Inventories	(9,741)	(100,950)	(144,395)	(221,022)
Contract assets (note 6b)	(38,543)	(90,951)	(28,352)	(40,287)
Prepaid expenses	113,614	(318,167)	(281,845)	(399,297)
Current income tax	(11,389)	-	(9,998)	(1,466)
Accounts payable and accrued liabilities	(556,196)	(1,085,328)	(401,744)	(749,013)
Contract liabilities (note 6b)	1,025,919	214,045	339,745	23,827
	(274,644)	(1,606,703)	(437,079)	(1,478,723)
Cash from (used in) continuing operations	419,867	2,018,410	723,924	(1,536,675)
Net cash from (used in) operating activities	419,867	(2,018,410)	723,924	(1,536,675)
Financing activities				
Principal lease payments (note 13)	148,783	(183,698)	(60,635)	(352,262)
Interest on bank loans, and leases	(52,532)	(63,818)	(106,777)	(119,350)
Cash from (used in) continuing operations	96,251	(247,516)	(167,412)	(471,612)
Net cash from (used in) financing activities	96,251	(247,516)	(167,412)	(471,612)
Investing activities				
Capitalised development costs	(100,726)	-	(137,718)	-
Purchase of capital assets	(339,783)	(55,113)	(406,897)	(89,003)
Disposal of capital assets	(73,514)	8,581	-	3,816
Additions to leases	(409,580)	(2,719)	(409,580)	(16,600)
Cash from (used in) continuing operations	(923,603)	(49,251)	(954,195)	(101,787)
Net cash from (used in) investing activities	(923,603)	(49,251)	(954,195)	(101,787)
Increase (decrease) in cash during the period	(407,484)	(2,315,177)	(397,682)	(2,110,074)
Cash and cash equivalents, beginning of period	4,711,671	6,236,302	4,723,488	6,030,907
Unrealized foreign exchange gain on cash and cash equivalents held in foreign currencies	(23,366)	(7,481)	(44,985)	(7,189)
Cash and cash equivalents, end of period	$ 4,280,821	$ 3,913,644	$ 4,280,821	$ 3,913,644

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 (formerly "ToyBoxx Inc."), 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 provides premium security services for residential and condominium 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. Avante Security has a specialized skillset in high-rise security integration, monitoring and electronic building management. It also provides consulting and installation of automation and security solutions for the high-end residential market. Avante Security's signature offerings are its Rapid Alarm Response services, and its Intelligent Perimeter Protection Video Analytics. Avante Security also provides extensive offerings, which include Closed Circuit Television ("CCTV"), access controls and security services for travelling executives. Avante Security uses its proprietary two-way wireless communication technology for security and in other market segments for various remote control and monitoring functions.

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% interest 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 and 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 IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IASB") (collectively, "IFRS Accounting Standards") and using the accounting policies described herein.

The condensed interim consolidated financial statements were authorized for issue by the Board of Directors on November 26, 2025.

2. BASIS OF PRESENTATION (CONTINUED)

b) Basis of measurement

The condensed interim consolidated financial statements of the Company are presented in Canadian dollars. The functional currency of NSSG is the euro and the functional currency for the Company and all other subsidiaries is the Canadian dollar. 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 (loss).

The preparation of these condensed interim consolidated financial statements 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. The non-controlling shareholders 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 subsidiaries of 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	**Mar 31, 2025**	**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 Inc.	51%	51%

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

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 11). 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 and invested 51% in The Reserve. The Reserve is consolidated with effect from September 14, 2023 (note 15).

Impairment of Non-Financial Assets

Non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly. In measuring value in use, the expected future cash flows are discounted using a pre-tax discount rate that reflects the risks specific to the asset. Impairment testing of goodwill and indefinite life intangible assets is done at least annually at the March 31 year end or when there are indicators of impairment.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the CGU. Any impairment loss is charged to profit or loss, except to the extent they reverse gains previously recognized in other comprehensive loss/income. As of September 30, 2025, the Company has two CGUs, Avante Security and NSSG. The Company had the same CGU's as of March 31, 2025.

An impairment loss of an asset is reversed only if there have been changes in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. Reversal of an impairment loss is limited to the lower of the carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized for the asset in prior years, and its recoverable amount. The reversal of impairment loss of an asset is recognized in profit and loss. Impairment losses on goodwill are not reversed.

Accounting standards effective in the year

IAS 1: Presentation of Financial Statements

In January 2020 and in October 2022, the 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 amendments also specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

These amendments were effective for annual periods beginning on or after January 1, 2024. The adoption of these amendments by the Company on April 1, 2024 did not have a material impact on these condensed interim consolidated financial statements.

IFRS Accounting Standards issued but not yet adopted

Presentation and Disclosure in Financial Statements:

In April 2024, the IASB issued the new standard IFRS 18 – Presentation and Disclosure in Financial Statements that will replace IAS 1 – Presentation of Financial Statements. The new standard introduces newly defined subtotals on the income statement, requirements for aggregation and disaggregation of information, and disclosure of Management Performance Measures ("MPMs") in the financial statements. The new standard is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. The Company is assessing the impacts to the condensed interim consolidated financial statements.

Classification and Measurement of Financial Instruments:

In May 2024, the IASB issued amendments to IFRS 9 – Financial Instruments and IFRS 7 – Financial Instruments: Disclosures. The amendments relate to settling financial liabilities using an electronic payment system and assessing contractual cash flow characteristics of financial assets, including those with Environmental, Social, and Governance ("ESG")-linked features. The IASB also amended disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income ("FVOCI") and added disclosure requirements for financial instruments with contingent features. The amendments are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. The Company is assessing the impacts to the condensed interim consolidated financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

a) 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").

The Company exercises judgement in the assessment of indefinite life for goodwill, considering its expected contribution to cash flows indefinitely and the insignificance of associated costs. The Company conducts annual impairment tests and assesses impairment if events or changes in circumstances indicate the asset may be impaired.

Purchased intangibles are valued as at the acquisition date using established methodologies and amortized over their estimated useful economic lives. These valuations and lives are based on management's best estimates of future performance and periods over which value from the intangible assets will be derived.

b) 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.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

c) Segment Reporting

The Company has exercised judgement in identifying its reportable segments based on the internal reporting structure and the information reviewed by the Chief Executive Officer (CEO), who is considered the Chief Operating Decision Maker (CODM), in accordance with *IFRS 8 – Operating Segments*. With the acquisition of NSSG on October 1, 2023, the Company has two reportable segments consisting of Avante Security and NSSG. Refer to Note 21.

d) Assessment of Control

The Company has exercised judgement in assessing control of its 55% acquisition of NSSG as required under IFRS 10 – Consolidated Financial statements ("IFRS 10"). To have control over an investee the investor must have all the following: 1) Power over the investee; 2) Exposure, or rights to variable returns and 3) the ability to use its power over the investee to affect the amount of the investor's return. The Company assessed control by analyzing the substantive rights to direct the relevant activities of the investee. Management has concluded that it does control NSSG under IFRS 10.

e) 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 value using the formula as stated in the purchase and sale agreement. Refer to Note 11.

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	
	Sep 30, 2025	**Sep 30, 2024**
Basic and diluted income (loss) per share	0.003	(0.034)
Total net income (loss) attributable to equity holders of the parent - basic and fully diluted	93,037	(900,064)
Weighted average number of shares outstanding for basic and diluted calculation	26,648,739	26,643,739

	For the six-month period ended	
	Sep 30, 2025	**Sep 30, 2024**
Basic and diluted income (loss) per share	0.004	(0.038)
Total net income (loss) attributable to equity holders of the parent - basic and fully diluted	112,774	(1,020,170)
Weighted average number of shares outstanding for basic and diluted calculation	26,648,739	26,643,739

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 September 30, 2025 and 2024 were as follows:

	For the three-month period ended							
	Sep 30, 2025				Sep 30, 2024			
	Avante Security	NSSG	Elimination	Total	Avante Security	NSSG	Elimination	Total
Protective Services	$ 2,815,830	$ -	$ -	$ 2,815,830	$ 2,913,201	-	-	$ 2,913,201
Services	1,486,683	-	(1,080)	1,485,603	1,361,852	-	(2,633)	1,359,219
Electronic Services	2,339,365	-	-	2,339,365	2,163,783	-	-	2,163,783
Secured Transport	721,000	-	-	721,000	298,224	-	-	298,224
Investigations	414,194	-	-	414,195	354,950	-	-	354,950
	-	-	-	-	-	-	-	-
Specialized Security	107,739	-	-	107,739	164,622	-	-	164,622
Auto storage	500	-	-	500	2,370	-	-	2,370
Operations	-	1,155,674	(310,922)	844,753	-	646,801	(54,607)	592,195
Investigations	-	65,407	-	65,407	-	33,779	-	33,779
Consulting	-	84,914	-	84,914	-	206,624	-	206,624
Total Revenue	**$ 7,885,312**	**$ 1,305,994**	**$ (312,002)**	**$ 8,879,306**	**$ 7,259,002**	**$ 887,205**	**$ (57,240)**	**$ 8,088,967**

Segment revenues by type of service for the six months September 30, 2025 and 2024 were as follows:

	For the six-month period ended							
	Sep 30, 2025				Sep 30, 2024			
	Avante Security	NSSG	Elimination	Total	Avante Security	NSSG	Elimination	Total
Protective Services	$ 5,609,665	$ -	$ -	$ 5,609,665	$ 5,418,791	-	-	$ 5,418,791
Monitoring and Managed	2,939,600	-	(1,800)	2,937,800	2,694,842	-	(2,633)	2,692,209
Electronic Services	4,123,228	-	-	4,123,228	3,875,924	-	-	3,875,924
Secured Transport	1,396,470	-	-	1,396,470	971,850	-	-	971,850
Investigations	632,953	-	-	632,953	1,218,289	-	-	1,218,289
Specialized Security	326,681	-	-	326,681	205,893	-	-	205,893
Auto storage	4,010	-	-	4,010	7,843	-	-	7,843
Operations	-	2,848,266	(585,111)	2,263,155	-	1,326,512	(102,024)	1,224,489
Investigations	-	153,849	-	153,849	-	82,217	(1,976)	80,241
Consulting	-	178,488	-	178,488	-	308,063	-	308,063
Total Revenue	**$ 15,032,606**	**$ 3,180,602**	**$ (586,911)**	**$ 17,626,299**	**$ 14,393,432**	**$ 1,716,793**	**$ (106,633)**	**$ 16,003,592**

(b) Contract Assets and Liabilities

	Sep 30, 2025	Mar 31, 2025
Work-in-progress - contracts in process	$ 256,009	$ 227,657

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 statements 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).

6. REVENUE RECOGNITION (CONTINUED)

Contract liabilities balance at March 31, 2024	$	2,388,521
Additions during the year		16,243,123
Recognized during the year		(15,776,445)
Contract liabilities balance at March 31, 2024 to be recognized in fiscal year 2026		2,855,198
Contract liabilities balance at March 31, 2025	$	2,855,198
Additions during the year		5,007,688
Recognized during the year		(4,814,756)
Contract liabilities balance at September 30, 2025 to be recognized in fiscal year 2026		1,553,088
Contract liabilities balance at September 30, 2025 to be recognized after fiscal year 2026		1,495,042
Contract liabilities balance at September 30, 2025	**$**	**3,048,130**

7. ACCOUNTS RECEIVABLE

The accounts receivable on the financial statements are net of allowance for expected credit losses of $183,456 as at September 30, 2025 (March 31, 2025: $183,456). Changes in the allowance for expected credit losses during the period were as follows:

		Sep 30, 2025		Mar 31, 2025
Allowance for expected credit losses - opening balance	$	183,456	$	232,050
Net increase (decrease) during the year		-		(48,594)
Allowance for expected credit losses - closing balance	$	183,456	$	183,456

As at September 30, 2025 and March 31, 2025, 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	6,994,128	$3,600,477	$604,602	$481,459	$2,307,590
Unbilled trade receivables	28,831	-	-	-	28,831
Non-trade receivables	586,941	-	-	-	586,941
Allowance for doubtful accounts	(183,456)	-	-	-	(183,456)
Balance at March 31, 2025	**$7,426,444**	**$3,600,477**	**$604,602**	**$481,459**	**$2,739,906**
Trade receivables	6,489,192	$2,603,090	$752,324	$549,982	$2,583,797
Unbilled trade receivables	219,945	191,114	-	-	28,831
Non-trade receivables	811,253	-	4,830.11	4,830.11	801,593
Allowance for doubtful accounts	(183,456)	-	-	-	(183,456)
Balance at Sep 30, 2025	**$7,336,934**	**$2,794,204**	**$757,154**	**$554,812**	**$3,230,765**

The consolidated entity has recognized a loss of $nil from continuing operations at September 30, 2025 in profit or loss in respect of the expected credit losses for the six months then ended (September 30, 2024: a recovery of $30,094). As at September 30, 2025, there was $2,612,628 (March 31, 2025: $2,336,421) of accounts receivable outstanding for over 90 days of which management did not consider $2,429,172 (March 31, 2025: $2,152,965) impaired.

As of September 30, 2025, non-trade receivables include the estimated amount due from SSC in respect of the Company's sale of Logixx Security and GIC interest unpaid.

8. INVENTORIES

	Sep 30, 2025	Mar 31, 2025
Inventory	$ 1,175,544	$ 1,031,149

All inventory is considered finished goods. Inventory expensed to cost of sales during the three and six months ended September 30, 2025, amounted to $715,836 and $1,219,666 respectively (September 30, 2024: $562,896 and $1,253,248 for the three and six-month periods).

9. PROPERTY, PLANT AND EQUIPMENT

	Computer equipment	Equipment, furniture and fixtures	Leasehold improvements	Computer software	Right-of-use asset	Vehicles	Uniforms	Buildings	Total
	$	$	$	$	$	$	$	$	$
Cost									
Balance at March 31, 2025	**$ 576,679**	**$ 877,219**	**$ 855,363**	**$ 345,418**	**$ 2,589,178**	**$ 92,876**	**$ 230,710**	**$ 473,300**	**$ 6,040,743**
Additions	27,275	302,304	47,383	-	409,580	18,962	20,060	-	825,564
Disposals	-	-	-	-	(416,571)	-	-	-	(416,571)
Foreign exchange gain (loss)	-	(3,134)	-	-	-	-	-	-	(3,134)
Balance at September 30, 2025	**603,954**	**1,176,389**	**902,746**	**345,418**	**2,582,187**	**111,838**	**250,770**	**473,300**	**6,446,602**
Accumulated depreciation									
Balance at March 31, 2025	**448,779**	**586,284**	**755,657**	**345,418**	**1,378,158**	**51,395**	**102,663**	**121,481**	**3,789,835**
Depreciation	21,696	33,724	15,423	-	362,728	7,881	26,705	9,466	477,623
Disposals	-	-	-	-	(307,568)	-	-	-	(307,568)
Foreign exchange gain (loss)	-	(61)	-	-	6,014	-	-	-	5,953
Balance at September 30, 2025	**470,475**	**619,947**	**771,080**	**345,418**	**1,439,332**	**59,276**	**129,368**	**130,947**	**3,965,843**
Carrying Amounts									
Balance at March 31, 2025	**127,900**	**290,935**	**99,706**	**-**	**1,211,020**	**41,481**	**128,047**	**351,819**	**2,250,909**
Balance at September 30, 2025	**$ 133,479**	**$ 556,442**	**$ 131,666**	**$ -**	**$ 1,142,855**	**$ 52,562**	**$ 121,402**	**$ 342,353**	**$ 2,480,760**

	Computer equipment	Equipment, furniture and fixtures	Leasehold improvements	Computer software	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	42,030	20,087	-	-	399,938	-	26,886	-	488,941
Disposals	-	-	-	-	(46,223)	-	-	-	(46,223)
Foreign exchange gain (loss)	-	1,589	-	-	(2,677)	-	-	-	(1,088)
Balance at September 30, 2024	**561,533**	**819,835**	**817,782**	**345,418**	**2,417,166**	**81,176**	**170,029**	**473,300**	**5,686,239**
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	18,867	30,279	9,813	-	403,284	6,695	13,216	9,466	491,620
Disposals	-	-	-	-	(28,250)	-	-	-	(28,250)
Foreign exchange gain (loss)	-	623	-	-	(4,755)	-	-	-	(4,132)
Balance at September 30, 2024	**428,388**	**549,214**	**741,452**	**345,418**	**1,061,507**	**43,237**	**86,861**	**112,015**	**3,368,092**
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 September 30, 2024	**$ 133,145**	**$ 270,621**	**$ 76,330**	**$ -**	**$ 1,355,659**	**$ 37,939**	**$ 83,168**	**$ 361,285**	**$ 2,318,147**

9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Depreciation expense is $233,807 and $477,623 for the three months and six months ended September 30, 2025 (three months and six months ended September 30, 2024: $246,237 and $491,620).

The Company carries two categories of right-of-use assets: vehicles and property. At September 30, 2025 the carrying amount of vehicles under lease was $690,840 (March 31, 2025: $641,610), with $112,444 and $233,714 of depreciation for the three months and six months ended September 30, 2025 (three months and six months ended September 30, 2024: $131,561 and $266,255).

The right-of-use asset property had a carrying amount of $452,016 at September 30, 2025 (March 31, 2025: $569,410). Depreciation in the amount of $57,204 and $129,014 is included for the three and six months ended September 30, 2025 (three months and six months ended September 30, 2024: $68,248 and $137,029).

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 12). Gains and losses on disposals are booked in the miscellaneous (income) expense line on the condensed interim consolidated statement of income and comprehensive income.

10. GOODWILL AND INTANGIBLE ASSETS

A. INTANGIBLE ASSETS

	Trade Name	Customer relationships	Software	Total
	$	$	$	$
Cost				
Balance at March 31, 2025	$660,026	$5,218,330	524,949	$6,403,304
Additions	-	-	137,718	137,718
Balance at Sep 30, 2025	**660,026**	**5,218,330**	**662,666**	**6,541,022**
Amortization				
Balance at March 31, 2025	$246,344	$3,932,154	-	$4,178,498
Amortization	55,157	265,304	13,579	334,041
Balance at Sep 30, 2025	**301,500**	**4,197,458**	**13,579**	**4,512,539**
Carrying amounts				
Balance at March 31, 2025	**$ 413,682**	**$ 1,286,176**	**$ 524,949**	**$ 2,224,807**
Balance at Sep 30, 2025	**$ 358,526**	**$ 1,020,872**	**$ 649,088**	**$ 2,028,483**

	Trade Name	Customer relationships	Order backlog	Total
	$	$	$	$
Cost				
Balance at March 31, 2024	$660,026	$5,362,080	$262,000	$6,284,106
Additions	-	-	-	-
Balance at September 30, 2024	**660,026**	**5,362,080**	**262,000**	**6,284,106**
Amortization				
Balance at March 31, 2024	$136,030	$3,397,379	$262,000	$3,795,409
Amortization	55,157	267,387	-	322,544
Balance at September 30, 2024	**191,187**	**3,664,766**	**262,000**	**4,117,953**
Carrying amounts				
Balance at March 31, 2024	**$ 523,996**	**$ 1,964,701**	**$ -**	**$ 2,488,697**
Balance at September 30, 2024	**$ 468,839**	**$ 1,697,314**	**$ -**	**$ 2,166,153**

10. 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. The full amount of the acquisition was allocated to the intangible asset Customer Relationships on the consolidated statements of financial position as of March 31, 2023. During the year ended March 31, 2025, as the criteria for release of the holdback were not met, the amount of $143,750 was not paid to the seller and was derecognized from the purchase consideration.

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 six months ended September 30, 2025 is $165,979 and $334,041 (three months and six months ended September 30, 2024: $161,271 and $322,544).

B. GOODWILL

Balance at March 31, 2024	**$ 4,501,317**
Revaluation of foreign subsidiary goodwill	**$(61,173)**
Balance at March 31, 2025	**$ 4,440,144**
Balance at September 30, 2025	**$ 4,440,144**

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 determined that it has two CGUs as at both September 30, 2025 and March 31, 2025: Avante Security and NSSG.

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 September 30, 2025 was $3,086 (March 31, 2025: $3,086), with $nil amortized in the three months and six months ended September 30, 2025 (three months and six months ended September 30, 2024: $1,266 and $2,560).

11. BUSINESS ACQUISITIONS

The Company accounts for business combinations using the acquisition method, in accordance with IFRS 3 - Business Combinations ("IFRS 3"). The consideration transferred in the acquisition is measured at fair value, as are the identifiable net assets acquired.

In determining the purchase price allocation, the Company considers, among other factors, the intended future use of acquired assets, analysis of historical financial performance, and estimates of future performance of the acquiree. Any goodwill that arises generally reflects expected revenue and cost synergies from combining the acquiree with the Company's existing businesses.

The Company aims to finalize the measurement of the fair values of the assets acquired and liabilities assumed within twelve months following the date of acquisition, as it obtains the information necessary to complete the measurement process.

Unless specified otherwise, the fair values presented in the purchase price allocation tables below are provisional. Any changes resulting from facts and circumstances that existed as of the date of acquisition will result in retrospective adjustments to the provisional amounts, recognized at the acquisition date.

Acquisition-related costs are recognized as incurred, in profit or loss, within Reorganization and acquisition costs.

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.

On May 7, 2024, the Company agreed to settle with sellers of Intelligarde International Inc. for the holdback related to the acquisition. The total amount of the holdback, held in escrow, was $549,299. The Company received $239,333 recorded as miscellaneous income.

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, the Company 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.

12. BANK INDEBITEDNESS

On June 1, 2022, the Company applied proceeds from the sale of Logixx Security on June 1, 2022 to permanently repay the credit facilities pursuant to the June 30, 2021 Credit Agreement. As of June 1, 2022, the Company entered into amended credit facilities with the same 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 September 30, 2025. The agreement further stipulates that the advances cannot exceed 75% of accounts receivable and 50% of inventory less priority payables; the Company is in compliance with these requirements as of September 30, 2025. 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 September 30, 2025 and March 31, 2025, 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 September 30, 2025. 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.

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 as of September 30, 2025 and March 31, 2025. This note should be read in conjunction with the related-party transactions Note 20 to fully understand the nature and impact of the Loan Agreement with Fairfax affiliates.

Interest on bank loans expensed in the condensed interim consolidated statements of income (loss) and comprehensive income (loss) for the three and six months ended September 30, 2025 is $15,799 and $30,199 (three months and six months ended September 30, 2024: $13,786 and $28,138).

13. 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, 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	583,183	12,177	595,360
Disposals during the year	(18,911)	-	(18,911)
Principal payments	(484,648)	(215,175)	(699,823)
Balance at March 31, 2025	**$ 636,678**	**$ 620,096**	**$ 1,256,774**
Current obligations under lease	414,552	251,076	665,628
Long-term obligations under lease	222,126	369,020	591,146
Balance at March 31, 2025	**$ 636,678**	**$ 620,096**	**$ 1,256,774**
Additions during the year	391,076	-	391,076
Disposals during the year	(76,886)	-	(76,886)
Principal payments	(257,710)	(117,115)	(374,825)
Balance at September 30, 2025	**$ 693,158**	**$ 502,981**	**$ 1,196,139**
Current obligations under lease	388,844	224,505	613,349
Long-term obligations under lease	304,314	278,476	582,790
Balance at September 30, 2025	**$ 693,158**	**$ 502,981**	**$ 1,196,139**

13. OBLIGATIONS UNDER LEASE (CONTINUED)

The Company leased certain vehicles with a value of $693,158 (March 31, 2025: $636,678), at an effective annual rate of interest of 22.45% (March 31, 2025: 23.60%). The payment terms include blended monthly payments of $48,784 plus applicable taxes (March 31, 2025: $56,276) for 12 to 36 months ending between April 2025 and August 2028, with an aggregate buy out obligation of $nil as of September 30, 2025 (March 31, 2025: $nil). Interest expense from these leases, included in the condensed interim consolidated statements of income (loss) and comprehensive income (loss) for the three and six months ended September 30, 2025 was $35,910 and $74,436 (three and six months ended September 30, 2024: $44,954 and $89,983).

Various office properties with a value of $502,981 (March 31, 2025: $620,096), are leased with blended monthly payments of $27,067 plus applicable taxes (March 31, 2025: $25,796). An incremental borrowing rate of 6.9% is used. The property leases end in January 2028. Interest expense from these leases, included in the condensed interim consolidated statements of income (loss) and comprehensive income (loss) for the three and six months ended September 30, 2025 was $10,227 and $21,399 (three and six months ended September 30, 2024: $11,493 and $23,714).

14. SHAREHOLDERS' EQUITY

[a] Share capital issued and outstanding

Unlimited common shares	Number of Shares	Amount
Balance at March 31, 2024	26,643,739	$ 30,233,361
Issuance of common shares	5,000	$5,673
Balance at March 31, 2025	26,648,739	$ 30,239,034
Balance at September 30, 2025	26,648,739	$ 30,239,034

[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 again approved by the shareholders on October 24, 2024. Accordingly, the Company has a total of 994,874 options available to be issued as at September 30, 2025, with the maximum term remaining at 10 years (March 31, 2025: 954,874).

14. SHAREHOLDERS' EQUITY (CONTINUED)

	Number of Options	Weighted Average Exercise Price
Balance at March 31, 2024	**1,465,000**	**$0.93**
Option granted during the year	370,000	$0.81
Option forfeited during the year	(120,000)	$0.81
Options exercised during the year	(5,000)	$0.88
Balance at March 31, 2025	**1,710,000**	**$0.91**
Option granted during the year	85,000	$0.98
Option forfeited during the year	130,000	$0.82
Balance at September 30, 2025	**1,665,000**	**$0.92**

During the six months ended September 30, 2025 85,000 share options were issued to employees, and the strike price was $0.98, 130,000 share options were forfeited. During the six months ended September 30, 2024 370,000 share options were issued to employees, and the strike price was $0.81, no share options were forfeited. None of the outstanding options were exercised in the six months ended September 30, 2025.

Using the Black-Scholes pricing model, the Company recognized $1,426 in expenses for forfeited options for the six months ended September 30, 2025 (six months ended September 30, 2024: $nil for forfeited options).

Total share-based payments expensed during three and six months ended September 30, 2025 amounted to $14,252 and $32,495 (three and six months ended September 30, 2024: $22,606 and $45,211). In calculating the share-based compensation expense, the Company used the assumptions as listed below as at the date of grants:

	2026	2025
Risk-free interest rate	2.8%	2.8%
Expected volatility	68.47%	68.47%
Expected time until exercise	10 years	10 years
Expected dividend yield	NIL	NIL
Expected forfeiture	20%	20%
Share price	$0.81	$0.81

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 September 30, 2025:

14. SHAREHOLDERS' EQUITY (CONTINUED)

Grant Date	Number of Options Outstanding	Remaining Years	Number of Options Vested	Exercise Price	Expiry Date
2022-04-28	200,000	1.58	200,000	0.88	2027-04-28
2022-04-28	200,000	1.58	200,000	0.97	2027-04-28
2022-04-28	200,000	1.58	200,000	1.07	2027-04-28
2022-04-28	200,000	1.58	-	1.18	2027-04-28
2022-04-28	100,000	1.58	100,000	0.88	2027-04-28
2022-09-26	250,000	1.99	250,000	0.80	2027-09-26
2022-10-11	200,000	1.99	200,000	0.77	2027-09-26
2023-08-29	100,000	2.92	100,000	0.88	2028-08-29
2024-09-27	130,000	9.00	43,333	0.81	2034-09-27
2025-06-06	25,000	9.69	-	0.98	2035-06-06
2025-06-06	60,000	9.69	-	0.98	2035-06-06
	1,665,000		1,293,333		

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

15. NON-CONTROLLING INTERESTS

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 12). 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 the gross obligation that could be required to be paid and the carrying amount of the NCI was adjusted within equity. Refer to note 3 for additional details on the change in accounting policy related to this put option.

The following table summarizes the financial information related to NSSG, before any intra-group eliminations:

NSSG **As at (and for the period ended)**	**Sep 30, 2025**	**Mar 31, 2025**
Current assets	1,657,070	1,234,165
Non-current assets	54,201	80,852
Current liabilities	(1,469,076)	(1,357,671)
Non-current liabilities	(994,873)	(936,978)
Net assets (100%)	**(752,678)**	**(979,633)**
Revenue	3,180,602	4,299,724
Net income (loss)	276,980	(170,428)
Other comprehensive income	764	(48,189)
Total comprehensive income (loss) (100%)	**277,744**	**(218,617)**
NCI	**-**	**-**
Cash flows from operating activities	367,810	(270,053)
Cash flows from investment activities	-	(54,126)
Cash flows from financing activities	(20,615)	(48,390)
Net increase (decrease) in cash and cash equivalents	347,195	(372,569)

15. NON-CONTROLLING INTERESTS (CONTINUED)

The Reserve

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

The Reserve **As at (and for the period ended)**	**Sep 30, 2025**	**Mar 31, 2025**
Current assets	41,364	37,854
Non-current assets	165,582	186,048
Current liabilities	(343,404)	(295,488)
Non-current liabilities	-	(26,698)
Net assets (100%)	**(136,458)**	**(98,284)**
Revenue	4,010	27,898
Net income (loss)	(37,674)	(56,334)
Other comprehensive income	-	-
Total comprehensive income (loss) (100%)	**(37,674)**	**(56,334)**
NCI	**(18,460)**	**(27,603)**
Cash flows from operating activities	54,249	102,601
Cash flows from investment activities	(16,843)	(16,843)
Cash flows from financing activities	(14,819)	(54,600)
Net increase (decrease) in cash and cash equivalents	22,587	31,158

16. 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 six months ending September 30, 2025, the Company recognized current income tax expenses of $17,473.

For the six months ending September 30, 2025, the Company recognized $nil deferred income tax expense from continuing operations (six months ended September 30, 2024: $nil). 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, 2026 and future taxable periods.

17. 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 condensed interim 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 receives 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.

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 USD, GBP and RON. The Company does not employ any hedging strategies or use derivative instruments to mitigate this risk.

Financial instruments held by NSSG are denominated in the NSSG functional currency of Euros, and the effect of foreign exchange rate movements on the Company's share of these condensed interim consolidated financial instruments is included in accumulated other comprehensive income (loss) in the consolidated statements of financial position.

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

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 September 30, 2025.

The Company also invests surplus funds in one-year, cashable guaranteed investment certificates issued by its bank at fixed interest rates, given the interest rate is fixed on these instruments, interest rate risk is minimal.

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 September 30, 2025 relating to cash of $2,045,863 (March 31, 2025: $2,261,311) and guaranteed investment certificates of $2,234,959 (March 31, 2025: $2,462,177). All cash and guaranteed investment certificates are held in or with Canadian banks and Romanian 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.

For credit risk on accounts receivable see Note 7.

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.

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, 2025	**$ 3,595,695**	**$ 827,211**	**$ 451,106**	**$ 232,729**	**$ -**	**$ 5,106,740**	**$ 4,896,443**
Accounts payable	3,216,925	386,382	-	-	-	3,603,307	3,603,307
Obligations under lease	230,396	634,141	633,866	345,481	-	1,843,883	1,196,139
At September 30, 2025	**$ 3,447,321**	**$ 1,020,523**	**$ 633,866**	**$ 345,481**	**$ -**	**$ 5,447,189**	**$ 4,799,446**

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

The Company maintains a liquidity position that meets its current and future obligations.

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

As of September 30, 2025, the Company holds cash and cash equivalents totaling $4,280,821 (March 31, 2025: $4,723,488). Additionally, the Company has access to undrawn credit facilities amounting to $12,000,000 (March 31, 2025: $12,000,000).

Based on the current liquidity position, available credit facilities, and ongoing financial planning, management is confident that the Company can meet any obligations arising from the exercise of the put option or accelerated put option by NCI.

The working capital as at September 30, 2025 was $6,098,903 compared to $6,317,657 at March 31, 2025.

d) 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).

18. 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:

a. To preserve the ability to ensure business continuity thereby creating a return for the shareholders, investors and other interested parties.

b. 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 (Note 12). The Company has complied with all the terms of both facilities as at September 30, 2025 and March 31, 2025.

19. 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 six-month period ended September 30, 2025 (September 30, 2024: $nil). The balance outstanding payable by the Company at September 30, 2025, is $3,087 (March 31, 2025: $3,087).

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 six-month period ended September 30, 2025, was $57,387 (six-month period ended September 30, 2024: $21,224). 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 year ended March 31, 2024, the Company entered into a consulting agreement with a family member of a significant shareholder and an officer of the Company. Under the terms of the agreement, the family member provided strategic consulting services to the Company on a contract basis. The total amount paid to the family member for services rendered during the six-month period ended September 30, 2025 was $26,923 (six-month period ended September 30, 2024: $20,000). 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 statements of income (loss) and comprehensive income (loss) in the amount of $26,359 (six-month period ended September 30, 2024: $25,000).

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.

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 six-month period ended	
Directors and Officers Remuneration	**30-Sep-25**	**30-Sep-24**
Salaries, short term employee benefits	$ 350,631	$ 339,952
Bonus (short-term and long-term)	146,813	380,102
Director fees	100,000	100,000
Share based payments	17,344	43,043
	$ 614,787	$ 863,097

On April 8, 2022, the Company offered a long-term incentive plan to a director and officer of the Corporation. Under this plan, 1 million shares were to be granted on April 1, 2027, and an additional 1 million shares were to be granted upon the announcement of the Company's earnings per share for the fiscal year 2027, contingent on meeting certain performance targets.

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.

19. RELATED PARTY TRANSACTIONS (CONTINUED)

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 $1,589,688 (March 31, 2025: $1,442,875).

The total expense recognized for the six-month period ended September 30, 2025 arising from cash-settled share-based payments was $146,813 (September 30, 2024: expense of $72,750), which is included in employee benefits expense. This amount reflects the fair value of the share-based payments remeasured at the reporting date.

One officer is entitled to receive the incentive payment based on the earlier of:

- The date the officer's employment is terminated, however such termination is caused, or
- August 2028.

The other officer is entitled to receive the incentive payment based on the earlier of:

- The involuntary termination of either the first officer or himself, or
- August 2028.

Directors are eligible for an annual allowance of $5,000 towards security services from the Company.

20. REORGANIZATION AND ACQUISITION COSTS

The Company incurred reorganization and acquisition costs in the amount of $nil for the six months ended September 30, 2025 (six months ended September 30, 2024: $720,451). The costs incurred during the six months ended September 30, 2024 included a $1 million payment related to the settlement of a dispute with a former officer and shareholder of the Company, partially offset by a $300,000 payout from the insurance company for the case, along with other consulting and legal fees.

21. 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.

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 medical services, 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 and six months ending September 30, 2025 was as follows:

21. SEGMENT REPORTING (CONTINUED)

For the six months ended September 30, 2025

Region	Revenue
Canada	$ 13,142,058
USA	1,092,194
Israel	686,294
Egypt	472,356
Italy	454,928
Algeria	439,437
Turkey	229,875
Others	1,109,156
Total	17,626,299

For the six months ended September 30, 2024

Region	Revenue
Canada	$ 11,895,920
USA	2,413,300
Egypt	585,865
Ukraine	134,513
Germany	115,002
Italy	135,959
Romania	100,350
Others	622,682
Total	16,003,591

Segment statements of income (loss) and comprehensive income (loss) for the three months ending September 30, 2025 are included below:

	For the three-month period ended September 30, 2025				
	Avante Security (ASI+ The Reserve 51%)	NSSG	Corporate	Intersegment eliminations	Total
Revenue	$ 7,885,326	$ 1,305,983	$ -	$ (312,002)	$ 8,879,307
Cost of sales	4,817,968	659,486	-	(312,002)	5,165,452
Gross profit	3,067,358	646,497	-	-	3,713,855
Operating expenses					
Salaries, benefits and commissions	962,716	221,440	514,322	-	1,698,477
Administration	1,098,680	332,257	(103,818)	-	1,327,119
Depreciation on capital assets	201,152	19,171	13,484	-	233,807
Amortization on intangible assets	-	-	165,979	-	165,979
Merchant transaction fees and bank charges	114,328	4,912	1,513	-	120,753
Share based payments	-	-	14,252	-	14,252
	2,376,875	577,780	605,733	-	3,560,388
Income (loss) before other income and expenses	690,483	68,717	(605,733)	-	153,468
Other (income) expenses					
Miscellaneous income	(29,167)	-	(30,560)	-	(59,727)
Interest (income) expense	151,816	9,570	(74,940)	-	86,447
Foreign exchange (gain) loss	31,306	12,402	-	-	43,709
Total other (income) expenses	153,956	21,973	(105,500)	-	70,429
Income (loss) before reorganization, and acquisition costs	536,528	46,745	(500,233)	-	83,039
Reorganization and acquisition costs	-	-	-	-	-
Income (loss) before income taxes	536,528	46,745	(500,233)	-	83,039
Provision for income taxes					
Current income tax expense (recovery)	-	-	-	-	-
	-	-	-	-	-
Net income (loss) for the period	**$ 536,528**	**$ 46,745**	**$ (500,233)**	**$ -**	**$ 83,039**
Other comprehensive income (loss):					
Unrealized gain (loss) on translating financial statements of foreign operations	-	-	(49,124)	-	(49,124)
Total comprehensive income (loss) for the period	**$ 536,528**	**$ 46,745**	**$ (549,357)**	**$ -**	**$ 33,915**

21. SEGMENT REPORTING (CONTINUED)

Segment statements of income (loss) and comprehensive income (loss) for the comparative three months ending September 30, 2024 are included below:

	For the three-month period ended September 30, 2024				
	Avante Security	NSSG	Corporate	Intersegment eliminations	Total
Revenues	$ 7,257,778	$ 887,208	$ -	$ (56,020)	$ 8,088,966
Cost of sales	4,245,009	423,397	-	(56,020)	4,612,387
Gross profit	3,012,769	463,811	-	-	3,476,579
Operating expenses					
Salaries, benefits and commissions	690,925	369,389	533,629	-	1,593,943
Administration	1,328,545	173,033	3,997	-	1,505,574
Depreciation on capital assets	205,963	25,346	14,930	-	246,239
Amortization on intangible assets	-	-	161,272	-	161,272
Merchant transaction fees and bank charges	107,808	4,988	4,537	-	117,333
Share based payments	-	-	22,606	-	22,606
	2,333,241	572,756	740,971	-	3,646,967
Income (loss) before other income and expenses	679,528	(108,945)	(740,971)	-	(170,388)
Other (income) expenses					
Miscellaneous (income) expense	(773)	-	(48,875)	-	(49,648)
Interest (income) expense	31,631	13,798	40,328	-	85,757
Foreign exchange (gain) loss	8,352	10,117	-	-	18,469
Total other (income) expenses	39,210	23,915	(8,546)	-	54,578
Income (loss) before reorganization, and acquisition costs	640,317	(132,860)	(732,425)	-	(224,966)
Reorganization and acquisition costs	-	-	684,381	-	684,382
Income (loss) before income taxes	640,317	(132,860)	(1,416,806)	-	(909,348)
Provision for income taxes					
Deferred income tax expense (recovery)	-	-	-	-	-
	-	-	-	-	-
Net income (loss) for the year	640,317	(132,860)	(1,416,806)	-	(909,348)
Other comprehensive income (loss) from continuing operations:					
Unrealized gain (loss) on translating financial statements of foreign operations	-		(4,435)	-	(4,435)
Total comprehensive income (loss) from continuing operations for the period	**$ 640,317**	**$ (132,860)**	**$ (1,421,241)**	**$ -**	**$ (913,783)**

21. SEGMENT REPORTING (CONTINUED)

Segment statements of income (loss) and comprehensive income (loss) for the six months ending September 30, 2025 are included below:

	For the six-month period ended September 30, 2025				
	Avante Security (ASI+ The Reserve 51%)	NSSG	Corporate	Intersegment eliminations	Total
Revenue	$ 15,032,619	$ 3,180,591	$ -	$ (586,911)	$ 17,626,299
Cost of sales	9,520,462	1,660,364	-	(586,911)	10,593,915
Gross profit	5,512,157	1,520,227	-	-	7,032,384
Operating expenses					
Salaries, benefits and commissions	1,974,593	495,094	768,928	-	3,238,614
Administration	2,039,969	607,243	(172,270)	-	2,474,942
Depreciation on capital assets	404,015	47,060	26,548	-	477,623
Amortization on intangible assets	-	-	334,041	-	334,041
Merchant transaction fees and bank charges	221,549	10,673	5,973	-	238,195
Share based payments	-	-	32,495	-	32,495
	4,640,125	1,160,070	995,716	-	6,795,911
Income (loss) before other income and expenses	872,032	360,157	(995,716)	-	236,474
Other (income) expenses					
Miscellaneous income	(63,817)	-	(54,477)	-	(118,294)
Interest (income) expense	289,132	17,247	(151,274)	-	155,106
Foreign exchange (gain) loss	48,782	39,092	-	-	87,875
Total other (income) expenses	274,098	56,340	(205,751)	-	124,687
Income (loss) before reorganization, and acquisition costs	597,935	303,818	(789,965)	-	111,787
Reorganization and acquisition costs	-	-	-	-	-
Income (loss) before income taxes	597,935	303,818	(789,965)	-	111,787
Provision for income taxes					
Current income tax expense (recovery)	-	17,473	-	-	17,473
Net income (loss) for the period	**$ 597,935**	**$ 286,344**	**$ (789,965)**	**$ -**	**$ 94,314**
Other comprehensive income (loss):					
Unrealized gain (loss) on translating financial statements of foreign operations	-	-	(44,985)	-	(44,985)
Total comprehensive income (loss) for the period	**$ 597,935**	**$ 286,344**	**$ (834,950)**	**$ -**	**$ 49,329**

21. SEGMENT REPORTING (CONTINUED)

Segment statements of income (loss) and comprehensive income (loss) for the six months ending September 30, 2024 are included below:

	For the six-month period ended September 30, 2024				
	Avante Security	NSSG	Corporate	Intersegment eliminations	Total
Revenues	$ 14,393,429	$ 1,716,795		$ (106,633)	$ 16,003,591
Cost of sales	8,780,918	847,197		(106,633)	9,521,482
Gross profit	5,612,511	869,598	-	-	6,482,109
Operating expenses					
Salaries, benefits and commissions	1,344,741	725,626	1,019,584	-	3,089,952
Administration	2,347,630	397,953	(3,856)	-	2,741,726
Depreciation on capital assets	399,415	69,054	23,151	-	491,620
Amortization on intangible assets	-	-	322,544	-	322,544
Merchant transaction fees and bank charges	251,264	8,568	9,692	-	269,523
Share based payments	-	-	45,211	-	45,211
	4,343,051	1,201,199	1,416,326	-	6,960,576
Income (loss) before other income and expenses	1,269,459	(331,601)	(1,416,326)	-	(478,467)
Other (income) expenses					
Miscellaneous (income) expense	(5,527)	-	(338,147)	-	(343,673)
Interest (income) expense	178,446	18,906	(41,993)	-	155,358
Foreign exchange (gain) loss	8,837	17,543	247	-	26,627
Total other (income) expenses	181,756	36,448	(379,893)	-	(161,688)
Income (loss) before reorganization, and acquisition costs	1,087,702	(368,050)	(1,036,433)	-	(316,779)
Reorganization and acquisition costs	-	-	720,451	-	720,451
Income (loss) before income taxes	1,087,702	(368,050)	(1,756,883)	-	(1,037,230)
Provision for income taxes					
Deferred income tax expense (recovery)	-	-	-	-	-
	-	-	-	-	-
Net income (loss) for the year	**$ 1,087,702**	**$ (368,050)**	**$ (1,756,883)**	**$ -**	**$ (1,037,230)**
Other comprehensive income (loss) from continuing operations:					
Unrealized gain (loss) on translating financial statements of foreign operations	-		(4,142)	-	(4,142)
Total comprehensive income (loss) from continuing operations for the period	**$ 1,087,702**	**$ (368,050)**	**$ (1,761,025)**	**$ -**	**$ (1,041,372)**

Segment assets and liabilities as at September 30, 2025 and March 31, 2025 are as follows:

Segment assets are as follow:	**Avante Security**	**NSSG**	**Corporate**	**Total**
As at March 31, 2025	$ 17,596,958	$ 1,315,017	$ 4,134,077	$ 23,046,052
As at September 30, 2025	$ 18,622,037	$ 1,546,891	$ 2,833,069	$ 23,001,997
Segment liabilities are as follow:				
As at March 31, 2025	$ 5,906,987	$ 1,421,962	$ 2,960,564	$ 10,289,512
As at September 30, 2025	$ 5,576,812	$ 2,188,235	$ 2,398,584	$ 10,163,632

22. 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 condensed interim 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.