



Calian Reports Record Results for the Second Quarter of Fiscal 2026

(All amounts in release are in Canadian dollars)

OTTAWA, Ontario, May 14, 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 second quarter ended March 31, 2026.

"Our second quarter results mark an important inflection point for Calian as we begin to capture the benefits of strengthening demand across the defence sector," said Patrick Houston, Calian CEO. "Revenue grew 18%, including 12% organic growth, which was achieved through record-setting deliveries and a strong pace of contract signings. This solid top-line performance translated into an 60% increase in adjusted EBITDA¹, which significantly outpaced revenue growth and reflects the compounded impact of higher volumes and improved operational leverage.

These results reflect early but tangible momentum in government defence spending and validate the strategic choices we have made to sharpen our operating model. With a \$1.5 billion backlog, a robust acquisition pipeline, and a solid balance sheet, we are well-positioned to capture market share, deliver strong full year performance, and create lasting value for shareholders."

Q2-26 Highlights²:

- Revenue up 18% to \$229 million, including 12% from organic and 6% from acquisitions
- Gross margin increased to 35.1%, up from 33.4%
- Adjusted EBITDA¹ up 60% to \$28 million (margin of 12.2% versus 9.0% last year)
- Operating free cash flow¹ of \$21 million, representing a conversion of 77%
- New contract signings of \$321 million, including over \$200 million in defence
- Ending backlog of \$1.5 billion, including over one billion in defence
- On February 10, 2026 Calian announced the appointment of Will Majic as Acting CFO
- On March 26, 2026, Calian increased its committed credit facility to pursue growth

Financial Highlights

(in millions of \$, except per share & margins)

	Three months ended			Six months ended		
	2026	March 31, 2025 ²	%	2026	March 31, 2025 ²	%
Revenue	228.7	193.7	18 %	436.7	378.7	15 %
Adjusted EBITDA ¹	27.9	17.4	60 %	50.7	35.2	44 %
Adjusted EBITDA % ¹	12.2 %	9.0 %	320bps	11.6 %	9.3 %	230bps
Adjusted Net Profit ¹	15.1	9.1	65 %	26.9	17.6	53 %
Adjusted EPS Diluted ¹	1.30	0.77	69 %	2.33	1.47	58 %
Operating Free Cash Flow ¹	21.5	9.8	119 %	37.2	22.9	63 %

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 six-month periods ended March 31, 2025.

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

[Register for the conference call](#) on Thursday, May 14, 2026, 8:30 a.m. Eastern Time.

Second Quarter Results

Revenues increased 18%, from \$194 million to \$229 million. This represents a record high quarterly revenue for the Company. Acquisitive growth was 6% and was generated by the acquisitions of Advanced Medical Solutions completed in May 2025 and Infield Scientific closed in October 2025. Organic growth was 12% and was generated by both the Defence & Space and Essential Industries segments.

Gross profit increased 24.3% to \$80 million, driven by revenue growth, changes in revenue mix and contributions from acquisitions. As a result, gross margin reached 35.1%, up from 33.4% last year. Similarly, adjusted EBITDA¹ increased 60% to \$28 million, driven by higher gross profit. As a result, adjusted EBITDA¹ margin increased to 12.2%, up from 9.0% last year.

Net profit was \$6.7 million, or \$0.58 per diluted share, compared to \$0.3 million, or \$0.02 per diluted share last year. The increase is primarily related to higher adjusted EBITDA¹ and lower mergers and acquisition costs, partially offset by higher restructuring expenses and taxes. Adjusted net profit¹ stood at \$15.1 million, or \$1.30 per diluted share, up from \$9.1 million,

or \$0.77 per diluted share, last year.

Liquidity and Capital Resources

"In the second quarter, we generated \$21 million of operating free cash flow¹, representing a strong conversion rate from adjusted EBITDA¹ of 77%," said Will Majic, Calian Acting CFO. "We used our cash and a portion of our credit facility to fund capital expenditures of \$4 million, earn-outs related to past acquisitions for \$5 million and provide a return to shareholders through dividends of \$3 million. We ended the quarter with a net debt to adjusted EBITDA¹ ratio of 1.2x, preserving significant financial flexibility to fund our growth strategy."

Calian Appoints Will Majic as Acting Chief Financial Officer

On February 23, 2026, Calian announced the appointment of Will Majic as acting Chief Financial Officer, effective immediately. Majic joined Calian in 2017 and currently serves as Vice President, Finance. He previously held the roles of Director of Finance and Controller. During his tenure, Calian has grown from approximately \$275 million in annual revenue to more than \$750 million. He has led finance due diligence and integration for 19 acquisitions, supported two equity financings totalling \$150 million, and played a key role in establishing a \$350 million syndicated credit facility. He also led enterprise-wide ERP implementation and enhanced internal controls, reporting standards and cash flow management to support the company's expanding operations.

Calian Increases its Committed Credit Facility to Pursue Growth

On March 26, 2026, Calian announced that it has exercised the accordion feature under its existing credit facility. Calian has exercised \$75 million of its accordion feature, increasing total committed capacity under its credit facility to \$275 million. The Company renewed its credit facility on September 29, 2025, for a three-year term, with total capacity of \$350 million.

Quarterly Dividend

On May 13, 2026, Calian declared a quarterly dividend of \$0.28 per share. The dividend is payable June 10, 2026, to shareholders of record as of May 27, 2026. Dividends paid by the Company are considered "eligible dividend" for tax purposes.

About Calian

www.calian.com

For over 40 years, Calian has delivered mission-critical solutions when failure is not an option. Trusted worldwide, we empower organizations in critical industries to overcome obstacles, manage risks and drive progress. By combining the expertise of our people, proven industry insight, cutting-edge technology, bold innovation, and global reach, we deliver tailored solutions that solve complex challenges. Headquartered in Ottawa, Canada, with over 6,000 people around the world, Calian's 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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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 March 31, 2026 and September 30, 2025
(Canadian dollars in thousands, except per share data)

	March 31, 2026	September 30, 2025
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 56,348	\$ 46,101
Accounts receivable	298,169	171,150
Work in process	18,381	25,028
Inventory	27,851	27,709
Prepaid expenses and other	34,841	22,977
Derivative assets	182	44
Total current assets	435,772	293,009
NON-CURRENT ASSETS		
Property, plant and equipment	45,631	45,508
Right of use assets	39,828	39,786
Prepaid expenses	7,551	6,015
Deferred tax asset	1,521	1,614
Investments	4,252	4,252
Acquired intangible assets	97,204	106,833
Goodwill	231,407	224,483
Total non-current assets	427,394	428,491
TOTAL ASSETS	\$ 863,166	\$ 721,500
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 224,057	\$ 133,096
Provisions	3,681	3,458
Unearned contract revenue	49,830	39,646
Lease obligations	6,120	5,819
Contingent earn-out	5,168	16,147
Derivative liabilities	153	53
Total current liabilities	289,009	198,219
NON-CURRENT LIABILITIES		
Debt facility	167,250	130,750
Lease obligations	37,882	37,634
Unearned contract revenue	19,730	14,704
Deferred tax liabilities	16,807	18,912
Total non-current liabilities	241,669	202,000
TOTAL LIABILITIES	530,678	400,219
SHAREHOLDERS' EQUITY		
Issued capital	229,359	220,345
Contributed surplus	6,292	7,312
Retained earnings	89,763	84,360
Accumulated other comprehensive income (loss)	7,074	9,264
TOTAL SHAREHOLDERS' EQUITY	332,488	321,281
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 863,166	\$ 721,500
Number of common shares issued and outstanding	11,490,510	11,350,168

CALIAN GROUP LTD.
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF NET PROFIT
For the three months and six months ended March 31, 2026 and 2025
(Canadian dollars in thousands, except per share data)

	Three months ended March 31, 2026	2025	Six months ended March 31, 2026	2025
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Revenue	\$	228,701	\$	193,667	\$	436,700	\$	378,714
Cost of revenues		148,364		129,025		285,461		255,271
Gross profit		80,337		64,642		151,239		123,443
Selling, general and administrative		48,533		44,477		94,351		82,582
Research and development		3,933		2,771		6,203		5,667
Share-based compensation		1,821		949		2,833		2,040
Profit before under noted items		26,050		16,445		47,852		33,154
Restructuring and other		2,043		372		2,462		1,064
Depreciation and amortization		11,136		11,474		22,141		23,014
Mergers and acquisition costs		977		2,373		1,995		4,693
Profit before interest and income tax expense		11,894		2,226		21,254		4,383
Interest expense		2,212		2,111		4,428		3,894
Income tax expense (recovery)		2,967		(180)		5,015		1,170
NET PROFIT (LOSS)	\$	6,715	\$	295	\$	11,811	\$	(681)
Net profit (loss) per share:								
Basic	\$	0.59	\$	0.03	\$	1.03	\$	(0.06)
Diluted	\$	0.58	\$	0.02	\$	1.03	\$	(0.06)

CALIAN GROUP LTD.
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three months and six months ended March 31, 2026 and 2025
(Canadian dollars in thousands)

	Three months ended		Six months ended	
	March 31,		March 31,	
	2026	2025	2026	2025
CASH FLOWS GENERATED FROM (USED IN)				
OPERATING ACTIVITIES				
Net profit (loss)	\$ 6,715	\$ 295	\$ 11,811	\$ (681)
Items not affecting cash:				
Interest expense	1,705	1,612	3,399	2,907
Changes in fair value related to contingent earn-out	—	558	100	1,116
Lease obligations interest expense	507	499	1,029	987
Income tax expense	2,967	(180)	5,015	1,170
Share based compensation expense	1,821	949	2,833	2,040
Depreciation and amortization	11,136	11,474	22,141	23,014
Deemed compensation	250	1,470	589	3,033
	25,101	16,677	46,917	33,586
Change in non-cash working capital				
Accounts receivable	(124,090)	(55,935)	(126,539)	(56,102)
Work in process	5,234	668	6,647	900
Prepaid expenses and other	(3,659)	3,884	(13,875)	1,146
Inventory	158	2,637	(142)	(3,605)
Accounts payable and accrued liabilities	91,185	48,068	90,853	47,210
Unearned contract revenue	11,339	1,092	15,210	2,386
	5,268	17,091	19,071	25,521
Interest paid	(2,212)	(2,111)	(4,428)	(3,894)
Income tax paid	(2,134)	(5,120)	(6,554)	(7,385)
	922	9,860	8,089	14,242
CASH FLOWS GENERATED FROM (USED IN)				
FINANCING ACTIVITIES				
Issuance of common shares net of costs	4,104	664	4,480	1,545
Dividends	(3,213)	(3,292)	(6,408)	(6,584)
Net draw on debt facility	2,500	5,000	36,500	31,000
Payment of lease obligations	(1,508)	(1,664)	(3,107)	(3,106)
Repurchase of common shares	—	(4,384)	—	(9,310)

	1,883	(3,676)	31,465	13,545
CASH FLOWS USED IN INVESTING ACTIVITIES				
Business acquisitions	(5,259)	(678)	(23,443)	(11,893)
Property, plant and equipment	(3,834)	(2,396)	(5,864)	(3,532)
	(9,093)	(3,074)	(29,307)	(15,425)
NET CASH INFLOW	\$ (6,288)	\$ 3,110	\$ 10,247	\$ 12,362
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	62,636	61,040	46,101	51,788
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 56,348	\$ 64,150	\$ 56,348	\$ 64,150

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 March 31,		Six months ended March 31,	
	2026	2025	2026	2025
Net profit (loss)	\$ 6,715	\$ 295	\$ 11,811	\$ (681)
Share-based compensation	1,821	949	2,833	2,040
Restructuring and other	2,043	372	2,462	1,064
Depreciation and amortization	11,136	11,474	22,141	23,014
Mergers and acquisition costs	977	2,373	1,995	4,693
Interest expense	2,212	2,111	4,428	3,894
Income tax expense	2,967	(180)	5,015	1,170
Adjusted EBITDA	\$ 27,871	\$ 17,394	\$ 50,685	\$ 35,194
Adjusted EBITDA per share - Basic	2.43	1.48	4.44	3.00
Adjusted EBITDA per share - Diluted	\$ 2.40	\$ 1.46	\$ 4.40	\$ 2.95

Adjusted Net Profit and Adjusted EPS

	Three months ended March 31,		Six months ended March 31,	
	2026	2025	2026	2025
Net profit (loss)	\$ 6,715	\$ 295	\$ 11,811	\$ (681)
Share-based compensation	1,821	949	2,833	2,040
Restructuring and other	2,043	372	2,462	1,064
Mergers and acquisition costs	977	2,373	1,995	4,693
Amortization of intangibles	6,376	7,066	12,760	14,400
	17,932	11,055	31,861	21,516
Income taxes related to above items	(2,842)	(1,913)	(5,002)	(3,966)
Adjusted net profit	15,090	9,142	26,859	17,550
Weighted average number of common shares basic	11,454,308	11,726,127	11,416,792	11,749,796
Adjusted EPS Basic	1.32	0.78	2.35	1.49
Adjusted EPS Diluted	\$ 1.30	\$ 0.77	\$ 2.33	\$ 1.47

Operating Free Cash Flow

	Three months ended	Six months ended
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	March 31,		March 31,	
	2026	2025	2026	2025
Cash flows generated from operating activities (free cash flow)	\$ 922	\$ 9,860	\$ 8,089	\$ 14,242
Adjustments:				
M&A costs included in operating activities	727	345	1,306	544
Change in non-cash working capital	19,833	(414)	27,846	8,065
Operating free cash flow	\$ 21,482	\$ 9,791	\$ 37,241	\$ 22,851
Operating free cash flow per share - basic	1.88	0.83	3.26	1.94
Operating free cash flow per share - diluted	1.85	0.82	3.23	1.92
Operating free cash flow conversion	77 %	56 %	73 %	65 %

Net Debt to Adjusted EBITDA

	March 31, 2026	March 31, 2025
Cash	\$ 56,348	\$ 64,150
Debt facility	167,250	120,750
Net debt (net cash)	110,902	56,600
Trailing twelve month adjusted EBITDA	93,910	78,846
Net debt to adjusted EBITDA	1.2	0.7

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.