

# TELESAT™

**Investor Presentation**  
November 2024



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Note: unless otherwise stated, all values included are in Canadian dollars.

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Unless otherwise indicated, financial information in this presentation has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. IFRS differs in some respects from United States generally accepted accounting principles ("U.S. GAAP"), and thus our financial statements may not be comparable to the financial statements of United States companies prepared in accordance with U.S. GAAP. This Presentation includes certain financial measures not presented in accordance with IFRS or U.S. GAAP, including but not limited to, Adjusted EBITDA, Adjusted EBITDA margin, and Free Cash Flow. Adjusted EBITDA and Adjusted EBITDA are non-GAAP financial measures as defined in National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure ("NI 52-112"). Adjusted EBITDA margin is a non-GAAP ratio as defined in NI 52-112 and is the ratio of Adjusted EBITDA to revenue. These measures are not recognized measures under IFRS, do not have standardized meanings prescribed by IFRS and are therefore unlikely to 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. These measures may exclude items that are significant in understanding and assessing Telesat's financial results, and therefore should not be considered as alternatives to net income or any other measures derived in accordance with IFRS or U.S. GAAP. Additionally, these measures should not be considered in isolation or as a substitute for analysis of our financial information reported under IFRS. Reconciliations of these non-GAAP financial measures to IFRS are included in the Appendix hereto. Additional information and further reconciliations with respect to the non-IFRS measures included in this Presentation, including among other things, disclosure of their composition, how each non-IFRS measure provides useful information to investors and the additional purposes, if any, for which management uses each non-IFRS measure and reconciliations of non-IFRS measures to the closest IFRS measure can be found in the section entitled "Non-IFRS Measures" in our Management's Discussion and Analysis (the "MD&A") dated November 14, 2024 as at and for the nine-month period ended September 30, 2024, which information is incorporated by reference in this Presentation. The MD&A is available under our corporate profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and EDGAR at [www.sec.gov](http://www.sec.gov).

# Disclosures

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This Presentation includes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended, and "forward-looking information" within the meaning of applicable Canadian securities laws (collectively, "forward-looking statements") regarding Telesat, its financial condition and its results of operations. Forward-looking statements may be identified by the use of forward-looking words such as "believes", "expects", "plans", "may", "will", "would", "could", "should", "anticipates", "estimates", "aims", "targets", "continues", "objective", "projects", "intend" or "outlook" or other variations of these words or other similar expressions, and include statements regarding Telesat's plans, strategies, objectives and targets. This information (including information on Telesat's industry and end markets) is, where applicable, based on forecasts, estimates, assumptions, sources and analysis, that Telesat believes, as of the date hereof, provide a reasonable basis for the information contained herein, including assumptions about future economic conditions and courses of action. There can be no assertion that the information contained in this Presentation will be reflective of future performance to any degree. Readers are cautioned not to place undue reliance on forward-looking statements as a predictor of future performance. These forward-looking statements and future-orientated financial information are based on Telesat's current expectations and are subject to a number of risks, uncertainties and assumptions. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond Telesat control, are difficult to predict, and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. Known risks and uncertainties include but are not limited to: inflation and rising or prolonged elevated interest rates, risks associated with operating satellites and providing satellite services, including satellite construction or launch delays, launch failures, in-orbit failures or impaired satellite performance; the ability to deploy successfully an advanced global LEO satellite constellation, the timing of any such deployment, Telesat's ability to meet the funding conditions of the company's funding agreements with Telesat's Canadian federal and provincial government partners and of Telesat's vendor financing, technological hurdles, including Telesat's and Telesat's contractors' development and deployment of the new technologies required to complete the constellation in time to meet Telesat's schedule, or at all, the availability of services and components from Telesat's and Telesat's contractors' supply chains, competition with other LEO systems, deployed, and to be deployed; risks associated with domestic and foreign government regulation, including access to sufficient orbital spectrum to be able to deliver services effectively and access to sufficient geographic markets in which to sell those services; Telesat's ability to develop significant commercial and operational capabilities; volatility in exchange rates; and the ability to expand Telesat's existing satellite utilization. The foregoing list of important factors is not exhaustive. Readers should review the other risk factors discussed in Telesat's annual report on Form 20-F for the year ended December 31, 2023, that was filed on March 28, 2024, as well as in its Quarterly Report on Form 6-K for the three- and nine-month periods ended September 30, 2024, that was filed on November 14, 2024, with the SEC and on SEDAR+, and may be accessed on the SEC's website at [www.sec.gov](http://www.sec.gov) and SEDAR+'s website at [www.sedarplus.ca](http://www.sedarplus.ca). Nothing in this Presentation should be regarded as a representation by any person that our future expectations will be achieved and neither Telesat nor any of its directors, officers, affiliates, employees or advisors accepts any responsibility to inform the recipients of this Presentation of any matter arising or coming to any of their notice which may affect any matter referred to in this Presentation (including but not limited to any error or omission which may become apparent after this Presentation has been issued) or to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as may be required by applicable law.

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## Investment highlights

**Leading global satellite operator with diversified revenue and long-term visibility across blue chip customer base**

+

**Developing highly advanced low earth orbit (LEO) satellite network to capture fast growing enterprise broadband market**

**C\$609M<sup>1</sup>**

LTM Revenue

**C\$434M<sup>1</sup>**

LTM Adjusted EBITDA<sup>2</sup>

**71%**

Adjusted EBITDA margin<sup>2</sup>

**C\$1.0B**

In contracted GEO backlog as of September 30, 2024

**73%**

Utilization rate as of September 30, 2024

**~7 years**

Average remaining commercial life of geostationary satellite fleet

**~US\$320B**

Addressable Enterprise market

**156+**

Next-generation satellites with enterprise-class service

**US\$4.6B**

Telesat Lightspeed is fully funded for global service

**US\$0.5B**

In contracted LEO backlog as of September 30, 2024

**Telesat (NASDAQ & TSX: TSAT) is a leading global satellite operator with an established, high cash flow generative business and compelling growth opportunities backed by deep commercial, technical and regulatory expertise**

**TELESAT**

<sup>1</sup> LTM as of September 30, 2024

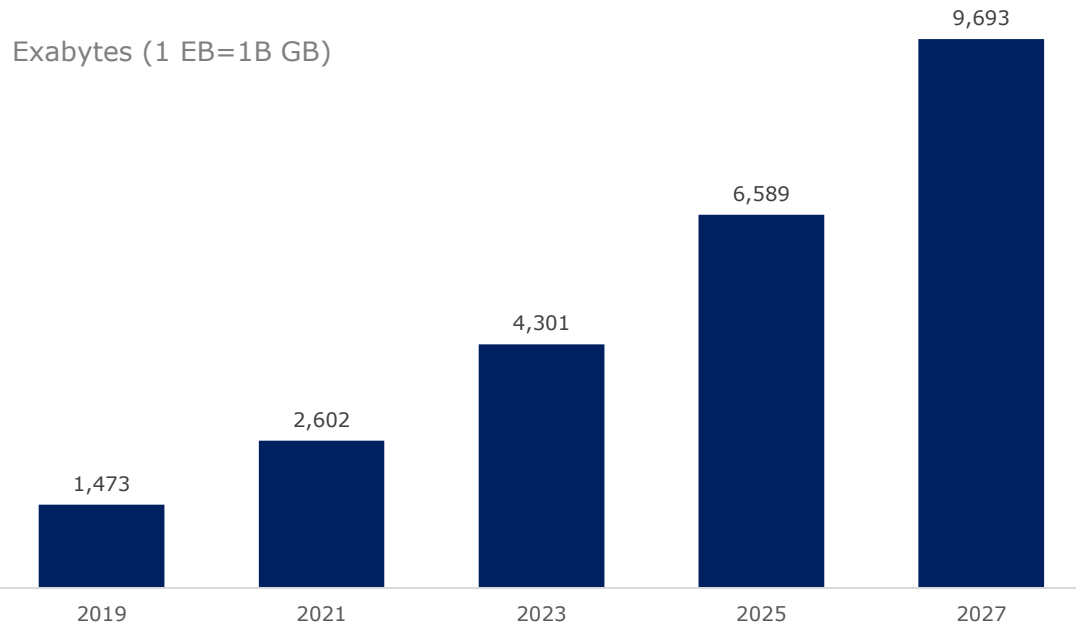
<sup>2</sup> Adjusted EBITDA and Adjusted EBITDA margin are non-IFRS measures. See Appendix for reconciliation of Adjusted EBITDA and Adjusted EBITDA margin to Net Income.



**Telesat Lightspeed**

# Demand for broadband continues to increase dramatically with users requiring low latency connectivity

**Global data consumption over telecom networks is expected to nearly triple between 2022-2027**



Note: 2019-2022 are actual numbers.  
Source: PwC's Global Telecom Outlook 2023-2027, Omdia

**Internet, 5G and Cloud applications need low latency**



Cloud and 5G application performance degrades with higher latency



VPN and secure encrypted links can time out over high latency links



Interactive webpages and social media apps demand low latency

# Telesat Lightspeed is optimized for enterprise and government users and highly capital efficient

## Guiding design principles

Customer-driven design to meet the requirements of global enterprise customers



Disciplined approach to CAPEX focused on maximizing useable capacity per dollar of investment



## Compelling enterprise value proposition



### Low Latency

30 to 50 msec



### High Speed & High Capacity

Gbps links



### Cost Effective

Transformational economics



### Fully Global

Anywhere, Anytime



### Reliable, Resilient and Secure

Distributed, resilient and interference resistant

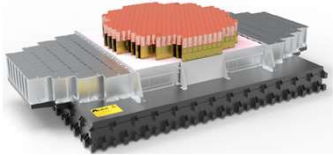


### Advanced Enterprise Features

MEF compliant for seamless network integration; customer ability to manage bandwidth pool

Telesat Lightspeed was designed to provide the most capable broadband solution to global enterprise customers in the most cost efficient way possible

# Telesat Lightspeed enterprise-class service is empowered by highly advanced, state-of-the-art digital technologies



**Highly flexible Digital Beamforming Antenna** each satellite generates +1,500 beams (~300,000 in total) to dynamically and efficiently deliver service to users



**Digital Processor** on-board each satellite supports high efficiency satellite links with full routing capability to deliver secure and dynamic global connectivity



**Optical Inter-Satellite Links** creating a space-based global mesh network for low latency interconnectivity, high resilience and security, and reduced investment in ground infrastructure





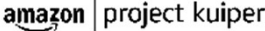

























**Global network of landing stations** that scales with commercial demand and seamlessly integrates with customer networks



**End to End Software Defined Network** offering the level of flexibility and configurability needed to meet the demands of enterprise customers



# Telesat Lightspeed will bring differentiated features and capabilities to its customers

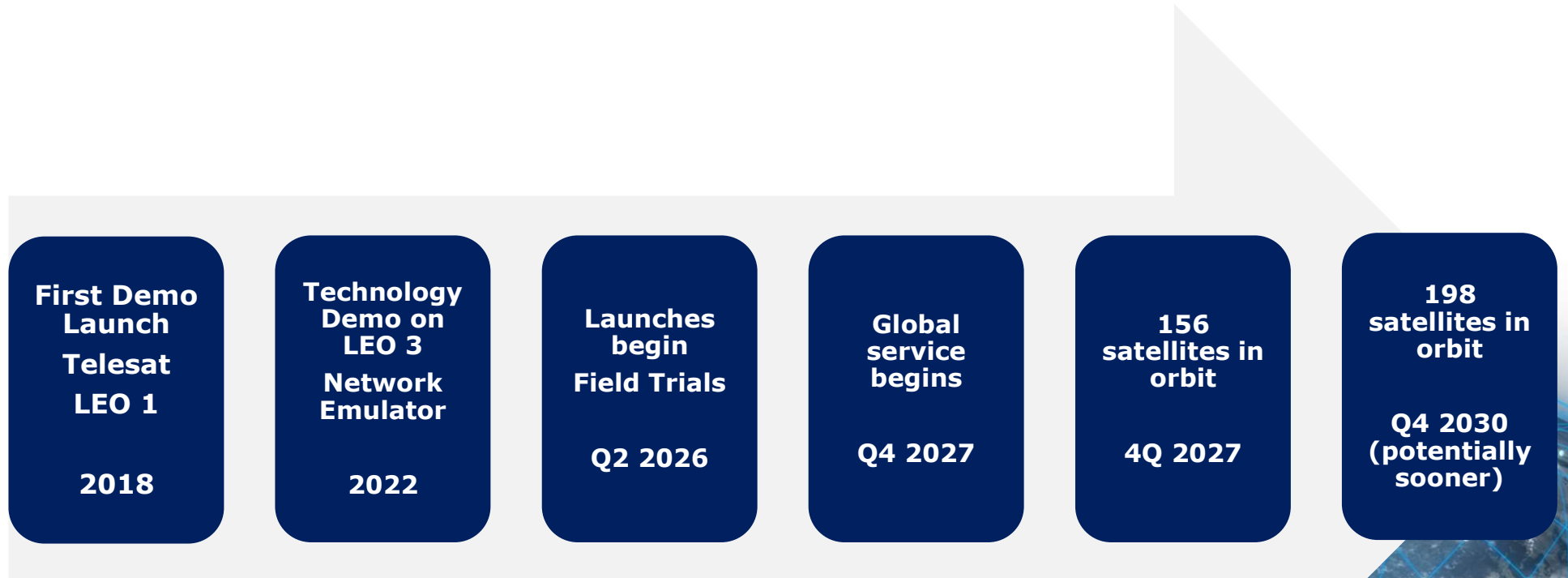
| Capabilities |   |    |    |    |    |
|--------------|---|--|---|---|---|
| Technical    | <b>Global LEO Coverage<sup>1</sup></b><br><i>Without dead zones and including Polar Regions</i>                           |    |    |    |    |
|              | <b>Ground Connect Options</b><br><i>Option of private/public network connect</i>  |    |    |    |    |
|              | <b>User-Terminal Flexibility</b><br><i>Ability to leverage third-party<sup>2</sup> &amp; high-throughput hardware/UTs</i> |    |    |    |    |
|              | <b>Layer 2 (Ethernet) &amp; Internet</b><br><i>Flexibility to connect to data centers or direct to internet</i>           |    |    |    |    |
| Customer     | <b>Enterprise-Class SLAs</b><br><i>Industry standard (MEF 3.0, APIs, etc.) service guarantees</i>                         |  |  |  |  |
|              | <b>Service Flexibility</b><br><i>Offers channel partners &amp; users flexibility for custom services &amp; packages</i>   |  |  |  |  |

<sup>1</sup> OneWeb Gen 1 includes dead zones

<sup>2</sup> Starlink Ku terminals are a wholly closed-ecosystem (cannot bring 3<sup>rd</sup> party terminals), and cannot support high-throughput data rates outside of community gateways

# Telesat Lightspeed Timeline

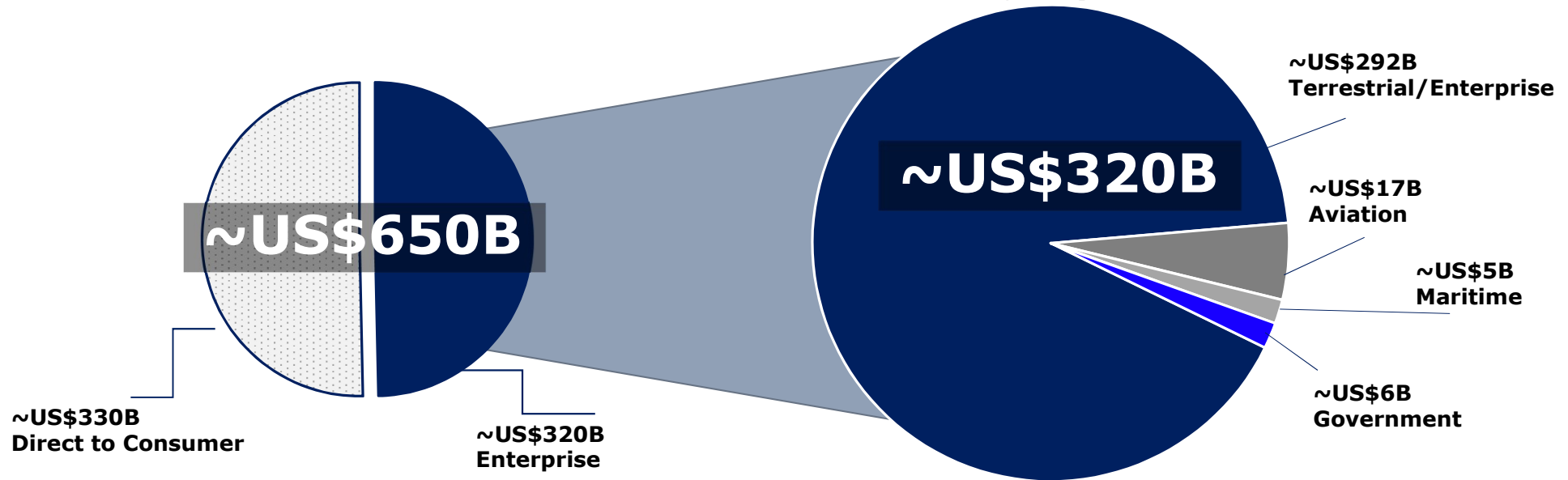
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# Telesat estimates Total Addressable Market (TAM) for LEO services in 2032 to be ~US\$650B

~US\$650B Total LEO TAM

~US\$320B Enterprise  
Telesat Lightspeed focus



Telesat Lightspeed will initially focus on the ~US\$320B Enterprise market covering terrestrial enterprise, aviation, maritime and government verticals

# Telesat Lightspeed delivers enterprise-class service to key market verticals that lack high-performing broadband

| Enterprise/<br>Terrestrial   | Maritime  | Aviation   | Government   |
|--|---|--|--|
|   |   |   |   |
| <ul style="list-style-type: none"> <li>▲ Providing high throughput backhaul for fixed and mobile (4G/5G) networks serving rural and remote communities, enterprises and public safety users</li> <li>▲ Backhaul to wireless towers where fiber does not exist</li> </ul> | <ul style="list-style-type: none"> <li>▲ Cruise &amp; Yacht: High quality broadband for passengers, crew</li> <li>▲ Concentrated capacity at ports</li> <li>▲ Energy and Merchant Ships: ship-to-shore operations; crew welfare</li> <li>▲ Global coverage</li> </ul> | <ul style="list-style-type: none"> <li>▲ Commercial aircraft and business jets: high quality broadband at every seat; flight operations</li> <li>▲ Concentrated capacity at large airport hubs</li> <li>▲ Global coverage</li> </ul> | <ul style="list-style-type: none"> <li>▲ Ships, aircraft (manned and unmanned), military vehicles, and bases</li> <li>▲ Low latency, global coverage and true end-to-end encryption</li> <li>▲ Distributed, redundant and self-healing mesh network able to bypass terrestrial networks</li> </ul> |

|                               |               |               |               |               |
|-------------------------------|---------------|---------------|---------------|---------------|
| <b>2032 TAM</b>               | <b>\$292B</b> | <b>\$5B</b>   | <b>\$17B</b>  | <b>\$6B</b>   |
| <b>2032 Telesat Rev. Est.</b> | <b>\$1.4B</b> | <b>\$0.5B</b> | <b>\$0.8B</b> | <b>\$0.5B</b> |
| <b>Telesat % Mkt. Share</b>   | <b>0.5%</b>   | <b>10.0%</b>  | <b>4.7%</b>   | <b>8.3%</b>   |

# Governments of Canada, Ontario and Quebec strongly support Telesat Lightspeed: ~US\$2.4 Billion in aggregate funding

Canada 

~US\$1.9B

+

~US\$0.5B

Québec 

Government financing commitments for Telesat Lightspeed

- Government of Canada: C\$2.14B
- Government of Quebec: C\$400M

Ontario 

Funding commitments from Governments of Canada and Ontario to bridge Digital Divide in, respectively, Canada and Ontario

*"As a global leader in the new space economy, Canada is proud to see two domestic champions [Telesat and MDA] join forces on this flagship Canadian program to create high-skilled jobs and support cutting-edge innovation in the telecom industry, helping unlock economic and social opportunities in Canada's rural and remote communities.*

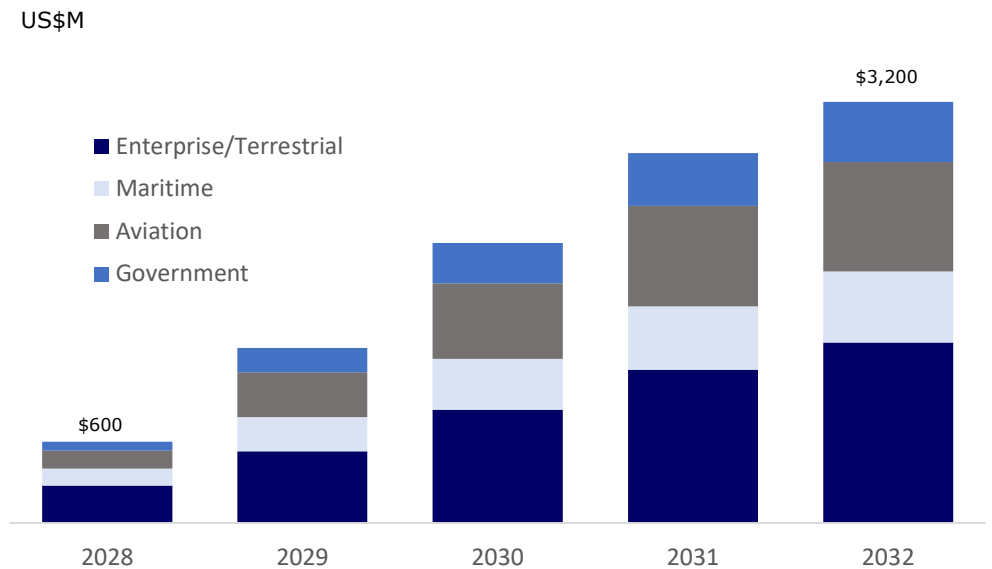
*Canada remains a strong supporter of Telesat Lightspeed and will continue to help solve some of the most pressing challenges we face here on Earth, from bridging the digital divide, to health, climate change, national security, and more"*

**- The Hon. François-Philippe Champagne, Min. of Innovation, Science and Industry of Canada**

**TELESAT**

# Telesat expects strong LEO revenue growth driven by fast-growing demand and compelling enterprise-grade service value proposition

Telesat expects to capture ~1% of 2032 US\$320 billion Enterprise TAM with EBITDA margin in line with its historic GEO performance

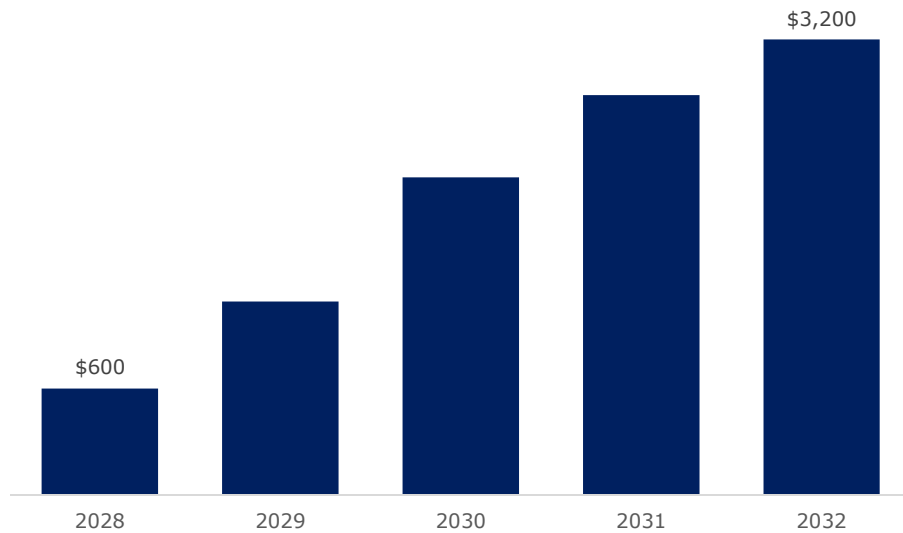


# Telesat Lightspeed outlook

## Revenue and EBITDA

### Telesat Lightspeed Revenue

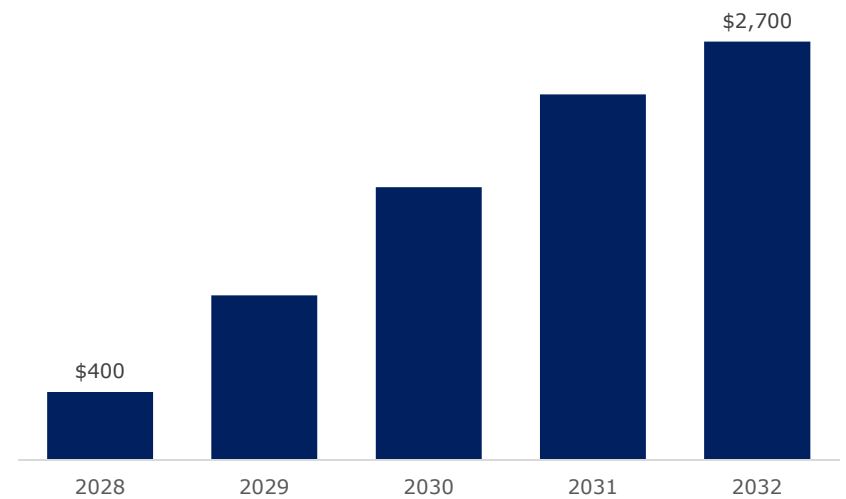
US\$M



### Telesat Lightspeed EBITDA

*Margin expected to be approximately in line with historical levels by 2029*

US\$M



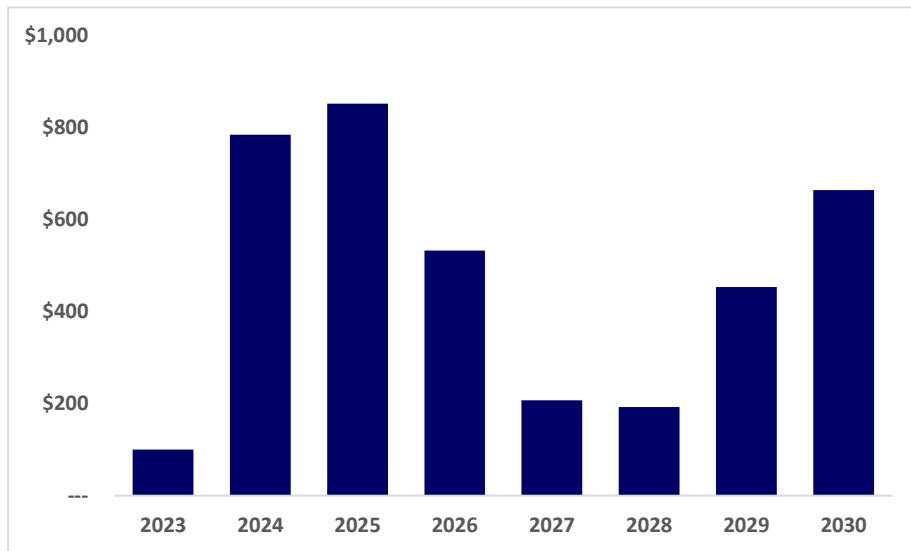
## Sources and Uses Telesat Lightspeed Program | 198 Satellites

| <u>Sources of Funding (US\$)</u>                                     |                | <u>Uses Constellation Investment (US\$)</u>             |                |
|--|----------------|---|----------------|
| Telesat Equity   | \$1.6B         | Launch and Development of Initial 156 Satellites        | \$2.8B         |
| Government Funding   | \$1.9B         | Operational expenditures                                | \$0.7B         |
| Vendor Financing   | \$0.3B         | Contingency   | \$0.3B         |
| <b>Funding for Global Lightspeed Coverage</b>                        | <b>~\$3.7B</b> | <b>Total Investment for 156 Satellite Constellation</b> | <b>~\$3.7B</b> |
| Lightspeed Cash Flows Once Operational Fund Additional 42 Satellites | \$0.9B         | Remaining 42 Satellites and Infrastructure              | \$0.9B         |
| <b>Total Sources of Funding for 198 Satellite Constellation</b>      | <b>~\$4.6B</b> | <b>Total 198 Satellite Constellation Investment</b>     | <b>~\$4.6B</b> |




# Telesat Lightspeed CAPEX<sup>1</sup>

**US\$M**    **Total Capex for 198 satellites US\$3.6B**



| <b>Total Capex Program (2023-2030) (US\$M)</b> |                              |                             |                              |
|--|------------------------------|-----------------------------|------------------------------|
|  | <b><u>156 Satellites</u></b> | <b><u>Add'l 42 Sats</u></b> | <b><u>198 Satellites</u></b> |
| Satellite Costs                                | \$1,608                      | \$458                       | \$2,066                      |
| Launch Costs (inc. Insurance)                  | \$713                        | \$221                       | \$934                        |
| Ground Network and Other                       | \$434                        | \$190                       | \$624                        |
| <b>Total Capex Costs</b>                       | <b>\$2,755</b>               | <b>\$869</b>                | <b>\$3,624</b>               |

<sup>1</sup> Note  
 156 satellites in service scheduled early 2028  
 42 satellites in service scheduled end of 2030  
 See slide 10

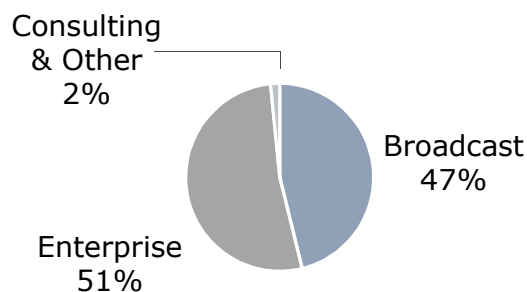
An aerial photograph of an airplane's wing and tail section, viewed from a high angle. The sky is filled with soft, golden light from a low sun, creating a warm, hazy atmosphere. The clouds are thin and wispy, catching the light. The overall color palette is dominated by oranges, yellows, and soft blues.

**Telesat – A History of Strong  
Operational and Financial  
Performance**

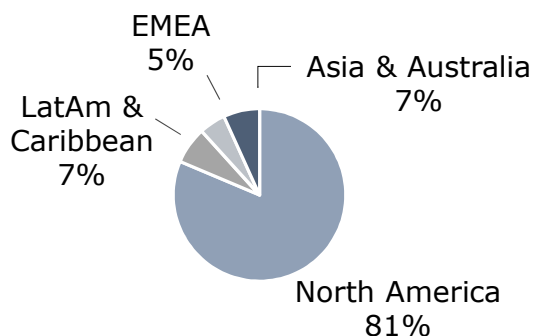
# Revenue supported by blue chip customers and diversified by application and region

**15 in orbit GEO satellites today**

## By Service Type



## By Region



## Enterprise 51%

- ▲ Satellite-delivered broadband and communications services for telcos, MNOs, ISPs, aviation, maritime, oil & gas, and government users
- ▲ Support networks for telecom operators, resellers and integrators



## Broadcast 47%

- ▲ Leading North American Direct-to-Home TV providers
- ▲ ~8M subscribers across Dish, Bell and Rogers/Shaw



## Consulting 2%

- ▲ Establishing, operating and upgrading 3rd party satellite systems worldwide (40+ countries)
- ▲ Assisted in over 100 satellite systems



## Financial Highlights

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**Significant contractual backlog provides high revenue visibility**

***C\$1.0B  
Revenue Backlog<sup>1</sup>***

**Capital efficient business model with high asset utilization**

***73% GEO fleet  
utilization<sup>1</sup>***

**Demonstrated disciplined execution enables High Adjusted EBITDA margin**

***~83% GEO Margin  
(2023)***

**Strategically investing for long-term growth**

***Telesat Lightspeed  
Program Fully Funded  
for Global Service***

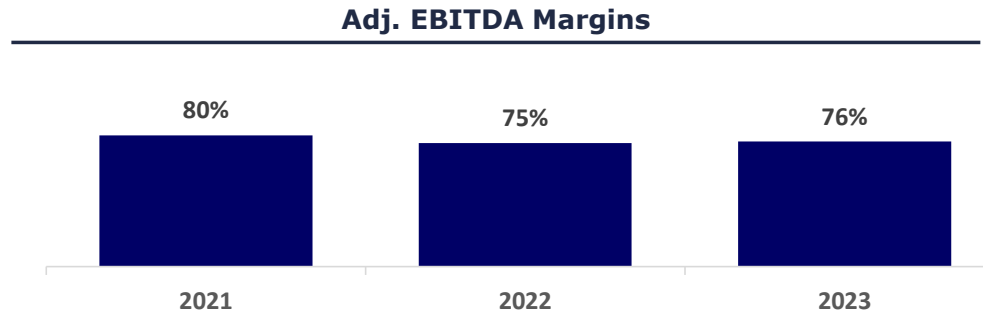
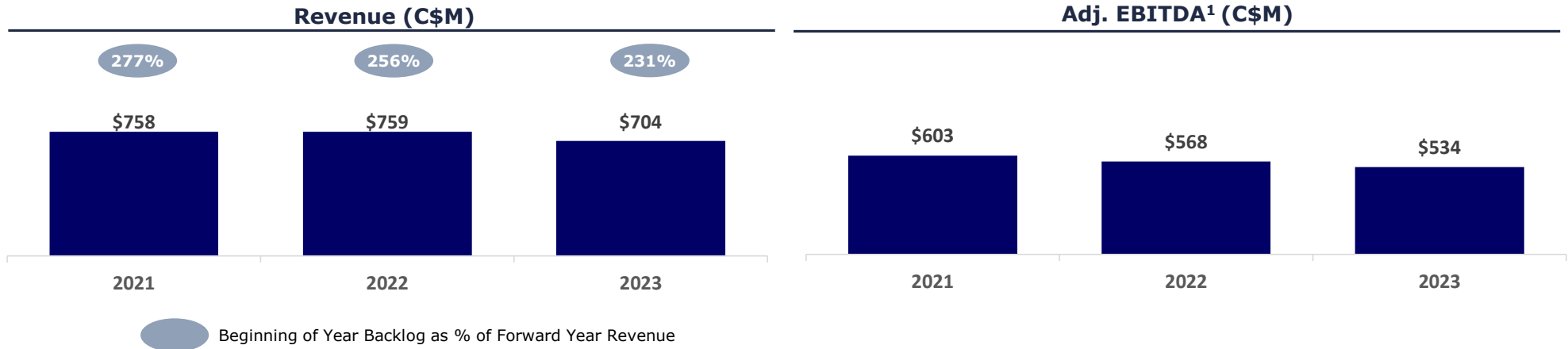
**Significant opportunity for growth at scale and value creation with Telesat Lightspeed**

***~US\$320B Enterprise  
TAM***

<sup>1</sup> As of 9/30/2024

<sup>2</sup> Adjusted EBITDA margin as of FY 2023 is a non-IFRS measure. Please refer to the Appendix for a reconciliation of Adjusted EBITDA and Adjusted EBITDA margin to Net Income.

# Consistent and stable historical financial performance – high operating margins and strong cash flow



<sup>1</sup> Adjusted EBITDA and Adjusted EBITDA margin are non-IFRS measures. Please refer to the Appendix for a reconciliation of Adjusted EBITDA and Adjusted EBITDA Margin to net income.

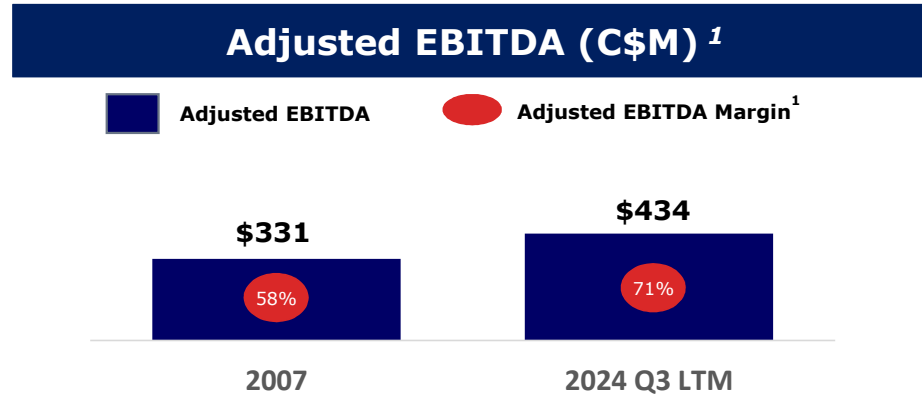
## Recent Performance – First Nine Months 2024 Update

- ▲ Generated total revenues of C\$443 million in the first nine months of 2024.
  - YTD decrease in revenues of C\$95 million (or 17.7%) compared to the same period last year. Adjusting for changes in foreign exchange rates, revenues declined 18.3% or C\$98 million compared to 2023.
  - The decrease was mainly due to a reduction of revenue from one of Telesat’s North American DTH customers and lower revenue from certain mobility and Latin American customers.
  
- ▲ Operating expenses of C\$149 million in the first nine months of 2024.
  - YTD decrease in operating expenses of C\$5 million from 9Mos23. Forex impact was minimal.
  - The decrease was primarily due to lower non-cash share-based compensation and higher capitalized engineering associated with Telesat Lightspeed, partially offset by higher bad debt expense, professional fees, and increased headcount at Lightspeed.
  
- ▲ Adjusted EBITDA of C\$310 million in the first nine months of 2024.
  - YTD decrease in EBITDA of C\$100 million (or 24.4%), or \$104 million (25.3%) after adjusting for changes in foreign exchange rates.
  - Adjusted EBITDA margin was 70.0%, compared to 76.2% in 9Mos23.
  
- ▲ As of September 30, 2024, contracted backlog for future services (excluding Telesat Lightspeed) stood at approximately C\$1.0 billion, with fleet utilization at 73%.

| <b>Financial Summary - Total</b> |                 |                 |
|----------------------------------|-----------------|-----------------|
| (C\$M)                           | <b>9 Mos 23</b> | <b>9 Mos 24</b> |
| <b>Revenue</b>                   | \$538.3         | \$443.0         |
| <b>Adj. EBITDA</b>               | \$410.4         | \$310.3         |
| <b>% Margin</b>                  | 76.2%           | 70.0%           |

| <b>Financial Summary - GEO Only</b> |                 |                 |
|-------------------------------------|-----------------|-----------------|
| (C\$M)                              | <b>9 Mos 23</b> | <b>9 Mos 24</b> |
| <b>Revenue</b>                      | \$530.6         | \$429.4         |
| <b>Adj. EBITDA</b>                  | \$445.5         | \$346.0         |
| <b>% Margin</b>                     | 84.0%           | 80.6%           |

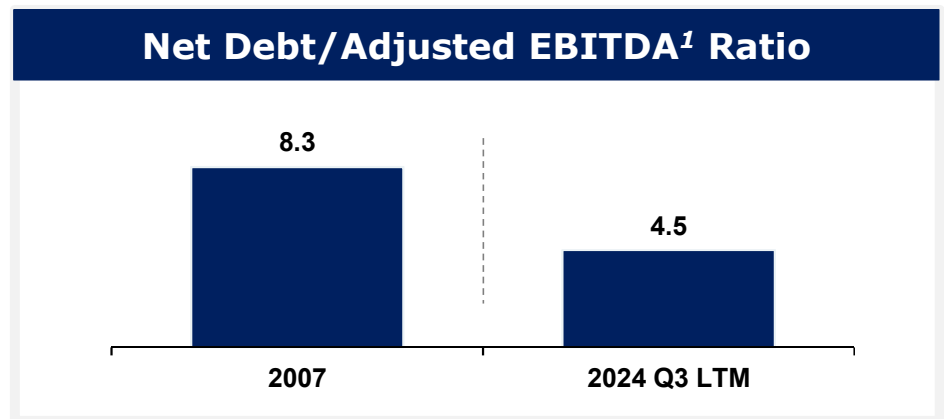
# Strong financial performance and value creation



### Cash Generation and Uses

**Between 2007 and Q3 2024, Telesat:**

- C\$3.5B invested in new satellites and other assets
- C\$1.2B returned to shareholders
- C\$0.9B outstanding notes and term loan repurchased
- C\$0.4B pre-paid in Term Loan
- **Notes and Term Loan reductions represent approx. 36% of overall debt**



LTM as of September 30, 2024

2007 to 2009 figures are based upon Canadian Generally Accepted Accounting Principles while 2010 onwards is IFRS

Net debt is defined as gross short and long-term indebtedness less cash and short-term investments; 2007 excludes Senior Preferred Shares and swap liability from debt

<sup>1</sup> Adjusted EBITDA and Adjusted EBITDA margin are non-IFRS measures. Refer to Appendix for reconciliation of Adjusted EBITDA and Adjusted EBITDA margin to Net Income



## Conclusion



# Telesat is strongly positioned to execute its growth plan and create significant shareholder value

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**55+ years of innovation, industry firsts, engineering excellence and world class customer service**



**Longstanding and trusted provider of mission-critical, enterprise-grade communications services to enterprise and government users**



**Telesat Lightspeed is optimized to meet fast-growing requirements of enterprise and governments users in the most cost efficient manner**




**Telesat Lightspeed is fully funded with ~US\$0.5B of contractual backlog**



**Telesat has the strong support of Canada's Federal and Provincial governments**



The background of the slide is a dark blue space filled with numerous white and light blue lines representing satellite orbits. These lines are curved and crisscross the frame, creating a complex network of paths. A semi-transparent grey rectangular box is centered in the middle of the image, containing the word 'Appendix' in a bold, black, sans-serif font.

# Appendix

## Revenue and Adjusted EBITDA Reconciliation: LTM September 2024

| <b>C\$000</b>  | <b><u>4Q23</u></b> | <b><u>9 Mos 24</u></b> | <b><u>3Q24 TTM</u></b> |
|--|--------------------|------------------------|------------------------|
| Net Income (loss)                                    | \$39,340           | \$144,764              | \$184,104              |
| Tax Expense (recovery)                               | (10,224)           | 40,192                 | 29,968                 |
| (Gain) loss on foreign exchange                      | (77,577)           | 67,215                 | (10,362)               |
| Interest and other income                            | (17,768)           | (57,033)               | (74,801)               |
| Interest expense                                     | 65,179             | 185,815                | 250,994                |
| Gain on repurchase of debt                           | (8,618)            | (193,690)              | (202,308)              |
| Depreciation   | 42,602             | 100,272                | 142,874                |
| Amortization   | 3,166              | 8,438                  | 11,604                 |
| Other operating (gains) losses, net                  | 79,900             | (2,254)                | 77,646                 |
| Non-recurring compensation expenses                  | 385                | 2,065                  | 2,450                  |
| Non-cash expense related to share-based compensation | <u>6,949</u>       | <u>14,504</u>          | <u>21,453</u>          |
| <b>Adjusted EBITDA</b>                               | <b>\$123,334</b>   | <b>\$310,288</b>       | <b>\$433,622</b>       |
| <b>Revenue</b>                                       | <b>\$165,901</b>   | <b>\$443,049</b>       | <b>\$608,950</b>       |
| <i>LTM Adjusted EBITDA Margin</i>                    | <i>74.3%</i>       | <i>70.0%</i>           | <i>71.2%</i>           |

## Adjusted EBITDA Reconciliation: 2021-2023

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|   | <u>FY2021</u>    | <u>FY2022</u>    | <u>FY 2023</u>   |
|---|------------------|------------------|------------------|
| <b>Revenue</b>  | <b>\$758,212</b> | <b>\$759,169</b> | <b>\$704,161</b> |
| Net Income (loss)   | \$155,025        | \$(80,117)       | \$583,270        |
| Tax Expense (recovery)  | 78,377           | 49,929           | 89,596           |
| (Gain) loss on changes in fair value of financial instruments | 18,684           | (4,314)          | ---              |
| (Gain) loss on foreign exchange                               | (27,539)         | 239,591          | (77,758)         |
| Interest and other income                                     | (3,418)          | (23,476)         | (66,532)         |
| Interest expense  | 187,994          | 221,756          | 270,350          |
| Gain on repurchase of debt                                    | 203,772          | 188,755          | (230,080)        |
| Depreciation  | 15,983           | 14,979           | 182,669          |
| Amortization  | (107,615)        | (7)              | 13,093           |
| Other operating (gains) losses, net                           | -                | (106,916)        | (264,999)        |
| Non-recurring compensation expenses                           | 5,423            | 305              | 1,078            |
| Non-cash expense related to share-based compensation          | <u>73,723</u>    | <u>67,428</u>    | <u>33,015</u>    |
| <b>Adjusted EBITDA</b>  | <b>\$600,409</b> | <b>\$567,913</b> | <b>\$533,702</b> |
| % Margin  | 79.2%            | 74.8%            | 75.8%            |

## Adjusted EBITDA Reconciliation: 2007

Combined year ended  
December 31, 2007

|  |           |                |
|--|-----------|----------------|
| Operating revenues                                   | \$        | 569,203        |
| Net (loss) earnings                                  | \$        | 77,691         |
| Income tax (recovery) expense                        |           | (5,093)        |
| Other expense  |           | 1,412          |
| Loss on foreign exchange                             |           | 118,969        |
| (Gain) loss on foreign exchange                      |           | (68,445)       |
| Interest expense                                     |           | 52,409         |
| Impairment loss on long-lived assets                 |           | 2,116          |
| Amortization   |           | 145,834        |
| Non-cash expense related to share-based compensation |           | 5,867          |
| <b>Adjusted EBITDA</b>                               | <b>\$</b> | <b>330,760</b> |
| Adjusted EBITDA margin                               |           | 58.1%          |

# Telesat's commitment to ESG

## Environmental

### 1. Responsible use of space

- 55+ years of experience
- Advanced features to mitigate space traffic and limit debris
- Minimized carbon footprint through low number of satellites and launches

### 2. Enabling net zero emissions

- High-speed, ubiquitous broadband key for clean tech and reducing energy and fuel consumption

### 3. Global environmental monitoring and climate change / emissions tracking

- Support real-time data transport requirements for mission-specific Earth observation satellites

### 4. Protecting sensitive and biodiverse environments

- Delivering high-quality Internet from space without disrupting local ecosystems

## Social

### 1. Committed to STEM community

- Major employer of co-op students
- Women in STEM Annual Scholarship

### 2. Committed to Indigenous communities

- Critical connectivity provider, closely engaged with Indigenous ISPs and community leaders
- Indigenous Youth Fellowship

### 3. Connecting scientific research outposts globally

### 4. ESG strategy aligned with several UN SDGs\*

- Universal access to broadband as a UN-defined human right
- Supporting other essential rights (education, healthcare, remote work) and reducing inequalities

## Governance

### 1. Equal votes across shareholders

### 2. Independent directors

### 3. Strong track record of compliance with public company standards prior to public listing

### 4. 55+ years of service and partnership with blue-chip customers globally

**Telesat's ESG priorities are central to the Telesat Lightspeed network and in line with global best practices and highest business standards**

# TELESAT™

**Investor contact:**

**James Ratcliffe**  
+1 613 748 8424

[IR@Telesat.com](mailto:IR@Telesat.com)



[www.Telesat.com](http://www.Telesat.com)



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