NEWS RELEASE

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FOR IMMEDIATE RELEASE

Calian Reports Record Results for the Third Quarter of Fiscal 2026

(All amounts in release are in Canadian dollars)

OTTAWA, August 13, 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 third quarter ended June 30, 2026.

"Our third quarter results are a clear demonstration that our renewed and focused strategy on mission-critical solutions is delivering," said Patrick Houston, Calian CEO. "Revenue grew 20%, including 16% organic growth, underpinned primarily by strong and sustained demand for our space and defence offerings. This top-line performance carried through to the bottom line with adjusted EBITDA[1] expanding 35%, significantly outpacing revenue growth once again.

Looking ahead, our strategy is clearly in action. With $660 million in contract signings year-to-date, a landmark 15-year extension of our UK defence contract, and a purchase agreement for Galaxy Broadband, we are deliberately sharpening our focus on core growth markets and building a stronger, more focused business," concluded Patrick Houston.

Q3-26 Highlights[2]:

- Revenue up 20% to $230 million, including 16% from organic and 4% from acquisitions
- Adjusted EBITDA[1] up 35% to $26 million (margin of 11.1% versus 9.9% last year)
- Operating free cash flow[1] of $18 million, representing a conversion of 69%
- New contract signings of $168 million
- Ending backlog of $1.4 billion, including one billion in defence
- On June 25, 2026 Calian entered definitive agreement to acquire Galaxy Broadband
- On August 11, 2026, Calian secured a 15-year British Army Training Agreement valued at $296 million

Financial Highlights *(in millions of $, except per share & margins)*	**Three months ended June 30,**			**Nine months ended June 30,**		
	2026	**2025[2]**	**%**	**2026**	**2025[2]**	**%**
Revenue	230.4	192.2	20 %	667.1	570.9	17 %
Adjusted EBITDA[1]	25.6	19.0	35 %	76.3	54.2	41 %
Adjusted EBITDA %[1]	11.1 %	9.9 %	120bps	11.4 %	9.5 %	190bps
Adjusted Net Profit[1]	12.9	9.2	40 %	39.8	26.8	48 %
Adjusted EPS Diluted[1]	1.10	0.79	39 %	3.42	2.27	51 %
Operating Free Cash Flow[1]	17.5	12.0	46 %	54.8	34.8	57 %

[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 and nine-month periods ended June 30, 2026.

Access the full report on the Calian Financials web page.
Register for the conference call on Thursday, August 13, 2026, 8:30 a.m. Eastern Time.

Third Quarter Results

Revenues increased 20%, from $192 million to $230 million. This represents a record high quarterly revenue for the Company. Acquisitive growth was 4% and was generated by the acquisitions of Advanced Medical Solutions completed in May 2025 and Infield Scientific closed in October 2025. Organic growth was 16% with contributions from both the Defence & Space and Essential Industries segments.

Gross profit increased 17% to $78 million, driven by revenue growth, changes in revenue mix and contributions from acquisitions. Adjusted EBITDA[1] increased 35% to $26 million, driven by the increased revenue leading to higher margins. As a result, adjusted EBITDA[1] margin increased to 11.1%, up from 9.9% last year.

Net profit was $5.9 million, or $0.51 per diluted share, compared to $0.6 million, or $0.05 per diluted share last year. The increase in profitability is primarily related to higher adjusted EBITDA[1], partially offset by higher interest expenses and taxes. Adjusted net profit[1] stood at $12.9 million, or $1.10 per diluted share, up from $9.2 million, or $0.79 per diluted share, last year.

"The momentum we're seeing in our business is truly exciting. Year-to-date, we've grown revenue by 17%, with 11% of that coming from organic growth, a testament to the strength of our core operations. Perhaps most striking is that our adjusted EBITDA[1] has already reached $76 million, nearly matching our full-year adjusted EBITDA[1] from last year, and we still have runway ahead of us. We are on pace to deliver a record year, and I couldn't be more proud of what this team has accomplished," said Will Majic, Calian Acting CFO.

Liquidity and Capital Resources

"In the third quarter, we generated $18 million of operating free cash flow[1], representing a conversion rate from adjusted EBITDA[1] of 69%," said Will Majic, Calian Acting CFO. "We used our cash on hand mainly to fund capital expenditures of $3 million and provide a return to shareholders through

[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.

dividends of $3 million. We ended the quarter with a net debt to adjusted EBITDA[1] ratio of 0.9x, providing us with flexibility to act decisively on near-term opportunities."

Calian UK Secures CAD$296 Million, 15-year British Army Training Agreement

On August 11, 2026, Calian announced that its UK subsidiary, Calian UK, has secured a 15-year agreement with Raytheon UK, the consortium lead for Omnia Training, to support the British Army's Collective Training Service (ACTS) programme. The agreement, set to start in October 2026 following the conclusion of the current Project NUMIDIAN contract, provides approximately CAD$296 million (£159 million) in contracted base revenue over 15 years, extending one of Calian's largest defence training programs. In addition, it strengthens the company's long-term position supporting allied military readiness across the UK and Europe.

Calian Enters Definitive Agreement to Acquire Galaxy Broadband

On June 25, 2026, Calian announced that it entered into a definitive purchase agreement with Crown Capital Partners Inc. to acquire Galaxy Broadband Communications, a Canadian leader in satellite communications and remote connectivity solutions. Under the terms of the agreement, Calian will acquire Galaxy for $24 million in upfront consideration, with additional earnout consideration of $27.5 million conditional on performance over the next three years. The transaction is expected to close in Calian's fourth quarter, subject to customary closing conditions, applicable regulatory approvals and the approval of Crown's debenture holders. There can be no assurance that the transaction will be completed on the terms described herein, or at all.

Normal Course Issuer Bid

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 and nine-month periods ended June 30, 2026.

The Company intends to renew its NCIB in September 2026, subject to TSX approval.

Quarterly Dividend

On August 12, 2026, Calian declared a quarterly dividend of $0.28 per share. The dividend is payable September 9, 2026, to shareholders of record as of August 26, 2026. Dividends paid by the Company are considered "eligible dividend" for tax purposes.

[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.

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

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

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DISCLAIMER

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

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CALIAN GROUP LTD.
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at June 30, 2026 and September 30, 2025
(Canadian dollars in thousands, except per share data)

	June 30, 2026	September 30, 2025
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 46,335	$ 46,101
Accounts receivable	209,642	171,150
Work in process	26,348	25,028
Inventory	29,731	27,709
Prepaid expenses and other	23,096	22,977
Derivative assets	29	44
Total current assets	335,181	293,009
NON-CURRENT ASSETS		
Property, plant and equipment	45,550	45,508
Right of use assets	38,665	39,786
Prepaid expenses	6,538	6,015
Deferred tax asset	1,541	1,614
Investments	5,097	4,252
Acquired intangible assets	90,601	106,833
Goodwill	232,857	224,483
Total non-current assets	420,849	428,491
TOTAL ASSETS	$ 756,030	$ 721,500
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 136,205	$ 133,096
Provisions	3,415	3,458
Unearned contract revenue	56,736	39,646
Lease obligations	6,204	5,819
Contingent earn-out	5,157	16,147
Derivative liabilities	31	53
Total current liabilities	207,748	198,219
NON-CURRENT LIABILITIES		
Debt facility	141,250	130,750
Lease obligations	37,091	37,634
Unearned contract revenue	16,649	14,704
Deferred tax liabilities	13,292	18,912
Total non-current liabilities	208,282	202,000
TOTAL LIABILITIES	416,030	400,219
SHAREHOLDERS' EQUITY		
Issued capital	230,950	220,345
Contributed surplus	7,732	7,312
Retained earnings	92,482	84,360
Accumulated other comprehensive income (loss)	8,836	9,264
TOTAL SHAREHOLDERS' EQUITY	340,000	321,281
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 756,030	$ 721,500
Number of common shares issued and outstanding	11,512,163	11,350,168

CALIAN GROUP LTD.
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF NET PROFIT
For the three months and nine months ended June 30, 2026 and 2025
(Canadian dollars in thousands, except per share data)

	Three months ended June 30,		Nine months ended June 30,	
	2026	2025	2026	2025
Revenue	$ 230,397	$ 192,216	$ 667,098	$ 570,930
Cost of revenues	151,922	125,361	437,383	380,632
Gross profit	**78,475**	**66,855**	**229,715**	**190,298**
Selling, general and administrative	49,136	44,682	143,487	127,264
Research and development	3,769	3,208	9,972	8,875
Share-based compensation	1,654	1,354	4,487	3,394
Profit before under noted items	**23,916**	**17,611**	**71,769**	**50,765**
Restructuring and other	790	1,414	3,252	2,478
Depreciation and amortization	11,304	11,635	33,445	34,649
Mergers and acquisition costs	965	1,102	2,960	5,795
Profit before interest and income tax expense	**10,857**	**3,460**	**32,112**	**7,843**
Interest expense	2,554	1,932	6,982	5,826
Income tax expense	2,362	938	7,377	2,108
NET PROFIT (LOSS)	**$ 5,941**	**$ 590**	**$ 17,753**	**$ (91)**
Net profit (loss) per share:				
Basic	$ 0.52	$ 0.05	$ 1.55	$ (0.01)
Diluted	$ 0.51	$ 0.05	$ 1.53	$ (0.01)

CALIAN GROUP LTD.
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three months and nine months ended June 30, 2026 and 2025
(Canadian dollars in thousands)

	Three months ended June 30,		Nine months ended June 30,	
	2026	2025	2026	2025
CASH FLOWS GENERATED FROM (USED IN) OPERATING ACTIVITIES				
Net profit (loss)	$ 5,941	$ 590	$ 17,753	$ (91)
Items not affecting cash:				
Interest expense	2,000	1,406	5,399	4,313
Changes in fair value related to contingent earn-out	—	(775)	100	341
Lease obligations interest expense	554	526	1,583	1,513
Income tax expense	2,362	938	7,377	2,108
Share based compensation expense	1,654	1,354	4,487	3,394
Depreciation and amortization	11,304	11,635	33,445	34,649
Deemed compensation	250	1,334	839	4,367
	24,065	17,008	70,983	50,594
Change in non-cash working capital				
Accounts receivable	88,014	60,453	(38,525)	4,351
Work in process	(7,967)	(938)	(1,320)	(38)
Prepaid expenses and other	13,522	2,363	(354)	3,509
Inventory	(1,880)	1,837	(2,022)	(1,768)
Accounts payable and accrued liabilities	(88,790)	(41,618)	2,063	5,592
Unearned contract revenue	3,824	(8,761)	19,034	(6,375)
	30,788	30,344	49,859	55,865
Interest paid	(2,554)	(1,932)	(6,982)	(5,826)
Income tax paid	(4,694)	(3,626)	(11,248)	(11,011)
	23,540	24,786	31,629	39,028
CASH FLOWS GENERATED FROM (USED IN) FINANCING ACTIVITIES				
Issuance of common shares net of costs	1,184	490	5,664	2,035
Dividends	(3,223)	(3,183)	(9,631)	(9,767)
Net draw on debt facility	(26,000)	20,250	10,500	51,250
Payment of lease obligations	(1,864)	(1,619)	(4,971)	(4,725)
Repurchase of common shares	—	(15,887)	—	(25,197)
	(29,903)	51	1,562	13,596
CASH FLOWS USED IN INVESTING ACTIVITIES				
Investments	(845)	—	(845)	—
Business acquisitions	(261)	(27,196)	(23,704)	(39,089)
Property, plant and equipment	(2,544)	(3,778)	(8,408)	(7,310)
	(3,650)	(30,974)	(32,957)	(46,399)
NET CASH INFLOW	$ (10,013)	$ (6,137)	$ 234	$ 6,225
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	56,348	64,150	46,101	51,788
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 46,335	$ 58,013	$ 46,335	$ 58,013

Reconciliation of Non-GAAP Measures to Most Comparable IFRS Measures

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

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

Adjusted EBITDA

	Three months ended June 30,		Nine months ended June 30,	
	2026	2025	2026	2025
Net profit (loss)	$ 5,941	$ 590	$ 17,753	$ (91)
Share-based compensation	1,654	1,354	4,487	3,394
Restructuring and other	790	1,414	3,252	2,478
Depreciation and amortization	11,304	11,635	33,445	34,649
Mergers and acquisition costs	965	1,102	2,960	5,795
Interest expense	2,554	1,932	6,982	5,826
Income tax expense	2,362	938	7,377	2,108
Adjusted EBITDA	$ 25,570	$ 18,965	$ 76,256	$ 54,159
Adjusted EBITDA per share - Basic	2.22	1.65	6.66	4.65
Adjusted EBITDA per share - Diluted	$ 2.18	$ 1.63	$ 6.56	$ 4.59

Adjusted Net Profit and Adjusted EPS

	Three months ended June 30, 2026	Three months ended June 30, 2025	Nine months ended June 30, 2026	Nine months ended June 30, 2025
Net profit (loss)	$ 5,941	$ 590	$ 17,753	$ (91)
Share-based compensation	1,654	1,354	4,487	3,394
Restructuring and other	790	1,414	3,252	2,478
Mergers and acquisition costs	965	1,102	2,960	5,795
Amortization of intangibles	6,380	7,128	19,140	21,528
	15,730	11,588	47,592	33,104
Income taxes related to above items	(2,839)	(2,362)	(7,841)	(6,328)
Adjusted net profit	12,891	9,226	39,751	26,776
Weighted average number of common shares basic	11,501,364	11,475,347	11,444,983	11,658,313
Adjusted EPS Basic	1.12	0.80	3.47	2.30
Adjusted EPS Diluted	$ 1.10	$ 0.79	$ 3.42	$ 2.27

Operating Free Cash Flow

	Three months ended June 30, 2026	Three months ended June 30, 2025	Nine months ended June 30, 2026	Nine months ended June 30, 2025
Cash flows generated from operating activities (free cash flow)	$ 23,540	$ 24,786	$ 31,629	$ 39,028
Adjustments:				
M&A costs included in operating activities	715	543	2,021	1,087
Change in non-cash working capital	(6,723)	(13,336)	21,124	(5,271)
Operating free cash flow	$ 17,532	$ 11,993	$ 54,774	$ 34,844
Operating free cash flow per share - basic	1.52	1.05	4.79	2.99
Operating free cash flow per share - diluted	1.50	1.03	4.71	2.95
Operating free cash flow conversion	69 %	63 %	72 %	64 %

Net Debt to Adjusted EBITDA

		June 30, 2026		June 30, 2025
Cash	$	46,335	$	58,013
Debt facility		141,250		141,000
Net debt (net cash)		94,915		82,987
Trailing twelve month adjusted EBITDA		100,515		77,938
Net debt to adjusted EBITDA		0.9		1.1

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.

August 12, 2026

Unaudited Interim Condensed Consolidated Financial Statements

For the three and nine months ended June 30, 2026

CALIAN

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CALIAN GROUP LTD.
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at June 30, 2026 and September 30, 2025
(Canadian dollars in thousands, except per share data)

	NOTES		June 30, 2026		September 30, 2025
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4	$	46,335	$	46,101
Accounts receivable			209,642		171,150
Work in process	5		26,348		25,028
Inventory			29,731		27,709
Prepaid expenses and other			23,096		22,977
Derivative assets	17		29		44
Total current assets			335,181		293,009
NON-CURRENT ASSETS					
Property, plant and equipment	6		45,550		45,508
Right of use assets	7		38,665		39,786
Prepaid expenses			6,538		6,015
Deferred tax asset			1,541		1,614
Investments			5,097		4,252
Acquired intangible assets	8		90,601		106,833
Goodwill	10		232,857		224,483
Total non-current assets			420,849		428,491
TOTAL ASSETS		$	756,030	$	721,500
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Accounts payable and accrued liabilities		$	136,205	$	133,096
Provisions			3,415		3,458
Unearned contract revenue	5		56,736		39,646
Lease obligations	7		6,204		5,819
Contingent earn-out	20		5,157		16,147
Derivative liabilities	17		31		53
Total current liabilities			207,748		198,219
NON-CURRENT LIABILITIES					
Debt facility	11		141,250		130,750
Lease obligations	7		37,091		37,634
Unearned contract revenue	5		16,649		14,704
Deferred tax liabilities			13,292		18,912
Total non-current liabilities			208,282		202,000
TOTAL LIABILITIES			416,030		400,219
SHAREHOLDERS' EQUITY					
Issued capital	12		230,950		220,345
Contributed surplus			7,732		7,312
Retained earnings			92,482		84,360
Accumulated other comprehensive income			8,836		9,264
TOTAL SHAREHOLDERS' EQUITY			340,000		321,281
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$	756,030	$	721,500
Number of common shares issued and outstanding			11,512,163		11,350,168

The accompanying notes are an integral part of the unaudited interim condensed financial statements. Refer to note 12 for events that occurred subsequent to June 30, 2026.

CALIAN GROUP LTD.
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF NET PROFIT
For the three and nine months ended June 30, 2026 and 2025
(Canadian dollars in thousands, except per share data)

	NOTES	Three months ended June 30, 2026	Three months ended June 30, 2025	Nine months ended June 30, 2026	Nine months ended June 30, 2025
Revenue	14	$ 230,397	$ 192,216	$ 667,098	$ 570,930
Cost of revenues		151,922	125,361	437,383	380,632
Gross profit		**78,475**	**66,855**	**229,715**	**190,298**
Selling, general and administrative		49,136	44,682	143,487	127,264
Research and development		3,769	3,208	9,972	8,875
Share-based compensation	13	1,654	1,354	4,487	3,394
Profit before under noted items		**23,916**	**17,611**	**71,769**	**50,765**
Restructuring and other		790	1,414	3,252	2,478
Depreciation and amortization	9	11,304	11,635	33,445	34,649
Mergers and acquisition costs	19	965	1,102	2,960	5,795
Profit before interest and income tax expense		**10,857**	**3,460**	**32,112**	**7,843**
Interest expense		2,554	1,932	6,982	5,826
Income tax expense		2,362	938	7,377	2,108
NET PROFIT (LOSS)		**$ 5,941**	**$ 590**	**$ 17,753**	**$ (91)**
Net profit (loss) per share:					
Basic	15	$ 0.52	$ 0.05	$ 1.55	$ (0.01)
Diluted	15	$ 0.51	$ 0.05	$ 1.53	$ (0.01)

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 and nine months ended June 30, 2026 and 2025
(Canadian dollars in thousands)

	Three months ended June 30,		Nine months ended June 30,	
	2026	**2025**	**2026**	**2025**
NET PROFIT (LOSS)	$ 5,941	$ 590	$ 17,753	$ (91)
Cumulative translation adjustment	2,015	(5,091)	(251)	3,657
Change in deferred gain (loss) on derivatives designated as cash flow hedges, net of tax of $(91) ($325) for the three months and $(64) ($77) for the nine months ended June 30, 2026 (2025).	(253)	902	(177)	213
Other comprehensive income (loss), net of tax	1,762	(4,189)	(428)	3,870
COMPREHENSIVE INCOME (LOSS)	**$ 7,703**	**$ (3,599)**	**$ 17,325**	**$ 3,779**

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 nine months ended June 30, 2026 and 2025
(Canadian dollars in thousands, except per share data)

	NOTES	Issued capital	Contributed surplus	Retained earnings	Other comprehensive income	Total
Balance October 1, 2025		**$ 220,345**	**$ 7,312**	**$ 84,360**	**$ 9,264**	**$ 321,281**
Net profit and comprehensive income (loss)		—	—	17,753	(428)	17,325
Dividend paid ($0.84 per share)		—	—	(9,631)	—	(9,631)
Shares issued under share compensation plans	12	7,867	(3,862)	—	—	4,005
Shares issued under employee share purchase plan	13	1,990	—	—	—	1,990
Share-based compensation expense	13	—	4,282	—	—	4,282
Change in obligation related to share repurchase	12	748	—	—	—	748
Balance June 30, 2026		**$ 230,950**	**$ 7,732**	**$ 92,482**	**$ 8,836**	**$ 340,000**

	NOTES	Issued capital	Contributed surplus	Retained earnings	Other comprehensive income	Total
Balance October 1, 2024		**$ 225,747**	**$ 6,019**	**$ 91,268**	**$ 3,721**	**$ 326,755**
Net profit (loss) and comprehensive income		—	—	(91)	3,870	3,779
Dividend paid ($0.84 per share)		—	—	(9,767)	—	(9,767)
Share repurchase	12	(10,898)	—	(14,299)	—	(25,197)
Shares issued under share compensation plans	12	3,076	(2,674)	—	—	402
Shares issued under employee share purchase plan	13	2,066	—	—	—	2,066
Share-based compensation expense	13	—	2,961	—	—	2,961
Share buyback tax		(419)	—	—	—	(419)
Change in obligation related to share repurchase	12	675	—	—	—	675
Balance June 30, 2025		**$ 220,247**	**$ 6,306**	**$ 67,111**	**$ 7,591**	**$ 301,255**

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 and nine months ended June 30, 2026 and 2025
(Canadian dollars in thousands)

	NOTES	Three months ended June 30, 2026	Three months ended June 30, 2025	Nine months ended June 30, 2026	Nine months ended June 30, 2025
CASH FLOWS GENERATED FROM (USED IN) OPERATING ACTIVITIES					
Net profit (loss)		$ 5,941	$ 590	$ 17,753	$ (91)
Items not affecting cash:					
Interest expense		2,000	1,406	5,399	4,313
Changes in fair value related to contingent earn-out	19, 20	—	(775)	100	341
Lease obligations interest expense	7	554	526	1,583	1,513
Income tax expense		2,362	938	7,377	2,108
Share-based compensation expense	13	1,654	1,354	4,487	3,394
Depreciation and amortization	9	11,304	11,635	33,445	34,649
Deemed compensation	18, 19, 20	250	1,334	839	4,367
		24,065	17,008	70,983	50,594
Change in non-cash working capital					
Accounts receivable		88,014	60,453	(38,525)	4,351
Work in process		(7,967)	(938)	(1,320)	(38)
Prepaid expenses and other		13,522	2,363	(354)	3,509
Inventory		(1,880)	1,837	(2,022)	(1,768)
Accounts payable and accrued liabilities		(88,790)	(41,618)	2,063	5,592
Unearned contract revenue		3,824	(8,761)	19,034	(6,375)
		30,788	30,344	49,859	55,865
Interest paid		(2,554)	(1,932)	(6,982)	(5,826)
Income tax paid		(4,694)	(3,626)	(11,248)	(11,011)
		23,540	24,786	31,629	39,028
CASH FLOWS GENERATED FROM (USED IN) FINANCING ACTIVITIES					
Issuance of common shares net of costs	12, 13	1,184	490	5,664	2,035
Repurchase of common shares	12	—	(15,887)	—	(25,197)
Dividends		(3,223)	(3,183)	(9,631)	(9,767)
Net (repayment) draw on debt facility	11	(26,000)	20,250	10,500	51,250
Payment of lease obligations	7	(1,864)	(1,619)	(4,971)	(4,725)
		(29,903)	51	1,562	13,596
CASH FLOWS USED IN INVESTING ACTIVITIES					
Investments		(845)	—	(845)	—
Business acquisitions	18, 20	(261)	(27,196)	(23,704)	(39,089)
Property, plant and equipment	6	(2,544)	(3,778)	(8,408)	(7,310)
		(3,650)	(30,974)	(32,957)	(46,399)
NET CASH (OUTFLOW) INFLOW		$ (10,013)	$ (6,137)	$ 234	$ 6,225
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD		56,348	64,150	46,101	51,788
CASH AND CASH EQUIVALENTS, END OF PERIOD		$ 46,335	$ 58,013	$ 46,335	$ 58,013

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

1. Basis of Preparation

Calian Group Ltd. ("the Company") is incorporated under the Canada Business Corporations Act. The address of its registered office and principal place of business is 770 Palladium Drive, Ottawa, Ontario K2V 1C8. The Company's capabilities are diverse with services and solutions delivered through 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 it's reporting segments, which is discussed further in note 16. 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 August 12, 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. Cash and Cash Equivalents

The following table presents cash and cash equivalents for the period ended:

	Cash and Cash Equivalents			
		June 30, 2026		September 30, 2025
Cash	$	42,259	$	46,101
Restricted cash		4,076		—
Total cash and cash equivalents	$	46,335	$	46,101

5. Contract Assets and Liabilities

The following table presents net contract liabilities as at:

	Net Contract Liabilities			
		June 30, 2026		September 30, 2025
Work in process	$	26,348	$	25,028
Unearned contract revenue (current)		(56,736)		(39,646)
Unearned contract revenue (non-current)		(16,649)		(14,704)
Net contract liabilities	$	(47,037)	$	(29,322)

The following table presents changes in net contract liabilities for nine months ended June 30, 2026, and twelve months ended September 30, 2025:

	Changes in Net Contract Liabilities			
		June 30, 2026		September 30, 2025
Opening balance, October 1	$	(29,322)	$	(35,789)
Revenue recognized for net contract liabilities		106,232		146,345
Billings		(123,947)		(139,878)
Ending balance	$	(47,037)	$	(29,322)

6. Property, Plant and Equipment

A continuity of the main components included in property, plant and equipment for the nine months ended June 30, 2026 is as follows:

	Cost				Depreciation		Carrying Value	
	Cost	Additions/ Disposals	Acquisitions (Note 18)	Total	Depreciation	Accumulated Depreciation	June 30, 2026	September 30, 2025
Leasehold improvements	$ 5,256	$ 46	$ 2	$ 5,304	$ (202)	$ (3,476)	$ 1,828	$ 1,984
Land and Building	6,295	1	—	6,296	(108)	(187)	6,109	6,216
Equipment	71,706	6,961	21	78,688	(6,886)	(51,819)	26,869	26,140
Application software	16,928	538	—	17,466	(1,046)	(9,511)	7,955	8,382
Capitalized research and development	6,555	390	—	6,945	(165)	(5,070)	1,875	1,650
Intellectual property rights	1,482	—	—	1,482	(222)	(568)	914	1,136
Total	$ 108,222	$ 7,936	$ 23	$ 116,181	$ (8,629)	$ (70,631)	$ 45,550	$ 45,508

Additions in the table above are net of disposals in the amount of $1,021 ($19) for the nine months ended June 30, 2026 (2025). The Company recognized foreign exchange of $525 ($(2,412)) in the cost and $(278) ($602) in the depreciation of property, plant and equipment in the three months ended June 30, 2026 (2025). The Company recognized foreign exchange of $513 ($(105)) in the cost and $(274) ($(57)) in the depreciation of equipment in the nine months ended June 30, 2026 (2025).

7. Right of Use Assets and Lease Obligations

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

	Total Right of Use Assets Nine months ended	
	June 30, 2026	June 30, 2025
Balance at October 1	$ 39,786	$ 36,383
Additions	3,743	7,542
Disposals and foreign exchange adjustments	608	339
Depreciation	(5,676)	(4,987)
Acquisitions (Note 18)	204	1,085
	$ 38,665	$ 40,362

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 Nine months ended	
	June 30, 2026	June 30, 2025
Balance at October 1	$ 43,453	$ 39,443
Additions	3,743	7,542
Disposals and foreign exchange adjustments	866	338
Principal and interest payments	(6,554)	(6,238)
Lease interest expense	1,583	1,513
Acquisitions (Note 18)	204	1,085
	$ 43,295	$ 43,683
Current	$ 6,204	$ 5,625
Non-current	37,091	38,058
Total	$ 43,295	$ 43,683

The following table presents the contractual undiscounted cash flows for lease obligations as at June 30, 2026:

	Total Undiscounted Lease Obligations
Less than one year	$ 7,886
One to five years	25,353
More than five years	24,660
Total undiscounted lease obligations	$ 57,899

Total cash outflow for leases in the three months ended June 30, 2026 (2025) is $2,418 ($2,145), including principal payments relating to lease obligations of $1,864 ($1,619), interest expense on lease obligations is $554 ($526). Total cash outflow for leases in the nine months ended June 30, 2026 (2025) is $6,554 ($6,238), including principal payments relating to lease obligations of $4,971 ($4,725), interest expense on lease obligations is $1,583 ($1,513). Expenses relating to short-term leases recognized in general and administration expenses was $26 ($38) for the three months ended June 30, 2026 (2025) and $90 ($116) for nine months ended June 30, 2026 (2025).

8. Acquired Intangible Assets

A continuity of the acquired intangible assets for the nine months ended June 30, 2026 is as follows:

	June 30, 2026				
	Opening Balance	Additions (Note 18)	Amortization	Foreign Exchange Revaluation	Closing Balance
Customer relationships	$ 102,128	$ 4,942	$ (17,587)	$ (2,034)	$ 87,449
Discrete contracts with customers & non-competition agreements	71	—	(57)	—	14
Technology and trademarks	4,634	—	(1,496)	—	3,138
	$ 106,833	$ 4,942	$ (19,140)	$ (2,034)	$ 90,601

In the nine months ended June 30, 2026 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 18)	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

9. Depreciation and Amortization

The following table presents the depreciation and amortization for the Company for the three and nine months ended June 30, 2026 (2025):

		Three months ended		Nine months ended	
	NOTES	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Depreciation of property, plant and equipment	6	$ 2,862	$ 2,827	$ 8,629	$ 8,134
Depreciation of right of use assets	7	2,062	1,680	5,676	4,987
Amortization of acquired intangible assets	8	6,380	7,128	19,140	21,528
		$ 11,304	$ 11,635	$ 33,445	$ 34,649

10. Goodwill

The following table presents the goodwill for the Company for the nine months ended June 30, 2026:

		June 30, 2026
Opening balance, October 1	$	224,483
Additions:		
Acquisition of InField Scientific Inc. (Note 18)		6,852
Adjustments:		
Foreign Exchange		1,522
	$	232,857

In the nine months ended June 30, 2026 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 nine months ended June 30, 2026. 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 16.

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

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

11. 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 and an accordion feature of up to $150,000. The agreement has a three year term, which will mature on September 29, 2028. On March 26, 2026, the Company exercised a portion of the accordion feature to increase the total commitment by $75,000, resulting in the ability to draw a total of $275,000. At June 30, 2026 (September 30, 2025), the Company utilized $141,250 ($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 June 30, 2026 the Company is in compliance with all applicable covenants under the debt facility.

Changes in debt for the three and nine months ended June 30, 2026 (2025) were as follows:

	Three months ended		Nine months ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Opening Balance	$ 167,250	$ 120,750	$ 130,750	$ 89,750
Draws	23,500	75,000	135,500	148,000
Repayments	(49,500)	(54,750)	(125,000)	(96,750)
Balance June 30	$ 141,250	$ 141,000	$ 141,250	$ 141,000

12. 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 June 30, 2026.

Common shares issued and outstanding:

	June 30, 2026		June 30, 2025	
	Shares	Amount	Shares	Amount
Balance October 1	11,350,168	$ 220,345	11,802,364	$ 225,747
Shares issued under share compensation plans	129,483	7,867	55,409	3,076
Shares issued under employee share purchase plan	32,512	1,990	44,395	2,066
Shares repurchased	—	—	(556,308)	(10,898)
Change in obligation related to share repurchase	—	748	—	675
Share buyback tax	—	—	—	(419)
Issued capital	11,512,163	$ 230,950	11,345,860	$ 220,247

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 nine months ended June 30, 2026 (2025), the Company repurchased and cancelled nil (556,308) common shares for total cash consideration of nil ($25,197) at an average purchase price per share of nil ($45.29).

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 June 30, 2026 (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 August 12, 2026, the Company declared a dividend of $0.28 per common share payable on September 9, 2026 payable to shareholders on record as at August 26, 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.

13. 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 June 30, 2026 (2025), the Company can issue 228,123 (271,091) shares.

During the three months ended June 30, 2026 (2025) under the 2020 Employee Share Purchase Plan, the Company issued 8,394 (14,966) shares at an average price of $75.32 ($42.83). The Company received $489 ($484) in proceeds and recorded an expense of 123 ($144). During the nine months ended June 30, 2026 (2025) under the 2020 Employee Share Purchase Plan, the Company issued 32,512 (44,395) shares at an average price of $61.21 ($46.53). The Company received $1,605 ($1,638) in proceeds and recorded an expense of $401 ($433).

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% (805,851) 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 June 30, 2026 (2025), the Company has 380,219 (516,332) stock options and restricted share units ("RSUs") outstanding. As a result, the Company could grant up to 425,632 (277,878) additional stock options or RSUs pursuant to the plan.

The weighted average fair value of options granted during the nine months ended June 30, 2026 (2025) 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.

13. Share-Based Compensation (continued)

The following assumptions were used to determine the fair value of the options granted in the nine months ended June 30, 2026 (2025):

	Weighted Average Options Granted			
	June 30, 2026		June 30, 2025	
Grant date share price	$	48.61	$	48.76
Exercise price	$	48.61	$	48.76
Expected price volatility	%	30.44	%	27.40
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 nine months ended June 30, 2026 (2025):

	June 30, 2026			June 30, 2025		
	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	(72,291)		55.39	(11,000)		36.49
Forfeited	(10,680)		56.79	—		—
Expired	(21,222)		61.16	—		—
Granted	43,924		48.61	51,241		48.76
Outstanding June 30	104,222	$	50.75	260,651	$	56.95

The following options are outstanding at June 30, 2026:

Option issuance:	Number of Options	Grant date	Expiry date	Exercise price		Fair value at grant date	
(1) Issued November 24, 2021	3,472	November 24, 2021	November 24, 2026	$	58.90	$	10.66
(2) Issued March 9, 2022	1,536	March 9, 2022	March 9, 2027	$	60.55	$	10.33
(3) Issued November 24, 2022	7,514	November 24, 2022	November 24, 2027	$	60.43	$	14.26
(4) Issued February 15, 2023	1,186	February 15, 2023	February 15, 2028	$	60.44	$	14.20
(5) Issued November 27, 2023	16,672	November 27, 2023	November 27, 2028	$	52.26	$	11.05
(6) Issued November 25, 2024	29,484	November 25, 2024	November 25, 2029	$	48.76	$	9.74
(7) Issued August 12, 2025	434	August 12, 2025	August 12, 2030	$	50.51	$	10.75
(8) 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.

13. Share-Based Compensation (continued)

At June 30, 2026 (2025) the weighted average remaining contractual life of options outstanding is 3.37 (1.76) years of which 43,917 (204,211) options are exercisable at a weighted average price of $53.61 ($59.13). The Company has recorded $103 ($107) of share-based compensation expense in the three months ended and $312 ($287) in the nine months ended June 30, 2026 (2025). At June 30, 2026 (2025) the Company has total unrecognized compensation expense of $229 ($253) 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 nine months ended June 30, 2026 (2025):

	June 30, 2026			June 30, 2025		
	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	(57,193)		53.60	(44,409)		58.94
Forfeited	(22,406)		51.06	(4,218)		55.58
Expired	(129,582)		50.81	—		—
Granted	236,237		51.27	114,347		41.96
Outstanding June 30	275,997	$	51.26	255,681	$	51.39

Of the units issued in the nine months ended June 30, 2026 under the RSU plan, 457 units have vested as of June 30, 2026. The Company has recorded $1,428 ($1,103) of share-based compensation expense in the three months ended and $3,774 ($2,674) in the nine months ended June 30, 2026 (2025) related to the RSUs that have been granted. At June 30, 2026 (2025) the Company has total unrecognized compensation expense of $7,075 ($2,847) that will be recorded over the next three years. The following unvested RSU-based payment arrangements are in existence:

13. Share-Based Compensation (continued)

RSU issuance:		Number of units	Grant date	Vest through	Fair value at grant date
(1) Issued February 14, 2024	RSU	342	February 14, 2024	February 14, 2027	$ 58.68
(2) Issued March 15, 2024	RSU	9,633	March 15, 2024	November 15, 2026	$ 59.00
(3) Issued May 14, 2024	RSU	258	May 14, 2024	May 14, 2027	$ 55.98
(4) Issued August 14, 2024	RSU	99	August 7, 2024	May 14, 2027	$ 53.62
(5) Issued November 25, 2024	RSU	36,649	November 25, 2024	November 25, 2027	$ 48.76
(6) Issued February 12, 2025	RSU	578	February 12, 2025	February 12, 2028	$ 50.46
	PSU	7,432	February 12, 2025	November 15, 2027	$ 50.46
(7) Issued May 13, 2025	RSU	695	May 13, 2025	May 13, 2028	$ 50.40
(8) Issued August 12, 2025	RSU	500	August 12, 2025	August 12, 2028	$ 50.51
(9) Issued November 25, 2025	RSU	77,740	November 25, 2025	November 25, 2028	$ 46.47
	PSU	40,381	November 25, 2025	November 25, 2028	$ 45.68
(10) Issued December 16, 2025	RSU	96,183	December 16, 2025	December 16, 2030	$ 56.74
(11) Issued February 11, 2026	RSU	4,082	February 11, 2026	February 11, 2029	$ 67.32
(12) Issued May 13, 2026	RSU	1,425	May 13, 2026	May 13, 2029	$ 68.65

Deferred Share Unit Plan

At June 30, 2026 (2025) the Company has nil (21,141) Deferred Share Units ("DSU") outstanding. The Company recorded a general and administrative expense of nil ($132) related to the DSUs in the three months and $355 ($198) in the nine months ended June 30, 2026 (2025). Each DSU entitles the participant to receive the value of one Common Share at the time of vesting.

14. Revenue

The following table presents the revenue of the Company for the three and nine months ended June 30, 2026 and 2025:

	Three months ended				Nine months ended			
	June 30, 2026		June 30, 2025[1]		June 30, 2026		June 30, 2025[2]	
Product revenue								
Defence and Space	$	50,134	$	33,817	$	138,387	$	109,880
Essential Industries		21,516		14,663		51,615		33,240
Total product revenue	$	71,650	$	48,480	$	190,002	$	143,120
Service revenue								
Defence and Space	$	99,681	$	91,436	$	306,407	$	277,842
Essential Industries		59,066		52,300		170,689		149,968
Total service revenue	$	158,747	$	143,736	$	477,096	$	427,810
Total revenue	$	230,397	$	192,216	$	667,098	$	570,930

[1] For the three months ended June 30, 2025, $606 was reclassified between product revenue and service revenue to conform to current period presentation.
[2] For the nine months ended June 30, 2025, $2,691 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 June 30, 2026 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:

	June 30, 2026	
Less than 24 months	$	699,858
Thereafter		548,480
Total	$	1,248,338

15. Net Profit per Share

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

	Three months ended June 30,		Nine months ended June 30,	
	2026	2025	2026	2025
Weighted average number of common shares – basic	11,501,364	11,475,347	11,444,983	11,658,313
Additions to reflect the dilutive effect of employee stock options and RSUs	204,741	154,660	182,979	133,720
Weighted average number of common shares – diluted	11,706,105	11,630,007	11,627,962	11,792,033

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 June 30, 2026 (2025), nil (260,651) options and nil (1,785) RSUs were excluded from the above computation. For the nine months ended June 30, 2026 (2025), nil (260,651) options and nil (70,099) RSUs were excluded from the above computation.

16. 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 simplify the structure of the business the Company now operates under 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 revenues and adjusted EBITDA as key measures of performance and resource allocation. 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.

16. Segmented Information (continued)

For the three months ended June 30, 2026:

For the three months ended June 30, 2026	Defence & Space	Essential Industries	Shared Services	Total
Revenue	$ 149,815	$ 80,582	$ —	$ 230,397
Cost of revenues	96,780	55,142	—	151,922
Operating costs	20,648	19,366	12,891	52,905
Adjusted EBITDA	$ 32,387	$ 6,074	$ (12,891)	$ 25,570
Share-based compensation				1,654
Restructuring and other				790
Depreciation and amortization				11,304
Mergers and acquisitions costs				965
Profit before interest and income tax expense				10,857
Interest expense				2,554
Income tax expense				2,362
NET PROFIT FOR THE PERIOD				$ 5,941

For the three months ended June 30, 2025:

For the three months ended June 30, 2025	Defence & Space	Essential Industries	Shared Services	Total
Revenue	$ 125,253	$ 66,963	$ —	$ 192,216
Cost of revenues	82,356	43,005	—	125,361
Operating costs	16,993	19,786	11,111	47,890
Adjusted EBITDA	$ 25,904	$ 4,172	$ (11,111)	$ 18,965
Share-based compensation				1,354
Restructuring and other				1,414
Depreciation and amortization				11,635
Mergers and acquisitions costs				1,102
Profit before interest and income tax expense				3,460
Interest expense				1,932
Income tax expense				938
NET PROFIT (LOSS) FOR THE PERIOD				$ 590

16. Segmented Information (continued)

For the nine months ended June 30, 2026:

For the nine months ended June 30, 2026	Defence & Space	Essential Industries	Shared Services	Total
Revenue	$ 444,794	$ 222,304	$ —	$ 667,098
Cost of revenues	286,594	150,789	—	437,383
Operating costs	55,648	57,105	40,706	153,459
Adjusted EBITDA	$ 102,552	$ 14,410	$ (40,706)	$ 76,256
Share-based compensation				4,487
Restructuring and other				3,252
Depreciation and amortization				33,445
Mergers and acquisitions costs				2,960
Profit before interest and income tax expense				32,112
Interest expense				6,982
Income tax expense				7,377
NET PROFIT FOR THE PERIOD				$ 17,753

For the nine months ended June 30, 2025:

For the nine months ended June 30, 2025	Defence & Space	Essential Industries	Shared Services	Total
Revenue	$ 387,722	$ 183,208	$ —	$ 570,930
Cost of revenues	261,395	119,237	—	380,632
Operating costs	48,089	54,899	33,151	136,139
Adjusted EBITDA	$ 78,238	$ 9,072	$ (33,151)	$ 54,159
Share-based compensation				3,394
Restructuring and other				2,478
Depreciation and amortization				34,649
Mergers and acquisitions costs				5,795
Profit before interest and income tax expense				7,843
Interest expense				5,826
Income tax expense				2,108
NET PROFIT (LOSS) FOR THE PERIOD				$ (91)

The Company operates in Canada but provides services to customers in various countries. Revenues from external customers for the nine months ended June 30, 2026 (2025) are attributed as follows:

	June 30, 2026	June 30, 2025
Canada	63 %	56 %
United States	22 %	25 %
Europe	13 %	17 %
Other	2 %	2 %

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 40% (37%) of the Company’s total revenues for the nine months ended June 30, 2026 (2025).

17. 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.

At June 30, 2026, the Company had the following forward foreign exchange contracts:

Type	Notional	Currency	Maturity	Equivalent Cdn. Dollars	Fair Value June 30, 2026
BUY	$ 46,709	USD	August 2026	$ 66,110	$ 25
BUY	1,222	EURO	August 2026	1,981	4
Derivative assets					$ 29
SELL	$ 53,088	USD	August 2026	$ 75,138	$ (29)
SELL	661	EURO	August 2026	1,071	(2)
Derivative liabilities					$ (31)

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 June 30, 2026 (2025), 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. Bad debt expense recognized in the three months ended June 30, 2026 (2025) is $301 ($146). Bad debt expense recognized in the nine months ended June 30, 2026 (2025) is $457 ($146).

17. Financial Instruments and Risk Management (continued)

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

	June 30, 2026	September 30, 2025
Cash and cash equivalents	$ 46,335	$ 46,101
Accounts receivable	209,642	171,150
Derivative assets	29	44
Total	$ 256,006	$ 217,295

The aging of accounts receivable at the reporting date was:

	June 30, 2026	September 30, 2025
Current	$ 198,059	$ 155,885
Past due (61-120 days)	7,423	9,910
Past due (> 120 days)	4,160	5,355
Total	$ 209,642	$ 171,150

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 and an accordion feature of up to $150,000. The agreement has a three year term, which will mature on September 29, 2028. On March 26, 2026, the Company exercised a portion of the accordion feature to increase the total commitment by $75,000, resulting in the ability to draw a total of $275,000. As at June 30, 2026, the Company had $46,335 cash and cash equivalents and $141,250 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 June 30, 2026 and represents the difference between the hedge rate and the exchange rate at the end of the reporting period.

17. Financial Instruments and Risk Management (continued)

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.

	June 30, 2026		
	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 46,335	$ —	$ —
Investments	—	—	5,097
Derivative assets	—	29	—
Debt facility	—	(141,250)	—
Contingent earn-out	—	—	(5,157)
Derivative liabilities	—	(31)	—
Total	$ 46,335	$ (141,252)	$ (60)

	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 nine months ended June 30, 2026.

18. 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. This target was achieved, and the consideration was paid in the nine months ended June 30, 2026.

The Company recognized $100 in the nine months ended June 30, 2026 related to changes in fair value of contingent earn out and recorded deemed compensation expense of $53.

18. 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. Of the contingent consideration, $1,200 is payable if InField achieves specified EBITDA targets for the period from March 1, 2026 to February 29, 2028. Management has assessed the likelihood of achievement and recorded no liability and has excluded it from the purchase price. The remaining $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 valuation and allocation is considered final.

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.

The Company recognized $786 in the nine months ended June 30, 2026 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

18. 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 nine months ended June 30, 2026:

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

Galaxy Broadband Communications "Galaxy Broadband"

On June 25, 2026, the Company entered into a definitive agreement to acquire the assets of Galaxy Broadband Communications ("Galaxy Broadband") a Canadian leader in satellite communications and remote connectivity solutions. The completion of the acquisition is contingent on debtholder approval of Galaxy Broadband, which is anticipated before the end of August 2026, at which time the transaction will close and consolidation of Galaxy Broadband will occur. The total cash consideration to be paid is approximately $24,000 with additional earnout consideration of up to $27,500 based on the achievement of certain levels of EBITDA performance over the three years subsequent to the acquisition closing.

19. Mergers and Acquisition Costs

The following table presents the mergers and acquisition costs for the Company for the three and nine months ended June 30, 2026 (2025):

		Three months ended				Nine months ended			
			June 30,		June 30,		June 30,		June 30,
	NOTES		2026		2025		2026		2025
Deemed compensation	18	$	250	$	1,334	$	839	$	4,367
Changes in fair value related to contingent earn-out	18		—		(775)		100		341
Other acquisition related costs			715		543		2,021		1,087
		$	965	$	1,102	$	2,960	$	5,795

20. Contingent Earn-Out

The following shows the contingent consideration activity for the nine month period ended June 30, 2026:

Company Acquired	Balance October 1, 2025	Acquisition	Payments	Change in Fair Value	Adjustments	Balance June 30, 2026
Contingent earn-out	$ 16,147	$ —	$ (11,929)	$ 100	$ 839	$ 5,157

As at June 30, 2026, the total gross value of all contingent consideration outstanding is $6,571. 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 able 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. In the nine months ended June 30, 2026, an earn-out payment of $6,929 was paid to HPT for the attainment of EBITDA for the second year earn out with the remaining liability to be paid monthly concluding November 2026. Refer to note 18 for details on the AMS earn out payment.

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
Contingent earn-out	$ 41,833	$ 4,540	$ (17,448)	$ 1,160	$ (13,938)	$ 16,147

Management's Discussion and Analysis

For the three and nine months ended June 30, 2026

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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 August 12, 2026 and should be read in conjunction with the Unaudited Interim Condensed Consolidated Financial Statements and related notes of the Company for the three and nine months ended June 30, 2026.

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 higher oil prices, 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 August 12, 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: Includes defence training, manufacturing and healthcare; space and terrestrial communications; IT, cyber and infrastructure modernization for defence customers; and specialized capabilities in composites and GNSS.
- Essential Industries: Includes commercial healthcare, cybersecurity, managed services, commercial infrastructure modernization, 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

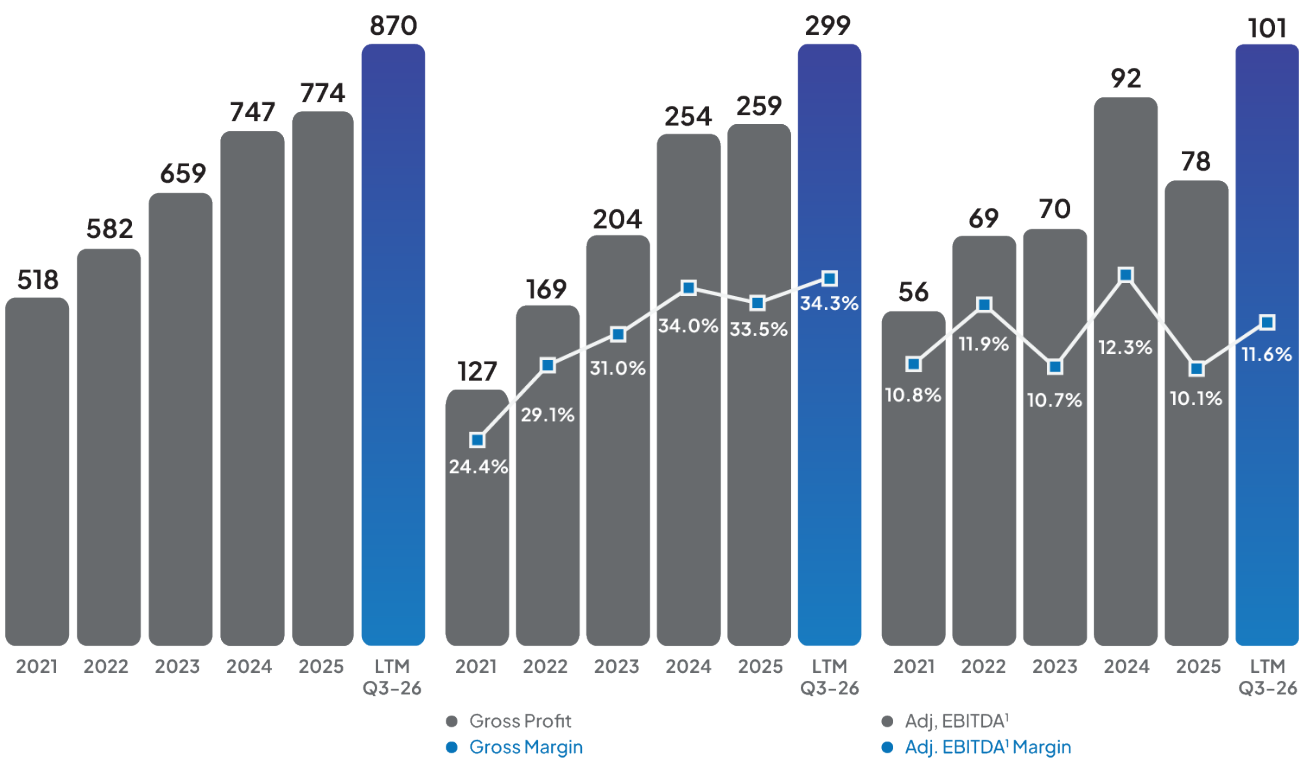
5-Year Track Record of Execution

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)

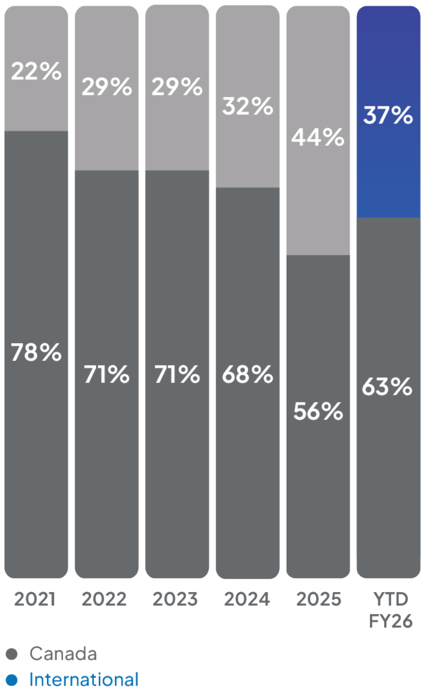
Adj. EBITDA[1,2] & Margin[1,2]
(in millions of $, except margin)



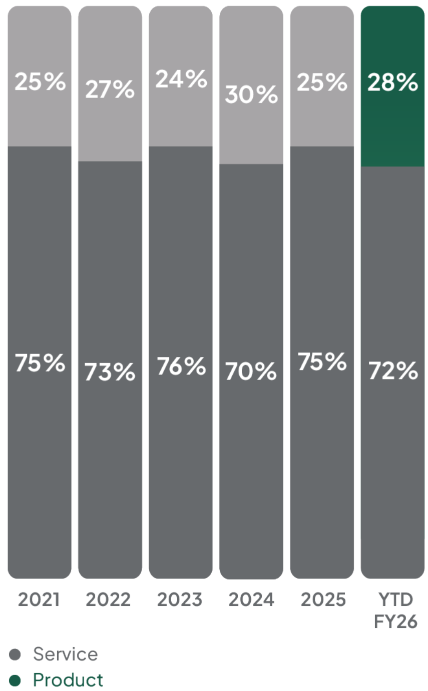
Calian has been successful in diversifying its revenue streams by geography, customer and offering. In FY25, revenues generated outside Canada reached 44% of total revenues, up from 22% in FY21. Over this same period, revenues from commercial customers, typically at higher margins, grew from $254 million 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 $193 million, up 46% from $132 million in FY21, demonstrating the Company’s continued deployment and growth of its product sales.

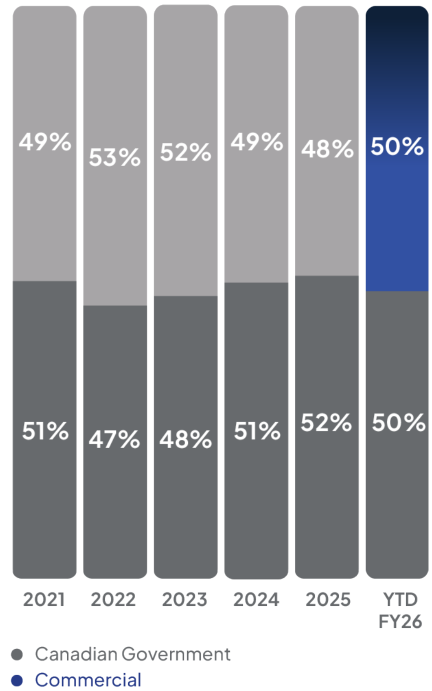
Geography



Offering



Customer



Calian has made significant progress in expanding 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, Commercial customer revenue has increased by 45% since fiscal 2021, reflecting the Company's success in commercial expansion.

[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.

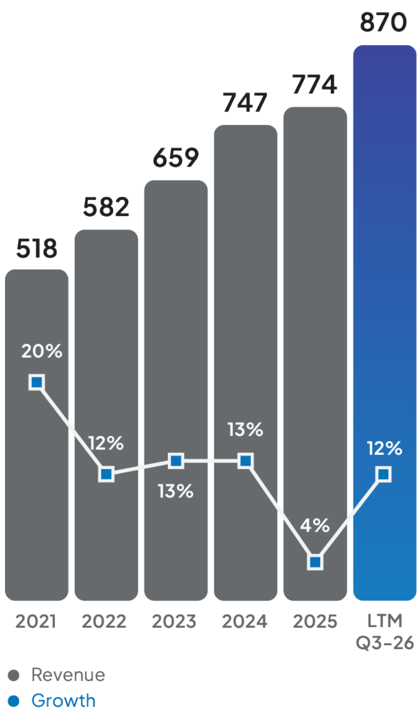
Key Performance Indicators

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

Key Performance Indicators

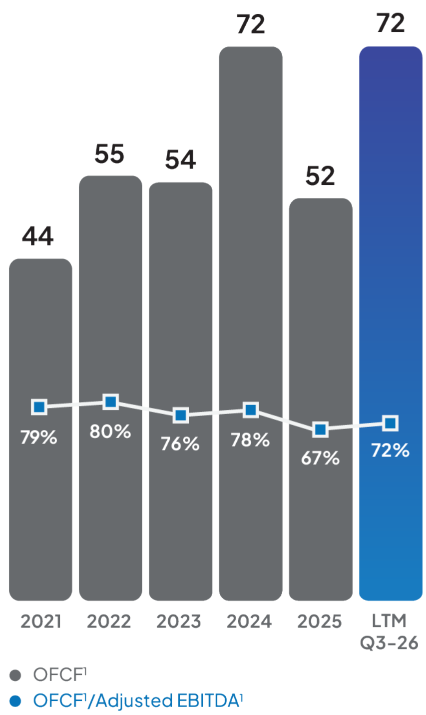
Revenue & Revenue Growth

(in millions of $, except %)



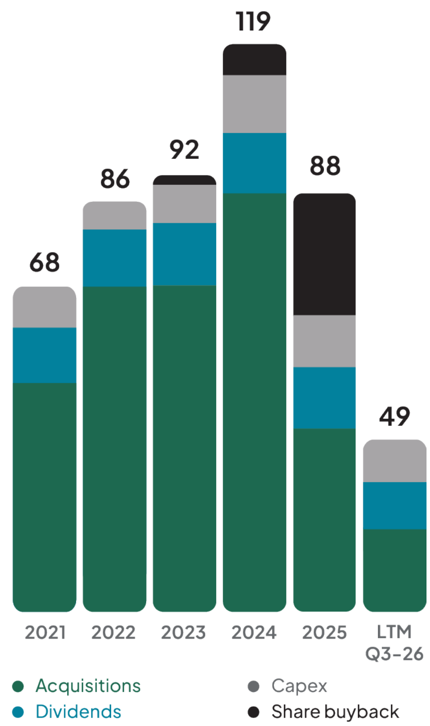
Operating Free Cash Flow (OFCF[1,2]) & OFCF Conversion

(in millions of $, except ratio)



Capital Deployed

(in millions of $)



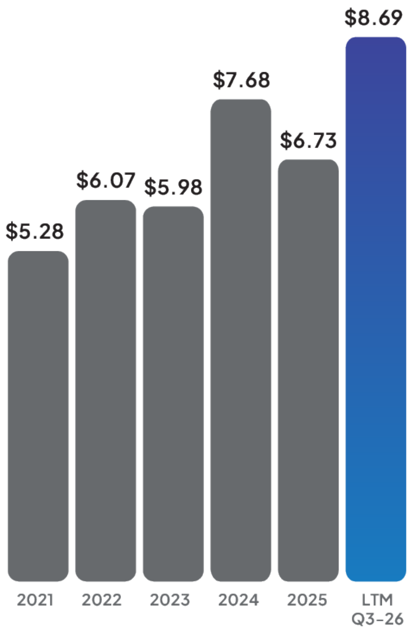
[1] Refer to the section entitled "Reconciliation of Non-GAAP Measures to Most Comparable IFRS Measures" of this MD&A for an explanation of the non-GAAP measure.

[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 EBITDA[1] per diluted share, Operating Free Cash Flow[1] per diluted share and Adjusted EPS[1] per diluted share.

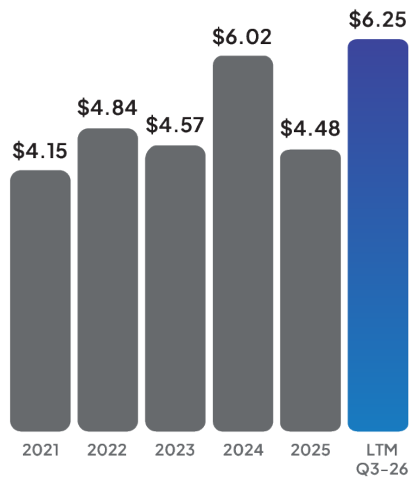
Adjusted EBITDA[1,2]/ Diluted Share

(in $)



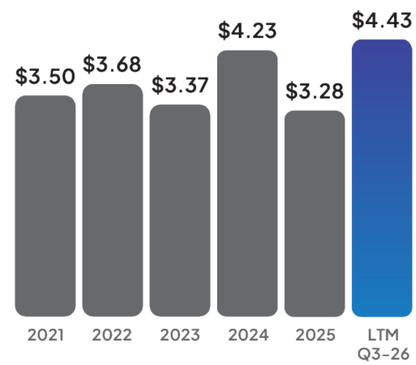
OFCF[1,2]/ Diluted Share

(in $)



Adjusted EPS[1,2]/ Diluted Share

(in $)



[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.

Furthermore, the surging demand for electricity and clean energy has further accelerated the Canadian government's commitment to nuclear power as a cornerstone of its long-term energy strategy. In a landmark decision, the government has announced plans to construct up to ten new large-scale nuclear reactors over the next fifteen years. This initiative is expected to generate sustained demand for the Company's nuclear services, positioning us as a key partner in Canada's clean energy future.

Overview – Third Quarter of FY26

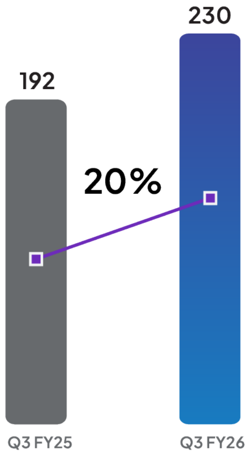
Revenues increased 19.9% to $230.4 million, as compared to $192.2 million for the same period last year. This represents a record high quarterly revenue for the Company. Acquisitive growth was 4% and organic growth was 16% when compared to the same quarter of the prior year. The Company measures acquisitive growth by comparing revenues from acquired entities in the current period to the revenues those entities generated in the same period of the prior year prior to their inclusion 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.

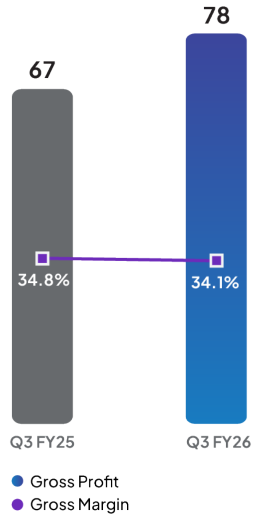
Revenues

(in millions of $)



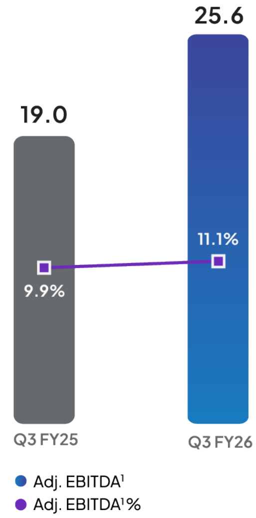
Gross profit & Gross margin %

(in millions of $, except margin)



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

(in millions of $, except margin)



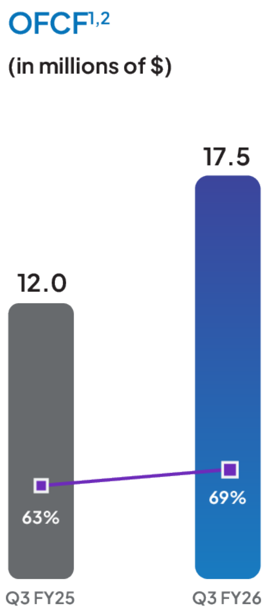
Gross profit increased by 17.4%, to $78.5 million, as compared to $66.9 million for the same period last year. This represents a record high third quarter gross profit for the Company. Gross margin slightly decreased from 34.8% to 34.1%. Adjusted EBITDA[1] increased by 35% to $25.6 million, significantly outpacing top line growth. In line with this performance, adjusted EBITDA[1] margins improved from 9.9% to 11.1%.

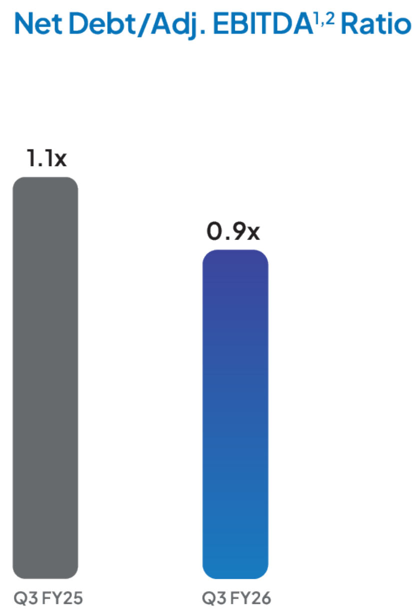
Calian generated $17.5 million of operating free cash flow[1], up from $12.0 million for the same period last year, representing a conversion from adjusted EBITDA[1] of 69% and 63%, respectively. The Company used its cash to pay earn-out liabilities of $0.3 million, provide a return to shareholders in the form of dividends of $3.2 million and make capital expenditure investments of $2.5 million.

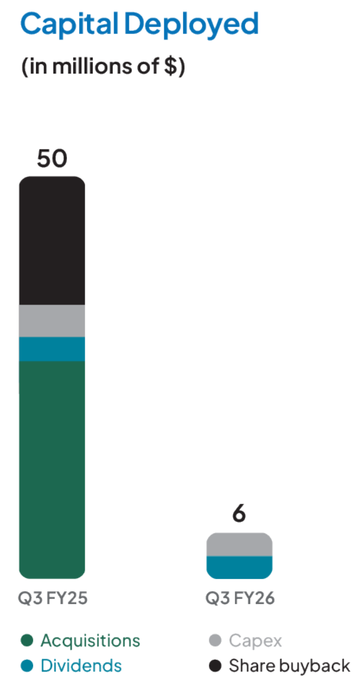
The Company ended the quarter with net debt[1] of $94.9 million, which on a trailing twelve-month basis represents a net debt to adjusted EBITDA[1] ratio of 0.9x. With cash on hand of $46.3 million, inclusive of restricted cash, combined with the unused portion of its credit facility, Calian ended the quarter with net liquidity[3] of $180.1 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.

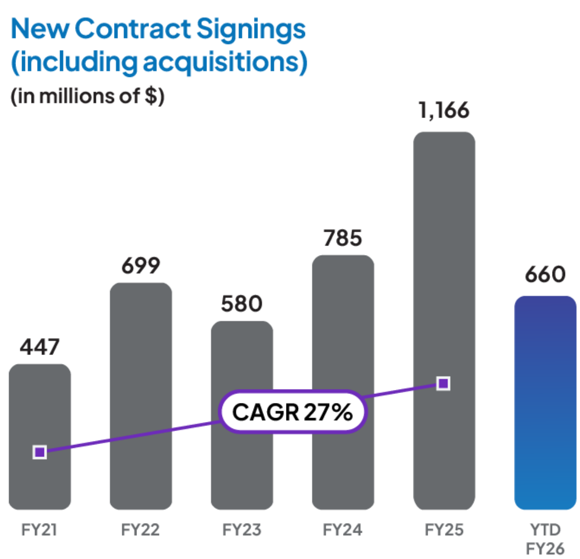
[3] Net liquidity is defined as the Company's total available credit under its credit facility less its net debt.







Calian signed gross new contract value of $168 million in the three months ended June 30, 2026, and ended the quarter with a realizable backlog of $1.4 billion.



[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.

Consolidated Results

Selected Consolidated Financial Highlights

	Three months ended June 30,		Nine months ended June 30,	
	2026	2025	2026	2025
Revenues	$ 230,397	$ 192,216	$ 667,098	$ 570,930
Gross profit	**78,475**	**66,855**	**229,715**	**190,298**
Gross profit margin (%)	34 %	35 %	34 %	33 %
Adjusted EBITDA[1]	**$ 25,570**	**$ 18,965**	**$ 76,256**	**$ 54,159**
Share based compensation	1,654	1,354	4,487	3,394
Restructuring and other	790	1,414	3,252	2,478
Depreciation and amortization	11,304	11,635	33,445	34,649
Mergers and acquisition costs	965	1,102	2,960	5,795
Profit before interest and income tax expense	**$ 10,857**	**$ 3,460**	**$ 32,112**	**$ 7,843**
Interest expense	2,554	1,932	6,982	5,826
Income tax expense	2,362	938	7,377	2,108
NET PROFIT (LOSS)	**$ 5,941**	**$ 590**	**$ 17,753**	**$ (91)**
EPS - Basic	0.52	0.05	1.55	(0.01)
EPS - Diluted	0.51	0.05	1.53	(0.01)
Adjusted net profit[1]	**$ 12,891**	**$ 9,226**	**$ 39,751**	**$ 26,776**
Adjusted EPS[1] - Basic	1.12	0.80	3.47	2.30
Adjusted EPS[1] - Diluted	1.10	0.79	3.42	2.27

[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 and Nine Months ended June 30, 2026

Revenue

For the three-month period ended June 30, 2026, consolidated revenues increased 20% to $230,397, compared to $192,216 for the same period last year. Acquisitive growth was 4%, 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 16%, driven by both the Defence & Space and Essential Industries segments.

For the nine-month period ended June 30, 2026, consolidated revenue increased 17% to $667,098, compared to $570,930 for the same period last year. Acquisitive growth was 6%, generated from the acquisitions of Advanced Medical Solutions closed in May 2025 and Infield Scientific closed in October 2025. Organic growth was 11% and was generated by both the Defence & Space and Essential Industries segments.

Defence & Space

For the three-month period ended June 30, 2026, Defence & Space revenues increased 20% to $149,815, compared to $125,253 for the same period last year. This growth was driven primarily by technology solutions, healthcare and operational readiness services. In addition, the segment benefited from a small contribution from the acquisition of Infield Scientific.

For the nine-month period ended June 30, 2026, Defence & Space revenues increased 15% to $444,794, compared to $387,722 for the same period last year. This growth was driven by the same factors mentioned above.

Essential Industries

For the three-month period ended June 30, 2026, Essential Industries revenues increased 20% to $80,582, compared to $66,963 for the same period last year. This growth was primarily driven by the acquisition of Advanced Medical Solutions and increased volume from U.S. commercial operations.

For the nine-month period ended June 30, 2026, Essential Industries revenues increased 21% to $222,304, compared to $183,208 for the same period last year. This growth was primarily driven by the same factors mentioned above.

Gross Profit

For the three-month period ended June 30, 2026, gross profit increased 17%, to $78,475, compared to $66,855 for the same period last year. This increase was driven by revenue growth, changes in revenue mix and contributions from acquisitions. Gross margin slightly decreased to 34.1%, from 34.8% for the same period last year due to changes in revenue mix.

For the nine-month period ended June 30, 2026, gross profit increased by 21% to $229,715, compared to $190,298 for the same period last year. This increase was driven by the same factors mentioned above. As a result, gross margin increased to 34.4%, from 33.3% for the same period last year.

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

Adjusted EBITDA[1]

For the three-month period ended June 30, 2026, consolidated adjusted EBITDA[1] increased by 35% to $25,570, compared to $18,965 for the same period last year. This growth was driven by the increased revenue leading to higher margins. As a result, adjusted EBITDA[1] margin increased to 11.1%, from 9.9% for the same period last year.

For the nine-month period ended June 30, 2026, consolidated adjusted EBITDA[1] increased 41% to $76,256, compared to $54,159 for the same period last year. This growth was driven by the same factors as noted above. As a result, adjusted EBITDA[1] margin stood at 11.4%, compared to 9.5% for the same period last year.

Defence & Space

For the three-month period ended June 30, 2026, adjusted EBITDA[1] increased 25% to $32,387, compared to $25,904 for the same period last year. This growth was primarily driven by technology solutions. As a result, adjusted EBITDA[1] margin increased to 22%, from 21% for the same period last year.

For the nine-month period ended June 30, 2026, adjusted EBITDA[1] increased 31% to $102,552, compared to $78,238 for the same period last year. This growth was primarily driven by technology solutions and operational readiness services. As a result, adjusted EBITDA[1] margin increased to 23.1%, from 20.2% for the same period last year.

Essential Industries

For the three-month period ended June 30, 2026, adjusted EBITDA[1] increased 46% to $6,074, compared to $4,172 for the same period last year. This growth was primarily driven by increased contribution from the acquisition of Advanced Medical Solutions and U.S. commercial operations. As a result, adjusted EBITDA[1] margin improved from 6.2% in the third quarter last year to 7.5% in the current quarter.

For the nine-month period ended June 30, 2026, adjusted EBITDA[1] increased 59% to $14,410, compared to $9,072 for the same period last year. This growth was driven by the same factors mentioned above. As a result, adjusted EBITDA[1] margin improved from 5.0% in the first nine months of fiscal year 2025 to 6.5% in the first nine months of fiscal year 2026.

Shared Services

Shared 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.

For the three-month period ended June 30, 2026, shared services costs increased 16% to $12,891, compared to $11,111 for the same period last year. On a relative basis, it represented 5.6% and 5.8% of revenues, respectively. This increase was due to increased headcount related costs.

For the nine-month period ended June 30, 2026, shared services costs increased 23% to $40,706, compared to $33,151 for the same period last year. On a relative basis, it represented 6.1% and 5.8% of revenues, respectively. This increase was due to increased headcount related costs, increased public company related costs and certain non-recurring costs.

[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.

Depreciation and Amortization

For the three-month period ended June 30, 2026, depreciation of property, plant and equipment stood at $2,862, an increase of 1%, from the same period last year. This increase is primarily due to assets acquired through acquisitions closed in the last 12 months. For the nine-month period ended June 30, 2026, depreciation of property, plant and equipment stood at $8,629, an increase of 6%, from the same period last year, due to the same factors mentioned above.

For the three-month period ended June 30, 2026, depreciation of right of use assets stood at $2,062, an increase of $382 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 to support demand needs. For the nine-month period ended June 30, 2026, depreciation of right of use assets stood at $5,676, an increase of 14% compared to the same period last year, due to the same factors mentioned above.

For the three-month period ended June 30, 2026, amortization of acquired intangible assets stood at $6,380 a decrease of 10%, compared to the same period last year. This decrease is primarily due to 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. For the nine-month period ended June 30, 2026, amortization of acquired intangible assets stood at $19,140, a decrease of 11% from the same period last year due to the same factors mentioned above.

Restructuring and Other

For the three-month period ended June 30, 2026, the Company recorded a restructuring charge of $790, compared to $1,414 recorded in the same period of the prior year. For the nine-month period ended June 30, 2026, restructuring charges stood at $3,252, compared to $2,478 for the same period last year. The Company continues to evaluate its expenses, operational capacity and performance across the organization, and may implement periodic workforce restructuring as part of these ongoing assessments.

Mergers and acquisition expense

For the three-month period ended June 30, 2026, deemed compensation decreased by $1,084, compared to the same period last year. This decrease is due to deemed compensation amounts applicable under the acquisition agreements for Mabway and MDA Ltd. which ceased in the prior fiscal year offset by deemed compensation expenses in the current year recognized related to the acquisition of Infield Scientific. For the nine-month period ended June 30, 2026, deemed compensation decreased by $3,528 compared to the same period last year due to the same factors mentioned above.

For the three-month period ended June 30, 2026, changes in fair value related to contingent earn-out expense amount decreased by $775 when compared to the same period last year. This decrease is attributable to lower outstanding contingent earn out liabilities in the current year. For the nine-month period ended June 30, 2026, changes in fair value related to contingent earn-out expense decreased by $241, 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 18, 19 and 20 of the unaudited interim condensed consolidated financial statements.

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

Interest expense

For the three-month period ended June 30, 2026, interest expense increased by $622, compared to the same period last year. This increase is attributable to lease interest expense, which has increased due to leases brought on from recent acquisitions, coupled with new leases signed in the last twelve months to support demand needs. For the nine-month period ended June 30, 2026, interest expense increased by $1,156 compared to the same period last year due to the same factors mentioned above, along with higher utilization of the credit facility in the nine month period ended June 30, 2026.

Income Tax Expense

For the three-month period ended June 30, 2026, income tax expense was $2,362, an increase of $1,424 compared to the same period last year. This is primarily due to higher taxable income in the current quarter. For the nine-month period ended June 30, 2026, income tax expense was $7,377, an increase of $5,269, compared the same period last year due to the same factor mentioned above.

Net Profit and Adjusted Net Profit

For the three-month period ended June 30, 2026, net profit was $5,941, or $0.51 per diluted share, compared to $590, or $0.05 per diluted share, for the same period last year. The increase in profitability is primarily related to higher adjusted EBITDA[1], partially offset by higher interest expenses and taxes. Adjusted net profit[1] was $12,891, or $1.10 per diluted share, versus $9,226, or $0.79 per diluted share, for the same period last year. This increase is primarily due to increased adjusted EBITDA[1].

For the nine-month period ended June 30, 2026, net profit was $17,753, or $1.53 per diluted share, compared to a net loss of $91, or $(0.01) per diluted share, for the same period last year. This improvement is primarily due to increased adjusted EBITDA[1] and lower mergers and acquisition costs, partially offset by higher interest expenses and taxes. Adjusted net profit[1] was $39,751, or $3.42 per diluted share, compared to $26,776, or $2.27 per diluted share, due to the same factor mentioned above.

[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 and recent acquisitions. The following table sets forth selected financial information for the Company's past eight quarters.

(Canadian dollars in millions, except per share data)

	Q3/26	Q2/26	Q1/26	Q4/25	Q3/25	Q2/25	Q1/25	Q4/24
Revenue	$ 230.4	$ 228.7	$ 208.0	$ 203.2	$ 192.2	$ 193.6	$ 185.0	$ 181.2
Cost of revenue	151.9	148.4	137.1	134.2	125.4	129.0	126.2	117.2
Gross profit	78.5	80.3	70.9	69.0	66.8	64.6	58.8	64.0
Selling, general, and administrative	49.1	48.5	45.8	41.8	44.7	44.5	38.1	37.1
Research and development	3.8	3.9	2.3	2.9	3.2	2.8	2.9	3.1
Share based compensation	1.7	1.8	1.0	1.1	1.4	0.9	1.1	0.7
Profit before under noted items	23.9	26.1	21.8	23.2	17.5	16.4	16.7	23.1
Restructuring and other	0.8	2.1	0.5	1.2	1.4	0.4	0.7	0.3
Depreciation and amortization	11.3	11.1	11.0	12.0	11.6	11.4	11.5	12.0
Mergers and acquisition costs	1.0	1.0	1.0	(15.9)	1.1	2.4	2.3	4.7
Other changes in fair value	—	—	—	(0.4)	—	—	—	(0.2)
Profit before interest and income tax expense	10.8	11.9	9.3	26.3	3.4	2.2	2.2	6.3
Interest expense	2.6	2.2	2.2	2.8	1.9	2.1	1.8	2.0
Income tax expense	2.4	3.0	2.0	2.8	0.9	(0.2)	1.4	4.9
Net profit (loss)	5.8	6.7	5.1	20.7	0.6	0.3	(1.0)	(0.6)
Weighted average shares outstanding - Basic	11.5M	11.5M	11.4M	11.3M	11.5M	11.7M	11.8M	11.8M
Weighted average shares outstanding - Diluted	11.7M	11.6M	11.4M	11.5M	11.6M	11.9M	11.9M	12.0M
Net profit (loss) per share								
Basic	$ 0.52	$ 0.59	$ 0.45	$ 1.82	$ 0.05	$ 0.03	$ (0.08)	$ (0.05)
Diluted	$ 0.51	$ 0.58	$ 0.44	$ 1.80	$ 0.05	$ 0.02	$ (0.08)	$ (0.05)
Adjusted EBITDA[1] per share								
Basic	$ 2.22	$ 2.43	$ 2.00	$ 2.14	$ 1.65	$ 1.48	$ 1.51	$ 2.01
Diluted	$ 2.18	$ 2.40	$ 1.99	$ 2.12	$ 1.63	$ 1.46	$ 1.49	$ 1.98

[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 June 30, 2026 was $1,448 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 June 30, 2026 the following contracts were the major contributors to the Company's backlog. Please note that the contract amounts listed below are presented on a gross basis, and some of these contracts have already been recognized in the current quarter's results. These contracts are further described in the business overview section of this Management Discussion and Analysis.

- $62 million in IT & Cyber solutions signings to commercial and defence based customers.
- over $29 million in signings for Space Solutions globally.
- $16 million in GNSS product signings.
- over $10 million in signings for Defence based learning and training.
- over $8 million healthcare solutions signings with Defence agencies in Canada.
- $7 million in signings with existing customers for Nuclear solutions.

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 $180 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 June 30, 2026

Contracted backlog	$	1,400,530
Option renewals		227,780
	$	1,628,310
Management estimate of unrealizable portion		(180,162)
Estimated Realizable Backlog	$	1,448,148

[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

The following section explains the major variances on the balance sheet.

Assets

As at June 30, 2026, total assets stood at $756,030, versus $721,500 as at September 30, 2025. This increase is mainly due to increased accounts receivable at June 30 driven by increased revenue volumes, coupled with assets acquired from the acquisition of InField Scientific, slightly offset by a decreased acquired intangible assets balance due to amortization.

As at June 30, 2026, cash and cash equivalents were $46,335, inclusive of restricted cash as it is a short term restriction, compared to $46,101 at September 30, 2025.

Liabilities

As at June 30, 2026, total liabilities stood at $416,030, versus $400,219 as at September 30, 2025. The increase is primarily due to increases in deferred revenues and the Company's debt facility, partially offset by reductions in contingent earn-out and deferred tax liabilities.

As at June 30, 2026, Calian had net debt[1] of $94,915 and its net debt[1] to trailing twelve month adjusted EBITDA[1] ratio was 0.9x. As at June 30, 2026, the Company was in full compliance with its debt covenants.

Working capital as a percentage of trailing twelve month revenue increased to 11% at June 30, 2026, versus 8% for the same period last year. This increase is primarily a result of the working capital acquired through recent acquisitions, combined with the required short term working capital investments to capitalize on organic opportunities.

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 June 30, 2026.

Related Party Transactions

The Company did not have any transactions with a related party for the three month period ended June 30, 2026.

[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 and nine-month periods ended June 30, 2026.

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 June 30, 2026 (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 June 30, 2026, the capital stock issued and outstanding of the Company consisted of 11,512,163 common shares (11,345,860 as at June 30, 2025).

The following table presents the outstanding capital stock activity for the nine month periods ended June 30, 2026 and June 30, 2025.

	June 30, 2026	June 30, 2025
Balance October 1	11,350,168	11,802,364
Shares issued under share compensation plans	129,483	55,409
Shares issued under employee share purchase plan	32,512	44,395
Shares cancelled through NCIB program	—	(556,308)
Issued capital	11,512,163	11,345,860
Weighted average number of common shares – basic	11,444,983	11,658,313
Weighted average number of common shares – diluted	11,627,962	11,792,033

[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 June 30,		Nine months ended June 30,	
	2026	2025	2026	2025
Net profit (loss)	$ 5,941	$ 590	$ 17,753	$ (91)
Items not affecting cash:	18,124	16,418	53,230	50,685
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL	24,065	17,008	70,983	50,594
Change in non-cash working capital	6,723	13,336	(21,124)	5,271
Interest and income tax paid	(7,248)	(5,558)	(18,230)	(16,837)
CASH FLOWS FROM OPERATING ACTIVITIES	23,540	24,786	31,629	39,028
Dividends	(3,223)	(3,183)	(9,631)	(9,767)
Net (repayment) draw on debt facility	(26,000)	20,250	10,500	51,250
Repurchase of common shares	—	(15,887)	—	(25,197)
Other	(680)	(1,129)	693	(2,690)
CASH FLOWS (USED IN) GENERATED FROM FINANCING ACTIVITIES	(29,903)	51	1,562	13,596
Investments	(845)	—	(845)	—
Business acquisitions	(261)	(27,196)	(23,704)	(39,089)
Property, plant and equipment	(2,544)	(3,778)	(8,408)	(7,310)
CASH FLOWS USED IN INVESTING ACTIVITIES	(3,650)	(30,974)	(32,957)	(46,399)
NET CASH (OUTFLOW) INFLOW	$ (10,013)	$ (6,137)	$ 234	$ 6,225
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	56,348	64,150	46,101	51,788
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 46,335	$ 58,013	$ 46,335	$ 58,013

Operating Activities

For the three-month period ended June 30, 2026, cash flows generated from operating activities amounted to $23,540, compared to $24,786 for the same period last year. Cash generated from operating activities slightly decreased due to increased working capital requirements, mainly related to higher accounts receivable, partially offset by higher profitability.

For the nine-month period ended June 30, 2026, cash flows generated from operating activities stood at $31,629, compared to $39,028 for the same period last year. This decrease is due to higher working capital requirements, mainly related to higher accounts receivable, partially offset by higher profitability and deferred revenue.

[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 June 30, 2026, financing activities decreased cash by $29,903, mainly due to repayments on the credit facility of $26,000, outflows for dividends of $3,223 and lease payments of $1,864, partially offset by the issuance of common shares of $1,184. For the three-month period ended June 30, 2025, financing activities increased cash slightly by $51 mainly due to outflows for repurchases of common shares in the amount of $15,887, dividends of $3,183, and lease payments of $1,619, offset by net draws on the credit facility of $20,250.

For the nine-month period ended June 30, 2026, financing activities increased cash by $1,562, mainly due to net draws on the credit facility of $10,500 and the issuance of common shares of $5,664, partially offset by outflows for dividends of $9,631 and lease payments of $4,971. For the nine-month period ended June 30, 2025, financing activities increased cash by $13,596, mainly due to net draws on the credit facility of $51,250 and the issuance of common shares of $2,035, partially offset by outflows for repurchases of common shares in the amount of $25,197, dividends of $9,767 and lease payments of $4,725.

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 June 30, 2026, investing activities decreased cash by $3,650 due to a small payment in relation to the earn-out of HPT, capital purchases of $2,544 and a minority investment in a small space company of $845, related to our VENTURES initiative. For the three-month period ended June 30, 2025, investing activities decreased cash by $30,974 mainly due to the acquisition payment for Advanced Medical Solutions (AMS) of $21,016, the earn-out payment for Mabway in the amount of $6,233 and capital purchases of $3,778.

For the nine-month period ended June 30, 2026, investing activities decreased cash by $32,957, primarily due to the Infield Scientific acquisition and earn-out payments for HPT and AMS totalling a combined $23,704, as well as capital purchases of $8,408, and a minority investment in a small space company of $845 related to our VENTURES initiative. For the nine-month period ended June 30, 2025, investing activities decreased cash by $46,399, due to the acquisition payment for AMS of $21,016, the earn-out payments for HPT and Mabway for a combined total of $18,073 and capital purchases of $7,310.

For further information of acquisition and earn-out payments please see note 18 and 20 of the June 30, 2026 unaudited interim condensed consolidated financial statements.

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

Operating Free Cash Flow

For the three-month period ended June 30, 2026, Calian generated $17.5 million of operating free cash flow[1], up from $12.0 million for the same period last year, representing a conversion from adjusted EBITDA[1] of 69% and 63%, respectively. The increase in operating free cash flow[1] and its conversion is due to higher cash profitability, partially offset by higher interest and tax payments in the period.

For the nine-month period ended June 30, 2026, Calian generated $54.8 million of operating free cash flow[1], up from $34.8 million for the same period last year, representing a conversion from adjusted EBITDA[1] of 72% and 64%, respectively.

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 17.

[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

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.

	Three months ended June 30,		Nine months ended June 30,	
	2026	2025	2026	2025
Net profit (loss)	$ 5,941	$ 590	$ 17,753	$ (91)
Share-based compensation	1,654	1,354	4,487	3,394
Restructuring and other	790	1,414	3,252	2,478
Depreciation and amortization	11,304	11,635	33,445	34,649
Mergers and acquisition costs	965	1,102	2,960	5,795
Interest expense	2,554	1,932	6,982	5,826
Income tax expense	2,362	938	7,377	2,108
Adjusted EBITDA	$ 25,570	$ 18,965	$ 76,256	$ 54,159
Adjusted EBITDA per share - Basic	2.22	1.65	6.66	4.65
Adjusted EBITDA per share - Diluted	$ 2.18	$ 1.63	$ 6.56	$ 4.59

Adjusted Net Profit

The Company has reconciled adjusted profit to the most comparable IFRS financial measure as shown below. 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.

	Three months ended June 30,		Nine months ended June 30,	
	2026	2025	2026	2025
Net profit (loss)	$ 5,941	$ 590	$ 17,753	$ (91)
Share-based compensation	1,654	1,354	4,487	3,394
Restructuring and other	790	1,414	3,252	2,478
Mergers and acquisition costs	965	1,102	2,960	5,795
Amortization of intangibles	6,380	7,128	19,140	21,528
	15,730	11,588	47,592	33,104
Income taxes related to above items	(2,839)	(2,362)	(7,841)	(6,328)
Adjusted net profit	$ 12,891	$ 9,226	$ 39,751	$ 26,776
Weighted average number of common shares - Basic	11,501,364	11,475,347	11,444,983	11,658,313
Adjusted EPS - Basic	1.12	0.80	3.47	2.30
Adjusted EPS - Diluted	$ 1.10	$ 0.79	$ 3.42	$ 2.27

Operating Free Cash Flow

Operating free cash flow measures the Company's cash profitability after required capital spending when excluding working capital changes. Capital expenditures are excluded as those are considered investments rather than maintenance of the business. The Company's ability to convert adjusted EBITDA to operating free cash flow is critical for the long term success of its strategic growth.

	Three months ended June 30,		Nine months ended June 30,	
	2026	2025	2026	2025
Cash flows generated from operating activities (free cash flow)	$ 23,540	$ 24,786	$ 31,629	$ 39,028
Adjustments:				
M&A costs included in operating activities	715	543	2,021	1,087
Change in non-cash working capital	(6,723)	(13,336)	21,124	(5,271)
Operating free cash flow	$ 17,532	$ 11,993	$ 54,774	$ 34,844
Operating free cash flow per share - Basic	1.52	1.05	4.79	2.99
Operating free cash flow per share - Diluted	1.50	1.03	4.71	2.95
Operating free cash flow conversion	69%	63%	72%	64%

Net Debt to Adjusted EBITDA

Net debt to adjusted EBITDA is a leverage ratio that measures how many years it would take a company to pay off its debt using its operating earnings.

	June 30, 2026	June 30, 2025
Cash and cash equivalents	$ 46,335	$ 58,013
Debt facility	141,250	141,000
Net debt (net cash)	$ 94,915	$ 82,987
Trailing twelve month adjusted EBITDA	100,515	77,938
Net debt to adjusted EBITDA	0.9	1.1

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.

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 obsolesce
46. Changes in Laws, Rules and Regulations
47. SRED or other R&D tax credits
48. Transfer pricing
49. Investment in R&D
50. Compliance with ESG reporting requirements
51. Price fluctuations of common shares
52. Dilution of common shares

A comprehensive discussion of risks, including risks not specifically listed above, can be found in 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 valuators to assist in the valuation of acquired tangible and intangible assets.

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

Deferred income taxes

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

Provisions

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

Assets held for sale

The Company uses judgment in determining whether 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 considered by 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 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 June 30, 2026, that have materially affected, or are reasonably likely to materially affect, its internal controls over financial reporting

On behalf of Management,

(s) Will Majic
Acting Chief Financial Officer

August 12, 2026