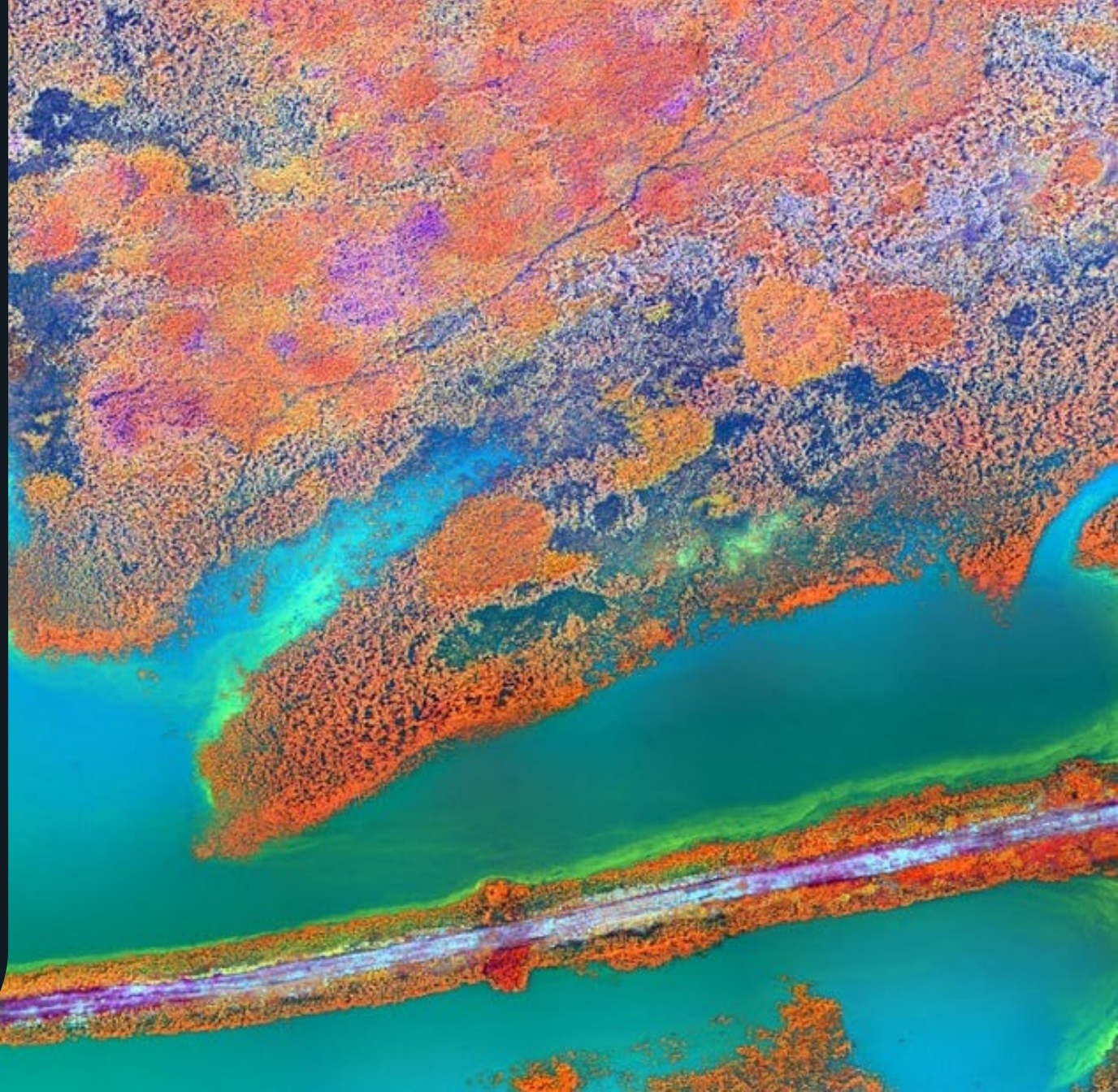




Fourth Quarter & Full Year 2022 Earnings Presentation

March 23, 2023





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\$1.5 trillion by 2040 ⁽¹⁾ up from ~US\$464 billion in 2022 ⁽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

FULL YEAR 2022

- **Strong top line growth** with revenues of \$641.2M, up 34% YoY driven by execution on our backlog
- **Solid profitability** with adjusted EBITDA (excluding non-recurring items) ^(1,2) of \$141.1M, up 26% YoY
- **Healthy adjusted EBITDA margin** (excluding non-recurring items) ^(1,2) of 22.0%
- **Robust business activity** with order bookings ⁽¹⁾ of \$1.2B and backlog of \$1.4B, up 59% YoY
- **Flexible balance sheet** with Net Debt to LTM adjusted EBITDA ratio of 1.3x at year 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
- **Focused on strategic initiatives** and growing the business
 - ❑ Successfully hired and on-boarded 880 people in 2022
 - ❑ Conducted the Mission Critical Design Review for CHORUS
 - ❑ Deployed \$180M on capital expenditures to support revenue growth

(1) Non-IFRS measure; (2) Excludes CEWS income recognized in 2021 and amounts related to resolution of historical Investment Tax Credit (ITC) claims in 2022



Key Messages (continued)

FOURTH QUARTER 2022

- **Strong top line growth** with revenues of \$186.1M, up 61% YoY
- **Solid profitability** with adjusted EBITDA ⁽¹⁾ of \$39.9M, up 49% YoY
- **Healthy adjusted EBITDA margin** ⁽¹⁾ of 21.4% consistent with management's expectations

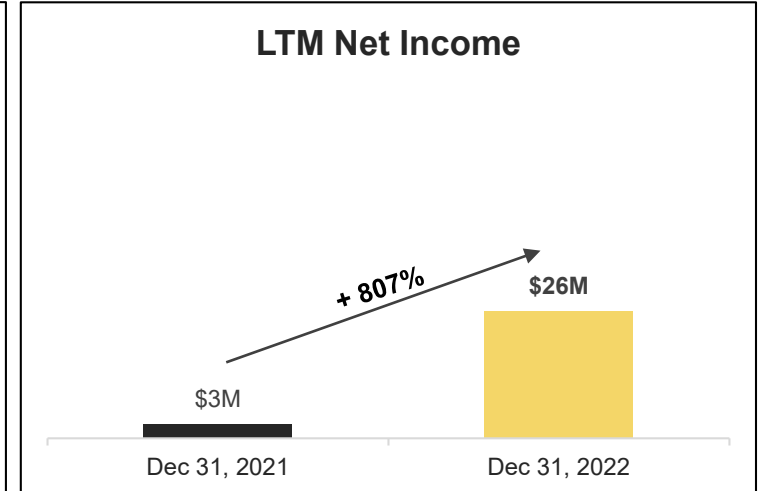
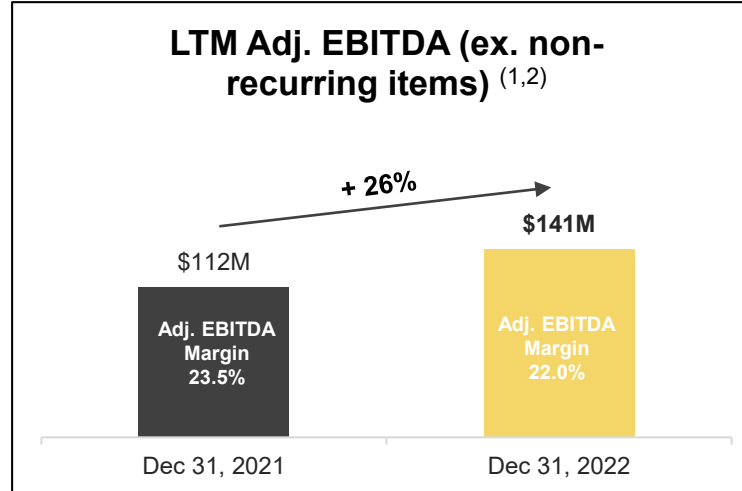
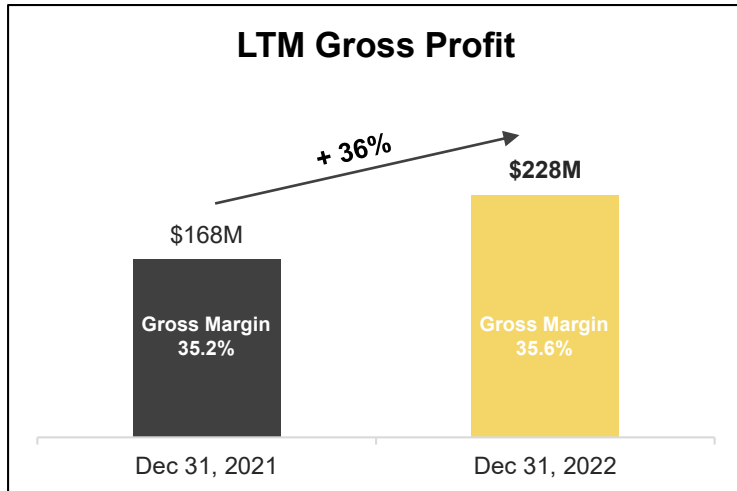
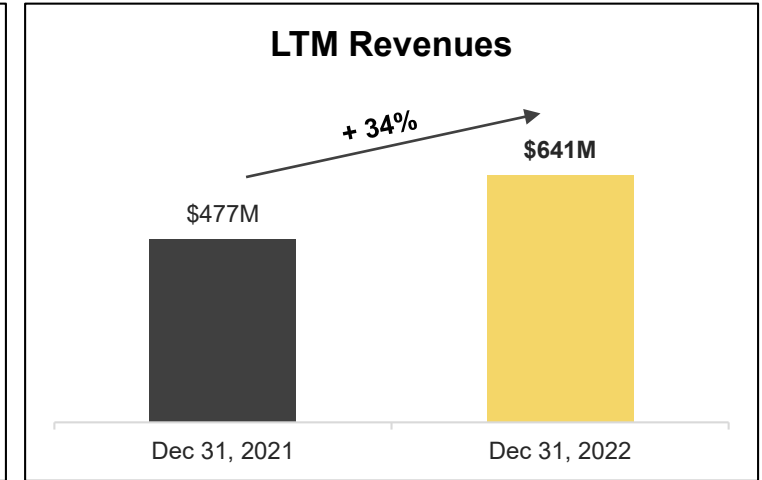
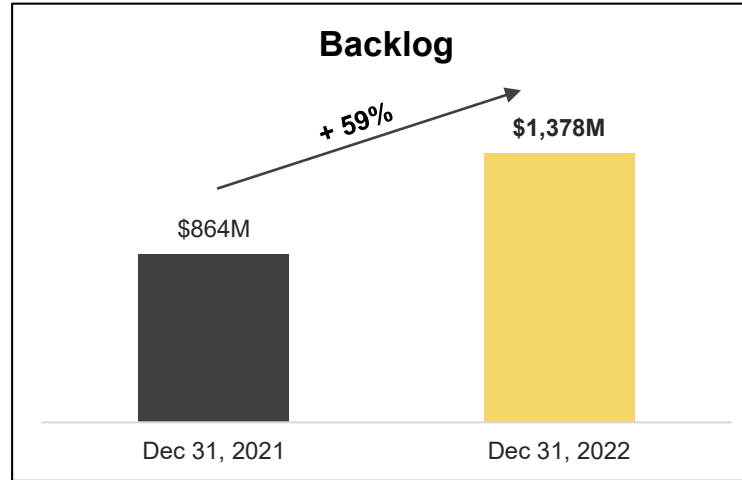
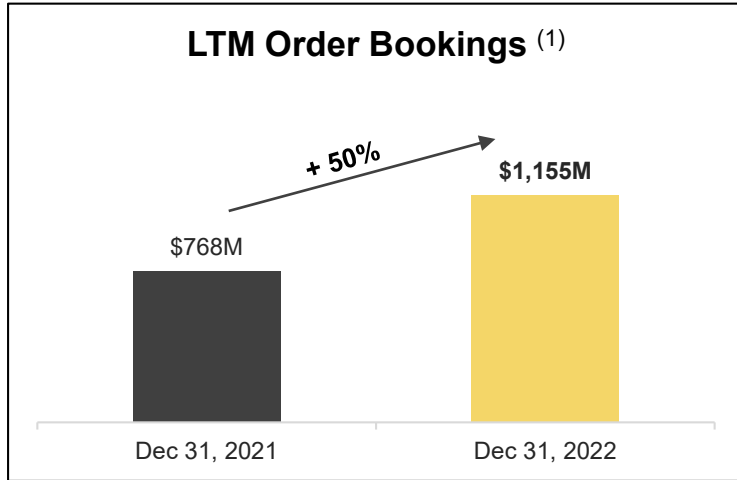
2023 FINANCIAL OUTLOOK

- **Revenues** expected to be \$750-\$800M, up approximately 20% YoY
- **Adjusted EBITDA** ⁽¹⁾ expected to be \$145-\$155M with adjusted EBITDA margin expected to be 19%-20%
- **Capital expenditures** ⁽²⁾ expected to be \$220-\$240M, comprising primarily growth capex to support MDA's strategic initiatives
 - Maintenance capex expected to be approximately \$30-\$35M

(1) Non-IFRS measure; (2) Capital expenditures include purchase of PPE and Intangible assets



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



Fourth Quarter 2022 Results

<i>(\$M, except per share data)</i>	Q4-22	Q4-21	YoY Change (\$)	YoY Change (%)
Revenues	\$186.1	\$115.5	\$70.6	61%
Gross Profit	58.9	45.4	13.5	30%
<i>Gross margin</i>	31.6%	39.3%		
Adjusted EBITDA ⁽¹⁾	39.9	26.8	13.1	49%
Adjusted EBITDA, excluding non-recurring items ^(1, 2)	39.9	26.0	13.9	53%
<i>Adjusted EBITDA margin, excluding non-recurring items</i>	21.4%	22.5%		
Net Income	8.8	0.6	8.2	1367%
Basic Earnings per share	0.07	0.01	0.07	1365%
Diluted Earnings per share	0.07	0.00	0.07	1394%

- Revenues of \$186.1M up 61% YoY driven by higher revenues across our three business areas with strong contributions from Satellite Systems and Robotics & Space Operations businesses
- Adjusted EBITDA⁽¹⁾ of \$39.9M up 49% YoY driven by higher work volume across our business areas; adjusted EBITDA excluding non-recurring items^(1,2) up 53% YoY
 - Adjusted EBITDA margin^(1,2) of 21.4% in Q4 2022 driven by lower gross margin in the latest quarter somewhat offset by strong SG&A cost control

(1) Non-IFRS measure; refer to Appendix for reconciliation of non-IFRS to IFRS measures; (2) Excludes CEWS income in Q4 2021



Full Year 2022 Results

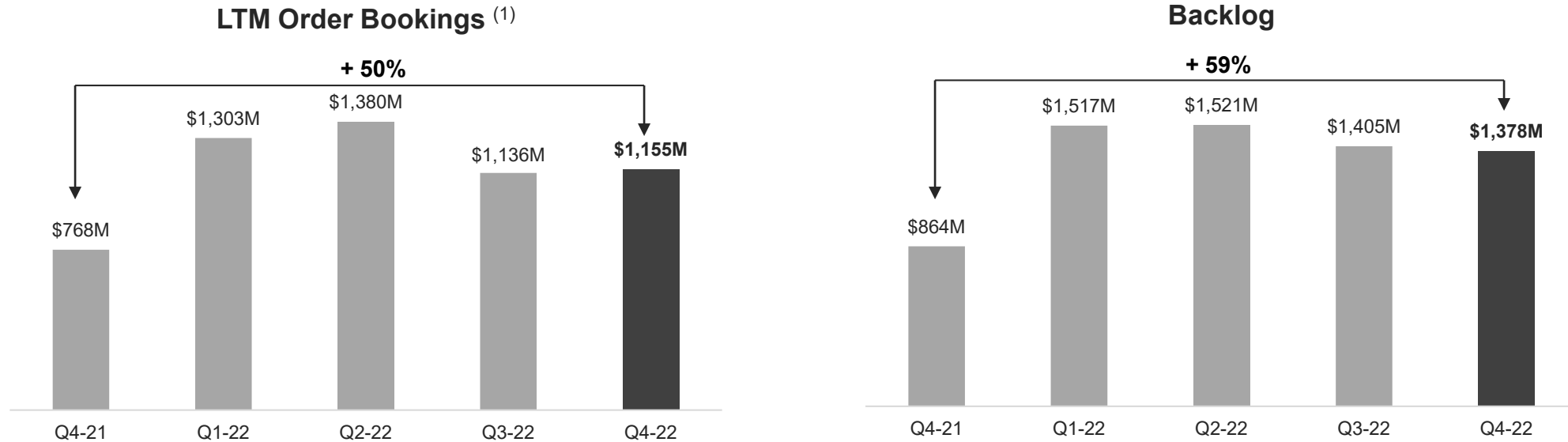
<i>(\$M, except per share data)</i>	2022	2021	YoY Change (\$)	YoY Change (%)
Revenues	\$641.2	\$476.9	\$164.3	34%
Gross Profit	228.4	167.8	60.6	36%
<i>Gross margin</i>	35.6%	35.2%		
Adjusted EBITDA ⁽¹⁾	157.9	137.1	20.8	15%
Adjusted EBITDA, excluding non-recurring items ^(1, 2)	141.1	112.3	28.8	26%
<i>Adjusted EBITDA margin, excluding non-recurring items</i>	22.0%	23.5%		
Net Income	26.3	2.9	23.4	807%
Basic Earnings per share	0.22	0.03	0.19	733%
Diluted Earnings per share	0.21	0.02	0.19	761%

- Revenues of \$641.2M up 34% YoY driven by higher revenues across our three business areas with strong contributions from Satellite Systems and Robotics & Space Operations businesses
- Adjusted EBITDA⁽¹⁾ of \$157.9M up 15% YoY driven by higher work volume across our business areas; adjusted EBITDA excluding non-recurring items^(1,2) of \$141.1M up 26% YoY
 - Adjusted EBITDA margin (excluding non-recurring items)^(1,2) of 22.0% in 2022 reflects strong execution and cost control while simultaneously investing in our growth initiatives which contributed to higher levels of R&D expenses

(1) Non-IFRS measure; refer to Appendix for reconciliation of non-IFRS to IFRS measures; (2) Excludes CEWS income recognized in 2021 and amounts related to resolution of historical Investment Tax Credit (ITC) claims in 2022



Order Bookings & Backlog



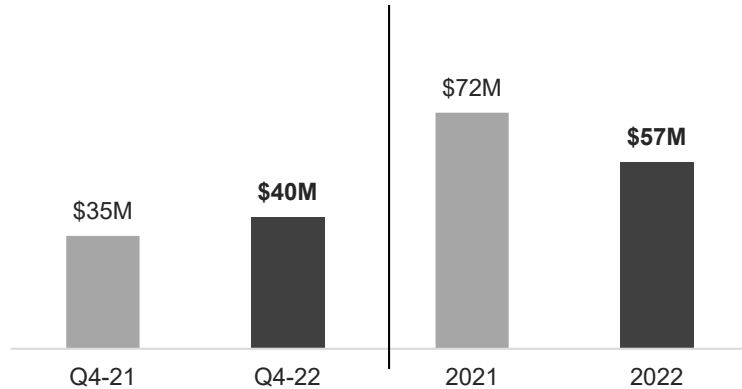
- LTM order bookings up 50% YoY driven by awards across MDA's three business areas
- Good revenue visibility with backlog at \$1.38B, up 59% YoY
- LTM Book-to-Bill ratio of 1.80x

(1) Non-IFRS measure

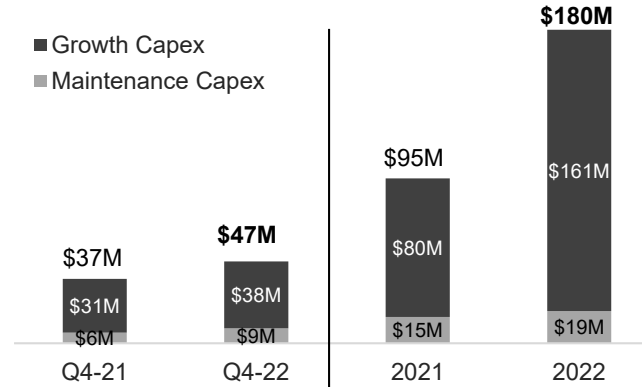


Cash Generation & Financial Position

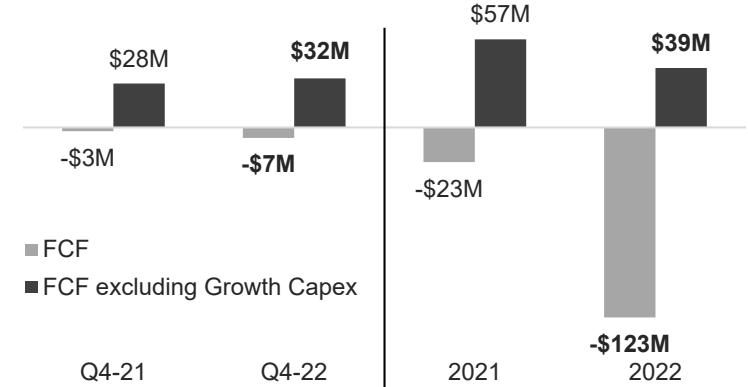
Operating Cash Flow



Capital Expenditures

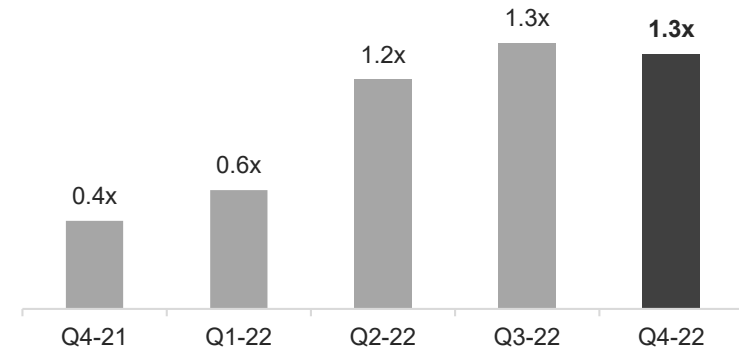


Free Cash Flow



- Operating cash flows of \$40M in Q4 2022 reflect higher net income in the latest quarter
- Higher Q4 2022 capex of \$47M driven primarily by growth capex
- Healthy balance sheet with net debt to LTM adjusted EBITDA ratio of 1.3x at quarter end

Net Debt to LTM Adj. EBITDA ⁽¹⁾



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



2023 Financial Outlook

	2023 Financial Outlook (March 23, 2023)
Revenue <i>YoY Growth at mid-point</i>	\$750 - \$800M ~20%
Adjusted EBITDA <i>Adjusted EBITDA Margin</i>	\$145 - \$155M ~19% - 20%
Capital Expenditures ⁽¹⁾	\$220 - \$240M

Outlook Assumptions

- Financial outlook reflects management’s judgment based on Company’s current backlog and information available at the time of this release
- Capital expenditures comprised primarily of growth investments; full-year maintenance capex expected to be ~\$30-35M

(1) Capital expenditures include purchase of PPE and Intangible assets

APPENDIX





Appendix – Reconciliation of Non-IFRS Measures

(\$M)	Q4-22	Q4-21		FY 2022	FY 2021
Net income	\$8.8	\$0.6		\$26.3	\$2.9
Depreciation and amortization	6.3	6.1		23.7	23.5
Amortization of intangible assets	12.8	14.0		52.5	56.3
Income tax expense	4.7	-		7.9	8.4
Finance costs	2.8	2.2		34.2	32.2
EBITDA	35.4	22.9		144.6	123.3
Unrealized foreign exchange loss (gain)	0.7	(0.5)		(5.1)	2.0
Unrealized loss (gain) on financial instruments	0.8	0.5		9.9	(0.8)
Restructuring provision reversal	-	-		-	(0.9)
Share based compensation	3.0	3.9		8.5	13.5
Adjusted EBITDA	39.9	26.8		157.9	137.1
CEWS income	-	(0.8)		-	(24.8)
ITC claims resolution	-	-		(16.8)	-
Adjusted EBITDA, excluding CEWS income and ITC claims resolution	39.9	26.0		141.1	112.3



Appendix – Reconciliation of Non-IFRS Measures

(\$M)	Q4-22	Q3-22	Q2-22	Q1-22	Q4-21	Q3-21	Q2-21	Q1-21
Opening Backlog	\$1,405.1	\$1,520.8	\$1,516.8	\$864.3	\$828.9	\$640.0	\$684.7	\$562.5
Revenue recognized	(186.1)	(172.0)	(154.7)	(128.4)	(115.5)	(111.3)	(126.7)	(123.4)
Order Bookings	159.2	56.3	158.7	780.9	140.1	300.2	82.0	245.6
Adjustments ⁽¹⁾	—	—	—	—	10.8	—	—	—
Ending Backlog	1,378.2	1,405.1	1,520.8	1,516.8	864.3	828.9	640.0	684.7

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

(\$M)	Q4-22	Q3-22	Q2-22	Q1-22	Q4-21
Total Debt	\$243.6	\$193.5	\$168.4	\$144.9	\$144.7
Cash	(39.3)	1.1	(8.8)	(59.5)	(83.6)
Net Debt	204.3	194.6	159.6	85.4	61.1
Adjusted EBITDA (LTM)	157.9	144.8	137.8	142.2	137.1
Net Debt to Adjusted EBITDA Ratio	1.3x	1.3x	1.2x	0.6x	0.4x



We'll Take You There

