

# NEWS RELEASE

## MDA SPACE REPORTS SECOND QUARTER 2024 RESULTS

- *Q2 2024 Highlights*
  - *Record backlog of \$4.6 billion at quarter-end, up 318% YoY*
  - *Strong top line growth with revenues of \$242.0 million, up 23% YoY*
  - *Solid profitability with adjusted EBITDA<sup>1</sup> of \$48.7 million, up 21% YoY, and adjusted EBITDA margin<sup>1</sup> of 20.1%*
  - *Strong operating cash flow of \$149.0 million and healthy balance sheet with net debt to adjusted EBITDA<sup>1</sup> ratio of 2.0x*
  - *Solid adjusted net income<sup>1</sup> of \$23.4 million, up 7% YoY, and adjusted diluted earnings per share<sup>1</sup> of \$0.19, up 6% YoY*
- *Updated 2024 full-year financial outlook*
  - *Raised revenue guidance, narrowed guidance for adjusted EBITDA and capex*
  - *Positive free cash flow<sup>1</sup> expected in 2024, one year ahead of plan*

**Brampton, Ontario** (August 8, 2024) -- MDA Space Ltd. (TSX: MDA), a trusted space mission partner to the rapidly expanding global space industry, today announced its financial results for the second quarter ended June 30, 2024.

“The MDA Space team delivered a solid Q2 driven by strong execution as we continued to convert our backlog and deliver on our customer commitments,” said Mike Greenley, Chief Executive Officer of MDA Space. “With robust momentum in our end-markets, we also continue to grow our backlog, which at quarter-end stood at a record \$4.6 billion. Notable awards in Q2 included a \$1 billion contract from the Canadian Space Agency for the next phases of the Canadarm3 program that will see us finalizing the design and carrying out the construction of the robotic system and ground control segment.”

“During the quarter we also continued to advance the manufacturing of MDA CHORUS™, our next generation Earth Observation constellation. We unveiled additional features including a new vessel detection onboard processing demonstration capability to enable future rapid delivery of data and actionable insights for maritime customers,” continued Mr. Greenley.

“Our teams were also busy advancing a number of programs including Telesat Lightspeed where MDA Space is the prime contractor to deliver 198 digital low earth orbit satellites. At quarter-end, we had approximately 75% of the supplier base for the program under contract, setting the stage for work volumes to accelerate in the second half of 2024 consistent with our full year plan.”

“Given strong operational performance year-to-date, we are updating our 2024 financial guidance and expect to be free cash flow positive in 2024 as we look to deliver another successful year.”

### Q2 2024 HIGHLIGHTS

- Backlog of \$4.6 billion at quarter-end continued to build and was up 318% compared to Q2 2023. The increase in backlog is driven by new order bookings including the \$1 billion award for Phases C/D of the Canadarm3 program announced in Q2 2024 and \$2.4 billion Telesat Lightspeed LEO constellation award announced in Q3 2023.

---

<sup>1</sup> As defined in the “Non-IFRS Financial Measures” section

- Revenues of \$242.0 million in Q2 2024 were up 23% YoY driven by higher work volumes across our three business areas, with strong contributions from the Robotics & Space Operations and Satellite Systems businesses.
- Adjusted EBITDA of \$48.7 million in Q2 2024 compared to \$40.4 million in Q2 2023, representing an increase of \$8.3 million (or 21%) YoY. Adjusted EBITDA margin of 20.1% in Q2 2024 is consistent with the Company's full year margin guidance of 19-20% and compares to adjusted EBITDA margin of 20.6% reported in the second quarter of 2023.
- Adjusted net income for Q2 2024 was \$23.4 million compared to \$21.9 million in Q2 2023, representing an increase of \$1.5 million (or 7%) YoY driven by higher operating income. Adjusted diluted earnings per share of \$0.19 in Q2 2024 compared to \$0.18 in Q2 2023.
- Operating cash flow was \$149.0 million in Q2 2024 compared to \$38.9 million in Q2 2023. The year-over-year increase in operating cash flow was driven by positive working capital contributions primarily related to the Telesat Lightspeed program.
- At quarter-end, net debt to adjusted EBITDA ratio was 2.0x compared to 2.4x as of December 2023 (2.6x as of March 31, 2024) as the Company utilized its strong operating cash flow in Q2 2024 to make repayments to its revolving credit facility and deleverage the balance sheet while continuing to invest in its growth initiatives.

## **2024 FINANCIAL OUTLOOK**

As a trusted mission partner and 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 investing in next generation space technology and services, expanding our presence in high growth markets and geographies, scaling and expanding skills, talent and operations to meet current and future market demand and leveraging strategic M&A to complement organic growth. We continue to make good progress against our long-term strategic plan.

MDA Space 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.

For fiscal 2024, we are raising our full year revenue guidance to \$1,020 – \$1,060 million from \$950 – \$1,050 million previously, representing robust year-over-year growth of approximately 30% at the mid-point of guidance compared to 2023 levels. We continue to expect revenue growth to accelerate in the second half of 2024 as we ramp up work volumes on a number of programs. We are narrowing our 2024 adjusted EBITDA guidance to \$200 – \$210 million from \$190 – \$210 million previously, representing approximately 19% – 20% adjusted EBITDA margin. We are narrowing our 2024 capital expenditures range to \$200 – \$220 million from \$210 – \$230 million previously, comprising primarily of growth investments to support CHORUS and the previously outlined growth initiatives across our three business areas. Additionally, as a result of favourable working capital contributions related to the Telesat Lightspeed program, we now expect to generate free cash flow and continue to deleverage our balance sheet in 2024.

For Q3 2024, we expect revenues to be \$270 – \$280 million as we continue to execute on our backlog.

## FINANCIAL OVERVIEW

### KEY INDICATORS SUMMARY

<i>(in millions of Canadian dollars, except per share data)</i>	Second Quarters Ended		Six Months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Revenues	\$ 242.0	\$ 196.0	\$ 451.1	\$ 397.9
Gross profit	\$ 66.2	\$ 61.3	\$ 124.1	\$ 128.5
Gross margin	27.4%	31.3%	27.5%	32.3%
Adjusted EBITDA <sup>2</sup>	\$ 48.7	\$ 40.4	\$ 90.7	\$ 89.3
Adjusted EBITDA margin <sup>2</sup>	20.1%	20.6%	20.1%	22.4%
Adjusted Net Income <sup>2</sup>	\$ 23.4	\$ 21.9	\$ 41.9	\$ 48.3
Adjusted Diluted EPS <sup>2</sup>	\$ 0.19	\$ 0.18	\$ 0.34	\$ 0.40

<i>(in millions of Canadian dollars, except for ratios)</i>	As at	
	June 30, 2024	December 31, 2023
Backlog	\$ 4,596.0	\$ 3,097.0
Net debt <sup>2</sup> to Adjusted TTM <sup>3</sup> EBITDA ratio	2.0x	2.4x

### REVENUES BY BUSINESS AREA

<i>(in millions of Canadian dollars)</i>	Second Quarters Ended		Six Months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Geointelligence	\$ 54.9	\$ 47.9	\$ 106.4	\$ 99.2
Robotics & Space Operations	78.3	58.7	148.6	121.6
Satellite Systems	108.8	89.4	196.1	177.1
Consolidated revenues	\$ 242.0	\$ 196.0	\$ 451.1	\$ 397.9

### Revenues

Consolidated revenues for the second quarter of 2024 were \$242.0 million, representing an increase of \$46.0 million (or 23.5%) from the second quarter of 2023. The year-over-year increase in revenues was driven by higher work volumes across our three business areas, with strong contributions from our Robotics & Space Operations and Satellite Systems businesses.

By business area, revenues in Geointelligence for the second quarter of 2024 were \$54.9 million, which represents an increase of \$7.0 million (or 14.6%) from the same period in 2023 reflecting higher work volume on the CSC program. Revenues in Robotics & Space Operations for the second quarter of 2024 were \$78.3 million, which represents an increase of \$19.6 million (or 33.4%) from the same period in 2023. The year-over-year increase is primarily driven by higher volume of work performed on the Canadarm3 program. Revenues in Satellite Systems for the second quarter of 2024 were \$108.8 million, which represents an increase of \$19.4 million (or

<sup>2</sup> As defined in the "Non-IFRS Financial Measures" section

<sup>3</sup> TTM: Trailing twelve months

21.7%) from the same period in 2023 driven by higher contributions from new programs including Telesat Lightspeed in Q2 2024.

Consolidated revenues for the six months ended June 30, 2024 were \$451.1 million, representing an increase of \$53.2 million (or 13.4%) from the same period of 2023. The year-over-year increase in revenues was primarily driven by increased volume from our Robotics & Space Operations and Satellite Systems businesses.

By business area, revenues in Geointelligence for the first six months of 2024 were \$106.4 million, which represents an increase of \$7.2 million (or 7.3%) from the same period in 2023 reflecting higher work volume on the CSC program. Revenues in Robotics & Space Operations for the first six months of 2024 were \$148.6 million, which represents an increase of \$27.0 million (or 22.2%) from the same period in 2023. The year-over-year 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 2024 were \$196.1 million, which represents an increase of \$19.0 million (or 10.7%) from the same period in 2023 driven by higher contributions from new programs including the Telesat Lightspeed program.

### **Gross Profit and Gross Margin**

Gross profit reflects our revenues less cost of revenues. Q2 2024 gross profit of \$66.2 million represents a \$4.9 million (or 8.0%) increase over Q2 2023 driven by higher work volume in the current quarter. Gross margin in Q2 2024 was 27.4%, which is in line with the Company's expectations and compares to gross margin of 31.3% in Q2 2023. The year-over-year change in gross margin is driven by evolving program mix and higher depreciation expense as new assets come into service.

For the six months ended June 30, 2024, gross profit of \$124.1 million represents a \$4.4 million (or 3.4%) decrease over 2023 levels. Gross margin for the six months ended June 30, 2024 was 27.5% which is in line with the Company's expectations and compares to 32.3% in Q2 2023. The year-over-year change in gross profit and gross margin metrics is driven by evolving program mix and higher depreciation expense as new assets come into service.

### **Adjusted EBITDA and Adjusted EBITDA Margin**

Adjusted EBITDA for the second quarter of 2024 was \$48.7 million compared with \$40.4 million for the second quarter of 2023, representing an increase of \$8.3 million (or 20.5%) year-over-year driven by higher volume of work and steady operating expenses. Adjusted EBITDA margin of 20.1% for the second quarter of 2024 is consistent with the Company's full year margin guidance of 19-20% and compares to adjusted EBITDA margin of 20.6% reported in the second quarter of 2023.

Adjusted EBITDA for the six months ended June 30, 2024 was \$90.7 million compared with \$89.3 million for the same period in 2023, representing an increase of \$1.4 million (or 1.6%) year-over-year. The improvement was driven by higher volumes of work performed year-over-year somewhat offset by program mix. Adjusted EBITDA margin was 20.1% for the six months ended June 30, 2024 compared with 22.4% in 2023.

## Adjusted Net Income

Adjusted net income for the second quarter of 2024 was \$23.4 million compared with \$21.9 million for the second quarter of 2023, representing an increase of \$1.5 million (or 6.8%) year-over-year driven by higher operating income in the latest quarter.

Adjusted net income for the six months ended June 30, 2024 was \$41.9 million compared with \$48.3 million for the same period in 2023, representing a decrease of \$6.4 million (or 13.3%) year-over-year driven by the aforementioned gross profit variance.

## Backlog

Backlog is comprised of our remaining performance obligations which represent the transaction price of firm orders less inception to date revenue recognized and excludes unexercised contract options and indefinite delivery or indefinite quantity contracts. Backlog as at June 30, 2024 was \$4,596.0 million, an increase of \$3,497.7 million compared with the backlog at June 30, 2023 driven by new order bookings, partially offset by continued conversion of our backlog into revenue. The following table shows the build up of backlog for Q2 2024 as compared with the same period in 2023.

<i>(in millions of Canadian dollars)</i>	Second Quarters Ended		Six Months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Opening Backlog	\$ 3,312.2	\$ 1,232.4	\$ 3,097.0	\$ 1,378.2
Less: Revenue recognized	(242.0)	(196.0)	(451.1)	(397.9)
Add: Order Bookings	1,525.8	61.9	1,950.1	118.0
Ending Backlog	\$ 4,596.0	\$ 1,098.3	\$ 4,596.0	\$ 1,098.3

## CONFERENCE CALL AND WEBCAST

MDA will host a conference call and webcast to discuss these financial results on Thursday, August 8, 2024 at 8:30 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 +44-800-652-2435 (toll-free international) and entering the conference ID 88012706. 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 15, 2024, by dialing 1-888-390-0541 and entering the passcode 12706 #.

## **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, Adjusted Net Income, Adjusted Earnings per Share, 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 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. Adjusted Net Income is calculated by adding to and deducting from net income, 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) amortization of intangible assets related to business combinations, ii) unrealized foreign exchange gain or loss, iii) unrealized gain or loss on financial instruments, and iv) share-based compensation expenses, and iv) other items that may arise from time to time. Adjusted Earnings per Share represents Adjusted Net Income divided by the weighted average number of shares outstanding. 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 2024 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. Free Cash Flow is a supplemental measure used to monitor the availability of discretionary cash generated, and available to the Company to repay debt, make strategic investments, and meet other payment obligations. We define Free Cash Flow as operating cash flows less net capital expenditures.

## **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 February 28, 2024 and available on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com). MDA Space 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 SPACE**

Building the space between proven and possible, MDA Space (TSX:MDA) is a trusted mission partner to the global space industry. A robotics, satellite systems and geointelligence pioneer with a 55-year+ story of world firsts and more than 450 missions, MDA Space is a global leader in communications satellites, Earth and space observation, and space exploration and infrastructure. The MDA Space team of more than 3,000 space experts in Canada, the US and the UK has the knowledge and know-how to turn an audacious customer vision into an achievable mission – bringing to bear a one-of-a-kind mix of experience, engineering excellence and wide-eyed wonder that’s been in our DNA since day one. For those who dream big and push boundaries on the ground and in the stars to change the world for the better, we’ll take you there. For more information, visit [www.mda.space](http://www.mda.space).

## **INVESTOR CONTACT**

Shereen Zahawi  
Senior Director, Investor Relations  
647-401-3230  
[shereen.zahawi@mda.space](mailto:shereen.zahawi@mda.space)

## **MEDIA CONTACT**

Amy MacLeod  
Vice President, Corporate Communications  
613-796-6937  
[amy.macleod@mda.space](mailto:amy.macleod@mda.space)

**MDA Space Ltd.**

## Unaudited Interim Condensed Statement of Comprehensive Income

For the three and six months ended June 30, 2024 and 2023

(In millions of Canadian dollars except per share figures)

	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Revenue	\$ 242.0	\$ 196.0	\$ 451.1	\$ 397.9
<b>Cost of revenue</b>				
Materials, labour and subcontractors	(164.9)	(127.7)	(305.6)	(255.8)
Depreciation and amortization of assets	(10.9)	(7.0)	(21.4)	(13.6)
<b>Gross profit</b>	<b>66.2</b>	<b>61.3</b>	<b>124.1</b>	<b>128.5</b>
<b>Operating expenses</b>				
Selling, general and administration	(20.6)	(17.8)	(39.5)	(34.4)
Research and development, net	(8.8)	(10.3)	(17.8)	(20.4)
Amortization of intangible assets	(11.6)	(11.0)	(23.9)	(23.8)
Share-based compensation	(3.1)	(2.9)	(5.6)	(4.1)
<b>Operating income</b>	<b>22.1</b>	<b>19.3</b>	<b>37.3</b>	<b>45.8</b>
<b>Other income (expenses)</b>				
Unrealized gain (loss) on financial instruments	0.3	(0.6)	1.2	(1.1)
Foreign exchange gain (loss)	(0.8)	(1.8)	1.5	(1.4)
Finance income	0.7	0.3	1.4	0.3
Finance costs	(7.9)	(2.4)	(14.0)	(4.6)
Other income	0.1	—	6.6	—
<b>Income before income taxes</b>	<b>14.5</b>	<b>14.8</b>	<b>34.0</b>	<b>39.0</b>
Income tax expense	(3.5)	(4.9)	(9.2)	(13.0)
<b>Net income</b>	<b>11.0</b>	<b>9.9</b>	<b>24.8</b>	<b>26.0</b>
<b>Other comprehensive income</b>				
Gain (loss) on translation of foreign operations	1.0	(0.1)	(0.2)	(0.3)
Gain (loss) on cash flow hedges	(0.7)	3.6	1.9	1.9
Remeasurement gain (loss) on defined benefit plans	(8.9)	—	(0.6)	1.7
<b>Total comprehensive income</b>	<b>\$ 2.4</b>	<b>\$ 13.4</b>	<b>\$ 25.9</b>	<b>\$ 29.3</b>
<b>Earnings per share:</b>				
Basic	\$ 0.09	\$ 0.08	\$ 0.21	\$ 0.22
Diluted	0.09	0.08	0.20	0.22
<b>Weighted-average common shares outstanding:</b>				
Basic	120,058,063	119,168,507	119,756,782	119,121,502
Diluted	123,516,192	120,254,778	123,271,143	119,837,462



**MDA Space Ltd.**

Unaudited Interim Condensed Statement of Financial Position

June 30, 2024

(In millions of Canadian dollars)

<b>As at</b>	<b>June 30, 2024</b>	<b>December 31, 2023</b>
<b>Assets</b>		
Current assets:		
Cash	\$ 46.4	\$ 22.5
Trade and other receivables	119.4	169.5
Unbilled receivables	297.1	183.1
Inventories	10.2	9.9
Income taxes receivable	57.4	47.3
Other current assets	56.0	24.3
	<b>586.5</b>	<b>456.6</b>
Non-current assets:		
Property, plant and equipment	412.9	369.1
Right-of-use assets	87.4	71.8
Intangible assets	577.7	582.5
Goodwill	440.3	439.8
Deferred income tax assets	14.4	14.9
Other non-current assets	260.2	227.0
<b>Total assets</b>	<b>\$ 2,379.4</b>	<b>\$ 2,161.7</b>
<b>Liabilities and shareholders' equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 215.6	\$ 219.1
Income taxes payable	3.5	4.4
Contract liabilities	300.4	76.9
Current portion of net employee benefit payable	48.6	57.4
Current portion of lease liabilities	12.9	10.9
Other current liabilities	3.5	4.5
	<b>584.5</b>	<b>373.2</b>
Non-current liabilities:		
Net employee defined benefit payable	22.0	22.8
Lease liabilities	91.0	75.2
Long-term debt	398.7	438.9
Deferred income tax liabilities	182.1	180.8
Other non-current liabilities	3.6	6.1
<b>Total liabilities</b>	<b>1,281.9</b>	<b>1,097.0</b>
<b>Shareholders' equity</b>		
Common shares	960.5	956.1
Contributed surplus	33.8	31.3
Accumulated other comprehensive income	19.7	18.6
Retained earnings	83.5	58.7
<b>Total equity</b>	<b>1,097.5</b>	<b>1,064.7</b>
<b>Total liabilities and equity</b>	<b>\$ 2,379.4</b>	<b>\$ 2,161.7</b>

**MDA Space Ltd.**

## Unaudited Interim Condensed Consolidated Statement of Cash Flows

For the three and six months ended June 30, 2024 and 2023

(In millions of Canadian dollars)

	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
<b>Cash flows from operating activities</b>				
Net income	\$ 11.0	\$ 9.9	\$ 24.8	\$ 26.0
Items not affecting cash:				
Income tax expense	3.5	4.9	9.2	13.0
Depreciation of property, plant and equipment	5.9	3.1	10.1	5.9
Depreciation of right-of-use assets	2.2	2.3	5.7	4.3
Amortization of intangible assets	14.4	12.6	29.5	27.2
Gain on disposal of assets	—	—	(5.8)	—
Share-based compensation expense	3.0	2.9	5.5	4.1
Investment tax credits accrued	(11.0)	(5.6)	(19.2)	(12.7)
Finance costs, net	7.2	2.1	12.6	4.3
Unrealized (gain) loss on financial instruments	(0.3)	0.6	(1.2)	1.1
Changes in operating assets and liabilities	117.6	12.0	114.7	21.1
	<b>153.5</b>	<b>44.8</b>	<b>185.9</b>	<b>94.3</b>
Interest paid	(4.4)	(4.0)	(12.5)	(8.0)
Income tax received (paid)	(0.1)	(1.9)	0.3	(1.6)
<b>Net cash from operating activities</b>	<b>149.0</b>	<b>38.9</b>	<b>173.7</b>	<b>84.7</b>
<b>Cash flows from investing activities</b>				
Purchases of property and equipment	(22.6)	(33.9)	(49.6)	(63.6)
Purchase/development of intangible assets	(16.3)	(11.8)	(29.5)	(22.6)
Proceeds from disposal of assets	—	—	7.4	—
Investment in equity securities	(9.2)	—	(9.2)	—
Acquisition of subsidiary, net of cash	(11.7)	—	(23.3)	—
<b>Net cash used in investing activities</b>	<b>(59.8)</b>	<b>(45.7)</b>	<b>(104.2)</b>	<b>(86.2)</b>
<b>Cash flows from financing activities</b>				
Borrowings from senior credit facility	(70.0)	(20.0)	(40.0)	5.0
Payment of lease liability (principal portion)	(1.4)	(2.0)	(4.5)	(3.9)
Proceeds from stock options exercised	—	—	0.8	0.4
<b>Net cash provided by financing activities</b>	<b>(71.4)</b>	<b>(22.0)</b>	<b>(43.7)</b>	<b>1.5</b>
<b>Net decrease in cash</b>	<b>17.8</b>	<b>(28.8)</b>	<b>25.8</b>	<b>—</b>
Net foreign exchange differences on cash	(0.7)	(0.1)	(1.9)	(0.3)
Cash, beginning of period	29.3	67.9	22.5	39.3
<b>Cash, end of period</b>	<b>\$ 46.4</b>	<b>\$ 39.0</b>	<b>\$ 46.4</b>	<b>\$ 39.0</b>

## RECONCILIATION OF NON-IFRS MEASURES

The following tables provide a reconciliation of net income to EBITDA, adjusted EBITDA, and adjusted net income:

<i>(in millions of Canadian dollars)</i>	Second Quarters Ended		Six Months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Net income	\$ 11.0	\$ 9.9	\$ 24.8	\$ 26.0
Depreciation and amortization of assets	10.9	7.0	21.4	13.6
Amortization of intangible assets related to business combination	11.6	11.0	23.9	23.8
Income tax expense	3.5	4.9	9.2	13.0
Finance income	(0.7)	(0.3)	(1.4)	(0.3)
Finance costs	7.9	2.4	14.0	4.6
EBITDA	\$ 44.2	\$ 34.9	\$ 91.9	\$ 80.7
Unrealized foreign exchange loss (gain)	1.8	2.0	0.3	3.4
Unrealized (gain) loss on financial instruments	(0.3)	0.6	(1.2)	1.1
Gain on disposal of assets	—	—	(5.8)	—
Share-based compensation	3.0	2.9	5.5	4.1
Adjusted EBITDA	\$ 48.7	\$ 40.4	\$ 90.7	\$ 89.3

<i>(in millions of Canadian dollars)</i>	Second Quarters Ended		Six Months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Net Income	\$ 11.0	\$ 9.9	\$ 24.8	\$ 26.0
Amortization of intangible assets related to business combination	11.6	11.0	23.9	23.8
Gain on disposal of assets	—	—	(5.8)	—
Unrealized (gain) loss on financial instruments	(0.3)	0.6	(1.2)	1.1
Net foreign exchange (gain) loss	0.8	1.8	(1.5)	1.4
Embedded derivative effects	1.3	—	1.7	—
Share-based compensation	3.0	2.9	5.5	4.1
Income taxes related to the above items	(4.0)	(4.3)	(5.5)	(8.1)
Adjusted Net income	\$ 23.4	\$ 21.9	\$ 41.9	\$ 48.3
Weighted average number of shares outstanding - diluted	123,516,192	120,254,778	123,271,143	119,837,462
Adjusted earnings per share - diluted	\$ 0.19	\$ 0.18	\$ 0.34	\$ 0.40