Garda World Security Corporation

Consolidated Financial Statements
January 31, 2026, and 2025

Independent auditor’s report

To the Shareholders of Garda World Security Corporation

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Garda World Security Corporation and its subsidiaries (together, the Corporation) as at January 31, 2026 and 2025, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited

The Corporation’s consolidated financial statements comprise:

- the consolidated statements of financial position as at January 31, 2026 and 2025;
- the consolidated statements of loss and comprehensive loss for the years then ended;
- the consolidated statements of changes in equity (deficiency) for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the consolidated financial statements* section of our report.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Corporation’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation’s financial reporting process.

Auditor’s responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Corporation as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/s/PricewaterhouseCoopers LLP[1]

Montréal, Quebec
April 16, 2026

[1] CPA auditor, public accountancy permit No. A126402

Garda World Security Corporation

Consolidated Statements of Financial Position

As of January 31, 2026, and 2025

(In thousands of Canadian dollars)

	Notes	2026 $	2025 $
ASSETS			
Current assets			
Cash and cash equivalents	5	174,955	180,453
Accounts receivable	6	1,268,762	1,154,774
Unbilled accounts receivable		149,208	156,481
Inventories	7	243,765	283,001
Prepaid expenses		101,405	113,161
		1,938,095	1,887,870
Non-current assets			
Property, plant, and equipment	8	525,000	525,878
Right-of-use assets	9	428,461	411,170
Intangible assets	10	1,501,791	1,670,085
Goodwill	10	3,786,988	4,056,091
Other assets	11	102,212	87,794
Investment	12	50,652	49,595
Deferred income tax assets	23	400,478	396,961
		6,795,582	7,197,574
Total assets		**8,733,677**	**9,085,444**
LIABILITIES AND DEFICIENCY			
Current liabilities			
Accounts payable and accrued liabilities	13	1,083,802	1,036,699
Current portion of long-term debt	14	121,587	52,982
Current portion of provisions and other liabilities	15	126,655	112,699
Income taxes payable		16,625	32,763
		1,348,669	1,235,143
Non-current liabilities			
Long-term debt	14	7,575,691	7,662,396
Deferred income tax liabilities	23	60,454	68,576
Provisions and other non-current liabilities	15	463,460	445,016
		8,099,605	8,175,988
Total liabilities		**9,448,274**	**9,411,131**
Deficiency			
Share capital	16	1,739,827	1,715,333
Contributed surplus		40,827	54,444
Accumulated other comprehensive (loss) income		(4,822)	168,470
Deficit		(2,555,893)	(2,333,080)
Total deficiency attributable to shareholders		**(780,061)**	**(394,833)**
Non-controlling interest		65,464	69,146
Total deficiency		(714,597)	(325,687)
Total liabilities and deficiency		**8,733,677**	**9,085,444**

Approved by the Board of Directors

(Signed) Jean-Luc Landry Director (Signed) François Plamondon Director

The accompanying notes are an integral part of these Consolidated financial statements.

Garda World Security Corporation

Consolidated Statements of loss and Comprehensive loss

For the years ended January 31, 2026, and 2025

(in thousands of Canadian dollars)

	Notes	2026 $	2025 $
Revenues	17	7,390,708	6,732,028
Operating costs	20	6,037,946	5,487,432
Selling and administrative expenses	20	1,016,396	928,879
Goodwill impairment	10	79,589	-
Intangible assets impairment	10	55,118	-
Change in fair value of contingent consideration	15	-	(1,074)
Unrealized exchange (gain) loss on translation of long-term debt	14	(316,538)	323,609
Unrealized loss on derivative financial instruments		23,345	1,209
Share of (income) loss from investment accounted for using the equity method	12	(1,057)	6,720
Income (loss) before finance costs and income taxes		**495,909**	**(14,747)**
Finance costs	19	679,274	652,100
Loss before income taxes		**(183,365)**	**(666,847)**
Provision for (recovery of) income taxes	23		
Current		66,917	57,498
Deferred		(58,060)	14,216
		8,857	71,714
Net loss for the year		**(192,222)**	**(738,561)**
Net income (loss) attributable to			
Shareholders		(195,768)	(741,953)
Non-controlling interest		3,546	3,392
Net loss for the year		**(192,222)**	**(738,561)**
Other comprehensive income (loss) “OCI”			
Items that may be subsequently reclassified to the consolidated statements of loss			
Translation of long-term debt designated as net investment hedges, net of income tax expenses of $21,412 (2025 – nil)	14	162,988	(217,400)
Translation of foreign subsidiaries		(342,260)	358,213
Items that will not be reclassified to the consolidated statements of loss			
Remeasurement of defined benefit pension obligation, net of income tax expenses of $1,710 (2025 expenses – $2,106)	22	5,391	6,104
Remeasurement of post employment obligation, net of income tax expenses of $151 (2025 recovery– $124)	15	589	(478)
		(173,292)	146,439
Comprehensive loss for the year		**(365,514)**	**(592,122)**
Comprehensive income (loss) attributable to			
Shareholders		(367,232)	(597,821)
Non-controlling interest		1,718	5,699

The accompanying notes are an integral part of these consolidated financial statements.

Garda World Security Corporation

Consolidated Statements of Changes in Equity (Deficiency)

For the years ended January 31, 2026, and 2025

(In thousands of Canadian dollars)

	Share capital $	Contributed surplus $	Accumulated Other Comprehensive Income (loss) $	Deficit $	Equity attributable to non-controlling interest $	Total Equity (Deficiency) $
Balance – February 1, 2024	**1,526,333**	**48,235**	**22,031**	**(1,591,127)**	**53,494**	**58,966**
Net loss for the year	-	-	-	(741,953)	3,392	(738,561)
OCI for the year	-	-	144,132	-	2,307	146,439
Comprehensive loss for the year	-	-	144,132	(741,953)	5,699	(592,122)
Stock-based compensation (note 16)	-	6,209	-	-	-	6,209
Shares Issuances as part of business acquisition (note 21)	189,000	-	-	-	-	189,000
Non-controlling interest payment	-	-	-	-	(809)	(809)
Translation of non-controlling interest	-	-	2,307	-	-	2,307
Non-controlling interest addition	-	-	-	-	10,762	10,762
Balance – January 31, 2025	**1,715,333**	**54,444**	**168,470**	**(2,333,080)**	**69,146**	**(325,687)**

	Share capital $	Contributed surplus $	Accumulated Other Comprehensive Income (loss) $	Deficit $	Equity attributable to non-controlling interest $	Total Equity (Deficiency) $
Balance – February 1, 2025	**1,715,333**	**54,444**	**168,470**	**(2,333,080)**	**69,146**	**(325,687)**
Net loss for the year	-	-	-	(195,768)	3,546	(192,222)
OCI for the year	-	-	(171,464)	-	(1,828)	(173,292)
Comprehensive loss for the year	-	-	(171,464)	(195,768)	1,718	(365,514)
Stock-based compensation (note 16)	-	9,749	-	-	-	9,749
Repurchase of stock options	24,494	(23,366)	-	-	-	1,128
Business acquisition (note 21)	-	-	-	-	5,455	5,455
Non-controlling interest payment	-	-	-	-	(506)	(506)
Purchase of non-controlling interest (note 16)	-	-	-	(27,045)	(10,648)	(37,693)
Non-controlling interest contribution (note 16)	-	-	-	-	299	299
Translation of non-controlling interest	-	-	(1,828)	-	-	(1,828)
Balance – January 31, 2026	**1,739,827**	**40,827**	**(4,822)**	**(2,555,893)**	**65,464**	**(714,597)**

The accompanying notes are an integral part of these consolidated financial statements.

Garda World Security Corporation

Consolidated Statements of Cash Flows

For the years ended January 31, 2026, and 2025

(In thousands of Canadian dollars)

	Notes	2026 $	2025 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the year		(192,222)	(738,561)
Adjustments for:			
Depreciation of property, plant, and equipment	18	180,367	152,690
Depreciation of right-of-use assets	18	149,170	110,430
Amortization of intangible assets	18	256,801	220,760
Goodwill impairment	10	79,589	-
Intangible assets impairment	10	55,118	-
Deferred income taxes	23	(58,060)	14,216
Loss on disposal of property, plant, and equipment	8	339	582
Change in fair value of contingent consideration	15	-	(1,074)
Unrealized exchange (gain) loss on translation of long-term debt	14	(316,538)	323,609
Unrealized loss on derivative financial instruments		23,345	1,209
Share of (income) loss from investment accounted for using the equity method	12	(1,057)	6,720
Stock-based compensation	16	9,749	6,209
Finance costs	19	679,274	652,100
Defined benefit pension expense	22	285	417
		866,160	749,307
Changes in non-cash working capital			
Accounts receivable		(174,612)	(104,245)
Unbilled accounts receivable		6,603	(20,985)
Inventories		36,212	(34,891)
Prepaid expenses		5,330	(9,067)
Accounts payable and accrued liabilities, provisions, and other		87,614	(86,515)
Income taxes payable		(13,435)	(4,802)
Net cash generated from operating activities		**813,872**	**488,802**
CASH FLOWS FROM FINANCING ACTIVITIES			
Changes in bank indebtedness		-	(6,778)
Increase in long-term debt, excluding revolving facilities	14	999,811	2,423,087
Repayment of long-term debt, excluding revolving facilities	14	(862,252)	(1,566,292)
Interest paid on long-term debt		(629,391)	(562,557)
Net changes in revolving facilities		308,262	(117,924)
Stock options repurchase, net of share issuance		1,128	-
Increase in deferred financing costs		(21,203)	(52,922)
Non-controlling interest payment		(506)	(809)
Repayment of lease liabilities	15	(184,204)	(139,601)
Insurance collateral payment		(10,755)	
Others		(8,353)	(16,388)
Net cash used in financing activities		**(407,463)**	**(40,184)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant, and equipment	8	(194,946)	(170,925)
Additions to intangible assets	10	(166,231)	(125,066)
Proceeds from disposal of property, plant, and equipment	8	4,254	2,617
Business acquisitions, net of cash and bank indebtedness acquired	21	(28,207)	(130,671)
Purchase of non-controlling interest, net of contribution received	16	(7,239)	-
Net cash used in investing activities		**(392,369)**	**(424,045)**
Foreign currency translation on cash and cash equivalents		(19,538)	(4,186)
Net change in cash and cash equivalents during the year		(5,498)	20,387
Cash and cash equivalents, beginning of the year	5	180,453	160,066
Cash and cash equivalents, end of the year	5	174,955	180,453
Cash paid for income tax		79,047	65,809

The accompanying notes are an integral part of these consolidated financial statements.

(In thousands of Canadian dollars, except as otherwise noted)

1. General information

Garda World Security Corporation (Parent Company) and its subsidiaries (referred to collectively as “the Corporation”) provide security services in Canada, the United States, Europe, Africa, the Middle East, and Asia. Its activities are carried out through two main segments: Security Services and Cash Services. The ultimate parent of Garda World Security Corporation is DR No Parent Limited.

The Parent Company is incorporated and domiciled in Canada.

The address of the Corporation’s registered office is:
2300 Emile-Belanger
Montréal, Quebec, Canada
H4R 3J4

The Corporation’s main subsidiaries as of January 31, 2026, were as follows:

	Voting rights held	Location	Functional currency
Garda Canada Security Corporation	100%	Canada	CAN$
Garda World Cash Services Canada Corporation	100%	Canada	CAN$
GardaWorld Security Screening Inc.	100%	Canada	CAN$
Garda Security Group G.P.	100%	Canada	CAN$
GardaWorld Cash Services Inc.	100%	United States	US$
GW Consulting Middle East Limited	100%	United Arab Emirates	US$
Aegis Defence Services Limited	100%	United Kingdom	GBP
GardaWorld Federal Services, LLC	100%	United States	US$
Gardaworld Services (Kenya) Limited	100%	Kenya	KES
GardaWorld Security Services Inc.	100%	United States	US$
Crisis24 Inc.	100%	United States	US$
Crisis24 Protective Solutions, Inc.	100%	United States	US$
Tidel Engineering, LP	100%	United States	US$
Arca.Tech Systems, LLC	100%	United States	US$
Onsolve, LLC	100%	United States	US$
Ecam Technologies Corp.	100%	United States	US$

2. Basis of presentation

Statement of compliance

These consolidated financial statements have been prepared in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS accounting standards”).

These consolidated financial statements have been prepared under the historical cost convention, except for the revaluation of certain financial liabilities to fair value included in the current portion of provisions and other liabilities, derivative financial instruments assets and liabilities.

The preparation of consolidated financial statements in conformity with IFRS accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of choosing and applying the Corporation’s accounting policies.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

These consolidated financial statements were approved by the board of directors for issue on April 16, 2026.

3. Summary of material accounting policies

A summary of the material accounting policies applied in the preparation of these consolidated financial statements is described below, and these policies have been consistently applied to all the years presented, unless otherwise stated.

Consolidation

These consolidated financial statements include the accounts of the Corporation and its subsidiaries, over which the Corporation has control. All intercompany transaction balances and unrealized gains and losses from intercompany transactions are eliminated on consolidation.

Non-controlling interest

The non-controlling interest represents the interest held by third parties in the Corporation's subsidiaries. The net assets of the subsidiary attributable to the non-controlling interest are reported as a component of equity. Their share in net loss and comprehensive loss is recognized directly in equity. Any change in the Corporation's interest in a subsidiary that does not result in an acquisition, or a loss of control, is accounted for as a capital transaction.

Investment in associates

The investments in associates over which the Corporation exercises significant influence but does not control or jointly control are associates. Investments in associates are accounted for using the equity method, except when classified as held for sale. The equity method involves recording the initial investment at cost and subsequently adjusting the carrying value of the investment for the Corporation's proportionate share of the profit (loss), other comprehensive income (loss) and any other changes in the associate's or joint venture's net assets, such as further investment. Adjustments are made to align any inconsistencies between the Corporation's accounting policies and its associates' policies before applying the equity method. Adjustments are also made to account for depreciable assets based on their fair values at the acquisition date of the investment and for any impairment losses recognized by the associate. The equity method requires shares of losses to be recognized only until the carrying amount of an interest in associate is nil. Any further losses are not recognized unless the entity has a legal or constructive obligation in respect of the liabilities associated with those losses.

Business combination

The Corporation applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree, and the equity interests issued by the Corporation. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured generally at their fair values at the acquisition date. Acquisition-related costs are expensed as incurred.

Any contingent consideration payable by the Corporation is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration are recognized in the consolidated statements of loss. Goodwill is initially measured as the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed.

3. Summary of material accounting policies (continued)

Revenue recognition

Revenues are measured based on the consideration specified in a contract with a customer. The Corporation typically recognizes revenues when it has satisfied its performance obligations. The following describes the performance obligations for the different revenue streams:

a) Cash services

The Corporation's Cash services segment generates revenues from carrying its clients' cash and valuable items between different locations and from sorting and processing its clients' cash, coins, and checks. For these revenue streams, although our customer contracts specify the fees for each action to provide service, most of the services stated in our contracts do not have a defined quantity over the contract term. Accordingly, the transaction price is considered variable as there is an unknown volume of services that will be rendered over the course of the contract. The Corporation recognizes revenue for these services over time as the services are provided to the customer. The Corporation applies the output method using the right-to-invoice practical expedient, under which revenue is recognized in the amount invoiced based on the contractual rates for services performed during the period.

The Cash Services segment also generates revenues from the manufacturing and sale of cash management system devices, (referred as Intelligence devices) for which performance obligation is to manufacture and ship the products to customer based on the terms of the relevant purchase order. Revenue is recognized at a point in time when control of the goods has been transferred, being when the goods are delivered to customers and when all performance obligations have been fulfilled. The Corporation also generates revenues from providing customers with access to its cloud-based software platform on a subscription basis. The software platform is used in conjunction with the intelligent devices sold. Revenue is recognized on a straight-line basis over the contractual subscription period, as customers receive continuous access to the software platform.

b) Security services

The Corporation's Security services segment generates its revenues from protecting its clients' business, people, and assets with experienced security guards, and from screening services to airports. For performance obligations related to the services described above, the Corporation generally satisfies its obligations as each action to provide the service to the customer occurs. Because the customers simultaneously receive and consume the benefits from our services, these performance obligations are deemed to be satisfied over time. The Corporation uses the output method, applying the right-to-invoice practical expedient. Under this approach, revenue is recognized in the amount invoiced, based on the units of service provided, as this best represents the transfer of services to the customer at the agreed upon rates for each action.

The security services segment also generates revenues from providing monitoring services, sale of equipment, maintenance services and subscription fees for the use of its SaaS-based advanced critical event management solutions. Revenues are recognized when control of products and services is transferred to the Company's customers in an amount that reflects the consideration it expects to be entitled to in exchange for those products and services. More specifically for SaaS-based solutions, revenue is recognized on a straight-line basis over the contractual subscription period, as customers receive continuous access to the software platform.

Insurance provision

Certain US subsidiaries maintain high retention for risks related to vehicles, worker's compensation and general liabilities. These US subsidiaries maintain a non-cash insurance provision to cover the expected estimated retained liability. The non-cash insurance reserve is determined by management based on actual claims filed and an estimate of claims incurred but not yet reported. Management considers several factors when making these estimates. The US subsidiaries maintain third-party stop-loss insurance policies to cover certain liability costs more than predetermined retained amounts.

Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements of each of the Corporation's subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Corporation and the presentation currency of the Corporation, that is the currency in which the consolidated financial statements are presented, is the Canadian dollar. All financial information has been rounded to the nearest thousand except the information on the number of options and shares.

3. Summary of material accounting policies (continued)

The financial statements of subsidiaries that have a functional currency different from that of the Corporation are translated into Canadian dollars as follows: assets and liabilities are converted at the reporting period closing rate, and income and expenses are converted at the average rate of the referenced period, as this is considered a reasonable approximation of the actual rates prevailing on the transaction date. All resulting foreign exchanges variations are recognized in OCI as a cumulative translation adjustment.

When the Corporation disposes of its entire interest in a foreign operation, or loses control, joint control or significant influence over a foreign operation, the foreign currency gains or losses accumulated in OCI related to the foreign operations are recognized in the consolidated statements of loss. If the Corporation disposes of part of an interest in a foreign operation which remains a subsidiary, a proportionate amount of foreign currency gains or losses related to the subsidiary that are accumulated in OCI are reallocated between controlling and non-controlling interests.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency of the entity in which the transaction occurs using the exchange rates prevailing at the dates of the transactions. Generally, foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in currencies other than an entity’s functional currency are recognized in the consolidated statements of loss.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits from customers in normal course of Cash Services business, and restricted cash related to the Corporation’s self-insurance programs.

Accounts receivable and allowance for expected credit loss

Trade receivables are recorded at the invoiced amount and do not bear interest. The Corporation records an allowance for expected credit loss using its best estimate of the amount of probable credit losses in its existing accounts receivable.

Inventories

Inventories consist primarily of aircraft parts, vehicle parts, raw material, mainly purchased parts used to produce finished goods, and finished goods. Inventories are stated at the lower of cost and net realizable value. Cost for aircrafts and vehicle parts are determined according to the specific identification method. Cost for raw materials and finished goods are determined using the average cost method and includes materials, labor, and production overhead. Net realizable value is the estimated selling price less applicable selling expenses. Reserves are provided to adjust any slow-moving materials or goods to net realizable values.

Property, plant, and equipment

Property, plant, and equipment are stated at cost, less accumulated depreciation, and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Corporation and that the cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced. Repairs and maintenance costs are charged to the consolidated statements of loss during the period in which they are incurred.

3. Summary of material accounting policies (continued)

The major categories of property, plant and equipment are depreciated as follows:

	Method	Rate/Period
Buildings	Straight-line	20 and 30 years
Computer equipment	Declining balance and straight-line	30% and 3 to 5 years
Equipment and office furniture	Declining balance and straight-line	20% and 4 to 5 years
Vehicles	Declining balance and straight-line	30% and 4 years
Aircraft and aircraft rotables	Straight-line	12 years with 45% residual
Armored vehicles	Straight-line	Between 6 and 12 years
Uniforms	Straight-line	2 years
Leasehold improvements	Straight-line	Shorter of lease term and useful life

The Corporation allocates the amount initially recognized in respect of an item of property, plant and equipment to its significant parts and depreciates separately each such part. Residual values, method of depreciation and useful lives of the assets are reviewed annually and adjusted if appropriate.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in operating costs in the consolidated statements of loss.

Lease

The Corporation leases various buildings, equipment, and vehicles under lease agreements. Lease terms are negotiated on an individual basis, contain a wide range of different terms and conditions, and usually can be renewed at market rates.

Leases are recognized as a right-of-use asset and a lease liability at the date of which the leased asset is available for use by the Corporation.

The right-of-use asset is initially measured at the cost of the corresponding liability, adjusted for the following items:
- any lease payments made at or before the commencement date;
- any initial direct costs incurred, and
- any restoration costs.

The right-of-use asset is then depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The lease liability is initially measured as the net present value of the following lease payments:
- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted over the lease term using the interest rate implicit to the lease, if that rate can be determined, or using the Corporation’s incremental borrowing rate at inception date.

Lease payments are allocated between the lease liability and the finance costs. The finance costs are charged to the statement of loss over the lease period.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the Corporation’s consolidated statements of loss. Short-term leases are leases with a lease term of twelve months or less. Low-value assets comprise IT-equipment and small items of office furniture.

3. Summary of material accounting policies (continued)

a) Estimate of the lease term

When the Corporation recognizes a lease as a lessee, it assesses the lease term based on the conditions of the lease and determines whether it is reasonably certain that it will exercise its extension or termination option, if any. It then uses the expected term under such option if it is reasonably certain that it will be exercised. As such, a change in the assumption used could have an impact in the amount recognized as right-of-use asset and lease liability, as well as in the amount of depreciation of right-of-use asset and interest expense on lease liability.

b) Assessment of whether a right-of-use asset is impaired

The Corporation assesses whether a right-of-use asset is impaired in accordance with IAS 36, Impairment of assets. Such assessment occurs particularly when it vacates an office space and it must determine the recoverability of the asset, to the extent that the Corporation can sublease the assets or surrender the lease and recover its costs. The Corporation examines its lease conditions as well as local market conditions and estimates its recoverability potential for each vacated premise. The determination of the lease cost recovery rate involves significant management estimates based on market availability of similar office space and local market conditions. This could affect its future results if the Corporation succeeds in subleasing their vacated offices at a higher or lower rate or at different dates than initially anticipated.

c) Determining the discount rate for leases

Leases require the Corporation to discount the lease payments using the rate implicit in the lease if that rate is readily available. If that rate cannot be readily determined, the lessee is required to use its incremental borrowing rate (“IBR”). The Corporation generally used its IBR when recording leases initially, since the implicit rates are not readily available due to information not being available from the lessor regarding the fair value of underlying assets and direct costs incurred by the lessor related to the leased assets. The determination of the IBR requires the use of various assumptions which, if different than those being used, could result in a significant impact in the amount recognized as right-of-use asset and lease liability, as well as in the amount of depreciation of right-of-use asset and interest expense on lease liability.

d) Determining if a contract modification increasing the scope of a lease is a separate lease or not

When a lease modification increases the scope of a lease occurs, the Corporation needs to determine if such modification is to be accounted for as a separate lease or not. Such determination requires the use of judgment on the stand-alone selling price and any appropriate adjustments to the stand-alone selling price reflecting the circumstance of the particular contract.

Goodwill

Goodwill represents the excess of the fair value of the consideration transferred over the fair value of the Corporation’s share of the identifiable net assets of the acquired subsidiary at the date of acquisition. Goodwill is carried at cost less accumulated impairment losses. Goodwill is allocated to each cash-generating unit (“CGU”) or group of CGUs that are expected to benefit from the related business combination. Gains and losses on the disposal of a CGU or part of a CGU include the carrying amount of goodwill relating to the CGU or part of a CGU sold.

Identifiable intangible assets

The Corporation’s intangible assets include service contracts and client relationships and software with finite useful lives and trade name with indefinite useful live. Service contracts and client relationships are recorded at cost and are amortized on a straight-line basis over periods varying from three to twenty years, which represent their estimated useful lives. Software are amortized on a straight-line basis over periods of between three and seven years.

3. Summary of material accounting policies (continued)

Impairment of long-lived assets

Property, plant and equipment and intangible assets with finite useful lives are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (CGUs). The recoverable amount of an asset or CGU is defined as the higher of its fair value less costs of disposal or value in use, being the present value of the expected future cash flows of the relevant asset or CGU, as determined by management.

Goodwill and intangible assets with indefinite useful lives are reviewed for impairment annually or at any time if an indicator of impairment exists. Management monitors goodwill for internal purposes based on its CGUs.

Financial instruments: Recognition, derecognition and measurement

On initial recognition, the Corporation determines the financial instruments classification as per the following categories:

- Instruments measured at amortized cost; or
- Instruments measured at fair value through net loss (FVTPL) or through or other comprehensive loss (FVOCI).

The financial instruments' classification is based on the business model in which a financial asset is managed and on its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial assets in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial liabilities are measured at amortized cost, unless they must be measured at FVTPL, such as instruments held for trading or derivatives financial instruments, or unless the Corporation elects to measure them at FVTPL.

The table below summarizes the classification and measurement of the Corporation’s financial instruments.

<u>Assets</u>	
Cash and cash equivalents	Amortized cost
Trade and other receivables	Amortized cost
Notes receivable	Amortized cost
Embedded derivative	FVTPL
<u>Liabilities</u>	
Long-Term debt	Amortized cost
Contingent consideration	FVTPL

a) Measurement

<u>Financial instruments at amortized cost</u>

Financial instruments at amortized cost are initially measured at fair value, and subsequently at amortized cost, using the effective interest method, less any impairment loss. Any transaction cost directly incurred to acquire a financial asset or financial liability measured at amortized cost are capitalized to the cost of the financial instrument acquired and are also amortized using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognized in the consolidated statements of loss.

(In thousands of Canadian dollars, except as otherwise noted)

3. Summary of material accounting policies (continued)

Financial instruments at fair value

Financial instruments are initially and subsequently measured at fair value, while transaction costs are accounted for in the consolidated statements of loss. When the Corporation elects to measure a financial liability at FVTPL, gains or losses related to the Corporation's own credit risk are accounted for in the consolidated statements of loss.

b) Derecognition

Financial assets

The Corporation derecognizes a financial asset when, and only when, the contractual rights to the cash flows from the financial asset have expired or when contractual rights to the cash flows have been transferred.

Financial liabilities

The Corporation derecognizes a financial liability when, and only when, it is extinguished meaning when the obligation specified in the contract is discharged, canceled, or expires. The difference between the carrying amount of the extinguished financial liability and the consideration paid or payable, including non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of loss.

c) Impairment

IFRS 9 - Financial Instruments has introduced a single expected credit loss impairment model, which is based on changes in credit quality since initial recognition. The Corporation elected to apply the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables, unbilled accounts receivable and notes receivable.

To measure the expected credit losses, trade receivables and unbilled accounts receivable have been grouped based on shared credit risk characteristics.

Derivative financial instruments and hedging activities

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. If the derivative is not designated as a hedging instrument, the gain or loss on remeasurement is recognized in the consolidated statements of loss.

The Corporation designates certain derivatives as either:

- hedges of a particular risk associated with a recognized asset or liability (cash flow hedge); or
- hedges of a net investment in a foreign operation (net investment hedge).

The Corporation documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Corporation also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

3. Summary of material accounting policies (continued)

a) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the OCI. The gain or loss relating to the ineffective portion is recognized immediately in the consolidated statements of loss. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gains or losses previously recognized in OCI remains in equity and is recognized when the hedged item is ultimately recognized in the consolidated statements of loss.

b) Net investment hedge

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in the consolidated statements of comprehensive loss. The gain or loss relating to the ineffective portion is recognized in the consolidated statements of loss. Gains and losses accumulated in equity are included in the consolidated statements of loss when the foreign operation is partially disposed of or sold.

Employee benefits

a) Defined contribution pension plans

The Corporation has established defined contribution pension plans for certain of its unionized and non-unionized employees in Canada and the United States. In addition, the Corporation also contributes to a registered retirement savings plan for various employees. The pension expense for these plans is the Corporation’s contribution.

b) Defined benefit pension plans

The asset or liability recognized in the consolidated statements of financial position with respect of defined benefit pension plans is the net position of the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in OCI in the period in which they arise. Past service costs are recognized immediately in the consolidated statements of loss.

Provisions and other non-current liabilities

Provisions are recognized in other non-current liabilities when the Corporation has a present legal or constructive obligation due to past events, when it is more likely than not that an outflow of resources will be required to settle the obligation and when amount can be reliably estimated. Provisions are measured at management’s best estimate of the expenditure required to settle the obligation at the end of the reporting period and are discounted to present value when the effect is material.

The Corporation performs evaluations at each reporting date to identify onerous contracts and, where applicable, records provisions for such contracts.

3. Summary of material accounting policies (continued)

Income tax

Income tax comprises current and deferred tax. Income tax is recognized in the consolidated statements of loss except to the extent that it relates to items recognized directly in OCI, in which case the income tax is also recognized directly in equity.

Current tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantively enacted at the end of the reporting period in the jurisdictions where the Corporation and its subsidiaries operate and generate taxable income and any adjustment to tax payable in respect of previous years.

In general, deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the consolidated statements of financial position date and are expected to apply when the deferred tax assets or liabilities are settled.

Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities, other than from a business combination, in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Corporation can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Corporation expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred income tax assets and liabilities are presented as non-current.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Pillar Two

The Corporation is subject to the OECD Pillar Two global minimum tax rules, which establish a minimum effective tax rate of 15% on a jurisdictional basis.

The Corporation has applied the mandatory temporary exception under IAS 12 from recognizing deferred taxes related to Pillar Two income taxes. As a result, no deferred tax assets or liabilities have been recognized in respect of these rules.

The Corporation recognizes Pillar Two income taxes as current tax expense when incurred.

3. Summary of material accounting policies (continued)

Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of the shares are recognized as a deduction from equity.

Stock-based compensation

Stock options granted to senior management are measured at fair value. This fair value is then recognized in the consolidated statements of loss over the vesting period based on service conditions for senior management with an offsetting increase in contributed surplus. Fair value is determined using a Monte Carlo option pricing model, which was designed to estimate fair value of exchange-traded options that have restrictions as to vesting. Expenses related to stock options are recorded under selling and administrative expenses, and the cumulative value of unexercised options outstanding is included in contributed surplus.

Segment reporting

The Corporation’s activities are carried out through two main operating segments: Security services and Cash services. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions.

New accounting standards not yet adopted

In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments, which amended IFRS 9 and IFRS 7, Financial Instruments: Disclosures. The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9. The amendments clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social, and governance linked features and other similar contingent features. The amendments also clarify the treatment of non-recourse assets and contractually linked instruments. Furthermore, the amendments clarify that a financial liability is derecognized on the settlement date and provide an accounting policy choice to derecognize a financial liability settled using an electronic payment system before the settlement date if certain conditions are met. Finally, the amendments introduce additional disclosure requirements for financial instruments with contingent features and equity instruments classified at fair value through other comprehensive income (FVOCI). The amendments will be effective for the Corporation’s annual period beginning February 1, 2026. Early adoption is permitted, with an option to early adopt the amendments for contingent features only. The Corporation is required to apply the amendments retrospectively but is not required to restate prior periods. The Corporation does not anticipate any material impact from adopting these amendments.

The IASB has published IFRS 18, Presentation and Disclosure in Financial Statements, which will replace IAS 1, Presentation of Financial Statements. The new standard will change how companies present their results in the main body of the statement of earnings (loss) and provide information in the notes to the financial statements. In addition, IFRS 18 provides the framework for the disclosure of certain "non-GAAP" information, such as management's performance measures, which will be included in the audited financial statements. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, and earlier application is permitted. The Corporation is currently assessing the extent of the impact of this new standard on its consolidated financial statements.

4. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Management estimates and judgment

The preparation of the consolidated financial statements in conformity with IFRS accounting standards requires the use of some critical accounting estimates and judgments. The determination of the carrying amounts, and of the fair value when applicable, of assets, liabilities, accruals, provisions, contingent liabilities, and other financial obligations presented in these consolidated financial statements, as well as the accounting for income and expenses, depend on the use of estimates and judgments. IFRS accounting standards also requires management to exercise judgment in the application of the Corporation's accounting policies.

The estimates and judgments are based on the best available information, facts and circumstances existing at the date of the consolidated financial statements and therefore have a direct impact on the reported amounts of income and expenses during the referenced year. Given the uncertainty of these components, actual results may sometimes differ from the estimates previously used. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Significant items impacted by such estimates and judgments are outlined below.

a) Valuation of identifiable assets and liabilities in connection with a business combination

The valuation of identifiable assets and liabilities in connection with the acquisition of a business involves items that already exist in the acquired company's statement of financial position, as well as items that have not been previously recognized in the acquired company's statement of financial position, but that must be identified and measured at fair value at acquisition date.

As quoted market prices are not always available for these assets and liabilities, different valuation methods can be used to derive fair value, involving a number of different assumptions. Items that can be both difficult to identify and value upon acquisition are, amongst others, trade name, clients' relationships, contingent liabilities and contingent consideration. All balances acquired in a business acquisition are thus subject to estimates and judgment, which are detailed in note 21.

b) Goodwill and impairment of non-financial assets

On an annual basis, a goodwill impairment test is performed on January 31. This test is carried out more frequently if events or changes in circumstances indicate that goodwill might be impaired, in accordance with the methodology stated in note 10. As part of assessing the goodwill and intangible assets with indefinite useful lives for impairment, the Corporation must measure the recoverable amount of CGUs using complex methodologies that involve significant estimates, whether a fair value less cost of disposal methodology is used or a value in use. Key estimates and assumptions used include future cash inflows and outflows, discounts rates, terminal multiples, and lives of assets. These significant estimates require considerable judgment which, should the assumptions and estimates used in the recoverable amount calculation be incorrect, could impact the Corporation's future results.

4. Critical accounting estimates and judgments (continued)

c) Deferred tax asset

Management exercises judgment in the assessment of the probability of future taxable income, to estimate the extent to which deferred income tax assets can be realized. Estimates are based on the Corporation’s most recent approved budget and forecasts, and adjustments for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit, such as the excessive interest and financing expenses limitation “EIFEL” rules, which limits the deductibility of interest and financing expenses. Management uses judgment to assess specific facts and circumstances to evaluate legal, economic or other uncertainties.

d) Income tax provision

The Corporation is subject to income tax laws and regulations in several jurisdictions. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Corporation recognizes liabilities for anticipated tax audit issues on the basis of amounts expected to be paid to the tax authorities. Where the final tax outcome of these matters is different from the amounts that were initially provisioned, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation.

(In thousands of Canadian dollars, except as otherwise noted)

5. Cash and cash equivalents

Cash and cash equivalents are detailed as follows:

	2026 **$**	**2025** **$**
Cash on hand	156,856	140,634
Deposits from customers	4,028	2,355
Restricted cash	14,071	37,464
	174,955	180,453

Restricted cash is mainly composed of cash held by the Corporation for its self-insurance programs.

6. Accounts receivable

	2026 **$**	**2025** **$**
Trade receivables	1,206,366	1,123,144
Allowance for expected credit losses	(22,982)	(21,025)
Other receivables	85,378	52,655
	1,268,762	1,154,774

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

	2026 **$**	**2025** **$**
Not past due	995,932	885,369
Past due 0-30 days	98,524	91,329
Past due 31-60 days	33,454	48,744
Past due 61-120 days	50,092	61,597
More than 120 days	28,364	36,105
	1,206,366	1,123,144
Allowance for expected credit losses	(22,982)	(21,025)
	1,183,384	**1,102,119**

(In thousands of Canadian dollars, except as otherwise noted)

6. Accounts receivable (continued)

The change in the allowance for expected credit losses during the year was as follows:

	2026 $	2025 $
Opening balance	21,025	15,381
Bad debt expense	4,347	6,169
Amounts written off, net of recoveries	(1,446)	(1,553)
Effect in exchange rate	(944)	1,028
Ending balance	22,982	21,025

Allowance for expected credit losses considers the credit risk on accounts receivable and unbilled accounts receivable.

Credit risk on trade receivables

There is a limited concentration of credit risk with respect to trade receivables, as the Corporation's customers are both large in number and dispersed across different market segments and geographical locations. The Corporation's subsidiaries grant credit to their customers in the ordinary course of business and assess the creditworthiness of potential customers. Credit terms vary across the Corporation and can range from 30 to 90 days to reflect the different risks within each country in which the Corporation operates.

There is no Corporation-wide rate provision, provisions are assessed at client level, for accounts receivable that are past due according to local conditions and past default experience. When required, the Corporation records an allowance for expected loss to reflect its best estimate of the amount of probable credit losses in its existing accounts receivable.

Management believes the fair value of accounts receivables, being the present value of deferred cash flows, approximates their book value.

(In thousands of Canadian dollars, except as otherwise noted)

7. Inventories

	2026 $	2025[(1)] $
Raw materials and spare parts	152,477	183,660
Finished goods and work-in-progress	86,302	94,137
Aircraft parts	15,734	14,667
Inventory reserve	(10,748)	(9,463)
	243,765	283,001

(1) The comparative figures as at January 31, 2025 have been reclassified to include spare parts inventory of $7,604 (previously labelled as “Others”) within raw materials. The reclassification had no impact on total inventories.

The change in the inventory reserve during the year was as follows:

	2026 $	2025 $
Opening balance	9,463	4,713
Increase during the year	496	4,624
Effect in exchange rate	789	126
Ending balance	10,748	9,463

For the year ended January 31, 2026, the cost of inventories recognized as an expense in operating costs in the consolidated statements of loss amounted to $322,093 (2025 – $283,797).

(In thousands of Canadian dollars, except as otherwise noted)

8. Property, plant, and equipment

	Buildings $	Computer equipment $	Equipment and office furniture $	Vehicles $	Aircraft and Aircraft rotables $	Armored vehicles $	Uniforms $	Leasehold Improve-ments $	Total $
For the year ended January 31, 2025									
Net value - beginning	10,121	27,711	129,383	18,799	98,933	32,393	26,635	64,588	408,563
Business acquisition (note 21)	-	4,937	65,239	2,299	-	-	-	1,675	74,150
Additions	201	9,137	69,580	9,914	6,704	34,626	31,040	9,723	170,925
Proceeds from disposal	-	-	(701)	(1,632)	-	(262)	(1)	(21)	(2,617)
Transfer of right-of-use assets (note 9)	-	-	-	865	-	773	-	-	1,638
Depreciation	(429)	(14,521)	(55,047)	(10,267)	(10,054)	(23,980)	(25,857)	(12,535)	(152,690)
Gain (loss) on disposal	-	(51)	(900)	696	-	(176)	(163)	12	(582)
Effect in exchange rate	719	4,826	6,980	1,057	7,784	1,265	1,669	2,191	26,491
Net value – end	10,612	32,039	214,534	21,731	103,367	44,639	33,323	65,633	525,878
As of January 31, 2025									
Cost	11,810	51,000	406,467	71,167	209,782	327,882	132,514	144,925	1,355,547
Accumulated depreciation	(1,198)	(18,961)	(191,933)	(49,436)	(106,415)	(283,243)	(99,191)	(79,292)	(829,669)
Net value – end	10,612	32,039	214,534	21,731	103,367	44,639	33,323	65,633	525,878
For the year ended January 31, 2026									
Net value - beginning	10,612	32,039	214,534	21,731	103,367	44,639	33,323	65,633	525,878
Business acquisition (note 21)	-	53	4,224	1,282	-	-	-	71	5,630
Additions	198	8,638	92,886	21,252	2,672	30,612	28,325	10,363	194,946
Proceeds from disposal	-	(243)	(2,676)	(709)	-	(98)	(326)	(202)	(4,254)
Transfer of right-of-use assets (note 9)	-	-	-	2,318	-	3,556	-	-	5,874
Depreciation	(383)	(14,284)	(79,152)	(13,742)	(9,894)	(22,347)	(27,496)	(13,069)	(180,367)
Gain (loss) on disposal	-	(562)	763	(577)	(5)	(484)	257	269	(339)
Effect in exchange rate	355	(674)	(10,893)	(678)	(6,385)	(1,373)	(1,306)	(1,414)	(22,368)
Net value – end	10,782	24,967	219,686	30,877	89,755	54,505	32,777	61,651	525,000
As of January 31, 2026									
Cost	12,301	53,682	467,784	64,085	188,799	345,662	125,558	146,806	1,404,677
Accumulated depreciation	(1,519)	(28,715)	(248,098)	(33,208)	(99,044)	(291,157)	(92,781)	(85,155)	(879,677)
Net value – end	10,782	24,967	219,686	30,877	89,755	54,505	32,777	61,651	525,000

(In thousands of Canadian dollars, except as otherwise noted)

9. Right-of-use assets

	Buildings $	Equipment $	Vehicles $	Total $
For the year ended January 31, 2025				
Net value – beginning	239,938	1,787	88,201	329,926
Business acquisition (note 21)	9,015	-	726	9,741
Additions	131,162	759	33,862	165,783
Transfer to property, plant and equipment (note 8)	-	-	(1,638)	(1,638)
Depreciation	(80,895)	(1,493)	(28,042)	(110,430)
Effect in exchange rate	13,912	(15)	3,891	17,788
Net value – end	313,132	1,038	97,000	411,170
As of January 31, 2025				
Cost	712,619	19,670	274,514	1,006,803
Accumulated depreciation	(399,487)	(18,632)	(177,514)	(595,633)
Net value – end	313,132	1,038	97,000	411,170
For the year ended January 31, 2026				
Net value – beginning	313,132	1,038	97,000	411,170
Business acquisition (note 21)	2,878	-	-	2,878
Additions	129,766	1,891	50,730	182,387
Transfer to property, plant and equipment (note 8)	-	-	(5,874)	(5,874)
Depreciation	(110,668)	(1,674)	(36,828)	(149,170)
Effect in exchange rate	(10,406)	(62)	(2,462)	(12,930)
Net value – end	324,702	1,193	102,566	428,461
As of January 31, 2026				
Cost	789,457	18,741	295,859	1,104,057
Accumulated depreciation	(464,755)	(17,548)	(193,293)	(675,596)
Net value – end	324,702	1,193	102,566	428,461

	2026 $	2025 $
Additional information included in consolidated statements of loss		
Unwinding of discount – lease liabilities	32,426	29,206
Short-term leases and low value assets	1,533	1,555
Variable lease payments not included in leases liabilities	20,462	21,246
Additional information included in consolidated statements of cash flows		
Cash outflows for low value assets, short-term and variable leases	24,051	22,417

(In thousands of Canadian dollars, except as otherwise noted)

10. Goodwill and Intangible assets

	Software $	Service contracts and client relationships $	Trade name $	Total Intangible assets $	Goodwill $
For the year ended January 31, 2025					
Net value – beginning	150,911	974,103	272,362	1,397,376	3,020,496
Business acquisitions (note 21)	80,362	196,060	-	276,422	812,532
Additions	64,787	60,279	-	125,066	-
Non-cash additions	10,762	-	-	10,762	-
Amortization of intangible assets	(44,101)	(176,659)	-	(220,760)	-
Effect in exchange rate	14,807	66,412	-	81,219	223,063
Net value – end	277,528	1,120,195	272,362	1,670,085	4,056,091
As of January 31, 2025					
Cost	384,553	1,851,355	272,362	2,508,270	4,056,091
Accumulated amortization	(107,025)	(731,160)	-	(838,185)	-
Net value – end	277,528	1,120,195	272,362	1,670,085	4,056,091
For the year ended January 31, 2026					
Net value – beginning	277,528	1,120,195	272,362	1,670,085	4,056,091
Business acquisitions (note 21)	3,811	40,061	-	43,872	15,830
Additions	81,902	84,329	-	166,231	-
Amortization of intangible assets	(63,702)	(193,099)	-	(256,801)	-
Impairment	-	(28,914)	(26,204)	(55,118)	(79,589)
Effect in exchange rate	(15,918)	(50,560)	-	(66,478)	(205,344)
Net value – end	283,621	972,012	246,158	1,501,791	3,786,988
As of January 31, 2026					
Cost	446,314	1,836,790	246,158	2,529,262	3,786,988
Accumulated amortization	(162,693)	(864,778)	-	(1,027,471)	-
Net value – end	283,621	972,012	246,158	1,501,791	3,786,988

Additions to intangible assets for the year ended on January 31, 2026, included $56,606 of assets acquired from third parties (2025 – $47,559) and $109,625 of assets internally developed (2025 – $77,507).

Additions to internally developed intangible assets for the year ended on January 31, 2026, included $50,539 related to software (2025– $35,850) and $59,806 related to other intangible assets (2025 – 41,657).

As of January 31, 2025, the remaining useful life of software was 5.62 years and 6.24 years for service contracts and client relationships (2025 – 5.79 and 6.79 years respectively).

(In thousands of Canadian dollars, except as otherwise noted)

10. Goodwill and Intangible assets (continued)

Goodwill and intangible assets with indefinite useful life impairment test

For the purpose of the impairment testing, the goodwill and the GardaWorld trade name with indefinite useful life are allocated to the Corporation's CGUs which represent the lowest level within the Corporation at which the goodwill and trade name are monitored for internal management purposes. As of January 31, 2026, and 2025, the aggregate carrying amount of goodwill and trade name allocated to each CGU was as follows:

	2026 $	2025 $
Goodwill allocation by CGU		
Cash Services – Canada	-	79,589
Cash Services – United States	167,729	179,132
Intelligence devices	787,696	835,824
Security Services – Critical infrastructure	733,570	771,571
Security Services – Crisis	527,444	569,412
Security Services – Aviation	216,679	216,679
Security Services – Guarding Canada	468,398	445,521
Security Services – Guarding United States	290,183	309,909
Security Services – Ecam monitoring	595,289	648,454
	3,786,988	4,056,091

	2026 $	2025 $
Trade name by CGU		
Cash Services – Canada	-	26,204
Cash Services – United States	70,028	70,028
Security Services – Critical infrastructure	89,239	89,239
Security Services – Aviation	31,771	31,771
Security Services – Guarding Canada	55,120	55,120
	246,158	272,362

The Corporation performed its goodwill and trade name with indefinite useful life impairment test on January 31, at the level of the relevant CGUs. The impairment test consists of comparing the carrying amount of each CGU with its recoverable amount.

The recoverable amount has been determined based on a fair value less cost of disposal methodology, using a discounted cash flow model. Estimated future cash flows were discounted to their present value using after-tax discount rates ranging from 10.02% to 11.07% (2025 – ranging from 10.39% to 11.39%). The discount rates were determined based on past experience and industry weighted average cost of capital.

Cash flows for the first year of the forecast period were based on historical performance, actual operating results, and current economic and market conditions. Cash flows for subsequent periods were projected using revenue growth rates ranging from 2.0% to 3.9% and assumed the renewal of key significant contracts. Operating margins were adjusted where deemed appropriate, consistent with the business strategy, operational targets approved by management and specific industry trends. The terminal value, applied after a 10-year explicit forecast period, was based on exit multiples ranging from 8.0 to 18.0 for the recurring operating profit, reflecting market participant's assumptions.

Except for the Cash Services – Canada CGU, the impairment test indicated that the recoverable amount of each CGU was higher than its carrying amount, and accordingly no impairment loss was recognized.

The Corporation also performed sensitivity analysis on the key assumptions used in the impairment test model, and the analysis indicated that, taken individually, a 1.0% increase in the discount rate, a reduction of 2.0 in the exit multiple, or a 1.0% decrease in the revenue growth rate would not give rise to an impairment.

(In thousands of Canadian dollars, except as otherwise noted)

10. Goodwill and Intangible assets (continued)

For Cash Services – Canada CGU, the result of the impairment test indicated that the carrying amount exceeded its recoverable amount, resulting in an impairment loss of $134,707 recorded in the consolidated statements of loss. The impairment loss was allocated to goodwill in the amount of $79,589 and to intangible assets in the amount of $55,118. As a result of the impairment, the goodwill balance was fully eliminated, as well as service contracts and client relationships definite-lived intangible assets and the trade name indefinite-lived intangible asset.

The impairment was primarily driven by lower-than-expected operating performance resulting from changes in market conditions.

The recoverable amount was determined using an after-tax discount rate of 10.57%, an exit multiple of 8.0 and a revenue growth rate of 2.0% aligned with inflation.

Following the impairment loss, the recoverable amount of the Cash Services – Canada CGU approximated its carrying amount, and therefore no material headroom remained as of January 31, 2026. The remaining carrying amount of the CGU relates primarily to property, plant and equipment, and right-of-use assets, which management does not consider to be exposed to a material risk of further impairment at the reporting date.

11. Other Assets

	2026 $	2025 $
Notes receivable net of provision of $117,369 (2025 - $105,647)	14,373	14,915
Employee benefit assets (note 22)	32,731	29,150
Cash collateral on self-insurance programs	32,068	22,820
Others	23,040	20,909
	102,212	87,794

The change in the provision with respect of notes receivable for the year was as follows:

	2026 $	2025 $
Opening balance	105,647	79,398
Unwinding of discount	18,962	17,691
Effect in exchange rate	(7,240)	8,558
Ending balance	117,369	105,647

The notes receivable relates to a specific customer for whom the credit risk has increased significantly since the initial recognition of the position. The provision as of January 31, 2026, was measured using the lifetime expected credit loss model.

(In thousands of Canadian dollars, except as otherwise noted)

12. Investment

	2026 $	2025 $
Investment in private security company	50,652	49,595

This investment in associate, namely Vosker Corporation, has been recorded using the equity method. Vosker Corporation sells remote area monitoring devices and related equipment, as well as providing subscription-based connectivity services. It is incorporated under the Quebec Business Corporation Act and is domiciled in Canada. The Corporation owns 17.12% in the stake of the associate.

The change in the investment balance for the year was as follows:

	2026 $	2025 $
Opening balance	49,595	56,315
Share of income (loss) from investment accounted for using the equity method	1,057	(6,720)
Ending balance	50,652	49,595

13. Accounts payable and accrued liabilities

	2026 $	2025 $
Trade payables	212,185	192,597
Labour and related liabilities	299,550	284,518
Sales tax payable	43,570	18,192
Provision for interest payable	100,070	114,689
Accrued liabilities	159,977	152,963
Deferred revenues	268,450	273,740
	1,083,802	1,036,699

(In thousands of Canadian dollars, except as otherwise noted)

14. Long-term debt

	2026 $	2025 $
Term loan of US$2,344,081 (January 31, 2025 – US$2,304,087) bearing interest at Secured Overnight Financing Rate (SOFR) plus 2.75% with a reduction in relation to the leverage ratio, payable in quarterly instalments of US$5,919 and the remaining balance payable in full at maturity on February 1, 2029 (note 14 a), e), h))	3,126,205	3,277,535
Senior note of US$500,000 bearing interest at a fixed rate of 6.00%, payable in full at maturity of June 1, 2029, including an asset embedded derivative of $5,805 (January 31, 2025 – $13,133) (note 14 d))	668,177	709,036
Secured senior note of US$400,000 bearing interest at a fixed rate of 7.75%, payable in full at maturity on February 15, 2028, including an asset embedded derivative of $12,717 (January 31, 2025 – $18,709) (note 14 d))	527,938	560,072
Senior note of US$550,000 bearing interest at a fixed rate of 8.25%, payable in full at maturity of August 1, 2032, including an asset embedded derivative of $29,541 (January 31, 2025 – 34,345) (note 14 c), d))	722,268	774,126
Senior note of US$1,000,000 bearing interest at a fixed rate of 8.375%, payable in full at maturity on November 15, 2032, including an assets embedded derivative of $55,587 (January 31, 2025– 64,477) (note 14 c), d))	1,321,934	1,414,868
Secured senior note of US$650,000 bearing interest at a fixed rate of 6.50%, payable in full at maturity on January 15, 2031 (note 14 c), d))	868,073	-
Term notes of KES 1,096,012 (Kenyan shilling) (January 31, 2025 – KES 1,096,012) and US$3,043 (January 31, 2025 – US$3,049) bearing a fixed average interest rate of 12.76%. Interest is paid semi-annually, payable in full at maturity on December 6, 2026	15,649	16,704
Authorized revolving facilities of US$529,900 (January 31, 2025 – US$402,000) bearing interest at SOFR plus 3.00% with a reduction in relation to the leverage ratio, repayable in full at maturity on January 30, 2028 (note 14 b), e), g), h))	348,477	74,971
Balances of purchase price payable, bearing no interest, payable in annual installments, maturing on various dates through May 2029	66,651	63,727
Others	31,906	8,890
Secured senior note of $US570,000, repaid on November 17, 2025 (note 14 c))	-	815,449
	7,697,278	7,715,378
Less: Current portion	(121,587)	(52,982)
	7,575,691	7,662,396

14. Long-term debt (continued)

a) On January 23, 2026, the Corporation completed an amendment to its term loan. The term loan was increased by US$63 million, and the applicable interest rate was reduced from SOFR plus 3.00% to SOFR plus 2.75%, for both the existing and new values.

On February 7, 2025, the Corporation completed a repricing amendment to its existing term loan resulting in a reduction of the interest rate, from SOFR plus 3.50% to SOFR plus 3.00%.

b) On January 23, 2026, the Corporation completed a repricing amendment to its existing revolver facilities resulting in a reduction of the interest rate, from SOFR plus 3.75% to SOFR plus 3.00%.

On May 5, 2025, and May 30, 2025, the Corporation completed an amendment to its credit facilities, for which the total authorized revolving facilities were increased from US$402,000 to US$529,900. The authorized revolving facilities bear interest at SOFR plus 3.75%, with a reduction in relation to the leverage ratio, and are repayable in full at maturity on January 30, 2028.

As of January 31, 2026, an amount of $352,280 was used on the revolving facilities (January 31, 2025 – $76,242).

c) On November 17, 2025, the Corporation issued an aggregate amount of US$650 million of 6.50% senior secured notes due on January 15, 2031. The notes were issued at a price of 100% of the principal amount.

On the same date, the Corporation also redeemed all its senior notes bearing a fixed rate of 4.625%. The redemption amounted to US$576.7 million which was paid using the net proceeds from the issuance of the new US$650 million senior secured notes. As part of the redemption, $4,875 of the remaining deferred financing fees associated with the senior notes redeemed have been fully amortized in the consolidated statements of loss. At the same time, loss on derivative financial instruments of $1,278 related to pre-payment options assets of the senior notes has been recorded in the consolidated statements of loss.

On July 25, 2024, the Corporation issued an aggregate amount of US$550 million of 8.25% senior notes due on August 1, 2032. The notes were issued at a price of 100% of the principal amount.

On October 31, 2024, the Corporation issued an aggregate amount of US$1 billion of 8.375% senior notes due on November 1, 2032. The notes were issued at a price of 100% of the principal amount.

d) The embedded derivatives relate to prepayment options exercisable before the respective maturity date and up to November 15, 2032. The fair value of the prepayment options are determined using a valuation model based on inputs from observable market data, including independent price publications, third-party pricing services, and market exchanges.

e) Commencing during the fiscal year ended January 31, 2022, the Corporation had to start making prepayment on the outstanding borrowings under the term loan for an amount based on the first lien senior secured leverage ratio and the excess cash flow, as follows:

- 50% of excess cash flow if the first lien senior secured leverage ratio at such time exceeds 3.36:1.
- 25% of excess cash flow if the first lien senior secured leverage ratio at such time exceeds 2.86:1 but is not more than 3.36:1; and
- 0% of excess cash flow if the first lien senior secured leverage ratio at such time is less than 2.86:1.

No prepayment is required if the amount thereof is less than the greater of $39,000 and 10% of the consolidated earnings before interests, taxes, depreciation, and amortization on a pro forma basis.

As of January 31, 2026, and January 31, 2025, the excess cash flow prepayment under the credit facility was nil.

14. Long-term debt (continued)

f) The Corporation has designated US$2,000 million (January 31, 2025 – US$2,000 million) of its US dollar senior notes and US term loan as a foreign exchange hedge of its net investment in its foreign operations. Accordingly, the portion of the gains and losses arising from the translation of the US dollar-denominated debt that is determined to be an effective hedge is recognized in OCI, counterbalancing gains or losses arising from translation of the Corporation's net investment in its foreign operations. Should a portion of the hedging relationship become ineffective, the ineffective portion would be recorded in the consolidated statements of loss.

For the year ended January 31, 2026, a gain of $184,400, was recorded in the consolidated statements of comprehensive loss relating to the translation of the US dollar senior notes and US dollar term loan designated as net investment hedges (2025 – loss of $217,400).

For the year ended January 31, 2026, an unrealized exchange gain of $316,538 was recorded in the consolidated statements of loss relating to the translation of the long-term debt in US dollars that is not designated as a foreign exchange hedge of the Corporation's net investment in its foreign operations (2025 – loss of 323,609).

g) As of January 31, 2026, the Corporation had letters of credit totalling $166,335 (January 31, 2025 – $152,433) out of which $153,822 were reducing the available revolving facilities (January 31, 2025 - $139,069). As a result, $212,548 was available to be drawn under the revolving facilities (January 31, 2025 - $366,946). These letters of credit mainly guarantee worker's compensation claims to the insurance company.

h) The Corporation's management reviews compliance with the financial covenants on a monthly basis, while its board of directors reviews it on a quarterly basis. As of January 31, 2026, and January 31, 2025, the Corporation was in compliance with all of its financial covenants.

(In thousands of Canadian dollars, except as otherwise noted)

15. Provisions and other non-current liabilities

	Insurance provision $	Lease liabilities $	Deferred considera-tion $	Contingent considera-tion $	Post employment benefits $	Other $	Total provisions and other non-current liabilities $
For the year ended January 31, 2025							
Opening balance	22,891	348,216	14,330	1,573	9,641	12,019	408,670
Additional provisions	33,094	165,783	-	-	636	2,029	201,542
Business acquisition (note21)	-	12,140	-	70,869	-	35	83,044
Used during the year	(36,738)	(139,601)	(2,943)	(8,396)	(293)	(1,477)	(189,448)
Remeasurement obligations	-	-	-	-	602	-	602
Change in fair value	-	-	-	(1,074)	-	-	(1,074)
Unwinding of discount	-	29,206	260	-	-	-	29,466
Effect in exchange rate	1,405	19,195	1,066	2,556	143	548	24,913
Ending balance	20,652	434,939	12,713	65,528	10,729	13,154	557,715
Current provisions	8,089	99,788	4,074	349	370	29	112,699
Non-current provisions	12,563	335,151	8,639	65,179	10,359	13,125	445,016
	20,652	434,939	12,713	65,528	10,729	13,154	557,715
For the year ended January 31, 2026							
Opening balance	20,652	434,939	12,713	65,528	10,729	13,154	557,715
Additional provisions	87,586	182,387	-	-	496	1,054	271,523
Business acquisition (note21)	-	2,878	-	14,262	-	-	17,140
Used during the year	(83,013)	(184,204)	(3,899)	-	(661)	(1,564)	(273,341)
Remeasurement obligations	-	-	-	-	(740)	-	(740)
Unwinding of discount	-	32,426	266	3,957	-	-	36,649
Effect in exchange rate	(862)	(14,354)	(732)	(4,269)	1,737	(351)	(18,831)
Ending balance	24,363	454,072	8,348	79,478	11,561	12,293	590,115
Current provisions	8,342	106,675	3,814	7,477	347	-	126,655
Non-current provisions	16,021	347,397	4,534	72,001	11,214	12,293	463,460
	24,363	454,072	8,348	79,478	11,561	12,293	590,115

15. Provisions and other non-current liabilities (continued)

a) Deferred consideration

Deferred consideration relates to the Whelan acquisition performed on April 5, 2019 and is payable in 16 equal quarterly installments starting July 4, 2024, discounted at 2.40%.

b) Contingent consideration

The fair value of the Drummond acquisition-related contingent consideration is based on estimated future cash flows and an assessment of the probability of occurrence of potential future events.

The fair value of the Stealth acquisition-related contingent consideration is based on compounded annual growth rate of revenues over the next three years.

The fair value of the contingent considerations relating to the assets of Gavin de Becker & Associates LP acquired is based on expected annualized revenue generation from the acquired contracts vs an annual target, payable over three years.

The acquisition-related contingent consideration is remeasured at each reporting period with changes in fair value being recorded in the consolidated statements of loss. For the year ended January 31, 2026, the remeasurement of the position had no impact on the consolidated statements of loss (2025 gain – $1,074).

c) Post employment benefits

Post employment benefits obligation relates to the Gunnebo acquisition for its Swedish employees. The unfunded plans are defined benefit commitments that relate to the ITP2 plan, which considers a normal retirement age of 65, and provide a benefit in the form of an annuity. There are no assets to report in the plans.

As of January 31, 2026, the obligation was valued at $11,561 (2025 - $10,729) and the weighted average duration of the plans was 15 years (2025 – 16 years). Major assumptions used in the valuation included discount rate of 3.70% (2025 – 3.30%) and future salary increase of 2.20% (2025 – 2.20%)

(In thousands of Canadian dollars, except as otherwise noted)

16. Share capital

a) Capital risk management

The Corporation has defined its capital as long-term debt, share capital, contributed surplus, accumulated other comprehensive income (loss), bank indebtedness, net of cash and cash equivalents.

The following table summarizes certain information with respect to the Corporation's capital structure:

	2026 $	2025 $
Cash and cash equivalents	(174,955)	(180,453)
Long-term debt	7,697,278	7,715,378
	7,522,323	7,534,925
Deficiency attributable to shareholders	(780,061)	(394,833)
	6,742,262	7,140,092

The Corporation's main objective when managing capital is to maintain an optimal capital structure with the use of external long-term debt to support its growth. The Corporation normally finances additions of vehicles, armored vehicles, and aircrafts through credit leases. All other property, plant and equipment additions are paid cash using operating cash flows.

Other than the covenants required by its credit facilities and its term loan agreement, the Corporation is not subject to any externally imposed capital requirements.

b) Authorized

Unlimited number of common shares, without par value, voting and participating

500,000,000 of Series I Class B preferred shares, without par value, non-voting, participating in priority to the common shares but subject to the prior rights of the holders of the Class C preferred shares and convertible at any time by its holder, in whole or in part, into as much common shares

Unlimited number of Class C preferred shares, without par value, non-voting and redeemable at the option of the Corporation

The holders of the Class C preferred shares shall be entitled to receive, as and when declared by the board of directors of the Corporation, a cumulative dividend of an annual rate of 6% for the first 8 years, 12% for the ninth year following the date of issuance and for each year thereafter until redemption, an annual rate equal to the rate for the preceding year plus 1% Class C preferred shares have been issued on August 23, 2022.

As at January 31, 2026, cumulative dividend on Class C preferred shares not recognised amounted to $66,714 (2025 - $46,016)

c) Share capital

	2026 $	2025 $
2,087,349,712 Common Shares	1,228,374	1,228,374
213,493,944 Serie I class B preferred shares (January 31, 2025 – 188,999,938)	213,494	189,000
300,000,000 preferred shares "class C"	297,959	297,959
	1,739,827	1,715,333

(In thousands of Canadian dollars, except as otherwise noted)

16. Share capital (continued)

d) Stock options

Under a share-based arrangement of the Parent Company of the Corporation, certain employees of the Corporation were granted stock options. The stock options have a maximum contractual term of ten years. The vesting of the options is subject to (i) performance vesting conditions, based on the achievement of internal rate of return (IRR) hurdle targets, and (ii) the realisation of a qualifying event.

For the year ended January 31, 2026, the Corporation recorded a total stock-based compensation expense of $9,749 (2025 - $6,209) in the consolidated statements of loss with an offsetting increase to contributed surplus. The total expense recognized includes the effect of the conversion of 2,685,298 vested stock options into rollover options at nominal exercise price. The modification was accounted for as an equity-settled award, resulting in the recognition of incremental fair value of $3,449 as stock-based compensation expense.

The table below summarizes the changes in the outstanding stock options:

	2026	2025
Opening balance	6,731,843	6,716,086
Granted	5,347,362	60,216
Exercised	(3,690,767)	-
Forfeited	(134,945)	(44,459)
Repurchased	(220,833)	-
Other (converted)	(2,685,298)	-
Ending balance	5,347,362	6,731,843

The fair value of options granted in the year was estimated on the date of the grant using the Monte Carlo option-pricing model based on the following assumptions:

	2026	2025
Expected dividend rate	Nil	Nil
Volatility	25.7%	26.7%
Expected life of options	1 to 5 years	1 to 5 years
Risk-free interest rate	3.92%	4.48%
Number of options	5,347,362	60,216
Fair value of options	$44.36	$18.47
Exercise price	$170.35	$86.71

The weighted-average exercise price of the options outstanding under the new program as at January 31, 2026 is $170.35 (2025 – $66.15 under the previous program). The weighted-average remaining contractual life of the options outstanding under the new program is 9.5 years (2025– 4.75 years under the previous program).

e) Non-controlling interest

On October 8, 2019, the Corporation acquired the business of CPS Security Solutions, Inc. (referred to as “CPS”) and one CPS entity was acquired at 90%. A non-controlling interest was recognized for the remaining 10% of shares not purchased.

On March 7, 2025, the Corporation repurchased the remaining 10% ownership interest in the previously acquired CPS business for a total consideration of $37,693. Of this amount, $7,538 was paid in cash at closing and the remaining $30,155 will be paid in periodic installments through December 31, 2026. The $10,648 non-controlling interest position was eliminated and the difference between the total consideration and the non-controlling interest position was recorded in the consolidated statements of changes in equity (deficiency), under the line deficit.

On September 16, 2025, one of the non-controlling interests made a cash contribution of $299.

(In thousands of Canadian dollars, except as otherwise noted)

17. Revenues

	2026 $	2025[1] $
Security Services		
- North America	3,947,249	3,518,667
- International	1,411,401	1,320,335
	5,358,650	4,839,002
Cash Services		
- North America	1,806,053	1,721,224
- International	226,005	171,802
	2,032,058	1,893,026
	7,390,708	6,732,028

(1) The Cash Services comparative figures as at January 31, 2025 have been reclassified to present $30,075 previously reported under North America within International, to conform with the current year presentation. The reclassification had no impact on total revenues reported.

18. Depreciation and amortization

	2026 $	2025 $
Depreciation of Property, plant, and equipment – Operating costs	155,490	129,685
Depreciation of Property, plant, and equipment – Selling and administrative	24,877	23,005
	180,367	152,690
Depreciation of Right-of-use assets – Operating costs	145,816	109,417
Depreciation of Right-of-use assets – Selling and administrative expenses	3,354	1,013
	149,170	110,430
Amortization of Intangible assets - Operating costs	256,801	220,760
	586,338	483,880

(In thousands of Canadian dollars, except as otherwise noted)

19. Finance costs

	2026 $	2025 $
Interest on long-term debt	580,479	558,984
Other interest	34,309	18,848
Amortization of deferred financing costs	27,777	37,108
Amortization of premiums and discounts	2,872	489
Unwinding of discount – lease liabilities	32,426	29,206
Unwinding of embedded derivative	(21,774)	(10,486)
Unwinding of discount – other assets	18,962	17,691
Unwinding of discount – other liabilities	4,223	260
	679,274	652,100

20. Expenses by nature

	2026 $	2025 $
Salaries and fringe benefits	4,958,760	4,465,467
Depreciation of Property, plant, and equipment	180,367	152,690
Depreciation of Right-of-use assets	149,170	110,430
Amortization of Intangible assets	256,801	220,760
Stock-based compensation	9,749	6,209
Subcontractors	231,296	303,707
Transportation expenses	224,157	211,828
Facility rent and related expenses	65,063	62,860
Cost of inventories recognized as an expense	322,093	283,797
Operating related costs	373,963	294,045
Administration related costs	282,923	304,518
Impairment	134,707	-
	7,189,049	6,416,311
Operating costs	6,037,946	5,487,432
Selling and administrative expenses	1,016,396	928,879
Impairment	134,707	-
	7,189,049	6,416,311

21. Business acquisitions

During the year ended January 31, 2026, the Corporation acquired the shares of 9413-8757 Québec Inc. and 9414-3435 Québec Inc. (referred to as “Click & Park”) on February 28, 2025, the shares of Monetik SaS (referred to as “Monetik”) on March 20, 2025, some additional assets of Gavin de Becker & Associates LP on March 24, 2025 and July 9, 2025, the shares of Signalisation des Cantons on May 20, 2025, the shares of Gestion Groupe Trak Inc. (referred to as “Trak”) on June 1, 2025 and the shares of ParkChamp Management Inc. and OneUpMad Production Inc. on September 16, 2025 (referred to as “ParkChamp”). Click & Park, Signalisation des Cantons, Trak, ParkChamp and the acquired assets of Gavin de Becker & Associates LP operate in the Security Services segment and allow the Corporation to expand its operational security platforms as part of its strategy to grow through business acquisitions and internal growth. The Monetik business operate in the Cash Services segment.

From their respective acquisition dates, the contribution of the acquired businesses to the Corporation’s consolidated revenues and loss before income taxes amounted to $45,933 and $1,107, respectively. If those acquisitions had occurred on February 1, 2025 for the year ending January 31, 2026, the Corporation’s total revenues and loss before income taxes would have been adjusted to $7,406,089 and $180,799, respectively.

Those transactions have been recorded under the acquisition method, and the operating results of the acquired businesses have been included in the Corporation’s consolidated financial statements from the date of acquisition.

During the year ended January 31, 2026, the Corporation made certain adjustments to the preliminary purchase price allocation of Stealth, which was previously reported as of January 31, 2025. The initial preliminary determination of the fair value of Stealth was adjusted as follows: property, plant, and equipment increased by $3,001, non-cash working capital liabilities increased by $3,001, goodwill decreased by $12,412, deferred income tax liabilities increased by $3,291, and other considerations paid or to be paid decreased by a total of $15,703, respectively split between a decrease in cash payment of $2,798, a decrease in contingent consideration of $8,844 and a decrease in the balance of sale of $4,061. All these changes impacted the cash-generating unit of Security Services – Ecam monitoring.

(In thousands of Canadian dollars, except as otherwise noted)

21. Business acquisitions (continued)

The table below presents the preliminary purchase price determination of the acquired businesses. The final determination of the fair value will be made within the 12 months of the acquisition date. Accordingly, the following values may be subject to change, but the Corporation does not anticipate that these changes would have a significant impact on the allocation.

	2026 $	2025 $
Assets		
Cash	4,752	36,622
Property, plant and equipment	5,630	74,150
Other assets	97	985
Right-of-use assets	2,878	9,741
Intangible assets	43,872	276,422
Goodwill	15,830	812,532
Deferred income tax assets	-	78,419
Total	73,059	1,288,871
Liabilities		
Non-cash working capital	8,814	107,610
Long-term debt	2,566	681,072
Other liabilities	2,878	20,422
Deferred income tax liabilities	7,086	2,273
Total	21,344	811,377
Net assets	**51,715**	**477,494**
Consideration		
Cash	32,959	167,293
Contingent consideration	14,262	62,622
Shares Capital issued	-	189,000
Shares of Garda World ultimate Parent Company issued	-	1,019
Non controlling interest	5,455	-
Balance of purchase price payable	(961)	57,560
Total consideration	**51,715**	**477,494**

For the year ended January 31, 2026, $28,002 of the total goodwill and intangible assets acquired was deductible for tax purposes.

As of January 31, 2026, $22,876 of the total goodwill acquired was allocated to the cash-generating unit of Security Services – Guarding Canada, $5,294 was allocated to the cash-generating unit of Intelligence devices, $72 was allocated to the cash-generating unit of Crisis and a reduction of $12,412 was allocated to the cash-generating unit of Ecam monitoring. The goodwill acquired is mainly attributable to the experienced workforce and the synergies expected from integrating the acquired businesses into the Corporation’s existing business.

For the year ended January 31, 2026, the Corporation incurred $2,868 of transaction costs in relation with business acquisitions (2025 - $13,349).

(In thousands of Canadian dollars, except as otherwise noted)

22. Employees benefits

a) Defined benefit pension plans

For the year ended January 31, 2026, the Corporation had defined benefit pension plans for 1,413 of its employees (January 31, 2025 - 1,430) to which the Corporation has contributed during the year.

The Corporation has measured its accrued benefit obligations and the fair value of plan assets for accounting purposes as of January 31, 2026. The most recent actuarial valuation of the pension plans for funding purposes was as of January 1, 2025, and the next required valuation will be as of January 1, 2026.

Information about the Corporation's defined benefit pension plans is as follows:

Employee benefits assets:

	2026 $	2025 $
Fair value of plan assets	108,482	106,523
Accrued benefit obligation	(75,751)	(77,373)
Plan surplus – Employee benefit assets	32,731	29,150

The following table shows the composition of the underlying assets in which the Corporation's defined benefit pension plans invest in:

	2026 $	2025 $
Equity securities	67.0%	65.7%
Debt securities	28.4%	30.7%
Money market fund	4.6%	3.6%

As of January 31, 2026, all investments of the plans were classified as Level 2 instruments as defined in note 24.

(In thousands of Canadian dollars, except as otherwise noted)

22. Employees benefits (continued)

Movement in the present value of the accrued benefit obligation for defined benefit plans:

	2026 $	2025 $
Accrued benefit obligation – beginning of year	77,373	72,392
Current service cost	1,291	1,161
Interest cost	3,528	3,528
Benefits paid	(3,287)	(3,248)
Actuarial loss (gain) arising from:		
Plan experience	-	28
Changes in financial assumptions	(3,154)	3,512
Accrued benefit obligation – end of year	75,751	77,373

Movement in fair value of plan assets for defined benefit plans:

	2026 $	2025 $
Fair value of plan assets – beginning of year	106,523	94,083
Excess return on plan assets	3,947	11,750
Employer contributions	(3,235)	(334)
Administrative cost	(291)	(289)
Benefits paid	(3,287)	(3,248)
Interest income on plan assets	4,825	4,561
Fair value of plan assets – end of year	108,482	106,523

Expenses (gains) recognized:

	2026 $	2025 $
Current service cost	1,291	1,161
Interest income	(1,297)	(1,033)
Excess return on plan assets	(3,947)	(11,750)
Administrative cost	291	289
Actuarial (gain) loss on the defined benefit obligation	(3,154)	3,540
	(6,816)	(7,793)
Expenses recognized in the consolidated statements of loss	285	417
Gain recognized in the consolidated statements of comprehensive loss	(7,101)	(8,210)
	(6,816)	(7,793)

(In thousands of Canadian dollars, except as otherwise noted)

22. Employees benefits (continued)

Actuarial gains recognized in OCI:

	2026 $	2025 $
Cumulative actuarial gain position in OCI – beginning of year	(16,356)	(8,146)
Gain recognized during the year	(7,101)	(8,210)
Cumulative actuarial gain position in OCI – end	(23,457)	(16,356)

Significant actuarial assumptions used (expressed as weighted average):

	2026 $	2025 $
Accrued benefit obligation		
Discount rate	4.90%	4.60%
Future salary increases	2.70%	2.60%
Employee benefit expense		
Discount rate	4.90%	4.60%
Future salary increases	2.70%	2.60%

Assumptions regarding future mortality are based on published statistics and mortality tables. The current longevity underlying the value of the liabilities in the defined plans is 12.81 years.

The Corporation expects no contribution to its defined benefit plans for the fiscal year ending January 31, 2027.

Through the defined benefit plan, the Corporation is exposed to several risks, the most significant of which are detailed below.

Asset volatility

The plans liabilities are calculated using a discount rate set with reference to corporate bond yields; if the plan assets underperform this yield, it will create an experience loss. The plans hold a proportion of equities, which are expected to outperform corporate bonds in the long term while contributing to volatility and risk in the short term.

The Corporation believes that due to the long-term nature of the plan's liabilities, the level of equity investments is an appropriate element of the Corporation's long-term strategy to manage the plans efficiently. The plan's assets are diversified, so the failure of an individual stock would not have a material impact on the plan's assets taken as a whole. The pension plans do not face a significant currency risk.

Changes in bond yields

A decrease in bond yields will increase the plans liabilities, although this will be partially offset by an increase in the value of the plans bond holdings.

Life expectancy

The main purpose of the plan's obligations is to provide benefits towards its members over the duration of their respective lifetimes. Increases in life expectancy will result in an increase in the plans liabilities.

(In thousands of Canadian dollars, except as otherwise noted)

22. Employees benefits (continued)

Sensitivity analysis

Each sensitivity analysis disclosed in this note was based on changing one assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity analysis of the defined benefit obligation to variations in significant actuarial assumptions, the same method has been applied as for calculating the liability recognized in the consolidated statements of financial position.

Sensitivity analysis as of January 31, 2026, are as follows:

	2026 **$**	**2025** **$**
Discount rate at 4.65% instead of 4.90% (2025 – 4.35% instead of 4.60%)	2,490	2,628
Salary growth of 2.45% instead of 2.70% (2025 – 2.35% instead of 2.60%)	(337)	(345)
Life expectancy – 90% of the mortality rates used for valuation	1,402	1,658

b) Defined contribution plans

The Corporation has established defined contribution pension plans for a certain number of its unionized and non-unionized employees in Canada and in the United States. In addition, the Corporation also contributes to a registered retirement savings plan for various employees. The pension expense for these plans is represented by the Corporation’s contribution.

For the year ended January 31, 2026, the pension expense for these plans amounted $47,349 and was recorded in the salaries and fringe benefits in the consolidated statements of loss (2025 – $40,918).

(In thousands of Canadian dollars, except as otherwise noted)

23. Income taxes

a) Reconciliation of statutory tax rate and effective tax rate

The income tax rate differs from the basic tax rate due to the following components:	**2026** **$**	**2025** **$**
Loss before income taxes	(183,365)	(666,847)
Canadian statutory income tax rate	26.50%	26.50%
Income taxes calculated at statutory rate	(48,592)	(176,714)
Increase (decrease) resulting from:		
Non-Canadian applicable income tax rate difference	6,032	4,944
Unrealized exchange loss (gain) on translation of long-term debt	(48,755)	84,731
Goodwill impairment	20,947	-
Permanent differences and other	21,323	7,003
Losses carry forward not recognized	4,203	86,423
Unrecognized EIFEL temporary difference	53,699	65,327
	8,857	71,714
Provision for (recovery of) income taxes:		
Current	66,917	57,498
Deferred	(58,060)	14,216
	8,857	71,714

(In thousands of Canadian dollars, except as otherwise noted)

23. Income taxes (continued)

b) Deferred tax assets and liabilities

Deferred income taxes represent the net tax effect of temporary differences between the carrying amounts of assets and liabilities in the consolidated statements of financial position and their tax bases. Significant components of the Corporation's deferred income tax assets (liabilities) as of January 31, 2026, and 2025, were as follows:

	Property, plant and equipment and intangible assets $	Liabilities and other provisions $	Loss carry forward $	Total $
For the year ended January 31, 2025				
Net value – beginning	(162,236)	149,090	269,933	256,787
Recovery of (provision for) deferred income taxes	46,147	36,080	(96,443)	(14,216)
Business acquisitions (note 21)	(37,997)	80,869	33,274	76,146
OCI	-	(1,982)	-	(1,982)
Effect in exchange rate	(11,678)	18,707	4,621	11,650
Net value – end	(165,764)	282,764	211,385	328,385
As of January 31, 2025				
Deferred income tax assets	(97,188)	282,764	211,385	396,961
Deferred income tax liabilities	(68,576)	-	-	(68,576)
Net value – end	(165,764)	282,764	211,385	328,385
For the year ended January 31, 2026				
Net value – beginning	(165,764)	282,764	211,385	328,385
Recovery of (provision for) deferred income taxes	47,702	9,465	893	58,060
Business acquisitions (note 21)	(3,073)	(4,013)	-	(7,086)
OCI	-	(23,273)	-	(23,273)
Effect in exchange rate	6,402	(19,943)	(2,521)	(16,062)
Net value – end	(114,733)	245,000	209,757	340,024
As of January 31, 2026				
Deferred income tax assets	(54,279)	245,000	209,757	400,478
Deferred income tax liabilities	(60,454)	-	-	(60,454)
Net value – end	(114,733)	245,000	209,757	340,024

As of January 31, 2026, the loss carry forward that had not been recognized in deferred income tax assets amounted to $222,947 (January 31, 2025 – $494,190). The remaining losses, which range from 2031 to 2045, have been recognized based on forecasted taxable income for the next 20 years.

The excessive interest and financing expenses limitation "EIFEL" rules were enacted on June 20, 2024. As of January 31, 2026, interest expenses totalling $274,290 had not been recognized in deferred income tax assets due to the EIFEL rules (January 31, 2025 – $246,517).

(In thousands of Canadian dollars, except as otherwise noted)

24. Financial instruments

a) Classification and fair value

The fair value of the notes receivable, the embedded derivatives and the contingent considerations is the same as the carrying value. As of January 31, 2026, the fair value of long-term debt was $7,927,753 (2025 – $7,928,792).

Fair value determination

The fair value hierarchy under which the Corporation's financial instruments are valued is as follows:

Level 1 – quoted market prices in active markets for identical assets or liabilities.

Level 2 – inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3 – unobservable inputs such as inputs for the asset or liability that are not based on observable market data.

Assets at-amortized cost – The fair value of the Corporation's assets at amortized cost approximates their carrying amount due to their short-term nature or has been discounted based on cash flow projections.

Liabilities at amortized cost – Except for the long-term debt and contingent consideration, the fair value of the Corporation's other liabilities at amortized cost approximates their carrying amount due to their short-term nature. The fair value of the long-term debt is based on observable market data and the calculation of discounted cash flows. Discount rates are determined based on current terms and conditions observed in the credit market. Other liabilities at amortized cost are classified as level 3.

For financial assets and liabilities measured at fair value on a recurring basis, the fair value hierarchy was as follows:

	2026				2025			
	Carrying Amount	Level 1	Level 2	Level 3	Carrying Amount	Level 1	Level 2	Level 3
Financial assets								
Embedded derivative	103,650	-	103,650	-	132,038	-	132,038	-
Financial liabilities								
Contingent consideration	79,478	-	-	79,478	65,528	-	-	65,528

The fair value of derivative financial assets and liabilities is measured as the discounted value of the difference between the value of a derivative contract at its expiry date, using the contracted rates, and the value determined using the rate that a financial institution would use in a context of a renegotiation at measurement date, under the same contract and conditions. Discount rates are also adjusted for the credit risk of the Corporation or the counterparty, as applicable, when determining credit risk adjustments, the Corporation considers offsetting agreements, if any.

(In thousands of Canadian dollars, except as otherwise noted)

24. Financial instruments (continued)

The change in level 3 financial instruments for the year was as follow:

	2026 $	2025 $
Balance – beginning of year	65,528	1,573
Business acquisition (note 21)	14,262	70,869
Used during the year	-	(8,396)
Unwinding of discount	3,957	-
Change in fair value	-	(1,074)
Effect in exchange rate	(4,269)	2,556
Balance - end of year	79,478	65,528

b) Credit risk

Financial instruments which can subject the Corporation to significant credit risk consist principally of cash and cash equivalents, accounts receivable, unbilled accounts receivable and notes receivable.

The Corporation's cash and cash equivalents are held with high credit quality financial institutions. Therefore, the Corporation considers the risk of non-performance on those instruments to be remote.

The Corporation's credit risk is principally attributable to its accounts receivable, unbilled accounts receivable and notes receivable, although such risk is considered limited. The distribution of the Corporation's customers across different market segments and geographical locations as well as the Corporation's business risk procedures have the effect to avoid any concentration of credit risk. Generally, the Corporation does not require collateral or other security from customers for trade receivables; however, credit is extended following an evaluation of creditworthiness. In addition, the Corporation performs ongoing credit reviews of all of its customers. Credit terms vary across the Corporation and can range from 30 to 90 days to reflect the different risks within each country in which the Corporation operates.

The receivable amounts presented in the consolidated statements of financial position are net of an allowance for expected credit loss that is estimated by the Corporation's management based on the age of the receivable balance at customer level and on the current and expected collection trends. The Corporation applies the IFRS 9 simplified approach to measure the expected credit losses, using a lifetime expected loss allowance model on all accounts receivable and unbilled accounts receivable.

To measure the expected credit losses, accounts receivable and unbilled accounts receivable are grouped based on shared credit risk characteristics and days past due. Unbilled accounts receivable have substantially the same risk characteristics as the trade receivables for the same types of contracts, and as such the Corporation assumes that the expected loss rates used for trade receivables are a reasonable approximation of the loss rates on unbilled accounts receivable. The expected loss rates are determined based on the payments profiles and trends for sales covering a period of 12 months before January 31, 2026, or January 31, 2025, and on the historical credit losses experienced with the customer. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle its balances due.

The note receivable relates to one specific customer for which the credit risk increased significantly since initial recognition. The allowance for expected credit loss is measured using the lifetime expected credit loss model.

(In thousands of Canadian dollars, except as otherwise noted)

24. Financial instruments (continued)

c) Interest rate risk

As of January 31, 2026, the Corporation's interest rate risk was as follows:

Cash and cash equivalents	Variable rate
Accounts receivable	Non-interest bearing
Notes receivable	Bearing interest between 4.5% and 10.0%
Accounts payable and accrued liabilities	Non-interest bearing
Long-term debt	Fixed and variable rates
Contingent consideration	Non-interest bearing

Considering that the Corporation has long-term debt with variable interest rates, if interest rates had increased by 100 basis points during the year ended January 31, 2026, the net loss for the year would have increased by approximately $26,181 (2025 – $25,154), all other variables remaining constant.

d) Foreign currency risk

The Corporation has operating activities through its wholly owned subsidiaries outside Canada, namely in the United States, Europe, East Africa, the Middle East. The Corporation is therefore exposed to foreign exchange rate risk mainly on the US dollar and Euro in the net investment in its foreign operations.

For the year ended January 31, 2026, if the US dollar had strengthened by an average of $0.01 against the Canadian dollar, all other variables remaining constant, the net loss for the year would have increased by approximately $34,927 (2025 – $32,261) and the accumulated other comprehensive loss, would have been increased by approximately $21,291 (2025 - $16,227).

The Corporation's consolidated statements of financial position contain balances of cash and cash equivalents and long-term debt in currencies other than the Corporation's functional currency.

The balances in currencies are as follows:

	2026		2025	
	USD	**EUR**	**USD**	**EUR**
Cash and cash equivalents	3,594	448	4,388	652
Total assets	**3,594**	**448**	**4,388**	**652**
Canadian dollar equivalent	4,874	722	6,356	981
Current portion of long-term debt	3,421	-	549	-
Long-term debt	5,592,081	-	5,332,135	-
Total liabilities	**5,595,502**	**-**	**5,332,684**	**-**
Canadian dollar equivalent	7,588,619	-	7,723,860	-

(In thousands of Canadian dollars, except as otherwise noted)

24. Financial instruments (continued)

e) Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its contractual obligations as they become due or can only do so at excessive cost. The Corporation manages this risk by maintaining detailed cash flows and long-term operating and strategic plans.

The following table details the contractual maturities of the financial liabilities and contractual cash flow, which include interest if any as of January 31, 2025:

	Carrying amount $	Contractual cash flows $	Less than 1 year $	1 to 3 Years $	4 to 5 years $	More than 5 years $
Financial liabilities						
Accounts payable and accrued liabilities	1,036,699	1,036,699	1,036,699	-	-	-
Contingent consideration	65,528	65,528	349	-	65,179	-
Insurance provision	20,652	20,652	8,089	2,378	2,647	7,538
Lease liabilities	434,939	567,898	128,935	159,954	94,503	184,506
Long-term debt	7,715,378	10,948,262	620,029	2,047,336	5,530,197	2,750,700
	9,273,196	12,639,039	1,794,101	2,209,668	5,692,526	2,942,744

The following table details the contractual maturities of the financial liabilities and contractual cash flow, which include interest if any as of January 31, 2026:

	Carrying amount $	Contractual cash flows $	Less than 1 year $	1 to 3 years $	4 to 5 years $	More than 5 years $
Financial liabilities						
Accounts payable and accrued liabilities	1,083,802	1,083,802	1,083,802	-	-	-
Contingent consideration	79,478	79,478	7,477	71,376	625	-
Insurance provision	24,363	24,363	8,342	2,801	2,434	10,786
Lease liabilities	454,072	575,140	132,566	174,957	113,464	154,153
Long-term debt	7,697,278	10,201,427	672,648	1,999,025	5,129,273	2,400,481
	9,338,993	11,964,210	1,904,835	2,248,159	5,245,796	2,565,420

Contractual cash flow has been calculated using spot rate as at January 31, 2026, and 2025.

25. Contingencies

In the normal course of business, the Corporation is involved in various legal proceedings, the outcomes of which cannot be determined at this time, and, accordingly, no provision has been recorded in the consolidated financial statements. The Corporation believes that the resolution of these proceedings will not have a material favourable or unfavourable effect on its financial position or results of operations except for those who are already accounted for.

(In thousands of Canadian dollars, except as otherwise noted)

26. Related party disclosures

a) Key management personnel compensation

Key management personnel are those persons who have the authority and responsibility to plan, direct and control the business activities of the Corporation. As such, it includes all directors along with certain key executives.

Key management personnel participate in the stock option plan. Subject to their employment agreements, which stipulate contractual payments for termination without cause or termination following a change of control, payments of up to one or two times their base salary, full bonus may be payable.

The remuneration of key management personnel includes the following:

	2026 $	2025(1) $
Director's fees	430	330
Salaries	16,682	17,135
Benefits	169	162
Stock-based compensation	5,976	4,431
	23,257	22,058

(1) The comparative figures as at January 31, 2025 have been restated to include $6,134 of additional salaries previously not reported, increasing total remuneration reported from $15,924 to $22,058.

b) Related party transactions

Some transactions have been determined to be related party transactions because the relationship is with entities that are related by virtue to key management personnel exercising significant influence or control over the Corporation's financial and operating activities and policies.

The following provides the amount incurred for each type of transactions that occurred with a related party:

	2026 $	2025 $
Nature of transactions		
Professional fees included in administration related costs	3,201	2,985
Professional fees included in deferred financing costs	1,223	883
	4,424	3,868
Receivable from the Parent Company	(48,015)	(2,308)
Payable to other	901	-
	(47,114)	(2,308)

(In thousands of Canadian dollars, except as otherwise noted)

27. Statement of cash flows

The following table details the changes in liabilities arising from financing activities for the year ended January 31, 2025:

			Non-cash items				
	Opening balance	Net cash	Business acquisition, addition	Net loss	Amortization	Comprehensive loss	Ending Balance
Long-term debt	5,712,923	685,949	738,632	314,332	37,597	225,945	7,715,378
Contingent consideration	1,573	(8,396)	70,869	(1,074)	-	2,556	65,528
Lease liabilities	348,216	(139,601)	177,923	29,206	-	19,195	434,939
	6,062,712	537,952	987,424	342,464	37,597	247,696	8,215,845

The following table details the changes in liabilities arising from financing activities for the year ended January 31, 2026:

			Non-cash items				
	Opening balance	Net cash	Business acquisition, addition	Net loss	Amortization	Comprehensive Income	Ending Balance
Long-term debt	7,715,378	454,773	1,605	(314,968)	30,648	(190,158)	7,697,278
Contingent consideration	65,528	-	14,262	3,957	-	(4,269)	79,478
Lease liabilities	434,939	(184,204)	185,265	32,426	-	(14,354)	454,072
	8,215,845	270,569	201,132	(278,585)	30,648	(208,781)	8,230,828

(In thousands of Canadian dollars, except as otherwise noted)

28. Segment information

a) Segmented information

The Corporation manages through two reportable segments, which are Security services and Cash services. The accounting policies applied to present the segmented information are the same as those used for the consolidated financial statements.

	2026 $			2025 $		
	Security $	Cash $	Total $	Security $	Cash $	Total $
Operating results						
Revenues	5,358,650	2,032,058	7,390,708	4,839,002	1,893,026	6,732,028
Operating costs	4,447,795	1,590,151	6,037,946	4,039,510	1,447,922	5,487,432
Selling and administrative expenses	700,915	315,481	1,016,396	653,881	274,998	928,879
	209,940	126,426	336,366	145,611	170,106	315,717
Goodwill impairment (1)			(79,589)			-
Intangible asset impairment (1)			(55,118)			-
Change in fair value of contingent consideration			-			1,074
Unrealized exchange gain (loss) on translation of long-term debt			316,538			(323,609)
Unrealized exchange loss on derivative financial instruments			(23,345)			(1,209)
Share of income (loss) from investment accounted for using the equity method			1,057			(6,720)
Income (loss) before finance costs and income taxes			495,909			(14,747)

(1) Goodwill impairment of $79,589 and intangible asset impairment of $55,118 relate to the CGU – Cash Services Canada.

	Security $	Cash $	Total $	Security $	Cash $	Total $
Additional information						
Additions - Property, plant, and equipment	126,811	68,135	194,946	104,010	66,915	170,925
Additions - Right-of-use assets	74,425	107,962	182,387	67,809	97,974	165,783
Additions - Intangible assets	124,195	42,036	166,231	78,334	46,732	125,066
Business acquisitions – Property, plant, and equipment	5,079	551	5,630	73,877	273	74,150
Business acquisitions – Right-of-use assets	241	2,637	2,878	8,472	1,269	9,741
Business acquisitions – Intangible assets	41,182	2,690	43,872	264,232	12,190	276,422
Depreciation – Property, plant, and equipment	119,787	60,580	180,367	96,164	56,526	152,690
Depreciation - Right-of-use assets	72,238	76,932	149,170	57,119	53,311	110,430
Amortization - Intangible assets	154,908	101,893	256,801	114,957	105,803	220,760

(In thousands of Canadian dollars, except as otherwise noted)

28. Segment information (continued)

b) Segmented information – selected assets

	2026			2025		
	Security Services $	Cash Services $	Total $	Security Services $	Cash Services $	Total $
Account receivable	866,741	402,021	1,268,762	801,749	353,025	1,154,774
Property, plant, and equipment	293,584	231,416	525,000	296,712	229,166	525,878
Right-of-use assets	158,362	270,099	428,461	159,159	252,011	411,170
Intangible assets	1,020,907	480,884	1,501,791	1,054,001	616,084	1,670,085
Goodwill	2,831,563	955,425	3,786,988	2,961,546	1,094,545	4,056,091

c) Geographic information

The following revenues are from external customers and are attributed to countries or regions where services are rendered:

	2026 $	2025 $
Canada	1,907,391	1,794,791
USA	4,473,929	3,971,706
Middle East and Asia	294,881	296,163
East Africa	276,696	247,974
Others	437,811	421,394
	7,390,708	6,732,028

Property, plant, and equipment and right-of-use assets are attributed to countries or regions based on the actual physical location of the assets. Goodwill and intangible assets are attributed to countries or regions based on the country of the subsidiaries' incorporation.

	Canada	USA	Middle East and Asia	East Africa	Others	Total
For the year ended January 31, 2025						
Property, plant, and equipment	127,495	359,977	5,006	14,796	18,604	525,878
Right-of-use assets	118,183	260,694	2,627	8,621	21,045	411,170
Intangible assets	329,241	1,180,063	8,321	15,090	137,370	1,670,085
Goodwill	744,098	2,881,988	64,085	72,917	293,003	4,056,091
For the year ended January 31, 2026						
Property, plant and equipment	141,710	349,007	792	14,237	19,254	525,000
Right-of-use assets	118,196	260,868	3,574	14,223	31,600	428,461
Intangible assets	264,693	1,061,004	7,470	12,564	156,060	1,501,791
Goodwill	687,385	2,670,241	61,779	71,777	295,806	3,786,988