May 13, 2026

Unaudited Interim Condensed Consolidated Financial Statements

For the three and six months ended March 31, 2026

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)

	NOTES	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	5	18,381	25,028
Inventory		27,851	27,709
Prepaid expenses and other		34,841	22,977
Derivative assets	17	182	44
Total current assets		435,772	293,009
NON-CURRENT ASSETS			
Property, plant and equipment	6	45,631	45,508
Right of use assets	7	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	8	97,204	106,833
Goodwill	10	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	5	49,830	39,646
Lease obligations	7	6,120	5,819
Contingent earn-out	20	5,168	16,147
Derivative liabilities	17	153	53
Total current liabilities		289,009	198,219
NON-CURRENT LIABILITIES			
Debt facility	11	167,250	130,750
Lease obligations	7	37,882	37,634
Unearned contract revenue	5	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	12	229,359	220,345
Contributed surplus		6,292	7,312
Retained earnings		89,763	84,360
Accumulated other comprehensive income		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

The accompanying notes are an integral part of the unaudited interim condensed financial statements. Refer to note 12 for events that occurred subsequent to March 31, 2026.

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

	NOTES	Three months ended March 31, 2026	Three months ended March 31, 2025	Six months ended March 31, 2026	Six months ended March 31, 2025
Revenue	14	$ 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	13	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	9	11,136	11,474	22,141	23,014
Mergers and acquisition costs	19	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	15	$ 0.59	$ 0.03	$ 1.03	$ (0.06)
Diluted	15	$ 0.58	$ 0.02	$ 1.03	$ (0.06)

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 six months ended March 31, 2026 and 2025
(Canadian dollars in thousands)

	Three months ended March 31,		Six months ended March 31,	
	2026	**2025**	**2026**	**2025**
NET PROFIT (LOSS)	$ 6,715	$ 295	$ 11,811	$ (681)
Cumulative translation adjustment	1,415	2,022	(2,266)	8,748
Change in deferred gain (loss) on derivatives designated as cash flow hedges net of tax of $(110) ($(248)) for the three months and $27 ($(596)) for the six months ended March 31, 2026 (2025).	(277)	275	76	(689)
Other comprehensive income (loss), net of tax	1,138	2,297	(2,190)	8,059
COMPREHENSIVE INCOME	**$ 7,853**	**$ 2,592**	**$ 9,621**	**$ 7,378**

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

CALIAN GROUP LTD.
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the three and six months ended March 31, 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		—	—	11,811	(2,190)	9,621
Dividend paid ($0.56 per share)		—	—	(6,408)	—	(6,408)
Shares issued under share compensation plans	12	6,976	(3,678)	—	—	3,298
Shares issued under employee share purchase plan	13	1,358	—	—	—	1,358
Share-based compensation expense	13	—	2,658	—	—	2,658
Change in obligation related to share repurchase	12	680	—	—	—	680
Balance March 31, 2026		**$ 229,359**	**$ 6,292**	**$ 89,763**	**$ 7,074**	**$ 332,488**

	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		—	—	(681)	8,059	7,378
Dividend paid ($0.56 per share)		—	—	(6,584)	—	(6,584)
Share repurchase	12	(3,808)	—	(5,502)	—	(9,310)
Shares issued under share compensation plans	12	2,987	(2,577)	—	—	410
Shares issued under employee share purchase plan	13	1,425	—	—	—	1,425
Share-based compensation expense	13	—	1,751	—	—	1,751
Change in obligation related to share repurchase	12	(4)	—	—	—	(4)
Balance March 31, 2025		**$ 226,347**	**$ 5,193**	**$ 78,501**	**$ 11,780**	**$ 321,821**

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 six months ended March 31, 2026 and 2025
(Canadian dollars in thousands)

		Three months ended March 31,		Six months ended March 31,	
	NOTES	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-	19, 20	—	558	100	1,116
Lease obligations interest expense	7	507	499	1,029	987
Income tax expense		2,967	(180)	5,015	1,170
Share-based compensation expense	13	1,821	949	2,833	2,040
Depreciation and amortization	9	11,136	11,474	22,141	23,014
Deemed compensation	18, 19, 20	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	12, 13	4,104	664	4,480	1,545
Repurchase of common shares	12	—	(4,384)	—	(9,310)
Dividends		(3,213)	(3,292)	(6,408)	(6,584)
Net draw on debt facility	11	2,500	5,000	36,500	31,000
Payment of lease obligations	7	(1,508)	(1,664)	(3,107)	(3,106)
		1,883	(3,676)	31,465	13,545
CASH FLOWS USED IN INVESTING ACTIVITIES					
Business acquisitions	18, 20	(5,259)	(678)	(23,443)	(11,893)
Property, plant and equipment	6	(3,834)	(2,396)	(5,864)	(3,532)
		(9,093)	(3,074)	(29,307)	(15,425)
NET CASH INFLOW (OUTFLOW)		$ (6,288)	$ 3,110	$ 10,247	$ 12,362
CASH AND CASH EQUIVALENTS, BEGINNING OF		62,636	61,040	46,101	51,788
CASH AND CASH EQUIVALENTS, END OF		$ 56,348	$ 64,150	$ 56,348	$ 64,150

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 May 13, 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	
	March 31, 2026	September 30, 2025
Cash	$ 55,540	$ 46,101
Restricted cash	808	—
Total cash and cash equivalents	$ 56,348	$ 46,101

5. Contract Assets and Liabilities

The following table presents net contract liabilities as at:

	Net Contract Liabilities	
	March 31, 2026	September 30, 2025
Work in process	$ 18,381	$ 25,028
Unearned contract revenue (current)	(49,830)	(39,646)
Unearned contract revenue (non-current)	(19,730)	(14,704)
Net contract liabilities	$ (51,179)	$ (29,322)

The following table presents changes in net contract liabilities for six months ended March 31, 2026, and twelve months ended September 30, 2025:

	Changes in Net Contract Liabilities	
	March 31, 2026	September 30, 2025
Opening balance, October 1	$ (29,322)	$ (35,789)
Revenue recognized for net contract liabilities	58,957	146,345
Billings	(80,814)	(139,878)
Ending balance	$ (51,179)	$ (29,322)

6. Property, Plant and Equipment

A continuity of the main components included in property, plant and equipment for the six months ended March 31, 2026 is as follows:

	Cost				Depreciation		Carrying Value	
	Cost	Additions/ Disposals	Acquisitions (Note 18)	Total	Depreciation	Accumulated Depreciation	March 31, 2026	September 30, 2025
Leasehold improvements	$ 5,256	$ 8	$ 2	$ 5,266	$ (132)	$ (3,406)	$ 1,860	$ 1,984
Land and Building	6,295	1	—	6,296	(72)	(151)	6,145	6,216
Equipment	71,706	4,222	21	75,949	(4,653)	(49,196)	26,753	26,140
Application software	16,928	141	—	17,069	(704)	(9,166)	7,903	8,382
Capitalized research and development	6,555	390	—	6,945	(58)	(4,963)	1,982	1,650
Intellectual property rights	1,482	—	—	1,482	(148)	(494)	988	1,136
Total	$ 108,222	$ 4,762	$ 23	$ 113,007	$ (5,767)	$ (67,376)	$ 45,631	$ 45,508

Additions in the table above are net of disposals in the amount of $1,009 ($16) for the six months ended March 31, 2026 (2025). The Company recognized foreign exchange of $373 ($29) in the cost and $(197) ($(26)) in the depreciation of property, plant and equipment in the three months ended March 31, 2026 (2025). The Company recognized foreign exchange of $(12) ($2,307) in the cost and $5 ($(659)) in the depreciation of equipment in the six months ended March 31, 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 Six months ended	
	March 31, 2026	March 31, 2025
Balance at October 1	$ 39,786	$ 36,383
Additions	3,478	6,827
Disposals and foreign exchange adjustments	(26)	1,653
Depreciation	(3,614)	(3,307)
Acquisitions (Note 18)	204	—
	$ 39,828	$ 41,556

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 Six months ended	
	March 31, 2026	March 31, 2025
Balance at October 1	$ 43,453	$ 39,443
Additions	3,478	6,777
Disposals and foreign exchange adjustments	(26)	1,703
Principal and interest payments	(4,136)	(4,093)
Lease interest expense	1,029	987
Acquisitions (Note 18)	204	—
	$ 44,002	$ 44,817
Current	$ 6,120	$ 6,103
Non-current	37,882	38,714
Total	$ 44,002	$ 44,817

The following table presents the contractual undiscounted cash flows for lease obligations as at March 31, 2026:

	Total Undiscounted Lease Obligations
Less than one year	$ 7,747
One to five years	25,549
More than five years	25,747
Total undiscounted lease obligations	$ 59,043

Total cash outflow for leases in the three months ended March 31, 2026 (2025) is $2,015 ($2,163), including principal payments relating to lease obligations of $1,508 ($1,664), interest expense on lease obligations is $507 ($499). Total cash outflow for leases in the six months ended March 31, 2026 (2025) is $4,136 ($4,093) , including principal payments relating to lease obligations of $3,107 ($3,106), interest expense on lease obligations is $1,029 ($987). Expenses relating to short-term leases recognized in general and administration expenses was $26 ($38) for the three months ended March 31, 2026 (2025) and $64 ($78) for six months ended March 31, 2026 (2025).

8. Acquired Intangible Assets

A continuity of the acquired intangible assets for the six months ended March 31, 2026 is as follows:

	March 31, 2026				
	Opening Balance	Additions (Note 18)	Amortization	Foreign Exchange Revaluation	Closing Balance
Customer relationships	$ 102,128	$ 4,942	$ (11,726)	$ (1,811)	$ 93,533
Discrete contracts with customers & non-competition agreements	71	—	(38)	—	33
Technology and trademarks	4,634	—	(996)	—	3,638
	$ 106,833	$ 4,942	$ (12,760)	$ (1,811)	$ 97,204

In the six months ended March 31, 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 six months ended March 31, 2026 (2025):

		Three months ended		Six months ended	
	NOTES	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Depreciation of property, plant and equipment	6	$ 3,003	2,718	$ 5,767	$ 5,307
Depreciation of right of use assets	7	1,757	1,690	3,614	3,307
Amortization of acquired intangible assets	8	6,376	7,066	12,760	14,400
		$ 11,136	11,474	$ 22,141	$ 23,014

10. Goodwill

The following table presents the goodwill for the Company for the six months ended March 31, 2026:

		March 31, 2026
Opening balance, October 1	$	224,483
Additions:		
Acquisition of InField Scientific Inc. (Note 18)		6,852
Adjustments:		
Foreign Exchange		72
	$	231,407

In the six months ended March 31, 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 six months ended March 31, 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 March 31, 2026 (September 30, 2025), the Company utilized $167,250 ($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 March 31, 2026 the Company is in compliance with all applicable covenants under the debt facility.

Changes in debt for the three and six months ended March 31, 2026 (2025) were as follows:

	Three months ended				Six months ended			
		March 31, 2026		March 31, 2025		March 31, 2026		March 31, 2025
Opening Balance	$	164,750	$	115,750	$	130,750	$	89,750
Draws		36,000		37,000		112,000		73,000
Repayments		(33,500)		(32,000)		(75,500)		(42,000)
Balance March 31	$	167,250	$	120,750	$	167,250	$	120,750

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 March 31, 2026.

Common shares issued and outstanding:

	March 31, 2026			March 31, 2025		
	Shares		Amount	Shares		Amount
Balance October 1	11,350,168	$	220,345	11,802,364	$	225,747
Shares issued under share compensation plans	116,224		6,976	53,733		2,987
Shares issued under employee share purchase plan	24,118		1,358	29,429		1,425
Shares repurchased	—		—	(195,250)		(3,808)
Change in obligation related to share repurchase	—		680	—		(4)
Issued capital	11,490,510	$	229,359	11,690,276	$	226,347

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 six months ended March 31, 2026 (2025), the Company repurchased and cancelled nil (195,250) common shares for total cash consideration of nil ($9,310) at an average purchase price per share of nil ($47.67).

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 March 31, 2026 (September 30, 2025), an obligation for the repurchase of shares of $2,040 ($2,720) was recognized as an accrued liability.

Subsequent to the date of the statement of financial position, on May 13, 2026, the Company declared a dividend of $0.28 per common share payable on June 10, 2026 payable to shareholders on record as at May 27, 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 March 31, 2026 (2025), the Company can issue 236,517 (286,057) shares.

During the three months ended March 31, 2026 (2025) under the 2020 Employee Share Purchase Plan, the Company issued 13,183 (15,782) shares at an average price of $61.66 ($48.89). The Company received $439 ($459) in proceeds and recorded an expense of $109 ($115). During the six months ended March 31, 2026 (2025) under the 2020 Employee Share Purchase Plan, the Company issued 24,118 (29,429) shares at an average price of $56.30 ($48.42). The Company received $1,116 ($1,154) in proceeds and recorded an expense of $278 ($288).

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% (804,336) 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 March 31, 2026 (2025), the Company has 405,945 (516,902) stock options and restricted share units ("RSUs") outstanding. As a result, the Company could grant up to 398,391 (301,417) additional stock options or RSUs pursuant to the plan.

The weighted average fair value of options granted during the six months ended March 31, 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 six months ended March 31, 2026 (2025):

	Weighted Average Options Granted			
	March 31, 2026		March 31, 2025	
Grant date share price	$	48.61	$	48.76
Exercise price	$	48.61	$	48.76
Expected price volatility	%	30.44	%	27.4
Expected option life	yrs	3.61	yrs	3.54
Expected dividend yield	%	2.30	%	2.30
Risk-free interest rate	%	2.40	%	3.22
Forfeiture rate	%	—	%	—

The following table summarizes information about the options for the six months ended March 31, 2026 (2025):

	March 31, 2026			March 31, 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	(59,900)		55.07	(11,000)		36.49
Forfeited	(10,680)		56.79	—		—
Expired	(21,222)		61.16	—		—
Granted	43,924		48.61	51,241		48.76
Outstanding March 31	116,613	$	51.41	260,651	$	56.95

The following options are outstanding at March 31, 2026:

Option issuance:	Number of Options	Grant date	Expiry date	Exercise price		Fair value at grant date	
(1) Issued November 24, 2021	10,755	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	9,249	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	18,676	November 27, 2023	November 27, 2028	$	52.26	$	11.05
(6) Issued November 25, 2024	30,853	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 March 31, 2026 (2025) the weighted average remaining contractual life of options outstanding is 3.39 (2.01) years of which 56,308 (204,211) options are exercisable at a weighted average price of $54.34 ($59.13). The Company has recorded $99 ($106) of share-based compensation expense in the three months ended and $209 ($181) in the six months ended March 31, 2026 (2025). At March 31, 2026 (2025) the Company has total unrecognized compensation expense of $341 ($361) 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 six months ended March 31, 2026 (2025):

	March 31, 2026			March 31, 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	(56,324)		53.58	(42,733)		58.98
Forfeited	(8,515)		50.62	(3,539)		56.03
Expired	(129,582)		50.81	—		—
Granted	234,812		51.16	112,562		41.82
Outstanding March 31	289,332	$	51.19	256,251	$	51.44

Of the units issued in the six months ended March 31, 2026 under the RSU plan, 457 units have vested as of March 31, 2026. The Company has recorded $1,613 ($728) of share-based compensation expense in the three months ended and $2,346 ($1,571) in the six months ended March 31, 2026 (2025) related to the RSUs that have been granted. At March 31, 2026 (2025) the Company has total unrecognized compensation expense of $8,536 ($3,762) 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	10,227	March 15, 2024	November 15, 2026	$ 59.00
(3) Issued May 14, 2024	RSU	517	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	37,743	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	1,046	May 13, 2025	May 13, 2027	$ 50.40
(8) Issued August 12, 2025	RSU	500	August 12, 2025	August 12, 2028	$ 50.51
(9) Issued November 25, 2025	RSU	80,887	November 25, 2025	November 25, 2028	$ 46.47
	PSU	43,528	November 25, 2025	November 25, 2028	$ 45.68
(10) Issued December 16, 2025	RSU	102,351	December 16, 2025	December 16, 2030	$ 56.74
(11) Issued February 11, 2026	RSU	4,082	February 11, 2026	February 11, 2031	$ 67.32

Deferred Share Unit Plan

At March 31, 2026 (2025) the Company has nil (20,993) Deferred Share Units ("DSU") outstanding, of which nil (20,993) have vested. The Company recorded a general and administrative expense of $115 ($83) related to the DSUs in the three months and $355 ($36) in the six months ended March 31, 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 six months ended March 31, 2026 and 2025:

	Three months ended				Six months ended			
	March 31, 2026		March 31, 2025[1]		March 31, 2026		March 31, 2025[2]	
Product revenue								
Defence and Space	$	53,483	$	41,136	$	88,253	$	76,063
Essential Industries		17,609		10,693		30,099		18,577
Total product revenue	$	71,092	$	51,829	$	118,352	$	94,640
Service revenue								
Defence and Space	$	102,901	$	94,802	$	206,725	$	186,406
Essential Industries		54,708		47,036		111,623		97,668
Total service revenue	$	157,609	$	141,838	$	318,348	$	284,074
Total revenue	$	228,701	$	193,667	$	436,700	$	378,714

[1] For the three months ended March 31, 2025, $7,530 was reclassified between product revenue and service revenue to conform to current period presentation.
[2] For the six months ended March 31, 2025, $14,869 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 March 31, 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:

	March 31, 2026	
Less than 24 months	$	764,287
Thereafter		546,048
Total	$	1,310,335

15. Net Profit per Share

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

	Three months ended March 31,		Six months ended March 31,	
	2026	2025	2026	2025
Weighted average number of common shares – basic	11,454,308	11,726,127	11,416,792	11,749,796
Additions to reflect the dilutive effect of employee stock options and RSUs	174,094	169,391	97,187	166,553
Weighted average number of common shares – diluted	11,628,402	11,895,518	11,513,979	11,916,349

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 March 31, 2026 (2025), nil (260,651) options and nil (10,183) RSUs were excluded from the above computation. For the six months ended March 31, 2026 (2025), nil (260,651) options and 33,997 (78,642) 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 March 31, 2026:

For the three months ended March 31, 2026	Defence & Space	Essential Industries	Shared Services	Total
Revenue	$ 156,384	$ 72,317	$ —	$ 228,701
Cost of revenues	98,647	49,717	—	148,364
Operating costs	19,781	18,566	14,119	52,466
Adjusted EBITDA	$ 37,956	$ 4,034	$ (14,119)	$ 27,871
Share-based compensation				1,821
Restructuring and other				2,043
Depreciation and amortization				11,136
Mergers and acquisitions costs				977
Profit before interest and income tax expense				11,894
Interest expense				2,212
Income tax expense				2,967
NET PROFIT FOR THE PERIOD				$ 6,715

For the three months ended March 31, 2025:

For the three months ended March 31, 2025	Defence & Space	Essential Industries	Shared Services	Total
Revenue	$ 135,938	$ 57,729	$ —	$ 193,667
Cost of revenues	92,302	36,723	—	129,025
Operating costs	15,886	19,480	11,882	47,248
Adjusted EBITDA	$ 27,750	$ 1,526	$ (11,882)	$ 17,394
Share-based compensation				949
Restructuring and other				372
Depreciation and amortization				11,474
Mergers and acquisitions costs				2,373
Profit before interest and income tax expense				2,226
Interest expense				2,111
Income tax expense (recovery)				(180)
NET PROFIT (LOSS) FOR THE PERIOD				$ 295

16. Segmented Information (continued)

For the six months ended March 31, 2026:

For the six months ended March 31, 2026	Defence & Space	Essential Industries	Shared Services	Total
Revenue	$ 294,978	$ 141,722	$ —	$ 436,700
Cost of revenues	189,814	95,647	—	285,461
Operating costs	35,000	37,739	27,815	100,554
Adjusted EBITDA	$ 70,164	$ 8,336	$ (27,815)	$ 50,685
Share-based compensation				2,833
Restructuring and other				2,462
Depreciation and amortization				22,141
Mergers and acquisitions costs				1,995
Profit before interest and income tax expense				21,254
Interest expense				4,428
Income tax expense				5,015
NET PROFIT FOR THE PERIOD				$ 11,811

For the six months ended March 31, 2025:

For the six months ended March 31, 2025	Defence & Space	Essential Industries	Shared Services	Total
Revenue	$ 262,469	$ 116,245	$ —	$ 378,714
Cost of revenues	179,039	76,232	—	255,271
Operating costs	31,096	35,114	22,039	88,249
Adjusted EBITDA	$ 52,334	$ 4,899	$ (22,039)	$ 35,194
Share-based compensation				2,040
Restructuring and other				1,064
Depreciation and amortization				23,014
Mergers and acquisitions costs				4,693
Profit before interest and income tax expense				4,383
Interest expense				3,894
Income tax expense				1,170
NET PROFIT (LOSS) FOR THE PERIOD				$ (681)

The Company operates in Canada but provides services to customers in various countries. Revenues from external customers for the six months ended March 31, 2026 (2025) are attributed as follows:

	March 31, 2026	March 31, 2025
Canada	64 %	58 %
United States	20 %	24 %
Europe	14 %	16 %
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 43% (39%) of the Company’s total revenues for the six months ended March 31, 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 March 31, 2026, the Company had the following forward foreign exchange contracts:

Type	Notional	Currency	Maturity	Equivalent Cdn. Dollars	Fair Value March 31, 2026
BUY	$ 52,501	USD	April 2026	$ 72,936	$ 168
BUY	1,611	EURO	April 2026	2,590	14
Derivative assets					$ 182
SELL	$ 42,928	USD	April 2026	$ 59,637	$ (136)
SELL	2,020	EURO	April 2026	3,248	(17)
Derivative liabilities					$ (153)

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 March 31, 2026 (2025), 34% (29%) 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 March 31, 2026 (2025) is $156 ($nil). Bad debt expense recognized in the six months ended March 31, 2026 (2025) is $156 ($nil).

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:

	March 31, 2026		September 30, 2025	
Cash and cash equivalents	$	56,348	$	46,101
Accounts receivable		298,169		171,150
Derivative assets		182		44
Total	$	354,699	$	217,295

The aging of accounts receivable at the reporting date was:

	March 31, 2026		September 30, 2025	
Current	$	283,278	$	155,885
Past due (61-120 days)		10,502		9,910
Past due (> 120 days)		4,389		5,355
Total	$	298,169	$	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 March 31, 2026, the Company had $56,348 cash and cash equivalents and $167,250 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 March 31, 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.

	March 31, 2026		
	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 56,348	$ —	$ —
Investments	—	—	4,252
Derivative assets	—	182	—
Debt facility	—	(167,250)	—
Contingent earn-out	—	—	(5,168)
Derivative liabilities	—	(153)	—
Total	$ 56,348	$ (167,221)	$ (916)

	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 six months ended March 31, 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 six months ended March 31, 2026.

The Company recognized $100 in the six months ended March 31, 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. 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 remaining $1,200 is payable contingently if specified EBITDA targets are met. Management has assessed the likelihood of achievement and recorded no liability and has excluded it from the purchase price. 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 $536 in the six months ended March 31, 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 six months ended March 31, 2026:

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

19. Mergers and Acquisition Costs

The following table presents the mergers and acquisition costs for the Company for the three and six months ended March 31, 2026 (2025):

		Three months ended				Six months ended			
	NOTES		March 31, 2026		March 31, 2025		March 31, 2026		March 31, 2025
Deemed compensation	18	$	250	$	1,470	$	589	$	3,033
Changes in fair value related to contingent earn-out	18		—		558		100		1,116
Other acquisition related costs			727		345		1,306		544
		$	977	$	2,373	$	1,995	$	4,693

20. Contingent Earn-Out

The following shows the contingent consideration activity for the six month period ended March 31, 2026:

	Balance October 1, 2025	Acquisition	Payments	Change in Fair Value	Adjustments	Balance March 31, 2026
Contingent earn-out	$ 16,147	$ —	$ (11,668)	$ 100	$ 589	$ 5,168

As at March 31, 2026, the total gross value of all contingent consideration outstanding is $6,832. 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 six months ended March 31, 2026, an earn-out payment of $6,668 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. In the six months ended March 31, 2026, an earn-out payment of $5,000 was paid to AMS for the attainment of EBITDA.

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