



UNAUDITED  
INTERIM  
CONDENSED  
CONSOLIDATED  
FINANCIAL  
STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED  
JUNE 30, 2024



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

	NOTES	June 30, 2024	September 30, 2023
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		\$ 45,999	\$ 33,734
Accounts receivable		147,745	173,052
Work in process	4	19,314	16,580
Inventory		24,202	21,983
Prepaid expenses		25,886	19,040
Derivative assets	15	23	155
<b>Total current assets</b>		<b>263,169</b>	<b>264,544</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	41,135	37,223
Right of use assets	6	35,998	34,637
Prepaid expenses		8,598	10,386
Deferred tax asset		1,264	967
Investments		3,673	3,673
Acquired intangible assets	7	135,323	75,160
Goodwill	8	209,969	159,133
<b>Total non-current assets</b>		<b>435,960</b>	<b>321,179</b>
<b>TOTAL ASSETS</b>		<b>\$ 699,129</b>	<b>\$ 585,723</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Debt facility	9	\$ —	\$ 37,750
Accounts payable and accrued liabilities		112,040	105,550
Provisions		2,180	2,848
Unearned contract revenue	4	40,066	32,423
Lease obligations	6	4,957	4,949
Contingent earn-out	17	32,150	11,263
Derivative liabilities	15	56	353
<b>Total current liabilities</b>		<b>191,449</b>	<b>195,136</b>
<b>NON-CURRENT LIABILITIES</b>			
Debt facility	9	94,000	—
Lease obligations	6	33,983	32,057
Unearned contract revenue	4	17,847	15,592
Contingent earn-out	17	5,475	2,535
Deferred tax liabilities		22,437	12,031
<b>Total non-current liabilities</b>		<b>173,742</b>	<b>62,215</b>
<b>TOTAL LIABILITIES</b>		<b>365,191</b>	<b>257,351</b>
<b>SHAREHOLDERS' EQUITY</b>			
Issued capital	10	228,829	225,540
Contributed surplus		5,866	4,856
Retained earnings		96,860	96,859
Accumulated other comprehensive income (loss)		2,383	1,117
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>333,938</b>	<b>328,372</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>\$ 699,129</b>	<b>\$ 585,723</b>
Number of common shares issued and outstanding	10	11,841,237	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 nine months ended June 30, 2024 and 2023  
(Canadian dollars in thousands, except per share data)

	NOTES	Three months ended June 30,		Nine months ended June 30,	
		2024	2023	2024	2023
Revenue	12	\$ 184,998	\$ 166,550	\$ 565,445	\$ 482,635
Cost of revenues		123,163	115,443	375,355	334,219
<b>Gross profit</b>		<b>61,835</b>	<b>51,107</b>	<b>190,090</b>	<b>148,416</b>
Selling and marketing		14,284	11,891	41,649	34,865
General and administration		26,393	21,437	76,663	59,329
Research and development		3,506	3,273	8,920	8,616
<b>Profit before under noted items</b>		<b>17,652</b>	<b>14,506</b>	<b>62,858</b>	<b>45,606</b>
Depreciation of property, plant and equipment	5	2,494	2,361	7,298	6,910
Depreciation of right of use assets	6	1,525	1,127	4,456	3,149
Amortization of acquired intangible assets	7	6,777	3,603	18,161	10,414
Restructuring expense		1	—	1,496	—
Deemed compensation	16, 17	1,010	—	2,525	147
Changes in fair value related to contingent earn-out	16, 17	1,458	138	6,272	3,442
<b>Profit before interest income and income tax expense</b>		<b>4,387</b>	<b>7,277</b>	<b>22,650</b>	<b>21,544</b>
Interest expense (income)		1,366	(115)	4,647	103
Income tax expense		1,723	2,719	6,255	7,675
<b>NET PROFIT</b>		<b>\$ 1,298</b>	<b>\$ 4,673</b>	<b>\$ 11,748</b>	<b>\$ 13,766</b>
<b>Net profit per share:</b>					
Basic	13	\$ 0.11	\$ 0.40	\$ 0.99	\$ 1.18
Diluted	13	\$ 0.11	\$ 0.40	\$ 0.98	\$ 1.17

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**CALIAN GROUP LTD.**  
**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**For the three and nine months ended June 30, 2024 and 2023**  
**(Canadian dollars in thousands)**

	Three months ended June 30,		Nine months ended June 30,	
	2024	2023	2024	2023
<b>NET PROFIT</b>	\$ 1,298	\$ 4,673	\$ 11,748	\$ 13,766
Cumulative translation adjustment	1,260	(1,065)	1,027	(264)
Change in deferred gain on derivatives designated as cash flow hedges, net of tax of (\$56) and \$86 (2023 - \$393 and \$968)	(156)	1,089	239	2,685
Other comprehensive income, net of tax	1,104	24	1,266	2,421
<b>COMPREHENSIVE INCOME</b>	<b>\$ 2,402</b>	<b>\$ 4,697</b>	<b>\$ 13,014</b>	<b>\$ 16,187</b>

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**CALIAN GROUP LTD.**  
**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
For the nine months ended June 30, 2024 and 2023  
(Canadian dollars in thousands, except per share data)

	NOTES	Issued capital	Contributed surplus	Retained earnings	Other comprehensive income (loss)	Total
<b>Balance October 1, 2023</b>		\$ 225,540	\$ 4,856	\$ 96,859	\$ 1,117	\$ 328,372
Net profit and comprehensive income		—	—	11,748	1,266	13,014
Dividend paid (\$0.84 per share)		—	—	(9,954)	—	(9,954)
Share repurchase		(1,036)	—	(1,793)	—	(2,829)
Shares issued under employee share plans	10	2,131	(2,603)	—	—	(472)
Shares issued through acquisition		34	—	—	—	34
Shares issued under employee share purchase plan	10	2,160	—	—	—	2,160
Share-based compensation expense	11	—	3,613	—	—	3,613
<b>Balance June 30, 2024</b>		\$ 228,829	\$ 5,866	\$ 96,860	\$ 2,383	\$ 333,938

	NOTES	Issued capital	Contributed surplus	Retained earnings	Other comprehensive income (loss)	Total
<b>Balance October 1, 2022</b>		\$ 213,277	\$ 3,479	\$ 92,198	\$ (3,768)	\$ 305,186
Comprehensive income		—	—	13,766	2,421	16,187
Dividend paid (\$0.84 per share)		—	—	(9,828)	—	(9,828)
Shares issued under employee share plans	10	2,027	(1,434)	—	—	593
Shares issued through acquisition		2,844	—	—	—	2,844
Shares issued under employee share purchase plan	10	2,252	—	—	—	2,252
Share based compensation expense	11	—	1,417	—	—	1,417
<b>Balance June 30, 2023</b>		\$ 220,400	\$ 3,462	\$ 96,136	\$ (1,347)	\$ 318,651

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 nine months ended June 30, 2024 and 2023**  
**(Canadian dollars in thousands)**

	NOTES	Three months ended		Nine months ended	
		June 30,		June 30,	
		2024	2023	2024	2023
<b>CASH FLOWS GENERATED FROM (USED IN) OPERATING ACTIVITIES</b>					
Net profit		\$ 1,298	\$ 4,673	\$ 11,748	\$ 13,766
Items not affecting cash:					
Interest expense (income)		892	(254)	3,416	(269)
Changes in fair value related to contingent earn-out	17	1,458	138	6,272	3,442
Lease obligations interest expense	6	474	139	1,231	372
Income tax expense		1,723	2,719	6,255	7,675
Employee share purchase plan expense	11	131	166	427	467
Share based compensation expense	11	1,239	673	3,262	1,655
Depreciation and amortization	5, 6, 7	10,796	7,091	29,915	20,473
Deemed compensation	16, 17	1,010	—	2,525	147
		19,021	15,345	65,051	47,728
Change in non-cash working capital					
Accounts receivable		88,441	3,105	27,256	10,364
Work in process		(1,829)	9,536	(1,386)	17,119
Prepaid expenses and other		886	2,234	(2,671)	3,019
Inventory		813	(190)	1,793	(5,213)
Accounts payable and accrued liabilities		(84,893)	(19,883)	(10,196)	(27,422)
Unearned contract revenue		(3,059)	(6,891)	1,681	(3,990)
		19,380	3,256	81,528	41,605
Interest paid		(1,366)	114	(4,647)	(104)
Income tax paid		(3,536)	(825)	(9,077)	(7,430)
		14,478	2,545	67,804	34,071
<b>CASH FLOWS GENERATED FROM (USED IN) FINANCING ACTIVITIES</b>					
Issuance of common shares net of costs	10, 11	529	366	2,168	2,141
Dividends		(3,321)	(3,286)	(9,954)	(9,828)
Net draw (repayment) on debt facility	9	25,000	—	56,250	(7,500)
Payment of lease obligations	6	(1,371)	(1,199)	(3,971)	(3,121)
Repurchase of common shares		(1,472)	—	(2,829)	—
		19,365	(4,119)	41,664	(18,308)
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>					
Investments		—	—	—	(2,689)
Business acquisitions	16	(29,565)	—	(87,862)	(8,660)
Property, plant and equipment	5	(4,145)	(3,341)	(9,341)	(6,072)
		(33,710)	(3,341)	(97,203)	(17,421)
<b>NET CASH INFLOW (OUTFLOW)</b>					
		\$ 133	\$ (4,915)	\$ 12,265	\$ (1,658)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>					
		45,866	45,903	33,734	42,646
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>					
		\$ 45,999	\$ 40,988	\$ 45,999	\$ 40,988

*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 nine months ended June 30, 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 August 7, 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	
	June 30, 2024	September 30, 2023
Work in process	\$ 19,314	\$ 16,580
Unearned contract revenue (current)	(40,066)	(32,423)
Unearned contract revenue (non-current)	(17,847)	(15,592)
Net contract liabilities	\$ (38,599)	\$ (31,435)

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

	Changes in Net Contract Liabilities	
	June 30, 2024	September 30, 2023
Opening balance, October 1	\$ (31,435)	\$ (6,345)
Revenue recognized for net contract liabilities	62,409	93,592
Billings	(63,337)	(117,805)
Acquisitions (Note 16)	(6,236)	(877)
Ending balance	\$ (38,599)	\$ (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 nine months ended June 30, 2024 is as follows:

	Cost			Depreciation		Carrying Value		
	Cost	Additions/ Disposals	Acquisitions (Note 16)	Total	Depreciation	Accumulated Depreciation	June 30, 2024	September 30, 2023
Leasehold improvements	\$ 5,197	\$ 137	—	\$ 5,334	\$(554)	\$(2,889)	\$ 2,445	\$ 2,765
Land and Building	1,321	955	—	2,276	(42)	(54)	2,222	1,309
Equipment	51,909	7,807	1,758	61,474	(5,359)	(34,804)	26,670	22,635
Application software	15,265	571	—	15,836	(694)	(6,516)	9,320	9,446
Capitalized research and development	5,138	60	—	5,198	(649)	(4,720)	478	1,068
Total	\$ 78,830	\$ 9,530	\$ 1,758	\$ 90,118	\$(7,298)	\$(48,983)	\$ 41,135	\$ 37,223

The Company recognized foreign exchange of \$231 in the cost and \$(88) in the depreciation of property, plant and equipment in the three months ended June 30, 2024. The Company recognized foreign exchange of \$194 in the cost and \$(80) in the depreciation of equipment in the nine months ended June 30, 2024.

## 6. Right of Use Assets and Lease Obligations

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

	Nine months ended	
	June 30, 2024	June 30, 2023
Balance at October 1	\$ 34,637	\$ 16,678
Additions	3,908	2,308
Disposals and foreign exchange adjustments	(385)	(318)
Depreciation	(4,456)	(3,149)
Acquisitions (Note 16)	2,294	—
	\$ 35,998	\$ 15,519

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:

	Nine months ended	
	June 30, 2024	June 30, 2023
Balance at October 1	\$ 37,006	\$ 19,035
Additions	3,913	2,267
Disposals and foreign exchange adjustments	(239)	(277)
Principal payments	(3,971)	(3,121)
Acquisitions (Note 16)	2,231	—
	\$ 38,940	\$ 17,904
Current	\$ 4,957	\$ 4,313
Non-current	33,983	13,591
Total	\$ 38,940	\$ 17,904

The following table presents the contractual undiscounted cash flows for lease obligations as at June 30, 2024:

	Total Undiscounted Lease Obligations
Less than one year	\$ 7,111
One to five years	18,509
More than five years	25,505
Total undiscounted lease obligations	\$ 51,125

Total cash outflow for leases in the three months ended June 30, 2024 (2023) is \$1,845 (\$1,338), including principal payments relating to lease obligations of \$1,371 (\$1,199), interest expense on lease obligations is \$474 (\$139). Total cash outflow for leases in the nine months ended June 30, 2024 (2023) is \$5,202 (\$3,493), including principal payments relating to lease obligations of \$3,971 (\$3,121), interest expense on lease obligations is \$1,231 (\$372). Expenses relating to short-term leases recognized in general and administration expenses was \$40 (\$41) for the three months ended June 30, 2024 (2023) and \$121 (\$137) for the nine months ended June 30, 2024 (2023).

## 7. Acquired Intangible Assets

A continuity of the acquired intangible assets for the nine months ended June 30, 2024 is as follows:

	June 30, 2024				
	Opening Balance	Additions (Note 16)	Amortization	Foreign Exchange Revaluation	Closing Balance
Customer relationships	\$ 60,624	\$ 77,030	\$ (13,926)	\$ 438	\$ 124,166
Discrete contracts with customers & non-competition agreements	4,016	—	(1,617)	—	2,399
Technology and trademarks	10,520	856	(2,618)	—	8,758
	\$ 75,160	\$ 77,886	\$ (18,161)	\$ 438	\$ 135,323

In the nine months ended June 30, 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 nine months ended June 30, 2024:

	June 30, 2024
Opening balance, October 1	\$ 159,133
Additions:	
Acquisition of Decisive (Note 16)	29,959
Acquisition of MDA Nuclear Division (Note 16)	1,039
Acquisition of Mabway (Note 16)	16,159
Adjustments:	
Acquisition of Hawaii Pacific Teleport (Note 16)	2,767
Foreign Exchange	912
	\$ 209,969

## 8. Goodwill (continued)

In the nine months ended June 30, 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.

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 June 30, 2024 (September 30, 2023), the Company utilized \$94,000 (\$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 June 30, 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 June 30, 2024.

Common shares issued and outstanding:

	June 30, 2024		June 30, 2023	
	Shares	Amount	Shares	Amount
Balance October 1	11,812,650	\$ 225,540	11,607,391	\$ 213,277
Shares issued under employee share plans	42,707	2,131	47,640	2,027
Shares issued under employee share purchase plan	39,140	2,160	37,192	2,252
Shares issued through acquisition	566	34	47,876	2,844
Shares repurchased	(53,826)	(1,036)	—	—
Issued capital	11,841,237	\$ 228,829	11,740,099	\$ 220,400

Subsequent to the date of the statement of financial position, on August 7, 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 September 4, 2024.

## 10. Issued Capital and Reserves (continued)

### 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 June 30, 2024 (2023), the Company can issue 326,912 (377,480) shares.

During the three months ended June 30, 2024 (2023) under the 2020 Employee Share Purchase Plan, the Company issued 11,841 (12,460) shares at an average price of \$55.78 (\$62.15). The Company received \$525 (\$620) in proceeds and recorded an expense of \$131 (\$166). During the nine months ended June 30, 2024 (2023) under the 2020 Employee Share Purchase Plan, the Company issued 39,140 (37,192) shares at an average price of \$55.19 (\$61.71). The Company received \$1,706 (\$1,836) in proceeds and recorded an expense of \$427 (\$467).

### 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% (828,887) 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 June 30, 2024 (2023), the Company has 448,611 (417,083) stock options and restricted share units ("RSUs") outstanding. As a result, the Company could grant up to 380,276 (639,526) additional stock options or RSUs pursuant to the plan.

The weighted average fair value of options granted during the nine months ended June 30, 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 nine months ended June 30, 2024:

## 11. Share-Based Compensation (continued)

	Weighted Average Options Granted	
	June 30, 2024	June 30, 2023
Grant date share price	\$ 52.26	\$ 60.43
Exercise price	\$ 52.26	\$ 60.43
Expected price volatility	% 27.21	% 31.74
Expected option life	yrs 3.42	yrs 3.33
Expected dividend yield	% 2.14	% 1.89
Risk-free interest rate	% 4.23	% 3.66
Forfeiture rate	% —	% —

	June 30, 2024		June 30, 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	(926)	60.43
Granted	31,138	52.26	23,542	60.43
Outstanding June 30	227,838	\$ 57.49	224,416	\$ 54.80

The following options are outstanding at June 30, 2024:

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.

## 11. Share-Based Compensation (continued)

At June 30, 2024 (2023) the weighted average remaining contractual life of options outstanding is 2.01 (2.08) years of which 202,321 (224,416) options are exercisable at a weighted average price of \$58.00 (\$54.80). The Company has recorded \$74 (\$76) of share-based compensation expense in the three months ended and \$293 (\$271) in the nine months ended June 30, 2024 (2023) related to the options that have been granted. At June 30, 2024 (2023) the Company has total unrecognized compensation expense of \$120 (\$136) 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.

The following table summarizes information about the RSUs for the nine months ended June 30, 2024:

	June 30, 2024		June 30, 2023	
	Number of RSUs	Weighted Avg. Grant Date Fair Value	Number of RSUs	Weighted Avg. Grant Date Fair Value
Balance at October 1	191,413	\$ 59.18	56,517	\$ 49.40
Exercised	(27,207)	59.15	(28,640)	46.87
Forfeited	(1,613)	59.11	(23,842)	50.72
Granted	58,180	58.90	188,632	59.18
Outstanding June 30	220,773	\$ 59.11	192,667	\$ 59.19

Of the units issued in the current year under the RSU plan, 312 units have vested as of June 30, 2024. The Company has recorded \$1,165 (\$354) of share-based compensation expense in the three months and \$2,969 (\$1,141) in the nine months ended June 30, 2024 (2023) related to the RSUs that have been granted. At June 30, 2024 (2023) the Company has total unrecognized compensation expense of \$3,045 (\$1,364) that will be recorded over the next three years.

## 11. Share-Based Compensation (continued)

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

RSU issuance:		Number of units	Grant date	Vest through	Fair value at grant date
(1) Issued November 24, 2021	RSU	5,921	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	17,399	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	6,973	February 23, 2024	February 28, 2026	\$ 59.00
(9) Issued March 15, 2024	RSU	35,484	March 15, 2024	November 15, 2026	\$ 59.00
	PSU	8,449	March 15, 2024	November 15, 2025	\$ 59.00
(10) Issued May 14, 2024	RSU	1,847	May 14, 2024	May 14, 2027	\$ 55.98

### Deferred Share Unit Plan

At June 30, 2024 (2023) the Company has 25,969 (36,560) Deferred Share Units ("DSU") outstanding, of which 24,009 (19,616) have vested, and the remainder will vest until December 2024. The Company recorded share-based compensation of \$212 (\$209) related to the DSUs in the three months and \$754 (\$579) in the nine months ended June 30, 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 24,009 (19,616) vested DSUs outstanding at June 30, 2024 (2023). The fair value of the DSUs outstanding at June 30, 2024 (2023) was \$50.92 (\$56.15) 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 nine months ended June 30, 2024 and 2023:

	Three months ended		Nine months ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
<b>Product revenue</b>				
Advanced Technologies	\$ 37,234	\$ 27,050	\$ 105,898	\$ 73,931
Health	173	—	936	—
Learning	1,941	1,984	6,218	4,668
ITCS	12,879	12,275	58,897	31,885
<b>Total product revenue</b>	<b>\$ 52,227</b>	<b>\$ 41,309</b>	<b>\$ 171,949</b>	<b>\$ 110,484</b>
<b>Service revenue</b>				
Advanced Technologies	\$ 15,356	\$ 17,727	\$ 49,087	\$ 51,911
Health	55,883	49,152	158,855	133,288
Learning	25,454	24,757	76,447	77,296
ITCS	36,078	33,605	109,107	109,656
<b>Total service revenue</b>	<b>\$ 132,771</b>	<b>\$ 125,241</b>	<b>\$ 393,496</b>	<b>\$ 372,151</b>
<b>Total revenue</b>	<b>\$ 184,998</b>	<b>\$ 166,550</b>	<b>\$ 565,445</b>	<b>\$ 482,635</b>

### 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 June 30, 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:

	June 30, 2024
Less than 24 months	\$ 553,460
Thereafter	202,173
<b>Total</b>	<b>\$ 755,633</b>

### 13. Net Profit per Share

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

	Three months ended June 30,		Nine months ended June 30,	
	2024	2023	2024	2023
Weighted average number of common shares – basic	11,856,132	11,732,711	11,838,348	11,689,528
Additions to reflect the dilutive effect of employee stock options and RSUs	171,917	51,799	161,493	35,276
Weighted average number of common shares – diluted	12,028,049	11,784,510	11,999,841	11,724,804

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 June 30, 2024 (2023), 181,700 (44,838) options and 1,847 (NIL) RSUs were excluded from the above computation. For the nine months ended June 30, 2024 (2023), 212,838 (22,616) options and 3,090 (NIL) 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 June 30, 2024:

For the three months ended June 30, 2024	Advanced Technologies	Health	Learning	ITCS	Shared Services	Total
<b>Revenue</b>	\$ 52,590	\$ 56,056	\$ 27,395	\$ 48,957	\$ —	\$ 184,998
<b>Cost of revenues</b>	31,894	41,483	19,848	29,938	—	123,163
<b>Gross profit</b>	20,696	14,573	7,547	19,019	—	61,835
<b>Gross profit %</b>	39 %	26 %	28 %	39 %	N/A %	33 %
Operating expenses	10,235	4,270	4,166	16,085	9,427	44,183
<b>Profit before under noted items</b>	\$ 10,461	\$ 10,303	\$ 3,381	\$ 2,934	\$ (9,427)	\$ 17,652
Profit before under noted items %	20 %	18 %	12 %	6 %	N/A %	10 %
Depreciation of property, plant and equipment						2,494
Depreciation of right of use asset						1,525
Amortization of acquired intangibles						6,777
Restructuring expense						1
Deemed compensation						1,010
Changes in fair value related to contingent earn-out						1,458
<b>Profit before interest income and income tax expense</b>						4,387
Interest expense (income)						1,366
Income tax expense						1,723
<b>NET PROFIT FOR THE PERIOD</b>						\$ 1,298

#### 14. Segmented Information (continued)

For the three months ended June 30, 2023:

For the three months ended June 30, 2023	Advanced Technologies	Health	Learning	ITCS	Shared Services	Total
<b>Revenue</b>	\$ 44,777	\$ 49,152	\$ 26,741	\$ 45,880	\$ —	\$ 166,550
<b>Cost of revenues</b>	29,141	35,789	20,185	30,328	—	115,443
<b>Gross profit</b>	15,636	13,363	6,556	15,552	—	51,107
<b>Gross profit %</b>	35 %	27 %	25 %	34 %	N/A %	31 %
Operating expenses	8,526	4,338	2,720	12,154	8,863	36,601
<b>Profit before under noted items</b>	\$ 7,110	\$ 9,025	\$ 3,836	\$ 3,398	\$ (8,863)	\$ 14,506
Profit before under noted items %	16 %	18 %	14 %	7 %	N/A %	9 %
Depreciation of property, plant and equipment						2,361
Depreciation of right of use asset						1,127
Amortization of acquired intangibles						3,603
Deemed compensation						—
Changes in fair value related to contingent earn-out						138
<b>Profit before interest income and income tax expense</b>						7,277
Interest expense (income)						(115)
Income tax expense						2,719
<b>NET PROFIT FOR THE PERIOD</b>						\$ 4,673

#### 14. Segmented Information (continued)

For the nine months ended June 30, 2024:

For the nine months ended June 30, 2024	Advanced Technologies	Health	Learning	ITCS	Shared Services	Total
<b>Revenue</b>	\$ 154,985	\$ 159,791	\$ 82,665	\$ 168,004	\$ —	\$ 565,445
<b>Cost of revenues</b>	94,367	118,030	61,685	101,273	—	375,355
<b>Gross profit</b>	60,618	41,761	20,980	66,731	—	190,090
<b>Gross profit %</b>	39 %	26 %	25 %	40 %	N/A %	34 %
Operating expenses	29,736	12,348	9,401	44,539	31,208	127,232
<b>Profit before under noted items</b>	\$ 30,882	\$ 29,413	\$ 11,579	\$ 22,192	\$ (31,208)	\$ 62,858
<b>Profit before under noted items %</b>	20 %	18 %	14 %	13 %	N/A %	11 %
Depreciation of property, plant and equipment						7,298
Depreciation of right of use asset						4,456
Amortization of acquired intangibles						18,161
Restructuring expense						1,496
Deemed compensation						2,525
Changes in fair value related to contingent earn-out						6,272
<b>Profit before interest income and income tax expense</b>						22,650
Interest expense (income)						4,647
Income tax expense						6,255
<b>NET PROFIT FOR THE PERIOD</b>					\$	11,748

## 14. Segmented Information (continued)

For the nine months ended June 30, 2023:

For the nine months ended June, 2023	Advanced Technologies	Health	Learning	ITCS	Shared Services	Total
<b>Revenue</b>	\$ 125,842	\$ 133,288	\$ 81,964	\$ 141,541	\$ —	\$ 482,635
<b>Cost of revenues</b>	84,632	99,782	60,612	89,193	—	334,219
<b>Gross profit</b>	41,210	33,506	21,352	52,348	—	148,416
<b>Gross profit %</b>	33 %	25 %	26 %	37 %	N/A %	31 %
Operating expenses	24,020	10,846	7,897	34,543	25,504	102,810
<b>Profit before under noted items</b>	\$ 17,190	\$ 22,660	\$ 13,455	\$ 17,805	\$ (25,504)	\$ 45,606
<b>Profit before under noted items %</b>	14 %	17 %	16 %	13 %	N/A %	9 %
Depreciation of property, plant and equipment						6,910
Depreciation of right of use asset						3,149
Amortization of acquired intangibles						10,414
Deemed compensation						147
Changes in fair value related to contingent earn-out						3,442
<b>Profit before interest income and income tax expense</b>						21,544
Interest expense (income)						103
Income tax expense						7,675
<b>NET PROFIT FOR THE PERIOD</b>						\$ 13,766

The Company operates in Canada but provides services to customers in various countries. Revenues from external customers for the nine months ended June 30, 2024 (2023) are attributed as follows:

	June 30, 2024	June 30, 2023
Canada	67 %	71 %
United States	23 %	20 %
Europe	9 %	8 %
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 nine months ended June 30, 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 June 30, 2024, the Company had the following forward foreign exchange contracts:

Type	Notional	Currency	Maturity	Equivalent Cdn. Dollars	Fair Value June 30, 2024
BUY	\$ 4,210	USD	August 2024	\$ 5,754	\$ 5
BUY	5,835	EURO	August 2024	8,566	18
Derivative assets					\$ 23
SELL	\$ 36,224	USD	August 2024	\$ 49,510	\$ (46)
SELL	3,302	EURO	August 2024	4,847	(10)
Derivative liabilities					\$ (56)

### 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 June 30, 2024 (2023), 41% (49%) 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 June 30, 2024 (2023) is \$85 (\$160). Bad debt expense recognized in the nine months ended June 30, 2024 (2023) is \$110 (\$565).

## 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:

	June 30, 2024	September 30, 2023
Cash and cash equivalents	\$ 45,999	\$ 33,734
Accounts receivable	147,745	173,052
Derivative assets	23	155
Total	\$ 193,767	\$ 206,941

The aging of accounts receivable at the reporting date was:

	June 30, 2024	September 30, 2023
Current	\$ 134,422	\$ 161,985
Past due (61-120 days)	7,024	7,905
Past due (> 120 days)	6,299	3,162
Total	\$ 147,745	\$ 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 June 30, 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 June 30, 2024, the Company had \$45,999 cash on hand and \$94,000 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 June 30, 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)

	June 30, 2024		
	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 45,999	\$ —	\$ —
Investments	—	—	3,673
Derivative assets	—	23	—
Debt facility	—	(94,000)	—
Contingent earn-out	—	—	(37,625)
Derivative liabilities	—	(56)	—
<b>Total</b>	<b>\$ 45,999</b>	<b>\$ (94,033)</b>	<b>\$ (33,952)</b>

	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)	—
<b>Total</b>	<b>\$ 33,734</b>	<b>\$ (37,948)</b>	<b>\$ (10,125)</b>

There were no transfers between Level 1, Level 2 and level 3 during the three and nine months ended June 30, 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 \$1,247 in the nine months ended June 30, 2024 related to changes in fair value of contingent earn out and recorded deemed compensation expense of \$1,811.

### 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 closing, \$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 that will bring new capabilities, partnerships and customers into the Company's portfolio. Decisive 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.

The Company recognized \$2,163 in the nine months ended June 30, 2024 related to changes in fair value of contingent earn out. The Company recognized an adjustment to the contingent earn out payable in the nine months ended June 30, 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 closing and \$200 was put in escrow. MDA provides professional services to the Canadian nuclear industry and increases the Company's technical capability in its service delivery. MDA 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.

Due to timing of this acquisition, the final valuation of the acquisition and the allocation between intangible assets and goodwill is provisional. The fair value assigned to the consideration paid, intangible assets and net assets acquired is based on management's best estimate using the information currently available and may be revised by the Company as additional information is received.

The Company recognized \$120 in the nine month period ended June 30, 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

### Mabway Limited "Mabway"

On May 9, 2024, the Company acquired all outstanding shares of Mabway, for total maximum consideration of \$47,037 (GBP 27,440). Of this amount, \$37,798 (GBP 22,045) was paid in cash on closing, and \$9,239 (GBP 5,395) as contingent consideration, of which \$6,384 (GBP 3,728) is included in the purchase price. The difference between the contingent consideration that is included in the purchase price to the total potential liability is due to some amounts being considered deemed compensation and likelihood of achievement of EBITDA targets and fulfillment of other contingent conditions.

Mabway is a U.K.-based business in the of management of large-scale defense role-playing environments that simulate real-world operational environments and provides technical engineering education for naval and maritime communities. The acquisition expands Calian's existing presence in the U.K. and Europe, reinforcing the Company's military training and simulation solutions portfolio in the region. Mabway's position in the U.K. defense sector provides opportunities for the Company to introduce its immersive learning solutions to complement the solutions Mabway is delivering. The Company uses the multi-period excess earnings method to value customer relationship intangible assets and replacement cost to value the technology assets acquired. 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 attributable to the customer relationships, and discount rate.

Under the contingent consideration arrangement, the Company is required to pay the former shareholders of Mabway an additional \$5,770 (3,334 GBP) if Mabway attains specific EBITDA targets for the year ended March 31, 2025 and obtains certain key signings by October 1, 2027, and \$2,885 (1,667 GBP) if certain integration and transition criteria are attained by May 8, 2025.

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 Company recognized \$115 in the nine months ended June 30, 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 nine month period ended June 30, 2024 in the amount of \$358.

## 16. Acquisitions (continued)

	Net Assets Acquired	Goodwill and Intangibles Accounting	Total Net Assets Acquired
Cash	\$ 8,233	\$ —	\$ 8,233
Accounts receivable and tax receivable	1,635	—	1,635
Work in progress	1,348	—	1,348
Prepaid expenses	630	—	630
	\$ 11,846	\$ —	\$ 11,846
Equipment and application software	\$ 860	—	860
Right of use asset	235	—	235
Acquired intangible assets	—	21,925	21,925
Goodwill	—	16,159	16,159
	\$ 12,941	\$ 38,084	\$ 51,025
Accounts payable and accrued liabilities	\$ 2,356	\$ —	\$ 2,356
Lease obligation	215	—	215
Deferred tax liability	99	5,430	5,529
	\$ 2,670	\$ 5,430	\$ 8,100
Net purchase price			\$ 42,925
Discount on contingent consideration			1,257
Total purchase price			\$ 44,182

The goodwill of \$16,159 comprises the value of expected synergies arising from the acquisition and assembled workforce, which is not separately recognized from the goodwill. The assembled workforce does not meet the criteria for recognition as an intangible asset under IAS 38. None of the goodwill recognized is expected to be deductible for income tax purposes.

Cash consideration paid for the acquisition activity during the nine months ended June 30, 2024:

	Decisive	MDA	Mabway
Consideration paid in cash	\$ 50,782	\$ 7,600	\$ 37,798
Less- cash balance acquired	(3,325)	—	(8,233)
	\$ 47,457	\$ 7,600	\$ 29,565

## 17. Contingent Earn-Out

The following shows the contingent consideration activity for the nine months ended June 30, 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	—	—	1,247	1,811	12,775
Decisive	—	14,172	—	2,163	2,747	19,082
Mabway	—	4,454	—	115	358	4,927
<b>Total</b>	<b>\$ 13,798</b>	<b>\$ 18,626</b>	<b>\$ (3,240)</b>	<b>\$ 3,525</b>	<b>\$ 4,916</b>	<b>\$ 37,625</b>

As at June 30, 2024, the total gross value of all contingent consideration outstanding is \$56,254. 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
<b>Total</b>	<b>\$ 28,550</b>	<b>\$ 9,037</b>	<b>\$ (28,197)</b>	<b>\$ 1,586</b>	<b>\$ 2,822</b>	<b>\$ 13,798</b>

## 18. Related Party Transactions

At June 30, 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 \$240 (\$473). This is measured at the exchange amounts agreed upon by both parties.