



Investor Presentation – Q4 FY23

November 28, 2023

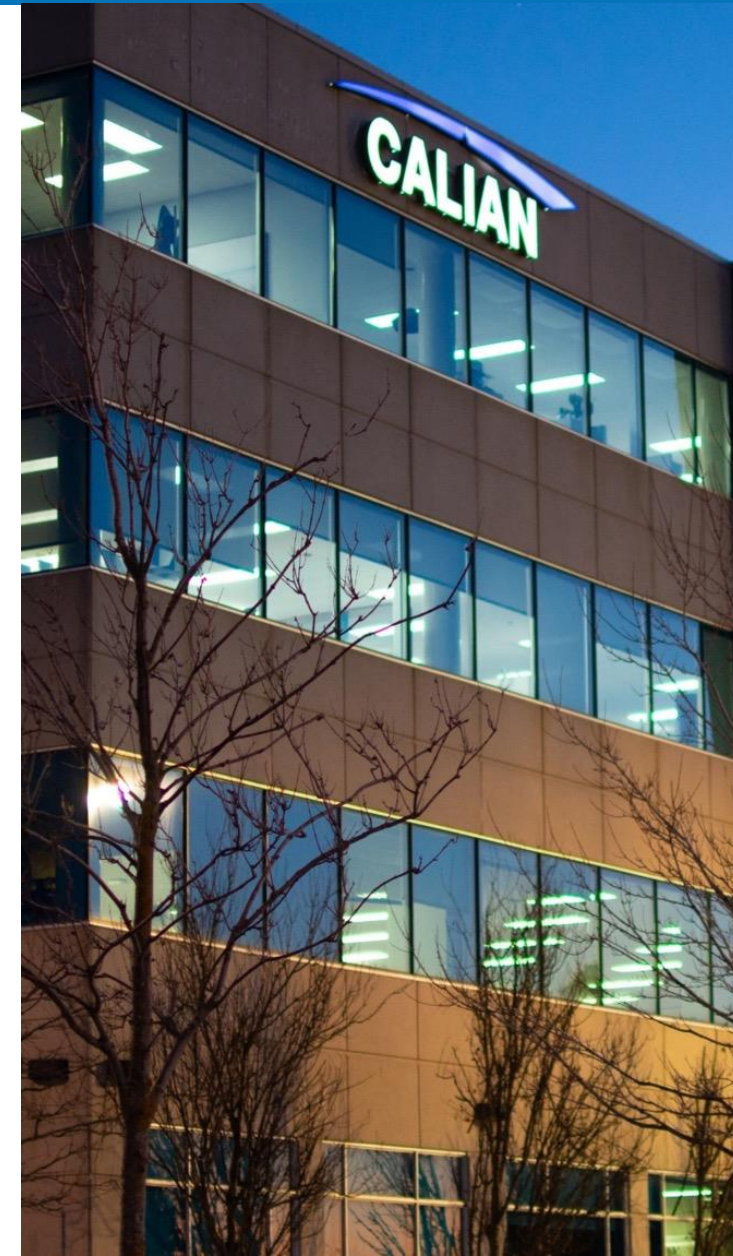


Caution Regarding Forward Looking Statements

Certain information included in this document is forward-looking and is subject to important risks and uncertainties. The results or events predicted in these statements may differ materially from actual results or events. Such statements are generally accompanied by words such as “intend”, “anticipate”, “believe”, “estimate”, “expect” or similar statements. Factors which could cause results or events to differ from current expectations include, among other things: the impact of price competition; scarce number of qualified professionals; the impact of rapid technological and market change; loss of business or credit risk with major customers; technical risks on fixed price projects; general industry and market conditions and growth rates; international growth and global economic conditions, and including currency exchange rate fluctuations; and the impact of consolidations in the business services industry. For additional information with respect to certain of these and other factors, please see the Company’s most recent annual report and other reports filed by Calian with the Ontario Securities Commission. Calian disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. No assurance can be given that actual results, performance or achievement expressed in, or implied by, forward-looking statements within this disclosure will occur, or if they do, that any benefits may be derived from them.

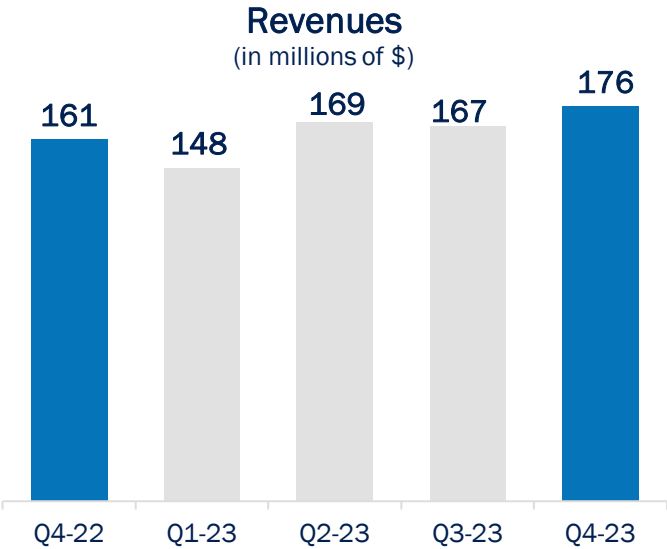
Q4-23 and FY23 Highlights

- Record Q4 results
- Q4 highlights
 - Completed HPT acquisition
 - Launched digital health portfolio
 - Opened a wholly owned subsidiary in Belgium
 - Signed contracts with MDA and Shared Services Canada
 - Signed second SaaS customer for Nexi
 - Closed \$255M debt agreement
 - Launched NCIB
- Record FY23 results
- Two important announcements subsequent to year end
 - Appointed Michael Tremblay to President, ITCS
 - Entered definitive purchase agreement to acquire Decisive Group

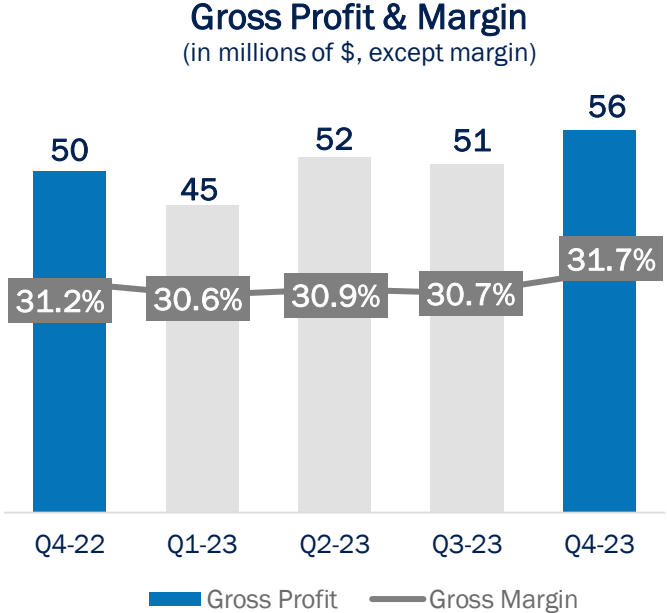


Q4-23 Consolidated Results

\$176M
Gross New Contract Signings

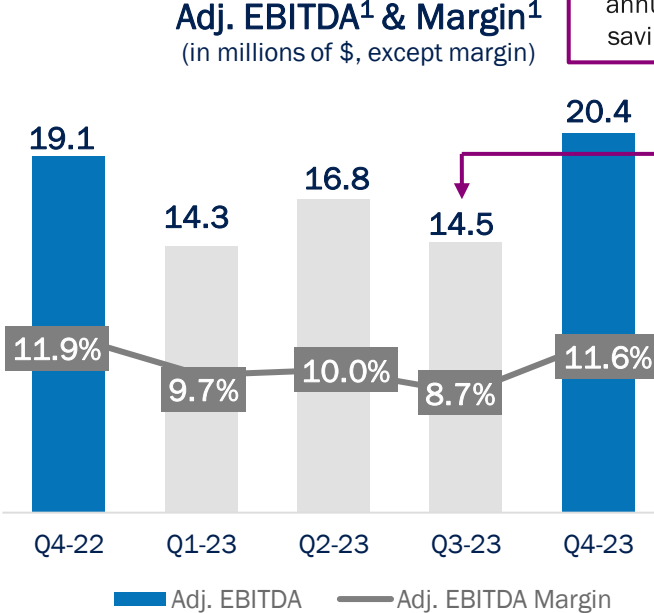


\$1.2B
Backlog



7%
Organic Growth

3%
Acquisitive Growth



Implemented restructuring plan expected to generate annualized cost savings of \$8M

1) This is a non-GAAP measure. Please refer to the MD&A.

Record quarterly revenues, gross margin & adj. EBITDA

FY23 Consolidated Results

\$580M

Gross New Contract Signings

\$1.2B

Backlog

6%

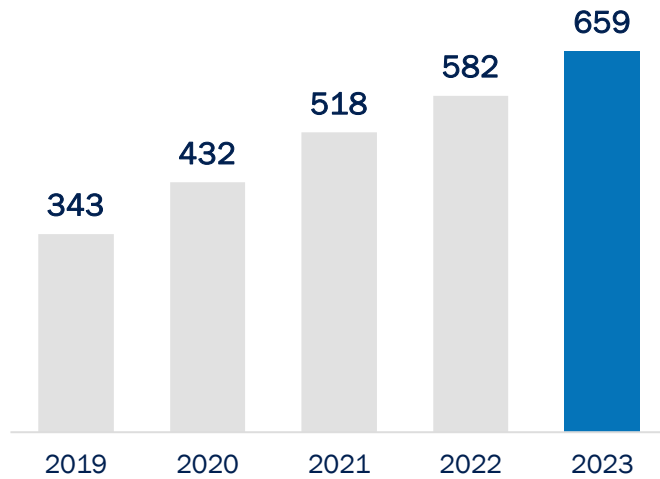
Organic Growth

7%

Acquisitive Growth

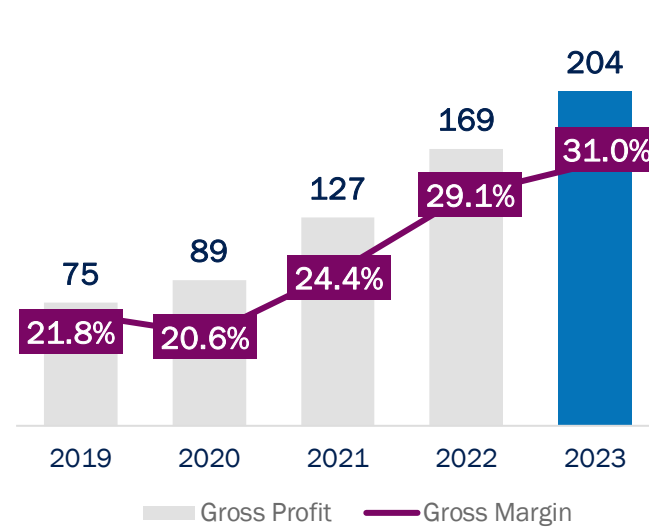
Revenues

(in millions of \$)



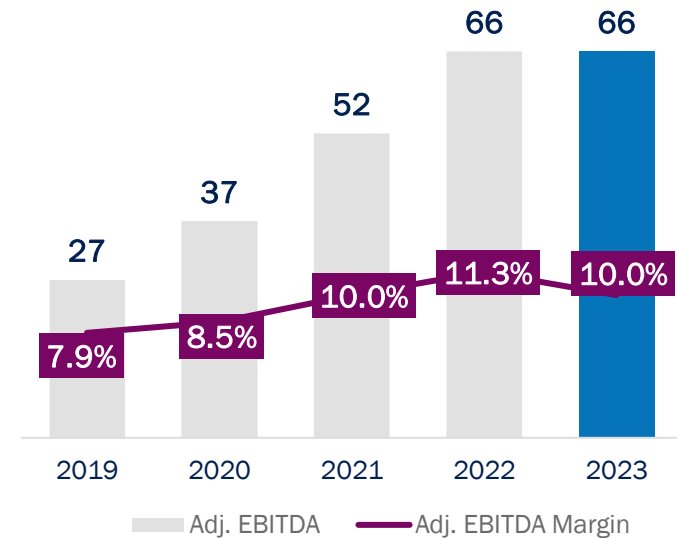
Gross Profit & Margin

(in millions of \$, except margin)



Adj. EBITDA¹ & Margin¹

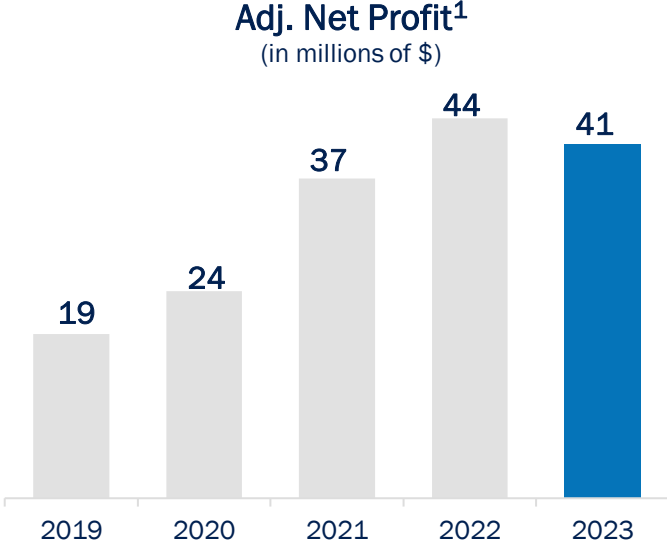
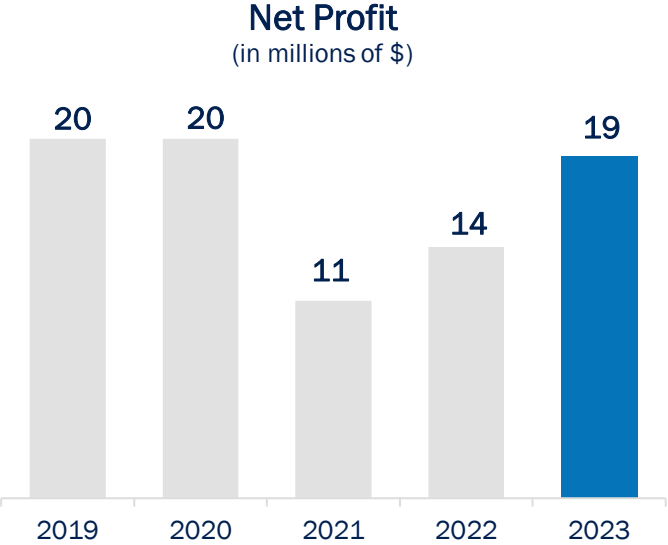
(in millions of \$, except margin)



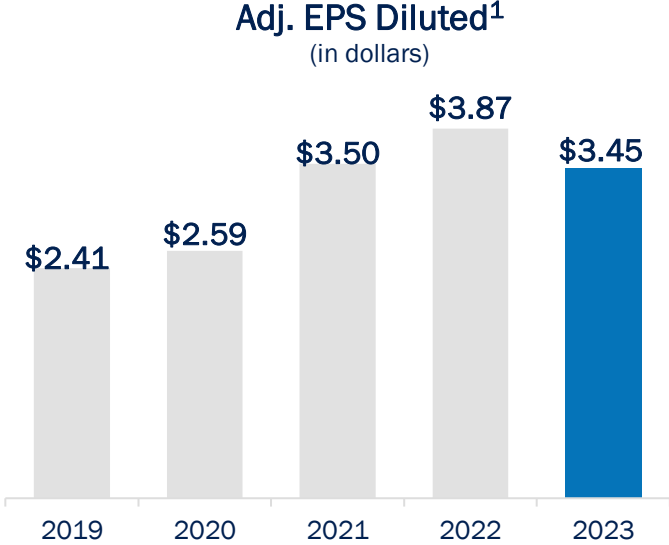
1) This is a non-GAAP measure. Please refer to the MD&A.

Record year in terms of revenue, gross margin and Adj. EBITDA

FY23 – Net Profit & Adj. Net Profit



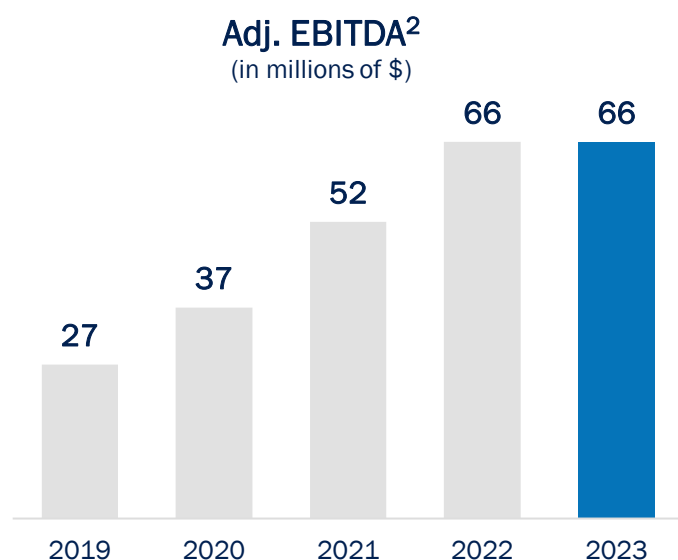
1) This is a non-GAAP measure. Please refer to the MD&A.



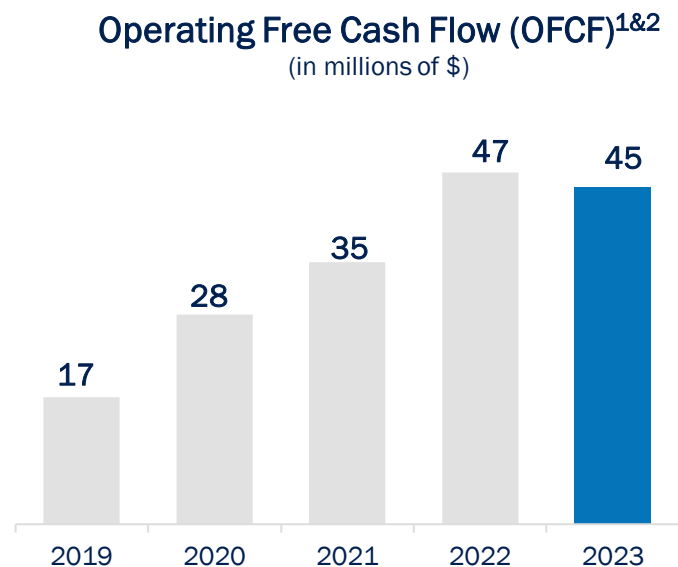
1) This is a non-GAAP measure. Please refer to the MD&A.

In FY24 we expect to pay earnouts for Simfront and HPT

FY23 – Operating FCF Generation & Conversion

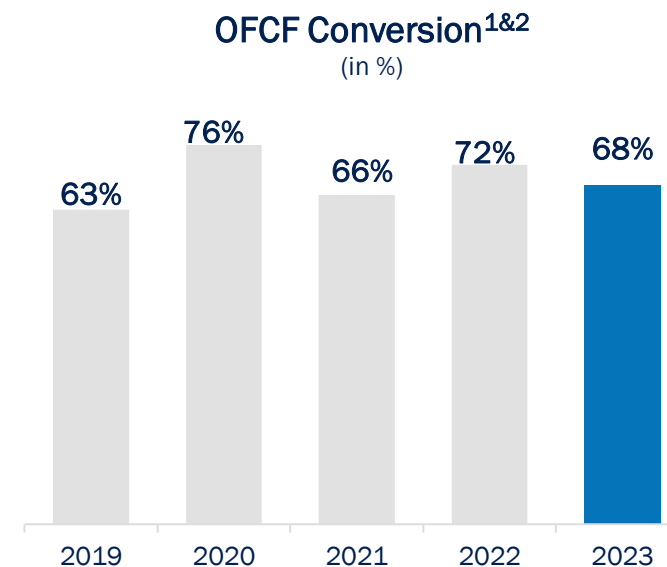


2) This is a non-GAAP measure. Please refer to the MD&A.



1) OFCF=CFO less capex and excluding working capital

2) This is a non-GAAP measure. Please refer to the MD&A.

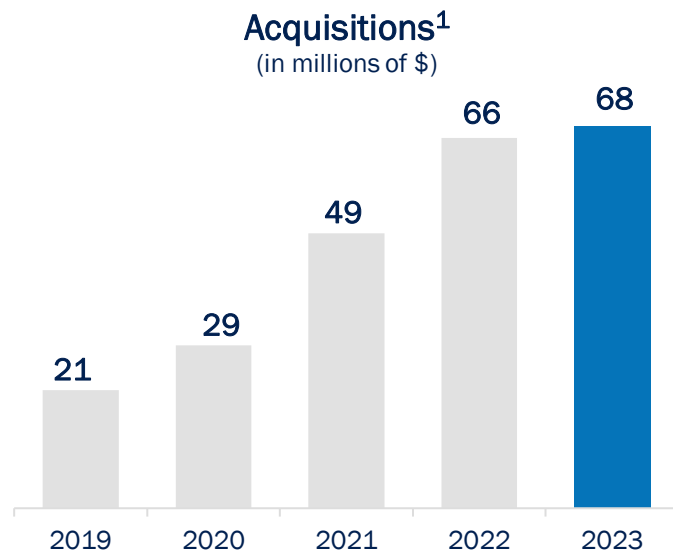


1) OFCF Conversion = OFCF divided by adjusted EBITDA

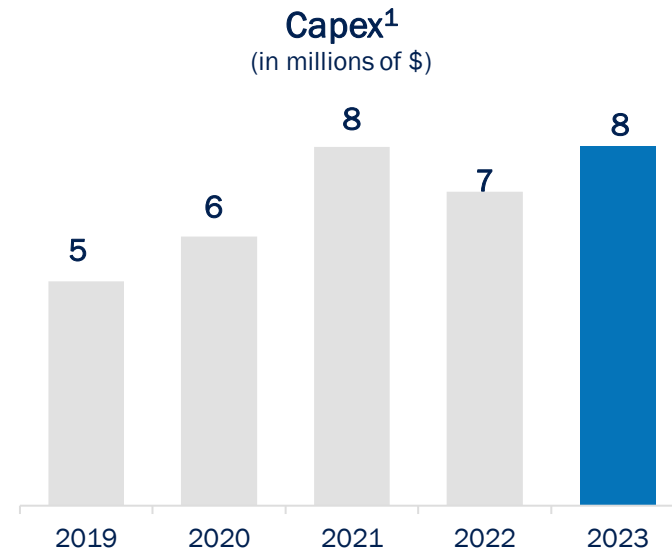
2) This is a non-GAAP measure. Please refer to the MD&A.

We are looking to drive more efficiency in working capital as we continue to deliver double-digit revenue growth

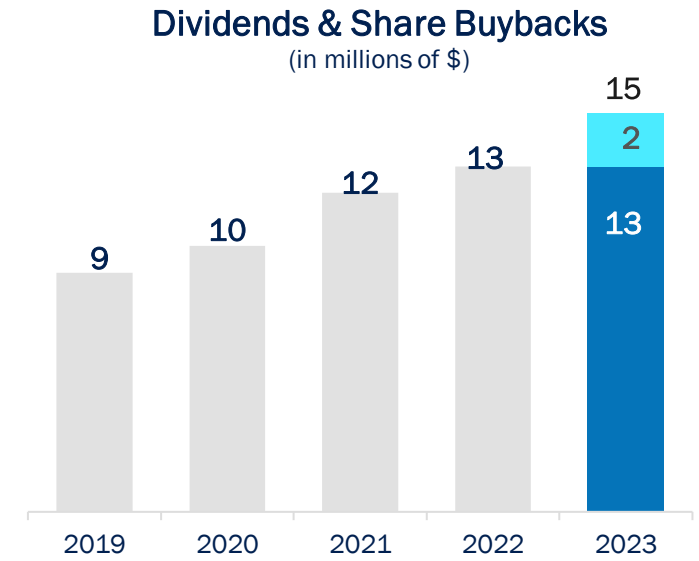
FY23 – Capital Deployment



1) Includes acquisitions and earn-outs



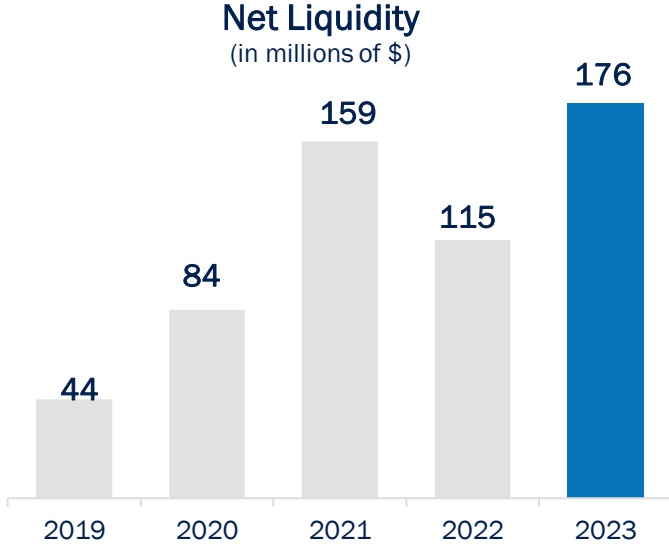
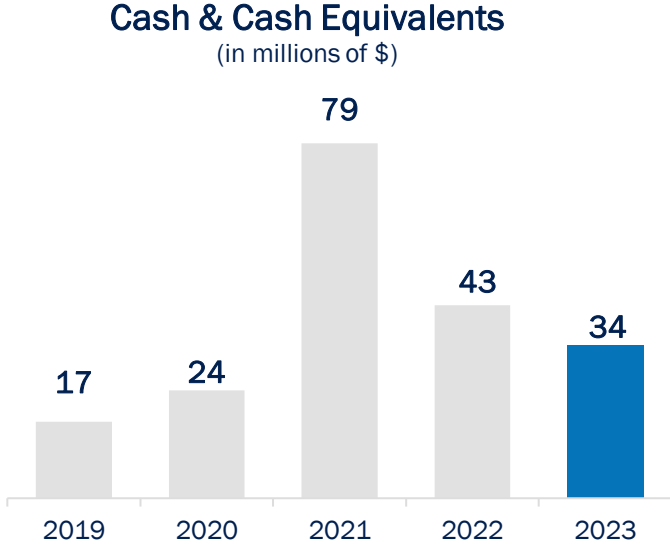
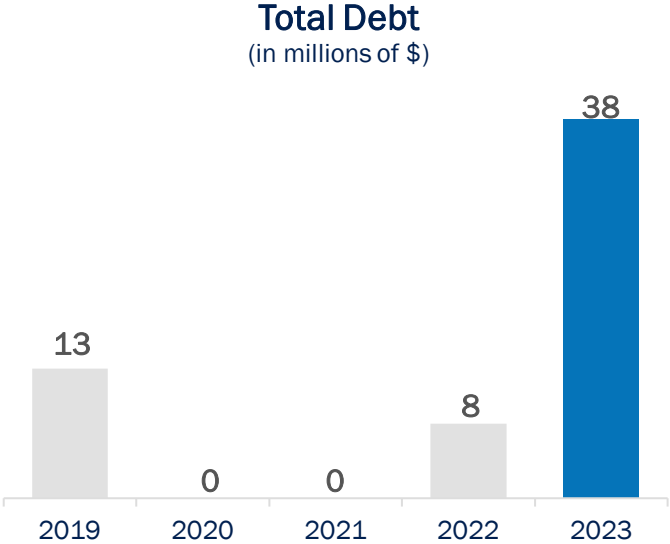
1) Capex = Equipment and application software + Capitalized R&D



■ Dividends ■ Share buybacks

We continued to have a disciplined approach to capital deployment

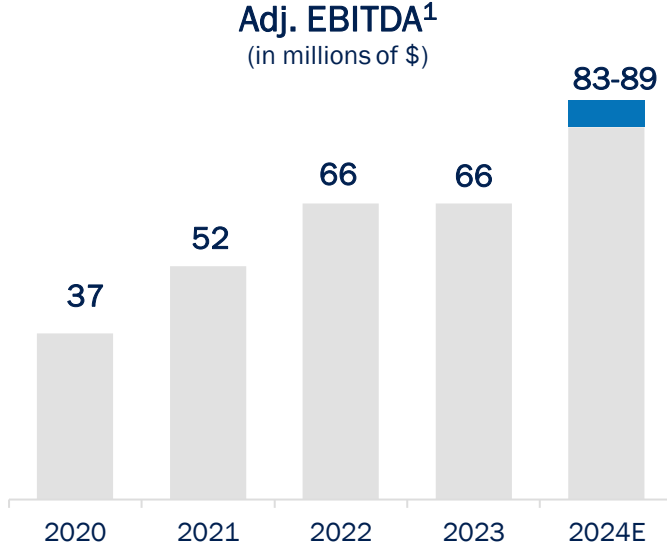
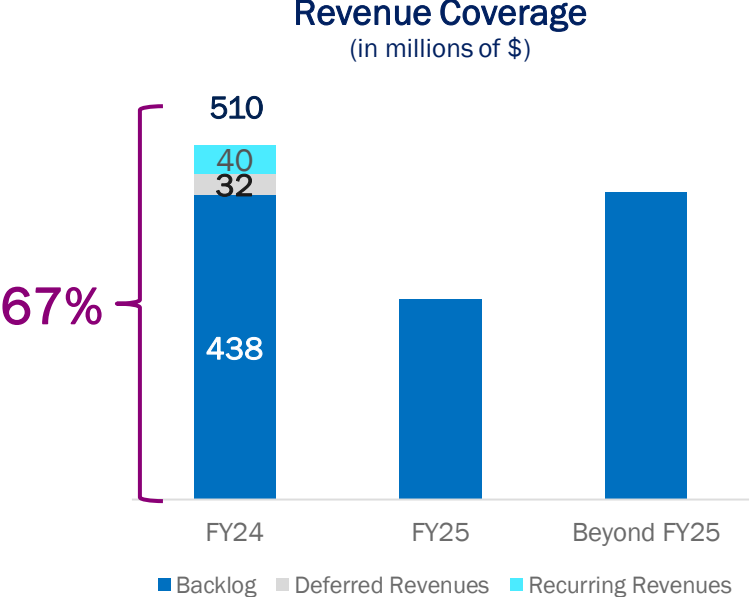
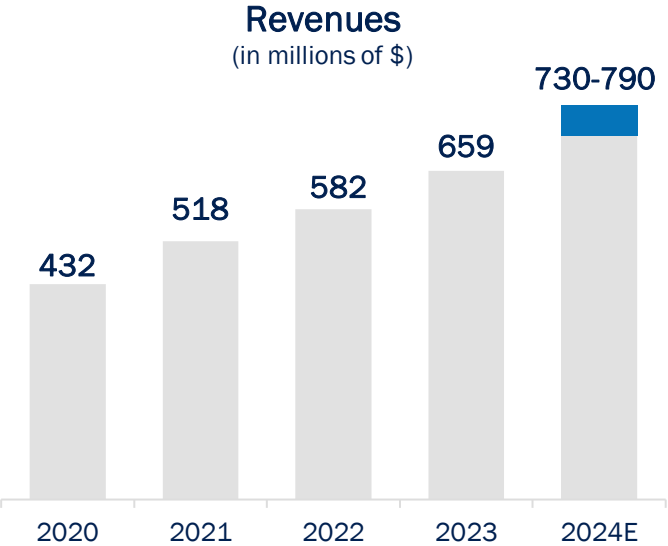
FY23 - Balance Sheet



1) Net Liquidity= Unused portion of credit line + cash & cash equivalents

We finished the year with \$176M of net liquidity to pursue our growth

FY24 – Guidance



1) This is a non-GAAP measure. Please refer to the MD&A.

At the midpoint of the range, it represents revenue and adj. EBITDA growth of 15% and 30% respectively

Q4-23 ITCS

\$87M

Gross New Contract Signings

\$141M

Backlog

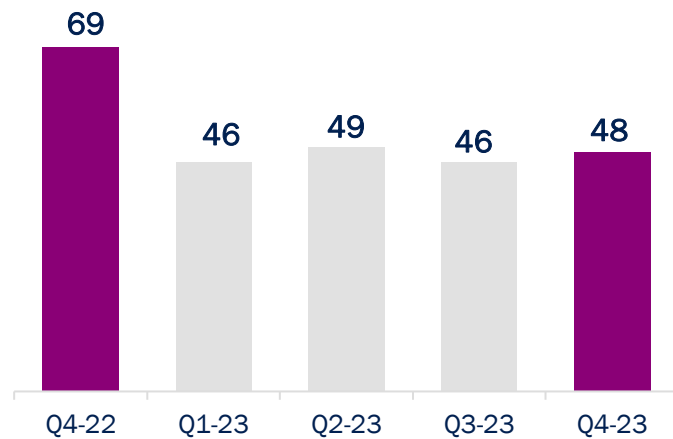
-31%

Organic Growth

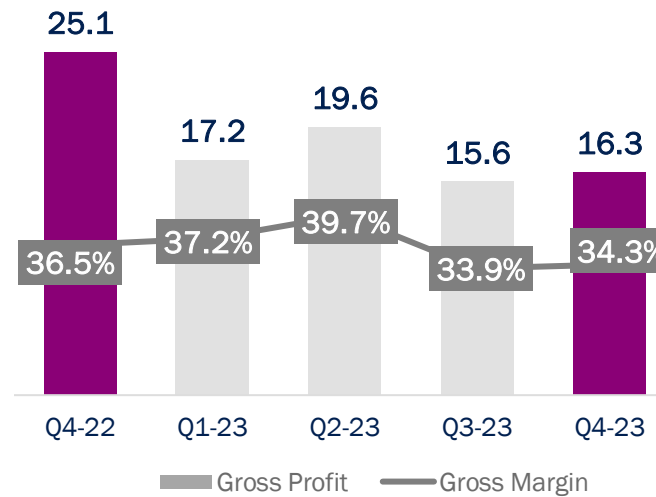
-%

Acquisitive Growth

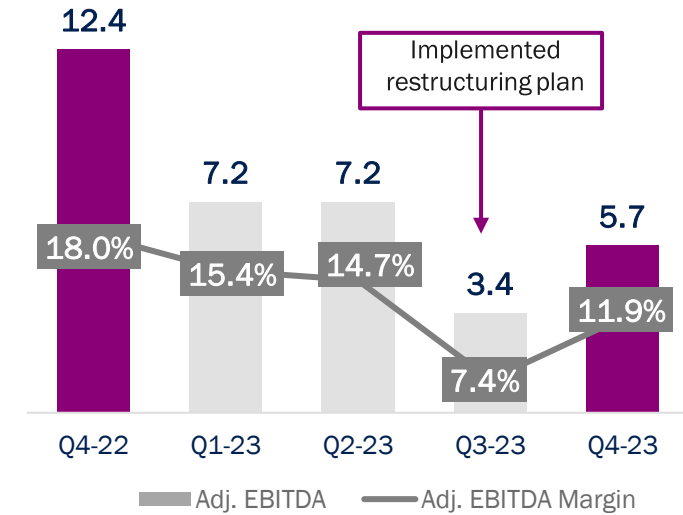
Revenues
(in millions of \$)



Gross Profit & Margin
(in millions of \$, except margin)



Adj. EBITDA¹ & Margin¹
(in millions of \$, except margin)



1) This is a non-GAAP measure. Please refer to the MD&A.

Made progress from Q3-23 but not back to normalized levels yet

FY23 ITCS

FY24
significant adj. EBITDA
improvement

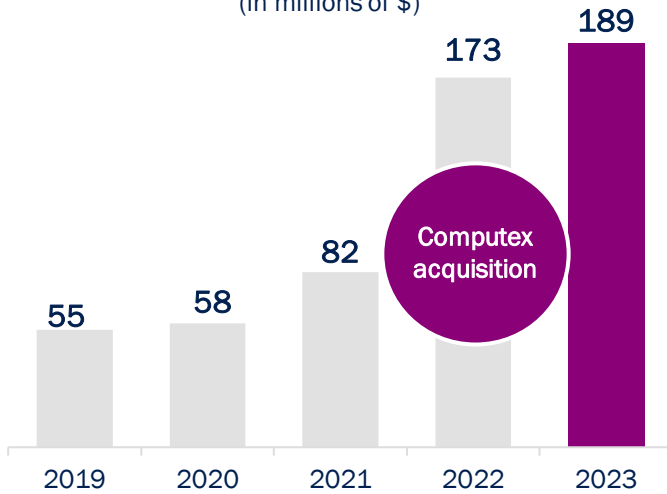
\$247M
Gross New Contract Signings

\$141M
Backlog

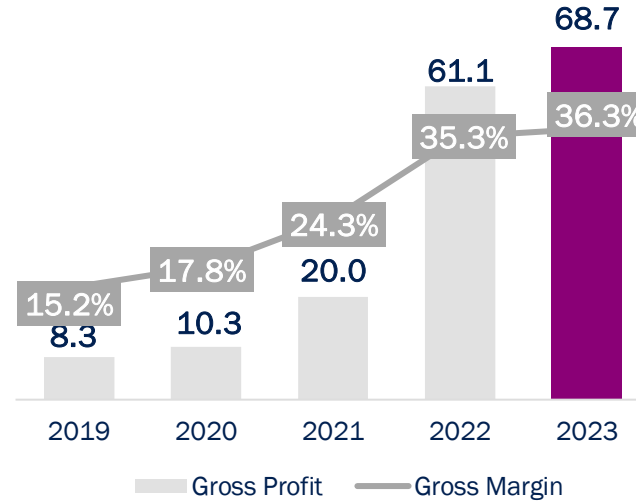
-13%
Organic Growth

23%
Acquisitive Growth

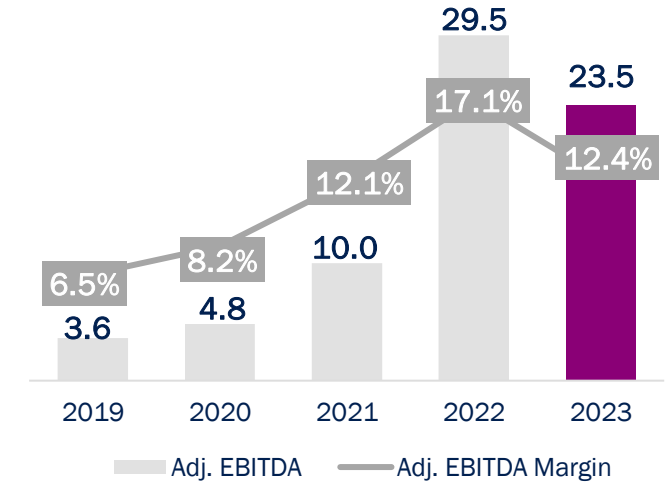
Revenues
(in millions of \$)



Gross Profit & Margin
(in millions of \$, except margin)



Adj. EBITDA¹ & Margin¹
(in millions of \$, except margin)



1) This is a non-GAAP measure. Please refer to the MD&A.

Impacted by lower shipments from product resale business in the U.S.

Q4-23 Health

\$29M

Gross New Contract Signings

\$633M

Backlog

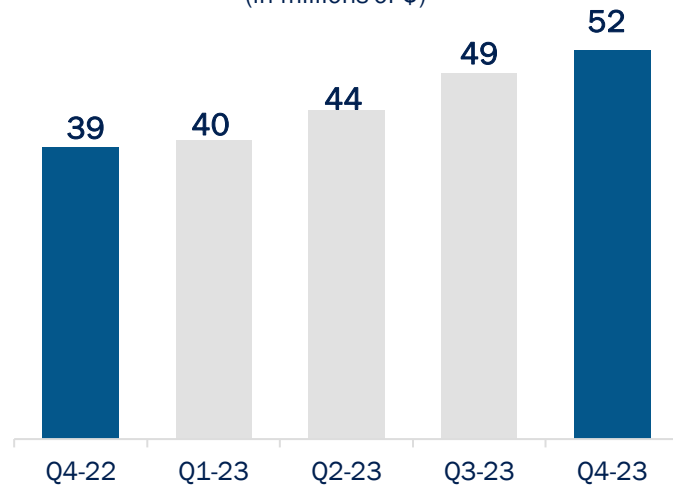
31%

Organic Growth

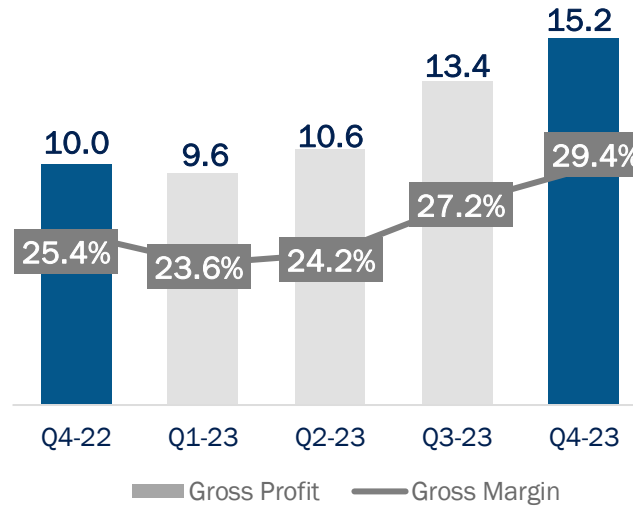
-%

Acquisitive Growth

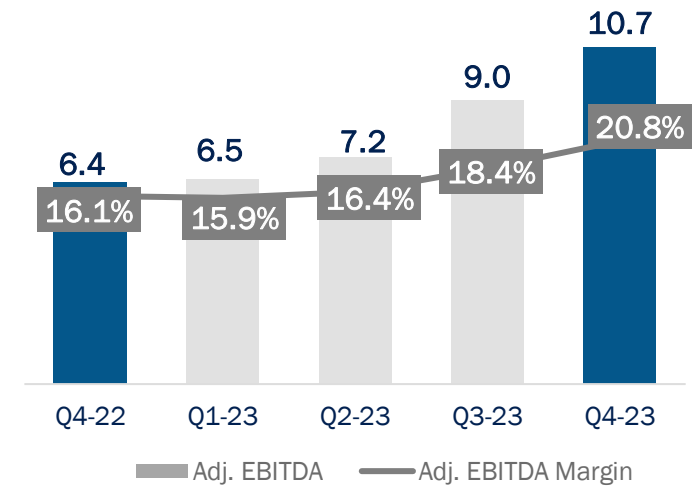
Revenues
(in millions of \$)



Gross Profit & Margin
(in millions of \$, except margin)



Adj. EBITDA¹ & Margin¹
(in millions of \$, except margin)



1) This is a non-GAAP measure. Please refer to the MD&A.

Highest quarter revenue since the peak demands of the pandemic

FY23 Health

FY24
Lower adj. EBITDA
margins

\$115M

Gross New Contract Signings

\$633M

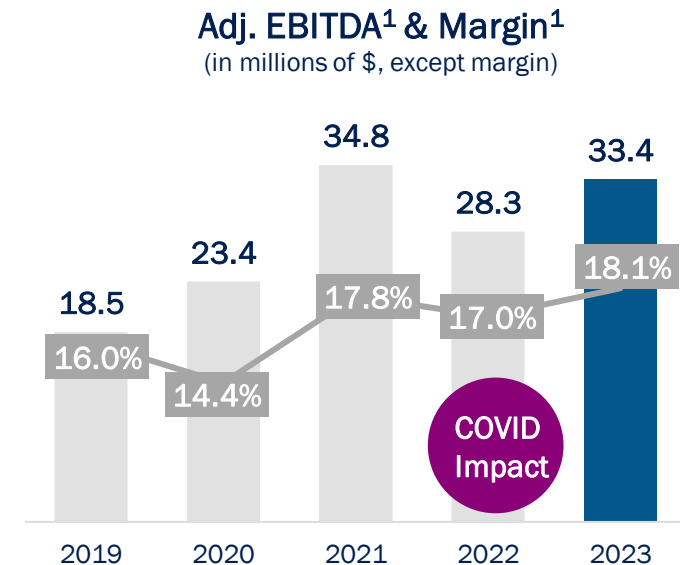
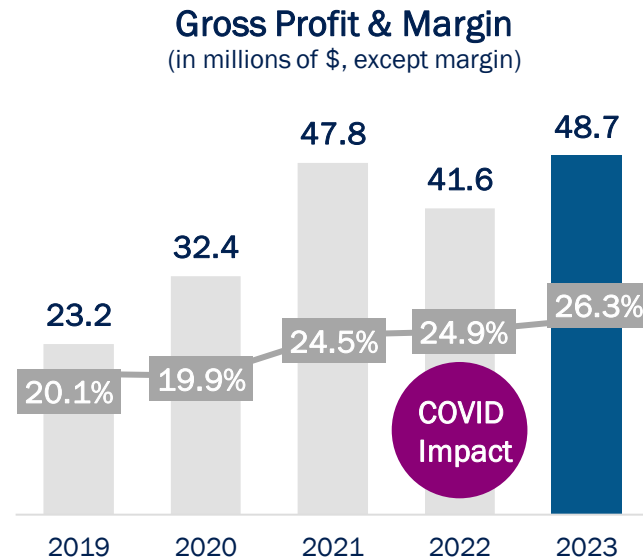
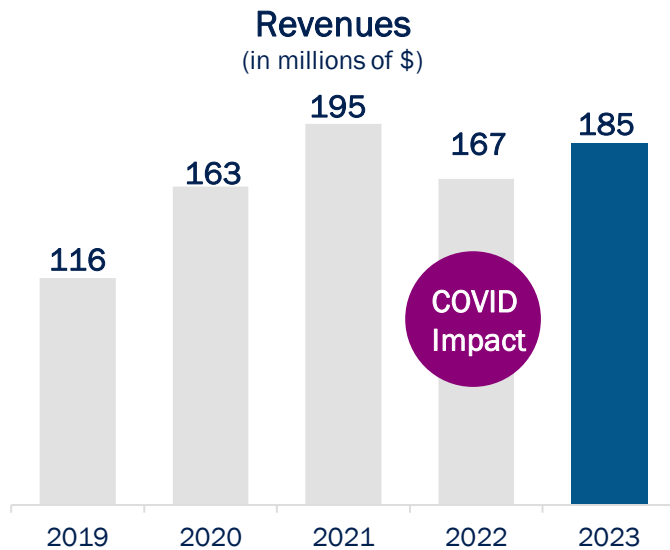
Backlog

11%

Organic Growth

-%

Acquisitive Growth



— Gross Profit — Gross Margin

— Adj. EBITDA — Adj. EBITDA Margin

1) This is a non-GAAP measure. Please refer to the MD&A.

Successfully backfilled the one-time work generated from the pandemic

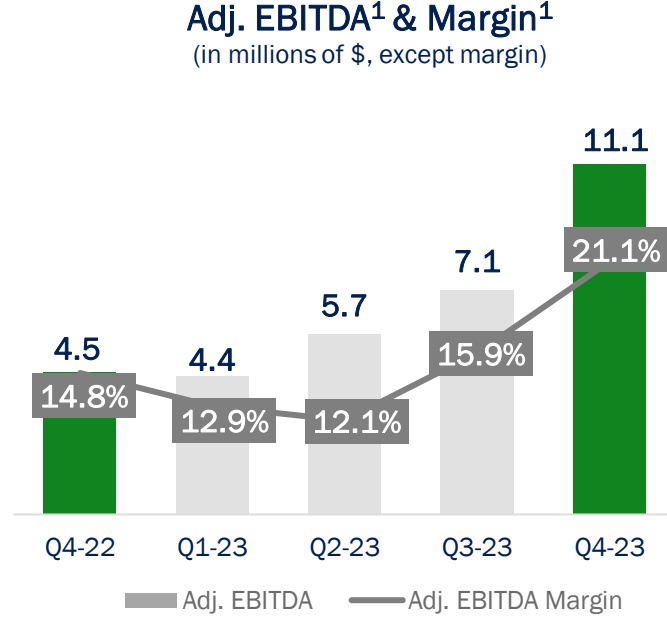
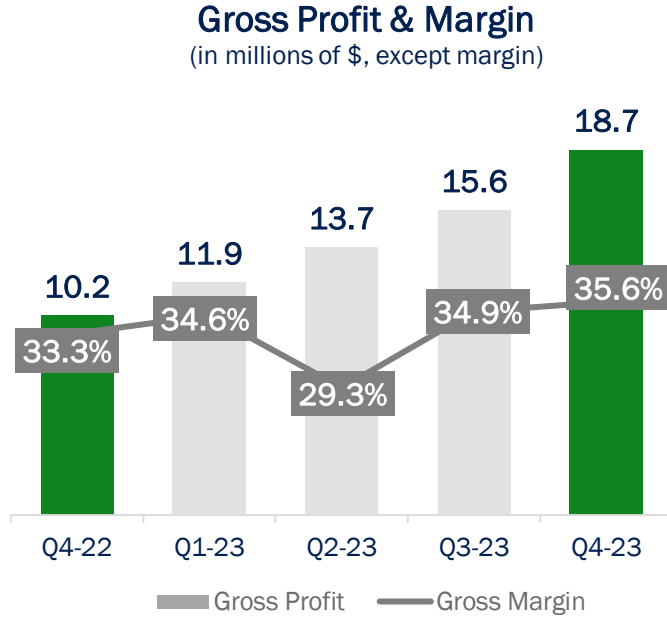
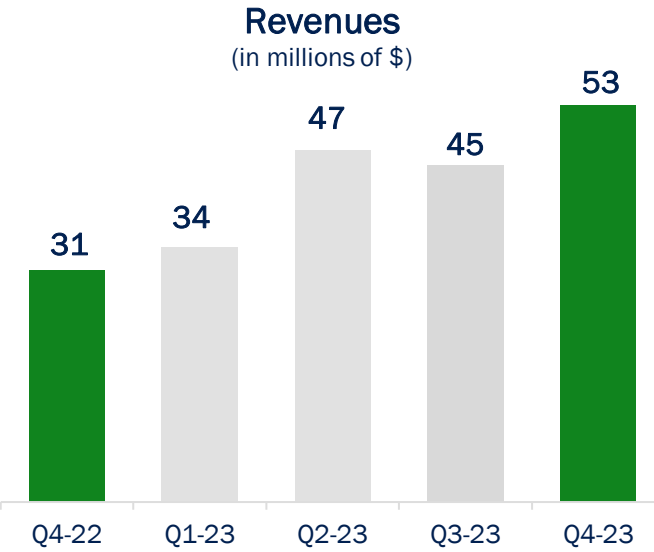
Q4-23 Advanced Technologies

\$52M
Gross New Contract Signings

\$149M
Backlog

58%
Organic Growth

14%
Acquisitive Growth



1) This is a non-GAAP measure. Please refer to the MD&A.

Highest ever quarterly revenues, gross profit & adj. EBITDA

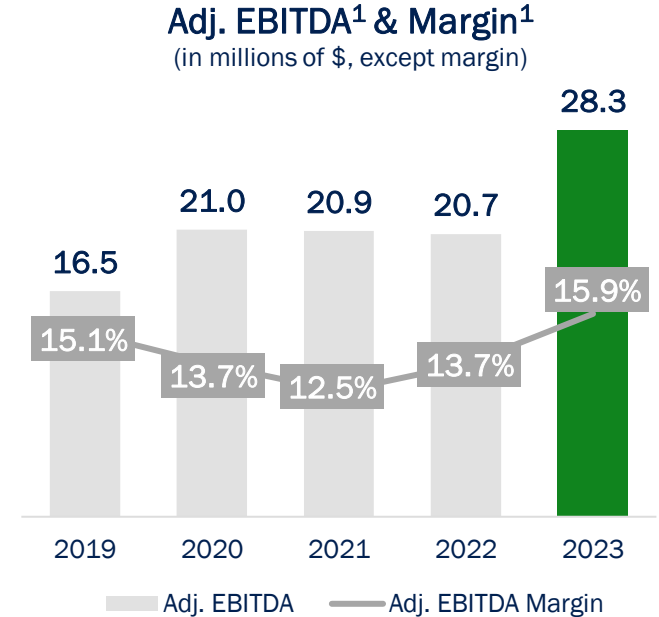
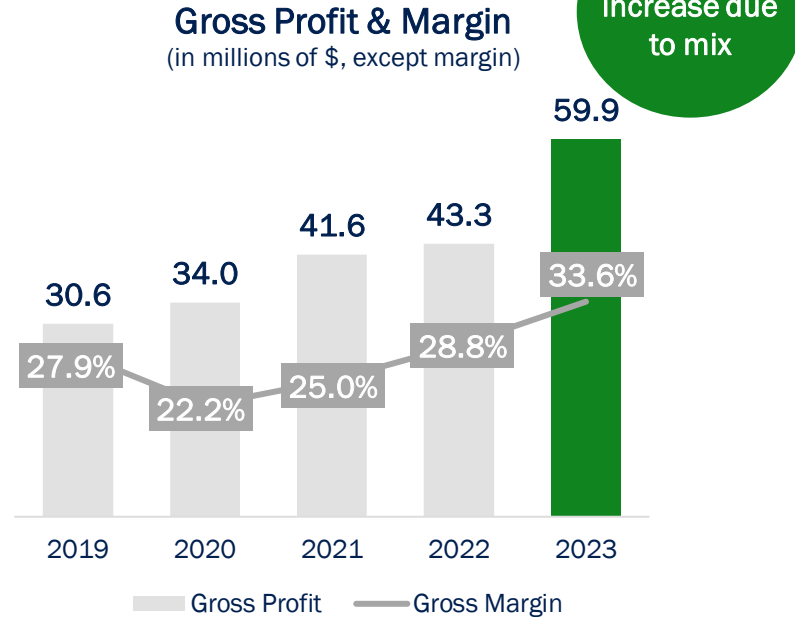
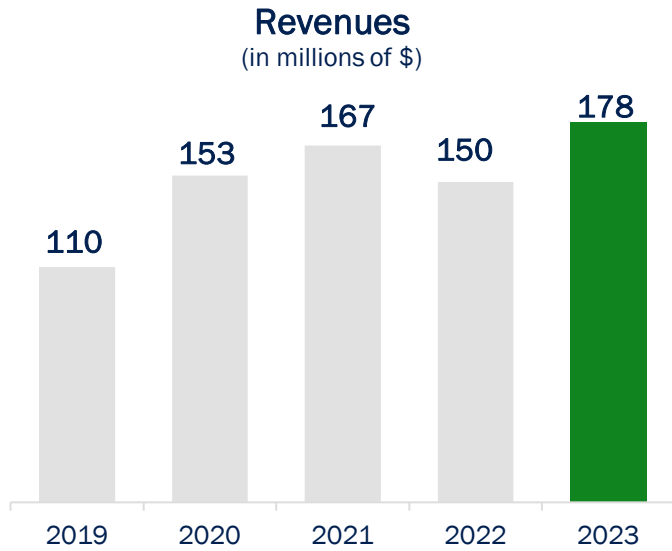
FY23 Advanced Technologies

\$192M
Gross New Contract Signings

\$149M
Backlog

16%
Organic Growth

3%
Acquisitive Growth

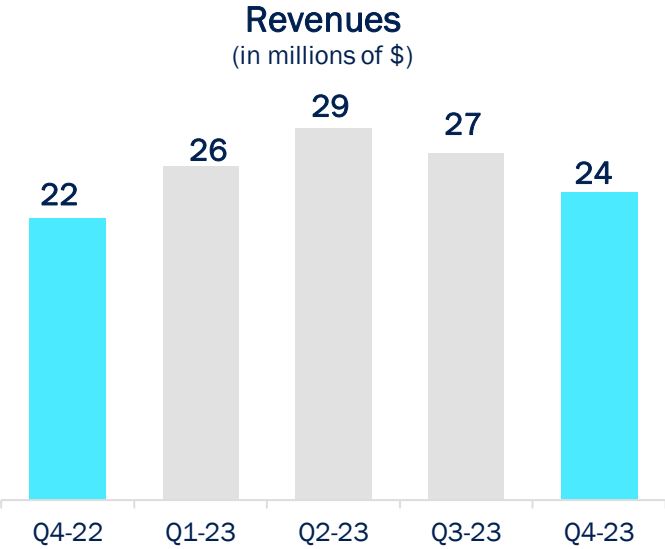


¹) This is a non-GAAP measure. Please refer to the MD&A.

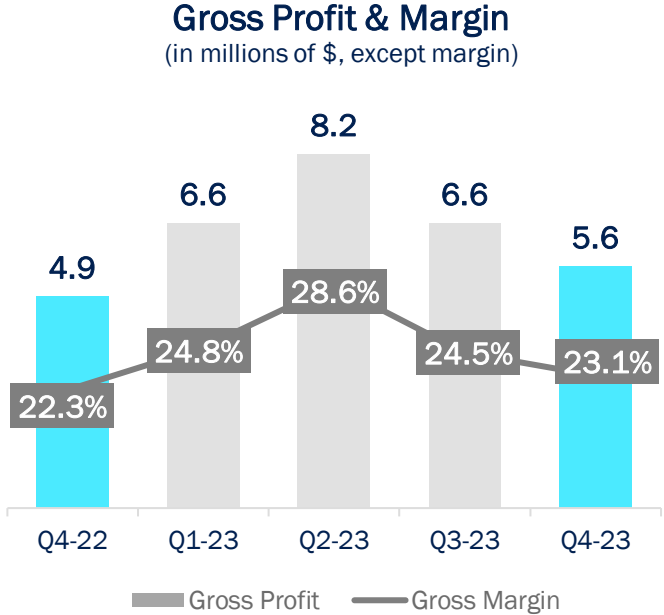
Record year in terms of revenues, gross profit and adj. EBITDA

Q4-23 Learning

\$8M
Gross New Contract Signings

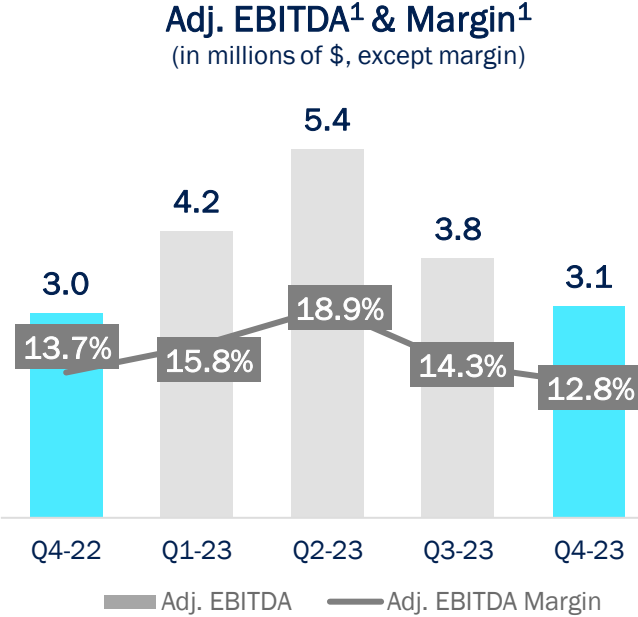


\$248M
Backlog



11%
Organic Growth

-%
Acquisitive Growth



1) This is a non-GAAP measure. Please refer to the MD&A.

Driven by strong demand for the military training with existing Canadian customers

FY23 Learning

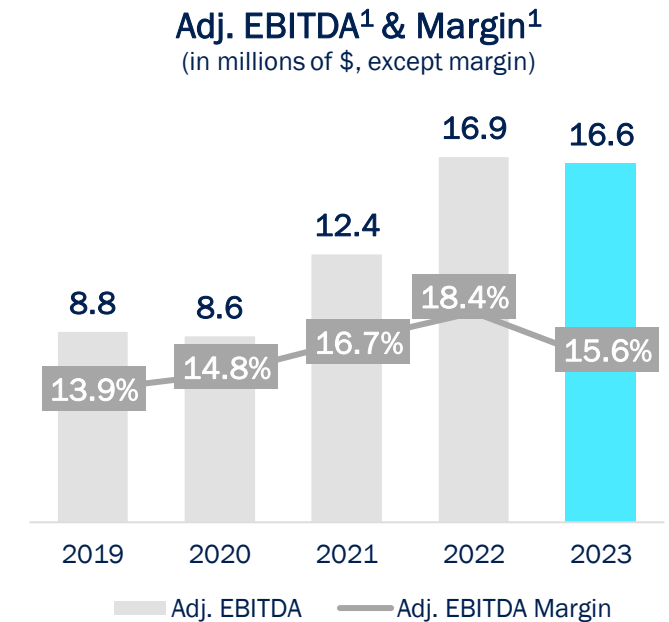
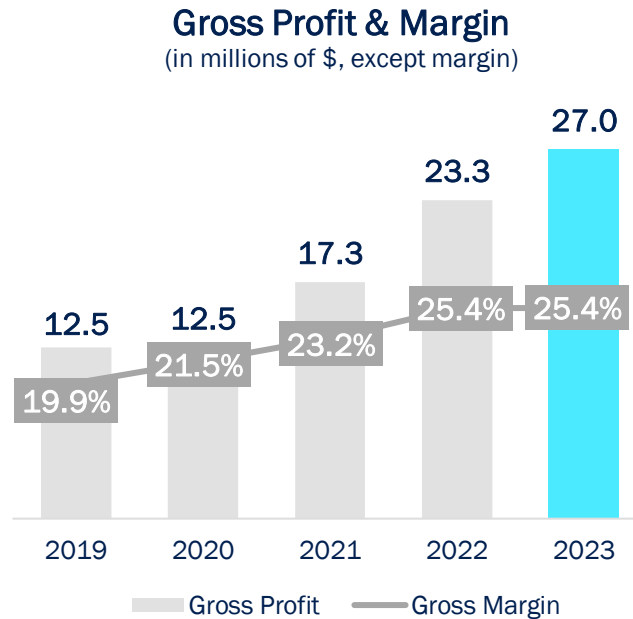
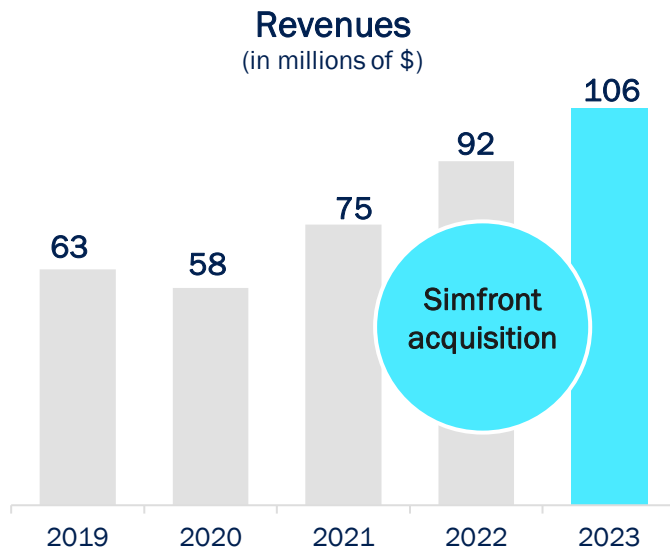
FY24
Pace of growth to
slow down

\$26M
Gross New Contract Signings

\$248M
Backlog

16%
Organic Growth

-%
Acquisitive Growth



1) This is a non-GAAP measure. Please refer to the MD&A.

Adj. EBITDA margins under pressure as we invest in R&D to support growth

Concluding Remarks

1. Our diversification and evolving products business helped us post a record Q4
2. Strong signings and organic revenue momentum re-enforces customers trust us and our expertise is in demand
3. Our capital allocation strategy is working:
 - Strong early returns from HPT
 - Forthcoming acquisition of Decisive
 - Robust pipeline of targets
4. Future quarterly fluctuations:
 - Higher margin products dependent on timing of deliveries
 - Greater exposure to commercial & global defence customers
 - Global macro environment
5. Clear roadmap to \$1 billion of revenues in FY26



Question Period



Kevin Ford
CEO



Patrick Houston
CFO & Corporate Secretary



Jennifer McCaughey
Director, Investor Relations



Thank you

ir@calian.com



Reconciliation of Non-GAAP Measures – Adj. EBITDA

(in thousands of \$)	Three months ended		Twelve months ended	
	Sept. 30, 2023	Sept. 30, 2022	Sept. 30, 2023	Sept. 30, 2022
Net profit	\$5,119	\$1,195	\$18,885	\$13,604
Depreciation of equipment and application software	2,133	2,308	9,043	6,974
Depreciation of right of use asset	1,352	950	4,501	3,629
Amortization of acquired intangible assets	4,460	3,484	14,874	20,555
Restructuring expense	2,618	-	2,618	-
Impairment of acquired intangible assets	(314)	-	(314)	-
Lease interest expense	159	143	531	451
Changes in fair value related to contingent earn-out	416	2,289	3,858	5,555
Interest expense (income)	634	7	365	295
Deemed compensation	403	3,314	550	4,314
Income Tax	3,401	5,377	11,076	10,555
Adjusted EBITDA	\$20,381	\$19,067	\$65,987	\$65,932

Reconciliation of Non-GAAP Measures – Adj. Net Profit & Adj. EPS

(in thousands of \$, except per share amounts)	Three months ended		Twelve months ended	
	Sept. 30, 2023	Sept. 30, 2022	Sept. 30, 2023	Sept. 30, 2022
Net Profit	\$5,119	\$1,195	\$18,885	\$13,604
Restructuring expense	2,618	-	2,618	-
Other changes in fair value	(314)	-	(314)	-
Changes in fair value related to contingent earn-out	416	2,289	3,858	5,555
Deemed Compensation	403	3,314	550	4,314
Amortization of intangibles	4,460	3,484	14,874	20,555
Adjusted net profit	\$12,702	\$10,282	\$40,471	\$44,028
Weighted average number of common shares basic	11,790,964	11,399,172	11,714,887	11,343,615
Adjusted EPS Basic	1.08	0.90	3.45	3.88
Adjusted EPS Diluted	1.07	0.90	3.45	3.87

Reconciliation of Non-GAAP Measures – Operating Free Cash Flow

(in thousands of \$, except per share amounts)	Three months ended		Twelve months ended	
	Sept. 30, 2023	Sept. 30, 2022	Sept. 30, 2023	Sept. 30, 2022
Cash flows generated from operating activities	\$22,704	(\$12)	\$56,775	\$43,141
Capitalized research and development	-	(2)	(86)	(177)
Equipment and application software	(2,368)	(2,240)	(8,354)	(7,148)
Free cash flow	20,336	(\$2,254)	\$48,335	\$35,816
Change in non-cash working capital	(9,613)	16,367	(3,490)	11,380
Operating free cash flow	\$10,723	\$14,113	\$44,845	\$47,196
Operating free cash flow per share	0.91	1.24	3.83	4.16