December 17, 2025

Annual Information Form

For the year ended September 30, 2025

CALIAN®

Confidence. Engineered.

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EXPLANATORY NOTES

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 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.

Presentation of Financial Information

In this Annual Information Form, all references to specific fiscal years are references to the fiscal year ended September 30 of the year named. This Annual Information Form is dated December 17, 2025 and, unless specifically stated otherwise, all information disclosed in this form is provided as at September 30, 2025, the end of Calian's most recently completed fiscal year. The Company's significant accounting policies are described in the notes to the Company's audited financial statements for its financial year ended September 30, 2025.

Trademarks, Trade Names and Service Marks

This Annual Information Form includes trademarks which are protected under applicable intellectual property laws. Solely for convenience, the Company's trademarks and trade names referred to in this Annual Information Form may appear without the ® or ™ symbol, but such references are not intended to indicate, in any way, that the Company will not assert, to the fullest extent under applicable law, its rights to these trademarks and trade names. Trademarks used in this Annual Information Form, other than those that belong to the Company, are the property of their respective owners.

FORWARD-LOOKING STATEMENTS

Calian Group Ltd. ("Calian" or the "Company") cautions that this Annual Information Form 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 Annual Information Form 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 Annual Information Form 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 Annual Information Form are based on current expectations as at December 17, 2025, that may be subject to change and to risks and uncertainties. These include 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.

CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was incorporated as "Calian Technology Ltd" under the Canada Business Corporations Act (the "CBCA") pursuant to Articles of Incorporation dated September 27, 1982. The articles of the Company were amended on January 12, 1984, December 23, 1988, April 21, 1992 and September 2, 1993 to amend the provisions of the Company's share capital. The articles of the Company were further amended on

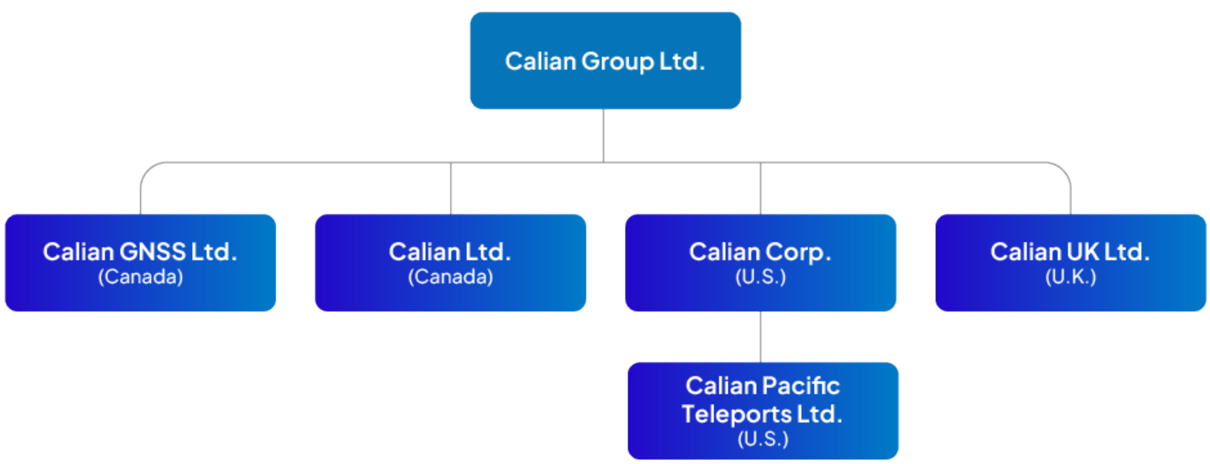
September 14, 1993 to remove certain private company restrictions contained therein. On March 14, 2003, the articles of the Company were further amended to permit the directors of the Company to appoint additional directors as permitted under the CBCA. The Company's articles were further amended on March 11, 2005 to change its name to "Calian Technologies Ltd." The Company's articles were most recently amended on April 1, 2016 to change its name to "Calian Group Ltd.".

The Company amended and restated its operating by-law (the "**Operating By-law**") on November 25, 2024 and announced the adoption of an advance notice by-law (the "**Advance Notice By-law**") on November 26, 2024. Both the Operating By-law and the Advance Notice By-law were approved by shareholders at the February 13, 2025 annual meeting and are currently in effect.

The head and registered office of the Company is located at 770 Palladium Drive, Suite 400, Ottawa, Ontario, K2V 1C8.

Intercorporate Relationships

The Company's material subsidiaries as of the date of this Annual Information Form, as well as their jurisdiction of creation are shown on the following corporate chart:



Each subsidiary is wholly owned by the Company. Unless the context otherwise requires, the "Company" or "Calian" refers to Calian Group Ltd. together with its subsidiaries.

GENERAL DEVELOPMENT OF THE BUSINESS

Calian was founded in 1982 as a consulting firm providing quality assurance services to Canadian technology companies and went public in 1993. The Company's 40+ year growth and development can be viewed in three phases:

- **Phase 1: Building Assets (1982-2014):** the Company built and grew its asset base with acquisitions and strategic long-term contracts.
- **Phase 2: Reorganization (2015-2019):** the Company reorganized the business into four distinct segments and changed its name to Calian Group Ltd from Calian Technologies Ltd with the objective of changing the Company's financial market perception from a conservative dividend company to a growth company.
- **Phase 3: Capital and Growth (2020-beyond):** the Company obtained financing through two bought deals (2020 and 2021) and increased its credit facility (2023 and 2025) in order to step up its growth strategy through acquisitions. From fiscal year 2020 to the end of fiscal year 2025, the Company completed 14 acquisitions.

Over the years, the Company has grown through a combination of strategic acquisitions and organic growth, and in fiscal 2025 had revenues of $774 million. The Company ended fiscal year 2025 with an order backlog of $1.4 billion.

Three-year History

2023 Fiscal Year:

Revenues increased by 13% in the year ended September 30, 2023, compared to the same period of the prior year. Revenue growth from acquisitions was 7% and was generated by the contribution from Computex in the first half of the year and Calian Pacific Teleports Ltd. (formerly Hawaii Pacific Teleport, LLLP) in the fourth quarter. Organic growth was 6% and was driven by double-digit growth in the Health, Learning and Advanced Technologies segments. The ITCS segment posted negative organic growth primarily due to the easing of the supply chain in the prior year which allowed for significant deliveries of the Company's value-added resale (VAR) business in the U.S. at the time. Adjusted EBITDA[1] for the annual period ended September 30, 2023 stood at $66.0 million, slightly up versus the same period last year. Adjusted EBITDA[1] margin stood at 10.0%.

Key events in fiscal 2023 are listed below.

On October 3, 2022, the Company announced it had been selected by Crowdstrike, a leader in cloud-delivered protection of endpoints, cloud workloads, identity and data, as its 2022 Canada Partner of the Year.

On November 22, 2022, the Company announced that Natural Resources Canada's Canada Centre for Mapping and Earth Observation (CCMEO) had once again entrusted the Company to provide three high-performance antennas for Inuvik and Gatineau.

On December 14, 2022, the Company proudly announced the introduction of Illuminator, a powerful software add-on to its popular Decimator spectrum analyzer product designed to monitor radio frequency (RF) communications and detect signal issues.

On December 16, 2022, the Company announced an investment in Field Effect Software to enhance the Company's cyber security solution set and address solution gaps for its growing customer base, including governments and defence agencies.

On January 31, 2023, the Company proudly announced that iSecurity, a Calian company, achieved Service Organization Control (SOC) 2 Type II compliance, which is the gold standard of industry recognition.

On February 10, 2023, the Company announced it achieved new Solutions Partner designations for the Microsoft Cloud Partner Program, significantly scaling its services reach across the globe.

On February 24, 2023, the Company announced that it had been recognized as an Elite 150 on CRN's (a media brand of The Channel Company) Managed Service Provider (MSP) 500 list for 2023.

On May 30, 2023, the Company announced it had been awarded a training contract for a major NATO exercise, Ex CITADEL BONUS.

On June 12, 2023, the Company announced that Calian Advanced Technologies was selected by the Canadian Space Agency (CSA) to receive $520 thousand in funding to further develop RF over IP technology.

On July 6, 2023, the Company announced that it will be supporting the development of NATO's Exercise LOYAL LEDA 2024 at the Joint Force Training Centre (JFTC) in Bydgoszcz, Poland.

On July 14, 2023, the Company announced it was being recognized as a finalist for the Microsoft Partner of the Year Awards in the Modern Workplace for Frontline Workers category for the Company's work on Calian Corolar™ Virtual Care, a Microsoft Teams native app for hospitals and health authorities.

On July 18, 2023, the Company was proud to announce it had won the 2023 Microsoft Canada Independent Software Vendor (ISV) Tech Intensity Impact Award.

On July 24, 2023, the Company announced access to additional liquidity to fuel its growth strategy with the closing of a CDN $180 million debt facility with Royal Bank of Canada ("RBC") as lead arranger, sole bookrunner, and administrative agent, Desjardins Capital Markets ("Desjardins"), Canadian Imperial Bank of Commerce ("CIBC") and Bank of Montreal ("BMO").

On July 26, 2023, the Company announced it was teaming with Google Cloud to help healthcare providers meet mandatory compliance measures on their journey to the cloud.

On August 1, 2023, the Company completed the acquisition of US-based Hawaii Pacific Teleport for up to CAD$62 million (US$46 million).

On August 22, 2023, the Company announced it had been issued a Canadian patent covering key innovations in the agricultural technology space.

On September 6, 2023, the Company announced it had been awarded a contract from MDA Inc. to support the development of test equipment used to verify the performance of Canadarm3, a next-generation space robotic system being developed by MDA (TSX:MDA) for the Canadian Space Agency.

On September 27, 2023, the Company announced it had established a wholly owned subsidiary in Belgium to expand and pursue opportunities in this growing market.

Also on September 27, 2023, the Company announced that it won two contracts with Shared Services Canada (SSC) with a total estimated cost of $17.57 million—with options for a potential value up to $43.75 million.

On September 29, 2023, the Company announced the addition of a Digital Health portfolio to its existing Health Solutions division.

2024 Fiscal Year:

Revenues increased by 13% in the year ended September 30, 2024, compared to the same period of the prior year. Revenue growth from acquisitions was 11% and was generated by the full-year contribution from Calian Pacific Teleports (formerly Hawaii Pacific Teleport, LLLP) closed in fiscal year 2023, as well as the acquisition of Decisive Group, the nuclear assets from MDA and Mabway, transactions that were all closed in fiscal year 2024. Organic growth was 2% and was primarily driven by double-digit growth in the Health segment. Adjusted EBITDA[1] for the annual period ended September 30, 2024, stood at $85.5 million, up 30% versus the same period last year. Adjusted EBITDA[1] margin stood at 11.5%.

Key events in fiscal 2024 are listed below.

On October 17, 2023, the Company announced a contribution of $25 thousand per year for the next three years to the Canadian Institute for Military and Veteran Health Research (CIMVHR) to fund research related to improving access to care for military families.

On October 25, 2023, the Company announced it was recognized as Canada Partner of the Year at the 2023 CrowdStrike Global Partner Awards.

On October 31, 2023, the Company announced it achieved multiple Cisco Powered Services specializations for their managed service expertise.

On November 15, 2023, the Company announced it was selected to participate in the Canadian Technology Accelerator (CTA) program on Digital Health in the U.K.

On December 1, 2023, the Company completed the acquisition of Decisive Group for up to CAD$74.7 million.

On February 20, 2024, the Company announced it won a contract to support a Phase 2 Clinical Trial of ZYUS Life Science's Trichomylin® softgel capsules in patients with advanced cancer and moderate to severe cancer-related pain.

On March 5, 2024, the Company and MDA Ltd (TSX:MDA), a trusted global mission partner, completed a transaction in which Calian purchased assets associated with MDA's nuclear services.

On March 14, 2024, the Company announced it won contracts with NATO Supreme Headquarters Allied Powers Europe (SHAPE) to provide comprehensive support to the development of Supreme Allied Commander Europe's (SACEUR) Chemical, Biological, Radiological and Nuclear (CBRN) exercise program.

On March 19, 2024, the Company announced it was named by CRN to its Tech Elite 250 list.

On March 21, 2024, the Company won a contract with the Canadian Space Agency (CSA) to develop a spectrum interference simulation solution.

On April 8, 2024, the Company announced it was recognized as Elite 150 on CRN's Managed Service Provider (MSP) 500 list for 2024.

On April 22, 2024, the Company announced its collaboration with Point One Navigation to deliver Smart GNSS Antenna support for Polaris RTK.

On April 25, 2024, the Company announced it was awarded a significant contract by the Canadian Armed Forces' Canadian Forces Health Services Group (CFHSG).

On May 1, 2024, the Company announced it was awarded a major new contract with General Dynamics Mission Systems-Canada (GDMS-C) valued at up to $90 million.

On May 7, 2024, the Company announced it renewed a contract worth $10 million to provide military training support services for the Canadian Defence Academy (CDA) and Military Personnel Generation Group (MPG).

On May 10, 2024, the Company acquired U.K.-based Mabway for up to CAD$41 million (GBP£24 million).

On May 23, 2024, the Company announced it was helping to support disaster relief efforts in Taiwan with gateway infrastructure services provided by the company's Guam teleport.

On May 27, 2024, the Company announced it was harnessing AI capabilities to bolster its industry-leading exercise management tool (Calian MaestroEDE) for global military training.

On May 28, 2024, the Company announced significant enhancements to its innovative Corolar Virtual Care (CVC) platform, reinforcing the company's commitment to transforming health care through technology and offering an even more dynamic and integrated virtual care experience.

On June 7, 2024, the Company announced it was included on CRN's Solution Provider (SP) 500 list for 2024.

On July 16, 2024, the Company announced it topped Houston Business Journal's list of the largest Houston-area cybersecurity companies.

On August 1, 2024, the Company acquired a family of DOCSIS test products from Rohde & Schwarz.

On August 28, 2024, the Company announced that the Toronto Stock Exchange had accepted a notice filed by the Company of its intention to make a normal course issuer bid.

On September 9, 2024, the Company announced that Telesat (NASDAQ and TSX: TSAT), one of the world's largest and most innovative satellite operators, selected Calian to design, develop, deliver and deploy the Element Management System (EMS) within the Telesat Lightspeed Low Earth Orbit (LEO) satellite network as well as to provide lifecycle maintenance and support for the system.

On September 27, 2024, the Company announced a new collaboration with Microsoft through Calian's adoption of Microsoft Sentinel, an intelligent, comprehensive security information and event management (SIEM) solution.

2025 Fiscal Year:

Revenues increased by 4% in the year ended September 30, 2025, compared to the same period of the prior year. Revenue growth from acquisitions was 6% and was generated by Decisive Group, the nuclear assets from MDA and Mabway, which all closed in fiscal year 2024, as well as Advanced Medical Solutions closed in May 2025. Organic growth declined 2%, mainly impacted by the ITCS segment. Adjusted EBITDA[1] for the annual period ended September 30, 2025 stood at $78 million, down 15% versus the same period last year. Adjusted EBITDA[1] margin stood at 10.1%.

Key events in fiscal 2025 are listed below.

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

On December 4, 2024, the Company announced the launch of an independent U.S.-focused subsidiary, Calian US, Inc., which will be focused on U.S. federal government and defence opportunities.

On January 23, 2025, the Company announced the appointment of Major-General (Ret.) Roch Pelletier to the role of Regional Vice President (RVP) Global Defence & Security.

On February 13, 2025, Lisa Greatrix and Josh Blair were elected by shareholders to join the Board of Directors.

On March 12, 2025, the Company announced it was stepping up its share repurchases by utilizing block trades in accordance with its Normal Course Issuer Bid.

On April 25, 2025, the Company announced the appointment of Eric Demirian to its Board of Directors.

On May 14, 2025, the Company announced that it acquired Advanced Medical Solutions, a leading provider of remote and emergency healthcare services in Northern Canada.

On June 24, 2025, the Company announced that Chris Pogue will join the Company as President, Defence & Space effective July 7, 2025.

On July 8, 2025, the Company announced a $250 million amendment to its Health Care Provider Recruitment (HCPR) contract with the Department of National Defence (DND).

On August 28, 2025, the Company announced that the Toronto Stock Exchange had accepted a notice filed by the Company of its intention to make a normal course issuer bid.

On September 23, 2025, the Company announced the launch of Calian VENTURES, a groundbreaking initiative helping Canada's small to mid-sized enterprise (SMEs) and partners scale proven Canadian defence solutions into sovereign capabilities to meet the evolving needs of the Canadian Armed Forces.

On September 29, 2025, the Company announced the closing of a CDN$200 million debt facility with Royal Bank of Canada (“RBC”) as lead arranger, sole bookrunner, and administrative agent, Fédération des Caisses Desjardins du Québec (“Desjardins”), Canadian Imperial Bank of Commerce (“CIBC”), JP Morgan Chase Bank, N.A. (“JP Morgan”) and Export Development Canada (“EDC”).

Significant Acquisitions

No significant acquisition was completed by the Company in fiscal year 2025 as defined by the Business Acquisition Report (BAR). Although the Company completed one acquisition, it did not meet the requirements to be considered a "significant" acquisition.

DESCRIPTION OF THE BUSINESS

Overview of Calian

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 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.

Four Operating Segments

Since FY2019, Calian has operated under four segments: Advanced Technologies, Health, Information and Cyber Solutions (ITCS) and Learning.

- **Advanced Technologies**: Delivers innovative services and products that enhance performance in mission critical industries, including space communications, defence, wired and wireless networks, Global Navigation Satellite Systems (GNSS), manufacturing, agricultural technology, composite and nuclear sectors.

- **Health**: Provides health services, pharmaceutical solutions and digital health for public and private sector organizations.

- **ITCS**: Provides IT and cybersecurity solutions to public and private sector organizations across a variety of verticals.

- **Learning**: Works with defence, private sector, government and academic customers to develop mission-critical training and learning solutions.

Starting in FY2026, the Company will move to two operating segments; Defence & Space and Essential Industries.

Revenue Segmentation

The Company evaluates its progress on diversification by customer (government/commercial), geography (Canada/International) and offering (product/service). In general, higher margins are generated with commercial customers and products.

The table below illustrates the percentage of the Company's total revenues generated from departments and agencies of various governments versus commercial customers for the fiscal years ended September 30, 2025 and 2024. In fiscal year 2025, the Company's revenue derived from government sources increased mainly due to the acquisition of Mabway which occurred in fiscal 2024, the acquisition of Advanced Medical Solutions in 2025, and increased demand from defence based government customers both in Canada and Europe. While the commercial revenues of the company increased as well, government revenues outpaced the growth from commercial customers. All of the Company's operating segments conduct business with the Canadian federal government.

REVENUE SEGMENTATION BY CUSTOMER		
	FY25	**FY24**
Government	52%	51%
Commercial	48%	49%
Total	**100%**	**100%**

The table below illustrates the percentage of the Company's total revenues generated by geography for the fiscal years ended September 30, 2025 and 2024. Revenues are attributed to foreign countries based on the location of the customer. In fiscal year 2025, the Company's revenue derived from outside Canada increased primarily due to the acquisition of Mabway in the U.K., as well as growth in its European defence business and revenue growth from Advanced Technologies in the U.S.

REVENUE SEGMENTATION BY GEOGRAPHY		
	FY25	FY24
Canada	56%	68%
United States	25%	22%
Europe	17%	9%
Other	2%	1%
Total Outside Canada	44%	32%
Total	**100%**	**100%**

In fiscal year 2025, $57.7 million of the Company's net assets were held outside of Canada. Likewise, in fiscal year 2024, $43.8 million of the Company's net assets were held outside of Canada.

The table below illustrates the percentage of the Company's total revenues generated by offering for the years ended September 30, 2025 and 2024. In fiscal year 2025, product revenues decreased primarily due to lower products from Advanced Technologies and ITCS.

REVENUE SEGMENTATION BY OFFERING		
	FY25	FY24
Products	25%	30%
Services	75%	70%
Total	**100%**	**100%**

Facilities

As of September 30, 2025, the Company maintained Canadian office locations in Ottawa, Toronto, Kingston, Burlington, Smiths Falls, Halifax, Saskatoon, Regina, Calgary, Vaudreuil-Dorion, Yellowknife, and Inuvik. In addition, the Company maintained international office locations in several U.S. states, as well as in Germany, Norway, and the U.K. All the offices are in leased premises, except certain offices in Yellowknife, Germany and Guam, where the Company owns the sites in which they operate.

R&D, engineering and manufacturing facilities, including several ISO 9001-certified facilities, are in leased premises located in Saskatoon, Regina, Ottawa, Toronto and Vaudreuil-Dorion, as well as in Company-owned premises in Germany. The Company uses efficient and flexible operating processes to profitably address lower margin business without compromising quality or performance, which the Company considers to be a competitive advantage.

Human Resources

Employees

As of September 30, 2025, the Company's workforce was approximately 6,100 (4,300 employees and 1,800 contractors) and was comprised of engineers, telecommunications and information technology, training, trades, health services professionals and other qualified staff. The Company maintains, as far as possible, a flexible workforce that can adapt to the changing requirements of its clients. These resources provide Calian with the ability to promptly assist customers to implement their diverse needs through the timely assembly and deployment of teams of professionals with the requisite capabilities. The Company experiences repeat business and a large number of contract renewals due, in part, to high customer satisfaction levels based on the Company's successful delivery and execution of projects.

None of the Company's employees are represented by a collective bargaining agreement and the Company has never experienced any labour-related work stoppage. People are at the centre of the Company's strategy, and it has policies and procedures in place to prioritize its team's health and safety. The Company has also encouraged, empowered, and supported individuals in finding their own wellness balance. The Company has good relations with its employees and views their skills, knowledge and industry expertise as an important competitive advantage.

Specialized Skill and Knowledge

Software engineering, complex manufacturing, and project management skill sets, supported by a robust talent management capability, are complemented by the Company's targeted critical infrastructure sector expertise. Recruiting, developing, and retaining qualified employees and independent contractors is fundamental to the Company's success in both delivering services today, and growing and evolving the Company for the future. The capabilities of the Company's engineers, medical practitioners, IT and learning experts are in high demand from market competitors. The Company mitigates this risk by offering competitive salary, benefits, and individual growth. The Company also benefits from highly skilled recruiters that can identify and attract top talent.

Research and Development and Intellectual Property

The Company invests in internal research and development ("R&D") and over the years has demonstrated a strong capability in commercializing those investments. All internal R&D investment is governed by a structured approach to innovation which features a strong governance model. Proposed investment is thoroughly articulated via a detailed business case that describes the specific opportunity, the addressable market, the competitive landscape, the proposed solution, a non-recurring and recurring cost analysis, a range of financial forecasts, and a detailed value proposition/return on investment ("ROI") analysis. Approved business cases are monitored and reported on regularly to executive management to ensure the forecasted returns are achieved and to feed back any improvements into the governance model. This approach enables the Company to deploy capital more efficiently and effectively, and to achieve ROI objectives more consistently.

The Company expenses research costs as incurred, and defers development costs once technical feasibility has been established and all criteria for deferral under Canadian generally accepted accounting principles are met. The table below illustrates R&D expenses and its percentage of total revenues for the fiscal years ended September 30, 2025 and 2024.

	FY25 R&D Expenses (M$)	% of Total FY25 Revenues	FY24 R&D Expenses (M$)	% of Total FY24 Revenues
R&D expenses	$11.8	1.5%	$12.0	1.6%

The Company employs a three-pillar strategy for developing technology that is based on customer-specific funding through specialized systems/technology development contracts, general market driven internal investment, and third-party funding primarily from government entities and key technology partners. This strategy most optimally applies the unique combination of Company technology, expertise, and resources to building a Technology and Intellectual Property portfolio that is relevant to customer/market needs and

Company objectives, is efficient and scalable, and enables the Company to retain ownership of key intellectual property.

For customer-funded product/technology development, the Company strives to negotiate intellectual property ownership terms that reflect the value and contribution provided by both parties. This may include the division of ownership of background and foreground intellectual property, licensing agreements, and royalty agreements where appropriate.

Consistent with industry practice, the Company protects proprietary products and technology through a combination of patents, copyrights, trademarks, trade secret laws and contractual provisions where applicable. Other than as mentioned above, the Company generally licenses the use of Company products to customers rather than transferring title to them. These licenses contain terms and conditions prohibiting the unauthorized reproduction, disclosure, reverse engineering, or transfer of Company products. The Company currently has 10 issued Canadian patents, 25 issued U.S. patents, 13 issued patents in both the U.K. and Europe respectively, 1 issued patent in China, and numerous in-process patent applications.

Sales and Marketing

The Company invests in sales and marketing as a key enabler of long-term growth. The Company solves significant and complex customer challenges which stand in the way of better health, communications, learning and security.

In fiscal year 2025, Calian executed an integrated sales and marketing strategy to elevate brand leadership, accelerate pipeline growth and strengthen engagement across its priority markets. One of the most visible brand achievements was the success of Calian's partnership with the Ottawa Senators Hockey Club. The away jersey sponsorship and supporting campaign significantly increased brand visibility across Canada and into U.S. markets, aligning with the Company's growth objectives and broadening awareness among key stakeholders.

The year also marked a focused shift in messaging and market alignment as Calian positioned itself as a mission critical solutions company when failure is not an option. With geopolitical tensions and global defence priorities on the rise, Calian leaned into its strengths in defence and space by showcasing sovereign capabilities, readiness, and security. This was brought to life through targeted marketing programs, high-impact events, industry, government and media engagement. Thought leadership and subject matter expertise initiatives leveraged traditional channel and social media was used to amplify key campaigns, promote customer wins and product innovation and engage with priority sectors in real time.

Internally, Calian advanced its “One Calian” approach to customer management and sales enablement by leveraging a single CRM system across business units. This initiative improved enterprise-wide visibility, enabled better cross-functional collaboration and supported a more unified go-to-market strategy. In parallel, the Company continued to optimize its proposal operations, FY25 saw a renewed focus on governance, process discipline, and broader adoption to improve efficiency and response quality, particularly in competitive bids across mission-critical markets. Sales teams across the organization were strengthened with targeted hiring, better alignment to verticals, and closer integration with marketing. Integrated campaigns using search engine optimization, paid search, content, public relations, events, and partner programs supported business development activity and drove measurable results.

Seasonality

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.

Market Environment

The Market

The world is facing increasing challenges that create trends in the marketplace. While Calian operates in many different markets, there are four important market trends that directly support the Company's strategy:

- **Global political tensions:** the situation in Ukraine and the Middle East is driving a focus on readiness across NATO countries.
- **Space exploration programs:** space exploration programs including lunar, interplanetary and deep space continue to accelerate, creating new opportunities for the ground segment.
- **Healthcare demand:** increased healthcare demand due to aging population, mental heath awareness, population growth and use of virtual care.
- **Cyberattacks:** surge in ransomware creating financial and reputational damage which leads to higher insurance costs with reduced coverage.

Please refer to the four segments' "Market" section for further details.

Competition

Calian is a diverse products and services company, therefore its competitive landscape differs by offering and market. The Company does not have competitors that compete in all of its operating segments at once, but rather it has competitors per specific business. The Company's largest competitors by operating segment are:

- **Health:** Bayshore Medical Personnel
- **Advanced Technologies:** CPI Satcom
- **Learning:** ADGA, Bluedrop and Babcock
- The **ITCS** segment does not have a large competitor but rather multiple competitors by region, by service offering and by vertical.

Please refer to the four segments' "Competition" section for further details.

Competitive Advantages

The Company's competitive advantages include its:

- Long-term successful delivery track record;
- Low-cost structure which enables the Company to be very competitive in pricing;
- Continued development and evolution of service and product offerings;
- Strategy to focus marketing and sales efforts on specialized niches where the Company can create barriers to entry for those that may wish to compete with the services it provides and;
- Continuous improvement management environment that optimizes both operational flexibility and efficiency;
- Service offerings at scale given its national network of delivery teams;
- Ability to acquire small acquisitions, pair them with existing operations, and scale them;
- Buy Canada movement which positions the Company well for both its manufacturing capabilities and services

Strategy

Four Pillars of Growth

The Company's growth strategy is based on the following four growth pillars:

- **Customer Retention:** through continued delivery excellence, each segment maintains relationships with their valued customer bases, thus earning more revenue through expanded scopes of existing contracts;
- **Customer Diversification:** through continued diversification, each segment increases its percentage of revenue derived from winning non-government contracts and from commercial activity in global markets—both acquisitive and organic;
- **Innovation:** through continued investment in R&D resulting in increased product offerings, investing in acquisitive growth and acquiring new innovations, each segment increases its differentiation with a goal of increasing gross margins; and
- **Operational Excellence:** through continued leverage of innovation, the Company streamlines processes and scales its back-office support capability.

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

Three-year Strategic Plan

- On October 1, 2023, the Company launched its three-year strategic plan called One Vision, One Purpose, One Calian 2026. The objective of the plan is to continue to build a purpose-driven organization that has a strong values foundation and is growing profitably by geography, customer and offering, while improving operational efficiencies, retaining existing customers and building an effective sales culture.

- The Company measures the success of the execution of its strategic plan by monitoring key performance indicators (KPIs) on an annual basis: revenue growth, adjusted EBITDA[1], operating free cash flow[1], capital deployment on M&A agenda and leverage.
- The Company also wants to ensure that it analyzes the success of its execution through a shareholder lens. As such, it measures return to shareholders with: operating free cash flow[1]/diluted share, adjusted EBITDA[1]/diluted share and adjusted EPS/diluted share.
- In fiscal 2025, the Company refined its strategy to capitalize on significant tailwinds across key end markets. The Company is sharpening its focus on mission-critical industries and has initiated the divestiture of non-core assets. Going forward, its primary markets will be defence, space, healthcare, and nuclear. To better align with this strategic direction, the Company will reorganize its operations into two segments (Defence & Space and Essential Industries) beginning in fiscal 2026. While the One Vision, One Purpose, One Calian strategic plan—centred on operating as a unified company—remains in place, the metrics used to assess execution of the plan will evolve to reflect the new reality.

Four Operating Segments

In fiscal year 2025, the Company was organized into four operating segments, as detailed below. Beginning in fiscal year 2026, the Company will be re-organized into two operating segments.

Information Technology & Cyber Solutions

Snapshot

The Company's ITCS segment provides IT and cybersecurity solutions to public and private sector organizations across a variety of verticals. The ITCS segment is divided in three sub-segments: Managed IT Services, Cybersecurity, and IT and Cloud Modernization.

In millions of dollars, except percentages	FY25	FY24
Revenue	$189	$214
% of total revenue	24%	29%

Products and Services Offering

The Company offers a comprehensive suite of IT services across three key areas: Managed IT Services, Cybersecurity, and IT & Cloud Modernization. Its Managed IT Services include managed cloud services, 24/7 help desk outsourcing, XDR managed security, hardware asset management, Security Operations Center (SOC) services, Network Operations Center (NOC) services, and staff augmentation. The Cybersecurity offering delivers a full range of solutions, including risk assessments and compliance, cybersecurity consulting, IT infrastructure protection, penetration testing, cybersecurity training and awareness, RF emissions security, cyberattack simulations, incident response services, and cloud security. In the area of IT & Cloud Modernization, the Company provides infrastructure modernization, cloud application development, business process transformation, and technology consulting and leadership.

The Market

The ITCS segment has operations in Canada and the U.S. It capitalizes on market trends including a surge in ransomware, complexity in managing diverse systems, adopting Artificial Intelligence/Machine Learning (AI/ML), and new AI-related vulnerabilities, as well as extended IT perimeter. Today's IT environment is increasingly complex and vulnerable to cyber attacks with digital transformation accelerating as customers continue to look for efficiencies and productivity in an increasingly challenging macroeconomic environment. This rapid transformation has resulted in the movement from on-premise IT systems to multi-cloud, multi-vendor, and work-from-anywhere environments, leaving customers with increasingly complex IT systems that are more susceptible to cyberattacks.

Sales and Marketing

The ITCS segment has made significant enhancements into its business model to substantially increase and support the capture of diversified organic business growth, expanding both its government and commercial opportunities within key market segments across North America.

The ITCS' staff augmentation business is won in a competitive environment responding to large, technically complex requests for proposals from the Canadian federal government. The Company has developed a skilled team of business development and proposal writing professionals who identify, track, and respond to these openly competed opportunities, with support from highly experienced experts. Repeat business is enhanced through a large contact base, client service, the provision of value-added services and constant contact with clients. New opportunities are sought out regularly and when required, a strategic alliance is sought with the most appropriate teaming partner.

The Cybersecurity, Managed IT Services and IT & Cloud Modernization businesses have sales and marketing backing that engages clients across both the United States and Canada. While some of this business is as a value-added reseller, the segment has many loyal customers that use it not only for hardware and software fulfillment but to implement and manage these resources. New managed services opportunities are identified on an ongoing basis through its rich partner ecosystem and robust sales and marketing efforts.

Its recent collaboration with Microsoft through Calian's adoption of Microsoft Sentinel positions Calian to capture a growing share of the global cybersecurity market which continues to rise as organizations take more responsibility to protect their business. Substantial progress has been made with migrating existing base accounts to the Microsoft sentinel platform.

Competition

The ITCS segment has multiple competitors by region, service offering and by vertical. Competitors typically comprise local or regional small and medium-sized companies that supply one or two services into a specific niche market. Given the consolidation of cybersecurity platforms, the onslaught of generative AI and the uncertainty of global trade, regional rivalry is heightened as markets adjust.

The ITCS segment's competitive advantage is its deep partnerships with reputable vendors such as Microsoft, Crowdstrike, Cisco and Nutanix, coupled with its price competitive one-stop-shop service offering to the mid-market in multiple verticals (health care, oil & gas, retail, etc.).

Seasonality

The ITCS segment is not subject to major cyclical or seasonal patterns. However, its value-added resale business is subject to customers' procurement cycles and its recent Decisive Group acquisition has a seasonally high second quarter. The segment is also impacted by a change in government as this creates delays in decision making.

Health

Snapshot

The Company's Health segment is divided in three sub-segments: Health Services, Pharmaceutical Solutions and Digital Health.

In millions of dollars, except percentages	FY25	FY24
Revenue	$230	$212
% of total revenue	30%	28%

Products and Services Offering

The Company offers healthcare products and services across three key areas: Health Services, Pharmaceutical Solutions and Digital Health. Its Health Services include health staff augmentation, medical services, psychological services, medical property management, onsite, offsite, and home-based healthcare, primary care, paramedicine and air & ground ambulance. Its Pharmaceutical Solutions offering includes contract research organization, patient support program design and delivery, functional service provider and placements, therapeutic expertise and patient recruitment. Its Digital Health solutions include Calian Corolar™ interoperability platform, Calian Virtual Care and Collaboration and Calian Nexi™ an enterprise resource management platform.

The Market

The Health segment currently operates in Canada and has a large portion of its revenues generated from the Canadian Armed Forces. The Canadian government's intention to significantly increase military spending in the coming years and invest in Northern Canada should benefit the segment. Besides this, it capitalizes on market trends including growing use of virtual care, rising demand for pharmaceutical solutions, growth in the gig economy, aging demographics, high cost of care and demand for connected care.

Sales and Marketing

The Health Services business is won in a competitive environment responding to requests for proposals from Canadian government agencies. Through a large contact base, client service, the provision of value-added services and constant contact with clients, the segment experiences a large percentage of repeat business.

The Pharmaceutical Solutions services contracts are won in a competitive environment responding to requests for proposals from commercial customers.

The Digital Health solutions are won in a competitive environment responding to requests for proposals from both provincially funded hospitals as well as commercial customers. Last year's contract win with Walmart Canada to provide its digital health platform, Nexi, is expected to help propel its digital health growth.

The Health segment has developed a skilled team of sales account executives professionals that identify, track, and respond to openly competed opportunities.

Competition

Health Services' competitors include Bayshore Medical Personnel, Altis Recruitment, Telus Health, SOS International, and Maple. The Health Services competitive advantage is its pan-Canadian network of practitioners and its track record of delivery.

Pharmaceutical Solutions' competitors include vertically integrated pharmaceutical companies who internally manage their clinical trials and patient support programs. Patient support program competitors include Bayshore, Shoppers, NavieGo, Innomar and McKesson, though many of these competitors are also customers for patient support programs (home nursing network). The Pharmaceutical Solutions businesses' competitive advantage is its focus on smaller trials, less bureaucracy, digital enablement and the gig economy.

Digital Health competitors include Smile Health, Health Gorilla, NextGen Healthcare, Infor Health and Redox. Nexi competitors include Salesforce Patient Connect and Alayacare.

Seasonality

The Health segment is not subject to cyclical or seasonal patterns, however, it does have fixed-term contracts that end, which can make the segment lumpy. In addition, its Department of National Defence (DND) business is dependent upon the continuing renewal of the customer contract.

Advanced Technologies

Snapshot

The Company's Advanced Technologies segment delivers innovative services and products that enhance performance in mission critical ndustries, including space communications, defence, wired and wireless networks, Global Navigation Satellite Systems (GNSS), manufacturing, agricultural technology, composite and nuclear sectors. The Advanced Technologies segment is divided in three sub-segments: Space, Terrestrial and Defence.

In millions of dollars, except percentages	FY25	FY24
Revenue	$210	$208
% of total revenue	27%	28%

Products and Services Offering

The Company offers a comprehensive suite of products and services across three key areas: Space, Terrestrial and Defence. Space includes a wide range of products and services including ground systems infrastructure, system design, integration and commissioning, software defined solutions, satcom products, teleport ground systems services and satellite operations. Its Terrestrial offering includes design services and OEM product development for communication and test applications such as cable access, test products, terrestrial wireless, design and manufacturing services, GNSS antennas, agriculture technology, composites and nuclear and environmental services. Its Defence offering provides engineering and technical service solutions along with electronics products design and manufacturing used in government and large defence prime contractor systems. More specifically it designs and manufactures custom and build-to-print Military Standards (MIL-STD) products used across defence OEM armoured vehicle platforms for control and safety systems.

The Market

The Advanced Technologies segment has offices and facilities in Canada, the U.S. and Europe and has global installations and products working around the world. Almost all Advanced Technologies engineering and production locations are ISO 9001 certified, and two locations are now ISO 14001 certified, a standard of quality excellence recognized by customers worldwide. It serves many markets with the largest ones being space ground systems (including teleports), defense systems and services, GNSS, and nuclear and environmental consulting. It delivers solutions aligned with major societal trends including climate change, global conflicts and related increases in defence spending, communication and connectivity to everything and everywhere, the need fro precise GNSS positioning, AI driven software, and production and the acceleration of space exploration programs.

Sales and Marketing

In the Advanced Technologies segment, commercial contracts for satellite ground station systems are in many cases awarded by open or selective tender based on unique, complex and detailed requests for proposals. The Company is sought after to submit bids due to its rich history in the industry, reputation, industry relationships, and innovative business development. The Company develops close and long-term partnerships based on deep customer knowledge and understanding through regular customer discussions; earns trust by delivering exceptional customer experiences; offers innovative solutions; and offers thought leadership through webinars, trade shows, public relations initiatives, speaking on industry panels and active participation in trade organizations.

Competition

The Advanced Technologies segment has competitors that vary by market and product type.

In the Space segment, the market for ground systems is highly competitive and constantly evolving as new technologies and companies enter the market. In some cases, companies that are suppliers on one project, can become a competitor on another. The Space segment competes for contracts based on system design, flexibility, price, delivery capability and reputation. Procurement is generally by open tender, except in the case of system upgrades, and often attracts three or more qualified bidders. Some of the Company's key competitors in this business include CPI Satcom, Kratos and Kythera. The Space segment's competitive advantages are its differentiated products and services, its in-house components which help to control its margins, its solid reputation and good product heritage, its 60-year history in the industry, as well as continuous investments in innovation. It is also known in the industry for its service and for being a go-to partner when you cannot afford to fail. Its subject matter expertise, built up over more than 60 years, provide insight into customer requirements which allow the Company to innovate.

In the Terrestrial segment, the Company operates in many different markets. The two major markets are nuclear and GNSS antennas. In nuclear, the Company operates in Canada and has competitors such as Kinectrics and CANDU Energy. Its competitive advantages include its ability to lead multi-disciplinary teams to deliver turn-key projects while navigating complex regulatory licensing requirements. For GNSS, the Company provides its products globally and has competitors such as Taoglas and Harxon. Its competitive advantages are its performance, strong sales and engineering support, quality products, product development, short lead times and competitive pricing.

In the Defence segment, there is considerable competition, not only from other subcontractors but also from prime contractors. Competitors for services, manufacturing and test solutions include such companies as Valcom, Amphenol Borisch Canada/OES and Magellan. The segment works to sustain its share of the market through strategic teaming arrangements and competitive advantages, including its reputation for quality, competitive labour costs and military communications systems engineering and manufacturing capability.

Seasonality

The Advanced Technologies segment is not subject to cyclical or seasonal patterns, however, because part of its revenues are generally nonrecurring and project-based, it can experience some revenue volatility.

Learning

Snapshot

The Company's Learning segment works with defence, private sector, government and academic customers to develop mission-critical training and learning solutions. This involves incorporating immersive technologies that enhance organizational performance, address diverse operational needs and empower teams with the skills to meet evolving geopolitical realities and industry demands. The Learning segment is divided in two sub-segments: Defence Learning and Custom Learning Solutions.

In millions of dollars, except percentages	FY25	FY24
Revenue	$146	$113
% of total revenue	19%	15%

Products and Services Offering

The Company offers a comprehensive suite of products and services across two key areas: Defence Learning and Custom Learning Solutions. In Defence Learning, the Company offers a full-spectrum of realistic, immersive simulation-based military training including exercise design, development and delivery (E3D), individual training solutions, professional military education (PME), special leadership training and disruptive technology development. Its Custom Learning Solutions offers tailored learning programs for all needs, including immersive learning, instructor-led learning, blended learning, which combines in-person and virtual training.

The Market

Defence Learning operates in Canada and in Europe, with more than half of its revenues coming from Canadian government defence-based customers. The Canadian government's intention to significantly increase military spending in the coming years and invest in Northern Canada should benefit the segment. On the international front, it has regionally diversified into markets threatened by a major open war on the continent with Calian U.K.'s strategically advantageous position within the U.K.'s Ministry of Defence training ecosystem along with the growth in NATO training. While the international business is reliant on government defence spending, the threat level should keep defence spending at a robust level in Europe and the U.K. for the foreseeable future. Especially with the Readiness 2030 (formerly ReArm Europe 2030) EU initiative that Canada has joined, which will help spur defence investment in Europe, the UK and Canada.

Defence Learning capitalizes on market trends including global political/security tensions, advanced training solutions (such as Augmented Reality [AR] and Virtual Reality [VR]), the need for larger simulation-based exercises, lower availability of live ordnance to use in training and the cost effectiveness of synthetic training environments.

Custom Learning Solutions' customers are currently all in Canada.

Sales and Marketing

The Learning segment's focus is on developing and capturing domestic and international defence opportunities and has adjusted its sales infrastructure to support these goals.

Defence Learning's business is won in a competitive environment responding to large, technically complex requests for proposals from the Canadian and U.K. governments, NATO and NATO member nations. It has developed a skilled team of business development and proposal writing professionals who identify, track, and respond to these openly competed opportunities, with support from highly experienced experts. Repeat business is enhanced through continuous successful delivery to a large contact base, client service, the provision of value-added services and constant contact with clients. New opportunities are sought out regularly and when required, a strategic alliance is sought with the most appropriate teaming partner(s).

Custom Learning Solutions is focused on expanding its sales and marketing reach with defence customers while also advertising its capabilities and experience to a much wider commercial market across Canada and the U.S.

Competition

Defence Learning's Canadian competitors include service providers such as Bluedrop, Racerocks and ADGA. In Europe and the U.K., competitors include large OEMs along with Babcock, AlliedContainer, Ravenswood Solutions and 4C Strategies. Defence Learning's competitive advantage is its track record of no-fail delivery of mission-critical combat readiness training, its ability to immerse training audiences via a blend of cutting-edge technology and specialist expertise, access to a workforce of military veterans and a profound understanding of military training.

Custom Learning Solutions' commercial competitors range from small businesses to Deloitte and IBM amongst others. Some of the more direct competition in North America include GP Strategies, NIIT, ELB, Redwood Learning, TLN, and Flint Learning.

Seasonality

The Learning segment typically sees minor fluctuations in defence spending in Canada on either side of the Department of National Defence (DND) fiscal year start/end date due to organizations reallocating funds. Operations in Europe and the U.K. see a summer plateau from mid-July through the end of August. There are similar deviations in Custom Learning Solutions.

Bankruptcy and Similar Procedures

There has not been any bankruptcy, receivership, or similar proceedings against the Company or any of its subsidiaries, or any voluntary bankruptcy, receivership or similar proceedings by the Company or any of its subsidiaries, within the three most recently completed financial years or during or proposed for the current financial year.

Reorganizations

The Company has not conducted any material reorganizations within the three most recently completed fiscal years.

In fiscal year 2026 (starting on October 1, 2025), the Company will undergo a material reorganization. It will move from four segments (Advanced Technologies, Learning, Health and IT & Cyber Solutions) to two segments (Defence & Space and Essential Industries (Health & Energy)). In addition, it will explore divestiture of non-core assets that are not aligned with its key markets in order to increase focus on its core capabilities.

The two new segments will be comprised of the following:

Defence & Space

This segment will include the following products and services: Defence training, Defence manufacturing, Defence healthcare, Space and Terrestrial products, IT and Cyber Defence & Security, including infrastructure modernization for Defence based customers, as well as Composites and GNSS.

Essential Industries (Health & Energy)

This segment will include the following products and services: Commercial healthcare, IT Commercial cybersecurity, Managed services and infrastructure modernization for commercial customers, Nuclear and AgTech.

This new structure brings Calian's capabilities together under a simpler, stronger model that mirrors how the Company's customers think, buy and expect solutions to come together. It is designed to bring the right ingredients into one place: technology, expertise, delivery and customer insight. By aligning these strengths, Calian can build integrated solutions faster, collaborate more effectively and scale its impact.

This realignment is a deliberate step in Calian’s long-term growth strategy, building on the Company's strengths and enhancing its ability to deliver mission-critical solutions.

Corporate Social Responsibility and Environment, Social and Governance

Corporate social responsibility is an integral part of the Company’s day-to-day operations. The Company’s ESG vision Calian CARES–**C**ollaboration to **A**dvance **R**esilience **E**xcellence and **S**ustainability—builds on the company's mission, values, and historical commitment to social responsibility, and integrates its key competencies. It provides a framework and focus for activities and corporate communications related to ESG. By delivering on the Company’s mission and applying a wide range of capabilities—including learning, health solutions, advanced technologies, and IT and cyber solutions—the Company can help break down the barriers to resilience, addressing several of the United Nations Sustainable Development Goals.

Strong leadership and well-established corporate governance are key elements of the Company’s continued financial success. The Governance and Risk Committee mandate includes oversight of the environmental, social and governance strategy and enterprise risk management. An ESG governance framework was established by the Board to prioritize key ESG factors of importance to the Company and identify the ESG oversight responsibilities of all of the Board committees. The Company has adopted the International Financial Reporting Standards/International Sustainability Standards Board (“IFRS”) as the Company’s guide for future disclosures.

See below the progress made in ESG over the past three fiscal years.

2023 Fiscal Year

In 2023, the Company conducted a formal materiality assessment of ESG topics to quantitatively measure stakeholder priorities. Research was conducted among 831 survey respondents (497 internal, 334 external) to establish a broad list of 25 ESG topics most material to the Company’s activities. Engagement was conducted through quantitative surveys and documentation review to understand what topics are most material to stakeholders. The most material environmental topics for customers were responsible supply chain, waste management and lifecycle management. Twelve topics were identified as most material and out of those top 12, internal and external stakeholders were aligned, with top 10 topics being the same. The Company identified actions in four areas: policies, documented commitments, key performance indicators and assigned responsibility.

The Company also launched six Employee Resource Groups with over 275 members, a new Leadership Development Program (LDP) with 29 leaders participating, and a retirement savings program with a 3% match to employee contributions. In terms of representation, the Company's board had 50% female representation, 45% female representation in its workforce and 23% of the workforce was under 30 years of age. The Company contributed over $720K in community giving, providing support to more than 27 organizations. The Company was certified as an Indigenous Works Employer of Choice. The Company continued to fund and provide expertise to several research projects with universities including cyber research at Dalhousie University regarding data exhaust which has resulted in in two research papers to date, plus an Indigenous-led research project focusing on land-based Indigenous knowledge and emergency preparedness.

2024 Fiscal Year

In 2024, Calian continued to adopt the components of the Taskforce for Climate-related Financial Disclosures (TCFD) recommendations to assess and manage the climate-related risks and opportunities for the organization. The Company conducted a climate scenario analysis and developed a framework to enable Calian to systematically assess climate-related risks and opportunities. This framework will be used to establish key priorities and actions as the Company progresses towards net zero. Climate related risks and opportunities will be embedded in the Company's Enterprise Risk Management registry and form a key element of the Net-Zero Challenge milestone 2 criteria. For the second year, as requested by its investors, Calian submitted to the Carbon Disclosure Project (CDP).

The Company published its Modern Slavery and Anti-trafficking policy and statement along with its Supplier Code of Conduct. To gain better insight on its suppliers, the Company rolled out a questionnaire to register Calian suppliers, including the requirement to certify compliance with these new policies.

The company's ERG groups continued to expand to a total of eight groups in 2024 with more than 600 (non-unique) members.

In April 2024, Calian received the Canadian Council for Indigenous Business committed level Progressive Indigenous Relations (PIR) certification. Calian was also part of two successful Canadian university R&D funding applications. Calian will provide $25K per year for three years plus in-kind support to the Queen's University Garnet families partnership project (funded by the Social Sciences and Humanities Research Council [SSHRC]) and $60K per year plus in kind support to Dalhousie University Cyber labs to create a new cyber curriculum to produce 190 trained graduates (funded by the Natural Sciences and Engineering Research Council [NSERC]).

2025 Fiscal Year

In 2025, Calian advanced its ESG strategy, building on the priorities established in 2024. The Company focused on strengthening the foundation for a more integrated and actionable ESG approach, one that reflects its core values and supports long-term, sustainable growth.

Key efforts in 2025 included the formalization of a multi-year decarbonization roadmap and the identification of the most material risks and opportunities across our operations and supply chain. These initiatives lay the groundwork for execution in 2026, when Calian will begin implementing targeted emissions reduction pathways across Scope 1, 2, and 3. Segment-specific action plans will be developed, and climate-related accounting practices will be further enhanced to align with evolving disclosure standards, including the Canadian Sustainability Disclosure Standards (CSDS) 2: Climate-related Disclosures. For the third consecutive year, Calian responded to investor requests by submitting to the Carbon Disclosure Project (CDP), reinforcing its commitment to transparency and climate accountability.

In 2025, the Calian CARES employee-led community giving platform raised over $5,500 in donations and recorded more than 1,600 volunteer hours. The Company's Employee Resource Groups (ERGs) continued to grow, expanding to a total of eleven groups with over 780 non-unique members, fostering inclusion and engagement across the organization. The strategic acquisition of Advanced Medical Solutions (AMS), a leading provider of remote and emergency healthcare services in Northern Canada in 2025 enhances the Company's ability to deliver integrated healthcare in underserved regions, strengthens partnerships with Indigenous communities, and expands Calian's presence in industrial health services, directly supporting its ESG objectives.

Risk Factors

The Company is subject to several risks and uncertainties. The Company operates in rapidly changing economic and technological environments that present numerous risks, many of which are driven by factors that it cannot control or predict. The following risks and uncertainties are in addition to those outlined in the Company’s other filings with Canadian securities regulatory authorities. These risks are those that the Company currently believes to be material and are not the only ones it faces. There may be others that the Company may not be aware of, or may not consider material today, but could become material in the future. If any of the following risks or other risks occur, the Company’s business, prospects, financial condition, results of operations and cash flows could be materially adversely impacted.

Risks Relating to the Company’s Business

The Company continues to evolve its risk management processes and risk management is an integral part of how the Company plans and monitors its business strategies and results. Operational risk is managed through the establishment of effective infrastructure and controls. Key elements of the infrastructure are qualified, well-trained personnel, clear authorization levels and reliable technology. Controls established by documented policies and procedures include the regular examination of internal controls by internal employees as well as the Company’s auditors, segregation of duties, and financial management and reporting. In addition, the Company maintains insurance coverage and contingency plans for systems failures or catastrophic events. However, there can be no assurance that risk management steps will avoid future loss.

Economic Uncertainty

The Company’s business depends in part on a stable and growing economy. If the Canadian or global economy suffers a downturn or enters a recession it could affect customers’ ability to spend on the Company’s products and services. This could result in decreased revenues for the Company, the cancellation or non-renewal of existing contracts, and impede its ability to win new business.

The recent adoption of tariffs and the possibility of additional tariffs in the future create economic uncertainty for the Company's supply chain and customers. If tariffs, interest rates or inflation rates fluctuate or maintain increased levels, they could impact customers' purchasing trends and the Company's operating activities, financial position and profitability. In addition, the current inflationary environment has increased the risk of a recession which could have an adverse impact on the demand for the Company's products and services, and as a result revenues and profitability could be negatively impacted.

Acquisitions

The Company has completed several acquisitions and continues to seek opportunities to acquire or invest in businesses, products and technologies that could expand, complement or otherwise relate to the Company's current or future business. The Company may also consider, from time to time, opportunities to engage in joint ventures or other business collaborations with third parties to address market segments. The pursuit of these activities may divert the attention of management and incur various expenses in identifying, investigating, and pursuing suitable acquisitions or joint ventures, whether or not they are consummated. If consummated, these activities create risks such as: (i) the need to integrate and manage the businesses and products acquired with the Company's own business and products; (ii) additional demands on Company resources, systems, procedures, and controls; (iii) disruption of the Company's ongoing business; (iv) adverse effects to the Company's existing business relationships; and (v) potential loss of key employees. Moreover, these transactions could involve: (a) substantial investment of funds or financings by issuance of debt or equity securities; (b) substantial investment with respect to technology transfers and operational integration; and (c) the acquisition or disposition of product lines or businesses. Also, such activities could result in one-time charges and expenses and have the potential to either dilute the interests of existing shareholders or result in the issuance of, or assumption of debt. Such acquisitions, investments, joint ventures, or other business collaborations may involve significant commitments of the Company's financial and other resources. Any such activity may not be successful in generating revenue, income or other returns, and the resources committed to such activities will not be available for other purposes. Moreover, if the Company is unable to access capital markets on acceptable terms or at all, it may not be able to consummate acquisitions, or may have to do so based on a less than optimal capital structure.

There is a risk that the Company will not be able to identify suitable acquisition candidates available for sale at reasonable prices, complete any acquisition, or successfully integrate any acquired product or business into its operations. The Company is likely to face competitors for acquisition candidates from other parties, including those that may have substantially greater available resources.

The inability to take advantage of growth opportunities for the business or for its products, or to address risks associated with acquisitions or investments in businesses, may negatively affect operating results. Additionally, any impairment of goodwill or other intangible assets acquired in an acquisition or in an investment, or charges to earnings associated with any acquisition or investment activity, may materially reduce earnings which, in turn, may have an adverse material effect on the price of Common Shares. If the Company does complete such transactions, it cannot be sure that they will ultimately strengthen its competitive position or that they will not be viewed negatively by customers, securities analysts or investors.

Security Breaches - Cyber Attacks

Security breaches could delay or interrupt service to customers, harm the Company's reputation or subject it to significant liability and adversely affect business and financial results. The ability to retain customers and attract new customers could be adversely affected by an actual or perceived breach of security relating to customer information.

The Company's operations involve the storage and transmission of the confidential information of many customers, and security breaches could expose it to a risk of loss of this information, litigation, indemnity obligations and other liability. If security measures are breached because of third-party action, employee error, malfeasance or otherwise and, as a result, someone obtains unauthorized access to customers' data, (including personally identifiable information regarding users), damage to the Company's reputation is likely, the business may suffer, and the Company could incur significant liability. Because techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not recognized until launched against a target, the Company may be unable to prevent these techniques or to implement adequate preventative measures. The risk of security breaches is heightened by the recent advancements in artificial intelligence.

The Company has implemented technical, organizational, and physical security measures, including employee training, back-up systems, monitoring and testing and maintenance of protective systems and contingency plans, to protect and prevent unauthorized access to confidential information of customers, and to reduce the likelihood of disruptions to systems.

Despite these measures, all information systems, including back-up systems and any third-party service provider systems that the Company employs, are vulnerable to damage, interruption, disability or failure due to a variety of reasons, including physical theft, electronic theft, fire, power loss, computer and telecommunication failures or other catastrophic events—as well as from internal and external security breaches, denial of service attacks, viruses, worms, phishing attacks, and other known or unknown disruptive events. The Company or its third-party service providers may be unable to anticipate, timely identify or appropriately respond to one or more of the rapidly evolving and increasingly sophisticated means by which computer hackers, cyber terrorists and others may attempt to breach security measures or those of third-party service providers' information systems.

The Company also continues to increase the cyber services provided to customers, from risk assessments, security product implementation and managed security operations. There is a risk that failure in these services could result in customer loss, reputational damage, or legal liabilities. The Company's insurance continues to be reviewed and updated to reflect the increasing scope of the Company's security portfolio. There can be no assurances that the Company's insurance will be adequate to cover such risks.

If a breach of security measures occurs either internally or with a customer, the market perception of their effectiveness could be harmed, and the Company could lose potential sales and existing customers resulting in a loss of revenues and reputational harm.

Competition within Key Markets

The markets for the Company's services are very competitive, rapidly evolving, and subject to technological changes. The principal competitive factors in the Company's markets are quality, performance, price, timeliness, customer support and reputation. The Company expects competition to increase in the future, both from existing competitors and new companies that may enter its markets. Some competitors may have greater name recognition, and significantly greater financial, technical, sales, marketing, and other resources, and there is no assurance that the Company may be able to keep pace with its competitors. Further, the Company's existing or potential customers may develop their own products or acquire companies that provide similar or competitive services. Any of these competitive threats, alone or in combination with others, could result in pricing pressure, reduced sales, loss of market share, lower margins, or have other adverse effects on the Company's business.

Availability of Commodities and Inflationary Prices

The impacts of global events, including the application of tariffs, have reduced the availability of materials and contributed to price inflation in the Canadian and global markets. Some of the Company's contracts are fixed-price and/or were negotiated prior to the onset of these economic effects. Delays in the supply chain and scarcity of materials may impact the Company's ability to secure the materials and components required to meet customers' needs and contractual obligations. Inflationary prices on components subject to fixed-priced contracts may impact the Company's ability to generate the revenues and margins previously expected on certain projects. Inflationary prices may also cause a decrease in customer spending which would negatively impact future sales.

Government Contracts

During fiscal 2025, approximately 52% of the Company's total revenues were derived from contracts with worldwide governments and their agencies. Governments may change their policies, priorities or funding levels through agency or program budget reductions, impose budgetary constraints, or reduce their international purchasing. Democratic elections of government officials may also impact political priorities. Furthermore, contracts with governments, including the Canadian government, may be terminated, or suspended by the government at any time, with or without cause, and may be subject to certain audits or other claims. Although in the past the Company has rarely experienced cancellations of previously awarded significant contracts by the Canadian government, there can be no assurance that any contract with the government will not be terminated or suspended in the future.

Contractual non-compliance, failure to comply with procurement regulations and regulations regarding the protection of classified information, and other improper or illegal activities, may result in various civil and criminal penalties and administrative sanctions, which may include termination of contracts, forfeiture of profits, suspension of payments, fines and suspensions or debarment from doing business with the government.

Recent increased scrutiny of government contracts and modernization of procurement initiatives within the Canadian government may require the Company to adapt its delivery models in order to remain competitive as a provider under these government contracts.

Defence Industry

As a long-standing service provider to the Canadian military, and more recently, NATO and other U.K. and European defence organizations, the Company may be subject to a higher level of risk due to the inherent dangers associated with the defence industry. The Company also manufactures components that may be used in defence equipment with inherent risks associated with this industry.

As many of the Company's training, health care, advanced technologies, and IT and cyber services are offered on location at military bases or other defence locations across Canada, the U.K. and Europe, the Company faces risks inherent in operations at those sites, including personal injury to employees or others, and property damage to assets owned by the Company or others, both of which could lead to financial losses.

In the event one of the Company's military customers was targeted by a hostile state or group, the Company, as a key partner to those militaries, could be at an increased risk of state-sponsored strikes, including cyberattacks, damage to infrastructure, and supply chain interference, and therefore be at risk of sustaining financial losses and reputational damage.

Reputational and Brand Risks

The Company's brand and reputation play an important role in its ability to maintain existing customers and generate new business. The Company is investing significantly in the development, cohesiveness, and publicity of its brand. The Company's brand and reputation depend on the ability to continue successfully delivering products and solutions without interruptions, errors, or defects. Any impediments to the delivery of solutions may negatively impact upon the brand and reputation. Any unfavourable media coverage about the Company and the industries in which it operates could harm its reputation. Public criticism of the Company's operations could be distracting to management, costly, time-consuming and harm the brand and reputation.

Sustainability and Management of Growth

The Company has experienced significant growth in recent years, due to a combination of numerous acquisitions, its ability to generate new business, entry into new domestic and international markets, the diversification of product and service offerings, and customers' increased demand for the Company's products and services. The Company's future growth could be impeded by external factors such as slow economic growth, inflation, redundancy of certain products or services, loss of market share to competitors, limited resources to fund growth, or a variety of other factors. Moreover, the business could be harmed if the Company fails to manage its growth effectively. Its growth has and will likely continue to place a strain on resources with increased demands on all corporate services and business units. It is possible that the Company may over-hire with no guarantee of corresponding increase in revenue. As the Company continues to grow, it may be challenging to integrate many new employees and acquisitions into the corporate culture and processes which could limit the ability to operate effectively.

Access to Capital

While the Company has secured access to capital under a debt facility, in the future it may need to raise additional funds to pursue its growth strategy, enhance its products and services, respond to competitive pressures, or make acquisitions or other investments. There can be no guarantee that such additional capital will be available when needed or on favourable terms. The Company's access to capital and its cost of capital will be subject to several factors, including general market conditions, the Company's current and expected future earnings, the market's perception of the Company, the Company's cash flow, and the market price of the Common Shares. If the Company is unable to secure sources of capital, it may not be able to pursue opportunities, engage in R&D, compete effectively with its competitors or weather an economic downturn.

Negative Covenants in Credit Facilities

The Company has a debt facility with the Royal Bank of Canada that provides the Company with the ability to draw up to $350 million. The agreement has a three-year term, which will mature on September 29, 2028. As of fiscal year-end, the Company's draw was at $131 million. 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 any outstanding indebtedness under the debt facility is subject to floating interest rates, it is also subject to fluctuations in interest rates. Interest rate fluctuations are beyond our control and there can be no assurance that interest rate fluctuations will not have a significant adverse effect on our financial performance.

Throughout 2025 and at September 30, 2025, the Company was in compliance with the terms of the debt facility.

The Company is subject to various financial covenants and the Company, and its subsidiaries are subject to other customary positive and negative covenants (including limitations on dispositions, incurring additional indebtedness, providing financial assistance, making capital expenditures or investments, amalgamating, or merging with third parties, making distributions, and making changes to the business).

When outstanding, indebtedness of the Company could have material adverse consequences, including (i) limiting the Company's ability to obtain additional financing for working capital, capital expenditures, product development, acquisitions and general corporate or other purposes, (ii) requiring the Company to dedicate a portion of its cash flow from operations to the payment of interest and principal on existing indebtedness rather than having that cash available for other purposes, including operations, capital expenditures and future business opportunities, (iii) restricting the Company's flexibility and discretion to operate its business, (iv) limiting the Company's ability to adjust to changing market conditions, (v) placing the Company at a competitive disadvantage compared to its competitors that have relatively less debt or less onerous contractual restrictions and (vi) making the Company more vulnerable in a downturn in general economic conditions.

The Company's failure to comply with obligations under the facility could result in an event of default, which, if not cured or waived, would permit acceleration of the loans and the realization of security, and could trigger cross-defaults on other indebtedness. There can be no assurance that the assets of the Company and its subsidiaries would be sufficient to repay in full all such indebtedness.

The Company may incur additional indebtedness in connection with future acquisitions or for working capital or other corporate purposes.

Availability of Qualified Professionals

If the Company fails to attract and retain qualified professionals, the business could be harmed, and the Company might not be able to implement its strategy. Competition for talent from other firms has a two-fold impact on the Company. The Company competes for qualified employees for its own operations and must maintain ready access to a large pool of qualified professionals to satisfy contractual arrangements with customers. The Company's ability to continue to attract and retain highly skilled personnel across all segments, including employees with medical, IT, technical and engineering skills, is critical to the Company's success. If an operating segment cannot secure an appropriate workforce, such operating segment may not be able to bid on or secure certain contracts. The Company depends on its ability to offer performance-driven remuneration policies and favorable working environments. Any adverse changes in its compensation practices or increased compensation offered by competitors could affect the Company's ability to retain and motivate existing personnel and recruit new personnel. Advanced Technology segment revenues are predominately from export, but labour costs are largely influenced by Canadian domestic and regional economic factors. Accordingly, labour costs could become significantly higher than those of foreign competitors, eroding the Company's competitive position.

Non-Performance of a Key Supplier or Contractor

The Company's business is often dependent on performance by third parties and subcontractors for completion of contracts for which the Company is the prime contractor. Subcontractors for large systems are selected in concurrence with the customer's requirements, and if not directed by the customer, are selected through a competitive bid, or negotiated process. Most major development subcontracts are established as fixed-price contracts. The Company depends on subcontractors having an economic incentive to perform such subcontracts for the Company. The Company has risks to its business from material breaches by its subcontractors, particularly those related to financial insolvency of the subcontractors or to cost overruns by subcontractors. Other risks include a significant price increase in those subcontracts that are not fixed-price, delays in performance, failure of any major subcontractor to perform or the inability of the Company to obtain replacement subcontractors at a reasonable price. If any of these circumstances occur, it could have a material adverse effect on the Company's business, financial condition, or operations.

Senior Management Personnel and Succession Planning

The Company's success depends on the engagement and contributions of senior management personnel, including the Chief Officers. Any changes to the management team, including the hiring or departing of executives, could be disruptive to the business. The failure to properly manage succession plans, develop leadership talent, or the loss of key employees could negatively impact the Company's performance. The Company has, in recent years, successfully onboarded several key management personnel without interruption to the business. The Company also endeavors to maintain succession plans for key positions to ensure business continuity in the event of the departure of any key employees. The Company may face challenges to attract suitable candidates for senior positions, and the failure to adequately replace senior management may have a material adverse effect on the Company's business, financial condition, and operations.

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 realized could be materially different from the original contract value. At September 30, 2025, the Company's backlog included $265 million of contract value in excess of the current estimated utilization levels. Should additional customer requirements for the Company's services under these contracts not materialize, this excess will not be realized. Including this excess amount, the total backlog for the Company is $1,711 billion.

Concentration of Key Revenues

The Company has certain ongoing contracts that account for a significant portion of revenues. Should these contracts not be renewed at expiry, cancelled by customers or should a competitor win the renewal, the Company's future revenue stream and overall profitability could be significantly reduced.

Performance on Fixed-Price Contracts

A portion of the Advanced Technologies contracts are based on a fixed price for the provision of a specified service or system against an agreed delivery schedule. At times these fixed-price contracts involve the completion of large-scale system engineering projects. There is a risk in all fixed-price contracts that the Company will be unable to deliver the system within the time specified and at the expected cost. Contracts generally include a wide range of stringent factory and on-site acceptance tests with criteria and requirements jointly developed with the customer. Non-performance could result in a customer being able to terminate the contract for default, or to demand repayments or penalties. While program management methodologies have been implemented to manage each project and any customer change, and to identify and mitigate potential technical risks and related cost overruns, there can be no assurance that these programs will be successful. As the Company evolves, other segments are also increasing their portfolio of fixed price contracts with the inherent risks as listed above.

Rapidly Changing Technologies and Customer Demands

The markets in which the Company operates are characterized by rapid technological change and evolving industry standards. The Company's ability to anticipate changes in technology, technical standards and service offerings will be a significant factor in the Company's ability to compete in existing markets or expand into new markets. Any new solution it develops or acquires might not be introduced in a timely or cost-effective manner and might not achieve the broad market acceptance necessary to generate significant revenue. If any competitors implement new technologies before the Company can implement them, those competitors may be able to provide more effective solutions at lower prices. To the extent that the Company adopts new technologies and introduces new solutions, it may face additional risks, such as increased R&D expenses, new data security risks, and lack of personnel with relevant experience.

The Company continues to explore artificial intelligence ("AI") enhancements to its product offerings. The integration of AI introduces additional risks including algorithmic bias and discrimination, accidental misinformation, lack of transparency and accountability, technical malfunctions, ethical issues and the potential for misuse. These risks could lead to brand or reputational harm, loss of customers, and legal liability.

There can be no assurance that the Company's products will be competitive with the products of its competitors or that it will be able to keep pace with technological developments in the market. Such advances could make the Company's technologies and products partially or completely redundant or impact future sales, which could have a material adverse impact on the Company's business, revenues, and profitability.

Outsourcing/Subcontracting

The Company outsources large parts of its projects, including professional services in all four operating segments, manufacturing of numerous components, and distribution of products to various subcontractors, including independent contractors. Therefore the Company is subject to the risk that its subcontractors do not provide its customers with the quality and performance that they expect from the Company's products. If the Company is unable to fulfill customer expectations, it may lose business opportunities and its reputation could suffer. Quality or performance failures of its products or changes in subcontract manufacturers' financial or business conditions could disrupt the ability to supply quality products to customers and have a material and adverse effect on the Company's business, results of operations or financial condition. There is also a risk that independent contractors be deemed by the Canada Revenue Agency to be employees, and the Company be found liable for tax withholdings and employee benefits entitlements.

The Company is responsible for any errors caused by its subcontractors in the same way it is for its own employees and there are generally higher costs associated with subcontractors, which could have a material adverse effect on the Company's results if the ratio of subcontractors to employees increases and if large volumes of major projects are assigned to subcontractors. These risks related to the use of subcontractors could, if they materialize, have a material adverse effect on the Company's business, financial condition, and results of operations.

Historical Pricing Trends

Selling prices of technology products tend to decrease over time. The average sales prices for the Company's products may decline for a variety of reasons, including competitive pricing pressures, a change in the mix of its products, and anticipation of the introduction of new products. Furthermore, average sales prices for the Company's products may decrease over product life cycles.

The Company's gross profit and financial results will suffer if it is unable to offset any reductions in its selling prices by reducing its costs, developing new or enhanced products on a timely basis with higher selling prices, or increasing sales volumes. A decline in the Company's selling prices more than its expectations may harm the business, results of operations or financial condition.

Customer's Ability to Retain Market Share

The Company performs manufacturing services for several customers including building their products to meet their market demands. While these relationships are long-standing, the Company is susceptible to overall shifts in market demand for such products as well as its customers' share of their own markets. An erosion of a customer's market share for a particular product could have a direct impact on the Company's revenues and profitability.

Consolidation of Customer Base

Certain markets and industries can experience both restructuring and consolidation. As the newly formed entities focus on optimizing cash flows and gaining economies of scale, opportunities may be diminished or work currently performed by the Company could be repatriated, resulting in a loss of revenue or the creation of a very competitive environment with commensurate pressure on margins.

Accounts Receivable Collection Risk

The Company's customer billing practices are often imposed by the customer, particularly with respect to government contracts. Most contracts require the delivery of products and services to the customer prior to payment. There is always a risk of customer non-payment of invoices, resulting in losses to the Company. As the Company grows, credit risk increases with respect to accounts receivable. Although large contracts usually provide for milestone payments to ensure delivery of funds, there is nevertheless a risk that a customer may not deliver payments as required and/or may become insolvent, thereby preventing the Company from collecting amounts owing. Such losses could negatively impact the Company's financial performance and profitability.

Foreign Currency Risk

The Company operates internationally with approximately 44% of its business derived from non-Canadian sources. A substantial portion of this international business is denominated in major foreign currencies and therefore the Company's results from operations are affected by exchange rate fluctuations of these currencies relative to the Canadian dollar. The Company uses financial instruments, principally in the form of forward exchange contracts, in its management of foreign currency exposures. At September 30, 2025, the Company had various forward exchange contracts, which are explained in Note 25 to the Company's consolidated financial statements for the year ended September 30, 2025. The strengthening of the Canadian dollar relative to other foreign currencies may negatively impact the Company's competitiveness and increase pressure on margins for new work.

Although forward exchange contracts are used, the contracts do not represent 100% of the foreign exchange in operations of the Company. There is still unmitigated risk due to currency exchange as described in Note 25 of the Company's consolidated financial statements for the year ended September 30, 2025.

Foreign Operations

As the Company's long-term success depends, in part, on its ability to continue to expand the sales of its solutions to customers located outside of North America, the business is susceptible to risks associated with international operations.

Conducting and launching operations on an international scale requires close coordination of activities across multiple jurisdictions and time zones and consumes significant management resources. Limited experience in operating the business outside of North America increases the risk that current and any future international expansion efforts will not be successful. Conducting international operations subjects the Company to new risks that, generally, it has not faced in North America, including:

- new and different sources of competition;
- unexpected changes in foreign regulatory requirements;
- longer accounts receivable payment cycles and difficulties in collecting accounts receivable;
- difficulties in managing and staffing international operations, including differences in labour laws;
- potentially adverse tax consequences, including the complexities of foreign value-added tax systems;
- restrictions on the repatriation of earnings;
- localization of solutions, including translation into foreign languages and associated expenses;
- the burdens of complying with multiple, conflicting foreign laws and different legal standards and regulatory requirements;
- requirements for regional hosting of customer solutions and data, which may require additional capital;
- increased financial accounting and reporting burdens and complexities;
- political, social and economic instability abroad, terrorist attacks and security concerns in general;
- difficulties enforcing agreements through foreign legal systems;
- trade and political barriers, as well as compliance with domestic economic sanctions and export control requirements;
- compliance with international trade laws, tariffs and trade agreements; and
- reduced or varied protection for intellectual property rights in some countries.

The occurrence of any one of these risks could negatively affect international business and, consequently, the results of operations generally. Additionally, operating in international markets also requires significant management attention and financial resources. The Company cannot be certain that the investment and additional resources required in establishing, acquiring, or integrating operations in other countries will produce desired levels of revenue or profitability.

Dependence on Subsidiaries' Cash Flows

The Company is a holding company and substantially all its operations are carried out by its subsidiaries, most of which are incorporated or formed in Canada. The Company has no direct operations and no significant assets other than the shares of its subsidiaries and cash proceeds from sales of its securities or other financings or borrowings. Accordingly, the Company is dependent on the cash flows from its subsidiaries to meet its obligations. If the Company is unable to receive sufficient cash from its subsidiaries, it may be required to incur indebtedness, raise funds in a public or private equity or debt offering, or sell some or all its subsidiaries. There can be no assurance that any such financing will be available on satisfactory terms or that it will be sufficient to meet the Company's obligations.

The Company may be subject to limitations on the repatriation of earnings in each of the countries where it does business. These limitations may be imposed in circumstances where the repatriation of funds may harm a country's international balance of payments, cause excessive fluctuations in interest or exchange rates, or threaten the stability of its domestic financial markets. There can be no assurance that countries in which the Company does business will not impose exchange controls or otherwise limit its ability to repatriate cash payments, which could affect the Company's ability to service its indebtedness and its creditors to recover their investment.

Errors and Defects in Technology

Many of the Company's solutions rely upon embedded or external software to deliver goods and services. Software often contains errors, defects, security vulnerabilities and software bugs that may be difficult to detect and correct. Any such defects could lead to service interruptions and impact the Company's ability to deliver its products and services. Such delays could lead to expenses, loss of revenue and reputational harm to the Company.

Tax Consequences

The Company may be subject to income taxes in various jurisdictions. Ensuring global compliance can be complex and time-consuming. Compliance, and any lack therefore, could impact the Company's cash flows, particularly if the Company is subject to any interest and/or penalties. Significant judgment is required in determining the Company's worldwide provision for income taxes and, in the ordinary course of its business, there are many transactions and calculations where the ultimate tax determination may be uncertain.

The Company will be required to estimate what its taxes will be in the future. Although management of the Company believes its current tax estimates are reasonable, the estimate process and applicable tax laws are inherently uncertain, and its estimates are not binding on tax authorities. The Company's effective tax rate could be adversely affected by changes in its business, including but not limited to the mix of earnings in countries with differing statutory tax rates, changes in the elections it makes and changes in applicable tax laws. The Company's tax determinations may be subject to audit by tax authorities, which audits, if any, could adversely affect the Company's income tax provision. Should the Company's ultimate tax liability exceed its estimates, its income tax provision and net income may be materially affected.

Privacy Concerns

The Company’s operations include the transmission and storage of data, including personal information. This includes highly sensitive personal health information in the Health segment. All personal information is increasingly subject to legislation and regulations in numerous jurisdictions around the world that is intended to protect the privacy and security of personal information, as well as the collection, storage, transmission, use and disclosure of such information.

The interpretation of privacy and data protection laws in several jurisdictions is constantly evolving. There is a risk that these laws may be interpreted and applied in conflicting ways from country to country. Many of these laws and regulations, including Canada’s Personal Information Protection and Electronic Documents Act (PIPEDA) and the European Union’s General Data Protection Regulation (GDPR) contain detailed requirements regarding collecting and processing personal information, and impose certain limitations on how such information may be used, the length for which it may be stored, and the effectiveness of consumer consent. Certain laws and regulations, like the GDPR, also include restrictions on the transfer of personal information across state borders. As certain products and services from the Company are accessible worldwide, certain foreign jurisdictions may claim it is required to comply with such laws even in jurisdictions where it has no local entity, employees, or infrastructure. Complying with these varying international requirements could cause the Company to incur additional costs and change its business practices. The Company could also be subject to fines, penalties, and damages for non-compliance with such requirements.

The Company could be adversely affected if legislation or regulations regarding personal information are expanded to require changes in products or business practices, if governmental authorities in the jurisdictions in which it does business interpret or implement their legislation or regulations in ways that negatively affect the business, or if customers or other parties allege that their personal information was misappropriated as a result of a defect or vulnerability in the Company's products. This type of regulation could reduce the demand for the Company’s products if it fails to design or enhance its products to enable customers to comply with the privacy and security measures required in relevant jurisdictions. If the Company is required to allocate significant resources to modify its products or existing security procedures for the personal information that its products transmit, the business, results of operations and financial condition may be adversely affected.

Intellectual Property Infringement and Protection

The Company competes in industries that are subject to many intellectual property rights, including patents. In the past, third parties have asserted that the Company’s technologies infringe their intellectual property rights—and they may do so again in the future. The risk of such claims increases as the Company continues to innovate, offer new solutions and enter new markets. Moreover, the Company’s future growth may be constrained by the intellectual property rights of others. As the Company grows, the risk of claims also increases as third parties may attempt to extract settlements. Even if the Company prevails, any claims brought against the Company may be distracting for management, costly and time-consuming.

The Company protects its patents, trademarks, and proprietary rights in accordance with industry practice or as it determines to be appropriate. There can be no assurance that the Company’s actions are adequate to prevent the imitation of its process and products by others or to prevent others from claiming violations of their intellectual property by the Company. Further, the Company’s intellectual property rights may not have the value that it believes they have. If the Company fails to protect its intellectual property rights, the value of such rights could be diminished, and its sales and profitability adversely affected. The Company may also incur significant costs if required to defend its intellectual property rights.

The failure to obtain patents or the invalidation of the Company's existing patents, or any inability to protect its intellectual property, may weaken the Company's competitive position and may materially and adversely affect its business, operations, or financial condition.

In addition, the laws of certain countries do not protect proprietary rights to the same extent as the laws of Canada, and therefore there can be no assurance that the Company will be able to adequately protect its intellectual property against unauthorized third-party use. Any such unauthorized use may adversely affect the Company's competitive position.

Manufacturing Limitations

The Company's products are manufactured at a small number of locations and the Company's revenues are dependent on the continued operations of its manufacturing facilities. The operation of the Company's manufacturing facilities in Saskatchewan, Ontario, Quebec, and Germany involves some risk, including failure or substandard performance of equipment, natural disasters, delays in obtaining raw production materials and components, plant shutdowns and labour disruptions. The Company does not generally carry a large inventory of finished products, and therefore, any significant interruptions in production could have material adverse effect on its business, financial condition, and results of operations.

Use of Open-Source Software

Some of the Company's IT solutions are developed using third party open-source software components, and any failure to comply with the terms of the underlying open-source licenses could restrict its ability to sell the Company's products or increase its operating costs. Certain open-source licenses contain requirements that the licensee make available source code for modifications or derivative works created based upon the type of open-source software used. To the extent the Company's proprietary IT solutions are combined with open-source software, the Company could in certain limited circumstances be required to release some of its proprietary technology to the public. In addition, usage of open-source software can lead to greater risks than use of third-party commercial software, as open-source licensors generally do not provide warranties or controls on the origin of the software. Additionally, the terms of many open-source licenses have not yet been interpreted by courts and there is a risk that these licenses could be construed in a manner that could impose unanticipated conditions or restrictions on the Company's ability to commercialize its IT solutions.

The Company cannot guarantee that its processes for controlling the use of open-source software in its products will be effective. If it is held to have breached the terms of an open-source software license, the Company could be required to pay significant damages, seek licenses from third parties, stop distributing IT solutions and services that contain the open-source software, revise or modify its code to remove the alleged infringing code, release the source code of its proprietary software, or take other steps to avoid or remedy an alleged infringement. The occurrence of any of the foregoing could have a material adverse effect on the Company's business, financial condition, and results of operations.

Use of Licensed Technology

The Company licenses certain technologies used in its products from third parties, generally on a non-exclusive basis. The termination of any of these licenses, or the failure of the licensors to adequately maintain or update their products, could delay the Company's ability to manufacture its products while it seeks to implement alternative technology offered by other sources, and may require significant unplanned investments. In addition, alternative technology may not be available on commercially reasonable terms. In the future, it may be necessary or desirable to purchase other third-party technology licenses relating to one or more of the Company's products or relating to current or future technologies. There is a risk that the Company will not be able to obtain licensing rights to the needed technology on commercially reasonable terms, if at all. The advent of any of the foregoing, could have a material adverse effect on the Company's business, financial condition, and results of operations.

Insurance Sufficiency and Liability Risk Mitigation

Because customers use the Company's services in some cases for critical business processes, errors in execution could cause customers to seek compensation or cause harm to reputation. Although customer contracts limit liability for errors, the Company could become subject to litigation for actual or alleged losses. The Company carries various forms of insurance to protect itself from a variety of insurable risks. The insurers under the existing liability insurance policy could deny coverage of a future claim that results from an error by the Company, or the existing liability insurance might not be adequate to cover all of the damages and other costs of such a claim. Moreover, the Company cannot assure that its current liability insurance coverage will continue to be available on acceptable terms or at all. The successful assertion against one or more large claims that exceeds insurance coverage, or the occurrence of changes in the liability insurance policy—including an increase in premiums or imposition of large deductible or co-insurance requirements—could have an adverse effect on the business, financial condition, and results of operations.

Medical Malpractice

As a result of the Company executing health services for numerous customers, the Company is subject to risks associated with the medical profession. To mitigate such risks, the Company has obtained medical malpractice and professional liability insurance. In addition, it is a condition of employment for doctors, dentists, and other medical professionals to maintain appropriate credentials, be in good standing with their medical colleges, and obtain medical malpractice insurance from their respective association. There can be no assurance that these risk mitigation steps will be successful in avoiding financial loss or reputational risk associated with the provision of medical services.

Negotiation of Facilities Leases

All the offices are in leased premises, except Germany, Guam and Yellowknife, where the Company owns the sites in which they operate. There can be no assurance as to the Company's ability to renegotiate these leases on terms acceptable to it or at all. If the Company is unable to renew certain leases as they mature, it may seek alternative facilities to lease or to consolidate certain operations into other facilities. The failure to renew certain leases, obtain extensions to those leases, or secure alternate facilities on terms acceptable to the Company could result in dislocation of certain operational functions, which could have a resulting material adverse effect on the Company's business, financial condition, liquidity, and results of operation.

Warranty and Product Liability Claims

The Company is exposed to potential product liability risks. Although the Company maintains product liability insurance and takes precautions to avoid product liability claims, there can be no assurance that it will be able to avoid significant product liability exposure or that its insurance will provide adequate protection against potential claims. The sale and support of its products may entail the risk of those claims, which are likely to be substantial considering the use of its products in critical applications. Accordingly, any such claim could have a material adverse effect upon the business, results of operations and financial condition. In addition, defending this kind of claim, regardless of its merits, or otherwise satisfying affected customers, could entail substantial expense and require the devotion of significant time and attention by key management personnel.

If the Company’s products fail to perform as warranted and the Company is unable to resolve product quality or performance issues in a timely manner, the Company may lose sales or be forced to pay damages. In addition, because the Company’s products are sold and marketed in different countries, the products must function in and meet the requirements of many different environments and be compatible with various systems and products. Any failure of the Company’s products to meet these requirements could have a negative impact on sales and a material adverse effect on the Company’s business, results of operations and financial condition. Further, there is a risk that customers may uncover latent defects in the Company’s products that were not apparent at the time the product was sold. This type of defect may be discovered before or after the warranty period has expired. Performance failure due to a defect may cause loss of customers, damage to the Company’s reputation for delivering high-quality products, delay in or loss of market acceptance, additional warranty expense or costs associated with product recall.

As a result of their complexity, software products may contain undetected errors or failures when entering the market. Despite conducting testing and quality assurance, defects and errors may be found in new software products after commencement of commercial shipments or the offering of a network service using these software products. In these circumstances, the Company may be unable to successfully correct the errors in a timely manner or at all. The occurrence of errors and failures in the Company’s software products could result in negative publicity and a loss of, or delay in, market acceptance of those software products. Such publicity could reduce revenue from new licenses and lead to increased customer attrition. Alleviating these errors and failures could require significant expenditure of capital and other resources by the Company. The consequences of these errors and failures could have a material adverse effect on the business, results of operations and financial condition. Because many of the Company’s customers use its software products for business-critical applications, any errors, defects, or other performance problems could result in financial or other damage to customers. The Company’s customers or other third parties could seek to recover damages in the event of actual or alleged failures of software solutions.

The Company also provides warranties on some of its products, requiring it to repair or replace defective products at its own cost. If the Company experiences a greater number of warranty claims than budgeted in the normal course, its gross margins could be negatively affected. In addition, product recalls, withdrawals or replacements of the Company’s products may harm its reputation and acceptance of its products by its customers, which may adversely affect the business, results of operations or financial condition.

If any of the Company’s products prove defective, the Company may be required to redesign or recall such products. A redesign or recall may cause the Company to incur significant expenses, disrupt sales and adversely affect its reputation and products, any one or a combination of which could have a material adverse effect on the Company’s business, financial condition, and results of operations.

Litigation

From time to time, the Company may become subject to claims, lawsuits (including class actions and individual lawsuits), government investigations and other proceedings involving intellectual property, data protection, labour and employment, competition, securities, tax, marketing, commercial disputes, and other matters. They may include disputes with technology partners, customers, subcontractors, suppliers, employees, investors or former owners of acquired companies. The Company may also become subject to proceedings by governmental authorities in connection with its compliance with laws and regulatory requirements, including in the areas of labour, tax, and data protection.

The outcome of pending or potential future legal, arbitration or regulatory proceedings is, as a general matter, difficult to predict. An unfavourable outcome on any litigation or arbitration matter could require the Company to pay substantial damages, prevent it from selling certain solutions, or, in connection with any intellectual property infringement claims, require the Company to pay ongoing royalty payments. The Company's provisions for losses related to pending legal proceedings in the future may not be adequate to cover its ultimate costs in relation to such proceedings and may need to be adjusted as a result of subsequent developments in, or the final outcome of, such legal proceedings. Whether or not the Company will ultimately prevail in future litigation matters, litigation and arbitration are costly and can divert management's attention from the Company's business. In addition, the Company may decide to settle a litigation or arbitration matter, which could cause the Company to incur significant costs. A settlement or an unfavourable outcome on any litigation or arbitration matter could have a material adverse effect on the Company's business, financial condition, and results of operations.

Climate Risks

Climate change is widely recognized as a pervasive and serious threat to natural environments and societies, with the potential to create adverse consequences for ecological and human systems. As climate change progresses, and its effects increase, the Company may be subject to increased operating risks. Environmental hazards, such as flooding, fires, volcanoes, earthquakes and severe weather, could post significant risks to the Company's key infrastructure, including its manufacturing and cyber security centers, and affect their insurability. Severe drought or changes to food supply production may affect the Company's agricultural technology operations. Moreover, as the Company takes steps to reduce its carbon footprint, it may experience increased capital costs and other expenditures in order to attain its environmental goals. Climate change may also have indirect effects on the Company's business by increasing the cost of, or making unavailable, property insurance on terms acceptable to the Company.

Environmental and Health and Safety Risks

The Company is subject to environmental laws and regulations in the jurisdictions in which it operates. Such regulations govern, among other things, the maintenance of air and water quality standards, the health and safety of the Company's employees, and limitations on the generation, transportation, storage, and disposal of solid and hazardous waste. The Company is exposed to environmental regulations as a result of its manufacturing activities, which are currently limited in scope, but which may assume greater prominence as a result of the production of the Company's carbon fiber antenna line. Environmental regulations are evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent assessments, and a heightened degree of responsibility for companies and their officers, directors, and employees. The Company could be subject to increased costs, fines, civil or criminal sanctions, third-party property damage or personal injury claims if it violates or becomes liable under any of these laws.

Events Out of the Company's Control

Localized or global events out of the Company's control, such as a natural disaster, a geopolitical crisis, a widespread outbreak of illness or other health issue, or an act or threat of war or terrorism, could negatively affect the Company's business and financial condition.

Fraud

The Company is subject to risks relating to employee fraud. If an employee or groups of employees engaged in fraudulent accounting practices, diversion of financial or other assets, bribery, collusion, or other unethical business practices, there could be a material impact upon the Company's finances and reputation. The Company mitigates this risk by administering strict internal controls to prevent and detect improper handling of Company assets. The Company's internal controls are overseen by management, the Audit Committee of the Board, and the Board of Directors, who all conduct inquiries and oversee the procedures and controls in effect. The Company also maintains and requires all employees to adhere to its Guide to Ethical Business Practices. There can be no assurance that these risk mitigation steps will be successful in avoiding financial loss or reputational risk associated with the occurrence of fraud.

Corruption

The Company's operations are governed by the laws of multiple jurisdictions, which generally prohibit bribery and other forms of corruption. The Company has policies against giving or accepting money or gifts in certain circumstances. Despite these policies, it is possible that the Company, or some of its employees or contractors, could be charged with bribery or corruption. If the Company is found guilty of such a violation, it could be subject to onerous penalties and a mere investigation could lead to significant corporate disruption and legal costs. In addition, bribery allegations or bribery or corruption convictions could impair the Company's ability to work with governments or non-governmental organizations. Such convictions or allegations could result in the Company's formal exclusion from a country or market, government sanctions or fines, suspensions or delays, or negative reputational impacts.

Conflicts of Interest

The directors of the Company may be, or may become, engaged in different industries, both on their own behalf and on behalf of other companies, and situations may arise where the directors and officers may be in direct competition with the Company. Conflicts of interest, if any, which arise, will be subject to and governed by the procedures prescribed by the Board. Notwithstanding these procedures, such conflicts of interest may be difficult to manage, and could have a negative impact on the Company's business.

Product Obsolescence

As the Company develops new products, many of its older products will reach the end of their operating life. As the Company discontinues the manufacturing and sale of these older products, it must manage the liquidation of inventory, supplier commitments, and customer expectations. If the Company is unable to properly manage the discontinuance of these older products, this could have material adverse effect on its business, financial condition, and results of operations.

Changes in Laws, Rules and Regulations

Changes to any of the laws, rules, regulations, or policies to which the Company or its customers or suppliers is subject could have a significant impact on the Company's business. There can be no assurance that the Company will be able to comply with any future laws, rules, regulations, and policies. Failure by the Company to comply with applicable laws, rules, regulations, and policies may subject it to civil or regulatory proceedings, including fines or injunctions, which may have a material adverse impact on the Company's business, financial condition, liquidity, and operations. Further, compliance with any future laws, rules, regulations, and policies could negatively impact the Company's profitability and have a material adverse effect on its business, financial condition, liquidity, and operations.

SRED or Other R&D Tax Credits

Although management is of the view that all expenses and tax credits claimed by the Company—including research and development expenses and related tax credits—are reasonable and deductible and have been correctly determined, there can be no assurance that the Canadian taxation authorities will agree. If the Canadian taxation authorities successfully challenge such expenses or the correctness of such income tax credits claimed, the Company's operating results could be adversely affected. If the Canadian taxation authorities reduce the tax credit either by reducing the rate of the grant or the eligibility of some research and development expenses in the future, the Company's operating results will be adversely affected.

Most of the Company's research and development activities are conducted in Ontario and Saskatchewan. The Company participates in government programs with both the federal government and the Governments of Ontario and Saskatchewan that provide research and development tax credits based upon qualifying research and development expenditures. These expenditures primarily consist of the salaries of the persons conducting research and development activities, or materials involved in the development where it pertains to tangible products. If these research and development tax credits are reduced or eliminated, this may adversely affect the Company's business, financial condition, and results of operations.

Transfer Pricing

The Company conducts business operations in various jurisdictions and through legal entities in various jurisdictions. The Company and certain of its subsidiaries provide products and services to, and may from time to time undertake certain significant transactions with, other currently existing or new subsidiaries in different jurisdictions. The tax laws of these jurisdictions, including Canada, have detailed transfer pricing rules which require that all transactions with non-resident related parties be priced using arm's length pricing principles and that contemporaneous documentation must exist to support such pricing. The taxation authorities in the jurisdictions where the Company carries on business could challenge its arm's length related party transfer pricing policies. International transfer pricing is a subjective area of taxation and generally involves a significant degree of judgment. If any of these taxation authorities are successful in challenging the Company's transfer pricing policies, the Company's income tax expense may be adversely affected, and the Company could also be subjected to interest and penalty charges. Any such increase in the Company's income tax expense and related interest and penalties could have a significant impact on the Company's future earnings and future cash flows.

Investment in R&D

As the markets in which the Company operates are characterized by rapid technological advancement and continually evolving customer preferences and demands, the success of the Company largely depends on its ability to develop new, innovative technologies, to efficiently manufacture and market its products, and to effectively provide services to its customers. There can be no assurances that any of the Company's investment in R&D will develop new, marketable products and services, and even if successful in developing such products or services, there can be no assurance that these will be accepted by the market or generate increased sales or improve profit margins.

Compliance with ESG Reporting Requirements

The Company is subject to compliance with growing stakeholder focus on ESG policies and disclosure requirements. Climate-related disclosure requirements and standards are evolving, with several alternative approaches being considered, including mandatory reporting requirements. The Company's climate-related disclosure standards may not be complete, consistent, or comparable to those of other companies in its peer group or other companies generally. Quantitative ESG and sustainability information the Company reports may be deemed limited and inconsistent with other companies and commonly accepted or preferred standards. Sustainability-related accounting and disclosure standards are intended to provide investors and other capital market participants with information about companies' sustainability-related risks and opportunities to help them make informed investment decisions. These standards increase disclosure and reporting requests, for which the Company will need to implement increasingly detailed data gathering and analysis and reporting. The Company may not achieve its stated objectives for environmental, social, and corporate governance targets, and its inability to implement appropriate action plans, or achieve stated objectives could create reputational harm, a competitive disadvantage and increase business risk. Meeting the Company's ESG objectives could require significant investments.

Certain contracts require that the Company implement and maintain employment equity practices in its workplace, to ensure its workforce is representative of Canada's labour force with respect to four designated groups under the Employment Equity Act. These groups are: women, Indigenous peoples, persons with disabilities, and members of visible minorities. While the Company strives to achieve these practices, and diversity, equity and inclusion is a critical objective of its ESG policy statement, compliance with such objectives can be difficult to achieve and maintain. The Company's ability to hire and retain representatives of such designated groups can be negatively impacted by labour constraints and the nature of its business. The Company's inability to maintain such standards could cause reputational harm and negatively impact its ability to conduct business with certain clients, and as a result the Company's revenue and profitability could be negatively impacted.

Risks Relating to the Common Shares

Price Fluctuations

The market price for the Company's common shares (the "Common Shares") may fluctuate significantly in response to numerous factors, many of which are beyond its control, including the following:

- actual or anticipated fluctuations in the Company's quarterly results of operations;
- changes in estimates of the Company's future results of operations;
- fluctuations in currency exchange rates;
- changes in forecasts, estimates or recommendations by securities research analysts;
- changes in the economic performance or market valuations of companies in the industry in which the Company operates or any other company that provides hosting services or delivers applications under a SaaS model;
- addition or departure of executive officers and other key personnel;
- release or expiration of lock-up or other transfer restrictions on outstanding Common Shares;

- sales or perceived sales of additional Common Shares;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital reorganizations;
- commitments by or involving the Company or its competitors;
- operating and share price performance of other companies that investors deem comparable to us;
- news reports relating to trends, concerns, technological or competitive developments, or regulatory changes;
- activist shareholder activity; and
- other related issues in our industry and targeted markets.

Financial markets have experienced and may experience significant price and volume fluctuations that affect the market prices of equity securities of companies and that may be unrelated to the operating performance, underlying asset value or prospects of such companies. Accordingly, the market price of the Common Shares may decline even if the Company's operating results, underlying asset values or prospects have not changed. Conversely, the market price of the Common Shares may increase without any changes to the Company's operating results, underlying assets value or prospects. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which might result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Company's operations could be adversely affected, and the trading price of the Common Shares may be materially adversely affected.

Dilution

The Company may issue additional Common Shares in the future, which may dilute a shareholder's investment in the Company. From time to time, the Company may seek additional equity or debt financing to fund its growth, enhance its products and services, respond to competitive pressures, or make acquisitions or other investments. The Company's business plans may change, general economic, financial, or political conditions in its markets may deteriorate or other circumstances may arise, in each case that have a material adverse effect on the Company's cash flow and the anticipated cash needs of its business. Any of these events or circumstances could result in significant additional funding needs, requiring the Company to raise additional capital. The Company cannot predict the timing or amount of any such capital requirements at this time.

DIVIDENDS AND DISTRIBUTIONS

The Company's board of directors (the "Board") has declared and paid the following dividends on the Common Shares over the three most recently completed fiscal years:

	Fiscal 2025	Fiscal 2024	Fiscal 2023
Quarter 1	$0.28	$0.28	$0.28
Quarter 2	$0.28	$0.28	$0.28
Quarter 3	$0.28	$0.28	$0.28
Quarter 4	$0.28	$0.28	$0.28

The Company intends to continue to declare quarterly dividends. Decisions on dividend payments are made on a quarterly basis by the Board. Other than the applicable "solvency test" under the CBCA, there are no restrictions preventing the Company from declaring dividends on any classes of its shares, however, any future payment of dividends will be dependent upon the earnings and financial condition of the Company and other factors that the Board may deem appropriate at the time.

DESCRIPTION OF CAPITAL STRUCTURE

General Description of Capital Structure

The Company is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares (the "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.
- The Preferred Shares may be issued in one or more series and the directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions, and conditions attached to the shares of each series. The Preferred Shares are entitled to a priority over the Common Shares with respect to the payment of dividends and the distribution of assets upon liquidation of the Company. No Preferred Shares are outstanding as of the date of this Annual Information Form.

Normal Course Issuer Bid

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

On August 28, 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 ending August 31, 2026, representing approximately 10% of the public float of its common shares as at August 18, 2025.

For the 12-month period ended September 30, 2025, the Company repurchased 562,608 common shares for cancellation in consideration of $25.5 million under its NCIB programs.

Constraints

There are no constraints imposed on the foreign ownership of Calian shares.

Debt Ratings

Calian does not have a credit rating as the Company has no publicly issued debt.

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares are listed and posted for trading on the Toronto Stock Exchange under the symbol “CGY”. The following table sets forth the monthly range of intra-day high and intra-day low prices per Common Share of the TSX and the total monthly volume of the Common Shares traded on the TSX for the Company’s most recently completed financial year. Note that this does not include ATS volume which represents approximately 46% of total volume traded.

Fiscal 2025	Volume	High Trading Price	Low Trading Price
October 2024	401,365	51.54	45.60
November 2024	952,844	52.11	46.80
December 2024	544,884	51.39	45.50
January 2025	704,798	52.10	47.43
February 2025	694,701	51.47	40.96
March 2025	813,951	45.34	39.41
April 2025	561,659	48.34	40.41
May 2025	1,314,863	51.75	37.70
June 2025	698,137	50.11	38.87
July 2025	497,546	53.36	49.67

August 2025	552,339	53.60	46.82
September 2025	390,462	51.18	48.51

Prior Sales

During the fiscal year ended September 30, 2025, the Company issued the following securities that are not listed or quoted on a marketplace:

Date of Issue	Type of Security Issued	Number of Securities Issued	Issuance / Exercise Price Per Security
November 25, 2025	Options	51,241	$48.76
November 25, 2025	Restricted Share Units	69,566	$48.76
November 25, 2025	Performance Share Units	32,813	$48.76
February 12, 2025	Restricted Share Units	2,751	$50.46
February 12, 2025	Performance Share Units	7,432	$50.46
May 13, 2025	Restricted Share Units	1,785	$50.40
August 12, 2025	Options	467	$50.51
August 12, 2025	Restricted Share Units	500	$50.51

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

As at September 30, 2025 there are no securities held in escrow or that were subject to a contractual restriction on transfer.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

Directors

The following table sets forth the names, residency, position(s) with the Company, period of service as a director, principal occupation during the five preceding years of each of the current directors of the Company, the number of shares that the directors own as well as the number of share units held by the directors pursuant to the Deferred Share Unit Plan and/or Restricted Share Unit Plan. All directors hold office until the next annual meeting of shareholders of the Company or until their successors are elected. 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. In addition, Kevin Ford, CEO, will retire on December 31, 2025 and be replaced by Patrick Houston, currently CFO.

Name and Residence	Committee Member	Position(s) within the Company	Director Since	Principal Occupation(s) within the 5 Preceding Years	Number of common shares	Number[5] of DSUs/RSUs
George Weber Ontario, Canada	N/A	Director, Chair of the Board	2012	Corporate Director	7,098	9,542
Josh Blair British Columbia, Canada	1, 2	Director	2025	Co-Founder and CEO, Impro.AI; Partner, Esplanade Ventures	5,000	941
Eric Demirian Ontario, Canada	1, 3	Director	2025	President, Parklea Capital Inc. and Demicap Inc.	1,800	739
Kevin Ford Ontario, Canada	N/A	Director, President and Chief Executive Officer	2015	President and CEO, Calian Group Ltd.	49,917	32,579
Lisa Greatrix Ontario, Canada	1, 3	Director	2025	Corporate Director	-	941
Lori O'Neill Ontario, Canada	1, 2	Director, Chair of the Audit Committee	2023	Corporate Director and Consultant	600	2,109
Young Park Ontario, Canada	2, 3	Director, Chair of the Governance & Risk Committee	2017	Corporate Director	5,544	4,902
Jo-Anne Poirier Ontario, Canada	2, 3, 4	Director, Chair of the HR & Compensation Committee	2016	President and CEO, VON Canada (a home care and community support services company)	6,956	6,197
R. Ronald Richardson Ontario, Canada	1, 3, 4	Director	2021	Corporate Director	6,915	3,142
Valerie Sorbie Ontario, Canada	2, 4	Director, Chair of the Nominating Committee	2022	Partner and Managing Director, Gibraltar & Company (a venture investment firm)	2,401	2,630

1. Member of the Audit Committee
2. Member of the HR & Compensation Committee
3. Member of the Governance and Risk Committee
4. Member of the Nominating Committee
5. The number of shares, DSUs and RSUs are all as of September 30, 2025

The above-mentioned persons have held the principal occupations set beside their names or other management functions within their respective organizations for at least the last five years except for:

- Lisa Greatrix, who was Senior Vice-President and Investor Relations at Canadian Tire and held a variety of senior finance positions there from 2007 to 2021 when she retired

Executive Officers

The following table presents the name, residency and position held by each of the executive officers of the Company.

Name	Residence	Position within the Company
Kevin Ford	Ontario, Canada	Chief Executive Officer
Patrick Houston	Ontario, Canada	Chief Financial and Development Officer
Sue Ivay	Ontario, Canada	Chief Human Resources Officer
Michael Muldner	Ontario, Canada	Chief Information and Technology Officer
Chris Pogue	Ontario, Canada	President, Defence & Space
Derek Clark	Ontario, Canada	President, Health (re-named to Essential Industries in FY26)

All the above-mentioned persons have held the principal occupation for at least the last five years except for:

- Michael Muldner, who was appointed Chief Information Officer on October 1, 2022 and Chief Information and Technology Officer September 1, 2023
- Derek Clark, who was appointed President, Health on February 6, 2023
- Chris Pogue, who as appointed President, Defence & Space on July 7, 2025

As of September 30, 2025, the directors and executive officers of the Company as a group, beneficially own, directly and indirectly, or exercise control or direction over 112,202 or 1% of the issued and outstanding Common Shares.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer of Calian is, as at the date of this Annual Information Form, or was within 10 years prior to the date of this Annual Information Form, a director, chief executive officer (CEO) or chief financial officer (CFO) of any company (including the Company) that (a) was subject to a cease trade or similar order, or an order that denied any such company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days (an “order”) that was issued while the director or executive officer was acting in the capacity as director, CEO or CFO or (b) was subject to an order that was issued after the director or executive officer ceased to be a director, CEO or CFO, and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO.

Other than as described below, no director or executive officer of Calian and, to the knowledge of the Company, no shareholder holding a sufficient number of securities of Calian to materially affect its control is, as at the date of this Annual Information Form, or has been, within the 10 years preceding the date of this Annual Information Form, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any bankruptcy or insolvency related legislation or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets:

- Jo-Anne Poirier is the President and CEO of VON Canada Group, which includes Victorian Order of Nurses for Canada (VON Canada), Victorian Order of Nurses for Canada, Eastern Region (VON East) and Victorian Order of Nurses for Canada-Western Region (VON West).The Ontario Superior Court of Justice granted an initial order under the Companies' Creditors Arrangement Act (Canada) (CCAA) on November 25, 2015, staying all claims and actions against VON Canada, VON East and VON West and its assets, and allowing these entities to prepare a plan of compromise or arrangement for its creditors. The plans of arrangement for these three legal entities received a favourable vote from the creditors and Ontario Superior Court of Justice granted these three legal entities a Sanction Order for their respective plans of arrangement and compromise on November 23, 2016. In January 2017, the VON Canada, East and West emerged from CCAA protection. VON Ontario and Nova Scotia continue to operate and were not part of the CCAA process.
- Lori O’Neill was formerly a director of DragonWave Inc. On July 31, 2017, the Ontario Superior Court of Justice appointed a receiver over the business and assets of DragonWave Inc., following an application by DragonWave Inc.’s senior lenders, pursuant to the Bankruptcy and Insolvency Act (Canada).
- Patrick Houston was formerly the CFO of DragonWave Inc. On July 31, 2017, the Ontario Superior Court of Justice appointed a receiver over the business and assets of DragonWave Inc., following an application by DragonWave Inc.’s senior lenders, pursuant to the Bankruptcy and Insolvency Act (Canada).
- Valerie Sorbie was formerly a director of LXRandCo. On November 3, 2023, the Superior Court of Quebec appointed a receiver over the business and assets of LXRandCo., following an application by LXRandCo.’s lenders, pursuant to the Bankruptcy and Insolvency Act (Canada).

No director or executive officer of Calian and, to the knowledge of the Company, no shareholder holding a sufficient number of securities of Calian to materially affect its control, has, within the 10 years preceding the date of this Annual Information Form, become bankrupt, made a proposal under any bankruptcy or insolvency related legislation or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his, her or its assets.

No director or executive officer of Calian and, to the knowledge of the Company, no shareholder holding a sufficient number of securities of Calian to materially affect its control has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (b) any other penalties or sanctions imposed by a court of regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Certain of the Company's directors and executive officers serve or may agree to serve as directors or officers of other companies or have significant shareholdings in other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. If such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. To the knowledge of the Company, there are no existing or potential material conflicts of interest between Calian or any of its subsidiaries and any director or officer of Calian or any of its subsidiaries.

AUDIT COMMITTEE

Audit Committee Charter

The text of the Company's Audit Committee Charter is attached at Appendix "A" to this Annual Information Form.

Composition of the Audit Committee

The current Audit Committee members are: Ms. Lori O'Neill (Chair), Mr. Josh Blair, Mr. Eric Demirian, Ms. Lisa Greatrix, and Mr. Ronald Richardson. All the committee members are independent and financially literate for the purposes of National Instrument 52-110 – *Audit Committees* ("NI 52-110").

Education and Experience

The following is a description of the education and experience of each member of the Audit Committee that is relevant to the performance of his or her responsibilities as a member of the Audit Committee:

Ms. Lori O'Neill is a corporate director and independent financial consultant. She served more than 24 years at Deloitte, including national partnership management roles, with a focus on advising growth companies from start-ups to multinationals, supporting complex transactions, financings, private and public equity offerings, mergers and acquisitions in Canada and the U.S. Over the past 13 years, Ms. O'Neill has been providing this expertise as a strategic consultant, operator, and investor with several growth companies. She served for the past 7 years as board and audit committee member of Constellation Software (CSU.TO), and currently serves as board member and audit committee chair of Topicus.com Inc. (TOI.V), as well as audit committee member for Blackberry Limited (BB.TO). Lori has served on the boards of several publicly traded and private companies, crown corporations and non-profits. Her board and audit committee experience includes Sierra Wireless, Ontario Lottery and Gaming Corporation, University of Ottawa Heart Institute, Circle Cardiovascular Imaging, Hydro Ottawa, Pythian, Defence Construction Canada, DragonWave and PageCloud. Ms. O'Neill has a Bachelor of Commerce with Highest Honours from Carleton University, and is accredited as a FCPA, FCA (Honor Roll) in Ontario, a CPA in the U.S., and is also a certified corporate director with the Institute of Corporate Directors (ICD.D).

Mr. Josh Blair is Co-Founder and CEO of Impro.AI, a high-tech company that enables corporations and their employees to accelerate their growth through AI-powered workforce insights and performance mentoring. He is also a Partner at Esplanade Ventures, a venture capital firm focused on the health technology market. Prior to founding Impro.AI, from 1995 through 2019, Josh served in increasingly senior leadership roles at TELUS Corporation, including as Group President from 2014 to 2019, overseeing TELUS Digital, TELUS Health, TELUS Business, TELUS Agriculture and TELUS Ventures. Josh brings 30 years of experience in executive and board roles within the public and private capital markets, and has a proven track record across multiple industries, including AI and data services, healthcare and telecommunications. He is or has been a member of several boards, including TELUS Digital (NYSE and TSX: TIXT), Neighbourly Pharmacy (TSX: NBLY), Straive, Carebook Technologies and the University of Victoria.Josh holds a bachelor's degree in electrical engineering from the University of Victoria and also completed the Executive Program at the Smith School of Business at Queen's University. In 2021, Josh received an honorary doctorate degree from the University of Victoria in recognition of his career achievements as well as his community contributions.

Mr. Eric Demirian is President of Parklea Capital Inc., a boutique financial and strategy advisory firm and of Demicap Inc., a private investment firm, since 2003. He was previously Executive Vice President at Group Telecom Inc. and a partner at PricewaterhouseCoopers LLP, where he led the Information and Communications Practice. He is currently Chair of the Board of Descartes Systems Group Inc. (TSX: DSG, NASDAQ: DSGX) since 2014, having joined the board in 2011 and previously charired its Audit Committee. He is also a director of IMAX Corporation (NYSE: IMAX) and has held board and audit committee roles at a number of public and private organizations, including Enghouse Systems Ltd. (TSX: ENGH), from 2004 through 2025. Eric is a Chartered Professional Accountant, a Certified General Accountant and a Chartered Accountant. He holds a Bachelor of Business Management from Toronto Metropolitan University.

Ms. Lisa Greatrix retired in 2021 as Senior Vice-President of Finance and Investor Relations at Canadian Tire Corporation, where she held a variety of senior finance positions starting in 2007. Prior to joining Canadian Tire, Lisa held several senior finance positions with public companies including MDS Inc, Research in Motion and Xerox Canada. She has been a board member for corporate and not for profit organizations including Neighbourly Pharmacy (TSX:NBLY) and Canadian Investor Relations Institute (CIRI). Lisa is a Chartered Accountant and Chartered Professional Accountant and holds a Bachelor of Business Administration from York University. She has also completed the Queen's Executive Program.

Mr. Ronald Richardson is a corporate director and private investor, holding professional, governance and investment positions in the technology, energy, space, and not-for-profit sectors. Mr. Richardson is, or has been, a board member for several organizations, including James Richardson & Sons, Ltd.; Tundra Oil & Gas Ltd.; Mission Control Space Services, Inc.; Tough Commerce, Inc.; Benbria Corporation; and Queensway Carleton Hospital Foundation. He is also a trustee or observer for six other private or not-for-profit organizations. Mr. Richardson is a licensed professional engineer (P.Eng.) and honours co-op graduate from the University of Waterloo (BSE, Bachelor of Software Engineering). He is also a certified corporate director with the Institute of Corporate Directors (ICD.D).

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 *(De Minimis Non-audit Services)*, Section 3.2 of NI 52-110 *(Initial Public Offering)*, Section 3.4 *(Events Outside Control of Members)*, Section 3.5 *(Death,* *Disability or Resignation of Audit Committee Member)* or an exemption from NI 52-110, in whole or in part, granted under Part 8 *(Exemptions)*.

Reliance on the Exemption in Subsection 3.3(2) or Section 3.6

At no time since the commencement of the Company's most recently completed financial year has the Company relied upon the exemption in subsection 3.3(2) *(Controlled Companies)* or Section 3.6 *(Temporary Exemption for Limited and Exceptional Circumstances)*.

Reliance on Section 3.8

At no time since the commencement of the Company's most recently completed financial year has the Company relied upon Section 3.8 *(Acquisition of Financial Literacy)*.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Pre-Approval Policies and Procedures

The following describes the Company's policy and procedures relating to the engagement of non-audit services.

When requiring the use of accounting and taxation and other consulting services, the Company will not utilize the services of its current external auditor where the delivery of the service may create a potential or perceived conflict of interest. Consulting services, which require subsequent external auditing, cannot be performed by the Company's auditors. For greater clarity, the following consulting services do not present a conflict of interest: advice relating to the accounting treatment of new IFRS pronouncements or services ancillary to the audit; preparation of corporate tax returns; and advice on tax related matters.

At each quarterly Audit Committee meeting, the Chief Financial Officer will request the Audit Committee to approve the non-audit services expected to be performed by the external auditor during the next quarter. If during the quarter, additional requirements are identified, the Chief Financial Officer will obtain a separate approval from the Audit Committee prior to the work commencing. To ensure that all services performed by the external auditors are approved in accordance with this policy, management must discuss their requirements with the Chief Financial Officer prior to any work commencing.

In addition, at each quarterly audit committee meeting, the CFO will report on the following: new engagements initiated during the most recent quarter, activities performed on each active engagement and amount of fees paid to the external auditors during the current quarter, and on a year-to-date basis on each active engagement.

Audit and Audit-Related Fees

The following table summarizes fees billed by the Company's independent auditors, KPMG LLP for the years ended September 30, 2025 and September 30, 2024:

In dollars	Fiscal 2025	Fiscal 2024
Audit Fees	$1,240,250	$860,869
Tax Fees	$0	$4,280
Audit-Related Fees	$14,552	$22,256
TOTAL	$1,254,805	$887,405

PROMOTERS

No person or company has been, within the two most recently completed financial years, or during the current financial year, of the Company, a promoter of Calian or of a subsidiary of Calian.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company was not party to any material legal proceedings in the preceding financial year and is not aware of any contemplated material legal proceedings.

The Company has not been subject to (a) any penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority during the financial year ended September 30, 2025, (b) any other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision, or (c) any settlement agreements entered into by the Company before a court relating to securities legislation or within a securities regulatory authority during the financial year ended September 30, 2025.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

As of the date hereof, Mawer Investment Management Ltd. ("Mawer") and QV Investors Inc. ("QV") are the only shareholder known to the Corporation that own greater than 10 percent (10%) of the common shares of the Corporation. Mawer holds approximately 14% of the total common shares outstanding of the Corporation and QV holds approximately 13%. To the Company's knowledge, there are no material interests, direct or indirect, of (a) any director or executive officer of the Company, (b) any person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of the Company's outstanding securities, or (c) any associate or affiliate of any of the foregoing, in any transactions within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Company.

TRANSFER AGENT AND REGISTRARS

The transfer agent and registrar for the Common Shares is Odyssey Trust Company at its principal office in Toronto, Ontario.

MATERIAL CONTRACTS

No material contract has been entered into by the Company within the year ended September 30, 2025, or before such time which is still in effect, other than material contracts entered into in the ordinary course of business.

INTERESTS OF EXPERTS

The Company's auditors are KPMG LLP, Chartered Professional Accountants and Licensed Public Accountants, who have prepared the Auditor's Report to Shareholders dated November 25, 2025. KPMG LLP has confirmed that it is independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario. To the Company's knowledge, KPMG LLP has no registered or beneficial interest, direct or indirect, in any securities or other property of the Company.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR+ at https://www.sedarplus.ca. Other additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, if applicable, is contained in the Company's Management Proxy Circular for its most recent annual meeting of shareholders that involved election of directors. Additional financial information is provided in the Company's financial statements and management's discussion and analysis for its most recently completed financial year.

APPENDIX “A” – AUDIT COMMITTEE CHARTER

Calian Group Ltd.
Audit Committee Charter

1. Purpose

The Audit Committee (The Committee) will assist the Board of Directors in fulfilling its oversight responsibilities. In performing its duties, the Committee will maintain effective working relationships with management and the external auditors.

The Committee expects the management of the Corporation to operate in compliance with the Corporation’s Code of Conduct and corporate policies; with laws and regulations governing the Corporation; and to maintain strong financial reporting and control processes.

2. Responsibilities

2.1 *Financial Reporting*

2.1.1 Review the Corporation’s quarterly financial statements including the Management Discussion and Analysis (MDA) and related press releases with management and the auditors and if appropriate, recommend to the Board the approval thereof. Review the Corporation’s annual audited financial statements with the external auditors to gain reasonable assurance that the statements are accurate, complete, represent fairly the Corporation’s financial position and performance and are in accordance with GAAP and report thereon to the Board before such financial statements are approved by the Board. Specifically, in its review of the Financial Statements, MDA and press releases, the Committee should:

a) Obtain an explanation from management of all significant variances between comparative reporting periods and budget;

b) Review unusual items and other material matters outside of the normal course of business that affect financial reporting and adequacy of disclosure;

c) Review related party transactions and adequacy of disclosure;

d) Review key estimates and judgments;

e) Review uncertainties, commitments and contingent liabilities and;

f) Review the appropriateness of the Corporation’s significant accounting principles and practices, including acceptable alternatives, and the appropriateness of any significant changes in accounting principles and practices.

2.1.2 Review the quarterly and annual compliance of management certification of financial reports with applicable legislation and attestation of the Corporation’s disclosure controls and procedures.

2.1.3 Review general accounting trends and issues regarding accounting policy, standards and practices, including new developments with Generally Accepted Accounting principles, which may affect the Corporation.

2.1.4 Annually review with management and the external auditors the underlying degree of conservatism or optimism of the Corporation's accounting policies, key estimates and judgments and reserves.

2.1.5 Receive from the external auditors reports on their audit of the annual financial statements;

2.1.6 Receive from management a copy of the representation letter provided to the external auditors and receive from management any additional representations required by the Committee;

2.1.7 Review any report which accompanies published financial statements (to the extent such report discusses financial condition or operating results) for consistency of disclosure with the financial statements themselves.

2.1.8 Review and, if appropriate, recommend approval to the Board of prospectuses, material change disclosures of a financial nature, management discussion and analysis, annual information forms and similar disclosure documents to be issued by the Corporation.

2.2 *Internal Controls*

2.2.1 Review and monitor the Corporation's internal control procedures, program and policies, and assess the adequacy and effectiveness of internal controls over the accounting and financial reporting systems.

2.2.2 Review the annual plan for internal audit.

2.2.3 Review the reports of the Corporation on internal audits with respect to control and financial risk, and any other matters appropriate to the Committee's duties. The Committee shall review the adequacy and appropriateness of management's response, including the implementation thereof.

2.2.4 Review the evaluation of internal controls by the external auditors, together with management's response.

2.2.5 Review the adequacy of the Corporation's internal audit resources.

2.3 *External Auditors*

2.3.1 Recommend to the Board the nomination of the external auditors and approve the remuneration and the terms of engagement of the external auditors as set forth in the Engagement Letter.

2.3.2 Review the performance of the external auditors annually or more frequently as required and receive from the external auditors the annual CPAB public report. Furthermore, in the event that CPAB inspects the audit file of the Corporation, the committee will receive and review the following information:

a) A description of the focus areas selected for inspection by the CPAB;

b) An indication of whether or not there are any significant inspection findings; and

c) If there are significant inspection findings, a description of the findings and any actions the firm has taken in response to the findings and CPAB disposition.

2.3.3 Receive a report annually from the external auditors with respect to their independence, such report to include a disclosure of all engagements (and fees related thereto) for non-audit services by the Corporation. Based on the report received from the auditors and other information known or available to the Committee, determine if the level of auditor independence is adequate.

2.3.4 Review with the external auditors the audit plan including the scope of the audit, the areas of special emphasis to be addressed in the audit, the extent to which the planned audit scope can be relied upon to detect weaknesses in internal control or fraud or illegal acts, and the materiality levels which the external auditors propose to employ. The Committee should recommend to the Board of Directors the scope of the external audit as stated in the audit plan.

2.3.5 Review all engagements for non-audit services provided by the external auditors together with fees for such services, and consider the impact of this on the independence of the external auditors. The Committee shall determine which non-audit services the external auditors are prohibited from providing.

2.3.6 Meet annually with the external auditors in the absence of management to determine, that no management restrictions have been placed on the scope and extent of the audit examinations by the external auditors or the reporting of their findings to the Committee;

a) the level of cooperation received from management;

b) any unresolved material differences of opinion or disputes;

c) the effectiveness of the work of internal audit; and

d) the quality of the financial personnel.

2.3.7 Establish effective communication processes with management and the Corporation’s external auditors to assist the Committee to monitor objectively the quality and effectiveness of the relationship among the external auditors, management and the Committee.

2.3.8 When a change of auditors is proposed, the Committee shall review all issues related to the change, including the information required to be disclosed by regulations and the planned steps for an orderly transition.

2.3.9 When discussing auditor independence, the Committee will consider both rotating the lead audit partner or audit partner responsible for reviewing the audit after a number of years and establishing hiring policies for employees or former employees of its external auditor.

2.3.10 Review the working relationship between management and the external auditors.

2.4 *Risk Management*

2.4.1 Put in place procedures to receive and handle complaints or concerns received by the Corporation about accounting or audit matters including the anonymous submission by employees of concerns respecting accounting and auditing matters.

2.4.2 Acknowledging that it is the responsibility of the Board, in consultation with management, to identify the principal business risks facing the Corporation, determine the Corporation’s tolerance for risk and approve risk management policies, the Committee shall focus on financial risk and gain reasonable assurance that financial risk is being effectively managed or controlled by:

a) Reviewing with management the Corporation’s tolerance for financial risks;

b) Reviewing with management its assessment of the significant financial risks facing the Corporation;

c) Reviewing with management the Corporation’s policies and any proposed changes hereto for managing those significant financial risks;

d) Reviewing with management its plans, processes and programs to manage and control such risks;

e) Review policies and compliance therewith that require significant actual or potential liabilities, contingent or otherwise, to be reported to the Board in a timely fashion;

f) Review foreign currency risk mitigation strategies, including the use of derivative financial instruments;

g) Review the adequacy of insurance coverage maintained by the Corporation;

h) Review regularly with management and the external auditors any legal claim or other contingency, including tax assessments, that could have a material effect upon the financial position or operating results of the Corporation and the manner in which these matters have been disclosed in the financial statements.

2.5. Compliance with Laws and Regulations

2.5.1 Review regular reports from management and others (e.g. internal and external auditors) with respect to the Corporation’s compliance with laws and regulations having a material impact on the financial statements including:

a) Tax and financial reporting laws and regulations;

b) Legal withholding requirements;

c) Environmental protection laws and regulations;

d) Other laws and regulations which expose directors to liability.

2.5.2 Review reports with respect to Occupational Health and Safety matters having a potential significant financial impact and to gain reasonable assurance annually that the Corporation’s reserves with respect to such matters are sufficient and appropriate.

2.5.3 Review the status of the Corporation’s tax returns and those of its subsidiaries.

2.6 Other Responsibilities

2.6.1 Review periodically the form, content and level of detail of financial reports to the Board.

2.6.2 Approve quarterly the reasonableness of the expenses of the Chief Executive Officer.

2.6.3 After consultation with the Chief Financial Officer and the external auditors, gain reasonable assurance, at least annually, of the quality and sufficiency of the Corporation’s accounting and financial personnel and other resources.

2.6.4 Review in advance the appointment of the Corporation’s Chief Financial Officer.

2.6.5 Investigate any matters that, in the Committee's discretion, fall within the Committee's duties.

2.6.6 Review reports from management, the external auditors, and/or other Committee Chairs on their review of compliance with the Corporation's Code of Conduct.

2.6.7 Perform such other functions as may from time to time be assigned to the Committee by the Board.

3. Membership

The Committee shall be composed of a minimum of four directors, all of whom shall be independent directors and financially literate, of which one member shall be selected by the board chair as audit committee chair.

4. Rules of Procedure

4.1.1 Unless the Committee otherwise specifies, the Secretary of the Corporation shall act as Secretary of all meetings of the Committee.

4.1.2 In the absence of the Chair of the Committee, the members shall appoint an acting Chair.

4.1.3 A copy of the minutes of each meeting of the Committee shall be provided to each member of the Committee in a timely fashion.

4.1.4 Committee meeting agendas shall be the responsibility of the Chair of the Committee in consultation with Committee members, senior management and the external auditors.

4.1.5 The Committee shall communicate its expectations to management with respect to the nature, timing and extent of its information needs. The Committee expects that written materials will be received from management at least five days in advance of meeting dates.

4.1.6 At each meeting of the Committee, the members of the Committee shall meet in private session with the Corporation's auditors.

4.1.7 To assist the Committee in discharging its responsibilities, the Committee may, in addition to the external auditors, at the expense of the Corporation, retain one or more persons having special expertise.

4.1.8 The Committee shall annually review, discuss and assess its own performance in fulfilling its mandate.

4.1.9 Annually review and assess the adequacy of its mandate and evaluate its effectiveness in fulfilling its mandate;

4.1.10 Review and update this Mandate on a regular basis for approval by the Board;

5. Reporting

5.1 The Committee, through its Chair, shall report after each Committee meeting to the Board at the Board's next regular meeting.

6. Frequency of Meetings

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. Meetings shall be held at the call of the Chair, upon the request of two members of the Committee or at the request of the Chair of the Board of the Corporation or the external auditors.

7. Quorum

A quorum shall be a majority of the members.

8. Resources to Support the Committee

Resources to support the committee will be provided through consultation with the committee chair and CEO.