NEWS RELEASE

MDA REPORTS SECOND QUARTER 2023 RESULTS

- *Q2 2023 Highlights*
    - *Strong top line growth with revenues of $196.0 million, up 27% YoY*
    - *Solid profitability with adjusted EBITDA of $40.4 million, up 16% YoY*
    - *Robust adjusted EBITDA margin of 20.6%*
    - *Strong operating cash flow of $38.9 million*
    - *Healthy backlog of $1.1 billion at quarter end*
- *Subsequent to quarter end, announced approximately $2.1 billion contract award from Telesat for prime satellite contractor role on Telesat Lightspeed LEO constellation*
- *Raised 2023 full-year financial outlook*

Brampton, Ontario (August 11, 2023) -- MDA Ltd. (TSX: MDA), a leading provider of advanced technology and services to the rapidly expanding global space industry, today announced its financial results for the second quarter ended June 30, 2023.

"Q2 marked another strong quarter for MDA with our team delivering double digit revenue and adjusted EBITDA growth while maintaining solid profitability, strong operating cash flow generation and delivering on our customer commitments," said Mike Greenley, Chief Executive Officer of MDA. "And this morning we announced that MDA was awarded an approximately $2.1 billion contract from Telesat to act as the prime satellite contractor on the Telesat Lightspeed LEO constellation. This award, MDA's second selection as prime satellite contractor in 18 months, reflects the ongoing growth in the LEO constellation market to meet increasing demand for space-based connectivity and communication services. Our selection is also a testament to MDA's innovative technology and manufacturing capabilities in this market. We look forward to working with the Telesat team on this strategic program and to bringing enhanced digital connectivity in Canada and elsewhere."

"Given the strong execution in the first half of the year and forecasted contributions from the Telesat Lightspeed award, we are raising our 2023 financial guidance. With healthy demand trends across our end markets, we are seeing our opportunity funnel expand, boding well for MDA and our future growth."

Q2 2023 HIGHLIGHTS

- Q2 revenues of $196.0 million were up 26.7% YoY driven by higher revenues across our three business areas with strong contributions from Satellite Systems and Robotics & Space Operations businesses.
- Adjusted EBITDA of $40.4 million in Q2 2023 was up 16.4% YoY driven by higher volumes of work across our businesses.
- Adjusted EBITDA margin was 20.6% in Q2 2023 compared to 22.4% in Q2 2022. Adjusted EBITDA margin in the latest quarter was in line with the variance in gross margin year over year.
- Backlog of $1.1 billion at quarter end was at a healthy level following a year of strong contract awards in 2022.

- Operating cash flow of $38.9 million in Q2 2023 compared to ($5.0) million in Q2 2022. The YoY increase was driven by positive working capital contributions and higher adjusted EBITDA in Q2 2023 versus the same period last year.
- Healthy financial position with net debt to adjusted EBITDA ratio of 1.2x at quarter end.
- Subsequent to quarter end, the Company announced an approximately $2.1 billion contract award from Telesat for the the design, manufacture, assembly and test of 198 satellites with options for Telesat to purchase up to 100 additional satellites. The Telesat award will leverage MDA's new digital satellite product line to deliver significant technology advancements as well as cost and schedule improvements. The contract will be added to MDA's backlog in the third quarter of fiscal 2023.

2023 FINANCIAL OUTLOOK

As a leading global space technology provider, we are leveraging our capabilities and expertise to execute on targeted growth strategies across our end markets and business areas. Our strategic initiatives, which span across our three businesses, include expanding our share of the growing constellation market, leveraging our leading robotics technology platform to capitalize on emerging commercial opportunities, and further strengthening our positioning in Geointelligence through the development of our CHORUS Earth observation constellation. We continue to make good progress against our long term strategic plan.

MDA is well positioned to capitalize on strong customer demand and robust market activity given our diverse and proven technology offerings. Our growth pipeline is significant and underpinned by existing and new programs and our book of business is healthy. We see activities ramping up in line with our expectations, and are encouraged by the team's solid execution. We continue to closely monitor developments related to supply chain disruptions, and are taking pro-active measures across our three business areas to mitigate the impact on our operations to the extent possible.

For fiscal 2023, we are raising our financial outlook to reflect strong execution in the first half of the year and contributions from the recently announced Telesat Lightspeed program. We now expect full year revenues to be $785 – $810 million, representing robust year over year growth of approximately 25% at the mid-point of guidance. For the full year, we now expect adjusted EBITDA to be $155 – $165 million, representing approximately 19% – 20% adjusted EBITDA margin. We now expect capital expenditures to be $200 – $220 million in 2023, primarily comprising of growth investments to support CHORUS and the previously outlined growth initiatives across our three business areas. We expect Q3 2023 revenues to grow by approximately 10-15% compared to Q3 2022 levels as we continue to execute on our backlog.

FINANCIAL OVERVIEW

KEY INDICATORS SUMMARY

	Second Quarters Ended		Six Months Ended	
(in millions of Canadian dollars)	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Revenues	$ 196.0	$ 154.7	$ 397.9	$ 283.1
Gross profit	$ 61.3	$ 51.4	$ 128.5	$ 113.1
Gross margin	31.3%	33.2%	32.3%	40.0%
EBITDA[1]	$ 34.9	$ 31.3	$ 80.7	$ 66.9
Adjusted EBITDA[1]	$ 40.4	$ 34.7	$ 89.3	$ 79.2
Adjusted EBITDA margin	20.6%	22.4%	22.4%	28.0%

		As at
(in millions of Canadian dollars, except for ratios)	June 30, 2023	December 31, 2022
Backlog	$ 1,098.3	$ 1,378.2
Net debt[1] to Adjusted TTM[1] EBITDA ratio	1.2x	1.3x

REVENUES BY BUSINESS AREA

	Second Quarters Ended		Six Months Ended	
(in millions of Canadian dollars)	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Geointelligence	$ 47.9	$ 47.0	$ 99.2	$ 95.9
Robotics & Space Operations	58.7	48.8	121.6	91.2
Satellite Systems	89.4	58.9	177.1	96.0
Consolidated revenues	$ 196.0	$ 154.7	$ 397.9	$ 283.1

Revenues

Consolidated revenues for the second quarter of 2023 were $196.0 million, representing an increase of $41.3 million (or 26.7%) from the second quarter of 2022. The year over year increase in revenues was primarily driven by strong contributions from our Satellite Systems and Robotics & Space Operations businesses.

By business area, revenues in Geointelligence for the second quarter of 2023 were $47.9 million, which represents an increase of $0.9 million (or 1.9%) from the same period in 2022 due to slightly higher volume of work. Revenues in Robotics & Space Operations for the second quarter of 2023 were $58.7 million, which represents an increase of $9.9 million (or 20.3%) from the same period in 2022. This year over year increase is primarily driven by the higher volume of work performed on the Canadarm3 program. Revenues in Satellite Systems for the second quarter of 2023 were $89.4 million, which represents an increase of $30.5 million (or 51.8%) from the same period in

[1] As defined in the "Non-IFRS Financial Measures" section

2022 driven by higher volumes on new programs including the Globalstar program which was awarded in Q1 2022.

Consolidated revenues for the six months ended June 30, 2023 were $397.9 million, which were $114.8 million (or 40.6%) higher than the same period in 2022. The year over year increase in revenues was primarily driven by strong contributions from our Satellite Systems and Robotics & Space Operations businesses.

By business area, revenues in Geointelligence for the first six months of 2023 were $99.2 million, which represents an increase of $3.3 million (or 3.4%) from the same period in 2022 reflecting slightly higher volume of work. Revenues in Robotics & Space Operations for the first six months of 2023 were $121.6 million, which represents an increase of $30.4 million (or 33.3%) from the same period in 2022. The year over year revenue increase is primarily driven by the higher volume of work performed on the Canadarm3 program. Revenues in Satellite Systems for the first six months of 2023 were $177.1 million, which represents an increase of $81.1 million (or 84.5%) from the same period in 2022 primarily driven by higher volumes on new programs including the Globalstar program which was awarded in Q1 2022.

Gross Profit and Gross Margin

Gross profit reflects our revenues less cost of revenues. Q2 2023 gross profit of $61.3 million represents a $9.9 million (or 19.3%) increase over Q2 2022 driven by higher volume of work performed year over year. Gross margin in Q2 2023 was 31.3%, which is in line with our expectations as the Company's program mix evolves. Comparatively, gross margin in Q2 2022 was 33.2%.

For the six months ended June 30, 2023, gross profit of $128.5 million represents a $15.4 million (or 13.6%) increase over 2022 driven by higher volume of work performed year over year, partially offset by $16.8 million of higher ITCs recorded in Q1 2022 related to the resolution of historical claims. Gross margin for the six months ended June 30, 2023 was 32.3%, which is in line with our expectations as the Company's program mix evolves. Comparatively, gross margin in 2022 was 34.0% excluding the aforementioned impact of the historical ITC claims recognized in Q1 2022.

Adjusted EBITDA and Adjusted EBITDA Margin

Adjusted EBITDA for the second quarter of 2023 was $40.4 million compared with $34.7 million in Q2 2022, representing an increase of $5.7 million (or 16.4%) year over year driven by higher gross profit as we continue to execute on our backlog. Adjusted EBITDA margin was 20.6% in Q2 2023 compared with 22.4% in Q2 2022, which is in line with the variance in gross margin year over year.

Adjusted EBITDA for the six months ended June 30, 2023 was $89.3 million compared with $79.2 million for the same period in 2022, representing an increase of $10.1 million (or 12.8%) year over year. Adjusted EBITDA for the six months ended June 30, 2022 included $16.8 million of income from the aforementioned resolution of historical ITC claims. When excluding the impact of the $16.8 million related to historical ITC claims, Adjusted EBITDA increased $26.9 million (or 43.1%) year over year. The improvement was driven by higher volumes of work performed year over year. Adjusted EBITDA margin was 22.4% for the six months ended June 30, 2023 compared with 22.0% in 2022, excluding the previously noted historical ITC claims resolution.

Adjusted EBITDA, excluding historical ITCs claims resolution, is summarized below

	Second Quarters Ended		Six Months Ended	
(in millions of Canadian dollars)	**June 30, 2023**	**June 30, 2022**	**June 30, 2023**	**June 30, 2022**
Adjusted EBITDA	$ 40.4	$ 34.7	$ 89.3	$ 79.2
ITCs claims resolution	—	—	—	(16.8)
Adjusted EBITDA, excluding ITCs claims resolution	$ 40.4	$ 34.7	$ 89.3	$ 62.4
Adjusted EBITDA margin, excluding ITCs claims resolution	20.6%	22.4%	22.4%	22.0%

Backlog

Backlog as at June 30, 2023 was $1,098.3 million, a decrease of $422.5 million compared with the backlog at June 30, 2022 driven by continued conversion of backlog into revenue, partially offset by new order bookings. The following table shows the build up of backlog for Q2 and the six months ended June 30, 2023 as compared with the same periods in 2022.

	Second Quarters Ended		Six Months Ended	
(in millions of Canadian dollars)	**June 30, 2023**	**June 30, 2022**	**June 30, 2023**	**June 30, 2022**
Opening Backlog	$ 1,232.4	$ 1,516.8	$ 1,378.2	$ 864.3
Less: Revenue recognized	(196.0)	(154.7)	(397.9)	(283.1)
Add: Order Bookings	61.9	158.7	118.0	939.6
Ending Backlog	$ 1,098.3	$ 1,520.8	$ 1,098.3	$ 1,520.8

CONFERENCE CALL AND WEBCAST

MDA will host a conference call and webcast to discuss these financial results on Friday, August 11, 2023 at 11:00 a.m. ET. Interested parties can join the call by dialing 416-764-8609 (Toronto area) or 1-888-390-0605 (toll-free North America) or 080-0652-2435 (toll-free international) and entering the conference ID **29464883**. A live webcast of the conference call and an accompanying slide presentation will be available at https://mda-en.investorroom.com/events-presentations.

A replay of the conference will be archived on the MDA website following the call. Parties may also access a recording of the call which will be available until August 18, 2023, by dialing 1-888-390-0541 and entering the passcode 464883 #.

NON-IFRS FINANCIAL MEASURES

This press release 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. Accordingly, the measures should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. 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 define EBITDA as net income (loss) before: i) depreciation and amortization expenses, ii) provision for (recovery of) income taxes, and iii) finance costs. Adjusted EBITDA is calculated by adding to and deducting from EBITDA, as applicable, certain expenses, costs, charges or benefits incurred in such period which in management's view are either not indicative of underlying business performance or impact the ability to assess the operating performance of our business, including i) unrealized foreign exchange gain or loss ii) unrealized gain or loss on financial instruments and iii) share-based compensation expenses, and iv) other items that may arise from time to time. Adjusted EBITDA margin represents Adjusted EBITDA divided by revenue. Order Bookings is the dollar sum of contract values of firm customer contracts. Order Bookings is indicative of firm future revenues; however, it does not provide a guarantee of future net income and provides no information about the timing of future revenue. Net Debt is the total carrying amount of long-term debt including current portions, as presented in the Q2 2023 Financial Statements, less cash (or plus bank indebtedness) and excluding any lease liabilities. Net Debt is a liquidity metric used to determine how well the Company can pay all of its debts if they were due immediately.

FORWARD-LOOKING STATEMENTS

This press release may contain forward-looking information within the meaning of applicable securities legislation, which reflects the Company's current expectations regarding future events. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond the Company's control, which could cause actual results and events to differ materially from those that are disclosed in or implied by such forward-looking information. Such risks and uncertainties include, but are not limited to the factors discussed under "Risk Factors" in the Company's Annual Information Form (AIF) dated March 23, 2023 and available on SEDAR at www.sedar.com. MDA does not undertake any obligation to update such forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable law.

ABOUT MDA

Serving the world from its Canadian home and global offices, MDA (TSX:MDA) is an international space mission partner and a robotics, satellite systems and geointelligence pioneer with a 50-year story of firsts on and above the Earth. With over 2,800 staff across Canada, the US and the UK, MDA is a leading partner in the pursuit of viable Moon colonies, enhanced Earth observation, communication in a hyper-connected world, and more. MDA has a track record of making space ambitions come true, and enables highly skilled people to continually push boundaries, tackle big challenges, and imagine solutions that inspire and endure to change the world for the better, on the ground and in the stars. For more information about the Company, please visit www.mda.space.

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MDA Ltd.
Unaudited Interim Condensed Statement of Comprehensive Income
For the three and six months ended June 30, 2023 and 2022
(In millions of Canadian dollars except per share figures))

	Three months ended June 30, 2023	Three months ended June 30, 2022	Six months ended June 30, 2023	Six months ended June 30, 2022
Revenue	$ 196.0	$ 154.7	$ 397.9	$ 283.1
Cost of revenue				
Materials, labour and subcontractors	(127.7)	(97.5)	(255.8)	(158.4)
Depreciation and amortization of assets	(7.0)	(5.8)	(13.6)	(11.6)
Gross profit	**61.3**	**51.4**	**128.5**	**113.1**
Operating expenses				
Selling, general and administration	(17.8)	(13.8)	(34.4)	(28.1)
Research and development, net	(10.3)	(8.7)	(20.4)	(17.2)
Amortization of intangible assets	(11.0)	(12.9)	(23.8)	(26.9)
Share-based compensation	(2.9)	(1.4)	(4.1)	(3.0)
Operating income	**19.3**	**14.6**	**45.8**	**37.9**
Other income (expenses)				
Unrealized loss on financial instruments	(0.6)	(4.1)	(1.1)	(9.4)
Foreign exchange gain (loss)	(1.8)	2.1	(1.4)	(0.1)
Finance costs (net)	(2.1)	(24.7)	(4.3)	(29.0)
Income (loss) before income taxes	**14.8**	**(12.1)**	**39.0**	**(0.6)**
Income tax recovery (expense)	(4.9)	3.3	(13.0)	0.2
Net income (loss)	**9.9**	**(8.8)**	**26.0**	**(0.4)**
Other comprehensive income (loss)				
Gain (loss) on translation of foreign operations	(0.1)	0.1	(0.3)	0.5
Gain on cash flow hedges	3.6	—	1.9	—
Remeasurement gain on defined benefit plans	—	17.8	1.7	17.8
Total comprehensive income	**$ 13.4**	**$ 9.1**	**$ 29.3**	**$ 17.9**
Earnings (loss) per share:				
Basic	$ 0.08	$ (0.07)	$ 0.22	$ (0.00)
Diluted	0.08	(0.07)	0.22	(0.00)
Weighted-average common shares outstanding:				
Basic	119,168,507	118,691,628	119,121,502	118,691,628
Diluted	120,254,778	118,691,628	119,837,462	118,691,628

MDA Ltd.
Unaudited Interim Condensed Statement of Financial Position
June 30, 2023
(In millions of Canadian dollars)

As at		June 30, 2023		December 31, 2022
Assets				
Current assets:				
Cash	$	39.0	$	39.3
Trade and other receivables		87.8		155.5
Unbilled receivables		165.3		121.0
Inventories		11.3		7.5
Income taxes receivable		27.1		35.1
Other current assets		21.8		19.8
		352.3		**378.2**
Non-current assets:				
Property, plant and equipment		292.4		235.1
Right-of-use assets		6.8		7.1
Intangible assets		546.5		552.4
Goodwill		419.9		419.9
Deferred income tax assets		14.1		19.1
Other non-current assets		177.2		139.0
Total assets	**$**	**1,809.2**	**$**	**1,750.8**
Liabilities and shareholders' equity				
Current liabilities:				
Accounts payable and accrued liabilities	$	150.0	$	124.3
Income taxes payable		15.1		11.9
Contract liabilities		111.9		110.8
Current portion of net employee benefit payable		48.4		54.1
Current portion of lease liabilities		7.8		6.7
Other current liabilities		9.7		10.8
		342.9		**318.6**
Non-current liabilities:				
Net employee defined benefit payable		23.0		21.5
Lease liabilities		0.6		1.6
Long-term debt		248.7		243.6
Deferred income tax liabilities		158.7		163.8
Other non-current liabilities		1.0		1.1
Total liabilities		**774.9**		**750.2**
Shareholders' equity				
Common shares		953.6		951.6
Contributed surplus		27.4		25.0
Accumulated other comprehensive income		17.4		14.1
Retained earnings		35.9		9.9
Total equity		**1,034.3**		**1,000.6**
Total liabilities and equity	**$**	**1,809.2**	**$**	**1,750.8**

MDA Ltd.

Unaudited Interim Condensed Consolidated Statement of Cash Flows
For the three and six months ended June 30, 2023 and 2022
(In millions of Canadian dollars)

	Three months ended June 30, 2023	Three months ended June 30, 2022	Six months ended June 30, 2023	Six months ended June 30, 2022
Cash flows from operating activities				
Net income (loss)	$ 9.9	$ (8.8)	$ 26.0	$ (0.4)
Items not affecting cash:				
Income tax expense (recovery)	4.9	(3.3)	13.0	(0.2)
Depreciation of property, plant and equipment	3.1	2.4	5.9	4.9
Depreciation of right-of-use assets	2.3	2.0	4.3	4.1
Amortization of intangible assets	12.6	14.3	27.2	29.5
Share-based compensation expense	2.9	1.4	4.1	3.0
Investment tax credits accrued	(5.6)	(8.9)	(12.7)	(31.6)
Finance costs	2.1	24.7	4.3	29.0
Unrealized loss on financial instruments	0.6	4.1	1.1	9.4
Changes in operating assets and liabilities	12.0	(20.9)	21.1	(26.0)
	44.8	**7.0**	**94.3**	**21.7**
Interest paid	(4.0)	(10.4)	(8.0)	(11.0)
Income tax paid	(1.9)	(1.6)	(1.6)	(1.0)
Net cash from (used in) operating activities	**38.9**	**(5.0)**	**84.7**	**9.7**
Cash flows from investing activities				
Purchases of property and equipment	(33.9)	(42.8)	(63.6)	(67.7)
Purchase/development of intangible assets	(11.8)	(12.2)	(22.6)	(24.4)
Net cash used in investing activities	**(45.7)**	**(55.0)**	**(86.2)**	**(92.1)**
Cash flows from financing activities				
Repayment of long-term debt	—	(150.0)	—	(150.0)
Borrowings from (repayments of) senior credit facility	(20.0)	170.0	5.0	170.0
Transaction costs incurred on debt refinancing	—	(8.9)	—	(8.9)
Payment of lease liability (principal portion)	(2.0)	(1.9)	(3.9)	(4.0)
Proceeds from stock options exercised	—	—	0.4	—
Net cash provided by (used in) financing activities	**(22.0)**	**9.2**	**1.5**	**7.1**
Net increase (decrease) in cash	**(28.8)**	**(50.8)**	**—**	**(75.3)**
Net foreign exchange differences on cash	(0.1)	0.1	(0.3)	0.5
Cash, beginning of period	67.9	59.5	39.3	83.6
Cash, end of period	**$ 39.0**	**$ 8.8**	**$ 39.0**	**$ 8.8**

RECONCILIATON OF NON-IFRS MEASURES

The following table provides a reconciliation of net income to EBITDA and adjusted EBITDA:

	Second Quarters Ended		Six Months Ended	
(in millions of Canadian dollars)	**June 30, 2023**	**June 30, 2022**	**June 30, 2023**	**June 30, 2022**
Net income (loss)	$ 9.9	$ (8.8)	$ 26.0	$ (0.4)
Depreciation and amortization	7.0	5.8	13.6	11.6
Amortization of intangible assets	11.0	12.9	23.8	26.9
Income tax expense (recovery)	4.9	(3.3)	13.0	(0.2)
Finance costs	2.1	24.7	4.3	29.0
EBITDA	$ 34.9	$ 31.3	$ 80.7	$ 66.9
Unrealized foreign exchange loss (gain)	2.0	(2.1)	3.4	(0.1)
Unrealized loss on financial instruments	0.6	4.1	1.1	9.4
Share based compensation	2.9	1.4	4.1	3.0
Adjusted EBITDA	$ 40.4	$ 34.7	$ 89.3	$ 79.2