MDA LTD.

Management's Discussion and Analysis of Financial Condition and Results of Operations
For the three and six months ended June 30, 2021 and 2020

*Reference to the "Company," "our", "us" or "we" refer to MDA Ltd. ("**MDA**") together with its subsidiaries and the predecessor MDA Canada, comprising of the Canadian, U.K. and certain U.S. operations of Maxar Technologies Inc. ("**Maxar**") acquired pursuant to the Acquisition (as defined below) (the "**Predecessor**").*

*This Management's Discussion and Analysis ("**MD&A**") should be read in conjunction with the unaudited interim condensed consolidated financial statements of the Company for the three and six months ended June 30, 2021 and the accompanying notes (the "**Q2 2021 Financial Statements**"), and the audited consolidated financial statements of the Company for the period from April 8, 2020 to December 31, 2020 and the accompanying notes (the "**MDA Annual Financial Statements**"), the audited combined carve-out financial statements of the MDA Canada business of the Predecessor for the period ended April 7, 2020 and for the years ended December 31, 2019 and December 31, 2018 and the accompanying notes (the "**Predecessor Annual Financial Statements**") and the related Management's Discussion and Analysis (the "**Annual MD&A**") included in our final prospectus dated April 1, 2021 (the "**Prospectus**") and filed on SEDAR in connection with the Company's initial public offering.*

*The Q2 2021 Financial Statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board (IASB). All dollar amounts are expressed in Canadian Dollars ("**CAD**") except where otherwise indicated. Capitalized terms used but not defined herein have the meanings given to them in the Prospectus.*

All references to June 30, 2020 amounts are the unaudited three- and six-months ended June 30, 2020 financial information that includes the Predecessor's activity for the period from April 1, 2020 to April 7, 2020 and from January 1, 2020 to April 7, 2020 respectively. These figures were not reviewed as part of the Q2 2021 Financial Statements. The construction of the June 30, 2020 figures is presented in the section entitled "Calendar Q2 2020 Construction".

*Any reference to "**Acquisition**" within this MD&A refers to the April 2020 acquisition of the Predecessor as described in Note 1 and Note 5 of the MDA Annual Financial Statements that are included in the Prospectus.*

Management uses non-IFRS financial measures to exclude the impact of certain expenses and income that must be recognized under IFRS when analyzing consolidated operating performance, as the excluded items are not necessarily reflective of the Company's underlying operating performance and make comparisons of underlying financial performance between periods difficult. The Company excludes additional items if it believes doing so would result in a more effective analysis of underlying operating performance. The exclusion of certain items does not imply that they are non-recurring. See section entitled "Reconciliation of Non-IFRS Measures" of this MD&A for more information on the Company's non-IFRS financial measures.

The information in this MD&A is current to August 11, 2021, unless otherwise noted.

FORWARD-LOOKING INFORMATION

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities laws. Such forward-looking information includes, but is not limited to, information with respect to the Company's objectives and strategies to achieves these objectives, as well as information with respect to the Company's beliefs, plans, expectations, anticipations, estimates, intentions and views of future events. Discussions containing forward-looking information may be found, among other places, under the headings "Financial Outlook and Growth Strategies" and "Q2 Achievements" in this MD&A. In some cases, forward-looking information can be identified by words or phrases such as "forecast", "target", "goal", "may", "might", "will", "expect", "anticipate", "estimate", "intend", "plan", "indicate", "seek", "believe", "predict", or "likely", or the negative of these terms, or other similar expressions intended to identify forward-looking information. In addition, any statements that refer *to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts. The Company has based the forward-looking information on its current expectations and projections about future events and financial trends that it believes might affect its financial condition, results of operations, business strategy and financial needs.*

Statements containing forward-looking information are based on certain assumptions and analyses made by the Company in light of management's experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate, and are subject to risks and uncertainties. These assumptions include our ability to maintain and expand the scope of our business; our ability to execute on our growth strategies; assumptions relating to government support and funding levels for space programs and missions; continued and accelerated growth in the global space economy; the impact of competition; our ability to retain key personnel; our ability to obtain and maintain existing financing on acceptable terms; changes and trends in our industry or the global economy; currency exchange and interest rates; and changes in laws, rules, regulations.

Although the Company believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect and there can be no assurance that actual results will be consistent with the forward-looking information. Given these risks, uncertainties and assumptions, readers should not place undue reliance on the forward-looking information. Whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including those described in this MD&A and listed under the heading "Risk Factors" in the Prospectus, which factors should not be considered exhaustive and should be read together with the other cautionary statements in this MD&A.

If any of these risks or uncertainties materialize, or if assumptions underlying the forward-looking information prove incorrect, actual results might vary materially from those anticipated in the forward-looking information.

Although the Company bases the forward-looking information on assumptions that it believes are reasonable when made, the Company cautions investors that statements containing forward-looking information are not guarantees of future performance and that its actual results of operations, financial condition and liquidity and the development of the industry in which it operates may differ materially from those made in or suggested by the forward-looking information contained in this MD&A. In addition, even if the Company's results of operations, financial condition and liquidity and the development of the industry in which it operates are consistent with the forward-looking information contained in this MD&A, those results or developments may not be indicative of results or developments in subsequent periods.

Given these risks and uncertainties, investors are cautioned not to place undue reliance on the forward-looking information. Any forward-looking information that is made in this MD&A speaks only as of the date of such statement, and the Company undertakes no obligation to update any forward-looking information or to publicly announce the results of any revisions to any of those statements to reflect future events or developments, except as required by applicable securities laws. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless specifically expressed as such, and should only be viewed as historical data.

SUCCESSFUL INITIAL PUBLIC OFFERING AND REFINANCING

On April 7, 2021, the Company successfully completed an Initial Public Offering ("IPO") raising $460 million in gross proceeds with a listing on the Toronto Stock Exchange (TSX:MDA). Subsequently, the Company used a portion of the net proceeds from the IPO to repay $419 million that was previously outstanding under the Term Loan facility, significantly strengthening the balance sheet. The Company also converted its $80 million Revolving Credit Facility and its $435 million Term Loan Facility to a $450 million revolving credit facility, preserving liquidity to fund future growth and providing maximum borrowing flexibility at more favourable pricing. The Company ended the second quarter with a strong financial position, minimal net debt of $31 million and $432 million of available liquidity under its revolving credit facility.

COMPANY OVERVIEW

We are one of the most advanced technology and service providers to the burgeoning global space industry. With world-class engineering capabilities, space mission expertise, and a portfolio of cutting-edge, next generation space technologies, we are the partner of choice for emerging space companies, prime contractors, and government agencies worldwide.

Across our three business areas, Geointelligence, Robotics & Space Operations, and Satellite Systems, we serve nearly every sector of the rapidly growing space economy, with mission expertise and technology tailored to new space applications. In Geointelligence, we use satellite-generated imagery and analytic services to deliver critical and value-added insights for a wide range of use cases, including in the areas of national security, climate change monitoring, and global commerce. We also derive revenue from products and services related to defence intelligence systems. In Robotics & Space Operations, we enable humanity's exploration of space by providing autonomous robotics and vision sensors that operate in space and on the surfaces of the Moon and Mars. In Satellite Systems, we provide systems and spacecraft to enable space-based services, including next generation communication technologies designed to deliver space-based broadband internet connectivity from LEO satellite constellations.

Our focus on technological innovation, coupled with mission-tested solutions has contributed to many of humanity's landmark achievements in space, and we expect to continue to play a major role in leading the space industry into the future. Our ongoing space mission experience, expertise, and innovations include:

- being an industry leader in space robotics solutions;
- providing innovative and proven on-orbit servicing capabilities;
- being a cutting-edge designer and manufacturer of LEO communication satellite systems and sub-systems;
- being a leading provider of SAR-based imagery, analytics, and information services;
- providing a global maritime information platform for vessel detection and climate monitoring; and
- providing an advanced sensor product suite for new space missions.

Key industry trends that directly influence the Company's business include the following:

New Space Business Opportunities Are Increasing

As space becomes more accessible and capital investment in space companies is increasing, the opportunity for the Company is directly impacted. Our Geointelligence business activity increasingly involves engagement with EO start-up companies, providing the opportunity for the Company to offer RADARSAT-2 satellite imagery and analytic services through additional channels for advanced analytics and to partner with others to obtain a greater range of source data for our analytics products and services. Our Robotics & Space Operations business is now engaged with multiple parties to provide advanced sensors to their space craft and lunar landing systems, as well as to provide robotics to commercial space tourism and on-orbit servicing spacecraft. Our Satellite Systems business is responding to multiple requests for communication satellite solutions for a growing number of commercial constellation projects. We see this specifically in flagship program wins such as the new Telesat LEO Constellation ("**Telesat Lightspeed**") program.

Government Agencies are Seeking Increased Commercial Collaboration

The growing commercial space economy has resulted in government customers, including civilian space agencies and defence departments, seeking commercial collaboration in business activities. The Company has responded, and continues to respond, to several future government initiatives regarding co-investment by industry, and/or an industry services model to provide earth observation as-a-service, on-orbit robotics operations as-a-service, and space based communications as-a-service. We see this on Government of Canada engagements on projects such as Earth Observation Service Continuity program, Defence Enhanced Surveillance from Space program, the Enhanced Satellite Communication Project - Polar, and Canadarm3.

The Pace and Density of Space Missions is Increasing

The intensity of new business development is rapidly increasing across the Company. Government agencies have increased demand for space based initiatives for earth observation, space exploration, and space based communication, while commercial customers are exhibiting similar needs as they obtain record levels of financing. The Company is focused on staffing, financing new business development efforts and increasing the scale of the overall business in order to keep pace with this growing market opportunity and increased volumes, including the volumes expected to be provided by the new flagship programs.

BUSINESS AREAS

To provide increased transparency to investors we provide revenue information for the three end markets into which our products and services are sold, which include Geointelligence, Robotics & Space Operations and Satellite Systems.

Geointelligence

Our Geointelligence business area includes the provision of end-to-end solutions and services related to EO and defence intelligence systems.

Our EO solutions and services include the provision of EO imagery, data, and value-added analytics, as well as the infrastructure required to receive and process EO data and imagery. EO solutions and services are sold to a wide range of government and commercial organizations in the defence, weather, transportation, energy, mining, and civilian sectors. The largest market for our EO data and services is maritime surveillance, where government and commercial organizations rely on us for mission critical near real-time data to monitor vessels, detect possible oil spills, and track illegal ship activity. We have been a leading provider of these mission critical services for over 25 years and, as a result, we play an integral role in our customer's surveillance strategies and are highly embedded in their workflows, which create strong barriers to entry and result in highly recurring revenue. We have installed more than 70 receiving and processing ground stations in more than 25 different countries which process data from over 20 different satellites. The intelligence provided through our ground stations supports a broad range of applications, such as national security, maritime transportation, urban development, land use, resource management, environmental monitoring, defence operations, law enforcement and mapping.

We are currently developing SARnext, a next-generation radar satellite system that will provide data continuity for RADARSAT2 and will enhance our EO solutions offering. SARnext will fuse data from multiple sensors and will leverage artificial intelligence in order to manage larger volumes of data and provide enhanced analytics services. We also intend to launch our cloud-based ground station solution as part of our SARnext offering. These expanded capabilities will grow our customer base and drive increased revenue from existing customers by providing additional services.

Our Geointelligence business area also includes the provision of EO satellites to the Canadian government, the most recent example of which was the RADARSAT Constellation Mission.

Robotics & Space Operations

We are a world leader in space robotics with the Canadian Space Agency, the Defense Advanced Research Projects Agency, the National Aeronautics and Space Administration, and the European Space Agency as principal customers. We have a long heritage of providing the robotics for the U.S. Space Shuttle and the International Space Station ("Canadarm" and "Dextre") and are currently involved in the development of the next generation of space robotics for the planned lunar gateway ("Canadarm3"). We also provide recurring and ongoing mission-related support and maintenance solutions for the Mobile Servicing System installed on the International Space Station, which is composed of Canadarm2, Dextre and the Mobile Base System. We have been providing these support services with funding from the Canadian Space Agency since 2000 and in March 2020 we were awarded a $190 million contract to provide ongoing services through 2024. We also provide technologies for exploration mobility, space manipulation, control and autonomy, perception, ground testing, robotic interfaces, and vision and sensor systems.

Satellite Systems

We are a leading provider of satellite systems and sub-systems for LEO, GEO and MEO satellites to commercial and government customers worldwide. We are a leading independent supplier of sub-systems, which includes antennas and electronics, to Tier-1 satellite prime manufacturers. We are also a leading independent supplier of payloads to Tier-2 satellite primes that do not possess in-house payload capabilities. We have provided satellite subsystems to enable next generation communication constellations such as O3B, Iridium Next, and OneWeb. Moving forward, we will be providing technology to Telesat's planned LEO constellation, one of the world's first digital space-based broadband internet communication constellations. To support these customers, we have continually adapted our satellite manufacturing base, which now includes fourth generation robotics-based technologies capable of manufacturing dozens of small satellites and satellite sub-systems each month.

FINANCIAL OUTLOOK AND GROWTH STRATEGIES

We are executing on specific growth strategies and leveraging our competitive strengths to capitalize on the fastest growing areas of the space economy. Consistent with the outlook published in Q1 2021 and in line with our Initial Public Offering, we believe an opportunity exists to (i) grow our revenues from approximately $411 million in Fiscal 2020 to between $800 and $900 million in Fiscal 2022, and (ii) grow our Adjusted EBITDA[(1)] from approximately $127 million in Fiscal 2020 to between $160 and $180 million in Fiscal 2022. A significant portion of this expected growth is underpinned by the recent award of our flagship programs (as described below). In addition, since separating from Maxar, we have renewed our executive leadership team, invested significantly in research and development, and developed new growth strategies to position us for the significant future opportunities in the industry. These targets are based on a number of assumptions as described under the heading "Growth Strategies" in the Prospectus.

Execute on Recently Awarded Flagship Programs

We have recently been awarded new flagship programs that, if fully implemented, will contribute an estimated $350 million towards our targeted Fiscal 2022 revenue and that collectively represent over $3.5 billion of potential revenue to the Company over the long-term. The programs include:

Canadarm3

The Canadarm3, the third generation robotic technology developed by MDA, will be designed and built over a five-year period and is expected to generate estimated total revenue to the Company of $1.4 billion, including 15 years of ongoing service and support revenue. This advanced AI-enabled robotic system will be highly-

[(1)] As defined below in "Non-IFRS Financial Measures" autonomous, allowing the robotic elements to perform operations and make decisions during long periods when there is no contact with the Canada-based ground control operations centre. We also plan to commercialize our Canadarm3 robotic arm capabilities for applications in the growing on-orbit servicing and in-space manufacturing and assembly markets. We received a Phase A contract in the amount of $22.8 million from the Canadian Space Agency ("**CSA**") in December 2020 to develop Canadarm3 for the lunar gateway mission. In July, 2021, the Company was awarded a $35.3 million contract from the Canadian Space Agency (CSA) for the design of the Gateway External Robotics Interfaces (GERI), a key component of Canadarm3. We expect to be awarded subsequent phases by the fourth quarter of 2021.

*Canadian Surface Combatant ("**CSC**")*

We are designing and integrating the Electronic Warfare suite system for 15 Royal Canadian Navy warships. The ships are scheduled to be built over the next 20 years and are expected to serve the Royal Canadian Navy for decades. This program represents over $1.5 billion of potential revenue for the Company, or approximately $100 million per vessel. We will leverage the Canadian Surface Combatant's sensor, laser warning, and electronic system technologies to serve international defence customers as they upgrade their naval fleets over time. In February 2021, the Company was awarded an initial production contract valued at more than $60 million to provide the Laser Warning and Countermeasure system that will protect the Royal Canadian Navy warships against laser and optical threats.

Telesat Lightspeed

In February 2021, Telesat announced that the Company was selected for a major role on their upcoming Telesat Lightspeed program. The Company will develop the Direct Radiating Array ("**DRA**"), a revolutionary digital antenna technology that will provide enhanced coverage flexibility and agility through advanced beam-forming technology. Additionally, we are in discussions to provide Telesat with gateway antennas as well as spacecraft AI&T services for the 300 initial LEO satellites. The work scope to conduct AI&T or final assembly of these satellites will enable the Company to produce one satellite per day, a new global benchmark for high performance satellite production. Telesat is expected to build and launch these 300 satellites over the next five years, which represents an estimated $800 million of potential revenue to the Company. Telesat also has a registered license for an additional 1,300 LEO satellites, which could potentially represent a multi-billion dollar future opportunity to the Company.

For each flagship program, we are positioned to provide ongoing mission support and aftermarket and replacement services. Our flagship programs also provide us with capabilities and technologies that we will leverage in parallel for commercial applications.

KEY INDICATORS OF PERFORMANCE AND FINANCIAL CONDITION OF OUR BUSINESS

The Company monitors a number of key indicators to evaluate performance. Some of the key performance indicator measurements used by management are recognized under IFRS whereas others are non-IFRS measures and are not recognized under IFRS. We believe that non-IFRS financial measures are useful to investors, lenders and others in assessing our performance; however, these measures should not be considered as a substitute for reported IFRS measures nor should they be considered in isolation.

Comparative financial information in this MD&A are presented on a calendar quarter and year to date June 30, 2020 basis using a construction of the Predecessor Annual Financial Statements as a starting point, and adding the activity recorded between April 8, 2020 to June 30, 2020. See "Calendar Q2 2020 Construction" below.

Non-IFRS Financial Measures

This MD&A 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 Adjusted EBITDA, 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 also believe that securities analysts, investors, and other interested parties frequently use non-IFRS measures in the evaluation of issuers. Our management also uses non-IFRS measures in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and forecasts and to determine components of management compensation.

EBITDA and Adjusted EBITDA

We define EBITDA as net income (loss) before: i) depreciation of property, plant and equipment and amortization of intangible assets, ii) provision for (recovery of) income taxes, and iii) interest expense and financing costs. Adjusted EBITDA is a supplemental measure used by management and other users of our financial statements including our lenders and the investors, to assess the financial performance of our business without regard to financing methods or capital structure. Adjusted EBITDA(1) is also a key metric that management uses to assess the impact of potential strategic investing or financing opportunities. For example, management uses Adjusted EBITDA as a measure in determining the value of acquisitions, expansion opportunities, and dispositions. In addition, Adjusted EBITDA is used by financial institutions to measure borrowing capacity.

Adjusted EBITDA is calculated by adding and deducting, 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 loss on foreign currency forward contracts ii) unrealized loss on embedded derivatives iii) restructuring costs iv) impairment of investments, and vi) share based compensation. We use Adjusted EBITDA to facilitate a comparison of our operating performance on a consistent basis reflecting factors and trends affecting our business. Adjusted EBITDA is not an IFRS measure.

Adjusted EBITDA margin represents Adjusted EBITDA divided by revenue. We use Adjusted EBITDA margin to facilitate a comparison of the operating performance on a consistent basis reflecting factors and trends affecting our business.

For a reconciliation of Adjusted EBITDA to the most directly comparable measure calculated in accordance with IFRS see the section entitled "Reconciliation of Non-IFRS Measures" below.

Backlog

Backlog is the dollar sum of revenue that is expected to be recognized from firm customer contracts. Backlog is indicative of firm future revenue streams; however, it does not provide a guarantee of future net income and provides no information about the timing of future revenue.

Key Indicators

The Company monitors a number of key financial performance indicators to evaluate performance against short and long term objectives. Some of the key financial performance indicator measurements used by management are recognized under IFRS whereas others are non-IFRS measures and are not recognized under IFRS.

Select key financial performance indicators are set out below:

(in millions of Canadian dollars)	**Three months ended June 30, 2021**	**Six months ended June 30, 2021**	**Three months ended June 30, 2020**	**Six months ended June 30, 2020**
Revenues	$ 126.7	250.1	$ 109.7	$ 212.9
Gross profit	$ 44.6	83.0	$ 35.0	$ 58.2
Gross profit percentage	35.2%	33.2%	31.9%	27.3%
EBITDA(1)	$ 37.1	66.6	$ 29.4	$ 22.2
Adjusted EBITDA(1)	$ 39.4	78.5	$ 44.6	$ 61.8
Adjusted EBITDA margin (1)	31.1%	31.4%	40.7%	29.0%
As at		**June 30, 2021**		**December 31, 2020**
Backlog		$ 640.1		$ 562.5

Backlog

The backlog as at June 30, 2021 was $640.1 million, an increase of $77.6 million compared to the backlog at December 31, 2020. The increase in backlog primarily relates to incremental awards on our flagship programs and other key satellite missions.

Adjusted EBITDA(1) and Adjusted EBITDA margin (1)

Adjusted EBITDA(1) increased from $61.8 million for the six months ended June 30, 2020 to $78.5 million for the six months ended June 30, 2021, and Adjusted EBITDA margin(1) increased from 29.0% to 31.4%. The main driver of the increase in Adjusted EBIDA(1) is the increase in gross profit of $24.8 million, partially offset by the decrease of the Canada Emergency Wage Subsidy ("**CEWS**") of $7.2 million. Excluding the impact of the CEWS, Adjusted EBITDA in the six months ended June 30, 2021 increased by $23.9 million as compared to the prior period. Excluding the impact of the CEWS, the Adjusted EBITDA margin in the six months ended June 30, 2021 was 25.4%.

Q2 Achievements

During the quarter, the Company continued to execute on several of its growth strategies.

In Q2, MDA continued to expand its Geointelligence business with additional contracts for Earth observation imagery and analytic services, geospatial solutions, and defence information solutions from customers such as the Canadian Space Agency and the National Oceanic and Atmospheric Administration, among others.

In Robotics Systems and Operations, the Company also received an award from an early stage study from the European Space Agency which is developing a comprehensive satellite communications system to provide coverage for the entire Lunar ecosystem as part of their Moonlight programme. Once completed, the Moonlight system will provide communication connectivity between the Artemis Lunar Space Station, Earth and the Lunar surface. It will also connect a data relay satellite orbiting the Moon with Artemis, the Lunar surface and potentially extend to Earth. In conjunction with the Moonlight system, MDA also received separate satellite sub-system

(1) As defined above in "Non-IFRS Financial Measures"

contracts for the Lunar Pathfinder Mission, a supporting mission to launch the first commercial Lunar data relay satellite that will orbit round the Moon beginning in 2024.

In Q2, MDA Satellite Systems secured a series of new subcontracts including signing significant contracts with Airbus to provide antenna subsystems on Airbus' OneSat digital software-defined satellite product line, and a contract with L3Harris Technologies and Lockheed Martin for the provision of LEO Antenna products for Space Development Agency's Wide Field of View Tracking Tranche 0. Satellite Systems was also awarded a contract to design and build the X-Band Antenna for the Space Weather Follow On-Lagrange 1 (SWFO-L1) program. The SWFO-L1 spacecraft by NASA's Goddard Space Flight Center is an operational mission for the National Oceanic and Atmospheric Administration's Space Weather Prediction Center that will collect solar wind data and coronal imagery to meet operational requirements to monitor and forecast solar storm activity.

In line with the Company's strategic growth objectives, in June MDA hosted its largest ever career fair, attracting more than 800 attendees to a successful virtual recruiting event. Since the beginning of the year, the Company has hired more than 435 new employees.

RESULTS OF OPERATIONS

For the three months ended June 30 *(in millions of Canadian dollars)*	**2021**	**2020**	**Change**	**% Change**
Revenues	$ 126.7	$ 109.7	$ 17.0	15.5%
Materials, labour and subcontractors costs	76.4	70.4	6.0	8.5%
Depreciation and amortization of assets	5.7	4.3	1.4	32.6%
Gross profit	$ 44.6	$ 35.0	$ 9.6	27.4%
Operating expenses:				
Selling, general & administration	$ 12.0	$ 17.1	$ (5.1)	(29.8)%
Research & development	3.0	0.7	2.3	328.6%
Amortization of intangible assets	14.8	13.5	1.3	9.6%
Share-based compensation	3.7	-	3.7	100.0%
Total operating expenses	$ 33.5	$ 31.3	$ 2.2	7.0%
Operating income	11.1	3.7	7.4	200.0%
Other (income) expense	(5.5)	(7.9)	2.4	(30.4)%
Finance costs	13.9	7.5	6.4	85.3%
Loss before income taxes	$ 2.7	$ 4.1	$ (1.4)	(34.1)%
Income tax expense (recovery)	2.8	13.2	(10.4)	(78.8)%
Net loss	$ (0.1)	$ (9.1)	$ 9.0	(98.9)%

For the six months ended June 30 *(in millions of Canadian dollars)*	**2021**	**2020**	**Change**	**% Change**
Revenues	$ 250.1	$ 212.9	$ 37.2	17.5%
Materials, labour and subcontractors costs	155.5	143.9	11.6	8.1%
Depreciation and amortization of assets	11.6	10.8	0.8	7.4%
Gross profit	$ 83.0	$ 58.2	$ 24.8	42.6%
Operating expenses:				
Selling, general & administration	$ 26.1	$ 31.8	$ (5.7)	(17.9)%
Research & development	5.3	2.0	3.3	165.0%
Amortization of intangible assets	28.4	13.8	14.6	105.8%
Share-based compensation	7.3	1.0	6.3	630.0%
Total operating expenses	$ 67.1	$ 48.6	$ 18.5	38.1%
Operating income	15.9	9.6	6.3	65.6%
Other (income) expense	(10.7)	12.0	(22.7)	(189.2)%
Finance costs	24.3	9.8	14.5	148.0%
Loss before income taxes	$ 2.3	$ (12.2)	$ 14.5	(118.9)%
Income tax expense (recovery)	4.0	9.5	(5.5)	(57.9)%
Net loss	$ (1.7)	$ (21.7)	$ 20.0	(92.2)%

Revenue

Revenue from contracts is derived from sales of our technology and services to customers in the space economy and are disaggregated into three business areas: Geointelligence, Robotics & Space Operations, and Satellite Systems. Geointelligence revenue includes revenue from satellite-generated imagery and data for national security, climate change monitory and global commerce. Robotics & Space Operations revenue results from the sale of autonomous robotics and vision sensors that operate in space and on the surfaces of the Moon and Mars. Satellite Systems revenue results from providing customers with systems and spacecraft to enable space-based services, including next generation communication technologies that deliver space-based broadband internet connectivity from LEO satellite constellations.

Revenues by Business Area:

For the three months ended June 30 *(in millions of Canadian dollars)*	**2021**	**2020**	**Change**	**% Change**
Geointelligence	$ 48.2	$ 47.1	$ 1.1	2.3%
Robotics & Space Operations	35.6	32.2	3.4	10.6%
Satellite Systems	42.9	30.4	12.5	41.1%
Consolidated revenues	$ 126.7	$ 109.7	$ 17.0	15.5%

For the six months ended June 30 *(in millions of Canadian dollars)*		**2021**		**2020**		**Change**	**% Change**
Geointelligence	$	97.2	$	91.3	$	5.9	6.5%
Robotics & Space Operations		69.9		58.3		11.6	19.9%
Satellite Systems		83.0		63.3		19.7	31.1%
Consolidated revenues	$	250.1	$	212.9	$	37.2	17.5%

Revenue for the six months ended June 30, 2021 increased by $37.2 million as compared to the six months ended June 30, 2020. The Company achieved increases in all three business areas as described below.

Revenues in our Geointelligence business increased from $91.3 million for the six months ended June 30, 2020 to $97.2 million for the six months ended June 30, 2021, primarily due to increased satellite imagery and analytic services sales.

Revenues in our Robotics & Space Operations business increased from $58.3 million for the six months ended June 30, 2020 to $69.9 million in the current period, primarily due to the ramp up of work performed on the Canadarm3 program and an increase in activity across a number of other programs within the Robotics & Space Operations business.

Revenues in our Satellite Systems business increased from $63.3 million for the six months ended June 30, 2020 to $83.0 million in the current period, primarily due to increased volume.

Gross Profit

Gross profit reflects our revenue less cost of revenue. Gross profit for the six months ended June 30, 2021 was $83.0 million compared to $58.2 million for the same period last year. The increase was due to increased volume across all three business areas and improved program performance. Year to date gross profit percentage improved from 27.3% in 2020 to 33.2% in 2021.

Operating Expenses

Operating expenses for the three months ended June 30, 2021 were $33.5 million compared to $31.3 million in Q2 2020. For the six months ended June 30, 2021 operating expenses were $67.1 million compared to $48.6 million for the same period last year. Increases were primarily driven by the additional quarter of amortization of intangible assets, resulting from the Acquisition, and increased share-based compensation expenses following the introduction of a new stock option plan with commencement of grants awarded in Q4 2020.

Selling, general and administration

Selling, general and administrative expenses include Shared Services and Corporate support functions, as well as business development and labour costs associated with bids and proposals. In addition, audit fees, recruitment and other consulting fees are included in this line item.

Selling, general and administrative expenses for the six months ended June 30, 2021 were $26.1 million compared to $31.8 million for the six months ended June 30, 2020. The decrease in selling, general and administrative expenses is primarily due to decreased costs related to a Transition Services Agreement with Maxar that ended in April 2021.

Research and development

MDA's gross research and development ("**R&D**") spend is offset through customer reimbursement.

For the three months ended June 30 *(in millions of Canadian dollars)*	**2021**	**2020**	**Change**	**% Change**
R&D expense	$ 12.4	$ 5.8	$ 6.6	113.8%
R&D recoveries	9.4	5.1	4.3	84.3%
	$ 3.0	$ 0.7	$ 2.3	328.6%

For the six months ended June 30 *(in millions of Canadian dollars)*	**2021**	**2020**	**Change**	**% Change**
R&D expense	$ 21.1	$ 11.8	$ 9.3	78.8%
R&D recoveries	15.8	9.8	6.0	61.2%
	$ 5.3	$ 2.0	$ 3.3	165.0%

Net R&D expense for the six months ended June 30, 2021 was $5.3 million compared to $2.0 million for the six months ended June 30, 2020. This increase is due to the increased activity in R&D spend on SARnext.

Amortization of intangible assets

For the six months ended June 30, 2021, the amortization of intangible assets was $28.4 million compared to the six months ended June 30, 2020 of $13.8 million. Intangible assets recognized as part of the Acquisition at April 8, 2020 include contractual backlog, customer relationships, proprietary technologies, and the MDA trademark. The amortization recognized in 2021 comprised of six months of amortization expense, while the timing of the Acquisition in 2020 resulted in only three months of amortization expense. The aggregate fair value of these intangible assets on the date of acquisition was $604.7 million. These intangible assets are amortized over various useful lives, ranging from 2 to 20 years.

Share-based compensation

For the six months ended June 30, 2021, share-based compensation expense was $7.3 million compared to $1.0 million for the six months ended June 30, 2020. The increase is attributed to six months of stock option expense in 2021 following the introduction of a new stock option plan post-Acquisition with the commencement of grants awarded in Q4 2020.

Other (income) expense

Other income for the six months ended June 30, 2021 of $10.7 million is primarily comprised of the Canada Emergency Wage Subsidy of $14.9 million partially offset by foreign exchange loss of $4.9 million and other items netting to $0.7 million. Other expense of $12.0 million for the six months ended June 30, 2020 primarily comprise of an impairment expense for the OneWeb investment of $16.4 million, transaction costs incurred of $12.3 million on the Acquisition, and net non-cash losses on the embedded derivative asset and foreign exchange of $2.2 million offset by the Canada Emergency Wage Subsidy of $22.1 million.

Finance costs

Finance costs for the six months ended June 30, 2021 was $24.3 million primarily comprise of interest expense of $18.9 million and an accelerated amortization of senior credit facility deferred financing costs of $5.4 million.

In the comparative period in 2020, substantially all of the finance costs recognized relate to interest expense. The increase in interest expense for the six months ended June 30, 2021 as compared to the six months ended June 30, 2020 largely resulted from new financing obtained as part of the Acquisition in April 2020. In 2020, the Company did not incur any interest expense for the first three months of the year.

In Q2 2021, the Company used a portion of the net proceeds from the initial public offering and over-allotment option of common shares to repay in full the $418.7 of outstanding principal under its term loan facility. Concurrent with the repayment, the Company converted the term loan to a reducing revolving credit facility. The Company accounted for the conversion from the term loan to the reducing revolving credit facility as a non-substantial debt modification and recognized an accelerated amortization of deferred financing costs of $5.4 million that is included in finance costs.

FINANCIAL CONDITION, LIQUIDITY & CAPITAL RESOURCES

Total assets of the Company have increased from $1,455.2 million as at December 31, 2020 to $1,511.7 million as at June 30, 2021. This increase of $56.5 million is primarily driven by an increase in current assets of $54.0 million, an increase in deferred tax asset of $8.7 million, an increase in other non-current assets of $8.4 million, and an increase in property, plant and equipment of $0.7 million. These increases are offset by decreases in intangible assets of $10.4 million and right-of-use assets of $4.9 million.

Total liabilities of the Company decreased from $997.8 million as at December 31, 2020 to $579.0 million as at June 30, 2021. This decrease is primarily attributable to the repayment in full the $418.7 of outstanding principal under its term loan facility.

Financial Condition

The following table represents our working capital position as at June 30, 2021 and December 31, 2020:

As at *(in millions of Canadian dollars)*	**June 30, 2021**	**December 31, 2020**
Current assets	$ 381.7	$ 327.7
Current liabilities	219.7	242.4
Working capital	$ 162.0	$ 85.3

The $76.7 million increase in our working capital is driven by an increase in cash of $40.3 million. The remaining differences relate to timing of receivables, payables, contract liabilities and contract assets. The increase in cash for the six months ended June 30, 2021 was largely driven by proceeds received from the IPO. All other working capital fluctuations are within normal expectations for ongoing operations.

Cash Flows

The Company's consolidated statement of cash flows for the six months ended June 30, 2021 as compared to June 30, 2020 are noted below.

For the three months ended June 30 *(in millions of Canadian dollars)*		**2021**		**2020**
Cash, beginning of period	$	90.9	$	21.0
Total cash provided by (used in):				
Operating activities	$	33.4	$	(31.6)
Investing activities		(17.2)		(1,000.5)
Financing activities		10.3		1,032.5
Net foreign exchange difference		1.5		0.8
Increase (decrease) in cash	$	28.0	$	1.2
Cash, end of period	$	118.9	$	22.2

For the six months ended June 30 *(in millions of Canadian dollars)*		**2021**		**2020**
Cash, beginning of year	$	78.6	$	62.0
Total cash provided by (used in):				
Operating activities	$	33.5	$	(12.1)
Investing activities		(27.3)		(1,003.2)
Financing activities		33.1		975.7
Net foreign exchange difference		1.0		(0.2)
Increase (decrease) in cash	$	40.3	$	(39.8)
Cash, end of period	$	118.9	$	22.2

The cash increased for the six months ended June 30, 2021 as compared to the same period in 2020 is primarily due to an equity issuance of $30.0 million to a private investor, and net IPO proceeds of $432.6 million offset by debt principal repayments of $418.7 million, and capital expenditures of $27.3 million. The primary use of cash in investing activities during the current period was related to additions to software of $22.8 million to support the SARnext build and Telesat Lightspeed program and $4.5 million in additions to property, plant, and equipment.

The Company has ample liquidity to fund working capital requirements of our business, capital expenditures, debt service costs and for general corporate purposes at June 30, 2021, subsequently reinforced by the Offering. The Company also has available to us $432.0 million of our senior secured revolving term facility (the "**RT** Credit Facility") as a source of liquidity for short-term working capital needs.

For additional details regarding the Company's cash flow requirements and a summary of the Company's contractual cash flow obligations, see the Annual MD&A

Capital Management

At June 30, 2021, the Company has outstanding debt of $144.5 million as compared to $559.7 million at December 31, 2020. The Company manages its capital, which consists of equity and long-term debt, with the objectives of safeguarding sufficient working capital over the annual operating cycle and providing sufficient financial resources to grow operations to meet long-term customer demand. As indicated in the Prospectus, management used a substantial portion of the funds raised pursuant to the IPO to repay $418.7 of outstanding principal under its term loan facility. The Company ended the quarter with cash and equivalents of $118.9 million resulting in net debt of $31.1 million. At the end of the second quarter, the Company also had $432 million of available liquidity under its revolving credit facility.

There were no material changes to the Company's contractual cash flow obligations during the six months ended June 30, 2021. For details regarding the Company's long-term borrowings refer to Note 11 Long-term Debt of the Q2 2021 Financial Statements, Annual MD&A and the Prospectus.

As of June 30, 2021, the Company had commitments of $8.2 million (December 31, 2020: $4.7 million) relating to purchase of property, plant and equipment, and intangible assets.

We will continually assess the adequacy of the Company's capital structure and capacity and make adjustments within the context of the Company's strategy, economic conditions, and the risk characteristics of the business.

FINANCIAL INSTRUMENTS

The Company has included a comprehensive discussion on financial instruments in the MDA Annual Financial Statements, the Annual MD&A, the Prospectus and also in Note 14 of the Q2 2021 Financial Statements, but has also discussed the use of financial instruments in relation to foreign currency exchange risk below:

Foreign currency exchange risk

The Company is exposed to foreign exchange risk arising from sales contracts and purchase contracts denominated in currencies other than the functional currency of the Company's contracting entity. Net monetary assets denominated in currencies other than CAD that are held in entities with CAD functional currency are translated into Canadian dollars at the foreign currency exchange rate in effect at the balance sheet date. As a result, we are exposed to foreign currency translation gains and losses. Our Q2 2021 Financial Statements are expressed in Canadian dollars; however a portion of the Company's net assets are denominated in U.S. dollars and Pounds Sterling, through our foreign operations in the U.S. and the U.K. Revenues and expenses of all foreign operations are translated into Canadian dollars at the foreign currency exchange rates that approximate the rates in effect at the dates when such items are recognized.

Interest Rate Risk

The Company is exposed to interest rate risk from fluctuations in interest rates on its floating rate debt. The Company manages interest rate risk by monitoring the respective mix of fixed and floating rate debt and by taking action as necessary to maintain an appropriate balance considering current market conditions. On June 30, 2021, the Company had $12.6 million drawn on the RT Credit Facility, all in respect of letters of credit. The impact on future interest expense as a result of future changes in interest rates will depend largely on the gross amount of our borrowings at the time.

OFF-BALANCE SHEET ARRANGEMENTS

Off-balance sheet arrangements are made up of standby and documentary letters of credit used mainly in connection with obligations relating to performance and payment guarantees of customer contracts. As at June

30, 2021, the aggregate gross potential liability related to the Company's letters of credit was approximately $12.6 million (December 31, 2020: $15.5 million).

As at June 30, 2021 and December 31, 2020, the Company had no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the Company's financial condition, changes in financial condition, revenue or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

TRANSACTIONS BETWEEN RELATED PARTIES

The Company's key management personnel have authority and responsibility for overseeing, planning, directing, and controlling its activities and consist of the members of the board and the senior members of the management team. For the three- and six- months ended June 30, 2021, MDA's compensation to its key management personnel was $5.7 million and $10.0 million, which consisted of short-term benefits, post-employment benefits, termination benefits, and share-based compensation.

SUBSEQUENT EVENT

On July 8, 2021, the Company subscribed to 3,600,000 common shares of Seraphim Space Investment Trust plc ("Seraphim") for cash consideration of $6.2 million. The Company accounts for its investment in Seraphim at fair value through profit or loss.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of the Company's financial statements requires management to make estimates, assumptions and judgments that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues, and expenses. These estimates, assumptions and judgments are based on various factors that management believes to be reasonable under the circumstances. Key components of the Q2 2021 Financial Statements requiring management to make estimates and judgements are disclosed in the MDA Annual Financial Statements and the Annual MD&A included in our Prospectus.

RECENT ACCOUNTING PRONOUNCEMENTS

Please refer to Note 3, New standards, interpretations, and amendments adopted effective January 1, 2021 or later, in the Q2 2021 Financial Statements and Note 4, Standards issued not yet effective*,* in the MDA Annual Financial Statements for a discussion of recent pronouncements of accounting standards not yet adopted.

SUMMARY OF QUARTERLY RESULTS

The Company has not included a summary of selected consolidated financial information for each of the eight most recently completed quarters because prior to Fiscal 2020 the Company was a privately owned business of Maxar and quarterly information was not prepared.

CONTROLS AND PROCEDURES

*Disclosure Controls and Procedures ("**DC&P**")*

The Company's DC&P are designed to provide reasonable assurance that information required to be disclosed by the Company is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

*Internal Control over Financial Reporting ("**ICFR**")*

The Company is in the process of designing ICFR to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. Our ICFR will include policies and procedures that pertain to the maintenance of records that provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with IFRS. Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. Due to its inherent limitations, internal control over financial reporting may not prevent or detect misstatements on a timely basis. The Company will use the Committee of Sponsoring Organizations of the Treadway Commission (COSO) 2013 framework to evaluate the effectiveness of internal control over financial reporting.

The Company's officers' first certification will be filed for the three months ended June 30, 2021 on form 52-109F2 – IPO/RTO, *Certification of Interim Filing Following an Initial Public Offering, Reverse Takeover or Becoming a Non-Venture Issuer.*

RISK FACTORS

We believe our performance and future success depend on a number of factors that present significant opportunities for us. These factors are also subject to a number of inherent risks and challenges, some of which are described below and in the Prospectus. For a description of these risk factors, please refer to the section entitled "Risk Factors" in the Prospectus.

Ability to Operationally Scale

The Company is at the start of an expected multi-year organic growth phase driven by flagship programs that are now part of the business. As a result, we are focused on the structure and scale of the business to ensure operational success in the execution of expected record levels of volume. We have structured our business for growth, with a strong financial foundation, and are focused on continuing to improve hiring systems, IT systems, and personnel management systems to ensure an efficient integration that will provide operational leverage as new volumes are realized.

Significant Hiring of Technical Talent

As a result of the large scale growth that is expected to continue, we are focused on ensuring that we have the talent acquisition capabilities to obtain, onboard, and integrate hundreds of new engineers over the next several years. We have improved our talent acquisition team and associated systems, and are now working on bringing processes and systems together to identify, recruit, onboard, and integrate new talent on a continual basis.

Effective Execution of Advanced Technology Development

The Canadarm3 program, Telesat Lightspeed program, SARnext program and CSC program all involve the development of leading edge, next generation technologies in their respective areas. We are focused on this new technology development to ensure program success, as well as to position ourselves for parallel and follow-on commercial sales opportunities.

Expansion of New Business Capability

The Company is well-positioned to capitalize on opportunities as our three business areas are directly aligned with the highest growing areas in the new space economy. We see significant and growing TAMs in each of our business areas. As a result, we intend to expand and optimize our new business development capability to accelerate organic growth and capitalize on this market opportunity.

Successful Acquisition and Integration of New Businesses

We will continue to identify and evaluate acquisition opportunities in order to strategically add key capabilities to our business that will enable the Company to accelerate growth and expand our ability to access the TAM in each of our business areas.

RECONCILIATON OF NON-IFRS MEASURES

The following table provides a reconciliation of net income (loss) to EBITDA[1] and Adjusted EBITDA[1]:

(in millions of Canadian dollars)	Three months ended June 30, 2021	Six months ended June 30, 2021	Three months ended June 30, 2020	Six months ended June 30, 2020
Net loss	$ (0.1)	$ (1.7)	$ (9.1)	$ (21.7)
Depreciation and amortization	5.7	11.6	4.3	10.8
Amortization of intangible assets	14.8	28.4	13.5	13.8
Income tax expense (recovery)	2.8	4.0	13.2	9.5
Finance costs	13.9	24.3	7.5	9.8
EBITDA[1]	$ 37.1	$ 66.6	$ 29.4	$ 22.2
Unrealized foreign exchange loss	1.3	5.3	(4.4)	2.2
Unrealized loss on embedded derivatives	(1.8)	0.2	(0.8)	(0.8)
Restructuring costs	(0.9)	(0.9)	2.6	3.0
Acquisition costs	-	-	12.3	12.3
Loss related to Jupiter 3	-	-	5.5	5.5
Impairment	-	-	-	16.4
Share based compensation	3.7	7.3	-	1.0
Adjusted EBITDA[1]	$ 39.4	$ 78.5	$ 44.6	61.8
Adjusted EBITDA margin[1]	31.1%	31.4%	40.7%	29.0%

OUTSTANDING SHARE INFORMATION

MDA is authorized to issue an unlimited number of common shares. As of the date of this MD&A, 119,687,381 common shares and 9,955,323 options are issued and outstanding.

ADDITIONAL INFORMATION

Additional information about the Company, including the Prospectus, is available on SEDAR at www.sedar.com.

[1] As defined above in “”Non-IFRS Financial Measures”

CALENDAR Q2 2020 CONSTRUCTION

The Company has presented below a construction of the figures used in this document that are for the three months ended June 30, 2020. To obtain these figures, management used the Predecessor Annual Financial Statements as a starting point, and then added the activity recorded between April 8, 2020 to June 30, 2020 in order to arrive at the figures below.

Selected financial information

(in millions of Canadian dollars)	January 1 – April 7, 2020	April 1 – April 7, 2020	April 8 – June 30, 2020	April 1 – June 30, 2020	January 1 – June 30, 2020
Revenues	$ 115.9	$ 12.7	$ 97.0	$ 109.7	$ 212.9
Gross profit	$ 27.9	$ 4.7	$ 30.0	$ 35.0	$ 58.2
Gross profit percentage	24.1%		30.9%	31.9%	27.3%
EBITDA[(1)]	$ (4.2)	$ 3.0	$ 26.4	$ 29.4	$ 22.2
Adjusted EBITDA[(1)]	$ 18.7	$ 1.6	$ 43.1	$ 44.6	$ 61.8
Adjusted EBITDA margin[(1)]	16.1%		44.4%	40.7%	29.0%
Revenues by Business Area:					
Geointelligence	$ 49.8	$ 5.6	$ 41.5	$ 47.1	$ 91.3
Robotics & Space Operations	30.0	3.9	28.3	32.2	58.3
Satellite Systems	36.1	3.2	27.2	30.4	63.3
Consolidated revenues	$ 115.9	$ 12.7	$ 97.0	$ 109.7	$ 212.9

Results of operations

(in millions of Canadian dollars)	January 1 – April 7, 2020	April 1 – April 7, 2020	April 8 – June 30, 2020	April 1 – June 30, 2020	January 1 – June 30, 2020
Revenues	$ 115.9	$ 12.7	$ 97.0	$ 109.7	$ 212.9
Direct materials, labour and others	81.0	7.5	62.9	70.4	143.9
Depreciation and amortization	7.0	0.5	4.1	4.3	10.8
Gross profit	$ 27.9	$ 4.7	$ 30.0	$ 35.0	$ 58.2
Operating expenses:					
Selling, general & administration	$ 16.2	1.5	$ 15.6	$ 17.1	$ 31.8
Research & development	1.4	0.1	0.6	0.7	2.0
Amortization of intangible assets			13.5	13.5	13.8
Share based compensation	1.0	-	-	-	1.0
Total operating expenses	$ 18.6	1.6	$ 29.7	$ 31.3	$ 48.6
Operating income (loss)	9.3	3.1	0.3	3.7	9.6

(in millions of Canadian dollars)	**January 1 – April 7, 2020**	**April 1 – April 7, 2020**	**April 8 – June 30, 2020**	**April 1 – June 30, 2020**	**January 1 – June 30, 2020**
Other expense (income), net	20.5	0.6	(8.5)	(7.9)	12.0
Finance costs	2.0	(0.3)	7.8	7.5	9.8
Income (loss) before income taxes	(13.2)	2.8	1.0	4.1	(12.2)
Income tax expense (recovery)	5.7	9.4	3.8	13.2	9.5
Net income (loss)	$ (18.9)	$ (6.6)	$ (2.8)	$ (9.1)	$ (21.7)

Research and development

(in millions of Canadian dollars)	**January 1 – April 7, 2020**	**April 1 – April 7, 2020**	**April 8 – June 30, 2020**	**April 1 – June 30, 2020**	**January 1 – June 30, 2020**
R&D expense	$ 6.6	$ 0.6	$ 5.2	$ 5.8	$ 11.8
R&D recoveries	5.2	0.5	4.6	5.1	9.8
Consolidated revenues	$ 1.4	$ 0.1	$ 0.6	$ 0.7	$ 2.0

Statement of cash flows

(in millions of Canadian dollars)	**January 1 – April 7, 2020**	**April 1 – April 7, 2020**	**April 8 – June 30, 2020**	**April 1 – June 30, 2020**	**January 1 – June 30, 2020**
Cash, beginning of period	$ 62.0	$ 21.0	$ -	$ 21.0	$ 62.0
Total cash provided by (used in):					
Operating activities	14.0	(5.5)	(26.1)	(31.6)	(12.1)
Investing activities	(3.6)	(0.9)	(999.6)	(1,000.5)	(1,003.2)
Financing activities	(72.4)	(15.6)	1,048.1	1,032.5	975.7
Net foreign exchange difference	-	1.0	(0.2)	0.8	(0.2)
Increase (decrease) in cash	$ (62.0)	$ (21.0)	$ 22.2	$ 1.2	$ (39.8)
Cash, end of period	$ -	$ -	$ 22.2	$ 22.2	$ 22.2

Adjusted EBITDA[1]

(in millions of Canadian dollars)	January 1 – April 7, 2020	April 1 – April 7, 2020	April 8 – June 30, 2020	April 1 – June 30, 2020	January 1 – June 30, 2020
Net Income (loss)	$ (18.9)	$ (6.6)	$ (2.8)	$ (9.4)	$ (21.7)
Depreciation and amortization	7.0	0.5	4.1	4.6	11.1
Amortization of intangible assets	-	-	13.5	13.5	13.5
Income tax expense (recovery)	5.7	9.4	3.8	13.2	9.5
Interest	2.0	(0.3)	7.8	7.5	9.8
EBITDA[1]	$ (4.2)	3.0	$ 26.4	$ 29.4	$ 22.2
Unrealized foreign exchange loss (gain)	5.1	(1.4)	(2.9)	(4.4)	2.2
Unrealized gain on embedded derivatives	-	-	(0.8)	(0.8)	(0.8)
Restructuring costs	0.4	-	2.6	2.6	3.0
Acquisition costs	-	-	12.3	12.3	12.3
Loss related to Jupiter 3	-	-	5.5	5.5	5.5
Impairment	16.4	-	-	-	16.4
Share based compensation	1.0	-	-	-	1.0
Adjusted EBITDA[1]	$ 18.7	$ 1.6	$ 43.1	$ 44.6	$ 61.8

[1] As defined above in "Non-IFRS Financial Measures"

GLOSSARY OF TERMS

This glossary defines certain business, industry, technical and legal terms used in this MD&A for the convenience of the reader. It is not a comprehensive list of all defined terms used in this MD&A.

All references to the "Company", "MDA", "we", "us" or "our" refer to MDA Ltd. together with its subsidiaries or its predecessors, as the context requires.

"**Acquisition**" means the April 2020 acquisition of the Predecessor as described in Note 1 and Note 5 of the MDA Annual Financial Statements that are included in the Prospectus

"**Annual MD&A**" means the Company's Management's Discussion and Analysis included in the Prospectus that was filed on SEDAR in connection with the Company's initial public offering

"**Backlog**" means the dollar sum of revenue that is expected to be recognized from firm customer contracts

"**CSA**" means Canadian Space Agency

"**CSC**" means Canadian Surface Combatant

"**DRA**" means Direct Radiating Array

"**EO**" means earth observation

"**GEO**" means geosynchronous orbit

"**IFRS**" means International Financial Reporting Standards as issued by the International Accounting Standards Board.

"**LEO**" means low Earth orbit

"**Maxar**" means Maxar Technologies Inc.

"**MD&A**" means Management's Discussion and Analysis

"**MDA**" means MDA Ltd., its subsidiaries or its predecessors, as the context requires.

"**MDA Annual Financial Statements**" means the audited consolidated financial statements of the Company for the period from April 8, 2020 to December 31, 2020 and the accompanying notes included in the Prospectus that was filed on SEDAR in connection with the Company's initial public offering

"**MEO**" means medium Earth orbit

"**Net Debt**" means cash less principal outstanding under credit facilities, which is a liquidity metric used to determine how well a company can pay all of its debts if they were due immediately.

"**NRT Credit Facility**" means the Company's non-revolving term credit facility

"**Offering**" means the Company's initial public offering that was completed on April 7, 2021

"**Predecessor**" means the predecessor MDA Canada, comprising of the Canadian, U.K. and certain U.S. operations of Maxar, prior to the Acquisition

"**Predecessor Annual Financial Statements**" means the audited combined carve-out financial statements of the MDA Canada business of the Predecessor for the period ended April 7, 2020 and for the years ended December 31, 2019 and December 31, 2018 and the accompanying notes

"**Prospectus**" means final prospectus dated April 1, 2021 that was filed on SEDAR in connection with the Company's initial public offering

"**Q2 2021 Financial Statements**" means the unaudited interim condensed consolidated financial statements of the Company for the six months ended June 30, 2021 and the accompanying notes

"**R&D**" means research and development

"**RT Credit Facility**" means the Company's senior secured revolving term facility

"**SARnext**" means the Company's initiative to build our next generation commercial EO satellite mission providing Synthetic Aperture Radar ("**SAR**")-based imagery, analytics, and information services

"**TAM**" means total addressable market

"**Telesat Lightspeed**" means the Telesat LEO Constellation program