



PRO FORMA FREE CASH FLOW*

(\$ Millions, Except per Share)	2020 Pro Forma Results	2021 Pro Forma Outlook	% Change
Operational EBITDA (1)*	\$356	\$370	~4%
Hosted Payload Cash Timing (2)	(\$22)	(\$14)	
Working Capital (3)	(\$8)	(\$8)	
Iridium CapEx (4)	(\$35)	(\$45)	
Net Interest (5)	(\$89)	(\$71)	~20%
Cash Taxes (6)	\$0	\$0	
Free Cash Flow (FCF)	\$202	\$232	~15%
FCF/Share (7)	\$1.46	\$1.68	~15%
FCF Yield (8)	~3.9%	~4.3%	
FCF Conversion (FCF as % of OEBITDA)	~57%	~63%	~11%



FOOTNOTES

- (1) See below for the definition of Operational EBITDA and a reconciliation of GAAP net loss to OEBITDA for 2020 is on the following page; for illustrative purposes, 2021 OEBITDA is presented as approximately \$370 million consistent with the midpoint of the Company's full-year 2021 guidance as of April 2021
- (2) Hosted Payload adjusts OEBITDA for revenue recognition from Aireon and Harris hosting and prepaid data in excess of cash received in period
- (3) Working Capital timing is expected to result in a net use of cash averaging \$5-\$10M annually as Iridium grows
- (4) Capitalized interest is excluded from CapEx because it is included with Pro Forma Net Interest
- (5) Pro Forma Net Interest for 2020 includes \$1.65B TLB at ~5.5% over 12-months and ~\$1M interest income (excludes costs related to the refinancing and interest related to the HY debt that was fully prepaid in Feb); 2021 reflects average balance on TLB at ~4.4% over 12-months and ~\$1M interest income (excluding costs related to the repricing)
- (6) For illustrative purposes, Cash Taxes assumed at \$0, reflecting guidance of negligible tax payments through 2023
- (7) Most recent per share data based on ~138.2M Fully-Diluted Common Shares Outstanding (pro forma for 3/31/21 conversion of outstanding Options and RSUs)
- (8) Yield for 2020 is based on Iridium (IRDM) share price of \$39.33 at 12/31/20 less ~\$2 value per share value from Aireon; 2021 Yield assumes \$41.25 closing share price on 3/31/21 less ~\$2 value per share value from Aireon

***Non-GAAP Financial Measures**

Pro forma free cash flow: The Company uses pro forma free cash flow to evaluate the Company's capacity for deleveraging and other shareholder-friendly actions. Notes 1-8 above detail the elements of the calculation of pro forma free cash flow from OEBITDA. Pro forma free cash flow also excludes costs associated with refinancing. Because pro forma free cash flow includes these and other significant adjustments, its utility as a measure of the Company's capacity for deleveraging and other shareholder-friendly actions has material limitations. Due to these limitations, the Company's management does not view pro forma free cash flow in isolation, but also uses other measurements, such as net cash provided by operating activities, to measure the Company's capacity for deleveraging and other shareholder-friendly actions.

OEBITDA: Operational EBITDA represents earnings before interest, income taxes, depreciation and amortization, share-based compensation expenses and, for periods presented through the first quarter of 2020 only, certain expenses associated with the construction of the Company's Iridium NEXT satellite constellation, primarily in-orbit insurance. The Company considers the loss on early extinguishment of debt to be financing-related costs associated with interest expense or amortization of financing fees, which by definition are excluded from Operational EBITDA. Such charges are incidental to, but not reflective of, the Company's day-to-day operating performance. Operational EBITDA does not represent, and should not be considered, an alternative to U.S. GAAP measurements such as net income or loss. In addition, there is no standardized measurement of Operational EBITDA, and the Company's calculations thereof may not be comparable to similarly titled measures reported by other companies. A reconciliation of consolidated GAAP net loss to Operational EBITDA is on the following page. The Company believes Operational EBITDA is a useful measure across time in evaluating its fundamental core operating performance. Management also uses Operational EBITDA to manage the business, including in preparing its annual operating budget, debt covenant compliance, financial projections and compensation plans. The Company believes that Operational EBITDA is also useful to investors because similar measures are frequently used by securities analysts, investors and other interested parties in their evaluation of companies in similar industries. As indicated, Operational EBITDA does not include interest expense on borrowed money, the payment of income taxes, amortization of the Company's definite-lived intangible assets, or depreciation expense on the Company's capital assets, which are necessary elements of the Company's operations. Since Operational EBITDA does not account for these and other expenses, its utility as a measure of the Company's operating performance has material limitations. Due to these limitations, the Company's management does not view Operational EBITDA in isolation, but also uses other measurements, such as net income (loss), revenues and operating profit, to measure operating performance.



RECONCILIATION OF GAAP NET LOSS TO OEBITDA

(\$ Millions)

2020 Results

GAAP Net Loss	(\$56)
Interest Expense, Net	\$94
Income Tax Benefit	(\$33)
Depreciation & Amortization	\$303
Iridium NEXT Expenses, net	\$0
Share-based Compensation	\$17
Loss on Extinguishment of Debt	\$30
Operational EBITDA (OEBITDA)	\$356