



First Quarter 2022 Earnings Presentation

May 11, 2022

Forward-Looking Statements and Non-IFRS Financial Measures

Forward-Looking Statements

This presentation 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 MDA Ltd.’s (“MDA” or the “Company”) objectives and strategies to achieve these objectives, as well as information with respect to the Company’s beliefs, plans, expectations, anticipations, estimates, intentions and views of future events. 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 the Company’s latest Annual Information Form (AIF) and listed under the heading “Risk Factors”, which factors should not be considered exhaustive. 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 presentation. 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 presentation 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.

Non-IFRS Financial Measures

This presentation 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. We use non-IFRS measures, including Adjusted EBITDA, Adjusted EBITDA Margin, Order Bookings, Net Debt and Free Cash Flow, 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. Additional details for these non-IFRS measures, including a reconciliation of such measures to the most directly comparable IFRS measures, can be found in our most recently issued MD&A which is posted on www.mda.space and available on SEDAR.

Why Invest In MDA?

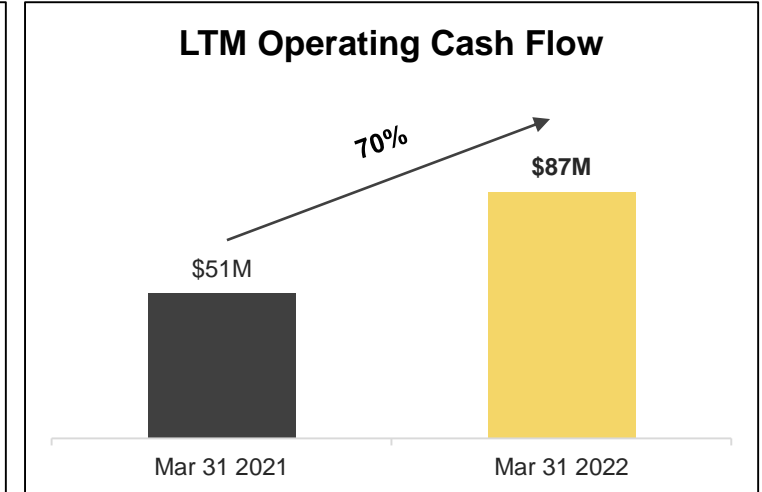
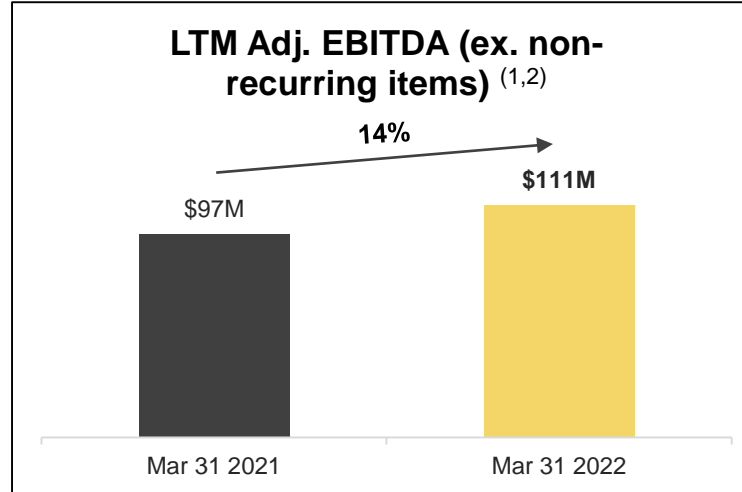
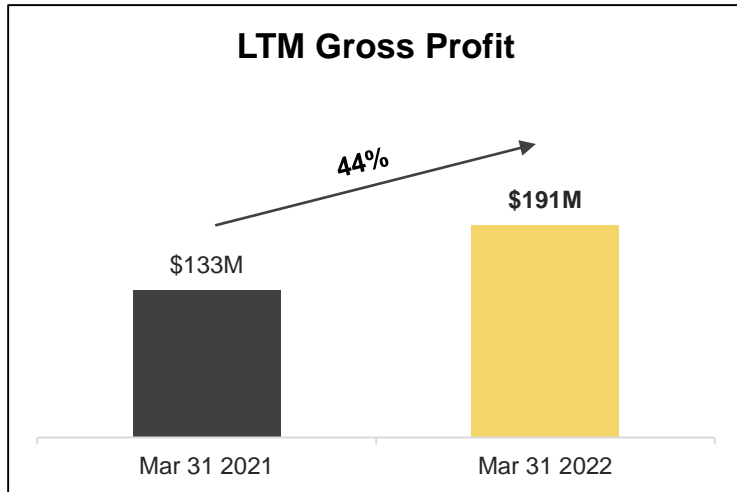
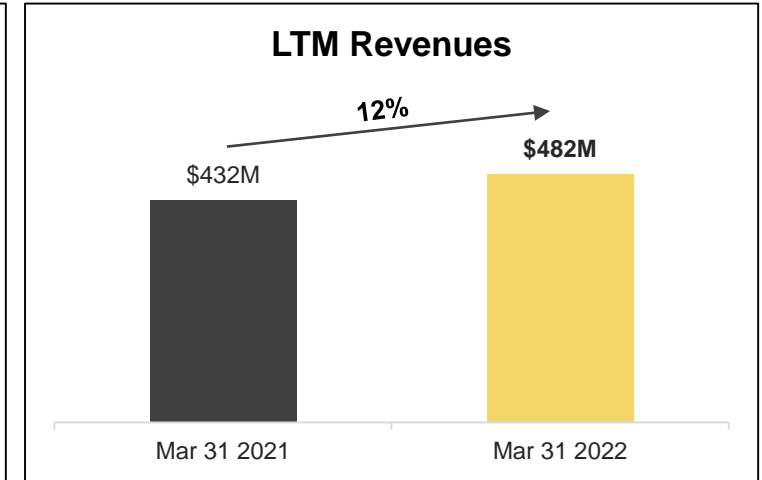
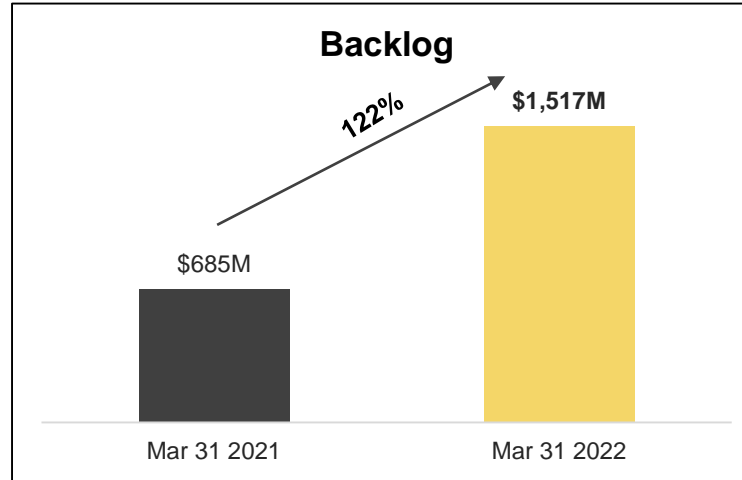
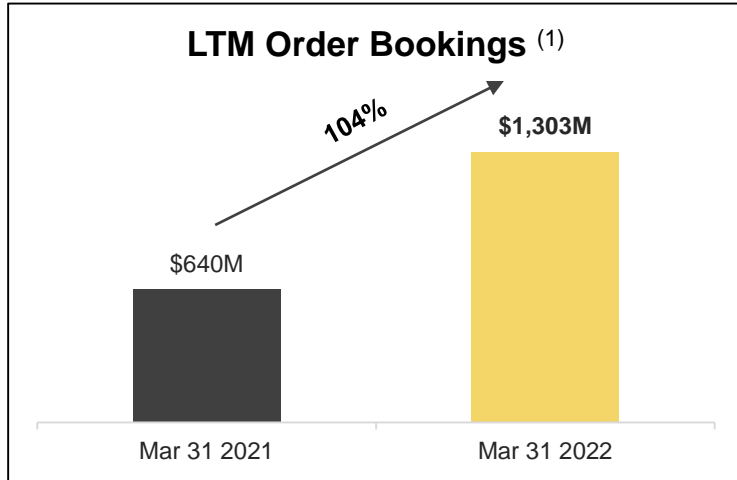
- **Pure-play exposure to the growing space market**
 - Global space economy projected to reach US\$1+ trillion by 2040 ⁽¹⁾ up from ~US\$370 billion today ⁽²⁾
- **Established industry leader with a proven track record and strong competitive position**
 - More than 50 years of innovation in space
 - Strong customer relationships with government agencies and commercial companies
 - Cutting-edge technologies and solutions including robotics, satellite systems and earth observation offerings
 - Rich portfolio of patents and industry know-how
 - Long-tenured and experienced technical team
- **Attractive fundamentals for long-term value creation**
 - Growing backlog, strong profitability and healthy balance sheet

Key Messages

- **Strong business momentum** with backlog growing to \$1.52B, up 122% YoY
- **Steady revenue growth** with revenues of \$128.4M, up 4% YoY
- **Solid profitability** with EBITDA of \$35.6M (27.7% margin), and adjusted EBITDA excluding non-recurring items ⁽¹⁾ of \$27.7M (21.6% margin)
- **Healthy financial position** with net debt to adjusted EBITDA ratio of 0.6x at quarter end
- **Sizeable order bookings** including two significant contract awards in Q1-22 which provide revenue visibility and strong business foundation for 2022 and beyond
 - Globalstar LEO satellite constellation (\$415M contract)
 - Canadarm3 Phase B (\$269M contract)
- **Post quarter-end, MDA redeemed its \$150M second lien notes** (bearing interest at 10% per annum) and refinanced its revolving credit facility which now offers more favourable pricing and increased borrowing flexibility

(1) Adjusted EBITDA of \$27.7M excludes the impact of historical Investment Tax Credit (ITC) claims of \$16.8 million recognized in Q1 2022

Last Twelve Months Key Performance Indicators



⁽¹⁾ Non-IFRS measure; refer to Appendix for reconciliation of non-IFRS to IFRS measures; ⁽²⁾ Excludes CEWs income and amounts related to resolution of historical Investment Tax Credit (ITC) claims

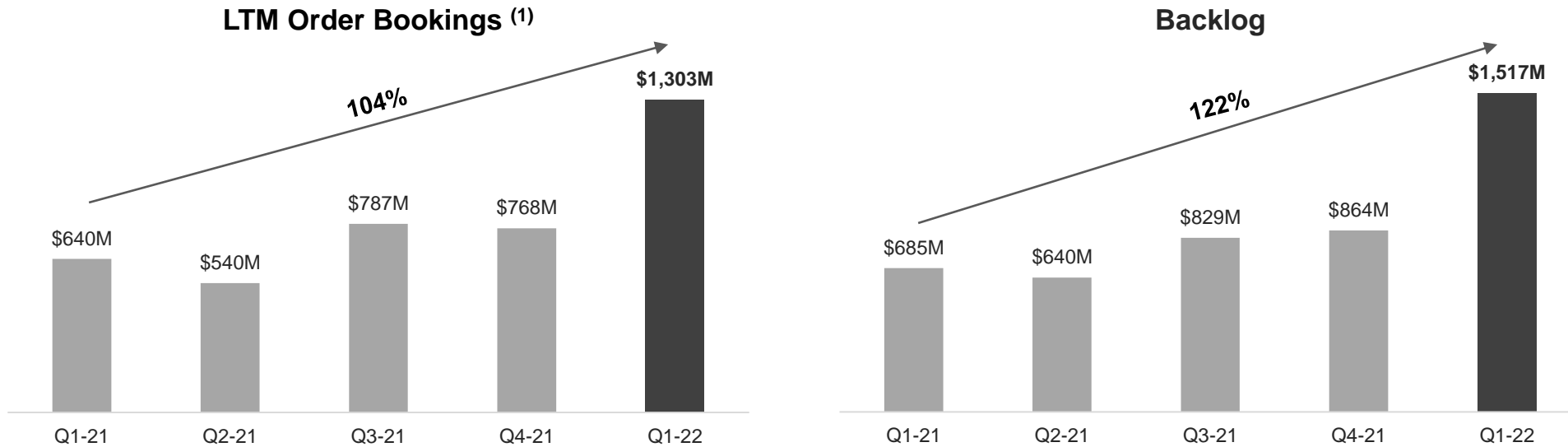
First Quarter 2022 Results

<i>(\$M, except per share data)</i>	Q1-22	Q1-21	Y/Y Change (\$)	Y/Y Change (%)
Revenues	\$128.4	\$123.4	\$5.0	4%
Gross Profit	61.7	38.4	23.3	61%
<i>Gross margin</i>	<i>48.1%</i>	<i>31.1%</i>		
EBITDA	35.6	29.5	6.1	21%
<i>EBITDA margin</i>	<i>27.7%</i>	<i>23.9%</i>		
Adjusted EBITDA ⁽¹⁾	44.5	39.1	5.4	14%
Adjusted EBITDA, excluding non-recurring items ^(1, 2)	27.7	29.0	(1.3)	-4%
<i>Adjusted EBITDA margin, excluding non-recurring items</i>	<i>21.6%</i>	<i>23.5%</i>		
Net Income (loss)	8.4	(1.6)	10.0	NM
Basic Earnings (loss) per share	0.07	(0.02)		
Diluted Earnings (loss) per share	0.07	(0.02)		

- Revenues up 4% YoY driven by increased work volume primarily in our Robotics & Space Operations business
- Adjusted EBITDA up 14% YoY, and adjusted EBITDA excluding non-recurring items ⁽²⁾ declined slightly to \$27.7 million YoY primarily due to higher R&D spend on growth initiatives
 - Adjusted EBITDA margin, excluding non-recurring items, was 21.6% in Q1 2022

(1) Non-IFRS measure; refer to Appendix for reconciliation of non-IFRS to IFRS measures; (2) Excludes CEWs income and amounts related to resolution of historical Investment Tax Credit (ITC) claims

Order Bookings & Backlog

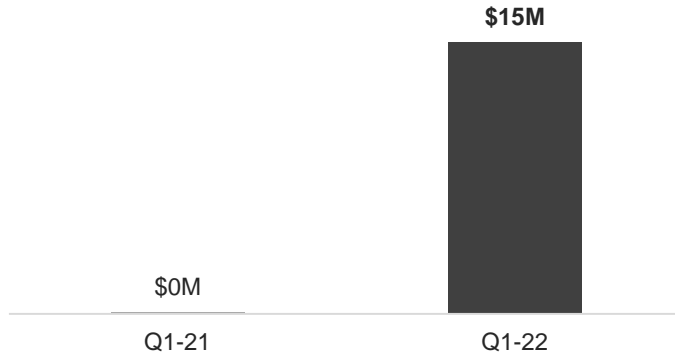


- LTM order bookings up 104% YoY driven by awards across MDA's three business areas
- Good revenue visibility with backlog at \$1.52B
- LTM Book-to-Bill ratio of 2.7x

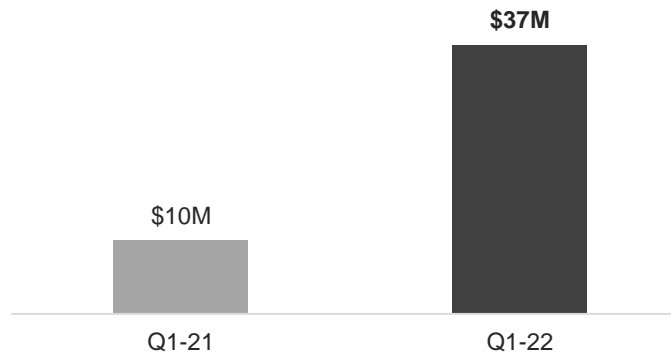
(1) Non-IFRS measure

Cash Generation & Financial Position

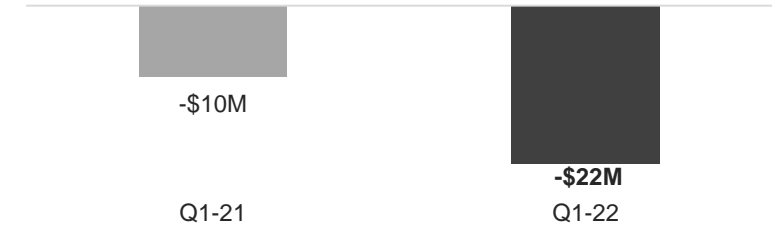
Operating Cash Flow



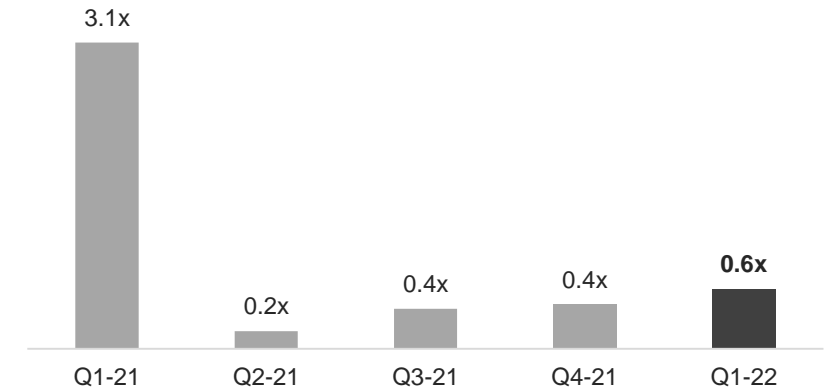
Capital Expenditures



Free Cash Flow ⁽¹⁾



Net Debt to LTM Adj. EBITDA ⁽¹⁾



- Operating cash flow of \$14.7M benefited from improved earnings and lower cash interest expense paid in Q1 2022
- Higher first quarter capex of \$37.1M driven primarily by growth capex
- Healthy balance sheet with net debt to adjusted EBITDA ratio of 0.6x at quarter end

⁽¹⁾ Non-IFRS measures; refer to Appendix for reconciliation of non-IFRS to IFRS measures

2022 Financial Outlook

	2022 Full-Year Outlook
Revenue	\$750 - \$800M
<i>YoY Growth</i>	~55% - 65%
Adjusted EBITDA ⁽¹⁾	\$140 - \$160M
Capital Expenditures ⁽²⁾	\$180 - \$220M

- **Expect Q2 2022 revenues to grow by ~20%-25% YoY**
- Backlog and recent awards provide good revenue visibility for 2022
- Forecasts predicated on continued backlog build in H1-22 followed by revenue ramp-up in second half of the year
- Capital expenditures comprised primarily of growth investments (maintenance capex ~\$25 – \$30M per annum)

(1) 2022 Adjusted EBITDA forecast excludes \$16.8M in historical ITC claims recognized in Q1 2022; (2) Capital expenditures include purchase of PPE and Intangible assets



APPENDIX

Appendix – Reconciliation of Non-IFRS Measures

(\$M)	Q1-22	Q1-21
Net income (loss)	\$8.4	(\$1.6)
Depreciation and amortization	5.8	5.9
Amortization of intangible assets	14.0	13.6
Income tax expense (recovery)	3.1	1.2
Finance costs	4.3	10.4
EBITDA	35.6	29.5
Unrealized foreign exchange loss	2.0	4.0
Unrealized gain on financial assets	5.3	2.0
Share based compensation	1.6	3.6
Adjusted EBITDA	44.5	39.1
CEWS income	-	10.1
ITC claims resolution	16.8	-
Adjusted EBITDA, excluding CEWS income and ITC claims resolution	27.7	29.0

Appendix – Reconciliation of Non-IFRS Measures

(\$M)	Q1-22	Q4-21	Q3-21	Q2-21	Q1-21	Q4-20	Q3-20	Q2-20
Opening Backlog	\$864.3	\$828.9	\$640.0	\$684.7	\$562.5	\$503.8	\$549.2	\$476.7
Revenue recognized	(128.4)	(115.5)	(111.3)	(126.7)	(123.4)	(100.2)	(98.4)	(109.7)
Order Bookings	780.9	140.1	300.2	82.0	245.6	158.9	53.0	182.2
Adjustments ⁽¹⁾		10.8				—		
Ending Backlog	1,516.8	864.3	828.9	640.0	684.7	562.5	503.8	549.2

⁽¹⁾ Adjustments in 2021 include reassessments of the values on certain customer contracts and effects of foreign exchange

(\$M)	Q1-22	Q1-21		LTM Q1-22	LTM Q1-21
Cash from operating activities	\$14.7	\$0.1		\$86.7	\$51.0
Purchases of PP&E	(24.9)	(1.5)		(75.9)	(4.3)
Purchases of intangible assets	(12.2)	(8.6)		(45.7)	(19.1)
Free Cash Flow	(22.4)	(10.0)		(34.9)	27.6

(\$M)	Q1-22	Q4-21
Total Debt	\$144.9	\$144.7
Cash	(59.5)	(83.6)
Net Debt	85.4	61.1
Adjusted EBITDA (LTM)	142.2	137.1
Net Debt to Adjusted EBITDA Ratio	0.6x	0.4x



We'll Take You There