



Second Quarter 2022 Earnings Presentation

August 12, 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 EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, 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 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.

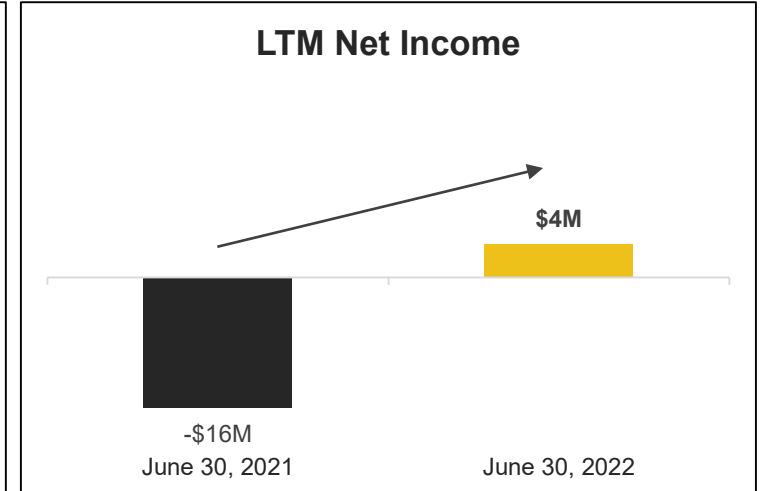
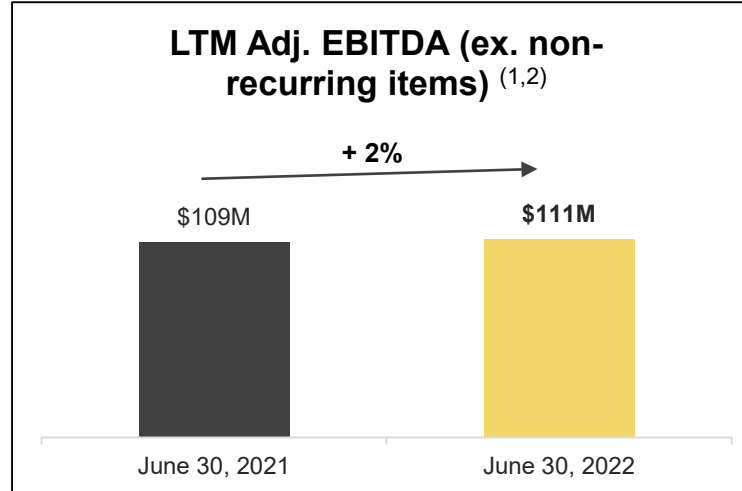
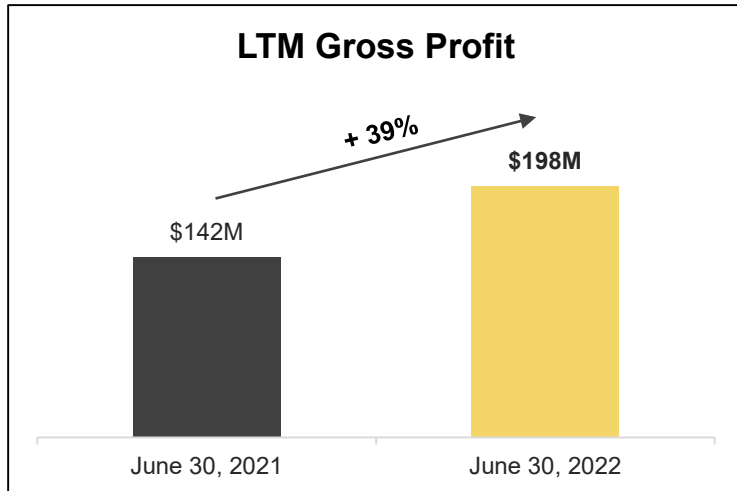
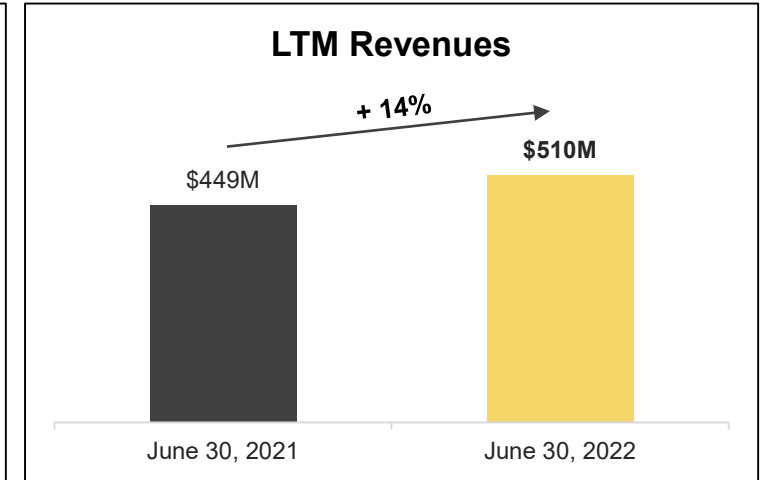
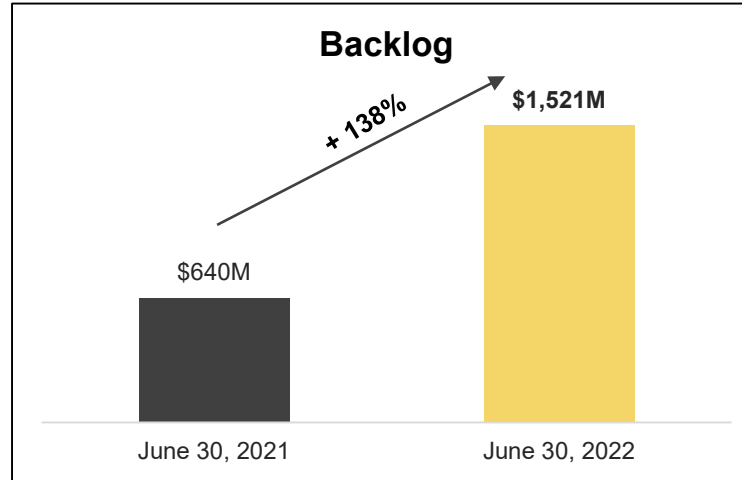
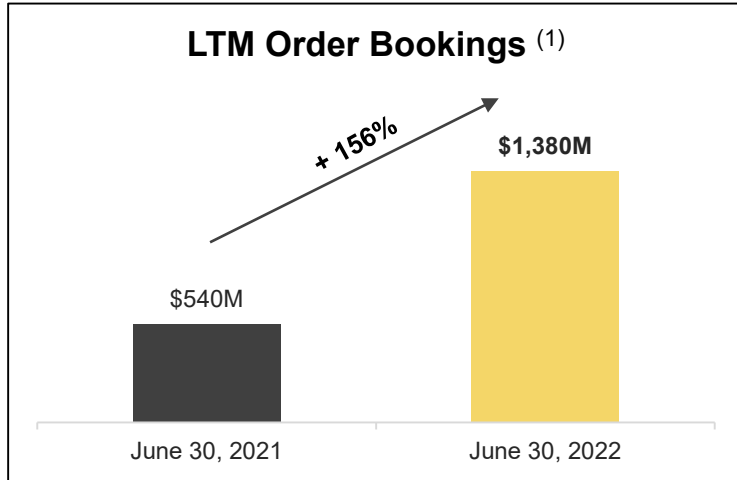
Why Invest In MDA?

- **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 in 2021 ⁽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

- **Robust revenue growth** with revenues of \$154.7M, up 22% YoY
- **Strong backlog** of \$1.52B at quarter end, up 138% YoY
- **Solid profitability** with EBITDA of \$31.3M (20.2% margin), and adjusted EBITDA of \$34.7M (22.4% margin)
- **Healthy financial position** with Net Debt to LTM adjusted EBITDA ratio of 1.2x at quarter end
- **Company completed the redemption of its \$150M second lien notes** and refinanced its revolving credit facility, now offering more favourable pricing and increased borrowing flexibility
- **2022 full-year revenue and adjusted EBITDA outlook revised** to reflect delayed start of Telesat Lightspeed program and slower ramp-up on CSC and C3
 - ❑ *2022 revenues now expected to grow ~30% – 35% YoY*
 - ❑ *2022 adjusted EBITDA margin reconfirmed at 19% – 20%*
 - ❑ *Q3 2022 revenues expected to grow ~40% – 50% YoY*

Last Twelve Months Key Performance Indicators



(1) Non-IFRS measure; (2) Excludes CEWS income and amounts related to resolution of historical Investment Tax Credit (ITC) claims

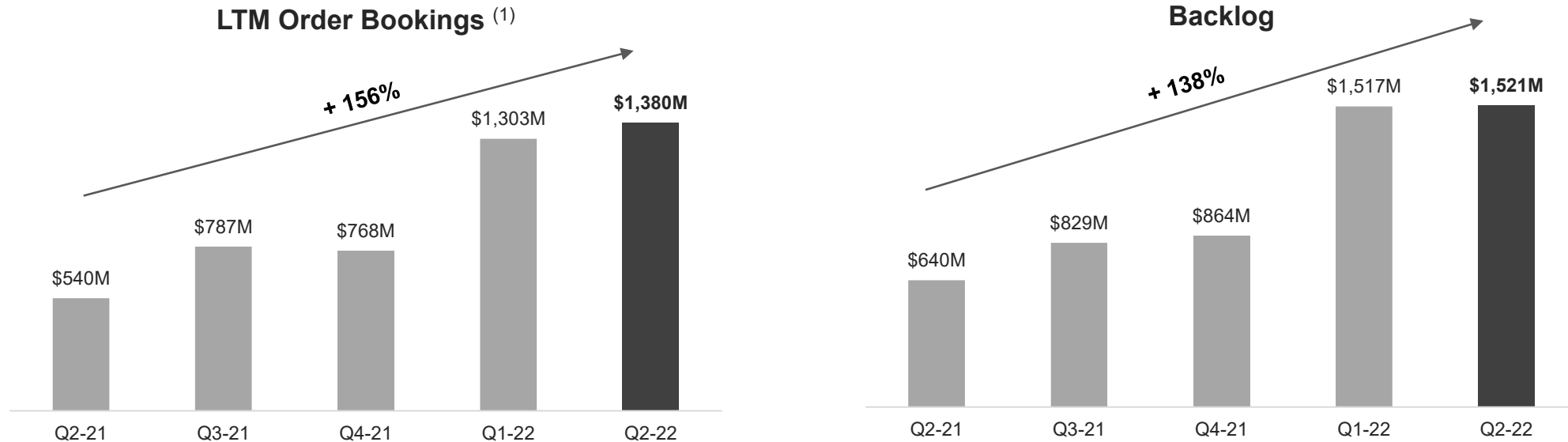
Second Quarter 2022 Results

<i>(\$M, except per share data)</i>	Q2-22	Q2-21	Y/Y Change (\$)	Y/Y Change (%)
Revenues	\$154.7	\$126.7	\$28.0	22%
Gross Profit	51.4	44.6	6.8	15%
<i>Gross margin</i>	33.2%	35.2%		
EBITDA ⁽¹⁾	31.3	37.1	(5.8)	-16%
<i>EBITDA margin</i>	20.2%	29.3%		
Adjusted EBITDA ⁽¹⁾	34.7	39.4	(4.7)	-12%
Adjusted EBITDA, excluding non-recurring items ^(1, 2)	34.7	34.6	0.1	0%
<i>Adjusted EBITDA margin, excluding non-recurring items</i>	22.4%	27.3%		
Net Income (loss)	(8.8)	(0.1)	(8.7)	NM
Basic Earnings (loss) per share	(0.07)	(0.00)		
Diluted Earnings (loss) per share	(0.07)	(0.00)		

- Revenues up 22% YoY driven by higher revenues in Robotics & Space Operations and Satellite Systems businesses
- Adjusted EBITDA down 12% YoY as last year's metric benefitted from Canada Emergency Wage Subsidy (CEWS) income of \$4.8M which did not repeat in Q2 2022; adjusted EBITDA excluding non-recurring items⁽²⁾ of \$34.7M was in line YoY (higher R&D spend on growth initiatives in Q2 2022)
 - Adjusted EBITDA margin, excluding non-recurring items, was 22.4% in Q2 2022

(1) Non-IFRS measure; refer to Appendix for reconciliation of non-IFRS to IFRS measures; (2) Excludes CEWS income

Order Bookings & Backlog

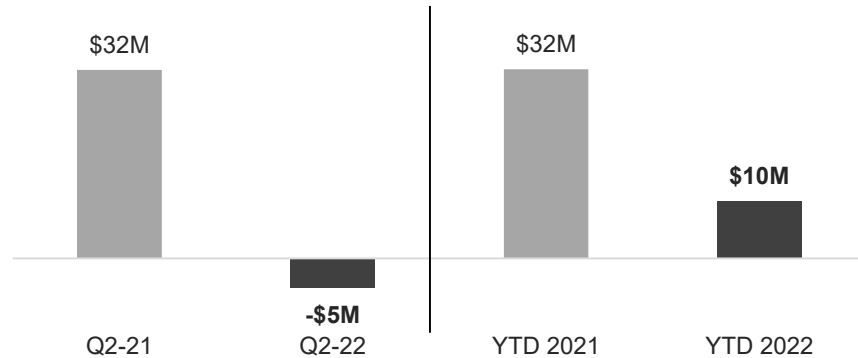


- LTM order bookings up 156% YoY driven by awards across MDA's three business areas
- Good revenue visibility with backlog at \$1.52B, up 138% YoY
- LTM Book-to-Bill ratio of 2.7x

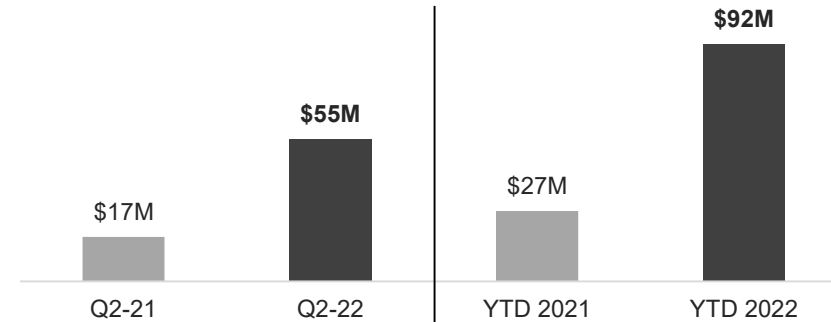
(1) Non-IFRS measure

Cash Generation & Financial Position

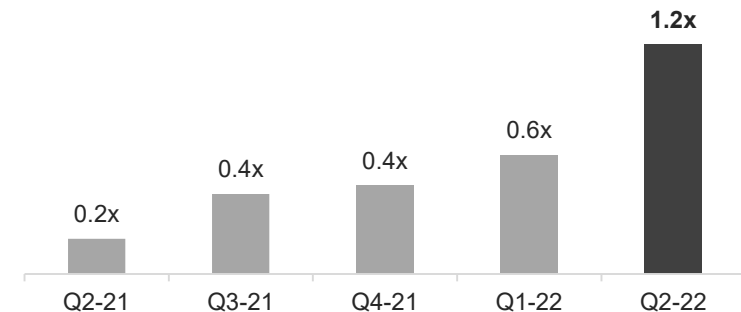
Operating Cash Flow



Capital Expenditures



Net Debt to LTM Adj. EBITDA ⁽¹⁾



- Operating cash flow was a use of \$5.0M in Q2 2022 due to higher working capital requirements as new programs ramp up
- Higher Q2 2022 capex of \$55.0M driven primarily by growth capex
- Healthy balance sheet with net debt to LTM adjusted EBITDA ratio of 1.2x quarter end

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

2022 Financial Outlook

	2022 Revised Outlook (August 12, 2022)	2022 Prior Outlook (May 11, 2022)
Revenue	\$630 - \$650M	\$750 - \$800M
<i>YoY Growth</i>	<i>~30% - 35%</i>	<i>~55% - 65%</i>
Adjusted EBITDA ⁽¹⁾	\$120 - \$130M	\$140 - \$160M
Capital Expenditures ⁽²⁾	\$180 - \$220M	\$180 - \$220M

- **Expect Q3 2022 revenues to grow by ~40% – 50% YoY**
- 2022 outlook assumes no revenue and EBITDA contributions from Telesat Lightspeed program due to program delays ⁽³⁾
- Capital expenditures comprised primarily of growth investments (maintenance capex ~\$25 – \$30M per annum)

(1) 2022 Adjusted EBITDA forecast excludes \$16.8M of historical ITC claims recognized in Q1 2022; (2) Capital expenditures include purchase of PPE and Intangible assets; (3) Based on Telesat's August 5, 2022 disclosures



APPENDIX

Appendix – Reconciliation of Non-IFRS Measures

(\$M)	Q2-22	Q2-21		YTD Q2-22	YTD Q2-21
Net income (loss)	(\$8.8)	(\$0.1)		(\$0.4)	(\$1.7)
Depreciation and amortization	5.8	5.7		11.6	11.6
Amortization of intangible assets	12.9	14.8		26.9	28.4
Income tax expense (recovery)	(3.3)	2.8		(0.2)	4.0
Finance costs	24.7	13.9		29.0	24.3
EBITDA	31.3	37.1		66.9	66.6
Unrealized foreign exchange loss (gain)	(2.1)	1.3		(0.1)	5.3
Unrealized loss (gain) on financial assets	4.1	(1.8)		9.4	0.2
Restructuring provision reversal	-	(0.9)			(0.9)
Share based compensation	1.4	3.7		3.0	7.3
Adjusted EBITDA	34.7	39.4		79.2	78.5
CEWS income	-	(4.8)		-	(14.9)
ITC claims resolution	-	-		(16.8)	-
Adjusted EBITDA, excluding CEWS income and ITC claims resolution	34.7	34.6		62.4	63.6

Appendix – Reconciliation of Non-IFRS Measures

(\$M)	Q2-22	Q1-22	Q4-21	Q3-21	Q2-21	Q1-21	Q4-20	Q3-20
Opening Backlog	\$1,516.8	\$864.3	\$828.9	\$640.0	\$684.7	\$562.5	\$503.8	\$549.2
Revenue recognized	(154.7)	(128.4)	(115.5)	(111.3)	(126.7)	(123.4)	(100.2)	(98.4)
Order Bookings	158.7	780.9	140.1	300.2	82.0	245.6	158.9	53.0
Adjustments ⁽¹⁾	—	—	10.8	—	—	—	—	—
Ending Backlog	1,520.8	1,516.8	864.3	828.9	640.0	684.7	562.5	503.8

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

(\$M)	Q2-22	Q1-22	Q4-21
Total Debt	\$168.4	\$144.9	\$144.7
Cash	(8.8)	(59.5)	(83.6)
Net Debt	159.6	85.4	61.1
Adjusted EBITDA (LTM)	137.8	142.2	137.1
Net Debt to Adjusted EBITDA Ratio	1.2x	0.6x	0.4x



We'll Take You There