



CALIAN GROUP LTD.

ANNUAL INFORMATION FORM

**FOR THE YEAR ENDED
SEPTEMBER 30, 2021**

December 21, 2021

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ANNUAL INFORMATION FORM
YEAR ENDED SEPTEMBER 30, 2021

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EXPLANATORY NOTES

Presentation of Financial Information

In this Annual Information Form, all references to specific fiscal years are references to the fiscal year ended September 30 of the year named. This Annual Information Form is dated December 21, 2021 and, unless specifically stated otherwise, all information disclosed in this form is provided as at September 30, 2021, the end of Calian’s most recently completed fiscal year. All references to “\$” or “dollars” are references to Canadian dollars, unless otherwise specified.

Trademarks, Trade Names and Service Marks

This Annual Information Form includes trademarks which are protected under applicable intellectual property laws. Solely for convenience, the Company’s trademarks and trade names referred to in this Annual Information Form may appear without the ® or ™ symbol, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights to these trademarks and trade names. Trademarks used in this Annual Information Form, other than those that belong to the Company, are the property of their respective owners.

FORWARD-LOOKING STATEMENTS

Calian Group Ltd. (“Calian” or the “Company”) cautions that this Annual Information Form contains forward-looking statements. These forward-looking statements are based on certain assumptions made by the Company that may prove to be inaccurate. Forward-looking statements includes those identified by the expressions “anticipate,” “believe,” “plan,” “estimate,” “expect,” “intend” and similar expressions. Forward-looking statements are not historical facts, but reflect the Company’s current intentions, plans, expectations and assumptions regarding future results or events. Forward-looking statements are intended to assist readers in understanding management’s expectations as of the date of this Annual Information Form and may not be suitable for other purposes. Forward-looking statements in this Annual Information Form include, but are not limited to, statements about the use of net proceeds of the bought deal offering completed in early 2021, the manner in which the Company intends to achieve and maintain growth, management’s expectations for the markets in which the Company provides its services and competition to be faced by the Company and

expectations for certain customer projects described herein including expected timing of completion for certain projects.

Forward-looking statements are based on assumptions, including assumptions as to the following factors:

- Customer demand for the Company's services;
- the Company's ability to maintain and enhance customer relationships;
- market conditions;
- levels of government spending;
- the Company's ability to bring to market the products and services; and
- the Company's ability to execute on its acquisition program including successful integration of previously acquired businesses.

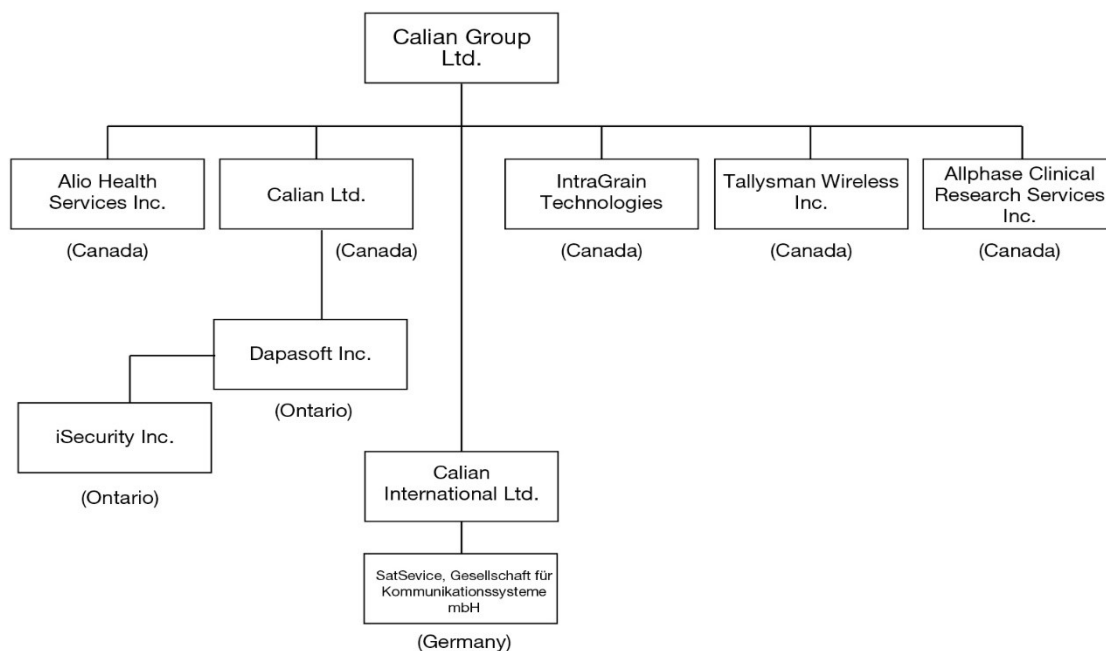
The Company cautions that the forward-looking statements in this Annual Information Form are based on current expectations as at December 21, 2021 that are subject to change and to risks and uncertainties, including those set out under the heading "Risk Factors" below, many of which are outside the Company's control. Actual results may materially differ from such forward-looking information due to facts such as customer demand, customer relationships, new service offerings, delivery schedules, revenue mix, competition, pricing pressure, foreign currency fluctuations and uncertainty in the markets in which the Company conducts business. Additional information identifying risks and uncertainties is contained in the Company's filings with securities regulators. The Company does not assume any intention or obligation to publicly update or revise any forward-looking statements or forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable law. Readers should not place undue reliance on the Company's forward-looking statements.

CORPORATE STRUCTURE

The Company was incorporated as "Calian Technology Ltd" under the *Canada Business Corporations Act* pursuant to Articles of Incorporation dated September 27, 1982. The articles of the Company were amended on January 12, 1984, December 23, 1988, April 21, 1992 and September 2, 1993 to amend the provisions of the Company's share capital. The articles of the Company were further amended on September 14, 1993 to remove certain "private company restrictions" contained therein. On March 14, 2003, the articles of the Company were further amended to permit the directors of the Company to appoint additional directors as permitted under the *Canada Business Corporations Act*. The Company's articles were further amended on March 11, 2005 to change its name to "Calian Technologies Ltd." The Company's articles were most recently amended on April 1, 2016 to change its name to "Calian Group Ltd."

The head and registered office of the Company is located at 770 Palladium Drive, Suite 400, Ottawa, Ontario, K2V 1C8.

As of the date of this Annual Information Form, the Company has the following material operating subsidiaries:



The Company also has the following non-material operating subsidiaries: InterTronic Solutions Inc., SimFront Simulation Systems Corp, Comprehensive Training Solutions AS, Cadence Consultancy Limited, Primacy Management Inc., EMSEC Solutions Inc. Calian Corp., and Calian US, Inc. Each subsidiary is wholly owned by the Company. Unless the context otherwise requires, the “Company” or “Calian” refers to Calian Group Ltd. together with its subsidiaries.

GENERAL DEVELOPMENT OF THE BUSINESS

Calian was founded in 1982 as a consulting firm providing quality assurance services to Canadian technology companies. The Company has grown through a combination of strategic acquisitions and sales and marketing initiatives, and in fiscal 2021 had a total revenue of \$518 million. The Company provides services to industry and government across diverse sectors, with a strategy of focusing on niche markets. The Company enters fiscal year 2022 with an order backlog of \$1,270 million, of which approximately 27% pertains to fiscal 2022 and 17% pertains to fiscal year 2023.

The Company operates in four operating segments defined by their primary type of service offering, namely Advanced Technologies, Health, Learning, and Information Technology and Cyber Security (ITCS). Our Advanced Technologies segment provides space technology companies with innovative solutions for testing, operating and managing their satellite networks. The Advanced Technologies segment also provides communications products for terrestrial and satellite networks, as well as superior electronics engineering, manufacturing and test services for both the private sector, including the agricultural sector, and military commercial and defence customers in North America. Health provides a host of healthcare services to Canadian customers and clinician services. Learning provides instructor led, e-learning, in class, and simulation-based learning to primarily Canadian and a growing list of international customers. The ITCS segment provides professional services and solutions for application-based infrastructure, and cyber security.

2019 Fiscal Year:

During fiscal 2019, Advanced Technologies revenues increased by 11% from the preceding year due to an increase in revenue from ground systems projects and acquisitive revenue growth from acquisitions of IntraGrain and SatService. The Health operating segment’s revenues increased by 16% from the preceding

fiscal year due to increased demand from the National Defence Health Care Provider (HCPR) contract, increased demand in clinician services and acquisitive growth. The Learning operating segment's revenues increased by 3% in fiscal 2019 when compared to the prior fiscal year due to retention of current customers and increased demand from municipalities. The IT segment's revenue increased by 22% in fiscal 2019 when compared to the previous fiscal year, which can largely be attributed to the acquisition of Secure Tech in the third quarter of fiscal 2018, accompanied by increases in resale product demand and growth in the cyber security practice.

Key events in fiscal 2019 are listed below.

Effective October 1, 2018, the Company amalgamated ISR with Calian Ltd.

On November 1, 2018, the Company acquired Intragrain Technologies Inc. ("Intragrain"). IntraGrain develops and manufactures agricultural technology ("AgTech") solutions to bring innovation to the modern farm. IntraGrain's technology combines Internet of Things (IoT) connectivity with bin sensors to protect grain quality and eliminate the risk of stored grain spoilage. IntraGrain's solutions and staff strengthen the Company's innovation agenda and provide additional exposure to AgTech and ancillary markets, which we believe possess high growth potential across domestic, U.S. and global markets. Intragrain is included as part of the Advanced Technologies operating segment.

On November 19, 2018, the Company announced that it had been awarded a contract with the Canadian Army Simulation Centre, valued at up to \$170 million. This contract within the Learning segment has an initial term of five years, representing \$93 million of the overall contract value, with two optional extension periods of two years each.

On April 1, 2019, the Company acquired SatService, Gesellschaft für Kommunikationssysteme mbH. ("SatService"). SatService offers innovative engineering solutions and products for the satellite communications market. SatService's business supports the expansion of the Company's Advanced Technologies operating segment in the European market with turnkey satellite solutions as well as products. SatService product offerings include the sat-nms line of first-class software and hardware solutions for antenna control and tracking, monitoring and control systems and L-band transmission.

2020 Fiscal Year:

Notwithstanding the COVID-19 crisis, the Company achieved record results in fiscal 2020 by exceeding its targets and delivering its biggest year on record.

The Company experienced a significant growth in revenue in its fourth quarter and fiscal year, increasing revenue by 35% in the three-month period and 26% for the 12 months ended September 30, 2020, compared to already record levels in the same periods of the prior year. Revenue growth in the 12 month period ended September 30, 2020 can be attributed to 21% organic growth, and 5% from acquisitions. We measure our growth through acquisition on trailing twelve-month basis; once the acquisition has been included in our results for twelve-months, we include their contribution in our organic growth metric.

During fiscal 2020, Advanced Technologies revenues increased by 40% from the preceding year. Growth was a result of demand for ground systems projects, increases in volumes of a new mobile wireless product to the Tier 1 North American mobile operator, contract manufacturing for various defence projects, and increases due to an ongoing Satellite Gateways software systems project. Health revenues increased by 41% from the preceding year, due to growth throughout the segment, new contract wins for fast turnaround in relation to the COVID-19 pandemic, and acquisitive revenue in the pharmaceutical services market. Learning revenues decreased by 8% when compared to the previous year, due to the impacts of temporary stay at home orders

and restrictions imposed around the COVID-19 pandemic. Information Technology revenue increased by 6% compared to 2019, due to increased demand from existing customers for cyber security products, increase in maintenance revenue, and an increase in service delivery for IT professional services across a number of existing customers.

Key events in fiscal 2020 are listed below.

In early 2020, the Company completed a \$69 million bought deal public offering. The Company intends to use the net proceeds from the Offering to, among other things, pursue strategic growth initiatives, including several acquisitions completed in 2020 as detailed below.

On January 27, 2020, the Company began delivery of a new custom telecommunications product for a Tier 1 North American mobile operator. The product enables the customer to maximize its use of existing spectrum assets and supports ongoing development and upgrade of its mobile network. The multimillion-dollar commitment is expected to span multiple quarters.

On January 31, 2020, the Company acquired Allphase Clinical Research Services Inc. and Alio Health Services Inc. The companies serve the pharmaceutical and medical device industry and the broader health care sector with clinical trial services, specialty medication support and community care and other services, all enabled by an innovative health care delivery management software application. The transaction provides the Company's Health segment with access to innovative services and new customer segments in pharmaceuticals, hospital care and patient support at home.

On February 12, 2020, the Company was selected by a global satellite communications operator for the provision and installation of new radio frequency (RF) satellite ground systems. Delivery on the contract, valued at over \$30 million, started in 2020 and is expected to be completed within approximately two years.

On April 28, 2020, the Company was awarded a Department of National Defence (DND) contract to provide training services for the Canadian Forces School of Aerospace Technology and Engineering (CFSATE). Under the contract, the Company will deliver training and other services to CFSATE, including course review, design and delivery and technology support. The initial contract term is two years, with an awarded value of approximately \$18 million. With two optional extension periods of two years each, the aggregate contract value over the full six-year period is approximately \$54 million.

On May 15, 2020, the Company successfully recompeted for a \$22 million contract award to provide expanded cyber security and informatics services to the DND. Under the contract award, the Company will continue to provide consulting services to support DND's information and cyber security initiatives. The Company was awarded additional services in the areas of project management, change management, network security, IT security vulnerability assessments, IT security system operations, and incident management.

On June 11, 2020, the Company was awarded a \$22 million contract by SNC-Lavalin PAE Joint Venture to support the delivery of up to ten 100-bed Mobile Respiratory Care Units (MRCUs) for the Government of Canada's pandemic response efforts. The easily storable, accessible and transportable MRCUs are self-sufficient units that will provide targeted care for persons with acute respiratory disease and distress.

On June 16, 2020, the Company commercially released the Decimator D4, the fourth generation of its spectrum analyzer product line designed to monitor radio frequency (RF) communications and detect signal issues. Its most significant new feature is signal analysis, complementing spectrum analyzer capabilities. Powered by a new signal processing engine, the Decimator D4 demodulates and decodes satellite signals, allowing a deeper inspection and analysis of the signals than a traditional spectrum display. The feature proactively identifies issues in the network before they manifest as a failure. The Decimator D4 is ideally suited for satellite, wired and terrestrial wireless networks.

On June 17, 2020, the Company launched Calian ResponseReady, a licensed software solution now available for the design, delivery and evaluation of emergency exercises and training ranging from large-scale, multi-department, multi-agency exercises, to smaller organizational exercises and drills. The software brings the exercise scenario to life, delivering a realistic experience to participants. Following the exercise, an evaluation function provides identification of lessons learned through an assessment of the effectiveness of the response, with fair and accurate findings supported by the observations of the evaluators.

On July 8, 2020, the Company acquired Comprehensive Training Solutions International (CTS), a boutique training firm based in Stavanger, Norway. CTS designs, develops and delivers complex training exercises for the Joint Warfare Centre (JWC), a multi-national and multi-service organization of NATO, and the wider NATO audience across Europe. CTS will support the growth of Calian's business in Europe as well as customer diversification, a key pillar within Calian's four-pillar growth framework.

On July 14, 2020, the Company acquired EMSEC Solutions Inc. (EMSEC), a boutique firm specializing in radio frequency (RF) emission security and technical surveillance countermeasures. EMSEC's customized services include vulnerability assessments, monitoring, training, risk mitigation and countermeasure sweeps. The firm's emission analyzer software product, FASTBREAK, provides automated and manual signal analysis supporting production testing, equipment certification, as well as troubleshooting, investigation and research.

On September 2, 2020, the Company acquired Tallysman Wireless Inc. (Tallysman), a leading manufacturer of precision Global Navigation Satellite Systems (GNSS) antennas, and related components. Tallysman designs, manufactures and sells a very wide range of GNSS, Iridium and Globalstar antennas and related products into a market with a broad range of vertical applications that include precision reference systems, survey, timing, precision agriculture, unmanned and autonomous vehicles, marine and many more. The company also produces cloud based wireless tracking systems over two-way radio systems and 4G category M cellular systems, for applications ranging from school buses to municipal public works. The company is widely recognized as a technology leader and is the supplier of high precision antennas to a number of leading precision GNSS systems providers.

On September 24, 2020, the Company was awarded an \$18 million contract by the DND to provide Science and Technology research capabilities.

2021 Fiscal Year:

The Company continued on its successful growth trajectory in the fourth quarter and its fiscal year where growth was achieved in all four operating segments. Revenues increased by 4% in the three-month period and 20% for the 12 months ended September 30, 2021, compared to the same periods of the prior year. Revenue growth in the 12 month period ended September 30, 2021 can be attributed to 8% organic growth, and 12% from acquisitions. EBITDA for the annual period ended September 30, 2021 is at all time highs of \$51,929, which is a 41% increase over the same period in the previous year. EBITDA as a percentage of revenue is now above 10%.

During fiscal 2021, Advanced Technologies revenues increased by 9% from the previous year. Current year growth came primarily from acquisitive means, but the Advanced Technologies segment has seen an increased demand in the defence products division, which predominantly comes at higher margins historically. Health revenues increased by 20% from a very strong prior period revenue figure, due to demand in COVID-19 pandemic related services, increased demand from our health care requirements work and acquisitive revenue in the pharmaceutical services market. Learning revenues increased by 8% when compared to the previous year which is a result of acquisitive revenue from our acquisition in the European markets, and our services

coming back to full delivery whereas they were affected in the prior year due to stay at home orders in relation to COVID-19 restrictions and customer site closures. Information Technology revenue increased by 42% compared to the previous year, which is a result of increased demand in our cyber solutions business and from acquisitive growth.

Key events in fiscal 2021 are listed below.

On November 2, 2020, the Company acquired Cadence Consultancy Limited., a UK based training firm with operations across the North Atlantic Treaty Organization (NATO), with a particular focus on the Joint Forces Training Centre (JFTC) in Bydgoszcz, Poland. Cadence designs, develops and delivers complex training exercises for JFTC, one of the two multi-national and multi-service collective training centers in NATO, and to the wider NATO audience across Europe. It also delivers operational training to members of the NATO Mission Iraq and the NATO Resolute Support Mission in Afghanistan.

The Company's five acquisitions in the 2020 fiscal year supported our growth objectives with new products, solutions and an expanded customer base in Canada and internationally. Through strategic acquisitions, customer retention and diversification and new product delivery, the Company continued our strategic pivot toward establishing ourselves as an innovative, global growth company.

On January 4, 2021, the Company announced the acquisition of InterTronic Solutions Inc. (InterTronic), Canada's foremost producer of high-performance antenna systems. Bringing together Calian ground satellite systems and InterTronic antenna systems gives aerospace, defence, and satellite communications customers a broad range of capabilities to meet their most critical Radio Frequency (RF) ground system requirements. The state of the art, high precision antenna solutions built by InterTronic include high-accuracy, high-speed motion systems used by military, scientific and commercial customers. Applications of InterTronic solutions include Radio Astronomy, Radar, Electronic Warfare, Deep Space and Satellite Communications. Combining InterTronic antenna lines with Calian's composite fiber antenna line provides customers with a compelling range of antenna solutions to meet their most demanding requirements for low earth orbit, medium earth orbit, geo-stationary orbit, deep space and radar. When combined with Calian's ground systems engineering capabilities, Calian can now offer a broader range of innovative end-to-end ground system solutions.

On January 7, 2021, the Company announced the closing of an \$80 million debt agreement with Royal Bank of Canada and Desjardins Capital Markets. The three-year term came with an accordion of \$40 million for total availability of up to \$120 million and replaced the Company's previous credit line with RBC. The long-term committed capital enables the Company to continue to execute its growth strategy that includes entry into new markets, product development, acquisition integration, and continued focus on new mergers and acquisitions.

On February 22, 2021, the Company acquired Dapasoft Inc., a leading provider of innovative systems integration, cloud lifecycle management and cybersecurity solutions, which enable clients to securely implement digital transformation initiatives. The acquisition was the Company's largest to date, and adds depth and breadth to Calian's core capabilities, thereby accelerating its go-to-market strategy in the rapidly growing digital healthcare industry. Dapasoft, a Microsoft Gold Partner, and its wholly owned subsidiary, iSecurity, came together in 2019 to provide full-service cloud lifecycle management and cybersecurity solutions. Their Corolar integration engine has been deployed in over 30 healthcare institutions across Canada, and their proprietary cybersecurity solutions are used by customers in healthcare, financial services and critical infrastructure across North America. The acquisition of Dapasoft and its subsidiary, iSecurity, aligns with two pillars of the Calian growth strategy: Customer Diversification and Innovation.

On March 8, 2021, the Company re-won a Regional Individual Standing Offer (RISO) by the Department of National Defence (DND) to provide research assistant services to the Royal Military College of Canada (RMC). Valued at up to \$32.5M over 5 years, under this agreement Calian provides research assistance to

RMC University Professors who carry out Research and Development in the broad disciplines of engineering, science, social science and humanities, with the aim of providing high quality defence-related and inquiry-based research and leadership.

Also on March 8, 2021, the Company announced a \$75 million bought deal public offering of common shares. The Company entered into an agreement with a syndicate of underwriters co-led by Desjardins Capital Markets and Acumen Capital Finance Partners Limited, acting as joint bookrunners (collectively, the Underwriters), pursuant to which the Underwriters agreed to purchase on a bought deal basis 1,240,000 common shares at a price of \$60.50 per common share for aggregate gross proceeds to Calian of \$75,020,000. The Company intends to use the net proceeds from the Offering to pursue strategic growth initiatives, including acquisitions, and for general corporate purposes.

On March 15, 2021, the Company was awarded a multi-year contract by MDA, an international space mission partner, to provide reliable, high performance satellite flight operations support to the Canadian Space Agency (CSA). Based in the CSA's Multi-Mission Control Centre in St. Hubert, Quebec, Calian's team of engineers and technicians will carry out day-to-day Satellite Engineering, Flight Dynamics, Spacecraft Planning, Real-Time Console Operations and Ground Systems Maintenance for the CSA's current fleet of satellites, as well as prepare for the operation of future missions as they come online. The contract gives testament to Calian's capabilities in satellite operations and proven track record in maximizing the useful life of the satellite missions they support. The three-year contract with MDA is valued at approximately CDN\$16 million, with options to extend up to two additional years.

On June 10, 2021, Calian was listed on the Financial Post 500 for the first time in company history, ranking among the 500 largest Canadian corporations by revenue. Calian broke onto the list at #482 with \$432 million revenue in FY20.

On July 8, 2021, the Company announced a contract with ORBCOMM Inc., a global provider of Internet of Things (IoT) solutions, to develop the satellite ground gateway system for ORBCOMM next-generation OGx service. This service will provide industrial customers around the world with increased global coverage, battery power, bandwidth, and speed. Critical applications such as remote monitoring and environmental-sensing IoT depend on the ORBCOMM next generation OGx service. Calian no-fail software architecture ensures the data flows constantly for these critical services. By combining custom-built, software-defined satellite communication modulators and demodulators with monitoring and management software, the end-users are provided with a communication network they can count on. Calian has built multiple custom satellite communication gateways over the last three decades and is proud to again be selected as the supplier of choice for these types of solutions.

On July 26, 2021, the Company announced the award of a Canadian Department of National Defence contract to support the Data Remediation and Marking of Serial Managed Material program. Leveraging the Company's expertise in advanced technologies, DND will be able to seamlessly track approximately 2.7 million assets using a scalable, trusted life cycle management process. DND has initiated a program to add Unique Identification (UID) to all serially managed materiel. This program is in support of the implementation of Automatic Identification Technology (AIT) to all assets owned by DND and the Canadian Armed Forces (CAF) that do not currently have a UID mark. It is estimated that approximately 2.7 million assets will have to be labelled and remediated. The initial value of this contract is \$5.75 million.

On August 3, 2021, the Company announced it had signed an agreement with a manufacturer of electric vehicles to supply two products for their upcoming range. The Global Navigation Satellite System (GNSS) Smart Power Splitter and the Accutenna® GNSS antennas will be deployed in electric delivery vehicles, and the Accutenna GNSS antennas will be deployed in the manufacturer's consumer models. These products enable more precise, reliable positioning.

On August 18, 2021, the Company announced an expansion of clinical trial and patient support programs to pharmaceutical customers in eight new markets. This expansion brings timely, high-quality care to patients in European countries and the US. Calian Health continues to expand its international infrastructure to offer a suite of healthcare services globally. These include nursing support for medication administration, specimen collection, ECG monitoring, clinical trials, reimbursement assistance and more. The company has located offices in each region to ensure local support and to secure patient data in compliance with regional and international privacy regulations. Today, Calian Health operates across Canada, US, Belgium, France, Germany, Hungary, Netherlands, Poland and Spain, with plans to expand further in Europe, and North and South America in 2022.

On September 14, 2021, the Company was informed that Veterans Affairs Canada has elected to continue with Option Year 2 (contract year 6) of the Health Care Provider Requirement contract for the delivery of health services to the Department.

On September 14, 2021, the Company was selected by the Government of Nunavut to provide telehealth services as part of the government's long-term pandemic preparedness strategy. The three-year contract with the Government of Nunavut is valued at approximately CDN\$3 million, with two years of renewal options.

On September 16, 2021, the Company announced a contract win with the NATO Security Force Assistance Centre of Excellence (NATO SFA COE), a multinational entity with Italy, Albania and Slovenia as sponsoring Nations. As part of the contract, Calian will support training on site, bringing military expertise and a deep understanding of management and leadership principles to the NATO SFA COE. The COE is committed to knowledge-sharing among the Alliance, NATO nations and NATO partners in the field of SFA, building the skills of its personnel. It aims to improve the effectiveness of the Alliance in promoting stability and reconstruction efforts for conflict and post-conflict scenarios.

Provision of services under large contracts with the government is an important feature of the Company's business. Management expects that the market for these services will continue to be competitive. Government spending constraints can be uncertain and the timing of new contract awards can be subject to delays. While our backlog provides a reasonable level of revenue assurance on existing contracts, we are also leveraging our diverse services capabilities to create new opportunities and diversify our customer base both domestically and globally. While we execute on our diversification strategy, our revenues will continue to be significantly influenced by customer demand within the scope of existing contracts as well as the timing of future contract awards.

DESCRIPTION OF THE BUSINESS

The Company's capabilities are diverse with services and solutions delivered through four segments: Advanced Technologies, Health, Learning and IT and Cyber Solutions. Headquartered in Ottawa, Calian provides business services and solutions to both industry and government customers in the areas of health, defence, learning, security, aerospace, engineering, and IT. Calian provides customers with access to a team of over 4,500 engineers, telecommunications and information technology, training, trades, health services professionals and other qualified staff as well as an ISO 9001-certified engineering and manufacturing facility. The Company has built a combination of specialized solutions and products coupled with a large reservoir of externally available talent. These resources provide Calian with the ability to promptly assist customers to implement their diverse needs through the timely assembly and deployment of teams of professionals with the requisite capabilities. The Company experiences repeat business and a large number of contract renewals due, in part, to high customer satisfaction levels based on the Company's successful delivery and execution of projects. The Company uses efficient and flexible operating processes to profitably address lower margin business without compromising quality or performance, which we consider to a competitive advantage.

The Company evaluates historical performance and anticipated return on investment in order to allocate resources and capital to its various operating segments. The Company's significant accounting policies are described in the notes to the Company's audited financial statements for its financial year ended September 30, 2021 contained in the Company's 2021 Annual Report.

The Company's revenues are derived from the following geographical segments:

	2021	2020
Canada	78%	75%
United States	11%	19%
Europe	10%	6%
Other	1%	Nil

Revenues are attributed to foreign countries based on the location of the customer. In fiscal 2021, only a small portion of the Company's net assets are held outside of Canada (\$7.7M), whereas \$4.7 M of assets of the Company were held outside of Canada in the prior year. Revenues generated from various departments and agencies of the Canadian federal government for the years ended September 30, 2021 and 2020 represented fifty-one percent (51%) and fifty-three percent (53%), respectively, of the Company's total revenues. All of the Company's operating segments conduct business with the Canadian federal government.

The breakdown of revenue between products and services is as follows:

	September 30, 2021	September 30, 2020
Product revenue		
Advanced Technologies	\$ 113,878	\$ 109,532
Health	4,658	25,184
Learning	-	-
Information Technology and Cyber Security	13,088	8,357
	<u>\$ 131,624</u>	<u>\$ 143,073</u>
Service revenue		
Advanced Technologies	\$ 52,713	\$ 43,850
Health	190,278	137,851
Learning	74,622	57,834
Information Technology and Cyber Security	69,167	49,712
	<u>\$ 386,780</u>	<u>\$ 289,247</u>
Total revenue	<u>\$ 518,404</u>	<u>\$ 432,320</u>

Advanced Technologies

Through its Advanced Technologies segment, Calian offers internally developed products, engineering services and solutions for the space, communications, nuclear, agriculture, defence and government sectors. Our capabilities are wide-ranging, covering software development, product development, custom manufacturing, full life-cycle support, studies, requirements analysis, project management, multi-discipline engineered system solutions, and training. With a presence across Canada and in Europe, we are a full-service organization offering turnkey solutions for industry-leading customers in North American, European and global markets.

Markets

The Advanced Technologies segment primarily serves six markets: satellite ground systems, defence, cable and mobile networks, nuclear, and most recently, AgTech and GNSS antenna markets such as electric vehicles, rail and any industry requiring high precision location and timing antennas.

Ground system market

A supplier of communication systems and products for terrestrial and satellite networks, Calian operates a centre of excellence in communication ground systems for satellite network operators around the world. We provide high-availability satellite gateway solutions which can include large aperture RF antennas for communications as well as spacecraft telemetry tracking and control. We offer software defined solutions for satellite communications, in-orbit test and network management as well as cloud-based solutions for real-time and non-real time management of satellite spectrum and power resources. We offer satellite operations capability through our group located in St. Hubert at the Canadian Space Agency. With an international reputation for supporting space missions, our custom communication solutions and systems engineering capabilities are delivered to customers in Canada and around the world. Our satellite communications product lines include satellite communication modems supporting machine-to-machine communication all the way to wide-band high throughput internet communications. In addition, we offer a variety of satellite test and measurement products including our Decimator spectrum analyser.

To capture additional market share and value in the satellite communication network equipment market, the Company has made investments in its own line of large aperture antennas supporting higher frequency bands now being utilized in new gateway feeder links, built by our composites production subsidiary Calian Composites. These Calian composite carbon fiber satellite communication antennas are designed to offer superior performance by cost-effectively reducing structural distortions that can arise with legacy ground systems comprised of steel or aluminum. In addition, our recent acquisition InterTronic Solutions provides us with a line of large aperture steel antennas suitable for satellite communications, space radar and radio telescopes.

GNSS antenna market

Global Navigation Satellite Systems (GNSS) comprise a series of satellite constellations that can be used to determine very precise timing and location for a variety of applications including autonomous vehicles, 4G/5G networks, precision agriculture, transportation, and aviation. Solutions for these industries integrate small high precision antennas and receiver technology to process the satellite signals for these applications. GNSS is one of the fastest growing market areas in the satellite communications industry. The Advanced Technology segment identified the GNSS antenna market as an opportunity for Calian to grow its current sales and distribution channels through its Tallysman subsidiary. It customizes its GNSS antenna technologies to meet the demands of emerging markets and products.

Cable and Terrestrial Wireless network market

Cable networks have significant RF requirements that fall within a similar engineering skillset as our satellite communications network capability. In this context, we view cable network technologies as a strategic growth market. The Advanced Technology segment identified a market entry opportunity in hybrid cable-fiber networks and in concert with various customers, over the last few years, has been developing products to DOCSIS 3.1 and 4.0 cable network standards.

The global equipment market for DOCSIS 3.1 technology is very large and features many competing players such as cable operators, cable network equipment providers and technology developers. Calian's share of this market is currently very small, with our technology being developed to play at a variety of levels in this space.

We also develop custom wireless solutions built to support and enhance broadcast services provided by wireless service providers. These solutions result in products deployed in wireless networks.

AgTech market

Demand for technical innovation in the Agriculture sector is increasing as global population growth creates upward pressure on food production and farmland yields. Based in Regina, Saskatchewan, IntraGrain develops and manufactures products that help companies protect assets such as grains and fuel. The company is the maker of the innovation-award winning BIN-SENSE® grain storage solution. The technology combines Internet of Things (IoT) connectivity with bin sensors to protect grain quality and eliminate the risk of stored grain spoilage. IntraGrain's Fuel Lock™ solution provides the digital locking of on-site fuel pumps with a keypad PIN. The solution can track employee PIN and fuel usage via a mobile app and is applicable to a number of sectors beyond agriculture – including construction and energy.

Manufacturing in the Advanced Technologies Segment

Calian has a variety of manufacturing capabilities primarily to control more of the value chain of the products that it produces. It also has the ability to sell off its excess capacity to manufacture products for third parties, as Original Equipment Manufacturer (OEM), who work in both commercial and defence industries. Among our capabilities is a state-of-the-art surface mount electronics manufacturing line with automated inspection and x-ray capability. We provide cable harness including extruded cable manufacturing and continuous braided shielding. We train skilled assemblers and production staff to support our manufacturing and integration process. Being able to test our boards and assembly for shock, vibration, temperature and other environmental conditions is an asset for our customers. Our composites manufacturing facility allows us to produce a wide variety of structural solutions to support our customers in a variety of industries.

Defence Engineering, Manufacturing and Technical Services

Advanced Technologies provides its capabilities to support customers in the Defence sector. This includes concept development for the design and implementation of next-generation critical systems and full life-cycle support for propulsion, electrical and electronic systems, computer systems, naval architecture, and aerospace and nuclear systems. Associated services are provided in integrated logistics support, drafting, and other technical services. We provide large defence primes with vetronics solutions to support their defence vehicle product lines include control boxes, panels, harnesses and fire suppression systems. Our satellite ground systems groups in Canada and Germany support various defence agencies and contractors around the globe.

Nuclear Engineering and Technical Services

Our nuclear services team develops and executes comprehensive and cost-effective waste management and decommissioning solutions, and provides a systematic approach to identifying hazards, determining their consequences, and providing recommendations to mitigate identified risks. The scope of our nuclear services includes consulting on small modular reactors, decommissioning programs, radioactive waste management programs and remediation.

The nuclear services team conducts planning, consulting, assessments and permitting for operators who have existing permits to handle nuclear materials. The operators take responsibility for adhering to guidelines and regulations; as such the Company's contracts clearly indicate they have ultimate responsibility for rules and regulations while Calian acts as a consultant.

Health

Calian's health services team is one of Canada's largest national health services organizations. We manage a network of more than 2,400 health care professionals delivering primary care and occupational health services to public and private sector clients across Canada. Our health services team also provides management and strategy services to pharmaceutical companies conducting clinical trials and patient support programs.

The Department of National Defence is our largest customer with primary medical, dental and mental health services delivered to Canadian Armed Forces members across the country supported by pharmacy and specialist medical expertise.

Calian's psychological services offering provides pre-employment mental health assessments to police, correctional institutions, border services organizations and other enforcement agencies in the Canadian market. This service forms part of a Clinicians portfolio which provides primary care services and solutions to federal, provincial and municipal governments and agencies spanning over 80 medical subject matter areas of expertise.

Primacy, Calian's medical property management brand, supports over six million patient visits per year at over 150 clinic locations across Canada. Primacy clinics are located in Loblaw grocery stores across the country (including Real Canadian Superstore®, Zehrs®, Loblaws® and No Frills®).

Allphase Clinical Research Services Inc. and Alio Health Services Inc. serve the pharmaceutical and medical device industry and the broader health care sector with clinical trial services, specialty medication support and community care and other services, all enabled by an innovative health care delivery management software application.

Learning

Through its Learning segment, Calian is a trusted provider of specialized training solutions for the Canadian Armed Forces and other primarily government clients in the domestic market. Internationally, the Company is growing its footprint in Europe servicing NATO and a number of NATO member countries with a variety of learning services. The Company delivers large scale, complex training exercises primarily through Cadence and CTSI (new acquisitions from late 2020 and early 2021) based in Europe and integrated during FY21. Learning enables clients to reach competency and validate learning plans and team performance. Calian provides consulting services in emergency management, training and advanced training technologies to federal and provincial governments, municipalities, Indigenous communities, and the private sector, primarily in Canadian domestic markets.

Our products and technology complement our training services, including Calian MaestroEDE™ and Calian ResponseReady™. Calian MaestroEDE is a tool used to design, develop and deliver high-fidelity, collective training exercises for military customers. Calian ResponseReady is an online platform and simulation tool that supports emergency management training exercise delivery and evaluation.

Information Technology & Cybersecurity

Through its IT & Cybersecurity segment, the Company offers IT services to support customers in their digital transformation from advisory through to implementation, delivery, management, monitoring, and securing of complex IT solutions.

Today's IT environment is increasingly complex and vulnerable to cyber attacks with digital transformation accelerating through the pandemic. This rapid transformation has resulted in the movement from on-premise IT systems to multi-cloud environments, multiple vendors, and multiple technology stacks. Customers are looking for a trusted partner to manage through this era of technology complexity and increasing cybersecurity risk. With the recent acquisitions of Dapasoft, iSecurity (subsidiary of Dapasoft), and EMSEC in combination with our organic assets, we are in position to offer a full breadth of IT services, cybersecurity and technology platform capability. Such capabilities include IT staff augmentation, consulting, VAR (Value Added Resell), cybersecurity advisory/architecture/implementation, incident management, and MSSP (Managed Security Services Provider) services inclusive of managed IT services, NOCaaS (Network Operations as a Service) and SoCaaS (Security Operations as a Service).

We support customers at all levels of government as well as the SME market (Small Medium Enterprise) market with a focus on healthcare, transportation and other vertical markets in the Canadian domestic market. Our deep partnerships with reputable vendors such as Microsoft (Gold Partner), CrowdStrike, and McAfee coupled with our acquired technology stacks in the areas of virtual care, healthcare EHR (Electronic Health Record) transformation, and cyber SIEM (Security Incident and Event Management), uniquely position us to serve this market.

The Market

Industry and government have been adopting new approaches and technologies for many decades and the Company expects that they will continue to do so in the foreseeable future. With the ever-increasing push to “do more with less”, organizations are faced with significant requirements to balance their workforces and deploy systems that minimize ongoing operational costs. With this in mind, Calian pursues global and domestic market opportunities across numerous sectors namely, the public sector, aerospace and defence, satellite and telecommunications, agriculture, health, nuclear and oil and gas.

Strategy

The Company benefits from many years of experience in various global and domestic markets and has a team of more than 4,500 professionals who offer a diverse combination of services.

The Company’s strategy is to operate in targeted markets, and it plans to continue to focus its business development efforts on targeting clients requiring specialized technology and business services and products.

The Company believes that its specialization and past experiences within the telecommunications industry and Canadian government, specifically the Department of National Defence, leaves it well positioned to continue to capitalize on the technical and professional service requirements within these important market segments and to leverage this experience into new targeted markets.

The Company intends to achieve and maintain profitable growth primarily through increasing its existing business base and diversifying into new market areas which is based on the following strategic growth framework:

- **Customer retention:** through continued delivery excellence, maintain a valued relationship with current customer base;
- **Customer diversification:** through increasing the percentage of its revenues derived from new business in adjacent and non-government markets, balance customer revenue into numerous global and domestic sectors;
- **Innovation:** continue investment in service and product offerings to increase differentiation and improve gross margin attainment;
- **Continuous Improvement:** leverage innovation to improve how the company operates with a goal to streamline processes and provide for a scalable back office support capability.

Specialized Skill and Knowledge

Software engineering, complex manufacturing, and project management skillsets are supported by a robust talent management capability. Recruiting, developing, and retaining qualified employees and independent contractors is fundamental to the Company’s success in both delivering services today, and growing and evolving the Company for the future. The capabilities of our engineers, medical practitioners, IT and learning experts are in high demand from market competitors. The Company mitigates this risk by offering competitive

salary, benefits and individual growth. The Company also benefits from highly skilled recruiters that are able to identify and attract top talent.

Sales and Marketing

The Company invests in sales and marketing as a key enabler of long-term growth. The company solves significant and complex customer problems. Problems that stand in the way of better health, communications, learning and security.

In our Advanced Technologies segment, commercial contracts for ground control equipment systems are typically awarded by open or selective tender based on complex and detailed requests for proposals. The Company is sought after to submit bids due to its reputation, industry relationship, and business development. The Company develops close and long-term partnerships based on deep customer knowledge and understanding through regular customer discussions; earns trust by delivering exceptional customer experiences; offers innovative solutions; and offers thought leadership through webinars, trade shows, public relations (PR) initiatives, and active participation in trade organizations. Due to the fact that revenues are generally nonrecurring and project-based, significant volatility can be experienced in the revenues of the Advanced Technologies business unit.

The majority of Health, ITCS and Learning business is won in a competitive environment responding to large, technically complex requests for proposals. The Company has developed a skilled team of business development and proposal writing professionals that identifies, tracks and responds to these openly competed opportunities. The segments also employ a direct sales force with specific sales goals. Through a large contact base, client service, the provision of value-added services and constant contact with clients, the segments experience a large percentage of repeat business. New opportunities are sought out regularly and when required a strategic alliance is sought with the most appropriate teaming partner. In each of these segments, the Company has successfully teamed with a large number of professional services firms in their respective areas. Currently more than 80% of revenue of these segments consist of multi-year contracts, providing for a stable revenue base.

Recognizing the need for a market-focused approach, in FY21 the Company hired top talent in marketing leadership, segment marketing, digital marketing, communications, PR, and sales operations. This new department, the Commercial Team, also includes Pursuit and Proposals. The Commercial Team delivered a focused external brand strategy at the end of FY21, which will competitively differentiate the company for continued business growth.

Competition

For Advanced Technologies, competition varies by market and by product type. Within the communication systems service line, there are highly competitive factors involving satellite RF ground systems. In many cases suppliers are also competitors and many of the customers have visibility into the costs of these systems. Key competition in this sector comes from the company CPI. The communications product business consists of many developed products serving a particular industry need. Competitors of these solutions are varied depending on the industry and geography.

The Company competes for contracts on the basis of system design, flexibility, price, delivery capability and reputation. Procurement is generally by open tender, except in the case of system upgrades, and often attracts three or more qualified bidders.

In the domestic defence market, the Company faces considerable competition, not only from other subcontractors but also from prime contractors. The Company works to sustain its share of the market through

strategic teaming arrangements and competitive advantages, including its reputation for quality, competitive labour costs and military communications systems engineering and manufacturing capability.

For Health, ITCS and Learning, competitors comprise local or regional small and medium sized enterprises that typically supply one or two similar services into a specific niche market, or large multinational firms. Within the Health segment for instance, competitors include companies that manage medical clinics such as Appletree and organizations such as Bayshore or the AIM group for healthcare resources, as well as vertically integrated pharmaceutical companies who internally manage their clinical trials and patient support programs. Within the ITCS segment competitors include other cyber product resellers such as Dyntek, and service providers such as Tundra. Finally, within the Learning segment, domestic competitors include service providers such as Bluedrop and Valcom.

The Company's competitive advantages are its long term successful delivery track record, its low cost structure which enables the Company to be very competitive in pricing, the continued development and evolution of its service and product offerings, its strategy to focus marketing and sales efforts on specialized niches where the Company can create barriers to entry for those that may wish to compete with the services it provides and in its continuous improvement management environment that optimizes both operational flexibility and efficiency.

Research and Development and Intellectual Property

The Company expenses research costs as incurred and defers development costs once technical feasibility has been established and all criteria for deferral under Canadian generally accepted accounting principles are met.

The Company's most effective means of developing saleable systems is to obtain a contract with a customer that requires a specific technology, and then develop the technology mostly with customer funding, grants and some internal funding. After building an initial system, the Company then possesses a core technology, which can be applied to other business opportunities in order to enhance profits or competitiveness. This customer-driven process has been used by the Company for the development of many of the systems it currently sells.

Consistent with the focus on specialized technology-based products, systems and services, the Company undertakes research and development expenditures where significant opportunities exist for the Company to play an important role in emerging markets. Whenever possible, the Company continues to take advantage of external funding mechanisms including customer and government funded research and development. More specifically, research and development activities continue in key application spaces using company hardware/software/Real Time Logic (RTL) development, and RF capabilities in order to maintain and round out the Company's business offerings and to remain competitive in the market.

In accordance with industry practice, we protect our proprietary products and technology through a combination of patents, copyrights, trademarks, trade secret laws and contractual provisions where applicable. We generally license the use of our products to our customers rather than transferring title to them. These licenses contain terms and conditions prohibiting the unauthorized reproduction, disclosure, reverse engineering or transfer of our products. We currently have three Canadian patents issued, 10 US patents issued, as well as one patent issued in both Great Britain and Europe, respectively.

Employees

As of September 30, 2021, the Company's workforce consists of approximately 4,500 employees, contract employees and independent contractors. The Company maintains, as far as possible, a flexible workforce that can adapt to the changing requirements of its clients. None of the Company's employees are represented by a collective bargaining agreement and the Company has never experienced any labour-related work stoppage. People are at the centre of the Company's strategy, and through the pandemic, as always, it has prioritized its team's health and safety. The Company has also encouraged, empowered, and supported individuals in finding their own wellness balance. The Company has good relations with its employees and views them as an important competitive advantage.

Facilities

The Company maintains Canadian office locations in Ottawa, Toronto, Edmonton, Kingston, Burlington, Oromocto, Halifax, Saskatoon, Regina, Smiths Falls and Vaudreuil-Dorion and international office locations in Germany, Norway and England. All of the offices are located in leased premises. R&D and manufacturing facilities are located in Saskatoon, Regina, Ottawa, Vaudreuil-Dorion and Germany.

Bankruptcy and Similar Procedures

There has not been any bankruptcy, receivership or similar proceedings against the Company or any of its subsidiaries, or any voluntary bankruptcy, receivership or similar proceedings by the Company or any of its subsidiaries, within the three most recently completed financial years or during or proposed for the current financial year.

Corporate Social Responsibility and Environment, Social and Governance

Corporate social responsibility is an integral part of the Company's day to day operations. In 2021, the Company furthered its corporate giving with continued support to Military, Veterans and their families, support to STEM initiatives and ongoing local corporate giving. The Company played an important role in combating COVID through the delivery of health services and vaccines across Canada particularly to remote and Indigenous communities. This year, the Company has made a commitment to expand its social responsibility lens and has initiated work on a formal Environment, Social and Governance (ESG) strategy aligned to its corporate mission and the UN Sustainability goals. The Calian mission "to help the world communicate, innovate, learn and lead safe and healthy lives—today and tomorrow" provides a strong foundation as the Company defines its ESG priorities. Calian is committed to making a difference and understand the business imperative to imbed sustainability into its corporate practices. In terms of Governance, the Company will adopt the International Financial Reporting Standards - International Sustainability Standards Board recommendations with a plan to incorporate elements in the 2022 Annual Report.

Risk Factors

The Company is subject to a number of risks and uncertainties. We operate in rapidly changing economic and technological environments that present numerous risks, many of which are driven by factors that we cannot control or predict. The risks and uncertainties described below are not the only ones we face. If any of the following risks or other risks occur, our business, prospects, financial condition, results of operations and cash flows could be materially adversely impacted.

Risks Relating to our Business

The Company continues to evolve its risk management processes and risk management is an integral part of how the Company plans and monitors its business strategies and results. Operational risk is managed through the establishment of effective infrastructure and controls. Key elements of the infrastructure are qualified, well-trained personnel, clear authorization levels and reliable technology. Controls established by documented policies and procedures include the regular examination of internal controls by internal employees as well as our auditors, segregation of duties, and financial management and reporting. In addition, the Company maintains insurance coverage and contingency plans for systems failures or catastrophic events. However, there can be no assurance that risk management steps will avoid future loss.

Economic Downturn

The Company's business depends in part on a stable and growing economy. If the Canadian or global economy suffers a downturn or enters into a recession as a result of COVID-19 or otherwise, it could affect customers' ability to spend on the Company's products and services. This could result in decreased revenues for the Company, the cancellation or non-renewal of existing contracts, and impede its ability to win new business.

Availability of Commodities and Inflationary Prices

The impacts of COVID-19 have caused a scarcity of materials and price inflation in the Canadian and global markets. Many of the Company's contracts are fixed-price and/or were negotiated prior to the onset of COVID-19. The recent delays in the global supply chain and scarcity of materials may impact the Company's ability to secure the materials and components required to meet customers' needs and contractual obligations. Inflationary prices on components subject to fixed-priced contracts may impact the Company's ability to generate the revenues and margins previously expected on certain projects. Inflationary prices may also cause a decrease in customer spending which would negatively impact future sales.

COVID-19 and Impact on Global Markets

In March 2020, the Company temporarily closed its physical offices and required all staff to work from home. Manufacturing processes were briefly closed to ensure that pandemic-related health and safety measures could be properly implemented but have since continued operating throughout 2020 and 2021 without interruption and in accordance with public health guidelines. Throughout 2021, the Company continued its work from home mandate, where possible, with minimal impact on operations. The Company complies with all public health guidance and requires employees attending on-site to provide proof of vaccination and/or a negative COVID-19 test result.

The Company has grown significantly throughout the pandemic and has acquired 6 companies since the onset of COVID-19. The pandemic has not impeded the Company's growth mandate.

While COVID-19 has impacted certain aspects of the Company's business, the overall net effect has resulted in increased revenue and no significant impact to customer delivery.

The Health and ITCS segments experienced increased revenues of \$15 million in the 2021 fiscal year which are directly attributable to pandemic related response, including contracts to support rapid testing, vaccination clinics, screening services, virtual clinic set-ups, as well as northern isolation hubs. Demand for health care workers and virtual care remains strong and the Health and ITCS teams are well positioned to continue responding to this demand.

The Company is subject to risks associated with the ongoing pandemic. The rapid change in the employment landscape has resulted in higher salaries and may lead to increased employee turnover. Lockdowns and shelter at home orders may impair the Company's ability to travel to customer sites which could delay product

delivery, installations and repair work. Quarantine requirements also increase costs relating to travel. In the 2020 fiscal year, Learning revenues decreased by 8% due to stay at home orders and customer site closures. Although these revenues subsequently increased by 8% in the 2021 fiscal year as services returned to full delivery, future closures caused by COVID-19 variants and/or further waves of infection may again halt training programs and impact revenues. To date the Company has successfully managed supply chain issues, however there is a risk that the increasing trends of significant shipping delays, inability to secure components, scarcity of materials and increasing prices of raw materials may all impact upon customer delivery, gross margins, and revenue, and could ultimately jeopardize customer contracts. Rising inflation, slow economic growth and/or a potential recession may impact our customers' ability to invest and spend on new or existing programs, which could reduce our deliverables.

The Company's liquidity and capital resources have not been materially impacted by the pandemic. The Company continues to have sufficient liquidity to meet all operating requirements. Working capital requirements, debt covenants and capital expenditures have not been materially impacted. The Company's financial reporting areas subject to judgement and measurement are unaffected by the pandemic. Due to the Company's strong performance, recoverability of assets was not impacted, and Company assets were not impaired. Accounts Receivables are predominantly owing from large, stable companies and/or government clients, therefore no additional allowances have been made for uncollectible amounts resulting from COVID-19. There has been no impairment of the Company's non-financial assets as a result of the pandemic. The Company did not receive any government grants related to COVID-19 in the 2021 fiscal year.

Risks Associated with Acquisitions

The Company has completed a number of acquisitions and continues to seek opportunities to acquire or invest in businesses, products and technologies that could expand, complement or otherwise relate to the Company's current or future business. The Company may also consider, from time to time, opportunities to engage in joint ventures or other business collaborations with third parties to address particular market segments. The pursuit of these activities may divert the attention of management and incur various expenses in identifying, investigating and pursuing suitable acquisitions or joint ventures, whether or not they are consummated. If consummated, these activities create risks such as: (i) the need to integrate and manage the businesses and products acquired with our own business and products; (ii) additional demands on our resources, systems, procedures and controls; (iii) disruption of our ongoing business; (iv) adverse effects to our existing business relationships; and (v) potential loss of key employees. Moreover, these transactions could involve: (a) substantial investment of funds or financings by issuance of debt or equity securities; (b) substantial investment with respect to technology transfers and operational integration; and (c) the acquisition or disposition of product lines or businesses. Also, such activities could result in one-time charges and expenses and have the potential to either dilute the interests of existing shareholders or result in the issuance of, or assumption of debt. Such acquisitions, investments, joint ventures or other business collaborations may involve significant commitments of the Company's financial and other resources. Any such activity may not be successful in generating revenue, income or other returns, and the resources committed to such activities will not be available for other purposes. Moreover, if the Company is unable to access capital markets on acceptable terms or at all, it may not be able to consummate acquisitions, or may have to do so on the basis of a less than optimal capital structure. The inability to take advantage of growth opportunities for the business or for its products, or to address risks associated with acquisitions or investments in businesses, may negatively affect operating results. Additionally, any impairment of goodwill or other intangible assets acquired in an acquisition or in an investment, or charges to earnings associated with any acquisition or investment activity, may materially reduce earnings which, in turn, may have an adverse material effect on the price of Common Shares. If the Company does complete such transactions, it cannot be sure that they will ultimately strengthen its competitive position or that they will not be viewed negatively by customers, securities analysts or investors.

Sustainability and Management of Recent Growth

The Company has experienced significant growth in recent years, due to a combination of numerous acquisitions, its ability to generate new business, entry into new domestic and international markets, the diversification of product and service offerings, and customers' increased demand for the Company's products and services. The Company's future growth could be impeded by external factors such as slow economic growth, inflation, redundancy of certain products or services, loss of market share to competitors, limited resources to fund growth, or a variety of other factors. Moreover, the business could be harmed if the Company fails to manage its growth effectively. Its growth has, and will likely continue to place a strain on resources with increased demands on all corporate services and business units. The Company's workforce has grown significantly in 2021. It is possible that the Company may over-hire with no guarantee of corresponding increase in revenue. As the Company continues to grow, it may be challenging to integrate a large number of new employees and acquisitions into the corporate culture and processes which could limit the ability to operate effectively.

The Availability of Qualified Professionals

If the Company fails to attract and retain qualified professionals, the business could be harmed, and the Company might not be able to implement its strategy. Competition for talent from other firms has a two-fold impact on the Company. The Company competes for qualified employees for its own operations and also must maintain ready access to a large pool of qualified professionals to satisfy contractual arrangements with customers. The Company's ability to continue to attract and retain highly skilled personnel across all segments, including employees with medical, IT, technical and engineering skills, is critical to the Company's success. In the event that an operating segment cannot secure an appropriate workforce, such operating segment may not be in a position to bid on or secure certain contracts. This risk is heightened by the changing employment climate following COVID-19. The Company depends on its ability to offer performance-driven remuneration policies and favorable working environments. Any adverse changes in its compensation practices or increased compensation offered by competitors could affect the Company's ability to retain and motivate existing personnel and recruit new personnel. Advanced Technology segment revenues are predominately from export, but labour costs are largely influenced by Canadian domestic and regional economic factors. Accordingly, labour costs could become significantly higher than those of foreign competitors, eroding the Company's competitive position.

Senior Management Personnel and Succession Planning

The Company's success depends on the engagement and contributions of senior management personnel, including the Chief Officers. Any changes to the management team, including the hiring or departing of executives, could be disruptive to the business. The failure to properly manage succession plans, develop leadership talent, or the loss of key employees could negatively impact the Company's performance. The Company has, in recent years, successfully onboarded several key management personnel without interruption to the business. The Company also endeavors to maintain succession plans for key positions to ensure business continuity in the event of the departure of any key employees.

Competition for Contracts Within Key Markets

The markets for the Company's services are very competitive, rapidly evolving and subject to technological changes. The principal competitive factors in the Company's markets are quality, performance, price, timeliness, customer support and reputation. The Company expects competition to increase in the future, both from existing competitors and new companies that may enter its markets. Some competitors have greater name recognition, and significantly greater financial, technical, sales, marketing and other resources. Increased competition could result in pricing pressure, reduced sales, loss of market share, lower margins or other adverse effects on the business.

Concentration of Revenues

The Company has certain ongoing contracts that account for a significant portion of revenues. Should these contracts not be renewed at expiry, cancelled by customers or should a competitor win the renewal, the Company's future revenue stream and overall profitability could be significantly reduced.

Performance on Fixed-Price Contracts

A large percentage of the Advanced Technologies contracts are based on a fixed price for the provision of a specified service or system against an agreed delivery schedule. At times these fixed-price contracts involve the completion of large-scale system engineering projects. There is a risk in all fixed-price contracts that the Company will be unable to deliver the system within the time specified and at the expected cost. Contracts generally include a wide range of stringent factory and on-site acceptance tests with criteria and requirements jointly developed with the customer. Non-performance could result in a customer being in a position to terminate the contract for default, or to demand repayments or penalties. While program management methodologies have been implemented to manage each project and any customer change, and to identify and mitigate potential technical risks and related cost overruns, there can be no assurance that these programs will be successful. As the company evolves, other segments are also increasing their portfolio of fixed price contracts with the inherent risks as listed above.

Non-Performance of a Key Supplier or Contractor

The Company's business is often dependent on performance by third parties and subcontractors for completion of contracts for which the Company is the prime contractor. Subcontractors for large systems are selected in concurrence with the customer's requirements, and if not directed by the customer, are selected through a competitive bid or negotiated process. Most major development subcontracts are established as fixed-price contracts. The Company depends on subcontractors having an economic incentive to perform such subcontracts for the Company. The Company has risks to its business from material breaches by its subcontractors, particularly those related to financial insolvency of the subcontractors or to cost overruns by subcontractors. Other risks include a significant price increase in those subcontracts that are not fixed-price, delays in performance, failure of any major subcontractor to perform or the inability of the Company to obtain replacement subcontractors at a reasonable price.

Rapidly Changing Technologies and Customer Demands

The markets in which the Company operates are characterized by changing technology and evolving industry standards. The Company's ability to anticipate changes in technology, technical standards and service offerings will be a significant factor in the Company's ability to compete or expand into new markets. Any new solution it develops or acquires might not be introduced in a timely or cost-effective manner and might not achieve the broad market acceptance necessary to generate significant revenue. If any competitors implement new technologies before the Company is able to implement them, those competitors may be able to provide more effective solutions at lower prices. To the extent that the Company adopts new technologies and introduces new solutions, it may face additional risks, such as increased R&D expenses, new data security risks, and lack of personnel with relevant experience.

Customer's Ability to Retain Market Share

The Company performs manufacturing services for a number of customers including building their products to meet their market demands. While these relationships are long-standing, the Company is susceptible to overall shifts in market demand for such products as well as our customers' share of their own markets. An erosion of a customer's market share for a particular product could have a direct impact on the Company's revenues and profitability.

Consolidation of Customer Base

Certain markets and industries can experience both restructuring and consolidation. As the newly formed entities focus on optimizing cash flows and gaining economies of scale, opportunities may be diminished or work currently performed by the Company could be repatriated, resulting in a loss of revenue or the creation of a very competitive environment with commensurate pressure on margins.

Government Contracts

During fiscal 2021, approximately 51% of the Company's total revenues were derived from contracts with the Canadian government and its agencies. The government may change its policies, priorities or funding levels through agency or program budget reductions or impose budgetary constraints. Furthermore, contracts with governments, including the Canadian government, may be terminated or suspended by the government at any time, with or without cause, and may be subject to certain audits or other claims. Although in the past the Company has rarely experienced cancellations of previously awarded significant contracts by the Canadian government, there can be no assurance that any contract with the government will not be terminated or suspended in the future.

Backlog

Most fee-for-service contracts provide the customer with the ability to adjust the timing and level of effort throughout the contract life and as such the amount actually realized could be materially different from the original contract value. At September 30, 2021 the Company's backlog included \$251 million of contract value in excess of the current estimated utilization levels. Should additional customer requirements for the Company's services under these contracts not materialize, this excess will not be realized.

Increased Accounts Receivable

The Company's customer billing practices are often imposed by the customer, particularly with respect to government contracts. Most contracts require the delivery of products and services to the customer prior to payment. There is always a risk of customer non-payment of invoices, resulting in losses to the Company. As the Company grows, credit risk increases with respect to accounts receivable. Although large contracts usually provide for milestone payments to ensure delivery of funds, there is nevertheless a risk that a customer may not deliver payments as required and/or may become insolvent, thereby preventing the Company from collecting amounts owing. Such losses could impact upon the Company's financial performance and profitability.

Foreign Currency Risk

The Company operates internationally with approximately 22% of its business derived from non-Canadian sources. A substantial portion of this international business is denominated in major foreign currencies and therefore the Company's results from operations are affected by exchange rate fluctuations of these currencies relative to the Canadian dollar. The Company uses financial instruments, principally in the form of forward exchange contracts, in its management of foreign currency exposures. At September 30, 2021, the Company had various forward exchange contracts, which are explained in Note 24 to the Company's consolidated financial statements for the year ended September 30, 2021. The strengthening of the Canadian dollar relative to other foreign currencies may negatively impact the Company's competitiveness and increase pressure on margins for new work.

Although forward exchange contracts are used, the contracts do not represent 100% of the foreign exchange in operations of the company. There is still unmitigated risk due to currency exchange as described in Note 24 of the financial statements.

Foreign Operations

Because the Company's long-term success depends, in part, on its ability to continue to expand the sales of its solutions to customers located outside of North America, the business is susceptible to risks associated with international operations.

The Company has limited experience operating in foreign jurisdictions. Conducting and launching operations on an international scale requires close coordination of activities across multiple jurisdictions and time zones and consumes significant management resources. Limited experience in operating the business outside of North America increases the risk that current and any future international expansion efforts will not be successful. Conducting international operations subjects the Company to new risks that, generally, it has not faced in North America, including:

- new and different sources of competition;
- unexpected changes in foreign regulatory requirements;
- longer accounts receivable payment cycles and difficulties in collecting accounts receivable;
- difficulties in managing and staffing international operations, including differences in labour laws;
- potentially adverse tax consequences, including the complexities of foreign value-added tax systems;
- restrictions on the repatriation of earnings;
- localization of solutions, including translation into foreign languages and associated expenses;
- the burdens of complying with multiple, conflicting foreign laws and different legal standards and regulatory requirements;
- requirements for regional hosting of customer solutions and data, which may require additional capital;
- increased financial accounting and reporting burdens and complexities;
- political, social and economic instability abroad, terrorist attacks and security concerns in general;
- difficulties enforcing agreements through foreign legal systems;
- trade and political barriers, as well as compliance with domestic economic sanctions and export control requirements; and
- reduced or varied protection for intellectual property rights in some countries.

The occurrence of any one of these risks could negatively affect international business and, consequently, the results of operations generally. Additionally, operating in international markets also requires significant management attention and financial resources. The Company cannot be certain that the investment and additional resources required in establishing, acquiring or integrating operations in other countries will produce desired levels of revenue or profitability.

Reputational and Brand Risks

The Company's brand and reputation play an important role in its ability to maintain existing customers and generate new business. The Company is investing significantly in the development, cohesiveness, and publicity of its brand. The Company's brand and reputation depend on the ability to continue successfully delivering products and solutions without interruptions, errors or defects. Any impediments to the delivery of solutions may negatively impact upon the brand and reputation. Any unfavourable media coverage about the Company and the industries in which it operates could harm its reputation. Public criticism of the Company's operations could be distracting to management, costly, time consuming and harm the brand and reputation.

Errors and Defects in Technology

Many of the Company's solutions rely upon imbedded or external software to deliver goods and services. Software often contains errors, defects, security vulnerabilities and software bugs that may be difficult to detect and correct. Any such defects could lead to service interruptions and impact the Company's ability to deliver its products and services. Such delays could lead to expenses, loss of revenue and reputational harm to the

Company.

Security breaches - Cyber Attacks

Security breaches could delay or interrupt service to customers, harm the Company's reputation or subject it to significant liability and adversely affect business and financial results. The ability to retain customers and attract new customers could be adversely affected by an actual or perceived breach of security relating to customer information.

The Company's operations involve the storage and transmission of the confidential information of many customers and security breaches could expose it to a risk of loss of this information, litigation, indemnity obligations and other liability. If security measures are breached as a result of third party action, employee error, malfeasance or otherwise, and, as a result, someone obtains unauthorized access to customers' data, including personally identifiable information regarding users, damage to the Company's reputation is likely, the business may suffer and the Company could incur significant liability. Because techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not recognized until launched against a target, the Company may be unable to prevent these techniques or to implement adequate preventative measures.

The Company has implemented technical, organizational and physical security measures, including employee training, back-up systems, monitoring and testing and maintenance of protective systems and contingency plans, to protect and to prevent unauthorized access to confidential information of customers and to reduce the likelihood of disruptions to systems.

Despite these measures, all information systems, including back-up systems and any third party service provider systems that the Company employs, are vulnerable to damage, interruption, disability or failure due to a variety of reasons, including physical theft, electronic theft, fire, power loss, computer and telecommunication failures or other catastrophic events, as well as from internal and external security breaches, denial of service attacks, viruses, worms and other known or unknown disruptive events. The Company or its third party service providers may be unable to anticipate, timely identify or appropriately respond to one or more of the rapidly evolving and increasingly sophisticated means by which computer hackers, cyber terrorists and others may attempt to breach security measures or those of third party service providers' information systems.

The Company also continues to increase the cyber services provided to customers, from risk assessments, security product implementation and managed security operations. There is a risk that failure in these services could result in customer loss, reputational damage or legal liabilities. The Company's insurance continues to be reviewed and updated to reflect the increasing scope of the Company's security portfolio.

If a breach of security measures occurs either internally or with a customer, the market perception of their effectiveness could be harmed and the Company could lose potential sales and existing customers.

Privacy Concerns

The Company's operations are used to transmit and store data, including personal information. This includes highly sensitive personal information in our Health segment. All personal information is increasingly subject to legislation and regulations in numerous jurisdictions around the world that is intended to protect the privacy and security of personal information as well as the collection, storage, transmission, use and disclosure of such information.

The interpretation of privacy and data protection laws in a number of jurisdictions is constantly evolving. There is a risk that these laws may be interpreted and applied in conflicting ways from country to country. Many of these laws and regulations, including Canada's Personal Information Protection and Electronic Documents

Act, and the European Union's General Data Protection Regulation contain detailed requirements regarding collecting and processing personal information, and impose certain limitations on how such information may be used, the length for which it may be stored, and the effectiveness of consumer consent. Certain laws and regulations, like the European Union's General Data Protection Regulation, also include restrictions on the transfer of personal information across state borders. Because certain of the Company's products and services are accessible worldwide, certain foreign jurisdictions may claim it is required to comply with such laws even in jurisdictions where it has no local entity, employees or infrastructure. Complying with these varying international requirements could cause the Company to incur additional costs and change its business practices.

The Company could be adversely affected if legislation or regulations are expanded to require changes in products or business practices, if governmental authorities in the jurisdictions in which it does business interpret or implement their legislation or regulations in ways that negatively affect the business or if customers or other parties allege that their personal information was misappropriated as a result of a defect or vulnerability in its products. This type of regulation could reduce the demand for the Company's products if it fails to design or enhance its products to enable customers to comply with the privacy and security measures required in relevant jurisdictions. If the Company is required to allocate significant resources to modify its products or existing security procedures for the personal information that its products transmit, the business, results of operations and financial condition may be adversely affected.

Intellectual Property Infringement

The Company competes in industries that are subject to many intellectual property rights including patents. Third parties have in the past, and may in the future, assert that the Company's technologies infringe their intellectual property rights. The risk of such claims increases as the Company continues to innovate, offer new solutions and enter new markets. Moreover, the Company's future growth may be constrained by the intellectual property rights of others. As the Company grows, the risk of claims also increases as third parties may attempt to extract settlements. Any claims brought against the Company may be distracting for management, costly and time consuming.

Insurance Sufficiency and Liability Risk Mitigation

Because customers use the Company's services in some cases for critical business processes, errors in execution could cause customers to seek compensation or cause harm to reputation. Although customer contracts limit liability for errors, the Company could become subject to litigation for actual or alleged losses. The Company carries various forms of insurance to protect itself from a variety of insurable risks. The insurers under the existing liability insurance policy could deny coverage of a future claim that results from an error by the Company, or the existing liability insurance might not be adequate to cover all of the damages and other costs of such a claim. Moreover, the Company cannot assure that its current liability insurance coverage will continue to be available on acceptable terms or at all. The successful assertion against of one or more large claims that exceeds insurance coverage, or the occurrence of changes in the liability insurance policy, including an increase in premiums or imposition of large deductible or co-insurance requirements, could have an adverse effect on the business, financial condition and results of operations.

Medical Malpractice

As a result of the Company executing health services for numerous customers, the Company is subject to risks associated with the medical profession. In order to mitigate such risks, the Company has obtained medical malpractice and professional liability insurance. In addition, it is a condition of employment for doctors, dentists and other medical professionals to maintain appropriate credentials, be in good standing with their medical associations, and obtain medical malpractice insurance from their respective association. There can be no assurance that these risk mitigation steps will be successful in avoiding financial loss or reputational risk associated with the provision of medical services.

Environmental and Health and Safety Risks Associated with Manufacturing

The Company is subject to environmental laws and regulations in the jurisdictions in which it operates. Such regulations govern, among other things, the maintenance of air and water quality standards, the health and safety of the Company's employees, and limitations on the generation, transportation, storage and disposal of solid and hazardous waste. The Company is exposed to environmental regulations as a result of its manufacturing activities, which are currently limited in scope but which may assume greater prominence as a result of the production of the Company's new carbon fiber antenna line. Environmental regulations are evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent assessments, and a heightened degree of responsibility for companies and their officers, directors, and employees.

Risks Relating to Our Common Shares

Price fluctuations

The market price for the Company's common shares (the "Common Shares") may fluctuate significantly in response to numerous factors, many of which are beyond our control, including the following:

- actual or anticipated fluctuations in our quarterly results of operations;
- changes in estimates of our future results of operations;
- fluctuations in currency exchange rates;
- changes in forecasts, estimates or recommendations by securities research analysts;
- changes in the economic performance or market valuations of companies in the industry in which we operate or any other company that provides hosting services or delivers applications under a SaaS model;
- addition or departure of executive officers and other key personnel;
- release or expiration of lock-up or other transfer restrictions on outstanding Common Shares;
- sales or perceived sales of additional Common Shares;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital reorganizations;
- commitments by or involving the Company or its competitors;
- operating and share price performance of other companies that investors deem comparable to us;
- news reports relating to trends, concerns, technological or competitive developments, or regulatory changes; and
- other related issues in our industry and targeted markets.

Financial markets have experienced and may experience significant price and volume fluctuations that affect the market prices of equity securities of companies and that may be unrelated to the operating performance, underlying asset value or prospects of such companies. Accordingly, the market price of the Common Shares may decline even if our operating results, underlying asset values or prospects have not changed. Conversely, the market price of the Common Shares may increase without any changes to our operating results, underlying assets value or prospects. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which might result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, our operations could be adversely affected and the trading price of our common shares may be materially adversely affected.

Dilution

The Company may issue additional Common Shares in the future, which may dilute a shareholder's investment in the Company. From time to time, we may seek additional equity or debt financing to fund our growth, enhance our products and services, respond to competitive pressures or make acquisitions or other investments. Our business plans may change, general economic, financial or political conditions in our markets may deteriorate or other circumstances may arise, in each case that have a material adverse effect on our cash flows and the anticipated cash needs of our business. Any of these events or circumstances could result in significant additional funding needs, requiring us to raise additional capital. We cannot predict the timing or amount of any such capital requirements at this time.

DIVIDENDS AND DISTRIBUTIONS

The Company's board of directors (the "Board") has declared and paid the following dividends on its common shares (the "Common Shares") over the last 3 years:

	Fiscal 2021	Fiscal 2020	Fiscal 2019
Quarter 1	\$0.28	\$0.28	\$0.28
Quarter 2	\$0.28	\$0.28	\$0.28
Quarter 3	\$0.28	\$0.28	\$0.28
Quarter 4	\$0.28	\$0.28	\$0.28

The Company intends to continue to declare quarterly dividends in line with its overall financial performance and cash flow generation, but there can be no assurance as to declaration, amount or payment of such dividends in the future. Decisions on dividend payments are made on a quarterly basis by the Board. The Company is not subject to any restrictions that would prevent it from paying dividends or distributions.

DESCRIPTION OF CAPITAL STRUCTURE

The Company is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares ("Preferred Shares"). The holders of Common Shares are entitled to dividends if, as and when declared by the Board, to one vote per share at the meetings of holders of Common Shares and, upon liquidation, to receive such assets of the Company as are distributable to the holders of the Common Shares. The Preferred Shares may be issued in one or more series and the directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions and conditions attached to the shares of each series. The Preferred Shares are entitled to a priority over the Common Shares with respect to the payment of dividends and the distribution of assets upon liquidation of the Company. No Preferred Shares are outstanding as of the date of this Annual Information Form.

MARKET FOR SECURITIES

Calian's Common Shares are listed and posted for trading on the Toronto Stock Exchange under the symbol "CGY". The volume of trading and price ranges of the Common Shares for the periods indicated are set forth in the following table:

Fiscal 2021	Volume	High Trading Price	Low Trading Price
October 2020	396,000	\$ 71.91	\$ 63.02
November 2020	499,300	\$ 67.98	\$ 54.42

Fiscal 2021	Volume	High Trading Price	Low Trading Price
December 2020	385,400	\$ 67.55	\$ 53.27
January 2021	191,500	\$ 67.58	\$ 59.15
February 2021	507,200	\$ 66.45	\$ 54.02
March 2021	839,000	\$ 67.09	\$ 55.07
April 2021	380,200	\$ 59.98	\$ 56.50
May 2021	296,900	\$ 59.10	\$ 53.35
June 2021	259,200	\$ 61.44	\$ 53.86
July 2021	192,300	\$ 61.80	\$ 57.84
August 2021	383,300	\$ 67.00	\$ 59.22
September 2021	224,000	\$ 64.41	\$ 60.62

DIRECTORS AND OFFICERS

Directors

The members of the Board are elected each year at the annual meeting of the shareholders of the Company. The next annual meeting of the shareholders will be held on February 11, 2022. The following table presents the name, municipality of residence, period of service and principal occupation of each of the current directors of the Company.

Name and Residence	Director since:	Principal Occupation(s) within the 5 preceding years
George Weber ⁽¹⁾ Ontario, Canada	2012	President, WebX Consulting Ltd.
Kenneth J. Loeb ⁽²⁾ Ontario, Canada	2001	President, Chairman, Ambassador Realty Inc.
Ray Basler, CPA, CA ⁽³⁾ Saskatchewan, Canada	2005	Consultant
Kevin Ford Ontario, Canada	2015	President and CEO, Calian Group Ltd.
Jo-Anne Poirier ⁽⁴⁾ Ontario, Canada	2016	President and CEO, VON Canada
Young Park Ontario, Canada	2017	Corporate Director
R. Ronald Richardson Ontario, Canada	2021	Corporate Director

NOTES:

- (1) Chair of the Board and Chair of the Nominating Committee
- (2) Chair of the Compensation Committee
- (3) Chair of the Audit Committee
- (4) Chair of the Governance Committee

Ms. Poirier, Mr. Loeb, Ms. Park, Mr. Weber, Mr. Basler, and Mr. Richardson are the members of the Governance Committee, the Audit Committee and the Compensation Committee of the Board. Mr. Weber, Mr. Loeb and Ms. Poirier and are members of the Nominating Committee. Mr. Ford is not a member of any committee of the Board.

The above-mentioned persons have held the principal occupations set beside their names or other management functions within their respective organizations for at least the last five years except for:

George Weber, who was President and Chief Executive Officer of Royal Ottawa Health Care Group until August 2018.

Young Park, who was a consultant from 2016 to 2020.

Ronald Richardson, who was Vice President Product Strategy for Benbria Corporation from May 2018 to May 2020, and Vice President Product Management for Benbria Corporation from October 2015 to May 2018.

Officers

The following table presents the name, province of residence and position held by each of the executive officers of the Company.

Name and Residence	Position with Calian
Kevin Ford Ontario, Canada	Chief Executive Officer
Patrick Houston Ontario, Canada	Chief Financial Officer and Corporate Secretary
Jerry Johnston Ontario, Canada	Chief Information Officer
Sue Ivay Ontario, Canada	Chief Human Resources Officer
Seann Hamer Saskatchewan, Canada	Chief Technology Officer
Michele Bedford Ontario, Canada	Chief Commercial Officer
Patrick Thera Saskatchewan, Canada	President, Advanced Technologies
Sandra Cote Ontario, Canada	(Outgoing) President, IT and Cyber Solutions

<u>Name and Residence</u>	<u>Position with Calian</u>
Sacha Gera Ontario, Canada	(Incoming) President, IT and Cyber Solutions
Gordon McDonald Ontario, Canada	President, Health
Don Whitty New Brunswick, Canada	President, Learning

All of the above-mentioned persons have held the principal occupation for at least the last five years except for:

- Jerry Johnston, who was the Vice President, Training and Engineering Services of Calian Group Ltd. from October 1, 2013 to March 31, 2018.
- Patrick Houston, who was appointed Chief Financial Officer March 1, 2019.
- Sue Ivay, who was Director of Human Resources from September 1, 2017 to March 1, 2019, and Director of Recruiting and Human Resources Business Partner from October 1, 2016 to September 1, 2017.
- Seann Hamer, who was the Vice President, Marketing and Business Development from October 2003 to September 2020, and Acting Vice President, Communication Products from 2008 to September 2020.
- Michele Bedford, who was appointed Chief Commercial Officer November 2, 2020.
- Patrick Thera, who was the Vice President, SED from 2011 to September 30, 2020.
- Sandra Cote, who was the Vice President, IT Professional Services from October 1, 2014 to September 30, 2020.
- Gordon McDonald, who was the Vice President, Health from March 2019 to September 30, 2020, and Director, Health from November 2016 to March 2019.
- Don Whitty, who was the Vice President, Training from October 2018 to September 30, 2020, and the Vice President, Training and Engineering Services from February 2018 to September 2018.
- Sacha Gera, who was appointed (Incoming) President of IT and Cyber Solutions on September 8, 2021.

As of December 21, 2021, the directors and officers of the Company as a group, beneficially own, directly and indirectly, or exercise control of 100,163 or 0.9% of the Company's Common Shares.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer of Calian is, as at the date of this Annual Information Form, or was within 10 years prior to the date of this Annual Information Form, a director, chief executive officer or chief financial officer of any company that (a) was subject to a cease trade or similar order or an order that denied any such company access to any exemption under securities legislation for a period of more than 30 consecutive days that was issued while the director or executive officer was acting in the capacity as director, chief executive

officer or chief financial officer, or (b) was subject to a cease trade or similar order or an order that denied any such company access to any exemption under securities legislation for a period of more than 30 consecutive days that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Other than as described below, no director or executive officer of Calian and, to the knowledge of the Company, no shareholder holding a sufficient number of securities of Calian to materially affect its control is or was, in the 10 years preceding the date of this Annual Information Form, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any bankruptcy or insolvency related legislation or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets:

- Jo-Anne Poirier is the President and CEO of VON Canada Group, which includes Victorian Order of Nurses for Canada (“VON Canada”), Victorian Order of Nurses for Canada, Eastern Region (“VON East”) and Victorian Order of Nurses for Canada- Western Region (“VON West”). The Ontario Superior Court of Justice granted an initial order under the *Companies' Creditors Arrangement Act* (Canada) (“CCAA”) on November 25, 2015, staying all claims and actions against VON Canada, VON East and VON West and its assets, and allowing these entities to prepare a plan of compromise or arrangement for its creditors. The plans of arrangement for these three legal entities received a favourable vote from the creditors and Ontario Superior Court of Justice granted these three legal entities a Sanction Order for their respective plans of arrangement and compromise on November 23, 2016. In January 2017, the VON Canada, East and West emerged from CCAA protection. VON Ontario and Nova Scotia continue to operate as well and were not part of the CCAA process.
- Patrick Houston was formerly the Chief Financial Officer of DragonWave Inc. On July 31, 2017, the Ontario Superior Court of Justice appointed a receiver over the business and assets of DragonWave Inc., following an application by Dragonwave Inc.’s senior lenders, pursuant to the *Bankruptcy and Insolvency Act* (Canada).

No director or executive officer of Calian and, to the knowledge of the Company, no shareholder holding a sufficient number of securities of Calian to materially affect its control, within the 10 years preceding the date of this Annual Information Form, has become bankrupt, made a proposal under any bankruptcy or insolvency related legislation or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his, her or its assets.

No director or executive officer of Calian and, to the knowledge of the Company, no shareholder holding a sufficient number of securities of Calian to materially affect its control has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (b) any other penalties or sanctions imposed by a court of regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

To the knowledge of the Company, there exists no material conflicts of interest between Calian or a subsidiary of Calian and any director or officer of Calian or a subsidiary of Calian.

AUDIT COMMITTEE

Audit Committee Charter

The text of the Company's Audit Committee Charter is attached at Appendix "A" to this Annual Information Form.

Composition

The current Audit Committee members are: Mr. Ray Basler (Chair), Mr. Kenneth Loeb, Mr. George Weber, Ms. Jo-Anne Poirier, Ms. Park and Mr. Ronald Richardson. All of the committee members are independent and financially literate.

Education and Experience

Mr. Ray Basler is a CPA, CA with many years of financial experience. Mr. Basler worked for Deloitte from 1979 to 1987 before joining SED Systems (now a subsidiary of Calian) as V.P Finance. After the Calian acquisition in 1990, he held a number of increasingly senior roles over his 25-year career with Calian, including CFO, COO and ultimately CEO in 2005 which he held until retirement in 2015. Mr. Basler holds a Bachelor of Commerce (Accounting) degree from the University of Saskatchewan.

Mr. Kenneth Loeb is a graduate of Osgoode Hall Law School and maintained a private law practice for ten years. He is currently president and director of three private companies with an enterprise value of \$100 million and deals on a daily basis with accounting issues including issues related to internal controls and financial reporting.

Mr. George Weber retired as President and Chief Executive Officer of The Royal Ottawa Health Care Group in 2018, a post he has held since 2007 after serving as a CEO of a number of national and international organizations over two decades. Mr. Weber currently (or formerly) chairs a number of board and audit Committees. Mr. Weber received his Education and Master of Arts degrees from McGill University and completed the Advanced Management Program from the Graduate School of Business Administration, Harvard University. Mr. Weber is a member of the Institute of Corporate Directors and earned his ICD.D in 2008. He also obtained his audit committee designation from the Directors College in 2015.

Ms. Jo-Anne Poirier is the President and Chief Executive Officer of VON Canada, a corporation with revenue of \$300M. Ms. Poirier holds undergraduate and graduate degrees in Business and Public Management at the University of Ottawa and Carleton University. Her experience spans over 35 years in the private, public and not-for-profit sectors. She has extensive Board experience, as well as sitting on Finance and Audit Committees and Executive Committees and Board Leadership (chair positions) for several organizations over the last few years such as the Local Health Integrated Network, the Ottawa Board of Health, the Ottawa Convention Center, TVO and CHEO. She is a member of the Institute of Corporate Directors (ICD) and earned her ICD.D designation in 2017.

Ms. Young Park is a C-level executive who provides a combination of business and technology transformations, corporate governance, and risk management experience. With more than 30 years of experience, Ms. Park has led organizational and business transformation, technology transformation, business continuity planning, large complex operations management including global delivery, and P&L management. Working with enterprise-level professional boards in both private and public companies to enable the leadership and funding of business and technology transformations has been fundamental in Ms. Park's previous executive roles. As a leader in mergers and acquisitions, she has led the assessment of business, technology and executive leadership of global enterprise acquisitions as well as the integrations effectively

with such as D+H and CGI Group Inc. Ms. Park received her Bachelor of Mathematics (Computer Science) from the University of Waterloo in May 1985. She is a member of the Institute of Corporate Directors (ICD) and earned her ICD.D designation in 2015.

Mr. Ronald Richardson is a corporate director, private equity investor, former software company founder and former corporate executive with professional, governance and investment interests in the technology, energy and not-for-profit sectors. Ronald currently serves as Director, HS&E Committee Member of Tundra Oil & Gas Ltd.; Chair of Brokrete, Inc.; Chair of the Queensway Carleton Hospital Foundation; and Director, Trustee or Observer for seven other private or NFP organizations. Ronald is a licensed Professional Engineer (P.Eng.), a certified Corporate Director with the Institute of Corporate Directors (ICD.D), a Capital Angel Network member and an honours co-op graduate from the University of Waterloo (B.S.E., Bachelor of Software Engineering).

Pre-Approval of Non-Audit Services

The following describes the Company's policy relating to the engagement of the external auditors for the provision of non-audit services.

When requiring the use of accounting and taxation and other consulting services, the Company will not utilize the services of its current external auditor where the delivery of the service may create a potential or perceived conflict of interest. Consulting services, which require subsequent external auditing, cannot be performed by the Company's auditors. For greater clarity, the following consulting services do not present a conflict of interest: advice relating to the accounting treatment of new IFRS pronouncements or services ancillary to the audit; preparation of corporate tax returns; and advice on tax related matters.

At each quarterly Audit Committee meeting, the Chief Financial Officer will request the Audit Committee to approve the non-audit services expected to be performed by the external auditor during the next quarter. If during the quarter, additional requirements are identified, the Chief Financial Officer will obtain a separate approval from the Audit Committee prior to the work commencing. To ensure that all services performed by the external auditors are approved in accordance with this policy, management must discuss their requirements with the Chief Financial Officer prior to any work commencing.

In addition, at each quarterly audit committee meeting, the Chief Financial Officer will report on the following: new engagements initiated during the most recent quarter, activities performed on each active engagement and amount of fees paid to the external auditors during the current quarter and on a year-to-date basis on each active engagement.

External Auditor Service Fees Billed

	Fiscal 2021	Fiscal 2020
Audit Fees	\$ 600,000	\$ 507,050
Tax Fees	\$ 75,265	\$ 93,221
All Other Fees	\$ 103,000	\$ 174,340
TOTAL	\$ 778,265	\$ 774,611

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company is not party to any material legal proceedings. The Company was not party to any material legal proceedings in the preceding financial year and is not aware of any contemplated material legal proceedings.

The Company has not been subject to (a) any penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority during the financial year ended September 30, 2021, (b) any other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision, or (c) any settlement agreements entered into by the Company before a court relating to securities legislation or within a securities regulatory authority during the financial year ended September 30, 2021.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

There are no material interests, direct or indirect, of (a) any director or executive officer of the Company, (b) any person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of any class or series of the Company's outstanding securities, or (c) any associate or affiliate of any of the foregoing, in any transactions within the three most recently completed financial years that has materially affected or is reasonably expected to materially affect the Company.

TRANSFER AGENT AND REGISTRARS

The transfer agent and registrar for the Common Shares is TSX Trust Company at its principal office in Toronto, Ontario.

INTERESTS OF EXPERTS

The Company's annual financial statements for the year ended September 30, 2021 have been audited by Deloitte LLP, the Company's independent auditor. Deloitte LLP has no registered or beneficial interests in the Company or any of the Company's associates or affiliates.

MATERIAL CONTRACTS

The Company has not entered into any material contracts since October 1, 2020, other than material contracts entered into in the ordinary course of business.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com. Other additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans for the financial year ended September 30, 2021, is contained in the Company's Management Proxy Circular for our most recent annual meeting of shareholders that involved election of directors. Additional financial information is provided in the Company's financial statements and management's discussion and analysis for its most recently completed financial year.

Appendix “A”

CALIAN GROUP LTD. AUDIT COMMITTEE CHARTER

The Audit Committee (the “Committee”) will assist the Board of Directors in fulfilling its oversight responsibilities. In performing its duties, the Committee will maintain effective working relationships with management and the external auditors. The Committee expects the management of the Corporation to operate in compliance with the Corporation’s Code of Conduct and corporate policies; with laws and regulations governing the Corporation; and to maintain strong financial reporting and control processes.

1. DEFINITIONS

1.1 Financial Literacy

“Financially Literate” means the ability to read and understand a balance sheet, an income statement, a cash flow statement and the notes attached thereto and be sufficiently versed in financial matters to understand the Corporation’s accounting practices and policies and the major judgments involved in preparing the financial statements.

1.2 Independent Director

An “Independent Director” means a Director that has no direct or indirect material relationship with the issuer. A material relationship means a relationship, which could, in the view of the issuer’s board of directors, reasonably interfere with the exercise of a director’s independent judgment.

2. GENERAL PROCEDURES

- 2.1 The Committee shall be composed of a minimum of three directors, all of whom shall be independent directors and financially literate.
- 2.2 The Committee shall meet at least four times annually, or more frequently as circumstances dictate. Meetings shall be held at the call of the Chair, upon the request of two members of the Committee or at the request of the Chair of the Board of the Corporation or the external auditors.
- 2.3 A quorum shall be a majority of the members.
- 2.4 Unless the Committee otherwise specifies, the Secretary of the Corporation shall act as Secretary of all meetings of the Committee.
- 2.5 In the absence of the Chair of the Committee, the members shall appoint an acting Chair.
- 2.6 A copy of the minutes of each meeting of the Committee shall be provided to each member of the Committee in a timely fashion.
- 2.7 Committee meeting agendas shall be the responsibility of the Chair of the Committee in consultation with Committee members, senior management and the external auditors.
- 2.8 The Committee shall communicate its expectations to management with respect to the nature, timing and extent of its information needs. The Committee expects that written materials will be received

from management at least five (5) days in advance of meeting dates.

- 2.9 At each meeting of the Committee, the members of the Committee shall meet in private session with the Corporation's auditors.
- 2.10 The Committee, through its Chair, shall report after each Committee meeting to the Board at the Board's next regular meeting.
- 2.11 To assist the Committee in discharging its responsibilities, the Committee may, in addition to the external auditors, at the expense of the Corporation, retain one or more persons having special expertise.
- 2.12 The Committee shall annually review, discuss and assess its own performance. In addition, the Committee shall periodically review its role and responsibilities.

3. Specific Responsibilities and Duties

3.1 Financial Reporting

- 3.1.1 review the Corporation's quarterly financial statements including the Management Discussion and Analysis (MDA) and related press releases with management and review the Corporation's annual audited financial statements with the external auditors to gain reasonable assurance that the statements are accurate, complete, represent fairly the Corporation's financial position and performance and are in accordance with GAAP and report thereon to the Board before such financial statements are approved by the Board. Specifically, in its review of the Financial Statements, MDA and press releases, the Committee should:
 - a) obtain an explanation from management of all significant variances between comparative reporting periods and budget;
 - b) review unusual items and other material matters outside of the normal course of business that affect financial reporting and adequacy of disclosure;
 - c) review related party transactions and adequacy of disclosure;
 - d) review key estimates and judgments;
 - e) review uncertainties, commitments and contingent liabilities and;
 - f) review the appropriateness of the Corporation's significant accounting principles and practices, including acceptable alternatives, and the appropriateness of any significant changes in accounting principles and practices.
- 3.1.2 review the quarterly and annual compliance of management certification of financial reports with applicable legislation and attestation of the Corporation's disclosure controls and procedures.
- 3.1.3 review general accounting trends and issues regarding accounting policy, standards and practices, including new developments with Generally Accepted Accounting principles, which may affect the Corporation.
- 3.1.4 annually review with management and the external auditors the degree of conservatism of the Corporation's underlying accounting policies, key estimates and judgments and reserves.
- 3.1.5 receive from the external auditors reports on their audit of the annual financial statements.
- 3.1.6 receive from management a copy of the representation letter provided to the external auditors and receive from management any additional representations required by the Committee.

3.1.7 Review any report which accompanies published financial statements (to the extent such report discusses financial condition or operating results) for consistency of disclosure with the financial statements themselves.

3.1.8 review and, if appropriate, recommend approval to the Board of prospectuses, material change disclosures of a financial nature, management discussion and analysis, annual information forms and similar disclosure documents to be issued by the Corporation.

3.2 Internal Controls

3.2.1 review and monitor the Corporation's internal control procedures, program and policies, and assess the adequacy and effectiveness of internal controls over the accounting and financial reporting systems.

3.2.2 review the annual plan for internal audits.

3.2.3 review the reports of the Corporation on internal audits with respect to control and financial risk, and any other matters appropriate to the Committee's duties. The Committee shall review the adequacy and appropriateness of management's response, including the implementation thereof.

3.2.4 review the evaluation of internal controls by the external auditors, together with management's response.

3.2.5 review the adequacy of the Corporation's internal audit resources.

3.2.6 review the working relationship between management and the external auditors.

3.3 External Auditors

3.3.1 recommend to the Board the nomination of the external auditors and approve the remuneration and the terms of engagement of the external auditors as set forth in the Engagement Letter.

3.3.2 review the performance of the external auditors annually or more frequently as required and receive from the external auditors the annual CPAB public report. Furthermore, in the event that CPAB inspects the audit file of the Corporation, the committee will receive and review the following information:

3.3.2.1 a description of the focus areas selected for inspection by the CPAB;

3.3.2.2 An indication of whether or not there are any significant inspection findings; and

3.3.2.3 if there are significant inspection findings, a description of the findings and any actions the firm has taken in response to the findings and CPAB disposition;

3.3.3 receive a report annually from the external auditors with respect to their independence, such report to include a disclosure of all engagements (and fees related thereto) for non-audit services by the Corporation.

3.3.4 review with the external auditors the audit plan including the scope of the audit, the areas of special emphasis to be addressed in the audit, the extent to which the planned audit scope can be relied upon to detect weaknesses in internal control or fraud or illegal acts, and the materiality levels which the external auditors propose to employ. The Committee should recommend to the Board of Directors the scope of the external audit as stated in the audit plan.

- 3.3.5 review all engagements for non-audit services provided by the external auditors together with fees for such services, and consider the impact of this on the independence of the external auditors. The Committee shall determine which non-audit services the external auditors are prohibited from providing.
- 3.3.6 meet annually with the external auditors in the absence of management to determine,
- that no management restrictions have been placed on the scope and extent of the audit examinations by the external auditors or the reporting of their findings to the Committee;
 - the level of cooperation received from management;
 - any unresolved material differences of opinion or disputes;
 - the effectiveness of the work of internal audit; and
 - the quality of the financial personnel.
- 3.3.7 establish effective communication processes with management and the Corporation's external auditors to assist the Committee to monitor objectively the quality and effectiveness of the relationship among the external auditors, management and the Committee.
- 3.3.8 when a change of auditors is proposed, the Committee shall review all issues related to the change, including the information required to be disclosed by regulations and the planned steps for an orderly transition.
- 3.3.9 When discussing auditor independence, the Committee will consider both rotating the lead audit partner or audit partner responsible for reviewing the audit after a number of years and establishing hiring policies for employees or former employees of its external auditor.

3.4 Risk Management

- 3.4.1 Put in place procedures to receive and handle complaints or concerns received by the Corporation about accounting or audit matters including the anonymous submission by employees of concerns respecting accounting and auditing matters.
- 3.4.2 acknowledging that it is the responsibility of the Board, in consultation with management, to identify the principal business risks facing the Corporation, determine the Corporation's tolerance for risk and approve risk management policies, the Committee shall focus on financial risk and gain reasonable assurance that financial risk is being effectively managed or controlled by:
- reviewing with management the Corporation's tolerance for financial risks;
 - reviewing with management its assessment of the significant financial risks facing the Corporation;
 - reviewing with management the Corporation's policies and any proposed changes thereto for managing those significant financial risks;
 - reviewing with management its plans, processes and programs to manage and control such risks.
- 3.4.3 ascertain that policies and procedures are in place to minimize environmental, occupational health and safety and other risks to asset value and mitigate damage to or deterioration of asset value and review such policies and procedures periodically.
- 3.4.4 ascertain that policies and procedures include comprehensive computer disaster recovery plans.
- 3.4.5 review policies and compliance therewith that require significant actual or potential liabilities, contingent or otherwise, to be reported to the Board in a timely fashion.
- 3.4.6 review foreign currency risk mitigation strategies, including the use of derivative financial instruments.

3.4.7 review the adequacy of insurance coverage maintained by the Corporation.

3.4.8 review regularly with management and the external auditors any legal claim or other contingency, including tax assessments, that could have a material effect upon the financial position or operating results of the Corporation and the manner in which these matters have been disclosed in the financial statements.

3.5 Compliance with Laws and Regulations

3.5.1 review regular reports from management and others (e.g. internal and external auditors) with respect to the Corporation's compliance with laws and regulations having a material impact on the financial statements including:

- a) tax and financial reporting laws and regulations;
- b) legal withholding requirements;
- c) environmental protection laws and regulations;
- d) other laws and regulations which expose directors to liability.

3.5.2 review reports with respect to Occupational Health and Safety matters having a potential significant financial impact and to gain reasonable assurance annually that the Corporation's reserves with respect to such matters are sufficient and appropriate.

3.5.3 review the status of the Corporation's tax returns and those of its subsidiaries.

3.6 Other Responsibilities

3.6.1 review periodically the form, content and level of detail of financial reports to the Board.

3.6.2 approve quarterly the reasonableness of the expenses of the Chief Executive Officer.

3.6.3 after consultation with the Chief Financial Officer and the external auditors, gain reasonable assurance, at least annually, of the quality and sufficiency of the Corporation's accounting and financial personnel and other resources.

3.6.4 review in advance the appointment of the Corporation's Chief Financial Officer.

3.6.5 investigate any matters that, in the Committee's discretion, fall within the Committee's duties.

3.6.6 review reports from management, the external auditors, and/or other Committee Chairs on their review of compliance with the Corporation's Code of Conduct.

3.6.7 perform such other functions as may from time to time be assigned to the Committee by the Board.

3.7 Accountability

3.7.1 annually review and assess the adequacy of its mandate and evaluate its effectiveness in fulfilling its mandate.

3.7.2 review and update this Charter on a regular basis for approval by the Board.

3.7.3 review the description of the Committee's activities as set forth in the Corporation's statement of corporate governance practices.