

## NEWS RELEASE



Confidence. Engineered.

### FOR IMMEDIATE RELEASE

## Calian Reports Record Results for the Fourth Quarter and FY24

*(All amounts in release are in Canadian dollars)*

OTTAWA, November 26, 2024 – Calian® Group Ltd. (TSX:CGY), a diverse products and services company providing innovative healthcare, communications, learning and cybersecurity solutions, today released its results for the fourth quarter and FY24 ended September 30, 2024.

#### Highlights of Q4-24:

- Revenue up 3% to \$181 million
- Gross margin at 35.3%, up from 31.7% last year
- Adjusted EBITDA<sup>1</sup> of \$23 million (margin of 12.5%) an increase of 11% from the prior year
- Announced collaborations with Microsoft and Walmart Canada

#### Highlights of record performance in FY24:

- Revenue up 13% to \$747 million
- Gross margin at 34.0%, up from 31.0% last year
- Adjusted EBITDA<sup>1</sup> at \$86 million, up 30% from last year
- Operating free cash flow<sup>1</sup> of \$58 million, up from \$45 million last year
- Net debt to adjusted EBITDA<sup>1</sup> ratio of 0.4x
- Repurchased 115,248 shares in consideration of \$6 million

Financial Highlights <i>(in millions of \$, except per share &amp; margins)</i>	Three months ended			Year ended		
	September 30,			September 30,		
	2024	2023	%	2024	2023	%
Revenue	181.2	175.9	3 %	746.6	658.6	13 %
Adjusted EBITDA <sup>1</sup>	22.7	20.4	11 %	85.5	66.0	30 %
Adjusted EBITDA % <sup>1</sup>	12.5 %	11.6 %	90bps	11.5 %	10.0 %	150bps
Adjusted Net Profit <sup>1</sup>	11.5	12.7	(10)%	51.7	40.5	28 %
Adjusted EPS Diluted <sup>1</sup>	0.96	1.07	(11)%	4.33	3.45	26 %
Operating Free Cash Flow <sup>1</sup>	16.3	10.7	52 %	58.2	44.8	30 %

<sup>1</sup> This is a non-GAAP measure. Please refer to the section "Reconciliation of non-GAAP measures to most comparable IFRS measures" at the end of this press release.

Access the full report on the [Calian Financials](#) web page.

[Register for the video webcast](#) on Tuesday, November 26, 2024, 8:30 a.m. Eastern Time.

“We capped off FY24 with a record quarter,” said Kevin Ford, Calian CEO. “Revenues, gross margin and adjusted EBITDA all hit historical highs for the fourth quarter and the full year. During the year, we completed three strategic acquisitions, signed and acquired contracts valued at \$785 million and expanded our product and service offering in new markets. We finished the year with revenues and adjusted EBITDA up 13% and 30%, respectively, on track with our three-year strategic plan of doubling our Adjusted EBITDA<sup>1</sup> by the end of FY26. With tailwinds in our growth markets, a solid balance sheet and a strong pipeline of acquisitions, we are on track to achieve another record year in FY25,” stated Mr. Ford.

## **FY24 Results**

Revenues increased 13%, from \$659 million to \$747 million. This represents the highest revenue for the Company on record and the 7<sup>th</sup> consecutive year of double-digit growth. Acquisitive growth was 11% and was generated by the acquisitions of Hawaii Pacific Teleport (“HPT”), Decisive Group, the nuclear assets from MDA Ltd and Mabway. Organic growth was 2% and was driven by double-digit growth in the Health segment.

Gross margin reached 34.0% and represents the highest annual gross margin for the Company on record. Adjusted EBITDA<sup>1</sup> reached \$86 million, up 30% from \$66 million last year, driven by the higher margin contribution from acquisitions and increased product revenue. Adjusted EBITDA<sup>1</sup> margin reached 11.5%, up from 10.0% last year, as a result of a favorable revenue mix and increased volume.

Net profit reached \$11 million, or \$0.93 per diluted share, down from \$19 million, or \$1.61 per diluted share last year. This decrease in profitability is primarily due to increased amortization and interest expenses related to acquisitions, partially offset by higher adjusted EBITDA<sup>1</sup>. Adjusted net profit<sup>1</sup> reached \$52 million, or \$4.33 per diluted share, up from \$40 million, or \$3.45 per diluted share last year.

## **Liquidity and Capital Resources**

“In FY24 we generated \$58 million in operating free cash flow<sup>1</sup>, representing a 68% conversion rate from adjusted EBITDA<sup>1</sup>,” said Patrick Houston, Calian CFO. “We used our cash and a portion of our credit facility to invest in our business with the acquisitions of Decisive Group, the nuclear assets from MDA and Mabway, coupled with earn-outs for \$88 million and capital expenditures of \$12 million. We also provided a return to shareholders in the form of dividends of \$13 million and share buybacks of \$6 million. We ended the year with a net debt to adjusted EBITDA<sup>1</sup> ratio of 0.4x, well-positioned to pursue our growth objectives,” concluded Mr. Houston.

## **Normal Course Issuer Bid**

On August 28, 2024, the TSX accepted Calian’s Notice of Intention to Make a Normal Course Issuer Bid (“NCIB”) to purchase for cancellation up to 995,904 common shares during the 12-month period commencing September 1, 2024 and ending August 31, 2025, representing approximately 10% of the public float of its common shares as at August 16, 2024.

<sup>1</sup> This is a non-GAAP measure. Please refer to the section “Reconciliation of non-GAAP measures to most comparable IFRS measures” at the end of the press release.

On August 30, 2023, the TSX accepted Calian's Notice of Intention to Make a NCIB to purchase for cancellation up to 1,044,012 common shares during the 12-month period commencing September 1, 2023 and ending August 31, 2024, representing approximately 10% of the public float of its common shares as at August 22, 2023.

In the three-month period ended September 30, 2024, the Company repurchased 61,422 shares for cancellation in consideration of \$3 million. For the twelve-month period ended September 30, 2024, the Company repurchased 115,248 shares for cancellation in consideration of \$6 million.

## Announced Collaborations with Microsoft and Walmart Canada

On October 1, 2024, Calian announced it agreed to collaborate with Walmart Canada to expand the retailer's specialty pharmacy capabilities through licensing Calian's custom-built digital health platform Nexi™.

On September 27, 2024, Calian announced a collaboration with Microsoft to offer scalable cloud-native cybersecurity solutions through the adoption of Microsoft Sentinel.

## Quarterly Dividend

On November 25, 2024, Calian declared a quarterly dividend of \$0.28 per share. The dividend is payable December 23, 2024, to shareholders of record as of December 9, 2024. Dividends paid by the Company are considered "eligible dividend" for tax purposes.

## Guidance

Aligning with industry practice, the Company has decided to change its definition of adjusted EBITDA<sup>1</sup> starting in FY25. The table below reconciles the previously reported definition of adjusted EBITDA<sup>1</sup> for fiscal years 2023 and 2024 to the new definition of adjusted EBITDA<sup>1</sup> that will be used going forward. The new definition of adjusted EBITDA<sup>1</sup> adds back stock based compensation expense as well as one-time integration/M&A costs.

<i>(in thousands of \$)</i>	FY2024	FY2023
<b>Adj. EBITDA (previously reported)</b>	<b>85,535</b>	<b>66,548</b>
Stock based compensation expense	4,373	3,870
Integration/M&A costs	2,251	545
<b>Adj. EBITDA (going forward)</b>	<b>92,159</b>	<b>70,963</b>

The table below presents the FY25 guidance based on the new definition of adjusted EBITDA.

<i>(in thousands of \$)</i>	Guidance for the year ended September 30, 2025			FY24 Results	YOY Growth at Midpoint
	Low	Midpoint	High		
Revenue	800,000	840,000	880,000	746,611	12%
Adj. EBITDA <sup>1</sup>	96,000	101,000	106,000	92,159	10%

<sup>1</sup> This is a non-GAAP measure. Please refer to the section "Reconciliation of non-GAAP measures to most comparable IFRS measures" at the end of the press release.

This guidance includes the full-year contribution from the Decisive Group acquisition, closed on December 1, 2023, the nuclear asset acquisition from MDA Ltd., closed on March 5, 2024 and the Mabway acquisition, closed on May 9, 2024. It does not include any other further acquisitions that may close within the fiscal year. The guidance reflects another record year for the Company and positions it well to achieve its long-term growth targets.

At the midpoint of the range, this guidance reflects revenue and adjusted EBITDA<sup>1</sup> growth of 12% and 10%, respectively, and an adjusted EBITDA<sup>1</sup> margin of 12.0%. It would represent the 8<sup>th</sup> consecutive year of double-digit revenue growth and record revenue and adjusted EBITDA<sup>1</sup> levels.

### **Calian Adopts an Advance Notice By-law and Amends and Restates its Operating By-law**

Calian Group Ltd. (“Calian” or the “Company”) announces the adoption by its board of directors (the “Board”) of an advance notice by-law (the “Advance Notice By-law”) and an amended and restated operating by-law (the “Operating By-law”).

The Advance Notice By-law establishes procedures for shareholders giving advance notice to the Company of nominations for directors at any meeting of shareholders where directors are being elected in order to facilitate an orderly and efficient meeting process and allow all shareholders a reasonable opportunity to evaluate all proposed nominees and make an informed voting decision. The Advance Notice By-law is similar to the advance notice by-laws adopted by many other Canadian companies.

Under the Advance Notice By-law, shareholders seeking to nominate a candidate for a Board seat are generally required to provide notice to the Company in the event of:

1. an annual meeting of the shareholders, not less than 30 days before the date of the meeting, or 40 days before if the Company uses notice-and-access provisions under National Instrument 54-101 -Communication with Beneficial Owners of Securities of a Reporting Issuer for delivery of proxy related materials; or
2. a special meeting where directors are being elected, not later than the close of business on the 15th day after the announcement of the meeting.

As the Operating By-law was initially adopted in 2002, it has been amended and restated to align with current laws and governance practices. The amendments include, among other things, to allow the Chief Executive Officer to delegate signing authority, to remove deviations from the Canada Business Corporations Act with respect to conflicts of interest and the inspection of corporate records, to remove the discretion for the board to revise the quorum for a meeting of the directors, to allow the board to appoint from among its members its chair, to reflect the current committees, to remove reference to specific officer duties and powers and to clarify the term of office, to allow for dividends to be paid electronically, to allow the board to call for a shareholder meeting by entirely electronic means only if there is a compelling reason to not hold the meeting in person, to allow the board discretion to accept proxies after the deadline, and to increase the quorum for a meeting of the shareholders to two persons present and holding or representing by proxy at least 25% of the votes attached to all shares entitled to vote at the meeting.

In accordance with the Canada Business Corporations Act, both the Operating By-law and the Advance Notice By-law are currently in effect and the Company will submit them to the shareholders

<sup>1</sup> This is a non-GAAP measure. Please refer to the section “Reconciliation of non-GAAP measures to most comparable IFRS measures” at the end of the press release.

at the next annual meeting. Provided the shareholders confirm the Operating By-law and the Advance Notice By-law at the meeting, each will continue in effect in the form it was confirmed.

The foregoing descriptions are only summaries and copies of the Operating By-law and Advance Notice By-law have been filed under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## About Calian

[www.calian.com](http://www.calian.com)

We keep the world moving forward. Calian® helps people communicate, innovate, learn and lead safe and healthy lives. Every day, our employees live our values of customer commitment, integrity, innovation, respect and teamwork to engineer reliable solutions that solve complex challenges. That's Confidence. Engineered. A stable and growing 40-year company, we are headquartered in Ottawa with offices and projects spanning North American, European and international markets. Visit [calian.com](http://calian.com) to learn about innovative healthcare, communications, learning and cybersecurity solutions.

Product or service names mentioned herein may be the trademarks of their respective owners.

Media inquiries:

[pr@calian.com](mailto:pr@calian.com)

613-599-8600

Investor Relations inquiries:

[ir@calian.com](mailto:ir@calian.com)

---

## DISCLAIMER

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

Calian · Head Office · 770 Palladium Drive · Ottawa · Ontario · Canada · K2V 1C8

Tel: 613.599.8600 · Fax: 613-592-3664 · General info email: [info@calian.com](mailto:info@calian.com)

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

	September 30, 2024	September 30, 2023
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 51,788	\$ 33,734
Accounts receivable	157,376	173,052
Work in process	20,437	16,580
Inventory	23,199	21,983
Prepaid expenses	23,978	19,040
Derivative assets	32	155
<b>Total current assets</b>	<b>276,810</b>	<b>264,544</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	40,962	37,223
Right of use assets	36,383	34,637
Prepaid expenses	7,820	10,386
Deferred tax asset	3,425	967
Investments	3,875	3,673
Acquired intangible assets	128,253	75,160
Goodwill	210,392	159,133
<b>Total non-current assets</b>	<b>431,110</b>	<b>321,179</b>
<b>TOTAL ASSETS</b>	<b>\$ 707,920</b>	<b>\$ 585,723</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Debt facility	\$ —	\$ 37,750
Accounts payable and accrued liabilities	124,884	105,550
Provisions	3,075	2,848
Unearned contract revenue	41,723	32,423
Lease obligations	5,645	4,949
Contingent earn-out	39,136	11,263
Derivative liabilities	92	353
<b>Total current liabilities</b>	<b>214,555</b>	<b>195,136</b>
<b>NON-CURRENT LIABILITIES</b>		
Debt facility	89,750	—
Lease obligations	33,798	32,057
Unearned contract revenue	14,503	15,592
Contingent earn-out	2,697	2,535
Deferred tax liabilities	25,862	12,031
<b>Total non-current liabilities</b>	<b>166,610</b>	<b>62,215</b>
<b>TOTAL LIABILITIES</b>	<b>381,165</b>	<b>257,351</b>
<b>SHAREHOLDERS' EQUITY</b>		
Issued capital	225,747	225,540
Contributed surplus	6,019	4,856
Retained earnings	91,268	96,859
Accumulated other comprehensive income (loss)	3,721	1,117
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>326,755</b>	<b>328,372</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 707,920</b>	<b>\$ 585,723</b>
Number of common shares issued and outstanding	11,802,364	11,812,650

**CALIAN GROUP LTD.**  
**AUDITED ANNUAL CONDENSED CONSOLIDATED STATEMENTS OF NET PROFIT**  
**For the three and twelve month periods ended September 30, 2024 and 2023**  
**(Canadian dollars in thousands, except per share data)**

	Three months ended		Year ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Revenue	\$ 181,166	\$ 175,948	\$ 746,611	\$ 658,583
Cost of revenues	117,242	120,152	492,597	454,371
<b>Gross profit</b>	<b>63,924</b>	<b>55,796</b>	<b>254,014</b>	<b>204,212</b>
Selling and marketing	13,466	10,545	55,115	45,410
General and administration	24,734	22,034	101,397	81,363
Research and development	3,047	2,836	11,967	11,452
<b>Profit before under noted items</b>	<b>22,677</b>	<b>20,381</b>	<b>85,535</b>	<b>65,987</b>
Depreciation of property, plant and equipment	2,750	2,133	10,048	9,043
Depreciation of right of use assets	1,587	1,352	6,043	4,501
Amortization of acquired intangible assets	7,577	4,460	25,738	14,874
Restructuring expense	368	2,618	1,864	2,618
Other changes in fair value	(202)	(314)	(202)	(314)
Deemed compensation	1,797	403	4,322	550
Changes in fair value related to contingent earn-out	2,495	416	8,767	3,858
<b>Profit before interest income and income tax expense</b>	<b>6,305</b>	<b>9,313</b>	<b>28,955</b>	<b>30,857</b>
Interest expense	1,988	793	6,635	896
Income tax expense - current	4,623	3,776	15,442	12,919
Income tax expense (recovery) - deferred	262	(375)	(4,302)	(1,843)
<b>NET PROFIT</b>	<b>\$ (568)</b>	<b>\$ 5,119</b>	<b>\$ 11,180</b>	<b>\$ 18,885</b>
<b>Net profit per share:</b>				
Basic	\$ (0.05)	\$ 0.43	\$ 0.95	\$ 1.61
Diluted	\$ (0.05)	\$ 0.43	\$ 0.93	\$ 1.61

**CALIAN GROUP LTD.**  
**AUDITED ANNUAL CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**For the three and twelve month periods ended ended September 30, 2024 and 2023**  
**(Canadian dollars in thousands)**

	Three months ended		Year ended	
	September 30,		September 30,	
	2024	2023	2024	2023
<b>CASH FLOWS GENERATED FROM (USED IN)</b>				
<b>OPERATING ACTIVITIES</b>				
Net profit	(568)	\$ 5,119	11,180	18,885
Items not affecting cash:				
Interest expense	1,410	634	4,826	365
Changes in fair value related to contingent earn-out	2,495	416	8,767	3,858
Lease obligations interest expense	578	159	1,809	531
Income tax expense	4,885	3,401	11,140	11,076
Employee share purchase plan expense	122	130	549	597
Share based compensation expense	562	1,618	3,824	3,273
Depreciation and amortization	11,914	7,945	41,829	28,418
Deemed compensation	1,797	403	4,322	550
Other changes in fair value	(202)	(314)	(202)	(314)
	22,993	19,511	88,044	67,239
Change in non-cash working capital				
Accounts receivable	(9,631)	(8,971)	17,625	1,393
Work in process	(1,123)	6,166	(2,509)	23,285
Prepaid expenses and other	3,007	(3,849)	337	(829)
Inventory	1,002	1,873	2,795	(3,340)
Accounts payable and accrued liabilities	9,133	9,476	(1,064)	(17,947)
Unearned contract revenue	(1,687)	4,918	(6)	928
	23,694	29,124	105,222	70,729
Interest paid	(1,988)	(791)	(6,635)	(895)
Income tax paid	(2,289)	(5,629)	(11,366)	(13,059)
	19,417	22,704	87,221	56,775
<b>CASH FLOWS GENERATED FROM (USED IN)</b>				
<b>FINANCING ACTIVITIES</b>				
Issuance of common shares net of costs	618	760	2,786	2,901
Dividends	(3,397)	(3,335)	(13,351)	(13,163)
Draw on debt facility	(4,250)	37,750	52,000	30,250
Payment of lease obligations	(1,318)	(1,261)	(5,289)	(4,382)
Repurchase of common shares	(2,819)	(1,670)	(5,648)	(1,670)
	(11,166)	32,244	30,498	13,936
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>				
Investments	—	—	—	(2,689)
Business acquisitions	—	(59,834)	(87,862)	(68,494)
Property, plant and equipment	(2,462)	(2,368)	(11,803)	(8,440)
	(2,462)	(62,202)	(99,665)	(79,623)
<b>NET CASH INFLOW (OUTFLOW)</b>	5,789	\$ (7,254)	18,054	(8,912)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	45,999	40,988	33,734	42,646
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	51,788	\$ 33,734	51,788	33,734



## Reconciliation of Non-GAAP Measures to Most Comparable IFRS Measures

These non-GAAP measures are mainly derived from the consolidated financial statements, but do not have a standardized meaning prescribed by IFRS; therefore, others using these terms may calculate them differently. The exclusion of certain items from non-GAAP performance measures does not imply that these are necessarily nonrecurring. From time to time, we may exclude additional items if we believe doing so would result in a more transparent and comparable disclosure. Other entities may define the above measures differently than we do. In those cases, it may be difficult to use similarly named non-GAAP measures of other entities to compare performance of those entities to the Company's performance.

Management believes that providing certain non-GAAP performance measures, in addition to IFRS measures, provides users of the Company's financial reports with enhanced understanding of the Company's results and related trends and increases transparency and clarity into the core results of the business. Adjusted EBITDA excludes items that do not reflect, in our opinion, the Company's core performance and helps users of our MD&A to better analyze our results, enabling comparability of our results from one period to another.

### Adjusted EBITDA

	Three months ended		Year ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Net profit	\$ (568)	\$ 5,119	\$ 11,180	\$ 18,885
Depreciation of equipment and application software	2,750	2,133	10,048	9,043
Depreciation of right of use asset	1,587	1,352	6,043	4,501
Amortization of acquired intangible assets	7,577	4,460	25,738	14,874
Restructuring expense	368	2,618	1,864	2,618
Other changes in fair value	(202)	(314)	(202)	(314)
Interest expense	1,988	793	6,635	896
Changes in fair value related to contingent earn-out	2,495	416	8,767	3,858
Deemed Compensation	1,797	403	4,322	550
Income tax	4,885	3,401	11,140	11,076
Adjusted EBITDA	\$ 22,677	\$ 20,381	\$ 85,535	\$ 65,987

## Adjusted Net Profit and Adjusted EPS

	Three months ended		Year ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Net profit	\$ (568)	\$ 5,119	\$ 11,180	\$ 18,885
Restructuring expense	368	2,618	1,864	2,618
Other changes in fair value	(202)	(314)	(202)	(314)
Changes in fair value related to contingent earn-out	2,495	416	8,767	3,858
Deemed Compensation	1,797	403	4,322	550
Amortization of intangibles	7,577	4,460	25,738	14,874
Adjusted net profit	11,467	12,702	51,669	40,471
Weighted average number of common shares basic	11,835,037	11,790,964	11,837,520	11,714,887
Adjusted EPS Basic	0.97	1.08	4.36	3.45
Adjusted EPS Diluted	\$ 0.96	\$ 1.07	\$ 4.33	\$ 3.45

## Operating Free Cash Flow

	Three months ended		Year ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Cash flows generated from operating activities	\$ 19,417	\$ 22,704	\$ 87,221	\$ 56,775
Property, plant and equipment	(2,462)	(2,368)	(11,803)	(8,440)
Free cash flow	\$ 16,955	\$ 20,336	\$ 75,418	\$ 48,335
Free cash flow	\$ 16,955	\$ 20,336	\$ 75,418	\$ 48,335
Adjustments:				
Change in non-cash working capital	(701)	(9,613)	(17,178)	(3,490)
Operating free cash flow	\$ 16,254	\$ 10,723	\$ 58,240	\$ 44,845
Operating free cash flow per share - basic	1.37	0.91	4.92	3.83
Operating free cash flow per share - diluted	1.35	0.91	4.86	3.81
Operating free cash flow conversion	72 %	53 %	68 %	68 %

## Net Debt to Adjusted EBITDA

	September 30, 2024	September 30, 2023
Cash	\$ 51,788	\$ 33,734
Debt facility	89,750	37,750
Net debt (net cash)	37,962	4,016
Trailing twelve month adjusted EBITDA	85,535	65,987
Net debt to adjusted EBITDA	0.4	0.1

Operating free cash flow measures the company's cash profitability after required capital spending when excluding working capital changes. The Company's ability to convert adjusted EBITDA to operating free cash flow is critical for the long term success of its strategic growth. These measurements better align the reporting of our results and improve comparability against our peers. We believe that securities analysts, investors and other interested parties frequently use non-GAAP measures in the evaluation of issuers. Management also uses non-GAAP measures in order to facilitate operating performance comparisons from period to period, prepare annual operating budgets and assess our ability to meet our capital expenditure and working capital requirements. Non-GAAP measures should not be considered a substitute for or be considered in isolation from measures prepared in accordance with IFRS. Investors are encouraged to review our financial statements and disclosures in their entirety and are cautioned not to put undue reliance on non-GAAP measures and view them in conjunction with the most comparable IFRS financial measures. The Company has reconciled adjusted profit to the most comparable IFRS financial measure as shown above.