



UNAUDITED
INTERIM
CONDENSED
CONSOLIDATED
FINANCIAL
STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED
MARCH 31, 2024



CALIAN GROUP LTD.
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at March 31, 2024 and September 30, 2023
(Canadian dollars in thousands, except per share data)

	NOTES	March 31, 2024	September 30, 2023
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		\$ 45,866	\$ 33,734
Accounts receivable		231,379	173,052
Work in process	4	16,137	16,580
Inventory		25,015	21,983
Prepaid expenses		24,727	19,040
Derivative assets	15	41	155
Total current assets		343,165	264,544
NON-CURRENT ASSETS			
Property, plant and equipment	5	38,420	37,223
Right of use assets	6	35,239	34,637
Prepaid expenses		9,997	10,386
Deferred tax asset		1,551	967
Investments		3,673	3,673
Acquired intangible assets	7	119,804	75,160
Goodwill	8	193,333	159,133
Total non-current assets		402,017	321,179
TOTAL ASSETS		\$ 745,182	\$ 585,723
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Debt facility	9	\$ —	\$ 37,750
Accounts payable and accrued liabilities		188,680	105,550
Provisions		2,148	2,848
Unearned contract revenue	4	39,410	32,423
Lease obligations	6	5,106	4,949
Contingent earn-out	17	27,948	11,263
Derivative liabilities	15	108	353
Total current liabilities		263,400	195,136
NON-CURRENT LIABILITIES			
Debt facility	9	69,000	—
Lease obligations	6	32,942	32,057
Unearned contract revenue	4	21,561	15,592
Contingent earn-out	17	2,806	2,535
Deferred tax liabilities		20,106	12,031
Total non-current liabilities		146,415	62,215
TOTAL LIABILITIES		409,815	257,351
SHAREHOLDERS' EQUITY			
Issued capital	10	228,617	225,540
Contributed surplus		5,631	4,856
Retained earnings		99,840	96,859
Accumulated other comprehensive income (loss)		1,279	1,117
TOTAL SHAREHOLDERS' EQUITY		335,367	328,372
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 745,182	\$ 585,723
Number of common shares issued and outstanding	10	11,854,851	11,812,650

The accompanying notes are an integral part of the unaudited interim condensed consolidated financial statements.

CALIAN GROUP LTD.
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF NET PROFIT
For the three and six months ended March 31, 2024 and 2023
(Canadian dollars in thousands, except per share data)

	NOTES	Three months ended March 31,		Six months ended March 31,	
		2024	2023	2024	2023
Revenue	12	\$ 201,268	\$ 168,543	\$ 380,447	\$ 316,086
Cost of revenues		131,231	116,452	252,192	218,776
Gross profit		70,037	52,091	128,255	97,310
Selling and marketing		15,014	11,831	27,365	22,974
General and administration		26,636	20,493	50,270	37,893
Research and development		2,695	2,922	5,414	5,343
Profit before under noted items		25,692	16,845	45,206	31,100
Depreciation of property, plant and equipment	5	2,496	2,252	4,804	4,549
Depreciation of right of use assets	6	1,468	1,015	2,931	2,022
Amortization of acquired intangible assets	7	6,149	3,450	11,384	6,811
Restructuring expense		1,495	—	1,495	—
Deemed compensation	16, 17	911	50	1,515	147
Changes in fair value related to contingent earn-out	16, 17	4,088	2,562	4,814	3,304
Profit before interest income and income tax expense		9,085	7,516	18,263	14,267
Interest expense		1,734	95	3,281	218
Income tax expense		2,426	2,904	4,532	4,956
NET PROFIT		\$ 4,925	\$ 4,517	\$ 10,450	\$ 9,093
Net profit per share:					
Basic	13	\$ 0.42	\$ 0.39	\$ 0.88	\$ 0.78
Diluted	13	\$ 0.41	\$ 0.38	\$ 0.87	\$ 0.78

The accompanying notes are an integral part of the unaudited interim condensed consolidated financial statements.

CALIAN GROUP LTD.
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the three and six months ended March 31, 2024 and 2023
(Canadian dollars in thousands)

	Three months ended March 31,		Six months ended March 31,	
	2024	2023	2024	2023
NET PROFIT	\$ 4,925	\$ 4,517	\$ 10,450	\$ 9,093
Cumulative translation adjustment	2,189	29	(233)	801
Change in deferred gain on derivatives designated as cash flow hedges, net of tax of (\$182) and \$142 (2023 - \$56 and \$575)	(505)	155	395	1,596
Other comprehensive income (loss), net of tax	1,684	184	162	2,397
COMPREHENSIVE INCOME	\$ 6,609	\$ 4,701	\$ 10,612	\$ 11,490

The accompanying notes are an integral part of the unaudited interim condensed consolidated financial statements.

CALIAN GROUP LTD.
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the six months ended March 31, 2024 and 2023
(Canadian dollars in thousands, except per share data)

	NOTES	Issued capital	Contributed surplus	Retained earnings	Other comprehensive income (loss)	Total
Balance						
October 1, 2023		\$ 225,540	\$ 4,856	\$ 96,859	\$ 1,117	\$ 328,372
Net profit and comprehensive income		—	—	10,450	162	10,612
Dividend paid (\$0.56 per share)		—	—	(6,633)	—	(6,633)
Share repurchase		(520)	—	(836)	—	(1,356)
Shares issued under employee share plans	10	2,064	(1,606)	—	—	458
Shares issued through acquisition		34	—	—	—	34
Shares issued under employee share purchase plan	10	1,499	—	—	—	1,499
Share-based compensation expense	11	—	2,381	—	—	2,381
Balance						
March 31, 2024		\$ 228,617	\$ 5,631	\$ 99,840	\$ 1,279	\$ 335,367

	NOTES	Issued capital	Contributed surplus	Retained earnings	Other comprehensive income (loss)	Total
Balance						
October 1, 2022		\$ 213,277	\$ 3,479	\$ 92,198	\$ (3,768)	\$ 305,186
Comprehensive income		—	—	9,093	2,397	11,490
Dividend paid (\$0.56 per share)		—	—	(6,542)	—	(6,542)
Shares issued under employee share plans	10	1,958	(1,359)	—	—	599
Shares issued through acquisition		2,844	—	—	—	2,844
Shares issued under employee share purchase plan	10	1,477	—	—	—	1,477
Share based compensation expense	11	—	982	—	—	982
Balance March 31, 2023		\$ 219,556	\$ 3,102	\$ 94,749	\$ (1,371)	\$ 316,036

The accompanying notes are an integral part of the unaudited interim condensed consolidated financial statements.

CALIAN GROUP LTD.
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three and six months ended March 31, 2024 and 2023
(Canadian dollars in thousands)

		Three months ended March 31,		Six months ended March 31,	
	NOTES	2024	2023	2024	2023
CASH FLOWS GENERATED FROM (USED IN) OPERATING ACTIVITIES					
Net profit		\$ 4,925	\$ 4,517	\$ 10,450	\$ 9,093
Items not affecting cash:					
Interest expense		1,426	(27)	2,524	(15)
Changes in fair value related to contingent earn-out	17	4,088	2,562	4,814	3,304
Lease obligations interest expense	6	308	122	757	233
Income tax expense		2,426	2,904	4,532	4,956
Employee share purchase plan expense	11	134	138	296	301
Share based compensation expense	11	1,010	575	2,023	982
Depreciation and amortization	5, 6, 7	10,113	6,717	19,119	13,382
Deemed compensation	16, 17	911	50	1,515	147
		25,341	17,558	46,030	32,383
Change in non-cash working capital					
Accounts receivable		(49,996)	(27,455)	(61,185)	7,259
Work in process		1,341	758	443	7,583
Prepaid expenses and other		(3,483)	(2,879)	(3,557)	785
Inventory		3,570	2,942	980	(5,023)
Accounts payable and accrued liabilities		59,181	19,729	74,697	(7,539)
Unearned contract revenue		4,534	472	4,740	2,901
		40,488	11,125	62,148	38,349
Interest paid		(1,734)	(95)	(3,281)	(218)
Income tax paid		(2,966)	(4,827)	(5,541)	(6,605)
		35,788	6,203	53,326	31,526
CASH FLOWS GENERATED FROM (USED IN) FINANCING ACTIVITIES					
Issuance of common shares net of costs	10, 11	945	865	1,639	1,775
Dividends		(3,319)	(3,280)	(6,633)	(6,542)
Draw on debt facility	9	(24,750)	(7,500)	31,250	(7,500)
Payment of lease obligations	6	(1,429)	(913)	(2,600)	(1,922)
Repurchase of common shares		—	—	(1,357)	—
		(28,553)	(10,828)	22,299	(14,189)
CASH FLOWS USED IN INVESTING ACTIVITIES					
Investments		—	—	—	(2,689)
Business acquisitions	16	(10,840)	(5,735)	(58,297)	(8,660)
Property, plant and equipment	5	(2,796)	(1,931)	(5,196)	(2,731)
		(13,636)	(7,666)	(63,493)	(14,080)
NET CASH INFLOW (OUTFLOW)		\$ (6,401)	\$ (12,291)	\$ 12,132	\$ 3,257
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD		52,267	58,194	33,734	42,646
CASH AND CASH EQUIVALENTS, END OF PERIOD		\$ 45,866	\$ 45,903	\$ 45,866	\$ 45,903

The accompanying notes are an integral part of the unaudited interim condensed consolidated financial statements.

CALIAN GROUP LTD.
NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the three and six months ended March 31, 2024 and 2023
(Canadian dollars in thousands, except per share amounts)

1. Basis of Preparation

Calian Group Ltd. ("the Company") is incorporated under the Canada Business Corporations Act. The address of its registered office and principal place of business is 770 Palladium Drive, Ottawa, Ontario K2V 1C8. The Company's capabilities are diverse with services and solutions delivered through four segments: Advanced Technologies, Health, Learning and IT and Cyber Solutions ("ITCS"). Headquartered in Ottawa, Calian provides business services and solutions to both industry and government customers in the areas of health, learning, defence, security, aerospace, engineering, AgTech, satellite communications (satcom), and IT.

Statement of compliance

These unaudited interim condensed consolidated financial statements are expressed in Canadian dollars and have been prepared in accordance with International Accounting Standard ("IAS") 34 – Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). These unaudited interim condensed consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and in accordance with the accounting policies the Company adopted in its annual consolidated financial statements for the year ended September 30, 2023, and should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's Annual Report for the year ended September 30, 2023. These unaudited interim condensed consolidated financial statements do not include all of the information required in annual financial statements.

These unaudited interim condensed consolidated financial statements were authorized for issuance by the Board of Directors on May 14, 2024.

2. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

The preparation of financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods presented. Actual results could differ from those estimates.

There were no significant changes in estimates or approaches in the current period when compared to the estimates or approaches used to prepare the annual consolidated financial statements for the year ended September 30, 2023.

3. Seasonality

The results of operations for the interim periods are not necessarily indicative of the results of operations for the full year. The Company's revenues and earnings have historically been subject to quarterly seasonality due to the timing of vacation periods, statutory holidays, industry specific seasonal cycles and the timing and delivery of milestones for significant projects.

4. Contract Assets and Liabilities

The following table presents net contract liabilities as at:

	Net Contract Liabilities	
	March 31, 2024	September 30, 2023
Work in process	\$ 16,137	\$ 16,580
Unearned contract revenue (current)	(39,410)	(32,423)
Unearned contract revenue (non-current)	(21,561)	(15,592)
Net contract liabilities	\$ (44,834)	\$ (31,435)

The following table presents changes in net contract liabilities for the period ended:

	Changes in Net Contract Liabilities	
	March 31, 2024	September 30, 2023
Opening balance, October 1	\$ (31,435)	\$ (6,345)
Revenue recognized for net contract liabilities	42,758	93,592
Billings	(48,573)	(117,805)
Acquisitions (Note 16)	(7,584)	(877)
Ending balance	\$ (44,834)	\$ (31,435)

5. Property, Plant and Equipment

A continuity of the leasehold improvements, land and building, equipment, application software and capitalized research and development for the six months ended March 31, 2024 is as follows:

	Cost			Total	Depreciation		Carrying Value	
	Cost	Additions/ Disposals	Acquisitions (Note 16)		Depreciation	Accumulated Depreciation	March 31, 2024	September 30, 2023
Leasehold improvements	\$ 5,197	\$ 151	\$ —	\$ 5,348	\$ (364)	\$ (2,806)	\$ 2,542	\$ 2,765
Land and Building	1,321	914	—	2,235	(21)	(29)	2,206	1,309
Equipment	51,909	3,540	898	56,347	(3,167)	(32,434)	23,913	22,635
Application software	15,265	435	—	15,700	(635)	(6,451)	9,249	9,446
Capitalized research and development	5,138	60	—	5,198	(617)	(4,688)	510	1,068
Total	\$ 78,830	\$ 5,100	\$ 898	\$ 84,828	\$ (4,804)	\$ (46,408)	\$ 38,420	\$ 37,223

The Company recognized foreign exchange of \$309 in the cost and \$183 in the depreciation of property, plant and equipment in the three months ended March 31, 2024. The Company recognized foreign exchange of (\$38) in the cost and (\$7) in the depreciation of equipment in the six months ended March 31, 2024.

6. Right of Use Assets and Lease Obligations

The following table presents the right of use assets for the Company:

	Six months ended	
	March 31, 2024	March 31, 2023
Balance at October 1	\$ 34,637	\$ 16,678
Additions	2,248	204
Disposals and foreign exchange adjustments	(774)	13
Depreciation	(2,931)	(2,022)
Acquisitions (Note 16)	2,059	—
	\$ 35,239	\$ 14,873

The Company's leases are for land, office, and manufacturing space. The Company has included renewal options in the measurement of lease obligations when it is reasonably certain to exercise the renewal option.

The following table presents lease obligations for the Company:

	Six months ended	
	March 31, 2024	March 31, 2023
Balance at October 1	\$ 37,006	\$ 19,035
Additions	2,250	180
Disposals and foreign exchange adjustments	(624)	38
Principal payments	(2,600)	(1,922)
Acquisitions (Note 16)	2,016	—
	\$ 38,048	\$ 17,331
Current	\$ 5,106	\$ 4,146
Non-current	32,942	13,185
Total	\$ 38,048	\$ 17,331

The following table presents the contractual undiscounted cash flows for lease obligations as at March 31, 2024:

	Total Undiscounted Lease Obligations
Less than one year	\$ 7,480
One to five years	17,675
More than five years	25,823
Total undiscounted lease obligations	\$ 50,978

Total cash outflow for leases in the three months ended March 31, 2024 (2023) is \$1,737 (\$1,035), including principal payments relating to lease obligations of \$1,429 (\$913), interest expense on lease obligations is \$308 (\$122). Total cash outflow for leases in the six months ended March 31, 2024 (2023) is \$3,357 (\$2,155), including principal payments relating to lease obligations of \$2,600 (\$1,922), interest expense on lease obligations is \$757 (\$233). Expenses relating to short-term leases recognized in general and administration expenses was \$40 (\$41) for the three months ended March 31, 2024 (2023) and \$81 (\$96) for the six months ended March 31, 2024 (2023).

7. Acquired Intangible Assets

A continuity of the acquired intangible assets for the six months ended March 31, 2024 is as follows:

	March 31, 2024				
	Opening Balance	Additions (Note 16)	Amortization	Foreign Exchange Revaluation	Closing Balance
Customer relationships	\$ 60,624	\$ 55,961	\$ (8,497)	\$ 67	\$ 108,155
Discrete contracts with customers & non-competition agreements	4,016	—	(1,079)	—	2,937
Technology and trademarks	10,520	—	(1,808)	—	8,712
	\$ 75,160	\$ 55,961	\$ (11,384)	\$ 67	\$ 119,804

In the six months ended March 31, 2024 the Company recorded a foreign currency revaluation of intangible assets held in foreign subsidiaries which utilize different functional currencies than the Company's presentation currency. These foreign exchange revaluations are reflected in comprehensive income.

A continuity of the acquired intangible assets for the year ended September 30, 2023 is as follows:

	September 30, 2023				
	Opening Balance	Additions (Note 16)	Amortization	Foreign Exchange Revaluation	Closing Balance
Customer relationships	\$ 41,598	\$ 28,553	\$ (9,850)	\$ 323	\$ 60,624
Discrete contracts with customers & non-competition agreements	586	4,071	(641)	—	4,016
Technology and trademarks	14,903	—	(4,383)	—	10,520
	\$ 57,087	\$ 32,624	\$ (14,874)	\$ 323	\$ 75,160

8. Goodwill

The following table presents the goodwill for the Company for the six months ended March 31, 2024:

	March 31, 2024
Opening balance, October 1	\$ 159,133
Additions:	
Acquisition of Decisive (Note 16)	29,959
Acquisition of MDA Nuclear Division (Note 16)	1,039
Adjustments:	
Acquisition of Hawaii Pacific Teleport (Note 16)	2,767
Foreign Exchange	435
	\$ 193,333

In the six months ended March 31, 2024 the Company recorded a foreign currency revaluation of goodwill held in foreign subsidiaries which utilize different functional currencies than the Company's presentation currency. These foreign exchange revaluations are reflected in comprehensive income.

8. Goodwill (continued)

The following table presents the goodwill for the Company for the year ended September 30, 2023:

	September 30, 2023
Opening balance, October 1	\$ 145,959
Additions:	
Acquisition of HPT (Note 16)	12,916
Adjustments:	
Foreign Exchange	258
	\$ 159,133

9. Debt Agreement

On July 21, 2023, the Company signed an amended debt facility that provides the Company with the ability to draw up to \$180,000 CAD and an accordion feature of up to \$75,000 CAD. The agreement has a three-year term, which will mature on July 21, 2026. At March 31, 2024 (September 30, 2023), the Company utilized \$69,000 (\$37,750) of the facility. The facility is secured against the Company's assets and is interest bearing at the Royal Bank of Canada's Prime Rate plus applicable margin. As at March 31, 2024 the Company is in compliance with all applicable covenants under the debt facility.

10. Issued Capital and Reserves

Issued Capital

The Company is authorized to issue an unlimited number of Common Shares and an unlimited number of 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. No Preferred Shares are outstanding as of the March 31, 2024.

Common shares issued and outstanding:

	March 31, 2024		March 31, 2023	
	Shares	Amount	Shares	Amount
Balance October 1	11,812,650	\$ 225,540	11,607,391	\$ 213,277
Shares issued under employee share plans	41,562	2,064	46,525	1,958
Shares issued under employee share purchase plan	27,299	1,499	24,732	1,477
Shares issued through acquisition	566	34	47,876	2,844
Shares repurchased	(27,226)	(520)	—	—
Issued capital	11,854,851	\$ 228,617	11,726,524	\$ 219,556

Subsequent to the date of the statement of financial position, on May 14, 2024, the date of issuance of these interim condensed consolidated financial statements, the Company declared a dividend of \$0.28 per common share payable on June 11, 2024.

Contributed Surplus

Contributed surplus comprises the value of share-based compensation expense related to options granted that have not been exercised or have expired unexercised.

11. Share-Based Compensation

Employee Share Purchase Plan

Under the Company's Employee Share Purchase Plan, shares are issued monthly using the volume weighted average price for the last 5 days of the month for the contributions made by employees in that month. The Company provides matching shares at 25% for all employee contributions each month. Pursuant to the plan, 500,000 Common Shares are reserved for issuance, as of March 31, 2024 (2023), the Company can issue 338,753 (389,940) shares.

During the three months ended March 31, 2024 (2023) under the 2020 Employee Share Purchase Plan, the Company issued 15,242 (13,928) shares at an average price of \$57.20 (\$63.47). The Company received \$534 (\$707) in proceeds and recorded an expense of \$134 (\$138). During the six months ended March 31, 2024 (2023) under the 2020 Employee Share Purchase Plan, the Company issued 27,299 (24,732) shares at an average price of \$54.93 (\$61.49). The Company received \$1,183 (\$1,216) in proceeds and recorded an expense of \$296 (\$301).

Stock Options

The Company has an established stock option plan. Under the plan, eligible directors and employees are granted the right to purchase shares of common stock at a price established by the Board of Directors on the date the options are granted but in no circumstances below fair market value of the shares at the date of grant. Stock options are issued at market value based on the price at the date preceding the grant, and can have a contractual term of up to ten years and generally vest over 3 years. The maximum number of common shares reserved for issuance under the plan is equal to an aggregate 7% (829,840) of the Company's issued and outstanding shares from time to time less the aggregate number of shares reserved for issuance or issuable under any other security-based compensation arrangement for the Company.

As at March 31, 2024 (2023), the Company has 448,322 (437,008) stock options and restricted share units ("RSUs") outstanding. As a result, the Company could grant up to 381,518 (618,379) additional stock options or RSUs pursuant to the plan.

The weighted average fair value of options granted during the six months ended March 31, 2024 (2023) was \$11.05 (\$14.26) per option calculated using the Black-Scholes option pricing model. Where relevant, the expected life of the options was based on historical data for similar issuances and adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations. Expected volatility is based on historical price volatility over the past 5 years. To allow for the effects of early exercise, it was assumed that options would be exercised on average 2 years after vesting.

The following assumptions were used to determine the fair value of the options granted in the six months ended March 31, 2024:

	Weighted Average Options Granted			
		March 31, 2024		March 31, 2023
Grant date share price	\$	52.26	\$	60.44
Exercise price	\$	52.26	\$	60.44
Expected price volatility	%	27.21	%	31.74
Expected option life	yrs	3.42	yrs	3.33
Expected dividend yield	%	2.14	%	1.85
Risk-free interest rate	%	4.23	%	3.66
Forfeiture rate	%	—	%	—

11. Share-Based Compensation (continued)

	March 31, 2024		March 31, 2023	
	Number of Options	Weighted Avg. Exercise Price	Number of Options	Weighted Avg. Exercise Price
Outstanding October 1	212,416	\$ 56.22	220,800	\$ 52.22
Exercised	(15,500)	29.55	(19,000)	31.50
Forfeited	(216)	60.43	—	—
Granted	31,138	52.26	23,542	60.43
Outstanding March 31	227,838	\$ 57.49	225,342	\$ 54.82

The following share-based payment arrangements are in existence:

Option issuance:	Number of Options	Grant date	Expiry date	Exercise price	Fair value at grant date
(1) Issued November 25, 2019	15,000	November 25, 2019	November 25, 2024	\$ 36.49	\$ 5.18
(2) Issued August 13, 2020	94,615	August 13, 2020	August 13, 2025	\$ 60.30	\$ 8.44
(3) Issued November 24, 2020	22,222	November 24, 2020	November 24, 2025	\$ 61.16	\$ 10.24
(4) Issued February 9, 2021	1,817	February 9, 2021	February 9, 2026	\$ 60.35	\$ 9.92
(5) Issued November 24, 2021	39,110	November 24, 2021	November 24, 2026	\$ 58.90	\$ 10.66
(6) Issued March 9, 2022	1,536	March 9, 2022	March 9, 2027	\$ 60.55	\$ 10.33
(7) Issued November 24, 2022	21,214	November 24, 2022	November 24, 2027	\$ 60.43	\$ 14.26
(8) Issued February 15, 2023	1,186	February 15, 2023	February 15, 2028	\$ 60.44	\$ 14.20
(9) Issued November 27, 2023	31,138	November 27, 2023	November 27, 2028	\$ 52.26	\$ 11.05

For the options issued on November 27, 2023, vesting occurs through to November 27, 2025.

At March 31, 2024 (2023) the weighted average remaining contractual life of options outstanding is 2.26 (2.34) years of which 198,998 (194,089) options are exercisable at a weighted average price of \$58.09 (\$53.99). The Company has recorded \$105 (\$104) of share-based compensation expense in the three months ended and \$219 (\$195) in the six months ended March 31, 2024 (2023) related to the options that have been granted. At March 31, 2024 (2023) the Company has total unrecognized compensation expense of \$194 (\$225) that will be recorded in the next two fiscal years.

Restricted Share Units:

Under the Company's restricted stock unit ("RSU") plan, share units may be awarded to any officer or employee of the Company. Each restricted share unit will vest on the date or dates designated for that unit, conditional on any vesting conditions being met. At the discretion of the Board, the Company may issue one common share to participants for each whole vested share unit or a cash payment. The cash amount is equal to the number of vested share units to be redeemed multiplied by the value of the common shares otherwise issuable on redemption of the share units. Under the above RSU plan, the Company issued performance share units ("PSUs") which will vest on the date or dates designated for that unit, conditional on any vesting conditions being met. Vesting conditions for performance share units are tied to the Company's performance over time.

11. Share-Based Compensation (continued)

The following table summarizes information about the RSUs as of March 31, 2024:

	March 31, 2024		March 31, 2023	
	Number of	Weighted Avg.	Number of	Weighted Avg.
	RSUs	Grant Date	RSUs	Grant Date
		Fair Value		Fair Value
Balance at October 1	191,413	\$ 59.18	56,517	\$ 49.40
Exercised	(26,061)	59.16	(27,525)	46.04
Forfeited	(1,201)	59.14	(5,958)	25.35
Granted	56,333	58.99	188,632	59.18
Outstanding March 31	220,484	\$ 59.13	211,666	\$ 59.23

Of the units issued in the current year under the RSU plan, 3,540 units have vested as of March 31, 2024. The Company has recorded \$905 (\$421) of share-based compensation expense in the three months and \$1,804 (\$787) in the six months ended March 31, 2024 (2023) related to the RSUs that have been granted. At March 31, 2024 (2023) the Company has total unrecognized compensation expense of \$3,846 (\$1,826) that will be recorded over the next three years.

The following unvested RSU-based payment arrangements are in existence:

RSU issuance:		Number of			Fair value
		units	Grant date	Vest through	at grant date
(1) Issued November 24, 2021	RSU	6,187	November 24, 2021	November 15, 2024	\$ 58.90
(2) Issued Feb 9, 2022	RSU	26	February 9, 2022	November 15, 2024	\$ 57.18
(3) Issued May 10, 2022	RSU	280	May 10, 2022	November 15, 2024	\$ 67.34
(4) Issued Aug 10, 2022	RSU	40	August 10, 2022	November 15, 2024	\$ 66.60
(5) Issued September 14, 2022	RSU	326	September 14, 2022	November 15, 2024	\$ 56.10
(6) Issued November 24, 2022	RSU	18,047	November 24, 2022	November 15, 2025	\$ 59.18
	PSU	142,785	November 24, 2022	November 15, 2025	\$ 59.18
(7) Issued February 14, 2024	RSU	1,243	February 14, 2024	February 14, 2027	\$ 58.68
(8) Issued February 23, 2024	RSU	7,062	February 23, 2024	February 28, 2026	\$ 59.00
(9) Issued March 15, 2024	RSU	36,039	March 15, 2024	November 15, 2026	\$ 59.00
	PSU	8,449	March 15, 2024	November 15, 2025	\$ 59.00

11. Share-Based Compensation (continued)

Deferred Share Unit Plan

At March 31, 2024 (2023) the Company has 25,853 (35,793) Deferred Share Units ("DSU") outstanding, of which 22,912 (18,582) have vested, and the remainder will vest until December 2024. The Company recorded share-based compensation of \$212 (\$200) related to the DSUs in the three months and \$541 (\$371) in the six months ended March 31, 2024 (2023). Each DSU entitles the participant to receive the value of one Common Share at the time of vesting. Vesting of the share units are based on service intervals or held until termination of service.

There are 22,912 (18,582) vested DSUs outstanding at March 31, 2024 (2023). The fair value of the DSUs outstanding at March 31, 2024 (2023) was \$51.47 (\$59.65) per unit using the fair value of a Common Share at period end.

12. Revenue

The following table presents the revenue of the Company for three and six months ended March 31, 2024 and 2023:

	Three Months Ended		Six months ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Product revenue				
Advanced Technologies	\$ 34,657	\$ 28,508	\$ 68,664	\$ 46,882
Health	352	—	645	—
Learning	2,190	1,544	4,277	2,684
ITCS	31,524	10,856	45,856	19,610
Total product revenue	\$ 68,723	\$ 40,908	\$ 119,442	\$ 69,176
Service revenue				
Advanced Technologies	\$ 16,609	\$ 18,291	\$ 33,731	\$ 34,184
Health	53,289	43,681	103,090	84,136
Learning	25,965	27,239	50,993	52,539
ITCS	36,682	38,424	73,191	76,051
Total service revenue	\$ 132,545	\$ 127,635	\$ 261,005	\$ 246,910
Total revenue	\$ 201,268	\$ 168,543	\$ 380,447	\$ 316,086

Remaining Performance Obligations

The following table presents the aggregate amount of the revenues expected to be realized in the future from partially or fully unsatisfied performance obligations as at March 31, 2024 for contracts recognized over time. The amounts disclosed below represent the value of the firm orders only. Such orders may be subject to future modifications that might impact the amount and/or timing of revenue recognition. The amounts disclosed below do not include unexercised options or letters of intent.

Revenues expected to be recognized in:

	March 31, 2024
Less than 24 months	\$ 514,443
Thereafter	66,803
Total	\$ 581,246

13. Net Profit per Share

The diluted weighted average number of shares has been calculated as follows:

	Three months ended March 31		Six months ended March 31	
	2024	2023	2024	2023
Weighted average number of common shares – basic	11,846,338	11,705,770	11,829,456	11,667,937
Additions to reflect the dilutive effect of employee stock options and RSUs	188,687	48,641	233,725	53,964
Weighted average number of common shares – diluted	12,035,025	11,754,411	12,063,181	11,721,901

Options that are anti-dilutive because the exercise price was greater than the average market price of the common shares are not included in the computation of diluted net profit per share. For the three months ended March 31, 2024 (2023), 212,838 (22,356) options and 43,483 (NIL) RSUs were excluded from the above computation. For the six months ended March 31, 2024 (2023), 212,838 (22,356) options and 42,006 (30,048) RSUs were excluded from the above computation.

14. Segmented Information

Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision maker, regarding how to allocate resources and assess performance. The Company's chief operating decision maker is the Chief Executive Officer. The Company's segments are categorized as follows: Advanced Technologies, Health, Learning, and ITCS. Shared Services are aggregated and incurred to support all segments. These include, but are not limited to, the Finance, Human Resources, IT support, Corporate development, Legal, Corporate marketing and administrative functions, facilities costs, costs of operating a public company, and other costs.

The Company evaluates performance and allocates resources based on profit before undernoted items.

14. Segmented Information (continued)

For the three months ended March 31, 2024:

For the three months ended March 31, 2024	Advanced Technologies		Health		Learning		ITCS		Shared Services	Total
Revenue	\$	51,266	\$	53,641	\$	28,155	\$	68,206	\$	201,268
Cost of revenues		29,812		39,803		21,295		40,321		131,231
Gross profit		21,454		13,838		6,860		27,885		70,037
Gross profit %		42 %		26 %		24 %		41 %		N/A %
Operating expenses		10,191		4,168		2,625		15,786		11,575
Profit before under noted items	\$	11,263	\$	9,670	\$	4,235	\$	12,099	\$	(11,575)
Profit before under noted items %		22 %		18 %		15 %		18 %		N/A %
Depreciation of property, plant and equipment										2,496
Depreciation of right of use asset										1,468
Amortization of acquired intangibles										6,149
Restructuring expense										1,495
Deemed compensation										911
Changes in fair value related to contingent earn-out										4,088
Profit before interest income and income tax expense										9,085
Interest expense										1,734
Income tax expense										2,426
NET PROFIT FOR THE PERIOD									\$	4,925

14. Segmented Information (continued)

For the three months ended March 31, 2023:

For the three months ended March 31, 2023	Advanced Technologies		Health		Learning		ITCS		Shared Services	Total
Revenue	\$	46,799	\$	43,681	\$	28,783	\$	49,280	\$ —	\$ 168,543
Cost of revenues		33,091		33,094		20,552		29,715	—	116,452
Gross profit		13,708		10,587		8,231		19,565	—	52,091
Gross profit %		29 %		24 %		29 %		40 %	N/A %	31 %
Operating expenses		8,055		3,402		2,790		12,318	8,681	35,246
Profit before under noted items	\$	5,653	\$	7,185	\$	5,441	\$	7,247	\$ (8,681)	\$ 16,845
Profit before under noted items %		12 %		16 %		19 %		15 %	N/A %	10 %
Depreciation of property, plant and equipment										2,252
Depreciation of right of use asset										1,015
Amortization of acquired intangibles										3,450
Deemed compensation										50
Changes in fair value related to contingent earn-out										2,562
Profit before interest income and income tax expense										7,516
Interest expense										95
Income tax expense										2,904
NET PROFIT FOR THE PERIOD									\$	4,517

14. Segmented Information (continued)

For the six months ended March 31, 2024:

For the six months ended March 31, 2024	Advanced Technologies		Health		Learning		ITCS		Shared Services		Total
Revenue	\$	102,395	\$	103,735	\$	55,270	\$	119,047	\$	—	\$ 380,447
Cost of revenues		62,473		76,547		41,836		71,336		—	252,192
Gross profit		39,922		27,188		13,434		47,711		—	128,255
Gross profit %		39 %		26 %		24 %		40 %		N/A %	34 %
Operating expenses		19,501		8,077		5,235		28,454		21,782	83,049
Profit before under noted items	\$	20,421	\$	19,111	\$	8,199	\$	19,257	\$	(21,782)	\$ 45,206
Profit before under noted items %		20 %		18 %		15 %		16 %		N/A %	12 %
Depreciation of property, plant and equipment											4,804
Depreciation of right of use asset											2,931
Amortization of acquired intangibles											11,384
Restructuring expense											1,495
Deemed compensation											1,515
Changes in fair value related to contingent earn-out											4,814
Profit before interest income and income tax expense											18,263
Interest expense											3,281
Income tax expense											4,532
NET PROFIT FOR THE PERIOD										\$	10,450

14. Segmented Information (continued)

For the six months ended March 31, 2023:

For the six months ended March 31, 2023	Advanced Technologies	Health	Learning	ITCS	Shared Services	Total
Revenue	\$ 81,066	\$ 84,136	\$ 55,223	\$ 95,661	\$ —	\$ 316,086
Cost of revenues	55,491	63,993	40,427	58,865	—	218,776
Gross profit	25,575	20,143	14,796	36,796	—	97,310
Gross profit %	32 %	24 %	27 %	38 %	N/A %	31 %
Operating expenses	15,495	6,508	5,177	22,389	16,641	66,210
Profit before under noted items	\$ 10,080	\$ 13,635	\$ 9,619	\$ 14,407	\$ (16,641)	\$ 31,100
Profit before under noted items %	12 %	16 %	17 %	15 %	N/A %	10 %
Depreciation of property, plant and equipment						4,549
Depreciation of right of use asset						2,022
Amortization of acquired intangibles						6,811
Deemed compensation						147
Changes in fair value related to contingent earn-out						3,304
Profit before interest income and income tax expense						14,267
Interest expense						218
Income tax expense						4,956
NET PROFIT FOR THE PERIOD						\$ 9,093

The Company operates in Canada but provides services to customers in various countries. Revenues from external customers for the three months ended March 31, 2024 (2023) are attributed as follows:

	March 31, 2024		March 31, 2023	
Canada	67 %		71 %	
United States	24 %		19 %	
Europe	8 %		9 %	
Other	1 %		1 %	

Revenues are attributed to foreign countries based on the location of the customer. Revenues from various departments and agencies of the Canadian federal, provincial and municipal governments for the three months ended March 31, 2024 (2023) represented 50% (49%) of the Company's total revenues. All four operating segments conduct business with this category of customer.

15. Financial Instruments and Risk Management

Capital Risk Management

Foreign Currency Risk Related to Contracts

The Company is exposed to foreign currency exchange fluctuations on its cash balance, accounts receivable, accounts payable and accrued liabilities, contingent earn-out and future cash flows related to contracts denominated in a foreign currency. Future cash flows will be realized over the life of the contracts. The Company utilizes derivative financial instruments, principally in the form of forward exchange contracts, in the management of its foreign currency exposures within entities operating in currencies outside of their functional currencies. The Company's objective is to manage and control exposure and secure the Company's profitability on existing contracts and therefore, the Company's policy is to hedge its foreign currency exposure where it is most practical to do so. The Company applies hedge accounting when appropriate documentation and effectiveness criteria are met.

At March 31, 2024, the Company had the following forward foreign exchange contracts:

Type	Notional	Currency	Maturity	Equivalent Cdn. Dollars	Fair Value March 31, 2024
SELL	\$ 6,496	USD	April 2024	\$ 8,794	\$ 9
SELL	3,402	EURO	April 2024	4,974	32
Derivative assets					\$ 41
BUY	\$ 38,354	USD	April 2024	\$ 51,921	\$ (51)
BUY	5,939	EURO	April 2024	8,683	(57)
Derivative liabilities					\$ (108)

Credit Risk

The Company's exposure to credit risk with its customers is influenced mainly by the individual characteristics of each customer. The Company's customers are diverse, however a significant portion of them are federal or provincial government agencies, or large private entities. A significant portion of the Company's accounts receivable is from long-time customers. At March 31, 2024 (2023), 54% (38%) of its accounts' receivable were due from various departments and agencies of the Canadian federal government. Over the last five years the Company has not incurred any significant credit related losses.

The Company limits its exposure to credit risks from counterparties to derivative financial instruments by dealing only with major Canadian financial institutions. Management does not expect any counterparties to fail to meet their obligations. Bad debt expense recognized in the three months ended March 31, 2024 (2023) is \$23 (\$330). Bad debt expense recognized in the six months ended March 31, 2024 (2023) is \$25 (\$405).

15. Financial Instruments and Risk Management (continued)

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	March 31, 2024	September 30, 2023
Cash and cash equivalents	\$ 45,866	\$ 33,734
Accounts receivable	231,379	173,052
Derivative assets	41	155
Total	\$ 277,286	\$ 206,941

The aging of accounts receivable at the reporting date was:

	March 31, 2024	March 31, 2023
Current	\$ 215,625	\$ 161,985
Past due (61-120 days)	7,094	7,905
Past due (> 120 days)	8,660	3,162
Total	\$ 231,379	\$ 173,052

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. At March 31, 2024, the Company has a secured debt facility that matures on July 21, 2026 that allows the Company to draw up to \$180,000 CAD. As at March 31, 2024, the Company had \$45,866 cash on hand and \$69,000 was drawn on the facility for current operations and for temporary use through acquisitions, and \$Nil was drawn to issue letters of credit to meet customer contractual requirements.

Fair Value

The carrying amount of short-term investments, accounts receivable, accounts payable and accrued liabilities are recorded at amortized cost and approximate fair value due to the short-term maturity of these investments. The debt facility is on a revolver and is recorded at amortized cost. Fair value of the forward exchange contracts reflects the cash flows due to or from the Company if settlement had taken place on March 31, 2024 and represents the difference between the hedge rate and the exchange rate at the end of the reporting period.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 of the fair value hierarchy based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Investments are made in companies that do not have directly an observable market. These are fair valued when market participant data becomes available or if financings for the investments are completed. The fair value of contingent earn-out amounts has been determined by applying a discounted cash flow technique on the expected future value of a settlement amount along with Black-Scholes if applicable.

15. Financial Instruments and Risk Management (continued)

	March 31, 2024		
	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 45,866	\$ —	\$ —
Investments	—	—	3,673
Derivative assets	—	41	—
Debt facility	—	(69,000)	—
Contingent earn-out	—	—	(30,754)
Derivative liabilities	—	(108)	—
Total	\$ 45,866	\$ (69,067)	\$ (27,081)

	September 30, 2023		
	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 33,734	\$ —	\$ —
Investments	—	—	3,673
Derivative assets	—	155	—
Debt facility	—	(37,750)	—
Contingent earn-out	—	—	(13,798)
Derivative liabilities	—	(353)	—
Total	\$ 33,734	\$ (37,948)	\$ (10,125)

There were no transfers between Level 1, Level 2 and level 3 during the three months ended March 31, 2024.

16. Acquisitions

Hawaiian Pacific Teleport (“HPT”)

On August 1, 2023, the Company acquired the outstanding shares of HPT, for total cash consideration of up to \$50,393 USD (\$66,978 CAD) of which, \$28,474 USD (\$37,845 CAD) was paid in cash on the date of closing, \$681 USD (\$905 CAD) is estimated owing back to Calian for the settlement of net working capital, \$3,500 USD (\$4,562 CAD) was placed in escrow, \$3,000 USD (\$3,964 CAD) was paid through the issuance of common shares and \$16,100 USD (\$21,399 CAD) is payable contingently, of which \$8,905 USD (\$11,835 CAD) is included in the purchase price. The difference between the amount payable contingently that is included in the purchase price and the total potential liability is deemed compensation and an adjustment for the likelihood of achievement of earn out amounts. HPT operates as a US-based provider of independent teleport and satellite communications solutions. HPT has service locations across the Hawaiian Islands and Guam, and HPT provides connectivity through the Asia Pacific region. HPT is reported as part of the Advanced Technologies operating segment.

Under the contingent consideration arrangement, the Company is required to pay the former shareholders of HPT an additional \$8,050 USD (\$10,699 CAD) and \$8,050 USD (\$10,699 CAD) if HPT attains specific levels of EBITDA for the years ended July 31, 2024 and July 31, 2025, respectively. \$3,816 USD (\$5,072 CAD) of the first and second year earn out payable amounts is subject to the retention of the principal shareholders for a period of two years from the date of acquisition. This amount is deemed to represent deferred compensation payable to such shareholders and therefore is excluded from the total consideration of the purchase price and will be expensed in the Company’s consolidated statement of net profit as deemed compensation related to acquisitions on a straight-line basis over the retention period.

16. Acquisitions (continued)

There was a change in the purchase price from September 30, 2023 due to final adjustments to the closing balance sheet resulting in an increase to goodwill of \$2,767 in the three months ended December 31, 2023. The Company recognized \$832 in the six months ended March 31, 2024 related to changes in fair value of contingent earn out and recorded deemed compensation expense of \$1,443.

Decisive Group Inc. ("Decisive")

On December 1, 2023, the Company acquired all outstanding shares of Decisive, for total maximum consideration of \$74,700. Of this amount, \$49,882 was paid in cash on close, \$900 was put in escrow, \$105 was settled on finalized closing working capital and there is one potential earnout with maximum value to be paid of \$24,725 of which \$17,880 is included in the purchase price. Under the contingent consideration arrangement, the Company is required to pay the former shareholders of Decisive an additional \$24,725 if Decisive attains specific levels of EBITDA for the year ended December 1, 2024. The difference between the amount payable contingently that is included in the purchase price and the total potential liability is an adjustment for the likelihood of achievement of the earn out amount. Decisive is an Ottawa-based IT infrastructure and cyber security services business and is reported as part of the ITCS operating segment. The Company uses the multi-period excess earnings method to value acquired intangible assets, including the customer relationships. This method calculates the estimated fair value of an intangible asset based on the estimated future cash flows that the asset can be expected to generate over its remaining useful life, and isolates the cash flows attributable to the customer relationships by utilizing a forecast of expected cash flows for existing customers alone. The valuation involves significant estimation uncertainty, including assumptions relating to forecasted revenues and forecasted earnings before interest and tax ("EBIT") margins attributable to the customer relationships, customer attrition rate, and discount rate.

Final valuation of the acquisition and the allocation between intangible assets and goodwill will be completed during the remainder of the 2024 fiscal year, the numbers presented below represent management's best estimate pending finalization of closing procedures with the selling party.

The Company recognized \$1,237 in the six months ended March 31, 2024 related to changes in fair value of contingent earn out. The company recognized an adjustment to the contingent earn out payable in the three and six month period ended March 31, 2024 in the amount of \$2,747. This adjustment is as a result of Decisive outperforming the Company's initial forecasted earn out achievement expectation.

16. Acquisitions (continued)

	Net Assets Acquired	Goodwill and Intangibles Accounting	Total Net Assets Acquired
Cash	\$ 3,325	\$ —	\$ 3,325
Accounts receivable and tax receivable	3,148	—	3,148
Inventory	4,012	—	4,012
Prepaid expenses	1,509	—	1,509
Deferred tax asset	4,045	—	4,045
	\$ 16,039	\$ —	\$ 16,039
Prepaid expenses	\$ 611	\$ —	\$ 611
Equipment and application software	898	—	898
Right of use asset	2,059	—	2,059
Acquired intangible assets	—	49,400	49,400
Goodwill	—	29,959	29,959
	\$ 19,607	\$ 79,359	\$ 98,966
Accounts payable and accrued liabilities	\$ 11,216	\$ —	\$ 11,216
Lease obligation	2,016	—	2,016
Unearned contract revenue	7,584	—	7,584
Deferred tax liability	—	13,091	13,091
	\$ 20,816	\$ 13,091	\$ 33,907
Net purchase price			\$ 65,059
Discount on contingent consideration			3,708
Total purchase price			\$ 68,767

MDA Ltd. ("MDA")

On March 5, 2024, the Company acquired assets of MDA's nuclear services, for total cash consideration of \$7,600. Of this amount, \$7,400 was paid in cash on close and \$200 was put in escrow. MDA's nuclear division based in Canada is reported as part of the Advanced Technologies operating segment. The Company uses the multi-period excess earnings method to value acquired intangible assets, including the customer relationships. This method calculates the estimated fair value of an intangible asset based on the estimated future cash flows that the asset can be expected to generate over its remaining useful life, and isolates the cash flows attributable to the customer relationships by utilizing a forecast of expected cash flows for existing customers alone. The valuation involves significant estimation uncertainty, including assumptions relating to forecasted revenues and forecasted earnings before interest and tax ("EBIT") margins attributable to the customer relationships, customer attrition rate, and discount rate.

Final valuation of the acquisition and the allocation between intangible assets and goodwill will be completed during the remainder of the 2024 fiscal year, the numbers presented below represent management's best estimate pending finalization of closing procedures with the selling party.

The Company recognized \$71 in the three and six month periods ended March 31, 2024 related to deemed compensation.

16. Acquisitions (continued)

	Goodwill and Intangibles Accounting	Total Net Assets Acquired
Acquired intangible assets	\$ 6,561	\$ 6,561
Goodwill	1,039	1,039
	\$ 7,600	\$ 7,600
Total purchase price		\$ 7,600

Cash consideration paid for the acquisition activity during the six months ended March 31, 2024:

	Decisive	MDA
Consideration paid in cash	\$ 50,782	\$ 7,600
Less- cash balance acquired	(3,325)	—
	\$ 47,457	\$ 7,600

17. Contingent Earn-Out

The following shows the contingent consideration activity for the six months ended March 31, 2024:

Company Acquired	Beginning balance	Acquisition	Payments	Change in Fair Value	Adjustments	Ending balance
Alio/Allphase	\$ 841	\$ —	\$ —	\$ —	\$ —	\$ 841
SimFront	3,240	—	(3,240)	—	—	—
Hawaii Pacific Teleport	9,717	—	—	832	1,208	11,757
Decisive	—	14,172	—	1,237	2,747	18,156
Total	\$ 13,798	\$ 14,172	\$ (3,240)	\$ 2,069	\$ 3,955	\$ 30,754

As at March 31, 2024, the total gross value of all contingent consideration outstanding is \$47,382. Included in the adjustments column in the table are deemed compensation, along with changes in estimated payment amounts to make under contingent earn out estimates.

The following shows the contingent consideration activity for the year ended September 30, 2023:

Company Acquired	Beginning balance	Acquisition	Payments	Change in Fair Value	Adjustments	Ending balance
Alio/Allphase	\$ 1,860	\$ —	\$ (3,350)	\$ 59	\$ 2,272	\$ 841
Tallysman Wireless	5,411	—	(5,613)	102	100	—
Cadence	75	—	(287)	165	47	—
Dapasoft	15,758	—	(16,187)	429	—	—
SimFront	5,446	—	(2,760)	554	—	3,240
Hawaii Pacific Teleport	—	9,037	—	277	403	9,717
Total	\$ 28,550	\$ 9,037	\$ (28,197)	\$ 1,586	\$ 2,822	\$ 13,798

18. Related Party Transactions

At March 31, 2024 (September 30, 2023) the Company had a related party note outstanding to an employee as a result of a recent acquisition included in Accounts Payable of \$474 (\$473). This is measured at the exchange amounts agreed upon by both parties.

19. Subsequent Events

On May 9, 2024 the Company entered into a definitive agreement to acquire all outstanding shares of Mabway, an innovative healthcare, communications, learning and cybersecurity solutions company, for estimated cash consideration of up to \$46,386 (GBP 26,984), including earnouts of up to \$8,595 (GBP 5,000) based on the achievement of certain levels of EBITDA performance and other key business matters achieved. Mabway will be reported as part of the Learning operating segment.