ANNUAL REPORT **2025**

Mission Forward:

CALIAN®

Confidence. Engineered.

Deepening Impact Where it Matters Most

This year's theme, Mission Forward: Deepening Impact Where it Matters Most, reflects the Company's renewed strategic focus on aligning operations with areas of high-growth—namely Defence, Space and Essential Industries (Health and Energy). As global demand continues to accelerate in these industries, we are positioning ourselves to lead by enhancing our capabilities in areas of greatest impact.

Beginning in fiscal year 2026 (October 1, 2025), Calian will transition from four business segments (Advanced Technologies, IT & Cyber Solutions, Health, and Learning) to a more focused two-segment structure (Defence & Space and Essential Industries). Concurrently, we will pursue our comprehensive portfolio review to identify options for our non-core assets. These changes underscore our commitment to concentrating exclusively on mission-critical solutions that deliver greater value to our stakeholders.

The cover image visually reinforces this strategic shift. Designed to resemble a "target," it features four concentric circles, each showcasing a photo symbolizing one of our core mission-critical domains: Defence, Space, and Essential Industries (Health and Energy). This imagery represents precision and focus—illustrating how we are sharpening our aim and deepening our impact in the sectors that define our future.

Kevin Ford,
CEO, Calian Group Ltd.

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Be advised that certain information contained in this annual report is forward-looking and subject to important risks and uncertainties. The results predicted in these statements may be materially different from actual results. Please refer to the Forward-Looking Statements section of the Management's Discussion and Analysis.

5-Year Financial Highlights

For the year ended September 30, 2025
(Canadian dollars in millions of dollars, except per share amounts and percentages)

Unaudited	2025	2024	2023	2022	2021
	$	$	$	$	$
OPERATING RESULTS					
Revenue	**774.1**	746.6	658.6	582.2	518.4
Gross profit	**259.3**	254.0	204.2	169.2	126.7
Adjusted EBITDA[1,2]	**78.4**	92.2	70.4	69.3	56.2
Net profit	**20.6**	11.2	18.9	13.6	11.2
Adjusted net profit[1,2,3]	**38.3**	50.5	39.1	41.2	36.1
PER SHARE DATA					
Adjusted EBITDA per share – diluted[1,2]	**6.73**	7.68	5.98	6.07	5.28
Net profit per share – diluted	**1.76**	0.93	1.61	1.19	1.07
Adjusted EPS – diluted[1,2,3]	**3.28**	4.23	3.37	3.68	3.50
Operating free cash flow per share – diluted[1,2]	**4.48**	6.02	4.57	4.84	4.15
Dividends per share	**1.12**	1.12	1.12	1.12	1.12
FINANCIAL RATIOS					
Gross profit margin	**33.5%**	34.0%	31.0%	29.1%	24.4%
Adjusted EBITDA margin[1,2]	**10.1%**	12.3%	10.7%	11.9%	10.8%
Operating free cash flow conversion[1,2]	**67%**	78%	76%	80%	79%
Current ratio	**1.5**	1.3	1.4	1.4	2.2
Working capital/revenue[4]	**9%**	7%	14%	14%	17%
Net debt/adjusted EBITDA[1,2]	**1.1x**	0.4x	0.1x	n/a	n/a
FINANCIAL POSITION					
Cash and cash equivalents	**46.1**	51.8	33.7	42.6	78.6
Current assets	**293.0**	276.8	264.5	296.5	262.2
Total assets	**721.5**	707.9	585.7	547.2	458.0
Current liabilities	**198.2**	214.6	195.1	211.7	121.2
Working capital[4]	**70.7**	55.2	89.6	79.5	90.5
Shareholders' equity	**321.3**	326.8	328.4	305.2	292.4
CASH FLOW					
Cash flows generated (used) from operating activities	**45.4**	87.2	56.8	43.1	46.5
Cash flows generated (used) from financing activities	**(1.4)**	30.5	13.9	(6.2)	64.4
Cash flows generated (used) in investing activities	**(49.7)**	(99.7)	(79.6)	(72.9)	(56.6)
Operating free cash flow[1,2]	**52.2**	72.3	53.8	55.3	44.5

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3 The comparative period has been amended to include the income tax effect of adjusting items. The Company believes it is appropriate to include the tax effect of adjustments in the non-GAAP measure to align with industry practice.

4 Working capital is defined as (current assets less cash)-(current liabilities less debt, contingent earn-out and lease obligations).

Calian at a Glance

Calian is a trusted provider of mission-critical solutions for defence, space and essential industries (health and energy). For over 40 years, Calian has delivered mission-critical solutions when failure is not an option. Trusted worldwide, we empower organizations in critical industries to overcome obstacles, manage risks and drive progress. By combining the expertise of our people, proven industry insight, cutting-edge technology, bold innovation and global reach, we deliver tailored solutions that solve complex challenges. Headquartered in Ottawa, Canada, with over 6,000 people around the world, Calian's solutions protect lives, strengthen security, foster global connectivity and drive economic progress, making a lasting impact where and when it matters most. The Company's common shares are listed on the Toronto Stock Exchange under the symbol **CGY**.

Mission

Calian helps the world communicate, innovate, learn and lead safe and healthy lives.

Values

- Customer-First Commitment
- Teamwork
- Integrity
- Innovation
- Respect

Four Pillars of Growth

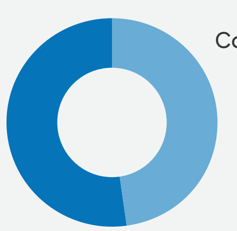
1. Customer Retention
2. Customer Diversification
3. Innovation
4. Operational Excellence

Key FY25 Data

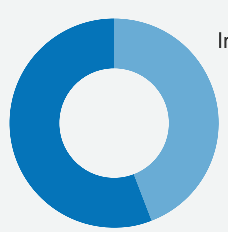
$774M	$385M	$1.4B	1.1X[1]	6,100[2]	$564M
Consolidated Revenue	Defence Solutions	Backlog	Leverage	Workforce	Market Capitalization

Revenue Breakdown

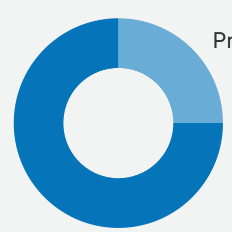
Customers



Geography



Offering



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2 Includes 4,300 employees and 1,800 contractors.

Serving Key Customers in Mission-Critical Industries

DEFENCE

SPACE

ESSENTIAL INDUSTRIES (HEALTH AND ENERGY)

Achieved key milestones in FY25

- Refreshed the Board of Directors with Eric Demirian, Josh Blair and Lisa Greatrix
- Appointed Chris Pogue as President, Defence & Space
- Appointed new regional VP of Defence for Europe, U.K. and NATO
- Merged the Advanced Technologies and Learning segments (effective October 1, 2025)
- Acquired Advanced Medical Solutions (Health)
- Announced a $250 million amendment to the HCPR[1] contract with the DND[2]
- Announced independent U.S. Subsidiary to focus on U.S. government and defence
- Launched Calian VENTURES, first defence innovation orchestrator
- Signed gross new contracts valued at $1.2B
- Reached a record backlog of $1.4B, of which two-thirds is in defence
- Renewed normal course issuer bid and repurchased 5% of shares for cancellation
- Renewed and expanded debt agreement to $350 million

1 Health Care Provider Recruitment.

2 Department of National Defence.

Message from the Chair

As I prepare to step down in the coming months, I do so with confidence in Calian's direction and pride in the progress we made. This past year—my final as Chair—has been one of significant transformation. We sharpened our strategic focus, made key changes at both the Board and executive levels and advanced on our ESG journey. These initiatives are key to position Calian for long-term, sustainable growth, and to maximize shareholder value.

Refocused our strategy on mission-critical solutions

Revenues reached $774 million in FY25, a historical record. Despite higher revenues, our adjusted EBITDA[1] decreased primarily due to challenges in our ITCS segment. Net profit increased to $21 million, or $1.76 per diluted share and represented the 24th consecutive profitable year.

One of the most important shifts this year was our strategic decision to concentrate on mission-critical solutions. We undertook a number of deliberate actions to support this focus and maximize shareholder value: reorganizing the business into two core operating segments—Defence & Space and Essential Industries and completing a portfolio review and evaluating options for non-core assets. Our new organizational structure will be operational in FY26 along with our execution of targeted divestitures. With strong momentum and clear opportunities ahead in Defence, Space and Essential Industries (Health and Energy), I believe Calian is well prepared to capture the tailwinds driving our industries forward.

Refreshed our board of directors

This past year, we took meaningful steps to refresh and strengthen our Board to better align with the evolving needs of the business. We welcomed three exceptional new directors, each bringing extensive public company experience and unique expertise that directly supports our strategic priorities.

Lisa Greatrix brings strong financial acumen and deep capital markets expertise, reinforcing our focus on operational discipline and value creation. Josh Blair offers a proven track record in AI, data services and healthcare—sectors that align closely with our growth ambitions. Eric Demirian adds extensive experience in finance and M&A across a wide range of industries, making him a valuable strategic asset as we continue to pursue scale and transformation.

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"I leave knowing the business is on a strong footing, well-positioned for its next phase of growth and success."

Announced a CEO transition

After more than 15 years at Calian, including 10 years as CEO, Kevin Ford has decided to retire effective December 31, 2025. Under his leadership, Calian has undergone a remarkable transformation, with revenues more than tripling during his tenure, from $242 million in 2015 to $774 million in 2025. His vision and steady stewardship have propelled Calian for continued growth and success.

During his time as CEO, Kevin's vision has guided Calian through a period of tremendous growth and change, establishing a strong strategic foundation for the future. Since he took the helm, Calian has expanded into new markets, diversified its capabilities across Defence, Space and Essential Industries (Health and Energy), and grown from a respected Canadian business into a global provider of mission-critical solutions. On behalf of the Board, I would like to thank Kevin for his exceptional contributions to Calian. His legacy will continue to shape our path forward, and we are profoundly thankful for all he has achieved.

Following a rigorous and thorough succession planning process, the Board announced the appointment of Patrick Houston as our next Chief Executive Officer. Patrick has worked closely with Kevin for almost seven years and brings deep knowledge of Calian, its strategy and its culture. His proven expertise in finance, M&A and operational execution has been instrumental in driving growth across our most promising divisions. He brings the vision, discipline and leadership to guide Calian into its next chapter and continue delivering long-term value for our shareholders. Kevin will remain with Calian until the end of the calendar year to ensure a smooth and effective transition.

Our ESG journey

We continued progressing on our ESG journey, building on 2024 priorities with impactful initiatives across environmental, social and governance areas. Environmentally, we started a multi-year decarbonization roadmap and assessed key climate risks and opportunities, laying the groundwork for Scope 1, 2 and 3 emissions reduction strategies starting in 2026. Socially, our Employee Resource Groups (ERGs) grew to 11 groups with over 780 members, enhancing inclusion and engagement. On the governance side, we introduced a Preferential Treatment Policy to support fair, merit-based employment, updated our Modern Slavery Statement, and submitted our annual compliance report to Public Safety Canada.

Passing the torch with confidence

In closing, it has been a true privilege to serve on the Board over the past 13 years, including the last five as Chair. Following the upcoming Annual General Meeting, a new Chair will be appointed, and I am confident they will continue to guide Calian to new heights. I leave knowing the business is on a strong footing, well-positioned for its next phase of growth and success.

George Weber
Chair

Message from the CEO

As I prepare to retire at the end of the calendar year, this marks my final letter as CEO of Calian. It has been an incredible 15-year journey, 10 of those as CEO, and I remain deeply proud of what the team has accomplished and built together.

While the year presented challenges, particularly in the ITCS segment, we delivered strong growth in our defence-related portfolio. We executed our strategy in mission-critical solutions, positioning Calian to capitalize on a once-in-a-generation opportunity in the defence sector, and deploying capital strategically to strengthen our long-term position. This disciplined execution delivered $1.2 billion in new contract signings, bringing our backlog to $1.4 billion.

Reaching record revenues

Revenues increased 4% to reach a record $774 million, driven by acquisitions and defence-related activities across all four segments. Our overall defence revenues increased 17% over last year, to $385 million, representing 50% of consolidated revenues. This was partially offset by an uncertain macro environment in our U.S. commercial business and the transition of our cybersecurity platform in our ITCS segment.

Despite weaker results in ITCS, gross profit rose year-over-year to $259 million and gross margin remained stable at 33.5%, however, adjusted EBITDA[1] and related margin declined to $78 million and 10.1%, respectively.

In recent months, we streamlined costs and optimized investments to better position the ITCS business for FY26. With a leaner cost base now aligned to current revenue, rebuilding revenue will be key to regaining prior performance levels and restoring margin growth.

Executing on a once-in-a-generation defence opportunity

In fiscal year 2025, we advanced on our four growth pillars—customer retention, customer diversification, operational excellence and innovation—while laying the groundwork for long-term expansion in our most promising mission-critical sector: Defence.

Early wins from this strategy include undisclosed contracts with NATO and allied countries, and a $250-million expansion of our health services contract with the Canadian Armed Forces, bringing our defence backlog to $1 billion.

Shortly after year-end, we acquired InField Scientific, a globally recognized engineering firm in electromagnetic environmental effects (E3). This small but strategic addition enhances our defence portfolio, enabling end-to-end electromagnetic security and supporting growth in new markets.

A key milestone was the launch of an independent U.S.-focused subsidiary targeting federal government and defence opportunities. While early-stage, this initiative positions us in the world's largest defence market with strong growth potential.

To further strengthen our defence capabilities in Canada and Europe, we appointed Major-General (Ret.) Roch Pelletier as Regional VP, Global Defence & Security, and named Chris Pogue—one of Canada's foremost defence and space leaders—as President, Defence & Space.

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"As I prepare to pass the baton, I am confident that Patrick Houston is the right leader to guide Calian forward, well positioned to seize the many promising opportunities ahead in Defence, Space and Essential Industries (Health and Energy).

Additionally, we launched Calian VENTURES, a new initiative to help Canadian SMEs scale proven defence solutions into sovereign capabilities aligned with the evolving needs of the Canadian Armed Forces.

We also shifted our go-to-market strategy from product-focused sales to an industry-led approach. Our new Operational Readiness Portfolio includes cybersecurity, digital solutions, space and terrestrial communications, custom manufacturing, training and simulation, and healthcare services.

These initiatives underscore our commitment to innovation, execution and capturing a unique opportunity in global defence markets.

We also reorganized the company into two segments (Defence & Space and Essential Industries), effective fiscal 2026. The newly formed Defence & Space segment, combining mainly Advanced Technologies and Learning, will integrate communications manufacturing with immersive training and simulation to accelerate mission success for defence and space customers alike.

To align resources with high-growth priorities in Defence, Space and Essential Industries (Health and Energy), we announced a portfolio review to evaluate strategic options for our non-core assets.

Deploying capital to maximize shareholder value

In fiscal year 2025, we generated $45 million of cash flow from operations. We strategically deployed this cash, along with a portion of our credit facility, to fund acquisitions and earnout payments totalling $39 million, and to return $39 million to shareholders.

This year, we acquired Advanced Medical Solutions, expanding our healthcare offerings into primary care, paramedicine, and air & ground ambulance. The acquisition strengthens our presence in Northern Canada and creates valuable cross-selling opportunities. In addition, we paid the earnout related to our May 2024 acquisition of Mabway, reflecting the strong performance and successful integration of that business.

We also returned capital to shareholders through $13 million in dividend payments and $26 million in share repurchases. In September 2025, we renewed our normal course issuer bid, reaffirming our commitment to delivering long-term shareholder value and enabling us to repurchase shares opportunistically.

To support our ongoing growth strategy, we renewed and expanded our debt agreement. The new three-year term revolving credit facility totals $350 million, including a committed amount of $200 million, combined with an accordion feature of up to $150 million, providing added financial flexibility.

At year end, our net debt stood at $85 million, with a leverage ratio of 1.1×, positioning us well to pursue future growth opportunities.

Looking forward

It has been a true honour to lead Calian. Together, we have built a company that plays a vital and trusted role in the markets we serve, and I am immensely proud of what we have achieved. As I prepare to pass the baton, I am confident that Patrick Houston is the right leader to guide Calian forward, well positioned to seize the many promising opportunities ahead in Defence, Space and Essential Industries (Health and Energy).

For close to seven years, Patrick has been an instrumental partner in driving our growth and strengthening our financial foundation. His experience, vision and dedication give me full confidence that Calian will continue to thrive and evolve under his leadership.

While goodbyes are never easy, I leave with pride and optimism, carrying forward the memories we have created together. I look forward to watching Calian's journey unfold from afar—and cheering its continued success every step of the way.

Kevin Ford

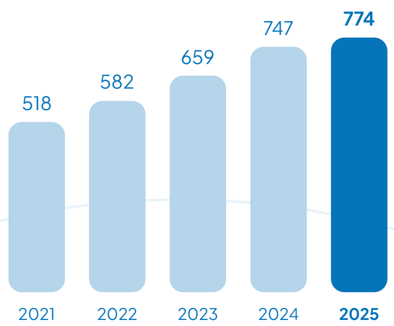
CEO

Key Performance Indicators

Strategic Performance Metrics

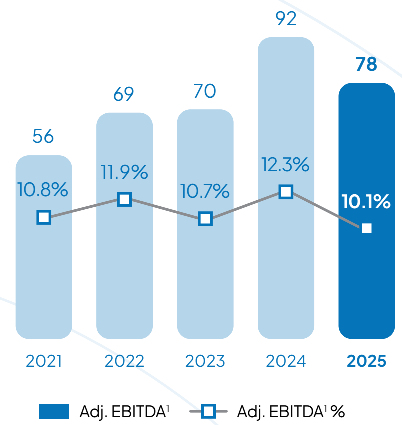
This year, we delivered record revenues and sustained a double-digit adjusted EBITDA[1,2] margin, marking our 24th consecutive profitable year. Our operating free cash flow[1,2] conversion remained solid, and we continued to enhance shareholder value by accelerating our share buyback activity while maintaining leverage well below our threshold.

Revenue
(in millions of $)



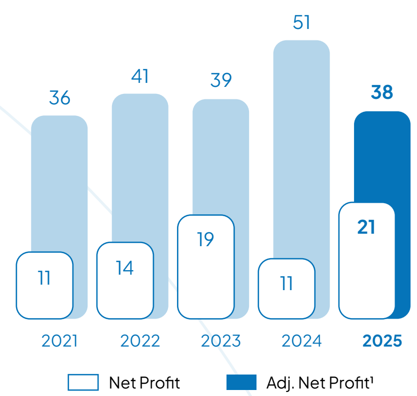
Record Revenues

Adj. EBITDA[1,2] & Adj. EBITDA Margin[1,2]
(in millions of $, except margin)



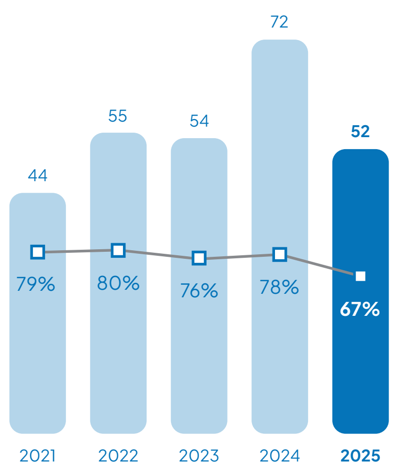
Double-digit adjusted EBITDA[1,2] margin

Net Profit & Adj. Net Profit[1,2,3]
(in millions of $)



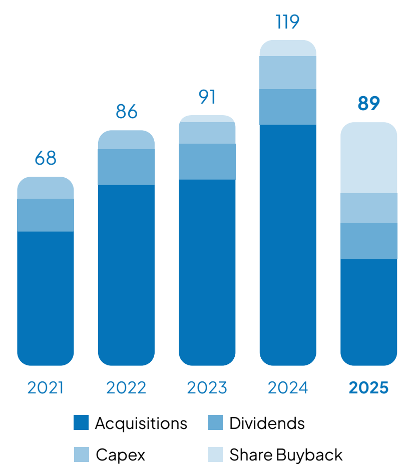
24th consecutive profitable year

Operating Free Cash Flow[1,2] & Operating Free Cash Flow Conversion[1,2]
(in millions of $, except %)



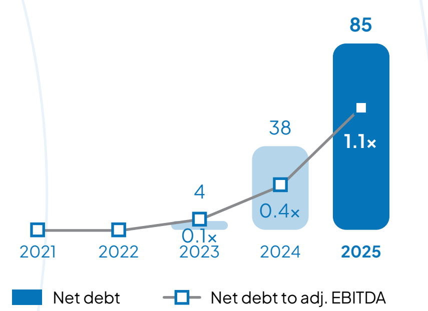
OFCF conversion remained solid

Capital Allocation
(in millions of $)



Accelerated share buyback activity

Net Debt[1,2] & Net Debt to Adj. EBITDA[1,2]
(in millions of $, except ratio)



Leverage well below threshold of 2.5x

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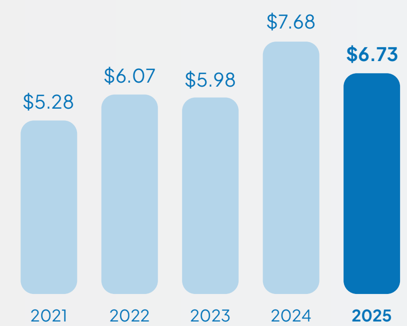
Key Performance Indicators

Shareholder Value Creation

Our key per diluted share metrics—adjusted EBITDA[1,2], operating free cash flow[1,2], and adjusted EPS[1,2,3]—all reflect solid high-single-to double-digit yields, underscoring strong operational performance and cash generation. These metrics demonstrate our ongoing commitment to delivering value to shareholders through sustainable profitability and disciplined financial management.

14% Yield

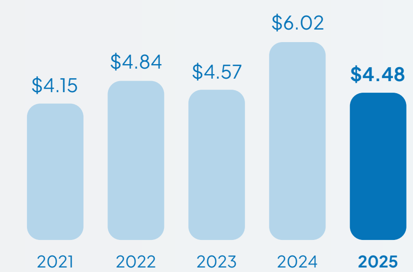
Adj. EBITDA[1,2,3]/Diluted Share
(in $)



Operating strength through cycles

9% Yield

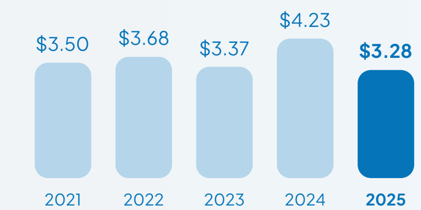
Operating FCF[1,2]/Diluted Share
(in $)



Cash generation built to last

7% Yield

Adj. EPS[1,2,3]/Diluted Share
(in $)



Resilience through volatility

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Looking Forward

I am honoured to be appointed as the CEO of Calian and grateful for the opportunity to lead such a remarkable company alongside a talented and dedicated team. My focus will be on driving the next phase of growth through a renewed strategic plan, one designed to deliver long-term shareholder value and accelerate Calian's evolution as a leading Canadian industry champion.

My vision centres on three objectives:

1. Targeting key vertical markets with strong tailwinds
2. Driving lean and efficient operations
3. Investing with discipline and purpose

We will begin by focusing on vertical markets with strong growth momentum—specifically Defence, Space and Essential Industries. Calian's proven track record in delivering mission-critical solutions and unique differentiation in these sectors positions us to capture value from significant upcoming investment cycles. Our immediate priority is to strengthen and expand our existing portfolio of products and services, which has already generated a $1.4–billion backlog. Looking ahead, we will continue to invest and transform the business to position Calian as a prime contractor on major Defence and Space opportunities—driving the emergence of a larger, more competitive and more differentiated Calian.

To create a leaner, more competitive organization and unlock greater convergence across our markets, Calian will reorganize into two core segments—Defence & Space and Essential Industries. This streamlined structure, supported by a smaller and more agile management team, will enable us to move faster, seize emerging opportunities and continue delivering solutions our customers truly value. Together with the leadership team, I will ensure our investments are strategically aligned to serve multiple vertical markets and bring together technology, expertise and customer insights that will strengthen Calian's position as an efficient, high-performing organization.

Our next phase of investment will focus on building on our strong M&A track record to acquire businesses that deepen our position in our core vertical markets, while also divesting non-core assets that fall outside those markets. With a focus on opportunities in Canada, Europe and the United States, we will leverage our existing footprint and unlock greater synergies through disciplined, strategic acquisitions.

I believe Calian enters this next phase from a position of strength. We are poised to benefit from a significant period of growth and investment by our largest customers, supported by a favourable domestic environment for Canadian companies. With a strong balance sheet, robust backlog, a seasoned management team and a proven track record of execution, Calian is well positioned to capitalize on these opportunities.

Our realignment and refreshed strategy will enable us to move with greater speed, empower our teams and harness the full strength of *One Calian* as we pursue the opportunities ahead.

Patrick Houston

Chief Financial and Development Officer

Global Footprint Expansion

Calian operates across 7 continents and in over 45 countries

One Team Working Together

Senior Leadership Team

Kevin Ford[1]
Chief Executive Officer

Patrick Houston[2]
Chief Financial and Development Officer

Sue Ivay
Chief Human Resources Officer (CHRO)

Michael Muldner
Chief Information and Technology Officer (CITO)

Carisa Gordon
Senior VP, General Counsel and Privacy Officer

Robin Richardson
Senior VP, Marketing and Communications

Chris Pogue
President, Defence & Space

Derek Clark
President, Essential Industries

1 Kevin Ford will retire on December 31, 2025

2 Patrick Houston will become CEO on January 1, 2026

- Starting in FY26, Calian will operate through **2** segments: Defence & Space and Essential Industries
- Our strategic focus will be on **4** mission-critical industries: Defence, Space, Health and Energy, which together generate over 90% of our revenue
- The following pages outline the market size and growth, key trends, and Calian's competitive position in each of these industries—and why this focus represents a significant growth opportunity for the company

Defence

Defence includes all spending and industry activity dedicated to military forces and national security.

Defence Value Chain

Original Equipment Manufacturers (OEM)	**Component Suppliers**	**Training & Simulation**	**IT & Cybersecurity**	Space & Surveillance	Maintenance, Repair & Overhaual (MRO)	Logistics & Operational Support	**Consulting, Intelligence & Strategic Services**

Calian plays a crucial role in the delivery of defence and national security-related solutions.

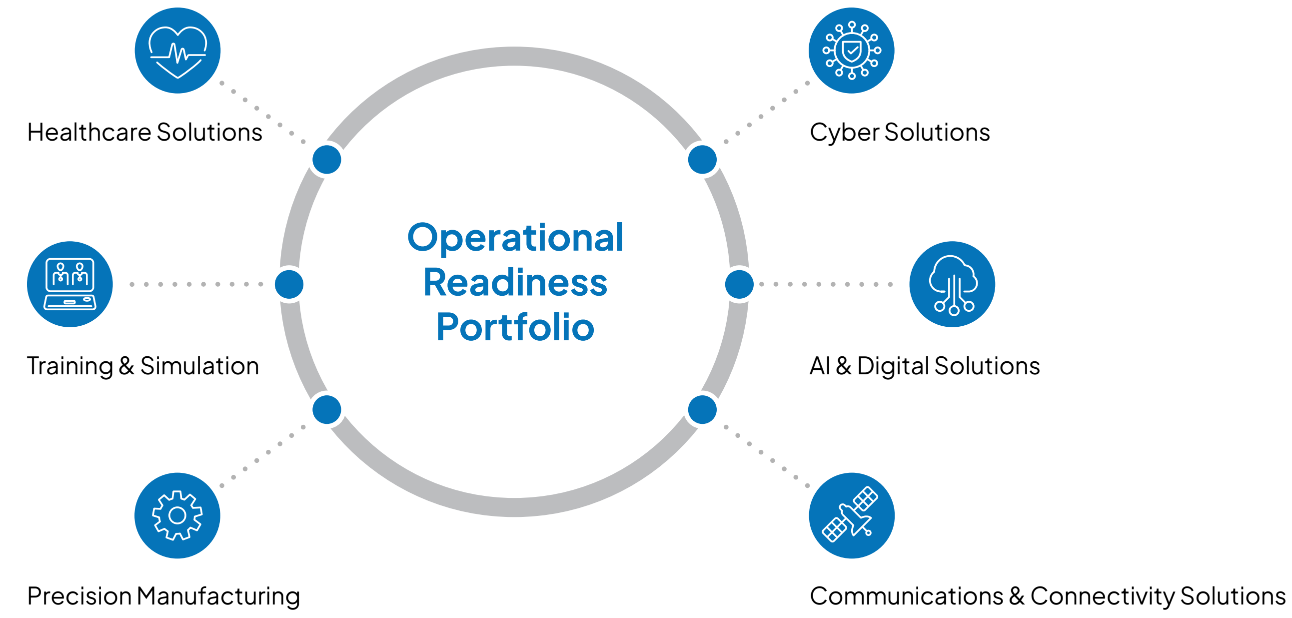
Market Size and Growth

- Global military spending is projected to climb from US$2.7 trillion in 2024 to US$6.7 trillion by 2035, reflecting an average annual growth rate of 8.6%, the steepest and most sustained expansion in defence investment since the Cold War. (Source: SIPRI, UN)
- Canada is entering a generational moment in defence with a firm target of 2% of GDP by March 2026 and a long-term commitment to 5% by 2035, the federal defence budget is set to more than triple within a decade, marking the most significant national rearmament since WWII. (Source: PBO, Canada's Defence Policy 2024)

8.6%
CAGR (2024-2035)

14.5%
CAGR (2025-2035)

Go-to-Market Portfolio



Top Trends

- NATO and EU countries are increasing defence budgets, investing in AI, autonomy, and big data to boost military readiness, while expanding capabilities in cyber warfare and militarized space.
- Canadian defence firms are benefiting from "Buy Canada" mandates and rising demand to strengthen the national defence industrial base.
- The Canadian government is prioritizing investments in cyber defence, NORAD modernization, core Armed Forces infrastructure, and military recruitment.

Key Challenges

- Procurement complexity, pace and competition
- Workforce shortages
- Technology evolution and investment needs

Competitive Advantages

- ✓ Trusted partner to Department of National Defence, Canadian Armed Forces and global defence organizations
- ✓ Proven delivery across NATO and allied markets
- ✓ Integration of advanced technology (AI/VR/AR/XR, communications, cyber)
- ✓ Strong presence in training, simulation and readiness programs

Space

The global space market—commercial, civil and defence activities related to space—including the manufacturing and launch of satellites and spacecraft, the operation of space systems, and the provision of space-enabled services and ground infrastructure.

Space Value Chain

Upstream Segment:
Building and deploying space assets

- Satellite & spacecraft manufacturing
- Launch vehicles
- Spaceports & launch operations
- Human spaceflight systems

Midstream Segment:
Operation and managing space systems from Earth

- **Ground stations & antennas**
- **Satellite operations & control**
- Space situational awareness
- In-orbit services

Downstream Segment:
Leveraging space data and signals to deliver value on Earth

- **Satellite communications**
- Earth observation
- Navigation & timing
- **Data & AI platforms**
- **Secure comms & cybersecurity**
- Space tourism

Calian plays a crucial role in ground-to-space solutions.

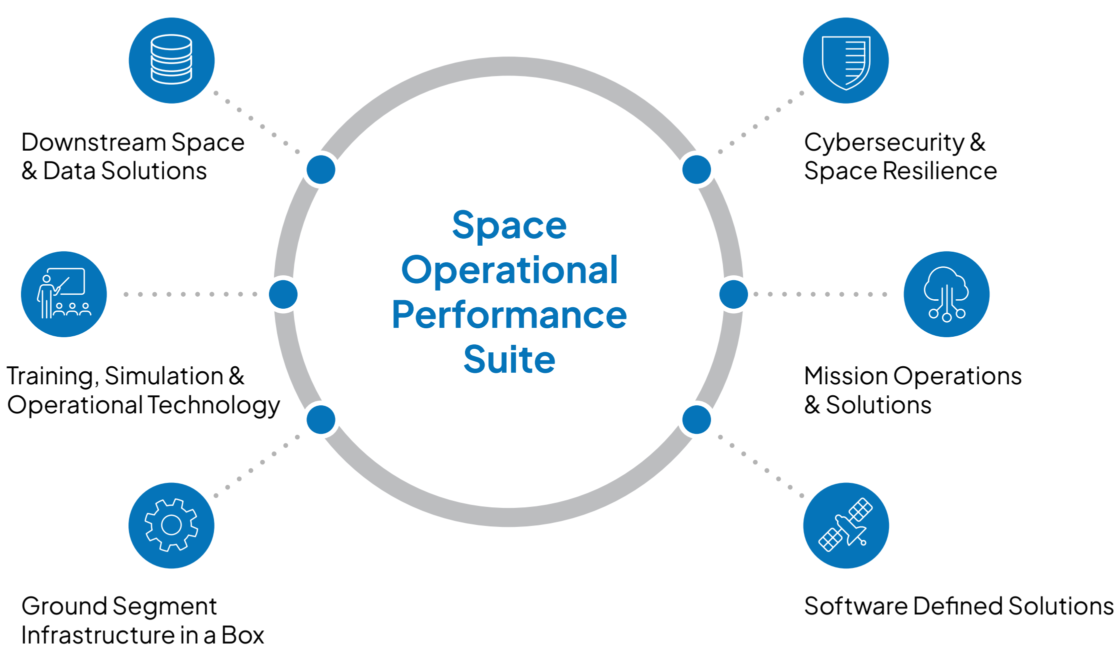
Market Size and Growth

- Global space: exceeded US$550 billion in 2024 and is projected to surpass $900 billion in 2035. (Source: Euroconsult, 2025)
- Space defence: projected to grow at a CAGR of 8.2%, with increased investment in space security, satellite protection and military systems. (Source: MarketsandMarkets 2025)

4.5%
CAGR

8.2%
CAGR

Go-to-Market Portfolio



Top Trends

- A new space is booming, driven by rapid commercial growth and technological acceleration, making space more accessible and innovative than ever before.
- Space is emerging as a critical defence domain, providing essential communications, surveillance and real-time data crucial for national security and military operations.
- Space is now viewed as a national asset, leading to increasing politicalization and protectionism as countries seek to safeguard their strategic assets.

Key Challenges

- High costs of entry and innovation
- Fragmented governance and geopolitics
- Security threats to space assets

Competitive Advantages

- ✓ Globally recognized for ground segment solutions
- ✓ End-to-end capabilities to deliver secure communications and connectivity across key critical infrastructure sectors

Essential Industries—Health

All organizations, services, technologies and professionals involved in the prevention, diagnosis, treatment and management of health conditions and the maintenance and improvement of health.

Healthcare Value Chain

Healthcare Providers | Healthcare Payers | Pharmaceuticals & Biotechnology | Medical Devices & Equipment | Health Information Technology | Life Sciences & Diagnostics | Public Health & Policy | **Support Services** | **Wellness & Preventive Health**

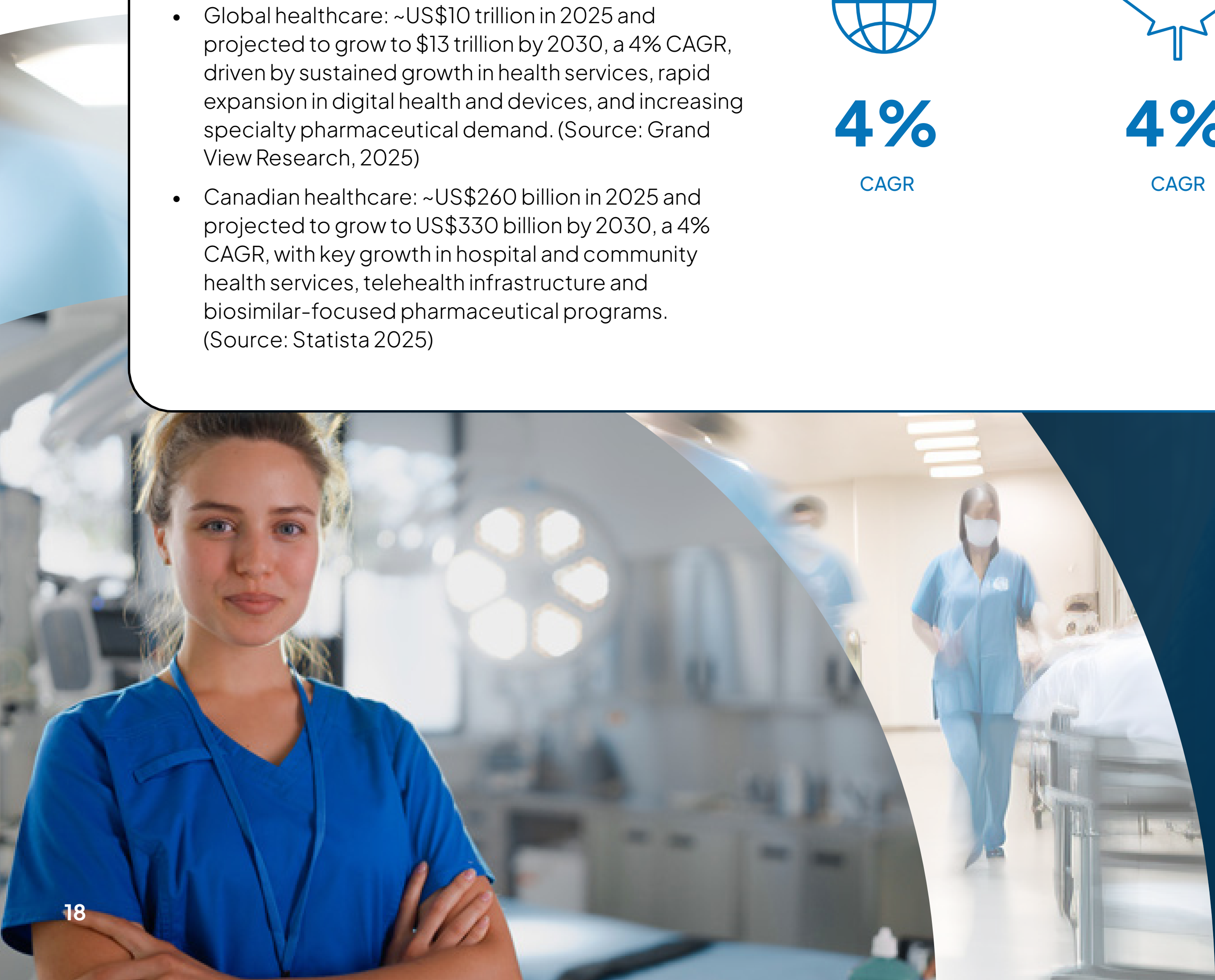
Calian plays a crucial role in leading digital technology, clinical expertise and service delivery capabilities to impact health outcomes.

Market Size and Growth

- Global healthcare: ~US$10 trillion in 2025 and projected to grow to $13 trillion by 2030, a 4% CAGR, driven by sustained growth in health services, rapid expansion in digital health and devices, and increasing specialty pharmaceutical demand. (Source: Grand View Research, 2025)
- Canadian healthcare: ~US$260 billion in 2025 and projected to grow to US$330 billion by 2030, a 4% CAGR, with key growth in hospital and community health services, telehealth infrastructure and biosimilar-focused pharmaceutical programs. (Source: Statista 2025)

4% CAGR

4% CAGR



Go-to-Market Portfolio

Driving Operational Performance

- Healthcare Solutions
- Cybersecurity Solutions
- Immersive Learning Solutions
- Digital Health Solutions
- Pharma & Diagnostics Solutions
- Communications & Connectivity Solutions

Top Trends

- Aging populations and chronic disease
- Workforce shortages and upskilling
- Digital health and virtual care acceleration

Key Challenges

- Funding constraints and cost pressures
- Healthcare workforce shortages and burnout
- Fragmented systems and siloed delivery models

Competitive Advantages

- ✓ Service delivery at scale
- ✓ Leading recruiting and training platforms
- ✓ Leading digital technologies that provide system interoperability

Essential Industries—Energy (Nuclear)

The energy and utilities industry is at the heart of global infrastructure, ensuring the provision of power, water and waste management services. The nuclear sector, in particular, plays a crucial role in providing low-carbon energy solutions.

Nuclear Value Chain

Design & Engineering	Construction & Supply Chain	Fuel Cycle Services	Operations & Maintenance	**Refurbishment & Life Extension**	**Waste Management**	**Decommissioning & Site Remediation**	Utility & Energy Market Interface

Calian plays a role in design and engineering, and refurbishment and life extension of nuclear assets, training in areas such as emergency management and cyber and digital solutions.

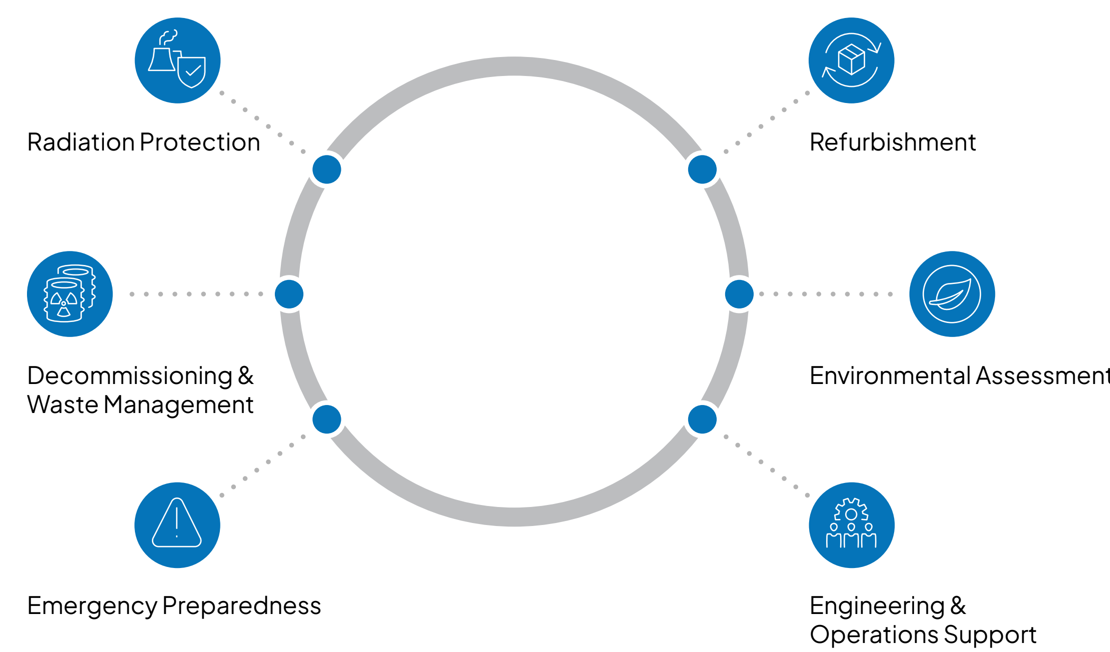
Market Size and Growth

- Global energy sector: The global energy market is expected to grow at a CAGR of 4.3% between 2023 and 2028, driven by demand for cleaner energy solutions. (Source: Mordor Intelligence, 2025—Global Energy Market Report)
- Nuclear energy: The global nuclear energy market is projected to grow at a CAGR of 3.5% between 2023 and 2028, supported by new nuclear plants and decommissioning services. (Source: Mordor Intelligence, 2025—Nuclear Energy Market Outlook)

4.3%
CAGR

3.5%
CAGR

Go-to-Market Portfolio



Top Trends

- A rising interest in nuclear power due to its potential to meet growing energy demand while reducing carbon emissions
- Growing pressure on energy and utilities sectors to reduce emissions and invest in greener solutions
- New advancements in nuclear technology, including small modular reactors (SMRs), are opening up new opportunities in low-carbon energy

Key Challenges

- Complex and evolving regulations in the nuclear sector require ongoing compliance efforts and investment
- Upgrading aging power plants, grids and nuclear facilities to meet modern standards
- Sourcing materials and equipment for nuclear plants and infrastructure due to geopolitical factors

Competitive Advantages

- ✓ Multi-disciplinary team that delivers turn-key projects
- ✓ Expertise navigating complex regulatory licensing requirements
- ✓ Technology neutral: independent team of experts trusted by our customers

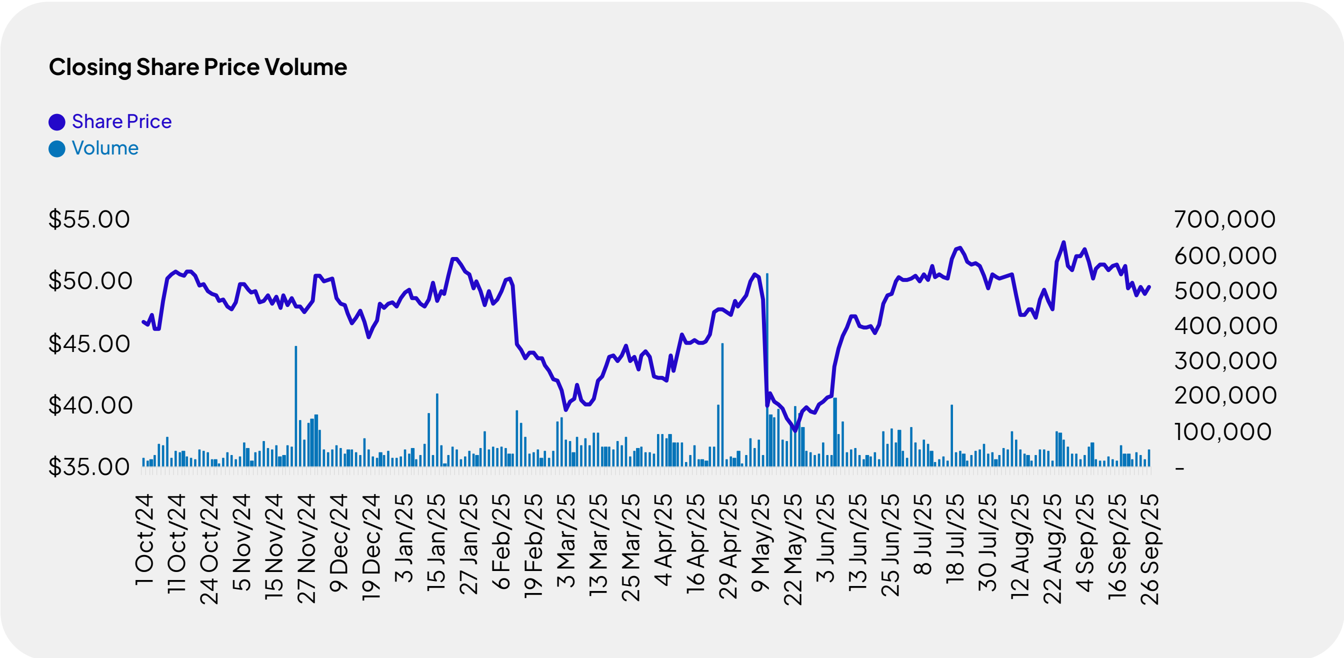
Share Information

For the year ended September 30, 2025

Unaudited	2021	2022	2023	2024	2025
TRADING DATA ON COMMON SHARES					
52-week high ($)[1]	69.95	71.58	67.00	$61.19	**$53.20**
52-week low ($)[1]	53.73	53.42	50.43	$42.88	**$37.90**
Closing ($)	61.00	55.93	51.03	$45.92	**$49.66**
Total volume[2]	7,657,214	8,221,755	6,199,535	5,782,720	**15,078,003**
Average daily volume[2]	30,507	32,756	24,798	23,039	**60,072**
OTHER STATISTICS					
Dividends on common shares (in millions $)	11.8	12.8	13.2	13.3	**13.0**
Dividends per share ($)	1.12	1.12	1.12	1.12	**1.12**
Dividend yield (%)	1.8%	2.0%	2.2%	2.4%	**2.3%**
Shares outstanding (000's)	11,286	11,607	11,813	11,802	**11,350**
Weighted average shares outstanding – basic (000's)	10,600	11,344	11,715	11,838	**11,580**
Weighted average shares outstanding – diluted (000's)	10,640	11,383	11,748	11,931	**11,654**
Market capitalization (in millions $)	688	649	603	542	**564**

1 Based on closing price

2 Includes both TSX and ATS volume



Management's Discussion & Analysis

For the year ended September 30, 2025

Basis of Presentation

The following Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of Calian Group ("Calian" or the "Company") is dated November 25, 2025 and should be read in conjunction with the Audited Annual Consolidated Financial Statements and related notes of the Company for the twelve month period ended September 30, 2025. Selected consolidated quarterly information presented throughout this MD&A is unaudited.

The Company's Audited Consolidated Financial Statements are reported in Canadian dollars and are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). All amounts in this MD&A are in thousands of Canadian dollars unless otherwise indicated.

This MD&A also contains non-GAAP and other financial measures which are not prescribed by IFRS and are not likely to be comparable to similar measures presented by other issuers. Refer to the section entitled "Reconciliation of Non-GAAP Measures to Most Comparable IFRS Measures" of this MD&A for an explanation of the non-GAAP and other financial measures used and presented by the Company and a reconciliation of non-GAAP financial measures to the most directly comparable GAAP measures.

This MD&A is the responsibility of management and has been reviewed and approved by the Board of Directors ("the Board") of the Company. The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the MD&A. The Board carries out this responsibility principally through its Audit Committee.

Additional information, including the Company's Annual Information Form, quarterly and annual reports, and supplementary information is available on the SEDAR web site at www.sedarplus.ca. Press releases and other information are also available in the Investor Relations section of the Company's website at www.calian.com.

Forward-Looking Statements

The Company cautions that this MD&A contains forward-looking information within the meaning of applicable securities laws ("forward-looking statements").

Forward-looking statements include those identified by the expressions "anticipate," "believe," "plan," "estimate," "expect," "intend," "will", "should" and similar expressions. Forward-looking statements are not based on historical facts, but instead reflect the Company's current intentions, plans, expectations, and assumptions regarding future results or events which may prove to be inaccurate. Forward-looking statements in this MD&A include, but are not limited to, statements about the manner in which the Company intends to achieve and maintain growth, management's expectations for the markets in which the Company provides its services, competition to be faced by the Company and expectations for certain customer projects described herein including expected timing of completion for certain projects.

Forward-looking statements are intended to assist readers in understanding management's expectations as of the date of this MD&A and may not be suitable for other purposes.

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

- Customer demand for the Company's products and services;
- The Company's ability to maintain and enhance customer relationships;
- Market conditions, including current challenging macroeconomic and geopolitical environments in which the Company operates, such as the uncertainty around the potential imposition of new duties, tariffs and other trade restrictions (and any retaliatory measures) and how this would affect the outlooks for economic growth, consumer spending, inflation and the Canadian dollar;
- Levels and timing of government spending;
- The Company's ability to bring to market products and services;
- The Company's ability to execute on its acquisition program including successful integration of previously acquired businesses;
- The Company's ability to deliver to customers throughout any worldwide conflict zones, and any government regulations limiting business activities within such areas; and
- The Company's ability to successfully and efficiently manage through supply chain challenges, in sourcing and procuring goods used in production or for delivery to end customers.

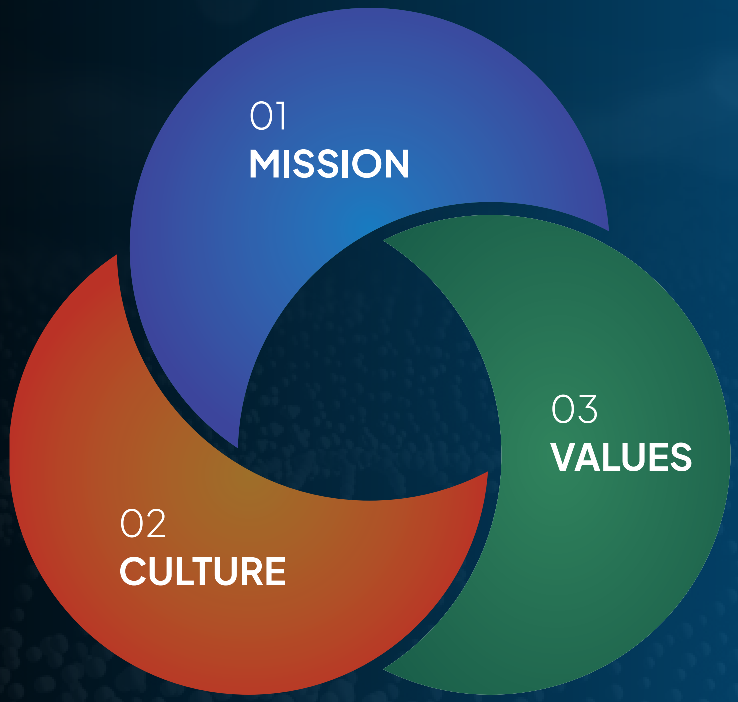
The Company cautions that the forward-looking statements in this MD&A are based on current expectations as at November 25, 2025, that may be subject to change and to risks and uncertainties, including those set out under the heading "Risks and Uncertainties" below, many of which are outside the Company's control.

Actual results may materially differ from those anticipated in those forward-looking statements if any of these risks or uncertainties materialize, or if assumptions underlying forward-looking statements prove incorrect.

Additional information identifying risks and uncertainties is contained in the Company's filings with securities regulators. The Company does not assume any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law. Readers should not place undue reliance on the Company's forward-looking statements.

Calian Profile

Calian is a mission-critical solutions company focused on defence, space, healthcare and other strategic critical infrastructure sectors. For over 40 years, Calian has delivered mission-critical solutions when failure is not an option. Trusted worldwide, we empower organizations in critical industries to overcome obstacles, manage risks and drive progress. By combining the expertise of our people, proven industry insight, cutting-edge technology, bold innovation, and global reach, we deliver tailored solutions that solve complex challenges. Headquartered in Ottawa, Canada, with over 5,000 people around the world, Calian's solutions protect lives, strengthen security, foster global connectivity and drive economic progress, making a lasting impact where and when it matters most. The Company's common shares are listed on the Toronto Stock Exchange under the symbol CGY.



MISSION

Calian helps the world communicate, innovate, learn and lead safe and healthy lives.

CULTURE

Every Calian employee brings their "A" game for every client, works hard and works together using collaboration to powerful advantage. Calian attracts and challenges great people and great partners.

VALUES

- Customer-first Commitment
- Teamwork
- Integrity
- Innovation
- Respect

Summary of Operations

The Company is organized in four operating segments: IT and Cyber Solutions, Health, Advanced Technologies and Learning. This business model provides both diversity and stability. It enables Calian to capitalize on unique opportunities during upturns in some markets while weathering downturns in others. For more information on the segments, please refer to the Company's annual information form. Note that starting in fiscal year 2026 (October 1, 2025), Calian will reorganize its operations into two segments: Defence & Space and Essential Industries.

Advanced Technologies (AT)

Provides comprehensive solutions across the space, defence and terrestrial sectors. For the three-month period ended September 30, 2025, revenues increased 4%, primarily driven by GNSS antennas.

$55M
Q4-25 Revenues

- Space
- Terrestrial
- Defence

$53M
Q4 2024 revenues

Health

Combines deep domain expertise in healthcare services, pharma solutions and digital technologies to enable better access to care. For the three-month period ended September 30, 2025, revenues increased 25% driven by the AMS acquisition and continued demand for Canadian defence health services.

$65M
Q4-25 Revenues

- Health Service
- Digital Health
- Pharma Solution

$52M
Q4 2024 revenues

Learning

Provides specialized training and immersive learning solutions to defence, commercial, and higher education clients domestically and in the international markets. For the three-month period ended September 30, 2025, revenues increased 29%, driven by defence solutions in Canada, the U.K. and Europe.

$39M
Q4-25 Revenues

- Learning Technologies and Innovation
- Emergency Management
- Immersive Learning
- Defence Learning and Training

$30M
Q4 2024 revenues

ITCS

Offers IT and cybersecurity solutions to support customers in their digital transformation from advisory through to implementation, as well as the delivery, management, monitoring and securing of complex IT infrastructures. For the three-month period ended September 30, 2025, revenues decreased 4%, primarily due to the ongoing cybersecurity transition to the Microsoft platform and by the Canadian government's decision to delay spending pending the release of its fall budget.

$44M
Q4-25 Revenues

- Enterprise Soutions
- Digitalization
- Cybersecurity
- XaaS

$46M
Q4 2024 revenues

Strategy

Growth Fundamentals and Track Record

Four Pillars of Growth

While the four operating segments are diverse, each is anchored by the Company's common four-pillar framework for growth.

Customer Retention

Through continued delivery excellence, each segment maintains relationships with their valued customer bases, thus earning more revenue through expanded scopes of existing contacts.

Customer Diversification

Through continued diversification, each segment increases its percentage of revenue derived from winning non-government contracts, from commercial activity in global markets, and from increasing product offerings—both acquisitive and organic.

Innovation

Through continued investment in acquisitive and organic growth, each segment increases its differentiation thus improving gross margins.

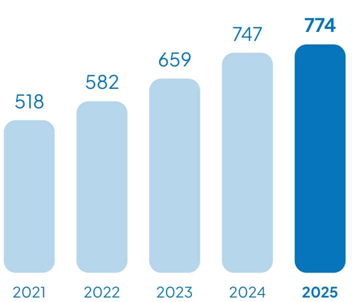
Continuous Improvement

Through continued leverage of innovation, the Company streamlines processes and scales its back-office support capability.

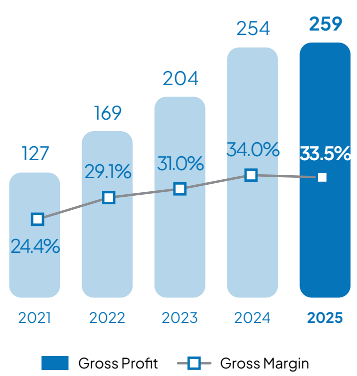
5-Year Track Record of Execution

Over the past five years, Calian generated a revenue compound annual growth rate (CAGR) of 11% through organic growth and acquisitions. The Company also increased its gross profit and adjusted EBITDA[1,2], which grew at a CAGR of 20% and 9%, respectively. Furthermore, its gross margin expanded from 24.4% in FY21 to 33.5% in FY25 and its adjusted EBITDA[1,2] margins expanded from 10.8% in FY21 to a high of 12.3% in FY24 and down to 10.1% in FY25. This performance was driven by the Company's revenue diversification by geography, customer and offering.

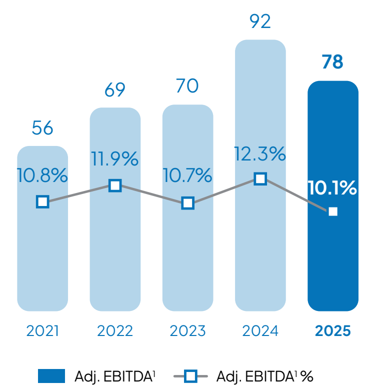
Revenue
(in millions of $)



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



Adj. EBITDA[1,2] & Adj. EBITDA Margin[1,2]
(in millions of $, except margin)

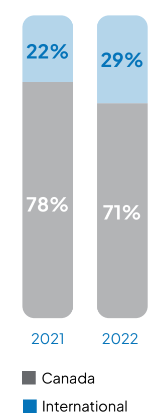


Calian has been successful in diversifying its revenue streams by geography, customer and offering. In FY25, revenues generated outside Canada reached 44% of total revenues, up from 22% in FY21. Over this same period, revenues from commercial customers, typically at higher margins, grew from $254 million to $370 million. The Company was able to accomplish this while continuing to grow its legacy Canadian government business characterized by long-term contracts. A continued balance of both government and commercial customers provides a balance of longer-term visibility and stability, with shorter term growth and margins. Finally, in FY25, product revenues totaled $195 million, up 48% from $132 million in FY21, demonstrating the Company's progressive pivot to a technology company.

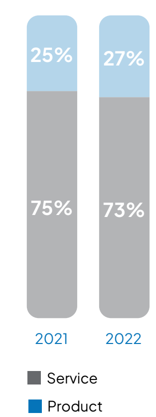
1 Refer to the section entitled "Reconciliation of Non-GAAP Measures to Most Comparable IFRS Measures" of this MD&A for an explanation of the non-GAAP measure.

2 Certain comparative figures have been reclassified to align with the current year's presentation. For more information, please see the Selected Quarterly Financial Data section of this management discussion and analysis.

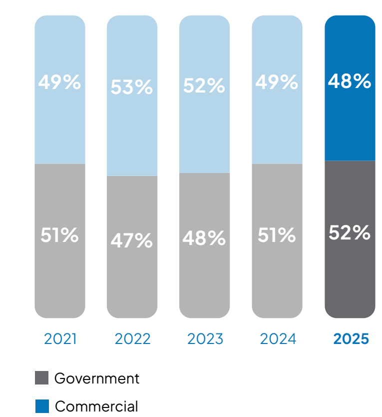
Geography



Offering



Customer



In the fourth quarter, the Company continued to grow outside of Canada, with 48% of total revenues coming from international customers. This is the highest quarter of international revenues both in terms of revenue dollars, and as a percentage of overall revenues. The investments in European markets are amounting to growth of over 84% from the same quarter of the prior year, with European revenues now accounting for 20% of total revenues in the quarter.

Calian has made significant progress in diversifying its revenue streams beyond government customers, particularly in response to constraints in Canadian defence spending, which has historically been a core market for the company. To mitigate this risk and drive growth, the Company strategically expanded its footprint and offerings to attract commercial customers globally, as well as government clients in Europe. As a result of these efforts, the proportion of revenue derived from government sources has decreased from close to 70% in fiscal year 2019 to 52% in fiscal year 2025, reflecting the Company's success in broadening its customer base.

However, recent geopolitical developments and shifting priorities within Canada suggest that the investment climate for defence-related solutions is becoming increasingly favorable. With anticipated increases in government spending, especially in the defence sector, we expect Calian's government-related revenues to grow in the coming years. Accordingly, while our diversification strategy remains important, we are now well-positioned to capitalize on renewed opportunities within our traditional government markets.

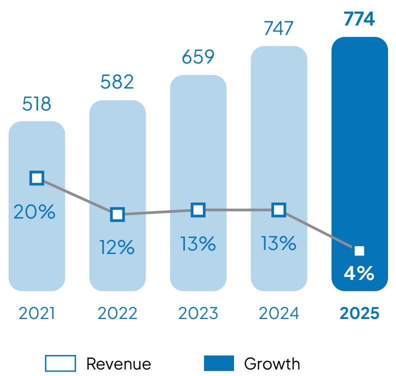
1 Refer to the section entitled "Reconciliation of Non-GAAP Measures to Most Comparable IFRS Measures" of this MD&A for an explanation of the non-GAAP measure.

2 Certain comparative figures have been reclassified to align with the current year's presentation. For more information, please see the Selected Quarterly Financial Data section of this management discussion and analysis.

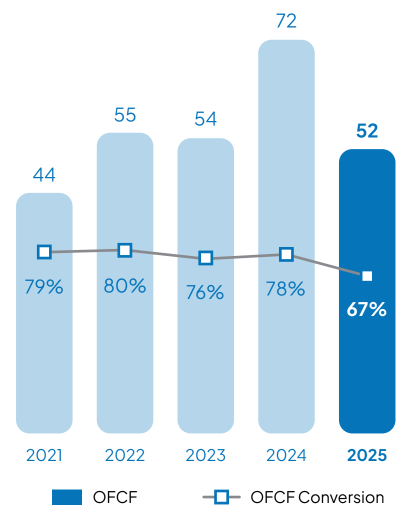
Key Performance Indicators

The graphs below illustrate the five-year trends of the Company's key performance indicators.

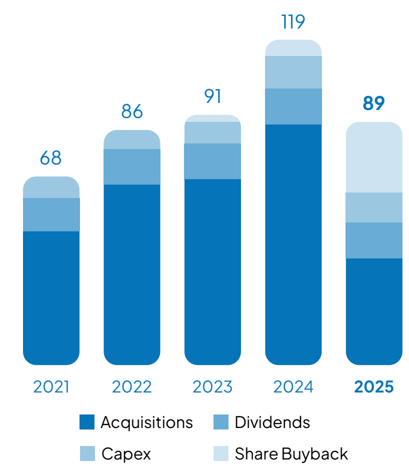
Revenue & Revenue Growth
(in millions of $, except %)



Operating Free Cash Flow (OFCF[1,2]) & OFCF Conversion
(in millions of $, except ratio)

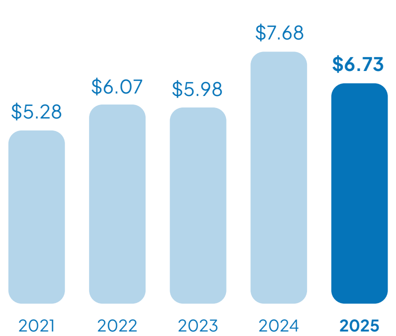


Capital Deployed
(in millions of $)

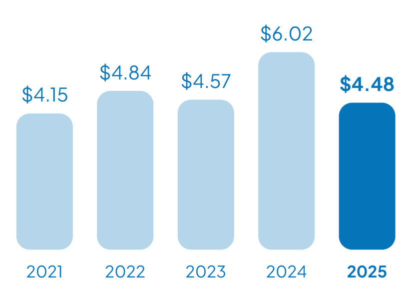


The Company also wants to ensure that it analyzes the success of its execution through a shareholder lens. As such, it monitors adjusted EBITDA[1] per diluted share, Operating Free Cash Flow[1] per diluted share and Adjusted EPS[1] per diluted share.

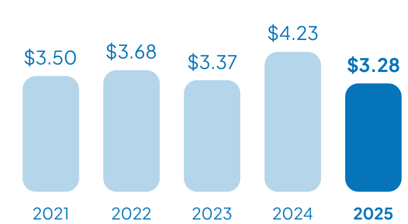
Adj. EBITDA[1,2]/ Diluted Share
(in $)



Operating FCF[1,2]/ Diluted Share
(in $)



Adj. EPS[1,2]/Diluted Share
(in $)



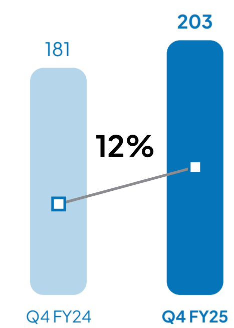
1 Refer to the section entitled "Reconciliation of Non-GAAP Measures to Most Comparable IFRS Measures" of this MD&A for an explanation of the non-GAAP measure.

2 Certain comparative figures have been reclassified to align with the current year's presentation. For more information, please see the Selected Quarterly Financial Data section of this management discussion and analysis.

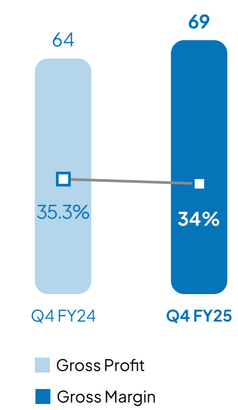
Overview – Fourth Quarter of FY25

Revenues increased 12% to $203.2 million, as compared to $181.2 million for the same period last year. This represents a record high quarterly revenue for the Company. Acquisitive and organic revenue growth were both 6% when compared to the same quarter of the prior year. The Company measures its acquisitive growth as the additional revenues generated in the acquired entities compared to those generated in the same quarter of the prior year for which they were not considered in the Company's consolidated results.

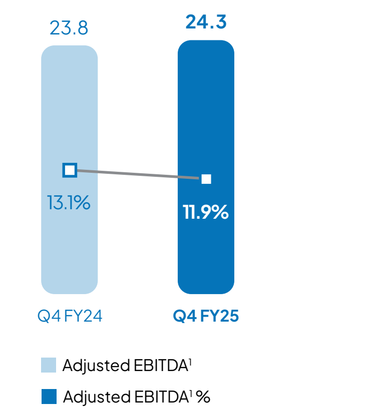
Revenues
(in millions of $)



Gross profit & Gross margin
(in millions of $, except margin)



Adjusted EBITDA[1,2] & Adjusted EBITDA[1,2] %
(in millions of $, except margin)



Gross profit increased by 8%, to $69.0 million due to a change in revenue mix and contributions from acquisitions. Gross margin stood at 34.0%, the fourth highest quarterly margin percentage in the Company's history. Adjusted EBITDA[1] increased by 2% to $24.3 million, due to growth in Advanced Technologies, Health and Learning, offset by lower product sales and margins in ITCS and investments made in selling and marketing efforts, coupled with investments in the organization to drive efficiencies in future periods. As a result, adjusted EBITDA[1] margin was 11.9%, down from 13.1%[2] for the same period last year. The Company continues to examine its fixed and variable cost base and adjusting it to meet both short-term demand and long-term opportunities.

The global defence sector continues to present compelling growth opportunities for Calian. Recent commitments to higher defence spending across several allied nations where the Company operates are expected to contribute meaningfully to revenue growth over the coming years. Calian is focused on strengthening its strategic positioning to capture these opportunities by aligning its capabilities with evolving government priorities and expanding its capacity to deliver at scale. The Company's defence solutions continue to demonstrate strong demand, supported by increasing activity in the Canadian market and a robust pipeline of qualified opportunities across Europe, providing a solid foundation for sustained growth and long-term value creation.

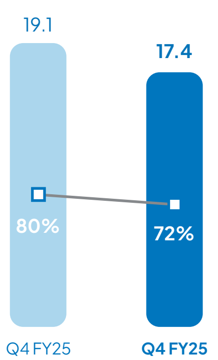
1 Refer to the section entitled "Reconciliation of Non-GAAP Measures to Most Comparable IFRS Measures" of this MD&A for an explanation of the non-GAAP measure.

2 Certain comparative figures have been reclassified to align with the current year's presentation. For more information, please see the Selected Quarterly Financial Data section of this management discussion and analysis.

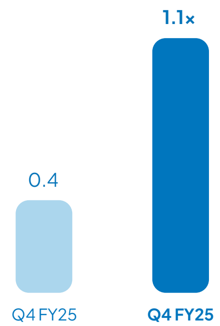
3 Net liquidity is defined as the Company's total available credit under its credit facility less its net debt.

Calian generated $17.4 million of operating free cash flow[1] in the quarter down from $19.1 million for the same period last year, mainly due to higher interest and taxes paid, along with one time severance costs. The Company used its cash and a portion of its credit facility to make capital expenditure investments ($3.3 million) as well as provide a return to shareholders in the form of dividends ($3.2 million) and share buybacks ($0.3 million), where ending share count of the Company continued its reduction over the same period in the prior year for the fifth straight quarter. The Company ended the quarter with net debt[1] of $84.6 million, which on a trailing twelve month basis represented a net debt to adjusted EBITDA[1] ratio of 1.1×. With cash on hand of $46.1 million, inclusive of restricted cash as it is a short term restriction, combined with the unused portion of its new and expanded credit facility, Calian ended the quarter with net liquidity[3] of $115.4 million.

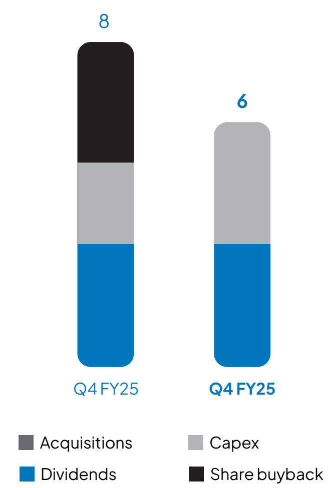
OFCF
(in millions of $)



Net Debt/Adj. EBITDA[1,2] Ratio

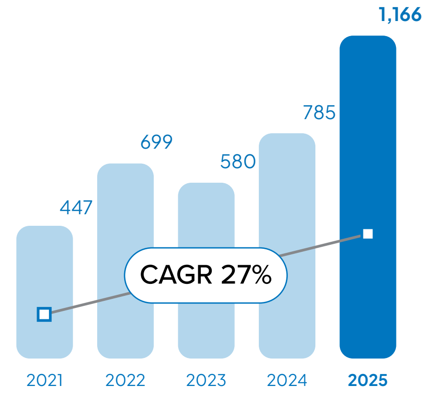


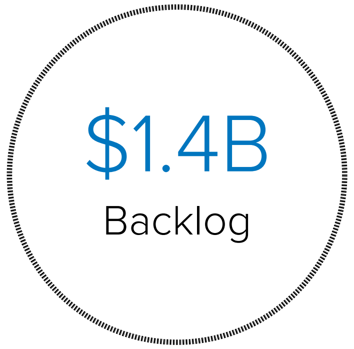
Capital Deployed
(in millions of $)



Calian signed gross new contract value of $122 million in the three months ended September 30, 2025, and ended the quarter with a realizable backlog of $1.4 billion.

New Contract Signings (including acquisitions)
(in millions of $)





1 Refer to the section entitled "Reconciliation of Non-GAAP Measures to Most Comparable IFRS Measures" of this MD&A for an explanation of the non-GAAP measure.

2 Certain comparative figures have been reclassified to align with the current year's presentation. For more information, please see the Selected Quarterly Financial Data section of this management discussion and analysis.

3 Net liquidity is defined as the Company's total available credit under its credit facility less its net debt.

1 Refer to the section entitled "Reconciliation of Non-GAAP Measures to Most Comparable IFRS Measures" of this MD&A for an explanation of the non-GAAP measure.

2 Certain comparative figures have been reclassified to align with the current year's presentation. For more information, please see the Selected Quarterly Financial Data section of this management discussion and analysis.

3 Net liquidity is defined as the Company's total available credit under its credit facility less its net debt.

Backlog

The Company's realizable backlog at September 30, 2025 was $1,446 million with terms extending to fiscal 2030. Contracted backlog represents maximum potential revenues expected to be earned on signed contracts, whereas option renewals represent customers' options to further extend existing contracts under similar terms and conditions.

During the three month period ended September 30, 2025 the following contracts were the major contributors to the Company's backlog. These contracts are further described in the business overview section of this Management Discussion and Analysis.

- over $30 million in contract amendments and option period utilization across all segments, of which approximately $25 million is from defence based customers
- $21 million in signings across our cyber security offerings
- over $18 million in new contract signings across the space division
- $10 million in GNSS product signings
- $9 million in new contract signings with defence based customers in Europe

There were no material contracts that were cancelled unexpectedly that would have resulted in a significant decrease in our backlog.

Most fee-for-service contracts provide the customer with the ability to adjust the timing and level of effort throughout the contract life and as such the amount actually realized could be materially different from the original contract value. The following table represents management's best estimate of the backlog realization for the fiscal years 2026, 2027 and beyond based on management's current visibility into customers' existing requirements.

Management's estimate of the realizable portion (current utilization rates and known customer requirements) is less than the total value of signed contracts and related options by approximately $265 million. The Company's policy is to reduce the reported contracted backlog once it receives confirmation from the customer that indicates the utilization of the full contract value may not materialize.

Contracted Backlog as of September 30, 2025

	$
Contracted backlog	1,206,001
Option renewals	504,805
	1,710,806
Management estimate of unrealizable portion	(265,094)
Estimated Realizable Backlog	1,445,712

1 Refer to the section entitled "Reconciliation of Non-GAAP Measures to Most Comparable IFRS Measures" of this MD&A for an explanation of the non-GAAP measure.

2 Certain comparative figures have been reclassified to align with the current year's presentation. For more information, please see the Selected Quarterly Financial Data section of this management discussion and analysis.

3 Net liquidity is defined as the Company's total available credit under its credit facility less its net debt.

Consolidated Results

Selected Consolidated Financial Highlights

	Three months ended September 30,		Year ended September 30,	
	2025	2024[2]	2025	2024[2]
	$	$	$	$
Revenues	203,181	181,166	774,111	746,611
Gross profit	**68,989**	**63,924**	**259,287**	**254,014**
Gross profit margin (%)	34%	35%	33%	34%
Adjusted EBITDA[1]	**24,259**	**23,778**	**78,420**	**92,156**
Share based compensation	1,117	684	4,511	4,372
Restructuring expense	1,160	368	3,638	1,864
Depreciation and amortization	12,047	11,914	46,696	41,829
Mergers and acquisition costs	(15,938)	4,709	(10,143)	15,338
Other changes in fair value	(377)	(202)	(377)	(202)
Profit before interest and income tax expense	**26,250**	**6,305**	**34,095**	**28,955**
Interest expense	2,771	1,988	8,598	6,635
Income tax expense	2,831	4,885	4,940	11,140
NET PROFIT (LOSS)	**20,648**	**(568)**	**20,557**	**11,180**
EPS - Basic	1.82	(0.05)	1.78	0.95
EPS - Diluted	1.80	(0.05)	1.76	0.93
Adjusted net profit[1]	**11,484**	**10,476**	**38,260**	**50,500**
Adjusted EPS[1] - Basic	1.01	0.89	3.30	4.27
Adjusted EPS[1] - Diluted	1.00	0.87	3.28	4.23

1 Refer to the section entitled "Reconciliation of Non-GAAP Measures to Most Comparable IFRS Measures" of this MD&A for an explanation of the non-GAAP measure.

2 Certain comparative figures have been reclassified to align with the current year's presentation. For more information, please see the Selected Quarterly Financial Data section of this management discussion and analysis.

Analysis of Consolidated Results – Three and Twelve Months ended September 30, 2025

Revenue

For the three month period ended September 30, 2025, consolidated revenues increased 12% to $203,181, compared to the same period last year. Acquisitive growth was 6%, generated from the acquisitions of Advanced Medical Solutions. Organic revenue growth was also 6% in the quarter, where organic growth in Defence solutions and the Company's GNSS products were offset by declines in ITCS. Excluding ITCS, organic revenue growth was 9%.

In the three month period ended September 30, 2025, defence-based revenue in Europe and the U.K. increased by 51% year-over-year, reflecting strong demand and new contract wins in those regions. In Canada, defenced-based revenue showed signs of recovery, rising by 6% compared to the prior year, as government spending began to rebound from last year's budget reductions. Defence-based Healthcare services have increased by 9% when comparing the same period. Overall, the Defence sector continues to act as a strong tailwind for the Company. The global need for defence capabilities aligns with Calian's Defence Operational Readiness Platform, which delivers a comprehensive suite of services backed by decades of proven performance. These include Training, IT infrastructure, Health services, Cybersecurity, Space communications and Electronic Manufacturing.

For the year ended September 30, 2025, consolidated revenues increased by 4% when compared to the same period last year. Acquisitive growth of 6%, generated from the acquisitions of Decisive, the Nuclear assets of MDA, Mabway and Advanced Medical Solutions, was slightly offset by organic revenue decline of 2% due to the same factors noted above, along with delays in large programs in the Company's space vertical. Excluding ITCS, organic growth would have been positive 2%.

Gross Profit

For the three month period ended September 30, 2025, gross profit increased 8%, to $68,989, compared to $63,924 for the same period last year. This increase was driven by revenue growth, revenue mix and contributions from acquisitions. Gross margin for the three month period ended September 30, 2025 was 34.0%, which is slightly decreased from the 35.3% for the same period last year and represents the fourth highest quarterly margin percentage in the Company's history.

For the year ended September 30, 2025, gross profit was up 2% to $259,287, compared to the same period last year.

Adjusted EBITDA[1]

For the three month period ended September 30, 2025, adjusted EBITDA[1,2] increased by 2% to $24,259, compared to $23,778 for the same period last year. The increase was driven by the increases highlighted in revenues, offset by profitability reductions in ITCS with the increased investment and sales capacity in the year. Strategic investments made to re-platform the cyber business and expanded marketing and sales efforts, combined with lower revenues have resulted in reduced adjusted EBITDA[1,2] contribution. As a result, adjusted EBITDA[1,2] margin decreased to 11.9%, from 13.1% for the same period last year.

For the year ended September 30, 2025, Adjusted EBITDA[1,2] declined by 15% to $78,420, compared to $92,156 for the same period last year. The decrease was driven by the underperformance of the ITCS division. Excluding ITCS, Adjusted EBITDA[1,2] has increased by 9% from the prior year. The Adjusted EBITDA[1,2] margin also contracted to 10.1%, down from the 12.3% in the prior-year period.

1 Refer to the section entitled "Reconciliation of Non-GAAP Measures to Most Comparable IFRS Measures" of this MD&A for an explanation of the non-GAAP measure.

2 Certain comparative figures have been reclassified to align with the current year's presentation. For more information, please see the Selected Quarterly Financial Data section of this management discussion and analysis.

In FY25, the ITCS segment experienced notable underperformance, prompting a thorough evaluation of its operations and strategic direction. Following recent changes in leadership, we undertook a comprehensive review of the segment, identifying key areas for improvement and implementing fundamental changes to the business. As part of this transformation, we realigned the ITCS segment to focus on our core mission-critical markets, renewed partnerships with key suppliers and adjusted the cost base to better align with anticipated revenue streams. These decisive actions have positioned the ITCS segment on a stronger footing as we enter FY26.

Depreciation and Amortization

For the three month period ended September 30, 2025, depreciation of property, plant and equipment stood at $2,931, an increase of 7%, from the same period last year. This increase is primarily due to assets acquired through acquisitions closed in the last 12 months. For the year ended September 30, 2025, depreciation of property, plant and equipment stood at $11,065, an increase of 10% compared to the same period of the previous year.

For the three month period ended September 30, 2025, depreciation of right of use assets increased $442 compared to the same period last year. This increase is mainly due to leases brought on from recent acquisitions, coupled with new leases signed in the last twelve months. For the year ended September 30, 2025, depreciation of right of use assets increased of 973 compared to the same period of the previous year.

For the three month period ended September 30, 2025, amortization of acquired intangible assets decreased 6%, compared to the same period last year. This decrease is primarily due to the certain intangibles being fully amortized in the last three quarters, offset by increases due to acquired intangible assets from recent acquisitions of Mabway and Advanced Medical Solutions, along with changes in amortization periods reflecting additional amortization of $303, discussed in financial statement note 13. For the year ended September 30, 2025, amortization of acquired intangible assets increased by 11% due to acquisitions completed in the last two fiscal years including Decisive, the Nuclear assets of MDA, Mabway and Advanced Medical Solutions, along with $1,212 related to the change in amortization period of certain intangible assets slightly offset by certain intangibles being fully amortized in the current fiscal year.

Restructuring Expense

For the three month period ended September 30, 2025, the Company recorded restructuring charges of $1,160, compared to $368 recorded in the same period of the prior year. For the year ended September 30, 2025, restructuring charges were $3,638. The Company continues to evaluate its expenses, capacity and performance throughout the organization for which employee restructuring may be required from time to time.

Mergers and acquisition expense[2]

For the three month period ended September 30, 2025, deemed compensation decreased by $1,519, compared to the same period last year. This decrease is due to deemed compensation amounts applicable under the acquisition agreements for MDA Ltd. assets and Mabway which ceased in the prior quarter. See financial statement note 26 for more information. For the year ended September 30, 2025, deemed compensation increased by $323 compared to the same period last year due to these same acquisitions.

For the three month period ended September 30, 2025, changes in fair value related to contingent earn-out expense amount decreased by $19,213, compared to the same period last year. This decrease relates to adjustments made in the current period in removal of the contingent earn-out related to Decisive, offset by foreign exchange adjustments in the current year, and lower accretion related to the remaining contingent earn out liabilities outstanding. For the year ended September 30, 2025, changes in fair value related to contingent earn-out decreased by $25,144 compared to the same period last year due to the same factors.

The change in fair value of contingent payments and deemed compensation is explained further in notes 26, 27 and 28 of the Financial Statements.

1 Refer to the section entitled "Reconciliation of Non-GAAP Measures to Most Comparable IFRS Measures" of this MD&A for an explanation of the non-GAAP measure.

2 Certain comparative figures have been reclassified to align with the current year's presentation. For more information, please see the Selected Quarterly Financial Data section of this management discussion and analysis.

Interest expense

For the three month period ended September 30, 2025, interest expense increased by $783, compared to the same period last year. For the year ended September 30, 2025, interest expense increased by $1,963 when compared to the same period last year. These increases are due to the Company utilizing more of its credit facility in the current fiscal year along with interest costs relating to right of use liabilities increases over the prior year as total leased space has increased.

Income Tax Expense

For the three month period ended September 30, 2025, income tax expense was $2,831, a decrease of $2,054 compared to the expense in the same period last year. This is primarily due to higher deferred tax expense in the prior year. For the year ended September 30, 2025, income tax expense was $4,940, a decrease of $6,200 compared to the expense last year due to lower taxable income.

Net Profit and Adjusted Net Profit

For the three month period ended September 30, 2025, net profit was $20,648, or $1.80 per diluted share, versus a net loss of $568, or $(0.05) per diluted share, for the same period last year. The increase in profitability is primarily related to changes related to in contingent earn out in the period and lower tax expense. Adjusted net profit[1] was $11,484, or $1.00 per diluted share, versus $10,476, or $0.87 per diluted share, for the same period last year as the Company generated more Adjusted EBITDA[1] in the current period.

For the year ended September 30, 2025, net profit was $20,557, or $1.76 per diluted share, versus net profit of $11,180, or $0.93 per diluted share, for the same period last year. Adjusted net profit1 was $38,260, or $3.28 per diluted share, versus $50,500, or $4.23 per diluted share, for the same period last year.

1 Refer to the section entitled "Reconciliation of Non-GAAP Measures to Most Comparable IFRS Measures" of this MD&A for an explanation of the non-GAAP measure.

2 Certain comparative figures have been reclassified to align with the current year's presentation. For more information, please see the Selected Quarterly Financial Data section of this management discussion and analysis.

Selected Quarterly Financial Data

The Company's operations are subject to some 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. The Company's first and third quarters are affected by business specific cycles, along with working days, statutory holidays and vacation periods impacting the Company's delivery teams contributing to lower service revenues. This seasonality may not be apparent in the overall results of the Company, depending on the impact of the realized sales mix of its various projects. The following table sets forth selected financial information for the Company's past eight quarters.

(Canadian dollars in millions, except per share data)

	Q4/25	Q3/25	Q2/25	Q1/25	Q4/24	Q3/24	Q2/24	Q1/24
	$	$	$	$	$	$	$	$
Revenues								
Advanced Technologies	54.9	53.4	54.1	47.3	53.0	52.6	51.3	51.1
Health	65.4	60.4	52.9	51.0	52.2	56.1	53.6	50.1
Learning	38.9	34.5	35.6	36.7	30.2	27.4	28.2	27.1
ITCS	44.0	43.9	51.0	50.0	45.8	49.0	68.2	50.8
Total Revenue	203.2	192.2	193.6	185.0	181.2	185.1	201.3	179.1
Cost of revenue	134.2	125.4	129.0	126.2	117.2	123.2	131.2	121.0
Gross profit	69.0	66.8	64.6	58.8	64.0	61.9	70.1	58.1
Selling, general, and administrative	41.8	44.7	44.5	38.1	37.1	38.5	40.2	34.1
Research and development	2.9	3.2	2.8	2.9	3.1	3.5	2.7	2.7
Share based compensation	1.1	1.4	0.9	1.1	0.7	1.4	1.1	1.2
Profit before under noted items	23.2	17.5	16.4	16.7	23.1	18.5	26.1	20.1
Restructuring expense	1.2	1.4	0.4	0.7	0.3	—	1.5	—
Depreciation and amortization	12.0	11.6	11.4	11.5	12.0	10.8	10.2	9.0
Mergers and acquisition costs	(15.9)	1.1	2.4	2.3	4.7	3.3	5.3	2.0
Other changes in fair value	(0.4)	—	—	—	(0.2)	—	—	—
Profit before interest and income tax expense	26.3	3.4	2.2	2.2	6.3	4.4	9.1	9.1
Interest expense	2.8	1.9	2.1	1.8	2.0	1.4	1.8	1.6
Income tax expense	2.8	0.9	(0.2)	1.4	4.9	1.7	2.4	2.1
Net profit (loss)	20.7	0.6	0.3	(1.0)	(0.6)	1.3	4.9	5.4
Weighted average shares outstanding - Basic	11.5M	11.5M	11.8M	11.8M	11.8M	11.9M	11.8M	11.8M
Weighted average shares outstanding - Diluted	11.9M	11.9M	11.9M	11.9M	12.0M	12.0M	12.0M	11.9M
Net profit (loss) per share								
Basic	$1.82	$0.05	$0.03	$(0.08)	$(0.05)	$0.11	$0.42	$0.47
Diluted	$1.80	$0.05	$0.02	$(0.08)	$(0.05)	$0.11	$0.41	$0.46
Adjusted EBITDA[1] per share								
Basic	$1.53	$1.53	$1.51	$1.51	$2.01	$1.68	$2.29	$1.81
Diluted	$1.48	$1.48	$1.49	$1.49	$1.98	$1.65	$2.26	$1.79

1 Refer to the section entitled "Reconciliation of Non-GAAP Measures to Most Comparable IFRS Measures" of this MD&A for an explanation of the non-GAAP measure.

2 Certain comparative figures have been reclassified to align with the current year's presentation. For more information, please see the Selected Quarterly Financial Data section of this management discussion and analysis.

Certain comparative figures have been reclassified to conform to the current year's presentation. The Company has combined the presentation of selling and marketing, general and administration on the statement of Net profit. Additionally, the Company reclassified certain amounts related to mergers and acquisitions from the selling, general and administration costs line to the mergers and acquisitions expense line. The reclassification of these costs by quarter was Q4 2024 $419; Q3 2024 $852; Q2 2024 $330; Q1 2024 $650. On an annual basis for other period presented in this management discussion and analysis; 2024 $2,251; 2023 $545; 2022 $792; 2021 $1,963; 2020 $316. In addition, the Company reclassified share based compensation from the selling, general and administration line in the statement of net profit as a distinct category in the statement of net profit. The reclassification of these costs by quarter was Q4 2024 $684; Q3 2024 $1,370; Q2 2024 $1,128; Q1 2024 $1,190. On an annual basis for other period presented in this management discussion and analysis; 2024 $4,372; 2023 $3,870; 2022 $2,587; 2021 $2,334; 2020 $1,359. These amounts are also included as reconciling items to adjusted EBITDA[1], Adjusted EPS[1], and Operating free cash flow[1] for comparative purposes.

1 Refer to the section entitled "Reconciliation of Non-GAAP Measures to Most Comparable IFRS Measures" of this MD&A for an explanation of the non-GAAP measure.

2 Certain comparative figures have been reclassified to align with the current year's presentation. For more information, please see the Selected Quarterly Financial Data section of this management discussion and analysis.

Fourth Quarter and Annual Financial Summary

Consolidated Statements of Net Profit

For the three months and years ended September 30, 2025 and 2024 (Canadian dollars in thousands):

	Three months ended September 30,		Year ended September 30,	
	2025	2024	2025	2024
	$	$	$	$
Revenue	203,181	181,166	774,111	746,611
Cost of revenues	134,192	117,242	514,824	492,597
Gross profit	**68,989**	**63,924**	**259,287**	**254,014**
Selling, general and administrative	41,811	37,099	169,073	149,891
Research and development	2,919	3,047	11,794	11,967
Share-based compensation	1,117	684	4,511	4,372
Profit before under noted items	**23,142**	**23,094**	**73,909**	**87,784**
Restructuring expense	1,160	368	3,638	1,864
Depreciation and amortization	12,047	11,914	46,696	41,829
Mergers and acquisition costs	(15,938)	4,709	(10,143)	15,338
Other changes in fair value	(377)	(202)	(377)	(202)
Profit before interest and income tax expense	**26,250**	**6,305**	**34,095**	**28,955**
Interest expense	2,771	1,988	8,598	6,635
Income tax expense - current	3,497	4,623	11,963	15,442
Income tax expense (recovery) - deferred	(666)	262	(7,023)	(4,302)
NET PROFIT (LOSS)	**20,648**	**(568)**	**20,557**	**11,180**
Net profit (loss) per share:				
Basic	$1.82	($0.05)	$1.78	$0.95
Diluted	$1.80	($0.05)	$1.76	$0.93

1 Refer to the section entitled "Reconciliation of Non-GAAP Measures to Most Comparable IFRS Measures" of this MD&A for an explanation of the non-GAAP measure.

2 Certain comparative figures have been reclassified to align with the current year's presentation. For more information, please see the Selected Quarterly Financial Data section of this management discussion and analysis.

Consolidated Statements of Cash Flows

For the three months and years ended September 30, 2025 and 2024 (Canadian dollars in thousands):

	Three months ended September 30,		Year ended September 30,	
	2025	2024	2025	2024
	$	$	$	$
CASH FLOWS GENERATED FROM (USED IN) OPERATING ACTIVITIES				
Net profit (loss)	20,648	(568)	20,557	11,180
Items not affecting cash:				
Interest expense	2,172	1,410	6,486	4,826
Changes in fair value related to contingent earn-out	(16,718)	2,495	(16,377)	8,767
Lease obligations interest expense	599	578	2,112	1,809
Income tax expense	2,831	4,885	4,940	11,140
Employee share purchase plan expense	103	122	536	549
Share based compensation expense	1,015	562	3,976	3,824
Depreciation and amortization	12,047	11,914	46,696	41,829
Deemed compensation	278	1,797	4,645	4,322
Other changes in fair value	(377)	(202)	(377)	(202)
	22,598	22,993	73,194	88,044
Change in non-cash working capital				
Accounts receivable	(11,750)	(9,631)	(7,399)	17,625
Work in process	(4,553)	(1,123)	(4,591)	(2,509)
Prepaid expenses and other	447	3,007	3,955	337
Inventory	(2,250)	1,002	(4,018)	2,795
Accounts payable and accrued liabilities	3,116	9,133	8,706	(1,064)
Unearned contract revenue	4,499	(1,687)	(1,876)	(6)
	12,107	23,694	67,971	105,222
Interest paid	(2,771)	(1,988)	(8,598)	(6,635)
Income tax paid	(2,928)	(2,289)	(13,939)	(11,366)
	6,408	19,417	45,434	87,221
CASH FLOWS GENERATED FROM (USED IN) FINANCING ACTIVITIES				
Issuance of common shares net of costs	417	618	2,452	2,786
Dividends	(3,202)	(3,397)	(12,969)	(13,351)
Net draw on debt facility	(10,250)	(4,250)	41,000	52,000
Payment of lease obligations	(1,684)	(1,318)	(6,409)	(5,289)
Repurchase of common shares	(313)	(2,819)	(25,508)	(5,648)
	(15,032)	(11,166)	(1,434)	30,498
CASH FLOWS USED IN INVESTING ACTIVITIES				
Business acquisitions	—	—	(39,089)	(87,862)
Property, plant and equipment	(3,288)	(2,462)	(10,598)	(11,803)
	(3,288)	(2,462)	(49,687)	(99,665)
NET CASH INFLOW (OUTFLOW)	(11,912)	5,789	(5,687)	18,054
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	58,013	45,999	51,788	33,734
CASH AND CASH EQUIVALENTS, END OF PERIOD	46,101	51,788	46,101	51,788

1 Refer to the section entitled "Reconciliation of Non-GAAP Measures to Most Comparable IFRS Measures" of this MD&A for an explanation of the non-GAAP measure.

2 Certain comparative figures have been reclassified to align with the current year's presentation. For more information, please see the Selected Quarterly Financial Data section of this management discussion and analysis.

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

	Three months ended September 30,		Year ended September 30,	
	2025	2024	2025	2024
Weighted average number of common shares - basic	11,346,966	11,835,037	11,580,476	11,837,520
Additions to reflect the dilutive effect of employee stock options and RSUs	113,433	168,696	73,484	93,261
Weighted average number of common shares - diluted	11,460,399	12,003,733	11,653,960	11,930,781

The following table presents the revenue of the Company for the three months and years ended September 30, 2025 and 2024 (Canadian dollars in thousands):

	Three months ended September 30,		Year ended September 30,	
	2025	2024	2025	2024
	$	$	$	$
Product revenue				
Advanced Technologies	33,497	37,234	124,185	145,773
Health	335	173	1,845	1,191
Learning	2,384	1,941	7,668	8,011
ITCS	13,082	12,879	61,420	71,774
Total product revenue	49,298	52,227	195,118	226,749
Service revenue				
Advanced Technologies	21,356	15,356	85,479	62,169
Health	65,075	55,883	227,833	210,839
Learning	36,520	25,454	138,007	104,889
ITCS	30,932	36,078	127,674	141,965
Total service revenue	153,883	132,771	578,993	519,862
Total revenue	203,181	184,998	774,111	746,611

Segmented information is as follows for three months ended September 30, 2025 (Canadian dollars in thousands):

For the three months ended September 30, 2025	Advanced Technologies	Health	Learning	ITCS	Shared Services	Total
	$	$	$	$	$	$
Revenue	54,853	65,410	38,904	44,014	—	203,181
Cost of revenues	31,431	49,363	24,847	28,551	—	134,192
Operating costs	10,791	4,188	4,053	14,181	11,517	44,730
Adjusted EBITDA	12,631	11,859	10,004	1,282	(11,517)	24,259
Adjusted EBITDA %	23%	18%	26%	3%	N/A	12%
Share-based compensation						1,117
Restructuring expense						1,160
Depreciation and amortization						12,047
Mergers and acquisitions costs						(15,938)
Other changes in fair value						(377)
Profit before interest and income tax expense						26,250
Interest expense						2,771
Income tax expense - current						3,497
Income tax recovery - deferred						(666)
NET PROFIT FOR THE PERIOD						20,648

Segmented information is as follows for three months ended September 30, 2024 (Canadian dollars in thousands):

For the three months ended September 30, 2024	Advanced Technologies	Health	Learning	ITCS	Shared Services	Total
	$	$	$	$	$	$
Revenue	52,957	52,239	30,235	45,735	—	181,166
Cost of revenues	31,125	38,874	20,537	26,706	—	117,242
Operating costs	10,864	4,156	3,243	12,664	9,219	40,146
Adjusted EBITDA	10,968	9,209	6,455	6,365	(9,219)	23,778
Adjusted EBITDA %	21%	18%	21%	14%	N/A	13%
Share-based compensation						684
Restructuring expense						368
Depreciation and amortization						11,914
Mergers and acquisitions costs						4,709
Other changes in fair value						(202)
Profit before interest and income tax expense						6,305
Interest expense						1,988
Income tax expense - current						4,623
Income tax recovery - deferred						262
NET PROFIT FOR THE PERIOD						(568)

1 Refer to the section entitled "Reconciliation of Non-GAAP Measures to Most Comparable IFRS Measures" of this MD&A for an explanation of the non-GAAP measure.

2 Certain comparative figures have been reclassified to align with the current year's presentation. For more information, please see the Selected Quarterly Financial Data section of this management discussion and analysis.

Financial Position

Working capital as a percentage of trailing twelve month revenue has increased to 9.1% at September 30, 2025 versus 7.4% for the same period of the prior year which is primarily a result of the working capital acquired through AMS. The total working capital for the Company excluding the acquisition impacts of AMS increased in the quarter by $10,491 when compared to the same period of the previous year, and by $5,223 on an annual basis. This is a testament to the Company's ability to increase revenue while maintaining it's working capital to sufficiently low levels.

Assets

As at September 30, 2025, total assets stood at $721,500, versus $707,920 as at September 30, 2024. The increase is a result of assets acquired in the current year through AMS including goodwill, an increase in accounts receivable, offset by a decrease in acquired intangible assets due to amortization in the current period.

As at September 30, 2025, cash and cash equivalents were $46,101, compared to $51,788 at September 30, 2024.

Liabilities

As at September 30, 2025, total liabilities stood at $400,219, versus $381,165 as at September 30, 2024. The increase is due to increases in accounts payable to coincide with accounts receivable increases as described above, increases due to new lease and increased use of the Company's debt facility, offset by reduction in contingent earn out liabilities due to payments and adjustments in the current year.

As at September 30, 2025, Calian had net debt[1] of $84,649 and its net debt[1] to trailing twelve month adjusted EBITDA[1] ratio was 1.1×, well below its maximum threshold of 2.5×. As at September 30, 2025, the Company was in full compliance with its debt covenants.

At the end of September, the Company renewed and expanded its debt facility. The new three-year term revolving credit facility totals $350 million, including a committed amount of $200 million, combined with an uncommitted accordion feature of up to $150 million.

Management believes that the Company has sufficient cash resources to continue to finance its working capital requirements and pay a quarterly dividend. There were no off-balance sheet arrangements as at September 30, 2025.

1 Refer to the section entitled "Reconciliation of Non-GAAP Measures to Most Comparable IFRS Measures" of this MD&A for an explanation of the non-GAAP measure.

2 Certain comparative figures have been reclassified to align with the current year's presentation. For more information, please see the Selected Quarterly Financial Data section of this management discussion and analysis.

Shareholders’ Equity

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 ended August 31, 2025, representing approximately 10% of the public float of its common shares as at August 16, 2024.

On August 26, 2025, the TSX accepted Calian’s Notice of Intention to make a normal course issuer bid (“NCIB”) to purchase for cancellation up to 796,283 common shares during the 12-month period commencing September 1, 2025 and ended August 31, 2026, representing approximately 10% of the public float of its common shares as at August 15, 2025.

Under these NCIB’s, the Company repurchased 6,300 common shares for cancellation in the three month period ended September 30, 2025 for consideration of $313, and 562,608 common shares for consideration of $25,508 in the year ended September 30, 2025.

The Company has entered into an automatic share purchase plan (“ASPP”) to provide the option to instruct its broker to make purchases under the NCIB during any applicable blackout periods. As at September 30, 2025 (September 30, 2024), an obligation for the repurchase of shares of $2,720 ($3,075) was recognized as an accrued liability, as instructions were provided to the Company’s broker to continue making purchases during the current blackout period in accordance with the ASPP.

Share Capital

As at September 30, 2025, the capital stock issued and outstanding of the Company consisted of 11,350,168 common shares (11,802,364 as at September 30, 2024).

The following table presents the outstanding capital stock activity for the twelve month periods ended September 30, 2025 and September 30, 2024.

	September 30, 2025	September 30, 2024
Balance October 1	11,802,364	11,812,650
Shares issued under employee share plans	55,561	53,264
Shares issued under employee share purchase plan	54,851	50,566
Shares issued through acquisition	—	1,132
Shares cancelled through NCIB program	(562,608)	(115,248)
Issued capital	11,350,168	11,802,364
Weighted average number of common shares – basic	11,580,476	11,837,520
Weighted average number of common shares – diluted	11,653,960	11,930,781

1 Refer to the section entitled “Reconciliation of Non-GAAP Measures to Most Comparable IFRS Measures” of this MD&A for an explanation of the non-GAAP measure.

2 Certain comparative figures have been reclassified to align with the current year’s presentation. For more information, please see the Selected Quarterly Financial Data section of this management discussion and analysis.

Liquidity and Capital Resources

The following table provides selected information from the cash flow statement.

	Three months ended September 30,		Year ended September 30,	
	2025	2024	2025	2024
	$	$	$	$
Net profit	20,648	(568)	20,557	11,180
Items not affecting cash:	1,950	23,561	52,637	76,864
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL	22,598	22,993	73,194	88,044
Change in non-cash working capital	(10,491)	701	(5,223)	17,178
Interest and income tax paid	(5,699)	(4,277)	(22,537)	(18,001)
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	6,408	19,417	45,434	87,221
Dividends	(3,202)	(3,397)	(12,969)	(13,351)
Draw (repayment) on debt facility	(10,250)	(4,250)	41,000	52,000
Repurchase of common shares	(313)	(2,819)	(25,508)	(5,648)
Other	(1,267)	(700)	(3,957)	(2,503)
CASH FLOWS GENERATED FROM (USED IN) FINANCING ACTIVITIES	(15,032)	(11,166)	(1,434)	30,498
Business acquisitions	—	—	(39,089)	(87,862)
Property, plant and equipment	(3,288)	(2,462)	(10,598)	(11,803)
CASH FLOWS USED IN INVESTING ACTIVITIES	(3,288)	(2,462)	(49,687)	(99,665)
NET CASH INFLOW	(11,912)	5,789	(5,687)	18,054
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	58,013	45,999	51,788	33,734
CASH AND CASH EQUIVALENTS, END OF PERIOD	46,101	51,788	46,101	51,788

Operating Activities

For the three month period ended September 30, 2025, cash flows generated from operating activities amounted to $6,408, compared to $19,417 for the same period last year. Cash generated from operating activities decreased due to working capital usage and higher income and taxes paid, partially offset by higher cash based net profit when compared to the same period of the previous year.

1 Refer to the section entitled “Reconciliation of Non-GAAP Measures to Most Comparable IFRS Measures” of this MD&A for an explanation of the non-GAAP measure.

2 Certain comparative figures have been reclassified to align with the current year’s presentation. For more information, please see the Selected Quarterly Financial Data section of this management discussion and analysis.

Financing Activities

For the three month period ended September 30, 2025, financing activities decreased cash by $15,032, mainly due to repayments of our credit facility of $10,250 and outflows for dividends of $3,202. For the three month period ended September 30, 2024, financing activities decreased cash by $11,166 mainly due to repayments of our credit facility in the current quarter of $4,250, outflows for dividends payments of $3,397 and repurchases of common shares in the amount of $2,819.

On September 29, 2025, the Company signed an amended debt facility that provides the Company with the ability to draw up to $200,000 CAD and an accordion feature of up to $150,000 CAD. The agreement has a three year term, which will mature on September 29, 2028.

Note that Calian intends to continue to declare a quarterly dividend in line with its overall financial performance and cash flow generation. Decisions on dividend payments are made on a quarterly basis by the Board of Directors. There can be no assurance as to the amount of such dividends in the future.

Investing Activities

For the three month period ended September 30, 2025, investing activities decreased cash by $3,288 due to capital purchases. For the three month period ended September 30, 2024, investing activities decreased cash by $2,462 due to capital expenditures.

For further information of acquisition and earn-out payments for the three month and annual periods please see note 26 and 28 of the September 30, 2025 annual financial statements.

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.

1 Refer to the section entitled "Reconciliation of Non-GAAP Measures to Most Comparable IFRS Measures" of this MD&A for an explanation of the non-GAAP measure.

2 Certain comparative figures have been reclassified to align with the current year's presentation. For more information, please see the Selected Quarterly Financial Data section of this management discussion and analysis.

Adjusted EBITDA

	Three months ended September 30,		Year ended September 30,	
	2025	2024[1]	2025	2024[1]
	$	$	$	$
Net profit (loss)	20,648	(568)	20,557	11,180
Share-based compensation	1,117	684	4,511	4,372
Restructuring expense	1,160	368	3,638	1,864
Depreciation and amortization	12,047	11,914	46,696	41,829
Mergers and acquisition costs	(15,938)	4,709	(10,143)	15,338
Other changes in fair value	(377)	(202)	(377)	(202)
Interest expense	2,771	1,988	8,598	6,635
Income tax	2,831	4,885	4,940	11,140
Adjusted EBITDA	24,259	23,778	78,420	92,156
Adjusted EBITDA per share - Basic	2.14	2.01	6.77	7.79
Adjusted EBITDA per share - Diluted	2.12	1.98	6.73	7.68

Adjusted Net Profit

	Three months ended September 30,		Year ended September 30,	
	2025	2024[1]	2025	2024[1]
	$	$	$	$
Net profit (loss)	20,648	(568)	20,557	11,180
Share-based compensation	1,117	684	4,511	4,372
Restructuring expense	1,160	368	3,638	1,864
Mergers and acquisition costs	(15,938)	4,709	(10,143)	15,338
Other changes in fair value	(377)	(202)	(377)	(202)
Amortization of intangibles	7,087	7,577	28,615	25,738
	13,697	12,568	46,801	58,290
Income taxes related to above items	(2,213)	(2,092)	(8,541)	(7,790)
Adjusted net profit	11,484	10,476	38,260	50,500
Weighted average number of common shares - Basic	11,346,966	11,835,037	11,580,476	11,837,520
Adjusted EPS - Basic	1.01	0.89	3.30	4.27
Adjusted EPS - Diluted	1.00	0.87	3.28	4.23

Adjusted net profit in the comparative period has been amended to include the income tax effect of adjusting items. The Company believes it is appropriate to include the tax effect of adjustments in the non-GAAP measure to align with industry practice.

1 Certain comparative figures have been reclassified to align with the current year's presentation. For more information, please see the Selected Quarterly Financial Data section of this management discussion and analysis.

Operating Free Cash Flow

	Three months ended September 30,		Year ended September 30,	
	2025	2024[1]	2025	2024[1]
	$	$	$	$
Cash flows generated from operating activities (free cash flow)	6,408	19,417	45,434	87,221
Adjustments:				
M&A costs included in operating activities	502	417	1,589	2,249
Change in non-cash working capital	10,491	(701)	5,223	(17,178)
Operating free cash flow	17,401	19,133	52,246	72,292
Operating free cash flow per share - Basic	1.53	1.62	4.51	6.10
Operating free cash flow per share - Diluted	1.52	1.59	4.48	6.02
Operating free cash flow conversion	72%	80%	67%	78%

Net Debt to Adjusted EBITDA

	September 30, 2025	September 30, 2024[1]
	$	$
Cash	46,101	51,788
Debt facility	130,750	89,750
Net debt (net cash)	84,649	37,962
Trailing twelve month adjusted EBITDA	78,420	92,156
Net debt to adjusted EBITDA	1.1	0.4

Operating free cash flow measures the Company's cash profitability after required capital spending when excluding working capital changes. Capital expenditures are excluded as those are considered investments rather than maintenance of the business. The Company's ability to convert adjusted EBITDA[1] 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.

1 Certain comparative figures have been reclassified to align with the current year's presentation. For more information, please see the Selected Quarterly Financial Data section of this management discussion and analysis.

Risk and Uncertainties

1. Economic uncertainty including volatility in international trade
2. Sustainability and management of recent growth
3. Acquisitions (none available, we don't grow, we don't integrate)
4. Access to Capital
5. Negative covenants in credit facilities
6. Availability of commodities and inflationary prices
7. Security breaches – cyber attacks
8. Competition within key markets
9. Availability of qualified professionals
10. Government contracts
11. Defense industry
12. Non-Performance of a key supplier or contractor
13. Senior management personnel and succession planning
14. Concentration of key revenues
15. Performance on Fixed-Priced Contracts
16. Rapidly changing technologies and customer demands
17. Outsourcing/subcontracting
18. Historical pricing trends
19. Customer's ability to retain market share
20. Consolidation of customer base
21. Backlog
22. Accounts Receivable collection risk
23. Foreign currency
24. Foreign operations
25. Dependence on Subsidiaries' Cash Flows
26. Reputational and brand risks
27. Errors and defects in technology
28. Tax consequences
29. Privacy concerns
30. Intellectual property infringement and protection
31. Manufacturing limitations
32. Use of open-source software
33. Use of licensed technology
34. Insurance sufficiency
35. Medical malpractice
36. Negotiation of facilities leases
37. Warranty and product liability claims
38. Litigation
39. Climate risks
40. Environmental and Health & Safety risks
41. Events out of the Company's control (natural disasters, war, terrorism, illness, etc.,)
42. Fraud
43. Corruption
44. Conflicts of Interest
45. Product obsolesce
46. Changes in Laws, Rules and Regulations
47. SRED or other R&D tax credits
48. Transfer pricing
49. Investment in R&D
50. Compliance with ESG reporting requirements
51. Price fluctuations of common shares
52. Dilution of common shares

A comprehensive discussion of risks, including risks not specifically listed above, can be found in our most recently filed Annual Information Form. Additional risks and uncertainties not presently known to us or that we currently consider immaterial also may impair our business and operations and cause the price of our shares to decline. If any of the noted risks actually occur, our business may be harmed and our financial condition and results of operations may suffer significantly.

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

Estimates

The preparation of financial statements in conformity with IFRS requires the Company's management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosure of contingent liabilities and provisions including warranty claims, loss contracts and legal claims 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.

Project completion for revenue

The Company enters into fixed-price contracts which can extend over more than one reporting period. Revenue from these fixed-price projects is recognized over time using the input method using management's best estimate of the costs and related risks associated with completing the projects. Management's approach to revenue recognition is tightly linked to detailed project management processes and controls. The information provided by the project managers combined with a knowledgeable assessment of technical complexities and risks are used in estimating the percentage complete. Specifically for the Advanced Technologies fixed-price contracts, there is significant judgement and estimation uncertainty in determining the estimated costs to complete, including materials, labour and subcontractor costs.

Impairment of goodwill and intangible assets

Determining whether goodwill or acquired intangible assets are impaired requires an estimation of the recoverable amount of the cash-generating units of groups of cash-generating units. This was assessed through the higher of the value in use calculation and fair value less cost to dispose. The value in use calculation requires management to estimate the future cash flows expected to arise from the cash-generating unit or groups of cash-generating units, and a suitable discount rate in order to calculate the present value. The fair value less cost to dispose calculation requires estimates on earnings and market multiples.

Income taxes

The Company records deferred income tax assets and liabilities related to deductible or taxable temporary differences. The Company assesses the value of these assets and liabilities based on the likelihood of the realization as well as the timing of reversal given management assessments of future taxable income.

Intangible asset useful life

Determining the useful life of acquired intangible assets requires management to estimate the period in which the intangible assets are expected to generate future cash flows for the Company.

Judgments

Business combinations

The consideration transferred for an acquired business is assigned to the identifiable tangible and intangible assets purchased, along with liabilities assumed on the basis of their acquisition date estimated fair values. The identification of assets purchased and liabilities assumed and the valuation thereof can require specialized skills and knowledge. Where appropriate, the Company engages external business valuators to assist in the valuation of acquired tangible and intangible assets.

When a business combination involves contingent consideration, an amount equal to the estimated fair value of the contingent consideration is recorded as a liability at the time of acquisition and is measured at the estimated fair value at each subsequent reporting period. The key assumptions utilized in determining estimated fair value of contingent consideration may include probabilities associated with the occurrence of specified future events, financial projections of the acquired business including forecasted revenue and EBITDA, the timing of future cash flows, cash flow volatility and the appropriate discount rate.

Deferred income taxes

The Company's accounting policy with regards to income taxes is described in note 2 of the September 30, 2025 Annual Financial Statements. In applying this policy, judgments are made in determining the probability of whether deductions or tax credits can be utilized and related timing of such items.

Provisions

Provisions are recognized when, at the financial statement date, the Company has a present obligation as a result of a past event, and it is more likely than not that the Company will be required to settle that obligation and the cash outflow can be estimated reliably. Using best judgment, the amount recognized for provisions is an estimate of the expenditure to be incurred. Provisions are measured at their present value.

Non-current assets held for sale

The Company uses judgment in determining whether long term assets meet the criteria to be considered held for sale. This includes whether an asset is available for immediate sale in its present condition and that a sale is highly probable.

Disclosure Controls and Internal Controls over Financial Reporting

Disclosure controls and procedures within the Company have been designed to provide reasonable assurance that all relevant information is identified and passed to its Disclosure Committee to ensure appropriate and timely decisions are made regarding public disclosure.

Internal controls over financial reporting have been designed by management, with the participation of the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), to provide reasonable assurance regarding the reliability of the Company's financial reporting and its preparation of financial statements for external purposes in accordance with IFRS. The control framework used to design the company's internal control over financial reporting is the "Internal Control – Integrated Framework (2013)" published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The CEO and CFO have evaluated, or caused to be evaluated under their supervision, the effectiveness of the Company's internal control over financial reporting and based on this assessment have concluded that the Company's internal control over financial reporting is effective as of September 30, 2025.

There have been no changes to the Company's internal controls over financial reporting during the three and twelve months ended September 30, 2025, that have materially affected, or are reasonably likely to materially affect, its internal controls over financial reporting

On behalf of Management,

(s) Patrick Houston
Chief Financial Officer

November 25, 2025

Audited Annual Consolidated Financial Statements

For the year ended September 30, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Calian Group Ltd.

Opinion

We have audited the consolidated financial statements of Calian Group Ltd. (the "Entity"), which comprise:

- the consolidated statements of financial position as at September 30, 2025 and September 30, 2024
- the consolidated statements of net profit for the years then ended
- the consolidated statements of comprehensive income for the years then ended
- the consolidated statements of changes in equity for the years then ended
- the consolidated statements of cash flows for the years then ended
- and notes to the consolidated financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at September 30, 2025 and September 30, 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended September 30, 2025.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

Evaluation of the estimated costs to complete for the Advanced Technologies fixed price contracts

Description of the matter

We draw attention to Notes 2(a), 3, and 21 to the financial statements. The Entity enters into fixed-price contracts which can extend over more than one reporting period. Revenue from these fixed-price projects is recognized over time using the input method based on management's best estimate of the costs and related risks associated with completing the projects. Specifically for the Advanced Technologies fixed-price contracts with customers, there is significant judgment in determining the estimated costs to complete, including materials, labour and subcontractor costs. The service revenue in Advanced Technologies is $85,479 thousand, the majority of which is composed of fixed price contracts.

Why the matter is a key audit matter

We identified the evaluation of the estimated costs to complete for the Advanced Technologies fixed price contracts as a key audit matter. This matter represents a significant risk of material misstatement due to the magnitude of the balance and the high degree of judgment in determining the estimated costs to complete. Significant auditor judgment was required in evaluating the results of our audit procedures over the estimated costs to complete.

How the matter was addressed in the audit

The primary procedures we performed to address this key audit matter included the following:

We evaluated the design and tested the operating effectiveness of certain controls over the Entity's revenue recognition process. This included a control related to the evaluation of estimated costs to complete fixed price contracts with customers.

We evaluated the Entity's ability to estimate costs to complete fixed price contracts by comparing actual costs incurred for a selection of fixed price contracts completed in the current year against the total contract costs estimated in the prior year.

For a selection of fixed price contracts:

- We evaluated the estimated costs to complete by inspecting the executed contracts, including any significant amendments, inquiring with the project manager, and obtaining supporting documentation, such as project planning documents.
- We evaluated the materials, labour, and subcontractor costs included in the estimated costs to complete through inquiring with the project manager and inspecting corroborative evidence, such as correspondence between the Entity and the customer, suppliers, and subcontractors.

Evaluation of goodwill impairment analysis for the IT and Cyber Security ("ITCS") group of cash generating units ("CGUs")

Description of the matter

We draw attention to notes 2 and 3 to the financial statements. The Entity has recorded goodwill of $224,483 thousand. For impairment testing purposes, goodwill is allocated to the cash-generating units ("CGUs") or groups of CGUs that are expected to benefit from the synergies of the related acquisition. For impairment testing purposes of goodwill, CGUs are grouped in accordance with the Company's reporting segments, and $115,398 thousand of the goodwill balance relates to the ITCS reporting segment. CGUs or groups of CGUs to which goodwill has been allocated are tested for impairment annually, or earlier if events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the ITCS segment, the Company used a fair value less costs of disposal approach. In estimating fair value, the Company applied a market multiple to estimated earnings less an estimate of the costs of disposal. Key assumptions used in determining the fair value less costs of disposal of ITCS include estimated earnings and the market multiple.

Why the matter is a key audit matter

We identified the evaluation of the goodwill impairment analysis for the ITCS group of CGUs as a key audit matter. This matter represented an area of significant risk of material misstatement due to the magnitude of the balance and the high degree of estimation uncertainty in determining the recoverable amount. Further, professionals with specialized skills and knowledge were required in performing and evaluating the results of our procedures due to the sensitivity of the recoverable amount to changes in key assumptions.

How the matter was addressed in the audit

The primary procedures we performed to address this key audit matter included the following:

We assessed the reasonableness of the Entity's key assumption of estimated earnings by comparing the revenues to historical performance, costs by comparing them to historical performance and agreeing certain cost adjustments to supporting documentation.

We considered changes in conditions and events affecting the ITCS group of CGUs and assessed how they have been factored into the Entity's estimated earnings.

We involved valuation professionals with specialized skills and knowledge, who assisted in evaluating the appropriateness of the approach and the market multiple assumption, which was developed using publicly available information for recent transactions involving comparable companies and considering risks specific to the ITCS segment.

Other Information

Management is responsible for the other information. Other information comprises:

- the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.
- the information, other than the financial statements and the auditor's report thereon, included in a document likely to be entitled "Annual Report 2025".

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

The information, other than the financial statements and the auditor's report thereon, included in a document likely to be entitled "Annual Report 2025" is expected to be made available to us after the date of this auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

- Determine, from the matters communicated with those charged with governance, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

The engagement partner on the audit resulting in this auditor's report is Stephen John Hills.

Vaughan, Canada

November 25, 2025

Calian Group Ltd.
Consolidated statements of financial position

As at September 30, 2025 and 2024, (Canadian dollars in thousands, except per share data)

	NOTES	September 30, 2025	September 30, 2024
	$	$	$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	46,101	51,788
Accounts receivable	6	171,150	157,376
Work in process	9	25,028	20,437
Inventory	7	27,709	23,199
Prepaid expenses	8	22,977	23,978
Derivative assets	25	44	32
Total current assets		293,009	276,810
NON-CURRENT ASSETS			
Property, plant and equipment	10	45,508	40,962
Right of use assets	11	39,786	36,383
Prepaid expenses	8	6,015	7,820
Deferred tax asset	23	1,614	3,425
Investments	12	4,252	3,875
Acquired intangible assets	13	106,833	128,253
Goodwill	15	224,483	210,392
Total non-current assets		428,491	431,110
TOTAL ASSETS		721,500	707,920
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	16	133,096	124,884
Provisions	17	3,458	3,075
Unearned contract revenue	9	39,646	41,723
Lease obligations	11	5,819	5,645
Contingent earn-out	28	16,147	39,136
Derivative liabilities	25	53	92
Total current liabilities		198,219	214,555
NON-CURRENT LIABILITIES			
Debt facility	18	130,750	89,750
Lease obligations	11	37,634	33,798
Unearned contract revenue	9	14,704	14,503
Contingent earn-out	28	—	2,697
Deferred tax liabilities	23	18,912	25,862
Total non-current liabilities		202,000	166,610
TOTAL LIABILITIES		400,219	381,165
SHAREHOLDERS' EQUITY			
Issued capital	19	220,345	225,747
Contributed surplus		7,312	6,019
Retained earnings		84,360	91,268
Accumulated other comprehensive income		9,264	3,721
TOTAL SHAREHOLDERS' EQUITY		321,281	326,755
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		721,500	707,920
Number of common shares issued and outstanding		11,350,168	11,802,364

The accompanying notes are an integral part of the audited annual consolidated financial statements. Refer to notes 19, 28 and 31 for events that occurred subsequent to September 30, 2025.

Calian Group Ltd.
Consolidated statements of net profit

For the years ended September 30, 2025 and 2024, (Canadian dollars in thousands, except per share data)

	NOTES	Year ended September 30, 2025	Year ended September 30, 2024 (Note 29)
		$	$
Revenue	21	774,111	746,611
Cost of revenues		514,824	492,597
Gross profit		**259,287**	**254,014**
Selling, general and administrative		169,073	149,891
Research and development		11,794	11,967
Share-based compensation	20	4,511	4,372
Profit before under noted items		**73,909**	**87,784**
Restructuring expense		3,638	1,864
Depreciation and amortization	14	46,696	41,829
Mergers and acquisition costs	27	(10,143)	15,338
Other changes in fair value	12	(377)	(202)
Profit before interest and income tax expense		**34,095**	**28,955**
Interest expense		8,598	6,635
Income tax expense – current	23	11,963	15,442
Income tax recovery - deferred	23	(7,023)	(4,302)
NET PROFIT		**20,557**	**11,180**
Net profit per share:			
Basic	22	1.78	0.95
Diluted	22	1.76	0.93

The accompanying notes are an integral part of the audited annual consolidated financial statements.

Calian Group Ltd.
Consolidated statements of comprehensive income

For the years ended September 30, 2025 and 2024, (Canadian dollars in thousands)

	Year ended September 30, 2025	Year ended September 30, 2024
	$	$
NET PROFIT	20,557	11,180
Cumulative translation adjustment	5,744	2,213
Change in deferred gain (loss) on derivatives designated as cash flow hedges net of tax of $52 and $141 for the years ended September 30, 2025 and 2024, respectively.	(201)	391
Other comprehensive income, net of tax	5,543	2,604
COMPREHENSIVE INCOME	**26,100**	**13,784**

The accompanying notes are an integral part of the audited annual consolidated financial statements.

Calian Group Ltd.
Consolidated statements of cash flows

For the years ended September 30, 2025 and 2024, (Canadian dollars in thousands)

	NOTES	Year ended September 30, 2025	2024
		$	$
CASH FLOWS GENERATED FROM (USED IN) OPERATING ACTIVITIES			
Net profit		20,557	11,180
Items not affecting cash:			
Interest expense		6,486	4,826
Changes in fair value related to contingent earn-out	27	(16,377)	8,767
Lease obligations interest expense	11	2,112	1,809
Income tax expense		4,940	11,140
Employee share purchase plan expense	20	536	549
Share-based compensation expense	20	3,976	3,824
Depreciation and amortization	14	46,696	41,829
Deemed compensation	26, 27, 28	4,645	4,322
Other changes in fair value	12	(377)	(202)
		73,194	88,044
Change in non-cash working capital			
Accounts receivable		(7,399)	17,625
Work in process		(4,591)	(2,509)
Prepaid expenses and other		3,955	337
Inventory		(4,018)	2,795
Accounts payable and accrued liabilities		8,706	(1,064)
Unearned contract revenue		(1,876)	(6)
		67,971	105,222
Interest paid		(8,598)	(6,635)
Income tax paid		(13,939)	(11,366)
		45,434	87,221
CASH FLOWS GENERATED FROM (USED IN) FINANCING ACTIVITIES			
Issuance of common shares net of costs	19, 20	2,452	2,786
Repurchase of common shares	19	(25,508)	(5,648)
Dividends		(12,969)	(13,351)
Net draw on debt facility	18	41,000	52,000
Payment of lease obligations	11	(6,409)	(5,289)
		(1,434)	30,498
CASH FLOWS USED IN INVESTING ACTIVITIES			
Business acquisitions	26, 27, 29	(39,089)	(87,862)
Property, plant and equipment	10	(10,598)	(11,803)
		(49,687)	(99,665)
NET CASH INFLOW (OUTFLOW)		(5,687)	18,054
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD		51,788	33,734
CASH AND CASH EQUIVALENTS, END OF PERIOD		46,101	51,788

The accompanying notes are an integral part of the audited annual consolidated financial statements.

Calian Group Ltd.
Consolidated statements of changes in equity

For the years ended September 30, 2025 and 2024, (Canadian dollars in thousands, except per share data)

	Notes	Issued capital	Contributed surplus	Retained earnings	Other Comprehensive Income	Total
		$	$	$	$	$
Balance October 1, 2024		**225,747**	**6,019**	**91,268**	**3,721**	**326,755**
Net profit and comprehensive income		—	—	20,557	5,543	26,100
Dividend paid ($1.12 per share)		—	—	(12,969)	—	(12,969)
Share repurchase	19	(11,012)	—	(14,496)	—	(25,508)
Shares issued under employee share plans	19	3,084	(2,683)	—	—	401
Shares issued under employee share purchase plan	20	2,587	—	—	—	2,587
Share-based compensation expense	20	—	3,976	—	—	3,976
Share buyback tax		(416)	—	—	—	(416)
Change in obligation related to share repurchase	19	355	—	—	—	355
Balance September 30, 2025		**220,345**	**7,312**	**84,360**	**9,264**	**321,281**

	Notes	Issued capital	Contributed surplus	Retained earnings	Other Comprehensive Income	Total
		$	$	$	$	$
Balance October 1, 2023		**225,540**	**4,856**	**96,859**	**1,117**	**328,372**
Net profit and comprehensive income		—	—	11,180	2,604	13,784
Dividend paid ($1.12 per share)		—	—	(13,351)	—	(13,351)
Share repurchase	19	(2,249)	—	(3,420)	—	(5,669)
Shares issued under employee share plans	19	2,684	(3,018)	—	—	(334)
Share issued through acquisition	26	77	—	—	—	77
Shares issued under employee share purchase plan	20	2,770	—	—	—	2,770
Share-based compensation expense	20	—	4,181	—	—	4,181
Change in obligation related to share repurchase	19	(3,075)	—	—	—	(3,075)
Balance September 30, 2024		**225,747**	**6,019**	**91,268**	**3,721**	**326,755**

The accompanying notes are an integral part of the audited annual consolidated financial statements.

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 defence, aerospace, satellite communications (satcom), health, learning, security, engineering, AgTech, and IT.

Statement of compliance

These consolidated financial statements are expressed in Canadian dollars and have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and in place for September 30, 2025. These consolidated financial statements were prepared using the accounting policies as described in note 2 - Material Accounting Policies.

These consolidated financial statements were approved by the Board of Directors on November 25, 2025.

2. Material Accounting Policies

Basis of consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries Calian Ltd., located in Ottawa, Ontario, Primacy Management Inc. ("Primacy"), located in Burlington, Ontario, Calian Agriculture Ltd., located in Regina, Saskatchewan, SatService Gesellschaft für Kommunikationssysteme mbH ("SatService"), located in Steisslingen, Germany, Calian Contract Research Organization Ltd., located in Ottawa, Ontario, Calian Patient Support Programs Ltd., located in Ottawa, Ontario, Calian Europe AS, located in Stavanger, Norway, Calian Global Navigation Satellite System Inc. ("GNSS"), located in Ottawa, Ontario, Calian Antenna Solutions Inc., located in Vaudreuil-Dorion, Quebec, Calian Digital Solutions Ltd., located in Toronto, Ontario, Calian Operational and Training Technologies Solutions Ltd. ("COTTS"), located in Ottawa, Ontario, Calian Corp., located in Houston, Texas, Calian Pacific Teleport Ltd. ("CPT"), located in Kapolei, Hawaii, Decisive Technologies Inc. ("Decisive"), located in Ottawa, Ontario, Calian UK Ltd., located in Fareham, England, and Advanced Medical Solutions Inc. ("AMS"), located in Yellowknife, North West Territories. All transactions and balances between these companies have been eliminated on consolidation.

Basis of presentation

The consolidated financial statements are presented at historical cost unless otherwise noted. Historical cost is generally based on the fair value of the consideration given in exchange for the asset or liability.

Revenue recognition

The Company recognizes revenue from the following sources, although this list is not exhaustive:

2. Material Accounting Policies *(continued)*

Service revenue

- Advanced Technologies support services across a number of industries, and product development
- Healthcare services including clinic management, healthcare practitioner support, rapid response healthcare support, clinical research, psychological assessments, air and ground ambulance.
- Learning services including Custom Training for the military, emergency preparedness and simulation training
- IT services including IT support, systems implementation services, cyber security consulting and cyber security monitoring

Product revenue

- Sale of internally developed hardware and software products used in many applications across multiple industries
- Licensing of internally developed Healthcare software products
- Resale of IT product which can include hardware and software
- Manufacturing and installation of large satellite antennae ground systems
- Licensing of cyber product solutions

(a) Revenue recognition:

Revenue is recognized in profit or loss in accordance with the pattern of satisfying the Company's performance obligations under a contract. This satisfaction occurs when control of a good or service transfers to the customer. In the majority of the Company's fixed price contracts, the customer controls the work in process as evidenced by the right to payment for work performed to date plus a reasonable profit to deliver products or services that do not have an alternative use to the Company. Based on the nature of these contractual arrangements, control is transferred over time and revenue is recognized over time.

For the majority of fixed price revenue for the Company, for each performance obligation satisfied over time, the Company will recognize revenue by measuring progress toward complete satisfaction of that performance obligation using the input method. In this way, the Company recognizes revenue in a pattern that reflects the transfer of control of the promised goods or services to the customer. Fixed price contracts are recognized using the input method with reference to costs incurred. For a select few projects, the Company will recognize revenue by measuring progress toward complete satisfaction of that performance obligation using the output method. Revenue from cost plus arrangements is recognized as services are performed and costs are incurred.

Revenue from generic product sales, or product that does not meet criteria for over time recognition is measured at a point in time following the transfer of control of such products to the customer, which typically occurs upon shipment or delivery depending on the terms of the underlying contracts. For certain contracts, the Company does not have control of the product prior to delivery to the customer. In this case, the Company is the agent in the arrangement and revenue is recognized net of cost of sales.

Revenue from change orders or purchase orders issued on contracts, will be recognized to the extent that they have been approved by the customer and the amount can be measured reliably.

2. Material Accounting Policies *(continued)*

For a portion of customer arrangements, the customer contracts with the Company to provide a significant service of integrating a complex set of tasks and components into a single project or capability (even if that single project results in the delivery of multiple units). The Company therefore considers that the entire contract results in the delivery of a single performance obligation. For other customer arrangements across the portfolio contracts, the Company may promise to provide distinct goods or services within a contract in which case the contract is separated into the associated performance obligations as assessed from the customer's perspective. If a contract contains multiple performance obligations, the Company allocates the total transaction price to each performance obligation in an amount based on the estimated relative standalone selling prices of the promised goods or services underlying each performance obligation. When the Company is contracted to construct customer specific projects, the budgets and overall transaction prices are built up using the Company's best estimate of costs associated to complete the customized project using the appropriate overhead and subcontractor rates for a given project and location. This approach to estimate the overall costs and associated revenues is considered the most appropriate assessment of the standalone selling price for the associated performance obligations.

In certain contracts for products, the Company may agree to provide warranty and maintenance services for periods that can extend up to 5 years. Warranty and maintenance are often included in the transaction price and is an after-sales service. Upon expiration, the warranty period may be extended at the customer's option. Regardless of whether a renewal option exists in a contract, the Company does not account for a renewal option until this option is agreed upon. This is subsequently accounted for at the agreed upon price on renewal. Consequently, the option to extend the renewal period does not provide customers with any advantage when they enter into the initial contract and therefore no revenue has been deferred relating to this renewal option.

The maintenance or warranty service is considered to be a distinct service when it is both regularly supplied by the Company to other customers on a stand-alone basis and is available for customers from other providers in the market. When these criteria are met, the warranty is considered a service type warranty where a portion of the transaction price is allocated to the maintenance services based on the stand-alone selling price of those services. Revenue relating to the maintenance services is recognized over time as the service is provided and incurs warranty costs over the satisfaction of the performance obligation. Assurance type warranties are those that promise to the customer that the delivered product will function as intended and will comply with agreed-upon specifications. Assurance type warranty costs are recognized as a provision in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, based on the progress of the other performance obligations in the contract, and the provision recognized is reduced as costs are incurred or reversed if no longer required.

If estimated total costs on any contract, including any inefficient costs, are greater than the net contract revenues, IFRS15, Revenue from Contracts with Customers indicates IAS37, Provisions, Contingent Liabilities and Contingent Assets, is applied as the contract is considered onerous. IAS37 however contains no further requirements as to the measurement of onerous contracts. All loss provisions for contracts with customers follow the same policy for the definition of unavoidable costs to fulfilling the contract. The Company defines unavoidable costs as the costs that the Company cannot avoid because it has the contract (for example, this would include an allocation of overhead costs if those costs are incurred for activities required to complete the contract).

(b) Contract assets and liabilities

Any excess of costs and estimated earnings over progress billings on contracts is carried as a contract asset in the financial statements. Any excess of progress billings over earned revenue on construction contracts is carried as a contract liability in the financial statements. Contract assets and liabilities (or "work in process" and "unearned contract revenue", respectively) are reported in a net position on a contract-by-contract basis at the end of each reporting period.

Calian Group Ltd.
Notes to the consolidated financial statements
For the years ended September 30, 2025 and 2024 (Canadian dollars in thousands, except per share amounts)

2. Material Accounting Policies *(continued)*

(c) Provisions:

Provisions are recognized when, at the financial statement date, the Company has a present obligation as a result of a past event, and it is more likely than not that the Company will be required to settle that obligation and the cash outflow can be estimated reliably. The amount recognized for provisions is the best estimate of the expenditure to be incurred. Provisions are measured at their present value.

Provisions include:

i. Provisions for potential warranty claims relating to construction projects. These claims are usually settled during the project's warranty period. A provision is recognized when it is more likely than not that a warranty claim will arise. The amount recognized is the best estimate of the amount required to settle the warranty issue.

ii. Provisions for loss contracts are recorded when costs are determined to be greater than total revenues for the contract. Losses from any construction contracts are recognized in full in the period the loss becomes apparent. The loss provision will be net of management's estimate of probable expected recoveries, which differs from the criterion used for revenue recognition.

iii. Provisions for legal claims arising from normal course of business. A provision is recognized for legal disputes when it is more likely than not that a payment will arise. The amount recognized is the best estimate of the amount required to settle the claim.

Share-based compensation

The Company has a stock option plan for executives and other key employees. The Company measures and recognizes compensation expense based on the grant date fair-value of the stock options issued using the Black-Scholes pricing model. The offsetting credit is recorded in contributed surplus. Each tranche of an award is considered a separate award with its own vesting period and grant date fair value. Compensation expense for each tranche is recorded on a straight-line basis over the vesting period based on the Company's estimate of share options that will ultimately vest. At each reporting period, the Company revises its estimate of the stock options expected to vest. The impact on the change in estimate, if any, is recognized over the remaining vesting period. Consideration paid by employees on the exercise of options and related amounts of contributed surplus are recorded as issued capital when the shares are issued.

The Company has a restricted share unit plan for executives and other key employees. The Company measures and recognizes compensation expense based on the grant date fair-value of the units issued using the market value based on the price at the date preceding the grant. The offsetting credit is recorded in contributed surplus. Each tranche of an award is considered a separate award with its own vesting period and grant date fair value. Compensation expense for each tranche is recorded on a straight-line basis over the vesting period based on the Company's estimate of units that will ultimately vest. At each reporting period, the Company revises its estimate of the units expected to vest. The impact on the change in estimate, if any, is recognized over the remaining vesting period.

The Company has an employee stock purchase plan available to all employees of the Company. The plan provides for a discount to the fair market value at the date the shares are issued. Compensation expense representing the discount is recorded as expense with an offsetting amount to issued capital.

The Company has compensation units that are to be settled in cash but are tied to the value of the share price of the Company. At each reporting period end the Company values the fair market value of the units outstanding through use of the Black-Scholes method.

2. Material Accounting Policies *(continued)*

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company has elected to apply the practical expedient to account for each lease component and any non-lease components as a single lease component. The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The assets are depreciated to the earlier of the end of the useful life of the right-of-use asset, or the lease term using the straight-line method as this most closely reflects the expected pattern of consumption of the future economic benefits. The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise that option.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability. The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Company has elected to apply the practical expedient not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in net profit, except when it relates to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Current tax

The tax currently payable is based on taxable income for the period using tax rates enacted or substantively enacted as at each reporting period and any adjustments to tax payable related to previous years. Taxable profit differs from profit as reported in the consolidated statement of net profit because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

2. Material Accounting Policies *(continued)*

Deferred tax

Deferred tax is recognized using the balance sheet method, providing for differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding tax bases used for taxation purposes calculated using the tax rates in effect when the differences are expected to reverse.

Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences, and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting period and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates that have been enacted or substantively enacted at each reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Inventory

Inventory is recorded at the lower of cost or net realizable value. GNSS inventory is calculated using the FIFO method. All remaining inventory is calculated using the weighted average cost method. Write-downs are taken for excess and obsolete inventory and for a reduction in the carrying value of inventory through the cost of revenues line in the statement of net profit to reflect realizable value based on current cost, production and sales estimates. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

2. Material Accounting Policies *(continued)*

Capitalized Research and Development ("R&D")

Research costs are expensed as incurred. Internally developed internal-use asset costs are capitalized once a project has progressed beyond a conceptual, preliminary stage to that of development. Development costs that are directly attributable to the design and testing of identifiable assets controlled by the Company are recognized as assets when the following criteria are met:

- it is technically feasible to complete the asset so that it will be available for use or sale;
- there is an ability and management intends to complete the asset for use;
- it can be demonstrated how the asset will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the asset are available; and
- the expenditure attributable to the asset during its development can be reliably measured.

Costs that qualify for capitalization include both internal and external costs, but are limited to those that are directly related to the specific project. Capitalized development expenditure is measured at cost less accumulated amortization. Amortization is recognized in net profit over the estimated useful life of the underlying assets.

Capitalized R&D is measured at cost and depreciated over the useful life of the assets which is determined to be five years. Costs include expenditures that are directly attributable to its construction.

Equipment

Equipment, comprising furniture, computer equipment, along with leasehold improvements, and buildings, are stated at cost less accumulated depreciation and impairment losses, if any. The carrying value is net of any related government assistance and investment tax credits, if applicable. Depreciation is recognized in net profit on a straight-line basis over the estimated useful lives of the assets. Leasehold improvements are amortized on a straight-line basis over the term of the leases. The estimated useful lives are as follows:

- Equipment: 3 to 13 years
- Building: 20 years

The estimated useful lives, residual values and depreciation methods are reviewed annually, with the effect of any changes in estimate accounted for on a prospective basis.

Application software

Application software is measured at cost less accumulated depreciation and is amortized on a straight-line basis over its estimated useful life not exceeding ten years. The amortization method and estimate of useful lives are reviewed annually.

2. Material Accounting Policies *(continued)*

Acquired intangible assets

Acquired intangible assets are measured at cost less accumulated amortization. Amortization is recognized in net profit over the estimated useful lives of the underlying assets. The estimated useful lives are as follows:

- Customer relationships: 3 to 14 years
- Contracts with customers: 3 to 5 years
- Non-competition agreements: 2 to 5 years
- Technology and Trademarks: 2 to 9 years

The estimated useful lives, residual values and depreciation methods are reviewed annually, with the effect of any changes in estimate accounted for on a prospective basis.

Impairment of equipment, application software and intangible assets

At each reporting period, management reviews the carrying amounts of its equipment, application software and acquired intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, management estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units.

The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Impairment of goodwill

Goodwill arising on the acquisition of a business represents the excess of the purchase consideration over the fair value of the identifiable assets, liabilities and contingent liabilities of the acquired business at the acquisition date. Goodwill is initially recognized at cost and subsequently measured at cost less accumulated impairment losses.

For impairment testing purposes, goodwill is allocated to the cash-generating units ("CGUs") or groups of CGUs that are expected to benefit from the synergies of the related acquisition. These CGUs or groups of CGUs are tested for impairment annually, or earlier if events or changes in circumstances indicate that their carrying amounts may not be recoverable.

If the recoverable amount of a CGU or group of CGUs is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of goodwill. Any remaining impairment loss is then allocated on a pro-rata basis to the other assets of the CGU. Impairment losses recognized for goodwill cannot be reversed in future periods.

The Company determines recoverable amounts as the higher of fair value less costs of disposal and value in use. The annual impairment test is performed each year as at September 30.

For the years ended September 30, 2025 and 2024 (Canadian dollars in thousands, except per share amounts)

2. Material Accounting Policies *(continued)*

For impairment testing purposes, CGUs are grouped in accordance with the Company's reporting segments, as disclosed in note 24. The goodwill allocated to each segment as at September 30, 2025 is as follows:

	Advanced Technologies	Health	Learning	ITCS
	$	$	$	$
Goodwill	52,567	24,118	32,400	115,398

For the year ended September 30, 2025, the Company applied a value-in-use methodology for the Advanced Technologies, Health, and Learning segments. Key assumptions used in estimating recoverable amounts included discount rates of 10.5%, mid term growth rates of 10%, terminal growth rates of 3%, after tax cash flows and forecast capital expenditures.

For the ITCS segment, the Company used a fair value less costs of disposal approach. In estimating fair value, the Company applied a market multiple to estimated earnings less an estimate of the costs of disposal. Market multiples, which are Level 3 inputs, reflected current market conditions and were based on recent transactions involving comparable companies in terms of nature, size, geography, profit margins and historical growth. Observed market multiples for recent transactions ranged from 10× to 11× of estimated earnings.

As at September 30, 2025, management concluded that the recoverable amounts of all CGUs exceeded their carrying values, and no impairment of goodwill was required. Management believes that reasonably possible changes in key assumptions would not result in the carrying amounts exceeding recoverable amounts for the Advanced Technologies, Health and Learning segments. However, deterioration in market multiples (from the lower end of the market multiple range) or estimated earnings for the ITCS segment of greater than 9% would result in a future impairment charge.

Business acquisition

Business acquisitions are accounted for using the acquisition method. The consideration transferred in a business combination is measured at estimated fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, and liabilities incurred by the Company to the former owners of the acquiree in exchange for control of the acquiree. Acquisition-related costs are expensed in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognized at their estimated fair value, except that deferred tax assets or liabilities are recognized and measured in accordance with IAS 12 Income Taxes.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the estimated fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed. If the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the estimated fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

2. Material Accounting Policies *(continued)*

When the consideration transferred by the Company in a business combination includes a payment subject to the retention of the principal shareholders or employees, the amount is deemed to represent deferred compensation payable to such individuals and therefore is excluded from the total consideration of the purchase, and is expensed on a straight-line basis over the retention period in the Company's consolidated statement of net profit as deemed compensation related to acquisitions.

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date estimated fair value and included as part of the consideration transferred in a business combination. Changes in the estimated fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date. Changes in the estimated fair value of the contingent consideration outside of the measurement period are adjusted prospectively against changes in fair value in the statement of net profit.

Foreign currency translation

Transactions in currencies other than the Company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. At each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at each reporting period. Non-monetary items which are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognized in net profit in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currencies (see "Hedge accounting" material accounting policy below).

The functional currency of the parent company and its subsidiaries is the Canadian dollar, except for Calian Corp. and Calian Pacific Teleport which are in USD, SatService which is in Euro, Calian Europe which is in Norwegian Krone, and Calian UK which is in Pound Sterling.

Financial instruments

All financial assets are recognized and de-recognized on trade date. The classification of financial assets depends on the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2. Material Accounting Policies *(continued)*

The Company's financial assets are classified as follows:

Cash	Amortized cost
Accounts receivable	Amortized cost
Investments	Fair value through profit and loss
Derivative assets	Fair value through other comprehensive income ("OCI")

Amortized cost

Subsequent to initial recognition, financial assets at amortized cost are measured using the effective interest method, less any impairment. Interest income is recognized by applying the effective interest rate except for accounts receivable, where the interest income would be immaterial. Interest income, foreign exchange gains and losses, and impairment and any gain or loss on de-recognition are recognized in profit and loss.

Impairment of financial assets

The company measures a loss allowance based on the lifetime expected credit losses. Lifetime expected credit losses are estimated based on factors such as the Company's past experience of collecting payments, observable changes in national or local economic conditions that correlate with default on receivables, financial difficulties of the borrower, and it becoming probable that the borrower will enter bankruptcy or financial re-organization. Financial assets are written off when there is no reasonable expectation of recovery.

Financial liabilities

The Company determines the classification of its financial liabilities at initial recognition. The Company's financial liabilities are as follows:

Debt facility	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Contingent earn-out	Fair value through profit and loss
Provisions	Amortized cost
Lease obligations	Amortized cost
Derivative liabilities	Fair value through OCI

Fair value hierarchy

The Company's fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy are:

Level 1 values are based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

2. Material Accounting Policies *(continued)*

Level 2 values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3 values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

When the inputs used to measure fair value fall within more than one level of the hierarchy, the level within which the fair value measurement is categorized is based on the Company's assessment of the lowest level input that is the most significant to the fair value measurement.

Derivative financial instruments and risk management

The Company enters into derivative financial instruments, mainly foreign exchange forward contracts to manage its foreign exchange rate risk. The Company's policy does not allow management to enter into derivative financial instruments for trading or speculative purposes. Foreign exchange forward contracts are entered into to manage the foreign exchange rate risk on foreign denominated financial assets and liabilities and foreign denominated forecasted transactions.

Derivatives are initially recognized at fair value at the date a derivative contract is entered into with transaction costs recognized in profit and loss. Derivatives are subsequently re-measured to their fair value at each reporting period. The resulting gain or loss is recognized in net profit immediately unless the derivative is designated and effective as a hedging instrument, in which event the effective portion of changes in the fair value of the derivative is recorded in other comprehensive income and is recognized in net profit when the hedged item affects net profit. The Company expenses transaction costs related to its foreign exchange contracts. Fair value of the forward exchange contracts reflects the cash flows due to or from the Company if settlement had taken place at the end of the period. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realized or settled within 12 months.

Hedge accounting

Management designates its foreign exchange forward contracts as either hedges of the fair value of recognized assets or liabilities (fair value hedges) or hedges of highly probable forecast transactions and firm commitments (cash flow hedges).

At the inception of the hedge relationship, the Company documents the relationship between the hedging instruments and the hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. Furthermore, both at the hedge's inception and on an on-going basis, the Company also assesses whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items. Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in net profit immediately, together with any changes in the fair value of the hedged item that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognized in the line of the income statement relating to the hedged item.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognized immediately in net profit, and is included in other gains and losses, if any. Amounts deferred in other comprehensive income are recycled in net profit in the periods when the hedged item is recognized in net profit, in the same line of the consolidated statement of net profit as the recognized hedged item.

2. Material Accounting Policies *(continued)*

Hedge accounting is discontinued when management revokes the hedging relationship; the hedging instrument is terminated or no longer qualifies for hedge accounting. For fair value hedges, the adjustment to the carrying amount of the hedged item arising from the hedged risk is amortized to net profit from that date. For cash flow hedges, any cumulative gain or loss deferred in other comprehensive income at that time remains in other comprehensive income and is recognized when the forecast transaction is ultimately recognized in net profit. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in other comprehensive income is recognized immediately in net profit.

Note 25 sets out details of the fair values of the derivative instruments used for hedging purposes. Movements in the hedging reserve in equity are also detailed in the consolidated statement of changes in equity.

3. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

Estimates:

The preparation of financial statements in conformity with IFRS requires the Company's management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosure of contingent liabilities and provisions including warranty claims, loss contracts and legal claims 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.

Project completion for revenue

The Company enters into fixed-price contracts which can extend over more than one reporting period. Revenue from these fixed-price projects is recognized over time using the input method using management's best estimate of the costs and related risks associated with completing the projects. Management's approach to revenue recognition is tightly linked to detailed project management processes and controls. The information provided by the project managers combined with a knowledgeable assessment of technical complexities and risks are used in estimating the percentage complete. Specifically for the Advanced Technologies fixed-price contracts, there is significant judgement and estimation uncertainty in determining the estimated costs to complete, including materials, labour and subcontractor costs.

Impairment of goodwill and intangible assets

Determining whether goodwill or acquired intangible assets are impaired requires an estimation of the recoverable amount of the cash-generating units of groups of cash-generating units. This was assessed through the higher of the value in use calculation and fair value less cost of disposal. The value in use calculation requires management to estimate the future cash flows expected to arise from the cash-generating unit or groups of cash-generating units, and a suitable discount rate in order to calculate the present value. The fair value less cost of disposal calculation requires estimates on earnings and market multiples.

Income taxes

The Company records deferred income tax assets and liabilities related to deductible or taxable temporary differences. The Company assesses the value of these assets and liabilities based on the likelihood of the realization as well as the timing of reversal given management assessments of future taxable income.

3. Critical Accounting Judgments and Key Sources of Estimation Uncertainty *(continued)*

Intangible asset useful life

Determining the useful life of acquired intangible assets requires management to estimate the period in which the intangible assets are expected to generate future cash flows for the Company.

Judgments:

Business combinations

The consideration transferred for an acquired business is assigned to the identifiable tangible and intangible assets purchased, along with liabilities assumed on the basis of their acquisition date estimated fair values. The identification of assets purchased and liabilities assumed and the valuation thereof can require specialized skills and knowledge. Where appropriate, the Company engages external business valuators to assist in the valuation of tangible and intangible assets acquired.

When a business combination involves contingent consideration, an amount equal to the estimated fair value of the contingent consideration is recorded as a liability at the time of acquisition and is measured at the estimated fair value at each reporting period. The key assumptions utilized in determining estimated fair value of contingent consideration may include probabilities associated with the occurrence of specified future events, financial projections of the acquired business including forecasted revenue and EBITDA, the timing of future cash flows, cash flow volatility and the appropriate discount rate.

As at September 30, 2025, the Company had significant estimates relating to the earn-out liability for the acquisition of Hawaii Pacific Teleport ($7,343) and Mabway ($3,116) and AMS ($4,847). See notes 26 and 28 for further information.

Deferred income taxes

The Company's accounting policy with regards to income taxes is described in note 2. In applying this policy, judgments are made in determining the probability of whether deductions or tax credits can be utilized and related timing of such items.

Provisions

Provisions are recognized when, at the financial statement date, the Company has a present obligation as a result of a past event, and it is more likely than not that the Company will be required to settle that obligation and the cash outflow can be estimated reliably. Using best judgment, the amount recognized for provisions is an estimate of the expenditure to be incurred. Provisions are measured at their present value.

Non-current assets held for sale

The Company uses judgment in determining whether long term assets meet the criteria to be considered held for sale. This includes whether an asset is available for immediate sale in its present condition and that a sale is highly probable.

4. 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.

5. Cash and Cash Equivalents

The following table presents cash and cash equivalents by currency including the Canadian dollar ("CAD"), US Dollar ("USD"), Pound sterling ("GBP"), European Euro ("EUR") and Norwegian Krone ("NOK"):

	Local Currency	Foreign Exchange	Presentation Currency
		$	$
CAD	11,819	1.00	11,819
USD	11,478	1.39	15,979
GBP	4,964	1.87	9,284
EUR	3,782	1.63	6,176
NOK	20,365	0.14	2,843
Total cash and cash equivalents September 30, 2025			46,101
CAD	1,193	1.00	1,193
USD	25,691	1.39	35,652
GBP	4,660	1.81	8,432
EUR	2,233	1.52	3,391
NOK	24,000	0.13	3,120
Total cash and cash equivalents September 30, 2024			51,788

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6. Accounts Receivable

The following table presents the trade and other receivables as at:

	September 30, 2025	September 30, 2024
	$	$
Trade and accounts receivable	159,861	151,023
Tax and Scientific Research and Development receivable	11,777	6,064
Other	270	1,353
	171,908	158,440
Loss Allowance	(758)	(1,064)
	171,150	157,376

Bad debt expense recognized in selling, general and administrative expenses in the year ended September 30, 2025 (2024) is $764 ($890).

7. Inventory

The following table presents inventories as at:

	September 30, 2025	September 30, 2024
	$	$
Raw materials	18,306	16,111
Work in process inventory	3,436	3,253
Finished goods	5,967	3,835
	27,709	23,199

Inventory recognized as cost of revenues in the year ended September 30, 2025 (2024) is $45,452 ($49,746). Inventory provisions recognized in cost of revenues in the year ended September 30, 2025 (2024) is $1,026 ($494).

For the years ended September 30, 2025 and 2024 (Canadian dollars in thousands, except per share amounts)

8. Prepaid Expenses

The following table presents prepaid expenses as at:

	September 30, 2025	September 30, 2024
	$	$
Prepaid maintenance	10,429	18,690
Prepaid commissions	6,572	5,524
Other prepaid expenses	11,991	7,584
	28,992	31,798
Current	22,977	23,978
Non-current	6,015	7,820
	28,992	31,798

9. Contract Assets and Liabilities

The following table presents net contract liabilities as at:

	Net Contract Liabilities	
	September 30, 2025	September 30, 2024
	$	$
Work in process	25,028	20,437
Unearned contract revenue (current)	(39,646)	(41,723)
Unearned contract revenue (non-current)	(14,704)	(14,503)
Net contract liabilities	(29,322)	(35,789)

The following table presents changes in net contract liabilities for year ended September 30, 2025, and year ended September 30, 2024:

	Changes in Net Contract Liabilities	
	September 30, 2025	September 30, 2024
	$	$
Opening balance, October 1	(35,789)	(31,435)
Revenue recognized for net contract liabilities	146,345	126,970
Billings	(139,878)	(125,088)
Acquisitions (Note 26)	—	(6,236)
Ending balance	(29,322)	(35,789)

10. Property, Plant and Equipment

A continuity of the main components included in property, plant and equipment for the year ended September 30, 2025 is as follows:

	Cost				Depreciation		Carrying Value	
	Cost	Additions/ Disposals	Acquisitions (Note 26)	Total	Depreciation	Accumulated Depreciation	September 30, 2025	September 30, 2024
	$	$	$	$	$	$	$	$
Leasehold improvements	5,075	81	100	5,256	(252)	(3,272)	1,984	2,031
Land and Building	2,276	34	3,985	6,295	(51)	(79)	6,216	2,248
Equipment	62,681	8,132	893	71,706	(8,928)	(45,566)	26,140	26,156
Application software	15,838	1,045	45	16,928	(1,454)	(8,546)	8,382	8,775
Capitalized research and development	5,139	1,416	—	6,555	(84)	(4,905)	1,650	319
Intellectual property rights	1,482	—	—	1,482	(296)	(346)	1,136	1,433
Total	92,491	10,708	5,023	108,222	(11,065)	(62,714)	45,508	40,962

Additions in the table above are net of disposals in the amount of $88 ($108) for the year ended September 30, 2025 (2024). The Company recognized foreign exchange of $138 ($179) in the cost and ($149) (($226)) in the accumulated depreciation of equipment in the year ended September 30, 2025 (2024).

11. Right of Use Assets and Lease Obligations

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

	Years ended	
	September 30, 2025	September 30, 2024
	$	$
Balance at October 1	36,383	34,637
Additions	8,992	6,190
Disposals and foreign exchange adjustments	342	(695)
Depreciation	(7,016)	(6,043)
Acquisitions (Note 26)	1,085	2,294
	39,786	36,383

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.

For the years ended September 30, 2025 and 2024 (Canadian dollars in thousands, except per share amounts)

11. Right of Use Assets and Lease Obligations *(continued)*

The following table presents lease obligations for the Company:

	Years ended	
	September 30, 2025	September 30, 2024
	$	$
Balance at October 1	39,443	37,006
Additions	8,954	6,116
Disposals and foreign exchange adjustments	380	(621)
Principal and interest payments	(8,521)	(7,098)
Lease interest expense	2,112	1,809
Acquisitions (Note 26)	1,085	2,231
	43,453	39,443
Current	5,819	5,645
Non-current	37,634	33,798
Total	43,453	39,443

The following table presents the contractual undiscounted cash flows for lease obligations as at September 30, 2025:

	Total Undiscounted Lease Obligations
	$
Less than one year	7,469
One to five years	22,949
More than five years	25,188
Total undiscounted lease obligations	55,606

Total cash outflow for leases in the year ended September 30, 2025 (2024) is $8,521 ($7,098) , including principal payments relating to lease obligations of $6,409 ($5,289), interest expense on lease obligations is $2,112 ($1,809). Expenses relating to short-term leases recognized in general and administration expenses was $154 ($152) for the year ended September 30, 2025 (2024).

12. Investments

Cliniconex Inc., is an Ottawa-based patient outreach solutions vendor. During the years of 2017 to 2020, the Company invested a total $569 in common and preferred shares of the Company, representing a minority interest. The Company recognizes the investment at fair value and has adjusted its common and preferred shares to the most recent fair value, resulting in a gain of $101 recognized in fiscal 2020.

During the period ended September 30, 2023, the Company invested $2,000 USD ($2,689) to acquire a minority interest in preferred shares of Field Effect Software Inc. ("Field Effect"). Field Effect is Ottawa based and provides cyber security solutions. At September 30, 2024 the carrying value was $3,205. The Company recognizes this investment at fair value and has recognized a gain of $377 ($202) in the year ended September 30, 2025 (2024).

13. Acquired Intangible Assets

A continuity of the acquired intangible assets for the year ended September 30, 2025 is as follows:

	September 30, 2025				
	Opening Balance	Additions (Note 26)	Amortization	Foreign Exchange Revaluation	Closing Balance
	$	$	$	$	$
Customer relationships	118,482	6,100	(23,549)	1,095	102,128
Discrete contracts with customers & non-competition agreements	1,862	—	(1,791)	—	71
Technology and trademarks	7,909	—	(3,275)	—	4,634
	128,253	6,100	(28,615)	1,095	106,833

In the year ended September 30, 2025 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.

In the year ended September 30, 2025, the Company conducted a comprehensive review of its intangible assets and determined that the estimated useful life of certain assets required revision. Consequently, the amortization period for certain assets has been revised to reflect a revised assessment of their expected economical benefits. The adjustment is considered a change in accounting estimate, which is applied prospectively. The impact of the change on the amortization expense increased by $1,212 for the year ended September 30, 2025.

For the years ended September 30, 2025 and 2024 (Canadian dollars in thousands, except per share amounts)

13. Acquired Intangible Assets *(continued)*

A continuity of the acquired intangible assets for the year ended September 30, 2024 is as follows:

	September 30, 2024				
	Opening Balance	Additions Note (26)	Amortization	Foreign Exchange Revaluation	Closing Balance
	$	$	$	$	$
Customer relationships	60,624	77,030	(20,117)	945	118,482
Discrete contracts with customers & non-competition agreements	4,016	—	(2,154)	—	1,862
Technology and trademarks	10,520	856	(3,467)	—	7,909
	75,160	77,886	(25,738)	945	128,253

14. Depreciation and Amortization

The following table presents the depreciation and amortization for the Company for the year ended September 30, 2025 (2024):

		Year ended September 30,	
	NOTES	2025	2024
		$	$
Depreciation of property, plant and equipment	10	11,065	10,048
Depreciation of right of use assets	11	7,016	6,043
Amortization of acquired intangible assets	13	28,615	25,738
		46,696	41,829

15. Goodwill

The following table presents the goodwill for the Company for the year ended September 30, 2025:

	September 30, 2025
	$
Opening balance, October 1	210,392
Additions:	
Acquisition of AMS	11,266
Adjustments:	
Foreign Exchange	2,825
	224,483

15. Goodwill *(continued)*

In the year ended September 30, 2025 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.

There were no changes to the Company's identified cash generating units (CGUs) in the years ended September 30, 2025 or 2024.

The following table presents the goodwill for the Company for the year ended September 30, 2024:

	September 30, 2024
	$
Opening balance, October 1	159,133
Additions:	
Acquisition of Decisive	29,959
Acquisition of MDA Nuclear Division	1,039
Acquisition of Mabway	16,159
Adjustments:	
Acquisition of Hawaii Pacific Teleport	2,767
Foreign Exchange	1,335
	210,392

16. Accounts Payable and Accrued Liabilities

The following table presents the accounts payable and accrued liabilities for the Company as at:

	September 30, 2025	September 30, 2024
	$	$
Trade accounts payable	98,208	89,928
Payroll accruals	24,919	24,575
Income tax payable	1,592	4,982
Other accruals	8,377	5,399
	133,096	124,884

17. Provisions

Changes in provisions for the year ended September 30, 2025 were as follows:

	Product Warranties	Restructuring Expense	Other	Total
	$	$	$	$
Balance as October 1, 2024	1,370	1,631	74	3,075
Additions	1,466	2,492	533	4,491
Utilization/Reversals	(978)	(3,130)	—	(4,108)
Balance at September 30, 2025	1,858	993	607	3,458

Changes in provisions for the year ended September 30, 2024 were as follows:

	Product Warranties	Restructuring Expense	Other	Total
	$	$	$	$
Balance as October 1, 2023	1,335	1,395	118	2,848
Additions	1,449	2,360	—	3,809
Utilization/Reversals	(1,414)	(2,124)	(44)	(3,582)
Balance at September 30, 2024	1,370	1,631	74	3,075

18. Debt Agreement

On September 29, 2025, the Company signed an amended debt facility that provides the Company with the ability to draw up to $200,000 CAD and an accordion feature of up to $150,000 CAD. The agreement has a three year term, which will mature on September 29, 2028. At September 30, 2025 (September 30, 2024), the Company utilized $130,750 ($89,750) 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 September 30, 2025 the Company is in compliance with all applicable covenants under the debt facility.

Changes in debt for the year ended September 30, 2025 (2024) were as follows:

	2025	2024
	$	$
Balance October 1,	89,750	37,750
Draws	186,750	212,000
Repayments	(145,750)	(160,000)
Balance September 30,	130,750	89,750

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19. 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 September 30, 2025.

Common shares issued and outstanding:

	September 30, 2025		September 30, 2024	
	Shares	Amount	Shares	Amount
		$		$
Balance October 1	11,802,364	225,747	11,812,650	225,540
Shares issued under employee share plans	55,561	3,084	53,264	2,684
Shares issued under employee share purchase plan	54,851	2,587	50,566	2,770
Shares issued through acquisition	—	—	1,132	77
Shares repurchased	(562,608)	(11,012)	(115,248)	(2,249)
Change in obligation related to share repurchase	—	355	—	(3,075)
Share buyback tax	—	(416)	—	—
Issued capital	**11,350,168**	**220,345**	**11,802,364**	**225,747**

On September 1, 2024, the Company entered into a normal course issuer bid ("NCIB") where the Company was approved to purchase up to 995,904 shares during the 12-month period commencing September 1, 2024 and ending August 31, 2025. On September 1, 2025, the Company renewed the NCIB plan, approving the Company to purchase up to 796,283 shares during the 12-month period commencing September 1, 2025 and ending August 31, 2026. During the year ended September 30, 2025 (2024), the Company repurchased and cancelled 562,608 (115,248) common shares for total cash consideration of $25,508 ($5,669) at an average purchase price per share of $45.34 ($49.01).

The Company has entered into an automatic share purchase plan ("ASPP") to provide the option to instruct its broker to make purchases under the NCIB during any applicable blackout periods. As at September 30, 2025 (2024), an obligation for the repurchase of shares of $2,720 ($3,075) was recognized as an accrued liability.

Subsequent to the date of the statement of financial position, on November 25, 2025, the Company declared a dividend of $0.28 per common share payable on December 23, 2025 payable to shareholders on record as at December 9, 2025.

For the years ended September 30, 2025 and 2024 (Canadian dollars in thousands, except per share amounts)

19. 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.

20. 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 September 30, 2025 (2024), the Company can issue 260,635 (315,486) shares.

During the year ended September 30, 2025 (2024) under the 2020 Employee Share Purchase Plan, the Company issued 54,851 (50,566) shares at an average price of $47.16 ($54.79). The Company received $2,051 ($2,192) in proceeds and recorded an expense of $536 ($548).

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% (794,512) 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 September 30, 2025 (2024), the Company has 413,432 (410,371) stock options and restricted share units ("RSUs") outstanding. As a result, the Company could grant up to 381,080 (415,794) additional stock options or RSUs pursuant to the plan.

The weighted average fair value of options granted during the year ended September 30, 2025 (2024) was $9.75 ($11.05) 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 behavioral 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 3 years after vesting.

20. Share-Based Compensation *(continued)*

The following assumptions were used to determine the fair value of the options granted in the year ended September 30, 2025:

	Weighted Average Options Granted			
	September 30, 2025		September 30, 2024	
Grant date share price	$	48.77	$	52.26
Exercise price	$	48.77	$	52.26
Expected price volatility	%	27.45	%	27.21
Expected option life	yrs	3.54	yrs	3.42
Expected dividend yield	%	2.3	%	2.14
Risk-free interest rate	%	3.22	%	4.23
Forfeiture rate	%	—	%	—

The following table summarizes information about the options for the year ended September 30, 2025 (2024):

	September 30, 2025		September 30, 2024	
	Number of Options	Weighted Avg. Exercise Price	Number of Options	Weighted Avg. Exercise Price
		$		$
Outstanding October 1	220,410	57.84	212,416	56.22
Exercised	(11,000)	36.49	(19,500)	30.97
Forfeited	(96,594)	60.09	(3,644)	59.85
Granted	51,675	48.77	31,138	52.26
Outstanding September 30	164,491	55.09	220,410	57.84

For the years ended September 30, 2025 and 2024 (Canadian dollars in thousands, except per share amounts)

20. Share-Based Compensation *(continued)*

The following options are outstanding at September 30, 2025:

Option issuance:	Number of Options	Grant date	Expiry date	Exercise price	Fair value at grant date
				$	$
(1) Issued November 24, 2020	21,222	November 24, 2020	November 24, 2025	61.16	10.24
(2) Issued February 9, 2021	1,817	February 9, 2021	February 9, 2026	60.35	9.92
(3) Issued November 24, 2021	37,260	November 24, 2021	November 24, 2026	58.90	10.66
(4) Issued March 9, 2022	1,536	March 9, 2022	March 9, 2027	60.55	10.33
(5) Issued November 24, 2022	20,636	November 24, 2022	November 24, 2027	60.43	14.26
(6) Issued February 15, 2023	1,186	February 15, 2023	February 15, 2028	60.44	14.20
(7) Issued November 27, 2023	30,391	November 27, 2023	November 27, 2028	52.26	11.05
(8) Issued November 25, 2024	50,009	November 25, 2024	November 25, 2029	48.76	9.74
(9) Issued August 12, 2025	434	August 12, 2025	August 12, 2030	50.51	10.75

For the options issued on November 25, 2024, vesting occurs through to November 25, 2026. For options issued on August 12, 2025, vesting occurs through to August 12, 2027.

At September 30, 2025 (2024) the weighted average remaining contractual life of options outstanding is 2.44 (1.78) years of which 109,098 (198,192) options are exercisable at a weighted average price of $58.14 ($58.32). The Company has recorded $386 ($351) of share-based compensation expense in the year ended September 30, 2025 (2024) related to the options that have been granted. At September 30, 2025 (2024) the Company has total unrecognized compensation expense of $146 ($60) that will be recorded in the next two fiscal years.

20. Share-Based Compensation *(continued)*

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 year ended September 30, 2025:

	September 30, 2025		September 30, 2024	
	Number of RSUs	Weighted Avg. Grant Date Fair Value	Number of RSUs	Weighted Avg. Grant Date Fair Value
		$		$
Balance at October 1	189,961	58.92	191,413	59.18
Exercised	(44,561)	58.93	(33,764)	59.15
Forfeited	(11,306)	49.67	(36,195)	59.16
Granted	114,847	42.00	68,507	58.45
Outstanding September 30	248,941	51.53	189,961	58.92

20. Share-Based Compensation *(continued)*

Of the units issued in the current year under the RSU plan, 174 units have vested as of September 30, 2025. The Company has recorded $3,589 ($3,474) of share-based compensation expense in the year ended September 30, 2025 (2024) related to the RSUs that have been granted. At September 30, 2025 (2024) the Company has total unrecognized compensation expense of $1,676 ($1,990) that will be recorded over the next three years. The following unvested share-based payment arrangements are outstanding:

RSU issuance:		Number of Units	Grant date	Vest through	Fair value at grant date
					$
(1) Issued November 24, 2022	RSU	7,872	November 24, 2022	November 15, 2025	59.18
	PSU	92,582	November 24, 2022	November 15, 2025	59.18
(2) Issued February 14, 2024	RSU	684	February 14, 2024	February 14, 2027	58.68
(3) Issued February 23, 2024	RSU	2,537	February 23, 2024	February 28, 2026	59.00
(4) Issued March 15, 2024	RSU	21,579	March 15, 2024	November 15, 2026	59.00
	PSU	6,929	March 15, 2024	November 15, 2025	59.00
(5) Issued May 14, 2024	RSU	1,081	May 14, 2024	May 14, 2027	55.98
(6) Issued June 26, 2024	PSU	5,240	June 26, 2024	November 15, 2025	56.00
(7) Issued August 14, 2024	RSU	99	August 7, 2024	May 14, 2027	53.62
(8) Issued November 25, 2024	RSU	67,108	November 25, 2024	November 25, 2027	48.76
	PSU	30,762	November 25, 2024	November 25, 2025	24.44
(9) Issued February 12, 2025	RSU	2,751	February 12, 2025	February 12, 2027	50.46
	PSU	7,432	February 12, 2025	November 15, 2027	50.46
(10) Issued May 13, 2025	RSU	1,046	May 13, 2025	May 13, 2027	50.40
	RSU	739	May 13, 2025	December 31, 2025	50.40
(11) Issued August 12, 2025	RSU	500	August 12, 2025	August 12, 2028	50.51

Deferred Share Unit Plan

At September 30, 2025 (2024) the Company has 21,256 (26,119) Deferred Share Units ("DSU") outstanding, of which 21,256 (25,139) have vested. The Company recorded a general and administrative expense of $269 ($685) related to the DSUs in the year ended September 30, 2025 (2024). 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. The fair value of the DSUs outstanding at September 30, 2025 (2024) was $44.37 ($40.65) per unit using the fair value of a Common Share at period end.

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21. Revenue

The following table presents the revenue of the Company for the years ended September 30, 2025 and 2024:

	Year ended	
	September 30, 2025	September 30, 2024
	$	$
Product revenue		
Advanced Technologies	124,185	145,773
Health	1,845	1,191
Learning	7,668	8,011
ITCS	61,420	71,774
Total product revenue	195,118	226,749
Service revenue		
Advanced Technologies	85,479	62,169
Health	227,833	210,839
Learning	138,007	104,889
ITCS	127,674	141,965
Total service revenue	578,993	519,862
Total revenue	774,111	746,611

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 September 30, 2025 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:

	September 30, 2025
	$
Less than 24 months	803,427
Thereafter	191,177
Total	994,604

For the years ended September 30, 2025 and 2024 (Canadian dollars in thousands, except per share amounts)

22. Net Profit per Share

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

	Year ended September 30	
	2025	2024
Weighted average number of common shares – basic	11,580,476	11,837,520
Additions to reflect the dilutive effect of employee stock options and RSUs	73,484	93,261
Weighted average number of common shares – diluted	11,653,960	11,930,781

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 year ended September 30, 2025 (2024), 164,491 (209,410) options and 2,285 (3,209) RSUs were excluded from the above computation.

23. Income Tax

Rate Reconciliation

The following table reconciles the difference between the income taxes that would result solely by applying statutory tax rates to pre-tax income and the reported income tax expense:

	Year ended September 30	
	2025	2024
	$	$
Profit before income taxes	25,497	22,320
Tax provision at the combined basic Canadian federal and provincial income tax rate of 26.5%	6,757	5,915
Increase (decrease) resulting from:		
Items not deductible (taxable) in determining taxable profits	(2,594)	4,908
Impact of rate reductions on recognition of deferred income tax assets	343	(362)
Tax expense relating to prior year	300	337
Impact of rate differences of foreign jurisdictions	134	342
Income tax expense	4,940	11,140

23. Income Tax *(continued)*

	Year ended September 30	
	2025	2024
	$	$
Current tax		
Current year	11,516	14,680
Adjustments for prior years	447	762
Total current tax expense	11,963	15,442
Deferred tax		
Origination and reversal of temporary differences	(7,219)	(3,515)
Effect of tax rate reductions	343	(362)
Adjustments for prior years	(147)	(425)
Total deferred tax recovery	(7,023)	(4,302)
Total tax expense	4,940	11,140

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23. Income Tax *(continued)*

Deferred Income Taxes

Reconciliation of deferred tax assets and liabilities are shown below:

Net deferred tax assets (liabilities)	Equipment, application software, and right of use assets	Lease obligations	Acquired intangible assets	Bought deal costs	Cash Flow hedging reserve	Other	Total
	$	$	$	$	$	$	$
Deferred tax liability at September 30, 2023	(14,936)	9,806	(8,700)	625	99	2,041	(11,065)
Current year acquisition	2,359	—	(18,541)	—	—	1,676	(14,506)
Recovery (expensed) to statement of net profit	367	(1,020)	5,411	(427)	—	(28)	4,303
Recovery (expensed) to other comprehensive income	—	—	(274)	—	(84)	—	(358)
Other	—	—	—	—	—	(811)	(811)
Deferred tax liability at September 30, 2024	(12,210)	8,786	(22,104)	198	15	2,878	(22,437)
Current year acquisition	(250)	—	(1,617)	—	—	—	(1,867)
Recovery (expensed) to statement of net profit	(339)	1,781	5,967	(198)	—	(188)	7,023
Recovery (expensed) to other comprehensive income	—	—	—	—	72	(83)	(11)
Other	—	—	—	—	—	(6)	(6)
Deferred tax liability at September 30, 2025	(12,799)	10,567	(17,754)	—	87	2,601	(17,298)

The Company has tax non-capital losses of $2,748 (2024: $881) that are available for offsetting against future taxable profits of the companies in which the losses arose. These losses start to expire in 2043.

As at September 30, 2025 (2024), the aggregate amount of temporary differences associated with investments in subsidiaries for which the Company has not recognized deferred tax liabilities is $133,013 ($112,297) as the Company ultimately controls whether such liabilities will be incurred and it is satisfied that it will not be incurred in the foreseeable future. The temporary differences relate to undistributed earnings of subsidiaries.

24. 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 chief operating decision maker reviews adjusted EBITDA as the key measure of profit for the purposes of evaluating performance and allocating resources. Operating costs are comprised of selling, general and administrative expenses and research and development expenses.

For the year ended September 30, 2025:

For the year ended September 30, 2025	Advanced Technologies	Health	Learning	ITCS	Shared Services	Total
	$	$	$	$	$	$
Revenue	209,664	229,678	145,675	189,094	—	774,111
Cost of revenues	120,728	174,830	98,899	120,367	—	514,824
Operating costs	43,927	17,868	16,444	59,187	43,441	180,867
Adjusted EBITDA	45,009	36,980	30,332	9,540	(43,441)	78,420
Share-based compensation						4,511
Restructuring expense						3,638
Depreciation and amortization						46,696
Mergers and acquisitions costs						(10,143)
Other changes in fair value						(377)
Profit before interest and income tax expense						34,095
Interest expense						8,598
Income tax expense - current						11,963
Income tax recovery - deferred						(7,023)
NET PROFIT FOR THE PERIOD						20,557

24. Segmented Information *(continued)*

For the year ended September 30, 2024:

For the year ended September 30, 2024	Advanced Technologies	Health	Learning	ITCS	Shared Services	Total
	$	$	$	$	$	$
Revenue	207,942	212,030	112,900	213,739	—	746,611
Cost of revenues	125,492	156,904	82,222	127,979	—	492,597
Operating costs	40,326	16,399	12,508	57,006	35,619	161,858
Adjusted EBITDA	42,124	38,727	18,170	28,754	(35,619)	92,156
Share-based compensation						4,372
Restructuring expense						1,864
Depreciation and amortization						41,829
Mergers and acquisitions costs						15,338
Other changes in fair value						(202)
Profit before interest and income tax expense						28,955
Interest expense						6,635
Income tax expense - current						15,442
Income tax recovery - deferred						(4,302)
NET PROFIT FOR THE PERIOD						11,180

The Company operates in Canada but provides services to customers in various countries. Revenues from external customers for the year ended September 30, 2025 (2024) are attributed as follows:

	September 30, 2025	September 30, 2024
Canada	56%	68%
United States	25%	22%
Europe	17%	9%
Other	2%	1%

Revenues are attributed to foreign countries based on the location of the customer. Revenues from various government departments and agencies, including both domestic and foreign government bodies, for the year ended September 30, 2025 (2024) represented 52% (51%) of the Company's total revenues. All four operating segments conduct business with this category of customer.

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25. 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.

The Company formally documents all relationships between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. This process includes linking all derivatives to specific firm contractually related commitments on projects.

The Company also formally assesses, both at the hedge's inception and on an on-going basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items. Hedge ineffectiveness has historically been insignificant. The forward foreign exchange contracts primarily require the Company to purchase or sell certain foreign currencies with or for Canadian dollars at contractual rates. The functional currency of each of the Company's entities is determined using the currency of the primary economic environment in which that entity operates. The Company's functional currency is the Canadian dollar while the functional currency of its US subsidiary is the US Dollar ("USD"), the functional currency of its German subsidiary is the European Euro ("EUR"), the functional currency of its Norwegian subsidiary is the Norwegian Krone ("NOK"), and the functional currency of its U.K. based subsidiary is the Pound sterling ("GBP"). The presentation currency of these financial statements is the Canadian dollar.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rate of exchange prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at rates prevailing at the reporting dates and are recognized in profit and loss in the period in which they arise. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purpose of preparing consolidated financial statements, the assets and liabilities of the Company's US operations, German operations, Norwegian operations, and U.K. operations are first expressed in the Companies' USD, EUR, NOK and GBP functional currencies, respectively, using exchange rates prevailing at the reporting date which are then translated into the Company's reporting currency using prevailing rates at the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Translation differences are recognized in other comprehensive income and recorded in the "cumulative translation adjustment".

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25. Financial Instruments and Risk Management *(continued)*

At September 30, 2025, the Company had the following forward foreign exchange contracts:

Type	Notional	Currency	Maturity	Equivalent Cdn. Dollars	Fair Value September 30, 2025
	$			$	$
BUY	15,281	USD	October 2025	21,244	27
BUY	2,510	EURO	October 2025	4,102	17
Derivative assets					44
SELL	6,447	USD	October 2025	8,963	(41)
SELL	1,727	EURO	October 2025	2,822	(12)
Derivative liabilities					(53)

A 10% strengthening of the Canadian dollar against the following currencies at September 30, 2025 would have decreased other comprehensive income as related to the forward foreign exchange contracts or subsidiaries operating outside of the Company's presentation currency (a 10% weakening against the Canadian dollar would have had the opposite effect) by the amounts shown below.

	September 30, 2025
	$
USD	1,609
EURO	1,237
GBP	1,058
NOK	377
Total	4,281

A 10% strengthening against the Canadian dollar of the currencies to which the Company had exposure that is not related to forward foreign exchange contracts or subsidiaries operating outside of the Company's presentation currency would have increased Net Profit (a 10% weakening against the Canadian dollar would have had the opposite effect) by the amounts shown below.

	September 30, 2025
	$
USD	3,218
EURO	1,614
GBP	1,344
NOK	816
Total	6,991

25. Financial Instruments and Risk Management *(continued)*

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 September 30, 2025 (2024), 34% (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.

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

	September 30, 2025	September 30, 2024
	$	$
Cash and cash equivalents	46,101	51,788
Accounts receivable	171,150	157,376
Derivative assets	44	32
Total	217,295	209,196

The aging of accounts receivable at the reporting date was:

	September 30, 2025	September 30, 2024
	$	$
Current	155,885	145,855
Past due (61–120 days)	9,910	6,526
Past due (> 120 days)	5,355	4,995
Total	171,150	157,376

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. On September 29, 2025, the Company signed an amended debt facility that provides the Company with the ability to draw up to $200,000 CAD and an accordion feature of up to $150,000 CAD. The agreement has a three year term, which will mature on September 29, 2028. As at September 30, 2025, the Company had $46,101 cash on hand and $130,750 was drawn on the facility for current operations and for use in business acquisitions.

For the years ended September 30, 2025 and 2024 (Canadian dollars in thousands, except per share amounts)

25. Financial Instruments and Risk Management *(continued)*

Fair Value

The carrying amount of 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 September 30, 2025 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.

	September 30, 2025		
	Level 1	Level 2	Level 3
	$	$	$
Cash and cash equivalents	46,101	—	—
Investments	—	—	4,252
Derivative assets	—	44	—
Debt facility	—	(130,750)	—
Contingent earn-out	—	—	(16,147)
Derivative liabilities	—	(53)	—
Total	46,101	(130,759)	(11,895)

25. Financial Instruments and Risk Management *(continued)*

	September 30, 2024		
	Level 1	Level 2	Level 3
	$	$	$
Cash and cash equivalents	51,788	—	—
Investments	—	—	3,875
Derivative assets	—	32	—
Debt facility	—	(89,750)	—
Contingent earn-out	—	—	(41,833)
Derivative liabilities	—	(92)	—
Total	51,788	(89,810)	(37,958)

There were no transfers between Level 1, Level 2 and level 3 during the year ended September 30, 2025.

26. 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, $32,082 USD ($41,502 CAD) was paid in cash, $3,000 USD ($3,964 CAD) was paid through the issuance of common shares and $16,100 USD ($21,399 CAD) was payable contingently, of which $8,905 USD ($11,835 CAD) was 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 was 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. In the year ended September 30, 2025, a payment of $11,215 was paid to HPT for the attainment of EBITDA for the first year earn out.

The Company recognized $608 in the year ended September 30, 2025 related to adjustments in the earn out payable amount based on achievement, along with changes in foreign exchange. The Company recognized deemed compensation expense of $1,978 for the same year ended.

26. Acquisitions *(continued)*

Decisive Group Inc. ("Decisive")

On December 1, 2023, the Company acquired all of the issued and outstanding shares of Decisive Technologies ("Decisive") for total maximum consideration of $74,700. The purchase consideration consisted of cash of $50,887 and a potential contingent consideration with a maximum value of $24,725. Of this amount, $17,880 was included in the initial purchase price allocation.

Decisive, an Ottawa-based IT infrastructure and cybersecurity services firm, expands the Company's capabilities, partnerships, and customer base within the IT and cybersecurity markets. The goodwill arising from the acquisition primarily reflects the value of the assembled workforce and the expected synergies with the Company's existing operations in this sector. Decisive is reported within the ITCS operating segment. None of the goodwill recognized is expected to be deductible for income tax purposes.

Under the terms of the contingent consideration arrangement, the former shareholders of Decisive were eligible to receive up to $24,725 based on the achievement of specified EBITDA targets for the year ending December 1, 2024. The minimum EBITDA threshold required to trigger any contingent payment was not achieved. Accordingly, the contingent consideration of $17,597 has been derecognized and the resulting adjustment has been recorded in the consolidated statement of net profit for the year ended September 30, 2025. The former shareholders have filed a claim disputing the Company's assessment of the earn-out. Management has reviewed the claim and considers it to be without merit. No provision has been recorded in respect of this matter.

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 $5,128 (GBP 2,994) was included in the purchase price. The difference between the contingent consideration that is included in the purchase price and 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. Goodwill arising from the acquisition primarily reflects the value of expected synergies arising from the acquisition and assembled workforce, which is not separately recognized from the goodwill. None of the goodwill recognized is expected to be deductible for income tax purposes.

Mabway is a U.K.-based business that provides 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. Mabway is reported as part of the Learning operating segment.

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26. Acquisitions *(continued)*

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, obtains certain key signings by October 1, 2027, and $2,855 (GBP 1,667) if certain integration and transition criteria are attained by May 8, 2025. Of this amount, $2,855 (GBP 1,667) was subject to the retention of principal employees for a period of one year from the date of acquisition. This amount was deemed to represent deferred compensation payable to such shareholders and therefore is excluded from the total consideration of the purchase price and was 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. In the year ended September 30, 2025, a payment of $6,233 was paid to Mabway for the attainment of EBITDA and the achievement of integration and transition criteria.

The Company recognized $859 in the year ended September 30, 2025 related to changes in fair value of contingent earn out and changes in foreign exchange and recorded deemed compensation expense of $2,142.

Advanced Medical Solutions Inc. "AMS"

On May 14, 2025, the Company acquired all outstanding shares of AMS for consideration of $27,424, which is inclusive of future contingent earn-out payments of $5,000, the extinguishment of AMS' outstanding indebtedness of $6,476 at closing as well as the settlement of transaction expenses and post-closing working capital adjustments of $1,024. Management has assessed the likelihood of the contingent consideration and recorded a liability of $4,840 which is discounted and included in the purchase price under IFRS 3. The difference between the contingent consideration that is included in the purchase price and the total potential liability is due to some amounts being considered deemed compensation.

AMS is a Canadian based business that specializes in the delivery of operational and medical support across Canada's northern regions, including the Northwest Territories, Yukon, Nunavut and parts of Canada's northern provinces. The acquisition enhances Calian's ability to deliver integrated healthcare solutions across a broader geography, increase its service offerings and diversify Calian's customer base. AMS also brings long-standing partnerships with Indigenous communities, an area where Calian remains committed to building deeper engagement, trust and culturally respectful care. AMS is reported as part of the Health operating segment.

Under the contingent consideration arrangement, the Company is required to pay the former shareholders of AMS an additional $5,000 if AMS attains specific EBITDA targets for the six-months ended November 30, 2025. Of this amount, $160 is subject to the retention of principal employees. This amount is deemed to represent deferred compensation payable to such employees 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. The valuation and allocation included in the table below is considered final.

The Company recognized $200 in the year ended September 30, 2025 related to changes in fair value of contingent earn out and recorded deemed compensation expense of $107.

26. Acquisitions *(continued)*

	Net Assets Acquired	Goodwill and Intangibles	Total Net Assets Acquired
	$	$	$
Cash and cash equivalents	108	—	108
Accounts receivable	8,181	—	8,181
Inventory	491	—	491
Prepaid expenses	700	—	700
	9,480	—	9,480
Property, plant and equipment	5,023	—	5,023
Right of use assets	1,085	—	1,085
Intangibles	—	6,100	6,100
Goodwill	—	11,266	11,266
	15,588	17,366	32,954
Accounts payable and accrued liabilities	3,128	—	3,128
Lease obligations	1,085	—	1,085
Deferred tax liability	—	1,617	1,617
	4,213	1,617	5,830
Net purchase price			27,124
Discount on contingent consideration			300
Total purchase price			27,424

The goodwill of $11,266 is comprised of 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 year ended September 30, 2025:

	AMS
	$
Consideration paid in cash	21,125
Less- cash balance acquired	(108)
Total	21,017

Total revenue and net profit recognized by the acquired entity from the date of acquisition to the year ended September 30, 2025 was a total of $17,082 and $2,082, respectively. Had the acquisitions been completed at October 1, 2024, the total revenue and net profit recognized would have been $43,054 and $3,350, respectively. Total revenue and net profit recognized by the acquired entities from the date of acquisition to the year ended September 30, 2024 was a total of $52,077 and $10,952, respectively. Had the acquisitions been completed at October 1, 2023, the total revenue and net profit recognized would have been $81,687 and $18,029, respectively. Management considers these "pro-forma" numbers to represent an approximate measure of the performance of the combined group for the year ended September 30, 2025. Future periods may be impacted by seasonality or other external factors.

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27. Mergers and Acquisition Expenses

The following table presents the mergers and acquisition expenses for the Company for the year ended September 30, 2025 (2024):

	NOTES	Year ended September 30, 2025	2024
		$	$
Deemed compensation	26	4,645	4,322
Changes in fair value related to contingent earn-out	26, 28	(16,377)	8,767
Other acquisition related costs		1,589	2,249
		(10,143)	15,338

28. Contingent Earn-Out

The following shows the contingent consideration activity for the year ended September 30, 2025:

Company Acquired	Balance October 1, 2024	Acquisition	Payments	Change in Fair Value	Adjustments	Balance September 30, 2025
	$	$	$	$	$	$
Alio/Allphase	841	—	—	—	—	841
Hawaii Pacific Teleport	15,972	—	(11,215)	270	2,316	7,343
Decisive	18,672	—	—	—	(18,672)	—
Mabway	6,348	—	(6,233)	690	2,311	3,116
AMS	—	4,540	—	200	107	4,847
Total	41,833	4,540	(17,448)	1,160	(13,938)	16,147

As at September 30, 2025, the total gross value of all contingent consideration outstanding is $20,165. 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 and changes relating to foreign exchange. Contingent consideration estimates are based on the forecasted earnings before interest, tax, depreciation and amortization ("EBITDA") for the respective acquired entities included in the able above. There is significant judgement in the forecasted EBITDA for each respective entity. Payouts begin at agreed upon EBITDA targets, and the Company will increase the payout by multiples from $0.603 to $1.42384 for every dollar achieved above that target amount. Estimated payouts are then calculated and discounted using rates between 11% and 20%, depending on the acquired entity. Subsequent to the date of the financial statements, management finalized the earn-out achievement for Hawaii Pacific Teleport in the amount of $5,275 USD of which $4,523 USD was paid in November 2025.

28. Contingent Earn-Out *(continued)*

The following shows the contingent consideration activity for the year ended September 30, 2024:

Company Acquired	Balance October 1, 2023	Acquisition	Payments	Change in Fair Value	Adjustments	Balance September 30, 2024
	$	$	$	$	$	$
Alio/Allphase	841	—	—	—	—	841
SimFront	3,240	—	(3,240)	—	—	—
Hawaii Pacific Teleport	9,717	—	—	1,663	4,592	15,972
Decisive	—	14,172	—	3,090	1,410	18,672
Mabway	—	4,454	—	345	1,549	6,348
Total	13,798	18,626	(3,240)	5,098	7,551	41,833

29. Comparative Figures

Certain comparative figures have been reclassified to align with the current year's presentation. The Company has combined the presentation of selling and marketing and general and administration expenses on the statement of net profit. For the year ended September 30, 2024, $2,249 of expense was reclassified from the selling, general and administration line to the mergers and acquisitions expense line to better reflect expenditures related to items outside of direct operations.

Furthermore, the Company reclassified $4,372 of share-based compensation expense for the year ended September 30, 2024 as a separate line in the statement of net profit from the selling, general and administration expense line. This change aims to present stock-based compensation as a distinct expense category for financial statement users.

Lastly, the Company has combined certain line items previously disclosed. Deemed compensation, changes in fair value associated with contingent earn-out and mergers and acquisitions costs previously presented in general and administration expense are now reported under the mergers and acquisitions expense line item. The combination of depreciation and amortization includes depreciation expense, depreciation of right of use asset expense, and amortization and impairment of intangibles expense.

For further details, please refer to notes 14, 20 and 27, which provide additional information on these reclassified expenses. These changes have been made to enhance the relevance of information presented to the users of these financial statements.

Calian Group Ltd.
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30. Related Party Transactions

The compensation for directors and other members of key management during the year was as follows. The compensation of directors and key executives is determined by the compensation committee having regards to corporate performance, the performance of the individuals, and market trends. This amount incorporated the named officers of the Company.

	September 30, 2025	September 30, 2024
	$	$
Compensation and short-term benefits	3,449	3,350
Share-based payments	3,562	2,307
Total	7,011	5,657

31. Subsequent Events

On October 2, 2025, the Company acquired the outstanding shares of InField Scientific Inc. ("InField"), for total cash consideration of up to $14,036 of which, $11,836 was paid on closing, and $2,200 is payable contingently. InField expands the Company's defence capabilities and is an engineering company internationally recognized in electromagnetic environmental effects.

Corporate Information

Additional information about the Company such as the Company's Annual Information Form and Management Circular can be found on SEDAR at **www.sedarplus.ca**

Dated December 24, 2025

Corporate Head Office

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Web: **www.calian.com**

Board of Directors

Note that George Weber, Chair of the Board, and Jo-Anne Poirier, will not stand for re-election at the next annual meeting of shareholders on February 12, 2026. Note as well that Kevin Ford, CEO of Calian, will retire on December 31, 2025 and will be replaced by Patrick Houston on January 1, 2026.

George Weber, Chair of the Board
Corporate Director, ICD.D

Josh Blair
Co-Founder and CEO, Impro.AI

Eric Demirian
President, Parklea Capital Inc. and Demicap Inc., BBM, CGA, CA, CPA

Kevin Ford
CEO, Calian Group Ltd

Lisa Greatrix
Corporate Director, CPA, CA

Lori O'Neill
Corporate Director, FCPA, FCA, CPA, ICD.D

Young Park
Corporate Director, ICD.D

Jo-Anne Poirier
President and CEO, VON Canada, ICD.D

Ronald Richardson
Corporate Director, P. ENG., ICD.D

Valerie Sorbie
Corporate Director, MBA, HBS Corporate Board Designation (Audit)

Common Share Information

The Company's common shares are listed for trading on the Toronto Stock Exchange under the symbol CGY.

Dividend Policy

The Company intends to continue to declare a quarterly dividend in line with its overall financial performance and cash flow generation. Decisions on dividend payments are made on a quarterly basis by the Board of Directors. There can be no assurance as to the amount of such dividends in the future.

Transfer Agent

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