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FOR IMMEDIATE RELEASE

Calian Reports Results for the First Quarter of Fiscal 2026

(All amounts in release are in Canadian dollars)

OTTAWA, February 12, 2026 – Calian® Group Ltd. (TSX:CGY), a mission critical solutions company focused on defence, space, healthcare and other strategic critical infrastructure sectors, today released its results for the first quarter ended December 31, 2025.

"Building on last quarter's momentum, we opened the year strong with revenue up 12%, including 6% organic growth," said Patrick Houston, Calian CEO. "Growth was fueled by sustained demand in Defence & Space and the impact from recent acquisitions. Adjusted EBITDA¹ increased by 28%, significantly outpacing revenue growth, reflecting stronger margins, as well as the successful execution of cost optimization initiatives implemented at the end of last year.

As we look ahead, our more focused operating model paired with \$1.4 billion in backlog, a strong acquisition pipeline, and solid balance sheet provide a powerful foundation for continued success. Market tailwinds in our core markets positions us to deliver another year of strong performance and create lasting value for our shareholders."

Q1-26 Highlights²:

- Revenue up 12% to \$208 million, including 6% from organic and 6% from acquisitions
- Gross margin at 34.1%, up from 31.8%
- Adjusted EBITDA¹ up 28% to \$23 million (margin of 11.0%)
- Operating free cash flow¹ of \$16 million, representing a conversion of 69%
- New contract signings of \$171 million and ending backlog of \$1.4 billion
- Completed the acquisition of Canadian-based InField Scientific
- Awarded a contract by a leading global space technology company
- After quarter end, Calian announced it will mobilize investment to accelerate Canada's C5ISRT defence capabilities

Financial Highlights <i>(in millions of \$, except per share & margins)</i>	Three months ended December 31,		
	2025	2024	%
Revenue	208.0	185.0	12 %
Adjusted EBITDA ¹	22.8	17.8	28 %
Adjusted EBITDA % ¹	11.0 %	9.6 %	140bps
Adjusted Net Profit ¹	11.8	8.4	40 %
Adjusted EPS Diluted ¹	1.03	0.71	46 %
Operating Free Cash Flow ¹	15.8	13.1	21 %

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

² Highlights are compared to the three-month period ended December 31, 2024.

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

[Register for the conference call](#) on Thursday, February 12, 2026, 8:30 a.m. Eastern Time.

First Quarter Results

Revenues increased 12%, from \$185 million to \$208 million. This represents a record high quarterly revenue for the Company. Acquisitive growth was 6% and was generated by the acquisitions of Advanced Medical Solutions completed in May 2025 and Infield Scientific closed in October 2025. Organic growth was 6% and was generated by our defence solutions and to a lesser extent from our Essential Industries segment.

Gross profit increased 20.6% to \$71 million, driven by revenue growth, changes in revenue mix and contributions from acquisitions. Gross margin stood at 34.1%, up from 31.8% last year. Similarly, adjusted EBITDA¹ increased 28% to \$23 million, driven by revenue growth, product mix, increased margins and cost optimization initiatives. As a result, adjusted EBITDA¹ margin finished at 11.0%, up from 9.6% last year.

Net profit was \$5.1 million, or \$0.44 per diluted share, from a loss of \$1.0 million, or \$(0.08) per diluted share last year. The increase is primarily related to higher adjusted EBITDA¹ and lower mergers and acquisition costs, offset by higher taxes and interest charges. Adjusted net profit¹ was \$11.8 million, or \$1.03 per diluted share, up from \$8.4 million, or \$0.71 per diluted share, last year.

Liquidity and Capital Resources

"In the first quarter, we generated \$16 million of operating free cash flow¹. We used our cash and a portion of our credit facility to fund capital expenditures of \$2 million, acquisitions and earnouts for \$18 million and provide a return in shareholders through dividends of \$3 million. We ended the quarter with a net debt to adjusted EBITDA¹ ratio of 1.2x, preserving significant financial flexibility to fund our growth strategy," concluded Mr. Houston.

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Calian Mobilizes Investment to accelerate Canada's C5ISR Defence

January 26, 2026, Calian announced a strategic initiative to help accelerate the development and deployment of sovereign C5ISR capabilities through Calian VENTURES (VENTURES), Canada's defence innovation orchestrator. As Canada places increasing priority on sovereign defence capability, operational readiness and long-term resilience, Calian will advance technology collaboration and mobilize funding to accelerate capability development across Canada. Funding will be drawn from multiple sources, including capital investment from VENTURES, co-development of new intellectual property from Calian alongside multiple Canadian small to mid-size enterprise (SMEs), contributions from regional investment agencies, and federal programs.

Awarded Contract to Deliver QV Band Gateways for Two Geostationary Satellites

On November 24, 2025, Calian announced it has been awarded a contract by a leading global space technology company for the design and manufacturing of four Ka/Q/V-band RF gateway ground stations to support the roll-out of services for two state-of-the-art geostationary satellites.

The gateways will form the critical ground infrastructure linking the new satellites to terrestrial networks, enabling reliable, secure, high-capacity government communications across a wide geographical area that includes Africa, Europe, and Asia. In support of delivering on the contract, Calian will deliver four 10-metre Ka/Q/V-band gateway antennas along with the radio frequency equipment, and monitoring and control systems in the middle east. Once complete, the satellites will deliver next-generation, sovereign connectivity for secure government communications.

Completed the Acquisition of Canadian-based InField Scientific

On October 2, 2025, Calian announced the acquisition of InField Scientific Inc., a Quebec-based engineering company internationally recognized in electromagnetic environmental effects (E3). This small, strategic acquisition expands Calian's defence portfolio enabling the company to deliver end-to-end electromagnetic solutions to expand into new markets, strengthen defence customer impact and support future growth.

Quarterly Dividend

On February 11, 2026, Calian declared a quarterly dividend of \$0.28 per share. The dividend is payable March 11, 2026, to shareholders of record as of February 25, 2026. Dividends paid by the Company are considered "eligible dividend" for tax purposes.

About Calian

www.calian.com

For over 40 years, Calian has delivered mission-critical solutions when failure is not an option. Trusted worldwide, we empower organizations in critical industries to overcome obstacles, manage risks and drive progress. By combining the expertise of our people, proven industry insight, cutting-edge technology, bold innovation, and global reach, we deliver tailored solutions that solve complex challenges. Headquartered in Ottawa, Canada, with over 6,000 people around the world, Calian's

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

solutions protect lives, strengthen security, foster global connectivity and drive economic progress, making a lasting impact where and when it matters most.

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

Media inquiries:

media@calian.com

613-599-8600

Investor Relations inquiries:

ir@calian.com

DISCLAIMER

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

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

Tel: 613.599.8600 · Fax: 613-592-3664 · General info email: info@calian.com

CALIAN GROUP LTD.
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at December 31, 2025 and September 30, 2025
(Canadian dollars in thousands, except per share data)

	December 31, 2025	September 30, 2025
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 62,636	\$ 46,101
Accounts receivable	175,002	171,150
Work in process	23,615	25,028
Inventory	28,009	27,709
Prepaid expenses and other	32,573	22,977
Derivative assets	186	44
Total current assets	322,021	293,009
NON-CURRENT ASSETS		
Property, plant and equipment	44,980	45,508
Right of use assets	37,718	39,786
Prepaid expenses	5,813	6,015
Deferred tax asset	1,598	1,614
Investments	4,252	4,252
Acquired intangible assets	103,649	106,833
Goodwill	230,481	224,483
Total non-current assets	428,491	428,491
TOTAL ASSETS	\$ 750,512	\$ 721,500
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 131,755	\$ 133,096
Provisions	3,138	3,458
Unearned contract revenue	44,290	39,646
Lease obligations	5,671	5,819
Contingent earn-out	10,177	16,147
Derivative liabilities	272	53
Total current liabilities	195,303	198,219
NON-CURRENT LIABILITIES		
Debt facility	164,750	130,750
Lease obligations	35,972	37,634
Unearned contract revenue	13,931	14,704
Deferred tax liabilities	18,563	18,912
Total non-current liabilities	233,216	202,000
TOTAL LIABILITIES	428,519	400,219
SHAREHOLDERS' EQUITY		
Issued capital	224,472	220,345
Contributed surplus	5,322	7,312
Retained earnings	86,262	84,360
Accumulated other comprehensive income (loss)	5,937	9,264
TOTAL SHAREHOLDERS' EQUITY	321,993	321,281
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 750,512	\$ 721,500
Number of common shares issued and outstanding	11,414,163	11,350,168

CALIAN GROUP LTD.
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF NET PROFIT
For the three months ended December 31, 2025 and 2024
(Canadian dollars in thousands, except per share data)

	Three months ended December 31,	
	2025	2024
Revenue	\$ 208,000	\$ 185,047
Cost of revenues	137,097	126,246
Gross profit	70,903	58,801
Selling, general and administrative	45,818	38,105
Research and development	2,270	2,896
Share-based compensation	1,012	1,091
Profit before under noted items	21,803	16,709
Restructuring expense	419	692
Depreciation and amortization	11,005	11,540
Mergers and acquisition costs	1,018	2,320
Profit before interest and income tax expense	9,361	2,157
Interest expense	2,216	1,783
Income tax expense	2,048	1,350
NET PROFIT (LOSS)	\$ 5,097	\$ (976)
Net profit (loss) per share:		
Basic	\$ 0.45	\$ (0.08)
Diluted	\$ 0.44	\$ (0.08)

CALIAN GROUP LTD.
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three months ended December 31, 2025 and 2024
(Canadian dollars in thousands)

	Three months ended December 31,	
	2025	2024
CASH FLOWS GENERATED FROM (USED IN) OPERATING ACTIVITIES		
Net profit (loss)	\$ 5,097	\$ (976)
Items not affecting cash:		
Interest expense	1,694	1,295
Changes in fair value related to contingent earn-out	100	558
Lease obligations interest expense	522	488
Income tax expense	2,048	1,350
Share based compensation expense	1,012	1,091
Depreciation and amortization	11,005	11,540
Deemed compensation	339	1,563
	21,817	16,909
Change in non-cash working capital		
Accounts receivable	(2,449)	(167)
Work in process	1,413	232
Prepaid expenses and other	(10,217)	(2,739)
Inventory	(300)	(6,241)
Accounts payable and accrued liabilities	(332)	(858)
Unearned contract revenue	3,871	1,294
	13,803	8,430
Interest paid	(2,216)	(1,783)
Income tax paid	(4,420)	(2,265)
	7,167	4,382
CASH FLOWS GENERATED FROM (USED IN) FINANCING ACTIVITIES		
Issuance of common shares net of costs	376	881
Dividends	(3,195)	(3,292)
Net draw on debt facility	34,000	26,000
Payment of lease obligations	(1,599)	(1,442)
Repurchase of common shares	—	(4,926)
	29,582	17,221
CASH FLOWS USED IN INVESTING ACTIVITIES		
Business acquisitions	(18,184)	(11,215)
Property, plant and equipment	(2,030)	(1,136)
	(20,214)	(12,351)
NET CASH INFLOW	\$ 16,535	\$ 9,252
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	46,101	51,788
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 62,636	\$ 61,040

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 December 31,	
	2025	2024
Net profit (loss)	\$ 5,097	\$ (976)
Share-based compensation	1,012	1,091
Restructuring expense	419	692
Depreciation and amortization	11,005	11,540
Mergers and acquisition costs	1,018	2,320
Interest expense	2,216	1,783
Income tax expense	2,048	1,350
Adjusted EBITDA	\$ 22,815	\$ 17,800
Adjusted EBITDA per share - Basic	2.00	1.51
Adjusted EBITDA per share - Diluted	\$ 1.99	\$ 7.68

Adjusted Net Profit and Adjusted EPS

	Three months ended December 31,	
	2025	2024
Net profit (loss)	\$ 5,097	\$ (976)
Share-based compensation	1,012	1,091
Restructuring expense	419	692
Mergers and acquisition costs	1,018	2,320
Amortization of intangibles	6,384	7,334
	13,930	10,461
Income taxes related to above items	(2,160)	(2,053)
Adjusted net profit	11,770	8,408
Weighted average number of common shares basic	11,379,277	11,773,465
Adjusted EPS Basic	1.03	0.71
Adjusted EPS Diluted	\$ 1.03	\$ 0.71

Operating Free Cash Flow

	Three months ended December 31,	
	2025	2024
Cash flows generated from operating activities (free cash flow)	\$ 7,167	\$ 4,382
Adjustments:		
M&A costs included in operating activities	579	199
Change in non-cash working capital	8,014	8,479
Operating free cash flow	\$ 15,760	\$ 13,060
Operating free cash flow per share - basic	1.38	6.10
Operating free cash flow per share - diluted	1.38	6.02
Operating free cash flow conversion	69 %	73 %

Net Debt to Adjusted EBITDA

	December 31, 2025	December 31, 2024
Cash	\$ 62,636	\$ 61,040
Debt facility	164,750	115,750
Net debt (net cash)	102,114	54,710
Trailing twelve month adjusted EBITDA	83,433	88,602
Net debt to adjusted EBITDA	1.2	0.6

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

February 11, 2026

Unaudited Interim Condensed Consolidated Financial Statements

For the three months ended December 31, 2025



CALIAN GROUP LTD.
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at December 31, 2025 and September 30, 2025
(Canadian dollars in thousands, except per share data)

	NOTES	December 31, 2025	September 30, 2025
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		\$ 62,636	\$ 46,101
Accounts receivable		175,002	171,150
Work in process	4	23,615	25,028
Inventory		28,009	27,709
Prepaid expenses and other		32,573	22,977
Derivative assets	16	186	44
Total current assets		322,021	293,009
NON-CURRENT ASSETS			
Property, plant and equipment	5	44,980	45,508
Right of use assets	6	37,718	39,786
Prepaid expenses		5,813	6,015
Deferred tax asset		1,598	1,614
Investments		4,252	4,252
Acquired intangible assets	7	103,649	106,833
Goodwill	9	230,481	224,483
Total non-current assets		428,491	428,491
TOTAL ASSETS		\$ 750,512	\$ 721,500
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities		\$ 131,755	\$ 133,096
Provisions		3,138	3,458
Unearned contract revenue	4	44,290	39,646
Lease obligations	6	5,671	5,819
Contingent earn-out	19	10,177	16,147
Derivative liabilities	16	272	53
Total current liabilities		195,303	198,219
NON-CURRENT LIABILITIES			
Debt facility	10	164,750	130,750
Lease obligations	6	35,972	37,634
Unearned contract revenue	4	13,931	14,704
Deferred tax liabilities		18,563	18,912
Total non-current liabilities		233,216	202,000
TOTAL LIABILITIES		428,519	400,219
SHAREHOLDERS' EQUITY			
Issued capital	11	224,472	220,345
Contributed surplus		5,322	7,312
Retained earnings		86,262	84,360
Accumulated other comprehensive income		5,937	9,264
TOTAL SHAREHOLDERS' EQUITY		321,993	321,281
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 750,512	\$ 721,500
Number of common shares issued and outstanding		11,414,163	11,350,168

The accompanying notes are an integral part of the unaudited interim condensed financial statements. Refer to note 11 for events that occurred subsequent to December 31, 2025.

CALIAN GROUP LTD.
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF NET PROFIT
For the three months ended December 31, 2025 and 2024
(Canadian dollars in thousands, except per share data)

		Three months ended December 31,	
	NOTES	2025	2024
Revenue	13	\$ 208,000	\$ 185,047
Cost of revenues		137,097	126,246
Gross profit		70,903	58,801
Selling, general and administrative		45,818	38,105
Research and development		2,270	2,896
Share-based compensation	12	1,012	1,091
Profit before under noted items		21,803	16,709
Restructuring expense		419	692
Depreciation and amortization	8	11,005	11,540
Mergers and acquisition costs	18	1,018	2,320
Profit before interest and income tax expense		9,361	2,157
Interest expense		2,216	1,783
Income tax expense		2,048	1,350
NET PROFIT (LOSS)		\$ 5,097	\$ (976)
Net profit (loss) per share:			
Basic	14	\$ 0.45	\$ (0.08)
Diluted	14	\$ 0.44	\$ (0.08)

The accompanying notes are an integral part of the unaudited interim condensed financial statements.

CALIAN GROUP LTD.
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the three months ended December 31, 2025 and 2024
(Canadian dollars in thousands)

	Three months ended December 31,	
	2025	2024
NET PROFIT (LOSS)	\$ 5,097	\$ (976)
Cumulative translation adjustment	(3,680)	6,726
Change in deferred gain (loss) on derivatives designated as cash flow hedges net of tax of \$127 and \$348 for the three months ended December 31, 2025 and 2024, respectively.	353	(964)
Other comprehensive income (loss), net of tax	(3,327)	5,762
COMPREHENSIVE INCOME	\$ 1,770	\$ 4,786

The accompanying notes are an integral part of the unaudited interim condensed financial statements.

CALIAN GROUP LTD.
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the three months ended December 31, 2025 and 2024
(Canadian dollars in thousands, except per share data)

		Issued	Contributed	Retained	Other	
	NOTES	capital	surplus	earnings	comprehensive	Total
					income	
Balance October 1, 2025		\$ 220,345	\$ 7,312	\$ 84,360	\$ 9,264	\$ 321,281
Net profit and comprehensive income		—	—	5,097	(3,327)	1,770
Dividend paid (\$0.28 per share)		—	—	(3,195)	—	(3,195)
Shares issued under employee share plans	11	2,834	(2,834)	—	—	—
Shares issued under employee share purchase plan	12	545	—	—	—	545
Share-based compensation expense	12	—	844	—	—	844
Change in obligation related to share repurchase	11	748	—	—	—	748
Balance December 31, 2025		\$ 224,472	\$ 5,322	\$ 86,262	\$ 5,937	\$ 321,993

		Issued	Contributed	Retained	Other	
	NOTES	capital	surplus	earnings	comprehensive	Total
					income	
Balance October 1, 2024		\$ 225,747	\$ 6,019	\$ 91,268	\$ 3,721	\$ 326,755
Net profit (loss) and comprehensive income		—	—	(976)	5,762	4,786
Dividend paid (\$0.28 per share)		—	—	(3,292)	—	(3,292)
Share repurchase	11	(1,964)	—	(2,962)	—	(4,926)
Shares issued under employee share plans	11	2,779	(2,381)	—	—	398
Shares issued under employee share purchase plan	12	654	—	—	—	654
Share-based compensation expense	12	—	917	—	—	917
Change in obligation related to share repurchase	11	345	—	—	—	345
Balance December 31, 2024		\$ 227,561	\$ 4,555	\$ 84,038	\$ 9,483	\$ 325,637

The accompanying notes are an integral part of the unaudited interim condensed financial statements.

CALIAN GROUP LTD.
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three months ended December 31, 2025 and 2024
(Canadian dollars in thousands)

	NOTES	Three months ended December 31,	
		2025	2024
CASH FLOWS GENERATED FROM (USED IN) OPERATING ACTIVITIES			
Net profit (loss)		\$ 5,097	\$ (976)
Items not affecting cash:			
Interest expense		1,694	1,295
Changes in fair value related to contingent earn-out	19	100	558
Lease obligations interest expense	6	522	488
Income tax expense		2,048	1,350
Share-based compensation expense	11	1,012	1,091
Depreciation and amortization	8	11,005	11,540
Deemed compensation	17, 18, 19	339	1,563
		21,817	16,909
Change in non-cash working capital			
Accounts receivable		(2,449)	(167)
Work in process		1,413	232
Prepaid expenses and other		(10,217)	(2,739)
Inventory		(300)	(6,241)
Accounts payable and accrued liabilities		(332)	(858)
Unearned contract revenue		3,871	1,294
		13,803	8,430
Interest paid		(2,216)	(1,783)
Income tax paid		(4,420)	(2,265)
		7,167	4,382
CASH FLOWS GENERATED FROM (USED IN) FINANCING ACTIVITIES			
Issuance of common shares net of costs	11, 12	376	881
Repurchase of common shares	11	—	(4,926)
Dividends		(3,195)	(3,292)
Net draw on debt facility	10	34,000	26,000
Payment of lease obligations	6	(1,599)	(1,442)
		29,582	17,221
CASH FLOWS USED IN INVESTING ACTIVITIES			
Business acquisitions	17, 19	(18,184)	(11,215)
Property, plant and equipment	5	(2,030)	(1,136)
		(20,214)	(12,351)
NET CASH INFLOW (OUTFLOW)		\$ 16,535	\$ 9,252
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD		46,101	51,788
CASH AND CASH EQUIVALENTS, END OF PERIOD		\$ 62,636	\$ 61,040

The accompanying notes are an integral part of the unaudited interim condensed financial statements.

CALIAN GROUP LTD.
NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS
For the three months ended December 31, 2025 and 2024
(Canadian dollars in thousands, except per share data)

1. Basis of Preparation

Calian Group Ltd. ("the Company") is incorporated under the Canada Business Corporations Act. The address of its registered office and principal place of business is 770 Palladium Drive, Ottawa, Ontario K2V 1C8. The Company's capabilities are diverse with services and solutions delivered through two segments: Defence & Space and Essential Industries. Headquartered in Ottawa, Calian provides business services and solutions to both industry and government customers in the areas of defence, aerospace, satellite communications (satcom), health, learning, security, engineering, nuclear, AgTech, and IT.

Statement of compliance

These unaudited interim condensed consolidated financial statements are expressed in Canadian dollars and have been prepared in accordance with International Accounting Standard ("IAS") 34 - Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). These unaudited interim condensed consolidated financial statements have been prepared using accounting policies consistent with the International Financial Reporting Standards ("IFRS") and in accordance with the accounting policies the Company adopted in its annual consolidated financial statements for the year ended September 30, 2025, and should be read in conjunction with the audited consolidated financial statements and notes thereto. Effective October 1, 2025, the Company had a change in its reporting segments, which is discussed further in note 15. These unaudited interim condensed consolidated financial statements do not include all of the information required in annual financial statements.

These consolidated financial statements were approved by the Board of Directors on February 11, 2026.

2. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

The preparation of financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities 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.

There were no other significant changes in estimates or approaches in the current period when compared to the estimates or approaches used to prepare the annual consolidated financial statements for the year ended September 30, 2025.

3. Seasonality

The results of operations for the interim periods are not necessarily indicative of the results of operations for the full year. The Company's revenues and earnings have historically been subject to quarterly seasonality due to the timing of vacation periods, statutory holidays, industry specific seasonal cycles and the timing and delivery of milestones for significant projects.

4. Contract Assets and Liabilities

The following table presents net contract liabilities as at:

	Net Contract Liabilities	
	December 31, 2025	September 30, 2025
Work in process	\$ 23,615	\$ 25,028
Unearned contract revenue (current)	(44,290)	(39,646)
Unearned contract revenue (non-current)	(13,931)	(14,704)
Net contract liabilities	\$ (34,606)	\$ (29,322)

The following table presents changes in net contract liabilities for three months ended December 31, 2025, and twelve months ended September 30, 2025:

	Changes in Net Contract Liabilities	
	December 31, 2025	September 30, 2025
Opening balance, October 1	\$ (29,322)	\$ (35,789)
Revenue recognized for net contract liabilities	31,824	146,345
Billings	(37,108)	(139,878)
Ending balance	\$ (34,606)	\$ (29,322)

5. Property, Plant and Equipment

A continuity of the main components included in property, plant and equipment for the three months ended December 31, 2025 is as follows:

	Cost			Total	Depreciation		Carrying Value	
	Cost	Additions/ Disposals	Acquisitions (Note 17)		Depreciation	Accumulated Depreciation	December 31, 2025	September 30, 2025
Leasehold improvements	\$ 5,256	\$ 8	\$ 2	\$ 5,266	\$(67)	\$(3,341)	\$ 1,925	\$ 1,984
Land and Building	6,295	(15)	—	6,280	(36)	(115)	6,165	6,216
Equipment	71,706	1,323	21	73,050	(2,214)	(47,522)	25,528	26,140
Application software	16,928	211	—	17,139	(359)	(8,904)	8,235	8,382
Capitalized research and development	6,555	428	—	6,983	(14)	(4,918)	2,065	1,650
Intellectual property rights	1,482	—	—	1,482	(74)	(420)	1,062	1,136
Total	\$ 108,222	\$ 1,955	\$ 23	\$ 110,200	\$(2,764)	\$(65,220)	\$ 44,980	\$ 45,508

Additions in the table above are net of disposals in the amount of \$95 (\$117) for the three months ended December 31, 2025 (2024). The Company recognized foreign exchange of \$(385) (\$2,278) in the cost and \$202 (\$633) in the accumulated depreciation of equipment in the three months ended December 31, 2025 (2024).

6. Right of Use Assets and Lease Obligations

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

	Total Right of Use Assets	
	Three months ended	
	December 31, 2025	December 31, 2024
Balance at October 1	\$ 39,786	\$ 36,383
Additions	—	5,656
Disposals and foreign exchange adjustments	(415)	1,324
Depreciation	(1,857)	(1,617)
Acquisitions (Note 17)	204	—
	\$ 37,718	\$ 41,746

The Company's leases are for land, office, and manufacturing space. The Company has included renewal options in the measurement of lease obligations when it is reasonably certain to exercise the renewal option.

The following table presents lease obligations for the Company:

	Total Lease Obligations	
	Three months ended	
	December 31, 2025	December 31, 2024
Balance at October 1	\$ 43,453	\$ 39,443
Additions	—	5,420
Disposals and foreign exchange adjustments	(415)	1,560
Principal and interest payments	(2,121)	(1,930)
Lease interest expense	522	488
Acquisitions (Note 17)	204	—
	\$ 41,643	\$ 44,981
Current	\$ 5,671	\$ 5,556
Non-current	35,972	39,425
Total	\$ 41,643	\$ 44,981

The following table presents the contractual undiscounted cash flows for lease obligations as at December 31, 2025:

	Total Undiscounted Lease Obligations
Less than one year	\$ 7,013
One to five years	22,436
More than five years	23,654
Total undiscounted lease obligations	\$ 53,103

Total cash outflow for leases in the three months ended December 31, 2025 (2024) is \$2,121 (\$1,930), including principal payments relating to lease obligations of \$1,599 (\$1,442), interest expense on lease obligations is \$522 (\$488). Expenses relating to short-term leases recognized in general and administration expenses was \$27 (\$36) for the three months ended December 31, 2025 (2024).

7. Acquired Intangible Assets

A continuity of the acquired intangible assets for the three months ended December 31, 2025 is as follows:

	December 31, 2025				
	Opening Balance	Additions (Note 17)	Amortization	Foreign Exchange Revaluation	Closing Balance
Customer relationships	\$ 102,128	\$ 4,942	\$ (5,865)	\$ (1,742)	\$ 99,463
Discrete contracts with customers & non-competition agreements	71	—	(20)	—	51
Technology and trademarks	4,634	—	(499)	—	4,135
	\$ 106,833	\$ 4,942	\$ (6,384)	\$ (1,742)	\$ 103,649

In the three months ended December 31, 2025 the Company recorded a foreign currency revaluation of intangible assets held in foreign subsidiaries which utilize different functional currencies than the Company's presentation currency. These foreign exchange revaluations are reflected in comprehensive income.

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

	September 30, 2025				
	Opening Balance	Additions (Note 17)	Amortization	Foreign Exchange Revaluation	Closing Balance
Customer relationships	\$ 118,482	\$ 6,100	\$ (23,549)	\$ 1,095	\$ 102,128
Discrete contracts with customers & non-competition agreements	1,862	—	(1,791)	—	71
Technology and trademarks	7,909	—	(3,275)	—	4,634
	\$ 128,253	\$ 6,100	\$ (28,615)	\$ 1,095	\$ 106,833

8. Depreciation and Amortization

The following table presents the depreciation and amortization for the Company for the three months ended December 31, 2025 (2024):

	NOTES	Three months ended	
		December 31, 2025	December 31, 2024
Depreciation of property, plant and equipment	5	\$ 2,764	\$ 2,589
Depreciation of right of use assets	6	1,857	1,617
Amortization of acquired intangible assets	7	6,384	7,334
		\$ 11,005	\$ 11,540

9. Goodwill

The following table presents the goodwill for the Company for the three months ended December 31, 2025:

	December 31, 2025
Opening balance, October 1	\$ 224,483
Additions:	
Acquisition of InField Scientific Inc. (Note 17)	6,852
Adjustments:	
Foreign Exchange	(854)
	\$ 230,481

In the three months ended December 31, 2025 the Company recorded a foreign currency revaluation of goodwill held in foreign subsidiaries which utilize different functional currencies than the Company's presentation currency. These foreign exchange revaluations are reflected in comprehensive income.

There were no changes to the Company's identified cash generating units (CGUs) in the three months ended December 31, 2025. The grouping of CGUs have changed in the current year. The change in the grouping of CGUs corresponds with the change in operating segment that is described in note 15.

The following table presents the goodwill for the Company for the three months ended December 31, 2024:

	December 31, 2024
Opening balance, October 1	\$ 210,392
Foreign Exchange	3,533
	\$ 213,925

10. Debt Agreement

On September 29, 2025, the Company signed an amended debt facility that provides the Company with the ability to draw up to \$200,000 CAD and an accordion feature of up to \$150,000 CAD. The agreement has a three year term, which will mature on September 29, 2028. At December 31, 2025 (September 30, 2025), the Company utilized \$164,750 (\$130,750) of the facility. The facility is secured against the Company's assets and is interest bearing at the Royal Bank of Canada's Prime Rate plus applicable margin. As at December 31, 2025 the Company is in compliance with all applicable covenants under the debt facility.

Changes in debt for the three months ended December 31, 2025 (2024) were as follows:

	Three months ended	
	December 31, 2025	December 31, 2024
Balance October 1	\$ 130,750	\$ 89,750
Draws	76,000	36,000
Repayments	(42,000)	(10,000)
Balance December 31	\$ 164,750	\$ 115,750

11. Issued Capital and Reserves

Issued Capital

The Company is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares. The holders of Common Shares are entitled to dividends if, as and when declared by the Board, to one vote per share at the meetings of holders of Common Shares and, upon liquidation, to receive such assets of the Company as are distributable to the holders of the Common Shares. No Preferred Shares are outstanding as of December 31, 2025.

Common shares issued and outstanding:

	December 31, 2025		December 31, 2024	
	Shares	Amount	Shares	Amount
Balance October 1	11,350,168	\$ 220,345	11,802,364	\$ 225,747
Shares issued under employee share plans	53,060	2,834	50,394	2,779
Shares issued under employee share purchase plan	10,935	545	13,647	654
Shares issued through acquisition	—	—	—	—
Shares repurchased	—	—	(101,350)	(1,964)
Change in obligation related to share repurchase	—	748	—	345
Issued capital	11,414,163	\$ 224,472	11,765,055	\$ 227,561

On September 1, 2024, the Company entered into a normal course issuer bid ("NCIB") where the Company was approved to purchase up to 995,904 shares during the 12-month period commencing September 1, 2024 and ending August 31, 2025. On September 1, 2025, the Company renewed the NCIB plan, approving the Company to purchase up to 796,283 shares during the 12-month period commencing September 1, 2025 and ending August 31, 2026. During the three months ended December 31, 2025 (2024), the Company repurchased and cancelled nil (101,350) common shares for total cash consideration of nil (\$4,926) at an average purchase price per share of nil (\$48.60).

11. Issued Capital and Reserves (continued)

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 December 31, 2025 (September 30, 2025), an obligation for the repurchase of shares of \$1,972 (\$2,720) was recognized as an accrued liability.

Subsequent to the date of the statement of financial position, on February 11, 2026, the Company declared a dividend of \$0.28 per common share payable on March 11, 2026 payable to shareholders on record as at February 25, 2026.

Contributed Surplus

Contributed surplus comprises the value of share-based compensation expense related to options granted that have not been exercised or have expired unexercised.

12. Share-Based Compensation

Employee Share Purchase Plan

Under the Company's Employee Share Purchase Plan, shares are issued monthly using the volume weighted average price for the last 5 days of the month for the contributions made by employees in that month. The Company provides matching shares at 25% for all employee contributions each month. Pursuant to the plan, 500,000 Common Shares are reserved for issuance, as of December 31, 2025 (2024), the Company can issue 249,700 (301,839) shares.

During the three months ended December 31, 2025 (2024) under the 2020 Employee Share Purchase Plan, the Company issued 10,935 (13,647) shares at an average price of \$49.83 (\$47.87). The Company received \$677 (\$695) in proceeds and recorded an expense of \$169 (\$174).

Stock Options

The Company has an established stock option plan. Under the plan, eligible directors and employees are granted the right to purchase shares of common stock at a price established by the Board of Directors on the date the options are granted but in no circumstances below fair market value of the shares at the date of grant. Stock options are issued at market value based on the price at the date preceding the grant, and can have a contractual term of up to ten years and generally vest over 3 years. The maximum number of common shares reserved for issuance under the plan is equal to an aggregate 7% (798,991) of the Company's issued and outstanding shares from time to time less the aggregate number of shares reserved for issuance or issuable under any other security-based compensation arrangement for the Company.

As at December 31, 2025 (2024), the Company has 485,419 (512,263) stock options and restricted share units ("RSUs") outstanding. As a result, the Company could grant up to 313,572 (311,291) additional stock options or RSUs pursuant to the plan.

The weighted average fair value of options granted during the three months ended December 31, 2025 (2024) was \$10.23 (\$9.74) per option calculated using the Black-Scholes option pricing model. Where relevant, the expected life of the options was based on historical data for similar issuances and adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioral considerations. Expected volatility is based on historical price volatility over the past 5 years. To allow for the effects of early exercise, it was assumed that options would be exercised on average 3 years after vesting.

12. Share-Based Compensation (continued)

The following assumptions were used to determine the fair value of the options granted in the three months ended December 31, 2025 (2024):

	Weighted Average Options Granted			
	December 31, 2025		December 31, 2024	
Grant date share price	\$	48.61	\$	48.76
Exercise price	\$	48.61	\$	48.76
Expected price volatility	%	30.44	%	27.4
Expected option life	yrs	3.61	yrs	3.54
Expected dividend yield	%	2.30	%	2.30
Risk-free interest rate	%	2.40	%	3.22
Forfeiture rate	%	—	%	—

The following table summarizes information about the options for the three months ended December 31, 2025 (2024):

	December 31, 2025		December 31, 2024	
	Number of Options	Weighted Avg. Exercise Price	Number of Options	Weighted Avg. Exercise Price
Outstanding October 1	164,491	\$ 55.09	220,410	\$ 57.84
Exercised	—	—	(11,000)	36.49
Expired	(21,222)	61.16	—	—
Granted	43,924	48.61	51,241	48.76
Outstanding December 31	187,193	\$ 52.89	260,651	\$ 56.95

The following options are outstanding at December 31, 2025:

Option issuance:	Number of Options	Grant date	Expiry date	Exercise price	Fair value at grant date
(1) Issued February 9, 2021	1,817	February 9, 2021	February 9, 2026	\$ 60.35	\$ 9.92
(2) Issued November 24, 2021	37,260	November 24, 2021	November 24, 2026	\$ 58.90	\$ 10.66
(3) Issued March 9, 2022	1,536	March 9, 2022	March 9, 2027	\$ 60.55	\$ 10.33
(4) Issued November 24, 2022	20,636	November 24, 2022	November 24, 2027	\$ 60.43	\$ 14.26
(5) Issued February 15, 2023	1,186	February 15, 2023	February 15, 2028	\$ 60.44	\$ 14.20
(6) Issued November 27, 2023	30,391	November 27, 2023	November 27, 2028	\$ 52.26	\$ 11.05
(7) Issued November 25, 2024	50,009	November 25, 2024	November 25, 2029	\$ 48.76	\$ 9.74
(8) Issued August 12, 2025	434	August 12, 2025	August 12, 2030	\$ 50.51	\$ 10.75
(9) Issued November 25, 2025	43,924	November 25, 2025	November 25, 2030	\$ 48.61	\$ 10.23

For the options issued on November 25, 2025, vesting occurs through to November 25, 2027.

12. Share-Based Compensation (continued)

At December 31, 2025 (2024) the weighted average remaining contractual life of options outstanding is 3.09 (2.26) years of which 126,170 (204,211) options are exercisable at a weighted average price of \$54.93 (\$59.13). The Company has recorded \$110 (\$75) of share-based compensation expense in the three months ended December 31, 2025 (2024) related to the options that have been granted. At December 31, 2025 (2024) the Company has total unrecognized compensation expense of \$480 (\$467) that will be recorded in the next two fiscal years.

Restricted Share Units:

Under the Company's restricted stock unit ("RSU") plan, share units may be awarded to any officer or employee of the Company. Each restricted share unit will vest on the date or dates designated for that unit, conditional on any vesting conditions being met. At the discretion of the Board, the Company may issue one common share to participants for each whole vested share unit or a cash payment. The cash amount is equal to the number of vested share units to be redeemed multiplied by the value of the common shares otherwise issuable on redemption of the share units. Under the above RSU plan, the Company issued performance share units ("PSUs") which will vest on the date or dates designated for that unit, conditional on any vesting conditions being met. Vesting conditions for performance share units are tied to both the Company's performance over time and the Company's performance in the market.

The following table summarizes information about the RSUs for the three months ended December 31, 2025 (2024):

	December 31, 2025		December 31, 2024	
	Number of Units	Weighted Avg. Grant Date Fair Value	Number of Units	Weighted Avg. Grant Date Fair Value
Balance at October 1	248,941	\$ 51.53	189,961	\$ 58.92
Exercised	(53,060)	53.41	(39,394)	59.02
Forfeited	(5,008)	53.52	(1,334)	58.66
Expired	(123,347)	50.39	—	—
Granted	230,700	50.88	102,379	40.97
Outstanding December 31	298,226	\$ 51.13	251,612	\$ 51.60

Of the units issued in the current year under the RSU plan, nil units have vested as of December 31, 2025. The Company has recorded \$733 (\$842) of share-based compensation expense in the three months ended December 31, 2025 (2024) related to the RSUs that have been granted. At December 31, 2025 (2024) the Company has total unrecognized compensation expense of \$10,089 (\$4,744) that will be recorded over the next three years. The following unvested share-based payment arrangements are outstanding:

12. Share-Based Compensation (continued)

RSU issuance:		Number of units	Grant date	Vest through	Fair value at grant date
(1) Issued November 24, 2022	PSU	6,235	November 24, 2022	November 15, 2025	\$ 59.18
(2) Issued February 14, 2024	RSU	684	February 14, 2024	February 14, 2027	\$ 58.68
(3) Issued February 23, 2024	RSU	2,174	February 23, 2024	February 28, 2026	\$ 59.00
(4) Issued March 15, 2024	RSU	10,227	March 15, 2024	November 15, 2026	\$ 59.00
(5) Issued May 14, 2024	RSU	517	May 14, 2024	May 14, 2027	\$ 55.98
(6) Issued August 14, 2024	RSU	99	August 7, 2024	May 14, 2027	\$ 53.62
(7) Issued November 25, 2024	RSU	37,743	November 25, 2024	November 25, 2027	\$ 48.76
(8) Issued February 12, 2025	RSU	869	February 12, 2025	February 12, 2028	\$ 50.46
	PSU	7,432	February 12, 2025	November 15, 2027	\$ 50.46
(9) Issued May 13, 2025	RSU	1,046	May 13, 2025	May 13, 2027	\$ 50.40
(10) Issued August 12, 2025	RSU	500	August 12, 2025	August 12, 2028	\$ 50.51
(11) Issued November 25, 2025	RSU	84,821	November 25, 2025	November 25, 2028	\$ 46.47
	PSU	43,528	November 25, 2025	November 25, 2028	\$ 45.68
(12) Issued December 16, 2025	RSU	102,351	December 16, 2025	December 16, 2030	\$ 56.74

Deferred Share Unit Plan

At December 31, 2025 (2024) the Company has 12,917 (26,267) Deferred Share Units ("DSU") outstanding, of which 12,917 (26,267) have vested. The Company recorded a general and administrative expense of \$240 (\$241) related to the DSUs in the three months ended December 31, 2025 (2024). Each DSU entitles the participant to receive the value of one Common Share at the time of vesting. The fair value of the DSUs outstanding at December 31, 2025 (2024) was \$55.32 (\$43.08) per unit using the fair value of a Common Share at period end.

13. Revenue

The following table presents the revenue of the Company for the three months ended December 31, 2025 and 2024:

	Three months ended	
	December 31, 2025	December 31, 2024 ¹
Product revenue		
Defence and Space	\$ 33,650	\$ 34,927
Essential Industries	14,708	8,852
Total product revenue	\$ 48,358	\$ 43,779
Service revenue		
Defence and Space	\$ 104,945	\$ 91,604
Essential Industries	54,697	49,664
Total service revenue	\$ 159,642	\$ 141,268
Total revenue	\$ 208,000	\$ 185,047

¹ For the three months ended December 31, 2024, \$6,372 was reclassified between product revenue and service revenue to conform to current period presentation.

Remaining Performance Obligations

The following table presents the aggregate amount of the revenues expected to be realized in the future from partially or fully unsatisfied performance obligations as at December 31, 2025 for contracts recognized over time. The amounts disclosed below represent the value of the firm orders only. Such orders may be subject to future modifications that might impact the amount and/or timing of revenue recognition. The amounts disclosed below do not include unexercised options or letters of intent.

Revenues expected to be recognized in:

	December 31, 2025
Less than 24 months	\$ 761,742
Thereafter	213,692
Total	\$ 975,434

14. Net Profit per Share

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

	Three months ended December 31,	
	2025	2024
Weighted average number of common shares – basic	11,379,277	11,773,465
Additions to reflect the dilutive effect of employee stock options and RSUs	61,528	143,894
Weighted average number of common shares – diluted	11,440,805	11,917,359

Options that are anti-dilutive because the exercise price was greater than the average market price of the common shares are not included in the computation of diluted net profit per share. For the three months ended December 31, 2025 (2024), 106,793 (260,651) options and 215,726 (69,566) RSUs were excluded from the above computation.

15. Segmented Information

Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision maker, regarding how to allocate resources and assess performance. The Company's chief operating decision maker is the Chief Executive Officer. In the current year, the Company restructured its segments to align the internal structure with the go-to-market strategy of the Company. In order to capitalize on demand and better service our customers, we have structured the organization into two segments: Defence & Space and Essential Industries. Shared Services are aggregated and incurred to support all segments. These include, but are not limited to, the Finance, Human Resources, IT support, Corporate development, Legal, Corporate marketing and administrative functions, facilities costs, costs of operating a public company, and other costs.

The chief operating decision maker reviews adjusted EBITDA as the key measure of profit for the purposes of evaluating performance and allocating resources. Operating costs are comprised of selling, general and administrative expenses and research and development expenses. Note that for the comparative period presented, financial information by segment has been reclassified to align with the current segment structure.

For the three months ended December 31, 2025:

For the three months ended December 31, 2025	Defence & Space	Essential Industries	Shared Services	Total
Revenue	\$ 138,595	\$ 69,405	\$ —	\$ 208,000
Cost of revenues	91,167	45,930	—	137,097
Operating costs	15,219	19,173	13,696	48,088
Adjusted EBITDA	\$ 32,209	\$ 4,302	\$ (13,696)	\$ 22,815
Share-based compensation				1,012
Restructuring expense				419
Depreciation and amortization				11,005
Mergers and acquisitions costs				1,018
Profit before interest and income tax expense				9,361
Interest expense				2,216
Income tax expense				2,048
NET PROFIT FOR THE PERIOD				\$ 5,097

15. Segmented Information (continued)

For the three months ended December 31, 2024:

For the three months ended December 31, 2024	Defence & Space	Essential Industries	Shared Services	Total
Revenue	\$ 126,531	\$ 58,516	\$ —	\$ 185,047
Cost of revenues	86,737	39,509	—	126,246
Operating costs	15,210	15,633	10,158	41,001
Adjusted EBITDA	\$ 24,584	\$ 3,374	\$ (10,158)	\$ 17,800
Share-based compensation				1,091
Restructuring expense				692
Depreciation and amortization				11,540
Mergers and acquisitions costs				2,320
Profit before interest and income tax expense				2,157
Interest expense				1,783
Income tax expense				1,350
NET PROFIT (LOSS) FOR THE PERIOD				\$ (976)

The Company operates in Canada but provides services to customers in various countries. Revenues from external customers for the three months ended December 31, 2025 (2024) are attributed as follows:

	December 31, 2025	December 31, 2024
Canada	62 %	58 %
United States	19 %	23 %
Europe	17 %	18 %
Other	2 %	1 %

Revenues are attributed to foreign countries based on the location of the customer. Revenues from various contracts with the Company's largest customer that have commitments until 2030 represented 31% (34%) of the Company's total revenues for the three months ended December 31, 2025 (2024).

16. Financial Instruments and Risk Management

Capital Risk Management

Foreign Currency Risk Related to Contracts

The Company is exposed to foreign currency exchange fluctuations on its cash balance, accounts receivable, accounts payable and accrued liabilities, contingent earn-out and future cash flows related to contracts denominated in a foreign currency. Future cash flows will be realized over the life of the contracts. The Company utilizes derivative financial instruments, principally in the form of forward exchange contracts, in the management of its foreign currency exposures within entities operating in currencies outside of their functional currencies. The Company's objective is to manage and control exposure and secure the Company's profitability on existing contracts and therefore, the Company's policy is to hedge its foreign currency exposure where it is most practical to do so. The Company applies hedge accounting when appropriate documentation and effectiveness criteria are met.

16. Financial Instruments and Risk Management (continued)

At December 31, 2025, the Company had the following forward foreign exchange contracts:

Type	Notional	Currency	Maturity	Equivalent Cdn. Dollars	Fair Value December 31, 2025
BUY	\$ 25,093	USD	January 2026	\$ 34,399	\$ 176
BUY	1,628	EURO	January 2026	2,626	10
Derivative assets					\$ 186
SELL	\$ 41,159	USD	January 2026	\$ 56,424	\$ (260)
SELL	1,987	EURO	January 2026	3,205	(12)
Derivative liabilities					\$ (272)

Credit Risk

The Company's exposure to credit risk with its customers is influenced mainly by the individual characteristics of each customer. The Company's customers are diverse, however a significant portion of them are federal or provincial government agencies, or large private entities. A significant portion of the Company's accounts receivable is from long-time customers. At December 31, 2025 (2024), 21% (24%) of its accounts receivable were due under various contracts with the Company's largest customer. Over the last five years the Company has not incurred any significant credit related losses.

The Company limits its exposure to credit risks from counterparties to derivative financial instruments by dealing only with major Canadian financial institutions. Management does not expect any counterparties to fail to meet their obligations.

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

	December 31, 2025	September 30, 2025
Cash and cash equivalents	\$ 62,636	\$ 46,101
Accounts receivable	175,002	171,150
Derivative assets	186	44
Total	\$ 237,824	\$ 217,295

The aging of accounts receivable at the reporting date was:

	December 31, 2025	September 30, 2025
Current	\$ 161,582	\$ 155,885
Past due (61-120 days)	8,479	9,910
Past due (> 120 days)	4,941	5,355
Total	\$ 175,002	\$ 171,150

16. Financial Instruments and Risk Management (continued)

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. On September 29, 2025, the Company signed an amended debt facility that provides the Company with the ability to draw up to \$200,000 CAD and an accordion feature of up to \$150,000 CAD. The agreement has a three year term, which will mature on September 29, 2028. As at December 31, 2025, the Company had \$62,636 cash and cash equivalents and \$164,750 was drawn on the facility for current operations and for use in business acquisitions.

Fair Value

The carrying amount of accounts receivable, accounts payable and accrued liabilities are recorded at amortized cost and approximate fair value due to the short-term maturity of these investments. The debt facility is on a revolver and is recorded at amortized cost. Fair value of the forward exchange contracts reflects the cash flows due to or from the Company if settlement had taken place on December 31, 2025 and represents the difference between the hedge rate and the exchange rate at the end of the reporting period.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 of the fair value hierarchy based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Investments are made in companies that do not have directly an observable market. These are fair valued when market participant data becomes available or if financings for the investments are completed. The fair value of contingent earn-out amounts has been determined by applying a discounted cash flow technique on the expected future value of a settlement amount.

	December 31, 2025		
	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 62,636	\$ —	\$ —
Investments	—	—	4,252
Derivative assets	—	186	—
Debt facility	—	(164,750)	—
Contingent earn-out	—	—	(10,177)
Derivative liabilities	—	(272)	—
Total	\$ 62,636	\$ (164,836)	\$ (5,925)

16. Financial Instruments and Risk Management (continued)

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

There were no transfers between Level 1, Level 2 and level 3 during the three month period ended December 31, 2025.

17. Acquisitions

Advanced Medical Solutions Inc. "AMS"

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

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

Under the contingent consideration arrangement, the Company is required to pay the former shareholders of AMS an additional \$5,000 if AMS attained specific EBITDA targets for the six-months ended November 30, 2025. Of this amount, \$160 was subject to the retention of principal employees. This amount is deemed to represent deferred compensation payable to such employees and therefore is excluded from the total consideration of the purchase price and will be expensed in the Company's consolidated statement of net profit as deemed compensation related to acquisitions on a straight-line basis over the retention period. The valuation and allocation is considered final.

The Company recognized \$100 in the three months ended December 31, 2025 related to changes in fair value of contingent earn out and recorded deemed compensation expense of \$53.

17. Acquisitions (continued)

InField Scientific Inc. "InField"

On October 2, 2025, the Company acquired the outstanding shares of InField Scientific Inc. ("InField"), for total cash consideration of up to \$14,036 of which, \$11,836 was paid on closing, and \$2,200 is payable contingently. The contingent consideration is payable if InField achieves specified EBITDA targets for the period from March 1, 2026 to February 29, 2028. Of the \$2,200, \$1,000 is subject to principal employee retention and is treated as deferred compensation. This amount is excluded from the purchase price and will be expensed on a straight-line basis over the retention period. The remaining \$1,200 is payable contingently if specified EBITDA targets are met. Management has assessed the likelihood of achievement and recorded no liability and has excluded it from the purchase price.

InField, an engineering firm specializing in electromagnetic environmental effects, expands the Company's defence capabilities and is included in the Defence and Space operating segment.

Final valuation of the acquisition and the allocation between intangible assets and goodwill will be completed during the remainder of the 2026 fiscal year, the numbers presented below represent management's best estimate pending finalization of closing procedures with the selling party.

The Company recognized \$286 in the three months ended December 31, 2025 related to deemed compensation.

	Net Assets Acquired		Goodwill and Intangibles		Total Net Assets Acquired
Cash and cash equivalents	\$	61	\$	—	\$ 61
Accounts receivable		1,404		—	1,404
Prepaid expenses		14		—	14
	\$	1,479	\$	—	\$ 1,479
Property, plant and equipment	\$	23	\$	—	\$ 23
Right of use assets		204		—	204
Intangibles		—		4,942	4,942
Goodwill		—		6,852	6,852
	\$	1,706	\$	11,794	\$ 13,500
Accounts payable and accrued liabilities	\$	175	\$	—	\$ 175
Lease obligations		204		—	204
Deferred tax liability		—		1,285	1,285
	\$	379	\$	1,285	\$ 1,664
Total purchase price				\$	11,836

17. Acquisitions (continued)

The goodwill of \$6,852 is comprised of the value of expected synergies arising from the acquisition and assembled workforce, which is not separately recognized from the goodwill. The assembled workforce does not meet the criteria for recognition as an intangible asset under IAS 38. None of the goodwill recognized is expected to be deductible for income tax purposes.

Cash consideration paid for the acquisition activity during the three months ended December 31, 2025:

	InField	
Consideration paid in cash	\$	11,836
Less- cash balance acquired		(61)
Total	\$	11,775

18. Mergers and Acquisition Costs

The following table presents the mergers and acquisition costs for the Company for the three months ended December 31, 2025 (2024):

	NOTES	Three months ended	
		December 31, 2025	December 31, 2024
Deemed compensation	19	\$ 339	\$ 1,563
Changes in fair value related to contingent earn-out	19	100	558
Other acquisition related costs		579	199
		\$ 1,018	\$ 2,320

19. Contingent Earn-Out

The following shows the contingent consideration activity for the three month period ended December 31, 2025:

Company Acquired	Balance October 1, 2025	Acquisition	Payments	Change in Fair Value	Adjustments	Balance December 31, 2025
Alio/Allphase	\$ 841	\$ —	\$ —	\$ —	\$ —	\$ 841
Hawaii Pacific Teleport	7,343	—	(6,409)	—	—	934
Mabway	3,116	—	—	—	—	3,116
AMS	4,847	—	—	100	53	5,000
InField	—	—	—	—	286	286
Total	\$ 16,147	\$ —	\$ (6,409)	\$ 100	\$ 339	\$ 10,177

As at December 31, 2025, the total gross value of all contingent consideration outstanding is \$12,091. Included in the adjustments column in the table are deemed compensation, along with changes in estimated payment amounts to be made under contingent earn out estimates and changes relating to foreign exchange. Contingent consideration estimates are based on the forecasted earnings before interest, tax, depreciation and amortization ("EBITDA") for the respective acquired entities included in the table above. There is significant judgment in the forecasted EBITDA for each respective entity. Payouts begin at agreed upon EBITDA targets and increase for dollars earned above that target amount. Estimated payouts are then calculated and discounted using rates between 11% and 20%, depending on the acquired entity. In the three months ended December 31, 2025, an earn-out payment of \$6,409 was paid to HPT for the attainment of EBITDA for the second year earn out with the remaining liability to be paid over a 12-month period concluding November 2026.

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

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

Management's Discussion and Analysis

For the three-months ended December 31, 2025



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Basis of Presentation

The following Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of Calian Group Ltd. ("Calian" or the "Company") is dated February 11, 2026 and should be read in conjunction with the Unaudited Interim Condensed Consolidated Financial Statements and related notes of the Company for the three-month period ended December 31, 2025.

The Company's Unaudited Interim Condensed Consolidated Financial Statements are reported in Canadian dollars and are prepared in accordance with International Accounting Standard ("IAS") 34 - Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). All amounts in this MD&A are in thousands of Canadian dollars unless otherwise indicated. All amounts in this MD&A are unaudited.

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," "project", "forecast", "aim", "target", "may", "might", "could", "likely", "to" 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 February 11, 2026, 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's Business

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

Operating Segments



In the current year, the Company restructured its segments to align the internal structure with the go-to-market strategy of the Company. In order to capitalize on demand and better service our customers, we have structured the organization into two segments: Defence & Space and Essential Industries. The two segments comprise the following activities:

- Defence & Space: This segment includes: 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: This segment includes 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.

Note that Calian is currently exploring the divestiture of non-core assets that are not aligned with its key markets in order to increase focus on its core capabilities.

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

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

Values: Customer-first Commitment, teamwork, integrity, innovation and respect

Strategy

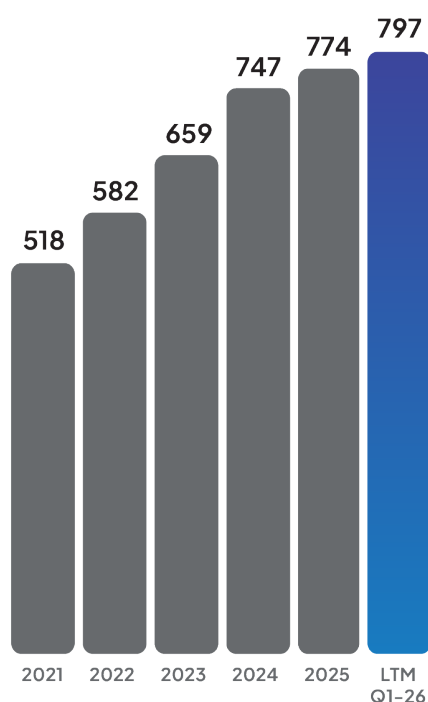
Growth Fundamentals and Track Record

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.

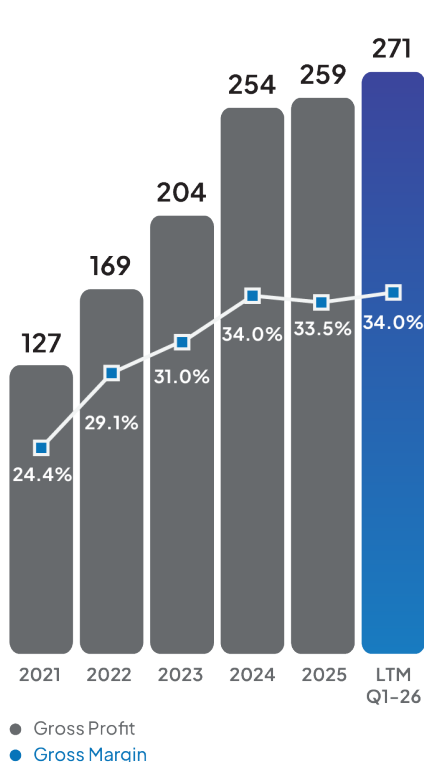
Revenues

(in millions of \$)



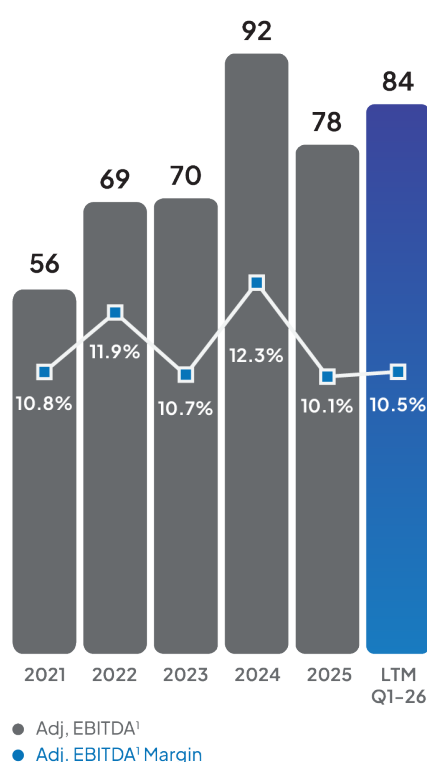
Gross Profit & Margin

(in millions of \$, except margin)



Adj. EBITDA^{1,2} & Margin^{1,2}

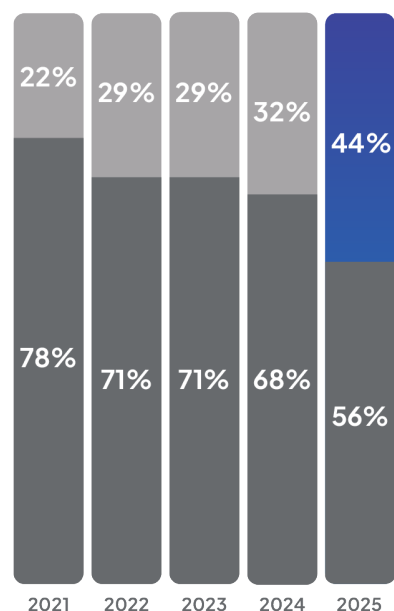
(in millions of \$, except margin)



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.

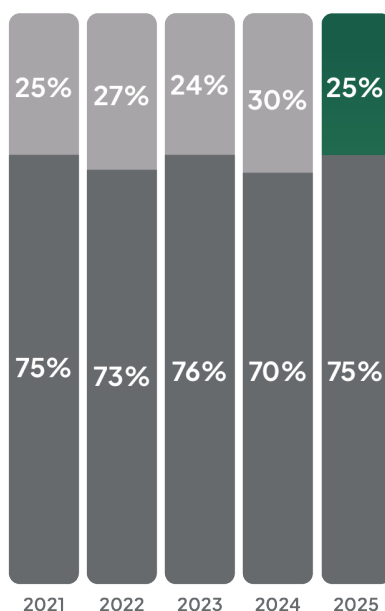
Finally, in FY25, product revenues totaled \$195 million, up 48% from \$132 million in FY21, demonstrating the Company's continued deployment and growth of its product sales.

Geography



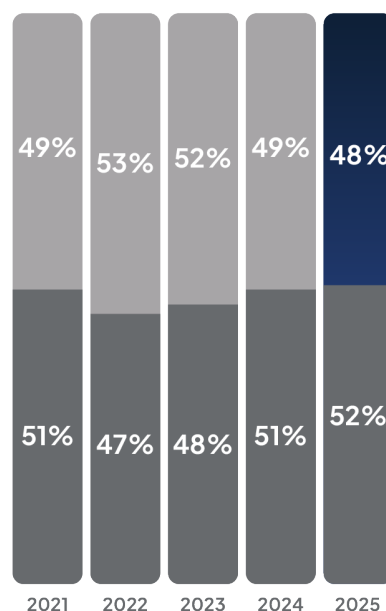
● Canada
● International

Offering



● Service
● Product

Customer



● Government
● Commercial

Calian has made significant progress in diversifying its revenue streams beyond Canadian government customers. To mitigate any potential risk with Canadian government spending reductions and to 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 growing its product business while continuing growth in its services.

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

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

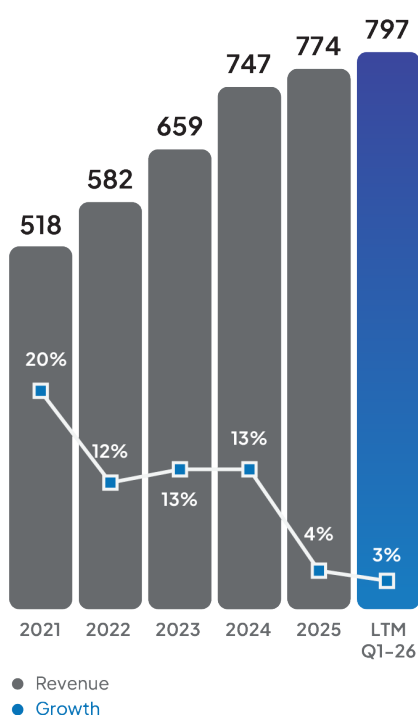
Key Performance Indicators

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

Key Performance Indicators

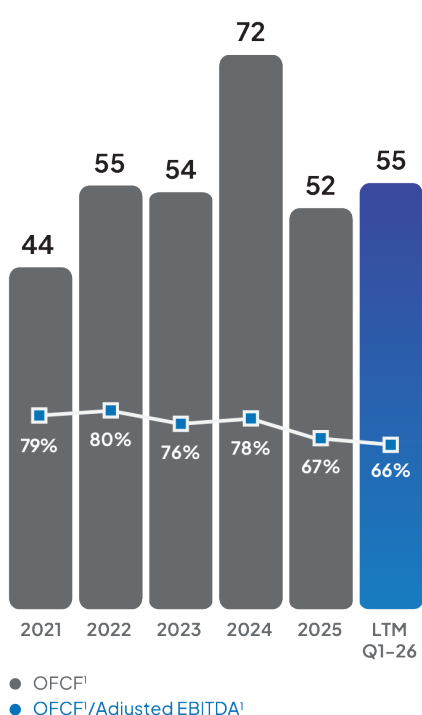
Revenue & Revenue Growth

(in millions of \$, except %)



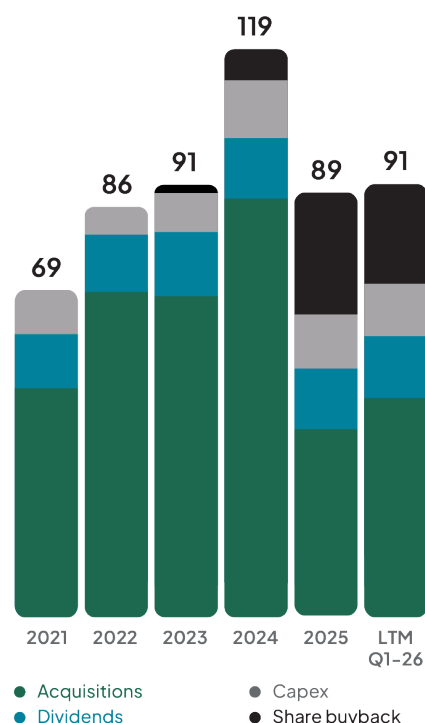
Operating Free Cash Flow (OFCF^{1,2}) & OFCF Conversion

(in millions of \$, except ratio)



Capital Deployed

(in millions of \$)



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 Company also wants to ensure that it analyzes the success of its execution through a shareholder lens. As such, it monitors adjusted EBITDA¹ per diluted share, Operating Free Cash Flow¹ per diluted share and Adjusted EPS¹ per diluted share.

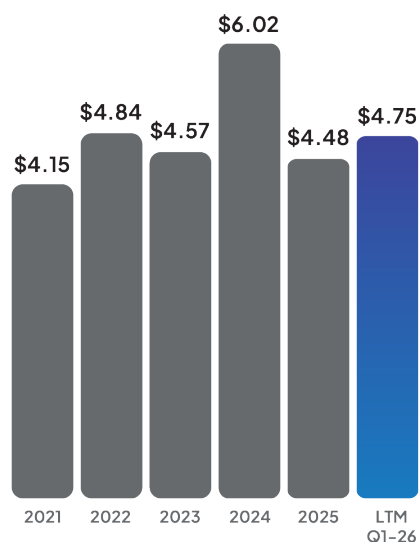
Adjusted EBITDA^{1,2} / Diluted Share

(in \$)



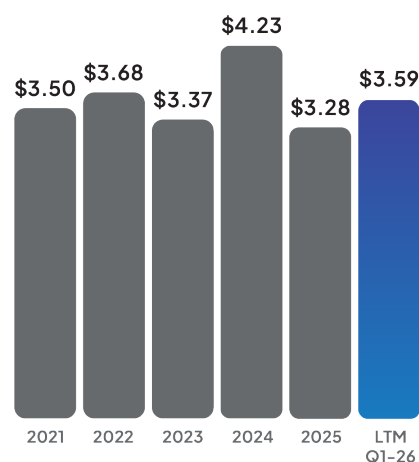
OCF^{1,2} / Diluted Share

(in \$)



Adjusted EPS^{1,2} / Diluted Share

(in \$)



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

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

Market Conditions

Recent geopolitical developments and shifting priorities, particularly in Canada and allied nations, are creating a favorable investment climate for defence-related solutions, with anticipated increases in government spending driving strong market conditions. This environment aligns well with Calian's strengths, as the Company's Defence Operational Readiness Platform offers a comprehensive suite of services—including training, IT infrastructure, health services, cybersecurity, space communications, and electronic manufacturing—supported by decades of proven performance. As governments commit to higher defence budgets and prioritize operational readiness, Calian is strategically positioned to benefit from these trends by leveraging its established capabilities, expanding its capacity to deliver at scale, and capitalizing on a robust pipeline of opportunities in both Canadian and European markets, which is expected to drive sustained revenue growth and long-term value creation.

As we review the Company's range of products and services, it is evident that several other markets in which the Company is active are experiencing significant demand. Globally, both governmental and commercial clients are fueling a competitive surge, often referred to as a 'space race,' with heightened interest in low earth orbit (LEO) satellites and deep space exploration leading to greater market opportunities. Additionally, healthcare requirements have reached unprecedented levels across Canada, especially in the northern regions, where the Canadian government is expanding its Arctic initiatives.

Overview – First Quarter of FY26

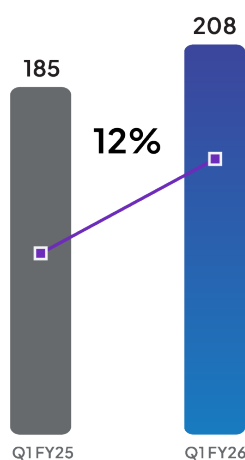
Revenues increased 12% to \$208.0 million, as compared to \$185.0 million for the same period last year. This represents a record high quarterly revenue for the Company. Acquisitive and organic revenue growth were both 6% when compared to the same quarter of the prior year. The Company measures its acquisitive growth using the revenues generated in the acquired entities in the same quarter of the prior year for which they were not considered in the Company's consolidated results.

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.

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

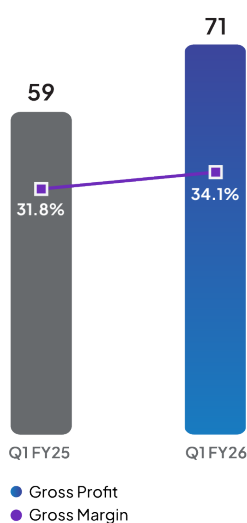
Revenues

(in millions of \$)



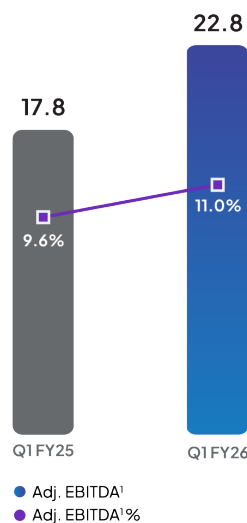
Gross profit & Gross margin %

(in millions of \$, except margin)



Adj. EBITDA^{1,2} & Adj. EBITDA^{1,2} %

(in millions of \$, except margin)



Gross profit increased by 21%, to \$70.9 million, as compared to \$58.8 million for the same period last year. This represents a record high quarterly gross profit for the Company. Similarly, gross margin increased from 31.8% to 34.1%. Adjusted EBITDA¹ increased by 28% to \$22.8 million, significantly outpacing top line growth. In line with this performance, adjusted EBITDA¹ margins improved from 9.6% to 11.0%.

Calian generated \$15.8 million of operating free cash flow¹, up from \$13.1 million for the same period last year, representing a conversion from adjusted EBITDA¹ of 69% and 73%, respectively. The Company used its cash and a portion of its credit facility to complete acquisitions or pay earn out liabilities (\$18.2 million), provide a return to shareholders in the form of dividends (\$3.2 million) and make capital expenditure investments (\$2.0 million).

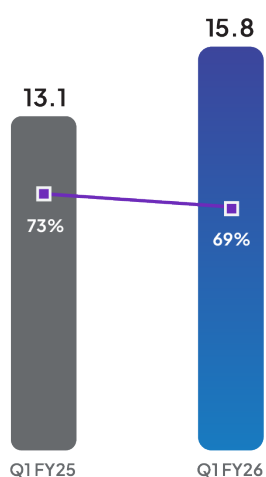
The Company ended the quarter with net debt¹ of \$102.1 million, which on a trailing twelve-month basis represents a net debt to adjusted EBITDA¹ ratio of 1.2x. With cash on hand of \$62.6 million, combined with the unused portion of its credit facility, Calian ended the quarter with net liquidity³ of \$97.9 million.

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.

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

OFCF^{1,2}

(in millions of \$)



Net Debt/Adj. EBITDA^{1,2} Ratio



Capital Deployed

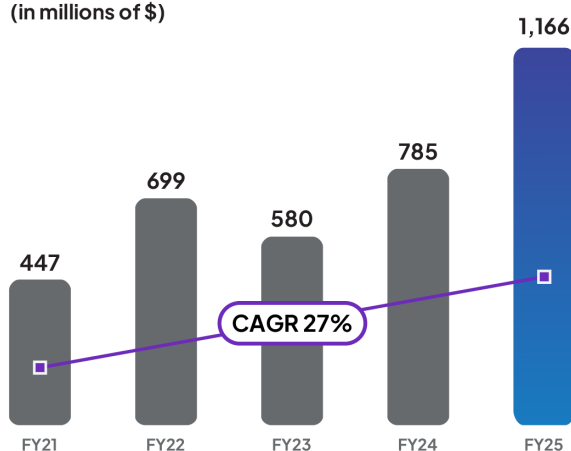
(in millions of \$)



Calian signed gross new contract value of \$171 million in the three months ended December 31, 2025, and ended the quarter with a realizable backlog of \$1.4 billion.

New Contract Signings (including acquisitions)

(in millions of \$)



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

² Net liquidity is defined as the Company's total available credit under its credit facility less its net debt.

Consolidated Results

Selected Consolidated Financial Highlights

	Three months ended December 31, 2025,	
	2025	2024
Revenues	\$ 208,000	\$ 185,047
Gross profit	70,903	58,801
Gross profit margin (%)	34 %	32 %
Adjusted EBITDA¹	\$ 22,815	\$ 17,800
Share based compensation	1,012	1,091
Restructuring expense	419	692
Depreciation and amortization	11,005	11,540
Mergers and acquisition costs	1,018	2,320
Profit before interest and income tax expense	\$ 9,361	\$ 2,157
Interest expense	2,216	1,783
Income tax expense	2,048	1,350
NET PROFIT (LOSS)	\$ 5,097	\$ (976)
EPS - Basic	0.45	(0.08)
EPS - Diluted	0.44	(0.08)
Adjusted net profit¹	\$ 11,770	\$ 8,408
Adjusted EPS ¹ - Basic	1.03	0.71
Adjusted EPS ¹ - Diluted	1.03	0.71

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.

Analysis of Consolidated Results – Three Months ended December 31, 2025

Revenue

For the three-month period ended December 31, 2025, consolidated revenues increased 12% to \$208,000, compared to \$185,047 for the same period last year. Acquisitive growth was 6%, generated from the acquisitions of Advanced Medical Solutions completed in May 2025 and Infield Scientific Inc. ("InField Scientific") closed in October 2025. Organic revenue growth was 6%, driven by both Defence & Space and Essential Industries segments.

Defence & Space

For the three-month period ended December 31, 2025, Defence & Space revenues increased 10% to \$138,595, driven primarily by ongoing tailwinds in Defence healthcare and training, and to a lesser extent, increased traction from various space products and services. In addition, the segment benefited from a small contribution from the acquisition of Infield Scientific.

Essential Industries

For the three-month period ended December 31, 2025, Essential Industries revenues increased 19% to \$69,405, primarily driven by the acquisition of Advanced Medical Solutions and, to a lesser extent, momentum across a number of offerings within the segment.

Gross Profit

For the three-month period ended December 31, 2025, gross profit increased 21%, to \$70,903, compared to \$58,801 for the same period last year. This increase was driven by revenue growth, changes in revenue mix and contributions from acquisitions. Gross margin was 34.1%, up from 31.8% for the same period last year.

Adjusted EBITDA¹

For the three-month period ended December 31, 2025, consolidated adjusted EBITDA¹ increased by 28% to \$22,815, compared to \$17,800 for the same period last year. This growth was driven by both Defence & Space and Essential Industries segments, for the same reasons mentioned above. As a result, adjusted EBITDA¹ margin increased to 11.0%, from 9.6% for the same period last year.

Defence & Space

For the three-month period ended December 31, 2025, adjusted EBITDA¹ increased 31% to \$32,209, driven by defence tailwinds and various space products and services. Similarly, its adjusted EBITDA¹ margin increased to 23%, from 19%, due to the additional volume in revenue, a shift in product mix and higher utilization of staff.

Essential Industries

For the three-month period ended December 31, 2025, adjusted EBITDA¹ increased 28% to \$4,302, driven by additional contribution from revenue increases and cost reductions in certain areas of the segment. This was offset by certain one time costs incurred in the current quarter. Its adjusted EBITDA¹ margin stayed consistent at 6%.

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.

Corporate Services

Corporate Services includes shared costs or costs that are not directly attributable to the segments. These costs include information systems support, human resources, finance, marketing, public company costs, employee development programs, corporate development and ESG related costs. Costs have increased over the prior year due to increased headcount related costs, increased public company related costs and certain one time costs.

Depreciation and Amortization

For the three month period ended December 31, 2025, depreciation of property, plant and equipment stood at \$2,764, 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 three month period ended December 31, 2025, depreciation of right of use assets increased \$240 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 three month period ended December 31, 2025, amortization of acquired intangible assets decreased 13%, compared to the same period last year. This decrease is primarily due to the certain intangibles being fully amortized in the current year, offset by increases due to acquired intangible assets from the recent acquisitions of Advanced Medical Solutions and Infield Scientific.

Restructuring Expense

For the three month period ended December 31, 2025, the Company recorded restructuring charges of \$419, compared to \$692 recorded in the same period of the prior year. The Company continues to evaluate its expenses, capacity and performance throughout the organization for which employee restructuring may be required from time to time.

Mergers and acquisition expense²

For the three month period ended December 31, 2025, deemed compensation decreased by \$1,224, compared to the same period last year. This decrease is due to deemed compensation amounts applicable under the acquisition agreements for Mabway and HPT which ceased in the prior fiscal year.

For the three month period ended December 31, 2025, changes in fair value related to contingent earn-out expense amount decreased by \$458 when compared to the same period last year. This decrease is attributable to lower outstanding contingent earn out liabilities in the current year.

The change in fair value of contingent payments and deemed compensation is explained further in notes 17, 18 and 19 of the unaudited interim condensed consolidated financial statements.

Interest expense

For the three month period ended December 31, 2025, interest expense increased by \$433, compared to the same period last year. This increase is 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.

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.

Income Tax Expense

For the three month period ended December 31, 2025, income tax expense was \$2,048, an increase of \$698 compared to the expense in the same period last year. This is primarily due to higher taxable income in the current quarter.

Net Profit and Adjusted Net Profit

For the three month period ended December 31, 2025, net profit was \$5,097, or \$0.44 per diluted share, versus a net loss of \$976, or \$(0.08) per diluted share, for the same period last year. The increase in profitability is primarily related to higher Adjusted EBITDA¹ and lower mergers and acquisition costs, offset by higher taxes and interest charges. Adjusted net profit¹ was \$11,770, or \$1.03 per diluted share, versus \$8,408, or \$0.71 per diluted share, for the same period last year as the Company generated more Adjusted EBITDA¹ in the current period.

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

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)

	Q1/26	Q4/25	Q3/25	Q2/25	Q1/25	Q4/24	Q3/24	Q2/24
Revenue	\$ 208.0	\$ 203.2	\$ 192.2	\$ 193.6	\$ 185.0	\$ 181.2	\$ 185.1	\$ 201.3
Cost of revenue	137.1	134.2	125.4	129.0	126.2	117.2	123.2	131.2
Gross profit	70.9	69.0	66.8	64.6	58.8	64.0	61.9	70.1
Selling, general, and administrative	45.8	41.8	44.7	44.5	38.1	37.1	38.5	40.2
Research and development	2.3	2.9	3.2	2.8	2.9	3.1	3.5	2.7
Share based compensation	1.0	1.1	1.4	0.9	1.1	0.7	1.4	1.1
Profit before under noted items	21.8	23.2	17.5	16.4	16.7	23.1	18.5	26.1
Restructuring expense	0.5	1.2	1.4	0.4	0.7	0.3	—	1.5
Depreciation and amortization	11.0	12.0	11.6	11.4	11.5	12.0	10.8	10.2
Mergers and acquisition costs	1.0	(15.9)	1.1	2.4	2.3	4.7	3.3	5.3
Other changes in fair value	—	(0.4)	—	—	—	(0.2)	—	—
Profit before interest and income tax expense	9.3	26.3	3.4	2.2	2.2	6.3	4.4	9.1
Interest expense	2.2	2.8	1.9	2.1	1.8	2.0	1.4	1.8
Income tax expense	2.0	2.8	0.9	(0.2)	1.4	4.9	1.7	2.4
Net profit (loss)	5.1	20.7	0.6	0.3	(1.0)	(0.6)	1.3	4.9
Weighted average shares outstanding - Basic	11.4M	11.5M	11.5M	11.8M	11.8M	11.8M	11.9M	11.8M
Weighted average shares outstanding - Diluted	11.4M	11.9M	11.9M	11.9M	11.9M	12.0M	12.0M	12.0M
Net profit (loss) per share								
Basic	\$ 0.45	\$ 1.82	\$ 0.05	\$ 0.03	\$ (0.08)	\$ (0.05)	\$ 0.11	\$ 0.42
Diluted	\$ 0.44	\$ 1.80	\$ 0.05	\$ 0.02	\$ (0.08)	\$ (0.05)	\$ 0.11	\$ 0.41
Adjusted EBITDA ¹ per share								
Basic	\$ 2.00	\$ 2.14	\$ 1.65	\$ 1.48	\$ 1.51	\$ 2.01	\$ 1.68	\$ 2.29
Diluted	\$ 1.99	\$ 2.12	\$ 1.63	\$ 1.46	\$ 1.49	\$ 1.98	\$ 1.65	\$ 2.26

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.

Backlog

The Company's realizable backlog at December 31, 2025 was \$1,425 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 December 31, 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 \$50 million in signings or cyber security offerings.
- a contract for over \$30 million to deliver QV Band Gateways for Two Geostationary Satellites.
- over \$30 million in additional signings across the Space division.
- \$14 million in GNSS product signings.
- \$13 million added with the acquisition of InField Scientific .

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 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 \$238 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 December 31, 2025

Contracted backlog	\$	1,163,696
Option renewals		499,675
	\$	1,663,371
Management estimate of unrealizable portion		(238,115)
Estimated Realizable Backlog	\$	1,425,256

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.

Financial Position

Working capital as a percentage of trailing twelve month revenue has increased to 10.0% at December 31, 2025 versus 8.5% for the same period of the prior year which is primarily a result of the working capital acquired through recent acquisitions.

Assets

As at December 31, 2025, total assets stood at \$750,512, versus \$721,500 as at September 30, 2025. The increase is a result of assets acquired in the current year through InField Scientific including goodwill, an increase in cash and prepaid expenses and other, offset by a decrease in property assets, right of use assets and intangible assets due to amortization in the current period.

As at December 31, 2025, cash and cash equivalents were \$62,636, compared to \$46,101 at September 30, 2025.

Liabilities

As at December 31, 2025, total liabilities stood at \$428,519, versus \$400,219 as at September 30, 2025. The increase is primarily due to increases in the Company's debt facility.

As at December 31, 2025, Calian had net debt¹ of \$102,114 and its net debt¹ to trailing twelve month adjusted EBITDA¹ ratio was 1.2x, well below its maximum threshold of 2.5x. As at December 31, 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 December 31, 2025.

Related Party Transactions

The Company did not have any transactions with a related party for the three month period ended December 31, 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.

Shareholders' Equity

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.

No repurchases occurred in the three-month period ended December 31, 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 December 31, 2025 (September 30, 2025), an obligation for the repurchase of shares of \$1,972 (\$2,720) 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 December 31, 2025, the capital stock issued and outstanding of the Company consisted of 11,414,163 common shares (11,765,055 as at December 31, 2024).

The following table presents the outstanding capital stock activity for the three month periods ended December 31, 2025 and December 31, 2024.

	December 31, 2025	December 31, 2024
Balance October 1	11,350,168	11,802,364
Shares issued under employee share plans	53,060	50,394
Shares issued under employee share purchase plan	10,935	13,647
Shares issued through acquisition	—	—
Shares cancelled through NCIB program	—	(101,350)
Issued capital	11,414,163	11,765,055
Weighted average number of common shares – basic	11,379,277	11,773,465
Weighted average number of common shares – diluted	11,440,805	11,917,359

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.

Liquidity and Capital Resources

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

	Three months ended December 31,	
	2025	2024
Net profit (loss)	\$ 5,097	\$ (976)
Items not affecting cash:	16,720	17,885
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL	21,817	16,909
Change in non-cash working capital	(8,014)	(8,479)
Interest and income tax paid	(6,636)	(4,048)
CASH FLOWS FROM OPERATING ACTIVITIES	7,167	4,382
Dividends	(3,195)	(3,292)
Net draw on debt facility	34,000	26,000
Repurchase of common shares	—	(4,926)
Other	(1,223)	(561)
CASH FLOWS GENERATED FROM FINANCING ACTIVITIES	29,582	17,221
Business acquisitions	(18,184)	(11,215)
Property, plant and equipment	(2,030)	(1,136)
CASH FLOWS USED IN INVESTING ACTIVITIES	(20,214)	(12,351)
NET CASH INFLOW	\$ 16,535	\$ 9,252
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	46,101	51,788
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 62,636	\$ 61,040

Operating Activities

For the three month period ended December 31, 2025, cash flows generated from operating activities amounted to \$7,167, compared to \$4,382 for the same period last year. Cash generated from operating activities increased due to higher profitability, partially offset and interest and income tax payments.

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.

Financing Activities

For the three month period ended December 31, 2025, financing activities increased cash by \$29,582, mainly due to draws of our credit facility of \$34,000, offset by outflows for dividends of \$3,195 and lease payments of \$1,599. For the three month period ended December 31, 2024, financing activities increased cash by \$17,221 due to draws on our credit facility of \$26,000, offset by outflows for dividend payments of \$3,292, repurchases of common shares in the amount of \$4,926 and lease payments of \$1,442.

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 December 31, 2025, investing activities decreased cash by \$20,214 due to the acquisition of InField Scientific, a payment in relation to the second year earn out of HPT, and capital purchases. For the three month period ended December 31, 2024, investing activities decreased cash by \$12,351 due to capital purchases and the payment of the first year contingent earn out of HPT.

For further information of acquisition and earn-out payments for the three month period please see note 17 and 19 of the December 31, 2025 unaudited interim condensed consolidated financial statements.

Operating Free Cash Flow

Calian generated \$15.8 million of operating free cash flow¹, up from \$13.1 million for the same period last year, representing a conversion from adjusted EBITDA¹ of 69% and 73%, respectively. The increase in operating free cash flow is due to greater cash profitability in the current quarter. The decrease in operating free cash flow conversion is due to higher interest expense and tax payments in the current year quarter.

Financial instruments and Risk Management

We recognize financial assets and liabilities when we become party to the contractual provisions of the instrument. The carrying amounts of accounts receivable, accounts payable and accrued liabilities are recorded at amortized cost and approximate fair value due to the short-term nature of these balances. The Company's debt facility is on a revolver and is recorded at amortized cost. The Company utilized forward exchange contracts to hedge some of their risk related to currency fluctuations. These contracts are recognized at fair value which represents the difference between the hedge rate and the exchange rate at the end of the reporting period. For more information regarding financial instruments please see the unaudited interim condensed financial statements of the Company in note 16.

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.

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 December 31,	
	2025	2024
Net profit (loss)	\$ 5,097	\$ (976)
Share-based compensation	1,012	1,091
Restructuring expense	419	692
Depreciation and amortization	11,005	11,540
Mergers and acquisition costs	1,018	2,320
Interest expense	2,216	1,783
Income tax expense	2,048	1,350
Adjusted EBITDA	\$ 22,815	\$ 17,800
Adjusted EBITDA per share - Basic	2.00	1.51
Adjusted EBITDA per share - Diluted	\$ 1.99	\$ 1.49

Adjusted Net Profit

	Three months ended December 31,	
	2025	2024
Net profit (loss)	\$ 5,097	\$ (976)
Share-based compensation	1,012	1,091
Restructuring expense	419	692
Mergers and acquisition costs	1,018	2,320
Amortization of intangibles	6,384	7,334
	13,930	10,461
Income taxes related to above items	(2,160)	(2,053)
Adjusted net profit	\$ 11,770	\$ 8,408
Weighted average number of common shares - Basic	11,379,277	11,773,465
Adjusted EPS - Basic	1.03	0.71
Adjusted EPS - Diluted	\$ 1.03	\$ 0.71

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 December 31,	
	2025	2024
Cash flows generated from operating activities (free cash flow)	\$ 7,167	\$ 4,382
Adjustments:		
M&A costs included in operating activities	579	199
Change in non-cash working capital	8,014	8,479
Operating free cash flow	\$ 15,760	\$ 13,060
Operating free cash flow per share - Basic	1.38	1.11
Operating free cash flow per share - Diluted	1.38	1.10
Operating free cash flow conversion	69%	73%

Net Debt to Adjusted EBITDA

	December 31, 2025	December 31, 2024 ¹
Cash	\$ 62,636	\$ 61,040
Debt facility	164,750	115,750
Net debt (net cash)	\$ 102,114	\$ 54,710
Trailing twelve month adjusted EBITDA	83,433	88,602
Net debt to adjusted EBITDA	1.2	0.6

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 EBITDA¹ 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.

Risk and Uncertainties

1. Economic uncertainty including volatility in international trade
2. Acquisitions (if none available, we don't grow, we don't integrate)
3. Security breaches – cyber attacks
4. Competition within key markets
5. Availability of commodities and inflationary prices
6. Government contracts
7. Defense industry
8. Reputational and brand risks
9. Sustainability and management of recent growth
10. Access to Capital
11. Negative covenants in credit facilities
12. Availability of qualified professionals
13. Non-Performance of a key supplier or contractor
14. Senior management personnel and succession planning
15. Backlog
16. Concentration of key revenues
17. Performance on Fixed-Priced Contracts
18. Rapidly changing technologies and customer demands
19. Outsourcing/subcontracting
20. Historical pricing trends
21. Customer's ability to retain market share
22. Consolidation of customer base
23. Accounts Receivable collection risk
24. Foreign currency
25. Foreign operations
26. Dependence on Subsidiaries' Cash Flows
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 and Liability Risk Mitigation
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 obsolescence
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 the section titled "Risks Relating to the Company's Business" in our most recently filed Annual Information Form, which section is incorporated by reference herein and the AIF is available under our SEDAR+ directory at www.sedarplus.ca. 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 certain fixed-price contracts within Defence and Space, 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 is 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 valuers 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).

There have been no changes to the Company's internal controls over financial reporting during the three months ended December 31, 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 Executive Officer

February 11, 2026