

# NEWS RELEASE

## MDA REPORTS FOURTH QUARTER AND FISCAL 2023 RESULTS

- *Solid Q4 2023 performance with revenues of \$205.0 million, up 10% YoY, adjusted EBITDA of \$42.1 million, up 6% YoY, and adjusted EBITDA margin of 20.5%*
- *Full year 2023 highlights*
  - *Strong top line growth with revenues of \$807.6 million, up 26% YoY*
  - *Solid profitability with adjusted EBITDA of \$174.2 million, up 24% YoY<sup>(1)</sup>*
  - *Robust adjusted EBITDA margin of 21.6%*
  - *Strong business activity with order bookings of \$2.5 billion and backlog growing to a record \$3.1 billion at year-end, up 125% YoY*
- *Introduction of 2024 financial outlook with strong growth expected to continue*

**Brampton, Ontario** (February 28, 2024) -- MDA Ltd. (TSX: MDA), a trusted space mission partner to the rapidly expanding global space industry, today announced financial results for the fourth quarter and year ended December 31, 2023.

“In 2023, the MDA team delivered another year of strong growth and execution with revenues up 26% and adjusted EBITDA up 24% on a year over year basis, further solidifying our position as a trusted mission partner and leader in the expanding space industry,” said Mike Greenley, Chief Executive Officer of MDA. “We secured a number of strategic contracts including the Telesat Lightspeed LEO constellation award, valued at \$2.1 billion and a \$180 million authorization to proceed contract to initiate work on a new Non-Geostationary Orbit satellite constellation, with the full contract expected to be awarded this year. With these awards MDA has now secured three constellation contracts in the past two years, highlighting the strong momentum we are seeing in our Satellite Systems business driven by customer demand for communication satellite constellations.”

“Our teams also continued to advance work on the Canadarm3 program with the first elements of the external robotic interfaces going into production in 2023, a major milestone for the program. On CHORUS, our next generation Earth observation constellation, the team made significant development progress and has started sub-system building and assembly as we prepare for the mission launch in late 2025. These accomplishments reflect tangible progress against our strategic growth plan and position us well for the coming years.”

“I am also pleased with our fourth quarter performance which demonstrated solid revenue growth and profitability as our teams remain focused on execution and delivering on our customer commitments. With a strong book of business and robust opportunity funnel, MDA is well positioned to meet growing customer demand across our end markets.”

### FULL YEAR 2023 HIGHLIGHTS

- Order bookings for the full year totalled \$2.5 billion, largely driven by awards in our Satellite Systems business. Backlog of \$3.1 billion as of December 31, 2023 was at a record level for the Company and represents a 125% increase compared to December 31, 2022.
- Full year revenues of \$807.6 million were up 26.0% year over year driven by execution on our backlog, with strong contributions from our Satellite Systems and Robotics & Space Operations businesses.

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<sup>(1)</sup> Adjusted EBITDA of \$174.2 million in 2023 up 24% year over year compared to adjusted EBITDA of \$141.1 million in 2022; 2022 adjusted EBITDA metric excludes \$16.8 million in historical investment tax credit (ITC) settlement income recognized in 2022

- Full year adjusted EBITDA of \$174.2 million was up 10.3% year over year driven by higher volumes across our businesses. Adjusted EBITDA margin was 21.6% for the full year.
  - Excluding the impact of the historical investment tax credits (ITC) settlement income recognized in 2022, adjusted EBITDA was \$141.1 million in 2022, compared to \$174.2 million in 2023, representing an increase of 23.5% year over year. Adjusted EBITDA margin excluding the aforementioned item was 21.6% in 2023, in line with the 22.0% margin level reported in 2022.
- Full year adjusted net income of \$97.9 million was up 24.1% year over year driven by higher operating income and lower finance costs. Adjusted diluted earnings per share of \$0.81 in 2023 were up 26.6% year over year.
- Operating cash flow of \$13.5 million in 2023 compared to \$57.0 million in the prior year. Operating cash flow in 2023 included a total of \$59.4 million in working capital outlays related to pre-payments made in 2023 for future inventory, and vendor deposits for the CHORUS constellation launch.
- The Company continued to invest in a number of strategic initiatives that align with its long-term plan and are instrumental in driving future growth including developing CHORUS, investing in new satellite manufacturing capabilities and facilities, and developing commercial products of Canadarm3 technology. In 2023, MDA's capital expenditures totalled \$193.2 million compared to \$180.1 million in the prior year.
- MDA acquired SatixFy Space Systems UK Ltd., the digital payload division of SatixFy Communications Ltd. The transaction, valued at US\$40 million, will help further strengthen the Company's global leadership position in the growing market for digital satellite communications solutions.
- Net debt to adjusted EBITDA ratio stood at 2.4x as of December 31, 2023. The increase in leverage reflects the aforementioned Company investments in strategic growth initiatives.
- MDA announced plans to more than double its UK workforce and operational footprint in 2024 in an effort to expand its talent base and operational capacity across the UK as the global space economy continues to grow.
- The Company added 890 new staff in 2023 as part of its focus on talent and recruitment to support current and future growth.

#### **FOURTH QUARTER 2023 HIGHLIGHTS**

- Revenues of \$205.0 million in Q4 2023 were up 10.2% year over year driven by strong contributions from Robotics & Space Operations and Satellite Systems businesses.
- Adjusted EBITDA of \$42.1 million in Q4 2023 was up 5.5% year over year driven by higher volumes of work as we execute on our backlog. Adjusted EBITDA margin of 20.5% in Q4 2023 was in line with the 21.4% margin level achieved in Q4 2022.
- Adjusted net income of \$27.8 million in Q4 2023 was up 24.7% year over year driven by lower income tax expense and finance costs. Adjusted diluted earnings per share were \$0.23 in the latest quarter compared to \$0.18 in Q4 2022.
- Operating cash flow was a use of \$41.2 million in Q4 2023 compared with an inflow of \$40.3 million in Q4 2022. Operating cash flow in the latest quarter was impacted by higher working capital requirements including \$28.9 million related to the aforementioned vendor deposits for the CHORUS constellation launch.

## 2024 FINANCIAL OUTLOOK

As a trusted mission partner and leading global space technology provider, we are leveraging our capabilities and expertise to execute on targeted growth strategies across our end markets and business areas. Our strategic initiatives, which span across our three businesses, include investing in next generation space technology and services, expanding our presence in high growth markets and geographies, and scaling and expanding skills, talent and operations to meet current and future market demand. We continue to make good progress against our long term strategic plan.

MDA is well positioned to capitalize on strong customer demand and robust market activity given our diverse and proven technology offerings. Our growth pipeline is significant and underpinned by existing and new programs and our book of business is healthy. We see activities ramping up in line with our expectations, and are encouraged by the team's solid execution.

For fiscal 2024, we expect full year revenues to be \$950 – \$1,050 million, representing robust growth of approximately 25% at the mid-point of guidance compared to 2023 levels. We expect revenue growth to accelerate in the second half of 2024 as we ramp up work volume on a number of programs. We expect full year adjusted EBITDA to be \$190 – \$210 million, representing approximately 19% – 20% adjusted EBITDA margin. We expect capital expenditures to be \$210 – \$230 million in 2024, comprising primarily of growth investments to support CHORUS and the previously outlined growth initiatives across our business areas.

For Q1 2024, we expect revenues to be \$205 – \$215 million as we continue to execute on our backlog.

## FINANCIAL OVERVIEW

### KEY INDICATORS SUMMARY

<i>(in millions of Canadian dollars, except per share data)</i>	Fourth Quarters Ended		Years Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Revenues	\$ 205.0	\$ 186.1	\$ 807.6	\$ 641.2
Gross profit	57.8	58.9	244.0	228.4
Gross margin	28.2%	31.6%	30.2%	35.6%
Adjusted EBITDA	42.1	39.9	174.2	157.9
Adjusted EBITDA margin	20.5%	21.4%	21.6%	24.6%
Adjusted Net Income	27.8	22.3	97.9	78.9
Adjusted Diluted EPS	0.23	0.18	0.81	0.64

<i>(in millions of Canadian dollars, except for ratios)</i>	As at	
	December 31, 2023	December 31, 2022
Backlog	\$ 3,097.0	\$ 1,378.2
Net debt to Adjusted TTM <sup>(1)</sup> EBITDA ratio	2.4x	1.3x

<sup>(1)</sup> TTM: trailing twelve months

## REVENUES BY BUSINESS AREA

<i>(in millions of Canadian dollars)</i>	Fourth Quarters Ended		Years Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Geointelligence	\$ 49.9	\$ 53.9	\$ 197.5	\$ 195.3
Robotics & Space Operations	64.9	47.9	248.4	193.7
Satellite Systems	90.2	84.3	361.7	252.2
Consolidated revenues	\$ 205.0	\$ 186.1	\$ 807.6	\$ 641.2

### Revenues

Consolidated revenues for the fourth quarter of 2023 were \$205.0 million, representing an increase of \$18.9 million (or 10.2%) from the fourth quarter of 2022. The year over year increase in revenues was primarily driven by strong contributions from our Robotics and Space Operations and Satellite Systems businesses.

By business area, revenues in Geointelligence for the fourth quarter of 2023 were \$49.9 million, which represents a decrease of \$4.0 million (or 7.4%) from the same period in 2022 due to timing of programs. Revenues in Robotics & Space Operations for the fourth quarter of 2023 were \$64.9 million, which represents an increase of \$17.0 million (or 35.5%) from the same period in 2022. This year over year increase is primarily driven by the higher volume of work performed on the Canadarm3 program. Revenues in Satellite Systems for the fourth quarter of 2023 were \$90.2 million, which represents an increase of \$5.9 million (or 7.0%) from the same period in 2022 driven by slightly higher work volume on the Globalstar program and the initial ramp of the Lightspeed program which was awarded in Q3 2023.

Consolidated revenues for the year ended December 31, 2023 were \$807.6 million, which were \$166.4 million (or 26.0%) higher than the same period in 2022. The year over year increase in revenues was primarily driven by strong contributions from our Satellite Systems and Robotics & Space Operations businesses.

By business area, revenues in Geointelligence for the year ended December 31, 2023 were \$197.5 million, which represents an increase of \$2.2 million (or 1.1%) from the same period in 2022 reflecting relatively steady volume of work. Revenues in Robotics & Space Operations for the year ended December 31, 2023 were \$248.4 million, which represents an increase of \$54.7 million (or 28.2%) from the same period in 2022. The year over year revenue increase is primarily driven by the higher volume of work performed on the Canadarm3 program. Revenues in Satellite Systems for the year ended December 31, 2023 were \$361.7 million, which represents an increase of \$109.5 million (or 43.4%) from the same period in 2022 driven by higher volumes related to satellite constellation work including the Globalstar program which commenced in Q1 2022 and additional awards to support US Department of Defense constellations.

### Gross Profit and Gross Margin

Gross profit reflects our revenues less cost of revenues. Q4 2023 gross profit of \$57.8 million represents a \$1.1 million (or 1.9%) decrease over Q4 2022 driven by program mix and higher depreciation expense as new assets come into service, offset by higher work volumes. Gross margin in Q4 2023 was 28.2%, which is in line with our expectations and compares to a gross margin of 31.6% in Q4 2022.

For the year ended December 31, 2023, gross profit of \$244.0 million represents a \$15.6 million (or 6.8%) increase over 2022 driven by higher volume of work performed year over year, partially offset by \$16.8 million of higher ITCs recorded in Q1 2022 related to the resolution of historical claims. Gross margin for the year ended December 31, 2023 was 30.2%, which is in line with our expectations driven

by an evolving program mix and higher depreciation expense. Comparatively, gross margin in 2022 was 33.0% excluding the aforementioned impact of the historical ITC claims recognized in Q1 2022.

### Adjusted EBITDA and Adjusted EBITDA Margin

Adjusted EBITDA for the fourth quarter of 2023 was \$42.1 million compared with \$39.9 million for the fourth quarter of 2022, representing an increase of \$2.2 million (or 5.5%) year over year driven by higher work volume as we continue to execute on our backlog. Adjusted EBITDA margin was 20.5% for the fourth quarter of 2023, in line with the 21.4% adjusted EBITDA margin reported for the fourth quarter of 2022.

Adjusted EBITDA for the year ended December 31, 2023 was \$174.2 million compared with \$157.9 million for the same period in 2022, representing an increase of \$16.3 million (or 10.3%) year over year. Adjusted EBITDA for the year ended December 31, 2022 included \$16.8 million of income from the aforementioned resolution of historical ITC claims. When excluding the impact of the \$16.8 million related to historical ITC claims, Adjusted EBITDA increased \$33.1 million (or 23.5%) year over year. The improvement was driven by higher volumes of work performed year over year. Adjusted EBITDA margin was 21.6% for the year ended December 31, 2023 compared with 22.0% in 2022, excluding the previously noted historical ITC claims resolution.

Adjusted EBITDA, excluding historical ITCs claims resolution, is summarized below.

<i>(in millions of Canadian dollars)</i>	Fourth Quarters Ended		Years Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Adjusted EBITDA	\$ 42.1	\$ 39.9	\$ 174.2	\$ 157.9
ITCs claims resolution	—	—	—	(16.8)
Adjusted EBITDA, excluding ITCs claims resolution	\$ 42.1	\$ 39.9	\$ 174.2	\$ 141.1
Adjusted EBITDA margin, excluding ITCs claims resolution	20.5%	21.4%	21.6%	22.0%

### Adjusted Net Income

Adjusted net income for the fourth quarter of 2023 was \$27.8 million compared with \$22.3 million for the fourth quarter of 2022, representing an increase of \$5.5 million (or 24.7%) year over year driven by lower income tax expense and finance costs in Q4 2023. Adjusted net income for the year ended December 31, 2023 was \$97.9 million compared with \$78.9 million for the year ended December 31, 2022, representing an increase of \$19.0 million (or 24.1%) year over year. The increase for the full year period is driven by higher operating income and lower finance costs.

### Backlog

Backlog as at December 31, 2023 was \$3,097.0 million, an increase of \$1,718.8 million compared with the backlog at December 31, 2022 driven by new order bookings including the Telesat Lightspeed LEO constellation awarded in Q3 2023, partially offset by continued conversion of our backlog into revenue.

The following table shows the build up of backlog for Q4 and the year ended December 31, 2023 as compared with the same periods in 2022.

<i>(in millions of Canadian dollars)</i>	Fourth Quarters Ended		Years Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Opening Backlog	\$ 3,068.7	\$ 1,405.1	\$ 1,378.2	\$ 864.3
Less: Revenue recognized	(205.0)	(186.1)	(807.6)	(641.2)
Add: Order Bookings	233.3	159.2	2,526.4	1,155.1
Ending Backlog	\$ 3,097.0	\$ 1,378.2	\$ 3,097.0	\$ 1,378.2

## CONFERENCE CALL AND WEBCAST

MDA will host a conference call and webcast to discuss these financial results on Wednesday, February 28 at 8:30 am ET. Interested parties can join the call by dialing 416-764-8609 (Toronto area) or 1-888-390-0605 (toll-free North America) or 080-0652-2435 (toll-free international) and entering the conference ID **26825361**. A live webcast of the conference call and an accompanying slide presentation will be available at <https://mda-en.investorroom.com/events-presentations>.

A replay of the conference will be archived on the MDA website following the call. Parties may also access a recording of the call which will be available until March 6, 2024, by dialing 1-888-390-0541 and entering the passcode 825361#.

## NON-IFRS FINANCIAL MEASURES

This press release refers to certain non-IFRS measures. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management's perspective. Accordingly, the measures should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. We use non-IFRS measures, including EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net Income, Adjusted Earnings per Share, Order Bookings and Net Debt, to provide investors with supplemental measures of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS measures. We define EBITDA as net income (loss) before: i) depreciation and amortization expenses, ii) provision for (recovery of) income taxes, and iii) finance costs. Adjusted EBITDA is calculated by adding to and deducting from EBITDA, as applicable, certain expenses, costs, charges or benefits incurred in such period which in management's view are either not indicative of underlying business performance or impact the ability to assess the operating performance of our business, including i) unrealized foreign exchange gain or loss ii) unrealized gain or loss on financial instruments and iii) share-based compensation expenses, and iv) other items that may arise from time to time. Adjusted EBITDA margin represents Adjusted EBITDA divided by revenue. Order Bookings is the dollar sum of contract values of firm customer contracts. Adjusted Net Income is calculated by adding to and deducting from net income, as applicable, certain expenses, costs, charges or benefits incurred in such period which in management's view are either not indicative of underlying business performance or impact the ability to assess the operating performance of our business, including i) amortization of intangible assets related to business combinations, ii) unrealized foreign exchange gain or loss, iii) unrealized gain or loss on financial instruments, and iv) share-based compensation expenses, and iv) other items that may arise from time to time. Adjusted Earnings per Share represents Adjusted Net Income divided by

the weighted average number of shares outstanding. Order Bookings is indicative of firm future revenues; however, it does not provide a guarantee of future net income and provides no information about the timing of future revenue. Net Debt is the total carrying amount of long-term debt including current portions, as presented in the 2023 Audited Financial Statements, less cash (or plus bank indebtedness) and excluding any lease liabilities. Net Debt is a liquidity metric used to determine how well the Company can pay all of its debts if they were due immediately.

## **FORWARD-LOOKING STATEMENTS**

This press release may contain forward-looking information within the meaning of applicable securities legislation, which reflects the Company's current expectations regarding future events. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond the Company's control, which could cause actual results and events to differ materially from those that are disclosed in or implied by such forward-looking information. Such risks and uncertainties include, but are not limited to the factors discussed under "Risk Factors" in the Company's Annual Information Form (AIF) dated February 28, 2024 and available on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com). MDA does not undertake any obligation to update such forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable law.

## **ABOUT MDA**

Serving the world from its Canadian home and global offices, MDA (TSX: MDA) is an international space mission partner and a robotics, satellite systems and geointelligence pioneer with a 50-year story of firsts on and above the Earth. With over 3,000 staff across Canada, the US and the UK, MDA is a leading partner in the pursuit of viable Moon colonies, enhanced Earth observation, communication in a hyper-connected world, and more. MDA has a track record of making space ambitions come true, and enables highly skilled people to continually push boundaries, tackle big challenges, and imagine solutions that inspire and endure to change the world for the better, on the ground and in the stars. For more information about the Company, please visit [www.mda.space](http://www.mda.space).

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**MDA Ltd.**

Consolidated Statement of Comprehensive Income

For the years ended December 31, 2023 and 2022

(in millions of Canadian dollars except per share figures)

<b>Year ended December 31</b>	<b>2023</b>	<b>2022</b>
Revenue	\$ 807.6	\$ 641.2
<b>Cost of revenue</b>		
Materials, labour and subcontractors	(532.0)	(389.1)
Depreciation and amortization of assets	(31.6)	(23.7)
<b>Gross profit</b>	<b>244.0</b>	<b>228.4</b>
<b>Operating expenses</b>		
Selling, general and administration	(70.7)	(60.0)
Research and development, net	(39.3)	(32.8)
Amortization of intangible assets	(46.5)	(52.5)
Share-based compensation	(10.0)	(8.5)
<b>Operating income</b>	<b>77.5</b>	<b>74.6</b>
<b>Other income (expenses)</b>		
Unrealized loss on financial instruments	(0.8)	(9.9)
Foreign exchange gain (loss)	(2.8)	3.7
Finance income	2.0	0.4
Finance costs	(8.6)	(34.6)
<b>Income before taxes</b>	<b>67.3</b>	<b>34.2</b>
Income tax recovery (expense)	(18.5)	(7.9)
<b>Net income</b>	<b>48.8</b>	<b>26.3</b>
<b>Other comprehensive income (loss)</b>		
Gain (loss) on translation of foreign operations	(0.2)	0.5
Gain (loss) on cash flow hedges	(2.5)	1.4
Remeasurement gain (loss) on defined benefit plans	7.2	3.7
<b>Total comprehensive income</b>	<b>\$ 53.3</b>	<b>\$ 31.9</b>
<b>Earnings per share:</b>		
Basic	\$ 0.41	\$ 0.22
Diluted	0.40	0.21
<b>Weighted-average common shares outstanding:</b>		
Basic	119,253,279	119,011,468
Diluted	121,176,848	122,451,142



**MDA Ltd.**

## Consolidated Statement of Financial Position

December 31, 2023 and 2022

(in millions of Canadian dollars)

<b>As at December 31</b>	<b>2023</b>	<b>2022</b>
<b>Assets</b>		
Current assets:		
Cash	\$ 22.5	\$ 39.3
Trade and other receivables	169.5	155.5
Unbilled receivables	183.1	121.0
Inventories	9.9	7.5
Income taxes receivable	47.3	35.1
Other current assets	24.3	19.8
	<b>456.6</b>	<b>378.2</b>
Non-current assets:		
Property, plant and equipment	369.1	235.1
Right-of-use assets	71.8	7.1
Intangible assets	582.5	552.4
Goodwill	439.8	419.9
Deferred income tax assets	14.9	19.1
Other non-current assets	227.0	139.0
<b>Total assets</b>	<b>2,161.7</b>	<b>1,750.8</b>
<b>Liabilities and shareholders' equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities	219.1	124.3
Income taxes payable	4.4	11.9
Contract liabilities	76.9	110.8
Current portion of net employee benefit payable	57.4	54.1
Current portion of lease liabilities	10.9	6.7
Other current liabilities	4.5	10.8
	<b>373.2</b>	<b>318.6</b>
Non-current liabilities:		
Net employee defined benefit payable	22.8	21.5
Lease liabilities	75.2	1.6
Long-term debt	438.9	243.6
Deferred income tax liabilities	180.8	163.8
Other non-current liabilities	6.1	1.1
<b>Total liabilities</b>	<b>1,097.0</b>	<b>750.2</b>
<b>Shareholders' equity</b>		
Common shares	956.1	951.6
Contributed surplus	31.3	25.0
Accumulated other comprehensive income	18.6	14.1
Retained earnings	58.7	9.9
<b>Total equity</b>	<b>1,064.7</b>	<b>1,000.6</b>
<b>Total liabilities and equity</b>	<b>\$ 2,161.7</b>	<b>\$ 1,750.8</b>

**MDA Ltd.**

Consolidated Statement of Cash Flows  
For the years ended December 31, 2023 and 2022  
(in millions of Canadian dollars)

<b>Year ended December 31</b>	<b>2023</b>	<b>2022</b>
<b>Cash flows from operating activities</b>		
Net income	\$ 48.8	\$ 26.3
Items not affecting cash:		
Income tax expense	18.5	7.9
Depreciation of property, plant, and equipment	13.1	9.9
Depreciation of right-of-use assets	9.6	8.1
Amortization of intangible assets	55.4	58.2
Write-down of assets	4.8	—
Share-based compensation expense	10.0	8.5
Investment tax credits accrued	(33.3)	(54.5)
Finance costs, net	6.6	34.2
Unrealized loss (gain) on financial instruments	0.8	9.9
Changes in operating assets and liabilities	(95.6)	(26.8)
	<b>38.7</b>	<b>81.8</b>
Interest paid	(18.5)	(19.6)
Income tax paid	(6.7)	(5.2)
<b>Net cash generated (used) in operating activities</b>	<b>13.5</b>	<b>57.0</b>
<b>Cash flows from investing activities</b>		
Purchases of property and equipment	(148.0)	(137.8)
Purchases/development of intangible assets	(45.2)	(42.3)
Acquisition of subsidiary, net of cash	(24.4)	—
<b>Net cash used in investing activities</b>	<b>(217.6)</b>	<b>(180.1)</b>
<b>Cash flows from financing activities</b>		
Repayments of second lien notes	—	(150.0)
Borrowings from senior credit facility	195.0	245.0
Transaction costs incurred on debt refinancing	—	(8.9)
Payment of lease liability (principal portion)	(8.4)	(7.8)
Proceeds from stock options exercised	0.8	0.5
<b>Net cash provided by financing activities</b>	<b>187.4</b>	<b>78.8</b>
<b>Net decrease in cash</b>	<b>(16.7)</b>	<b>(44.3)</b>
Net foreign exchange difference on cash	(0.1)	—
Cash, beginning of period	39.3	83.6
<b>Cash, end of period</b>	<b>\$ 22.5</b>	<b>\$ 39.3</b>

## RECONCILIATION OF NON-IFRS MEASURES

The following tables provide a reconciliation of net income to EBITDA, adjusted EBITDA, and adjusted net income:

<i>(in millions of Canadian dollars)</i>	Fourth Quarters Ended		Years Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Net income	\$ 13.5	\$ 8.8	\$ 48.8	\$ 26.3
Depreciation and amortization of assets	9.2	6.3	31.6	23.7
Amortization of intangible assets related to business combination	11.7	12.8	46.5	52.5
Income tax expense (recovery)	(0.1)	4.7	18.5	7.9
Finance income	(0.2)	(0.2)	(2.0)	(0.4)
Finance expense	0.1	3.0	8.6	34.6
EBITDA	\$ 34.2	\$ 35.4	\$ 152.0	\$ 144.6
Unrealized foreign exchange loss (gain)	2.2	0.7	4.7	(5.1)
Unrealized losses on derivative financial instruments	0.7	0.8	0.8	9.9
Impairment of long-lived assets	—	—	4.8	—
Acquisition, integration and restructuring costs	1.9	—	1.9	—
Share based compensation	3.1	3.0	10.0	8.5
Adjusted EBITDA	\$ 42.1	\$ 39.9	\$ 174.2	\$ 157.9

<i>(in millions of Canadian dollars)</i>	Fourth Quarters Ended		Years Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Net Income	\$ 13.5	\$ 8.8	\$ 48.8	\$ 26.3
Amortization of intangible assets related to business combination	11.7	12.8	46.5	52.5
Impairment of long-lived assets	—	—	4.8	—
Acquisition, integration and restructuring costs	1.9	—	1.9	—
Unrealized losses on derivative financial instruments	0.7	0.8	0.8	9.9
Net foreign exchange loss (gain)	2.0	1.8	2.8	(3.7)
ITC claims resolution	—	—	—	(16.8)
Debt refinancing costs	—	—	—	21.1
Share based compensation	3.1	3.0	10.0	8.5
Income taxes related to the above items	(5.1)	(4.9)	(17.7)	(18.9)
Adjusted Net income	\$ 27.8	\$ 22.3	\$ 97.9	\$ 78.9
Weighted average number of shares outstanding - diluted	122,696,679	122,450,428	121,176,848	122,451,142
Adjusted earnings per share - diluted	\$ 0.23	\$ 0.18	\$ 0.81	\$ 0.64