Management's Discussion and Analysis

For the year ended September 30, 2025

CALIAN®

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Table of Contents

Basis of Presentation

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

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

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

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

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

Forward-Looking Statements

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

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

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

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

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

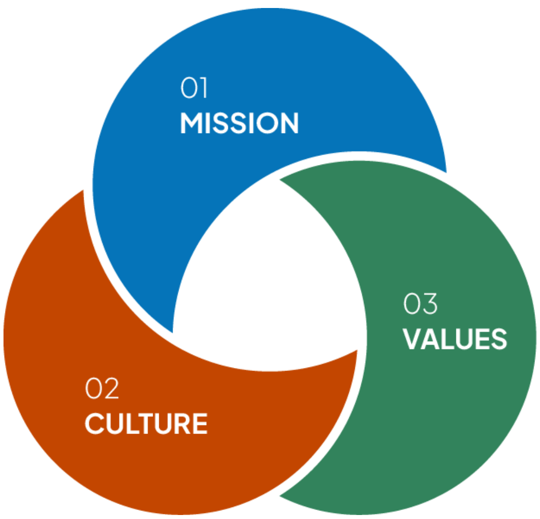
The Company cautions that the forward-looking statements in this MD&A are based on current expectations as at November 25, 2025, that may be subject to change and to risks and uncertainties, including those set out under the heading “Risks and Uncertainties” below, many of which are outside the Company’s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

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

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

Calian Profile

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



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

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

03
- Customer-first Commitment
- Teamwork
- Integrity
- Innovation
- Respect

Summary of Operations

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

Advanced Technologies (AT)

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

$55M
Q4-25 Revenues

- Space
- Terrestrial
- Defence

$53M
Q4 2024 revenues

Health

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

$65M
Q4-25 Revenues

- Health Service
- Digital Health
- Pharma Solution

$52M
Q4 2024 revenues

Learning

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

$39M
Q4-25 Revenues

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

$30M
Q4 2024 revenues

ITCS

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

$44M
Q4-25 Revenues

- Enterprise Soutions
- Digitalization
- Cybersecurity
- XaaS

$46M
Q4 2024 revenues

Strategy

Growth Fundamentals and Track Record

Four Pillars of Growth

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

Customer Retention

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

Customer Diversification

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

Innovation

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

Operational Excellence

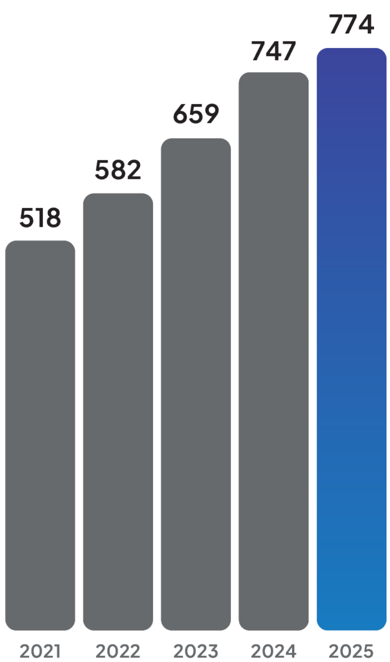
Through continued leverage of innovation, the Company streamlines processes and scales its back-office support capability.

5-Year Track Record of Execution

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

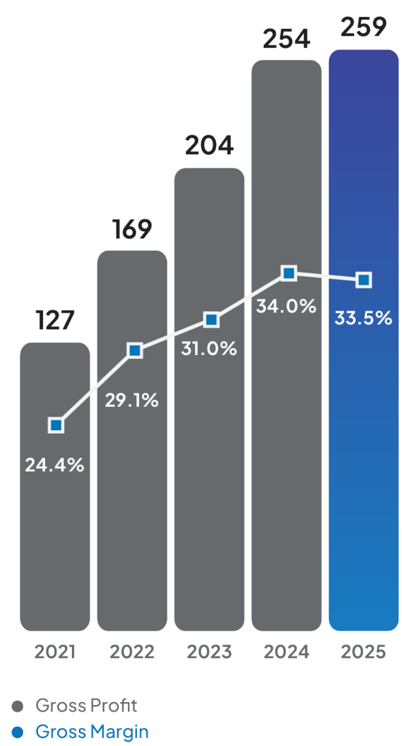
Revenues

(in millions of $)



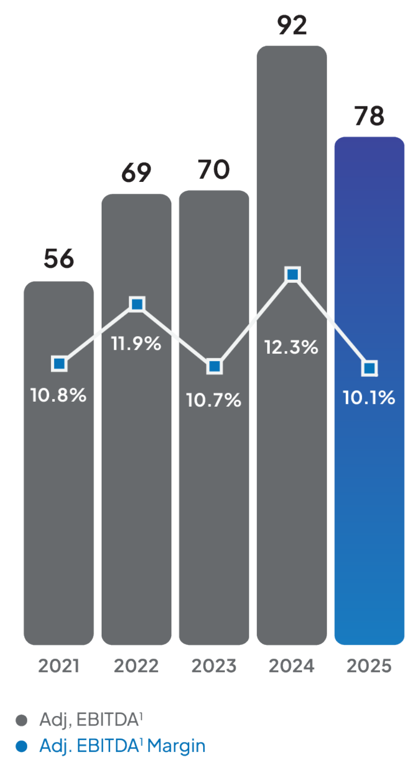
Gross Profit & Margin

(in millions of $, except margin)



Adj. EBITDA[1,2] & Margin[1,2]

(in millions of $, except margin)

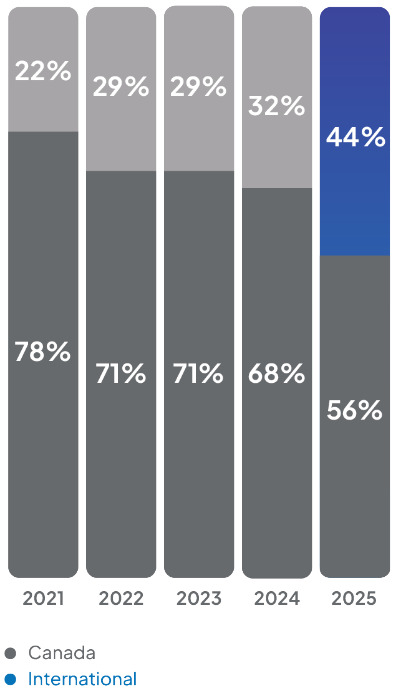


Calian has been successful in diversifying its revenue streams by geography, customer and offering. In FY25, revenues generated outside Canada reached 44% of total revenues, up from 22% in FY21. Over this same period, revenues from commercial customers, typically at higher margins, grew from $254 million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

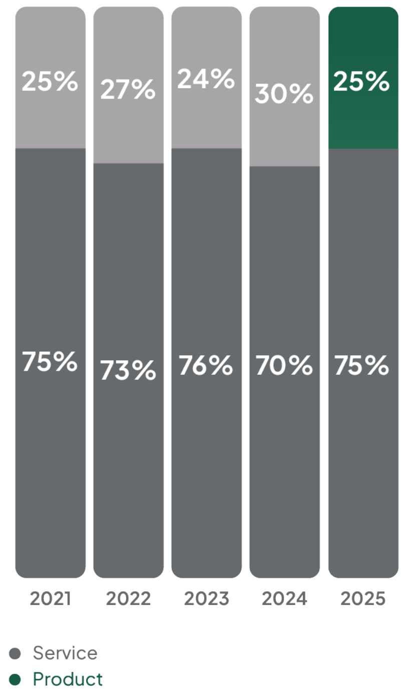
[1] Refer to the section entitled "Reconciliation of Non-GAAP Measures to Most Comparable IFRS Measures" of this MD&A for an explanation of the non-GAAP measure.

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

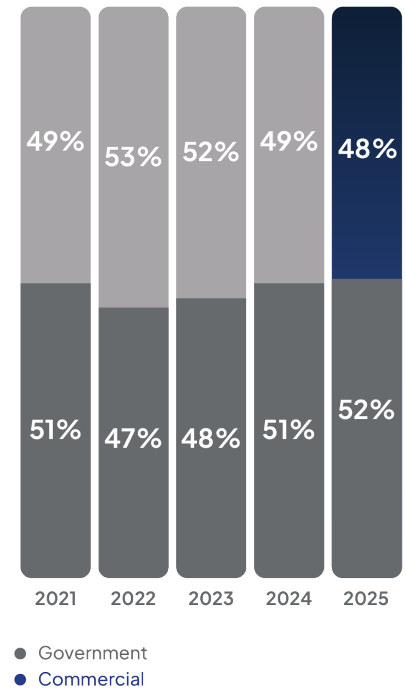
Geography



Offering



Customer



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

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

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

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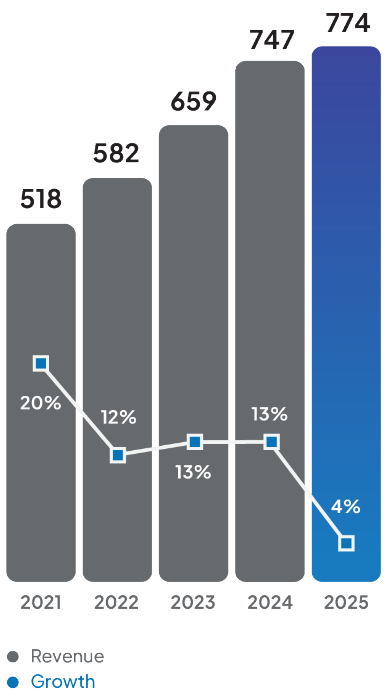
Key Performance Indicators

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

Key Performance Indicators

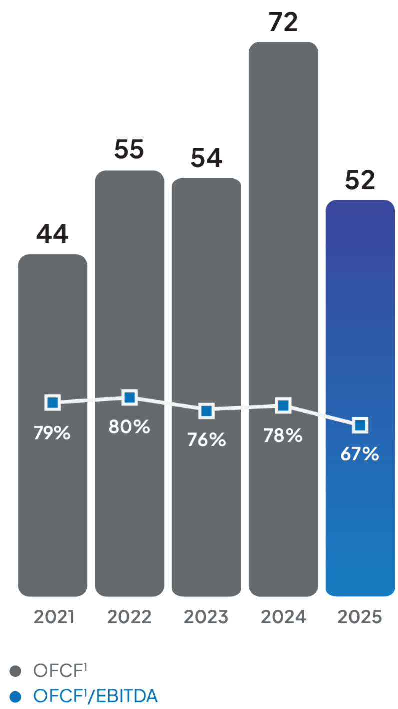
Revenue & Revenue Growth

(in millions of $, except %)



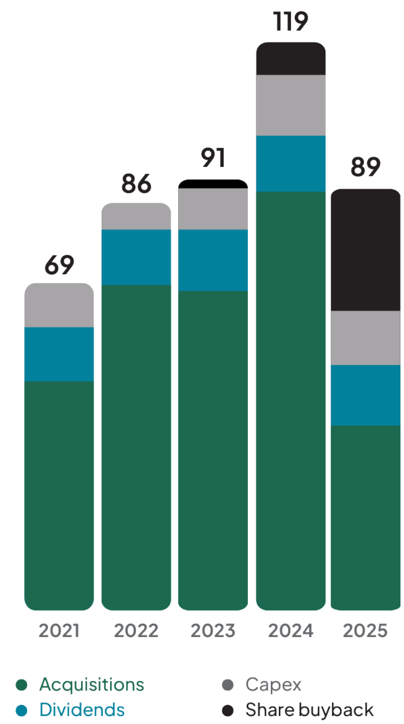
Operating Free Cash Flow (OFCF[1,2]) & OFCF Conversion

(in millions of $, except ratio)



Capital Deployed

(in millions of $)



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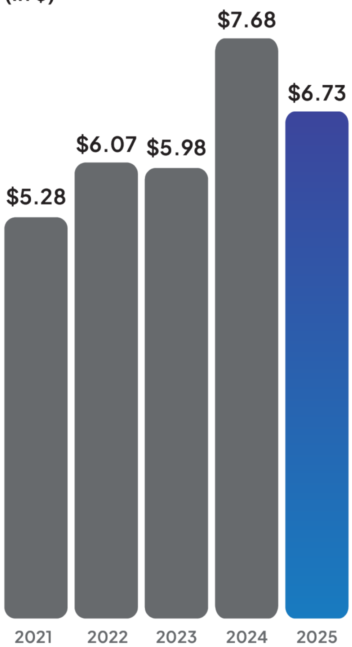
The Company also wants to ensure that it analyzes the success of its execution through a shareholder lens. As such, it monitors adjusted EBITDA[1] per diluted share, Operating Free Cash Flow[1] per diluted share and Adjusted EPS[1] per diluted share.

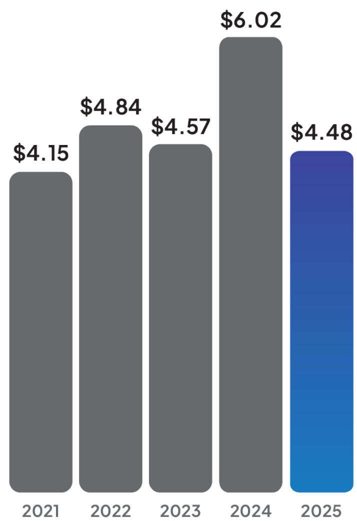
Adjusted EBITDA[1,2]/ Diluted Share

(in $)



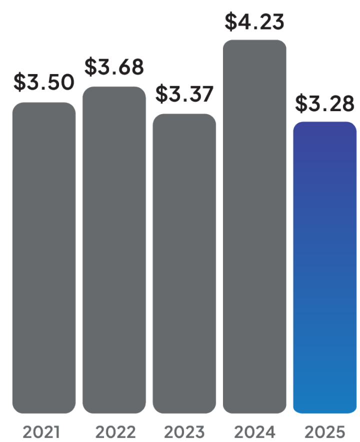
OFCF[1,2]/ Diluted Share

(in $)



Adjusted EPS[1,2]/ Diluted Share

(in $)



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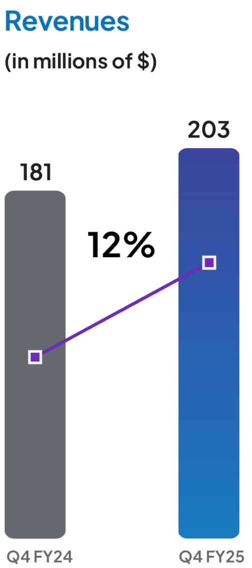
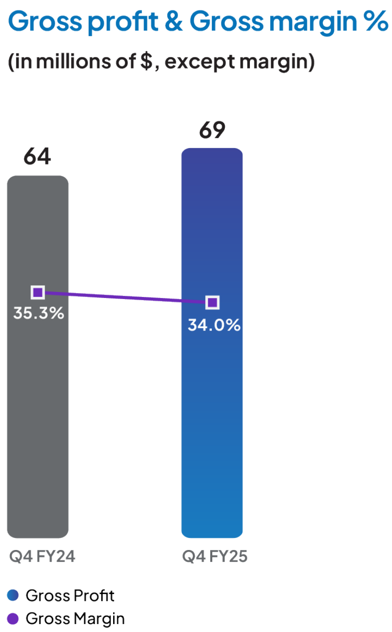
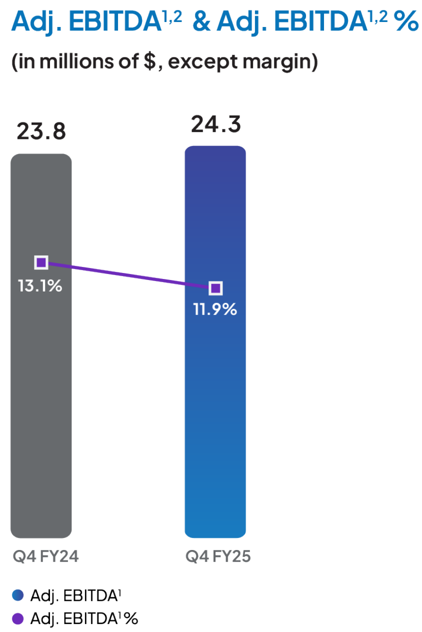
Overview – Fourth Quarter of FY25

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







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

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

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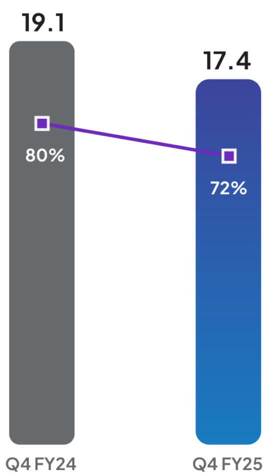
[3] Net liquidity is defined as the Company's total available credit under its credit facility less its net debt.

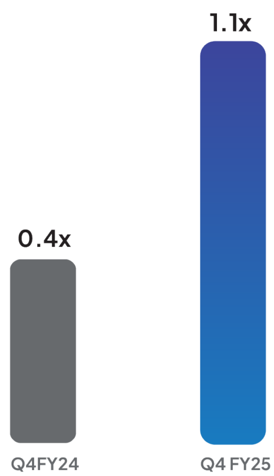
Calian generated $17.4 million of operating free cash flow[1] in the quarter down from $19.1 million for the same period last year, mainly due to higher interest and taxes paid, along with one time severance costs. The Company used its cash and a portion of its credit facility to make capital expenditure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

OFCF[1,2]

(in millions of $)

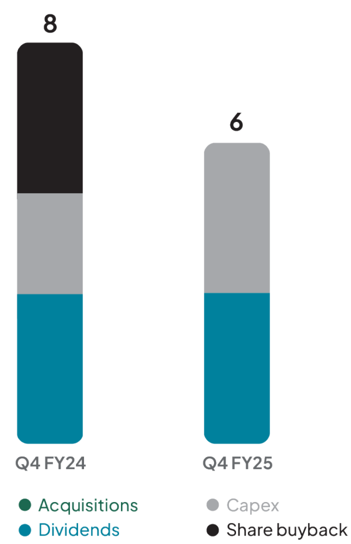


Net Debt/Adj. EBITDA[1,2] Ratio



Capital Deployed

(in millions of $)



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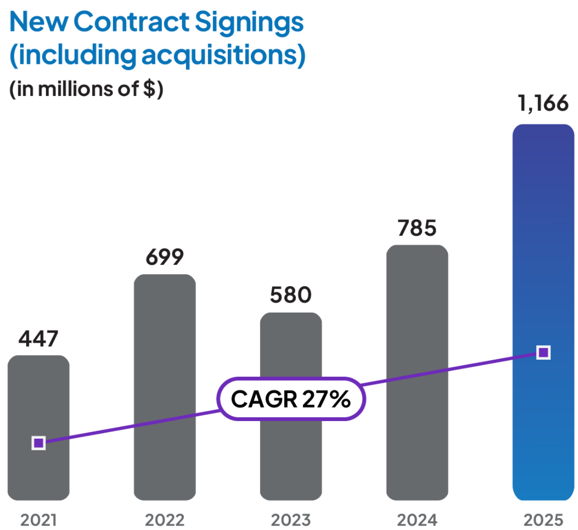
Calian signed gross new contract value of $122 million in the three months ended September 30, 2025, and ended the quarter with a realizable backlog of $1.4 billion.



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Backlog

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

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

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

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

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

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

Contracted Backlog as of September 30, 2025

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

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Consolidated Results

Selected Consolidated Financial Highlights

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

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

Revenue

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

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

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

Gross Profit

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

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

Adjusted EBITDA[1]

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

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

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

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

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

Depreciation and Amortization

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

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

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

Restructuring Expense

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

[1] Refer to the section entitled “Reconciliation of Non-GAAP Measures to Most Comparable IFRS Measures” of this MD&A for an explanation of the non-GAAP measure.
[2] Certain comparative figures have been reclassified to align with the current year's presentation. For more information, please see the Selected Quarterly Financial Data section of this management discussion and analysis.

Mergers and acquisition expense[2]

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

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

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

Interest expense

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

Income Tax Expense

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

Net Profit and Adjusted Net Profit

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

For the year ended September 30, 2025, net profit was $20,557, or $1.76 per diluted share, versus net profit of $11,180, or $0.93 per diluted share, for the same period last year. Adjusted net profit[1] was $38,260, or $3.28 per diluted share, versus $50,500, or $4.23 per diluted share, for the same period last year.

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

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

Selected Quarterly Financial Data

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

(Canadian dollars in millions, except per share data)

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

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

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

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

Fourth Quarter and Annual Financial Summary

Consolidated Statements of Net Profit

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

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

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

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

Consolidated Statements of Cash Flows

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Financial Position

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

Assets

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

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

Liabilities

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

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

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

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

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

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

Shareholders' Equity

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

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

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

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

Share Capital

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

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

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

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

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

Liquidity and Capital Resources

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

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

Operating Activities

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

[1] Refer to the section entitled “Reconciliation of Non-GAAP Measures to Most Comparable IFRS Measures” of this MD&A for an explanation of the non-GAAP measure.
[2] Certain comparative figures have been reclassified to align with the current year's presentation. For more information, please see the Selected Quarterly Financial Data section of this management discussion and analysis.

Financing Activities

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

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

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

Investing Activities

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

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

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

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

Reconciliation of Non-GAAP Measures to Most Comparable IFRS Measures

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

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

Adjusted EBITDA

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

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

Adjusted Net Profit

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

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

Operating Free Cash Flow

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

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

Net Debt to Adjusted EBITDA

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

Operating free cash flow measures the Company's cash profitability after required capital spending when excluding working capital changes. Capital expenditures are excluded as those are considered investments rather than maintenance of the business. The Company's ability to convert adjusted EBITDA[1] to operating free cash flow is critical for the long term success of its strategic growth. These measurements better align the reporting of our results and improve comparability against our peers. We believe that securities analysts, investors and other interested parties frequently use non-GAAP measures in the evaluation of issuers. Management also uses non-GAAP measures in order to facilitate operating performance comparisons from period to period, prepare annual operating budgets and assess our ability to meet our capital expenditure and working capital requirements. Non-GAAP measures should not be considered a substitute for or be considered in isolation from measures prepared in accordance with IFRS. Investors are encouraged to review our Financial Statements and disclosures in their entirety and are cautioned not to put undue reliance on non-GAAP measures and view them in conjunction with the most comparable IFRS financial measures. The Company has reconciled adjusted profit to the most comparable IFRS financial measure as shown above.

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

Risk and Uncertainties

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

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

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

Estimates

The preparation of financial statements in conformity with IFRS requires the Company's management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosure of contingent liabilities and provisions including warranty claims, loss contracts and legal claims as at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods presented. Actual results could differ from those estimates.

Project completion for revenue

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

Impairment of goodwill and intangible assets

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

Income taxes

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

Intangible asset useful life

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

Judgments

Business combinations

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

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

Deferred income taxes

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

Provisions

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

Non-current assets held for sale

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

Disclosure Controls and Internal Controls over Financial Reporting

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

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

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

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

On behalf of Management,

(s) Patrick Houston
Chief Financial Officer

November 25, 2025