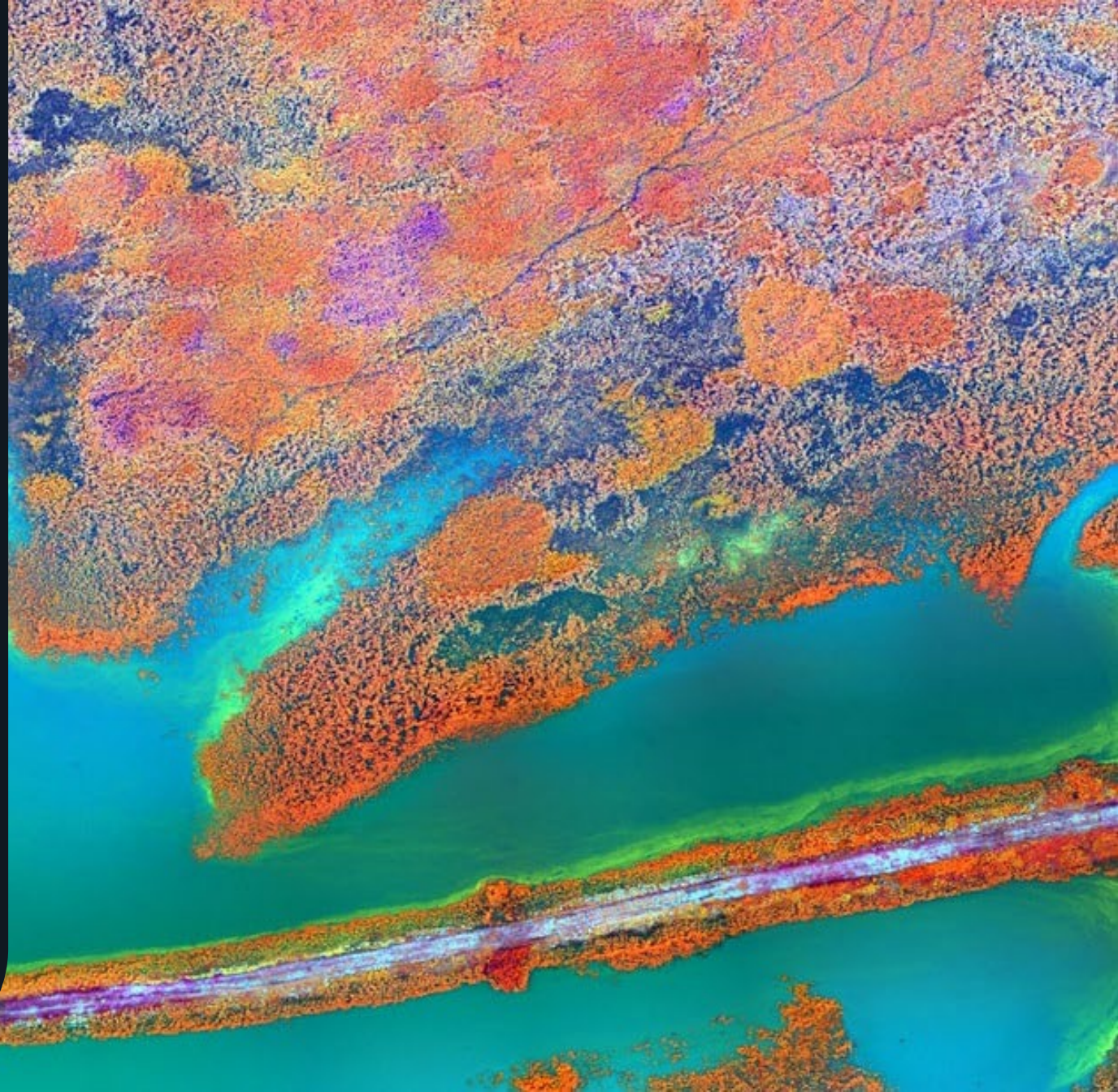




First Quarter 2023 Earnings Presentation

May 12, 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, 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\$1.5 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

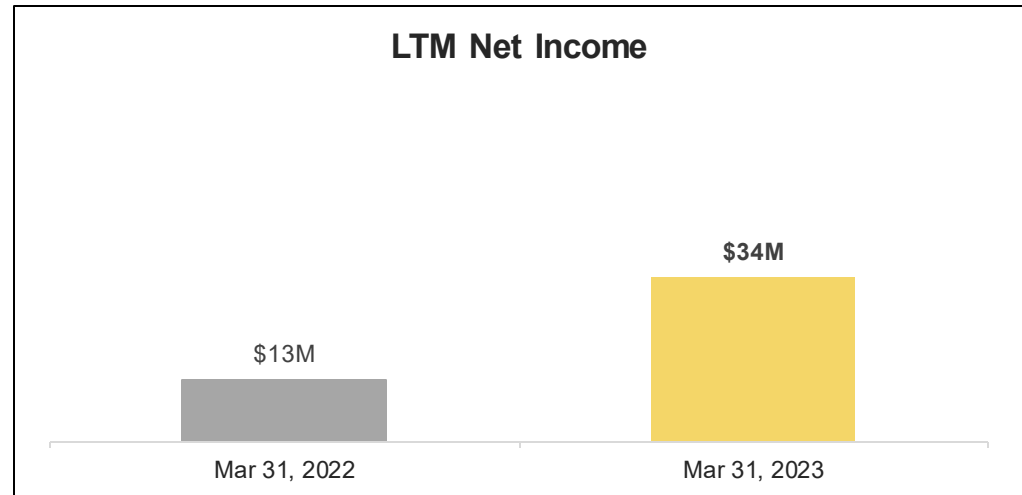
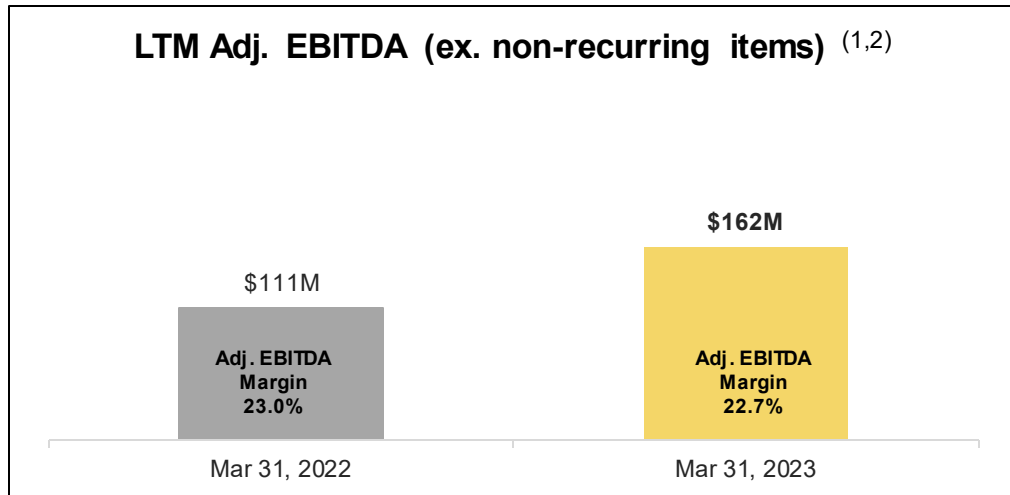
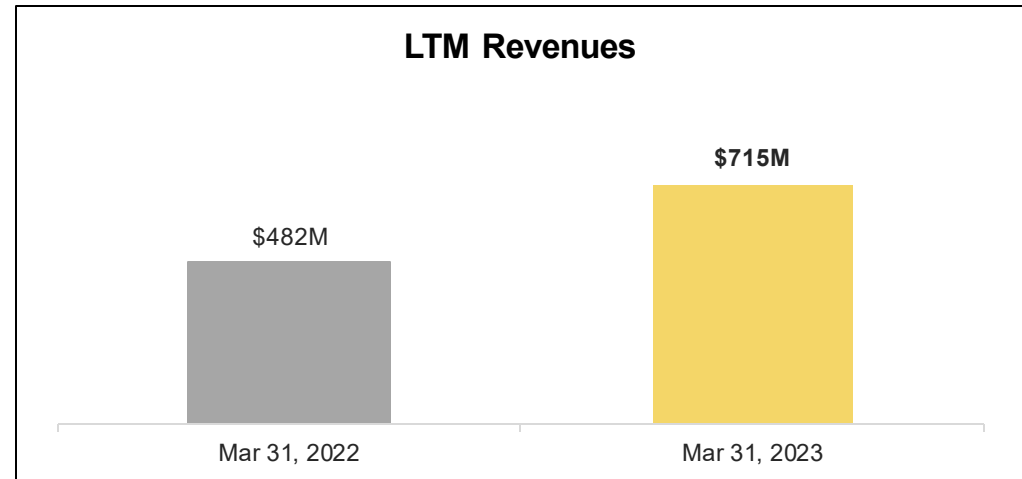
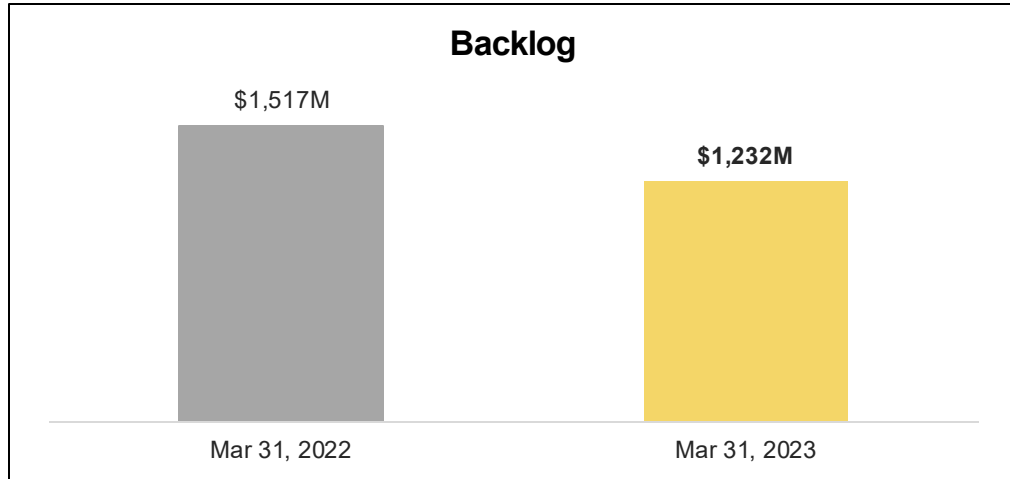
FIRST QUARTER 2023

- **Strong top line growth** with revenues of \$201.9M, up 57% YoY driven by execution on our backlog
- **Solid profitability** with adjusted EBITDA (excluding non-recurring items) ^(1,2) of \$48.9M, up 77% YoY
- **Robust adjusted EBITDA margin** ⁽¹⁾ of 24.2%
- **Strong operating cash flow** of \$46M, up 212% YoY
- **Healthy backlog** of \$1.2B at quarter end reflecting strong contract awards in 2022
- **Flexible balance sheet** with Net Debt to LTM adjusted EBITDA ratio of 1.2x at quarter end
- **Reaffirmed 2023 full-year financial outlook**

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



Key Performance Indicators



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



First Quarter 2023 Results

<i>(\$M, except per share data)</i>	Q1-23	Q1-22	YoY Change (\$)	YoY Change (%)
Revenues	\$201.9	\$128.4	\$73.5	57%
Gross Profit	67.2	61.7	5.5	9%
<i>Gross margin</i>	33.3%	48.1%		
Adjusted EBITDA ⁽¹⁾	48.9	44.5	4.4	10%
Adjusted EBITDA, excluding non-recurring items ^(1,2)	48.9	27.7	21.2	77%
<i>Adjusted EBITDA margin, excluding non-recurring items</i>	24.2%	21.6%		
Net Income	16.1	8.4	7.7	92%
Basic Earnings per share	0.14	0.07	0.06	91%
Diluted Earnings per share	0.13	0.07	0.07	99%

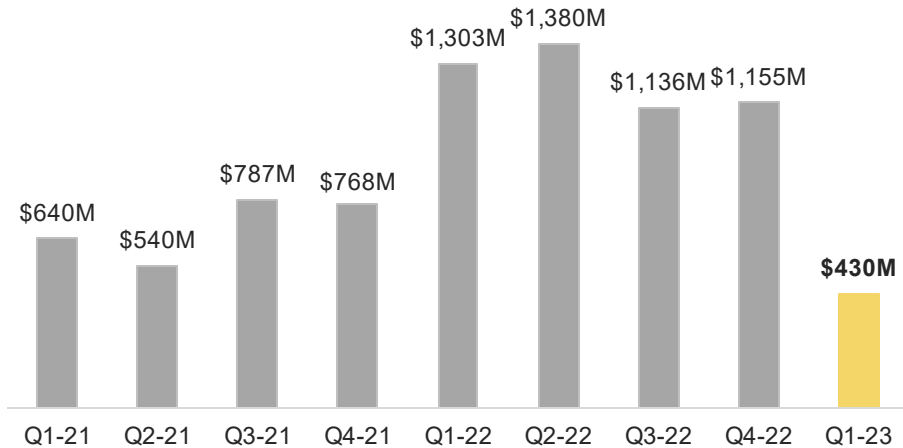
- Revenues of \$201.9M up 57% YoY driven by higher revenues across our three business areas with strong contributions from Satellite Systems and Robotics & Space Operations businesses
- Adjusted EBITDA ⁽¹⁾ of \$48.9M up 10% YoY driven by higher work volume across our business areas; adjusted EBITDA excluding non-recurring items ^(1,2) up 77% YoY
 - Adjusted EBITDA margin ^(1,2) of 24.2% in Q1 2023 compares to 21.6% in Q1 2022 (excluding impact of historical ITC claims recognized in prior quarter) driven by disciplined SG&A cost control

(1) Non-IFRS measure; refer to Appendix for reconciliation of non-IFRS to IFRS measures; (2) Excludes historical ITC claims income in Q1 2022

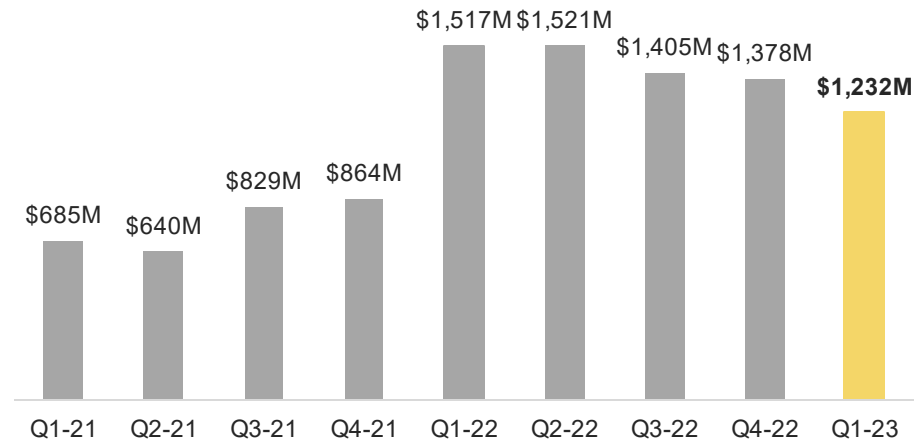


Order Bookings & Backlog

LTM Order Bookings ⁽¹⁾



Backlog



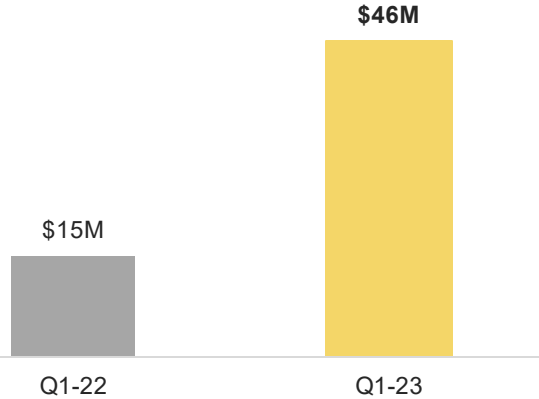
- Backlog of \$1.2B at a healthy level following strong contract awards in 2022
- Good revenue visibility with ~85% of 2023 revenue currently in backlog
- LTM Book-to-Bill ratio of 0.6x

(1) Non-IFRS measure

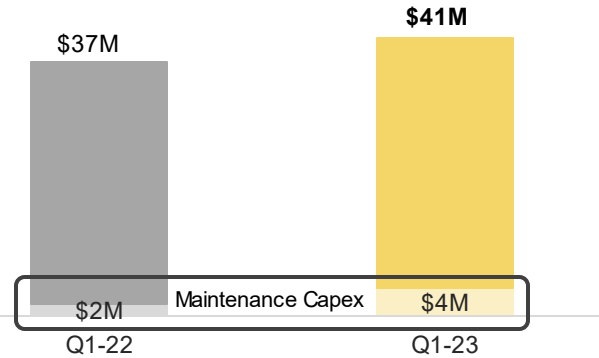


Cash Generation & Financial Position

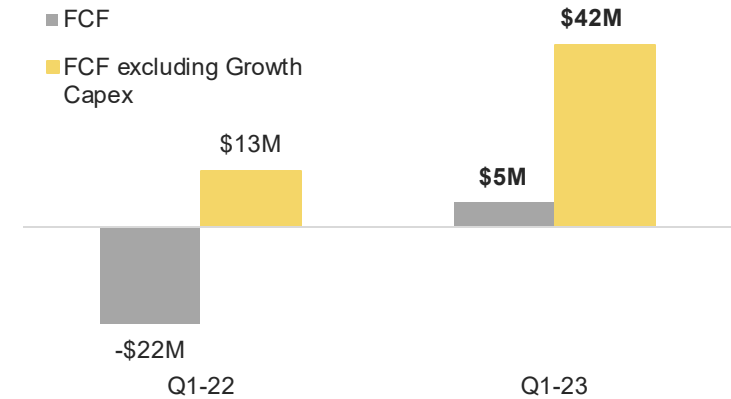
Operating Cash Flow



Capital Expenditures

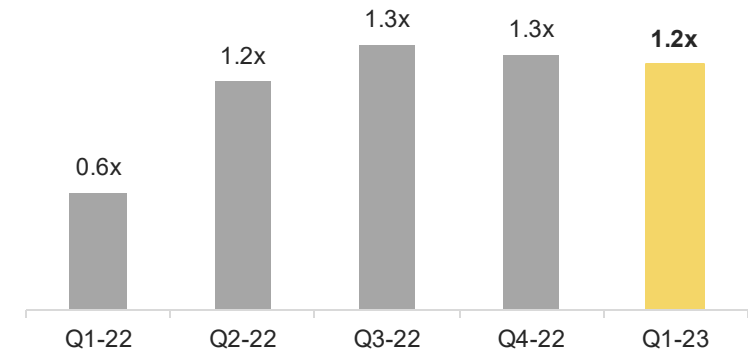


Free Cash Flow (1)



- Operating cash flow of \$46M in Q1 2023 reflects higher net income and positive contributions from working capital
- Capex of \$41M in Q1 2023 primarily to support growth initiatives
- Healthy balance sheet with net debt to LTM adjusted EBITDA ratio of 1.2x at quarter end

Net Debt to LTM Adj. EBITDA (1)



(1) Non-IFRS measure



2023 Financial Outlook

	2023 Financial Outlook (May 12, 2023)	2023 Financial Outlook (March 23, 2023)
Revenue <i>YoY Growth at mid-point</i>	\$750 - \$800M ~20%	\$750 - \$800M ~20%
Adjusted EBITDA <i>Adjusted EBITDA Margin</i>	\$145 - \$155M ~19% - 20%	\$145 - \$155M ~19% - 20%
Capital Expenditures ⁽¹⁾	\$220 - \$240M	\$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 PPE and Intangible assets

APPENDIX





Appendix – Reconciliation of Non-IFRS Measures

(\$M)	Q1-23	Q1-22
Net income	\$16.1	\$8.4
Depreciation and amortization	6.6	5.8
Amortization of intangible assets	12.8	14.0
Income tax expense	8.1	3.1
Finance costs	2.2	4.3
EBITDA	45.8	35.6
Unrealized foreign exchange loss (gain)	1.4	2.0
Unrealized loss (gain) on financial instruments	0.5	5.3
Share based compensation	1.2	1.6
Adjusted EBITDA	48.9	44.5
ITC claims resolution	-	16.8
Adjusted EBITDA, excluding ITC claims resolution	48.9	27.7



Appendix – Reconciliation of Non-IFRS Measures

(\$M)	Q1-23	Q4-22	Q3-22	Q2-22	Q1-22	Q4-21	Q3-21	Q2-21	Q1-21
Opening Backlog	\$1,378.2	\$1,405.1	\$1,520.8	\$1,516.8	\$864.3	\$828.9	\$640.0	\$684.7	\$562.5
Revenue recognized	(201.9)	(186.1)	(172.0)	(154.7)	(128.4)	(115.5)	(111.3)	(126.7)	(123.4)
Order Bookings	56.1	159.2	56.3	158.7	780.9	140.1	300.2	82.0	245.6
Adjustments ⁽¹⁾	—	—	—	—	—	10.8	—	—	—
Ending Backlog	1,232.4	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)	Q1-23	Q4-22	Q3-22	Q2-22	Q1-22	Q4-21
Total Debt	\$268.7	\$243.6	\$193.5	\$168.4	\$144.9	\$144.7
Cash	(67.9)	(39.3)	1.1	(8.8)	(59.5)	(83.6)
Net Debt	200.8	204.3	194.6	159.6	85.4	61.1
Adjusted EBITDA (LTM)	162.3	157.9	144.8	137.8	142.2	137.1
Net Debt to Adjusted EBITDA Ratio	1.2x	1.3x	1.3x	1.2x	0.6x	0.4x



We'll Take You There

