

NEWS RELEASE



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FOR IMMEDIATE RELEASE

Calian Reports Results for the Third Quarter

(All amounts in release are in Canadian dollars)

OTTAWA, August 13, 2025 – Calian® Group Ltd. (TSX:CGY), a mission critical solutions company focused on defence, space, healthcare and other strategic critical infrastructure sectors, today released its results for the third quarter ended June 30, 2025.

“In the third quarter, our total defence solutions revenue grew by 12%, reflecting strong momentum across Europe and the U.K., as well as early signs of growing investments in Canada,” said Kevin Ford, Calian CEO. “This will be further accelerated by the recent \$250 million increase in our health contract with the Department of National Defence. Excluding the ITCS segment, which continues to experience demand headwinds and reduced profitability, we delivered a robust 9% revenue growth and a 10% increase in adjusted EBITDA¹. Looking ahead, we remain confident in our trajectory, as evidenced by over \$1 billion in new contract signings this year, including \$642 million this quarter, bringing our backlog to an all time high of \$1.5 billion.”

Q3-25 Highlights:

- Revenue at \$192 million
- Gross margin at 34.8%
- Adjusted EBITDA¹ of \$19 million
- Operating free cash flow¹ of \$12 million
- New signings of \$642 million, bringing year-to-date signings to over \$1.0 billion
- Announced a \$250 million increase to its Health Care Provider Recruitment (HCPR) contract with the Department of National Defence (DND)
- Achieved 12% year-over-year growth in defence end market solutions
- Completed the acquisition of Advanced Medical Solutions ("AMS")
- Appointed Chris Pogue as President, Defence & Space
- Repurchased 556,308 shares, or approximately 5% of the public float this year
- The Company intends to renew its NCIB in August 2025, subject to TSX approval

Financial Highlights <i>(in millions of \$, except per share & margins)</i>	Three months ended			Nine months ended		
	June 30,			June 30,		
	2025	2024 ²	%	2025	2024 ²	%
Revenue	192.2	185.0	4 %	570.9	565.4	1 %
Adjusted EBITDA ¹	19.0	19.9	(5)%	54.2	68.4	(21)%
Adjusted EBITDA % ¹	9.9 %	10.7 %	(80)bps	9.5 %	12.1 %	(260)bps
Adjusted Net Profit ¹	11.6	12.8	(9)%	33.1	45.7	(28)%
Adjusted EPS Diluted ¹	1.00	1.06	(6)%	2.81	3.81	(26)%
Operating Free Cash Flow ¹	12.0	15.0	(20)%	34.8	53.2	(34)%

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

² Certain comparative figures have been reclassified to align with the current year's presentation. For more information, please see the selected consolidated financial information section of the management discussion and analysis.

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

[Register for the conference call](#) on Wednesday, August 13, 2025, 8:30 a.m. Eastern Time.

Third Quarter Results

Revenues increased 4%, from \$185 million to \$192 million. Acquisitive growth was 4% and was generated by the acquisitions of Mabway completed last year and Advanced Medical Solutions completed in May. Organic growth was flat as growth in our Defence solutions and the Company's GNSS products were offset by declines in ITCS. Excluding ITCS, organic growth was 4%.

Gross margin stood at 34.8%, up compared to the same period last year, and represents the 13th quarter above the 30% mark. Adjusted EBITDA¹ stood at \$19 million, down 5% from \$20 million last year. The decline was primarily driven by lower profitability in the ITCS segment. Strategic investments made to re-platform the cyber business and expanded marketing and sales efforts, combined with lower revenues have resulted in reduced adjusted EBITDA¹. The remainder of the business combined grew adjusted EBITDA¹ by 10%. As a result, adjusted EBITDA¹ margin decreased to 9.9%, from 10.7% last year.

Net profit decreased to \$0.6 million, or \$0.05 per diluted share, from \$1.3 million, or \$0.11 per diluted share last year. This decrease in profitability is primarily due to investments in our selling capacity, amortization and deemed compensation expenses related to acquisitions. Adjusted net profit¹ was \$11.6 million, or \$1.00 per diluted share, down from \$12.8 million, or \$1.06 per diluted share last year.

Liquidity and Capital Resources

"In the third quarter we generated \$12 million in operating free cash flow¹, representing a 63% conversion rate from adjusted EBITDA¹," said Patrick Houston, Calian CFO. "We used our cash and a portion of our credit facility to fund capital expenditures of \$4 million as well as acquisitions and earnouts of \$27 million. We also provided a return to shareholders in the form of dividends for \$3 million and share buybacks for \$16 million. We ended the quarter with a net debt to adjusted

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EBITDA¹ ratio of 1.1x, leaving us considerable capital to pursue growth initiatives.” concluded Mr. Houston.

Normal Course Issuer Bid

In the three-month period ended June 30, 2025, the Company repurchased 361,058 shares for cancellation in consideration of \$15.9 million. For the nine-month period ended June 30, 2025, the Company repurchased 556,308 shares for cancellation in consideration of \$25.2 million. For the remainder of the fiscal year, the Company plans on accelerating its share buybacks by combining daily repurchases with block trades. Its intention is to repurchase up to 6% of the Company's public float as defined at the time of the NCIB announcement on August 16, 2024.

The Company intends to renew its NCIB in August 2025, subject to TSX approval.

Announced a \$250 million increase to its HCPR contract with DND

On July 8, 2025, Calian announced a \$250 million increase to its Health Care Provider Recruitment (HCPR) contract with the Department of National Defence (DND). This amendment reinforces Calian's commitment to the Canadian Armed Forces (CAF) and its members ensuring the continued delivery of essential health services to support their operational readiness and well-being. Since 2005, Calian's work under the Health Support Services Contract and since 2018, the Health Care Provider Recruitment (HCPR)— has delivered physicians, nurses, dentists and mental health professionals to CAF clinics across Canada and remains foundational to the health and preparedness of those who serve. The award contributes to Calian's total contract backlog of \$1.5 billion, two thirds of which is related to its defence business, supporting defence customers in Canada and internationally. This increase reflects the ongoing partnership between Calian and government and military organizations, as well as the continued trust in its services.

Appointed Chris Pogue as President, Defence & Space

On June 24, 2025, Calian announced that Chris Pogue will join the company as President, Defence & Space, effective July 7, 2025. In this newly created role, Pogue will lead a high-performance organization that brings together Calian's Advanced Technologies and Learning business units— leveraging the synergies of its communications and manufacturing solutions alongside its immersive training and simulation expertise to accelerate mission success for defence and space customers alike.

Completed the Acquisition of Advanced Medical Solutions

On May 14, 2025, Calian acquired Advanced Medical Solutions (AMS), a leading provider of remote and emergency healthcare services in Northern Canada. Headquartered in Yellowknife, Northwest Territories (NWT), AMS is a Canadian-owned company that specializes in the delivery of 24/7/365 operational and medical support across Canada's northern regions, including the NWT, Yukon, Nunavut and parts of Canada's northern provinces. Founded in 1995, the company employs over 300 frontline medical personnel who deliver well-rounded, full-spectrum healthcare services through six distinct divisions.

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Quarterly Dividend

On August 12, 2025, Calian declared a quarterly dividend of \$0.28 per share. The dividend is payable September 9, 2025, to shareholders of record as of August 26, 2025. Dividends paid by the Company are considered “eligible dividend” for tax purposes.

About Calian

www.calian.com

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.

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

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DISCLAIMER

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

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CALIAN GROUP LTD.
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at June 30, 2025 and September 30, 2024
(Canadian dollars in thousands, except per share data)

	June 30, 2025	September 30, 2024
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 58,013	\$ 51,788
Accounts receivable	160,149	157,376
Work in process	20,475	20,437
Inventory	25,459	23,199
Prepaid expenses	24,403	23,978
Derivative assets	122	32
Total current assets	288,621	276,810
NON-CURRENT ASSETS		
Property, plant and equipment	44,999	40,962
Right of use assets	40,362	36,383
Prepaid expenses	6,456	7,820
Deferred tax asset	3,415	3,425
Investments	3,875	3,875
Acquired intangible assets	113,383	128,253
Goodwill	222,479	210,392
Total non-current assets	434,969	431,110
TOTAL ASSETS	\$ 723,590	\$ 707,920
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 131,713	\$ 124,884
Provisions	2,189	3,075
Unearned contract revenue	34,912	41,723
Lease obligations	5,625	5,645
Contingent earn-out	29,898	39,136
Derivative liabilities	35	92
Total current liabilities	204,372	214,555
NON-CURRENT LIABILITIES		
Debt facility	141,000	89,750
Lease obligations	38,058	33,798
Unearned contract revenue	14,938	14,503
Contingent earn-out	2,693	2,697
Deferred tax liabilities	21,274	25,862
Total non-current liabilities	217,963	166,610
TOTAL LIABILITIES	422,335	381,165
SHAREHOLDERS' EQUITY		
Issued capital	220,247	225,747
Contributed surplus	6,306	6,019
Retained earnings	67,111	91,268
Accumulated other comprehensive income (loss)	7,591	3,721
TOTAL SHAREHOLDERS' EQUITY	301,255	326,755
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 723,590	\$ 707,920
Number of common shares issued and outstanding	11,345,860	11,802,364

CALIAN GROUP LTD.
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF NET PROFIT
For the three months and nine months ended June 30, 2025 and 2024
(Canadian dollars in thousands, except per share data)

	Three months ended June 30,		Nine months ended June 30,	
	2025	2024	2025	2024
Revenue	\$ 192,216	\$ 184,998	\$ 570,930	\$ 565,445
Cost of revenues	125,361	123,163	380,632	375,355
Gross profit	66,855	61,835	190,298	190,090
Selling, general and administrative	44,682	38,455	127,264	112,792
Research and development	3,208	3,506	8,875	8,920
Share based compensation	1,354	1,370	3,394	3,688
Profit before under noted items	17,611	18,504	50,765	64,690
Restructuring expense	1,414	1	2,478	1,496
Depreciation and amortization	11,635	10,796	34,649	29,915
Mergers and acquisition costs	1,102	3,320	5,795	10,629
Profit before interest income and income tax expense	3,460	4,387	7,843	22,650
Interest expense	1,932	1,366	5,826	4,647
Income tax expense (recovery)	938	1,723	2,108	6,255
NET PROFIT (LOSS)	\$ 590	\$ 1,298	\$ (91)	\$ 11,748
Net profit (loss) per share:				
Basic	\$ 0.05	\$ 0.11	\$ (0.01)	\$ 0.99
Diluted	\$ 0.05	\$ 0.11	\$ (0.01)	\$ 0.98

CALIAN GROUP LTD.
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three and nine months ended June 30, 2025 and 2024
(Canadian dollars in thousands)

	Three months ended June 30,		Nine months ended June 30,	
	2025	2024	2025	2024
CASH FLOWS GENERATED FROM (USED IN) OPERATING ACTIVITIES				
Net profit (loss)	\$ 590	\$ 1,298	\$ (91)	\$ 11,748
Items not affecting cash:				
Interest expense	1,406	892	4,313	3,416
Changes in fair value related to contingent earn-out	(775)	1,458	341	6,272
Lease obligations interest expense	526	474	1,513	1,231
Income tax expense	938	1,723	2,108	6,255
Employee share purchase plan expense	144	131	433	427
Share based compensation expense	1,210	1,239	2,961	3,262
Depreciation and amortization	11,635	10,796	34,649	29,915
Deemed compensation	1,334	1,010	4,367	2,525
	17,008	19,021	50,594	65,051
Change in non-cash working capital				
Accounts receivable	60,453	88,441	4,351	27,256
Work in process	(938)	(1,829)	(38)	(1,386)
Prepaid expenses and other	2,363	886	3,509	(2,671)
Inventory	1,837	813	(1,768)	1,793
Accounts payable and accrued liabilities	(41,618)	(84,893)	5,592	(10,196)
Unearned contract revenue	(8,761)	(3,059)	(6,375)	1,681
	30,344	19,380	55,865	81,528
Interest paid	(1,932)	(1,366)	(5,826)	(4,647)
Income tax paid	(3,626)	(3,536)	(11,011)	(9,077)
	24,786	14,478	39,028	67,804
CASH FLOWS GENERATED FROM (USED IN) FINANCING ACTIVITIES				
Issuance of common shares net of costs	490	529	2,035	2,168
Dividends	(3,183)	(3,321)	(9,767)	(9,954)
Net draw on debt facility	20,250	25,000	51,250	56,250
Payment of lease obligations	(1,619)	(1,371)	(4,725)	(3,971)
Repurchase of common shares	(15,887)	(1,472)	(25,197)	(2,829)
	51	19,365	13,596	41,664
CASH FLOWS USED IN INVESTING ACTIVITIES				
Business acquisitions	(27,196)	(29,565)	(39,089)	(87,862)
Property, plant and equipment	(3,778)	(4,145)	(7,310)	(9,341)
	(30,974)	(33,710)	(46,399)	(97,203)
NET CASH INFLOW (OUTFLOW)	\$ (6,137)	\$ 133	\$ 6,225	\$ 12,265
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	64,150	45,866	51,788	33,734
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 58,013	\$ 45,999	\$ 58,013	\$ 45,999

Reconciliation of Non-GAAP Measures to Most Comparable IFRS Measures

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

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

Adjusted EBITDA

	Three months ended June 30,		Nine months ended June 30,	
	2025	2024 ¹	2025	2024 ¹
Net profit (loss)	\$ 590	\$ 1,298	\$ (91)	\$ 11,748
Share based compensation	1,354	1,370	3,394	3,688
Restructuring expense	1,414	1	2,478	1,496
Depreciation and amortization	11,635	10,796	34,649	29,915
Mergers and acquisition costs	1,102	3,320	5,795	10,629
Interest expense	1,932	1,366	5,826	4,647
Income tax	938	1,723	2,108	6,255
Adjusted EBITDA	\$ 18,965	\$ 19,874	\$ 54,159	\$ 68,378
Adjusted EBITDA per share - Basic	1.65	1.68	4.65	5.78
Adjusted EBITDA per share - Diluted	\$ 1.63	\$ 1.65	\$ 4.59	\$ 5.70

¹ Certain comparative figures have been reclassified to align with the current year's presentation. For more information, please see the selected quarterly financial information section of the management discussion and analysis.

Adjusted Net Profit and Adjusted EPS

	Three months ended June 30,		Nine months ended June 30,	
	2025	2024 ¹	2025	2024 ¹
Net profit (loss)	\$ 590	\$ 1,298	\$ (91)	\$ 11,748
Share based compensation	1,354	1,370	3,394	3,688
Restructuring expense	1,414	1	2,478	1,496
Mergers and acquisition costs	1,102	3,320	5,795	10,629
Amortization of intangibles	7,128	6,777	21,528	18,161
Adjusted net profit	11,588	12,766	33,104	45,722
Weighted average number of common shares basic	11,475,347	11,856,132	11,658,313	11,838,348
Adjusted EPS Basic	1.01	1.08	2.84	3.86
Adjusted EPS Diluted	\$ 1.00	\$ 1.06	\$ 2.81	\$ 3.81

Operating Free Cash Flow

	Three months ended June 30,		Nine months ended June 30,	
	2025	2024 ¹	2025	2024 ¹
Cash flows generated from operating activities (free cash flow)	\$ 24,786	\$ 14,478	\$ 39,028	\$ 67,804
Adjustments:				
M&A costs included in operating activities	543	852	1,087	1,832
Change in non-cash working capital	(13,336)	(359)	(5,271)	(16,477)
Operating free cash flow	\$ 11,993	\$ 14,971	\$ 34,844	\$ 53,159
Operating free cash flow per share - basic	1.05	1.26	2.99	4.49
Operating free cash flow per share - diluted	1.03	1.24	2.95	4.43
Operating free cash flow conversion	63 %	75 %	64 %	78 %

¹ Certain comparative figures have been reclassified to align with the current year's presentation. For more information, please see the selected quarterly financial information section of the management discussion and analysis.

Net Debt to Adjusted EBITDA

	June 30, 2025	September 30, 2024 ¹
Cash	\$ 58,013	\$ 45,999
Debt facility	141,000	94,000
Net debt (net cash)	82,987	48,001
Trailing twelve month adjusted EBITDA	77,938	90,706
Net debt to adjusted EBITDA	1.1	0.5

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

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